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PROCEEDINGS AND DEBATES OF THE 104th CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*Thursday, July 18, 1996*

The House met at 9 a.m. and was called to order by the Speaker pro tempore [Mr. KOLBE].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
July 18, 1996.

I hereby designate the Honorable JIM KOLBE to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Our hearts, our thoughts, our prayers go out to the families of those whose lives were lost in the airplane tragedy of last evening. And yet, our words of comfort seem to fall short when we realize the depth of anguish and pain that they must feel. So we pray, O loving and gracious God, that Your words of eternal life and hope, Your spirit of grace, and Your hand of strength will be with them in this moment of great need. May Your peace, O God, that passes all human understanding, be with the families and all who mourn, now and evermore. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Georgia [Mr. BARR] come forward and lead the House in the Pledge of Allegiance.

Mr. BARR of Georgia led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

S. Con. Res. 64. Concurrent resolution to recognize and honor the Filipino World War II veterans for their defense of democratic ideals and their important contribution to the outcome of World War II.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 497. An act to create the National Gambling Impact and Policy Commission.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain three 1-minutes from each side.

CRACK USERS ALLOWED TO WORK AT THE WHITE HOUSE

(Mr. FUNDERBURK asked and was given permission to address the House for 1 minute.)

Mr. FUNDERBURK. Mr. Speaker, yesterday, in testimony before the House Government Reform and Oversight Committee, two Secret Service agents, Arnold Cole and Jeffrey Undercoffer, testified that administration officials were allowed to work at the White House even though they were known to have been users of crack cocaine and other drugs.

Agent Cole testified that several White House employees were initially denied access to the White House because of their recent drug use, but were allowed to stay because they were placed in a special testing program.

It was also revealed late yesterday that Bill Clinton had personal knowledge of these events.

Certainly the White House cannot spin this as another bureaucratic snafu. How can the American people take Bill Clinton's war on drugs seriously when he thinks it is perfectly acceptable to hire employees who have smoked crack.

CALLING FOR INDEPENDENT COMMISSION ON ELECTION REFORM

(Mrs. MALONEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MALONEY. Mr. Speaker, reform week is here. The most important reform—campaign finance, will not get reformed. Everyone knows that money plays too much of a role in politics, everyone except the Republican Congress.

Under their extreme bill, a wealthy contributor can give three times what current law allows to Federal candidates. Three times the current limit to each national party committee. And, this bill allows over 10 times more money to State party committees. The Republican bill would allow $12.4 million in contributions from one family in a single election cycle. This isn't election reform, it's an auction.

I support the Democrat bill, the Farr bill, which voluntarily limits contributions and expenditures. The contrast between the two bills is staggering. But, as much as we need campaign finance reform, I predict that partisanship will live and campaign finance reform will die. We don't need a Democratic bill or a Republican one—we need a workable one. The only way to do that is to create an independent commission to agree on general principles and develop a plan for a vote. Over a year ago, the Speaker and the President shook hands on it. Mr. Speaker, let's turn the promise of your handshake into the reality of a law.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

CONGRATULATIONS TO SGT. EUGENE POPE ON HIS RETIREMENT AFTER OUTSTANDING CAREER IN LAW ENFORCEMENT

(Mr. BARR of Georgia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARR of Georgia. Mr. Speaker, I want to take this opportunity to congratulate Sgt. Eugene Pope, who retired this week, from the Rome, GA, police force after 40 years of outstanding service.

Officer Pope began his law enforcement career in a time when officers actually walked their beats. Since then, he has held virtually every job in the Rome Police Department.

Gene Pope has served his city through an outstanding career and performed his duties as a police officer with pride and dignity. He has been acclaimed by his fellow officers as a loyal friend and dedicated policeman, true to his principles and the safety and well-being of his community.

His retirement, on July 15, 1996, marked a career in law enforcement that exemplifies leadership, courage, and devotion to duty.

He takes with him the respect and admiration of his fellow officers and leaves an example to those who follow.

On behalf of the citizens of Rome and Floyd County, as well as the people of the Seventh District of Georgia, I join in congratulating Sgt. Gene Pope, wish him well, and thank him for a job well done.

REPUBLICANS PULL THE PLUG ON REFORM WEEK

(Mr. DOGGETT asked and was given permission to address the House for 1 minute.)

Mr. DOGGETT. Mr. Speaker, last year these Republicans promised revolution, a reformed Congress. Indeed America witnessed a year of zealotry that culminated in a billion and a half dollars of squandered taxpayer resources on costly Government shutdowns.

So this year the Republicans narrowed their focus from 1 year to 1 reform week. This week. And now that also has vanished because after weeks of Speaker GINGRICH trying to convince the American people that the solution to special interest influence in this Congress was more money and congressional campaigns instead of less special interest money, and when that approach was rejected by the citizen watchdog groups and even by a few Republicans, the Speaker pulled the plug on reform week.

It seems that yesterday's arrogant cries of revolution have been replaced by this year's whimpers of partisan failure.

TAXING EXORBITANT PAY OF MOVIE STARS, ATHLETES, AND CEO'S

(Mr. DUNCAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DUNCAN. Mr. Speaker, last week we passed a cost-of-government-day resolution noting that the average person now pays half of his or her income in taxes counting taxes of all types: Federal, State, and local. This is terrible and getting worse, Mr. Speaker. President Clinton's budget estimated in 1994 that young people born that year would pay average lifetime tax rates of an incredible 82 percent. So I am no fan of higher taxes, and we need to drastically simplify our Tax Code. Yet I have come here this morning, Mr. Speaker, because of reports that a basketball player has now signed a 7-year, $140 million contract.

This is sickening. No one could ever really deserve or earn this much money. Most people will not earn this much, even one-tenth this much, in their entire careers, $20 million for playing basketball for 1 year.

I oppose increasing our overall tax burden, Mr. Speaker, but we need to greatly lower our taxes on middle and lower income people and make it up by greatly increasing our taxes on these movie stars, on the athletes and CEO's who are earning such exorbitant and undeserved rates of pay.

EXPRESSION OF PROFOUND SORROW TO FAMILIES AND FRIENDS OF THOSE ABOARD TWA FLIGHT 800

(Mr. GEPHARDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEPHARDT. Mr. Speaker, I rise this morning to express my personal sadness at the loss of 229 passengers and crewmembers, as a 747 airplane bound for Paris crashed into the Atlantic Ocean last night.

It is hard to even find words for the pain and confusion and grief that I feel and that all of us feel. I am especially concerned that some crewmembers and passengers might be from my own town of St. Louis. But we do know from news reports that wherever they came from, the victims include schoolchildren, and parents with children left behind.

This is a time for all Americans to come together, and grieve together, to realize that while there may be no way to make sense of this kind of tragedy, no way to find meaning in its loss, it is a reminder of how precious our lives and our community really are.

On behalf of the Congress, I can only say that we are committed to finding the facts that lay behind this profound tragedy. In the meantime, my heart goes out to the families and friends of those aboard flight 800, and those still waiting to learn if a friend or a loved one may have been on board. Their loss is our loss, and we stand with them in this terrible and difficult time.

PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. GOSS. Mr. Speaker, I, and I am sure all Members, would like to associate themselves with the very fine remarks made by the minority leader, the gentleman from Missouri [Mr. GEPHARDT].

Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole House under the 5-minute rule: The Committee on Banking and Financial Services, the Committee on Commerce, the Committee on Economic and Educational Opportunities, the Committee on Government Reform and Oversight, the Committee on the Judiciary, the Committee on Resources, the Committee on Science, the Committee on Small Business, the Committee on Transportation and Infrastructure, and the Permanent Select Committee on Intelligence.

It is my understanding, Mr. Speaker, that the minority has been consulted and there is no objection to these requests.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

PROVIDING FOR FURTHER CONSIDERATION OF H.R. 3734, WELFARE AND MEDICAID REFORM ACT OF 1996

Mr. GOSS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 482 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 482

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for further consideration of the bill (H.R. 3734) to provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997. All time for general debate under the terms of the order of the House of July 17, 1996, shall be considered as expired. Further general debate shall be confined to the bill and amendments specified in this resolution and shall not exceed two hours equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget. After general debate the bill shall be considered for amendment under the five-minute rule. An amendment in the nature of a substitute consisting of the text of H.R. 3829, modified by the amendment printed in part 1 of the report of the Committee on Rules accompanying this resolution, shall be considered as adopted in the House and in the Committee of the Whole. The bill, as amended, shall be considered as the original bill for the purpose of further amendment and shall be considered as read. No other amendment shall be in order except (1) the further amendment printed in part 2 of the report of the Committee on Rules, which may be offered only by the chairman of the Committee on the Budget or his designee, shall be considered as read, shall be debatable for the time specified in the report equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole; and (2) a further amendment in the nature of a substitute consisting of the text of H.R. 3832, which may be offered only by the minority leader or his designee, shall be considered as read, shall be debatable for one hour equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment. All points of order against the further amendments are waived. At the conclusion of consideration of the bill, as amended, for amendment the Committee shall rise and report the bill, as amended, to the House with such further amendments as may have been adopted. The previous question shall be considered as ordered on the bill, as amended, and any further amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Florida [Mr. GOSS] is recognized for 1 hour.

Mr. GOSS. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the distinguished gentleman from Texas [Mr. FROST], pending which I yield myself such time as I may consume. During consideration of this resolution all time yielded is for the purpose of debate only.

Mr. Speaker, this is a modified closed rule providing for the consideration of H.R. 3474, the Personal Responsibility Act of 1996, a major reform measure. As Members know, this has twice attempted to reform welfare only to be stopped dead by a Presidential veto. It is my hope that three times will prove to be the charm and we can actually succeed in ending welfare as we know it.

This rule waives all points of order against consideration of the bill and provides 2 hours of additional general debate equally divided and controlled by the chairman and ranking minority member of the Committee on the Budget.

As Members know, a unanimous consent agreement was reached to allow Members to proceed last night with 2 hours of general debate so today's time will bring to 4 hours the general debate time.

□ 0915

This legislation is brought to the House under the procedures of reconciliation as provided by the budget resolution we adopted earlier this year. For that reason, the time is controlled by the Committee on the Budget, although I know members of the Committee on Ways and Means and agriculture committees will have time to comment on the bill's provisions.

The rule provides for the adoption in the House and the Committee of the Whole an amendment in the nature of a substitute consisting of the text of H.R. 3829, as modified by the amendment printed in part 1 of our committee on Rules report. This amendment makes this complex bill better and broadens its support.

It includes a review of State work requirements, limits on transfers into title XX programs, an assurance that States may spend their own money even after the 5-year Federal limit is reached, a compromise on the so-called maintenance of effort requirement that States have, and Medicaid contingent for cases where work requirements are not satisfied. These provisions are highly technical but also extremely important to the ability of our States to make the best use of these reforms.

In addition, the amendment incorporated by this rule addresses the issue of child support and the allocation of fees, ensuring that a percentage of such funds are dedicated to local child support offices.

The rule further provides that the text of H.R. 3829, as modified by the amendment I have just described, shall be considered as original text for the purpose of amendment. In that regard, the rule provides for consideration of an amendment printed in part 2 of the Committee on Rules report, if offered by the chairman of the Committee on the Budget or his designee, which shall be debatable for 20 minutes, equally divided and controlled by a proponent and an opponent. This amendment shall not be subject to amendment and all points of order against it are waived. It provides for a more stringent work requirement for able-bodied adult food stamp recipients who have no dependents.

In addition, the rule provides for consideration of a second amendment printed in part 2 of the Committee on Rules report if offered by the minority leader or his designee. All points of order against this amendment, which consists of the text of H.R. 3832, are also waived.

This amendment shall be debatable for 1 hour, with the time equally divided and controlled by a proponent and an opponent. This amendment shall not be subject to amendment. It is my understanding that this amendment reflects the bipartisan proposal put forth by the gentleman from Delaware [Mr. CASTLE] and the gentleman from Tennessee [Mr. TANNER]. Some Members know of this as the Castle-Tanner amendment.

Finally, the rule provides for a motion to recommit, with or without instructions.

Mr. Speaker, it is a somewhat complicated rule, as I have just described, but it is fair, it is comprehensive, and it does the job very well. This is an extremely complicated subject. Welfare reform has been one of the most vexing issues in modern times. Our majority has made it a priority to address the root causes of the failure of the current welfare system.

I think everyone now agrees that the welfare system is, indeed, failing us as Americans. Thirty years and more than $5 trillion after it began, welfare programs we know today have very little to show for all of the good intentions they had; they have very little to show, tragically, except a self-perpetuating cycle of dependency. We have more children and families than ever before trapped today by the very same programs that were designed to set them free from poverty.

It is a devastating fact that more than three-quarters of those folks currently on welfare will stay on for more than 5 years. In fact, the average family on welfare stays on for 13 years.

Mr. Speaker, the bill we consider today and hopefully send to the President, and receive his signature this time, is a bold break with the failed policies of welfare as we know it. This bill says that we are committed to moving people off welfare into productive jobs. This bill says we trust our State and our local officials to make crucial decisions about solving their own welfare problems.

This bill says that if you are able to work, we will help you get training and show you the way. But we expect you to go to work in exchange for cash benefits. This bill says if you are on welfare and you have more children, your benefits will not increase unless your State votes to allow it.

This bill says States can enforce some tough love policies when it comes to requiring unmarried teenagers who have children to live with an adult and stay in school. This bill cracks down on deadbeat parents and boosts child support enforcement.

Mr. Speaker, let me emphasize what this bill does not do. This bill does not take away the safety net for children. In fact, this bill has increased levels of funding for child care programs so parents can make the transition from welfare to work. This is not a small matter. It is in excess of $4.5 billion, so I am told.

This bill also ensures that families will continue to receive food stamps, nutrition assistance, and health care. Even if they lose their cash benefits they will still be able to get these emergency needs met.

This bill also grants States the flexibility to exempt up to 20 percent of their caseload from the 5-year limit, to deal with those who cannot make the transition from welfare to work. And there will be some, and they are provided for.

The bottom line is that we have tried the one-size-fits-all, Washington-knows-best approach to welfare, and it has failed. It has failed tragically. It has failed miserably. It has failed pathetically. Our States and localities are asking for opportunity to do better.

Under this bill, welfare reform programs such as Wisconsin Works and Florida's WAGES initiative will no longer be derailed by the Federal bureaucracy. Under this bill States will utilize on-target, creative solutions within a flexible and responsible Federal framework.

Mr. Speaker, this legislation is also a budget saver. It does provide for an increase of $137 billion of the taxpayers' dollars over the next 6 years as compared with what we spent on welfare in the last 6 years, but it meets our budget targets.

We are demonstrating that we can invest in our people, provide new opportunities to better deliver necessary services, and to still meet our budget targets. That is what we mean by ending welfare as we know it. We are offering something better, much better. It is true reform.

Mr. Speaker, I include for the RECORD a document entitled "The Amendment Process Under Special Rules."

The material referred to is as follows:

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of July 17, 1996]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-Open[2]	46	44	79	59
Structured/Modified Closed[3]	49	47	37	28
Closed[4]	9	9	17	13
Total	104	100	133	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A structured or modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of July 17, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		H.J. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–199; A: 227–197 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95).
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95).
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95).
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95).
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95).
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps	A: 242–190 (3/15/95).
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95).
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95).
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95).
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95).
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95).
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95).
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95).
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95).
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95).
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95).
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95).
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95).
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95).
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95).
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95).
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95).
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95).
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95).
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95).
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95).
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95).
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps	PQ: 236–194 A: 234–192 (6/29/95).
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95).
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95).
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95).
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95).
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95).
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95).
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95).
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95).
H. Res. 201 (7/25/95)	O	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95).
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95).
H. Res. 205 (7/28/95)	O	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95).
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95).
H. Res. 208 (8/1/95)	O	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95).
H. Res. 215 (9/7/95)	O	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95).
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	A: voice vote (9/12/95).
H. Res. 218 (9/12/95)	O	H.R. 1162	Deficit Reduction Lockbox	A: voice vote (9/13/95).
H. Res. 219 (9/12/95)	O	H.R. 1670	Federal Acquisition Reform Act	A: 414–0 (9/13/95).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of July 17, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 222 (9/18/95)	O	H.R. 1617	CAREERS Act	A: 388–2 (9/19/95).
H. Res. 224 (9/19/95)	O	H.R. 2274	Natl. Highway System	PQ: 241–173 A: 375–39–1 (9/20/95).
H. Res. 225 (9/19/95)	MC	H.R. 927	Cuban Liberty & Dem. Solidarity	A: 304–118 (9/20/95).
H. Res. 226 (9/21/95)	O	H.R. 743	Team Act	A: 344–66–1 (9/27/95).
H. Res. 227 (9/21/95)	O	H.R. 1170	3-Judge Court	A: voice vote (9/28/95).
H. Res. 228 (9/21/95)	O	H.R. 1601	Internatl. Space Station	A: voice vote (9/27/95).
H. Res. 230 (9/27/95)	C	H.J. Res. 108	Continuing Resolution FY 1996	A: voice vote (9/28/95).
H. Res. 234 (9/29/95)	O	H.R. 2405	Omnibus Science Auth	A: voice vote (10/11/95).
H. Res. 237 (10/17/95)	MC	H.R. 2259	Disapprove Sentencing Guidelines	A: voice vote (10/18/95).
H. Res. 238 (10/18/95)	MC	H.R. 2425	Medicare Preservation Act	PQ: 231–194 A: 227–192 (10/19/95).
H. Res. 239 (10/19/95)	C	H.R. 2492	Leg. Branch Approps	PQ: 235–184 A: voice vote (10/31/95).
H. Res. 245 (10/25/95)	MC	H. Con. Res. 109	Social Security Earnings Reform	PQ: 228–191 A: 235–185 (10/26/95).
		H.R. 2491	Seven-Year Balanced Budget	
H. Res. 251 (10/31/95)	C	H.R. 1833	Partial Birth Abortion Ban	A: 237–190 (11/1/95).
H. Res. 252 (10/31/95)	MO	H.R. 2546	D.C. Approps.	A: 241–181 (11/1/95).
H. Res. 257 (11/7/95)	C	H.J. Res. 115	Cont. Res. FY 1996	A: 216–210 (11/8/95).
H. Res. 258 (11/8/95)	MC	H.R. 2586	Debt Limit	A: 220–200 (11/10/95).
H. Res. 259 (11/9/95)	O	H.R. 2539	ICC Termination Act	A: voice vote (11/14/95).
H. Res. 262 (11/9/95)	C	H.R. 2586	Increase Debt Limit	A: 220–185 (11/10/95).
H. Res. 269 (11/15/95)	O	H.R. 2564	Lobbying Reform	A: voice vote (11/16/95).
H. Res. 270 (11/15/95)	C	H.J. Res. 122	Further Cont. Resolution	A: 249–176 (11/15/95).
H. Res. 273 (11/16/95)	MC	H.R. 2606	Prohibition on Funds for Bosnia	A: 239–181 (11/17/95).
H. Res. 284 (11/29/95)	O	H.R. 1788	Amtrak Reform	A: voice vote (11/30/95).
H. Res. 287 (11/30/95)	O	H.R. 1350	Maritime Security Act	A: voice vote (12/6/95).
H. Res. 293 (12/7/95)	C	H.R. 2621	Protect Federal Trust Funds	PQ: 223–183 A: 228–184 (12/14/95).
H. Res. 303 (12/13/95)	O	H.R. 1745	Utah Public Lands	PQ: 221–197 A: voice vote (5/15/96).
H. Res. 309 (12/18/95)	C	H. Con. Res. 122	Budget Res. W/President	PQ: 230–188 A: 229–189 (12/19/95).
H. Res. 313 (12/19/95)	O	H.R. 558	Texas Low-Level Radioactive	A: voice vote (12/20/95).
H. Res. 323 (12/21/95)	C	H.R. 2677	Natl. Parks & Wildlife Refuge	Tabled (2/28/96).
H. Res. 366 (2/27/96)	MC	H.R. 2854	Farm Bill	PQ: 228–182 A: 244–168 (2/28/96).
H. Res. 368 (2/28/96)	O	H.R. 994	Small Business Growth	Tabled (4/17/96).
H. Res. 371 (3/6/96)	C	H.R. 3021	Debt Limit Increase	A: voice vote (3/7/96).
H. Res. 372 (3/6/96)	MC	H.R. 3019	Cont. Approps. FY 1996	PQ: voice vote A: 235–175 (3/7/96).
H. Res. 380 (3/12/96)	C	H.R. 2703	Effective Death Penalty	A: 251–157 (3/13/96).
H. Res. 384 (3/14/96)	MC	H.R. 2202	Immigration	PQ: 233–152 A: voice vote (3/19/96).
H. Res. 386 (3/20/96)	C	H.J. Res. 165	Further Cont. Approps	PQ: 234–187 A: 237–183 (3/21/96).
H. Res. 388 (3/21/96)	C	H.R. 125	Gun Crime Enforcement	A: 244–166 (3/22/96).
H. Res. 391 (3/27/96)	C	H.R. 3136	Contract w/America Advancement	PQ: 232–180 A: 232–177, (3/28/96).
H. Res. 392 (3/27/96)	MC	H.R. 3103	Health Coverage Affordability	PQ: 229–186 A: Voice Vote (3/29/96).
H. Res. 395 (3/29/96)	MC	H.J. Res. 159	Tax Limitation Const. Amdmt.	PQ: 232–168 A: 234–162 (4/15/96).
H. Res. 396 (3/29/96)	O	H.R. 842	Truth in Budgeting Act	A: voice vote (4/17/96).
H. Res. 409 (4/23/96)	O	H.R. 2715	Paperwork Elimination Act	A: voice vote (4/24/96).
H. Res. 410 (4/23/96)	O	H.R. 1675	Natl. Wildlife Refuge	A: voice vote (4/24/96).
H. Res. 411 (4/23/96)	C	H.J. Res. 175	Further Cont. Approps. FY 1996	A: voice vote (4/24/96).
H. Res. 418 (4/30/96)	O	H.R. 2641	U.S. Marshals Service	PQ: 219–203 A: voice vote (5/1/96).
H. Res. 419 (4/30/96)	O	H.R. 2149	Ocean Shipping Reform	A: 422–0 (5/1/96).
H. Res. 421 (5/2/96)	O	H.R. 2974	Crimes Against Children & Elderly	A: voice vote (5/7/96).
H. Res. 422 (5/2/96)	O	H.R. 3120	Witness & Jury Tampering	A: voice vote (5/7/96).
H. Res. 426 (5/7/96)	O	H.R. 2406	U.S. Housing Act of 1996	PQ: 218–208 A: voice vote (5/8/96).
H. Res. 427 (5/7/96)	O	H.R. 3322	Omnibus Civilian Science Auth	A: voice vote (5/9/96).
H. Res. 428 (5/7/96)	MC	H.R. 3286	Adoption Promotion & Stability	A: voice vote (5/9/96).
H. Res. 430 (5/9/96)	S	H.R. 3230	DoD Auth. FY 1997	A: 235–149 (5/10/96).
H. Res. 435 (5/15/96)	MC	H. Con. Res. 178	Con. Res. on the Budget, 1997	PQ: 227–196 A: voice vote (5/16/96).
H. Res. 436 (5/16/96)	C	H.R. 3415	Repeal 4.3 cent fuel tax	PQ: 221–181 A: voice vote (5/21/96).
H. Res. 437 (5/16/96)	MO	H.R. 3259	Intell. Auth. FY 1997	A: voice vote (5/21/96).
H. Res. 438 (5/16/96)	MC	H.R. 3144	Defend America Act	
H. Res. 440 (5/21/96)	MC	H.R. 3448	Small Bus. Job Protection	A: 219–211 (5/22/96).
	MC	H.R. 1227	Employee Commuting Flexibility	
H. Res. 442 (5/29/96)	O	H.R. 3517	Mil. Const. Approps. FY 1997	A: voice vote (5/30/96).
H. Res. 445 (5/30/96)	O	H.R. 3540	For. Ops. Approps. FY 1997	A: voice vote (6/5/96).
H. Res. 446 (6/5/96)	MC	H.R. 3562	WI Works Waiver Approval	A: 363–59 (6/6/96).
H. Res. 448 (6/6/96)	MC	H.R. 2754	Shipbuilding Trade Agreement	A: voice vote (6/12/96).
H. Res. 451 (6/10/96)	O	H.R. 3603	Agriculture Appropriations, FY 1997	A: voice vote (6/11/96).
H. Res. 453 (6/12/96)	O	H.R. 3610	Defense Appropriations, FY 1997	A: voice vote (6/13/96).
H. Res. 455 (6/18/96)	O	H.R. 3662	Interior Approps, FY 1997	A: voice vote (6/19/96).
H. Res. 456 (6/19/96)	O	H.R. 3666	VA/HUD Approps	A: 246–166 (6/25/96).
H. Res. 460 (6/25/96)	O	H.R. 3675	Transportation Approps	A: voice vote (6/26/96).
H. Res. 472 (7/9/96)	O	H.R. 3755	Labor/HHS Approps	PQ: 218–202 A: voice vote (7/10/96).
H. Res. 473 (7/9/96)	MC	H.R. 3754	Leg. Branch Approps	A: voice vote (7/10/96).
H. Res. 474 (7/10/96)	MC	H.R. 3396	Defense of Marriage Act	A: 290–133 (7/11/96).
H. Res. 475 (7/11/96)	O	H.R. 3756	Treasury/Postal Approps	A: voice vote (7/16/96).
H. Res. 479 (7/16/96)	O	H.R. 3814	Commerce, State Approps	A: voice vote (7/17/96).
H. Res. 481 (7/17/96)	MC	H.R. 3820	Campaign Finance Reform	
H. Res. 482 (7/17/96)	MC	H.R. 3734	Personal Responsibility Act	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; S/C-structured/closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

Mr. GOSS. Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, welfare reform is a very serious issue.

There is probably not a person in this country who thinks we should leave our welfare system as it is.

But there are also about a million suggestions out there as to how to fix it.

Unfortunately, my Republican colleagues have taken the wrong suggestions.

This Gingrich welfare bill, Mr. Speaker, is tough on children, weak on work, and soft on deadbeat parents.

Luckily, this rule will allow the House to vote on another, much better, bipartisan welfare bill.

Mr. Speaker, the American people have said time and time again that they want us to work together. They have said that they want us to put politics aside and work for the benefits to the entire country.

They have also said that they want to see fewer people on welfare and more people out there working for a living.

And today, Mr. Speaker, we have a chance to give the American people what they asked for.

We have a bill crafted by Republicans and Democrats alike. We have a bill President Clinton believes he can sign. And we have a bill that takes some serious steps toward helping parents find and keep work without punishing their children for their parents' poverty.

And today we will have a chance to vote for either that bill or the Gingrich bill.

It's question of priorities.

And, on the subject of priorities, Mr. Speaker, I want to take this opportunity to remind my colleagues of something I think is very very important—when we talk about welfare, when we talk about food stamps—we are talking about children, about 15 million American children who live in poverty in this country today. And Mr. Chairman, as far as I'm concerned this Congress has no greater responsibility than to those children.

About two out of every three people on welfare is a child, Mr. Speaker. A fact that I think is too often overlooked.

So when we talk about welfare, let's remember that its full name is Aid to Families With Dependent Children—and those children are depending on us to take care of them, regardless of who their parents are or whether they have a job. For that reason, this Republican welfare proposal is woefully inadequate.

The Republican welfare bill will cut food stamps for families of three earning $6,250 a year. Most families with children will lose $470 a year in food stamp benefits.

The Republican welfare bill will push over 1 million children into poverty.

It will decrease the likelihood that poor children get the medical attention they need by failing to guarantee Medicaid eligibility.

The Republican welfare bill actually weakens current law and increases Federal costs in updating child support orders.

And the Republican bill has an extremely weak work program which will not help parents get jobs to support their families but will more likely leave poor children, and their parents, out in the street.

Mr. Speaker, I urge my colleagues, when you think about welfare reform, remember: The majority of people on welfare are poor children who need every single bit of help this Congress and this country can give them.

Mr. Speaker, I reserve the balance of my time.

Mr. GOSS. Mr. Speaker, I am pleased to note that apparently we have received the approbation of the minority with the rule. We may not agree on all of the exact bits and tenets of the different versions of the welfare bill, but we apparently have a good rule on the floor. I am pleased that everybody agrees with that.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON], chairman of the Committee on Rules.

Mr. SOLOMON. I thank the gentleman from Sanibel, FL, for yielding me the time. I will not take that much time, because this is a good rule.

Mr. Speaker, I rise in very strong support of the rule and the very vital underlying legislation it brings to the floor. I concur with the gentleman from Florida, with everything he has said about the failed welfare system in this country. The status quo, Mr. Speaker, must go. This bill guarantees that it will go.

Mr. Speaker, the welfare reform issue at the national level I think is very difficult for the American people to track, as President Clinton's position seems to twist and contort with each new development that the States bring forward, the States who know how to deal with it. As many Members are aware, it is the States, our laboratories of democracy, that have pioneered welfare reform, which attempts to grapple with the problem of poverty at the local community level, and that is where we need to deal with it, not inside this beltway here.

The Clinton administration, through bureaucratic inertia, has blocked these bold efforts at the State and local levels. They have blocked it time and time again right in my own State of New York by not giving us the States' rights ability to deal with these problems.

The recent experience of the State of Wisconsin, attempting to receive Federal waivers through the Federal bureaucracy, just like my State of New York has tried to do, and the overwhelming endorsement of this program on this floor by a vote of 289 to 136, that is overwhelming, is a compelling argument that the waiver process should be junked. The fact that imaginative and creative local officials must traipse to Washington and get down on their hands and knees and beg for approval to implement reforms that their constituents want, Mr. Speaker, is an absolute disgrace.

This bill provides local flexibility to deal with these important problems. My constituents in upstate New York want to help lower income families and single moms with kids, but they want to do it in their own communities with their own solutions, not with Washington solutions, which have failed so miserably by creating second- and third- and now fourth-generation welfare recipients.

Most importantly, this Personal Responsibility Act of 1996, the welfare bill before us, requires work for able-bodied people. It imposes time limits on benefits that recipients may receive.

Twice this week, at around midnight, I have an apartment over across the river in Virginia, and when I left here at 11 or 12 o'clock at night I went into a chain grocery store called the Giant grocery store. And as I was shopping there, getting some food to go home and eat at midnight, which you should not do, Mr. Speaker, I watched the people going through those checkout lines. They were very, very young people, I think 19, 20, 21 years old, I do not think they were parents. One fellow was drunk as a skunk and he had a whole handful of food stamps, and he could not even count them. The things they were buying were not nutritious food.

Those are the things that we deal with in this bill. In other words, we cannot let people like that continue to be second-, third-, and fourth-generation welfare recipients. We want to help them. We want to establish a work program and let them get off this welfare and become meaningful citizens.

Mr. Speaker, it is about time for the President to become a player in this debate, especially in light of his ambitious promise on this subject in his 1992 campaign. If one were to listen to his recent speeches on this subject, one might think that he is an individual who truly supports welfare reform. A casual observer may forget that it was President Clinton, as the gentleman from Florida has said, who has now twice vetoed compassionate welfare reform in this body.

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Mr. Speaker, I could go on, but I think we all understand the issue. We need to get this bill on the floor, we need to pass it, and we need to get it to the President's desk so that he can sign it.

I urge strong support of the bill and I urge the President to make the compassionate public policy choice and to sign this bill.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume.

We all hear stories about abuse of welfare, but all I want is for everybody in this Chamber to realize that 2 out of every 3 people on welfare are children. I think that is a fact that we overlook too often. We hear all the stories about food stamps and the people buying all kinds of things. I remember President Reagan brought some abuse of welfare to light and when it was investigated it could never have happened and it did not happen. Let us not look at some of the false stereotypes we fall into and just remember the full name of welfare is Aid to Families with Dependent Children. They are dependent upon us. I think we should remember that.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Mr. Speaker, I thank the ranking member for yielding me this time.

Mr. Speaker, I rise in strong opposition to this rule to H.R. 3437, a rule that is designed to protect this fatally flawed bill.

There are two main problems with this legislation as I see it. First of all, we need to separate politics and bipartisanship from the lives of children in this country. Until we do that, we will see this kind of report coming before the Congress. We were elected to represent the people and not any particular political party. Let us put the children in the middle of this and let our influence start out from there.

One is the harsh treatment of legal U.S. residents in this bill. Children are in that minority of legal immigrants you are talking about. You want to ban food stamps from these people and these children, you want to ban SSI from them, and you want to keep them from becoming what they could, and, that is, true American citizens as you have become. The bill even bans nonemergency medical care under Medicaid for new legal immigrants.

Mr. Speaker, I want to tell Members a little bit about these people that the Republican majority wants to cut out in this rule. They have played by the rules. They meet every requirement of the law. They live and they work hard. They pay taxes. They serve in the military. You are going to say to me that you are not going to protect their children? This rule does that. So you want to be sure to look at these flaws.

The other one is the costs that were paid by the Federal Government for care, AFDC and welfare to these children will now be paid by the States. You keep talking about States rights but you are not giving them that much money to do the job you want them to do. All of this is going to be shifted to the counties and the States. This is an unfunded mandate, if you ask me, because what they are going to do is make the States and the counties provide the medical care which they cannot provide wholly. So we are going to have a 2- or 3-tier system of health care for these people.

Let me give a concrete idea of how unfair this rule is in protecting this bill. My own State of Florida estimates it will lose almost $600 million a year in Federal funds because of this bill. What are they going to do with these funds? They were designed to protect the children. Now what you are doing, and let no one fool us, this particular rule is there just to protect this bill.

The second thing it does, it takes away the earned income tax credit which is saying we are going to help you on one hand and then we are going to take it away on the other. Every time I come to this floor I talk about the earned income tax credit because it is for the working poor to protect their children. I want to say to this Congress, there is no reason why you should let this flawed rule take care of a flawed bill. The best thing to do is to vote against the rule. That will put some stops on this bill.

Mr. Speaker, I want the American public to know that what the Republicans are doing is taking away the safety net for children.

Mr. GOSS. Mr. Speaker, I would just note for the record that this is H.R. 3734. I think it has been misspoken a few times this morning as H.R. 3437, for those Members who are watching and tracking. It is H.R. 3734.

Mr. Speaker, I yield such time as he may consume to the gentleman from San Dimas, CA [Mr. DREIER], the distinguished vice chairman of the Rules Committee.

Mr. DREIER. Mr. Speaker, I thank my friend for yielding me this time. Let me begin, as many of my colleagues have this morning, in extending our heartfelt thoughts and prayers to those loved ones of the victims of the tragic TWA Flight 800 crash that took place off Long Island last night.

Mr. Speaker, let me say that I strongly support this rule. I do so because we have been struggling for years and years and years to try and reform the welfare system. From our side of the aisle, there have been a wide range of proposals over the past several years designed to do just that, to try and end welfare as we know it.

We were all very enthused in 1992 with the commitment that President Clinton made to end welfare as we know it, and I have to say that right after that election in 1992, I had the privilege of writing an article for my home town newspaper, the Los Angeles Times, in which I stated that I looked forward to working with the President on issues like reforming welfare, because when he said that he was committed to ending welfare as we know it, we all took him at his word.

Now I believe that we have put together a product that I hope he will be able to sign. We know that he has twice vetoed the welfare reform package that we have moved out of this Congress, and it has been very, very difficult for us to face the fact the President who wanted to end welfare as we know it would veto welfare reform legislation, but I hope and pray that this will do it.

Why? Because we are not only concerned about those U.S. taxpayers who are saddled with perpetuating the cradle-to-the-grave welfare system that we have had over the past three decades, but we are equally if not more concerned with those people who have been subjected to the welfare state for years and years and years and have seen the perpetuation of this cycle, generational cycle, of dependence.

My friend from Sanibel, Florida [Mr. GOSS] talked about the fact that we have seen the average use of the welfare system, 13 years. We also know of extreme examples where it has gone on for generation after generation. We looked at the poverty rate as it existed in the mid 1960's when the Great Society began and the War on Poverty began, and the poverty rate was about 14.7 percent.

Beginning with the Great Society programs, we started spending billions and billions of dollars, and we have now spent $5.3 trillion on subventions combating the welfare problem. What is it that we have seen? Well, the poverty rate has gone from 14.7 percent up to 15.1 percent.

Mr. Speaker, there is bipartisan recognition, Democrats and Republicans alike. Democrats who represent constituents who are on welfare and subjected to this generational cycle of welfare, they acknowledge that the welfare system that we have today has failed. That is why I believe that we are taking a very positive step in finally moving forward with this.

My friend from Glens Falls, I am told, just mentioned a situation that he encountered last night when he was in a grocery store looking at someone who was obviously abusing the Food Stamp Program. just a couple of hours ago I was running here on Capitol Hill and I was around one of the parks, and I was over at one of the benches and had seen a number of people who obviously rely on food stamps for their survival, and what was on the ground but cracked crab legs.

It seems to me that when we have people who are abusing the Food Stamp Program and living extraordinarily well off the Food Stamp Program, it obviously is a system that has failed. That is why looking at creative approaches, as the Committee on the Budget and the Committee on Ways and Means have done, and allowing the amazing proposals that have come from States like Massachusetts under Governor William Weld and Wisconsin under Governor Tommy Thompson, my State of California, Governor Pete Wilson's action allowing creativity for dealing with poverty and the welfare structure, to come from those States is, I believe, a very positive sign.

Mr. Speaker, I am encouraged by the fact that we, I believe, have legislation which President Clinton will be able to sign, and I am pleased that also it is very bipartisan. I hope we will be able to move ahead as expeditiously as possible to get this measure to his desk so that we can all be part of ending welfare as we know it.

Mr. MOAKLEY. Mr. Speaker, once again we all hear horror stories, but as far as the definition of food, I think crab legs is a healthy diet. It is not ketchup. I think it is something that could be bought with stamps. I think that that is not a bad diet.

Mr. Speaker, I yield 3 minutes to the gentlewoman from California [Ms.WOOLSEY].

Ms. WOOLSEY. Mr. Speaker, for certain it is getting closer to election day. I understand that my friends on the other side of the aisle want to take credit for getting tough on welfare. But what they are really doing is getting tough on children. You see, when I look at the welfare reform bill, it leaves me asking, What about the children? Two out of three welfare recipients are children. Have they forgotten about the children? Apparently so. Because, Mr. Speaker, this bill demands that mothers go to work but fails to provide the education, the training, and the support that these mothers need to take care of their children so that they can get off welfare permanently.

When a mother is kicked off the welfare rolls, there is no safety net for her children, no guarantee that her children will receive food and shelter, no guarantee that they will have any medical care, no guarantee that they can survive. In fact, this bill says to poor children, "Don't get hungry, don't get sick and for heaven's sake, don't get cold, because your time is up and we don't think you're important enough to protect you."

Mr. Speaker, no other Member of this body knows better than I do how wrong this is. This is the wrong way to fix the welfare system. When I was a single working mother with three small children, my children were 1, 3, and 5 years old, I could not have stayed in the work force without the safety net of health care, child care, and food for my children. That safety net was provided by the welfare system.

I urge my colleagues, do not take this vote lightly. Do not vote for this rule. This bill is not about helping welfare recipients, about helping people get off welfare and into jobs that pay a livable wage. Rather, it is a vote for making poor children even poorer despite the political hoopla, despite all this rhetoric around the debate. Your vote today is a matter of life and death for millions and millions of children. Make no mistake, your vote will have consequences for children long after election day.

Mr. MOAKLEY. Mr. Speaker, we hear the tales about generation after generation of people on welfare. The statistics as I have heard them is that the average stay on welfare is 2 years, single female, white. I would just like to clarify that.

Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I rise in opposition to the rule because I do not believe it allows for sufficient amendments that would change this terrible Republican leadership bill. I do want to say, though, that I am pleased that the Castle-Tanner substitute is in order because I think that that does make things better, if you will, for the two major problems that I see with this Republican legislation. One is that it really does not do anything to get people to work or provide the resources so that the States can get people off welfare and get a job.

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Second, because this Republican legislation also is very tough on kids and basically takes away almost all the protections for children that exist in the current system, the Castle-Tanner substitute would at least provide sufficient or at least more resources to get people to work and, also, I think, protect that safety net for children.

I was listening to what the gentleman from New York [Mr. SOLOMON] said about the need for a compassionate public policy, and that that is why this Republican bill has been brought forward, but I would say this does just the opposite.

If we want to get people to work, if we want to protect kids in a situation where we are changing radically the nature of the welfare system, then we cannot move forward with this Republican bill.

I wanted to mention two things, because I listened to what some of my colleagues said on the other side. The gentleman from California [Mr. DREIER] talked about the fraud in the welfare system. He mentioned the crab legs. The gentleman from New York [Mr. SOLOMON] talked about people waiting in line who he did not think needed welfare. Well, do not give us these examples, which are a small percentage of the people that are on welfare.

In addition to that, this Republican bill does not do anything to curb fraud or to end benefits for people who fail to comply with work requirements or to reduce administrative costs in the welfare program. The largest share of this Republican welfare bill's cuts or savings would come from across-the-board cuts in the food stamp benefit program.

What that means is that the average person who gets food stamps now is not going to be able to continue to have a sufficient level of food.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume to say that if the Republican welfare bill goes through, this pushes 1 million children into poverty, and this is from a family that already has one parent working.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Speaker, I was very dismayed yesterday because I thought that we were going to bring this bill to the floor and that a bill, the Castle-Tanner bill, would not be allowed to be debated and voted on, and I found out I was wrong. That is why I am going to vote for this rule and speak for this rule because it allows Castle-Tanner to come to the floor.

The Castle-Tanner bill answers the Republican demand for State flexibility at the same time that it looks to the concerns of Democrats for protecting children. Most important, the bill addresses the bipartisan desire to make welfare to work, the transition and the main point.

I am not suggesting Castle-Tanner is prefect, because no compromise is, and the men and women that worked on this bill worked very hard to bring about a bill that I think, under the right circumstance, we all could vote for. The Castle-Tanner bill would require work after 2 years and it would pose a 5-year limit, like the majority bill does. However, unlike the majority's bill, the legislation would not prevent States from helping children at the point where their parents get cut off.

Second, food stamps. The Castle-Tanner bill would reform the food stamp program, but it would not threaten the nutritional safety net established by an optional food stamp block program.

We have heard talk this morning about food stamps. Of course we all know of situations where there has been abuse of food stamps, but what many of us who come from cities know about is the need, the absolute importance for food stamps for young children and for their nutritional futures and for their health in their future.

I know, having worked with food stamps for years, that crab is nutritional and crab certainly is under the guidelines, and what gets us off the track is when we start getting into these anecdotal situations.

Third, unlike the majority legislation before us, Castle-Tanner has mandatory funding needed to make tough work requirements a reality. All of us have read the Congressional Budget Office letter that has already predicted that many States will not meet the majority's work requirement because the bill does not have adequate funding in it.

Finally, the bipartisan Castle-Tanner bill does not consider State accountability incompatible with State flexibility. The bill has a strong maintenance-of-effort requirement, and I salute the majority for increasing their maintenance-of-effort requirement just very recently, but Castle-Tanner still has the best, and that is 85 percent.

Mr. Speaker, I do not agree with every policy decision in the Castle-Tanner bill, but I do commend the people for getting together from both sides of the aisle to make this bill a bill, as I said, that we can all vote for because it represents a good faith effort to find the common ground on welfare reform.

Welfare reform is an issue we all agree on. Welfare reform is something that has to be done. The status quo is not working. So I urge all my colleagues to vote for a bill that would demand responsibility, reward work, protect children, and I thank the chairman of the Committee on Rules for letting Castle-Tanner come to the floor.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume to say that the CBO has said that most States cannot meet the work requirements, given the resources the Republicans wanted to vote to the cause of work. In fact, the Republicans, according to CBO, their bill is $10 billion short of what the CBO said is needed for the work program.

Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Speaker, welfare reform is essential. It is about getting people off welfare into work and helping, not hurting, the child; in a word, tough on work, protective of children. That is the American value.

When this process started last year, the Republican proposals were weak on work, tough on kids, not providing any additional resources to States to help move welfare recipients into work, causing people to go without health care if they went to work, providing no or inadequate day care for children, hitting severely handicapped kids, and raising taxes on low- to moderate-income working families.

The Republicans have moved away in some areas from extreme or inadequate positions, but they have considerably further to go. Castle-Tanner is much stronger on work and providing resources to the States to get people to work, in requiring States to use Federal moneys for welfare to work, not for other purposes, and in making sure that if a recession hits, people who want to work or kids who are innocent bystanders do not get hurt.

Taking food from kids is not welfare reform, whether the parent is a citizen or other legal resident. The Republican bill does far too much of this. Tanner-Castle is more protective of children.

Tanner-Castle has been the only bipartisan effort in the House. We need more, not less of such effort. The only way to achieve more is to vote for Tanner-Castle and against the Republican bill. That is the best hope that in the end welfare reform will be what it must be, not a political football but an instrument to break the cycle of dependency for the sake of parents, surely of their children, and for taxpayers who foot the bill.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. WYNN] who knows something about crab cakes.

Mr. WYNN. Mr. Speaker, I thank the ranking member for yielding me this time.

Mr. Speaker, I rise to oppose this rule. It supports a very bad welfare reform bill. That is unfortunate, because in point of fact we ought to put people to work.

The welfare system should be reformed, and we ought to set time limits for people receiving welfare. The problem is the Republican bill hurts children and does not do a lot about putting people to work. It hurts innocent children because there are no vouchers in the program.

What happens at the end of the period for benefits? The children are hurt because there are no provisions made after the benefits are exhausted. Three hundred thousand legal immigrant children will be harmed because they will be ineligible for food stamps. Why is that? Why are we hurting children? Let us just put people to work; 1.2 million women and children will lose Medicaid benefits. They will not have health care. Why are we doing that? That does not have anything to do with putting people to work.

The bill is weak on work. Fortunately, we have an alternative. The Castle-Tanner bill makes provisions. It provides vouchers for when benefits are exhausted. It provides continued Medicaid coverage so children can get health care. It provides food stamps for legal immigrant children so that they will not starve.

The Republican proposal is weak on work. According to the CBO, the bill is $12 billion short of what is needed to meet the work requirements. It is an unfunded mandate on the States. The CBO, one of their favorite authorities, also says they do not provide adequate child care. They are $800 million short in terms of adequate child care benefits.

On the other hand, the bipartisan Castle-Tanner alternative provides additional funds for work. They provide an additional $2 billion to provide child care so that people can go to work.

We are not debating whether we ought to reform the welfare system; we are debating what makes sense and whether we ought to punish children as the price of welfare reform.

Mr. Speaker, I urge rejection of the Republican proposal.

Mr. MOAKLEY. Mr. Speaker, could you inform my dear friend, the gentleman from Florida [Mr. GOSS], and myself how much time is remaining?

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MOAKLEY] has 11¼ minutes remaining, and the gentleman from Florida [Mr. GOSS] has 13 minutes remaining.

Mr. GOSS. Mr. Speaker, I yield 4 minutes to the gentleman from Delaware, Governor CASTLE.

Mr. CASTLE. Mr. Speaker, I thank the distinguished gentleman for yielding me this time.

I would like to address my comments this morning strictly to this rule, rather than either to Castle-Tanner or to the bill itself, because the rule is a little bit different than some of the rules we normally take up here on the floor, in that it has a self-enacting amendment in it that has some substantive concerns that I think we really need to at least bring forth.

Let me just say first and foremost, and I think this is vitally important, I very much appreciate the very good work which the Committee on Rules has done. They have allowed, in a freestanding way, the Castle-Tanner legislation, which is the Gephardt substitute in this rule, to come to the floor.

There will be no objections as to dollars. There is a dollar differential; it is $53 billion versus $60-some in the Republican bill, but it will be allowed to be considered. That was a concern of mine, and it was a concern of a number of my contemporaries on the other side of the aisle, and I am very pleased that was able to be worked out. That is important, I think, for the whole process of hearing and voting in this Chamber. And, of course, I am supportive of that legislation.

I want to point out, however, that there are some changes in the rule that we should pay some attention to, and there are five that I have singled out here that we need to look at.

One is the review of the implementation of the State work programs. It would be an understatement to say that this is going to be simple. When we require people to work for a number of hours, and we require up to 35 hours a week, when we require a percentage of the population, up to 50 percent of the welfare population, to be able to go to work, we have to keep track of that. We have to determine what work is. We have to go through definitional phases. Benefits can be lost or whatever it may be.

I think it is extremely important that we make sure that is going to be able to work. And one of the amendments here states that 3 years after enactment, the Committee on Ways and Means and the Committee on Banking and Financial Services shall conduct hearings and other appropriate activities to review the status of these areas. And that is before they get into the greater demands, because it is on an incremental basis. That is a very important change.

Another important change is the limitation on amounts which can be transferred to the title XX programs. This is a social service block grant. There are several block grants being set up; most of them deal with welfare: The TANF, the transitional aid to needy families, the child care, and the child welfare.

We are all for transferring to child care where necessary. It allows the 30-percent transfer. But when we get into social services, there are certain areas that are not as welfare oriented, and it also points out that all funds so transferred into the social service block grant must be services for children or their families, so that it keeps that money in welfare, so that States cannot all of a sudden fund other programs away from welfare. We thought that was a very significant change to make, and we did get it.

It also states very clearly there will be no limitations on State spending beyond the 5 years. I am not totally happy that some of the Federal benefits are going to be eliminated all together, although I am an absolute believer that welfare should cease after 5 years, but I think there are certain vouchers and other things that should be continued. They are not going to be, but I want to make sure that States would have the ability to do that with their own money, and it does state that very clearly.

The maintenance of effort has been raised by what the States have to do. I am also concerned the States are going to step back, and we have raised that to 80 percent in this legislation, or 75 percent if the States do a good job. So that what they have done starting in 1994, in terms of funding, would have to continue as far as the future is concerned.

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We have made in the modifications to the legislation in this rule, specifically in this rule, not as a separate amendment to come up, we have made some positive changes which makes the bill more palatable even to those who might object. I understand that some may object otherwise. At least there has been consideration of various areas that I think needed to be examined if we were going to be able to support the legislation.

I think with the combination of being able to allow Castle-Tanner to come to the floor to be debated, with the changes which are here, the rule is a good rule. That does not mean you have to agree with the underlying legislation. That is up to everyone here. I happen to be very supportive.

Obviously, it is Castle-Tanner and I will support the Republican proposal, too. But it does mean that we will have the opportunity for full and open debate. I also appreciate the fact that there are 2 extra hours so that everyone's views can be aired. This is a very, very important subject. It is not simple. This legislation is not simple. The interactions with these families and these children are very complicated. Putting the programs in place in the States is also very complicated, and we need to do this very carefully. I think this rule at least gives us that opportunity. I support the rule and would urge everybody to do so.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank very much the gentleman from Massachusetts [Mr. MOAKLEY].

I rise this morning to consistently repeat what I have already said, that I enjoy and appreciate the need for real welfare reform. I would hope, however, that we as Americans would focus on ensuring that our children would fare well. The Republican bill cuts some $60 billion from our children.

I rise this morning to support this rule because I want us to discuss on the floor of the House today a real way to reform welfare. I want the American public to understand that many times welfare goes to those families who in economic recessions or depressions lose the opportunity to work and, therefore, food stamps are a necessity for survival. The Republican plan block grants, puts a certain small amount of money for food stamps; and when a crisis occurs in a community and there is need for the bridge for those families once they can find work, we have no resources in the Republican plan.

The Castle-Tanner bill does answer that question. In fact, even when there is a cutoff time, the Castle-Tanner bill allows States to provide vouchers. The Castle-Tanner bill recognizes that legal immigrants pay taxes and they are in fact contributors to this community and they have children. It provides a bridge for those children so that we do not become a burden on local communities. The Republican bill cuts off those who work hard in this country. Then I offered an amendment yesterday evening to respect work and to respect the women in my district on welfare who have said to me: Congresswoman, we want to work. But we need child care, job training, health care and, yes, jobs.

I offered an amendment that would provide transitional child care once a parent gets a job and needs to work. The Republican bill does not offer sufficient child care. Then with the idea of Medicaid, who in their right mind would not want children to have good health care?

I will support this rule because I want real welfare. I want Americans to fare well. I would hope that we would defeat ultimately the Republican plan.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentlewoman from New York [Ms. VELÁZQUEZ].

Ms. VELÁZQUEZ. Mr. Speaker, I rise today in strong opposition to the welfare budget agreement. Once again, a far-right, out-of-touch, radical minority is pushing for welfare reform that eliminates survival programs that millions of poor children desperately depend on.

The cuts in this bill are vicious. H.R. 3734 would block grant AFDC benefits and arbitrarily throw thousands of children and families off the welfare rolls after 2 years—even if they cannot find a job.

Genuine welfare reform must help poor people gain the skills and resources needed to become self-sufficient. Yet this short-sided bill includes work requirements without providing jobs. In fact, according to the CBO, most States will not be able to satisfy the work requirements included in H.R. 3734.

This bill also gives legal immigrants the shaft. Most of us here today descended from immigrant roots. Yet H.R. 3734 calls for an unprecedented denial of benefits for legal immigrants who, despite their contributions by working hard and paying taxes, fall on hard times.

I support real welfare reform, but not by hurting children, not on the backs of legal immigrants and not without real job creation. The main target of any welfare legislation ought to be poverty, not children.

This bill is an outrage. I implore my colleagues, on both sides of the aisle, to support fairness and basic decency and reject this heartless legislation.

Mr. MOAKLEY. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, Americans realize that the welfare system is working neither for the taxpayer nor for those it is designed to help. But the question is not whether to change the system but how to change it.

The question is, will we provide the means to escape welfare or will we simply be plain mean to poor people? Like most every other problem that this Gingrich Congress has faced, the best way to solve the problem is with a bipartisan approach. I have not found any party or, for that matter, any individual who has got a perfect answer to this challenge.

Unfortunately, like strengthening Medicare, like trying to get a balanced budget, like trying to avert these costly Gingrich Government shutdowns, when some of us have said, let us work together and find a common moderate approach, others have replied, it is NEWT's way or no way.

That is where we are this morning. Do we pursue a bipartisan approach such as that advanced by Governor CASTLE and by the gentleman from Tennessee, Mr. TANNER, and try to place the emphasis not on targeting poor kids but targeting what is wrong in this system, or do we take an extreme approach that is more designed to address the political welfare needs of those who have failed again and again in this Congress rather than repairing the real welfare reform system?

I believe we have got an approach that will work, imperfectly, to get us out of the welfare problems we have today. Let us get about adopting it in a bipartisan way.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon [Mr. BLUMENAUER].

Mr. BLUMENAUER. Mr. Speaker, we have reached a point where there is a national consensus that is emerging that our No. 1 priority in social welfare is to protect poor children. There is a consensus that welfare, in fact, tracts children in poverty, and the key is to allow families to work to escape.

Unfortunately, Mr. Speaker, the Republican bill hinders that progress that is so critical and undercuts that national consensus.

I come from a State, Oregon, that is actually moving people off welfare into gainful employment. The bill that we have looming before us is going to undercut the progress of my State.

First of all, by having inflexible work participation requirements, you will actually penalize the successful State as it ratchets down into the next century. By having all child support in a centralized bureaucratic system, which my State tried in the 1970's, found to be unnecessary, found to be expensive and found that we had better ways, we will be forced back into that unnecessary bureaucracy, unnecessary expense.

By having a 5-year arbitrary limit on child care, we deal with the ironic situation of having some successful families who are fighting to remain employed to be forced back into poverty. This is lunacy.

I appreciate at least having the Tanner-Castle amendment being put before us as an alternative. We need to keep this progressing so that the President and the Senate can work with people of good faith to have a bill that will work so poor children do not pay the price for our inability to square rhetoric with reality.

Mr. GOSS. Mr. Speaker, I include for the RECORD the statement of the gentlewoman from Ohio, Ms. DEBORAH PRYCE, a member of the Committee on Rules, who is unable to be here.

Ms. PRYCE. Mr. Speaker, I am pleased to rise in strong support of this fair rule and the underlying Welfare Reform Act.

Mr. Speaker, a generation ago, President Lyndon Johnson launched his much-celebrated War on Poverty with the hope of creating a Great Society here in America. Well, here we are in 1996, 30 years and more than $5 trillion later, ready to launch a new war. Only this time, the war is not so much against poverty itself, but against a failed welfare system that has trapped the less fortunate in our society in a seemingly endless cycle of poverty and despair.

The bill that we will soon consider under the terms of this structured, but very fair and balanced rule, takes welfare in an entirely new direction—one which replaces strict Federal control with increased flexibility and more room for innovation at the State and local level.

Instead of promoting dependency and illegitimacy, this bill seeks to replace a failed system with one based on the dignity of work and the strength of families. Most importantly, this legislation promotes creative solutions closer to home and offers a real sense of hope to the truly needy and less fortunate among us.

Unfortunately, we'll hear some complaints from those who prefer to keep the status quo in place. But, Mr. Speaker, there is nothing wrong with a welfare reform plan that advocates commonsense principles like requiring welfare recipients to find work, or even cutting off benefits for parents who refuse to cooperate with child support authorities.

And speaking of children, who are often the most vulnerable in our society, I've seen the effects of generational welfare in my courtroom, and I can say that the current welfare system takes a terrible toll on the well-being of children. That's why I am very pleased that this bill looks out for the best interests of children by emphasizing child care, protection, and nutrition.

So, Mr. Speaker, I would urge my colleagues to vote for this fair rule and to support putting an end to the status quo in our welfare system. It takes courage to vote for change, but change is exactly what is so badly needed if we are to transform welfare into a temporary helping hand in times of trouble, and not a hand-out that becomes a way of life. Vote "yes" on the rule and "yes" on the Welfare Reform Act.

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California [Mr. DREIER], vice chairman of the Committee on Rules, from greater San Dimas, CA, and surrounding areas.

Mr. DREIER. Mr. Speaker, I thank my friend for yielding me this time.

This has been a very interesting debate over the past few minutes, Mr. Speaker. My friend, the gentleman from Texas [Mr. DOGGETT], said it is NEWT's way or no way. The fact of the matter is, the Democrats did not come up with any proposal whatsoever to deal with welfare reform, and we are still giving them two opportunities with, first, the substitute which they said they requested, which is the Castle-Tanner substitute and, second, a motion to recommit. So without coming up with proposals, they call it NEWT's way or no way. We are giving them two opportunities to offer alternatives to this package.

Second thing I heard during this debate is that the system, this proposal, would be vicious and heartless. I am told that my friend, the gentlewoman from New York [Ms. VELÁZQUEZ], just said that.

Mr. Speaker, what is vicious and heartless about doing what we can to encourage opportunity for those who are at the lower end of the economic spectrum?

A few moments ago I was talking with my friend, the gentleman from South Boston, MA [Mr. MOAKLEY], who said that it is true that we so often hear about the extreme cases of abuse of the welfare system. The fact of the matter is, the average welfare recipient out there is that single mother who is struggling to make ends meet with two or three children. We do not want to do anything possible, we do not want to do anything at all that would jeopardize the opportunity for that mother to be able to benefit from this program as long as we continue to do everything possible to ensure that she has opportunity there.

We can improve this economy so that we can have the chance for that mother to get off of that cycle of dependence, which has been generational, and back onto a running of that economic ladder so that she can see improvement. We want to end the cycle which has created drug dependence and alcohol abuse and the crime problem that exists. Most everybody who has looked at the welfare system has said that we have seen the crime as a byproduct of the welfare system.

We do not know that any of the proposals that we are going to be voting on are the panacea. James Q. Wilson from Harvard University has said that no one has the guaranteed solution, but we have looked at the situation that has existed for the past three decades and we all know that it has failed. We are moving ahead again with a package that I believe will create the opportunity for us to improve the system. The President should sign this measure as we move forward. I thank my friends who have worked in a bipartisan way on this.

I again thank my very distinguished friend from Sanibel, FL, for yielding the time to me.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. VENTO].

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Mr. VENTO. Mr. Speaker, I rise in opposition to the Republican initiative that is being presented before us by this rule. Obviously, there are some changes in the rule, to in fact, eliminate some of the most egregious positions in the Republican bill. That is good, but I think that my Republican colleagues should be moving further to a center position on the matter of welfare reform.

In the first instance, I think if we take away the bumper strip welfare reform label and look behind it, we find much more than simply welfare reform. We find significant cuts in food and nutrition programs, we find significant, an attack really; half the savings in this bill are extracted from the legal immigrants in this country, whether it be California, New York, or my home State of Minnesota.

In my State of Minnesota in my school district in St. Paul, nearly a quarter of the kids come from Southeast Asia, families and their parents and those kids would be denied significant benefits that are today available. The legal immigrants, Southeast Asians are working, they are paying taxes. If they become disabled, if they become unable to make ends meet, they would be denied the benefits simply because they did not pass the citizenship test by the policies within this Republican bill.

Now, this bill is wrong because it does not protect kids. Seventy percent of those on welfare are children, 8.8 million persons of the 12.8 million that collect AFDC are children. That is not the way we need to deal with our budget problems; we need to protect children and the vulnerable. We ought to empower people so they can go back to work. That costs money in terms of training and education. But this measure pays lip service to those needs.

There are other issues that need to be addressed. In our State we reduced the welfare load because we provided health care for those that needed it. That substantially reduced the need for welfare in our State of Minnesota.

We should not be targeting the legal immigrants. As and I said, half the dollar savings in this measure is cut from legal immigrant benefit programs. Illegal immigrants are not eligible for much of anything today, so let us not confuse the two.

Plus, we ought to maintain the State effort. I trust my State will maintain their effort, but I do not know, given the pressures that Minnesota will go through and be under. We should be requiring them to at least do what we are doing today. Not just 175 percent or 80 percent of the effort that the Republican bill requires.

And we need to deal with the economic cycle in terms of downtown so that we do not leave people out in the cold. Our Nation doesn't need more homeless, we do not need that type of problem in the name of welfare reform. We need to address our concerns and help State and local communities respond to the needs of the vulnerable in our communities.

Mr. Speaker, I rise in opposition to this bill, H.R. 3734.

Instead of helping people out of poverty and off the welfare rolls, this Republican measure simply ignores the needs of poor families and children. H.R. 3734 does include work requirements, which I agree should be a part of the effort to reform welfare. However, this bill does not provide welfare recipients with essential services, such as child care, health care, education and training, that would help them down a successful path to the world of work. These expenses can devastate a poor family's income and throw them back into the welfare system, and in this bill, these types of support are grossly inadequate.

The underlying measure mandates work, however, it eliminates the guarantee to one of the key services that give parents the ability to go to their jobs, child care. While this bill does take a significant step forward regarding child care programs by adding extra dollars for child care initiatives, it eliminates the guarantee of that assistance, making these services dependent on the availability of State resources to continue funding such programs. These funds are also given to States as a block grant, a funding mechanism that would not allow funding levels to rise along with need. At the same time, the measure reduces funds targeted for increasing the quality of child care.

For many poor families, a single medical emergency or health problem can push them into poverty and onto welfare. This is one reason why access to adequate medical care is an essential element in the struggle to get welfare families off the rolls and out of poverty as well as keeping other families from entering this cycle of poverty and welfare. This Republican measure, however, ignores this logic by eliminating the guarantee for some families to Medicaid, the main provider of medical care to the poor. With two out of every three welfare recipients being children, we cannot afford to abandon this type of assistance. Having adequate, affordable health care is also vital to parents, directly impacting their health and ability to work. At one time in Congress, we were talking about expanding health care coverage so no American would be denied adequate medical care. Now, this 104th Congress has designs to take medical coverage away from our most vulnerable and poorest residents. In fact, about half the cuts in the Republican's budget proposal are in the Federal health care programs, Medicare and Medicaid.

Conveniently, this bill simply takes the criteria of need out of welfare eligibility requirements. State budgets replace that characteristic to become the determining factor in whether our poorest families and children receive essential food, shelter, and medical assistance. The unrealistic part of this scenario is that the needs of these poor families and their children do not conveniently disappear when funding to provide such assistance runs out.

While this bill dramatically reduces spending on welfare programs at the Federal level, the bill also allows States to follow suit and reduce their funding of welfare-related programs. In this bill, irregardless of need, States will only be required to spend 75 to 80 percent of the amount they spent in fiscal year 1994 on welfare programs. While I understand that States and local public officials care about the well-being of their citizens, the funding shortfall included in this bill will force them to do more with less, and that willingness to maintain the social safety net provided in current law will be greatly strained. State and local officials may benefit by the flexibility provided but this measure, but flexibility cannot make up for such an inadequate level of funding provided by this bill, which will hamper States' abilities to meet the expensive work requirements in the bill without endangering the health and well-being of America's poorest residents. The Congressional Budget Office has pointed out that the Republican bill's spending provisions fall far short of the necessary funds needed to meet the work requirements. In addition, in some instances, funds can be moved out of the program for which they are allocated and be expended on unrelated programs.

One provision in this measure, which claims big cuts and savings, would deny benefits to legal immigrants, noncitizens who pay taxes and contribute to our economy. Half the funding cuts in this bill come on the backs of these hard-working members of our communities. Such is the case with the Southeast Asians, especially the Hmong, natives of Laos who have a concentrated population in Minnesota and in other parts of the Nation. Because they have failed their citizenship test largely based on language difficulties, they would be denied essential and basic public assistance benefits under this bill.

Individuals in our society should be expected to do what they can for themselves, but policies should be careful to differentiate between those who cannot and those who will not. Cutting off assistance to those who are trying to lift themselves out of poverty and off of welfare is not sound public policy. Unfortunately, that is exactly the policy that this bill puts forth. We must help those in need help themselves. I urge my colleagues to oppose this underlying measure and renew our efforts for real welfare reform so that those dependent can truly achieve self-sufficiency.

The Tanner-Castle substitute offers the basis for true compromise and real welfare reform. And, while I have misgivings about the measure, which would abandon the entitlement commitment, the provisions of this measure are generally funded adequately. Also, the issue of expansion of need during economic downturns is addressed. The required State commitment is greater, and children as well as other vulnerable populations are protected. This measure, the Castle-Tanner bill, isn't perfect, but it is a sound foundation and format to transition from today's welfare system to a welfare program with greater State flexibility with a reasonable prospect of meeting the problems of those who are in need in our society.

Mr. GOSS. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Florida [Mr. SHAW].

Mr. SHAW. Mr. Speaker, I thank the gentleman for yielding this time to me.

I think we are, and I sense that we are, right here in one of the finest hours of this Congress. We are taking one of the thorniest, most difficult political issues for all of the Members on both sides, and we are opening up the rule to this extent. I think it is truly remarkable and speaks very well of the leadership in this Congress and the faith that the Republicans, as the majority, has in the Democrats as the minority. We are not only allowing a second bill to be introduced and we are not only allowing the motion to reconsider, but also we are also relaxing the dollar figure because this is a reconciliation process.

Under the rules the minority party could have been absolutely shut out of this process by simply saying, "Adhere to the rules, and the rules means you've got to save $60 billion." This was not done, and I think that is absolutely in the absolute tradition of fairness.

Now we are going to be faced with a bill that is a substitute. Interestingly enough, both the Republican bill and the substitute that is going to be offered here today in the entitlement of welfare; that is a quantum leap. It shows confidence in the States in block granting them to the States. That is a quantum leap for this Congress, and I think that it speaks very well of those that support either one of those issues.

And then those that do not really believe that the States should take over the welfare system, the Democrats are given the opportunities on a motion to recommit. So, if they want to hold on to much of the status quo and hold on to the Federal grip on welfare, they will have the opportunity to do so and put it forth in a Democrat process, and that is absolutely amazing, and it is wonderful that this is happening, particularly in these days where we see that there are so many gotchas and oneupmanships going on in this House.

So I want to compliment all of the people, to very briefly that one might say, "Well, if the Castle-Tanner bill and the Republican bill both block grant welfare, then what is the difference?" Well, there are two, really two, basic differences that we are going to be asked to consider ourselves and to decide between. Those of us who are going to oppose the Castle-Tanner bill, those of us on the Republican side who oppose that particular bill, we do not believe that American taxpayers should simply still be required to shell out their money to pay welfare to noncitizens. This is a growing, growing area where the alien population on welfare is growing at a much higher percent than the U.S. citizen group. So we feel that Castle-Tanner is going the wrong way on that.

We also feel that in the area of time-limited welfare, to put out vouchers after the 5 years is counterproductive to what we want to do. But we are compassionate, we do say that 20 percent of the case load can be made an exception, and if the States want to go ahead and pay that amount out after 5 years, they can, and we also explicitly state in the bill that the States that want to use their own dollars to pay out after 5 years, they simply can do that too. We are not strapping the States, we are not limiting the States, in that regard.

But I look forward to a very healthy debate, one in which we will voice very honest differences of opinion today. I think this is going to be one of the finest hours that we will have in this Congress, and we are now given the tremendous opportunity to end the stagnation of welfare that has destroyed so many lives, and that is the important thing, and that is what we have got to accomplish.

And after we get through with this democratic process, I hope that the President will follow suit, not play politics, and sign this bill.

Mr. MOAKLEY. Mr. Speaker, I yield all my remaining time to the gentleman from Tennessee [Mr. CLEMENT], my last speaker.

The SPEAKER pro tempore (Mr. KOLBE). The gentleman from Tennessee is recognized for 1¾ minutes.

Mr. CLEMENT. Mr. Speaker, since I have been a Member of Congress, I have been a strong advocate of a tough but reasonable welfare reform bill that empowers rather than punishes, one that calls for responsibility rather than dependence. America was built on the principles of hard work, determination, and individual initiative. In effect these are the same values our current welfare system penalizes.

Today we are called upon to enact a meaningful welfare reform. We must not struggle to establish a Democratic or Republican reform plan, but rather we must strive for a compromise that results in an American resolution of this most difficult problem.

Mr. Speaker, I feel that the Castle-Tanner welfare reform bill achieves this effect as a bipartisan proposal that strikes a balance between the welfare reform plans advocated by the two parties. The Castle-Tanner alternative provides tough welfare reform that protects children and moves able welfare recipients to work.

This bipartisan substitute provides $3 billion in mandatory funding that States can access for work programs. Consequently, if mothers and fathers trying to escape welfare to work, they must have an adequate funding for child care. Castle-Tanner contains $4.5 billion more than the current law for child care assistance to families that leave welfare for work. In effect, this proposal provides States with the flexibility to develop successful work programs tailored to the needs of local communities.

Support this legislation. Let us pass welfare reform this year.

Mr. GOSS. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Kentucky [Mr. BUNNING].

Mr. BUNNING of Kentucky. Mr. Speaker, I rise in strong support of the rule and also in support of H.R. 3734, the Republican welfare reform bill.

Mr. Speaker, I urge my colleagues to vote for the Republican welfare reform bill before the House today. I supported it in both the Ways and Means Committee and the Budget Committee, and I am going to vote for it today.

The case for welfare reform is pretty clear. The system that we have now just does not work. Period. During the last 30 years, we have spent over $5 trillion on antipoverty programs, but we have not reduced the percentage of Americans who actually live in poverty. In fact, the poverty rate has slightly risen during that time.

It's time for some tough love, and I think that this legislation fits the bill.

If we are going to help people escape poverty, we have to encourage personal responsibility. The welfare system that we have now is supposed to act as a safety net to help people when they need a hand, but instead it acts to trap them in poverty and ends up becoming a way of life.

We simply say that if you are able, you should work. If you are noncitizen, you should not come to the United States expecting a handout. And if you are a felon, you are going to be kicked off the dole.

All of the recent innovation in welfare has taken place in the States. They have raced ahead of Washington in attacking poverty with new, inventive approaches and we should give them the latitude they need to craft programs at the local level that really work and help people. Our bill does that.

Very important to me, our proposal also attacks the problem of illegitimacy. Welfare now actually encourages out-of-wedlock births and induces single, teen mothers to move out on their own to try to raise their children. We think that this is absolutely wrong-headed, and that's why our bill ends the practice of subsidizing out-of-wedlock births and tells teen mothers that they have to live with their families if they want to continue to get public assistance.

Mr. Speaker, I am also compelled to speak about the transracial adoption section in this bill. I deeply appreciate my Chairman, Mr. ARCHER, agreeing to add to it the base bill.

We know that many children, mainly minority kids, are left to languish in foster care because of the skin. The practice of race-matching that prevails in the adoption community is discriminatory, and we have to stop it if we are going to give these kids a chance and get them into permanent, loving homes.

In the past 18 months, the House has twice passed legislation that penalizes adoption agencies that continue to race-match, but the President vetoed our first effort and the other bill's future in the Senate is up in the air because of the gridlock in that body. By including the transracial section in this bill, we are only improving our chances at actually passing legislation this year and bettering the lives for the half a million children who are stuck in foster care today.

Mr. Speaker, I commend the bill before us today to my colleagues. It takes welfare in a new direction and I believe that it will give hope and expand opportunity to millions of Americans who are trapped in poverty.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to respond to a few of the remarks that were made.

First of all, one of the speakers from the other side said this bill is tough on welfare. This bill is tough on welfare abuse. We all know that there is a lot and we need to deal with it. We are dealing with it.

Others have said that we have not provided enough for children. I would add that in the areas of child support, child nutrition, child care, we have added more than there is now under the existing system. In child care alone I understand there is an additional, beyond what we have today, $4.5 billion provided for, and I frankly believe it is in both versions that we are going to have an opportunity to consider.

I also need to point out that compared to the last 6 years, which has been a time when we have been spending maximum dollars on welfare, in the next 6 years we are going to spend $137 billion more. I do not think that means we are dodging the issue. We are targeting the money better, and we are going to take care of more people with true need and stop the waste, fraud, and abuse in this program that President Clinton has asked us to deal with.

I would also point out in the options that we have today the two that we are going to be voting on frankly are more similar than they are different. The point is they both bring substantial reform. I obviously prefer H.R. 3734, but others have spoken to the fact that there are great differences. Actually there are not that many differences.

I would point out that we are giving in this rule two bites of the apple to the other side, which has not always happened in the past when the other side was in the majority under the reconciliation process.

There was some statement made that we are having some cuts in the EITC. One of the speakers mentioned that. No; there are not cuts. There are some attempts to reduce fraud and abuse in the EITC, again as the President has asked.

Mr. Speaker, I have run out of time. I urge strong support for this rule. It is an excellent rule.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore. The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. MOAKLEY. Mr. Speaker, I object to the vote on the grounds that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 358, nays 54, not voting 21, as follows:

[Roll No. 327]

YEAS—358

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clayton
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
Deal
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fazio
Fields (LA)
Fields (TX)
Flanagan
Foley
Ford
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hutchinson
Hyde
Inglis
Istook
Jackson-Lee (TX)
Jacobs
Johnson (CT)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Metcalf
Meyers
Mica
Millender-McDonald
Miller (FL)
Minge
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Obey
Ortiz
Orton
Oxley
Parker
Paxon
Peterson (MN)
Petri
Pickett
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Royce
Sabo
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schumer
Scott
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (NC)
Tejeda
Thomas
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torricelli
Traficant
Upton
Vento
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Zeliff
Zimmer

NAYS—54

Becerra
Beilenson
Clay
Clyburn
Coleman
Collins (IL)
Conyers
Coyne
DeFazio
Dellums
Fattah
Filner
Flake
Foglietta
Frank (MA)
Gibbons
Gutierrez
Hilliard
Hinchey
Jackson (IL)
Jefferson
Johnson (SD)
Kennedy (RI)
Lofgren
McDermott
Meek
Menendez
Mink
Nadler
Olver
Owens
Pallone
Pastor
Payne (NJ)
Pelosi
Rangel
Roukema
Roybal-Allard
Rush
Sanders
Schroeder
Stark
Stokes
Thompson
Torres
Towns
Velazquez
Visclosky
Waters
Watt (NC)
Williams
Woolsey
Wynn
Yates

NOT VOTING—21

Collins (MI)
de la Garza
Engel
Forbes
Hall (OH)
Hunter
Lincoln
Martinez
McDade
Miller (CA)
Oberstar
Packard
Payne (VA)
Peterson (FL)
Pombo
Roth
Schiff
Serrano
Taylor (MS)
Young (AK)
Young (FL)

□ 1045

Messrs. SOLOMON, CUMMINGS, and BONIOR changed their vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

WELFARE AND MEDICAID REFORM ACT OF 1996

The SPEAKER pro tempore [Mr. KOLBE]. Pursuant to House Resolution 482 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3734.

□ 1047

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3734) to provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997, with Ms. GREENE of Utah in the chair.

The Clerk read the title of the bill.

POINT OF ORDER

Mr. ORTON. Madam Chairman, I rise to make a point of order against consideration of H.R. 3724.

The CHAIRMAN. The gentleman will state his point of order.

Mr. ORTON. Madam Chairman, section 425 of the Congressional Budget Act prohibits us from considering legislation which would create an unfunded mandate upon the States. The Congressional Budget Office has ruled that H.R. 3734 falls $12.9 billion short in funding necessary to fund the work requirements of the bill. Also the National Governors Association has stated: We are concerned that the bill restricts State flexibility and will create additional unfunded costs.

This bill clearly creates an unfunded mandate, violates section 425 of the Congressional Budget Act, and I would further point out that section 426 of the Congressional Budget Act prohibits this House from considering a rule which would waive section 425. So that in any event we would have a vote and a determination as to whether or not a bill does in fact create an unfunded mandate.

The CHAIRMAN. The Chair would respond to the gentleman's point of order as follows. Points of order against consideration of the bill H.R. 3734 were waived by unanimous consent on July 17, 1996. Further, a point of order against consideration of House Resolution 482 would not be timely after adoption of that resolution.

The gentleman's points are not in order.

Mr. ORTON. I thank the Chairman. I think it is clear to the House and the country that in fact we are violating the first bill we passed in this Congress with the adoption of this bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, July 17, 1996, all time for general debate pursuant to the previous order of the House had expired.

Pursuant to House Resolution 482, there will be 2 additional hours of general debate. The gentleman from Ohio [Mr. KASICH] and the gentleman from Minnesota [Mr. SABO] will each control 1 hour.

Mr. SABO. Madam Chairman, I ask unanimous consent that the gentleman from Texas [Mr. ARCHER] be allowed to control the time for the gentleman from Ohio [Mr. KASICH] temporarily and be allowed to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. ARCHER].

Mr. ARCHER. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, since 1965, roughly 30 years ago, government in this country has spent $5.5 trillion on welfare programs, more than has been spent on all of the wars fought in this century. Yet people are poorer and more dependent than ever. Despite our best efforts, despite the expenditure of these massive amounts of money, we have lost the war on poverty.

Madam Chairman, today, we stand on the threshold of a new effort, an effort that can win the war.

With the vote we take today, we recognize that the Great Society's welfare programs have not helped people. They have destroyed people. They have not kept families together. They have torn them apart.

These policies haven't turned urban areas of America into shining cities on a hill. They have made them into war zones where law-abiding citizens are afraid to go out at night.

They have led to the creation of two Americas. One marked by hope and opportunity. The other by despair and decay.

In short, the welfare state has created a world in which children have no dreams for tomorrow and parents have abandoned their hopes for today.

The people trapped in welfare, the mothers, the children, the fathers, are our fellow citizens, one and all. We have a moral obligation to them, as Americans, to lend a helping hand.

For the people on welfare aren't abusing welfare, as much as welfare is abusing them.

We are on the threshold of improving America by fixing our failed welfare state. We're improving America for the children on welfare, for the parents on welfare, and for ourselves.

Our reforms are based on five pillars. The pillars represent the values that made America great.

One—we think people on welfare should work for their benefits. A welfare worker I spoke with told me the biggest beneficiaries of work aren't the moms or the dads. Yes, they benefit. But she said it's the children who watch their parents get up each morning, go to a job, and return home at night who are the big winners. These children get better grades in school, have fewer problems with crime, and are less likely to end up on welfare because the values and virtues of work, not idleness, are instilled in them at a young age.

Two—Time limit benefits. Welfare should be a temporary helping hand, not a way of life.

Three—Provide no welfare for felons and noncitizens. America always has been and always will be the land of opportunity for immigrants. But it's not right to ask hardworking, taxpaying Americans to support noncitizens who come here and then go on welfare.

Four—Return power and control of welfare to the states and communities where help can best be delivered. We must remove Washington's control over welfare. This city built the failed welfare state. It's time to get Washington out of the welfare business.

Five—Reward personal responsibility and fight illegitimacy. We shouldn't have a welfare system that promotes illegitimacy and discourages marriage. It's time to change signals and return to old-fashioned values.

Madam Chairman, today's vote will be historic.

It represents the biggest, most helpful change to social policy in America since the 1930s.

This vote recognizes that America is a caring country, that Americans are a giving people, and that welfare recipients are capable of success if we would only let them try.

Our colleague, J.C. WATTS, has a wonderful way of expressing it. He says America's welfare recipients are eagles waiting to soar.

Madam Chairman, I think it's time we removed the heavy hand of the Federal Government from their wings. We must let our fellow citizens on welfare reach new heights as they climb the economic ladder of life.

That's what this bill does. It helps people to help themselves. It restores hope and it provides opportunity. It's strong welfare reform and it's what the American people have wanted for years.

Madam Chairman, there is no good reason why this bill should not be passed by the Congress and signed into law. The American people expect nothing less, and families on welfare deserve much, much more than the sad status quo.

For the sake of all Americans, I hope the President will let this bill become law.

Madam Chairman, I reserve the balance of my time.

Mr. SABO. Madam Chairman, I yield 2 minutes to the gentleman from California [Mr. MATSUI].

Mr. MATSUI. Madam Chairman, yesterday we heard the chairman of the Budget Committee say that this debate was really about Judeo-Christian ethics. That is why I was somewhat disappointed last night when I read Congress Daily. In the Congress Daily we talked about welfare reform and we talked about what this debate was really all about. The chairman of the subcommittee that has jurisdiction over welfare was quoted as stating from a political point of view, the President of the United States is in a box.

Madam Chairman, that is what this debate is all about—to jeopardize 9 million children who will be affected by this bill just to put the President of the United States in a box.

What kind of people would draft legislation for political purposes to affect so many children of America? This bill is weak on work and tough on America's children.

□ 1100

The Congressional Budget Office, their own agency, hired by the Republican House and Senate, has said that the 1.7 million jobs that the Republicans say will be created by a woman going off welfare is an illusion. It is deceptive, it is not going to happen, because they do not provide the resources for it. Their own agency has said they will not obtain those 1.7 million jobs. So this is not a jobs bill. This is not a bill to get people off of welfare into work.

But the worst part of this bill is what it will do to children. Because of those time limits and because of the fact that the Republican bill prohibits the States from using Federal funds for vouchers or any kind of assistance after a woman meets those time limits, she will then become destitute, she will become homeless, her children will probably have to go into foster care, even though she might be a good mother.

This is what this is all about. It is about politics to hurt America's children. I urge a "no" vote on this legislation.

Mr. ARCHER. Madam Chairman, I yield 2½ minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], the chairman of the Subcommittee on Oversight of the Committee on Ways and Means, the chairman of the Committee on Standards of Official Conduct, a person who is so greatly respected on our committee and has given such great service to this House, the country, in all of those roles.

Mrs. JOHNSON of Connecticut. Madam Chairman, I rise in strong support of this bill, and I could not disagree more with the preceding speaker. We have to change the future. Welfare cannot be a way of life for either women or children. It is not a satisfactory way of life. There is no hope, there is no opportunity when you are on welfare.

Now, remember, under this bill at the end of 5 years you get Medicaid, nutrition assistance, housing assistance, energy assistance, all those programs that provide services, on a means-tested basis. In addition, 20 percent of the whole caseload can be carried forward. So we are not talking about a draconian system; we are talking about reform and creating hope and opportunity in our welfare system for both the women and children on welfare.

This bill, let me show you, will allow States, for instance, to be free of the rigid law that now governs income disregards.

The woman is on welfare and starts earning money, and we right away start reducing benefits. Under this reform bill States will have complete freedom to design a fairer system. They may choose to keep her benefits up, and, as her salary goes up, to then decline her benefits. States have the power to help her get a good start in those 5 years. They have the power to educate and train, but to combine that with work experience. Under this program, women on welfare could immediately go to work for half a day in new day care centers, use State day care subsidies to give informed leadership to those centers as skilled master teachers. Let welfare mothers, who are good care providers, be the soldiers in those day care centers and then in the afternoon go on education and training centers while other welfare recipients staff the day care centers. It will cut the cost of day care and it will allow the money to be used powerfully in the transition period. This gives opportunity to States to create the kind of humane and supportive system women need to literally change their lives.

In addition, the terrible decline in the cities is in part the result of nonpayment of rent. Part of the problem of our cities is that if a welfare recipient fails to pay their rent, it takes at least 6 months to solve the problem and sometimes much more than that. Under this new system, States can say you miss a month's rent? Fine, we will pay it directly now until you get on your feet. So we can prevent the degradation of our housing stock in the cities just by requiring personal responsibility on the part of welfare recipients and providing States the flexibility to create a more realistic support system, under the umbrella of Federal concern, compassion and support.

Mr. SABO. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, if I might inquire of the chairman of the Committee on Ways and Means, we are curious if there is a final version of the bill and if there is a final summary of the last minute changes?

Mr. ARCHER. Madam Chairman, will the gentleman yield?

Mr. SABO. I yield to the gentleman from Texas.

Mr. ARCHER. Madam Chairman, the Committee on Rules had the statutory language of the bill. That was made a part of the rule we voted on.

Mr. SABO. Is there a summary of the last minute changes that were made?

Mr. ARCHER. Not to my knowledge, although the gentleman is aware that this bill did not come out of the Committee on Ways and Means; it came out of his committee, the Committee on the Budget.

Mr. SABO. Well, it has been substantially changed since it came through the Committee on the Budget. Many of us are curious what the final form of the bill is.

Madam Chairman, I yield 2 minutes to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Madam Chairman, we all agree that welfare does not work, the welfare system does not work for the taxpayers, and it does not work for the families who are on welfare, and we all agree that the welfare system must be overhauled. It must be overhauled so that it helps recipients get jobs and stay off welfare permanently. But that is the easy part.

The challenge and responsibility we face as legislators, however, is finding the answers to, what if's. What if a mother on welfare cannot find a job? What if she is not earning enough to take care of her family? What if her benefits are cut off and she is unable to provide her children with food, with clothes, and with health care?

Madam Chairman, this bill does not even attempt to answer these, what if's. In fact, the majority has gone out of its way to prevent States from meeting the basic needs of children, children whose parents are unable to get a job.

This bill says to poor children, do not get hungry, do not get sick, and, for Pete's sake, do not get cold, because your time is up, and we do not think you are important enough to provide you with the basics that you need to survive.

Madam Chairman, no other Member of this body knows better than I do that this is the wrong way to fix welfare. As a single mother with three small children, working, many years ago, I could not have stayed in the work force if I did not have the safety net of health care, child care, and food that the welfare system provided for my family.

So I urge my colleagues, do not take this vote lightly. Your vote today will have consequences, consequences for children long after election day, and it will be too late to answer the, what if's tomorrow.

Mr. ARCHER. Madam Chairman, I yield 2 minutes to the gentleman from California [Mr. HERGER], a respected member of the Committee on Ways and Means.

Mr. HERGER. Madam Chairman, over the last three decades the American taxpayer has spent $5 trillion on our welfare system. Working Americans may be asking themselves, what have we gained from all that spending? Do we have less poverty in the United States? No; are welfare recipients spending less time on welfare? No; after spending $5 trillion on welfare, have we solved the problems of poverty and dependency on Federal dollars? Is it extreme to think that maybe there is a better way of running our welfare system? Madam Chairwoman, the Republican welfare reform proposal will allow welfare to work better for all Americans. Our welfare reform makes welfare a way out—not a way of life. It promotes work over a continual cycle of welfare. It returns power and money to the States and encourages personal responsibility. Madam, Chairwoman, this reform proposal also denies welfare for noncitizens and includes a provision I developed with a sheriff in my district to deny imprisoned criminals welfare and create an incentive for local law enforcement officials to help stop this abuse. Currently, an estimated 5 to 10 percent of inmates in local and State jails are illegally receiving welfare checks. Without this welfare reform, the American taxpayer will allegedly give prisoners $270 million over the next 7 years in welfare payments.

Madam Chairwoman, our current welfare system is inefficient, unfair, and damaging to those it is supposed to help. The American people deserve a better welfare program that is unaccepting to those abusing the system and compassionate to those in real need.

I urge my colleagues to vote for this welfare reform.

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Madam Chairman, we have gotten off the subject now of substantive legislation, and we are now dealing with Presidential politics.

Well, let us do it. The welfare bill now has become like a tennis ball in a political volley, and the question is, Does it make more sense to force the President to keep his commitment to change welfare as we know it, or really do we want to get the President in the position that he has to veto the bill?

Well, we have tried so many times on the Republican side to find out just what is it that the President hates. Obviously, it was the tremendous cuts that were recommended by the other side as relates to Medicaid. So what was the solution? Continue to make certain it was one package, until it becomes politically expedient to change that and to put another poison pill, and several other poison pills, so you can go home and say the President has vetoed the welfare bill once again.

Who really suffers? It is really the voters, or it is our children? This obsession in saying that the Federal Government cannot take care of them has no responsibility to our children, but that the Governors should be trusted. And then to have the Christian coalition to come up and embrace this in a Christian way.

Well, thank God we have the National Council of Catholic Bishops that say the program stinks. Thank God we have the Jewish Council Against Poverty that says it is no good. Thank God we have the Protestant Council that says it is no good. It may be good politics, but it is bad for the children of our Nation.

The whole concept that we are saying 5 years, but the Governors can say 2: We are relinquishing our responsibility to the children of the United States of America, and it is a bad day in the congressional history.

Mr. ARCHER. Madam Chairman, I yield 2 minutes to the very respected gentleman from Louisiana [Mr. McCRERY], a member of the Committee on Ways and Means.

Mr. McCRERY. Madam Chairman, I thank the gentleman for yielding me time.

Madam Chairman, I want to talk for just a while about the basis for reform. I think it is worthwhile to examine the current welfare system and its results over the last few years.

This chart shows very graphically, this line right here is the poverty rate in the United States. Beginning in 1950, you can see it drops until about 1965 or so.

Well, it just happens to be that 1965 was the beginning of the Great Society programs, and the avalanche of welfare spending in this country; as it has been said, $5 trillion over the last 30 years.

What happens in 1965? It flattens out, the poverty rate, and then even goes up. So nothing has happened on the poverty rate. It has even gone up a little bit since 1965, since we have spent $5 trillion.

This blue line right here is spending on welfare. Look, it is going off the chart in 1995. We are not getting the results, folks, that were advertised with all the taxpayer spending that we have done.

It is the current system that is trapping children in poverty. It is the current system that is cruel to children. And if you do not recognize that, you have not been paying attention.

Now is the time, not next year, not 5 or 10 years from now, now is the time finally to do something about this terrible welfare system that we have got. The status quo stinks. Admit it. Let us do something about it and quit talking about it.

We sent the President two welfare bills. We are going to send him another one. We keep modifying it. This one is patterned after the bipartisan Governors' proposal. I have met with the President to talk about welfare reform, and this is very, very close. This bill is very, very close to what the President says he wants.

Let us pass it, send it to him, and I hope he signs it.

Mr. SABO. Madam Chairman, I yield 2½ minutes to the distinguished gentleman from Tennessee [Mr. FORD].

Mr. FORD. Madam Chairman, let me thank my colleague for yielding me time.

Madam Chairman, much of today's welfare news is good. There are fewer welfare and food stamp recipients today than when President Clinton took office. The poverty rate is down and teen pregnancy rates are lower in most States. Teen birth rates have dropped as well. Child support collections have grown and welfare reform is alive and well in States, thanks to 38 waivers approved by the Clinton administration.

□ 1115

That is all good news for the President and even better news for American families.

Unfortunately, Madam Chairman, we have not made much progress on national welfare reform. Partisan politics seems to have gotten in the way, and that is a shame. President Clinton has twice sent Congress welfare reform proposals. He has sent clear signals about the kind of reform he will sign into law. He wants a bill that requires work, promotes responsibility, and protects children. He would impose tough time limits and work requirements, provide more funding for child care, require teen parents to live at home and stay in school, and crack down on child support enforcement. And that is real welfare reform.

He vetoed the Republican plan, H.R. 4, because it was not real welfare reform. He rejected H.R. 4 because it was weak on work, it did little to move people from welfare to work, it did not guarantee child care, it gutted the earned income tax credit, it was tough on children, it made unacceptable deep cuts that undermined child welfare, school lunch, and aid to disabled children. It was a step backward in an effort to get health care coverage to all Americans and it eliminated the guaranteed medical coverage that single parents need to move from welfare to entry-level jobs.

Thanks to the National Governors' Association, today we will try again to send another welfare package to the President. I remain skeptical about what my Republican colleagues want as a bipartisan effort in a Republican bill. Admittedly, this new Republican plan corrects some of the worst mistakes of the vetoed bill, confirming that the President was right to say "no" to the last Republican plan, but it looks to me like the Republicans want to make certain that this bill is also unacceptable to the President.

I want one point to clear, Madam Chairman. I support welfare reform. So does our President. But we also want to make sure that needy children are not the victims of excessive election-year posturing. Real welfare reform should give children a safety net on which to rely, and it makes certain children are not punished for the mistakes of their parents.

Mr. ARCHER. Madam Chairman, I yield 3 minutes to the gentleman from Texas [Mr. DELAY], the whip of the House.

Mr. DELAY. Madam Chairman, I thank the chairman for yielding me this time, and I rise in support of this legislation. I really commend the chairman of the Committee on Ways and Means and the Committee on the Budget for their efforts in producing this legislation.

Madam Chairman, as my colleagues ponder their vote on this important issue, I would just urge them to consider this question: Does the current welfare system help people realize the American dream? If the answer is no, we should vote for this reform legislation.

I believe that the current welfare system has destroyed the American dream for too many people, and this bill represents an important part of our agenda to restore the American dream. It also represents a core philosophical principle; that a hand-up is better than a hand-out.

The American people have rightfully demanded that we fix this welfare system. They instinctively understand that the current welfare system undermines incentives to work, encourages the expansion of the underclass, breaks up families, and promotes welfare as a way of life. And they understand that the current system is a perversion of basic American values that value work, that promote personal responsibility, and that foster freedom.

This reform legislation values work. It requires that every able-bodied welfare recipient work for their benefits within 2 years. It promotes personal responsibility. It cracks down on deadbeat dads, giving States the tools to track down men who leave or abandon their families and leave their children to fend for themselves. And it fosters freedom.

Scripture says if you give a man a fish, he can eat for a day; but if you teach a man to fish, he can eat for the rest of his life.

Our reform plan gives welfare recipients the incentives to gain their freedom, to gain control of their lives and to become productive members of society.

Madam Chairman, some on the left call our efforts mean and extreme. Well, I say that defending the status quo is extreme. Continuing the current system that has destroyed families and promoted dependency is mean. The legislation, this legislation, is a commonsense effort to restore the basic American values of work, personal responsibility and freedom to our Federal welfare system. It is a necessary step to restore the American dream for those who are currently in the welfare system.

I urge my colleagues to have the courage to change this system. Stand with the American people and vote for this commonsense reform plan.

Mr. SABO. Madam Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. PAYNE].

Mr. PAYNE of Virginia. Madam Chairman, I thank my colleague for yielding me this time.

Madam Chairman, Republicans and Democrats agree that the current welfare system does not work. Instead of requiring work, it punishes those who go to work; instead of instilling personal responsibility, it encourages dependence on the Government; and instead of encouraging marriage and family stability, it penalizes two-parent families and rewards teenage pregnancies.

We all agree that welfare must be dramtically reformed, and that welfare should only offer transitional assistance leading to work, not a way of life. Where we disagree, however, is whether the Republican bill will make transition to work a reality or whether it is just empty rhetoric.

Real welfare reform must be about replacing a welfare check with a paycheck. Real welfare reform gets people into the work force as quickly as possible. In order to do that, real welfare reform provides enough money for the work requirements to be effective.

The Congressional Budget Office has concluded that the Republican bill will not work because most States will fail to meet the work requirements. It will be less expensive for the States to accept the penalties for failing to meet the participation rates than it will be to meet the costs of the work programs.

Creating a system that is prone to failure from the outset is not real welfare reform.

The Castle-Tanner bipartisan bill provides $3 billion in supplemental funds for States to meet the costs of work programs for welfare recipients. This is money in the bank, not just an authorization backed by a hope that someday we might actually find this money.

The Castle-Tanner bipartisan bill provides real welfare reform and I urge my colleagues to support this plan.

Mr. SHAW. Madam Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. ZIMMER], a distinguished member of the Committee on Ways and Means.

Mr. ZIMMER. Madam Chairman, I thank the gentleman from Florida for yielding me this time, and I commend him for his tenacious and principled support for true welfare reform.

Madam Chairman, welfare as we know it has unmercifully condemned generation after generation of Americans to a life without hope and without access to the American dream. This bill will foster independence by breaking the chains that bind families to the welfare state.

The current system, which fosters poverty, despair, hopelessness, and illegitimacy will be replaced with a program that generates hope, optimism, and self-esteem. People will be accountable for their own lives. Mothers and fathers will be responsible for the children they bring into this world.

What this bill proposes is very straightforward: No more money for nothing. It tells the poor that we will help you get on your feet but we owe it to you as well as to ourselves, to require that you work for your benefits, and that after a specified period of time you get a real job.

You see, work is not punishment. Work is the foundation of the American dream. It gives us self-respect and gives our children respect for us and for themselves.

I urge those who have rejected reform in the past to reconsider for the sake of our future. I urge this House to pass this legislation. I urge the President to sign this legislation.

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Madam Chairman, I thank the gentleman for yielding me this time.

Madam Chairman, in a ideal world we would not be forced to save money while sacrificing even some of our children. In an ideal world we would provide something to wear, something to eat, and a place to sleep for all of our children, even those who happen to be born in circumstances not of their own creation or their own will. In an ideal world we would not set time limits and spending caps and impose budget savings requirements on the most vulnerable people of our society, our children.

I realize, however, we do not live in an ideal world. I too believe we must reform our welfare system because the current welfare system surely is not working. However, the proposed welfare system by the Republicans is doomed not to work either. In fact, I offer to say that it will not work for millions of children and for millions of mothers that we want to be self-sufficient and who desire to work.

I intend to vote for Castle-Tanner because it treats our children better than the bill before us treats them. It honors people's will. The bill before us is short on reform, weak on work, and tough on our children. Millions of children will be abandoned.

I admonish my colleagues, as they consider the decision they will make in the context of the decisions we make all the time, and the ones we have made. Last week this House refused to fund teenage pregnancy prevention programs by $30 million, yet now we are talking about teenage pregnancy as if we wanted to prevent it. We are now willing to punish them, however, if indeed they happen to have a child.

We should have stepping stones for our children and not have them as stumbling blocks. Recently the education funding was slashed. Where is the development in our children? This House has voted numerous times to cut nutrition programs.

We should not abandon our children. The proposal before us does not honor the principle of work, responsibility and caring for children.

Mr. SHAW. Madam Chairman, I yield myself such time as I may consume to advise the last speaker who said that our bill is tough on children that the bill she referred to, which will be the Gephardt substitute, mimics exactly what is in the bill that she is criticizing as far as the children's program are concerned.

I would also tell the gentlewoman that in the bill there is some $6 billion of cuts in EITC, which is what the President criticized the Republicans for as calling that a tax increase. It is not in our bill, it is in her bill.

Madam Chairman, I yield 2 minutes to the gentlewoman from Washington [Ms. DUNN], a distinguished member of the Committee on Ways and Means.

Ms. DUNN of Washington. Madam Chairman, I am involved in this debate on welfare because I believe that the current welfare system and what it does to children, and families is a crime. The system is cruel, it is broken, and it needs to be fixed.

For the third time today, Madam Chairman, we are going to vote to send to the President a welfare bill so he can keep his promise that he made in his campaign to reform welfare. It is a clean bill and it protects children.

It is based on three principles: One, that welfare should not be a way of life; that these poor children, some of whom never have a working role model in their lives, will not be put in that position ever, ever again. It is also based on the second principle of returning flexibility to the States; and, third, it is based on the principle that if Government is going to provide incentives in our lives, that the incentive in welfare should be to encourage personal responsibility in our citizens.

Today I want to focus on one thing that is probably the most important thing in this whole debate, and that is the children. Back home in Washington State women tell me, "Jennifer, my child support is the sole difference between making ends meet and going on welfare." On behalf of these women, we have a responsibility to make sure that deadbeat parents pay their child support to their own flesh and blood children.

□ 1130

Today in this Nation, Madam Chairman, $34 billion is owed by parents who have left their children's home to custodial parents. Thirty percent of these people leave the State in order to avoid that responsibility. I think it is outrageous. The tools this bill provides give us the way to track those deadbeat parents down.

I know what it is like to raise children as a single parent. I have done that. I worried about money, and I worried about child care. I worried about how you fit a full-time job around the responsibilities of my own children's needs. It is hard enough in my case, Madam Chairman, where I did receive support. I cannot imagine what it would be like when a parent did not receive that support.

It is the mothers and the children that we have included in these provisions. As far as I am concerned, Madam Chairman, the President needs to sign this bill for the sake of our children.

Mr. SABO. Madam Chairman, I yield 30 seconds to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Madam Chairman, I want to respond to the distinguished chair of the Committee on Ways and Means. The bill that he said that I am supporting, I am delighted to be supporting, Castle-Tanner, really indeed allows States to provide for vouchers, wherein his bill does not.

Castle-Tanner also provides Medicaid coverage for children, where his bill indeed does not. Castle-Tanner also has a no caps on assistance in the event of an economic turndown. The bill he has makes no provisions for that, or very limited, in their contingency fund.

Mr. SABO. Madam Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Madam Chairman, I along with many of my colleagues on both sides of the aisle have been working for almost 4 years to dramatically reform our Nation's welfare system. The current system has failed. A new system is needed. The Federal Government in partnership with our States needs to provide temporary compassionate assistance to those who have genuine need, making it clear that people who receive welfare must become employed as soon as possible in a private sector job. We must move people off of welfare to work.

My concern is that the Republican bill will move people off of welfare, but in far too many cases our children will end up on the streets.

The Republican bill is woefully inadequate in providing resources to our States. It is inadequate in financing safe, affordable day care for welfare parents. It does not adequately deal with one of the principal problems in our welfare system; that is, preventing out-of-wedlock births, particularly among our teenagers.

Quite frankly, the failure of the Republican bill is because it was developed in a partisan political manner, rather than in an open legislative format. We have not even really had a chance to review this bill because it was developed by the Republicans in a closed meeting, rather than using an open forum so that we could debate some of these issues and could work out some of these issues.

The Castle-Tanner bill substitute is the only bill that has been worked out in a bipartisan manner in an open forum. I urge my colleagues to support the Castle-Tanner substitute. It is far better than the Republican bill and although I believe it can be improved, I urge my colleagues to vote for the substitute and against the underlying bill.

Then let us work together, Democrats and Republicans, to dramatically change our welfare system. It can be done this year. If our objective is to get a welfare bill enacted, I urge my colleagues to follow that action. If our objective is to get the President to veto another bill, then I understand what the Republicans are doing.

Mr. SHAW. Madam Chairman, I yield 2 minutes to the distinguished gentleman from the State of Georgia [Mr. COLLINS, a valued member of the Committee on Ways and Means.

Mr. COLLINS of Georgia. Madam Chairman, I thank the chairman for yielding the time to me.

Madam Chairman, we have previously debated and passed legislative proposals that will change the welfare system. And although President Clinton vetoed those measures, he has proposed welfare legislation of his own.

So today, we have two different approaches to welfare reform. We must clearly understand that the real debate is about whether we are going to just piecemeal reform the broken welfare system, or if we are going to entirely change welfare as we know it.

We all agree the welfare system is a failure. It is an open-ended Federal entitlement that encourages people to believe that receiving a welfare check, free health care, and other free services without working is their right. By the end of the decade, American workers will have spent over $6 trillion on welfare programs. After 30 years under the current system, our poverty rate remains unchanged and we have millions of people trapped, dependent upon broken welfare programs.

Americans are tired of paying for a welfare system that just doesn't work. And although Presidential candidate Clinton once stated that he intended to change welfare as we know it, his proposal will only make limited reforms to a system that fails those who receive welfare and those working people who pay the bill.

In sharp contrast to the President's patchwork plan, the Republican majority's proposal changes the welfare system as we know it. The Republican plan will remove the one-size-fits-all entitlement system. This measure will transfer the management authority from the bureaucratic Federal level to the States. Local authorities will finally have the ability to design a welfare program that best meets the needs of the poor in their region. Welfare programs will be administered on a local level through a State/Federal financial partnership. The responsibility for administering welfare programs will be where it needs to be: closer to those who know what works, closer to those who need the assistance, and closer to the workers who pay the bill.

Working Americans support the Personal Responsibility and Work Opportunity Act because it will comprehensively change the welfare system as we know it.

Mr. SABO. Madam Chairman, I yield 2 minutes and 30 seconds to the distinguished gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. Madam Chairman, I rise in opposition to the Republican welfare bill. This legislation masquerades as reform, but it is not that. It is instead a giant step back into poverty for millions of American children.

But it is more. This bill will have a devastating impact on the health care system in many urban areas and in many States in this Nation because of its mean-spirited and shortsighted provisions to deny Medicaid funds for necessary medical care for legal immigrants.

Whatever the view Members may have as to whether we should provide cash support to legal immigrants who end up in need of assistance, there can be no justification to deny health care services to persons who are legally in this country. Cutting Medicaid funds is not going to keep people from getting sick. It is not going to keep them from needing health care services. All this bill will accomplish is to keep them from going for care when they need it and causing them to be sicker and more costly cases when the situation becomes so bad they end up in an emergency room.

Local hospitals and local governments are going to be left holding the bag for these costs. The sad fact is, they cannot afford it. There should not be a Member from California in this House that supports this policy. It will have devastating consequences for Los Angeles, and it will have devastating consequences for the State of California.

The $12 billion reduction in Medicaid expenditures resulting from these provisions is fully one-fifth of the expenditures my Republican colleagues were trying to cut from Medicaid with their block grant proposal. Trying to achieve a big chunk of those so-called savings through the back door of the welfare bill by taking away any access to Medicaid for legal immigrants is wrong. It will hurt urban hospitals. It will hurt innocent people. It is the wrong thing to do.

Mr. SABO. Madam Chairman, will the gentleman yield?

Mr. WAXMAN. I yield to the gentleman from Minnesota.

Mr. SABO. Madam Chairman, is what the gentleman is saying that this bill will mean a significant transfer from Federal resources to obligations on the local property tax?

Mr. WAXMAN. Absolutely.

Mr. SABO. Madam Chairman, I thank the gentleman for his answer.

Mr. SHAW. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Pennsylvania [Mr. ENGLISH], a valued member of the Subcommittee on Human Resources of the Committee on Ways and Means.

Mr. ENGLISH of Pennsylvania. Madam Chairman, today we will vote on fundamental welfare reform legislation, a mainstream proposal that working families across the Nation have been demanding for years. Three decades and $5 trillion ago, this Nation declared war on poverty. What was the outcome? All we have to show are casualties. Children killing children, boys and girls growing up without fathers, and welfare recipients spending an average of 13 years out of work because work does not pay as well as Uncle Sam.

Madam Chairman, generations have been trapped in this soul-destroying system, prisoners of the lost war on poverty. I have to ask this House: How many more of our children must we lose to poverty and violence before we say, enough is enough? We have the opportunity today to change America by fixing the failed welfare state and restoring the American dream for an abandoned underclass.

Under this bill, welfare will be converted into a work program. Every person receiving welfare must work within 2 years or cash benefits will end. Under our bill, lifetime welfare benefits will be limited to 5 years but up to 20 percent of families can be exempted for hardship. States are required to have 50 percent of welfare families working by 2002.

Our bill will end welfare payments for noncitizens; those we welcome to our country as guests should not abuse the hospitality of hard-working Americans. American families are spending $8 billion every year on welfare for noncitizens. That is not fair.

Our bill will stop the destructive practice of giving Social Security cash benefits to drug addicts and alcoholics, blighting their lives at great public expense.

Madam Chairman, we in Washington need to learn from past mistakes. We must create a welfare system that ties welfare rights to responsible behavior.

I urge all of my colleagues to put aside petty partisan politics. Support this bill and allow this Congress to leave an enduring legacy of social reform.

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Madam Chairman, I thank my ranking member for yielding the time to me.

I say over and over again, this is a flawed bill. It is not hard to see it. They are wrapping it in politics to try and save the fact that there is no substance in this bill that is going to save the children of this country.

Everything I have heard from the majority side makes me know they have never, ever experienced welfare. Now they are beginning to try to reform it. I want to reform it. I know it needs to be reformed. But it does not have to be reformed on the backs of the children of this country. It does not have to be reformed on food stamps. And they are having a similar idea that people who get food stamps, AFDC, do not know how to choose their food. That is not correct. The same Members who feel that way are the ones who drafted this bill.

This bill is going to deny 300,000 children of legal immigrants from getting food stamps. Do they want to cut children off from food? They have said they have a family-friendly atmosphere in the Republican Party. This does not meet the test of family-friendly.

Until yesterday they have changed back and forth so much, it is hard. I have not seen this new language. But yesterday their bill prohibited benefits and vouchers. Now they have switched over and now they are making that, they are putting that in, but they are not requiring it. They are not fooling me, because they are making it permissive. They cannot do it or they may do it. Why not say, as our bills do, that they will be required to provide vouchers to these children who will go off Medicaid?

My colleagues have exceeded the limits of care and sympathy and compassion which this Congress is supposed to give to the American people. They are not fooling the American people by saying this is a good welfare bill. We all want to reform welfare. Why can we not get together, both Republicans and Democrats, put our heads together and reform this without having a one-sided view toward Medicare and toward welfare?

I say to my colleagues, turn this bill back. I do not blame the President of the United States. Every time we send him a bad bill, he should veto it, no matter how many times.

Mr. SHAW. Madam Chairman, I yield 1 minute to the gentlewoman from Washington [Ms. DUNN].

Ms. DUNN of Washington. Madam Chairman, I thank the gentleman for yielding the time to me.

I am very alarmed at the misinformation I have heard last evening and today coming out on the issue of child care. I want to set something straight. In the Republican bill, the bill that we are debating and voting on today, in fact, we have been told by the people who make these estimates that we need, in child care, $16 billion to perform the duties that are outlined in the bill. We have, in fact, in the Republican bill provided $23 billion.

Madam Chairman, I just want to say in my book of mathematics, that leaves $7 billion aside that can be helped to ease working mothers off AFDC into the working world.

□ 1145

In addition, Madam Chairman, that is $4.5 billion more than is in the current child care portion of the welfare bill. It is also very important, as it is also $2 billion more than the President has in his own legislation.

Mr. SHAW. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Nevada [Mr. ENSIGN], a member of the Committee on Ways and Means.

Mr. ENSIGN. Madam Chairman, I think we have to ask ourselves a couple of fundamental questions. First of all, has the current welfare system worked? Has it helped children? Is it compassionate, especially to those children? Should we continue to give cash payments to prisoners and drug addicts?

The answers to these questions are obvious. Out-of-wedlock births have skyrocketed since our welfare system began. Crime rates have skyrocketed. This is federally funded child abuse.

Madam Chairman, we tell the teenage mom, "If you have a child out of wedlock, move away from your parents, we'll get you an apartment. By the way, don't work, don't save, and if you want a little extra money, have another child out of wedlock." This is truly federally funded child abuse.

Our bill does something remarkable. It reforms welfare in a compassionate way. It has $2 billion more, as the previous speaker talked about, for child care than the President does so that in the transition from welfare to work we can help families do that.

We also provide transitional health care, which is one of the biggest incentives to staying on welfare, the lack of health care coverage.

We also stopped cash payments to noncitizens and prisoners. There is a fundamental disagreement between that side of the aisle and this side of the aisle on whether we should continue cash payments to noncitizens. We believe, I believe strongly, that it should be reserved for U.S. citizens.

We also fundamentally believe that we to have a limit, a time limit on the amount of time that somebody can receive welfare benefits. There is no greater incentive than to know that at the end of a certain period of time they are going to have to get a job, they better get their life together, they better get out there, take advantage of the job training we provide, get their life together so that they can get off of welfare so that they can take care of their own family and have that personal responsibility.

Lastly, from somebody who grew up with a deadbeat dad, I am applauding this bill for the strong child support enforcement provisions that it has so we can go after those deadbeat parents who are abandoning their children and not taking full responsibility.

I thank the chairman of the subcommittee for writing a great bill.

Mr. SABO. Madam Chairman, I yield myself 1 minute to say I find it very unfortunate when we compare legal immigrants in this country with prisoners and put them in the same category.

In fact I find it sort of personal. My parents were both immigrants to this country. I remember when my mother became a citizen. I also hear this discussion of nothing has ever been given or done in conjunction with legal immigrants. My father was a homesteader. That was how he and many other immigrants got started in this country, and they worked hard and did well.

But regardless of how one feels on this question, to rhetorically combine legal immigrants with prisoners I think is totally unfortunate.

Madam Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Madam Chairman, there is a consensus on this floor that our welfare system undermines the core values Americans believe in: responsibility, work, opportunity, and family. Too many people who do not want to be on welfare cannot escape it. Too many people who want to be on welfare are allowed to coast at the taxpayers' expenses.

We agree that we must create a different kind of social safety net which will uphold the values our current system undermines. It must require work, it must demand responsibility, and it must protect children.

Today the House will consider two alternative welfare reform proposals. One, offered by the House Republican leadership, I suggest, is not reform at all, although it has much in it with which we agree and Castle-Tanner agree. It lacks the funds for serious work requirements. CBO says so, not us. And under this bill children can be denied all support, even in an emergency, when their families are cut off welfare due to time limits.

When the American people demanded an end to welfare, this is not what they had in mind.

The so-called welfare reform bill offered today by the Republican leadership makes a mockery, in my opinion, of the American values of work and family. It does have progress in it. But it is not bipartisan, and that is what the American public wanted. They wanted us to come together in-bipartisan manner and reform welfare. Governor CASTLE, now a Congressman, and the gentleman from Tennessee [Mr. TANNER] have done exactly that. Their bill brings together and reinforces family values, while meeting our responsibilities to our people and reinforcing our expectations on their personal responsibility.

I urge my colleagues to come together in a bipartisan fashion, as most of the Members on this side of the aisle will do. Democrats will support a bipartisan effort to accomplish this objective. All of us should do the same.

America's welfare system is at odds with the core values Americans believe in: Responsibility, work, opportunity, and family. Too many people who don't want to be on welfare can't escape it. Too many people who want to be on welfare are allowed to coast at the taxpayers' expense. In both cases, this broken system weakens families, undermines personal responsibility, destroys self-respect and initiative, and fails to move able-bodied people from welfare to work.

A complete overhaul of the welfare system is long overdue. We must create a different kind of social safety net which will uphold the values our current system destroys. It must require work. It must demand responsibility. And it must protect children, to break the generational cycle of poverty.

Today, the House will consider two alternative welfare reform proposals. First, offered by the House Republican leadership, is not reform at all. It lacks the funds for serious work requirements. It shreds the safety net for chidlren. The Nation's Governors adopted a resolution expressing their concern about restrictions on States' flexibility and unfunded costs in the Job Program, a shortfall of $13 billion which will knock the teeth out of the much-touted work requirements in the Republican bill.

The second alternative, the bipartisan Tanner-Castle welfare reform proposal, will truly reform our broken system. It, and it alone, requires all recipients to start work—real work, in real jobs—within 2 years. It provides funding to make those requirements real. It establishes a 5-year lifetime limit for welfare benefits, with a State option to create a shorter limit. It requires teen parents to live at home or in a supervised setting, and teaches responsibility by requiring school or training attendance as a condition of receiving assistance. It includes tough child support enforcement provisions to make sure deadbeat parents live up to their responsibility to support their children.

Unlike the Republican leadership proposal, the Tanner-Castle bill is tough on work without being tough on kids. It includes additional funding above the leadership bill for child care, to make sure children aren't left on the streets when their parents go to work. Under the Republican leadership bill children could be denied all support, even in an emergency, when their families are cut off welfare because of a time limit. The bipartisan bill provides vouchers to meet the needs of children if their parents exceed the welfare time limit. While the Republican leadership bill would deny Medicaid coverage for children in families who exceed a time limit, the bipartisan bill ensures that no child loses medical care because of welfare reform.

The so-called welfare reform bill offered today by the Republican leadership makes a mockery of the American values of work and family. It contains a hollow promise of work requirements which the Nation's Governors and the Congressional Budget Office both concede States can never achieve. It strips poor children of food assistance and medical care. I do not believe that when the American people demanded an end to welfare as we know it, this is what they had in mind.

The bipartisan Tanner-Castle bill supports those American values we all share. It demands work and personal responsibility without shredding the social safety net and abandoning children. I urge my colleagues to reject the Republican leadership bill, and support the bipartisan Tanner-Castle proposal.

Mr. SHAW. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I would like to respond very quickly to what the gentleman from Minnesota [Mr. SABO] said. Nobody in this House is criticizing or putting anything saying that people coming into this country to experience the American dream are in the class of felons. That is ridiculous. That argument falls on deaf ears. It has no relevancy.

But I would like to share this with him. When his parents or grandparents came into this country, they made a pledge not to become a public charge, and I would bet next week's paycheck that they did not become a public charge. They came for a better way of life, and they went to work. They made something of themselves, and they had a child or a grandchild that came to the U.S. Congress.

I would also like to say, when we are talking about aliens, aliens over 65 are five times more likely to go on SSI than citizens over 65. Alien SSI applications have increased 370 percent from 1982 to 1992. We have got to stop making welfare available for citizens of other countries. It is that simple.

Madam Chairman, I yield 2 minutes to the gentleman from Nebraska [Mr. CHRISTENSEN], a valuable member of the Committee on Ways and Means.

Mr. CHRISTENSEN. Madam Chairman, welfare reform is an issue, like the previous speaker said, that we can agree on, that we can come together on in a bipartisan fashion and that we can work together on. I think all agree that the welfare system has caused people to rely on the Government instead of themselves. I think Senator JOHN ASHCROFT said it best last week when he talked about the system, that it has deprived hope, it has diminished opportunity, and it has destroyed lives.

But there are questions that we have to ask. After spending billions of dollars, has the Government solved the problems of poverty and of dependency? How many more families are we going to allow to be trapped in the current system before we get a bill out of this House? How many more children must we sacrifice to poverty before we say enough is enough?

As my colleagues know, we have heard many people say, and I think the statement is accurate, the fact is we cannot have a moral environment to raise children in America when we have 12-year-olds having babies, 15-year-olds killing each other, 17-year-olds dying of AIDS, and 18-year-olds who are graduating with diplomas that they cannot read. If we are to restore our moral health in this country, we must change the system that fosters that environment.

As Franklin Delano Roosevelt said in the late 1930's, giving permanent aid to anyone destroys them. Our bill gives people a chance. It puts a hand out so they can help themselves.

It is time that we worked together in a bipartisan fashion to end welfare as we know it.

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Washington [Mr. McDERMOTT].

Mr. McDERMOTT. Madam Chairman, the gentlewoman from Florida put her finger on the fundamental problem here, and that is that the Republican bill will not guarantee support to children if all else fails.

Now, my brother runs the public assistance program in the State of Washington. I know the facts. In the State of Washington there are 100,000 adults on welfare, 125,000 people, unduplicated count, on unemployment. That is 225,000 people on average every month in the year 1995. If they all showed up for a job on tomorrow, there would be jobs.

Last year they created 44,000 new jobs in the State of Washington. That means 181,000 adults in the State of Washington, that DRI, McGraw-Hill, the economic forecaster says is the fifth most rapidly growing State in this country, could not get jobs, 181,000 people.

Now the Labor Department has recently said that the unemployment rate is as low as it ever is. Tomorrow Mr. Greenspan is going to meet with the Federal Reserve to talk about raising the interest rates so that we can slow the economy so we do not have inflation. Now, we cannot slow the economy and stop job creation when we have 181,000 people in 1995 in the State of Washington who could not get a job and say to their children, "Hey, folks, kids, I'm sorry. Your Ma went down for a job, but there was none, and you can't eat." That is what the Republican bill says. They will not give a voucher if they have done everything, and there is no way.

I think the President, who cares about the kids in this country, is going to take a long careful look at what comes out of this body because, if we are not careful of how we deal with the weakest and the most vulnerable in our society, we are not a civil society.

Mr. SHAW. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Texas, Mr. SAM JOHNSON, from the Committee on Ways and Means.

Mr. SAM JOHNSON of Texas. Madam Chairman, I have to disagree with the gentleman that just spoke. It is a shame, but I tell my colleagues that. The Government has been spending billions of dollars, and I would just like to know, has the Government solved our problems of poverty and dependency? I think not. How many more families are going to be trapped in the current system while we spin our wheels here in Washington, DC. talking about it? Do my colleagues not think that State and local governments, churches and communities can do a better job of caring and providing for our Nation's welfare recipients? Of course they can.

As my colleagues know, how many more of our Nation's cities are we going to surrender to poverty and violence before we here in Washington decide to act? Why does Washington continue to promote a welfare system that encourages illegitimacy and discourages parents? Should not Washington encourage work? I think so.

I tell my colleagues what this bill is about: compassion, hope and opportunity. It is about people coming together and taking charge of a system that has failed them and every mother and child on welfare.

Do we trust Washington, or do we trust the local charities, the churches, community centers, and local government officials? I trust and believe the American people at home will have the answer. Can we not do better than the welfare system that we have in place right now?

This strong welfare reform bill ends welfare as we know it. It gives power back to the States, power back to the communities, power back to the people at local communities to solve their own problem. It is a must that we act today to pass this legislation.

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentlewoman from California [Ms. WATERS].

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Ms. WATERS. Madam Chairman, both of these welfare reform bills before us are little more than poll-driven political responses to a real problem. This is not true welfare reform. Instead we are placing a foot on the necks of poor children and families and calling it reform. Every Member of Congress understands the difference between an AFDC entitlement and not having one. We all understand the difference between block grants and Federal involvement in this problem.

In desperation, I appeal to each Member's spiritual sense. I challenge those who claim moral values. To the Christian Coalition supporters, I challenge you today, the Bible is replete with examples of how we are obligated to treat the poor. Witness Proverbs 14:31: He who oppresses a poor man insults his maker, but he who is kind to the needy honors him.

Proverbs 29:7: A righteous man knows the rights of the poor; a wicked man does not understand such knowledge.

Ecclesiastes 4:1: Defraud not the poor of his living, and make not the needy eyes to wait long.

Ecclesiastes 4:4: Reject not the supplication of the afflicted; neither turn away thy face from a poor man.

Proverbs 21:13: Who so stoppeth his ears at the cry of the poor, he also shall cry himself, but shall not be heard.

And Deuteronomy 15:7–8: Thou shalt not harden thine heart, nor shut thine hand from thy poor brother; but thou shalt open thine hand wide unto him, and shalt surely lend him sufficient for his need.

Mr. SHAW. Madam Chairman, I yield 1 minute to the distinguished gentleman from Tennessee [Mr. WAMP].

Mr. WAMP. Madam Chairman, one of the most wonderful lessons for the young people of this country is that great things can be done in our society when it does not matter who gets the credit. The Republicans should be commended for taking Medicaid off of their welfare bill because the President, our President, came here in January and asked us for a clean welfare bill and said he would sign it into law. We should not worry if he gets the credit for doing that.

This is the clean bill that he asked for; it is. We disconnected Medicaid so he would sign it, not so he would veto it. We should pass it today and give him this clean bill. It does not matter if he gets the credit. The Democrats should not care if the Republicans get the credit, because it is these children that are trapped in dependency and poverty that are going to get the benefit and the reward.

We are doing the people's business. We should support the conference report when it comes back, and we should support the President so he can sign this bill into law and do the people's business.

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Madam Chairman, I rise in strong support of the bipartisan welfare reform bill offered by MIKE CASTLE and JOHN TANNER.

The Castle-Tanner bipartisan bill is a much better bill than the alternative presented by the other party. It requires work, and provides the support needed to make the commitment to work a reality and not just rhetoric.

The bipartisan bill contains many provisions which represent a moderate, more balanced approach to welfare reform while still achieving over $50 billion in savings.

It includes stronger protections for children and families under the block grant and assures the maintenance of a national nutrition safety net so that families will not go hungry and children will have the nutrition they need to grow and learn.

The bipartisan welfare reform bill improves past efforts made by this House in significant ways while continuing to promote personal responsibility as its central theme.

Indeed, this approach requires all welfare recipients to sign an individual responsibility contract which outlines a plan for the recipient to become self-sufficient as quickly as possible.

And the bipartisan bill holds deadbeat parents responsible for their children through strong child support enforcement measures.

Castle-Tanner also ensures greater State flexibility by giving the States the option of providing vouchers for the needs of the child, or emergency assistance to families that have reached the time limits but have been unable to find a job.

This bill also provides a more substantial contingency fund to assist States with high unemployment or increases in child poverty. If the fund is exhausted during hard times, the bill creates an uncapped contingency fund for real emergencies.

My colleagues, this bill provides greater resources to ensure that welfare reform will succeed, it improves State flexibility, and it guarantees fiscal and personal responsibility. Above all, it protects innocent children.

We have an historic opportunity to pass a meaningful, bipartisan, welfare reform bill that the President will sign. Let's not squander this chance. I urge you to vote "yes" on the bipartisan substitute.

Mr. SHAW. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I would ask the gentleman from California if he is aware that the bill that he has endorsed imposes a tax increase which the President characterized as a tax increase on the working poor by slashing EITC?

Mr. FAZIO of California. Madam Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from California.

Mr. FAZIO of California. Madam Chairman, I would say to the gentleman from Florida, certainly this side of the aisle has been totally opposed to the Republican plans to slash the EITC and the budget.

Mr. SHAW. Reclaiming my time, Madam Chairman. I would advise the gentleman from California that his bill does precisely that. Our bill does not.

Madam Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Madam Chairman, I support the bill. While Congress has tried with good intentions, the Congress of the United States has failed. What began as a hand up is now a handout. Generation after generation are literally trapped at the bottom of the ladder without a good view of what America has to offer. The welfare system is not only broken, it is token. It has become a social placebo with a failing track record.

I ask all who are in here today to deny the following. I say the welfare system currently promotes dependency and illegitimacy, discourages thrift, discourages work, separates, separates and destroys families, isolates children, and from an early age, stifles their ambition, no less.

There is one other element here, folks, in this formula. Our current welfare system penalizes hardworking Americans who pay for this failing train that keeps rolling down the track at us, hurting us.

This is not about Republican and Democrat. There should be more consensus today. This is about a welfare system that is bad for America. Let me submit that the Founders are rolling over in their graves looking at the great Constitution and saying, my God, how could this great instrument somehow be so misused, misapplied, that there are now Americans without hope, Americans without goals, and Americans without ambition? Shame, Congress. Come together on this issue. Pass this bill.

Mr. SABO. Madam Chairman, I yield myself 30 seconds.

Madam Chairman, I would indicate to the gentleman from Florida [Mr. SHAW] that all the EITC changes in Castle-Tanner rely on compliance. None of them change the phase-out rates as proposed originally by the House Republican plan. Those are not included in Castle-Tanner. Fortunately, you have pulled those provisions out of your bill but they are scheduled to reappear in your budget resolution in reconciliation bill No. 3, and then some further additional cuts in EITC even beyond what you did in this bill originally.

Madam Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. OLVER].

Mr. OLVER. Madam Chairman, I thank the gentleman for yielding time to me.

Madam Chairman, along with every Member of this Chamber, I believe that the current welfare system needs to be reformed. Over the course of this debate, which has continued now for more than a year, each and every one of us has voted to end welfare as we know it. Some of us want to move people to work while protecting the well-being of our children. Others want to squeeze as much money as possible from the system even if the action is punitive, unworkable, and threatens children. That is the crucial difference between the Republican bill and the bipartisan bill that we have before us today.

Madam Chairman, H.R. 3734, the Republican bill, offers little protection for poor children. H.R. 3734, the Republican bill, prohibits vouchers for children of parents who have reached the time limit on welfare but cannot find jobs. H.R. 3734 slashes food stamps, the ultimate social safety net, assuring that more of our own children, our own poor children, will go hungry in a country whose farmers are so magnificently productive that they can feed half of the world.

H.R. 3734 ends the guarantee of child protection and child abuse services, and worst of all, it ends the guarantee of health coverage for millions of poor women and children. We all want to see welfare reformed, Madam Chairman, but we should not jeopardize the health and well-being of children who are really totally without responsibility for the conditions that they are forced to grow up in.

I urge a "no" vote on the Republican bill, Madam Chairman.

Mr. SHAW. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I would invite the gentleman from Minnesota to read on page 7, subtitle B, the earned income tax credit of the gentleman's bill. It provides and it has been scored that that is a $6 billion statement. The gentleman stands there and tells us that we are going to somehow put this into our bill. It is not in our bill, it is in the gentleman's bill.

It is a tax increase. It is the gentleman's problem, and he is going to have to deal with it. We took it out of our bill because we did not want a tax increase on the working poor. He left it in his bill because obviously he wanted to take $6 billion out of the pockets of working Americans.

Madam Chairman, I yield 2 minutes to the gentlewoman from Washington [Ms. DUNN].

Ms. DUNN of Washington. Madam Chairman, I thank the gentleman for yielding time to me.

Madam Chairman, Democrats have been arguing today that noncitizens are less likely to receive welfare than citizens, but the leading scholar in this area, whose name is George Borjas of the Kennedy School, says just the opposite.

We have a chart here that I would like Members to look at. These numbers are percentages of households receiving welfare programs. The first line says "Aid to Families with Dependent Children," our AFDC program. 4.4 percent of immigrant households receive this kind of aid, as opposed to 2.9 percent of folks who are citizens of the United States, and the chart continues.

In short, Madam Chairman, I just want to say that there is simply no question that some Members are today on this floor spreading misinformation. Welfare for noncitizens has gotten out of hand. We have an opportunity through this legislation to change that.

Madam Chairman, I would say, too, that America is a generous country. We welcome legal immigrants into this Nation, as long as they are here because they want to take advantage of a nation of opportunity. But we can no longer ask our citizens who work for a living to support people who are not citizens of the United States.

Mr. SABO. Madam Chairman, I yield 1½ minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Madam Chairman, the Republican bill is weak on work. It does not provide the resources, according to CBO. I want to say something, though, to my friend, the gentleman from Florida [Mr. SHAW], on the tax subject. Look, we forced you to drop your tax increases on the working poor. They were in your bill and you know it. We forced them out. Every bit of the EIT change in Castle-Tanner relates to compliance.

Mr. SHAW. Madam Chairman, will the gentleman yield?

Mr. LEVIN. I yield to the gentleman from Florida.

Mr. SHAW. You forced it out, and where did it go? It went to your bill.

Mr. LEVIN. Madam Chairman, I take my time back. The gentleman is 100 percent wrong. You had a phasing down of the amount of money people could earn and still be eligible for the EITC. You had changes in terms of calculation of Social Security and its impact on EITC. We do not change the substance of the EITC law as it affects the working poor.

We forced you not to do that, so do not use that sham argument. We say there should be compliance. We say the law should be followed. That is where all of our money is, and it is disgraceful that you do not have it in, and that you for months and months wanted to hit the working poor. Shame on you for using that argument.

Mr. SHAW. Madam Chairman, I yield myself such time as I may consume. I want to respond to my good friend, a valued Member and a good friend of mine, and someone who has really worked hard, trying to work on welfare reform.

Madam Chairman, I can tell the gentleman from Michigan, he is wrong. He has the increase in his bill. We do not have the increase in our bill. The gentleman gets up there and says shame on us for having it in there and then taking it out. That is absolutely ridiculous.

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Mr. LEVIN. Madam Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Michigan.

Mr. LEVIN. Madam Chairman, compliance is not an increase.

Mr. SHAW. Modification is. I would tell the gentleman, read section 1023 of your bill.

Mr. LEVIN. I have read it.

Mr. SHAW. Modification of Adjusted Gross Income Definition for the Earned Income Tax Credit. You take working poor out by a modification of the definition.

Mr. LEVIN. That is simply not true.

Mr. SHAW. Madam Chairman, I reserve the balance of my time.

Mr. SABO. Madam Chairman, I yield 2 minutes to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Madam Chairman, the plan of the majority to reform the welfare system is weak on work and tough on kids. In my comments, I will talk about the work requirement.

We must reform the welfare system. This reform is in fact overdue. The heart of the reform has to be time-limiting benefits and instilling a tough work requirement. There is broad agreement in the Chamber on that point. But the key distinction between the proposals before us this afternoon is that the bipartisan plan has a work requirement which will succeed and the majority's plan cannot.

This is a very complex issue. There is nothing all that tough about understanding what it takes to make a work requirement succeed. Individuals presently receiving welfare benefits and not in a workplace must have the training required to achieve vocational skills before they will be employable and can stand on their own as constructive members in the workplace. Folks without jobs just will not be able to get jobs if they do not have job skills and employers. We cannot expect employers to hire folks that offer nothing in terms of what they need in the workplace.

The nonpartisan Congressional Budget Office has assessed the two plans on this critical point. They say the work requirement in the bipartisan plan can succeed but the work requirement in the majority's proposal falls $9 to $12 billion short of what it takes to make a work requirement succeed.

That is the choice. The bipartisan plan, which time-limits benefits and gets today's recipients off welfare into the workplace as constructive members of our society, versus the majority's proposal which, while it claims to have a work requirement, by the Congressional Budget Office's own evaluation it falls short of what it takes to create a work requirement which has any chance of getting people off of the welfare rolls and into the workplace.

Vote "yes" on Castle-Tanner and no on the majority proposal.

Mr. SABO. Madam Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Madam Chairman, there are differing opinions on to how to reform welfare. But one area that we all agree on is the need to improve our child support laws. In fact, this might be the single area where we have had consistent bipartisan cooperation.

However, a last-minute change was inserted into the bill's child support title that weakens assurances of fair child support awards.

The majority's welfare bill now guts a provision in current law that requires States to review child support orders every 3 years for AFDC families.

I should first point out that this change will cost the Federal Government $63 million over the next 6 years. Child support paid on behalf of families on AFDC helps offset the cost of welfare. Therefore, regular updates in child support orders mean fewer dollars being spent on AFDC. The change in the bill ignores this fact and lets noncustodial parents off the hook, while sticking Federal taxpayers with the bill.

I am also concerned this change in modifying child support orders might hurt families leaving AFDC. If we want families to leave welfare and become self-sufficient then we should ensure that they have the child support they are owed.

I urge my colleagues to think twice before watering down child support enforcement, while preaching getting tough on young mothers. Let's all agree that we need tough child support enforcement that says both parents should be involved in providing for their children.

Mr. SHAW. Madam Chairman, I yield 3 minutes to the distinguished gentleman from Louisiana [Mr. HAYES], a member of the Committee on Ways and Means.

Mr. HAYES. Madam Chairman, it was the mid-1960's, and I remember the day very well when as a student in a Louisiana public high school and part of a debate squad, we were talking about Lyndon Johnson's effort at a Great Society with an alleged war on poverty. Three decades later, that same high school is in the midst of a war with drugs, teen pregnancy, and guns. Poverty has not changed. Over the course of that 30 years, America has spent $5 trillion, an amount ironically close to the total national debt, on a fake war on poverty.

So what happens to real veterans of real wars? Oh, I represent many of them. I represent a young man who was in a real war in Vietnam, who has got to find a way through his impaired health to get someone to drive him almost 100 miles to go to a real military installation to have a real druggist give him an honest, legitimate prescription.

Unfortunately, within my congressional district there are crack addicts that cannot be evicted from Federal public housing because their neighbors cannot find a legal way to throw them out to prevent their own kids from being sold crack, and that person has a Federal welfare check delivered to their doorstep.

I represent a group of Americans who in that three decades now knows that today they must work and work and work until May 7 of each year just to pay Government taxes. Then they get to earn money for their own family. Within the course of that work they recognize that there is almost $200 billion a year, most of which is thrown away on the dole to families who put work behind the rewards of a Federal handout. In 17 States, the equivalent of welfare for starting welfare recipients is above $10 an hour. In 40 States, including my Louisiana, a starting welfare recipient is above $8 an hour, which is better than in many counties a starting teacher or a starting police officer.

There are the kind of things where America looks and says: We don't want to change welfare as you folks in Washington know it, we want to change welfare as we know it in our neighborhoods, where senior citizens are terrified to leave at night because the monies that are diverted in a failed system for three decades prevent our own safety, our own sanctity, and the educational future of our own children.

Mr. SABO. Madam Chairman, I yield 2 minutes to the gentleman from Rhode Island [Mr. KENNEDY]

Mr. KENNEDY of Rhode Island. Madam Chairman, do you not love all this talk about how we are going to get money from these poor people to give money to other constituents who are more deserving? Yet this same Republican majority who is talking about cutting $53 billion from welfare has no problem giving a tax cut of $245 billion over 7 years, better than half of which goes to individuals and families with incomes of $100,000 or more.

It seems to me that our Republican friends are against welfare for the poor but they have no problem with welfare for the rich. I do not want to hear my Republican colleagues talk about local control, because I worked in a State legislature and I know what block granting is all about. This mantra of States rights, let the States decides, let the States manage it, in my State of Rhode Island, that is a prescription for disaster. I will tell Members why. Because without the assistance that comes through entitlement programs, the money goes to the States. So the money goes to the State bureaucrats; it does not go to the women and children and the poor people who need the assistance.

Once again under States rights, just as it stood 30 years ago, States rights means justice will depend on geography. If you are a poor person in Rhode Island, you will not be treated the same as if you are a poor person in a State like Tennessee, which has got a much better economy than we have in Rhode Island.

Finally, my last point is that what this bill does to legal residents is shameful. To cut assistance to people who already pay taxes and in fact taxpaying, legal residents who do not enjoy many of the exemptions that regular citizens enjoy because they have not attained citizenship. They will be denied the same benefits as citizens. This to me represents no more than the same immigrant bashing that this majority has continued all 2 years it has been in the majority.

Mr. SHAW. Madam Chairman, I yield 1 minute to the gentleman from Maryland [Mr. GILCHREST].

Mr. GILCHREST. Madam Chairman, I thank the gentleman for yielding me this time.

Madam Chairman, I think to a large extent the debate has covered most of the material on why it is important to change the welfare system as we know it today. I do not think there is one person in this Congress that would say the welfare system is working. It has perpetuated the paralysis of poverty far too long.

There are some minor disagreements about how we ought to move forward. But at least we as a Congress want to move forward to make a fair assessment, to provide a program so that people have a sense of opportunity for the wonders that this Nation has to offer.

This program that the gentleman from Florida [Mr. SHAW] is offering before this Congress does some amazing things. He discovers, in my judgment, the mystery of human initiative, and that is a sense of responsibility and a sense of dignity for all Americans.

This is a fair bill, it is fundamentally sound. It will offer opportunity for individuals, whether they are on welfare now or may be on welfare in the future.

Madam Chairman, I urge my colleagues to vote for Mr. SHAW's bill.

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Madam Chairman, the existing welfare system is broken, it needs radical overhaul. There is no doubt about that. But in doing it, I ask every Member of this House to please put the politics aside. Taxpayers are tired of people who will not work taking a bite out of their tax dollars. They want us to be tough, but they do not want us to be mean.

They do not want us to say to a worker who is laid off because his company moved out of town or out of the country, "Tough luck, Charlie, you're on your own, baby." They do not want us to say to a sick or hungry kid, "Sorry, kid, God gave you the wrong set of parents. You're on your own." They do not want us to pass a political document that will never become law, that is just designed to define the differences between Bill Clinton and Bob Dole one more time. They want us to work it out. They want us to get it done.

That is what Castle-Tanner does. It is a bipartisan package. It does work it out. It is tough, but it is not mean. A friend of mine in the legislature used to say, "You know, the problem with politics is that all too often it gives the poor and the rich the same amount of ice, but the poor get theirs in the wintertime."

That is the difference between the Castle-Tanner bill and the committee bill. Vote for Castle-Tanner. It is a tough, good welfare reform bill that gets the job done without being mean.

Mr. SHAW. Madam Chairman, I yield such time as he may consume to the gentleman from Minnesota [Mr. RAMSTAD].

Mr. RAMSTAD. I thank the gentleman for yielding me this time.

Madam Chairman, I rise in strong support of the Personal Responsibility and Work Opportunity Act.

Madam Chairman, in 1992, Presidential candidate Bill Clinton pledged to "end welfare as we know it." Today 4 years later, welfare recipients and taxpayers are still waiting for President Clinton to make good on his promise.

The President could keep his word by signing the welfare reform waiver proposals on his desk from Wisconsin and Minnesota, as well as the comprehensive Federal welfare reform bill before us today which would empower States to proceed with innovative changes.

To hasten approval of badly needed welfare reform, we in this Congress took a bold step toward meeting the President halfway when we separated welfare reform from the Medicaid reform bill that had threatened to doom both reforms.

The time for action is long overdue. Our Nation's welfare system is in dire need of reform. America has spent $5.4 trillion on social welfare programs since the beginning of the "War on Poverty" in the 1960's. Yet, the poverty rate has not decreased and the number of families on welfare has skyrocketed from 1.9 million in 1970 to 5 million today. The sad history of welfare is one of three generations of people who have become trapped in a cycle of dependency. Since 1993 alone, the number of single women who are heads of households in poverty has increased by 175,000 women.

Frustrated by inaction at the Federal level, individual States have moved forward with their own reform proposals. Minnesota and Wisconsin, for example, have put together comprehensive welfare reform plans to move welfare recipients from welfare to work. A Minnesota Department of Human Services pilot project—the Minnesota Family Investment Plan [MFIP]—has resulted in reduced caseloads for the Aid to Families with Dependent Children [AFDC] program in the seven counties in which it operates. Minnesota would like to expand MFIP throughout the State as well as implement a number of additional pioneering measures recently passed by the State legislature.

Wisconsin would like to implement "Wisconsin Works," the welfare plan praised by President Clinton during his May 18 Saturday radio address as a "sweeping welfare reform plan, one of [the] boldest yet attempted in America * * * We should get it done."

Unfortunately, since the President has twice vetoed welfare reform passed by Congress that would allow States to change the welfare system in ways which meet the needs of their residents, States must still go through an arduous special waiver process to enact their reform plans.

But the President has yet to approve the waiver requests of Minnesota and Wisconsin. Minnesota submitted its waiver requests last March 28. According to the Minnesota Department of Human Services, it is critical these waivers be approved before the end of this month. And while the President said he would make the final decision on the Wisconsin waiver request by mid-July, he has yet to do so. I remain hopeful the President has truly had a change of heart and will approve both States' requests.

It should be pointed out that the Clinton administration has granted several waivers to allow other States to implement similar proposals. But why should we approach this in a piecemeal, one-waiver-at-a-time fashion and waste valuable time and taxpayer dollars—time and money which could be better spent helping families and children escape the web of welfare dependency?

How much longer can we continue to wait for the President to "end welfare as we know it?" How much longer will the President defend the welfare status quo and deny people in need and American taxpayers the opportunity for true reform?

I believe the time is right to move beyond the piecemeal waiver process, put partisan politics aside and pass the comprehensive welfare reform legislation before us today.

Madam Chairman, it's time to change the failed welfare system's vicious cycle of dependency.

When this legislation is placed before the President again soon, we will find out if he has, indeed, really changed his position or if he will continue to fight to preserve the status quo. I hope the President will take the opportunity to support the Minnesota and Wisconsin plans—as well as proposals for the 48 other States—and sign the bill. Without national welfare reform for all 50 States, the cycle of poverty is destined to continue indefinitely.

☐ 1230

Mr. SHAW. Madam Chairman, I yield myself 5 minutes.

Madam Chairman, today I think is a defining day in the history of this Congress. We are going straight at probably one of the biggest problems that we have in this country and something that I can only describe as a national disgrace.

I respect every Member of this body, and I respect the great diversity all across this country. I respect the Governors of this country, and I respect the 50 States.

But I would say to all of my colleagues, let us recognize that we have a failed welfare system in this country. Let us realize that at one time or another, every sitting Member of this Congress who has been here through the 104th Congress has at one time voted against the existing welfare system.

What brings us together is that we all agree that the existing welfare system is not worth defending. We must change. We have got stagnation of population. We have tremendous problems out there that have been caused by a welfare system that the Congress procrastinated with, did nothing about, did not change. Now we are bringing forth change.

Last year there was a Democrat substitute which took the vote of every Member on the minority side, and then there was a Republican bill that prevailed and went on to the President, and he vetoed it. It went to the President again and he vetoed it.

What we are giving to the President today is another chance, another chance to deliver upon his promise to change welfare as we know it today.

That is tremendously important. Those of you who vote for the Castle-Tanner substitute which will be put forth by Mr. GEPHARDT at a later time today, you are saying you will have faith in the States and you are willing to send the programs back to the States and let them run it, and you are going to give them great latitude in designing it.

I have great respect for the authors of that bill and what is in that bill. But can we do better? Yes, we can do better. We can do better by passing the bill that the Republicans have put forth, that has come to us from the Committee on Ways and Means.

Why is that a better bill? One, it does not slash the earned income tax credit. I would like to read a provision from the Executive Office of the President in talking about the Republican bill when the Republicans were cutting EITC.

He says the bill would still raise taxes on millions of working families by cutting the earned income tax credit. This is a letter written on July 16 to the gentleman from New York [Mr. SOLOMON]. At a later time I may put it into the RECORD.

Now, when is a tax increase not a tax increase? To hear some of the Members come to the floor, they say it is not a tax increase when it is in the Democrat bill, but it is when it is in the Republican bill.

Mr. Chairman, we took it out. We were criticized for it. We went back and looked at it and said, "You are right," and we took it out and we are not going to put it back in. But it is in the substitute, in the one we are going to be asked to vote on later this evening.

That is an important distinction for many of the Members on the Democrat side of the aisle. I respect that. I respect it so much that we took it out of our bill.

What else have we done? The President said that Medicaid was a poison pill. We took it out of our bill.

This is not an exercise in politics. This is a rescue mission by the Members of Congress to smash a corrupt system that has led to poverty across this country, has perpetuated it, and led to stagnation of people, an unforgivable sin, a stagnation of people within our inner cities all across this country who are paid to do nothing with there lives, paid not to get married, paid not to work, paid to have children, who then themselves turn around and go into the welfare system.

This is a rescue mission. I respect every Member for wanting to change that system, but I would say that the best way to go is with the Republican bill. Vote against the substitute that will be offered by Mr. GEPHARDT.

If you truly believe that noncitizens who are growing on our welfare rolls at a tremendous speed, if you believe they should still receive welfare, fine, vote for the Gephardt substitute. If you believe that welfare should truly not be time-limited, fine, vote for the substitute. But vote for something. That is what is very important.

This I think is an historic moment. I think that the President will end up signing the bill that we will send him. It makes a lot of sense. It is a good bill.

Mr. LEVIN. Madam Chairman, I yield myself 10 seconds.

To the gentleman from Florida [Mr. SHAW], what we force Republicans to take out in the EITC change relating to rates, Democrats do not put back in period. That is a fib.

Madam Chairman, I yield 2 minutes to the gentleman from California [Mr. BECERRA].

Mr. BECERRA. Madam Chairman, I thank the gentleman for yielding me time.

Let me begin by trying to dispel some myths and correct something that the chairman of the Subcommittee on Human Resources of the Committee on Ways and Means has just said. Legal immigrants are not over utilizing welfare, AFDC, for example. In fact, they use it as a lower rate than does the citizen population.

What we find is a skew in the numbers because of the refugee population, which by definition comes without anything because they are escaping persecution. We have in the law a requirement that we try to aid them as they try to transition from a place they had to escape without bringing anything with them.

We hear people say that we have to deny immigrants, legal immigrants, not undocumented, access to services for which they pay with their taxes, because in every respect they do what a citizen does. They must contribute in their taxes.

We are saying here in this bill, "Let's deny them services because they are coming in this country to get welfare." Absolutely not true. A respected, well-known research center, conservative research center which the Republican majority often uses, the Cato Institute, told us immigrants contribute about $285 billion to the economy, pay $70 billion in taxes, and net, in other words, in excess, they contribute $25 billion more than they use in services from the government.

Now, why do we hear all this talk? Because they cannot vote, they cannot hurt people who attack them, and they are an easy target, especially when we call them non-citizens. On behalf of my parents who were immigrants, on behalf of the over 1 million active and now veteran legal immigrants who served this country in time of war, and on behalf of the two Congressional Medal of Honor winners who served this country, both legal immigrants, that I can talk of, I say they do not come here to take, they come to give.

The proof is in the pudding, and we should not attack a group just because it happens to be politically tenable to go after them, because they cannot go after us. It is unfortunate it is done. Let us have some decent debate on this and get meaningful welfare reform, but let us not attack folks trying to make this country better than what it is.

Mr. SHAW. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I would say to the gentleman in the well, we exempt veterans who are non-citizens.

Madam Chairman, I yield the balance of my time back to the gentleman from Ohio [Mr. KASICH] and ask unanimous consent that he be allowed to control the remainder of the time.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. KASICH. Madam Chairman, I yield 2 minutes to the very distinguished gentleman from Florida [Mr. STEARNS].

Mr. STEARNS. Madam Chairman, I thank the distinguished chairman for yielding me time.

Madam Chairman, Margaret Thatcher once said, "Pennies do not come from heaven, they have to be earned here on earth."

For years we have asked the question, does increased social spending equate with a better childhood? Since 1960, the $5 trillion spent on social programs has increased at a rate above inflation. The simple answer, however, is that children are still suffering because the system is flawed.

I would like to give, Madam Chairman, another quote. "Work banishes those three great evils: Boredom, vice, and poverty." That came from the great philosopher, Voltaire. There is nothing wrong with work.

Our plan increases funding for welfare. Now, we are going to hear on that side of the aisle that there are huge cuts that affect children, huge cuts that affect the underprivileged. But as Margaret Thatcher said and the philosopher Voltaire said, work does not hurt anyone.

Yet, even notwithstanding that fact, if we look at this graph, we will see welfare spending will increase 31 percent. Spending will increase $137 billion under the House welfare reform plan. Clearly when we hear the President say there is not enough money, there is going to be plenty, ample amounts of money for their program.

I would say to my colleagues on this side of the aisle, it is time we force the President to end this double talk on welfare and keep his promise to end welfare as we know it, correcting the inequalities that are in the system. This bill does it. The Republican bill does it, and it enforces the things that President Clinton talked about in his 1992 campaign.

So, by signing our bill, he has nothing to lose. Continuing to pour more money into the welfare system is not the answer.

Mr. LEVIN. Madam Chairman, I yield 1 minute to the distinguished gentlewoman from New York [Mrs. MALONEY].

Mrs. MALONEY. Madam Chairman, the American people do not want to hurt children. The Republican bill is so removed from reality, it punishes children and penalizes working families. The bill would hurt millions of innocent children by making deep cuts in benefits, especially during economic downturns, by limiting the contingency fund to only $2 billion. The Tanner-Castle substitute has an uncapped contingency fund for use during these troubling times.

When we completely eliminate the Federal guarantee, those of us who have worked in city and State legislatures know that given the financial pressures, the poor will often fall through the cracks.

This Republican bill just tells defenseless children, tough luck. This bill will not put people to work. CBO says that it needs $10 billion more for the program, for their work program. It will put families with children out on the street. That is not welfare reform, it is a blueprint for disaster.

Say yes to welfare reform, and no to this cruel and senseless bill.

Mr. KASICH. Madam Chairman, I yield 2 minutes to the gentlewoman from North Carolina [Mrs. MYRICK].

Mrs. MYRICK. Madam Chairman, back home in Charlotte, we have many successes in moving people off of welfare—because we have created programs that work best for the folks in our community.

As mayor of Charlotte, I worked closely with many people who found themselves needing the helping hand of welfare assistance.

Many people on welfare are young, single mothers. In working with them, I learned what kind of help they need to become self-sufficient.

Our bill will offer them exactly that form of help.

It will restore power and flexibility to the States, confirming our commitment to send power, money, and influence back home—and finally get Washington bureaucrats out of the picture so we can design our own programs at home.

It will help young mothers obtain jobs so they can feel good about themselves, and their kids can be proud of them.

Child care is one of their major concerns. Our bill has specific provisions for child care assistance. I was a working mom and I know that it is difficult to go out in search of a better life when you have your kids to care for.

It will also ensure that children receive nutritious meals at school through the school breakfast and lunch programs, as well as the special milk program.

Our bill will offer protections, as well as assistance, by assuring that certain vulnerable people—such a pregnant women and people certified as physically or mentally unable to work—are exempt from the work requirement.

In short, our bill makes sure that the needy are helped—and that those that can—help themselves.

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Madam Chairman, I rise today in opposition to the Republican welfare bill and in support of the bipartisan alternative, the Castle-Tanner bill. We all agree that reform of our failed welfare system is long overdue. The system is failing both the taxpayers who fund it and the individuals that it is supposed to help.

Welfare must be reformed to better reflect and reinforce our shared American values of work and responsibility, but, unfortunately, the Republican welfare bill does not reflect our values. It is just too tough on children and too weak on work.

The American people want welfare reform to move Americans into the work force, not to punish children. This bill fails this fundamental test.

□ 1245

In reforming the welfare system, our focus must be on moving people into real jobs. Unfortunately, this bill will not move welfare recipients into the work force. It does not create a real incentive for the States to move people off welfare and on to jobs, and it does not improve access to education and training so that people have the skills they need to get a job.

Quite simply, this bill imposes time limits without giving recipients the skills and education they need to find jobs before the time limits kick in. That is cruel and unfair. Real welfare reform should move recipients off the dole and on to jobs, not off the dole and on to the streets.

The other major flaws in the Republican bill: The legislation prohibits Federal assistance from going to children if their parents reach the bill's time limit. That is wrong. We must not punish children for the failures of their parents.

By contrast, the bipartisan Castle-Tanner bill requires States to provide help to children if their parents reach the time limit. Castle-Tanner also preserves the nutritional safety net for our children instead of giving States the option to block grant food stamps.

The Republican bill is also bad for New York. The Republican bill shifts Medicaid costs from the Federal Government to State and local governments, and we are going to lose $1.8 billion in Medicaid costs.

Mr. KASICH. Madam Chairman, I yield 2 minutes to the distinguished gentleman from New York, the young Mr. LAZIO.

Mr. LAZIO of New York. Madam Chairman, I want to take a moment to express my deepest sorrow over the tragedy of TWA flight 800, which went down just last night off the shore of my own home on Long Island. Our thoughts and our prayers are with the families of the victims as they deal with their loss, and our gratitude goes to the rescuers throughout the country who are helping to recover important evidence.

Today almost 1.5 million people in my home State of New York are receiving some sort of public assistance. That is a big number. And far too often that is exactly how these people are treated, as numbers to be fed into a broken welfare system, processed and pushed out again.

The current system is inefficient, unfair and damaging to those it is supposed to help. Is this how we are supposed to show compassion? I think we can do better. This reform will replace our failed welfare system with one based on individual responsibility, accountability and hope for future generations.

By destroying the work ethic and encouraging fathers to leave home, our current system results in broken families, a disintegration of moral standards and devastated communities.

In contrast, these reforms would strengthen families, require able-bodied recipients to work, attack fraud and abuse, and crack down on deadbeat parents. Most importantly, it provides hope for children by giving them the tools to break the cruel cycle of dependency. We will give them the incentive and tools to break out of the welfare trap that holds them down and limits their potential. By honoring work we allow people to assume responsibilities for themselves.

By providing more funding, more funding for child care, we will provide them with the opportunity to provide a better life for their children and end the cycle of dependency that has resulted in families raising a fourth generation on public assistance.

As a result of a welfare system that discourages two-parent families, today's illegitimacy rate among welfare families has continued to rise. This plan seeks to reverse this trend by increasing efforts to establish paternity and by demanding deadbeat fathers pay child support. Under the plan all mothers will be encouraged to identify the father of their children or face the risk of reduced benefits.

Most importantly, this reform gives hope to our children, the most defenseless victims of our current system. The system fosters dependency, crime, violence and despair, yet somehow we expect children born and raised under these circumstances to be able to break the cycle of dependency. That is simply not fair.

Madam Chairman, I am proud to support this bill. It moves us in the right direction.

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentleman from New York [Mr. OWENS].

Mr. OWENS. Madam Chairman, welfare reform is very much in order. The business of policymakers is reform. As legislators, the constant improvement of Government functions and programs is our job. Reform is a permanent, ongoing process. There is not a single Government program in existence that cannot use some reform. But reform should not be driven by manufactured hysteria and scapegoating. Welfare reform should not become the oppression and persecution of the poor.

At the heart of the welfare program is the aid to families with dependent children. Children are the primary recipients. The survival and development of children is what aid to families with dependent children is all about. Children are our Nation's greatest resource, and the AFDC program is about the salvation of those children.

Welfare reform can be accomplished without the kind of extremism and the persecution of the poor which is involved in the Republican reform bill.

Put the problem in perspective. We are talking about 1 percent, approximately 1 percent, of the total Federal budget. There are many other subsidy programs we should be looking at which would cost us far more. The farm subsidy program, farmers home loan mortgages, and the subsidies to farmers not to grow grain or plant or plow fields; those are very expensive subsidies.

We give aid to people who are in earthquake zones, we give aid to people who are victims of hurricanes and floods. We have numerous places where we subsidize people.

There are also other areas where there is definite waste in Government that we should take a hard look at.

The CIA found they had $3 billion they did not know they had in a slush fund. The Federal Reserve Board has $3 billion for rainy days, and they have not had a rainy day in 79 years. So we have a lot of places to look for waste and improving Government and reforming Government. We do not have to persecute the poor in order to get rid of waste.

AFDC is a program for children. It has been badly administered. It is not administered by poor people. we can improve the administration of it. We can find ways to improve it in many ways, but we should not persecute the poor. We should not persecute children in the process. This is about developing children, and we should be about the business of developing children.

Mr. KASICH. Madam Chairman. I yield 2 minutes to the distinguished gentleman from the State of Arizona [Mr. KOLBE].

Mr. KOLBE. Madam Chairman, I thank the gentleman for yielding me this time.

Madam Chairman, we are able to come to the floor today and offer the American people a meaningful welfare reform proposal because of the work done by my colleagues Representatives CASTLE and TANNER. I have remained committed to changing the welfare system as we know it and worked with Representatives CASTLE and TANNER to continue the welfare debate. Their efforts continued the discussions between the majority and minority in the House, the administration, and the Governors to find a workable welfare compromise. I am pleased that the Republican majority have incorporated many of the suggestions included in the Castle-Tanner proposal. Therefore, I will join my fellow colleagues in support of H.R. 3734 as offered by the Republican majority.

Madam Chairman, this bill answers the American people's demands to reform the current welfare program and addresses many of the concerns of the bipartisan Castle-Tanner group, the Governors and the administration. Over the past 18 months, this Congress has set out to truly reform the welfare program, and twice our efforts have been stopped by two Presidential vetoes.

Madam Chairman, the American people recognize that the current welfare system is a failure. It traps welfare recipients in a cycle of dependency, and undermines the values of work and family that form the foundation of communities. The welfare state has created a world where children have no hope for tomorrow. Welfare cannot be a way of life for women and children. This bill provides women with the support to become working members of our society through the job training and child support programs.

This bill restores power and flexibility to the States through the cash welfare and child care block grants. States will be given maximum flexibility to reform welfare, to develop income-support programs, and move families into the work force.

We all agree the program must be changed, however some of my colleagues are saying the changes we are making is going to cut welfare programs, and that is simply untrue.

Madam Chairman, over the last 6 years the Federal Government has spent over $441 billion on welfare programs. Through the next 6 years, through 2002 our welfare bill proposes to spend $578 billion. It is not cutting spending in the welfare bill that will be sent to the President, it increases it by $137 billion. This is not a cut to welfare. We should support this bill.

This bill ends the long-term dependency of the welfare program and encourages self-sufficiency through imposing tougher work requirements. This bill guarantees that welfare becomes a helping hand and not a lifetime handout by imposing a 5-year lifetime limit for collecting AFDC. This bill is a common-sense effort to restore the basic values of work and restore the American dream for those currently in the welfare system.

This bill restores power and flexibility to the States, confirming our commitment to give the decisionmaking, money, and influence back to the States and get Washington bureaucrats out of your pockets. Through the cash welfare and child care block grants States will be given the maximum flexibility to reform welfare, develop income-support programs, and move families into the work force.

Washington's answers have not ended the war on poverty. We have found that the best welfare solutions come from those closet to the problems—not from bureaucrats in Washington. It is time to get the Washington bureaucrats out of the welfare system.

We all agree the program must be changed, however, some of my colleagues are saying these changes will cut funding to welfare programs—this is completely untrue.

Madame Chairman, over the last 6 years the Federal Government has spent $441.3 billion on welfare programs, including aid to families with dependent children [AFDC], child care, child support enforcement, food stamps, and child support.

Over the next 6 years, through 2002, our welfare bill will spend $578.3 billion. Our bill is not cutting spending in the welfare bill that will be sent to the President. In actuality, over the next 6 years, even after reform, welfare spending will increase by $137 billion. Let me say this again, the Federal Government will spend an additional $137 billion on welfare over the next 6 years. This is not a funding cut to the welfare program.

Madame Chairman, we are presenting to the President a meaningful welfare plan that incorporates changes requested by the governors and the bipartisan Castle-Tanner group. It is bipartisan effort and I urge my colleague to join me in supporting this welfare proposal and I encourage President Clinton to move beyond his words of support and sign our bill.

Mr. SABO. Madam Chairman, how much time is remaining on both sides?

The CHAIRMAN. The gentleman from Minnesota [Mr. SABO] has 11½ minutes remaining, and the gentleman from Ohio [Mr. KASICH] has 7 minutes remaining.

Mr. SABO. Madam Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Madam Chairman, today is a sad day for those of us who support real welfare reform. The Republican bill fails to meet the goal of moving people from the welfare dole to the working rolls. It fails to protect children from the ravages of stark poverty. This bill is tough on kids and weak on work.

The American people want welfare reform that replaces dependency with the dignity that is earned from working for a living. At the same time the American people want us to protect innocent children who have no means to take care of themselves, and this bill moves in the opposite direction on both counts.

The Republicans' Congressional Budget Office says that the Gingrich welfare plan underfunds the work program by $10 billion, by $10 billion, making it impossible to take people from welfare to work. It builds in the failure of getting people to work.

Under this bill's food stamp block grant plan more than 1 million children in this country could be forced into poverty. One million. It is outrageous. This bill is an unforgivable assault on our Nation's values and what we are about.

Fortunately, today, we have a viable and a fair substitute, a bipartisan plan, Tanner-Castle, I repeat bipartisan, that puts people to work without throwing more kids into poverty. It has strong work requirements and the needed funds to make them work. It reforms AFDC and ends the cycle of dependency for welfare recipients and their families. It emphasizes the dignity of work over the punishment of children.

We have precedent here. Last year the Republican leadership tried to drop 2 million children from the school lunch program. Now they are targeting kids again. It is wrong, and I call on my colleagues to reject it.

We must not miss the opportunity today, it is an historic moment, to deliver real welfare reform that this country needs. Let us stand together for a bipartisan commonsense approach. Reject this failed agenda and support Tanner-Castle.

Mr. KASICH. Madam Chairman, I yield 2 minutes to the distinguished gentleman from the State of Connecticut [Mr. SHAYS], a member of the Committee on the Budget.

Mr. SHAYS. Madam Chairman, I thank my colleague for yielding me this time.

Madam Chairman, this new Republican majority has three primary objectives: One is to balance our Federal budget and to get our financial house in order; the second is to save our trust funds for future generations; and the third, and that is the one most involved with this effort today, we are trying to transform our caretaking social and corporate and welfare state into a caring opportunity society.

There is nothing caring about our present welfare system. When I see my own communities, I see young children having babies, I see young children selling drugs, I see young children killing each other. In my communities there is nothing humane or caring about the system that we have. I see 24-year-olds who have never had a job, not because a job does not exist, because maybe it is a dead-end job, in their view. If I had ever said that to my dad, my dad would have doubled the amount of time I took that job.

And 30-year-old grandparents. We basically have three generations of people on welfare. We have helped subsidize and create the very system we are trying to eliminate.

Madam Chairman, I believe that child care and job training should be designed by the States, not the Federal Government. I believe child care and job training should be designed by local governments, not the Federal Government. I want to move power and money and influence out of this place and back to local communities, who know how to spend the money.

Madam Chairman, I want to add to what the gentleman from Arizona [Mr. KOLBE] said: $441 billion for welfare up to $578 billion, an increase of $137 billion. Hardly a cut. We need to change the system, and this bill does it.

I would conclude by saying that in the final analysis, it is not what we do for our children but what we have taught them to do for themselves that will help make them be successful human beings. We need to teach them how to grow the seeds, how to grow the seeds, not just hand them the food.

This is a caring bill, and the sooner we pass it, the better.

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Madam Chairman, we must reform welfare. But as we work to reform welfare it is important to remember that we do not need to provide welfare assistance solely for altruistic reasons.

We provide welfare assistance and financial assistance to those in need because it is in the best interest of our society to do so as we fit them for return to work and to membership in this society and in the productive units of this society.

□ 1300

Madam Chairman, work works. One of the highest priorities must be giving States and their residents the tools to find and keep good-paying jobs. No Federal, State, or local government funds should be given to individuals without expecting something from those individuals in return. The purpose of welfare is to give financial lift to help people out of difficult times. Yet it must also provide them with the tools, training, education to support their families and to become productive parts of our work force.

The Castle-Tanner bipartisan reform welfare program, of which I am proud cosponsor, provides the States with tools to reduce welfare rolls through education and training of recipients. I support this proposal for this reason, because it is the only version of welfare reform being considered today which will help Michiganians off welfare by providing the skills to achieve good jobs.

Madam Chairman, we must care for the kids. Twenty-one percent of our children through no fault of their own are living in poverty. The Castle-Tanner bipartisan welfare reform will improve our welfare system so that abused children are protected. Neglected children get care, and hungry children will be fed. It will provide families with the support they need to care for their children while they move to become useful working components of our society. Without a guarantee for our children for food, shelter, and medical care, we will have a failure in this bill.

The Republican bill fails by comparison. It does not take care of children. It does not take care of the hungry. It does not provide means for getting people back to work.

I urge support of Castle-Tanner.

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Madam Chairman, I thank the gentleman for yielding the time.

I think that I really know America. I know an America that rose to help the victims in Oklahoma City. I know an America that rushed to the Midwest when floods overtook that community. I know an America that extended themselves to help those in hurricane-ridden Florida. And I know an America who stood on June 1, 100,000 strong and stood for our children.

The Castle-Tanner bill is what we call real welfare reform. It fares well for Americans. We do not need a bill that cuts Americans who need some $60 billion, as the Republican bill does. We need a bill that has Americans who work hard and pay taxes joining us in saying that is fair. If you have a cutoff, then require the States to provide a bridge for those who may not yet be able to be independent after a 5- or 2-year cutoff. Provide vouchers. If you cut Medicaid, allow families with children to still carry Medicaid. Excess shelter provision is needed, and the Castle-Tanner has that.

Although we are in a climate of bashing hard-working immigrants, of which many of us came to this Nation in so many shapes and sizes, they pay taxes. They work. This provision in the Castle-Tanner bill allows for legal immigrants who have fallen on hard times, who cannot find work, to be able to be provided for.

Yes, the Castle-Tanner bill does not increase the taxes of working poor, people who have made the decision that I would rather stand up and be counted in the work force but yet still need food stamps in order to carry the day for their children.

I do not know about my colleagues, but the bill to pass today for real welfare reform that fares America well is the bill that supports our children. Why can we not do this in a bipartisan manner and stop the accusations? I am going to stand for the children of America and not cast aside those who are least able to serve.

Please support the Castle-Tanner legislation.

Mr. KASICH. Madam Chairman, I yield 1½ minutes to the distinguished gentleman from Arizona [Mr. HAYWORTH].

Mr. HAYWORTH. Madam Chairman, I thank the chairman of the Committee on the Budget, my colleague from Ohio, for this time.

Madam Chairman, she is called by an unlikely nickname, Pee Wee. Pee Wee Mestas of Holbrook, AZ, operates the Wayside Drive-in and offers a true spirit of compassion that goes beyond bromides to putting her philosophy and, yes, her faith in action. For, you see, Madam Chairman, Pee Wee Mestas, the operator of the Wayside Drive-in in Holbrook tries to do a gigantic job, not only providing for her family but trying to introduce the concept of work to young ladies in her hometown who have had children out of wedlock.

Recently Pee Wee shared with me her frustration, for inevitably, Pee Wee says, when she offers jobs to these young ladies, they come and they work for a couple of weeks. But then invariably, and this is the sad fact, then invariably they say: Pee Wee, listen, I appreciate the opportunity to have this job, but, you see, the government will pay me more to stay home and do nothing.

Madam Chairman, I respectfully submit that the issue is not about the care of children, for all of us in this Chamber truly care for children. The issue is teaching those mothers, those parents who have failed to take responsibility, they need responsibility, they need work. That is genuine compassion. Vote for the majority plan.

Mr. SABO. Madam Chairman, I yield the balance of my time to the distinguished gentleman from Massachusetts [Mr. NEAL] who has worked very hard on the issue of welfare reform.

The CHAIRMAN. The gentleman from Massachusetts [Mr. NEAL] is recognized for 5½ minutes.

Mr. NEAL of Massachusetts. Madam Chairman, there is a great verse from the old folksong that goes like this: When will we ever learn?

Two years ago, one side in this institution learned that they would be unsuccessful in imposing their will on the other side when it came to the health care debate. And for the better part of 18 months, the majority in this House has failed to successfully pass welfare reform.

The truth is, today, and Members will never hear them give any credit to this gentleman, but Bill Clinton forever changed the culture of the welfare debate in this country when he said we would end welfare as we currently know it.

There is but one piece of legislation in front of this House today that commands the respect of Democrats and Republicans alike. That is the Castle-Tanner legislation. That is legislation based upon the hard-won experience of the former Governor of Delaware and the distinguished gentleman from Tennessee, because they worked diligently to come up with a piece of legislation that Republicans and Democrats alike could support.

No Member of this institution supports or defends the status quo when it comes to the current welfare system in America. We reject the notion that one out of three children being born out of wedlock in the long run ensures the social viability of this Nation. But as Al Smith used to say, let us take a look at the facts.

Members will never hear it from the majority in this House, but today there are 1.3 million fewer welfare recipients across this Nation. Bill Clinton has granted 67 experiments in 40 States. Seventy-five percent of the welfare recipients in this country today are in work programs across this Nation.

But let us not lose sight of this fact. I reject the suggestion of the previous speaker on the Republican side, when he said that this debate was not about children. There are 12.8 million AFDC recipients in America today; 8.8 million of those AFDC recipients are children.

Despite the mistakes of parents who may well have been involved in antisocial behavior or, through no fault of their own, receiving welfare benefits, we ask ourselves today, what do we do about those 8.8 million children? Is there anybody of the Jewish faith or the Protestant faith or the Catholic faith today or other faiths in this institution that would reject the instruction of those religious creeds and say that we have an obligation to those children to move them through this difficult time in their lives? Their only mistake was to be born into circumstances over which they had no control.

But what is ironic about much of this debate today is that we have an opportunity in this Chamber to reject the status quo, to do it as Democrats and Republicans alike and, indeed, everybody would acknowledge how far the Democratic Party has moved during the last 18 months on this issue.

Do my colleagues know what else is extraordinary? As the Democratic Party has moved to the center in this debate, the Republican Party has moved more to the right. The goal of welfare reform has been elusive because there is an element on the other side that does not want to change in policy. They want a campaign issue for November. And the nominee of the Republican Party really had very little interest in coming to terms with a welfare bill that he knew that the President of the United States would sign.

We have a chance in the next hours of this day to create a welfare bill that Republicans and Democrats can go home and point to as a tangible achievement and to remind the American people that the system really does work when there is an element of goodwill that governs our lives.

The choice is relatively simple today. Will we vote for a piece of legislation that protects 8.8 million American children, or will we be caught up in a political issue for the fall?

I would remind all that, again, it was Bill Clinton who changed the culture of the welfare debate in this country and has said repeatedly, if a good, sound welfare bill is put on his desk, he will sign that legislation. Do Members know what else is interesting? He has already stated he will sign the Castle-Tanner bill if put on his desk.

We can accomplish that in the next few hours. Vote for Castle-Tanner and to welfare say farewell.

Mr. KASICH. Madam Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Ohio [Mr. KASICH] is recognized for 3½ minutes.

Mr. KASICH. Madam Chairman, I want to compliment the previous speaker. I think he did a pretty good job down here putting out his point of view, some of which I would agree with and some of which I would not. But I think he did a nice job with his remarks. I do want to say that when we look at what is happening in the House of Representatives, I said it this morning and have been saying it now for many months, the kind of change that we have seen in this House of Representatives is absolutely breathtaking.

We have had a welfare system that did not have time limits, did not have good work requirements, did not have good incentives for people to go to work, did not have good training requirements.

The American people are very smart. They knew we did not have a system that worked. I think the American people, because I am one of them, kind of grew up with the philosophy of Judeo-Christianity. We help people who need help and to teach people how to help themselves. That is the bottom line.

Somebody may have something, may fall on hard times, we are there at the doorstep. But it gets old after awhile when those very same people who needed the help decide for whatever reason not to help themselves.

What does this bill do? It says, look, you have got to go to work; you have got to get trained. You cannot be on welfare forever. If you are down and out, if you are down on your luck, if you need some help, if your kids are sick, if you are sick, we are going to help you.

But at some point, in fairness to all those people, frankly, who are in this building today, who get up and go to work and pay their taxes, this is what they want. They want the time limits. They want the training requirements. They want the work requirements, and they want people to go to work.

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And for those who can never go to work because they are just not capable, we are going to take care of them, but for the vast majority of Americans who want to work, we are going to fundamentally change the system.

For those that wonder about this Congress, as my colleagues know, the President did make a campaign speech a couple years ago saying he was going to change welfare as we know it. He has vetoed two bills, third time is the charm, but he vetoed the two bills that we sent to him since this Republican Congress took control.

Now, this is not braggadocio or partisanship. Frankly, it is the facts. The facts are the reason why we are debating fundamental welfare reform is because this Congress kept its word. The reason why people who go to work are going to feel better about the newly created welfare program is because we kept our word, and it is significant. The substitute that is being offered is a pretty positive substitute. Does not go far enough; it is too much, too much give, too much compromise, too much of the old system. But the compromise legislation ends the entitlement. It has work requirements. It has some form of time limits.

Can my colleagues imagine, the Republicans and Democrats today in the House of Representatives are debating the most fundamental change in welfare since the program was created, and we are doing it because we want to help those people who are poor, we want to help those people who are disadvantaged get to work, and at the same time we are sticking up for the taxpayers in this country who go to work, who are willing to share their income with those who are less fortunate but who only ask that at some point in time those who are less fortunate get out and help themselves.

I think this is a win-win today. I would defeat the substitute, I would pass the bill. Let us have real welfare reform, and I think at the end of the day the President signs it and this Congress will go down in history as the Congress that stood up for working people in America.

Mr. NADLER. Madam Chairman, I rise in strong opposition to H.R. 3734, the Republican Welfare Reform Act being considered today on the House floor.

This welfare reform bill is a direct assault on America's children, and on America's future. Most of the provisions of this bill would have their primary impact on low-income children. This bill would cut $61.1 billion from vital family survival programs, denying benefits to millions of children who are in desperate need.

This bill eliminates AFDC as an entitlement program, and creates a block grant to the States, denying the assurance of basic necessities to poor families and children when they are in need.

The child care assistance provided in this bill is insufficient. How do the authors of this legislation expect low-income families to get off welfare if they can't even afford a safe, decent, place for their children to be cared for while they work? According to the CBO, this bill falls $800 million short of the costs of providing child care assistance to individuals required to work.

Furthermore, the CBO has estimated that this bill would fall $12.9 billion short of the funding necessary to meet the work program requirements in the bill. If we are to move families effectively toward financial independence, we must—before we remove a vital safety net—provide the training necessary to perform jobs that will provide financial independence.

Madam Chairman, the magnitude of cuts to and elimination of programs that provide children and families important protections is unprecedented. Not only does this bill take away the assurance of emergency assistance for the very poor, but it also reduces drastically funding for child nutrition programs and food stamps. More than half of all food stamp recipients are children, and this bill slashes food stamp spending by $28.4 billion over 6 years, putting many children in jeopardy of not receiving the nutrition they need.

Madam Chairman, this bill is counter to the so-called family values about which there has been much discussion during the 104th Congress. If this really were a bill to promote and foster independence, it would focus on creating jobs and providing training, educational opportunities, and child care assistance. But instead, this legislation's focus is on removing basic assistance from children in dire need.

Madam Chairman, I urge my colleagues to vote against this very damaging bill.

Mr. SMITH of New Jersey. Madam Chairman, I would first like to commend Mr. SHAW and Mr. ARCHER, along with the other members of their respective committees, for once again forging legislation which will truly end welfare as we know it.

Although we had previously passed welfare reform legislation on two separate occasions, Mr. Clinton, in failing to keep his promise to the American people twice vetoed our welfare bills. Madam Chairman, I am hopeful that once this monumental legislation is again passed and presented to the President, he will sign the bill this time, if for no other reason than it will be politically expedient for him to do so.

As you are aware Madam Chairman, this welfare proposal includes a general rule which prohibits States from providing cash assistance under the family assistance block grant to a child born to a recipient of cash welfare benefits or who received cash benefits anytime during the pregnancy. This has been referred to as the "family cap" provision. However, the bill does permit States to opt out of this prohibition if a State passes legislation specifically exempting the State program funded under the family assistance block grant from application of the prohibition. I worked hard for this relief option and I am hopeful that most States will utilize it.

For those States, however, that do not opt out, Madam Chairman, and in particular for the children of these States, I am pleased that the bill includes my amendment that permits States to provide vouchers for children born to families receiving assistance. I worked diligently to have this amendment included in our original welfare reform bill (H.R. 1214 and H.R. 4), where it was passed overwhelmingly during consideration of that bill—352 to 80.

I admit the original family cap-child exclusion had surface appeal to many Americans who are fed up with people being on the dole. Americans want the abuse of the system to end.

However, the voucher-exception provision to the family cap will help the weakest and most vulnerable people in our society—children. I am sure everyone agrees that we must not punish children for the sins of their parents.

My voucher-exception amendment now included in this legislation enables us to accomplish the goal of the family cap provision—i.e., discouraging out-of-wedlock pregnancies—without driving children further into poverty or forcing their mothers to have an abortion. My provision maintains the restriction on cash benefits, but allows vouchers to be used to pay for particular goods and services specified by the State as suitable for the care of the child involved.

This means that State's will be able to provide for the most essential needs of the children: clothing, shoes, diapers, powders, bedding, laundry detergents, and travel to the doctor.

Over the years numerous studies have shown that money—or more precisely the lack of it—heavily influences a woman's decision to abort her child. Without my amendment, we would be saying to mothers, "the State will not help you feed your child, but we will—as they do in many States—pay for you to destroy your child."

A major study by the Alan Guttmacher Institute, a research organization associated with Planned Parenthood, which performs or refers for 230,000 abortions a year found that 68 percent of women having abortions said they did so because "they could not afford to have a child now." Among 21 percent of the total sample, this was the most important reason for the abortion; no other factor was cited more frequently as most important.

The voucher-exception provision permits states to provide compassionate care for children—care which offers help to women who do not want to have abortions, or who may otherwise feel trapped by a State program that limits their ability to care for another child.

Mr. PORTMAN. Madam Chairman, I rise in support of real welfare reform—something that is long, long overdue.

The current welfare system is broken. It needs a major overhaul. No one can doubt the fact the war on poverty has failed—no one. We have spent over $5.4 trillion on welfare in the last generation, but, in the long term, the current system has more often harmed the very people it was designed to help.

Madam Chairman, the welfare reform issue has been thoroughly and, I believe, thoughtfully studies and debated by this Congress. Remember, this marks the third time this session that this Congress will pass a welfare reform bill and sent it to the President.

This new proposal is a fundamental change in the direction of our welfare system. It is the product of many, many hours of hearings and many sensible compromises. We are not, as some might have you believe, turning our backs on welfare recipients, nor should we. This bill continues to protect the children that are the most vulnerable people affected by our broken welfare system. It will continue to protect and to strengthen the role of families. But, it also protects our taxpayers. We're telling our taxpayers that, for now on, welfare will be a helping hand, not a handout.

The new plan contains the major provisions I have worked for—work requirements, flexibility to allow States to address their own unique needs, and a 5-year time limit for those on welfare. My home State of Ohio has developed creative and innovative solutions closer to the real needs of people on welfare.

I applaud Subcommittee Chairman SHAW, Chairman ARCHER, and Chairman KASICH for their leadership and urge my colleagues to support this bill. I think this bill is long overdue and urge the President to sign it.

Ms. JACKSON-LEE of Texas. Madam Chairman, I rise today to speak out against a great injustice—an injustice that is being committed against our Nation's children—defenseless, nonvoting, children. I am referring of course to H.R. 3734, the Welfare Budget Reconciliation Act for fiscal year 1997.

We speak so often in this House about family values and protecting children. At the same time however, my colleagues on the other side of the aisle, have presented a welfare reform bill that will effectively eliminate the Federal guarantee of assistance for poor children in this country for the first time in 60 years and will push millions more children into poverty.

This partisan bill is anti-family and anti-child. The Republican bill continues to be weak on work and hard on families. Without adequate funding for education, training, child care and employment, most of our Nation's poor will be unable to avoid or escape the welfare trap. Even before the adoption of amendments increasing work in committee, the Congressional Budget Office [CBO] estimated that the Republican proposal is some $9 billion short of what would be needed in fiscal years 1999 through 2002 to provide adequate money for the States to carry out the work program. Furthermore, the increase in the minimum work hours requirement, without a commensurate increase in child care funding, will make it almost impossible for States to provide child care for families making the transition from welfare to work. True welfare reform can never be achieved and welfare dependency will never be broken, unless we provide adequate education, training, child care, and jobs that pay a living wage.

I am also concerned about block grants in the bill which would eliminate any assurance of Federal funding for the prevention of child abuse. Child protection systems across the Nation are overwhelmed by the crisis facing families and their children. Federal, State and local efforts to prevent abuse have done little to alleviate the problem. In its April, 1995 report on child abuse and neglect fatalities, the U.S. Advisory Board on Child Abuse and Neglect reported that almost 2,000 infants and young children die from abuse and neglect at the hands of parents and caretakers each year. The vast majority of these children were under age 5 when they died and 45 percent were under the age of 1. It is critically important that child protection agencies increase their efforts to help children earlier in their lives. This bill does not go far enough to protect the Nation's children.

Similarly, the proposed cuts in the Summer Food Program will seriously jeopardize the program's continued viability—threatening the health and well-being of the 2 million low-income children who rely on the program.

More children will be hurt by the bill's denial of benefits to legal immigrants. The Republican bill would cut benefits for immigrants by about $19 billion and only 6 percent of these savings would come from denying benefits to illegal immigrants. Low-income legal immigrants would be denied aid provided under major programs such as SSI, Medicaid and food stamps. They would also be denied assistance under smaller programs such as meals-on-wheels to the homebound elderly and prenatal care for pregnant women. Under this bill, nearly half a million current elderly and disabled beneficiaries who are legal immigrants would be terminated from the SSI program. Similarly, the Congressional Budget Office estimates that by 2002, approximately 140,000 low-income legal immigrant children who would be eligible for Medicaid under current law would be denied it under this legislation. Most of these children are likely to have no other health insurance. I cannot believe we would pass legislation that would result in even one more child being denied health care that could prevent disease and illness.

This bill also changes the guidelines under which nonimmigrant children qualify for benefits under the SSI program. As a result, the CBO estimates that by 2002, some 315,000 low-income disabled children who would qualify for benefits under current law would be denied SSI. This represents 22 percent of the children that would qualify under current law. The bill would reduce the total benefits the program provides to disabled children by more than $7 billion over 6 years.

Madam Chairman, mandatory welfare-to-work programs can get parents off welfare and into jobs, but only if the program is well designed and is given the resources to be successful. The GOP bill is punitive and wrongheaded. It will not put people to work, it will put them on the street. Any restructuring of the welfare system must move people away from dependency toward self-sufficiency. Facilitating the transition off welfare requires job training, guaranteed child care and health insurance at an affordable price.

We cannot expect to reduce our welfare rolls if we do not provide the women of this Nation the opportunity to better themselves and their families through job training and education, if we do not provide them with good quality child care and most importantly if we do not provide them with a job.

Together, welfare programs make up the safety net that poor children and their families rely on in times of need. We must not allow the safety net to be shredded. We must keep our promises to the children of this Nation. We must ensure that in times of need they receive the health care, food, and general services they need to survive. I urge my colleagues to oppose this dangerous legislation and to live up to our moral responsibility to help the poor help themselves. Therefore, I support the Castle-Tanner welfare reform legislation which remedies many of these problems and fairly moves people from welfare to work.

Mr. BUYER. Madam Chairman, in passing real welfare reform, thus ending welfare as millions know it, Congress is giving more hope, more opportunity, and more responsibility to families across America.

Our current welfare system destroys lives by providing permanent aid to anyone. It creates poverty, dependence, hopelessness—repeated generation after generation in the same families. Some people are saddened that President Clinton vetoed real welfare reform not once but twice. I am more than saddened—I am angry. By keeping in place the same failed welfare policies of the past, the President has retained the status quo and denied the American Dream to millions of families. This is wrong. Government at the very least should not continue programs that hurt families and especially children. Welfare should be a helping hand in times of trouble, not a hand-out that becomes a way of life. I urge the President to not offer his veto a third time, but to provide his signature for the first time.

The current welfare system subsidizes illegitimacy, destroys families, and promotes waste, fraud, and abuse. It is not a morally healthy environment when you have 12-year-olds having babies, 15-year-olds killing each other, 17-year-olds dying of AIDS and 18-year-olds graduating with diplomas they cannot read. Welfare as we now know it is a system that keeps over a third of poor Americans locked in a seemingly endless cycle of destitution that has not stemmed a steady and growing epidemic of people living in poverty—14.5 percent of Americans in 1994.

The debate surrounding welfare should not be centered around cost—although the costs have been enormous over the years—but rather about principles such as purpose, dignity, and hope. Currently welfare consists of 80 Federal programs which provide cash payments, food, housing, and medical benefits. When created, it was thought that providing these handouts would allow individuals time in which to make the necessary changes in their lives to become a productive and self-sufficient member of society.

It is important to note that among industrialized nations at the start of this decade, the United States had the most murders, the worst schools, the most abortions, the highest infant mortality, the most illegitimacy, the most one-parent families, the most children in jail, and the most children on government aid.

Many of our successes in fighting welfare have begun in communities and neighborhoods. There are a number of alternatives to Washington bureaucracy. Habitat for Humanity is one such example. While the Department of Housing and Urban Development [HUD] requires absolutely nothing from tenants, Habitat requires recipients to learn the responsibility of home ownership and requires them to build a home for someone else before they help build their own home. One works to foster responsibility while the other fosters only more dependence. HUD requires only taxpayer dollars while Habitat for Humanity requires hard work and commitment from the individual, the family and community volunteers and donations. One works, the other does not work.

The 104th Congress has passed two dramatic welfare reform plans, only to see them end at the desk of President Clinton and his veto pen. The overriding messages of this bill are compassion, work, and responsibility. Our welfare reform plan includes:

Deadbeat dads: This bill assures that children receive the support necessary by establishing State tracking procedures, promoting automation of child support procedures in every State, takes measures to establish paternity, and toughens child support collections.

Work requirement: In 1979, 14 percent of welfare beneficiaries were working at paid jobs. By 1990, the number had dropped by one-half to 7 percent. Today, fewer than 7 percent of AFDC recipients work. Approximately 4.7 million families currently are on AFDC and over 90 percent will spend more than 2 years on welfare, and 77 percent will spend more than 5 years on welfare. This bill provides tough work requirements and enforces those work requirements. Able-bodied food stamp recipients between the age of 18 and 50 years with no dependents are required to either work 20 hours per week in a job or participate in a State work or training program within 120 days for receipt of benefits. It also gives incentives to reward States who are successful in moving families off welfare and into work. Work offers the best opportunity for long-term prosperity.

Congress also worked with the Nation's Governors to assure single parents will be able to balance work with caring for their young children. At the Governors' requests, exceptions can be made at the State level to the lifetime 5-year benefits limit if a hardship exists. States must have 50 percent of welfare families working by 2002 or face losing Federal funds.

Child care: This bill provides for child care to allow parents to receive proper training and education in pursuit of employment.

Child nutrition: Child nutrition programs are streamlined to reduce costs without making cuts in school lunch, school breakfast or WIC programs.

Food stamp program: Food stamps remain a Federal program but it requires able-bodied single adults to spend at least 20 hours a week in work-related activity or lose food-stamp benefits. In addition, it allows States to use one set of eligibility rules for families seeking cash welfare and food stamps.

Supplemental security income: Denies SSI to prisoners, people who fraudulently receive SSI while in prison, people who receive SSI from two or more States, fugitive felons, and probation and parole violators.

Provisions for noncitizens: Present law requires that when aliens come to the United States to live they must sign an affidavit that states they will not become dependent on the State, in other words they will get a job and become productive members of society. Unfortunately, many come to the United States, never become U.S. citizens, and receive assistance from taxpayers. This bill ends, 1 year after enactment, Medicaid and food stamps for most noncitizens now on the welfare rolls until they become citizens.

This welfare reform plan is the first step to allow millions an opportunity at the American Dream. Washington has finally come to the realization what our States and. local communities have long known that dollars alone won't solve this problem.

In changing welfare we must also change people's habits. If beneficiaries believe, as many currently do, that all they need to do is sign-up for benefits and wait for the check, then they have no incentive to find work. In contrast, if able bodies individuals know they only have 2 years to find a job, they will have to change their behavior and seek training that will lead to a job. By passing this bill we are extending our hand and offering real assistance, not just a handout but an opportunity for a new and better life. We are offering a way out of a system which has trapped adults and children for the past three decades.

This welfare reform bill moves toward individual responsibility, work ethic, learning, and commitment. It allows individuals in their own communities to reach out and help their neighbors. It helps children, encourages families to stay together, puts people back to work and strengthens America's moral fiber. It returns the program to its original intent—a temporary helping hand for those most in need. In the end, it provides opportunities that do not currently exist for welfare beneficiaries to seek the American Dream with a sense of purpose, dignity, and hope.

Mr. COYNE. Madam Chairman, in 1935 the Social Security Act became law. It established a commitment by the Federal Government to provide a guaranteed safety net for people who need assistance in making ends meet. The Republican welfare reform legislation currently being considered by the House of Representatives ends this 60-year commitment to poor families and leaves their economic fate to the vagaries of State politics. Further, this bill makes substantial cuts in the earned income tax credit [EITC], puts millions of children in jeopardy of losing their access to health care, and gives the States millions of Federal taxpayer dollars and provides inadequate Federal oversight to ensure that they will spend these funds wisely. For these reasons, I cannot support this legislation.

The bill before us today will end the Federal guarantee of economic assistance for families in need. This means that individual States will determine who will be eligible for assistance and how to provide for these families with limited Federal dollars. Under this system, if you are poor and happen to live in New York, you may be eligible to receive welfare assistance, while if you are poor and happen to live in Mississippi, you may not be eligible to receive any assistance at all. This is hardly an equitable means of distributing Federal dollars. Eliminating the Federal commitment to the Nation's poor is something that I simply cannot support. Families in need of assistance should have somewhere to turn, regardless of the State in which they live.

Under this legislation, many children who currently have access to health care services through the Medicaid Program may lose this critically important access. It is estimated that as many as 1 million children may lose their health care coverage under this legislation. This legislation will allow States to deny health care coverage to children who are currently receiving cash assistance but who will become ineligible for assistance under this bill. Not only will this legislation make many children ineligible for economic assistance, it will hit them twice by making them ineligible for health care services as well. At a time when the number of uninsured children is rising, it is unconscionable that we are considering legislation that will increase the number of uninsured children.

It is ironic that the Republican majority has chosen to make the working poor pay for the costs of this bill through cuts to the EITC. This bill actually raises taxes on approximately 4.3 million working families earning between $17,000 and $29,000 per year by phrasing out the EITC more quickly. Instead of placing the burden of funding their welfare proposal on those who can best afford it, the Republican majority has chosen to place this burden squarely on the shoulders of those who can least afford it.

During the Ways and Means Committee's consideration of this bill, the Democratic minority was assured that the cuts in the earned income tax credit would be balanced by a nonrefundable $500 per child tax credit. However, because this child tax credit is nonrefundable, millions of working poor families will not be eligible to receive the child credit because they do not earn enough income. Many families who are hurt by the cuts in the EITC will be ineligible to receive the child tax credit. Not surprisingly, the bill before us does not contain the $500 per child tax credit but retains the devastating cuts to the EITC.

This legislation sends a mixed message to welfare recipients. Under current law, States are prohibited from counting families' EITC payments in the calculation of their welfare eligibility and benefits. The legislation under consideration today will permit States to use EITC payments in these calculations. Individuals who are trying to make ends meet through paid work but who just don't make enough money to get by, face punishment by the State for their efforts. I offered an amendment during the Ways and Means Committee's markup of this legislation that would have required States to continue the current policy of disregarding EITC payments in welfare determinations, but it was defeated by the Republican majority. The EITC was established and has enjoyed bipartisan support because it rewards work—exactly what this bill is trying to accomplish—and so I do not understand why my Republican colleagues insist on allowing States to punish families who are genuinely trying to make work pay.

I believe that individuals who can work and who can find a job should do so. I also believe that families who play by the rules should not be penalized for their inability to find work. This legislation does exactly that. By refusing to acknowledge that not everyone who currently receives welfare will be able to find a job that will provide a living wage, the Republican majority is setting up its welfare reform proposal to fail. It will fail because it will harm innocent children as well as their parents. The welfare reform bill before the House of Representatives contains provisions that will push more children into poverty—some estimate as many as 1.5 million—with little hope of ever getting out. The bill explicitly leaves open the possibility that children will suffer for the deeds of their parents and allows States to use children as pawns in influencing the behavior of their parents.

The Republican majority, during markup of this legislation in the Ways and Means Committee, repeatedly refused to soften provisions in the bill that will undoubtedly hurt the children of individuals who cannot find work within the bill's arbitrary time limit. Under this legislation, States are prohibited from using Federal block grant funds to provide vouchers for the children whose parents who are cut off from cash assistance because of the time limit. This means that children will be punished because their parents cannot find work. I cannot support legislation with these effects on millions of our Nation's most vulnerable citizens.

This bill grants States millions of Federal dollars and gives the Federal Government sorely inadequate oversight in return. Under this legislation, States must outline for the Department of Health and Human Services how they plan to meet the bill's requirements. However, the bill provides no organization, department or entity with the authority to ensure that States do what they say they are going to do. It will be exceedingly easy for States to submit fair and equitable plans to move individuals from welfare to work, yet fail to do so in practice. The Federal Government, although it will supply funding for the States' assistance programs, will have no recourse to protect beneficiaries from the failure of the States to act fairly.

The Republican majority is again placing before the House of Representatives legislation that is part of a partisan political agenda. They know as well as I do that President Clinton's welfare reform efforts have already yielded substantial results. They know that the President has granted 67 welfare waivers to 40 States to allow them to experiment with different types of welfare-to-work strategies. They know that welfare rolls are down by nearly 10 percent since President Bush left office—that represents nearly 1.3 million fewer individuals receiving welfare checks each month. They know that teen pregnancy rates are down in 30 of the 41 States that report such rates. In the face of these statistics, I do not understand the Republican majority's uncalled-for attempt to bring radical and punitive change to the Nation's 60-year-old safety net for the poor.

The bill before us today ends the Federal guarantee of assistance to poor families. It punishes children for the deeds of their parents and will almost surely force millions more children into poverty and deprive them of health care.

Welfare reform does not need to be punitive. It does not need to end the responsibility of the Federal Government for the economic well-being of its citizens. The Republican majority's brand of welfare reform does little to address existing barriers to economic self sufficiency: inadequate education and training opportunities, unaffordable health care, inadequate child care and a dearth of viable job opportunities. Instead, the Republican majority has chosen again to continue its agenda of pursuing policies that injure our Nation's most defenseless citizens while doing little to reduce the pernicious effects of poverty.

Mr. REED. Madam Chairman, I believe it is vital that we pass a meaningful welfare reform bill. Meaningful welfare reform should move individuals to work and instill individual responsibility, while ensuring that children are protected.

The Republican bill debated today, just like the one vetoed by the President last year, does not pass these essential tests. In fact, the Republican bill fails to provide sufficient funding to move welfare recipients to work; does not provide adequate resources for States and individuals in the event of a severe recession; and unduly and unnecessarily harms children. The Republican bill can be summed up as weak on work and tough on children.

I support the Castle-Tanner alternative which is a tough, balanced, and bipartisan welfare reform bill that can be signed into law if the Republicans would let it reach the President's desk. Castle-Tanner contains the funding States need to put people to work according to the Congressional Budget Office. In addition, Castle-Tanner contains time limits for welfare benefits, guarantees protections for children, requires State accountability in operating welfare programs, and improves the response to economic downturns.

In my State of Rhode Island, a coalition of State officials, business leaders, and anti-poverty groups are currently working out the final details of a compromise welfare reform package. Unlike the Republican bill which would jeopardize this Rhode Island welfare reform effort, Castle-Tanner compliments it by providing the necessary resources and flexibility to move Rhode Island welfare recipients into work.

I urge my colleagues to support the Castle-Tanner substitute. Castle-Tanner is the only bill offered today that will provide the funding, flexibility, and protections necessary to create a reformed welfare system that promotes work. Castle-Tanner is responsible and meaningful welfare reform and it is a better bill for both Rhode Island and America.

Mr. DURBIN. Madam Chairman, I rise in support of welfare reform.

The current welfare system is in desperate need of reform. For public aid recipients trapped in the system, for those who exploit the welfare system, and for the taxpayers who foot the bills, an overhaul of welfare in America is a high priority.

The fundamental problem with our current system is that for many people welfare becomes more than a helping hand; it becomes a way of life. For some who enroll in the primary welfare program, Aid to Families with Dependent Children [AFDC], welfare becomes a trap they cannot escape. Some are afraid to lose the health benefits they receive through Medicaid. Others are unable to secure child care to enable them to go to work. We must eliminate these barriers and chart a clear path for welfare recipients to go after a paycheck instead of a welfare check. Welfare should be viewed as temporary assistance, not a lifestyle.

I believe welfare benefits should be cut off for recipients who are unwilling to pursue work, education or training. I also believe we must strengthen child support enforcement. Billions of dollars in child support payments go uncollected each year. By establishing paternity at birth and pursuing deadbeat parents, we can reduce the number of families that are impoverished by the failure of non-custodial parents to fulfill their financial obligations.

Today the House of Representatives is considering two proposals—the Gingrich bill and a bipartisan proposal offered by Representatives CASTLE and TANNER. The bipartisan Castle-Tanner welfare reform bill is dramatically better than the Gingrich bill.

The bipartisan bill will move people form welfare to work. It provides sufficient funding for work programs, and provides needed child care assistance for mothers who will be required to work and for working poor families.

The bipartisan bill protects children. It requires States to provide vouchers for the children of families who are removed from welfare before they reach the 5-year time limit, and it gives States the option of providing vouchers for children of families who exceed the 5-year limit. It allows families to continue their Medicaid coverage if they lose welfare benefits because of a time limit. And it continues the eligibility of the children of legal immigrants for SSI and food stamps.

In contrast, the Gingrich welfare bill is weak on work and tough on children. It cuts resources for programs that move people from welfare to work, potentially leaving States with a $9 billion deficit over 6 years. It discourages work by reducing the Earned Income Tax Credit, which has the effect of raising taxes on more than 4 million poor working families. It makes deep cuts in food stamps, endangering the nutrition of millions of children and elderly Americans. It denies food assistance to more than 300,000 children simply because they or their parents are immigrants. It does not ensure Medicaid eligibility when States change their welfare rules, endangering the health of millions of poor families. And it fails to ensure that child support orders are updated regularly to reflect the growing income of the non-custodial parent.

I still have significant problems with parts of the Castle-Tanner bill, particularly provisions relating to legal immigrants. Legal immigrants play by the rules and contribute to the progress of our country, just as all of our ancestors have done. I support effective requirements on the sponsors of legal immigrants who apply for benefits, but I do not believe that people who live legally in our country should be treated unfairly.

I am supporting Castle-Tanner in the hope that bipartisan welfare reform will become a reality this year. But before I support sending a measure to the President, I hope that the House-Senate conference committee addresses the serious flaws in the House effort.

Mr. RICHARDSON. Madam Chairman, I oppose this closed rule which prohibits this House from taking a vote on issues critical to Native American tribes.

Yesterday, I testified before the committee on two amendments important for the safety and futures of American Indian children. My amendments would have restored the current set-aside level for tribes under the Child Care Block Grant and made tribes eligible for Title IV–E adoption and foster care assistance funds.

I am disappointed that the Congress will not have an opportunity to vote on these important issues.

Because of my particular concern about the Title IV–E adoption assistance and foster care program, I will be introducing legislation to make Indian children eligible for this assistance. I strongly believe this is an issue that this Congress on obligation to vote on whether it is a part of welfare reform or a free standing bill.

Mr. HORN. Madam Chairman, after the billions of taxpayer dollars spent to end poverty, why do the welfare rolls continue to grow?

Why can't we do better than the welfare system we have in place right now?

How many more families will be trapped in the current welfare system before Congress and the President finally act?

Isn't it time that the President lived up to his campaign promise to "end welfare as we know it?"

And, isn't it time for Congress to act?

These are the questions that America wants answered. I urge my colleagues to provide those answers by voting for welfare reform today.

Mr. COSTELLO. Madam Chairman, I rise in opposition to the welfare reform plan presented to this House today. This plan is another mean-spirited attack on the most vulnerable citizens in our society, who have been asked to endure huge cuts in programs to pay for tax cuts for the very wealthy. In the interest of scoring political points, the leadership of this House has offered to send the President a bill that begs to be vetoed. This bill should not go forward.

I fully believe our welfare reform system is in dire need of reform. For too long, it has fostered dependence and not provided the resources or incentive for work. However, I cannot in good conscience support a bill that as a policy turns its back on poor and needy children. This bill eliminates the Federal safety net of Medicaid and food stamps for many kids, and cuts millions of dollars by denying Supplemental Security Income [SSI] assistance to the poor and disabled. And, by mandating that individuals work without providing adequate employment resources and child assistance, this bill threatens the health and safety of thousands of children who now rely on their parents care. This legislation is now responsible reform, and the real losers under this bill are the 1 million children who will be pushed into poverty under this so-called reform.

I urge my colleagues to support the Castle-Tanner substitute, which represents a modest compromise that will protect children while reforming our welfare system. The Castle-Tanner proposal guarantees protections for children and provides the support necessary for individuals to move into work. Castle-Tanner is serious about moving individuals from welfare to work. It imposes work requirements within 2 years of receiving assistance and ends subsidies after 5 years. It does not however, end food or medical assistance to children whose parents no longer qualify. Further, the Castle-Tanner substitute holds fathers responsible for their children through strong child support enforcement.

Castle-Tanner provides States with broad flexibility to develop successful welfare programs based on the needs of local communities. However, unlike the Republican bill, the Castle-Tanner compromise does not allow States to shirk their responsibilities to provide for their citizens. Under Castle-Tanner, States must continue to spend a reasonable and responsible amount of State dollars on assistance programs. Successful welfare reform must be a thoughtful joint partnership between the States and the Federal Government.

Madam Chairman, we have a responsibility to pass meaningful reform in this House. We cannot abuse this responsibility by passing legislation that will hurt thousands of children. I urge my colleagues to defeat the Republican bill and pass the bipartisan Castle-Tanner substitute, so that we can achieve meaningful, lasting welfare reform that President Clinton can sign into law.

Mrs. COLLINS of Illinois. Madam Chairman, welfare as we know it today, had its roots in American society almost 75 years ago. It is challenging to observe what the public and private sectors are doing to support children and families in the transition from welfare to work to self-sufficiency. Congress has the important role of providing a national view and in assuring that national priorities are addressed at the State and local levels of service administration and delivery. Many families need help to transition from public assistance, known as welfare, to self-sufficiency. We, as the national representatives of our society, must help build bridges and extend ladders to support parents and families as they move from welfare to work to self-sufficiency.

Work, responsibility, empowerment, and self-sufficiency should be the hallmarks of this welfare reform debate. The Republican philosophy is simply to get people off the public payrolls, with no attention to or concern about what these families will do when they face the challenges that may be inevitable for many of them. The best plan is one which must not come about at the expense of the children, and which will help people make the difficult transition from welfare to work. That's the real test of welfare reform.

There are five basic principles that must be considered in any welfare reform effort: Welfare reform must protect children. Their well-being must be our top priority; parents must take responsibility for their families, personally, emotionally, and financially; it is critically important to empower young people to reduce teen pregnancy and out-of-wedlock childbirth; quality child care is an issue that must be addressed and provided; and there must be access to quality health care.

We, as Federal legislators, must assure that the children are protected. They must not be required to pay for either the mistakes of their parents nor for the failures of our educational or private, corporate system that has left too many parents without adequate life and work skills to be self-sufficient. Reform ought not be just a race to save money by kicking needy families off welfare. Instead, our emphasis must be on enabling and empowering, not punishing parents and families—a true profamily agenda. Workable welfare reform legislation has to have not only real requirements for work, but also for job training, counseling, and personal as well as financial support.

One positive approach is based on a simple compact: Job training, job contracts, child care and child support enforcement to transition people to work; plus time limits on cash assistance to ensure parents' self-sufficiency so that welfare is not a way of life. Most people will find jobs in the private sector, but for those who do not, we should take the money which would have been spent on welfare checks and use it to find a subsidized job, preferably within the private sector. Merely passing the problem back to the States with reduced resources is not the answer. Job skill for real work is the answer.

CHILD SUPPORT COLLECTIONS

It is my belief that both parents should be required to support their children. Child support enforcement is an integral part of real welfare reform. For example, we have to develop and implement a multipronged approach to increasing child support collections. Therefore, paternity should be required to be established in the hospital, at the birth of the child, if at all possible, and without penalizing the mothers. I'd like to see a Federal law requiring uniform State laws which will prevent parents from evading their responsibilities by crossing State lines. This would require centralized registries and new hire reporting procedures or a national employment registry, which could be the IRS.

There are over 19 States that are using professional license suspension or revocation as a method to enforce child support payments. The threat of taking away driving, professional, and other work-related licenses works. The Congressional Budget Office has estimated that the Federal Government could save over $146 million in welfare payments in the first 5 years as a result of a nationwide license revocation or suspension program. Therefore, it is reasonable to predict that just one major child support enforcement proposal would help boost child support collections to $20 billion by the year 2000.

TEEN PREGNANCY AND POVERTY

The link between teen births and poverty is clear: 80 percent of the children born to teenage parents who dropped out of high school and did not marry are poor. That contrasts to only 8 percent of children born to married high school graduates over 20. Simply denying AFDC benefits to a teenage mother, as the original Republican plan proposed, won't do anything to move her family toward self-sufficiency. It's mean-spirited and makes the children pay the price. This approach will lead to more dependency, not less. One solution is possible when there is a stable functional home environment: Require teen mothers to live at home with their parents, identify their child's father, finish high school, learn parenting skills and work. Welfare reform efforts must be flexible.

CHILD CARE

There are welfare reform experiments in place that have been testing various ways we can use requirements to move from welfare to self-sufficiency. All of them stress work and responsibility. When we talk about empowering families to move from welfare to self-sufficiency we must also talk about child care. Child care support is particularly critical for low-income parents because it is such a significant part of a low-income family's budget. On average, poor working families pay more than a quarter of their income on child care.

The child care development block grant signed into law by President Bush with bipartisan support has made a significant contribution to low-income working families. In 1993, 65 percent of the children served were in families with incomes at or below the poverty line. Real welfare reform requires more child care, not less. The original Republican plan would reduce Federal funding for child care by $1.6 billion, or 15 percent over 5 years, and yet it kicks mothers off welfare after 2 years. This is hypocritical. That would mean 320,000 fewer children would be served by the year 2000. That means working families would be pitted against welfare recipients for scarce child care assistance. That's not the way to reform welfare and move families to self-sufficiency.

Recent studies have shown that children from low-income families are more likely to be in low-quality centers. The child care development and block grants have been instrumental in raising the standards for child care programs. We need to focus not only on safe, nurturing environments for children while their parents work and go to school, but also on the quality of the developmental and educational environment for the children's benefit; and, we must continue to expand child care opportunities to help working parents stay out of the welfare system, and for parents on welfare to transition off.

In summary: Work, responsibility, and empowerment are the keys to helping people make the transition from welfare to self-sufficiency. Budget cutting is not welfare reform. Supporting parents to develop self-sufficiency is. Putting people to work is. With continue advocacy, we can make the changes that are necessary. We can establish and maintain the bridges from welfare to self-sufficiency for families. I have recently learned a startling statistic prepared by The Brookings Institution. A chart showing change in adjusted real personal income demonstrated that the top levels of income increased from 30 to 40 percent over the last two decades. The middle incomes saw a modest increase in adjusted real personal income; however, the lowest levels of income saw a dramatic decline of down to a 30-percent decrease. From a plus 40-percent increase for the very wealthy to a 30-percent decrease for the very poor, and the Dole-Gingrich Republicans want to decrease welfare.

I cannot help but wonder whether the Dole-Gingrich Republicans even know who the welfare recipients are. Well, let me put a face on them. They are the single mom who dropped out of high school as a pregnant teenager, who was abused by adults as a child and abused by her spouse or partner as an adult. She receives a pittance in Aid to Families with Dependent Children [AFDC] and an allotment for food stamps. She can't get a midlevel paying job because she has no skills. Even if she could get a low paying job—where the competition is tough—there aren't any health care benefits; and after she pays for babysitting and transportation she is hard pressed to pay the rent. And heaven forbid if the kids get sick—she can't afford medical care.

Will the Dole-Gingrich Republicans give her a job? Will they help support jobs training programs so she can develop some employable skill? Not in this original bill. That mom and her kids make up the largest population of welfare recipients. The next large population group that the Federal Government subsidizes with welfare are the disabled—and the eligibility is that they cannot hold a job. Will the Dole-Gingrich Republicans employ that person with disabilities? Or will they support training programs or funding to assist an employer with providing any adaptive or assistive equipment that would make most persons with disabilities employable. Their record of little compassion and understanding for the least fortunate doesn't indicate that they will.

Madam Chairman, I stand for responsible government, for responsible parents, and for a responsible and responsive private sector. We all must join together to achieve reform of a system that can benefit all sectors by enabling all families to be proud and self-sufficient.

While I do not agree with several of the provisions of the Castle-Tanner substitute it is better than the Republican bill.

Ms. BROWN of Florida. Madam Chairman, I rise in opposition to the Republican welfare reform proposal. Instead of solving the welfare problems in this country, this bill creates new ones. By relying on block grants to distribute money to States, the neediest and most vulnerable people of this country could be left out in the cold.

Sending money in the form of block grants is a virtual guarantee that rapid growth States like Florida will either have to make up for the loss of money on their own—or deny assistance to the neediest families in their jurisdiction. We need to balance this country's budget in a way that holds everyone responsible—not just the poor and the needy.

By cutting the earned-income tax credit, the Republicans are simply punishing low-income working families. And by getting rid of job training programs, the Republicans are eliminating the chance that welfare recipients will have the necessary skills to get a job.

The Republican proposal is a mean-spirited attempt to punish those who are already suffering.

Ms. ESHOO. Madam Chairman, I rise in opposition to this bill and in strong support of the Tanner-Castle substitute for welfare reform.

The Tanner-Castle proposal is sounder policy for our country and reforms a broken system by focusing on two critical elements: It protects children and it promotes and assures work.

The Tanner-Castle proposal differs from H.R. 3734 in several other important areas: It provides $3 billion in mandatory resources for work programs; it requires vouchers for the needs of children during the 5-year time limit for benefits; enough mandatory funding is provided for child care for all welfare recipients; local governments are allowed greater participation in the process of setting up programs in their areas that meet the needs of their citizens; it includes an open ended contingency fund for States to access in the event of an economic recession; it requires a greater annual commitment by the States for welfare programs; it provides food stamp benefits for the children of legal immigrants.

These are not differences that negate the reforms of the welfare system that my Republican colleagues are seeking. The provisions I have listed ensure that when we make these reforms we are improving the current system while maintaining a safety net for those who need it. Change for the sake of change is not good enough unless there is a regard for the impact it will have.

Madam Chairman, the Tanner-Castle legislation meets the test that those who are in the system are given the assistance they need to move from welfare to work. H.R. 3734 does not.

Our country must have a sound, workable, and fair welfare reform policy. H.R. 3734 is tough on kids and weak on work. More than 1 million children could be pushed into poverty and in 70 percent of these families, one of the parents is working. The bill makes it less likely that child support orders will be updated regularly—actually weakening current law on deadbeat parents—while increasing Federal costs. I urge my colleagues to support the Tanner-Castle substitute and oppose the underlying bill.

Mrs. VUCANOVICH. Madam Chairman, in the board game called life, there is no welfare square that keeps your game piece there indefinitely. Instead, there is hope, opportunity to go to college, to go to work, to get married and have a family, to be a success and win the game. We teach these values to our children through the games that they play, yet our Government over the years has changed the values for our children to live by.

Today on the House floor we are not playing a game. Today we are taking a step, hopefully with the President's support, to restore our American values and reform the welfare system so that welfare is no longer a way of life. We can offer our citizens and children a chance—a chance to work, a chance to go to school, and a chance to be a success and win the real game of life.

H.R. 3734 promotes work and helps mothers on welfare by providing the job training and child care they need to achieve this goal. This bill says no more handouts to prisoners and noncitizens who have imposed on our system, and reduced opportunities for those who truly deserve assistance.

In addition, this bill restores power and flexibility of the welfare program to the States. You and I both know that Washington bureaucrats do not know what is best for Nevadans—most of them have not even been to the Silver State to learn what Nevadans need and what challenges must be faced. The best solutions can come from those who know us best, our own State government. To help our States, the bill provides appropriate funding and additional funding opportunities for those States, like Nevada, with growing populations.

Lastly, and I find most importantly, the bill encourages responsibility of families to reduce illegitimacy rates and to have parents take financial responsibility for their children. Today's illegitimacy rate among welfare families is almost 50 percent and is expected to rise. This bill takes bold steps to establish paternity and to make fathers pay child support. These are tough provisions, and it is about time that the Federal Government helps States track down parents who are unwilling to take care of their own family members. You see, Madam Chairman, this is not a game—the 104th Congress means business.

H.R. 3734 helps our future by helping our children. Our children will be our leaders someday and we must instill in them the values we grew up with. Responsibility for family, hope to go to college or have a good job, dreams to be a success—they are not not just squares on a board game, but are attainable goals in the real game of life. H.R. 3437 is a first step in making these goals become a reality, and I encourage my colleagues to support this legislation, and urge the President's to sign this essential bill for our children.

Mr. RICHARDSON. Madam Chairman, I am committed to reforming our failing welfare system. Our Nation needs a welfare reform that gives people back the dignity and control that comes from work and independence.

Our current system pays cash assistance when people lack adequate means to provide for their families rather than providing them with the means to support themselves.

My voting record reflects what I want to see in a welfare reform bill.

I believe that welfare should be a temporary program that provides a safety net for people who fall on hard times. I have voted for a program that limits persons to a 5-year lifetime limit for welfare assistance.

I believe that able-bodied adults with no children should not be eligible for food stamp benefits if they are not working at least part time.

I also believe that welfare recipients must be aggressively looking for a job. I have voted for legislation which terminates a persons benefits if they refused to work, to accept a job, or refused to look for work. If a job is not available, welfare recipients should be put in community service jobs.

Central to the welfare debate are our children. I believe that people should not have children until they are able to support them. I support provisions which reduce benefits for teen parents who fail to maintain minimum performance in school and denies teen parents assistance unless they are living with a parent or responsible adult.

Additionally, I believe that parents—both parents—have responsibilities to support their children. I have voted for legislation which withholds paychecks for parents who do not pay child support.

At the same time we are holding parents responsible for their children, we should not punish a child whose parents fail. We have a moral obligation to provide that no child goes hungry, is denied needed medical care, or is left with inadequate supervision.

Welfare reform must include child care moneys for people entering the work force with small children.

I also believe a welfare reform plan should give people access to the training they need, but expect them to work in return. I am disappointed that H.R. 3734 has no provisions to move people into the work force.

Madam Chairman, I am ready to make welfare reform a reality. Welfare reform must be tough on work, but fair to children.

Mr. CLAY. Madam Chairman, I rise to oppose this partisan and politically motivated welfare bill that would push 1 million more children into poverty.

Were it not for the fact that many have exploited this issue for raw political purposes, perhaps we could reform a welfare system badly in need of revision.

Were it not for the fact that those promoting an agenda of slashing domestic assistance programs to finance unfair economic priorities, perhaps real welfare reform could be achieved. Were it not for the fact that the Republican majority in this House is willing to exploit the condition of our Nation's poor in a desperate attempt to resuscitate their extreme and failed agenda, perhaps a proposal could be framed that fostered realistic work requirements and compassionate safety nets.

Rather than exhausting my time objecting to the most reprehensible provisions of this Republican plan, let me focus on some of the things that must be contained in any welfare reform bill I can support in good conscience:

First, welfare reform must contain realistic work requirements, not harsh punitive measures devised to appeal to a crazed, cynical, public scapegoating of the poor. Most welfare recipients want what is best for themselves and their families. They want fulfilling jobs that pay a livable wage. But when those clamoring for workfare oppose adequate resources for job training, and education, their sincerity is called into question. When those championing workfare in place of welfare show no concern that jobs are available which pay decent wages, welfare reform is an empty vessel.

Second, welfare reform must ensure that parents seeking to stay off welfare are able to leave their children in safe and healthy child care settings. Without adequate child care funding, welfare reform is a bizarre notion.

Third, welfare reform must ensure that the poor are protected against hunger and illness. There must be an adequate contingency funding to shelter the poor against recessions. Adequate food stamps must be available for poor families so they don't starve, and, Medicaid must be preserved to protect welfare recipients from the range of health risks that threaten the medical well-being of the poor and the elderly.

Welfare reform must preserve critical Federal efforts to protect children from abuse and neglect. It must not be used as a vehicle for reckless experimentation with those protections.

Madam Chairman, we have a solemn responsibility to address the Nation's problems with logical, compassionate legislation. The Republican welfare bill before us has little to do with logic, compassion or the reform of welfare.

I urge my colleagues to reject this misnamed, misdirected bill that espouses unrealistic, inhumane expectations. The architects of this flawed plan are willing to inflict suffering and misery on children. Their bill speaks volumes about the warped morality of those who would let children and the elderly starve.

Madam Chairman, the mere consideration of this trashy legislation evidence that this Congress and the American people who insist on this perversion of decency have lost all sense of purpose. This assault on the poor is driven by dishonesty and deception. It constitutes a reckless abandonment of humane values.

I urge its defeat.

Mr. BEREUTER. Madam Chairman, this Member is pleased to support welfare reform legislation currently before the House for consideration.

This Member has been a long-time supporter of efforts to reform our current welfare system to ensure that only those who are unable to provide their own basic needs receive assistance.

Enactment of a strong welfare reform measure that places an emphasis on work as its centerpiece is long overdue. The Congressional Budget Office has estimated that 1.3 million families now on welfare will be working in fiscal year 2002 as a result of the enactment of this legislation which converts welfare into a work program.

President Clinton promised to end welfare as we know it during his 1992 Presidential campaign. The President should be true to his initial instincts and campaign promise and sign this much needed welfare reform measure. The President's prior two vetoes of welfare reform legislation represented another broken promise to the American people for they were consistent with what the President requested. This Member is hopeful that speedy action will be taken to enact this welfare reform bill. It provides a compassionate solution for a failed welfare system.

However, this Member is concerned that once again, the President by his rhetoric in the past week, is laying the groundwork to reverse his course, violate his own statements, and again veto strong welfare reform legislation. It seems that Marian Wright Edelman will oppose any welfare reform bill that is worthy of reform. It would seem that as long as Marian Wright Edelman is opposed to this welfare reform bill, Mrs. Clinton will oppose it, and the President will veto this legislation and every welfare reform bill that is worthy of being called a reform bill.

For millions of poor Americans trapped in a system of despair, this measure offers them hope to escape the welfare cycle. It does that by replacing our current welfare bureaucracy with reforms based on the dignity and necessity of work for the able-bodied, and on the strength of families. States are also granted maximum flexibility to help needy individuals achieve self-reliance.

In addition, this important legislation ensures that absent parents are not allowed to walk away from their moral and financial responsibility to care for their children. Deadbeat parents currently compound the Nation's welfare problems, causing millions of children to live in poverty.

Madam Chairman, this Member urges his colleagues to support this strong welfare reform measure which ensures that the system of something for nothing is ended, and to require that welfare recipients meet reasonable and responsible standards.

Mr. KLECZKA. Madam Chairman, I rise in support of the welfare proposal put forth by the majority today.

I commend my colleagues on their decision to remove the poison pill of Medicaid from this bill.

And I commend my colleagues for the substantial steps they have taken to address the President's concerns, and the concerns of my Democratic colleagues.

This new bill ensures the continuation of health care coverage for those no longer eligible for AFDC. It deletes the unwarranted reductions to the earned income tax credit that were included in the original bill. And, it adds in $3 billion in work program funding.

No piece of legislation is perfect; this one is no exception. We know full well that we will revisit this issue repeatedly as problems arise.

I would have preferred to see more Federal funding for job placement and training, for child care, and for protection during recessions.

I would have preferred to increase State flexibility by giving States the option to use Federal funds to provide vouchers for children whose parents hit the time limits, rather than removing the protection of those vouchers by including a mandate against them.

I have fought, unsuccessfully, for stronger nondisplacement language so that America's workers can be assured that their jobs won't be put in jeopardy. This omission still concerns me.

However, this legislation is a solid start.

It gives our States the tools and the flexibility they need to enact meaningful, constructive reform.

A reform based upon personal responsibility, and personal achievement. A reform that moves people into the work force—permanently.

Congress must put aside partisan differences and pass this plan—to reform and revitalize our welfare system.

Ms. PELOSI. Madam Chairman, we can all agree that the welfare status quo is unacceptable. But the Republican welfare reform proposal will make the problems of poverty and dependence much worse because it refuses to make work the cornerstone of welfare reform.

Real welfare reform is about work. Opportunities for work, jobs that pay a living wage, job training opportunities to provide skills necessary to earn a living wage are long-term solutions for a permanent and productive reform in our welfare system.

Real welfare reform must emphasize the importance of work. Real welfare reform must also aid rather than punish children. Fourteen million children live in poverty in the United States. Passage of this legislation would add millions more to that statistic. This welfare bill is punitive and unrealistic.

Abolishing the safety net for children, imposing family caps, denying legal immigrants benefits, imposing arbitrary time limits, and failing to provide adequate child care, health care, education, job training, and work opportunities for people in need will thrust millions more into poverty.

This bill cuts almost $60 billion from the poor in this country. These cuts will affect children whose parents are on welfare. These cuts will trap countless women in abusive relationships, with nowhere to turn—without a realistic way to gain independence, gain work, and provide for their children.

Welfare reform must be about education, job training, and work. We must keep families together, rather than ripping them apart. We cannot simply reduce the deficit at the cost of our poorest Americans. This proposal has little wisdom, conscience, or heart.

Some of my colleagues will vote for this bill and then wash their hands of welfare reform, saying they have done their job. But the job of welfare reform is more complex and dire. People living in poverty are not cardboard cutouts—they do not have the same stories, they do not need the same services. This bill treats everyone alike—with unrealistic time limits and no real, lasting, and effective plan to move welfare recipients to work at a living wage.

The denial of benefits to legal immigrants in this legislation will do great harm to children and have a devastative impact on the health care system in our country. Only 3.9 percent of immigrants, who come to the United States to join their families or to work, rely on public assistance, compared to 4.2 percent of native-born citizens. According to the Urban Institute, immigrants pay $25 billion more annually than they receive in benefits. Yet the myth persists that welfare benefits are the primary purpose for immigration to the United States. Instead of appreciating legal immigrants for their significant contributions to this, their adopted country, this bill blatantly punishes them, especially young children and the elderly. It bans SSI and food stamps for virtually all legal immigrants. It tosses aside people who pay taxes, serve our country, and play by the rules. This lacks compassion and common sense.

If we want to achieve real welfare reform, we need to offer some long-term solutions to help people move up and out from the cycle of poverty.

The current welfare system is not adequate, but this bill makes it far worse. I urge my colleagues to oppose the Republican bill and work together for meaningful reform that puts people to work and pulls them out of poverty for good.

Mr. SERRANO. Madam Chairman, I rise in emphatic opposition to the Republicans' welfare reform bill. I am tempted to simply repeat the remarks I made last year, on the so-called Personal Responsibility Act, since the flaws in this bill are remarkably similar. But I do have a few new things to say.

It is clear to all thinking people that our current welfare system fails the people it is meant to help, and every Member of this House, Democrat as well as Republican, has voted for some form of welfare reform in the last 2 years. But the Republicans' approach will make the situation of the poor—and of the charities that help them and the cities that contain them—much worse.

The clearest sign that this bill is totally misguided is that it saves so much money. Everyone knows it takes more spending, not less, to give poor mothers the tools they need to get and keep jobs and to escape poverty. They need education, training, job-search assistance, day care and health care for their children, and jobs—and that means jobs that don't displace others.

Cost is the main reason Congress has been slow to face welfare reform in the past. But this bill cuts the programs that sustain our neediest families. It slashes the safety net for the poorest children and families.

And, Madam Chairman, it is incomprehensible to me that we have now reached a point where not one of the proposals before the House today preserves the entitlement—the guarantee that some modest assistance will be there for those families whose desperate circumstances make them eligible. What recourse will these wretched families have?

A very, very big problem with this bill is how it treats our children. No child chooses to be born into a poor family, but an eighth of the country's children now receive some support from the welfare system, and the Republican bill will push more than 1 million additional children into poverty.

But, Madam Chairman, I want to concentrate on provisions related to immigrants and public assistance. The immigrant provisions in this bill—and, sadly, in the otherwise superior Castle-Tanner substitute—are a disgrace, and an absolute bar to my supporting either bill.

The United States is a nation of immigrants. That is a cliche precisely because it is true. We all have roots beyond the borders of the United States; we all have ancestors, as near as our parents or as remote as our many-times-great grandparents, who, willingly or not, came to America.

We know that immigrants don't come for public assistance; they come to join family members and to provide a better life for their children. They work, they pay taxes, they participate in their schools and churches and communities, and they play by the rules. Why should they be targeted by this bill? Why should fully half the savings in this bill be achieved on the backs of legal immigrants who are in trouble or who wish to better themselves?

I can think of only one reason. For the past several years, this country has seen a rising tide of antiimmigrant feeling, whipped up by public officials who find naming scapegoats easier than dealing with the real problems facing their constituents. If the economy turns down, why, it must be immigrants. If schools are crowded, immigrants must be the reason. Crime? Immigrants. Deficits? Immigrants. Strange languages on the subway? Immigrants.

The assault is broad and comprehensive. it may begin with legitimate concerns over control of our Nation's borders, but it quickly moves to encompass those immigrants who have done everything we have asked of them—and more—to qualify for the rights to live here, work and pay taxes, and become Americans.

The antiterrorism bill has already made long-term immigrants with deep roots in America suddenly subject to detention and deportation for long-ago, mostly minor brushes with the law.

The immigration bill—supposed to deal with control of our borders and enforcement of our employment eligibility laws—included provisions to deny citizens and legal residents the right to reunite their families in America.

Both the immigration bill and this bill would go way beyond enforcing sponsors' obligations to support the immigrants they bring to this country. Instead, they would make it impossible for our society to meet its moral obligations to help people in trouble. It would also deny immigrants the ability to better themselves through education and training.

Funds for bilingual education are slashed, even as some Members of this House would impose English-only policies on government. Bilingual ballots and voting assistance are under attack, when even life-long English speakers think they need law degrees to understand some of the propositions that appear on our ballots.

Madam Chairman, one thing that disturbs me very much is that this assault seems to be related to changes in the ethnicity of many recent immigrants. This suggests that ethnic discrimination is likely to rise. If immigrants are singled out as the class of people who are not worthy of, or entitled to, assistance available to citizens, those who look or sound foreign are at risk of extra scrutiny. You may recall reports that, after proposition 187 passed in California, Hispanics' rights to buy a pizza were questioned. People who look like you, Madam Chairman, are unlikely to be asked, but increasingly, people who look like me are being questioned about our immigration status. This is illegal, undemocratic, unfair, but increasingly real.

Madam Chairman, I could go on, but I will close by urging all of my colleagues to reject the Republicans' ugly, mean-spirited welfare reform bill. It is simply too far off course. We need to return to basic principles and start all over again if welfare reform is to result in a welfare system that is compassionate, workable, and, above all, fair.

Mr. JOHNSON of South Dakota. Madam Chairman, I rise today in reluctant support of H.R. 3734 so that we may move forward with needed welfare reform in this country. While I preferred the bipartisan approach taken in the amendment by Mr. CASTLE and Mr. TANNER, which gives States more flexibility to develop and implement workfare programs, it is paramount that we no longer accept the status quo. The provisions in H.R. 3734 are much improved compared to H.R. 4 of last year, which I could not support and was also vetoed by the President. It is too late in the congressional session to start over, and my vote for H.R. 3734 is a vote to keep the debate and the possibility of a bipartisan agreement on welfare reform alive.

The welfare reform bill which passed the House today was an improvement over H.R. 4 because it does the following: First, deletes the elimination of Medicaid changes that threatened access to medical care for the most vulnerable in our country; second, deletes the block granting of the child nutrition program; third, adds resources for child care above the level in previous bills; fourth, includes a work performance bonus that gives States an incentive to move people from welfare to work; and fifth, preserves funding for foster care and adoption assistance programs.

There are several things that I believe must and will be improved via Senate and conference committee action on this legislation. Among these, I believe we simply must further ensure that children who happen to have been born into difficult circumstances do not go hungry. Punishing innocent children is not a solution nor should it even be an option. We must require States to protect children if their parents are removed from the welfare rolls.

As this bill moves to conference, it is my judgment that we must address the concerns raised recently by the National Governors Association regarding the restrictions on State flexibility and unfunded costs in the work requirements of H.R. 3734. The Congressional Budget Office has concluded that most States would fail to meet the work requirements and that most would simply accept the penalties rather than implement the requirements for work. The most important reform we can enact in the welfare system is to move people to self-sufficiency. We must not fail in that regard and therefore I am hopeful that this bill is improved in conference to ensure adequate resources to States to implement solid work requirements.

We must ensure that no families lose health care coverage when States change AFDC rules. Even though the Medicaid reconciliation provisions have been removed, we need to guarantee that families do not lose health care coverage even if they are removed from welfare rolls.

Madam Chairman, our Nation demands that we reform our welfare system. This legislation moves a long way toward needed reform, but it can still be better. I offer my reluctant support and hope that the Senate and the conference committee address my concerns and make this bill the best that it can possibly be.

The CHAIRMAN. All time for debate pursuant to House Resolution 482 has expired.

Pursuant to the rule, an amendment in the nature of a substitute consisting of the text of H.R. 3829, modified by the amendment printed in part 1 of House Report 104-686 is adopted. The bill, as amended, shall be considered as an original bill for the purpose for further amendment and is considered read.

The text of the amendment in the nature of a substitute, as modified, is as follows:

H.R. 3829

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Welfare Reform Reconciliation Act of 1996".

SEC. 2. TABLE OF TITLES.

The table of titles of this Act is as follows:

Title I—Committee on Agriculture
Title II—Committee on Commerce
Title III—Committee on Economic and Educational Opportunities
Title IV—Committee on Ways and Means

TITLE I—COMMITTEE ON AGRICULTURE

SEC. 1001. SHORT TITLE.

This title may be cited as the "Food Stamp Reform and Commodity Distribution Act of 1996".

SEC. 1002. TABLE OF CONTENTS.

The table of contents of this title is as follows:

Sec. 1001. Short title.
Sec. 1002. Table of contents.

Subtitle A—Food Stamp Program

Sec. 1011. Definition of certification period.
Sec. 1012. Definition of coupon.
Sec. 1013. Treatment of children living at home.
Sec. 1014. Optional additional criteria for separate household determinations.
Sec. 1015. Adjustment of thrifty food plan.
Sec. 1016. Definition of homeless individual.
Sec. 1017. State option for eligibility standards.
Sec. 1018. Earnings of students.
Sec. 1019. Energy assistance.
Sec. 1020. Deductions from income.
Sec. 1021. Vehicle allowance.
Sec. 1022. Vendor payments for transitional housing counted as income.
Sec. 1023. Doubled penalties for violating food stamp program requirements.
Sec. 1024. Disqualification of convicted individuals.
Sec. 1025. Disqualification.
Sec. 1026. Caretaker exemption.
Sec. 1027. Employment and training.
Sec. 1028. Comparable treatment for disqualification.
Sec. 1029. Disqualification for receipt of multiple food stamp benefits.
Sec. 1030. Disqualification of fleeing felons.
Sec. 1031. Cooperation with child support agencies.
Sec. 1032. Disqualification relating to child support arrears.
Sec. 1033. Work requirement.
Sec. 1034. Encourage electronic benefit transfer systems.
Sec. 1035. Value of minimum allotment.
Sec. 1036. Benefits on recertification.
Sec. 1037. Optional combined allotment for expedited households.
Sec. 1038. Failure to comply with other means-tested public assistance programs.
Sec. 1039. Allotments for households residing in centers.
Sec. 1040. Condition precedent for approval of retail food stores and wholesale food concerns.
Sec. 1041. Authority to establish authorization periods.
Sec. 1042. Information for verifying eligibility for authorization.
Sec. 1043. Waiting period for stores that fail to meet authorization criteria.
Sec. 1044. Operation of food stamp offices.
Sec. 1045. State employee and training standards.
Sec. 1046. Exchange of law enforcement information.
Sec. 1047. Expedited coupon service.
Sec. 1048. Withdrawing fair hearing requests.
Sec. 1049. Income, eligibility, and immigration status verification systems.
Sec. 1050. Disqualification of retailers who intentionally submit falsified applications.
Sec. 1051. Disqualification of retailers who are disqualified under the WIC program.
Sec. 1052. Collection of overissuances.
Sec. 1053. Authority to suspend stores violating program requirements pending administrative and judicial review.
Sec. 1054. Expanded criminal forfeiture for violations.
Sec. 1055. Limitation of Federal match.
Sec. 1056. Standards for administration.
Sec. 1057. Work supplementation or support program.
Sec. 1058. Waiver authority.
Sec. 1059. Response to waivers.
Sec. 1060. Employment initiatives program.
Sec. 1061. Reauthorization.
Sec. 1062. Simplified food stamp program.
Sec. 1063. State food assistance block grant.
Sec. 1064. A study of the use of food stamps to purchase vitamins and minerals.
Sec. 1065. Investigations.
Sec. 1066. Food stamp eligibility.
Sec. 1067. Report by the Secretary.
Sec. 1068. Deficit reduction.

Subtitle B—Commodity Distribution Programs

Sec. 1071. Emergency food assistance program.
Sec. 1072. Food bank demonstration project.
Sec. 1073. Hunger prevention programs.
Sec. 1074. Report on entitlement commodity processing.

Subtitle C—Electronic Benefit Transfer Systems

Sec. 1091. Provisions to encourage electronic benefit transfer systems.

Subtitle A—Food Stamp Program

SEC. 1011. DEFINITION OF CERTIFICATION PERIOD.

Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by striking "Except as provided" and all that follows and inserting the following: "The certification period shall not exceed 12 months, except that the certification period may be up to 24 months if all adult household members are elderly or disabled. A State agency shall have at least 1 contact with each certified household every 12 months.".

SEC. 1012. DEFINITION OF COUPON.

Section 3(d) of the Food Stamp Act of 1977 (7 U.S.C. 2012(d)) is amended by striking "or type of certificate" and inserting "type of certificate, authorization card, cash or check issued in lieu of a coupon, or an access device, including an electronic benefit transfer card or personal identification number,".

SEC. 1013. TREATMENT OF CHILDREN LIVING AT HOME.

The second sentence of section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by striking "(who are not themselves parents living with their children or married and living with their spouses)".

SEC. 1014. OPTIONAL ADDITIONAL CRITERIA FOR SEPARATE HOUSEHOLD DETERMINATIONS.

Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by inserting after the third sentence the following: "Notwithstanding the preceding sentences, a State may establish criteria that prescribe when individuals who live together, and who would be allowed to participate as separate households under the preceding sentences, shall be considered a single household, without regard to the common purchase of food and preparation of meals.".

SEC. 1015. ADJUSTMENT OF THRIFTY FOOD PLAN.

The second sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

(1) by striking "shall (1) make" and inserting the following: "shall—

"(1) make";

(2) by striking "scale, (2) make" and inserting "scale;

"(2) make";

(3) by striking "Alaska, (3) make" and inserting the following: "Alaska;

"(3) make"; and

(4) by striking "Columbia, (4) through" and all that follows through the end of the subsection and inserting the following: "Columbia; and

"(4) on October 1, 1996, and each October 1 thereafter, adjust the cost of the diet to reflect the cost of the diet, in the preceding June, and round the result to the nearest lower dollar increment for each household size, except that on October 1, 1996, the Secretary may not reduce the cost of the diet in effect on September 30, 1996.".

SEC. 1016. DEFINITION OF HOMELESS INDIVIDUAL.

Section 3(s)(2)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2012(s)(2)(C)) is amended by inserting "for not more than 90 days" after "temporary accommodation".

SEC. 1017. STATE OPTION FOR ELIGIBILITY STANDARDS.

Section 5(b) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended by striking "(b) The Secretary" and inserting the following:

"(b) ELIGIBILITY STANDARDS.—Except as otherwise provided in this Act, the Secretary".

SEC. 1018. EARNINGS OF STUDENTS.

Section 5(d)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(7)) is amended by striking "21" and inserting "19".

SEC. 1019. ENERGY ASSISTANCE.

(a) IN GENERAL.—Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended by striking paragraph (11) and inserting the following: "(11) a 1-time payment or allowance made under a Federal or State law for the costs of weatherization or emergency repair or replacement of an unsafe or inoperative furnace or other heating or cooling device,".

(b) CONFORMING AMENDMENTS.—

(1) Section 5(k) of the Act (7 U.S.C. 2014(k)) is amended—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "plan for aid to families with dependent children approved" and inserting "program funded"; and

(ii) in subparagraph (B), by striking ", not including energy or utility-cost assistance,";

(B) in paragraph (2), by striking subparagraph (C) and inserting the following:

"(C) a payment or allowance described in subsection (d)(11);"; and

(C) by adding at the end the following:

"(4) THIRD PARTY ENERGY ASSISTANCE PAYMENTS.—

"(A) ENERGY ASSISTANCE PAYMENTS.—For purposes of subsection (d)(1), a payment made under a Federal or State law to provide energy assistance to a household shall be considered money payable directly to the household.

"(B) ENERGY ASSISTANCE EXPENSES.—For purposes of subsection (e)(7), an expense paid on behalf of a household under a Federal or State law to provide energy assistance shall be considered an out-of-pocket expense incurred and paid by the household.".

(2) Section 2605(f) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)) is amended—

(A) by striking "(f)(1) Notwithstanding" and inserting "(f) Notwithstanding";

(B) in paragraph (1), by striking "food stamps,"; and

(C) by striking paragraph (2).

SEC. 1020. DEDUCTIONS FROM INCOME.

(a) IN GENERAL.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by striking subsection (e) and inserting the following:

"(e) Deductions From Income.—

"(1) Standard deduction.—The Secretary shall allow a standard deduction for each household in the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States of $134, $229, $189, $269, and $118, respectively.

"(2) Earned income deduction.—

"(A) Definition of earned income.—In this paragraph, the term 'earned income' does not include income excluded by subsection (d) or any portion of income earned under a work supplementation or support program, as defined under section 16(b), that is attributable to public assistance.

"(B) Deduction.—Except as provided in subparagraph (C), a household with earned income shall be allowed a deduction of 20 percent of all earned income to compensate for taxes, other mandatory deductions from salary, and work expenses.

"(C) Exception.—The deduction described in subparagraph (B) shall not be allowed with respect to determining an overissuance due to the failure of a household to report earned income in a timely manner.

"(3) Dependent care deduction.—

"(A) In general.—A household shall be entitled, with respect to expenses (other than excluded expenses described in subparagraph (B)) for dependent care, to a dependent care deduction, the maximum allowable level of which shall be $200 per month for each dependent child under 2 years of age and $175 per month for each other dependent, for the actual cost of payments necessary for the care of a dependent if the care enables a household member to accept or continue employment, or training or education that is preparatory for employment.

"(B) Excluded expenses.—The excluded expenses referred to in subparagraph (A) are—

"(i) expenses paid on behalf of the household by a third party;

"(ii) amounts made available and excluded for the expenses referred to in subparagraph (A) under subsection (d)(3); and

"(iii) expenses that are paid under section 6(d)(4).

"(4) Deduction for child support payments.—

"(A) In general.—A household shall be entitled to a deduction for child support payments made by a household member to or for an individual who is not a member of the household if the household member is legally obligated to make the payments.

"(B) Methods for determining amount.—The Secretary may prescribe by regulation the methods, including calculation on a retrospective basis, that a State agency shall use to determine the amount of the deduction for child support payments.

"(5) Homeless shelter allowance.—A State agency may develop a standard homeless shelter allowance, which shall not exceed $143 per month, for such expenses as may reasonably be expected to be incurred by households in which all members are homeless individuals but are not receiving free shelter throughout the month. A State agency that develops the allowance may use the allowance in determining eligibility and allotments for the households, except that the State agency may prohibit the use of the allowance for households with extremely low shelter costs.

"(6) Excess medical expense deduction.—

"(A) In general.—A household containing an elderly or disabled member shall be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, to an excess medical expense deduction for the portion of the actual costs of allowable medical expenses, incurred by the elderly or disabled member, exclusive of special diets, that exceeds $35 per month.

"(B) Method of claiming deduction.—

"(i) In general.—A State agency shall offer an eligible household under subparagraph (A) a method of claiming a deduction for recurring medical expenses that are initially verified under the excess medical expense deduction in lieu of submitting information or verification on actual expenses on a monthly basis.

"(ii) Method.—The method described in clause (i) shall—

"(I) be designed to minimize the burden for the eligible elderly or disabled household member choosing to deduct the recurrent medical expenses of the member pursuant to the method;

"(II) rely on reasonable estimates of the expected medical expenses of the member for the certification period (including changes that can be reasonably anticipated based on available information about the medical condition of the member, public or private medical insurance coverage, and the current verified medical expenses incurred by the member); and

"(III) not require further reporting or verification of a change in medical expenses if such a change has been anticipated for the certification period.

"(7) Excess shelter expense deduction.—

"(A) In general.—A household shall be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, to an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 percent of monthly household income after all other applicable deductions have been allowed.

"(B) Maximum amount of deduction.—In the case of a household that does not contain an elderly or disabled individual, the excess shelter expense deduction shall not exceed—

"(i) in the 48 contiguous States and the District of Columbia, $247 per month; and

"(ii) in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $429, $353, $300, and $182 per month, respectively.

"(C) Standard utility allowance.—

"(i) In general.—In computing the excess shelter expense deduction, a State agency may use a standard utility allowance in accordance with regulations promulgated by the Secretary, except that a State agency may use an allowance that does not fluctuate within a year to reflect seasonal variations.

"(ii) Restrictions on heating and cooling expenses.—An allowance for a heating or cooling expense may not be used in the case of a household that—

"(I) does not incur a heating or cooling expense, as the case may be;

"(II) does incur a heating or cooling expense but is located in a public housing unit that has central utility meters and charges households, with regard to the expense, only for excess utility costs; or

"(III) shares the expense with, and lives with, another individual not participating in the food stamp program, another household participating in the food stamp program, or both, unless the allowance is prorated between the household and the other individual, household, or both.

"(iii) Mandatory allowance.—

"(I) In general.—A State agency may make the use of a standard utility allowance mandatory for all households with qualifying utility costs if—

"(aa) the State agency has developed 1 or more standards that include the cost of heating and cooling and 1 or more standards that do not include the cost of heating and cooling; and

"(bb) the Secretary finds that the standards will not result in an increased cost to the Secretary.

"(II) Household election.—A State agency that has not made the use of a standard utility allowance mandatory under subclause (I) shall allow a household to switch, at the end of a certification period, between the standard utility allowance and a deduction based on the actual utility costs of the household.

"(iv) Availability of allowance to recipients of energy assistance.—

"(I) In general.—Subject to subclause (II), if a State agency elects to use a standard utility allowance that reflects heating or cooling costs, the standard utility allowance shall be made available to households receiving a payment, or on behalf of which a payment is made, under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) or other similar energy assistance program, if the household still incurs out-of-pocket heating or cooling expenses in excess of any assistance paid on behalf of the household to an energy provider.

"(II) Separate allowance.—A State agency may use a separate standard utility allowance for households on behalf of which a payment described in subclause (I) is made, but may not be required to do so.

"(III) States not electing to use separate allowance.—A State agency that does not elect to use a separate allowance but makes a single standard utility allowance available to households incurring heating or cooling expenses (other than a household described in subclause (I) or (II) of subparagraph (C)(ii)) may not be required to reduce the allowance due to the provision (directly or indirectly) of assistance under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.).

"(IV) Proration of assistance.—For the purpose of the food stamp program, assistance provided under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) shall be considered to be prorated over the entire heating or cooling season for which the assistance was provided.".

(b) Conforming Amendment.—Section 11(e)(3) of the Act (7 U.S.C. 2020(e)(3)) is amended by striking "Under rules prescribed" and all that follows through "verifies higher expenses;".

SEC. 1021. VEHICLE ALLOWANCE.

Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by striking paragraph (2) and inserting the following:

"(2) Included assets.—

"(A) In general.—Subject to the other provisions of this paragraph, the Secretary shall, in prescribing inclusions in, and exclusions from, financial resources, follow the regulations in force as of June 1, 1982 (other than those relating to licensed vehicles and inaccessible resources).

"(B) Additional included assets.—The Secretary shall include in financial resources—

"(i) any boat, snowmobile, or airplane used for recreational purposes;

"(ii) any vacation home;

"(iii) any mobile home used primarily for vacation purposes;

"(iv) subject to subparagraph (C), any licensed vehicle that is used for household transportation or to obtain or continue employment to the extent that the fair market value of the vehicle exceeds $4,600; and "(v) any savings or retirement account (including an individual account), regardless of whether there is a penalty for early withdrawal.

"(C) EXCLUDED VEHICLES.—A vehicle (and any other property, real or personal, to the extent the property is directly related to the maintenance or use of the vehicle) shall not be included in financial resources under this paragraph if the vehicle is—

"(i) used to produce earned income;

"(ii) necessary for the transportation of a physically disabled household member; or

"(iii) depended on by a household to carry fuel for heating or water for home use and provides the primary source of fuel or water, respectively, for the household.".

SEC. 1022. VENDOR PAYMENTS FOR TRANSITIONAL HOUSING COUNTED AS INCOME.

Section 5(k)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)(2)) is amended—

(1) by striking subparagraph (F); and

(2) by redesignating subparagraphs (G) and (H) as subparagraphs (F) and (G), respectively.

SEC. 1023. DOUBLED PENALTIES FOR VIOLATING FOOD STAMP PROGRAM REQUIREMENTS.

Section 6(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)) is amended—

(1) in clause (i), by striking "six months" and inserting "1 year"; and

(2) in clause (ii), by striking "1 year" and inserting "2 years".

SEC. 1024. DISQUALIFICATION OF CONVICTED INDIVIDUALS.

Section 6(b)(1)(iii) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)(iii)) is amended—

(1) in subclause (II), by striking "or" at the end;

(2) in subclause (III), by striking the period at the end and inserting "; or"; and

(3) by inserting after subclause (III) the following:

"(IV) a conviction of an offense under subsection (b) or (c) of section 15 involving an item covered by subsection (b) or (c) of section 15 having a value of $500 or more.".

SEC. 1025. DISQUALIFICATION.

(a) IN GENERAL.—Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended by striking "(d)(1) Unless otherwise exempted by the provisions" and all that follows through the end of paragraph (1) and inserting the following:

"(d) CONDITIONS OF PARTICIPATION.—

"(1) WORK REQUIREMENTS.—

"(A) IN GENERAL.—No physically and mentally fit individual over the age of 15 and under the age of 60 shall be eligible to participate in the food stamp program if the individual—

"(i) refuses, at the time of application and every 12 months thereafter, to register for employment in a manner prescribed by the Secretary;

"(ii) refuses without good cause to participate in an employment and training program under paragraph (4), to the extent required by the State agency;

"(iii) refuses without good cause to accept an offer of employment, at a site or plant not subject to a strike or lockout at the time of the refusal, at a wage not less than the higher of—

"(I) the applicable Federal or State minimum wage; or

"(II) 80 percent of the wage that would have governed had the minimum hourly rate under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) been applicable to the offer of employment;

"(iv) refuses without good cause to provide a State agency with sufficient information to allow the State agency to determine the employment status or the job availability of the individual;

"(v) voluntarily and without good cause—

"(I) quits a job; or

"(II) reduces work effort and, after the reduction, the individual is working less than 30 hours per week; or

"(vi) fails to comply with section 20.

"(B) HOUSEHOLD INELIGIBILITY.—If an individual who is the head of a household becomes ineligible to participate in the food stamp program under subparagraph (A), the household shall, at the option of the State agency, become ineligible to participate in the food stamp program for a period, determined by the State agency, that does not exceed the lesser of—

"(i) the duration of the ineligibility of the individual determined under subparagraph (C); or

"(ii) 180 days.

"(C) DURATION OF INELIGIBILITY.—

"(i) FIRST VIOLATION.—The first time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 1 month after the date the individual became ineligible; or

"(III) a date determined by the State agency that is not later than 3 months after the date the individual became ineligible.

"(ii) SECOND VIOLATION.—The second time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 3 months after the date the individual became ineligible; or

"(III) a date determined by the State agency that is not later than 6 months after the date the individual became ineligible.

"(iii) THIRD OR SUBSEQUENT VIOLATION.—The third or subsequent time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 6 months after the date the individual became ineligible;

"(III) a date determined by the State agency; or

"(IV) at the option of the State agency, permanently.

"(D) ADMINISTRATION.—

"(i) GOOD CAUSE.—The Secretary shall determine the meaning of good cause for the purpose of this paragraph.

"(ii) VOLUNTARY QUIT.—The Secretary shall determine the meaning of voluntarily quitting and reducing work effort for the purpose of this paragraph.

"(iii) DETERMINATION BY STATE AGENCY.—

"(I) IN GENERAL.—Subject to subclause (II) and clauses (i) and (ii), a State agency shall determine—

"(aa) the meaning of any term in subparagraph (A);

"(bb) the procedures for determining whether an individual is in compliance with a requirement under subparagraph (A); and

"(cc) whether an individual is in compliance with a requirement under subparagraph (A).

"(II) NOT LESS RESTRICTIVE.—A State agency may not determine a meaning, procedure, or determination under subclause (I) to be less restrictive than a comparable meaning, procedure, or determination under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(iv) STRIKE AGAINST THE GOVERNMENT.—For the purpose of subparagraph (A)(v), an employee of the Federal Government, a State, or a political subdivision of a State, who is dismissed for participating in a strike against the Federal Government, the State, or the political subdivision of the State shall be considered to have voluntarily quit without good cause.

"(v) SELECTING A HEAD OF HOUSEHOLD.—

"(I) IN GENERAL.—For the purpose of this paragraph, the State agency shall allow the household to select any adult parent of a child in the household as the head of the household if all adult household members making application under the food stamp program agree to the selection.

"(II) TIME FOR MAKING DESIGNATION.—A household may designate the head of the household under subclause (I) each time the household is certified for participation in the food stamp program, but may not change the designation during a certification period unless there is a change in the composition of the household.

"(vi) CHANGE IN HEAD OF HOUSEHOLD.—If the head of a household leaves the household during a period in which the household is ineligible to participate in the food stamp program under subparagraph (B)—

"(I) the household shall, if otherwise eligible, become eligible to participate in the food stamp program; and

"(II) if the head of the household becomes the head of another household, the household that becomes headed by the individual shall become ineligible to participate in the food stamp program for the remaining period of ineligibility.".

(b) CONFORMING AMENDMENT.—

(1) The second sentence of section 17(b)(2) of the Act (7 U.S.C. 2026(b)(2)) is amended by striking "6(d)(1)(i)" and inserting "6(d)(1)(A)(i)".

(2) Section 20 of the Act (7 U.S.C. 2029) is amended by striking subsection (f) and inserting the following:

"(f) DISQUALIFICATION.—An individual or a household may become ineligible under section 6(d)(1) to participate in the food stamp program for failing to comply with this section.".

SEC. 1026. CARETAKER EXEMPTION.

Section 6(d)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(2)) is amended by striking subparagraph (B) and inserting the following: "(B) a parent or other member of a household with responsibility for the care of (i) a dependent child under the age of 6 or any lower age designated by the State agency that is not under the age of 1, or (ii) an incapacitated person;".

SEC. 1027. EMPLOYMENT AND TRAINING.

(a) IN GENERAL.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended—

(1) in subparagraph (A)—

(A) by striking "Not later than April 1, 1987, each" and inserting "Each";

(B) by inserting "work," after "skills, training,"; and

(C) by adding at the end the following: "Each component of an employment and training program carried out under this paragraph shall be delivered through a statewide workforce development system, unless the component is not available locally through the statewide workforce development system.";

(2) in subparagraph (B)—

(A) in the matter preceding clause (i), by striking the colon at the end and inserting the following: ", except that the State agency shall retain the option to apply employment requirements prescribed under this subparagraph to a program applicant at the time of application:";

(B) in clause (i), by striking "with terms and conditions" and all that follows through "time of application"; and

(C) in clause (iv)—

(i) by striking subclauses (I) and (II); and

(ii) by redesignating subclauses (III) and (IV) as subclauses (I) and (II), respectively;

(3) in subparagraph (D)—

(A) in clause (i), by striking "to which the application" and all that follows through "30 days or less";

(B) in clause (ii), by striking "but with respect" and all that follows through "child care"; and

(C) in clause (iii), by striking ", on the basis of" and all that follows through "clause (ii)" and inserting "the exemption continues to be valid";

(4) in subparagraph (E), by striking the third sentence;

(5) in subparagraph (G)—

(A) by striking "(G)(i) The State" and inserting "(G) The State"; and

(B) by striking clause (ii);

(6) in subparagraph (H), by striking "(H)(i) The Secretary" and all that follows through "(ii) Federal funds" and inserting "(H) Federal funds";

(7) in subparagraph (I)(i)(II), by striking ", or was in operation," and all that follows through "Social Security Act" and inserting the following: "), except that no such payment or reimbursement shall exceed the applicable local market rate";

(8)(A) by striking subparagraphs (K) and (L) and inserting the following:

"(K) LIMITATION ON FUNDING.—Notwithstanding any other provision of this paragraph, the amount of funds a State agency uses to carry out this paragraph (including under subparagraph (I)) for participants who are receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall not exceed the amount of funds the State agency used in fiscal year 1995 to carry out this paragraph for participants who were receiving benefits in fiscal year 1995 under a State program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.)."; and

(B) by redesignating subparagraphs (M) and (N) as subparagraphs (L) and (M), respectively; and

(9) in subparagraph (L), as redesignated by paragraph (8)(B)—

(A) by striking "(L)(i) The Secretary" and inserting "(L) The Secretary"; and

(B) by striking clause (ii).

(b) FUNDING.—Section 16(h) of the Act (7 U.S.C. 2025(h)) is amended by striking "(h)(1)(A) The Secretary" and all that follows through the end of paragraph (1) and inserting the following:

"(h) FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.—

"(1) IN GENERAL.—

"(A) AMOUNTS.—To carry out employment and training programs, the Secretary shall reserve for allocation to State agencies from funds made available for each fiscal year under section 18(a)(1) the amount of—

"(i) for fiscal year 1996, $75,000,000;

"(ii) for fiscal year 1997, $79,000,000;

"(iii) for fiscal year 1998, $81,000,000;

"(iv) for fiscal year 1999, $84,000,000;

"(v) for fiscal year 2000, $86,000,000;

"(vi) for fiscal year 2001, $88,000,000; and

"(vii) for fiscal year 2002, $90,000,000.

"(B) ALLOCATION.—The Secretary shall allocate the amounts reserved under subparagraph (A) among the State agencies using a reasonable formula (as determined by the Secretary) that gives consideration to the population in each State affected by section 6(o).

"(C) REALLOCATION.—

"(i) NOTIFICATION.—A State agency shall promptly notify the Secretary if the State agency determines that the State agency will not expend all of the funds allocated to the State agency under subparagraph (B).

"(ii) REALLOCATION.—On notification under clause (i), the Secretary shall reallocate the funds that the State agency will not expend as the Secretary considers appropriate and equitable.

"(D) MINIMUM ALLOCATION.—Notwithstanding subparagraphs (A) through (C), the Secretary shall ensure that each State agency operating an employment and training program shall receive not less than $50,000 in each fiscal year.".

(c) ADDITIONAL MATCHING FUNDS.—Section 16(h)(2) of the Act (7 U.S.C. 2025(h)(2)) is amended by inserting before the period at the end the following: ", including the costs for case management and casework to facilitate the transition from economic dependency to self-sufficiency through work".

(d) REPORTS.—Section 16(h) of the Act (7 U.S.C. 2025(h)) is amended—

(1) in paragraph (5)—

(A) by striking "(5)(A) The Secretary" and inserting "(5) The Secretary"; and

(B) by striking subparagraph (B); and

(2) by striking paragraph (6).

SEC. 1028. COMPARABLE TREATMENT FOR DISQUALIFICATION.

(a) IN GENERAL.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following:

"(i) COMPARABLE TREATMENT FOR DISQUALIFICATION.—

"(1) IN GENERAL.—If a disqualification is imposed on a member of a household for a failure of the member to perform an action required under a Federal, State, or local law relating to a means-tested public assistance program, the State agency may impose the same disqualification on the member of the household under the food stamp program.

"(2) RULES AND PROCEDURES.—If a disqualification is imposed under paragraph (1) for a failure of an individual to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of the Act to impose the same disqualification under the food stamp program.

"(3) APPLICATION AFTER DISQUALIFICATION PERIOD.—A member of a household disqualified under paragraph (1) may, after the disqualification period has expired, apply for benefits under this Act and shall be treated as a new applicant, except that a prior disqualification under subsection (d) shall be considered in determining eligibility.".

(b) STATE PLAN PROVISIONS.—Section 11(e) of the Act (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24), by striking "and" at the end;

(2) in paragraph (25), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(26) the guidelines the State agency uses in carrying out section 6(i); and".

(c) CONFORMING AMENDMENT.—Section 6(d)(2)(A) of the Act (7 U.S.C. 2015(d)(2)(A)) is amended by striking "that is comparable to a requirement of paragraph (1)".

SEC. 1029. DISQUALIFICATION FOR RECEIPT OF MULTIPLE FOOD STAMP BENEFITS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1028, is amended by adding at the end the following:

"(j) DISQUALIFICATION FOR RECEIPT OF MULTIPLE FOOD STAMP BENEFITS.—An individual shall be ineligible to participate in the food stamp program as a member of any household for a 10-year period if the individual is found by a State agency to have made, or is convicted in a Federal or State court of having made, a fraudulent statement or representation with respect to the identity or place of residence of the individual in order to receive multiple benefits simultaneously under the food stamp program.".

SEC. 1030. DISQUALIFICATION OF FLEEING FELONS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by sections 1028 and 1029, is amended by adding at the end the following:

"(k) DISQUALIFICATION OF FLEEING FELONS.—No member of a household who is otherwise eligible to participate in the food stamp program shall be eligible to participate in the program as a member of that or any other household during any period during which the individual is—

"(1) fleeing to avoid prosecution, or custody or confinement after conviction, under the law of the place from which the individual is fleeing, for a crime, or attempt to commit a crime, that is a felony under the law of the place from which the individual is fleeing or that, in the case of New Jersey, is a high misdemeanor under the law of New Jersey; or

"(2) violating a condition of probation or parole imposed under a Federal or State law.".

SEC. 1031. COOPERATION WITH CHILD SUPPORT AGENCIES.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by sections 1028 through 1030, is amended by adding at the end the following:

"(l) CUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—

"(1) IN GENERAL.—At the option of a State agency, subject to paragraphs (2) and (3), no natural or adoptive parent or other individual (collectively referred to in this subsection as 'the individual') who is living with and exercising parental control over a child under the age of 18 who has an absent parent shall be eligible to participate in the food stamp program unless the individual cooperates with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

"(A) in establishing the paternity of the child (if the child is born out of wedlock); and

"(B) in obtaining support for—

"(i) the child; or

"(ii) the individual and the child.

"(2) GOOD CAUSE FOR NONCOOPERATION.—Paragraph (1) shall not apply to the individual if good cause is found for refusing to cooperate, as determined by the State agency in accordance with standards prescribed by the Secretary in consultation with the Secretary of Health and Human Services. The standards shall take into consideration circumstances under which cooperation may be against the best interests of the child.

"(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

"(m) NONCUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—

"(1) IN GENERAL.—At the option of a State agency, subject to paragraphs (2) and (3), a putative or identified noncustodial parent of a child under the age of 18 (referred to in this subsection as 'the individual') shall not be eligible to participate in the food stamp program if the individual refuses to cooperate with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

"(A) in establishing the paternity of the child (if the child is born out of wedlock); and

"(B) in providing support for the child.

"(2) REFUSAL TO COOPERATE.—

"(A) GUIDELINES.—The Secretary, in consultation with the Secretary of Health and Human Services, shall develop guidelines on what constitutes a refusal to cooperate under paragraph (1).

"(B) PROCEDURES.—The State agency shall develop procedures, using guidelines developed under subparagraph (A), for determining whether an individual is refusing to cooperate under paragraph (1).

"(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

"(4) PRIVACY.—The State agency shall provide safeguards to restrict the use of information collected by a State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to purposes for which the information is collected.".

SEC. 1032. DISQUALIFICATION RELATING TO CHILD SUPPORT ARREARS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by sections 1028 through 1031, is amended by adding at the end the following:

"(n) DISQUALIFICATION FOR CHILD SUPPORT ARREARS.—

"(1) IN GENERAL.—At the option of the State agency, no individual shall be eligible to participate in the food stamp program as a member of any household during any month that the individual is delinquent in any payment due under a court order for the support of a child of the individual.

"(2) EXCEPTIONS.—Paragraph (1) shall not apply if—

"(A) a court is allowing the individual to delay payment; or

"(B) the individual is complying with a payment plan approved by a court or the State agency designated under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to provide support for the child of the individual.".

SEC. 1033. WORK REQUIREMENT.

(a) IN GENERAL.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by sections 1028 through 1032, is amended by adding at the end the following:

"(o) WORK REQUIREMENT.—

"(1) DEFINITION OF WORK PROGRAM.—In this subsection, the term 'work program' means—

"(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

"(C) a program of employment and training operated or supervised by a State or political subdivision of a State that meets standards approved by the Governor of the State, including a program under section 6(d)(4), other than a job search program or a job search training program.

"(2) WORK REQUIREMENT.—Subject to the other provisions of this subsection, no individual shall be eligible to participate in the food stamp program as a member of any household if, during the preceding 12-month period, the individual received food stamp benefits for not less than 4 months during which the individual did not—

"(A) work 20 hours or more per week, averaged monthly; or

"(B) participate in and comply with the requirements of a work program for 20 hours or more per week, as determined by the State agency; or

"(C) participate in a program under section 20 or a comparable program established by a State or political subdivision of a State.

"(3) EXCEPTION.—Paragraph (2) shall not apply to an individual if the individual is—

"(A) under 18 or over 50 years of age;

"(B) medically certified as physically or mentally unfit for employment;

"(C) a parent or other member of a household with responsibility for a dependent child;

"(D) otherwise exempt under section 6(d)(2); or

"(E) a pregnant woman.

"(4) WAIVER.—

"(A) IN GENERAL.—On the request of a State agency, the Secretary may waive the applicability of paragraph (2) to any group of individuals in the State if the Secretary makes a determination that the area in which the individuals reside—

"(i) has an unemployment rate of over 10 percent; or

"(ii) does not have a sufficient number of jobs to provide employment for the individuals.

"(B) REPORT.—The Secretary shall report the basis for a waiver under subparagraph (A) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(5) SUBSEQUENT ELIGIBILITY.—

"(A) IN GENERAL.—Paragraph (2) shall cease to apply to an individual if, during a 30-day period, the individual—

"(i) works 80 or more hours;

"(ii) participates in and complies with the requirements of a work program for 80 or more hours, as determined by a State agency; or

"(iii) participates in a program under section 20 or a comparable program established by a State or political subdivision of a State.

"(B) LIMITATION.—During the subsequent 12-month period, the individual shall be eligible to participate in the food stamp program for not more than 4 months during which the individual does not—

"(i) work 20 hours or more per week, averaged monthly;

"(ii) participate in and comply with the requirements of a work program for 20 hours or more per week, as determined by the State agency; or

"(iii) participate in a program under section 20 or a comparable program established by a State or political subdivision of a State.".

(b) TRANSITION PROVISION.—Prior to 1 year after the date of enactment of this Act, the term "preceding 12-month period" in section 6(o) of the Food Stamp Act of 1977, as amended by subsection (a), means the preceding period that begins on the date of enactment of this Act.

SEC. 1034. ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.

(a) IN GENERAL.—Section 7(i) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)) is amended—

(1) by striking paragraph (1) and inserting the following:

"(1) ELECTRONIC BENEFIT TRANSFERS.—

"(A) IMPLEMENTATION.—Each State agency shall implement an electronic benefit transfer system in which household benefits determined under section 8(a) or 26 are issued from and stored in a central databank before October 1, 2002, unless the Secretary provides a waiver for a State agency that faces unusual barriers to implementing an electronic benefit transfer system.

"(B) TIMELY IMPLEMENTATION.—State agencies are encouraged to implement an electronic benefit transfer system under subparagraph (A) as soon as practicable.

"(C) STATE FLEXIBILITY.—Subject to paragraph (2), a State agency may procure and implement an electronic benefit transfer system under the terms, conditions, and design that the State agency considers appropriate.

"(D) OPERATION.—An electronic benefit transfer system should take into account generally accepted standard operating rules based on—

"(i) commercial electronic funds transfer technology;

"(ii) the need to permit interstate operation and law enforcement monitoring; and

"(iii) the need to permit monitoring and investigations by authorized law enforcement agencies.";

(2) in paragraph (2)—

(A) by striking "effective no later than April 1, 1992,";

(B) in subparagraph (A)—

(i) by striking ", in any 1 year,"; and

(ii) by striking "on-line";

(C) by striking subparagraph (D) and inserting the following:

"(D)(i) measures to maximize the security of a system using the most recent technology available that the State agency considers appropriate and cost effective and which may include personal identification numbers, photographic identification on electronic benefit transfer cards, and other measures to protect against fraud and abuse; and

"(ii) effective not later than 2 years after the effective date of this clause, to the extent practicable, measures that permit a system to differentiate items of food that may be acquired with an allotment from items of food that may not be acquired with an allotment.";

(D) in subparagraph (G), by striking "and" at the end;

(E) in subparagraph (H), by striking the period at the end and inserting "; and"; and

(F) by adding at the end the following:

"(I) procurement standards."; and

(3) by adding at the end the following:

"(7) REPLACEMENT OF BENEFITS.—Regulations issued by the Secretary regarding the replacement of benefits and liability for replacement of benefits under an electronic benefit transfer system shall be similar to the regulations in effect for a paper food stamp issuance system.

"(8) REPLACEMENT CARD FEE.—A State agency may collect a charge for replacement of an electronic benefit transfer card by reducing the monthly allotment of the household receiving the replacement card.

"(9) OPTIONAL PHOTOGRAPHIC IDENTIFICATION.—

"(A) IN GENERAL.—A State agency may require that an electronic benefit card contain a photograph of 1 or more members of a household.

"(B) OTHER AUTHORIZED USERS.—If a State agency requires a photograph on an electronic benefit card under subparagraph (A), the State agency shall establish procedures to ensure that any other appropriate member of the household or any authorized representative of the household may utilize the card.

"(10) APPLICATION OF ANTI-TYING RESTRICTIONS TO ELECTRONIC BENEFIT TRANSFER SYSTEMS.—

"(A) IN GENERAL.—A company shall not sell or provide electronic benefit transfer services, or fix or vary the consideration for such services, on the condition or requirement that the customer—

"(i) obtain some additional point-of-sale service from the company or any affiliate of the company; or

"(ii) not obtain some additional point-of-sale service from a competitor of the company or competitor of any affiliate of the company.

"(B) DEFINITIONS.—In this paragraph—

"(i) AFFILIATE.—The term 'affiliate' shall have the same meaning as in section 2(k) of the Bank Holding Company Act.

"(ii) COMPANY.—The term 'company' shall have the same meaning as in section 106(a) of the Bank Holding Company Act Amendments of 1970, but shall not include a bank, bank holding company, or any subsidiary of a bank holding company.

"(iii) ELECTRONIC BENEFIT TRANSFER SERVICE.—The term 'electronic benefit transfer service' means the processing of electronic transfers of household benefits determined under section 8(a) or 26 where the benefits are—

"(I) issued from and stored in a central databank;

"(II) electronically accessed by household members at the point of sale; and

"(III) provided by a Federal or state government.

"(iv) POINT-OF-SALE SERVICE.—The term 'point-of-sale service' means any product or service related to the electronic authorization and processing of payments for merchandise at a retail food store, including but not limited to credit or debit card services, automated teller machines, point-of-sale terminals, or access to on-line systems.

"(C) CONSULTATION WITH THE FEDERAL RESERVE BOARD.—Before promulgating regulations or interpretations of regulations to carry out this paragraph, the Secretary shall consult with the Board of Governors of the Federal Reserve System.".

(b) SENSE OF CONGRESS.—It is the sense of Congress that a State that operates an electronic benefit transfer system under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) should operate the system in a manner that is compatible with electronic benefit transfer systems operated by other States.

SEC. 1035. VALUE OF MINIMUM ALLOTMENT.

The proviso in section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking ", and shall be adjusted" and all that follows through "$5".

SEC. 1036. BENEFITS ON RECERTIFICATION.

Section 8(c)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(2)(B)) is amended by striking "of more than one month".

SEC. 1037. OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.

Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended by striking paragraph (3) and inserting the following:

"(3) OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.—A State agency may provide to an eligible household applying after the 15th day of a month, in lieu of the initial allotment of the household and the regular allotment of the household for the following month, an allotment that is equal to the total amount of the initial allotment and the first regular allotment. The allotment shall be provided in accordance with section 11(e)(3) in the case of a household that is not entitled to expedited service and in accordance with paragraphs (3) and (9) of section 11(e) in the case of a household that is entitled to expedited service.".

SEC. 1038. FAILURE TO COMPLY WITH OTHER MEANS-TESTED PUBLIC ASSISTANCE PROGRAMS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by striking subsection (d) and inserting the following:

"(d) REDUCTION OF PUBLIC ASSISTANCE BENEFITS.—

"(1) IN GENERAL.—If the benefits of a household are reduced under a Federal, State, or local law relating to a means-tested public assistance program for the failure of a member of the household to perform an action required under the law or program, for the duration of the reduction—

"(A) the household may not receive an increased allotment as the result of a decrease in the income of the household to the extent that the decrease is the result of the reduction; and

"(B) the State agency may reduce the allotment of the household by not more than 25 percent.

"(2) RULES AND PROCEDURES.—If the allotment of a household is reduced under this subsection for a failure to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of the Act to reduce the allotment under the food stamp program.".

SEC. 1039. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

"(f) ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.—

"(1) IN GENERAL.—In the case of an individual who resides in a center for the purpose of a drug or alcoholic treatment program described in the last sentence of section 3(i), a State agency may provide an allotment for the individual to—

"(A) the center as an authorized representative of the individual for a period that is less than 1 month; and

"(B) the individual, if the individual leaves the center.

"(2) DIRECT PAYMENT.—A State agency may require an individual referred to in paragraph (1) to designate the center in which the individual resides as the authorized representative of the individual for the purpose of receiving an allotment.".

SEC. 1040. CONDITION PRECEDENT FOR APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

Section 9(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)(1)) is amended by adding at the end the following: "No retail food store or wholesale food concern of a type determined by the Secretary, based on factors that include size, location, and type of items sold, shall be approved to be authorized or reauthorized for participation in the food stamp program unless an authorized employee of the Department of Agriculture, a designee of the Secretary, or, if practicable, an official of the State or local government designated by the Secretary has visited the store or concern for the purpose of determining whether the store or concern should be approved or reauthorized, as appropriate.".

SEC. 1041. AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS.

Section 9(a) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)) is amended by adding at the end the following:

"(3) AUTHORIZATION PERIODS.—The Secretary shall establish specific time periods during which authorization to accept and redeem coupons, or to redeem benefits through an electronic benefit transfer system, shall be valid under the food stamp program.".

SEC. 1042. INFORMATION FOR VERIFYING ELIGIBILITY FOR AUTHORIZATION.

Section 9(c) of the Food Stamp Act of 1977 (7 U.S.C. 2018(c)) is amended—

(1) in the first sentence, by inserting ", which may include relevant income and sales tax filing documents," after "submit information"; and

(2) by inserting after the first sentence the following: "The regulations may require retail food stores and wholesale food concerns to provide written authorization for the Secretary to verify all relevant tax filings with appropriate agencies and to obtain corroborating documentation from other sources so that the accuracy of information provided by the stores and concerns may be verified.".

SEC. 1043. WAITING PERIOD FOR STORES THAT FAIL TO MEET AUTHORIZATION CRITERIA.

Section 9(d) of the Food Stamp Act of 1977 (7 U.S.C. 2018(d)) is amended by adding at the end the following: "A retail food store or wholesale food concern that is denied approval to accept and redeem coupons because the store or concern does not meet criteria for approval established by the Secretary may not, for at least 6 months, submit a new application to participate in the program. The Secretary may establish a longer time period under the preceding sentence, including permanent disqualification, that reflects the severity of the basis of the denial.".

SEC. 1044. OPERATION OF FOOD STAMP OFFICES.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020), as amended by sections 1020(b) and 1028(b), is amended—

(1) in subsection (e)—

(A) by striking paragraph (2) and inserting the following:

"(2)(A) that the State agency shall establish procedures governing the operation of food stamp offices that the State agency determines best serve households in the State, including households with special needs, such as households with elderly or disabled members, households in rural areas with low-income members, homeless individuals, households residing on reservations, and households in areas in which a substantial number of members of low-income households speak a language other than English;

"(B) that in carrying out subparagraph (A), a State agency—

"(i) shall provide timely, accurate, and fair service to applicants for, and participants in, the food stamp program;

"(ii) shall develop an application containing the information necessary to comply with this Act;

"(iii) shall permit an applicant household to apply to participate in the program on the same day that the household first contacts a food stamp office in person during office hours;

"(iv) shall consider an application that contains the name, address, and signature of the applicant to be filed on the date the applicant submits the application;

"(v) shall require that an adult representative of each applicant household certify in writing, under penalty of perjury, that—

"(I) the information contained in the application is true; and

"(II) all members of the household are citizens or are aliens eligible to receive food stamps under section 6(f);

"(vi) shall provide a method of certifying and issuing coupons to eligible homeless individuals, to ensure that participation in the food stamp program is limited to eligible households; and

"(vii) may establish operating procedures that vary for local food stamp offices to reflect regional and local differences within the State;

"(C) that nothing in this Act shall prohibit the use of signatures provided and maintained electronically, storage of records using automated retrieval systems only, or any other feature of a State agency's application system that does not rely exclusively on the collection and retention of paper applications or other records;

"(D) that the signature of any adult under this paragraph shall be considered sufficient to comply with any provision of Federal law requiring a household member to sign an application or statement;";

(B) in paragraph (3), as amended by section 1020(b)—

(i) by striking "shall—" and all that follows through "provide each" and inserting "shall provide each"; and

(ii) by striking "(B) assist" and all that follows through "representative of the State agency;";

(C) by striking paragraphs (14) and (25);

(D)(i) by redesignating paragraphs (15) through (24) as paragraphs (14) through (23), respectively; and

(ii) by redesignating paragraph (26), as added by section 1028(b), as paragraph (24); and

(2) in subsection (i)—

(A) by striking "(i) Notwithstanding" and all that follows through "(2)" and inserting the following:

"(i) APPLICATION AND DENIAL PROCEDURES.—

"(1) APPLICATION PROCEDURES.—Notwithstanding any other provision of law,"; and

(B) by striking "; (3) households" and all that follows through "title IV of the Social Security Act. No" and inserting a period and the following:

"(2) DENIAL AND TERMINATION.—Other than in a case of disqualification as a penalty for failure to comply with a public assistance program rule or regulation, no".

SEC. 1045. STATE EMPLOYEE AND TRAINING STANDARDS.

Section 11(e)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(6)) is amended—

(1) by striking "that (A) the" and inserting "that—

"(A) the";

(2) by striking "Act; (B) the" and inserting "Act; and

"(B) the";

(3) in subparagraph (B), by striking "United States Civil Service Commission" and inserting "Office of Personnel Management"; and

(4) by striking subparagraphs (C) through (E).

SEC. 1046. EXCHANGE OF LAW ENFORCEMENT INFORMATION.

Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended—

(1) by striking "that (A) such" and inserting the following: "that—

"(A) the";

(2) by striking "law, (B) notwithstanding" and inserting the following: "law;

"(B) notwithstanding";

(3) by striking "Act, and (C) such" and inserting the following: "Act;

"(C) the"; and

(4) by adding at the end the following:

"(D) notwithstanding any other provision of law, the address, social security number, and, if available, photograph of any member of a household shall be made available, on request, to any Federal, State, or local law enforcement officer if the officer furnishes the State agency with the name of the member and notifies the agency that—

"(i) the member—

"(I) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime (or attempt to commit a crime) that, under the law of the place the member is fleeing, is a felony (or, in the case of New Jersey, a high misdemeanor), or is violating a condition of probation or parole imposed under Federal or State law; or

"(II) has information that is necessary for the officer to conduct an official duty related to subclause (I);

"(ii) locating or apprehending the member is an official duty; and

"(iii) the request is being made in the proper exercise of an official duty; and

"(E) the safeguards shall not prevent compliance with paragraph (16);".

SEC. 1047. EXPEDITED COUPON SERVICE.

Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is amended—

(1) in subparagraph (A)—

(A) by striking "five days" and inserting "7 days"; and

(B) by inserting "and" at the end;

(2) by striking subparagraphs (B) and (C);

(3) by redesignating subparagraph (D) as subparagraph (B); and

(4) in subparagraph (B), as redesignated by paragraph (3), by striking ", (B), or (C)".

SEC. 1048. WITHDRAWING FAIR HEARING REQUESTS.

Section 11(e)(10) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(10)) is amended by inserting before the semicolon at the end a period and the following: "At the option of a State, at any time prior to a fair hearing determination under this paragraph, a household may withdraw, orally or in writing, a request by the household for the fair hearing. If the withdrawal request is an oral request, the State agency shall provide a written notice to the household confirming the withdrawal request and providing the household with an opportunity to request a hearing".

SEC. 1049. INCOME, ELIGIBILITY, AND IMMIGRATION STATUS VERIFICATION SYSTEMS.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended—

(1) in subsection (e)(18), as redesignated by section 1044(1)(D)—

(A) by striking "that information is" and inserting "at the option of the State agency, that information may be"; and

(B) by striking "shall be requested" and inserting "may be requested"; and

(2) by adding at the end the following:

"(p) STATE VERIFICATION OPTION.—Notwithstanding any other provision of law, in carrying out the food stamp program, a State agency shall not be required to use an income and eligibility or an immigration status verification system established under section 1137 of the Social Security Act (42 U.S.C. 1320b–7).".

SEC. 1050. DISQUALIFICATION OF RETAILERS WHO INTENTIONALLY SUBMIT FALSIFIED APPLICATIONS.

Section 12(b) of the Food Stamp Act of 1977 (7 U.S.C. 2021(b)) is amended—

(1) in paragraph (2), by striking "and" at the end;

(2) in paragraph (3), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(4) for a reasonable period of time to be determined by the Secretary, including permanent disqualification, on the knowing submission of an application for the approval or reauthorization to accept and redeem coupons that contains false information about a substantive matter that was a part of the application.".

SEC. 1051. DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended by adding at the end the following:

"(g) DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.—

"(1) IN GENERAL.—The Secretary shall issue regulations providing criteria for the disqualification under this Act of an approved retail food store and a wholesale food concern that is disqualified from accepting benefits under the special supplemental nutrition program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (7 U.S.C. 1786).

"(2) TERMS.—A disqualification under paragraph (1)—

"(A) shall be for the same length of time as the disqualification from the program referred to in paragraph (1);

"(B) may begin at a later date than the disqualification from the program referred to in paragraph (1); and

"(C) notwithstanding section 14, shall not be subject to judicial or administrative review.".

SEC. 1052. COLLECTION OF OVERISSUANCES.

(a) COLLECTION OF OVERISSUANCES.—Section 13 of the Food Stamp Act of 1977 (7 U.S.C. 2022) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) COLLECTION OF OVERISSUANCES.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, a State agency shall collect any overissuance of coupons issued to a household by—

"(A) reducing the allotment of the household;

"(B) withholding amounts from unemployment compensation from a member of the household under subsection (c);

"(C) recovering from Federal pay or a Federal income tax refund under subsection (d); or

"(D) any other means.

"(2) COST EFFECTIVENESS.—Paragraph (1) shall not apply if the State agency demonstrates to the satisfaction of the Secretary that all of the means referred to in paragraph (1) are not cost effective.

"(3) MAXIMUM REDUCTION ABSENT FRAUD.—If a household received an overissuance of coupons without any member of the household being found ineligible to participate in the program under section 6(b)(1) and a State agency elects to reduce the allotment of the household under paragraph (1)(A), the State agency shall not reduce the monthly allotment of the household under paragraph (1)(A) by an amount in excess of the greater of—

"(A) 10 percent of the monthly allotment of the household; or

"(B) $10.

"(4) PROCEDURES.—A State agency shall collect an overissuance of coupons issued to a household under paragraph (1) in accordance with the requirements established by the State agency for providing notice, electing a means of payment, and establishing a time schedule for payment."; and

(2) in subsection (d)—

(A) by striking "as determined under subsection (b) and except for claims arising from an error of the State agency," and inserting ", as determined under subsection (b)(1),"; and

(B) by inserting before the period at the end the following: "or a Federal income tax refund as authorized by section 3720A of title 31, United States Code".

(b) CONFORMING AMENDMENTS.—Section 11(e)(8) of the Act (7 U.S.C. 2020(e)(8)) is amended—

(1) by striking "and excluding claims" and all that follows through "such section"; and

(2) by inserting before the semicolon at the end the following: "or a Federal income tax refund as authorized by section 3720A of title 31, United States Code".

(c) RETENTION RATE.—Section 16(a) of the Act (7 U.S.C. 2025(a)) is amended by striking "25 percent during the period beginning October 1, 1990" and all that follows through "error of a State agency" and inserting the following: "25 percent of the overissuances collected by the State agency under section 13, except those overissuances arising from an error of the State agency".

SEC. 1053. AUTHORITY TO SUSPEND STORES VIOLATING PROGRAM REQUIREMENTS PENDING ADMINISTRATIVE AND JUDICIAL REVIEW.

Section 14(a) of the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amended—

(1) by redesignating the first through seventeenth sentences as paragraphs (1) through (17), respectively; and

(2) by adding at the end the following:

"(18) SUSPENSION OF STORES PENDING REVIEW.—Notwithstanding any other provision of this subsection, any permanent disqualification of a retail food store or wholesale food concern under paragraph (3) or (4) of section 12(b) shall be effective from the date of receipt of the notice of disqualification. If the disqualification is reversed through administrative or judicial review, the Secretary shall not be liable for the value of any sales lost during the disqualification period.".

SEC. 1054. EXPANDED CRIMINAL FORFEITURE FOR VIOLATIONS.

(a) FORFEITURE OF ITEMS EXCHANGED IN FOOD STAMP TRAFFICKING.—The first sentence of section 15(g) of the Food Stamp Act of 1977 (7 U.S.C. 2024(g)) is amended by striking "or intended to be furnished".

(b) CRIMINAL FORFEITURE.—Section 15 of the Act (7 U.S.C. 2024) is amended by adding at the end the following:

"(h) CRIMINAL FORFEITURE.—

"(1) IN GENERAL.—In imposing a sentence on a person convicted of an offense in violation of subsection (b) or (c), a court shall order, in addition to any other sentence imposed under this subsection, that the person forfeit to the United States all property described in paragraph (2).

"(2) PROPERTY SUBJECT TO FORFEITURE.—All property, real and personal, used in a transaction or attempted transaction, to commit, or to facilitate the commission of, a violation (other than a misdemeanor) of subsection (b) or (c), or proceeds traceable to a violation of subsection (b) or (c), shall be subject to forfeiture to the United States under paragraph (1).

"(3) INTEREST OF OWNER.—No interest in property shall be forfeited under this subsection as the result of any act or omission established by the owner of the interest to have been committed or omitted without the knowledge or consent of the owner.

"(4) PROCEEDS.—The proceeds from any sale of forfeited property and any monies forfeited under this subsection shall be used—

"(A) first, to reimburse the Department of Justice for the costs incurred by the Department to initiate and complete the forfeiture proceeding;

"(B) second, to reimburse the Department of Agriculture Office of Inspector General for any costs the Office incurred in the law enforcement effort resulting in the forfeiture;

"(C) third, to reimburse any Federal or State law enforcement agency for any costs incurred in the law enforcement effort resulting in the forfeiture; and

"(D) fourth, by the Secretary to carry out the approval, reauthorization, and compliance investigations of retail stores and wholesale food concerns under section 9.".

SEC. 1055. LIMITATION OF FEDERAL MATCH.

Section 16(a)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)(4)) is amended by inserting after the comma at the end the following: "but not including recruitment activities,".

SEC. 1056. STANDARDS FOR ADMINISTRATION.

(a) IN GENERAL.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by striking subsection (b).

(b) CONFORMING AMENDMENTS.—

(1) The first sentence of section 11(g) of the Act (7 U.S.C. 2020(g)) is amended by striking "the Secretary's standards for the efficient and effective administration of the program established under section 16(b)(1) or".

(2) Section 16(c)(1)(B) of the Act (7 U.S.C. 2025(c)(1)(B)) is amended by striking "pursuant to subsection (b)".

SEC. 1057. WORK SUPPLEMENTATION OR SUPPORT PROGRAM.

Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025), as amended by section 1056(a), is amended by inserting after subsection (a) the following:

"(b) WORK SUPPLEMENTATION OR SUPPORT PROGRAM.—

"(1) DEFINITION OF WORK SUPPLEMENTATION OR SUPPORT PROGRAM.—In this subsection, the term 'work supplementation or support program' means a program under which, as determined by the Secretary, public assistance (including any benefits provided under a program established by the State and the food stamp program) is provided to an employer to be used for hiring and employing a public assistance recipient who was not employed by the employer at the time the public assistance recipient entered the program.

"(2) PROGRAM.—A State agency may elect to use an amount equal to the allotment that would otherwise be issued to a household under the food stamp program, but for the operation of this subsection, for the purpose of subsidizing or supporting a job under a work supplementation or support program established by the State.

"(3) PROCEDURE.—If a State agency makes an election under paragraph (2) and identifies each household that participates in the food stamp program that contains an individual who is participating in the work supplementation or support program—

"(A) the Secretary shall pay to the State agency an amount equal to the value of the allotment that the household would be eligible to receive but for the operation of this subsection;

"(B) the State agency shall expend the amount received under subparagraph (A) in accordance with the work supplementation or support program in lieu of providing the allotment that the household would receive but for the operation of this subsection;

"(C) for purposes of—

"(i) sections 5 and 8(a), the amount received under this subsection shall be excluded from household income and resources; and

"(ii) section 8(b), the amount received under this subsection shall be considered to be the value of an allotment provided to the household; and

"(D) the household shall not receive an allotment from the State agency for the period during which the member continues to participate in the work supplementation or support program.

"(4) OTHER WORK REQUIREMENTS.—No individual shall be excused, by reason of the fact that a State has a work supplementation or support program, from any work requirement under section 6(d), except during the periods in which the individual is employed under the work supplementation or support program.

"(5) LENGTH OF PARTICIPATION.—A State agency shall provide a description of how the public assistance recipients in the program shall, within a specific period of time, be moved from supplemented or supported employment to employment that is not supplemented or supported.

"(6) DISPLACEMENT.—A work supplementation or support program shall not displace the employment of individuals who are not supplemented or supported.".

SEC. 1058. WAIVER AUTHORITY.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (C); and

(2) in subparagraph (A)—

(A) by striking the second sentence; and

(B) by striking "benefits to eligible households, including" and inserting the following: "benefits to eligible households, and may waive any requirement of this Act to the extent necessary for the project to be conducted.

"(B) PROJECT REQUIREMENTS.—

"(i) PROGRAM GOAL.—The Secretary may not conduct a project under subparagraph (A) unless the project is consistent with the goal of the food stamp program of providing food assistance to raise levels of nutrition among low-income individuals.

"(ii) PERMISSIBLE PROJECTS.—The Secretary may conduct a project under subparagraph (A) to—

"(I) improve program administration;

"(II) increase the self-sufficiency of food stamp recipients;

"(III) test innovative welfare reform strategies; and

"(IV) allow greater conformity with the rules of other programs than would be allowed but for this paragraph.

"(iii) IMPERMISSIBLE PROJECTS.—The Secretary may not conduct a project under subparagraph (A) that—

"(I) involves the payment of the value of an allotment in the form of cash, unless the project was approved prior to the date of enactment of this subparagraph;

"(II) substantially transfers funds made available under this Act to services or benefits provided primarily through another public assistance program; or

"(III) is not limited to a specific time period.

"(iv) ADDITIONAL INCLUDED PROJECTS.—Pilot or experimental projects may include".

SEC. 1059. RESPONSE TO WAIVERS.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)), as amended by section 1058, is amended by adding at the end the following:

"(D) RESPONSE TO WAIVERS.—

"(i) RESPONSE.—Not later than 60 days after the date of receiving a request for a waiver under subparagraph (A), the Secretary shall provide a response that—

"(I) approves the waiver request;

"(II) denies the waiver request and explains any modification needed for approval of the waiver request;

"(III) denies the waiver request and explains the grounds for the denial; or

"(IV) requests clarification of the waiver request.

"(ii) FAILURE TO RESPOND.—If the Secretary does not provide a response in accordance with clause (i), the waiver shall be considered approved, unless the approval is specifically prohibited by this Act.

"(iii) NOTICE OF DENIAL.—On denial of a waiver request under clause (i)(III), the Secretary shall provide a copy of the waiver request and a description of the reasons for the denial to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.".

SEC. 1060. EMPLOYMENT INITIATIVES PROGRAM.

Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (d) and inserting the following:

"(d) EMPLOYMENT INITIATIVES PROGRAM.—

"(1) ELECTION TO PARTICIPATE.—

"(A) IN GENERAL.—Subject to the other provisions of this subsection, a State may elect to carry out an employment initiatives program under this subsection.

"(B) REQUIREMENT.—A State shall be eligible to carry out an employment initiatives program under this subsection only if not less than 50 percent of the households that received food stamp benefits during the summer of 1993 also received benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) during the summer of 1993.

"(2) PROCEDURE.—

"(A) IN GENERAL.—A State that has elected to carry out an employment initiatives program under paragraph (1) may use amounts equal to the food stamp allotments that would otherwise be issued to a household under the food stamp program, but for the operation of this subsection, to provide cash benefits in lieu of the food stamp allotments to the household if the household is eligible under paragraph (3).

"(B) PAYMENT.—The Secretary shall pay to each State that has elected to carry out an employment initiatives program under paragraph (1) an amount equal to the value of the allotment that each household would be eligible to receive under this Act but for the operation of this subsection.

"(C) OTHER PROVISIONS.—For purposes of the food stamp program (other than this subsection)—

"(i) cash assistance under this subsection shall be considered to be an allotment; and

"(ii) each household receiving cash benefits under this subsection shall not receive any other food stamp benefit for the period for which the cash assistance is provided.

"(D) ADDITIONAL PAYMENTS.—Each State that has elected to carry out an employment initiatives program under paragraph (1) shall—

"(i) increase the cash benefits provided to each household under this subsection to compensate for any State or local sales tax that may be collected on purchases of food by any household receiving cash benefits under this subsection, unless the Secretary determines on the basis of information provided by the State that the increase is unnecessary on the basis of the limited nature of the items subject to the State or local sales tax; and

"(ii) pay the cost of any increase in cash benefits required by clause (i).

"(3) ELIGIBILITY.—A household shall be eligible to receive cash benefits under paragraph (2) if an adult member of the household—

"(A) has worked in unsubsidized employment for not less than the preceding 90 days;

"(B) has earned not less than $350 per month from the employment referred to in subparagraph (A) for not less than the preceding 90 days;

"(C)(i) is receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

"(ii) was receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) at the time the member first received cash benefits under this subsection and is no longer eligible for the State program because of earned income;

"(D) is continuing to earn not less than $350 per month from the employment referred to in subparagraph (A); and

"(E) elects to receive cash benefits in lieu of food stamp benefits under this subsection.

"(4) EVALUATION.—A State that operates a program under this subsection for 2 years shall provide to the Secretary a written evaluation of the impact of cash assistance under this subsection. The State agency, with the concurrence of the Secretary, shall determine the content of the evaluation.".

SEC. 1061. REAUTHORIZATION.

The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking "1991 through 1997" and inserting "1996 through 2002".

SEC. 1062. SIMPLIFIED FOOD STAMP PROGRAM.

(a) IN GENERAL.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

"SEC. 26. SIMPLIFIED FOOD STAMP PROGRAM.

"(a) DEFINITION OF FEDERAL COSTS.—In this section, the term 'Federal costs' does not include any Federal costs incurred under section 17.

"(b) ELECTION.—Subject to subsection (d), a State may elect to carry out a Simplified Food Stamp Program (referred to in this section as a 'Program'), statewide or in a political subdivision of the State, in accordance with this section.

"(c) OPERATION OF PROGRAM.—If a State elects to carry out a Program, within the State or a political subdivision of the State—

"(1) a household in which all members receive assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall automatically be eligible to participate in the Program; and

"(2) subject to subsection (f), benefits under the Program shall be determined under rules and procedures established by the State under—

"(A) a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

"(B) the food stamp program (other than section 27); or

"(C) a combination of a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and the food stamp program (other than section 27).

"(d) APPROVAL OF PROGRAM.—

"(1) STATE PLAN.—A State agency may not operate a Program unless the Secretary approves a State plan for the operation of the Program under paragraph (2).

"(2) APPROVAL OF PLAN.—The Secretary shall approve any State plan to carry out a Program if the Secretary determines that the plan—

"(A) complies with this section; and

"(B) contains sufficient documentation that the plan will not increase Federal costs for any fiscal year.

"(e) INCREASED FEDERAL COSTS.—

"(1) DETERMINATION.—During each fiscal year and not later than 90 days after the end of each fiscal year, the Secretary shall determine whether a Program being carried out by a State agency is increasing Federal costs under this Act above the Federal costs incurred under the food stamp program in operation in the State or political subdivision of the State for the fiscal year prior to the implementation of the Program, adjusted for any changes in—

"(A) participation;

"(B) the income of participants in the food stamp program that is not attributable to public assistance; and

"(C) the thrifty food plan under section 3(o).

"(2) NOTIFICATION.—If the Secretary determines that the Program has increased Federal costs under this Act for any fiscal year or any portion of any fiscal year, the Secretary shall notify the State not later than 30 days after the Secretary makes the determination under paragraph (1).

"(3) ENFORCEMENT.—

"(A) CORRECTIVE ACTION.—Not later than 90 days after the date of a notification under paragraph (2), the State shall submit a plan for approval by the Secretary for prompt corrective action that is designed to prevent the Program from increasing Federal costs under this Act.

"(B) TERMINATION.—If the State does not submit a plan under subparagraph (A) or carry out a plan approved by the Secretary, the Secretary shall terminate the approval of the State agency operating the Program and the State agency shall be ineligible to operate a future Program.

"(f) RULES AND PROCEDURES.—

"(1) IN GENERAL.—In operating a Program, a State or political subdivision of a State may follow the rules and procedures established by the State or political subdivision under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under the food stamp program.

"(2) STANDARDIZED DEDUCTIONS.—In operating a Program, a State or political subdivision of a State may standardize the deductions provided under section 5(e). In developing the standardized deduction, the State shall consider the work expenses, dependent care costs, and shelter costs of participating households.

"(3) REQUIREMENTS.—In operating a Program, a State or political subdivision shall comply with the requirements of—

"(A) subsections (a) through (g) of section 7;

"(B) section 8(a) (except that the income of a household may be determined under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.));

"(C) subsection (b) and (d) of section 8;

"(D) subsections (a), (c), (d), and (n) of section 11;

"(E) paragraphs (8), (12), (16), (18), (20), (24), and (25) of section 11(e);

"(F) section 11(e)(10) (or a comparable requirement established by the State under a

State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)); and

"(G) section 16.

"(4) LIMITATION ON ELIGIBILITY.—Notwithstanding any other provision of this section, a household may not receive benefits under this section as a result of the eligibility of the household under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), unless the Secretary determines that any household with income above 130 percent of the poverty guidelines is not eligible for the program.".

(b) STATE PLAN PROVISIONS.—Section 11(e) of the Act (7 U.S.C. 2020(e)), as amended by sections 1020(b), 1028(b), and 1044, is amended by adding at the end the following:

"(25) if a State elects to carry out a Simplified Food Stamp Program under section 26, the plans of the State agency for operating the program, including—

"(A) the rules and procedures to be followed by the State agency to determine food stamp benefits;

"(B) how the State agency will address the needs of households that experience high shelter costs in relation to the incomes of the households; and

"(C) a description of the method by which the State agency will carry out a quality control system under section 16(c).".

(c) CONFORMING AMENDMENTS.—

(1) Section 8 of the Act (7 U.S.C. 2017), as amended by section 1039, is amended—

(A) by striking subsection (e); and

(B) by redesignating subsection (f) as subsection (e).

(2) Section 17 of the Act (7 U.S.C. 2026) is amended—

(A) by striking subsection (i); and

(B) by redesignating subsections (j) through (l) as subsections (i) through (k), respectively.

SEC. 1063. STATE FOOD ASSISTANCE BLOCK GRANT.

(a) IN GENERAL.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), as amended by section 1062, is amended by adding at the end the following:

"SEC. 27. STATE FOOD ASSISTANCE BLOCK GRANT.

"(a) DEFINITIONS.—In this section:

"(1) FOOD ASSISTANCE.—The term 'food assistance' means assistance that may be used only to obtain food, as defined in section 3(g).

"(2) STATE.—The term 'State' means each of the 50 States, the District of Columbia, Guam, and the Virgin Islands of the United States.

"(b) ESTABLISHMENT.—The Secretary shall establish a program to make grants to States in accordance with this section to provide—

"(1) food assistance to needy individuals and families residing in the State; and

"(2) funds for administrative costs incurred in providing the assistance.

"(c) ELECTION.—

"(1) IN GENERAL.—A State may annually elect to participate in the program established under subsection (b) if the State—

"(A) has fully implemented an electronic benefit transfer system that operates in the entire State;

"(B) has a payment error rate under section 16(c) that is not more than 6 percent as announced most recently by the Secretary; or

"(C) has a payment error rate in excess of 6 percent and agrees to contribute non-Federal funds for the fiscal year of the grant, for benefits and administration of the State's food assistance program, the amount determined under paragraph (2).

"(2) STATE MANDATORY CONTRIBUTIONS.—

"(A) IN GENERAL.—In the case of a State that elects to participate in the program under paragraph (1)(C), the State shall agree to contribute, for a fiscal year, an amount equal to—

"(i) the benefits issued in the State; multiplied by

"(ii) the payment error rate of the State; minus

"(B)(i) the benefits issued in the State; multiplied by

"(ii) 6 percent.

"(B) DETERMINATION.—Notwithstanding sections 13 and 14, the calculation of the contribution shall be based solely on the determination of the Secretary of the payment error rate.

"(C) DATA.—For purposes of implementing subparagraph (A) for a fiscal year, the Secretary shall use the data for the most recent fiscal year available.

"(3) ELECTION LIMITATION.—

"(A) RE-ENTERING FOOD STAMP PROGRAM.—A State that elects to participate in the program under paragraph (1) may in a subsequent year decline to elect to participate in the program and instead participate in the food stamp program in accordance with the other sections of this Act.

"(B) LIMITATION.—Subsequent to re-entering the food stamp program under subparagraph (A), the State shall only be eligible to participate in the food stamp program in accordance with the other sections of this Act and shall not be eligible to elect to participate in the program established under subsection (b).

"(4) PROGRAM EXCLUSIVE.—

"(A) IN GENERAL.—A State that is participating in the program established under subsection (b) shall not be subject to, or receive any benefit under, this Act except as provided in this section.

"(B) CONTRACT WITH FEDERAL GOVERNMENT.—Nothing in this section shall prohibit a State from contracting with the Federal Government for the provision of services or materials necessary to carry out a program under this section.

"(d) LEAD AGENCY.—A State desiring to receive a grant under this section shall designate, in an application submitted to the Secretary under subsection (e)(1), an appropriate State agency responsible for the administration of the program under this section as the lead agency.

"(e) APPLICATION AND PLAN.—

"(1) APPLICATION.—To be eligible to receive assistance under this section, a State shall prepare and submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary shall by regulation require, including—

"(A) an assurance that the State will comply with the requirements of this section;

"(B) a State plan that meets the requirements of paragraph (3); and

"(C) an assurance that the State will comply with the requirements of the State plan under paragraph (3).

"(2) ANNUAL PLAN.—The State plan contained in the application under paragraph (1) shall be submitted for approval annually.

"(3) REQUIREMENTS OF PLAN.—

"(A) LEAD AGENCY.—The State plan shall identify the lead agency.

"(B) USE OF BLOCK GRANT FUNDS.—The State plan shall provide that the State shall use the amounts provided to the State for each fiscal year under this section—

"(i) to provide food assistance to needy individuals and families residing in the State, other than residents of institutions who are ineligible for food stamps under section 3(i); and

"(ii) to pay administrative costs incurred in providing the assistance.

"(C) GROUPS SERVED.—The State plan shall describe how and to what extent the program will serve specific groups of individuals and families and how the treatment will differ from treatment under the food stamp program under the other sections of this Act of the individuals and families, including—

"(i) elderly individuals and families;

"(ii) migrants or seasonal farmworkers;

"(iii) homeless individuals and families;

"(iv) individuals and families who live in institutions eligible under section 3(i);

"(v) individuals and families with earnings; and

"(vi) members of Indian tribes or tribal organizations.

"(D) ASSISTANCE FOR ENTIRE STATE.—The State plan shall provide that benefits under this section shall be available throughout the entire State.

"(E) NOTICE AND HEARINGS.—The State plan shall provide that an individual or family who applies for, or receives, assistance under this section shall be provided with notice of, and an opportunity for a hearing on, any action under this section that adversely affects the individual or family.

"(F) ASSESSMENT OF NEEDS.—The State plan shall assess the food and nutrition needs of needy persons residing in the State.

"(G) ELIGIBILITY STANDARDS.—The State plan shall describe the income, resource, and other eligibility standards that are established for the receipt of assistance under this section.

"(H) DISQUALIFICATION OF FLEEING FELONS.—The State plan shall provide for the disqualification of any individual who would be disqualified from participating in the food stamp program under section 6(k).

"(I) RECEIVING BENEFITS IN MORE THAN 1 JURISDICTION.—The State plan shall establish a system for the exchange of information with other States to verify the identity and receipt of benefits by recipients.

"(J) PRIVACY.—The State plan shall provide for safeguarding and restricting the use and disclosure of information about any individual or family receiving assistance under this section.

"(K) OTHER INFORMATION.—The State plan shall contain such other information as may be required by the Secretary.

"(4) APPROVAL OF APPLICATION AND PLAN.—The Secretary shall approve an application and State plan that satisfies the requirements of this section.

"(f) NO INDIVIDUAL OR FAMILY ENTITLEMENT TO ASSISTANCE.—Nothing in this section—

"(1) entitles any individual or family to assistance under this section; or

"(2) limits the right of a State to impose additional limitations or conditions on assistance under this section.

"(g) BENEFITS FOR ALIENS.—

"(1) ELIGIBILITY.—No individual who is an alien shall be eligible to receive benefits under a State plan approved under subsection (e)(4) if the individual is not eligible to participate in the food stamp program due to the alien status of the individual.

"(2) INCOME.—The State plan shall provide that the income of an alien shall be determined in accordance with section 5(i).

"(h) EMPLOYMENT AND TRAINING.—

"(1) WORK REQUIREMENTS.—No individual or household shall be eligible to receive benefits under a State plan funded under this section if the individual or household is not eligible to participate in the food stamp program under subsection (d) or (o) of section 6.

"(2) WORK PROGRAMS.—Each State shall implement an employment and training program in accordance with the terms and conditions of section 6(d)(4) for individuals under the program and shall be eligible to receive funding under section 16(h).

"(i) ENFORCEMENT.—

"(1) REVIEW OF COMPLIANCE WITH STATE PLAN.—The Secretary shall review and monitor State compliance with this section and the State plan approved under subsection (e)(4).

"(2) NONCOMPLIANCE.—

"(A) IN GENERAL.—If the Secretary, after reasonable notice to a State and opportunity for a hearing, finds that—

"(i) there has been a failure by the State to comply substantially with any provision or requirement set forth in the State plan approved under subsection (e)(4); or

"(ii) in the operation of any program or activity for which assistance is provided under this section, there is a failure by the State to comply substantially with any provision of this section;

the Secretary shall notify the State of the finding and that no further grants will be made to the State under this section (or, in the case of noncompliance in the operation of a program or activity, that no further grants to the State will be made with respect to the program or activity) until the Secretary is satisfied that there is no longer any failure to comply or that the noncompliance will be promptly corrected.

"(B) OTHER PENALTIES.—In the case of a finding of noncompliance made pursuant to subparagraph (A), the Secretary may, in addition to, or in lieu of, imposing the penalties described in subparagraph (A), impose other appropriate penalties, including recoupment of money improperly expended for purposes prohibited or not authorized by this section and disqualification from the receipt of financial assistance under this section.

"(C) NOTICE.—The notice required under subparagraph (A) shall include a specific identification of any additional penalty being imposed under subparagraph (B).

"(3) ISSUANCE OF REGULATIONS.—The Secretary shall establish by regulation procedures for—

"(A) receiving, processing, and determining the validity of complaints made to the Secretary concerning any failure of a State to comply with the State plan or any requirement of this section; and

"(B) imposing penalties under this section.

"(j) GRANT.—

"(1) IN GENERAL.—For each fiscal year, the Secretary shall pay to a State that has an application approved by the Secretary under subsection (e)(4) an amount that is equal to the grant of the State under subsection (m) for the fiscal year.

"(2) METHOD OF GRANT.—The Secretary shall make a grant to a State for a fiscal year under this section by issuing 1 or more letters of credit for the fiscal year, with necessary adjustments on account of overpayments or underpayments, as determined by the Secretary.

"(3) SPENDING OF GRANTS BY STATE.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), a grant to a State determined under subsection (m)(1) for a fiscal year may be expended by the State only in the fiscal year.

"(B) CARRYOVER.—The State may reserve up to 10 percent of a grant determined under subsection (m)(1) for a fiscal year to provide assistance under this section in subsequent fiscal years, except that the reserved funds may not exceed 30 percent of the total grant received under this section for a fiscal year.

"(4) FOOD ASSISTANCE AND ADMINISTRATIVE EXPENDITURES.—In each fiscal year, not more than 6 percent of the Federal and State funds required to be expended by a State under this section shall be used for administrative expenses.

"(5) PROVISION OF FOOD ASSISTANCE.—A State may provide food assistance under this section in any manner determined appropriate by the State, such as electronic benefit transfer limited to food purchases, coupons limited to food purchases, or direct provision of commodities.

"(k) QUALITY CONTROL.—Each State participating in the program established under this section shall maintain a system in accordance with, and shall be subject to section 16(c), including sanctions and eligibility for incentive payment under section 16(c), adjusted for State specific characteristics under regulations issued by the Secretary.

"(l) NONDISCRIMINATION.—

"(1) IN GENERAL.—The Secretary shall not provide financial assistance for any program, project, or activity under this section if any person with responsibilities for the operation of the program, project, or activity discriminates with respect to the program, project, or activity because of race, religion, color, national origin, sex, or disability.

"(2) ENFORCEMENT.—The powers, remedies, and procedures set forth in title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) may be used by the Secretary to enforce paragraph (1).

"(m) GRANT CALCULATION.—

"(1) STATE GRANT.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), from the amounts made available under section 18 for each fiscal year, the Secretary shall provide a grant to each State participating in the program established under this section an amount that is equal to the sum of—

"(i) the greater of, as determined by the Secretary—

"(I) the total dollar value of all benefits issued under the food stamp program established under this Act by the State during fiscal year 1994; or

"(II) the average per fiscal year of the total dollar value of all benefits issued under the food stamp program by the State during each of fiscal years 1992 through 1994; and

"(ii) the greater of, as determined by the Secretary—

"(I) the total amount received by the State for administrative costs under section 16(a) (not including any adjustment under section 16(c)) for fiscal year 1994; or

"(II) the average per fiscal year of the total amount received by the State for administrative costs under section 16(a) (not including any adjustment under section 16(c)) for each of fiscal years 1992 through 1994.

"(B) INSUFFICIENT FUNDS.—If the Secretary finds that the total amount of grants to which States would otherwise be entitled for a fiscal year under subparagraph (A) will exceed the amount of funds that will be made available to provide the grants for the fiscal year, the Secretary shall reduce the grants made to States under this subsection, on a pro rata basis, to the extent necessary.

"(2) REDUCTION.—The Secretary shall reduce the grant of a State by the amount a State has agreed to contribute under subsection (c)(1)(C).".

(b) EMPLOYMENT AND TRAINING FUNDING.—Section 16(h) of the Act (7 U.S.C. 2025(a)), as amended by section 1027(d)(2), is amended by adding at the end the following:

"(6) BLOCK GRANT STATES.—Each State electing to operate a program under section 27 shall—

"(A) receive the greater of—

"(i) the total dollar value of the funds received under paragraph (1) by the State during fiscal year 1994; or

"(ii) the average per fiscal year of the total dollar value of all funds received under paragraph (1) by the State during each of fiscal years 1992 through 1994; and

"(B) be eligible to receive funds under paragraph (2), within the limitations in section 6(d)(4)(K).".

(c) RESEARCH ON OPTIONAL STATE FOOD ASSISTANCE BLOCK GRANT.—Section 17 of the Act (7 U.S.C. 2026), as amended by section 1062(c)(2), is amended by adding at the end the following:

"(l) RESEARCH ON OPTIONAL STATE FOOD ASSISTANCE BLOCK GRANT.—The Secretary may conduct research on the effects and costs of a State program carried out under section 27.".

SEC. 1064. A STUDY OF THE USE OF FOOD STAMPS TO PURCHASE VITAMINS AND MINERALS.

The Secretary of Agriculture shall, in consultation with the National Academy of Sciences and the Center for Disease Control and Prevention, conduct a study of the use of food stamps to purchase vitamins and minerals. The study shall include an analysis of scientific findings on the efficacy of and need for vitamins and minerals, including the adequacy of vitamin and mineral intake in low income populations, as shown by existing research and surveys, and the potential value of nutritional supplements in filling nutrient gaps that may exist in the population as a whole or in vulnerable subgroups in the U.S. population; the impact of nutritional improvements (including vitamin or mineral supplementation) on health status and health care costs for women of childbearing age, pregnant or lactating women, and the elderly; the cost of vitamin and mineral supplements commercially available; the purchasing habits of low income populations with regard to vitamins and minerals; the impact on the food purchases of low income households; and the economic impact on agricultural commodities. The Secretary shall report the results of the study to the Committee on Agriculture of the U.S. House of Representatives not later than December 15, 1996.".

SEC. 1065. INVESTIGATIONS.

Section 12(a) of the Food Stamp Act of 1977 (7 U.S.C. 2021(a)) is amended by adding at the end the following:

"Regulations issued pursuant to this Act shall provide criteria for the finding of violations and the suspension or disqualification of a retail food store or wholesale food concern on the basis of evidence which may include, but is not limited to, facts established through on-site investigations, inconsistent redemption data or evidence obtained through transaction reports under electronic benefit transfer systems.".

SEC. 1066. FOOD STAMP ELIGIBILITY.

Section 6(f) of the Food Stamp Act of 1977 (7 U.S.C. 2015(f)) is amended by striking the third sentence and inserting the following:

"The State agency shall, at its option, consider either all income and financial resources of the individual rendered ineligible to participate in the food stamp program under this subsection, or such income, less a pro rata share, and the financial resources of the ineligible individual, to determine the eligibility and the value of the allotment of the household of which such individual is a member.".

SEC. 1067. REPORT BY THE SECRETARY.

The Secretary of Agriculture may report to the Committee on Agriculture of the House of Representatives, not later than January 1, 2000, on the effect of the food stamp reforms in the Welfare and Medicaid Reform Act of 1996 and the ability of State and local governments to deal with people in poverty. The report must answer the question: "Did people become more personally responsible and were work opportunities provided such that poverty in America is better managed?".

SEC. 1068. DEFICIT REDUCTION.

It is the sense of the Committee on Agriculture of the House of Representatives that reductions in outlays resulting from this title shall not be taken into account for purposes of section 552 of the Balanced Budget and Emergency Deficit Control Act of 1985.

Subtitle B—Commodity Distribution Programs

SEC. 1071. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) DEFINITIONS.—Section 201A of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended to read as follows:

"SEC. 201A. DEFINITIONS.

"In this Act:

"(1) ADDITIONAL COMMODITIES.—The term 'additional commodities' means commodities made available under section 214 in addition to the commodities made available under sections 202 and 203D.

"(2) AVERAGE MONTHLY NUMBER OF UNEMPLOYED PERSONS.—The term 'average monthly number of unemployed persons' means the average monthly number of unemployed persons in each State in the most recent fiscal year for which information concerning the number of unemployed persons is available, as determined by the Bureau of Labor Statistics of the Department of Labor.

"(3) ELIGIBLE RECIPIENT AGENCY.—The term 'eligible recipient agency' means a public or nonprofit organization—

"(A) that administers—

"(i) an emergency feeding organization;

"(ii) a charitable institution (including a hospital and a retirement home, but excluding a penal institution) to the extent that the institution serves needy persons;

"(iii) a summer camp for children, or a child nutrition program providing food service;

"(iv) a nutrition project operating under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.), including a project that operates a congregate nutrition site and a project that provides home-delivered meals; or

"(v) a disaster relief program;

"(B) that has been designated by the appropriate State agency, or by the Secretary; and

"(C) that has been approved by the Secretary for participation in the program established under this Act.

"(4) EMERGENCY FEEDING ORGANIZATION.—The term 'emergency feeding organization' means a public or nonprofit organization that administers activities and projects (including the activities and projects of a charitable institution, a food bank, a food pantry, a hunger relief center, a soup kitchen, or a similar public or private nonprofit eligible recipient agency) providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons.

"(5) FOOD BANK.—The term 'food bank' means a public or charitable institution that maintains an established operation involving the provision of food or edible commodities, or the products of food or edible commodities, to food pantries, soup kitchens, hunger relief centers, or other food or feeding centers that, as an integral part of their normal activities, provide meals or food to feed needy persons on a regular basis.

"(6) FOOD PANTRY.—The term 'food pantry' means a public or private nonprofit organization that distributes food to low-income and unemployed households, including food from sources other than the Department of Agriculture, to relieve situations of emergency and distress.

"(7) POVERTY LINE.—The term 'poverty line' has the same meaning given the term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

"(8) SOUP KITCHEN.—The term 'soup kitchen' means a public or charitable institution that, as an integral part of the normal activities of the institution, maintains an established feeding operation to provide food to needy homeless persons on a regular basis.

"(9) TOTAL VALUE OF ADDITIONAL COMMODITIES.—The term 'total value of additional commodities' means the actual cost of all additional commodities made available under section 214 that are paid by the Secretary (including the distribution and processing costs incurred by the Secretary).

"(10) VALUE OF ADDITIONAL COMMODITIES ALLOCATED TO EACH STATE.—The term 'value of additional commodities allocated to each State' means the actual cost of additional commodities made available under section 214 and allocated to each State that are paid by the Secretary (including the distribution and processing costs incurred by the Secretary).".

(b) STATE PLAN.—Section 202A of the Act (7 U.S.C. 612c note) is amended to read as follows:

"SEC. 202A. STATE PLAN.

"(a) IN GENERAL.—To receive commodities under this Act, a State shall submit a plan of operation and administration every 4 years to the Secretary for approval. The plan may be amended at any time, with the approval of the Secretary.

"(b) REQUIREMENTS.—Each plan shall—

"(1) designate the State agency responsible for distributing the commodities received under this Act;

"(2) set forth a plan of operation and administration to expeditiously distribute commodities under this Act;

"(3) set forth the standards of eligibility for recipient agencies; and

"(4) set forth the standards of eligibility for individual or household recipients of commodities, which shall require—

"(A) individuals or households to be comprised of needy persons; and

"(B) individual or household members to be residing in the geographic location served by the distributing agency at the time of applying for assistance.

"(c) STATE ADVISORY BOARD.—The Secretary shall encourage each State receiving commodities under this Act to establish a State advisory board consisting of representatives of all interested entities, both public and private, in the distribution of commodities received under this Act in the State.".

(c) AUTHORIZATION OF APPROPRIATIONS FOR ADMINISTRATIVE FUNDS.—Section 204(a)(1) of the Act (7 U.S.C. 612c note) is amended—

(1) in the first sentence by striking "for State and local" and all that follows through "under this title" and inserting "to pay for the direct and indirect administrative costs of the State related to the processing, transporting, and distributing to eligible recipient agencies of commodities provided by the Secretary under this Act and commodities secured from other sources"; and

(2) by striking the fourth sentence.

(d) DELIVERY OF COMMODITIES.—Section 214 of the Act (7 U.S.C. 612c note) is amended—

(1) by striking subsections (a) through (e) and (j);

(2) by redesignating subsections (f) through (i) as subsections (a) through (d), respectively;

(3) in subsection (b), as redesignated by paragraph (2)—

(A) in the first sentence, by striking "subsection (f) or subsection (j) if applicable," and inserting "subsection (a)"; and

(B) in the second sentence, by striking "subsection (f)" and inserting "subsection (a)";

(4) by striking subsection (c), as redesignated by paragraph (2), and inserting the following:

"(c) ADMINISTRATION.—

"(1) IN GENERAL.—Commodities made available for each fiscal year under this section shall be delivered at reasonable intervals to States based on the grants calculated under subsection (a), or reallocated under subsection (b), before December 31 of the following fiscal year.

"(2) ENTITLEMENT.—Each State shall be entitled to receive the value of additional commodities determined under subsection (a)."; and

(5) in subsection (d), as redesignated by paragraph (2), by striking "or reduce" and all that follows through "each fiscal year".

(e) TECHNICAL AMENDMENTS.—The Act (7 U.S.C. 612c note) is amended—

(1) in the first sentence of section 203B(a), by striking "203 and 203A of this Act" and inserting "203A";

(2) in section 204(a), by striking "title" each place it appears and inserting "Act";

(3) in the first sentence of section 210(e), by striking "(except as otherwise provided for in section 214(j))"; and

(4) by striking section 212.

(f) REPORT ON EFAP.—Section 1571 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 612c note) is repealed.

(g) AVAILABILITY OF COMMODITIES UNDER THE FOOD STAMP PROGRAM.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), as amended by sections 1062 and 1063, is amended by adding at the end the following:

"SEC. 28. AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.

"(a) PURCHASE OF COMMODITIES.—From amounts appropriated under this Act, for each of fiscal years 1997 through 2002, the Secretary shall purchase $300,000,000 of a variety of nutritious and useful commodities of the types that the Secretary has the authority to acquire through the Commodity Credit Corporation or under section 32 of the Act entitled 'An Act to amend the Agricultural Adjustment Act, and for other purposes', approved August 24, 1935 (7 U.S.C. 612c), and distribute the commodities to States for distribution in accordance with section 214 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note).

"(b) BASIS FOR COMMODITY PURCHASES.—In purchasing commodities under subsection (a), the Secretary shall, to the extent practicable and appropriate, make purchases based on—

"(1) agricultural market conditions;

"(2) preferences and needs of States and distributing agencies; and

"(3) preferences of recipients.".

(h) EFFECTIVE DATE.—The amendments made by subsection (d) shall become effective on October 1, 1996.

SEC. 1072. FOOD BANK DEMONSTRATION PROJECT.

Section 3 of the Charitable Assistance and Food Bank Act of 1987 (Public Law 100-232; 7 U.S.C. 612c note) is repealed.

SEC. 1073. HUNGER PREVENTION PROGRAMS.

The Hunger Prevention Act of 1988 (Public Law 100-435; 7 U.S.C. 612c note) is amended—

(1) by striking section 110;

(2) by striking subtitle C of title II; and

(3) by striking section 502.

SEC. 1074. REPORT ON ENTITLEMENT COMMODITY PROCESSING.

Section 1773 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 7 U.S.C. 612c note) is amended by striking subsection (f).

Subtitle C—Electronic Benefit Transfer Systems

SEC. 1091. PROVISIONS TO ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1693b) is amended—

(1) by striking "(d) In the event" and inserting "(d) APPLICABILITY TO SERVICE PROVIDERS OTHER THAN CERTAIN FINANCIAL INSTITUTIONS.—

"(1) IN GENERAL.—In the event"; and

(2) by adding at the end the following new paragraph:

"(2) STATE AND LOCAL GOVERNMENT ELECTRONIC BENEFIT TRANSFER PROGRAMS.—

"(A) EXEMPTION GENERALLY.—The disclosures, protections, responsibilities, and remedies established under this title, and any regulation prescribed or order issued by the Board in accordance with this title, shall not apply to any electronic benefit transfer program established under State or local law or administered by a State or local government.

"(B) EXCEPTION FOR DIRECT DEPOSIT INTO RECIPIENT'S ACCOUNT.—Subparagraph (A) shall not apply with respect to any electronic funds transfer under an electronic benefit transfer program for deposits directly into a consumer account held by the recipient of the benefit.

"(C) RULE OF CONSTRUCTION.—No provision of this paragraph may be construed as—

"(i) affecting or altering the protections otherwise applicable with respect to benefits established by Federal, State, or local law; or

"(ii) otherwise superseding the application of any State or local law.

"(D) ELECTRONIC BENEFIT TRANSFER PROGRAM DEFINED.—For purposes of this paragraph, the term 'electronic benefit transfer program'—

"(i) means a program under which a government agency distributes needs-tested benefits by establishing accounts to be accessed by recipients electronically, such as through automated teller machines, or point-of-sale terminals; and

"(ii) does not include employment-related payments, including salaries and pension, retirement, or unemployment benefits established by Federal, State, or local governments.".

TITLE II—COMMITTEE ON COMMERCE

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Subtitle B—Restricting Public Benefits for Aliens

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Sec. 2101. Aliens who are not qualified aliens ineligible for Federal public benefits.

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Sec. 2301. Abstinence education.

Subtitle A—Involvement of Commerce Committee in Federal Government Position Reductions

SEC. 2001. INVOLVEMENT OF COMMERCE COMMITTEE IN FEDERAL GOVERNMENT POSITION REDUCTIONS.

In any provision of law that provides for consultation with (or a report to) a relevant committee of Congress respecting reductions in Federal Government positions, a reference to the Committee on Commerce of the House of Representatives shall be deemed to have been made in relation to matters within the jurisdiction of such Committee.

Subtitle B—Restricting Public Benefits for Aliens

CHAPTER 1—ELIGIBILITY FOR FEDERAL BENEFITS

SEC. 2101. ALIENS WHO ARE NOT QUALIFIED ALIENS INELIGIBLE FOR FEDERAL PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is not a qualified alien (as defined in section 2111) is not eligible for any Federal public benefit (as defined in subsection (c)).

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following Federal public benefits:

(1) Emergency medical services under title XIX of the Social Security Act.

(2)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a serious communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(c) FEDERAL PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this part, the term "Federal public benefit" means—

(A) any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United States; and

(B) any retirement, welfare, health, disability, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of the United States or by appropriated funds of the United States,

but only if such grant, contract, loan, or license under subparagraph (A) or program providing benefits under subparagraph (B) is under the jurisdiction of the Committee on Commerce of the House of Representatives.

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Attorney General, after consultation with the Secretary of State.

SEC. 2102. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is a qualified alien (as defined in section 2111) and who enters the United States on or after the date of the enactment of this Act is not eligible for any Federal means-tested public benefit (as defined in subsection (c)) for a period of five years beginning on the date of the alien's entry into the United States with a status within the meaning of the term "qualified alien".

(b) EXCEPTIONS.—The limitation under subsection (a) shall not apply to the following aliens:

(1) EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act.

(B) An alien who is granted asylum under section 208 of such Act.

(C) An alien whose deportation is being withheld under section 243(h) of such Act.

(2) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(c) FEDERAL MEANS-TESTED PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this part, the term "Federal means-tested public benefit" means a Federal public benefit described in section 2101(c) in which the eligibility of an individual, household, or family eligibility unit for benefits, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.

(2) Such term does not include the following:

(A) Emergency medical services under title XIX of the Social Security Act.

(B)(i) Public health assistance for immunizations.

(ii) Public health assistance for testing and treatment of a serious communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

SEC. 2103. NOTIFICATION.

Each Federal agency that administers a program to which section 2101 or 2102 applies shall, directly or through the States, post information and provide general notification to the public and to program recipients of the changes regarding eligibility for any such program pursuant to this subpart.

CHAPTER 2—GENERAL PROVISIONS

SEC. 2111. DEFINITIONS.

(a) IN GENERAL.—Except as otherwise provided in this part, the terms used in this part have the same meaning given such terms in section 101(a) of the Immigration and Nationality Act.

(b) QUALIFIED ALIEN.—For purposes of this part, the term "qualified alien" means an alien who, at the time the alien applies for, receives, or attempts to receive a Federal public benefit, is—

(1) an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act,

(2) an alien who is granted asylum under section 208 of such Act,

(3) a refugee who is admitted to the United States under section 207 of such Act,

(4) an alien who is paroled into the United States under section 212(d)(5) of such Act for a period of at least 1 year,

(5) an alien whose deportation is being withheld under section 243(h) of such Act, or

(6) an alien who is granted conditional entry pursuant to section 203(a)(7) of such Act as in effect prior to April 1, 1980.

SEC. 2112. VERIFICATION OF ELIGIBILITY FOR FEDERAL PUBLIC BENEFITS.

(a) IN GENERAL.—Not later than 18 months after the date of the enactment of this Act, the Attorney General of the United States, after consultation with the Secretary of Health and Human Services, shall promulgate regulations requiring verification that a person applying for a Federal public benefit (as defined in section 2101(c)), to which the limitation under section 2101 applies, is a qualified alien and is eligible to receive such benefit. Such regulations shall, to the extent feasible, require that information requested and exchanged be similar in form and manner to information requested and exchanged under section 1137 of the Social Security Act.

(b) STATE COMPLIANCE.—Not later than 24 months after the date the regulations described in subsection (a) are adopted, a State that administers a program that provides a Federal public benefit shall have in effect a verification system that complies with the regulations.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purpose of this section.

Subtitle C—Energy Assistance

SEC. 2201. ENERGY ASSISTANCE.

Section 2605(f) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)) is amended—

(1) by striking "(f)(1) Notwithstanding" and inserting "(f) Notwithstanding"; and

(2) by striking paragraph (2).

Subtitle D—Abstinence Education

SEC. 2301. ABSTINENCE EDUCATION.

(a) INCREASES IN FUNDING.—Section 501(a) of the Social Security Act (42 U.S.C. 701(a)) is amended in the matter preceding paragraph (1) by striking "Fiscal year 1990 and each fiscal year thereafter" and inserting "Fiscal years 1990 through 1995 and $761,000,000 for fiscal year 1996 and each fiscal year thereafter".

(b) ABSTINENCE EDUCATION.—Section 501(a)(1) of such Act (42 U.S.C. 701(a)(1)) is amended—

(1) in subparagraph (C), by striking "and" at the end;

(2) in subparagraph (D), by adding "and" at the end; and

(3) by adding at the end the following new subparagraph:

"(E) to provide abstinence education, and at the option of the State, where appropriate, mentoring, counseling, and adult supervision to promote abstinence from sexual activity, with a focus on those groups which are most likely to bear children out-of-wedlock.".

(c) ABSTINENCE EDUCATION DEFINED.—Section 501(b) of such Act (42 U.S.C. 701(b)) is amended by adding at the end the following new paragraph:

"(5) ABSTINENCE EDUCATION.—For purposes of this subsection, the term 'abstinence education' means an educational or motivational program which—

"(A) has as its exclusive purpose, teaching the social, psychological, and health gains to be realized by abstaining from sexual activity;

"(B) teaches abstinence from sexual activity outside marriage as the expected standard for all school age children;

"(C) teaches that abstinence from sexual activity is the only certain way to avoid out-of-wedlock pregnancy, sexually transmitted diseases, and other associated health problems;

"(D) teaches that a mutually faithful monogamous relationship in context of marriage is the expected standard of human sexual activity;

"(E) teaches that sexual activity outside of the context of marriage is likely to have harmful psychological and physical effects;

"(F) teaches that bearing children out-of-wedlock is likely to have harmful consequences for the child, the child's parents, and society;

"(G) teaches young people how to reject sexual advances and how alcohol and drug use increases vulnerability to sexual advances; and

"(H) teaches the importance of attaining self-sufficiency before engaging in sexual activity.".

(d) SET-ASIDE.—

(1) IN GENERAL.—Section 502(c) of such Act (42 U.S.C. 702(c)) is amended in the matter preceding paragraph (1) by striking "From" and inserting "Except as provided in subsection (e), from".

(2) SET-ASIDE.—Section 502 of such Act (42 U.S.C. 702) is amended by adding at the end the following new subsection:

"(e) Of the amounts appropriated under section 501(a) for any fiscal year, the Secretary shall set aside $75,000,000 for abstinence education in accordance with section 501(a)(1)(E).".

TITLE III—COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES

SEC. 3001. SHORT TITLE.

This title may be cited as the "Personal Responsibility and Work Opportunity Act of 1996".

SEC. 3002. TABLE OF CONTENTS.

The table of contents of this title is as follows:

Sec. 3001. Short title.
Sec. 3002. Table of contents.

Subtitle A—Child Care

Sec. 3101. Short title and references.
Sec. 3102. Goals.
Sec. 3103. Authorization of appropriations and entitlement authority.
Sec. 3104. Lead agency.
Sec. 3105. Application and plan.
Sec. 3106. Limitation on State allotments.
Sec. 3107. Activities to improve the quality of child care.
Sec. 3108. Repeal of early childhood development and before- and after-school care requirement.
Sec. 3109. Administration and enforcement.
Sec. 3110. Payments.
Sec. 3111. Annual report and audits.
Sec. 3112. Report by the Secretary.
Sec. 3113. Allotments.
Sec. 3114. Definitions.
Sec. 3115. Repeals.
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Subtitle B—Child Nutrition Programs

CHAPTER 1—NATIONAL SCHOOL LUNCH ACT

Sec. 3201. State disbursement to schools.
Sec. 3202. Nutritional and other program requirements.
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Sec. 3204. Special assistance.
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Sec. 3213. Information clearinghouse.

CHAPTER 2—CHILD NUTRITION ACT OF 1966

Sec. 3221. Special milk program.
Sec. 3222. Free and reduced price policy statement.
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Sec. 3224. State administrative expenses.
Sec. 3225. Regulations.
Sec. 3226. Prohibitions.
Sec. 3227. Miscellaneous provisions and definitions.
Sec. 3228. Accounts and records.
Sec. 3229. Special supplemental nutrition program for women, infants, and children.
Sec. 3230. Cash grants for nutrition education.
Sec. 3231. Nutrition education and training.

CHAPTER 3—MISCELLANEOUS PROVISIONS

Sec. 3241. Coordination of school lunch, school breakfast, and summer food service programs.

Subtitle C—Related Provisions

Sec. 3301. Requirement that data relating to the incidence of poverty in the United States be published at least every 2 years.
Sec. 3302. Sense of the Congress.
Sec. 3303. Legislative accountability.

Subtitle A—Child Care

SEC. 3101. SHORT TITLE AND REFERENCES.

(a) SHORT TITLE.—This subtitle may be cited as the "Child Care and Development Block Grant Amendments of 1996".

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

SEC. 3102. GOALS.

Section 658A (42 U.S.C. 9801 note) is amended—

(1) in the section heading by inserting "AND GOALS" after "TITLE";

(2) by inserting "(a) SHORT TITLE.—" before "This"; and

(3) by adding at the end the following:

"(b) GOALS.—The goals of this subchapter are—

"(1) to allow each State maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within such State;

"(2) to promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs;

"(3) to encourage States to provide consumer education information to help parents make informed choices about child care;

"(4) to assist States to provide child care to parents trying to achieve independence from public assistance; and

"(5) to assist States in implementing the health, safety, licensing, and registration standards established in State regulations.".

SEC. 3103. AUTHORIZATION OF APPROPRIATIONS AND ENTITLEMENT AUTHORITY.

(a) IN GENERAL.—Section 658B (42 U.S.C. 9858) is amended to read as follows:

"SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.

"There is authorized to be appropriated to carry out this subchapter $1,000,000,000 for each of the fiscal years 1996 through 2002.".

(b) SOCIAL SECURITY ACT.—Part A of title IV of the Social Security Act (42 U.S.C. 601-617) is amended by adding at the end the following new section:

"SEC. 418. FUNDING FOR CHILD CARE.

"(a) GENERAL CHILD CARE ENTITLEMENT.—

"(1) GENERAL ENTITLEMENT.—Subject to the amount appropriated under paragraph (3), each State shall, for the purpose of providing child care assistance, be entitled to payments under a grant under this subsection for a fiscal year in an amount equal to—

"(A) the sum of the total amount required to be paid to the State under section 403 for fiscal year 1994 or 1995 (whichever is greater) with respect to amounts expended for child care under section—

"(i) 402(g) of this Act (as such section was in effect before October 1, 1995); and

"(ii) 402(i) of this Act (as so in effect); or

"(B) the average of the total amounts required to be paid to the State for fiscal years 1992 through 1994 under the sections referred to in subparagraph (A);

whichever is greater.

"(2) REMAINDER.—

"(A) GRANTS.—The Secretary shall use any amounts appropriated for a fiscal year under paragraph (3), and remaining after the reservation described in paragraph (4) and after grants are awarded under paragraph (1), to make grants to States under this paragraph.

"(B) AMOUNT.—Subject to subparagraph (C), the amount of a grant awarded to a State for a fiscal year under this paragraph shall be based on the formula used for determining the amount of Federal payments to the State under section 403(n) (as such section was in effect before October 1, 1995).

"(C) MATCHING REQUIREMENT.—The Secretary shall pay to each eligible State in a fiscal year an amount, under a grant under subparagraph (A), equal to the Federal medical assistance percentage for such State for fiscal year 1995 (as defined in section 1905(b)) of so much of the expenditures by the State for child care in such year as exceed the State set-aside for such State under paragraph (1)(A) for such year and the amount of State expenditures in fiscal year 1994 or 1995 (whichever is greater) that equal the non-Federal share for the programs described in subparagraph (A) of paragraph (1).

"(D) REDISTRIBUTION.—

"(i) IN GENERAL.—With respect to any fiscal year, if the Secretary determines (in accordance with clause (ii)) that amounts under any grant awarded to a State under this paragraph for such fiscal year will not be used by such State during such fiscal year for carrying out the purpose for which the grant is made, the Secretary shall make such amounts available in the subsequent fiscal year for carrying out such purpose to 1 or more States which apply for such funds to the extent the Secretary determines that such States will be able to use such additional amounts for carrying out such purpose. Such available amounts shall be redistributed to a State pursuant to section 402(i) (as such section was in effect before October 1, 1995) by substituting 'the number of children residing in all States applying for such funds' for 'the number of children residing in the United States in the second preceding fiscal year'.

"(ii) TIME OF DETERMINATION AND DISTRIBUTION.—The determination of the Secretary under clause (i) for a fiscal year shall be made not later than the end of the first quarter of the subsequent fiscal year. The redistribution of amounts under clause (i) shall be made as close as practicable to the date on which such determination is made. Any amount made available to a State from an appropriation for a fiscal year in accordance with this subparagraph shall, for purposes of this part, be regarded as part of such State's payment (as determined under this subsection) for the fiscal year in which the redistribution is made.

"(3) APPROPRIATION.—For grants under this section, there are appropriated—

"(A) $1,967,000,000 for fiscal year 1997;

"(B) $2,067,000,000 for fiscal year 1998;

"(C) $2,167,000,000 for fiscal year 1999;

"(D) $2,367,000,000 for fiscal year 2000;

"(E) $2,567,000,000 for fiscal year 2001; and

"(F) $2,717,000,000 for fiscal year 2002.

"(4) INDIAN TRIBES.—The Secretary shall reserve not more than 1 percent of the aggregate amount appropriated to carry out this section in each fiscal year for payments to Indian tribes and tribal organizations.

"(b) USE OF FUNDS.—

"(1) IN GENERAL.—Amounts received by a State under this section shall only be used to provide child care assistance. Amounts received by a State under a grant under subsection (a)(1) shall be available for use by the State without fiscal year limitation.

"(2) USE FOR CERTAIN POPULATIONS.—A State shall ensure that not less than 70 percent of the total amount of funds received by the State in a fiscal year under this section are used to provide child care assistance to families who are receiving assistance under a State program under this part, families who are attempting through work activities to transition off of such assistance program, and families who are at risk of becoming dependent on such assistance program.

"(c) APPLICATION OF CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT of 1990.—Notwithstanding any other provision of law, amounts provided to a State under this section shall be transferred to the lead agency under the Child Care and Development Block Grant Act of 1990, integrated by the State into the programs established by the State under such Act, and be subject to requirements and limitations of such Act.

"(d) DEFINITION.—As used in this section, the term 'State' means each of the 50 States or the District of Columbia.".

SEC. 3104. LEAD AGENCY.

Section 658D(b) (42 U.S.C. 9858b(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking "State" the first place that such appears and inserting "governmental or nongovernmental"; and

(B) in subparagraph (C), by inserting "with sufficient time and Statewide distribution of the notice of such hearing," after "hearing in the State"; and

(2) in paragraph (2), by striking the second sentence.

SEC. 3105. APPLICATION AND PLAN.

Section 658E (42 U.S.C. 9858c) is amended—

(1) in subsection (b)—

(A) by striking "implemented—" and all that follows through "(2)" and inserting "implemented"; and

(B) by striking "for subsequent State plans";

(2) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (i) by striking ", other than through assistance provided under paragraph (3)(C),"; and

(II) by striking "except" and all that follows through "1992", and inserting "and provide a detailed description of the procedures the State will implement to carry out the requirements of this subparagraph";

(ii) in subparagraph (B)—

(I) by striking "Provide assurances" and inserting "Certify"; and

(II) by inserting before the period at the end "and provide a detailed description of such procedures";

(iii) in subparagraph (C)—

(I) by striking "Provide assurances" and inserting "Certify"; and

(II) by inserting before the period at the end "and provide a detailed description of how such record is maintained and is made available";

(iv) by amending subparagraph (D) to read as follows:

"(D) CONSUMER EDUCATION INFORMATION.—Certify that the State will collect and disseminate to parents of eligible children and the general public, consumer education information that will promote informed child care choices.";

(v) in subparagraph (E), to read as follows:

"(E) COMPLIANCE WITH STATE LICENSING REQUIREMENTS.—

"(i) IN GENERAL.—Certify that the State has in effect licensing requirements applicable to child care services provided within the State, and provide a detailed description of such requirements and of how such requirements are effectively enforced. Nothing in the preceding sentence shall be construed to require that licensing requirements be applied to specific types of providers of child care services.

"(ii) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—In lieu of any licensing and regulatory requirements applicable under State and local law, the Secretary, in consultation with Indian tribes and tribal organizations, shall develop minimum child care standards (that appropriately reflect tribal needs and available resources) that shall be applicable to Indian tribes and tribal organization receiving assistance under this subchapter.";

(vi) in subparagraph (G) by striking "Provide assurances" and inserting "Certify"; and

(vii) by striking subparagraphs (H), (I), and (J) and inserting the following:

"(H) MEETING THE NEEDS OF CERTAIN POPULATIONS.—Demonstrate the manner in which the State will meet the specific child care needs of families who are receiving assistance under a State program under part A of title IV of the Social Security Act, families who are attempting through work activities to transition off of such assistance program, and families that are at risk of becoming dependent on such assistance program.";

(B) in paragraph (3)—

(i) in subparagraph (A), by striking "(B) and (C)" and inserting "(B) through (D)";

(ii) in subparagraph (B)—

(I) by striking ".—Subject to the reservation contained in subparagraph (C), the" and inserting "AND RELATED ACTIVITIES.—The";

(II) in clause (i) by striking "; and" at the end and inserting a period;

(III) by striking "for—" and all that follows through "section 658E(c)(2)(A)" and inserting "for child care services on sliding fee scale basis, activities that improve the quality or availability of such services, and any other activity that the State deems appropriate to realize any of the goals specified in paragraphs (2) through (5) of section 658A(b)"; and

(IV) by striking clause (ii);

(iii) by amending subparagraph (C) to read as follows:

"(C) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 5 percent of the aggregate amount of funds available to the State to carry out this subchapter by a State in each fiscal year may be expended for administrative costs incurred by such State to carry out all of its functions and duties under this subchapter. As used in the preceding sentence, the term 'administrative costs' shall not include the costs of providing direct services."; and

(iv) by adding at the end thereof the following:

"(D) ASSISTANCE FOR CERTAIN FAMILIES.—A State shall ensure that a substantial portion of the amounts available (after the State has complied with the requirement of section 418(b)(2) of the Social Security Act with respect to each of the fiscal years 1997 through 2002) to the State to carry out activities under this subchapter in each fiscal year is used to provide assistance to low-income working families other than families described in paragraph (2)(H)."; and

(C) in paragraph (4)(A)—

(i) by striking "provide assurances" and inserting "certify";

(ii) in the first sentence by inserting "and shall provide a summary of the facts relied on by the State to determine that such rates are sufficient to ensure such access" before the period; and

(iii) by striking the last sentence.

SEC. 3106. LIMITATION ON STATE ALLOTMENTS.

Section 658F(b)(1) (42 U.S.C. 9858d(b)(1)) is amended by striking "No" and inserting "Except as provided for in section 658O(c)(6), no".

SEC. 3107. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

Section 658G (42 U.S.C. 9858e) is amended to read as follows:

"SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

"A State that receives funds to carry out this subchapter for a fiscal year, shall use not less than 4 percent of the amount of such funds for activities that are designed to provide comprehensive consumer education to parents and the public, activities that increase parental choice, and activities designed to improve the quality and availability of child care (such as resource and referral services).".

SEC. 3108. REPEAL OF EARLY CHILDHOOD DEVELOPMENT AND BEFORE- AND AFTER-SCHOOL CARE REQUIREMENT.

Section 658H (42 U.S.C. 9858f) is repealed.

SEC. 3109. ADMINISTRATION AND ENFORCEMENT.

Section 658I(b) (42 U.S.C. 9858g(b)) is amended—

(1) in paragraph (1), by striking ", and shall have" and all that follows through "(2)"; and

(2) in the matter following clause (ii) of paragraph (2)(A), by striking "finding and that" and all that follows through the period and inserting "finding and shall require that the State reimburse the Secretary for any funds that were improperly expended for purposes prohibited or not authorized by this subchapter, that the Secretary deduct from the administrative portion of the State allotment for the following fiscal year an amount that is less than or equal to any improperly expended funds, or a combination of such options.".

SEC. 3110. PAYMENTS.

Section 658J(c) (42 U.S.C. 9858h(c)) is amended by striking "expended" and inserting "obligated".

SEC. 3111. ANNUAL REPORT AND AUDITS.

Section 658K (42 U.S.C. 9858i) is amended—

(1) in the section heading by striking "ANNUAL REPORT" and inserting "REPORTS";

(2) in subsection (a), to read as follows:

"(a) REPORTS.—

"(1) COLLECTION OF INFORMATION BY STATES.—

"(A) IN GENERAL.—A State that receives funds to carry out this subchapter shall collect the information described in subparagraph (B) on a monthly basis.

"(B) REQUIRED INFORMATION.—The information required under this subparagraph shall include, with respect to a family unit receiving assistance under this subchapter information concerning—

"(i) family income;

"(ii) county of residence;

"(iii) the gender, race, and age of children receiving such assistance;

"(iv) whether the family includes only 1 parent;

"(v) the sources of family income, including the amount obtained from (and separately identified)—

"(I) employment, including self-employment;

"(II) cash or other assistance under part A of title IV of the Social Security Act;

"(III) housing assistance;

"(IV) assistance under the Food Stamp Act of 1977; and

"(V) other assistance programs;

"(vi) the number of months the family has received benefits;

"(vii) the type of child care in which the child was enrolled (such as family child care, home care, or center-based child care);

"(viii) whether the child care provider involved was a relative;

"(ix) the cost of child care for such families; and

"(x) the average hours per week of such care;

during the period for which such information is required to be submitted.

"(C) SUBMISSION TO SECRETARY.—A State described in subparagraph (A) shall, on a quarterly basis, submit the information required to be collected under subparagraph (B) to the Secretary.

"(D) SAMPLING.—The Secretary may disapprove the information collected by a State under this paragraph if the State uses sampling methods to collect such information.

"(2) BIANNUAL REPORTS.—Not later than December 31, 1997, and every 6 months thereafter, a State described in paragraph (1)(A) shall prepare and submit to the Secretary a report that includes aggregate data concerning—

"(A) the number of child care providers that received funding under this subchapter as separately identified based on the types of providers listed in section 658P(5);

"(B) the monthly cost of child care services, and the portion of such cost that is paid for with assistance provided under this subchapter, listed by the type of child care services provided;

"(C) the number of payments made by the State through vouchers, contracts, cash, and disregards under public benefit programs, listed by the type of child care services provided;

"(D) the manner in which consumer education information was provided to parents and the number of parents to whom such information was provided; and

"(E) the total number (without duplication) of children and families served under this subchapter;

during the period for which such report is required to be submitted."; and

(2) in subsection (b)—

(A) in paragraph (1) by striking "a application" and inserting "an application";

(B) in paragraph (2) by striking "any agency administering activities that receive" and inserting "the State that receives"; and

(C) in paragraph (4) by striking "entitles" and inserting "entitled".

SEC. 3112. REPORT BY THE SECRETARY.

Section 658L (42 U.S.C. 9858j) is amended—

(1) by striking "1993" and inserting "1997";

(2) by striking "annually" and inserting "biennially"; and

(3) by striking "Education and Labor" and inserting "Economic and Educational Opportunities".

SEC. 3113. ALLOTMENTS.

Section 658O (42 U.S.C. 9858m) is amended—

(1) in subsection (a)—

(A) in paragraph (1)

(i) by striking "POSSESSIONS" and inserting "POSSESSIONS";

(ii) by inserting "and" after "States,"; and

(iii) by striking ", and the Trust Territory of the Pacific Islands"; and

(B) in paragraph (2), by striking "3 percent" and inserting "1 percent";

(2) in subsection (c)—

(A) in paragraph (5) by striking "our" and inserting "out"; and

(B) by adding at the end thereof the following new paragraph:

"(6) CONSTRUCTION OR RENOVATION OF FACILITIES.—

"(A) REQUEST FOR USE OF FUNDS.—An Indian tribe or tribal organization may submit to the Secretary a request to use amounts provided under this subsection for construction or renovation purposes.

"(B) DETERMINATION.—With respect to a request submitted under subparagraph (A), and except as provided in subparagraph (C), upon a determination by the Secretary that adequate facilities are not otherwise available to an Indian tribe or tribal organization to enable such tribe or organization to carry out child care programs in accordance with this subchapter, and that the lack of such facilities will inhibit the operation of such programs in the future, the Secretary may permit the tribe or organization to use assistance provided under this subsection to make payments for the construction or renovation of facilities that will be used to carry out such programs.

"(C) LIMITATION.—The Secretary may not permit an Indian tribe or tribal organization to use amounts provided under this subsection for construction or renovation if such use will result in a decrease in the level of child care services provided by the tribe or organization as compared to the level of such services provided by the tribe or organization in the fiscal year preceding the year for which the determination under subparagraph (A) is being made.

"(D) UNIFORM PROCEDURES.—The Secretary shall develop and implement uniform procedures for the solicitation and consideration of requests under this paragraph."; and

(3) in subsection (e), by adding at the end thereof the following new paragraph:

"(4) INDIAN TRIBES OR TRIBAL ORGANIZATIONS.—Any portion of a grant or contract made to an Indian tribe or tribal organization under subsection (c) that the Secretary determines is not being used in a manner consistent with the provision of this subchapter in the period for which the grant or contract is made available, shall be allotted by the Secretary to other tribes or organizations that have submitted applications under subsection (c) in accordance with their respective needs.".

SEC. 3114. DEFINITIONS.

Section 658P (42 U.S.C. 9858n) is amended—

(1) in paragraph (2), in the first sentence by inserting "or as a deposit for child care services if such a deposit is required of other children being cared for by the provider" after "child care services"; and

(2) by striking paragraph (3);

(3) in paragraph (4)(B), by striking "75 percent" and inserting "85 percent";

(4) in paragraph (5)(B)—

(A) by inserting "great grandchild, sibling (if such provider lives in a separate residence)," after "grandchild,";

(B) by striking "is registered and"; and

(C) by striking "State" and inserting "applicable".

(5) by striking paragraph (10);

(6) in paragraph (13)—

(A) by inserting "or" after "Samoa,"; and

(B) by striking ", and the Trust Territory of the Pacific Islands";

(7) in paragraph (14)—

(A) by striking "The term" and inserting the following:

"(A) IN GENERAL.—The term"; and

(B) by adding at the end thereof the following new subparagraph:

"(B) OTHER ORGANIZATIONS.—Such term includes a Native Hawaiian Organization, as defined in section 4009(4) of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (20 U.S.C. 4909(4)) and a private nonprofit organization established for the purpose of serving youth who are Indians or Native Hawaiians.".

SEC. 3115. REPEALS.

(a) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE ACT OF 1985.—Title VI of the Human Services Reauthorization Act of 1986 (42 U.S.C. 10901–10905) is repealed.

(b) STATE DEPENDENT CARE DEVELOPMENT GRANTS ACT.—Subchapter E of chapter 8 of subtitle A of title VI of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9871–9877) is repealed.

(c) PROGRAMS OF NATIONAL SIGNIFICANCE.—Title X of the Elementary and Secondary Education Act of 1965, as amended by Public Law 103–382 (108 Stat. 3809 et seq.), is amended—

(1) in section 10413(a) by striking paragraph (4),

(2) in section 10963(b)(2) by striking subparagraph (G), and

(3) in section 10974(a)(6) by striking subparagraph (G).

(d) NATIVE HAWAIIAN FAMILY-BASED EDUCATION CENTERS.—Section 9205 of the Native Hawaiian Education Act (Public Law 103–382; 108 Stat. 3794) is repealed.

(e) CERTAIN CHILD CARE PROGRAMS UNDER THE SOCIAL SECURITY ACT.—

(1) AFDC AND TRANSITIONAL CHILD CARE PROGRAMS.—Section 402 of the Social Security Act (42 U.S.C. 602) is amended by striking subsection (g).

(2) AT-RISK CHILD CARE PROGRAM.—

(A) AUTHORIZATION.—Section 402 of the Social Security Act (42 U.S.C. 602) is amended by striking subsection (i).

(B) FUNDING PROVISIONS.—Section 403 of the Social Security Act (42 U.S.C. 603) is amended by striking subsection (n).

SEC. 3116. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this subtitle and the amendments made by this subtitle shall take effect on October 1, 1996.

(b) EXCEPTION.—The amendment made by section 3303(a) shall take effect on the date of enactment of this Act.

Subtitle B—Child Nutrition Programs

CHAPTER 1—NATIONAL SCHOOL LUNCH ACT

SEC. 3201. STATE DISBURSEMENT TO SCHOOLS.

(a) IN GENERAL.—Section 8 of the National School Lunch Act (42 U.S.C. 1757) is amended—

(1) in the third sentence, by striking "Nothing" and all that follows through "educational agency to" and inserting "The State educational agency may";

(2) by striking the fourth and fifth sentences;

(3) by redesignating the first through sixth sentences, as amended by paragraph (1), as subsections (a) through (f), respectively;

(4) in subsection (b), as redesignated by paragraph (3), by striking "the preceding sentence" and inserting "subsection (a)"; and

(5) in subsection (d), as redesignated by paragraph (3), by striking "Such food costs" and inserting "Use of funds paid to States".

(b) DEFINITION OF CHILD.—Section 12(d) of the Act (42 U.S.C. 1760(d)) is amended by adding at the end the following:

"(9) 'child' includes an individual, regardless of age, who—

"(A) is determined by a State educational agency, in accordance with regulations prescribed by the Secretary, to have 1 or more mental or physical disabilities; and

"(B) is attending any institution, as defined in section 17(a), or any nonresidential public or nonprofit private school of high school grade or under, for the purpose of participating in a school program established for individuals with mental or physical disabilities.

No institution that is not otherwise eligible to participate in the program under section 17 shall be considered eligible because of this paragraph.".

SEC. 3202. NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS.

(a) NUTRITIONAL STANDARDS.—Section 9(a) of the National School Lunch Act (42 U.S.C. 1758(a)) is amended—

(1) in paragraph (2)—

(A) by striking "(2)(A) Lunches" and inserting "(2) Lunches";

(B) by striking subparagraph (B); and

(C) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively;

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

(b) ELIGIBILITY GUIDELINES.—Section 9(b) of the Act is amended—

(1) in paragraph (2)—

(A) by striking subparagraph (A); and

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(2) in paragraph (5), by striking the third sentence; and

(3) in paragraph (6), by striking "paragraph (2)(C)" and inserting "paragraph (2)(B)".

(c) UTILIZATION OF AGRICULTURAL COMMODITIES.—Section 9(c) of the Act is amended by striking the second, fourth, and sixth sentences.

(d) CONFORMING AMENDMENT.—The last sentence of section 9(d)(1) of the Act is amended by striking "subsection (b)(2)(C)" and inserting "subsection (b)(2)(B)".

(e) NUTRITIONAL INFORMATION.—Section 9(f) of the Act is amended—

(1) by striking paragraph (1);

(2) by striking "(2)";

(3) by redesignating subparagraphs (A) through (D) as paragraphs (1) through (4), respectively;

(4) by striking paragraph (1), as redesignated by paragraph (3), and inserting the following:

"(1) NUTRITIONAL REQUIREMENTS.—Except as provided in paragraph (2), not later than the first day of the 1996–1997 school year, schools that are participating in the school lunch or school breakfast program shall serve lunches and breakfasts under the program that—

"(A) are consistent with the goals of the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341); and

"(B) provide, on the average over each week, at least—

"(i) with respect to school lunches, ⅓ of the daily recommended dietary allowance established by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences; and

"(ii) with respect to school breakfasts, ¼ of the daily recommended dietary allowance established by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences.";

(5) in paragraph (3), as redesignated by paragraph (3)—

(A) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively; and

(B) in subparagraph (A), as so redesignated, by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively; and

(6) in paragraph (4), as redesignated by paragraph (3)—

(A) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively;

(B) in subparagraph (A) (as redesignated by subparagraph (A)), by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively; and

(C) in subparagraph (A)(ii) (as redesignated by subparagraph (B)), by striking "subparagraph (C)" and inserting "paragraph (3)".

(f) USE OF RESOURCES.—Section 9 of the Act is amended by striking subsection (h).

SEC. 3203. FREE AND REDUCED PRICE POLICY STATEMENT.

Section 9(b)(2) of the National School Lunch Act (42 U.S.C. 1758(b)(2)), as amended by section 3202(b)(1), is further amended by adding at the end the following:

"(C) FREE AND REDUCED PRICE POLICY STATEMENT.—After the initial submission, a school shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school. A routine change in the policy of a school, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the school to submit a policy statement.".

SEC. 3204. SPECIAL ASSISTANCE.

(a) Extension of Payment Period.—Section 11(a)(1)(D)(i) of the National School Lunch Act (42 U.S.C. 1759a(a)(1)(D)(i)) is amended by striking ", on the date of enactment of this subparagraph,".

(b) Applicability of Other Provisions.—Section 11 of the Act is amended—

(1) by striking subsection (d);

(2) in subsection (e)(2)—

(A) by striking "The" and inserting "On request of the Secretary, the"; and

(B) by striking "each month"; and

(3) by redesignating subsections (e) and (f), as so amended, as subsections (d) and (e), respectively.

SEC. 3205. MISCELLANEOUS PROVISIONS AND DEFINITIONS.

(a) Accounts and Records.—Section 12(a) of the National School Lunch Act (42 U.S.C. 1760(a)) is amended by striking "at all times be available" and inserting "be available at any reasonable time".

(b) Restriction on Requirements.—Section 12(c) of the Act is amended by striking "neither the Secretary nor the State shall" and inserting "the Secretary shall not".

(c) Definitions.—Section 12(d) of the Act, as amended by section 3201(b), is further amended—

(1) in paragraph (1), by striking "the Trust Territory of the Pacific Islands" and inserting "the Commonwealth of the Northern Mariana Islands";

(2) by striking paragraphs (3) and (4); and

(3) by redesignating paragraphs (1), (2), and (5) through (9) as paragraphs (6), (7), (3), (4), (2), (5), and (1), respectively, and rearranging the paragraphs so as to appear in numerical order.

(d) Adjustments to National Average Payment Rates.—Section 12(f) of the Act is amended by striking "the Trust Territory of the Pacific Islands,".

(e) Expedited Rulemaking.—Section 12(k) of the Act is amended—

(1) by striking paragraphs (1), (2), and (5); and

(2) by redesignating paragraphs (3) and (4) as paragraphs (1) and (2), respectively.

(f) Waiver.—Section 12(l) of the Act is amended—

(1) in paragraph (2)(A)—

(A) in clause (iii), by adding "and" at the end;

(B) in clause (iv), by striking the semicolon at the end and inserting a period; and

(C) by striking clauses (v) through (vii);

(2) in paragraph (3)—

(A) by striking "(A)"; and

(B) by striking subparagraphs (B) through (D);

(3) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by striking "of any requirement relating" and inserting "that increases Federal costs or that relates";

(B) by striking subparagraph (D);

(C) by redesignating subparagraphs (E) through (N) as subparagraphs (D) through (M), respectively; and

(D) in subparagraph (L), as redesignated by subparagraph (C), by striking "and" at the end and inserting "or"; and

(4) in paragraph (6)—

(A) by striking "(A)(i)" and all that follows through "(B)"; and

(B) by redesignating clauses (i) through (iv) as subparagraphs (A) through (D), respectively.

(g) Food and Nutrition Projects.—Section 12 of the Act is amended by striking subsection (m).

SEC. 3206. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

(a) Establishment of Program.—Section 13(a) of the National School Lunch Act (42 U.S.C. 1761(a)) is amended—

(1) in paragraph (1)—

(A) in the first sentence, by striking "initiate, maintain, and expand" and inserting "initiate and maintain"; and

(B) in subparagraph (E) of the second sentence, by striking "the Trust Territory of the Pacific Islands,"; and

(2) in paragraph (7)(A), by striking "Except as provided in subparagraph (C), private" and inserting "Private".

(b) Service Institutions.—Section 13(b) of the Act is amended by striking "(b)(1)" and all that follows through the end of paragraph (1) and inserting the following:

"(b) Service Institutions.—

"(1) Payments.—

"(A) In general.—Except as otherwise provided in this paragraph, payments to service institutions shall equal the full cost of food service operations (which cost shall include the costs of obtaining, preparing, and serving food, but shall not include administrative costs).

"(B) Maximum amounts.—Subject to subparagraph (C), payments to any institution under subparagraph (A) shall not exceed—

"(i) $1.82 for each lunch and supper served;

"(ii) $1.13 for each breakfast served; and

"(iii) 46 cents for each meal supplement served.

"(C) Adjustments.—Amounts specified in subparagraph (B) shall be adjusted on January 1, 1997, and each January 1 thereafter, to the nearest lower cent increment in accordance with the changes for the 12-month period ending the preceding November 30 in the series for food away from home of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor. Each adjustment shall be based on the unrounded adjustment for the prior 12-month period.".

(c) Administration of Service Institutions.—Section 13(b)(2) of the Act is amended—

(1) in the first sentence, by striking "four meals" and inserting "3 meals, or 2 meals and 1 supplement,"; and

(2) by striking the second sentence.

(d) Reimbursements.—Section 13(c)(2) of the Act is amended—

(1) by striking subparagraph (A);

(2) in subparagraph (B)—

(A) in the first sentence—

(i) by striking ", and such higher education institutions,"; and

(ii) by striking "without application" and inserting "upon showing residence in areas in which poor economic conditions exist or on the basis of income eligibility statements for children enrolled in the program"; and

(B) by adding at the end the following: "The higher education institutions referred to in the preceding sentence shall be eligible to participate in the program under this paragraph without application.";

(3) in subparagraph (C)(ii), by striking "severe need"; and

(4) by redesignating subparagraphs (B) through (E), as so amended, as subparagraphs (A) through (D), respectively.

(e) Advance Program Payments.—Section 13(e)(1) of the Act is amended—

(1) by striking "institution: *Provided*, That (A) the" and inserting "institution. The";

(2) by inserting "(excluding a school)" after "any service institution"; and

(3) by striking "responsibilities, and (B) no" and inserting "responsibilities. No".

(f) Food Requirements.—Section 13(f) of the Act is amended—

(1) by redesignating the first through seventh sentences as paragraphs (1) through (7), respectively;

(2) by striking paragraph (3), as redesignated by paragraph (1);

(3) in paragraph (4), as redesignated by paragraph (1), by striking "the first sentence" and inserting "paragraph (1)";

(4) in paragraph (6), as redesignated by paragraph (1), by striking "that bacteria levels" and all that follows through the period at the end and inserting "conformance with standards set by local health authorities."; and

(5) by redesignating paragraphs (4) through (7), as redesignated by paragraph (1), as paragraphs (3) through (6), respectively.

(g) Permitting Offer Versus Serve.—Section 13(f) of the Act, as amended by subsection (f), is further amended by adding at the end the following:

"(7) Offer versus serve.—A school food authority participating as a service institution may permit a child attending a site on school premises operated directly by the authority to refuse not more than 1 item of a meal that the child does not intend to consume. A refusal of an offered food item shall not affect the amount of payments made under this section to a school for the meal.".

(h) Food Service Management Companies.—Section 13(l) of the Act is amended—

(1) by striking paragraph (4);

(2) in paragraph (5), by striking the first sentence; and

(3) by redesignating paragraph (5), as so amended, as paragraph (4).

(i) Records.—The second sentence of section 13(m) of the Act is amended by striking "at all times be available" and inserting "be available at any reasonable time".

(j) Removing Mandatory Notice to Institutions.—Section 13(n)(2) of the Act is amended by striking ", and its plans and schedule for informing service institutions of the availability of the program".

(k) Plan.—Section 13(n) of the Act is amended—

(1) in paragraph (2), by striking ", including the State's methods of assessing need";

(2) by striking paragraph (3);

(3) in paragraph (4), by striking "and schedule"; and

(4) by redesignating paragraphs (4) through (7), as so amended, as paragraphs (3) through (6), respectively.

(l) Monitoring and Training.—Section 13(q) of the Act is amended—

(1) by striking paragraphs (2) and (4);

(2) in paragraph (3), by striking "paragraphs (1) and (2) of this subsection" and inserting "paragraph (1)"; and

(3) by redesignating paragraph (3), as so amended, as paragraph (2).

(m) Expired Program.—Section 13 of the Act is amended—

(1) by striking subsection (p); and

(2) by redesignating subsections (q) and (r), as so amended, as subsections (p) and (q), respectively.

(n) Effective Date.—The amendments made by subsection (b) shall become effective on January 1, 1997.

SEC. 3207. COMMODITY DISTRIBUTION.

(a) Cereal and Shortening in Commodity Donations.—Section 14(b) of the National School Lunch Act (42 U.S.C. 1762a(b)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(b) IMPACT STUDY AND PURCHASING PROCEDURES.—Section 14(d) of the Act is amended by striking the second and third sentences.

(c) CASH COMPENSATION FOR PILOT PROJECT SCHOOLS.—Section 14(g) of the Act is amended by striking paragraph (3).

(d) STATE ADVISORY COUNCIL.—Section 14 is amended—

(1) by striking subsection (e); and

(2) by redesignating subsections (f) and (g), as so amended, as subsections (e) and (f), respectively.

SEC. 3208. CHILD CARE FOOD PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—Section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended—

(1) in the section heading, by striking "AND ADULT"; and

(2) in the first sentence of subsection (a), by striking "initiate, maintain, and expand" and inserting "initiate and maintain".

(b) PAYMENTS TO SPONSOR EMPLOYEES.—Paragraph (2) of the last sentence of section 17(a) of the Act (42 U.S.C. 1766(a)) is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(3) by adding at the end the following:

"(D) in the case of a family or group day care home sponsoring organization that employs more than 1 employee, the organization does not base payments to an employee of the organization on the number of family or group day care homes recruited.".

(c) TECHNICAL ASSISTANCE.—The last sentence of section 17(d)(1) of the Act is amended by striking ", and shall provide technical assistance" and all that follows through "its application".

(d) REIMBURSEMENT OF CHILD CARE INSTITUTIONS.—Section 17(f)(2)(B) of the Act (42 U.S.C. 1766(f)(2)(B)) is amended by striking "two meals and two supplements or three meals and one supplement" and inserting "two meals and one supplement".

(e) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—

(1) RESTRUCTURED DAY CARE HOME REIMBURSEMENTS.—Section 17(f)(3) of the Act is amended by striking "(3)(A) Institutions" and all that follows through the end of subparagraph (A) and inserting the following:

"(3) REIMBURSEMENT OF FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(A) REIMBURSEMENT FACTOR.—

"(i) IN GENERAL.—An institution that participates in the program under this section as a family or group day care home sponsoring organization shall be provided, for payment to a home sponsored by the organization, reimbursement factors in accordance with this subparagraph for the cost of obtaining and preparing food and prescribed labor costs involved in providing meals under this section.

"(ii) TIER I FAMILY OR GROUP DAY CARE HOMES.—

"(I) DEFINITION.—In this paragraph, the term 'tier I family or group day care home' means—

"(aa) a family or group day care home that is located in a geographic area, as defined by the Secretary based on census data, in which at least 50 percent of the children residing in the area are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9;

"(bb) a family or group day care home that is located in an area served by a school enrolling elementary students in which at least 50 percent of the total number of children enrolled are certified eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); or

"(cc) a family or group day care home that is operated by a provider whose household meets the income eligibility guidelines for free or reduced price meals under section 9 and whose income is verified by the sponsoring organization of the home under regulations established by the Secretary.

"(II) REIMBURSEMENT.—Except as provided in subclause (III), a tier I family or group day care home shall be provided reimbursement factors under this clause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the income eligibility guidelines for free or reduced price meals under section 9.

"(III) FACTORS.—Except as provided in subclause (IV), the reimbursement factors applied to a home referred to in subclause (II) shall be the factors in effect on July 1, 1996.

"(IV) ADJUSTMENTS.—The reimbursement factors under this subparagraph shall be adjusted on July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this subparagraph shall be rounded to the nearest lower cent increment and based on the unrounded adjustment in effect on June 30 of the preceding school year.

"(iii) TIER II FAMILY OR GROUP DAY CARE HOMES.—

"(I) IN GENERAL.—

"(aa) FACTORS.—Except as provided in subclause (II), with respect to meals or supplements served under this clause by a family or group day care home that does not meet the criteria set forth in clause (ii)(I), the reimbursement factors shall be 90 cents for lunches and suppers, 25 cents for breakfasts, and 10 cents for supplements.

"(bb) ADJUSTMENTS.—The factors shall be adjusted on July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this item shall be rounded down to the nearest lower cent increment and based on the unrounded adjustment for the preceding 12-month period.

"(cc) REIMBURSEMENT.—A family or group day care home shall be provided reimbursement factors under this subclause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the income eligibility guidelines for free or reduced price meals under section 9.

"(II) OTHER FACTORS.—A family or group day care home that does not meet the criteria set forth in clause (ii)(I) may elect to be provided reimbursement factors determined in accordance with the following requirements:

"(aa) CHILDREN ELIGIBLE FOR FREE OR REDUCED PRICE MEALS.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9, the family or group day care home shall be provided reimbursement factors set by the Secretary in accordance with clause (ii)(III).

"(bb) INELIGIBLE CHILDREN.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes do not meet the income eligibility guidelines, the family or group day care home shall be provided reimbursement factors in accordance with subclause (I).

"(III) INFORMATION AND DETERMINATIONS.—

"(aa) IN GENERAL.—If a family or group day care home elects to claim the factors described in subclause (II), the family or group day care home sponsoring organization serving the home shall collect the necessary income information, as determined by the Secretary, from any parent or other caretaker to make the determinations specified in subclause (II) and shall make the determinations in accordance with rules prescribed by the Secretary.

"(bb) CATEGORICAL ELIGIBILITY.—In making a determination under item (aa), a family or group day care home sponsoring organization may consider a child participating in or subsidized under, or a child with a parent participating in or subsidized under, a federally or State supported child care or other benefit program with an income eligibility limit that does not exceed the eligibility standard for free or reduced price meals under section 9 to be a child who is a member of a household whose income meets the income eligibility guidelines under section 9.

"(cc) FACTORS FOR CHILDREN ONLY.—A family or group day care home may elect to receive the reimbursement factors prescribed under clause (ii)(III) solely for the children participating in a program referred to in item (bb) if the home elects not to have income statements collected from parents or other caretakers.

"(IV) SIMPLIFIED MEAL COUNTING AND REPORTING PROCEDURES.—The Secretary shall prescribe simplified meal counting and reporting procedures for use by a family or group day care home that elects to claim the factors under subclause (II) and by a family or group day care home sponsoring organization that sponsors the home. The procedures the Secretary prescribes may include 1 or more of the following:

"(aa) Setting an annual percentage for each home of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under clause (ii)(III) and an annual percentage of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under subclause (I), based on the family income of children enrolled in the home in a specified month or other period.

"(bb) Placing a home into 1 of 2 or more reimbursement categories annually based on the percentage of children in the home whose households have incomes that meet the income eligibility guidelines under section 9, with each such reimbursement category carrying a set of reimbursement factors such as the factors prescribed under clause (ii)(III) or subclause (I) or factors established within the range of factors prescribed under clause (ii)(III) and subclause (I).

"(cc) Such other simplified procedures as the Secretary may prescribe.

"(V) MINIMUM VERIFICATION REQUIREMENTS.—The Secretary may establish any necessary minimum verification requirements.".

(2) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—

Section 17(f)(3) of the Act is amended by adding at the end the following:

"(D) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—

"(i) IN GENERAL.—

"(I) RESERVATION.—From amounts made available to carry out this section, the Secretary shall reserve $5,000,000 of the amount made available for fiscal year 1997.

"(II) PURPOSE.—The Secretary shall use the funds made available under subclause (I) to provide grants to States for the purpose of providing—

"(aa) assistance, including grants, to family and day care home sponsoring organizations and other appropriate organizations, in securing and providing training, materials, automated data processing assistance, and other assistance for the staff of the sponsoring organizations; and

"(bb) training and other assistance to family and group day care homes in the implementation of the amendment to subparagraph (A) made by section 3208(e)(1) of the Personal Responsibility and Work Opportunity Act of 1996.

"(ii) ALLOCATION.—The Secretary shall allocate from the funds reserved under clause (i)(I)—

"(I) $30,000 in base funding to each State; and

"(II) any remaining amount among the States, based on the number of family day care homes participating in the program in a State during fiscal year 1995 as a percentage of the number of all family day care homes participating in the program during fiscal year 1995.

"(iii) RETENTION OF FUNDS.—Of the amount of funds made available to a State for fiscal year 1997 under clause (i), the State may retain not to exceed 30 percent of the amount to carry out this subparagraph.

"(iv) ADDITIONAL PAYMENTS.—Any payments received under this subparagraph shall be in addition to payments that a State receives under subparagraph (A).".

(3) PROVISION OF DATA.—Section 17(f)(3) of the Act, as amended by paragraph (2), is further amended by adding at the end the following:

"(E) PROVISION OF DATA TO FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(i) CENSUS DATA.—The Secretary shall provide to each State agency administering a child care food program under this section data from the most recent decennial census survey or other appropriate census survey for which the data are available showing which areas in the State meet the requirements of subparagraph (A)(ii)(I)(aa). The State agency shall provide the data to family or group day care home sponsoring organizations located in the State.

"(ii) SCHOOL DATA.—

"(I) IN GENERAL.—A State agency administering the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall provide to approved family or group day care home sponsoring organizations a list of schools serving elementary school children in the State in which not less than ½ of the children enrolled are certified to receive free or reduced price meals. The State agency shall collect the data necessary to create the list annually and provide the list on a timely basis to any approved family or group day care home sponsoring organization that requests the list.

"(II) USE OF DATA FROM PRECEDING SCHOOL YEAR.—In determining for a fiscal year or other annual period whether a home qualifies as a tier I family or group day care home under subparagraph (A)(ii)(I), the State agency administering the program under this section, and a family or group day care home sponsoring organization, shall use the most current available data at the time of the determination.

"(iii) DURATION OF DETERMINATION.—For purposes of this section, a determination that a family or group day care home is located in an area that qualifies the home as a tier I family or group day care home (as the term is defined in subparagraph (A)(ii)(I)), shall be in effect for 3 years (unless the determination is made on the basis of census data, in which case the determination shall remain in effect until more recent census data are available) unless the State agency determines that the area in which the home is located no longer qualifies the home as a tier I family or group day care home.".

(4) CONFORMING AMENDMENTS.—Section 17(c) of the Act is amended by inserting "except as provided in subsection (f)(3)," after "For purposes of this section," each place it appears in paragraphs (1), (2), and (3).

(f) REIMBURSEMENT.—Section 17(f) of the Act is amended—

(1) in paragraph (3)—

(A) in subparagraph (B), by striking the third and fourth sentences; and

(B) in subparagraph (C)—

(i) by striking "(i)" and

(ii) by striking clause (ii); and

(2) in paragraph (4), by striking "shall" and inserting "may" in the first sentence.

(g) NUTRITIONAL REQUIREMENTS.—Section 17(g)(1) of the Act is amended—

(1) in subparagraph (A), by striking the second sentence; and

(2) in subparagraph (B), by striking the second sentence.

(h) ELIMINATION OF STATE PAPERWORK AND OUTREACH BURDEN.—Section 17 of the Act is amended by striking subsection (k) and inserting the following:

"(k) TRAINING AND TECHNICAL ASSISTANCE.—A State participating in the program established under this section shall provide sufficient training, technical assistance, and monitoring to facilitate effective operation of the program. The Secretary shall assist the State in developing plans to fulfill the requirements of this subsection.".

(i) RECORDS.—The second sentence of section 17(m) of the Act is amended by striking "at all times" and inserting "at any reasonable time".

(j) MODIFICATION OF ADULT CARE FOOD PROGRAM.—Section 17(o) of the Act is amended—

(1) in the first sentence of paragraph (1)—

(A) by striking "adult day care centers" and inserting "day care centers for chronically impaired disabled persons"; and

(B) by striking "to persons 60 years of age or older or"; and

(2) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking "adult day care center" and inserting "day care center for chronically impaired disabled persons"; and

(ii) in clause (i)—

(I) by striking "adult";

(II) by striking "adults" and inserting "persons"; and

(III) by striking "or persons 60 years of age or older"; and

(B) in subparagraph (B), by striking "adult day care services" and inserting "day care services for chronically impaired disabled persons".

(k) UNNEEDED PROVISION.—Section 17 of the Act is amended by striking subsection (q).

(l) CONFORMING AMENDMENTS.—

(1) Section 17B(f) of the Act (42 U.S.C. 1766b(f)) is amended—

(A) in the subsection heading, by striking "AND ADULT"; and

(B) in paragraph (1), by striking "and adult".

(2) Section 18(e)(3)(B) of the Act (42 U.S.C. 1769(e)(3)(B)) is amended by striking "and adult".

(3) Section 25(b)(1)(C) of the Act (42 U.S.C. 1769f(b)(1)(C)) is amended by striking "and adult".

(4) Section 3(1) of the Healthy Meals for Healthy Americans Act of 1994 (Public Law 103-448) is amended by striking "and adult".

(m) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall become effective on the date of enactment of this Act.

(2) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—The amendments made by paragraphs (1) and (4) of subsection (e) shall become effective on July 1, 1997.

(3) REGULATIONS.—

(A) INTERIM REGULATIONS.—Not later than January 1, 1997, the Secretary shall issue interim regulations to implement—

(i) the amendments made by paragraphs (1), (3), and (4) of subsection (e); and

(ii) section 17(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766(f)(3)(C)).

(B) FINAL REGULATIONS.—Not later than July 1, 1997, the Secretary shall issue final regulations to implement the provisions of law referred to in subparagraph (A).

(n) STUDY OF IMPACT OF AMENDMENTS ON PROGRAM PARTICIPATION AND FAMILY DAY CARE LICENSING.—

(1) IN GENERAL.—The Secretary of Agriculture, in conjunction with the Secretary of Health and Human Services, shall study the impact of the amendments made by this section on—

(A) the number of family day care homes participating in the child care food program established under section 17 of the National School Lunch Act (42 U.S.C. 1766);

(B) the number of day care home sponsoring organizations participating in the program;

(C) the number of day care homes that are licensed, certified, registered, or approved by each State in accordance with regulations issued by the Secretary;

(D) the rate of growth of the numbers referred to in subparagraphs (A) through (C);

(E) the nutritional adequacy and quality of meals served in family day care homes that—

(i) received reimbursement under the program prior to the amendments made by this section but do not receive reimbursement after the amendments made by this section; or

(ii) received full reimbursement under the program prior to the amendments made by this section but do not receive full reimbursement after the amendments made by this section; and

(F) the proportion of low-income children participating in the program prior to the amendments made by this section and the proportion of low-income children participating in the program after the amendments made by this section.

(2) REQUIRED DATA.—Each State agency participating in the child care food program under section 17 of the National School Lunch Act (42 U.S.C. 1766) shall submit to the Secretary data on—

(A) the number of family day care homes participating in the program on June 30, 1997, and June 30, 1998;

(B) the number of family day care homes licensed, certified, registered, or approved for service on June 30, 1997, and June 30, 1998; and

(C) such other data as the Secretary may require to carry out this subsection.

(3) Submission of Report.—Not later than 2 years after the effective date of this section, the Secretary shall submit the study required under this subsection to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 3209. PILOT PROJECTS.

(a) Universal Free Pilot.—Section 18(d) of the National School Lunch Act (42 U.S.C. 1769(d)) is amended—

(1) by striking paragraph (3); and

(2) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(b) Demo Project Outside School Hours.—Section 18(e) of the Act is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking "(A)"; and

(ii) by striking "shall" and inserting "may"; and

(B) by striking subparagraph (B); and

(2) by striking paragraph (5) and inserting the following:

"(5) Authorization of Appropriations.—There are authorized to be appropriated to carry out this subsection such sums as are necessary for each of fiscal years 1997 and 1998.".

(c) Eliminating Projects.—Section 18 of the Act is amended—

(1) by striking subsections (a) and (g) through (i); and

(2) by redesignating subsections (b) through (f), as so amended, as subsections (a) through (e), respectively.

(d) Conforming Amendment.—Section 17B(d)(1)(A) of the Act (42 U.S.C. 1766b(d)(1)(A)) is amended by striking "18(c)" and inserting "18(b)".

SEC. 3210. REDUCTION OF PAPERWORK.

Section 19 of the National School Lunch Act (42 U.S.C. 1769a) is repealed.

SEC. 3211. INFORMATION ON INCOME ELIGIBILITY.

Section 23 of the National School Lunch Act (42 U.S.C. 1769d) is repealed.

SEC. 3212. NUTRITION GUIDANCE FOR CHILD NUTRITION PROGRAMS.

Section 24 of the National School Lunch Act (42 U.S.C. 1769e) is repealed.

SEC. 3213. INFORMATION CLEARINGHOUSE.

Section 26 of the National School Lunch Act (42 U.S.C. 1769g) is repealed.

CHAPTER 2—CHILD NUTRITION ACT OF 1966

SEC. 3221. SPECIAL MILK PROGRAM.

Section 3(a)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1772(a)(3)) is amended by striking "the Trust Territory of the Pacific Islands" and inserting "the Commonwealth of the Northern Mariana Islands".

SEC. 3222. FREE AND REDUCED PRICE POLICY STATEMENT.

Section 4(b)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1)) is amended by adding at the end the following:

"(E) Free and Reduced Price Policy Statement.—After the initial submission, a school shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school. A routine change in the policy of a school, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the school to submit a policy statement.".

SEC. 3223. SCHOOL BREAKFAST PROGRAM AUTHORIZATION.

(a) Training and Technical Assistance in Food Preparation.—Section 4(e)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(e)(1)) is amended—

(1) in subparagraph (A), by striking "(A)"; and

(2) by striking subparagraph (B).

(b) Expansion of Program; Startup and Expansion Costs.—

(1) In general.—Section 4 of the Act is amended by striking subsections (f) and (g).

(2) Effective date.—The amendments made by paragraph (1) shall become effective on October 1, 1996.

SEC. 3224. STATE ADMINISTRATIVE EXPENSES.

(a) Use of Funds for Commodity Distribution Administration; Studies.—Section 7 of the Child Nutrition Act of 1966 (42 U.S.C. 1776) is amended—

(1) by striking subsections (e) and (h); and

(2) by redesignating subsections (f), (g), and (i) as subsections (e), (f), and (g), respectively.

(b) Approval of Changes.—Section 7(e) of the Act, as so redesignated, is amended—

(1) by striking "each year an annual plan" and inserting "the initial fiscal year a plan"; and

(2) by adding at the end the following: "After submitting the initial plan, a State shall only be required to submit to the Secretary for approval a substantive change in the plan.".

SEC. 3225. REGULATIONS.

Section 10(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1779(b)) is amended—

(1) in paragraph (1), by striking "(1)"; and

(2) by striking paragraphs (2) through (4).

SEC. 3226. PROHIBITIONS.

Section 11(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1780(a)) is amended by striking "neither the Secretary nor the State shall" and inserting "the Secretary shall not".

SEC. 3227. MISCELLANEOUS PROVISIONS AND DEFINITIONS.

Section 15 of the Child Nutrition Act of 1966 (42 U.S.C. 1784) is amended—

(1) in paragraph (1), by striking "the Trust Territory of the Pacific Islands" and inserting "the Commonwealth of the Northern Mariana Islands"; and

(2) in the first sentence of paragraph (3)—

(A) in subparagraph (A), by inserting "and" at the end; and

(B) by striking ", and (C)" and all that follows through "Governor of Puerto Rico".

SEC. 3228. ACCOUNTS AND RECORDS.

The second sentence of section 16(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1785(a)) is amended by striking "at all times be available" and inserting "be available at any reasonable time".

SEC. 3229. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

(a) Definitions.—Section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) is amended—

(1) in paragraph (15)(B)(iii), by inserting "of not more than 365 days" after "accommodation"; and

(2) in paragraph (16)—

(A) in subparagraph (A), by adding "and" at the end; and

(B) in subparagraph (B), by striking "; and" and inserting a period; and

(C) by striking subparagraph (C).

(b) Secretary's Promotion of WIC.—Section 17(c) of the Act is amended by striking paragraph (5).

(c) Eligible Participants.—Section 17(d) of the Act is amended by striking paragraph (4).

(d) Nutrition Education and Drug Abuse Education.—Section 17(e) of the Act is amended—

(1) in the first sentence of paragraph (1), by striking "shall ensure" and all that follows through "is provided" and inserting "shall provide nutrition education and may provide drug abuse education";

(2) in paragraph (2), by striking the third sentence;

(3) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by striking "shall";

(B) by striking subparagraph (A);

(C) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(D) in subparagraphs (A) and (B) (as redesignated), by inserting "shall" before "provide" each place it appears;

(E) in subparagraph (A) (as redesignated), by striking "and" at the end;

(F) in subparagraph (B) (as redesignated), by striking the period and inserting "; and"; and

(G) by adding at the end the following:

"(C) may provide a local agency with materials describing other programs for which participants in the program may be eligible.";

(4) in paragraph (5), by striking "The State" and all that follows through "local agency shall" and inserting "Each local agency shall"; and

(5) by striking paragraph (6).

(e) State Plan.—Section 17(f) of the Act is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking "annually to the Secretary, by a date specified by the Secretary, a" and inserting "to the Secretary, by a date specified by the Secretary, an initial"; and

(ii) by adding at the end the following: "After submitting the initial plan, a State shall only be required to submit to the Secretary for approval a substantive change in the plan.";

(B) in subparagraph (C)—

(i) by striking clause (iii) and inserting the following:

"(iii) a plan to coordinate operations under the program with other services or programs that may benefit participants in, and applicants for, the program;";

(ii) in clause (vi), by inserting after "in the State" the following: "(including a plan to improve access to the program for participants and prospective applicants who are employed, or who reside in rural areas)";

(iii) in clause (vii), by striking "to provide program benefits" and all that follows through "emphasis on" and inserting "for";

(iv) by striking clauses (ix), (x), and (xii);

(v) in clause (xiii), by striking "may require" and inserting "may reasonably require"; and

(vi) by redesignating clauses (xi) and (xiii), as so amended, as clauses (ix) and (x), respectively;

(C) by striking subparagraph (D); and

(D) by redesignating subparagraph (E) as subparagraph (D);

(2) by striking paragraphs (2), (6), (8), and (22);

(3) in the second sentence of paragraph (5), by striking "at all times be available" and

inserting "be available at any reasonable time";

(4) in paragraph (9)(B), by striking the second sentence;

(5) in the first sentence of paragraph (11), by striking ", including standards that will ensure sufficient State agency staff";

(6) in paragraph (12), by striking the third sentence;

(7) in paragraph (14), by striking "shall" and inserting "may";

(8) in paragraph (17), by striking "and to accommodate" and all that follows through "facilities";

(9) in paragraph (19), by striking "shall" and inserting "may"; and

(10) by redesignating paragraphs (3), (4), (5), (7), (9) through (19), (20), (21), (23), and (24), as so amended, as paragraphs (2), (3), (4), (5), (6) through (16), (17), (18), (19), and (20), respectively.

(f) INFORMATION.—Section 17(g) of the Act is amended—

(1) in paragraph (5), by striking "the report required under subsection (d)(4)" and inserting "reports on program participant characteristics"; and

(2) by striking paragraph (6).

(g) PROCUREMENT OF INFANT FORMULA.—

(1) IN GENERAL.—Section 17(h) of the Act is amended—

(A) in paragraph (4)(E), by striking "and, on" and all that follows through "(d)(4)";

(B) in paragraph (8)—

(i) by striking subparagraphs (A), (C), and (M);

(ii) in subparagraph (G)—

(I) in clause (i), by striking "(i)"; and

(II) by striking clauses (ii) through (ix);

(iii) in subparagraph (I), by striking "Secretary—" and all that follows through "(v) may" and inserting "Secretary may";

(iv) by redesignating subparagraphs (B) and (D) through (L) as subparagraphs (A) and (B) through (J), respectively;

(v) in subparagraph (A)(i), as so redesignated, by striking "subparagraphs (C), (D), and (E)(iii), in carrying out subparagraph (A)," and inserting "subparagraphs (B) and (C)(iii),";

(vi) in subparagraph (B)(i), as so redesignated, by striking "subparagraph (B)" each place it appears and inserting "subparagraph (A)"; and

(vii) in subparagraph (C)(iii), as so redesignated, by striking "subparagraph (B)" and inserting "subparagraph (A)"; and

(C) in paragraph (10)(B)—

(i) in clause (i), by striking the semicolon and inserting "; and";

(ii) in clause (ii), by striking "; and" and inserting a period; and

(iii) by striking clause (iii).

(2) APPLICATION.—The amendments made by paragraph (1) shall not apply to a contract for the procurement of infant formula under section 17(h)(8) of the Act that is in effect on the effective date of this subsection.

(h) NATIONAL ADVISORY COUNCIL ON MATERNAL, INFANT, AND FETAL NUTRITION.—Section 17(k)(3) of the Act is amended by striking "Secretary shall designate" and inserting "Council shall elect".

(i) COMPLETED STUDY; COMMUNITY COLLEGE DEMONSTRATION; GRANTS FOR INFORMATION AND DATA SYSTEM.—Section 17 of the Act is amended by striking subsections (n), (o), and (p).

(j) DISQUALIFICATION OF VENDORS WHO ARE DISQUALIFIED UNDER THE FOOD STAMP PROGRAM.—Section 17 of the Act, as so amended, is further amended by adding at the end the following:

"(n) DISQUALIFICATION OF VENDORS WHO ARE DISQUALIFIED UNDER THE FOOD STAMP PROGRAM.—

"(1) IN GENERAL.—The Secretary shall issue regulations providing criteria for the disqualification under this section of an approved vendor that is disqualified from accepting benefits under the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

"(2) TERMS.—A disqualification under paragraph (1)—

"(A) shall be for the same period as the disqualification from the program referred to in paragraph (1);

"(B) may begin at a later date than the disqualification from the program referred to in paragraph (1); and

"(C) shall not be subject to judicial or administrative review.".

SEC. 3230. CASH GRANTS FOR NUTRITION EDUCATION.

Section 18 of the Child Nutrition Act of 1966 (42 U.S.C. 1787) is repealed.

SEC. 3231. NUTRITION EDUCATION AND TRAINING.

(a) FINDINGS.—Section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1788) is amended—

(1) in subsection (a), by striking "that—" and all that follows through the period at the end and inserting "that effective dissemination of scientifically valid information to children participating or eligible to participate in the school lunch and related child nutrition programs should be encouraged."; and

(2) in subsection (b), by striking "encourage" and all that follows through "establishing" and inserting "establish".

(b) USE OF FUNDS.—Section 19(f) of the Act is amended—

(1) in paragraph (1)—

(A) by striking subparagraph (B); and

(B) in subparagraph (A)—

(i) by striking "(A)";

(ii) by striking clauses (ix) through (xix);

(iii) by redesignating clauses (i) through (viii) and (xx) as subparagraphs (A) through (H) and (I), respectively;

(iv) in subparagraph (I), as so redesignated, by striking the period at the end and inserting "; and"; and

(v) by adding at the end the following:

"(J) other appropriate related activities, as determined by the State.";

(2) by striking paragraphs (2) and (4); and

(3) by redesignating paragraph (3) as paragraph (2).

(c) ACCOUNTS, RECORDS, AND REPORTS.—The second sentence of section 19(g)(1) of the Act is amended by striking "at all times be available" and inserting "be available at any reasonable time".

(d) STATE COORDINATORS FOR NUTRITION; STATE PLAN.—Section 19(h) of the Act is amended—

(1) in the second sentence of paragraph (1)—

(A) by striking "as provided in paragraph (2) of this subsection"; and

(B) by striking "as provided in paragraph (3) of this subsection";

(2) in paragraph (2), by striking the second and third sentences; and

(3) by striking paragraph (3).

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 19(i) of the Act is amended—

(1) in the first sentence of paragraph (2)(A), by striking "and each succeeding fiscal year";

(2) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(3) by inserting after paragraph (2) the following:

"(3) FISCAL YEARS 1997 THROUGH 2002.—

"(A) IN GENERAL.—There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 1997 through 2002.

"(B) GRANTS.—

"(i) IN GENERAL.—Grants to each State from the amounts made available under subparagraph (A) shall be based on a rate of 50 cents for each child enrolled in schools or institutions within the State, except that no State shall receive an amount less than $75,000 per fiscal year.

"(ii) INSUFFICIENT FUNDS.—If the amount made available for any fiscal year is insufficient to pay the amount to which each State is entitled under clause (i), the amount of each grant shall be ratably reduced.".

(f) ASSESSMENT.—Section 19 of the Act is amended by striking subsection (j).

(g) EFFECTIVE DATE.—The amendments made by subsection (e) shall become effective on October 1, 1996.

CHAPTER 3—MISCELLANEOUS PROVISIONS

SEC. 3241. COORDINATION OF SCHOOL LUNCH, SCHOOL BREAKFAST, AND SUMMER FOOD SERVICE PROGRAMS.

(a) COORDINATION.—

(1) IN GENERAL.—The Secretary of Agriculture shall develop proposed changes to the regulations under the school lunch program under the National School Lunch Act, the summer food service program under section 13 of that Act, and the school breakfast program under section 4 of the Child Nutrition Act of 1966, for the purpose of simplifying and coordinating those programs into a comprehensive meal program.

(2) CONSULTATION.—In developing proposed changes to the regulations under paragraph (1), the Secretary of Agriculture shall consult with local, State, and regional administrators of the programs described in such paragraph.

(b) REPORT.—Not later than November 1, 1997, the Secretary of Agriculture shall submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Economic and Educational Opportunities of the House of Representatives a report containing the proposed changes developed under subsection (a).

Subtitle C—Related Provisions

Sec. 3301. REQUIREMENT THAT DATA RELATING TO THE INCIDENCE OF POVERTY IN THE UNITED STATES BE PUBLISHED AT LEAST EVERY 2 YEARS.

(a) IN GENERAL.—The Secretary shall, to the extent feasible, produce and publish for each State, county, and local unit of general purpose government for which data have been compiled in the then most recent census of population under section 141(a) of title 13, United States Code, and for each school district, data relating to the incidence of poverty. Such data may be produced by means of sampling, estimation, or any other method that the Secretary determines will produce current, comprehensive, and reliable data.

(b) CONTENT; FREQUENCY.—Data under this section—

(1) shall include—

(A) for each school district, the number of children age 5 to 17, inclusive, in families below the poverty level; and

(B) for each State and county referred to in subsection (a), the number of individuals age 65 or older below the poverty level; and

(2) shall be published—

(A) for each State, county, and local unit of general purpose government referred to in subsection (a), in 1997 and at least every second year thereafter; and

(B) for each school district, in 1999 and at least every second year thereafter.

(c) AUTHORITY TO AGGREGATE.—

(1) IN GENERAL.—If reliable data could not otherwise be produced, the Secretary may, for purposes of subsection (b)(1)(A), aggregate school districts, but only to the extent necessary to achieve reliability.

(2) INFORMATION RELATING TO USE OF AUTHORITY.—Any data produced under this subsection shall be appropriately identified and shall be accompanied by a detailed explanation as to how and why aggregation was used (including the measures taken to minimize any such aggregation).

(d) REPORT TO BE SUBMITTED WHENEVER DATA IS NOT TIMELY PUBLISHED.—If the Secretary is unable to produce and publish the data required under this section for any State, county, local unit of general purpose government, or school district in any year specified in subsection (b)(2), a report shall be submitted by the Secretary to the President of the Senate and the Speaker of the House of Representatives, not later than 90 days before the start of the following year, enumerating each government or school district excluded and giving the reasons for the exclusion.

(e) CRITERIA RELATING TO POVERTY.—In carrying out this section, the Secretary shall use the same criteria relating to poverty as were used in the then most recent census of population under section 141(a) of title 13, United States Code (subject to such periodic adjustments as may be necessary to compensate for inflation and other similar factors).

(f) CONSULTATION.—The Secretary shall consult with the Secretary of Education in carrying out the requirements of this section relating to school districts.

(g) DEFINITION.—For the purpose of this section, the term "Secretary" means the Secretary of Health and Human Services.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $1,500,000 for each of fiscal years 1997 through 2000.

SEC. 3302. SENSE OF THE CONGRESS.

It is the sense of the Congress that this title, and the amendments made by this title, should not result in an increase in the number of children who are hungry, homeless, poor, or medically uninsured.

SEC. 3303. LEGISLATIVE ACCOUNTABILITY.

In the event that this title, or the amendments made by this title, results in an increase in the number of children in the United States who are hungry, homeless, poor, or medically uninsured by the end of the fiscal year 1997, the Congress—

(1) shall revisit the provisions of this title, or the amendments made by this title, which caused such increase; and

(2) shall, as soon as practicable thereafter, pass legislation that stops the continuation of such increase.

TITLE IV—COMMITTEE ON WAYS AND MEANS

SEC. 4001. SHORT TITLE.

This title may be cited as the "Personal Responsibility and Work Opportunity Act of 1996".

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Subtitle A—Block Grants for Temporary Assistance for Needy Families

SEC. 4101. FINDINGS.

The Congress makes the following findings:

(1) Marriage is the foundation of a successful society.

(2) Marriage is an essential institution of a successful society which promotes the interests of children.

(3) Promotion of responsible fatherhood and motherhood is integral to successful child rearing and the well-being of children.

(4) In 1992, only 54 percent of single-parent families with children had a child support order established and, of that 54 percent, only about one-half received the full amount due. Of the cases enforced through the public child support enforcement system, only 18 percent of the caseload has a collection.

(5) The number of individuals receiving aid to families with dependent children (in this section referred to as "AFDC") has more than tripled since 1965. More than two-thirds of these recipients are children. Eighty-nine percent of children receiving AFDC benefits now live in homes in which no father is present.

(A)(i) The average monthly number of children receiving AFDC benefits—

(I) was 3,300,000 in 1965;

(II) was 6,200,000 in 1970;

(III) was 7,400,000 in 1980; and

(IV) was 9,300,000 in 1992.

(ii) While the number of children receiving AFDC benefits increased nearly threefold between 1965 and 1992, the total number of children in the United States aged 0 to 18 has declined by 5.5 percent.

(B) The Department of Health and Human Services has estimated that 12,000,000 children will receive AFDC benefits within 10 years.

(C) The increase in the number of children receiving public assistance is closely related to the increase in births to unmarried women. Between 1970 and 1991, the percentage of live births to unmarried women increased nearly threefold, from 10.7 percent to 29.5 percent.

(6) The increase of out-of-wedlock pregnancies and births is well documented as follows:

(A) It is estimated that the rate of nonmarital teen pregnancy rose 23 percent from 54 pregnancies per 1,000 unmarried teenagers in 1976 to 66.7 pregnancies in 1991. The overall rate of nonmarital pregnancy rose 14 percent from 90.8 pregnancies per 1,000 unmarried women in 1980 to 103 in both 1991 and 1992. In contrast, the overall pregnancy rate for married couples decreased 7.3 percent between 1980 and 1991, from 126.9 pregnancies per 1,000 married women in 1980 to 117.6 pregnancies in 1991.

(B) The total of all out-of-wedlock births between 1970 and 1991 has risen from 10.7 percent to 29.5 percent and if the current trend continues, 50 percent of all births by the year 2015 will be out-of-wedlock.

(7) The negative consequences of an out-of-wedlock birth on the mother, the child, the family, and society are well documented as follows:

(A) Young women 17 and under who give birth outside of marriage are more likely to go on public assistance and to spend more years on welfare once enrolled. These combined effects of "younger and longer" increase total AFDC costs per household by 25 percent to 30 percent for 17-year-olds.

(B) Children born out-of-wedlock have a substantially higher risk of being born at a very low or moderately low birth weight.

(C) Children born out-of-wedlock are more likely to experience low verbal cognitive attainment, as well as more child abuse, and neglect.

(D) Children born out-of-wedlock were more likely to have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

(E) Being born out-of-wedlock significantly reduces the chances of the child growing up to have an intact marriage.

(F) Children born out-of-wedlock are 3 times more likely to be on welfare when they grow up.

(8) Currently 35 percent of children in single-parent homes were born out-of-wedlock, nearly the same percentage as that of children in single-parent homes whose parents are divorced (37 percent). While many parents find themselves, through divorce or tragic circumstances beyond their control, facing the difficult task of raising children alone, nevertheless, the negative consequences of raising children in single-parent homes are well documented as follows:

(A) Only 9 percent of married-couple families with children under 18 years of age have income below the national poverty level. In contrast, 46 percent of female-headed households with children under 18 years of age are below the national poverty level.

(B) Among single-parent families, nearly ½ of the mothers who never married received AFDC while only ⅕ of divorced mothers received AFDC.

(C) Children born into families receiving welfare assistance are 3 times more likely to be on welfare when they reach adulthood than children not born into families receiving welfare.

(D) Mothers under 20 years of age are at the greatest risk of bearing low-birth-weight babies.

(E) The younger the single parent mother, the less likely she is to finish high school.

(F) Young women who have children before finishing high school are more likely to receive welfare assistance for a longer period of time.

(G) Between 1985 and 1990, the public cost of births to teenage mothers under the aid to families with dependent children program, the food stamp program, and the medicaid program has been estimated at $120,000,000,000.

(H) The absence of a father in the life of a child has a negative effect on school performance and peer adjustment.

(I) Children of teenage single parents have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

(J) Children of single-parent homes are 3 times more likely to fail and repeat a year in grade school than are children from intact 2-parent families.

(K) Children from single-parent homes are almost 4 times more likely to be expelled or suspended from school.

(L) Neighborhoods with larger percentages of youth aged 12 through 20 and areas with higher percentages of single-parent households have higher rates of violent crime.

(M) Of those youth held for criminal offenses within the State juvenile justice system, only 29.8 percent lived primarily in a home with both parents. In contrast to these incarcerated youth, 73.9 percent of the 62,800,000 children in the Nation's resident population were living with both parents.

(9) Therefore, in light of this demonstration of the crisis in our Nation, it is the sense of the Congress that prevention of out-of-wedlock pregnancy and reduction in out-of-wedlock birth are very important Government interests and the policy contained in part A of title IV of the Social Security Act (as amended by section 4103(a) of this Act) is intended to address the crisis.

SEC. 4102. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this subtitle an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

SEC. 4103. BLOCK GRANTS TO STATES.

(a) IN GENERAL.—Part A of title IV (42 U.S.C. 601 et seq.) is amended—

(1) by striking all that precedes section 418 (as added by section 4803(b)(2) of this Act) and inserting the following:

"PART A—BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

"SEC. 401. PURPOSE.

"(a) IN GENERAL.—The purpose of this part is to increase the flexibility of States in operating a program designed to—

"(1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;

"(2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;

"(3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and

"(4) encourage the formation and maintenance of two-parent families.

"(b) NO INDIVIDUAL ENTITLEMENT.—This part shall not be interpreted to entitle any individual or family to assistance under any State program funded under this part.

"SEC. 402. ELIGIBLE STATES; STATE PLAN.

"(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that, during the 2-year period immediately preceding the fiscal year, has submitted to the Secretary a plan that the Secretary has found includes the following:

"(1) OUTLINE OF FAMILY ASSISTANCE PROGRAM.—

"(A) GENERAL PROVISIONS.—A written document that outlines how the State intends to do the following:

"(i) Conduct a program, designed to serve all political subdivisions in the State (not necessarily in a uniform manner), that provides assistance to needy families with (or expecting) children and provides parents with job preparation, work, and support services to enable them to leave the program and become self-sufficient.

"(ii) Require a parent or caretaker receiving assistance under the program to engage in work (as defined by the State) once the State determines the parent or caretaker is ready to engage in work, or once the parent or caretaker has received assistance under the program for 24 months (whether or not consecutive), whichever is earlier.

"(iii) Ensure that parents and caretakers receiving assistance under the program engage in work activities in accordance with section 407.

"(iv) Take such reasonable steps as the State deems necessary to restrict the use and disclosure of information about individuals and families receiving assistance under the program attributable to funds provided by the Federal Government.

"(B) SPECIAL PROVISIONS.—

"(i) The document shall indicate whether the State intends to treat families moving into the State from another State differently than other families under the program, and if so, how the State intends to treat such families under the program.

"(ii) The document shall indicate whether the State intends to provide assistance under the program to individuals who are not citizens of the United States, and if so, shall include an overview of such assistance.

"(iii) The document shall set forth objective criteria for the delivery of benefits and the determination of eligibility and for fair and equitable treatment, including an explanation of how the State will provide opportunities for recipients who have been adversely affected to be heard in a State administrative or appeal process.

"(2) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child support enforcement program under the State plan approved under part D.

"(3) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD PROTECTION PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child protection program under the State plan approved under part B.

"(4) CERTIFICATION OF THE ADMINISTRATION OF THE PROGRAM.—A certification by the chief executive officer of the State specifying which State agency or agencies will administer and supervise the program referred to in paragraph (1) for the fiscal year, which shall include assurances that local governments and private sector organizations—

"(A) have been consulted regarding the plan and design of welfare services in the State so that services are provided in a manner appropriate to local populations; and

"(B) have had at least 45 days to submit comments on the plan and the design of such services.

"(5) CERTIFICATION THAT THE STATE WILL PROVIDE INDIANS WITH EQUITABLE ACCESS TO ASSISTANCE.—A certification by the chief executive officer of the State that, during the fiscal year, the State will provide each Indian who is a member of an Indian tribe in the State that does not have a tribal family assistance plan approved under section 412 with equitable access to assistance under the State program funded under this part attributable to funds provided by the Federal Government.

"(b) PUBLIC AVAILABILITY OF STATE PLAN SUMMARY.—The State shall make available to the public a summary of any plan submitted by the State under this section.

"SEC. 403. GRANTS TO STATES.

"(a) GRANTS.—

"(1) FAMILY ASSISTANCE GRANT.—

"(A) IN GENERAL.—Each eligible State shall be entitled to receive from the Secretary, for each of fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 a grant in an amount equal to the State family assistance grant.

"(B) STATE FAMILY ASSISTANCE GRANT DEFINED.—As used in this part, the term 'State family assistance grant' means the greatest of—

"(i) ⅓ of the total amount required to be paid to the State under former section 403 (as in effect on September 30, 1995) for fiscal years 1992, 1993, and 1994 (other than with respect to amounts expended by the State for child care under subsection (g) or (i) of former section 402 (as so in effect));

"(ii)(I) the total amount required to be paid to the State under former section 403 for fiscal year 1994 (other than with respect to amounts expended by the State for child care under subsection (g) or (i) of former section 402 (as so in effect)); plus

"(II) an amount equal to 85 percent of the amount (if any) by which the total amount required to be paid to the State under former section 403(a)(5) for emergency assistance for fiscal year 1995 exceeds the total amount required to be paid to the State under former section 403(a)(5) for fiscal year 1994, if, during fiscal year 1994 or 1995, the Secretary approved under former section 402 an amendment to the former State plan to allow the provision of emergency assistance in the context of family preservation; or

"(iii) 4/3 of the total amount required to be paid to the State under former section 403 (as in effect on September 30, 1995) for the 1st 3 quarters of fiscal year 1995 (other than with respect to amounts expended by the State under the State plan approved under part F (as so in effect) or for child care under subsection (g) or (i) of former section 402 (as so in effect)), plus the total amount required to be paid to the State for fiscal year 1995 under former section 403(l) (as so in effect).

"(C) TOTAL AMOUNT REQUIRED TO BE PAID TO THE STATE UNDER FORMER SECTION 403 DEFINED.—As used in this part, the term 'total amount required to be paid to the State under former section 403' means, with respect to a fiscal year—

"(i) in the case of a State to which section 1108 does not apply, the sum of—

"(I) the Federal share of maintenance assistance expenditures for the fiscal year, before reduction pursuant to subparagraph (B) or (C) of section 403(b)(2) (as in effect on September 30, 1995), as reported by the State on ACF Form 231;

"(II) the Federal share of administrative expenditures (including administrative expenditures for the development of management information systems) for the fiscal year, as reported by the State on ACF Form 231;

"(III) the Federal share of emergency assistance expenditures for the fiscal year, as reported by the State on ACF Form 231;

"(IV) the Federal share of expenditures for the fiscal year with respect to child care pursuant to subsections (g) and (i) of former section 402 (as in effect on September 30, 1995), as reported by the State on ACF Form 231; and

"(V) the aggregate amount required to be paid to the State for the fiscal year with respect to the State program operated under part F (as in effect on September 30, 1995), as determined by the Secretary, including additional obligations or reductions in obligations made after the close of the fiscal year; and

"(ii) in the case of a State to which section 1108 applies, the lesser of—

"(I) the sum described in clause (i); or

"(II) the total amount certified by the Secretary under former section 403 (as in effect during the fiscal year) with respect to the territory.

"(D) INFORMATION TO BE USED IN DETERMINING AMOUNTS.—

"(i) FOR FISCAL YEARS 1992 AND 1993.—

"(I) In determining the amounts described in subclauses (I) through (IV) of subparagraph (C)(i) for any State for each of fiscal years 1992 and 1993, the Secretary shall use information available as of April 28, 1995.

"(II) In determining the amount described in subparagraph (C)(i)(V) for any State for each of fiscal years 1992 and 1993, the Secretary shall use information available as of January 6, 1995.

"(ii) FOR FISCAL YEAR 1994.—In determining the amounts described in subparagraph (C)(i) for any State for fiscal year 1994, the Secretary shall use information available as of April 28, 1995.

"(iii) FOR FISCAL YEAR 1995.—

"(I) In determining the amount described in subparagraph (B)(ii)(II) for any State for fiscal year 1995, the Secretary shall use the information which was reported by the States and estimates made by the States with respect to emergency assistance expenditures and was available as of August 11, 1995.

"(II) In determining the amounts described in subclauses (I) through (III) of subparagraph (C)(i) for any State for fiscal year 1995, the Secretary shall use information available as of October 2, 1995.

"(III) In determining the amount described in subparagraph (C)(i)(IV) for any State for fiscal year 1995, the Secretary shall use information available as of February 28, 1996.

"(IV) In determining the amount described in subparagraph (C)(i)(V) for any State for fiscal year 1995, the Secretary shall use information available as of October 5, 1995.

"(E) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 such sums as are necessary for grants under this paragraph.

"(2) GRANT TO REWARD STATES THAT REDUCE OUT-OF-WEDLOCK BIRTHS.—

"(A) IN GENERAL.—Each eligible State shall be entitled to receive from the Secretary for fiscal year 1998 or any succeeding fiscal year, a grant in an amount equal to the State family assistance grant multiplied by—

"(i) 5 percent if—

"(I) the illegitimacy ratio of the State for the fiscal year is at least 1 percentage point lower than the illegitimacy ratio of the State for fiscal year 1995; and

"(II) the rate of induced pregnancy terminations in the State for the fiscal year is less than the rate of induced pregnancy terminations in the State for fiscal year 1995; or

"(ii) 10 percent if—

"(I) the illegitimacy ratio of the State for the fiscal year is at least 2 percentage points lower than the illegitimacy ratio of the State for fiscal year 1995; and

"(II) the rate of induced pregnancy terminations in the State for the fiscal year is less than the rate of induced pregnancy terminations in the State for fiscal year 1995.

"(B) ILLEGITIMACY RATIO.—As used in this paragraph, the term 'illegitimacy ratio' means, with respect to a State and a fiscal year—

"(i) the number of out-of-wedlock births that occurred in the State during the most recent fiscal year for which such information is available; divided by

"(ii) the number of births that occurred in the State during the most recent fiscal year for which such information is available.

"(C) DISREGARD OF CHANGES IN DATA DUE TO CHANGED REPORTING METHODS.—For purposes of subparagraph (A), the Secretary shall disregard—

"(i) any difference between the illegitimacy ratio of a State for a fiscal year and the illegitimacy ratio of the State for fiscal year 1995 which is attributable to a change in State methods of reporting data used to calculate the illegitimacy ratio; and

"(ii) any difference between the rate of induced pregnancy terminations in a State for a fiscal year and such rate for fiscal year 1995 which is attributable to a change in State methods of reporting data used to calculate such rate.

"(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal year 1998 and for each succeeding fiscal year such sums as are necessary for grants under this paragraph.

"(3) SUPPLEMENTAL GRANT FOR POPULATION INCREASES IN CERTAIN STATES.—

"(A) IN GENERAL.—Each qualifying State shall, subject to subparagraph (F), be entitled to receive from the Secretary—

"(i) for fiscal year 1997 a grant in an amount equal to 2.5 percent of the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

"(ii) for each of fiscal years 1998, 1999, and 2000, a grant in an amount equal to the sum of—

"(I) the amount (if any) required to be paid to the State under this paragraph for the immediately preceding fiscal year; and

"(II) 2.5 percent of the sum of—

"(aa) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

"(bb) the amount (if any) required to be paid to the State under this paragraph for the fiscal year preceding the fiscal year for which the grant is to be made.

"(B) PRESERVATION OF GRANT WITHOUT INCREASES FOR STATES FAILING TO REMAIN QUALIFYING STATES.—Each State that is not a qualifying State for a fiscal year specified in subparagraph (A)(ii) but was a qualifying State for a prior fiscal year shall, subject to subparagraph (F), be entitled to receive from the Secretary for the specified fiscal year, a grant in an amount equal to the amount required to be paid to the State under this paragraph for the most recent fiscal year for which the State was a qualifying State.

"(C) QUALIFYING STATE.—

"(i) IN GENERAL.—For purposes of this paragraph, a State is a qualifying State for a fiscal year if—

"(I) the level of welfare spending per poor person by the State for the immediately preceding fiscal year is less than the national average level of State welfare spending per poor person for such preceding fiscal year; and

"(II) the population growth rate of the State (as determined by the Bureau of the Census) for the most recent fiscal year for which information is available exceeds the average population growth rate for all States (as so determined) for such most recent fiscal year.

"(ii) STATE MUST QUALIFY IN FISCAL YEAR 1997.—Notwithstanding clause (i), a State shall not be a qualifying State for any fiscal year after 1997 by reason of clause (i) if the State is not a qualifying State for fiscal year 1997 by reason of clause (i).

"(iii) CERTAIN STATES DEEMED QUALIFYING STATES.—For purposes of this paragraph, a State is deemed to be a qualifying State for fiscal years 1997, 1998, 1999, and 2000 if—

"(I) the level of welfare spending per poor person by the State for fiscal year 1996 is less than 35 percent of the national average level of State welfare spending per poor person for fiscal year 1996; or

"(II) the population of the State increased by more than 10 percent from April 1, 1990 to July 1, 1994, according to the population estimates in publication CB94–204 of the Bureau of the Census.

"(D) DEFINITIONS.—As used in this paragraph:

"(i) LEVEL OF WELFARE SPENDING PER POOR PERSON.—The term 'level of State welfare spending per poor person' means, with respect to a State and a fiscal year—

"(I) the sum of—

"(aa) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

"(bb) the amount (if any) paid to the State under this paragraph for the immediately preceding fiscal year; divided by

"(II) the number of individuals, according to the 1990 decennial census, who were residents of the State and whose income was below the poverty line.

"(ii) NATIONAL AVERAGE LEVEL OF STATE WELFARE SPENDING PER POOR PERSON.—The term 'national average level of State welfare spending per poor person' means, with respect to a fiscal year, an amount equal to—

"(I) the total amount required to be paid to the States under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; divided by

"(II) the number of individuals, according to the 1990 decennial census, who were residents of any State and whose income was below the poverty line.

"(iii) STATE.—The term 'State' means each of the 50 States of the United States and the District of Columbia.

"(E) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1997, 1998, 1999, and 2000 such sums as are necessary for grants under this paragraph, in a total amount not to exceed $800,000,000.

"(F) GRANTS REDUCED PRO RATA IF INSUFFICIENT APPROPRIATIONS.—If the amount appropriated pursuant to this paragraph for a fiscal year is less than the total amount of payments otherwise required to be made under this paragraph for the fiscal year, then the amount otherwise payable to any State for the fiscal year under this paragraph shall be reduced by a percentage equal to the amount so appropriated divided by such total amount.

"(G) BUDGET SCORING.—Notwithstanding section 257(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, the baseline shall assume that no grant shall be made under this paragraph after fiscal year 2000.

"(4) BONUS TO REWARD HIGH PERFORMANCE STATES.—

"(A) IN GENERAL.—The Secretary shall make a grant pursuant to this paragraph to each State for each bonus year for which the State is a high performing State.

"(B) AMOUNT OF GRANT.—

"(i) IN GENERAL.—Subject to clause (ii) of this subparagraph, the Secretary shall determine the amount of the grant payable under this paragraph to a high performing State for a bonus year, which shall be based on the score assigned to the State under subparagraph (D)(i) for the fiscal year that immediately precedes the bonus year.

"(ii) LIMITATION.—The amount payable to a State under this paragraph for a bonus year shall not exceed 5 percent of the State family assistance grant.

"(C) FORMULA FOR MEASURING STATE PERFORMANCE.—Not later than 1 year after the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996, the Secretary, in consultation with the National Governors' Association and the American Public Welfare Association, shall develop a formula for measuring State performance in operating the State program funded under this part so as to achieve the goals set forth in section 401(a).

"(D) SCORING OF STATE PERFORMANCE; SETTING OF PERFORMANCE THRESHOLDS.—For each bonus year, the Secretary shall—

"(i) use the formula developed under subparagraph (C) to assign a score to each eligible State for the fiscal year that immediately precedes the bonus year; and

"(ii) prescribe a performance threshold in such a manner so as to ensure that—

"(I) the average annual total amount of grants to be made under this paragraph for each bonus year equals $100,000,000; and

"(II) the total amount of grants to be made under this paragraph for all bonus years equals $500,000,000.

"(E) DEFINITIONS.—As used in this paragraph:

"(i) BONUS YEAR.—The term 'bonus year' means fiscal years 1999, 2000, 2001, 2002, and 2003.

"(ii) HIGH PERFORMING STATE.—The term 'high performing State' means, with respect a bonus year, an eligible State whose score assigned pursuant to subparagraph (D)(i) for the fiscal year immediately preceding the bonus year equals or exceeds the performance threshold prescribed under subparagraph (D)(ii) for such preceding fiscal year.

"(F) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1999 through 2003 $500,000,000 for grants under this paragraph.

"(5) SUPPLEMENTAL GRANT FOR OPERATION OF WORK PROGRAM.—

"(A) APPLICATION REQUIREMENTS.—An eligible State may submit to the Secretary an application for additional funds to meet the requirements of section 407 with respect to a fiscal year if the Secretary determines that—

"(i) the total expenditures of the State to meet such requirements for the fiscal year exceed the total expenditures of the State during fiscal year 1994 to carry out part F (as in effect on September 30, 1994);

"(ii) the work programs of the State under this section are coordinated with the job training programs established by title II of the Job Training Partnership Act, or (if such title is repealed by an Act that becomes law during the 104th Congress) the Act that repeals such title; and

"(iii) the State needs additional funds to meet such requirements or certifies that it intends to exceed such requirements.

"(B) GRANTS.—The Secretary may make a grant to any eligible State which submits an application in accordance with subparagraph (A) for a fiscal year in an amount equal to the Federal medical assistance percentage of the amount (if any) by which the total expenditures of the State to meet or exceed the requirements of section 407 for the fiscal year exceeds the total expenditures of the State during fiscal year 1994 to carry out part F (as in effect on September 30, 1994).

"(C) REGULATIONS.—The Secretary shall issue regulations providing for the equitable distribution of funds under this paragraph.

"(D) AUTHORIZATION OF APPROPRIATIONS.—

"(i) IN GENERAL.—There are authorized to be appropriated for grants under this paragraph $3,000,000,000 for fiscal year 1999.

"(ii) AVAILABILITY.—Amounts appropriated pursuant to clause (i) are authorized to remain available until expended.

"(b) CONTINGENCY FUND.—

"(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a fund which shall be known as the 'Contingency Fund for State Welfare Programs' (in this section referred to as the 'Fund').

"(2) DEPOSITS INTO FUND.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1997, 1998, 1999, 2000, and 2001 such sums as are necessary for payment to the Fund in a total amount not to exceed $2,000,000,000.

"(3) GRANTS.—

"(A) PROVISIONAL PAYMENTS.—If an eligible State submits to the Secretary a request for funds under this paragraph during an eligible month, the Secretary shall, subject to this paragraph, pay to the State, from amounts appropriated pursuant to paragraph (2), an amount equal to the amount of funds so requested.

"(B) PAYMENT PRIORITY.—The Secretary shall make payments under subparagraph (A) in the order in which the Secretary receives requests for such payments.

"(C) LIMITATIONS.—

"(i) MONTHLY PAYMENT TO A STATE.—The total amount paid to a single State under subparagraph (A) during a month shall not exceed 1/12 of 20 percent of the State family assistance grant.

"(ii) PAYMENTS TO ALL STATES.—The total amount paid to all States under subparagraph (A) during fiscal years 1997 through 2001 shall not exceed the total amount appropriated pursuant to paragraph (2).

"(4) ANNUAL RECONCILIATION.—Notwithstanding paragraph (3), at the end of each fiscal year, each State shall remit to the Secretary an amount equal to the amount (if any) by which the total amount paid to the State under paragraph (3) during the fiscal year exceeds—

"(A) the Federal medical assistance percentage for the State for the fiscal year (as defined in section 1905(b), as in effect on September 30, 1995) of the amount (if any) by which the expenditures under the State program funded under this part for the fiscal year exceed historic State expenditures (as defined in section 409(a)(7)(B)(iii)); multiplied by

"(B) 1/12 times the number of months during the fiscal year for which the Secretary makes a payment to the State under this subsection.

"(5) ELIGIBLE MONTH.—As used in paragraph (3)(A), the term 'eligible month' means, with respect to a State, a month in the 2-month period that begins with any month for which the State is a needy State.

"(6) NEEDY STATE.—For purposes of paragraph (5), a State is a needy State for a month if—

"(A) the average rate of—

"(i) total unemployment in such State (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States are published equals or exceeds 6.5 percent; and

"(ii) total unemployment in such State (seasonally adjusted) for the 3-month period equals or exceeds 110 percent of such average rate for either (or both) of the corresponding 3-month periods ending in the 2 preceding calendar years; or

"(B) as determined by the Secretary of Agriculture (in the discretion of the Secretary of Agriculture), the monthly average number of individuals (as of the last day of each month) participating in the food stamp program in the State in the then most recently concluded 3-month period for which data are available exceeds by not less than 10 percent the lesser of—

"(i) the monthly average number of individuals (as of the last day of each month) in the State that would have participated in the food stamp program in the corresponding 3-month period in fiscal year 1994 if the amendments made by subtitles D and J of the Personal Responsibility and Work Opportunity Act of 1996 had been in effect throughout fiscal year 1994; or

"(ii) the monthly average number of individuals (as of the last day of each month) in the State that would have participated in the food stamp program in the corresponding 3-month period in fiscal year 1995 if the amendments made by subtitles D and J of the Personal Responsibility and Work Opportunity Act of 1996 had been in effect throughout fiscal year 1995.

"(7) OTHER TERMS DEFINED.—As used in this subsection:

"(A) STATE.—The term 'State' means each of the 50 States of the United States and the District of Columbia.

"(B) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

"(8) ANNUAL REPORTS.—The Secretary shall annually report to the Congress on the status of the Fund.

"(9) BUDGET SCORING.—Notwithstanding section 257(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, the baseline shall assume that no grant shall be made under this subsection after fiscal year 2001.

"SEC. 404. USE OF GRANTS.

"(a) GENERAL RULES.—Subject to this part, a State to which a grant is made under section 403 may use the grant—

"(1) in any manner that is reasonably calculated to accomplish the purpose of this part, including to provide low income households with assistance in meeting home heating and cooling costs; or

"(2) in any manner that the State was authorized to use amounts received under part A or F, as such parts were in effect on September 30, 1995.

"(b) LIMITATION ON USE OF GRANT FOR ADMINISTRATIVE PURPOSES.—

"(1) LIMITATION.—A State to which a grant is made under section 403 shall not expend more than 15 percent of the grant for administrative purposes.

"(2) EXCEPTION.—Paragraph (1) shall not apply to the use of a grant for information technology and computerization needed for tracking or monitoring required by or under this part.

"(c) AUTHORITY TO TREAT INTERSTATE IMMIGRANTS UNDER RULES OF FORMER STATE.—A State operating a program funded under this part may apply to a family the rules (including benefit amounts) of the program funded under this part of another State if the family has moved to the State from the other State and has resided in the State for less than 12 months.

"(d) AUTHORITY TO USE PORTION OF GRANT FOR OTHER PURPOSES.—

"(1) IN GENERAL.—A State may use not more than 30 percent of the amount of the grant made to the State under section 403 for a fiscal year to carry out a State program pursuant to any or all of the following provisions of law:

"(A) Part B or E of this title.

"(B) Title XX of this Act.

"(C) The Child Care and Development Block Grant Act of 1990.

"(2) APPLICABLE RULES.—Any amount paid to the State under this part that is used to carry out a State program pursuant to a provision of law specified or described in paragraph (1) shall not be subject to the requirements of this part, but shall be subject to the requirements that apply to Federal funds provided directly under the provision of law to carry out the program.

"(e) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR ASSISTANCE.—A State may reserve amounts paid to the State under this part for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the State program funded under this part.

"(f) AUTHORITY TO OPERATE EMPLOYMENT PLACEMENT PROGRAM.—A State to which a grant is made under section 403 may use the grant to make payments (or provide job placement vouchers) to State-approved public and private job placement agencies that provide employment placement services to individuals who receive assistance under the State program funded under this part.

"(g) IMPLEMENTATION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—A State to which a grant is made under section 403 is encouraged to implement an electronic benefit transfer system for providing assistance under the State program funded under this part, and may use the grant for such purpose.

"SEC. 405. ADMINISTRATIVE PROVISIONS.

"(a) QUARTERLY.—The Secretary shall pay each grant payable to a State under section 403 in quarterly installments.

"(b) NOTIFICATION.—Not later than 3 months before the payment of any such quarterly installment to a State, the Secretary shall notify the State of the amount of any reduction determined under section 412(a)(1)(B) with respect to the State.

"(c) COMPUTATION AND CERTIFICATION OF PAYMENTS TO STATES.—

"(1) COMPUTATION.—The Secretary shall estimate the amount to be paid to each eligible State for each quarter under this part, such estimate to be based on a report filed by the State containing an estimate by the State of the total sum to be expended by the State in the quarter under the State program funded under this part and such other information as the Secretary may find necessary.

"(2) CERTIFICATION.—The Secretary of Health and Human Services shall certify to the Secretary of the Treasury the amount estimated under paragraph (1) with respect to a State, reduced or increased to the extent of any overpayment or underpayment which the Secretary of Health and Human Services determines was made under this part to the State for any prior quarter and with respect to which adjustment has not been made under this paragraph.

"(d) PAYMENT METHOD.—Upon receipt of a certification under subsection (c)(2) with respect to a State, the Secretary of the Treasury shall, through the Fiscal Service of the Department of the Treasury and before audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

"(e) COLLECTION OF STATE OVERPAYMENTS TO FAMILIES FROM FEDERAL TAX REFUNDS.—

"(1) IN GENERAL.—Upon receiving notice from the Secretary of Health and Human Services that a State agency administering a program funded under this part has notified the Secretary that a named individual has been overpaid under the State program funded under this part, the Secretary of the Treasury shall determine whether any amounts as refunds of Federal taxes paid are payable to such individual, regardless of whether the individual filed a tax return as a married or unmarried individual. If the Secretary of the Treasury finds that any such amount is so payable, the Secretary shall withhold from such refunds an amount equal to the overpayment sought to be collected by the State and pay such amount to the State agency.

"(2) REGULATIONS.—The Secretary of the Treasury shall issue regulations, after review by the Secretary of Health and Human services, that provide—

"(A) that a State may only submit under paragraph (1) requests for collection of overpayments with respect to individuals—

"(i) who are no longer receiving assistance under the State program funded under this part;

"(ii) with respect to whom the State has already taken appropriate action under State law against the income or resources of the individuals or families involved to collect the past-due legally enforceable debt; and

"(iii) to whom the State agency has given notice of its intent to request withholding by the Secretary of the Treasury from the income tax refunds of such individuals;

"(B) that the Secretary of the Treasury will give a timely and appropriate notice to any other person filing a joint return with the individual whose refund is subject to withholding under paragraph (1); and

"(C) the procedures that the State and the Secretary of the Treasury will follow in carrying out this subsection which, to the maximum extent feasible and consistent with the provisions of this subsection, will be the same as those issued pursuant to section 464(b) applicable to collection of past-due child support.

"SEC. 406. FEDERAL LOANS FOR STATE WELFARE PROGRAMS.

"(a) LOAN AUTHORITY.—

"(1) IN GENERAL.—The Secretary shall make loans to any loan-eligible State, for a period to maturity of not more than 3 years.

"(2) LOAN-ELIGIBLE STATE.—As used in paragraph (1), the term 'loan-eligible State' means a State against which a penalty has not been imposed under section 409(a)(1).

"(b) RATE OF INTEREST.—The Secretary shall charge and collect interest on any loan made under this section at a rate equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the period to maturity of the loan.

"(c) USE OF LOAN.—A State shall use a loan made to the State under this section only for any purpose for which grant amounts received by the State under section 403(a) may be used, including—

"(1) welfare anti-fraud activities; and

"(2) the provision of assistance under the State program to Indian families that have moved from the service area of an Indian tribe with a tribal family assistance plan approved under section 412.

"(d) LIMITATION ON TOTAL AMOUNT OF LOANS TO A STATE.—The cumulative dollar amount of all loans made to a State under this section during fiscal years 1997 through 2001 shall not exceed 10 percent of the State family assistance grant.

"(e) LIMITATION ON TOTAL AMOUNT OF OUTSTANDING LOANS.—The total dollar amount of loans outstanding under this section may not exceed $1,700,000,000.

"(f) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated such sums as may be necessary for the cost of loans under this section.

"SEC. 407. MANDATORY WORK REQUIREMENTS.

"(a) PARTICIPATION RATE REQUIREMENTS.—

"(1) ALL FAMILIES.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to all families receiving assistance under the State program funded under this part:

"If the fiscal year is:	The minimum participation rate is:
1997	25
1998	30
1999	35
2000	40
2001	45
2002 or thereafter	50.

"(2) 2-PARENT FAMILIES.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to 2-parent families receiving assistance under the State program funded under this part:

"If the fiscal year is:	The minimum participation rate is:
1996	50
1997	75
1998	75
1999 or thereafter	90.

"(b) CALCULATION OF PARTICIPATION RATES.—

"(1) ALL FAMILIES.—

"(A) AVERAGE MONTHLY RATE.—For purposes of subsection (a)(1), the participation rate for all families of a State for a fiscal year is the average of the participation rates for all families of the State for each month in the fiscal year.

"(B) MONTHLY PARTICIPATION RATES.—The participation rate of a State for all families of the State for a month, expressed as a percentage, is—

"(i) the number of families receiving assistance under the State program funded under this part that include an adult who is engaged in work for the month; divided by

"(ii) the amount by which—

"(I) the number of families receiving such assistance during the month that include an adult receiving such assistance; exceeds

"(II) the number of families receiving such assistance that are subject in such month to a penalty described in subsection (e)(1) but have not been subject to such penalty for more than 3 months within the preceding 12-month period (whether or not consecutive).

"(2) 2-PARENT FAMILIES.—

"(A) AVERAGE MONTHLY RATE.—For purposes of subsection (a)(2), the participation rate for 2-parent families of a State for a fiscal year is the average of the participation rates for 2-parent families of the State for each month in the fiscal year.

"(B) MONTHLY PARTICIPATION RATES.—The participation rate of a State for 2-parent families of the State for a month shall be calculated by use of the formula set forth in paragraph (1)(B), except that in the formula the term 'number of 2-parent families' shall be substituted for the term 'number of families' each place such latter term appears.

"(3) PRO RATA REDUCTION OF PARTICIPATION RATE DUE TO CASELOAD REDUCTIONS NOT REQUIRED BY FEDERAL LAW.—

"(A) IN GENERAL.—The Secretary shall prescribe regulations for reducing the minimum participation rate otherwise required by this section for a fiscal year by the number of percentage points equal to the number of percentage points (if any) by which—

"(i) the average monthly number of families receiving assistance during the fiscal year under the State program funded under this part is less than

"(ii) the average monthly number of families that received aid under the State plan approved under part A (as in effect on September 30, 1995) during fiscal year 1995.

The minimum participation rate shall not be reduced to the extent that the Secretary determines that the reduction in the number of families receiving such assistance is required by Federal law.

"(B) ELIGIBILITY CHANGES NOT COUNTED.—The regulations described in subparagraph (A) shall not take into account families that are diverted from a State program funded under this part as a result of differences in eligibility criteria under a State program funded under this part and eligibility criteria under the State program operated under the State plan approved under part A (as such plan and such part were in effect on September 30, 1995). Such regulations shall place the burden on the Secretary to prove that such families were diverted as a direct result of differences in such eligibility criteria.

"(4) STATE OPTION TO INCLUDE INDIVIDUALS RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY ASSISTANCE PLAN.—For purposes of paragraphs (1)(B) and (2)(B), a State may, at its option, include families receiving assistance under a tribal family assistance plan approved under section 412.

"(5) STATE OPTION FOR PARTICIPATION REQUIREMENT EXEMPTIONS.—For any fiscal year, a State may, at its option, not require an individual who is a single custodial parent caring for a child who has not attained 12 months of age to engage in work and may disregard such an individual in determining the participation rates under subsection (a).

"(c) ENGAGED IN WORK.—

"(1) ALL FAMILIES.—For purposes of subsection (b)(1)(B)(i), a recipient is engaged in work for a month in a fiscal year if the recipient is participating in work activities for at least the minimum average number of hours per week specified in the following table during the month, not fewer than 20 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (6), (7), or (8) of subsection (d):

"If the month is in fiscal year:	The minimum average number of hours per week is:
1996	20
1997	20
1998	20
1999	25
2000 or thereafter	30.

"(2) 2-PARENT FAMILIES.—For purposes of subsection (b)(2)(B)(i), an adult is engaged in work for a month in a fiscal year if the adult is making progress in work activities for at least 35 hours per week during the month, not fewer than 30 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (6), (7), or (8) of subsection (d).

"(3) LIMITATION ON NUMBER OF WEEKS FOR WHICH JOB SEARCH COUNTS AS WORK.—Notwithstanding paragraphs (1) and (2), an individual shall not be considered to be engaged in work by virtue of participation in an activity described in subsection (d)(6), after the individual has participated in such an activity for 8 weeks in a fiscal year, or if the participation is for a week that is in a fiscal year and that immediately follows 4 consecutive weeks of such participation in the fiscal year. An individual shall be considered to be participating in such an activity for a week if the individual participates in such an activity at any time during the week.

"(4) LIMITATION ON VOCATIONAL EDUCATION ACTIVITIES COUNTED AS WORK.—For purposes of determining monthly participation rates under paragraphs (1)(B)(i) and (2)(B)(i) of subsection (b), not more than 20 percent of adults in all families and in 2-parent families determined to be engaged in work in the State for a month may meet the work activity requirement through participation in vocational educational training.

"(5) SINGLE PARENT WITH CHILD UNDER AGE 6 DEEMED TO BE MEETING WORK PARTICIPATION REQUIREMENTS IF PARENT IS ENGAGED IN WORK FOR 20 HOURS PER WEEK.—For purposes of determining monthly participation rates under subsection (b)(1)(B)(i), a recipient in a 1-parent family who is the parent of a child who has not attained 6 years of age is deemed to be engaged in work for a month if the recipient is engaged in work for an average of at least 20 hours per week during the month.

"(6) TEEN HEAD OF HOUSEHOLD WHO MAINTAINS SATISFACTORY SCHOOL ATTENDANCE DEEMED TO BE MEETING WORK PARTICIPATION REQUIREMENTS.—For purposes of determining monthly participation rates under subsection (b)(1)(B)(i), a recipient who is a single head of household and has not attained 20 years of age is deemed to be engaged in work for a month in a fiscal year if the recipient—

"(A) maintains satisfactory attendance at secondary school or the equivalent during the month; or

"(B) participates in education directly related to employment for at least the minimum average number of hours per week specified in the table set forth in paragraph (1).

"(d) WORK ACTIVITIES DEFINED.—As used in this section, the term 'work activities' means—

"(1) unsubsidized employment;

"(2) subsidized private sector employment;

"(3) subsidized public sector employment;

"(4) work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available;

"(5) on-the-job training;

"(6) job search and job readiness assistance;

"(7) community service programs;

"(8) vocational educational training (not to exceed 12 months with respect to any individual);

"(9) job skills training directly related to employment;

"(10) education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency; and

"(11) satisfactory attendance at secondary school, in the case of a recipient who has not completed secondary school.

"(e) PENALTIES AGAINST INDIVIDUALS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), if an adult in a family receiving assistance under the State program funded under this part refuses to engage in work required in accordance with this section, the State shall—

"(A) reduce the amount of assistance otherwise payable to the family pro rata (or more, at the option of the State) with respect to any period during a month in which the adult so refuses; or

"(B) terminate such assistance,

subject to such good cause and other exceptions as the State may establish.

"(2) EXCEPTION.—Notwithstanding paragraph (1), a State may not reduce or terminate assistance under the State program funded under this part based on a refusal of an adult to work if the adult is a single custodial parent caring for a child who has not attained 11 years of age, and the adult proves that the adult has a demonstrated inability (as determined by the State) to obtain needed child care, for 1 or more of the following reasons:

"(A) Unavailability of appropriate child care within a reasonable distance from the individual's home or work site.

"(B) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

"(C) Unavailability of appropriate and affordable formal child care arrangements.

"(f) NONDISPLACEMENT IN WORK ACTIVITIES.—

"(1) IN GENERAL.—Subject to paragraph (2), an adult in a family receiving assistance under a State program funded under this part attributable to funds provided by the Federal Government may fill a vacant employment position in order to engage in a work activity described in subsection (d).

"(2) NO FILLING OF CERTAIN VACANCIES.—No adult in a work activity described in subsection (d) which is funded, in whole or in part, by funds provided by the Federal Government shall be employed or assigned—

"(A) when any other individual is on layoff from the same or any substantially equivalent job; or

"(B) if the employer has terminated the employment of any regular employee or otherwise caused an involuntary reduction of its workforce in order to fill the vacancy so created with an adult described in paragraph (1).

"(3) NO PREEMPTION.—Nothing in this subsection shall preempt or supersede any provision of State or local law that provides greater protection for employees from displacement.

"(g) SENSE OF THE CONGRESS.—It is the sense of the Congress that in complying with this section, each State that operates a program funded under this part is encouraged to assign the highest priority to requiring adults in 2-parent families and adults in single-parent families that include older preschool or school-age children to be engaged in work activities.

"(h) SENSE OF THE CONGRESS THAT STATES SHOULD IMPOSE CERTAIN REQUIREMENTS ON NONCUSTODIAL, NONSUPPORTING MINOR PARENTS.—It is the sense of the Congress that the States should require noncustodial, nonsupporting parents who have not attained 18 years of age to fulfill community work obligations and attend appropriate parenting or money management classes after school.

"(i) REVIEW OF IMPLEMENTATION OF STATE WORK PROGRAMS.—During fiscal year 1999, the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate shall hold hearings and engage in other appropriate activities to review the implementation of this section by the States, and shall invite the Governors of the States to testify before them regarding such implementation. Based on such hearings, such Committees may introduce such legislation as may be appropriate to remedy any problems with the State programs operated pursuant to this section.

In section 404(d) of the Social Security Act, as proposed to be added by section 4103(a)(1), strike paragraph (2) and insert the following:

"(2) LIMITATION ON AMOUNT TRANSFERABLE TO TITLE XX PROGRAMS.—Notwithstanding paragraph (1), not more than ⅓ of the total amount paid to a State under this part for a fiscal year that is used to carry out State programs pursuant to provisions of law specified in paragraph (1) may be used to carry out State programs pursuant to title XX.

"(3) APPLICABLE RULES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B) of this paragraph, any amount paid to a State under this part that is used to carry out a State program pursuant to a provision of law specified in paragraph (1) shall not be subject to the requirements of this part, but shall be subject to the requirements that apply to Federal funds provided directly under the provision of law to carry out the program.

"(B) EXCEPTION RELATING TO TITLE XX PROGRAMS.—All amounts paid to a State under this part that are used to carry out State programs pursuant to title XX shall be used only for programs and services to children or their families.

At the end of section 408(a)(8) of the Social Security Act, as proposed to be added by section 4103(a)(2), add the following:

"(E) RULE OF INTERPRETATION.—This part shall not be interpreted to prohibit any State from expending State funds not originating with the Federal Government on benefits for children or families that have become ineligible for assistance under the State program funded under this part by reason of subparagraph (A).

In section 409(a)(7)(B) of the Social Security Act, as proposed to be added by section 4103(a)(1), strike clause (ii) and insert the following:

"(ii) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means for fiscal years 1997 through 2001, 80 percent (or, if the State meets the requirements of section 407(a) for the fiscal year, 75 percent) reduced (if appropriate) in accordance with subparagraph (C)(ii).

In section 1931(a) of the Social Security Act, as proposed to be inserted by section 4115(a)(2)—

(1) in paragraph (1), strike "through (4)" and insert "through (5)",

(2) in paragraph (3), strike "and" at the end,

(3) in paragraph (4), strike the period at the end and insert "; and", and

(4) insert after paragraph (4) the following:

"(5) a State may terminate medical assistance under this title for an individual because the individual fails to meet any requirement imposed pursuant to section 407 if the individual was eligible for the medical assistance—

"(A) on the basis of receipt of assistance under a State program funded under part A of title IV, or

"(B) pursuant to paragraph (1), on the basis that the individual meets the requirements for receipt of aid or assistance under the State plan under part A of title IV (as in effect on July 16, 1996).

In paragraph (31)(B) of section 454 of the Social Security Act, as proposed to be added by section 4347(3)—

(1) strike "and shall" and insert "shall"; and

(2) insert ", and shall permit the country office of the State agency administering the State program under this part which collected such amounts to retain an amount equal to 5 percent of the amount applied to the payment of such penalties" before the period.

"SEC. 408. PROHIBITIONS; REQUIREMENTS.

"(a) IN GENERAL.—

"(1) NO ASSISTANCE FOR FAMILIES WITHOUT A MINOR CHILD.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to a family, unless the family includes—

"(A) a minor child who resides with a custodial parent or other adult caretaker relative of the child; or

"(B) a pregnant individual.

"(2) NO ADDITIONAL CASH ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—

"(A) GENERAL RULE.—A State to which a grant is made under section 403 shall not use any part of the grant to provide cash benefits for a minor child who is born to—

"(i) a recipient of assistance under the program operated under this part; or

"(ii) a person who received such assistance at any time during the 10-month period ending with the birth of the child.

"(B) EXCEPTION FOR CHILDREN BORN INTO FAMILIES WITH NO OTHER CHILDREN.—Subparagraph (A) shall not apply to a minor child who is born into a family that does not include any other children.

"(C) EXCEPTION FOR VOUCHERS.—Subparagraph (A) shall not apply to vouchers which are provided in lieu of cash benefits and which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved.

"(D) EXCEPTION FOR RAPE OR INCEST.—Subparagraph (A) shall not apply with respect to a child who is born as a result of rape or incest.

"(E) STATE ELECTION TO OPT OUT.—Subparagraph (A) shall not apply to a State if State law specifically exempts the State program funded under this part from the application of subparagraph (A).

"(F) SUBSTITUTION OF FAMILY CAPS IN EFFECT UNDER WAIVERS.—Subparagraph (A) shall not apply to a State—

"(i) if, as of the date of the enactment of this part, there is in effect a waiver approved by the Secretary under section 1115 which permits the State to deny aid under the State plan approved under part A of this title (as in effect without regard to the amendments made by subtitle A of the Personal Responsibility and Work Opportunity Act of 1996) to a family by reason of the birth of a child to a family member otherwise eligible for such aid; and

"(ii) for so long as the State continues to implement such policy under the State program funded under this part, under rules prescribed by the State.

"(3) REDUCTION OR ELIMINATION OF ASSISTANCE FOR NONCOOPERATION IN ESTABLISHING PATERNITY OR OBTAINING CHILD SUPPORT.—If the agency responsible for administering the State plan approved under part D determines that an individual is not cooperating with the State in establishing paternity or in establishing, modifying, or enforcing a support order with respect to a child of the individual, and the individual does not qualify for any good cause or other exception established by the State pursuant to section 454(29), then the State—

"(A) shall deduct from the assistance that would otherwise be provided to the family of the individual under the State program funded under this part the share of such assistance attributable to the individual; and

"(B) may deny the family any assistance under the State program.

"(4) NO ASSISTANCE FOR FAMILIES NOT ASSIGNING CERTAIN SUPPORT RIGHTS TO THE STATE.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 shall require, as a condition of providing assistance to a family under the State program funded under this part, that a member of the family assign to the State any rights the family member may have (on behalf of the family member or of any other person for whom the family member has applied for or is receiving such assistance) to support from any other person, not exceeding the total amount of assistance so provided to the family, which accrue (or have accrued) before the date the family leaves the program, which assignment, on and after the date the family leaves the program, shall not apply with respect to any support (other than support collected pursuant to section 464) which accrued before the family received such assistance and which the State has not collected by—

"(i) September 30, 2000, if the assignment is executed on or after October 1, 1997, and before October 1, 2000; or

"(ii) the date the family leaves the program, if the assignment is executed on or after October 1, 2000.

"(B) LIMITATION.—A State to which a grant is made under section 403 shall not require, as a condition of providing assistance to any family under the State program funded under this part, that a member of the family assign to the State any rights to support described in subparagraph (A) which accrue after the date the family leaves the program.

"(5) NO ASSISTANCE FOR TEENAGE PARENTS WHO DO NOT ATTEND HIGH SCHOOL OR OTHER EQUIVALENT TRAINING PROGRAM.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to an individual who has not attained 18 years of age, is not married, has a minor child at least 12 weeks of age in his or her care, and has not successfully completed a high-school education (or its equivalent), if the individual does not participate in—

"(A) educational activities directed toward the attainment of a high school diploma or its equivalent; or

"(B) an alternative educational or training program that has been approved by the State.

"(6) NO ASSISTANCE FOR TEENAGE PARENTS NOT LIVING IN ADULT-SUPERVISED SETTINGS.—

"(A) IN GENERAL.—

"(i) REQUIREMENT.—Except as provided in subparagraph (B), a State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to an individual described in clause (ii) of this subparagraph if the individual and the minor child referred to in clause (ii)(II) do not reside in a place of residence maintained by a parent, legal guardian, or other adult relative of the individual as such parent's, guardian's, or adult relative's own home.

"(ii) INDIVIDUAL DESCRIBED.— For purposes of clause (i), an individual described in this clause is an individual who—

"(I) has not attained 18 years of age; and

"(II) is not married, and has a minor child in his or her care.

"(B) EXCEPTION.—

"(i) PROVISION OF, OR ASSISTANCE IN LOCATING, ADULT-SUPERVISED LIVING ARRANGEMENT.—In the case of an individual who is described in clause (ii), the State agency referred to in section 402(a)(4) shall provide, or assist the individual in locating, a second chance home, maternity home, or other appropriate adult-supervised supportive living arrangement, taking into consideration the needs and concerns of the individual, unless the State agency determines that the individual's current living arrangement is appropriate, and thereafter shall require that the individual and the minor child referred to in subparagraph (A)(ii)(II) reside in such living arrangement as a condition of the continued receipt of assistance under the State program funded under this part attributable to funds provided by the Federal Government (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate).

"(ii) INDIVIDUAL DESCRIBED.—For purposes of clause (i), an individual is described in this clause if the individual is described in subparagraph (A)(ii), and—

"(I) the individual has no parent, legal guardian or other appropriate adult relative described in subclause (II) of his or her own who is living or whose whereabouts are known;

"(II) no living parent, legal guardian, or other appropriate adult relative, who would otherwise meet applicable State criteria to act as the individual's legal guardian, of such individual allows the individual to live in the home of such parent, guardian, or relative;

"(III) the State agency determines that—

"(aa) the individual or the minor child referred to in subparagraph (A)(ii)(II) is being or has been subjected to serious physical or emotional harm, sexual abuse, or exploitation in the residence of the individual's own parent or legal guardian; or

"(bb) substantial evidence exists of an act or failure to act that presents an imminent or serious harm if the individual and the minor child lived in the same residence with the individual's own parent or legal guardian; or

"(IV) the State agency otherwise determines that it is in the best interest of the minor child to waive the requirement of subparagraph (A) with respect to the individual or the minor child.

"(iii) SECOND-CHANCE HOME.—For purposes of this subparagraph, the term 'second-chance home' means an entity that provides individuals described in clause (ii) with a supportive and supervised living arrangement in which such individuals are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children.

"(7) NO MEDICAL SERVICES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), a State to which a grant is made under section 403 shall not use any part of the grant to provide medical services.

"(B) EXCEPTION FOR FAMILY PLANNING SERVICES.—As used in subparagraph (A), the term 'medical services' does not include family planning services.

"(8) NO ASSISTANCE FOR MORE THAN 5 YEARS.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), a State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government, for 60 months (whether or not consecutive) after the date the State program funded under this part commences.

"(B) MINOR CHILD EXCEPTION.—In determining the number of months for which an individual who is a parent or pregnant has received assistance under the State program funded under this part, the State shall disregard any month for which such assistance was provided with respect to the individual and during which the individual was—

"(i) a minor child; and

"(ii) not the head of a household or married to the head of a household.

"(C) HARDSHIP EXCEPTION.—

"(i) IN GENERAL.—The State may exempt a family from the application of subparagraph (A) by reason of hardship or if the family includes an individual who has been battered or subjected to extreme cruelty.

"(ii) LIMITATION.—The number of families with respect to which an exemption made by a State under clause (i) is in effect for a fiscal year shall not exceed 20 percent of the average monthly number of families to which assistance is provided under the State program funded under this part.

"(iii) BATTERED OR SUBJECT TO EXTREME CRUELTY DEFINED.—For purposes of clause (i), an individual has been battered or subjected to extreme cruelty if the individual has been subjected to—

"(I) physical acts that resulted in, or threatened to result in, physical injury to the individual;

"(II) sexual abuse;

"(III) sexual activity involving a dependent child;

"(IV) being forced as the caretaker relative of a dependent child to engage in nonconsensual sexual acts or activities;

"(V) threats of, or attempts at, physical or sexual abuse;

"(VI) mental abuse; or

"(VII) neglect or deprivation of medical care.

"(D) RULE OF INTERPRETATION.—Subparagraph (A) shall not be interpreted to require any State to provide assistance to any individual for any period of time under the State program funded under this part.

"(9) DENIAL OF ASSISTANCE FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN ASSISTANCE IN 2 OR MORE STATES.—A State to which a grant is made under section 403 shall not use any part of the grant to provide cash assistance to an individual during the 10-year period that begins on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under this title, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI. The preceding sentence shall not apply with respect to a conviction of an individual, for any month beginning after the President of the United States grants a pardon with respect to the conduct which was the subject of the conviction.

"(10) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to any individual who is—

"(i) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(ii) violating a condition of probation or parole imposed under Federal or State law.

The preceding sentence shall not apply with respect to conduct of an individual, for any month beginning after the President of the United States grants a pardon with respect to the conduct.

"(B) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—If a State to which a grant is made under section 403 establishes safeguards against the use or disclosure of information about applicants or recipients of assistance under the State program funded under this part, the safeguards shall not prevent the State agency administering the program from furnishing a Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(i) the recipient—

"(I) is described in subparagraph (A); or

"(II) has information that is necessary for the officer to conduct the official duties of the officer; and

"(ii) the location or apprehension of the recipient is within such official duties.

"(11) DENIAL OF ASSISTANCE FOR MINOR CHILDREN WHO ARE ABSENT FROM THE HOME FOR A SIGNIFICANT PERIOD.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance for a minor child who has been, or is expected by a parent (or other caretaker relative) of the child to be, absent from the home for a period of 45 consecutive days or, at the option of the State, such period of not less than 30 and not more than 180 consecutive days as the State may provide for in the State plan submitted pursuant to section 402.

"(B) STATE AUTHORITY TO ESTABLISH GOOD CAUSE EXCEPTIONS.—The State may establish such good cause exceptions to subparagraph (A) as the State considers appropriate if such exceptions are provided for in the State plan submitted pursuant to section 402.

"(C) DENIAL OF ASSISTANCE FOR RELATIVE WHO FAILS TO NOTIFY STATE AGENCY OF ABSENCE OF CHILD.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance for an individual who is a parent (or other caretaker relative) of a minor child and who fails to notify the agency administering the State program funded under this part of the absence of the minor child from the home for the period specified in or provided for pursuant to subparagraph (A), by the end of the 5-day period that begins with the date that it becomes clear to the parent (or relative) that the minor child will be absent for such period so specified or provided for.

"(12) INCOME SECURITY PAYMENTS NOT TO BE DISREGARDED IN DETERMINING THE AMOUNT OF ASSISTANCE TO BE PROVIDED TO A FAMILY.—If a State to which a grant is made under section 403 uses any part of the grant to provide assistance for any individual who is receiving benefits, or on behalf of whom benefits are paid, under a State plan for old-age assistance approved under section 2, under section 202, 205(j)(1), 223, or 228, under a State program funded under part E that provides cash payments for foster care, or under the supplemental security income program under title XVI, then the State may disregard the payment in determining the amount of assistance to be provided under the State program funded under this part, from funds provided by the Federal Government, to the family of which the individual is a member.

"(13) MEDICAL ASSISTANCE REQUIRED TO BE PROVIDED FOR 1 YEAR FOR FAMILIES BECOMING INELIGIBLE FOR CASH ASSISTANCE UNDER THIS PART DUE TO INCREASED EARNINGS FROM EMPLOYMENT.—A State to which a grant is made under section 403 shall take such action as may be necessary to ensure that, if an individual or family becomes ineligible to receive cash assistance under the State program funded under this part as a result of increased earnings from employment, having received such assistance in at least 3 of the 6 months immediately preceding the month in which such ineligibility begins, the individual (or in the case of a family, each individual in the family) shall be eligible for medical assistance under the State's plan approved under title XIX during the immediately succeeding 12-month period for so long as family income (as defined by the State), excluding any refund of Federal income taxes made by reason of section 32 of the Internal Revenue Code of 1986 (relating to earned income tax credit) and any payment made by an employer under section 3507 of such Code (relating to advance payment of earned income credit), is less than the poverty line, and that the family will be appropriately notified of such eligibility.

"(14) MEDICAL ASSISTANCE REQUIRED TO BE PROVIDED FOR 4 MONTHS FOR FAMILIES BECOMING INELIGIBLE FOR CASH ASSISTANCE UNDER THIS PART DUE TO COLLECTION OF CHILD SUPPORT.—A State to which a grant is made under section 403 shall take such action as may be necessary to ensure that, if any individual or family becomes ineligible to receive cash assistance under the State program funded under this part as a result of the collection or increased collection of child or spousal support under part D, having received such assistance in at least 3 of the 6 months immediately preceding the month in which such ineligibility begins, the individual (or, in the case of a family, each individual in the family) shall be eligible for medical assistance under the State's plan approved under title XIX during the 4-month period beginning with the month in which such ineligibility begins.

"(15) MEDICAL ASSISTANCE REQUIRED TO BE PROVIDED FOR CERTAIN INDIVIDUALS.—A State to which a grant is made under section 403 shall take such action as may be necessary to ensure that, under section 1931, individuals who would be eligible for cash assistance under the State plan approved under this part (as in effect as of July 16, 1996) if such State plan were still in effect are eligible for medical assistance under the State's plan approved under title XIX.

"(b) INDIVIDUAL RESPONSIBILITY PLANS.—

"(1) ASSESSMENT.—The State agency responsible for administering the State program funded under this part shall make an initial assessment of the skills, prior work experience, and employability of each recipient of assistance under the program who—

"(A) has attained 18 years of age; or

"(B) has not completed high school or obtained a certificate of high school equivalency, and is not attending secondary school.

"(2) CONTENTS OF PLANS.—

"(A) IN GENERAL.—On the basis of the assessment made under subsection (a) with respect to an individual, the State agency, in consultation with the individual, may develop an individual responsibility plan for the individual, which—

"(i) sets forth an employment goal for the individual and a plan for moving the individual immediately into private sector employment;

"(ii) sets forth the obligations of the individual, which may include a requirement that the individual attend school, maintain certain grades and attendance, keep school age children of the individual in school, immunize children, attend parenting and money management classes, or do other things that will help the individual become and remain employed in the private sector;

"(iii) to the greatest extent possible is designed to move the individual into whatever private sector employment the individual is capable of handling as quickly as possible, and to increase the responsibility and amount of work the individual is to handle over time;

"(iv) describes the services the State will provide the individual so that the individual will be able to obtain and keep employment in the private sector, and describe the job counseling and other services that will be provided by the State; and

"(v) may require the individual to undergo appropriate substance abuse treatment.

"(B) TIMING.—The State agency may comply with paragraph (1) with respect to an individual—

"(i) within 90 days (or, at the option of the State, 180 days) after the effective date of this part, in the case of an individual who, as of such effective date, is a recipient of aid under the State plan approved under part A (as in effect immediately before such effective date); or

"(ii) within 30 days (or, at the option of the State, 90 days) after the individual is determined to be eligible for such assistance, in the case of any other individual.

"(3) PENALTY FOR NONCOMPLIANCE BY INDIVIDUAL.—In addition to any other penalties required under the State program funded under this part, the State may reduce, by such amount as the State considers appropriate, the amount of assistance otherwise payable under the State program to a family that includes an individual who fails without good cause to comply with an individual responsibility plan signed by the individual.

"(4) STATE DISCRETION.—The exercise of the authority of this subsection shall be within the sole discretion of the State.

"(c) ALIENS.—For special rules relating to the treatment of aliens, see section 4402 of the Personal Responsibility and Work Opportunity Act of 1996.

"SEC. 409. PENALTIES.

"(a) IN GENERAL.—Subject to this section:

"(1) USE OF GRANT IN VIOLATION OF THIS PART.—

"(A) GENERAL PENALTY.—If an audit conducted under chapter 75 of title 31, United States Code, finds that an amount paid to a State under section 403 for a fiscal year has been used in violation of this part, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year quarter by the amount so used.

"(B) ENHANCED PENALTY FOR INTENTIONAL VIOLATIONS.—If the State does not prove to the satisfaction of the Secretary that the State did not intend to use the amount in violation of this part, the Secretary shall further reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year quarter by an amount equal to 5 percent of the State family assistance grant.

"(2) FAILURE TO SUBMIT REQUIRED REPORT.—

"(A) IN GENERAL.—If the Secretary determines that a State has not, within 1 month after the end of a fiscal quarter, submitted the report required by section 411(a) for the quarter, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 4 percent of the State family assistance grant.

"(B) RESCISSION OF PENALTY.—The Secretary shall rescind a penalty imposed on a State under subparagraph (A) with respect to a report if the State submits the report before the end of the fiscal quarter that immediately succeeds the fiscal quarter for which the report was required.

"(3) FAILURE TO SATISFY MINIMUM PARTICIPATION RATES.—

"(A) IN GENERAL.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has failed to comply with section 407(a) for the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to not more than 5 percent of the State family assistance grant.

"(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) based on the degree of noncompliance, and may reduce the penalty if the State experiences an economic downturn that leads to significantly greater unemployment.

"(4) FAILURE TO PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—If the Secretary determines that a State program funded under this part is not participating during a fiscal year in the income and eligibility verification system required by section 1137, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to not more than 2 percent of the State family assistance grant.

"(5) FAILURE TO COMPLY WITH PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT REQUIREMENTS UNDER PART D.—Notwithstanding any other provision of this Act, if the Secretary determines that the State agency that administers a program funded under this part does not enforce the penalties requested by the agency administering part D against recipients of assistance under the State program who fail to cooperate in establishing paternity or in establishing, modifying, or enforcing a child support order in accordance with such part and who do not qualify for any good cause or other exception established by the State under section 454(29), the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year (without regard to this section) by not more than 5 percent.

"(6) FAILURE TO TIMELY REPAY A FEDERAL LOAN FUND FOR STATE WELFARE PROGRAMS.—If the Secretary determines that a State has failed to repay any amount borrowed from the Federal Loan Fund for State Welfare Programs established under section 406 within the period of maturity applicable to the loan, plus any interest owed on the loan, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year quarter (without regard to this section) by the outstanding loan amount, plus the interest owed on the outstanding amount. The Secretary shall not forgive any outstanding loan amount or interest owed on the outstanding amount.

"(7) FAILURE OF ANY STATE TO MAINTAIN CERTAIN LEVEL OF HISTORIC EFFORT.—

"(A) IN GENERAL.—The Secretary shall reduce the grant payable to the State under section 403(a)(1) for fiscal year 1998, 1999, 2000, 2001, or 2002 by the amount (if any) by which qualified State expenditures for the then immediately preceding fiscal year are less than the applicable percentage of historic State expenditures with respect to such preceding fiscal year.

"(B) DEFINITIONS.—As used in this paragraph:

"(i) QUALIFIED STATE EXPENDITURES.—

"(I) IN GENERAL.—The term 'qualified State expenditures' means, with respect to a State and a fiscal year, the total expenditures by the State during the fiscal year, under all State programs, for any of the following with respect to eligible families:

"(aa) Cash assistance.

"(bb) Child care assistance.

"(cc) Educational activities designed to increase self-sufficiency, job training, and work, excluding any expenditure for public education in the State except expenditures which involve the provision of services or assistance to a member of an eligible family which is not generally available to persons who are not members of an eligible family.

"(dd) Administrative costs in connection with the matters described in items (aa), (bb), (cc), and (ee), but only to the extent that such costs do not exceed 15 percent of the total amount of qualified State expenditures for the fiscal year.

"(ee) Any other use of funds allowable under section 404(a)(1).

"(II) EXCLUSION OF TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—Such term does not include expenditures under any State or local program during a fiscal year, except to the extent that—

"(aa) the expenditures exceed the amount expended under the State or local program in the fiscal year most recently ending before the date of the enactment of this part; or

"(bb) the State is entitled to a payment under former section 403 (as in effect immediately before such date of enactment) with respect to the expenditures.

"(III) ELIGIBLE FAMILIES.—As used in subclause (I), the term 'eligible families' means families eligible for assistance under the State program funded under this part, and families that would be eligible for such assistance but for the application of section 408(a)(8) of this Act or section 4402 of the Personal Responsibility and Work Opportunity Act of 1996.

"(ii) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means for fiscal years 1997 through 2001, 75 percent reduced (if appropriate) in accordance with subparagraph (C)(ii).

"(iii) HISTORIC STATE EXPENDITURES.—The term 'historic State expenditures' means, with respect to a State, the lesser of—

"(I) the expenditures by the State under parts A and F (as in effect during fiscal year 1994) for fiscal year 1994; or

"(II) the amount which bears the same ratio to the amount described in subclause (I) as—

"(aa) the State family assistance grant, plus the total amount required to be paid to the State under former section 403 for fiscal year 1994 with respect to amounts expended by the State for child care under subsection (g) or (i) of section 402 (as in effect during fiscal year 1994); bears to

"(bb) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994.

Such term does not include any expenditures under the State plan approved under part A (as so in effect) on behalf of individuals covered by a tribal family assistance plan approved under section 412, as determined by the Secretary.

"(iv) EXPENDITURES BY THE STATE.—The term 'expenditures by the State' does not include—

"(I) any expenditures from amounts made available by the Federal Government;

"(II) State funds expended for the medicaid program under title XIX; or

"(III) any State funds which are used to match Federal funds or are expended as a condition of receiving Federal funds under Federal programs other than under this part.

"(C) APPLICABLE PERCENTAGE REDUCED FOR HIGH PERFORMANCE STATES.—

"(i) DETERMINATION OF HIGH PERFORMANCE STATES.—The Secretary shall use the formula developed under section 403(a)(4)(C) to assign a score to each eligible State that represents the performance of the State program funded under this part for each fiscal year, and shall prescribe a performance threshold which the Secretary shall use to determine whether to reduce the applicable percentage with respect to any eligible State for a fiscal year.

"(ii) REDUCTION PROPORTIONAL TO PERFORMANCE.—The Secretary shall reduce the applicable percentage for a fiscal year with respect to each eligible State by an amount which is directly proportional to the amount (if any) by which the score assigned to the State under clause (i) for the immediately preceding fiscal year exceeds the performance threshold prescribed under clause (i) for such preceding fiscal year, subject to clause (iii).

"(iii) LIMITATION ON REDUCTION.—The applicable percentage for a fiscal year with respect to a State may not be reduced by more than 8 percentage points under this subparagraph.

"(8) SUBSTANTIAL NONCOMPLIANCE OF STATE CHILD SUPPORT ENFORCEMENT PROGRAM WITH REQUIREMENTS OF PART D.—

"(A) IN GENERAL.—If a State program operated under part D is found as a result of a review conducted under section 452(a)(4) not to have complied substantially with the requirements of such part for any quarter, and the Secretary determines that the program is not complying substantially with such requirements at the time the finding is made, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the quarter and each subsequent quarter that ends before the 1st quarter throughout which the program is found to be in substantial compliance with such requirements by—

"(i) not less than 1 nor more than 2 percent;

"(ii) not less than 2 nor more than 3 percent, if the finding is the 2nd consecutive such finding made as a result of such a review; or

"(iii) not less than 3 nor more than 5 percent, if the finding is the 3rd or a subsequent consecutive such finding made as a result of such a review.

"(B) DISREGARD OF NONCOMPLIANCE WHICH IS OF A TECHNICAL NATURE.—For purposes of subparagraph (A) and section 452(a)(4), a State which is not in full compliance with the requirements of this part shall be determined to be in substantial compliance with such requirements only if the Secretary determines that any noncompliance with such requirements is of a technical nature which does not adversely affect the performance of the State's program operated under part D.

"(9) FAILURE OF STATE RECEIVING AMOUNTS FROM CONTINGENCY FUND TO MAINTAIN 100 PERCENT OF HISTORIC EFFORT.—If, at the end of any fiscal year during which amounts from the Contingency Fund for State Welfare Programs have been paid to a State, the Secretary finds that the expenditures under the State program funded under this part for the fiscal year are less than 100 percent of historic State expenditures (as defined in paragraph (8)(B)(iii) of this subsection), the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by the total of the amounts so paid to the State.

"(10) FAILURE TO EXPEND ADDITIONAL STATE FUNDS TO REPLACE GRANT REDUCTIONS.—If the grant payable to a State under section 403(a)(1) for a fiscal year is reduced by reason of this subsection, the State shall, during the immediately succeeding fiscal year, expend under the State program funded under this part an amount equal to the total amount of such reductions.

"(11) FAILURE TO PROVIDE MEDICAL ASSISTANCE TO FAMILIES BECOMING INELIGIBLE FOR CASH ASSISTANCE UNDER THIS PART DUE TO INCREASED EARNINGS FROM EMPLOYMENT OR COLLECTION OF CHILD SUPPORT.—

"(A) IN GENERAL.—If the Secretary determines that a State program funded under this part is not in compliance with paragraph (13) or (14) of section 408(a) for a quarter, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to not more than 5 percent of the State family assistance grant.

"(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) based on the degree of noncompliance.

"(b) REASONABLE CAUSE EXCEPTION.—

"(1) IN GENERAL.—The Secretary may not impose a penalty on a State under subsection (a) with respect to a requirement if the Secretary determines that the State has reasonable cause for failing to comply with the requirement.

"(2) EXCEPTION.—Paragraph (1) of this subsection shall not apply to any penalty under paragraph (7), (8), or (11) of subsection (a).

"(c) CORRECTIVE COMPLIANCE PLAN.—

"(1) IN GENERAL.—

"(A) NOTIFICATION OF VIOLATION.—Before imposing a penalty against a State under subsection (a) with respect to a violation of this part, the Secretary shall notify the State of the violation and allow the State the opportunity to enter into a corrective compliance plan in accordance with this subsection which outlines how the State will correct the violation and how the State will insure continuing compliance with this part.

"(B) 60-DAY PERIOD TO PROPOSE A CORRECTIVE COMPLIANCE PLAN.—During the 60-day period that begins on the date the State receives a notice provided under subparagraph (A) with respect to a violation, the State may submit to the Federal Government a corrective compliance plan to correct the violation.

"(C) CONSULTATION ABOUT MODIFICATIONS.—During the 60-day period that begins with the date the Secretary receives a corrective compliance plan submitted by a State in accordance with subparagraph (B), the Secretary may consult with the State on modifications to the plan.

"(D) ACCEPTANCE OF PLAN.— A corrective compliance plan submitted by a State in accordance with subparagraph (B) is deemed to be accepted by the Secretary if the Secretary does not accept or reject the plan during 60-day period that begins on the date the plan is submitted.

"(2) EFFECT OF CORRECTING VIOLATION.—The Secretary may not impose any penalty under subsection (a) with respect to any violation covered by a State corrective compliance plan accepted by the Secretary if the State corrects the violation pursuant to the plan.

"(3) EFFECT OF FAILING TO CORRECT VIOLATION.—The Secretary shall assess some or all of a penalty imposed on a State under subsection (a) with respect to a violation if the State does not, in a timely manner, correct the violation pursuant to a State corrective compliance plan accepted by the Secretary.

"(4) INAPPLICABILITY TO FAILURE TO TIMELY REPAY A FEDERAL LOAN FUND FOR A STATE WELFARE PROGRAM.—This subsection shall not apply to the imposition of a penalty against a State under subsection (a)(6).

"(d) LIMITATION ON AMOUNT OF PENALTY.—

"(1) IN GENERAL.—In imposing the penalties described in subsection (a), the Secretary shall not reduce any quarterly payment to a State by more than 25 percent.

"(2) CARRYFORWARD OF UNRECOVERED PENALTIES.—To the extent that paragraph (1) of this subsection prevents the Secretary from recovering during a fiscal year the full amount of penalties imposed on a State under subsection (a) of this section for a prior fiscal year, the Secretary shall apply any remaining amount of such penalties to the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year.

"SEC. 410. APPEAL OF ADVERSE DECISION.

"(a) IN GENERAL.—Within 5 days after the date the Secretary takes any adverse action under this part with respect to a State, the Secretary shall notify the chief executive officer of the State of the adverse action, including any action with respect to the State plan submitted under section 402 or the imposition of a penalty under section 409.

"(b) ADMINISTRATIVE REVIEW.—

"(1) IN GENERAL.—Within 60 days after the date a State receives notice under subsection (a) of an adverse action, the State may appeal the action, in whole or in part, to the Departmental Appeals Board established in the Department of Health and Human Services (in this section referred to as the 'Board') by filing an appeal with the Board.

"(2) PROCEDURAL RULES.—The Board shall consider an appeal filed by a State under paragraph (1) on the basis of such documentation as the State may submit and as the Board may require to support the final decision of the Board. In deciding whether to uphold an adverse action or any portion of such an action, the Board shall conduct a thorough review of the issues and take into account all relevant evidence. The Board shall make a final determination with respect to an appeal filed under paragraph (1) not less than 60 days after the date the appeal is filed.

"(c) JUDICIAL REVIEW OF ADVERSE DECISION.—

"(1) IN GENERAL.—Within 90 days after the date of a final decision by the Board under this section with respect to an adverse action taken against a State, the State may obtain judicial review of the final decision (and the findings incorporated into the final decision) by filing an action in—

"(A) the district court of the United States for the judicial district in which the principal or headquarters office of the State agency is located; or

"(B) the United States District Court for the District of Columbia.

"(2) PROCEDURAL RULES.—The district court in which an action is filed under paragraph (1) shall review the final decision of the Board on the record established in the administrative proceeding, in accordance with the standards of review prescribed by subparagraphs (A) through (E) of section 706(2) of title 5, United States Code. The review shall be on the basis of the documents and supporting data submitted to the Board.

"SEC. 411. DATA COLLECTION AND REPORTING.

"(a) QUARTERLY REPORTS BY STATES.—

"(1) GENERAL REPORTING REQUIREMENT.—

"(A) CONTENTS OF REPORT.—Each eligible State shall collect on a monthly basis, and report to the Secretary on a quarterly basis, the following disaggregated case record information on the families receiving assistance under the State program funded under this part:

"(i) The county of residence of the family.

"(ii) Whether a child receiving such assistance or an adult in the family is disabled.

"(iii) The ages of the members of such families.

"(iv) The number of individuals in the family, and the relation of each family member to the youngest child in the family.

"(v) The employment status and earnings of the employed adult in the family.

"(vi) The marital status of the adults in the family, including whether such adults have never married, are widowed, or are divorced.

"(vii) The race and educational status of each adult in the family.

"(viii) The race and educational status of each child in the family.

"(ix) Whether the family received subsidized housing, medical assistance under the State plan approved under title XIX, food stamps, or subsidized child care, and if the latter 2, the amount received.

"(x) The number of months that the family has received each type of assistance under the program.

"(xi) If the adults participated in, and the number of hours per week of participation in, the following activities:

"(I) Education.

"(II) Subsidized private sector employment.

"(III) Unsubsidized employment.

"(IV) Public sector employment, work experience, or community service.

"(V) Job search.

"(VI) Job skills training or on-the-job training.

"(VII) Vocational education.

"(xii) Information necessary to calculate participation rates under section 407.

"(xiii) The type and amount of assistance received under the program, including the amount of and reason for any reduction of assistance (including sanctions).

"(xiv) Any amount of unearned income received by any member of the family.

"(xv) The citizenship of the members of the family.

"(xvi) From a sample of closed cases, whether the family left the program, and if so, whether the family left due to—

"(I) employment;

"(II) marriage;

"(III) the prohibition set forth in section 408(a)(8);

"(IV) sanction; or

"(V) State policy.

"(B) USE OF ESTIMATES.—

"(i) AUTHORITY.—A State may comply with subparagraph (A) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods approved by the Secretary.

"(ii) SAMPLING AND OTHER METHODS.—The Secretary shall provide the States with such case sampling plans and data collection procedures as the Secretary deems necessary to produce statistically valid estimates of the performance of State programs funded under this part. The Secretary may develop and implement procedures for verifying the quality of data submitted by the States.

"(2) REPORT ON USE OF FEDERAL FUNDS TO COVER ADMINISTRATIVE COSTS AND OVERHEAD.—The report required by paragraph (1) for a fiscal quarter shall include a statement of the percentage of the funds paid to the State under this part for the quarter that are used to cover administrative costs or overhead.

"(3) REPORT ON STATE EXPENDITURES ON PROGRAMS FOR NEEDY FAMILIES.—The report required by paragraph (1) for a fiscal quarter shall include a statement of the total amount expended by the State during the quarter on programs for needy families.

"(4) REPORT ON NONCUSTODIAL PARENTS PARTICIPATING IN WORK ACTIVITIES.—The report required by paragraph (1) for a fiscal quarter shall include the number of noncustodial parents in the State who participated in work activities (as defined in section 407(d)) during the quarter.

"(5) REPORT ON TRANSITIONAL SERVICES.—The report required by paragraph (1) for a fiscal quarter shall include the total amount expended by the State during the quarter to provide transitional services to a family that has ceased to receive assistance under this part because of employment, along with a description of such services.

"(6) Regulations.—The Secretary shall prescribe such regulations as may be necessary to define the data elements with respect to which reports are required by this subsection.

"(b) Annual Reports to the Congress by the Secretary.—Not later than 6 months after the end of fiscal year 1997, and each fiscal year thereafter, the Secretary shall transmit to the Congress a report describing—

"(1) whether the States are meeting—

"(A) the participation rates described in section 407(a); and

"(B) the objectives of—

"(i) increasing employment and earnings of needy families, and child support collections; and

"(ii) decreasing out-of-wedlock pregnancies and child poverty;

"(2) the demographic and financial characteristics of families applying for assistance, families receiving assistance, and families that become ineligible to receive assistance;

"(3) the characteristics of each State program funded under this part; and

"(4) the trends in employment and earnings of needy families with minor children living at home.

"SEC. 412. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.

"(a) Grants for Indian Tribes.—

"(1) Tribal family assistance grant.—

"(A) In general.—For each of fiscal years 1997, 1998, 1999, and 2000, the Secretary shall pay to each Indian tribe that has an approved tribal family assistance plan a tribal family assistance grant for the fiscal year in an amount equal to the amount determined under subparagraph (B), and shall reduce the grant payable under section 403(a)(1) to any State in which lies the service area or areas of the Indian tribe by that portion of the amount so determined that is attributable to expenditures by the State.

"(B) Amount determined.—

"(i) In general.—The amount determined under this subparagraph is an amount equal to the total amount of the Federal payments to a State or States under section 403 (as in effect during such fiscal year) for fiscal year 1994 attributable to expenditures (other than child care expenditures) by the State or States under parts A and F (as so in effect) for fiscal year 1994 for Indian families residing in the service area or areas identified by the Indian tribe pursuant to subsection (b)(1)(C) of this section.

"(ii) Use of state submitted data.—

"(I) In general.—The Secretary shall use State submitted data to make each determination under clause (i).

"(II) Disagreement with determination.—If an Indian tribe or tribal organization disagrees with State submitted data described under subclause (I), the Indian tribe or tribal organization may submit to the Secretary such additional information as may be relevant to making the determination under clause (i) and the Secretary may consider such information before making such determination.

"(2) Grants for indian tribes that received jobs funds.—

"(A) In general.—The Secretary shall pay to each eligible Indian tribe for each of fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 a grant in an amount equal to the amount received by the Indian tribe in fiscal year 1994 under section 482(i) (as in effect during fiscal year 1994).

"(B) Eligible indian tribe.—For purposes of subparagraph (A), the term 'eligible Indian tribe' means an Indian tribe or Alaska Native organization that conducted a job opportunities and basic skills training program in fiscal year 1995 under section 482(i) (as in effect during fiscal year 1995).

"(C) Use of grant.—Each Indian tribe to which a grant is made under this paragraph shall use the grant for the purpose of operating a program to make work activities available to members of the Indian tribe.

"(D) Appropriation.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $7,638,474 for each fiscal year specified in subparagraph (A) for grants under subparagraph (A).

"(b) 3-Year Tribal Family Assistance Plan.—

"(1) In general.—Any Indian tribe that desires to receive a tribal family assistance grant shall submit to the Secretary a 3-year tribal family assistance plan that—

"(A) outlines the Indian tribe's approach to providing welfare-related services for the 3-year period, consistent with this section;

"(B) specifies whether the welfare-related services provided under the plan will be provided by the Indian tribe or through agreements, contracts, or compacts with intertribal consortia, States, or other entities;

"(C) identifies the population and service area or areas to be served by such plan;

"(D) provides that a family receiving assistance under the plan may not receive duplicative assistance from other State or tribal programs funded under this part;

"(E) identifies the employment opportunities in or near the service area or areas of the Indian tribe and the manner in which the Indian tribe will cooperate and participate in enhancing such opportunities for recipients of assistance under the plan consistent with any applicable State standards; and

"(F) applies the fiscal accountability provisions of section 5(f)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c(f)(1)), relating to the submission of a single-agency audit report required by chapter 75 of title 31, United States Code.

"(2) Approval.—The Secretary shall approve each tribal family assistance plan submitted in accordance with paragraph (1).

"(3) Consortium of tribes.—Nothing in this section shall preclude the development and submission of a single tribal family assistance plan by the participating Indian tribes of an intertribal consortium.

"(c) Minimum Work Participation Requirements and Time Limits.—The Secretary, with the participation of Indian tribes, shall establish for each Indian tribe receiving a grant under this section minimum work participation requirements, appropriate time limits for receipt of welfare-related services under the grant, and penalties against individuals—

"(1) consistent with the purposes of this section;

"(2) consistent with the economic conditions and resources available to each tribe; and

"(3) similar to comparable provisions in section 407(d).

"(d) Emergency Assistance.—Nothing in this section shall preclude an Indian tribe from seeking emergency assistance from any Federal loan program or emergency fund.

"(e) Accountability.—Nothing in this section shall be construed to limit the ability of the Secretary to maintain program funding accountability consistent with—

"(1) generally accepted accounting principles; and

"(2) the requirements of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

"(f) Penalties.—

"(1) Subsections (a)(1), (a)(6), and (b) of section 409, shall apply to an Indian tribe with an approved tribal assistance plan in the same manner as such subsections apply to a State.

"(2) Section 409(a)(3) shall apply to an Indian tribe with an approved tribal assistance plan by substituting 'meet minimum work participation requirements established under section 412(c)' for 'comply with section 407(a)'.

"(g) Data Collection and Reporting.—Section 411 shall apply to an Indian tribe with an approved tribal family assistance plan.

"(h) Special Rule for Indian Tribes in Alaska.—

"(1) In general.—Notwithstanding any other provision of this section, and except as provided in paragraph (2), an Indian tribe in the State of Alaska that receives a tribal family assistance grant under this section shall use the grant to operate a program in accordance with requirements comparable to the requirements applicable to the program of the State of Alaska funded under this part. Comparability of programs shall be established on the basis of program criteria developed by the Secretary in consultation with the State of Alaska and such Indian tribes.

"(2) Waiver.—An Indian tribe described in paragraph (1) may apply to the appropriate State authority to receive a waiver of the requirement of paragraph (1).

"SEC. 413. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

"(a) Research.—The Secretary shall conduct research on the benefits, effects, and costs of operating different State programs funded under this part, including time limits relating to eligibility for assistance. The research shall include studies on the effects of different programs and the operation of such programs on welfare dependency, illegitimacy, teen pregnancy, employment rates, child well-being, and any other area the Secretary deems appropriate. The Secretary shall also conduct research on the costs and benefits of State activities under section 409.

"(b) Development and Evaluation of Innovative Approaches To Reducing Welfare Dependency and Increasing Child Well-Being.—

"(1) In general.—The Secretary may assist States in developing, and shall evaluate, innovative approaches for reducing welfare dependency and increasing the well-being of minor children living at home with respect to recipients of assistance under programs funded under this part. The Secretary may provide funds for training and technical assistance to carry out the approaches developed pursuant to this paragraph.

"(2) Evaluations.—In performing the evaluations under paragraph (1), the Secretary shall, to the maximum extent feasible, use random assignment as an evaluation methodology.

"(c) Dissemination of Information.—The Secretary shall develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this section, including the facilitation of the sharing of information and best practices among States and localities through the use of computers and other technologies.

"(d) Annual Ranking of States and Review of Most and Least Successful Work Programs.—

"(1) Annual ranking of states.—The Secretary shall rank annually the States to which grants are paid under section 403 in the order of their success in placing recipients of assistance under the State program funded under this part into long-term private sector jobs, reducing the overall welfare caseload, and, when a practicable method for calculating this information becomes available, diverting individuals from formally applying to the State program and receiving assistance. In ranking States under this subsection, the Secretary shall take into account the average number of minor children living at home in families in the State that have incomes below the poverty line and the amount of funding provided each State for such families.

"(2) ANNUAL REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—The Secretary shall review the programs of the 3 States most recently ranked highest under paragraph (1) and the 3 States most recently ranked lowest under paragraph (1) that provide parents with work experience, assistance in finding employment, and other work preparation activities and support services to enable the families of such parents to leave the program and become self-sufficient.

"(e) ANNUAL RANKING OF STATES AND REVIEW OF ISSUES RELATING TO OUT-OF-WEDLOCK BIRTHS.—

"(1) ANNUAL RANKING OF STATES.—

"(A) IN GENERAL.—The Secretary shall annually rank States to which grants are made under section 403 based on the following ranking factors:

"(i) ABSOLUTE OUT-OF-WEDLOCK RATIOS.—The ratio represented by—

"(I) the total number of out-of-wedlock births in families receiving assistance under the State program under this part in the State for the most recent fiscal year for which information is available; over

"(II) the total number of births in families receiving assistance under the State program under this part in the State for such year.

"(ii) NET CHANGES IN THE OUT-OF-WEDLOCK RATIO.—The difference between the ratio described in subparagraph (A)(i) with respect to a State for the most recent fiscal year for which such information is available and the ratio with respect to the State for the immediately preceding year.

"(2) ANNUAL REVIEW.—The Secretary shall review the programs of the 5 States most recently ranked highest under paragraph (1) and the 5 States most recently ranked the lowest under paragraph (1).

"(f) STATE-INITIATED EVALUATIONS.—A State shall be eligible to receive funding to evaluate the State program funded under this part if—

"(1) the State submits a proposal to the Secretary for the evaluation;

"(2) the Secretary determines that the design and approach of the evaluation is rigorous and is likely to yield information that is credible and will be useful to other States, and

"(3) unless otherwise waived by the Secretary, the State contributes to the cost of the evaluation, from non-Federal sources, an amount equal to at least 10 percent of the cost of the evaluation.

"(g) REPORT ON CIRCUMSTANCES OF CERTAIN CHILDREN AND FAMILIES.—

"(1) IN GENERAL.—Beginning 3 years after the date of the enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Committees on Ways and Means and on Economic and Educational Opportunities of the House of Representatives and to the Committees on Finance and on Labor and Resources of the Senate annual reports that examine in detail the matters described in paragraph (2) with respect to each of the following groups for the period after such enactment:

"(A) Individuals who were children in families that have become ineligible for assistance under a State program funded under this part by reason of having reached a time limit on the provision of such assistance.

"(B) Families that include a child who is ineligible for assistance under a State program funded under this part by reason of section 408(a)(2).

"(C) Children born after such date of enactment to parents who, at the time of such birth, had not attained 20 years of age.

"(D) Individuals who, after such date of enactment, became parents before attaining 20 years of age.

"(2) MATTERS DESCRIBED.—The matters described in this paragraph are the following:

"(A) The percentage of each group that has dropped out of secondary school (or the equivalent), and the percentage of each group at each level of educational attainment.

"(B) The percentage of each group that is employed.

"(C) The percentage of each group that has been convicted of a crime or has been adjudicated as a delinquent.

"(D) The rate at which the members of each group are born, or have children, out-of-wedlock, and the percentage of each group that is married.

"(E) The percentage of each group that continues to participate in State programs funded under this part.

"(F) The percentage of each group that has health insurance provided by a private entity (broken down by whether the insurance is provided through an employer or otherwise), the percentage that has health insurance provided by an agency of government, and the percentage that does not have health insurance.

"(G) The average income of the families of the members of each group.

"(H) Such other matters as the Secretary deems appropriate.

"(h) FUNDING OF STUDIES AND DEMONSTRATIONS.—

"(1) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $15,000,000 for each fiscal year specified in section 403(a)(1) for the purpose of paying—

"(A) the cost of conducting the research described in subsection (a);

"(B) the cost of developing and evaluating innovative approaches for reducing welfare dependency and increasing the well-being of minor children under subsection (b);

"(C) the Federal share of any State-initiated study approved under subsection (f); and

"(D) an amount determined by the Secretary to be necessary to operate and evaluate demonstration projects, relating to this part, that are in effect or approved under section 1115 as of September 30, 1995, and are continued after such date.

"(2) ALLOCATION.—Of the amount appropriated under paragraph (1) for a fiscal year—

"(A) 50 percent shall be allocated for the purposes described in subparagraphs (A) and (B) of paragraph (1), and

"(B) 50 percent shall be allocated for the purposes described in subparagraphs (C) and (D) of paragraph (1).

"(3) DEMONSTRATIONS OF INNOVATIVE STRATEGIES.—The Secretary may implement and evaluate demonstrations of innovative and promising strategies which—

"(A) provide one-time capital funds to establish, expand, or replicate programs;

"(B) test performance-based grant-to-loan financing in which programs meeting performance targets receive grants while programs not meeting such targets repay funding on a prorated basis; and

"(C) test strategies in multiple States and types of communities.

"SEC. 414. STUDY BY THE CENSUS BUREAU.

"(a) IN GENERAL.—The Bureau of the Census shall expand the Survey of Income and Program Participation as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by subtitle A of the Personal Responsibility and Work Opportunity Act of 1996 on a random national sample of recipients of assistance under State programs funded under this part and (as appropriate) other low income families, and in doing so, shall pay particular attention to the issues of out-of-wedlock birth, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

"(b) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $10,000,000 for each of fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002 for payment to the Bureau of the Census to carry out subsection (a).

"SEC. 415. WAIVERS.

"(a) CONTINUATION OF WAIVERS.—

"(1) WAIVERS IN EFFECT ON DATE OF ENACTMENT OF WELFARE REFORM.—Except as provided in paragraph (3), if any waiver granted to a State under section 1115 or otherwise which relates to the provision of assistance under a State plan under this part (as in effect on September 30, 1995) is in effect as of the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996, the amendments made by such Act (other than by section 4103(d) of such Act) shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent such amendments are inconsistent with the waiver.

"(2) WAIVERS GRANTED SUBSEQUENTLY.—Except as provided in paragraph (3), if any waiver granted to a State under section 1115 or otherwise which relates to the provision of assistance under a State plan under this part (as in effect on September 30, 1995) is submitted to the Secretary before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996 and approved by the Secretary on or before July 1, 1997, and the State demonstrates to the satisfaction of the Secretary that the waiver will not result in Federal expenditures under title IV of this Act (as in effect without regard to the amendments made by the Personal Responsibility and Work Opportunity Act of 1996) that are greater than would occur in the absence of the waiver, the amendments made by the Personal Responsibility and Work Opportunity Act of 1996 (other than by section 4103(d) of such Act) shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent the amendments made by the Personal Responsibility and Work Opportunity Act of 1996 are inconsistent with the waiver.

"(3) FINANCING LIMITATION.—Notwithstanding any other provision of law, beginning with fiscal year 1996, a State operating under a waiver described in paragraph (1) shall be entitled to payment under section 403 for the fiscal year, in lieu of any other payment provided for in the waiver.

"(b) STATE OPTION TO TERMINATE WAIVER.—

"(1) IN GENERAL.—A State may terminate a waiver described in subsection (a) before the expiration of the waiver.

"(2) REPORT.—A State which terminates a waiver under paragraph (1) shall submit a report to the Secretary summarizing the waiver and any available information concerning the result or effect of the waiver.

"(3) HOLD HARMLESS PROVISION.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, a State that, not later than the date described in subparagraph (B), submits a written request to terminate a waiver described in subsection (a) shall be held harmless for accrued cost neutrality liabilities incurred under the waiver.

"(B) DATE DESCRIBED.—The date described in this subparagraph is 90 days following the adjournment of the first regular session of the State legislature that begins after the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996.

"(c) SECRETARIAL ENCOURAGEMENT OF CURRENT WAIVERS.—The Secretary shall encourage any State operating a waiver described in subsection (a) to continue the waiver and to evaluate, using random sampling and other characteristics of accepted scientific evaluations, the result or effect of the waiver.

"(d) CONTINUATION OF INDIVIDUAL WAIVERS.—A State may elect to continue 1 or more individual waivers described in subsection (a).

"SEC. 416. ASSISTANT SECRETARY FOR FAMILY SUPPORT.

"The programs under this part and part D shall be administered by an Assistant Secretary for Family Support within the Department of Health and Human Services, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be in addition to any other Assistant Secretary of Health and Human Services provided for by law.

"SEC. 417. LIMITATION ON FEDERAL AUTHORITY.

"No officer or employee of the Federal Government may regulate the conduct of States under this part or enforce any provision of this part, except to the extent expressly provided in this part."; and

(2) by inserting after such section 418 the following:

"SEC. 419. DEFINITIONS.

"As used in this part:

"(1) ADULT.—The term 'adult' means an individual who is not a minor child.

"(2) MINOR CHILD.—The term 'minor child' means an individual who—

"(A) has not attained 18 years of age; or

"(B) has not attained 19 years of age and is a full-time student in a secondary school (or in the equivalent level of vocational or technical training).

"(3) FISCAL YEAR.—The term 'fiscal year' means any 12-month period ending on September 30 of a calendar year.

"(4) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the terms 'Indian', 'Indian tribe', and 'tribal organization' have the meaning given such terms by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(B) SPECIAL RULE FOR INDIAN TRIBES IN ALASKA.—The term 'Indian tribe' means, with respect to the State of Alaska, only the Metlakatla Indian Community of the Annette Islands Reserve and the following Alaska Native regional nonprofit corporations:

"(i) Arctic Slope Native Association.

"(ii) Kawerak, Inc.

"(iii) Maniilaq Association.

"(iv) Association of Village Council Presidents.

"(v) Tanana Chiefs Conference.

"(vi) Cook Inlet Tribal Council.

"(vii) Bristol Bay Native Association.

"(viii) Aleutian and Pribilof Island Association.

"(ix) Chugachmuit.

"(x) Tlingit Haida Central Council.

"(xi) Kodiak Area Native Association.

"(xii) Copper River Native Association.

"(5) STATE.—Except as otherwise specifically provided, the term 'State' means the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.".

(b) GRANTS TO OUTLYING AREAS.—Section 1108 (42 U.S.C. 1308) is amended—

(1) by redesignating subsection (c) as subsection (g);

(2) by striking all that precedes subsection (c) and inserting the following:

"SEC. 1108. ADDITIONAL GRANTS TO PUERTO RICO, THE VIRGIN ISLANDS, GUAM, AND AMERICAN SAMOA; LIMITATION ON TOTAL PAYMENTS.

"(a) LIMITATION ON TOTAL PAYMENTS TO EACH TERRITORY.—Notwithstanding any other provision of this Act, the total amount certified by the Secretary of Health and Human Services under titles I, X, XIV, and XVI, under parts A, B, and E of title IV, and under subsection (b) of this section, for payment to any territory for a fiscal year shall not exceed the ceiling amount for the territory for the fiscal year.

"(b) ENTITLEMENT TO MATCHING GRANT.—

"(1) IN GENERAL.—Each territory shall be entitled to receive from the Secretary for each fiscal year a grant in an amount equal to 75 percent of the amount (if any) by which—

"(A) the total expenditures of the territory during the fiscal year under the territory programs funded under parts A, B, and E of title IV; exceeds

"(B) the sum of—

"(i) the total amount required to be paid to the territory (other than with respect to child care) under former section 403 (as in effect on September 30, 1995) for fiscal year 1995, which shall be determined by applying subparagraphs (C) and (D) of section 403(a)(1) to the territory;

"(ii) the total amount required to be paid to the territory under former section 434 (as so in effect) for fiscal year 1995; and

"(iii) the total amount expended by the territory during fiscal year 1995 pursuant to parts A, B, and F of title IV (as so in effect), other than for child care.

"(2) USE OF GRANT.—Any territory to which a grant is made under paragraph (1) may expend the amount under any program operated or funded under any provision of law specified in subsection (a).

"(c) DEFINITIONS.—As used in this section:

"(1) TERRITORY.—The term 'territory' means Puerto Rico, the Virgin Islands, Guam, and American Samoa.

"(2) CEILING AMOUNT.—The term 'ceiling amount' means, with respect to a territory and a fiscal year, the mandatory ceiling amount with respect to the territory plus the discretionary ceiling amount with respect to the territory, reduced for the fiscal year in accordance with subsection (f).

"(3) MANDATORY CEILING AMOUNT.—The term 'mandatory ceiling amount' means—

"(A) $105,538,000 with respect to for Puerto Rico;

"(B) $4,902,000 with respect to Guam;

"(C) $3,742,000 with respect to the Virgin Islands; and

"(D) $1,122,000 with respect to American Samoa.

"(4) DISCRETIONARY CEILING AMOUNT.—The term 'discretionary ceiling amount' means, with respect to a territory and a fiscal year, the total amount appropriated pursuant to subsection (d)(3) for the fiscal year for payment to the territory.

"(5) TOTAL AMOUNT EXPENDED BY THE TERRITORY.—The term 'total amount expended by the territory'—

"(A) does not include expenditures during the fiscal year from amounts made available by the Federal Government; and

"(B) when used with respect to fiscal year 1995, also does not include—

"(i) expenditures during fiscal year 1995 under subsection (g) or (i) of section 402 (as in effect on September 30, 1995); or

"(ii) any expenditures during fiscal year 1995 for which the territory (but for section 1108, as in effect on September 30, 1995) would have received reimbursement from the Federal Government.

"(d) DISCRETIONARY GRANTS.—

"(1) IN GENERAL.—The Secretary shall make a grant to each territory for any fiscal year in the amount appropriated pursuant to paragraph (3) for the fiscal year for payment to the territory.

"(2) USE OF GRANT.—Any territory to which a grant is made under paragraph (1) may expend the amount under any program operated or funded under any provision of law specified in subsection (a).

"(3) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—For grants under paragraph (1), there are authorized to be appropriated to the Secretary for each fiscal year—

"(A) $7,951,000 for payment to Puerto Rico;

"(B) $345,000 for payment to Guam;

"(C) $275,000 for payment to the Virgin Islands; and

"(D) $190,000 for payment to American Samoa.

"(e) AUTHORITY TO TRANSFER FUNDS AMONG PROGRAMS.—Notwithstanding any other provision of this Act, any territory to which an amount is paid under any provision of law specified in subsection (a) may use part or all of the amount to carry out any program operated by the territory, or funded, under any other such provision of law.

"(f) MAINTENANCE OF EFFORT.—The ceiling amount with respect to a territory shall be reduced for a fiscal year by an amount equal to the amount (if any) by which—

"(1) the total amount expended by the territory under all programs of the territory operated pursuant to the provisions of law specified in subsection (a) (as such provisions were in effect for fiscal year 1995) for fiscal year 1995; exceeds

"(2) the total amount expended by the territory under all programs of the territory that are funded under the provisions of law specified in subsection (a) for the fiscal year that immediately precedes the fiscal year referred to in the matter preceding paragraph (1)."; and

(3) by striking subsections (d) and (e).

(c) REPEAL OF PROVISIONS REQUIRING REDUCTION OF MEDICAID PAYMENTS TO STATES THAT REDUCE WELFARE PAYMENT LEVELS.—

(1) Section 1903(i) (42 U.S.C. 1396b(i)) is amended by striking paragraph (9).

(2) Section 1902 (42 U.S.C. 1396a) is amended by striking subsection (c).

(d) ELIMINATION OF CHILD CARE PROGRAMS UNDER THE SOCIAL SECURITY ACT.—

(1) AFDC AND TRANSITIONAL CHILD CARE PROGRAMS.—Section 402 (42 U.S.C. 602) is amended by striking subsection (g).

(2) AT-RISK CHILD CARE PROGRAM.—

(A) AUTHORIZATION.—Section 402 (42 U.S.C. 602) is amended by striking subsection (i).

(B) FUNDING PROVISIONS.—Section 403 (42 U.S.C. 603) is amended by striking subsection (n).

SEC. 4104. SERVICES PROVIDED BY CHARITABLE, RELIGIOUS, OR PRIVATE ORGANIZATIONS.

(a) IN GENERAL.—

(1) STATE OPTIONS.—A State may—

(A) administer and provide services under the programs described in subparagraphs (A) and (B)(i) of paragraph (2) through contracts with charitable, religious, or private organizations; and

(B) provide beneficiaries of assistance under the programs described in subparagraphs (A) and (B)(ii) of paragraph (2) with certificates, vouchers, or other forms of disbursement which are redeemable with such organizations.

(2) PROGRAMS DESCRIBED.—The programs described in this paragraph are the following programs:

(A) A State program funded under part A of title IV of the Social Security Act (as amended by section 4103(a) of this Act).

(B) Any other program established or modified under subtitle A, B, or F of this title, that—

(i) permits contracts with organizations; or

(ii) permits certificates, vouchers, or other forms of disbursement to be provided to beneficiaries, as a means of providing assistance.

(b) RELIGIOUS ORGANIZATIONS.—The purpose of this section is to allow States to contract with religious organizations, or to allow religious organizations to accept certificates, vouchers, or other forms of disbursement under any program described in subsection (a)(2), on the same basis as any other nongovernmental provider without impairing the religious character of such organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under such program.

(c) NONDISCRIMINATION AGAINST RELIGIOUS ORGANIZATIONS.—In the event a State exercises its authority under subsection (a), religious organizations are eligible, on the same basis as any other private organization, as contractors to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, under any program described in subsection (a)(2) so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution. Except as provided in subsection (k), neither the Federal Government nor a State receiving funds under such programs shall discriminate against an organization which is or applies to be a contractor to provide assistance, or which accepts certificates, vouchers, or other forms of disbursement, on the basis that the organization has a religious character.

(d) RELIGIOUS CHARACTER AND FREEDOM.—

(1) RELIGIOUS ORGANIZATIONS.—A religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), shall retain its independence from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State shall require a religious organization to—

(A) alter its form of internal governance; or

(B) remove religious art, icons, scripture, or other symbols;

in order to be eligible to contract to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, funded under a program described in subsection (a)(2).

(e) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

(1) IN GENERAL.—If an individual described in paragraph (2) has an objection to the religious character of the organization or institution from which the individual receives, or would receive, assistance funded under any program described in subsection (a)(2), the State in which the individual resides shall provide such individual (if otherwise eligible for such assistance) within a reasonable period of time after the date of such objection with assistance from an alternative provider that is accessible to the individual and the value of which is not less than the value of the assistance which the individual would have received from such organization.

(2) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who receives, applies for, or requests to apply for, assistance under a program described in subsection (a)(2).

(f) EMPLOYMENT PRACTICES.—A religious organization's exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-1a) regarding employment practices shall not be affected by its participation in, or receipt of funds from, programs described in subsection (a)(2).

(g) NONDISCRIMINATION AGAINST BENEFICIARIES.—Except as otherwise provided in law, a religious organization shall not discriminate against an individual in regard to rendering assistance funded under any program described in subsection (a)(2) on the basis of religion, a religious belief, or refusal to actively participate in a religious practice.

(h) FISCAL ACCOUNTABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), any religious organization contracting to provide assistance funded under any program described in subsection (a)(2) shall be subject to the same regulations as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under such programs.

(2) LIMITED AUDIT.—If such organization segregates Federal funds provided under such programs into separate accounts, then only the financial assistance provided with such funds shall be subject to audit.

(i) COMPLIANCE.—Any party which seeks to enforce its rights under this section may assert a civil action for injunctive relief exclusively in an appropriate State court against the entity or agency that allegedly commits such violation.

(j) LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.—No funds provided directly to institutions or organizations to provide services and administer programs under subsection (a)(1)(A) shall be expended for sectarian worship, instruction, or proselytization.

(k) PREEMPTION.—Nothing in this section shall be construed to preempt any provision of a State constitution or State statute that prohibits or restricts the expenditure of State funds in or by religious organizations.

SEC. 4105. CENSUS DATA ON GRANDPARENTS AS PRIMARY CAREGIVERS FOR THEIR GRANDCHILDREN.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Commerce, in carrying out section 141 of title 13, United States Code, shall expand the data collection efforts of the Bureau of the Census (in this section referred to as the "Bureau") to enable the Bureau to collect statistically significant data, in connection with its decennial census and its mid-decade census, concerning the growing trend of grandparents who are the primary caregivers for their grandchildren.

(b) EXPANDED CENSUS QUESTION.—In carrying out subsection (a), the Secretary of Commerce shall expand the Bureau's census question that details households which include both grandparents and their grandchildren. The expanded question shall be formulated to distinguish between the following households:

(1) A household in which a grandparent temporarily provides a home for a grandchild for a period of weeks or months during periods of parental distress.

(2) A household in which a grandparent provides a home for a grandchild and serves as the primary caregiver for the grandchild.

SEC. 4106. REPORT ON DATA PROCESSING.

(a) IN GENERAL.—Within 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Congress a report on—

(1) the status of the automated data processing systems operated by the States to assist management in the administration of State programs under part A of title IV of the Social Security Act (whether in effect before or after October 1, 1995); and

(2) what would be required to establish a system capable of—

(A) tracking participants in public programs over time; and

(B) checking case records of the States to determine whether individuals are participating in public programs of 2 or more States.

(b) PREFERRED CONTENTS.—The report required by subsection (a) should include—

(1) a plan for building on the automated data processing systems of the States to establish a system with the capabilities described in subsection (a)(2); and

(2) an estimate of the amount of time required to establish such a system and of the cost of establishing such a system.

SEC. 4107. STUDY ON ALTERNATIVE OUTCOMES MEASURES.

(a) STUDY.—The Secretary shall, in cooperation with the States, study and analyze outcomes measures for evaluating the success of the States in moving individuals out of the welfare system through employment as an alternative to the minimum participation rates described in section 407 of the Social Security Act. The study shall include a determination as to whether such alternative outcomes measures should be applied on a national or a State-by-State basis and a preliminary assessment of the effects of section 409(a)(7)(C) of such Act.

(b) REPORT.—Not later than September 30, 1998, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report containing the findings of the study required by subsection (a).

SEC. 4108. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT.

(a) AMENDMENTS TO TITLE II.—

(1) Section 205(c)(2)(C)(vi) (42 U.S.C. 405(c)(2)(C)(vi)), as so redesignated by section 321(a)(9)(B) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(A) by inserting "an agency administering a program funded under part A of title IV or" before "an agency operating"; and

(B) by striking "A or D of title IV of this Act" and inserting "D of such title".

(2) Section 228(d)(1) (42 U.S.C. 428(d)(1)) is amended by inserting "under a State program funded under" before "part A of title IV".

(b) AMENDMENTS TO PART D OF TITLE IV.—

(1) Section 451 (42 U.S.C. 651) is amended by striking "aid" and inserting "assistance under a State program funded".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A";

(B) by striking "such aid" and inserting "such assistance"; and

(C) by striking "under section 402(a)(26) or" and inserting "pursuant to section 408(a)(4) or under section".

(3) Section 452(a)(10)(F) (42 U.S.C. 652(a)(10)(F)) is amended—

(A) by striking "aid under a State plan approved" and inserting "assistance under a State program funded"; and

(B) by striking "in accordance with the standards referred to in section 402(a)(26)(B)(ii)" and inserting "by the State".

(4) Section 452(b) (42 U.S.C. 652(b)) is amended in the first sentence by striking "aid under the State plan approved under part A" and inserting "assistance under the State program funded under part A".

(5) Section 452(d)(3)(B)(i) (42 U.S.C. 652(d)(3)(B)(i)) is amended by striking "1115(c)" and inserting "1115(b)".

(6) Section 452(g)(2)(A)(ii)(I) (42 U.S.C. 652(g)(2)(A)(ii)(I)) is amended by striking "aid is being paid under the State's plan approved under part A or E" and inserting "assistance is being provided under the State program funded under part A".

(7) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter following clause (iii) by striking "aid was being paid under the State's plan approved under part A or E" and inserting "assistance was being provided under the State program funded under part A".

(8) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended in the matter following subparagraph (B)—

(A) by striking "who is a dependent child" and inserting "with respect to whom assistance is being provided under the State program funded under part A";

(B) by inserting "by the State" after "found"; and

(C) by striking "to have good cause for refusing to cooperate under section 402(a)(26)" and inserting "to qualify for a good cause or other exception to cooperation pursuant to section 454(29)".

(9) Section 452(h) (42 U.S.C. 652(h)) is amended by striking "under section 402(a)(26)" and inserting "pursuant to section 408(a)(4)".

(10) Section 453(c)(3) (42 U.S.C. 653(c)(3)) is amended by striking "aid under part A of this title" and inserting "assistance under a State program funded under part A".

(11) Section 454(5)(A) (42 U.S.C. 654(5)(A)) is amended—

(A) by striking "under section 402(a)(26)" and inserting "pursuant to section 408(a)(4)"; and

(B) by striking "; except that this paragraph shall not apply to such payments for any month following the first month in which the amount collected is sufficient to make such family ineligible for assistance under the State plan approved under part A;" and inserting a comma.

(12) Section 454(6)(D) (42 U.S.C. 654(6)(D)) is amended by striking "aid under a State plan approved" and inserting "assistance under a State program funded".

(13) Section 456(a)(1) (42 U.S.C. 656(a)(1)) is amended by striking "under section 402(a)(26)".

(14) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "402(a)(26)" and inserting "408(a)(3)".

(15) Section 466(b)(2) (42 U.S.C. 666(b)(2)) is amended by striking "aid" and inserting "assistance under a State program funded".

(16) Section 469(a) (42 U.S.C. 669(a)) is amended—

(A) by striking "aid under plans approved" and inserting "assistance under State programs funded"; and

(B) by striking "such aid" and inserting "such assistance".

(c) REPEAL OF PART F OF TITLE IV.—Part F of title IV (42 U.S.C. 681–687) is repealed.

(d) AMENDMENT TO TITLE X.—Section 1002(a)(7) (42 U.S.C. 1202(a)(7)) is amended by striking "aid to families with dependent children under the State plan approved under section 402 of this Act" and inserting "assistance under a State program funded under part A of title IV".

(e) AMENDMENTS TO TITLE XI.—

(1) Section 1109 (42 U.S.C. 1309) is amended by striking "or part A of title IV,".

(2) Section 1115 (42 U.S.C. 1315) is amended—

(A) in subsection (a)(2)—

(i) by inserting "(A)" after "(2)";

(ii) by striking "403,";

(iii) by striking the period at the end and inserting ", and"; and

(iv) by adding at the end the following new subparagraph:

"(B) costs of such project which would not otherwise be a permissible use of funds under part A of title IV and which are not included as part of the costs of projects under section 1110, shall to the extent and for the period prescribed by the Secretary, be regarded as a permissible use of funds under such part."; and

(B) in subsection (c)(3), by striking "the program of aid to families with dependent children" and inserting "part A of such title".

(3) Section 1116 (42 U.S.C. 1316) is amended—

(A) in each of subsections (a)(1), (b), and (d), by striking "or part A of title IV,"; and

(B) in subsection (a)(3), by striking "404,".

(4) Section 1118 (42 U.S.C. 1318) is amended—

(A) by striking "403(a),";

(B) by striking "and part A of title IV,"; and

(C) by striking ", and shall, in the case of American Samoa, mean 75 per centum with respect to part A of title IV".

(5) Section 1119 (42 U.S.C. 1319) is amended—

(A) by striking "or part A of title IV"; and

(B) by striking "403(a),".

(6) Section 1133(a) (42 U.S.C. 1320b–3(a)) is amended by striking "or part A of title IV,".

(7) Section 1136 (42 U.S.C. 1320b–6) is repealed.

(8) Section 1137 (42 U.S.C. 1320b–7) is amended—

(A) in subsection (b), by striking paragraph (1) and inserting the following:

"(1) any State program funded under part A of title IV of this Act;"; and

(B) in subsection (d)(1)(B)—

(i) by striking "In this subsection—" and all that follows through "(ii) in" and inserting "In this subsection, in";

(ii) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii); and

(iii) by moving such redesignated material 2 ems to the left.

(f) AMENDMENT TO TITLE XIV.—Section 1402(a)(7) (42 U.S.C. 1352(a)(7)) is amended by striking "aid to families with dependent children under the State plan approved under section 402 of this Act" and inserting "assistance under a State program funded under part A of title IV".

(g) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE TERRITORIES.—Section 1602(a)(11), as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972 (42 U.S.C. 1382 note), is amended by striking "aid under the State plan approved" and inserting "assistance under a State program funded".

(h) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE STATES.—Section 1611(c)(5)(A) (42 U.S.C. 1382(c)(5)(A)) is amended to read as follows: "(A) a State program funded under part A of title IV,".

(i) AMENDMENT TO TITLE XIX.—Section 1902(j) (42 U.S.C. 1396a(j)) is amended by striking "1108(c)" and inserting "1108(g)".

SEC. 4109. CONFORMING AMENDMENTS TO THE FOOD STAMP ACT OF 1977 AND RELATED PROVISIONS.

(a) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in the second sentence of subsection (a), by striking "plan approved" and all that follows through "title IV of the Social Security Act" and inserting "program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)";

(2) in subsection (d)—

(A) in paragraph (5), by striking "assistance to families with dependent children" and inserting "assistance under a State program funded"; and

(B) by striking paragraph (13) and redesignating paragraphs (14), (15), and (16) as paragraphs (13), (14), and (15), respectively;

(3) in subsection (j), by striking "plan approved under part A of title IV of such Act (42 U.S.C. 601 et seq.)" and inserting "program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.)"; and

(4) by striking subsection (m).

(b) Section 6 of such Act (7 U.S.C. 2015) is amended—

(1) in subsection (c)(5), by striking "the State plan approved" and inserting "the State program funded"; and

(2) in subsection (e)(6), by striking "aid to families with dependent children" and inserting "benefits under a State program funded".

(c) Section 16(g)(4) of such Act (7 U.S.C. 2025(g)(4)) is amended by striking "State plans under the Aid to Families with Dependent Children Program under" and inserting "State programs funded under part A of".

(d) Section 17 of such Act (7 U.S.C. 2026) is amended—

(1) in the first sentence of subsection (b)(1)(A), by striking "to aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "or are receiving assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)"; and

(2) in subsection (b)(3), by adding at the end the following new subparagraph:

"(I) The Secretary may not grant a waiver under this paragraph on or after October 1,

1995. Any reference in this paragraph to a provision of title IV of the Social Security Act shall be deemed to be a reference to such provision as in effect on September 30, 1995.";

(e) Section 20 of such Act (7 U.S.C. 2029) is amended—

(1) in subsection (a)(2)(B) by striking "operating—" and all that follows through "(ii) any other" and inserting "operating any"; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking "(b)(1) A household" and inserting "(b) A household"; and

(ii) in subparagraph (B), by striking "training program" and inserting "activity";

(B) by striking paragraph (2); and

(C) by redesignating subparagraphs (A) through (F) as paragraphs (1) through (6), respectively.

(f) Section 5(h)(1) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–186; 7 U.S.C. 612c note) is amended by striking "the program for aid to families with dependent children" and inserting "the State program funded".

(g) Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended—

(1) in subsection (b)—

(A) in paragraph (2)(C)(ii)(II)—

(i) by striking "program for aid to families with dependent children" and inserting "State program funded"; and

(ii) by inserting before the period at the end the following: "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995"; and

(B) in paragraph (6)—

(i) in subparagraph (A)(ii)—

(I) by striking "an AFDC assistance unit (under the aid to families with dependent children program authorized" and inserting "a family (under the State program funded"; and

(II) by striking ", in a State" and all that follows through "9902(2)))" and inserting "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995"; and

(ii) in subparagraph (B), by striking "aid to families with dependent children" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995"; and

(2) in subsection (d)(2)(C)—

(A) by striking "program for aid to families with dependent children" and inserting "State program funded"; and

(B) by inserting before the period at the end the following: "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995".

(h) Section 17(d)(2)(A)(ii)(II) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(A)(ii)(II)) is amended—

(1) by striking "program for aid to families with dependent children established" and inserting "State program funded"; and

(2) by inserting before the semicolon the following: "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995".

SEC. 4110. CONFORMING AMENDMENTS TO OTHER LAWS.

(a) Subsection (b) of section 508 of the Unemployment Compensation Amendments of 1976 (42 U.S.C. 603a; Public Law 94–566; 90 Stat. 2689) is amended to read as follows:

"(b) PROVISION FOR REIMBURSEMENT OF EXPENSES.—For purposes of section 455 of the Social Security Act, expenses incurred to reimburse State employment offices for furnishing information requested of such offices—

"(1) pursuant to the third sentence of section 3(a) of the Act entitled 'An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes', approved June 6, 1933 (29 U.S.C. 49b(a)), or

"(2) by a State or local agency charged with the duty of carrying a State plan for child support approved under part D of title IV of the Social Security Act,

shall be considered to constitute expenses incurred in the administration of such State plan.".

(b) Section 9121 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(c) Section 9122 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(d) Section 221 of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 602 note), relating to treatment under AFDC of certain rental payments for federally assisted housing, is repealed.

(e) Section 159 of the Tax Equity and Fiscal Responsibility Act of 1982 (42 U.S.C. 602 note) is repealed.

(f) Section 202(d) of the Social Security Amendments of 1967 (81 Stat. 882; 42 U.S.C. 602 note) is repealed.

(g) Section 903 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 11381 note), relating to demonstration projects to reduce number of AFDC families in welfare hotels, is amended—

(1) in subsection (a), by striking "aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded"; and

(2) in subsection (c), by striking "aid to families with dependent children in the State under a State plan approved" and inserting "assistance in the State under a State program funded".

(h) The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

(1) in section 404C(c)(3) (20 U.S.C. 1070a–23(c)(3)), by striking "(Aid to Families with Dependent Children)"; and

(2) in section 480(b)(2) (20 U.S.C. 1087vv(b)(2)), by striking "aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded".

(i) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) is amended—

(1) in section 231(d)(3)(A)(ii) (20 U.S.C. 2341(d)(3)(A)(ii)), by striking "The program for aid to dependent children" and inserting "The State program funded";

(2) in section 232(b)(2)(B) (20 U.S.C. 2341a(b)(2)(B)), by striking "the program for aid to families with dependent children" and inserting "the State program funded"; and

(3) in section 521(14)(B)(iii) (20 U.S.C. 2471(14)(B)(iii)), by striking "the program for aid to families with dependent children" and inserting "the State program funded".

(j) The Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.) is amended—

(1) in section 1113(a)(5) (20 U.S.C. 6313(a)(5)), by striking "Aid to Families with Dependent Children program" and inserting "State program funded under part A of title IV of the Social Security Act";

(2) in section 1124(c)(5) (20 U.S.C. 6333(c)(5)), by striking "the program of aid to families with dependent children under a State plan approved under" and inserting "a State program funded under part A of"; and

(3) in section 5203(b)(2) (20 U.S.C. 7233(b)(2))—

(A) in subparagraph (A)(xi), by striking "Aid to Families with Dependent Children benefits" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act"; and

(B) in subparagraph (B)(viii), by striking "Aid to Families with Dependent Children" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act".

(k) The 4th proviso of chapter VII of title I of Public Law 99–88 (25 U.S.C. 13d–1) is amended to read as follows: "*Provided further*, That general assistance payments made by the Bureau of Indian Affairs shall be made—

"(1) after April 29, 1985, and before October 1, 1995, on the basis of Aid to Families with Dependent Children (AFDC) standards of need; and

"(2) on and after October 1, 1995, on the basis of standards of need established under the State program funded under part A of title IV of the Social Security Act,

except that where a State ratably reduces its AFDC or State program payments, the Bureau shall reduce general assistance payments in such State by the same percentage as the State has reduced the AFDC or State program payment.".

(l) The Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.) is amended—

(1) in section 51(d)(9) (26 U.S.C. 51(d)(9)), by striking all that follows "agency as" and inserting "being eligible for financial assistance under part A of title IV of the Social Security Act and as having continually received such financial assistance during the 90-day period which immediately precedes the date on which such individual is hired by the employer.";

(2) in section 3304(a)(16) (26 U.S.C. 3304(a)(16)), by striking "eligibility for aid or services," and all that follows through "children approved" and inserting "eligibility for assistance, or the amount of such assistance, under a State program funded";

(3) in section 6103(l)(7)(D)(i) (26 U.S.C. 6103(l)(7)(D)(i)), by striking "aid to families with dependent children provided under a State plan approved" and inserting "a State program funded";

(4) in section 6103(l)(10) (26 U.S.C. 6103(l)(10))—

(A) by striking "(c) or (d)" each place it appears and inserting "(c), (d), or (e)"; and

(B) by adding at the end of subparagraph (B) the following new sentence: "Any return information disclosed with respect to section 6402(e) shall only be disclosed to officers and employees of the State agency requesting such information.";

(5) in section 6103(p)(4) (26 U.S.C. 6103(p)(4)), in the matter preceding subparagraph (A)—

(A) by striking "(5), (10)" and inserting "(5)"; and

(B) by striking "(9), or (12)" and inserting "(9), (10), or (12)";

(6) in section 6334(a)(11)(A) (26 U.S.C. 6334(a)(11)(A)), by striking "(relating to aid to families with dependent children)";

(7) in section 6402 (26 U.S.C. 6402)—

(A) in subsection (a), by striking "(c) and (d)" and inserting "(c), (d), and (e)";

(B) by redesignating subsections (e) through (i) as subsections (f) through (j), respectively; and

(C) by inserting after subsection (d) the following:

"(e) COLLECTION OF OVERPAYMENTS UNDER TITLE IV–A OF THE SOCIAL SECURITY ACT.—The amount of any overpayment to be refunded to the person making the overpayment shall be reduced (after reductions pursuant to subsections (c) and (d), but before a credit against future liability for an internal revenue tax) in accordance with section 405(e) of the Social Security Act (concerning recovery of overpayments to individuals under State plans approved under part A of title IV of such Act)."; and

(8) in section 7523(b)(3)(C) (26 U.S.C. 7523(b)(3)(C)), by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act".

(m) Section 3(b) of the Wagner-Peyser Act (29 U.S.C. 49b(b)) is amended by striking "State plan approved under part A of title IV" and inserting "State program funded under part A of title IV".

(n) The Job Training Partnership Act (29 U.S.C. 1501 et seq.) is amended—

(1) in section 4(29)(A)(i) (29 U.S.C. 1503(29)(A)(i)), by striking "(42 U.S.C. 601 et seq.)";

(2) in section 106(b)(6)(C) (29 U.S.C. 1516(b)(6)(C)), by striking "State aid to families with dependent children records," and inserting "records collected under the State program funded under part A of title IV of the Social Security Act,";

(3) in section 121(b)(2) (29 U.S.C. 1531(b)(2))—

(A) by striking "the JOBS program" and inserting "the work activities required under title IV of the Social Security Act"; and

(B) by striking the second sentence;

(4) in section 123(c) (29 U.S.C. 1533(c))—

(A) in paragraph (1)(E), by repealing clause (vi); and

(B) in paragraph (2)(D), by repealing clause (v);

(5) in section 203(b)(3) (29 U.S.C. 1603(b)(3)), by striking ", including recipients under the JOBS program";

(6) in subparagraphs (A) and (B) of section 204(a)(1) (29 U.S.C. 1604(a)(1) (A) and (B)), by striking "(such as the JOBS program)" each place it appears;

(7) in section 205(a) (29 U.S.C. 1605(a)), by striking paragraph (4) and inserting the following:

"(4) the portions of title IV of the Social Security Act relating to work activities;";

(8) in section 253 (29 U.S.C. 1632)—

(A) in subsection (b)(2), by repealing subparagraph (C); and

(B) in paragraphs (1)(B) and (2)(B) of subsection (c), by striking "the JOBS program or" each place it appears;

(9) in section 264 (29 U.S.C. 1644)—

(A) in subparagraphs (A) and (B) of subsection (b)(1), by striking "(such as the JOBS program)" each place it appears; and

(B) in subparagraphs (A) and (B) of subsection (d)(3), by striking "and the JOBS program" each place it appears;

(10) in section 265(b) (29 U.S.C. 1645(b)), by striking paragraph (6) and inserting the following:

"(6) the portion of title IV of the Social Security Act relating to work activities;";

(11) in the second sentence of section 429(e) (29 U.S.C. 1699(e)), by striking "and shall be in an amount that does not exceed the maximum amount that may be provided by the State pursuant to section 402(g)(1)(C) of the Social Security Act (42 U.S.C. 602(g)(1)(C))";

(12) in section 454(c) (29 U.S.C. 1734(c)), by striking "JOBS and";

(13) in section 455(b) (29 U.S.C. 1735(b)), by striking "the JOBS program,";

(14) in section 501(1) (29 U.S.C. 1791(1)), by striking "aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act";

(15) in section 506(1)(A) (29 U.S.C. 1791e(1)(A)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded";

(16) in section 508(a)(2)(A) (29 U.S.C. 1791g(a)(2)(A)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded"; and

(17) in section 701(b)(2)(A) (29 U.S.C. 1792(b)(2)(A))—

(A) in clause (v), by striking the semicolon and inserting "; and"; and

(B) by striking clause (vi).

(o) Section 3803(c)(2)(C)(iv) of title 31, United States Code, is amended to read as follows:

"(iv) assistance under a State program funded under part A of title IV of the Social Security Act;".

(p) Section 2605(b)(2)(A)(i) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(b)(2)(A)(i)) is amended to read as follows:

"(i) assistance under the State program funded under part A of title IV of the Social Security Act;".

(q) Section 303(f)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note) is amended—

(1) by striking "(A)"; and

(2) by striking subparagraphs (B) and (C).

(r) The Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.) is amended—

(1) in the first section 255(h) (2 U.S.C. 905(h)), by striking "Aid to families with dependent children (75–0412–0–1–609);" and inserting "Block grants to States for temporary assistance for needy families;"; and

(2) in section 256 (2 U.S.C. 906)—

(A) by striking subsection (k); and

(B) by redesignating subsection (l) as subsection (k).

(s) The Immigration and Nationality Act (8 U.S.C. 1101 et seq.) is amended—

(1) in section 210(f) (8 U.S.C. 1160(f)), by striking "aid under a State plan approved under" each place it appears and inserting "assistance under a State program funded under";

(2) in section 245A(h) (8 U.S.C. 1255a(h))—

(A) in paragraph (1)(A)(i), by striking "program of aid to families with dependent children" and inserting "State program of assistance"; and

(B) in paragraph (2)(B), by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act"; and

(3) in section 412(e)(4) (8 U.S.C. 1522(e)(4)), by striking "State plan approved" and inserting "State program funded".

(t) Section 640(a)(4)(B)(i) of the Head Start Act (42 U.S.C. 9835(a)(4)(B)(i)) is amended by striking "program of aid to families with dependent children under a State plan approved" and inserting "State program of assistance funded".

(u) Section 9 of the Act of April 19, 1950 (64 Stat. 47, chapter 92; 25 U.S.C. 639) is repealed.

(v) Subparagraph (E) of section 213(d)(6) of the School-To-Work Opportunities Act of 1994 (20 U.S.C. 6143(d)(6)) is amended to read as follows:

"(E) part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) relating to work activities;".

(w) Section 552a(a)(8)(B)(iv)(III) of title 5, United States Code, is amended by striking "section 464 or 1137 of the Social Security Act" and inserting "section 404(e), 464, or 1137 of the Social Security Act".

SEC. 4111. DEVELOPMENT OF PROTOTYPE OF COUNTERFEIT-RESISTANT SOCIAL SECURITY CARD REQUIRED.

(a) DEVELOPMENT.—

(1) IN GENERAL.—The Commissioner of Social Security (in this section referred to as the "Commissioner") shall, in accordance with this section, develop a prototype of a counterfeit-resistant social security card. Such prototype card shall—

(A) be made of a durable, tamper-resistant material such as plastic or polyester,

(B) employ technologies that provide security features, such as magnetic stripes, holograms, and integrated circuits, and

(C) be developed so as to provide individuals with reliable proof of citizenship or legal resident alien status.

(2) ASSISTANCE BY ATTORNEY GENERAL.—The Attorney General of the United States shall provide such information and assistance as the Commissioner deems necessary to enable the Commissioner to comply with this section.

(b) STUDY AND REPORT.—

(1) IN GENERAL.—The Commissioner shall conduct a study and issue a report to Congress which examines different methods of improving the social security card application process.

(2) ELEMENTS OF STUDY.—The study shall include an evaluation of the cost and work load implications of issuing a counterfeit-resistant social security card for all individuals over a 3-, 5-, and 10-year period. The study shall also evaluate the feasibility and cost implications of imposing a user fee for replacement cards and cards issued to individuals who apply for such a card prior to the scheduled 3-, 5-, and 10-year phase-in options.

(3) DISTRIBUTION OF REPORT.—The Commissioner shall submit copies of the report described in this subsection along with a facsimile of the prototype card as described in subsection (a) to the Committees on Ways and Means and Judiciary of the House of Representatives and the Committees on Finance and Judiciary of the Senate within 1 year after the date of the enactment of this Act.

SEC. 4112. DISCLOSURE OF RECEIPT OF FEDERAL FUNDS.

(a) IN GENERAL.—Whenever an organization that accepts Federal funds under this title or the amendments made by this title (other than funds provided under title IV, XVI, or XX of the Social Security Act) makes any communication that in any way intends to promote public support or opposition to any policy of a Federal, State, or local government through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public advertising, such communication shall state the following: "This was prepared and paid for by an organization that accepts taxpayer dollars.".

(b) FAILURE TO COMPLY.—If an organization makes any communication described in subsection (a) and fails to provide the statement required by that subsection, such organization shall be ineligible to receive Federal funds under this title or the amendments made by this title.

(c) DEFINITION.—For purposes of this section, the term "organization" means an organization described in section 501(c) of the Internal Revenue Code of 1986.

(d) EFFECTIVE DATES.—This section shall take effect—

(1) with respect to printed communications 1 year after the date of enactment of this Act; and

(2) with respect to any other communication on the date of enactment of this Act.

SEC. 4113. MODIFICATIONS TO THE JOB OPPORTUNITIES FOR CERTAIN LOW-INCOME INDIVIDUALS PROGRAM.

Section 505 of the Family Support Act of 1988 (42 U.S.C. 1315 note) is amended—

(1) in the heading, by striking "**DEMONSTRATION**";

(2) by striking "demonstration" each place such term appears;

(3) in subsection (a), by striking "in each of fiscal years" and all that follows through "10" and inserting "shall enter into agreements with";

(4) in subsection (b)(3), by striking "aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "assistance under the program funded part A of title IV of the Social Security Act of the State in which the individual resides";

(5) in subsection (c)—

(A) in paragraph (1)(C), by striking "aid to families with dependent children under title IV of the Social Security Act" and inserting "assistance under a State program funded part A of title IV of the Social Security Act";

(B) in paragraph (2), by striking "aid to families with dependent children under title IV of such Act" and inserting "assistance under a State program funded part A of title IV of the Social Security Act";

(6) in subsection (d), by striking "job opportunities and basic skills training program (as provided for under title IV of the Social Security Act)" and inserting "the State program funded under part A of title IV of the Social Security Act"; and

(7) by striking subsections (e) through (g) and inserting the following:

"(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of conducting projects under this section, there is authorized to be appropriated an amount not to exceed $25,000,000 for any fiscal year.".

SEC. 4114. SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL FOR TECHNICAL AND CONFORMING AMENDMENTS.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Health and Human Services and the Commissioner of Social Security, in consultation, as appropriate, with the heads of other Federal agencies, shall submit to the appropriate committees of Congress a legislative proposal proposing such technical and conforming amendments as are necessary to bring the law into conformity with the policy embodied in this subtitle.

SEC. 4115. CONFORMING AMENDMENTS TO MEDICAID PROGRAM.

(a) IN GENERAL.—Title XIX is amended—

(1) in section 1931, by inserting "subject to section 1931(a)," in subsection (a) after "under this title," and by redesignating such section as section 1932; and

(2) by inserting after section 1930 the following new section:

"CONTINUED APPLICATION OF STANDARDS AND METHODOLOGIES UNDER PART A OF TITLE IV FOR CERTAIN INDIVIDUALS

"SEC. 1931. (a) For purposes of applying this title with respect to a State, notwithstanding any other provision of this title—

"(1) except as provided in paragraphs (2) through (4), any reference in this title (or other provision of law in relation to the operation of this title) to a provision of part A of title IV, or a State plan under such part, shall be considered a reference to such provision or plan as in effect as of July 16, 1996, with respect to the State and eligibility for medical assistance under this title shall be determined as if such provision or plan (as in effect as of such date) remained in effect;

"(2) any reference in section 1902(a)(5) or 1902(a)(55) to a State plan approved under part A of title IV shall be deemed a reference to a State program funded under such part;

"(3) a State may provide that any income standard under the State plan referred to in paragraph (1) may be increased over a period (beginning after July 16, 1996) by a percentage that does not exceed the percentage increase in the consumer price index for all urban consumers (all items; U.S. city average) over such period; and

"(4) in applying section 1925, medical assistance is required to be provided under such section only if it is required to be provided under section 408(a)(13).

"(b) In the case of a waiver of a provision of part A of title IV in effect with respect to a State as of July 16, 1996, if the waiver affects eligibility of individuals for medical assistance under this title, such waiver may continue to be applied, at the option of the State, in relation to this title after the date the waiver would otherwise expire.".

(b) PLAN AMENDMENT.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) by striking "and" at the end of paragraph (61),

(2) by striking the period at the end of paragraph (62) and inserting "; and", and

(3) by inserting after paragraph (62) the following new paragraph:

"(63) provide for continuing to administer eligibility standards with respect to individuals who are (or seek to be) eligible for medical assistance based on the application of section 1931.".

(c) CONFORMING AMENDMENTS.—(1) Section 1902(c) (42 U.S.C. 1396a(c)) is amended by striking "if—" and all that follows and inserting the following: "if the State requires individuals described in subsection (l)(1) to apply for assistance under the State program funded under part A of title IV as a condition of applying for or receiving medical assistance under this title.".

(2) Section 1903(i) (42 U.S.C. 1396b(i)) is amended by striking paragraph (9).

SEC. 4116. EFFECTIVE DATE; TRANSITION RULE.

(a) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subtitle, this subtitle and the amendments made by this subtitle shall take effect on July 1, 1997.

(2) DELAYED EFFECTIVE DATE FOR CERTAIN PROVISIONS.—Notwithstanding any other provision of this section, paragraphs (2), (3), (4), (5), (8), and (10) of section 409(a) and section 411(a) of the Social Security Act (as added by the amendments made by section 4103(a) of this Act) shall not take effect with respect to a State until, and shall apply only with respect to conduct that occurs on or after, the later of—

(A) July 1, 1997; or

(B) the date that is 6 months after the date the Secretary of Health and Human Services receives from the State a plan described in section 402(a) of the Social Security Act (as added by such amendment).

(3) ELIMINATION OF CHILD CARE PROGRAMS.—The amendments made by section 4103(d) shall take effect on October 1, 1996.

(4) DEFINITIONS APPLICABLE TO NEW CHILD CARE ENTITLEMENT.—Sections 403(a)(1)(C), 403(a)(1)(D), and 419(4) of the Social Security Act, as added by the amendments made by section 4103(a) of this Act, shall take effect on October 1, 1996.

(b) TRANSITION RULES.—Effective on the date of the enactment of this Act:

(1) STATE OPTION TO ACCELERATE EFFECTIVE DATE.—

(A) IN GENERAL.—If the Secretary of Health and Human Services receives from a State a plan described in section 402(a) of the Social Security Act (as added by the amendment made by section 4103(a)(1) of this Act), then—

(i) on and after the date of such receipt—

(I) except as provided in clause (ii), this subtitle and the amendments made by this subtitle (other than by section 4103(d) of this Act) shall apply with respect to the State; and

(II) the State shall be considered an eligible State for purposes of part A of title IV of the Social Security Act (as in effect pursuant to the amendments made by such section 4103(a)); and

(ii) during the period that begins on the date of such receipt and ends on June 30, 1997, there shall remain in effect with respect to the State—

(I) section 403(h) of the Social Security Act (as in effect on September 30, 1995); and

(II) all State reporting requirements under parts A and F of title IV of the Social Security Act (as in effect on September 30, 1995), modified by the Secretary as appropriate, taking into account the State program under part A of title IV of the Social Security Act (as in effect pursuant to the amendments made by such section 4103(a)).

(B) LIMITATIONS ON FEDERAL OBLIGATIONS.—

(i) UNDER AFDC PROGRAM.—The total obligations of the Federal Government to a State under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to expenditures in fiscal year 1997 shall not exceed an amount equal to the State family assistance grant.

(ii) UNDER TEMPORARY FAMILY ASSISTANCE PROGRAM.—Notwithstanding section 403(a)(1) of the Social Security Act (as in effect pursuant to the amendments made by section 4103(a) of this Act), the total obligations of the Federal Government to a State under such section 403(a)(1)—

(I) for fiscal year 1996, shall be an amount equal to—

(aa) the State family assistance grant; multiplied by

(bb) 1⁄366 of the number of days during the period that begins on the date the Secretary of Health and Human Services first receives from the State a plan described in section 402(a) of the Social Security Act (as added by the amendment made by section 4103(a)(1) of this Act) and ends on September 30, 1996; and

(II) for fiscal year 1997, shall be an amount equal to the lesser of—

(aa) the amount (if any) by which the State family assistance grant exceeds the total obligations of the Federal Government to the State under part A of title IV of the

Social Security Act (as in effect on September 30, 1995) with respect to expenditures in fiscal year 1997; or

(bb) the State family assistance grant, multiplied by $\frac{1}{365}$ of the number of days during the period that begins on October 1, 1996, or the date the Secretary of Health and Human Services first receives from the State a plan described in section 402(a) of the Social Security Act (as added by the amendment made by section 4103(a)(1) of this Act), whichever is later, and ends on September 30, 1997.

(iii) CHILD CARE OBLIGATIONS EXCLUDED IN DETERMINING FEDERAL AFDC OBLIGATIONS.—As used in this subparagraph, the term "obligations of the Federal Government to the State under part A of title IV of the Social Security Act" does not include any obligation of the Federal Government with respect to child care expenditures by the State.

(C) SUBMISSION OF STATE PLAN FOR FISCAL YEAR 1996 OR 1997 DEEMED ACCEPTANCE OF GRANT LIMITATIONS AND FORMULA AND TERMINATION OF AFDC ENTITLEMENT.—The submission of a plan by a State pursuant to subparagraph (A) is deemed to constitute—

(i) the State's acceptance of the grant reductions under subparagraph (B) (including the formula for computing the amount of the reduction); and

(ii) the termination of any entitlement of any individual or family to benefits or services under the State AFDC program.

(D) DEFINITIONS.—As used in this paragraph:

(i) STATE AFDC PROGRAM.—The term "State AFDC program" means the State program under parts A and F of title IV of the Social Security Act (as in effect on September 30, 1995).

(ii) STATE.—The term "State" means the 50 States and the District of Columbia.

(iii) STATE FAMILY ASSISTANCE GRANT.—The term "State family assistance grant" means the State family assistance grant (as defined in section 403(a)(1)(B) of the Social Security Act, as added by the amendment made by section 4103(a)(1) of this Act).

(2) CLAIMS, ACTIONS, AND PROCEEDINGS.—The amendments made by this subtitle shall not apply with respect to—

(A) powers, duties, functions, rights, claims, penalties, or obligations applicable to aid, assistance, or services provided before the effective date of this subtitle under the provisions amended; and

(B) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

(3) CLOSING OUT ACCOUNT FOR THOSE PROGRAMS TERMINATED OR SUBSTANTIALLY MODIFIED BY THIS SUBTITLE.—In closing out accounts, Federal and State officials may use scientifically acceptable statistical sampling techniques. Claims made with respect to State expenditures under a State plan approved under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to assistance or services provided on or before September 30, 1995, shall be treated as claims with respect to expenditures during fiscal year 1995 for purposes of reimbursement even if payment was made by a State on or after October 1, 1995. Each State shall complete the filing of all claims under the State plan (as so in effect) within 2 years after the date of the enactment of this Act. The head of each Federal department shall—

(A) use the single audit procedure to review and resolve any claims in connection with the close out of programs under such State plans; and

(B) reimburse States for any payments made for assistance or services provided during a prior fiscal year from funds for fiscal year 1995, rather than from funds authorized by this subtitle.

(4) CONTINUANCE IN OFFICE OF ASSISTANT SECRETARY FOR FAMILY SUPPORT.—The individual who, on the day before the effective date of this subtitle, is serving as Assistant Secretary for Family Support within the Department of Health and Human Services shall, until a successor is appointed to such position—

(A) continue to serve in such position; and

(B) except as otherwise provided by law—

(i) continue to perform the functions of the Assistant Secretary for Family Support under section 417 of the Social Security Act (as in effect before such effective date); and

(ii) have the powers and duties of the Assistant Secretary for Family Support under section 416 of the Social Security Act (as in effect pursuant to the amendment made by section 4103(a)(1) of this Act).

(c) TERMINATION OF ENTITLEMENT UNDER AFDC PROGRAM.—Effective October 1, 1996, no individual or family shall be entitled to any benefits or services under any State plan approved under part A or F of title IV of the Social Security Act (as in effect on September 30, 1995).

Subtitle B—Supplemental Security Income

SEC. 4200. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this subtitle an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

CHAPTER 1—ELIGIBILITY RESTRICTIONS

SEC. 4201. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)), as amended by section 105(b)(4) of the Contract with America Advancement Act of 1996, is amended by redesignating paragraph (5) as paragraph (3) and by adding at the end the following new paragraph:

"(4)(A) No person shall be considered an eligible individual or eligible spouse for purposes of this title during the 10-year period that begins on the date the person is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the person in order to receive assistance simultaneously from 2 or more States under programs that are funded under title IV, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under this title.

"(B) As soon as practicable after the conviction of a person in a Federal or State court as described in subparagraph (A), an official of such court shall notify the Commissioner of such conviction.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 4202. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)), as amended by section 4201(a) of this Act, is amended by adding at the end the following new paragraph:

"(5) No person shall be considered an eligible individual or eligible spouse for purposes of this title with respect to any month if during such month the person is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law.".

(b) EXCHANGE OF INFORMATION.—Section 1611(e) (42 U.S.C. 1382(e)), as amended by section 4201(a) of this Act and subsection (a) of this section, is amended by adding at the end the following new paragraph:

"(6) Notwithstanding any other provision of law (other than section 6103 of the Internal Revenue Code of 1986), the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the written request of the officer, with the current address, Social Security number, and photograph (if applicable) of any recipient of benefits under this title, if the officer furnishes the Commissioner with the name of the recipient, and other identifying information as reasonably required by the Commissioner to establish the unique identity of the recipient, and notifies the Commissioner that—

"(A) the recipient—

"(i) is described in subparagraph (A) or (B) of paragraph (5); or

"(ii) has information that is necessary for the officer to conduct the officer's official duties; and

"(B) the location or apprehension of the recipient is within the officer's official duties.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 4203. TREATMENT OF PRISONERS.

(a) IMPLEMENTATION OF PROHIBITION AGAINST PAYMENT OF BENEFITS TO PRISONERS.—

(1) IN GENERAL.—Section 1611(e)(1) (42 U.S.C. 1382(e)(1)) is amended by adding at the end the following new subparagraph:

"(I)(i) The Commissioner shall enter into an agreement, with any interested State or local institution described in clause (i) or (ii) of section 202(x)(1)(A) the primary purpose of which is to confine individuals as described in section 202(x)(1)(A), under which—

"(I) the institution shall provide to the Commissioner, on a monthly basis and in a manner specified by the Commissioner, the names, social security account numbers, dates of birth, confinement commencement dates, and, to the extent available to the institution, such other identifying information concerning the inmates of the institution as the Commissioner may require for the purpose of carrying out paragraph (1); and

"(II) the Commissioner shall pay to any such institution, with respect to each inmate of the institution who is eligible for a benefit under this title for the month preceding the first month throughout which such inmate is in such institution and becomes ineligible for such benefit as a result of the application of this subparagraph, $400 if the institution furnishes the information described in subclause (I) to the Commissioner within 30 days after the date such individual becomes an inmate of such institution, or $200 if the institution furnishes such information after 30 days after such date but within 90 days after such date.

"(ii)(I) The provisions of section 552a of title 5, United States Code, shall not apply to any agreement entered into under clause (i) or to information exchanged pursuant to such agreement.

"(II) The Commissioner is authorized to provide, on a reimbursable basis, information obtained pursuant to agreements entered into under clause (i) to any Federal or federally-assisted cash, food, or medical assistance program for eligibility purposes.

"(iii) The dollar amounts specified in clause (i)(II) shall be reduced by 50 percent if the Commissioner is also required to make a payment to the institution with respect to the same individual under an agreement entered into under section 202(x)(3)(B).

"(iv) Payments to institutions required by clause (i)(II) shall be made from funds otherwise available for the payment of benefits under this title and shall be treated as direct spending for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.".

(2) CONFORMING OASDI AMENDMENTS.—Section 202(x)(3) (42 U.S.C. 402(x)(3)) is amended—

(A) by inserting "(A)" after "(3)"; and

(B) by adding at the end the following new subparagraph:

"(B)(i) The Commissioner shall enter into an agreement, with any interested State or local institution described in clause (i) or (ii) of paragraph (1)(A) the primary purpose of which is to confine individuals as described in paragraph (1)(A), under which—

"(I) the institution shall provide to the Commissioner, on a monthly basis and in a manner specified by the Commissioner, the names, social security account numbers, dates of birth, confinement commencement dates, and, to the extent available to the institution, such other identifying information concerning the individuals confined in the institution as the Commissioner may require for the purpose of carrying out paragraph (1); and

"(II) the Commissioner shall pay to any such institution, with respect to each individual who is entitled to a benefit under this title for the month preceding the first month throughout which such individual is confined in such institution as described in paragraph (1)(A), $400 if the institution furnishes the information described in subclause (I) to the Commissioner within 30 days after the date such individual's confinement in such institution begins, or $200 if the institution furnishes such information after 30 days after such date but within 90 days after such date.

"(ii)(I) The provisions of section 552a of title 5, United States Code, shall not apply to any agreement entered into under clause (i) or to information exchanged pursuant to such agreement.

"(II) The Commissioner is authorized to provide, on a reimbursable basis, information obtained pursuant to agreements entered into under clause (i) to any Federal or federally-assisted cash, food, or medical assistance program for eligibility purposes.

"(iii) The dollar amounts specified in clause (i)(II) shall be reduced by 50 percent if the Commissioner is also required to make a payment to the institution with respect to the same individual under an agreement entered into under section 1611(e)(1)(I).

"(iv) There shall be transferred from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, as appropriate, such sums as may be necessary to enable the Commissioner to make payments to institutions required by clause (i)(II). Sums so transferred shall be treated as direct spending for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 and excluded from budget totals in accordance with section 13301 of the Budget Enforcement Act of 1990.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to individuals whose period of confinement in an institution commences on or after the first day of the seventh month beginning after the month in which this Act is enacted.

(b) ELIMINATION OF OASDI REQUIREMENT THAT CONFINEMENT STEM FROM CRIME PUNISHABLE BY IMPRISONMENT FOR MORE THAN 1 YEAR.—

(1) IN GENERAL.—Section 202(x)(1)(A) (42 U.S.C. 402(x)(1)(A)) is amended—

(A) in the matter preceding clause (i), by striking "during" and inserting "throughout";

(B) in clause (i), by striking "pursuant" and all that follows through "imposed)"; and

(C) in clause (ii)(I), by striking "an offense punishable by imprisonment for more than 1 year" and inserting "a criminal offense".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall be effective with respect to benefits payable for months beginning more than 180 days after the date of the enactment of this Act.

(c) STUDY OF OTHER POTENTIAL IMPROVEMENTS IN THE COLLECTION OF INFORMATION RESPECTING PUBLIC INMATES.—

(1) STUDY.—The Commissioner of Social Security shall conduct a study of the desirability, feasibility, and cost of—

(A) establishing a system under which Federal, State, and local courts would furnish to the Commissioner such information respecting court orders by which individuals are confined in jails, prisons, or other public penal, correctional, or medical facilities as the Commissioner may require for the purpose of carrying out sections 202(x) and 1611(e)(1) of the Social Security Act; and

(B) requiring that State and local jails, prisons, and other institutions that enter into agreements with the Commissioner under section 202(x)(3)(B) or 1611(e)(1)(I) of the Social Security Act furnish the information required by such agreements to the Commissioner by means of an electronic or other sophisticated data exchange system.

(2) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall submit a report on the results of the study conducted pursuant to this subsection to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

(d) ADDITIONAL REPORT TO CONGRESS.—Not later than October 1, 1998, the Commissioner of Social Security shall provide to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a list of the institutions that are and are not providing information to the Commissioner under sections 202(x)(3)(B) and 1611(e)(1)(I) of the Social Security Act (as added by this section).

SEC. 4204. EFFECTIVE DATE OF APPLICATION FOR BENEFITS.

(a) IN GENERAL.—Subparagraphs (A) and (B) of section 1611(c)(7) (42 U.S.C. 1382(c)(7)) are amended to read as follows:

"(A) the first day of the month following the date such application is filed, or

"(B) the first day of the month following the date such individual becomes eligible for such benefits with respect to such application.".

(b) SPECIAL RULE RELATING TO EMERGENCY ADVANCE PAYMENTS.—Section 1631(a)(4)(A) (42 U.S.C. 1383(a)(4)(A)) is amended—

(1) by inserting "for the month following the date the application is filed" after "is presumptively eligible for such benefits"; and

(2) by inserting ", which shall be repaid through proportionate reductions in such benefits over a period of not more than 6 months" before the semicolon.

(c) CONFORMING AMENDMENTS.—

(1) Section 1614(b) (42 U.S.C. 1382c(b)) is amended by striking "at the time the application or request is filed" and inserting "on the first day of the month following the date the application or request is filed".

(2) Section 1631(g)(3) (42 U.S.C. 1382j(g)(3)) is amended by inserting "following the month" after "beginning with the month".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to applications for benefits under title XVI of the Social Security Act filed on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) BENEFITS UNDER TITLE XVI.—For purposes of this subsection, the term "benefits under title XVI of the Social Security Act" includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93-66.

CHAPTER 2—BENEFITS FOR DISABLED CHILDREN

SEC. 4211. DEFINITION AND ELIGIBILITY RULES.

(a) DEFINITION OF CHILDHOOD DISABILITY.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)), as amended by section 105(b)(1) of the Contract with America Advancement Act of 1996, is amended—

(1) in subparagraph (A), by striking "An individual" and inserting "Except as provided in subparagraph (C), an individual";

(2) in subparagraph (A), by striking "(or, in the case of an individual under the age of 18, if he suffers from any medically determinable physical or mental impairment of comparable severity)";

(3) by redesignating subparagraphs (C) through (I) as subparagraphs (D) through (J), respectively;

(4) by inserting after subparagraph (B) the following new subparagraph:

"(C)(i) An individual under the age of 18 shall be considered disabled for the purposes of this title if that individual has a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

"(ii) The Commissioner shall ensure that the combined effects of all physical or mental impairments of an individual are taken into account in determining whether an individual is disabled in accordance with clause (i).

"(iii) The Commissioner shall ensure that the regulations prescribed under this subparagraph provide for the evaluation of children who cannot be tested because of their young age.

"(iv) Notwithstanding the preceding provisions of this subparagraph, no individual under the age of 18 who engages in substantial gainful activity (determined in accordance with regulations prescribed pursuant to subparagraph (E)) may be considered to be disabled."; and

(5) in subparagraph (F), as redesignated by paragraph (3), by striking "(D)" and inserting "(E)".

(b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

(1) MODIFICATION TO MEDICAL CRITERIA FOR EVALUATION OF MENTAL AND EMOTIONAL DISORDERS.—The Commissioner of Social Security shall modify sections 112.00C.2. and 112.02B.2.c.(2) of appendix 1 to subpart P of part 404 of title 20, Code of Federal Regulations, to eliminate references to maladaptive behavior in the domain of personal/behavorial function.

(2) DISCONTINUANCE OF INDIVIDUALIZED FUNCTIONAL ASSESSMENT.—The Commissioner of Social Security shall discontinue the individualized functional assessment for children set forth in sections 416.924d and 416.924e of title 20, Code of Federal Regulations.

(c) MEDICAL IMPROVEMENT REVIEW STANDARD AS IT APPLIES TO INDIVIDUALS UNDER THE AGE OF 18.—Section 1614(a)(4) (42 U.S.C. 1382(a)(4)) is amended—

(1) by redesignating subclauses (I) and (II) of clauses (i) and (ii) of subparagraph (B) as items (aa) and (bb), respectively;

(2) by redesignating clauses (i) and (ii) of subparagraphs (A) and (B) as subclauses (I) and (II), respectively;

(3) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively;

(4) by inserting before clause (i) (as redesignated by paragraph (3)) the following new subparagraph:

"(A) in the case of an individual who is age 18 or older—";

(5) by inserting after and below subparagraph (A)(iii) (as so redesignated) the following new subparagraph:

"(B) in the case of an individual who is under the age of 18—

"(i) substantial evidence which demonstrates that there has been medical improvement in the individual's impairment or combination of impairments, and that such impairment or combination of impairments no longer results in marked and severe functional limitations; or

"(ii) substantial evidence which demonstrates that, as determined on the basis of new or improved diagnostic techniques or evaluations, the individual's impairment or combination of impairments, is not as disabling as it was considered to be at the time of the most recent prior decision that the individual was under a disability or continued to be under a disability, and such impairment or combination of impairments does not result in marked and severe functional limitations; or";

(6) by redesignating subparagraph (D) as subparagraph (C) and by inserting in such subparagraph "in the case of any individual," before "substantial evidence"; and

(7) in the first sentence following subparagraph (C) (as redesignated by paragraph (6)), by—

(A) inserting "(i)" before "to restore"; and

(B) inserting ", or (ii) in the case of an individual under the age of 18, to eliminate or improve the individual's impairment or combination of impairments so that it no longer results in marked and severe functional limitations" immediately before the period.

(d) EFFECTIVE DATES, ETC.—

(1) EFFECTIVE DATES.—

(A) SUBSECTIONS (a) AND (b).—

(i) IN GENERAL.—The provisions of, and amendments made by, subsections (a) and (b) shall apply to any individual who applies for, or whose claim is finally adjudicated with respect to, benefits under title XVI of the Social Security Act on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such provisions and amendments.

(ii) DETERMINATION OF FINAL ADJUDICATION.—For purposes of clause (i), no individual's claim with respect to such benefits may be considered to be finally adjudicated before such date of enactment if, on or after such date, there is pending a request for either administrative or judicial review with respect to such claim that has been denied in whole, or there is pending, with respect to such claim, readjudication by the Commissioner of Social Security pursuant to relief in a class action or implementation by the Commissioner of a court remand order.

(B) SUBSECTION (c).—The amendments made by subsection (c) shall apply with respect to benefits under title XVI of the Social Security Act for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) APPLICATION TO CURRENT RECIPIENTS.—

(A) ELIGIBILITY REDETERMINATIONS.—During the period beginning on the date of the enactment of this Act and ending on the date which is 1 year after such date of enactment, the Commissioner of Social Security shall redetermine the eligibility of any individual under age 18 who is eligible for supplemental security income benefits by reason of disability under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of, or amendments made by, subsections (a) and (b). With respect to any redetermination under this subparagraph—

(i) section 1614(a)(4) of the Social Security Act (42 U.S.C. 1382c(a)(4)) shall not apply;

(ii) the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under title XVI of such Act;

(iii) the Commissioner shall give such redetermination priority over all continuing eligibility reviews and other reviews under such title; and

(iv) such redetermination shall be counted as a review or redetermination otherwise required to be made under section 208 of the Social Security Independence and Program Improvements Act of 1994 or any other provision of title XVI of the Social Security Act.

(B) GRANDFATHER PROVISION.—The provisions of, and amendments made by, subsections (a) and (b), and the redetermination under subparagraph (A), shall only apply with respect to the benefits of an individual described in subparagraph (A) for months beginning on or after the date of the redetermination with respect to such individual.

(C) NOTICE.—Not later than January 1, 1997, the Commissioner of Social Security shall notify an individual described in subparagraph (A) of the provisions of this paragraph.

(3) REPORT.—The Commissioner of Social Security shall report to the Congress regarding the progress made in implementing the provisions of, and amendments made by, this section on child disability evaluations not later than 180 days after the date of the enactment of this Act.

(4) REGULATIONS.—Notwithstanding any other provision of law, the Commissioner of Social Security shall submit for review to the committees of jurisdiction in the Congress any final regulation pertaining to the eligibility of individuals under age 18 for benefits under title XVI of the Social Security Act at least 45 days before the effective date of such regulation. The submission under this paragraph shall include supporting documentation providing a cost analysis, workload impact, and projections as to how the regulation will effect the future number of recipients under such title.

(5) BENEFITS UNDER TITLE XVI.—For purposes of this subsection, the term "benefits under title XVI of the Social Security Act" includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93-66.

SEC. 4212. ELIGIBILITY REDETERMINATIONS AND CONTINUING DISABILITY REVIEWS.

(a) CONTINUING DISABILITY REVIEWS RELATING TO CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as redesignated by section 4211(a)(3) of this Act, is amended—

(1) by inserting "(i)" after "(H)"; and

(2) by adding at the end the following new clause:

"(ii)(I) Not less frequently than once every 3 years, the Commissioner shall review in accordance with paragraph (4) the continued eligibility for benefits under this title of each individual who has not attained 18 years of age and is eligible for such benefits by reason of an impairment (or combination of impairments) which is likely to improve (or, at the option of the Commissioner, which is unlikely to improve).

"(II) A representative payee of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.

"(III) If the representative payee refuses to comply without good cause with the requirements of subclause (II), the Commissioner of Social Security shall, if the Commissioner determines it is in the best interest of the individual, promptly suspend payment of benefits to the representative payee, and provide for payment of benefits to an alternative representative payee of the individual or, if the interest of the individual under this title would be served thereby, to the individual.

"(IV) Subclause (II) shall not apply to the representative payee of any individual with respect to whom the Commissioner determines such application would be inappropriate or unnecessary. In making such determination, the Commissioner shall take into consideration the nature of the individual's impairment (or combination of impairments). Section 1631(c) shall not apply to a finding by the Commissioner that the requirements of subclause (II) should not apply to an individual's representative payee.".

(b) DISABILITY ELIGIBILITY REDETERMINATIONS REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS OF AGE.—

(1) IN GENERAL.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsection (a) of this section, is amended by adding at the end the following new clause:

"(iii) If an individual is eligible for benefits under this title by reason of disability for the month preceding the month in which the individual attains the age of 18 years, the Commissioner shall redetermine such eligibility—

"(I) during the 1-year period beginning on the individual's 18th birthday; and

"(II) by applying the criteria used in determining the initial eligibility for applicants who are age 18 or older.

With respect to a redetermination under this clause, paragraph (4) shall not apply and such redetermination shall be considered a substitute for a review or redetermination otherwise required under any other provision of this subparagraph during that 1-year period.".

(2) CONFORMING REPEAL.—Section 207 of the Social Security Independence and Program

Improvements Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby repealed.

(c) CONTINUING DISABILITY REVIEW REQUIRED FOR LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsections (a) and (b) of this section, is amended by adding at the end the following new clause:

"(iv)(I) Not later than 12 months after the birth of an individual, the Commissioner shall review in accordance with paragraph (4) the continuing eligibility for benefits under this title by reason of disability of such individual whose low birth weight is a contributing factor material to the Commissioner's determination that the individual is disabled.

"(II) A review under subclause (I) shall be considered a substitute for a review otherwise required under any other provision of this subparagraph during that 12-month period.

"(III) A representative payee of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.

"(IV) If the representative payee refuses to comply without good cause with the requirements of subclause (III), the Commissioner of Social Security shall, if the Commissioner determines it is in the best interest of the individual, promptly suspend payment of benefits to the representative payee, and provide for payment of benefits to an alternative representative payee of the individual or, if the interest of the individual under this title would be served thereby, to the individual.

"(V) Subclause (III) shall not apply to the representative payee of any individual with respect to whom the Commissioner determines such application would be inappropriate or unnecessary. In making such determination, the Commissioner shall take into consideration the nature of the individual's impairment (or combination of impairments). Section 1631(c) shall not apply to a finding by the Commissioner that the requirements of subclause (III) should not apply to an individual's representative payee.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

SEC. 4213. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.

(a) DISPOSAL OF RESOURCES FOR LESS THAN FAIR MARKET VALUE.—

(1) IN GENERAL.—Section 1613(c) (42 U.S.C. 1382b(c)) is amended to read as follows:

"Disposal of Resources for Less Than Fair Market Value

"(c)(1)(A)(i) If an individual who has not attained 18 years of age (or any person acting on such individual's behalf) disposes of resources of the individual for less than fair market value on or after the look-back date specified in clause (ii)(I), the individual is ineligible for benefits under this title for months during the period beginning on the date specified in clause (iii) and equal to the number of months specified in clause (iv).

"(ii)(I) The look-back date specified in this subclause is a date that is 36 months before the date specified in subclause (II).

"(II) The date specified in this subclause is the date on which the individual applies for benefits under this title or, if later, the date on which the disposal of the individual's resources for less than fair market value occurs.

"(iii) The date specified in this clause is the first day of the first month that follows the month in which the individual's resources were disposed of for less than fair market value and that does not occur in any other period of ineligibility under this paragraph.

"(iv) The number of months of ineligibility under this clause for an individual shall be equal to—

"(I) the total, cumulative uncompensated value of all the individual's resources so disposed of on or after the look-back date specified in clause (ii)(I), divided by

"(II) the amount of the maximum monthly benefit payable under section 1611(b) to an eligible individual for the month in which the date specified in clause (ii)(II) occurs.

"(B) An individual shall not be ineligible for benefits under this title by reason of subparagraph (A) if the Commissioner determines that—

"(i) the individual intended to dispose of the resources at fair market value;

"(ii) the resources were transferred exclusively for a purpose other than to qualify for benefits under this title;

"(iii) all resources transferred for less than fair market value have been returned to the individual; or

"(iv) the denial of eligibility would work an undue hardship on the individual (as determined on the basis of criteria established by the Commissioner in regulations).

"(C) For purposes of this paragraph, in the case of a resource held by an individual in common with another person or persons in a joint tenancy, tenancy in common, or similar arrangement, the resource (or the affected portion of such resource) shall be considered to be disposed of by such individual when any action is taken, either by such individual or by any other person, that reduces or eliminates such individual's ownership or control of such resource.

"(D)(i) Notwithstanding subparagraph (A), this subsection shall not apply to a transfer of a resource to a trust if the portion of the trust attributable to such resource is considered a resource available to the individual pursuant to subsection (e)(3) (or would be so considered, but for the application of subsection (e)(4)).

"(ii) In the case of a trust established by an individual (within the meaning of subsection (e)(2)(A)), if from such portion of the trust (if any) that is considered a resource available to the individual pursuant to subsection (e)(3) (or would be so considered but for the application of subsection (e)(2)) or the residue of such portion upon the termination of the trust—

"(I) there is made a payment other than to or for the benefit of the individual, or

"(II) no payment could under any circumstance be made to the individual,

then the payment described in subclause (I) or the foreclosure of payment described in subclause (II) shall be considered a disposal of resources by the individual subject to this subsection, as of the date of such payment or foreclosure, respectively.

"(2)(A) At the time an individual (and the individual's eligible spouse, if any) applies for benefits under this title, and at the time the eligibility of an individual (and such spouse, if any) for such benefits is redetermined, the Commissioner of Social Security shall—

"(i) inform such individual of the provisions of paragraph (1) providing for a period of ineligibility for benefits under this title for individuals who make certain dispositions of resources for less than fair market value, and inform such individual that information obtained pursuant to clause (ii) will be made available to the State agency administering a State plan approved under title XIX (as provided in subparagraph (B)); and

"(ii) obtain from such individual information which may be used in determining whether or not a period of ineligibility for such benefits would be required by reason of paragraph (1).

"(B) The Commissioner of Social Security shall make the information obtained under subparagraph (A)(ii) available, on request, to any State agency administering a State plan approved under title XIX.

"(3) For purposes of this subsection—

"(A) the term 'trust' includes any legal instrument or device that is similar to a trust; and

"(B) the term 'benefits under this title' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a), and payments pursuant to an agreement entered into under section 212(b) of Public Law 93-66.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall be effective with respect to transfers that occur at least 90 days after the date of the enactment of this Act.

(b) TREATMENT OF ASSETS HELD IN TRUST.—

(1) TREATMENT AS RESOURCE.—Section 1613 (42 U.S.C. 1382) is amended by adding at the end the following new subsection:

"Trusts

"(e)(1) In determining the resources of an individual who has not attained 18 years of age, the provisions of paragraph (3) shall apply to a trust established by such individual.

"(2)(A) For purposes of this subsection, an individual shall be considered to have established a trust if any assets of the individual were transferred to the trust.

"(B) In the case of an irrevocable trust to which the assets of an individual and the assets of any other person or persons were transferred, the provisions of this subsection shall apply to the portion of the trust attributable to the assets of the individual.

"(C) This subsection shall apply without regard to—

"(i) the purposes for which the trust is established;

"(ii) whether the trustees have or exercise any discretion under the trust;

"(iii) any restrictions on when or whether distributions may be made from the trust; or

"(iv) any restrictions on the use of distributions from the trust.

"(3)(A) In the case of a revocable trust, the corpus of the trust shall be considered a resource available to the individual.

"(B) In the case of an irrevocable trust, if there are any circumstances under which payment from the trust could be made to or for the benefit of the individual, the portion of the corpus from which payment to or for the benefit of the individual could be made shall be considered a resource available to the individual.

"(4) The Commissioner may waive the application of this subsection with respect to any individual if the Commissioner determines, on the basis of criteria prescribed in regulations, that such application would work an undue hardship on such individual.

"(5) For purposes of this subsection—

"(A) the term 'trust' includes any legal instrument or device that is similar to a trust;

"(B) the term 'corpus' means all property and other interests held by the trust, including accumulated earnings and any other addition to such trust after its establishment (except that such term does not include any such earnings or addition in the month in which such earnings or addition is credited or otherwise transferred to the trust);

"(C) the term 'asset' includes any income or resource of the individual, including—

"(i) any income otherwise excluded by section 1612(b);

"(ii) any resource otherwise excluded by this section; and

"(iii) any other payment or property that the individual is entitled to but does not receive or have access to because of action by—

"(I) such individual;

"(II) a person or entity (including a court) with legal authority to act in place of, or on behalf of, such individual; or

"(III) a person or entity (including a court) acting at the direction of, or upon the request of, such individual; and

"(D) the term 'benefits under this title' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a), and payments pursuant to an agreement entered into under section 212(b) of Public Law 93-66.".

(2) TREATMENT AS INCOME.—Section 1612(a)(2) (42 U.S.C. 1382a(a)(2)) is amended—

(A) by striking "and" at the end of subparagraph (E);

(B) by striking the period at the end of subparagraph (F) and inserting "; and"; and

(C) by adding at the end the following new subparagraph:

"(G) any earnings of, and additions to, the corpus of a trust (as defined in section 1613(f)) established by an individual (within the meaning of section 1613(e)(2)(A)) and of which such individual is a beneficiary (other than a trust to which section 1613(e)(4) applies), except that in the case of an irrevocable trust, there shall exist circumstances under which payment from such earnings or additions could be made to, or for the benefit of, such individual.".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date which is 90 days after the date of the enactment of this Act, and shall apply to trusts established on or after such date.

(c) REQUIREMENT TO ESTABLISH ACCOUNT.—

(1) IN GENERAL.—Section 1631(a)(2) (42 U.S.C. 1383(a)(2)) is amended—

(A) by redesignating subparagraphs (F) and (G) as subparagraphs (G) and (H), respectively; and

(B) by inserting after subparagraph (E) the following new subparagraph:

"(F)(i)(I) Each representative payee of an eligible individual under the age of 18 who is eligible for the payment of benefits described in subclause (II) shall establish on behalf of such individual an account in a financial institution into which such benefits shall be paid, and shall thereafter maintain such account for use in accordance with clause (ii).

"(II) Benefits described in this subclause are past-due monthly benefits under this title (which, for purposes of this subclause, include State supplementary payments made by the Commissioner pursuant to an agreement under section 1616 or section 212(b) of Public Law 93-66) in an amount (after any withholding by the Commissioner for reimbursement to a State for interim assistance under subsection (g)) that exceeds the product of—

"(aa) 6, and

"(bb) the maximum monthly benefit payable under this title to an eligible individual.

"(ii)(I) A representative payee shall use funds in the account established under clause (i) to pay for allowable expenses described in subclause (II).

"(II) An allowable expense described in this subclause is an expense for—

"(aa) education or job skills training;

"(bb) personal needs assistance;

"(cc) special equipment;

"(dd) housing modification;

"(ee) medical treatment;

"(ff) therapy or rehabilitation; or

"(gg) any other item or service that the Commissioner determines to be appropriate;

provided that such expense benefits such individual and, in the case of an expense described in item (bb), (cc), (dd), (ff), or (gg), is related to the impairment (or combination of impairments) of such individual.

"(III) The use of funds from an account established under clause (i) in any manner not authorized by this clause—

"(aa) by a representative payee shall be considered a misapplication of benefits for all purposes of this paragraph, and any representative payee who knowingly misapplies benefits from such an account shall be liable to the Commissioner in an amount equal to the total amount of such benefits; and

"(bb) by an eligible individual who is his or her own payee shall be considered a misapplication of benefits for all purposes of this paragraph and the total amount of such benefits so used shall be considered to be the uncompensated value of a disposed resource and shall be subject to the provisions of section 1613(c).

"(IV) This clause shall continue to apply to funds in the account after the child has reached age 18, regardless of whether benefits are paid directly to the beneficiary or through a representative payee.

"(iii) The representative payee may deposit into the account established pursuant to clause (i)—

"(I) past-due benefits payable to the eligible individual in an amount less than that specified in clause (i)(II), and

"(II) any other funds representing an underpayment under this title to such individual, provided that the amount of such underpayment is equal to or exceeds the maximum monthly benefit payable under this title to an eligible individual.

"(iv) The Commissioner of Social Security shall establish a system for accountability monitoring whereby such representative payee shall report, at such time and in such manner as the Commissioner shall require, on activity respecting funds in the account established pursuant to clause (i).".

(2) EXCLUSION FROM RESOURCES.—Section 1613(a) (42 U.S.C. 1382b(a)) is amended—

(A) by striking "and" at the end of paragraph (10);

(B) by striking the period at the end of paragraph (11) and inserting "; and"; and

(C) by inserting after paragraph (11) the following new paragraph:

"(12) any account, including accrued interest or other earnings thereon, established and maintained in accordance with section 1631(a)(2)(F).".

(3) EXCLUSION FROM INCOME.—Section 1612(b) (42 U.S.C. 1382a(b)) is amended—

(A) by striking "and" at the end of paragraph (19);

(B) by striking the period at the end of paragraph (20) and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(21) the interest or other earnings on any account established and maintained in accordance with section 1631(a)(2)(F).".

(4) EFFECTIVE DATE.—The amendments made by this subsection shall apply to payments made after the date of the enactment of this Act.

SEC. 4214. REDUCTION IN CASH BENEFITS PAYABLE TO INSTITUTIONALIZED INDIVIDUALS WHOSE MEDICAL COSTS ARE COVERED BY PRIVATE INSURANCE.

(a) IN GENERAL.—Section 1611(e)(1)(B) (42 U.S.C. 1382(e)(1)(B)) is amended—

(1) by striking "title XIX, or" and inserting "title XIX,"; and

(2) by inserting "or, in the case of an eligible individual under the age of 18, receiving payments (with respect to such individual) under any health insurance policy issued by a private provider of such insurance" after "section 1614(f)(2)(B),".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to benefits for months beginning 90 or more days after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

SEC. 4215. REGULATIONS.

Within 3 months after the date of the enactment of this Act, the Commissioner of Social Security shall prescribe such regulations as may be necessary to implement the amendments made by this chapter.

CHAPTER 3—ADDITIONAL ENFORCEMENT PROVISIONS

SEC. 4221. INSTALLMENT PAYMENT OF LARGE PAST-DUE SUPPLEMENTAL SECURITY INCOME BENEFITS.

(a) IN GENERAL.—Section 1631(a) (42 U.S.C. 1383) is amended by adding at the end the following new paragraph:

"(10)(A) If an individual is eligible for past-due monthly benefits under this title in an amount that (after any withholding for reimbursement to a State for interim assistance under subsection (g)) equals or exceeds the product of—

"(i) 12, and

"(ii) the maximum monthly benefit payable under this title to an eligible individual (or, if appropriate, to an eligible individual and eligible spouse),

then the payment of such past-due benefits (after any such reimbursement to a State) shall be made in installments as provided in subparagraph (B).

"(B)(i) The payment of past-due benefits subject to this subparagraph shall be made in not to exceed 3 installments that are made at 6-month intervals.

"(ii) Except as provided in clause (iii), the amount of each of the first and second installments may not exceed an amount equal to the product of clauses (i) and (ii) of subparagraph (A).

"(iii) In the case of an individual who has—

"(I) outstanding debt attributable to—

"(aa) food,

"(bb) clothing,

"(cc) shelter, or

"(dd) medically necessary services, supplies or equipment, or medicine; or

"(II) current expenses or expenses anticipated in the near term attributable to—

"(aa) medically necessary services, supplies or equipment, or medicine, or

"(bb) the purchase of a home, and

such debt or expenses are not subject to reimbursement by a public assistance program, the Secretary under title XVIII, a State plan approved under title XIX, or any private entity legally liable to provide payment pursuant to an insurance policy, pre-paid plan, or other arrangement, the limitation specified in clause (ii) may be exceeded by an amount equal to the total of such debt and expenses.

"(C) This paragraph shall not apply to any individual who, at the time of the Commissioner's determination that such individual is eligible for the payment of past-due monthly benefits under this title—

"(i) is afflicted with a medically determinable impairment that is expected to result in death within 12 months; or

"(ii) is ineligible for benefits under this title and the Commissioner determines that such individual is likely to remain ineligible for the next 12 months.

"(D) For purposes of this paragraph, the term 'benefits under this title' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a), and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.".

(b) CONFORMING AMENDMENT.—Section 1631(a)(1) (42 U.S.C. 1383(a)(1)) is amended by inserting "(subject to paragraph (10))" immediately before "in such installments".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section are effective with respect to past-due benefits payable under title XVI of the Social Security Act after the third month following the month in which this Act is enacted.

(2) BENEFITS PAYABLE UNDER TITLE XVI.—For purposes of this subsection, the term "benefits payable under title XVI of the Social Security Act" includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

SEC. 4222. RECOVERY OF SUPPLEMENTAL SECURITY INCOME OVERPAYMENTS FROM SOCIAL SECURITY BENEFITS.

(a) IN GENERAL.—Part A of title XI is amended by adding at the end the following new section:

"RECOVERY OF SSI OVERPAYMENTS FROM SOCIAL SECURITY BENEFITS

"SEC. 1146. (a) IN GENERAL.—Whenever the Commissioner of Social Security determines that more than the correct amount of any payment has been made to any person under the supplemental security income program authorized by title XVI, and the Commissioner is unable to make proper adjustment or recovery of the amount so incorrectly paid as provided in section 1631(b), the Commissioner (notwithstanding section 207) may recover the amount incorrectly paid by decreasing any amount which is payable under the Federal Old-Age and Survivors Insurance program or the Federal Disability Insurance program authorized by title II to that person or that person's estate.

"(b) NO EFFECT ON SSI BENEFIT ELIGIBILITY OR AMOUNT.—Notwithstanding subsections (a) and (b) of section 1611, in any case in which the Commissioner takes action in accordance with subsection (a) to recover an overpayment from any person, neither that person, nor any individual whose eligibility or benefit amount is determined by considering any part of that person's income, shall, as a result of such action—

"(1) become eligible under the program of supplemental security income benefits under title XVI, or

"(2) if such person or individual is already so eligible, become eligible for increased benefits thereunder.

"(c) PROGRAM UNDER TITLE XVI.—For purposes of this section, the term 'supplemental security income program authorized by title XVI' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a), and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.".

(b) CONFORMING AMENDMENTS.—

(1) Section 204 (42 U.S.C. 404) is amended by adding at the end the following new subsection:

"(g) For payments which are adjusted or withheld to recover an overpayment of supplemental security income benefits paid under title XVI (including State supplementary payments which were paid under an agreement pursuant to section 1616(a) or section 212(b) of Public Law 93–66), see section 1146.".

(2) Section 1631(b) is amended by adding at the end the following new paragraph:

"(5) For the recovery of overpayments of benefits under this title from benefits payable under title II, see section 1146.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply to overpayments outstanding on or after such date.

SEC. 4223. REGULATIONS.

Within 3 months after the date of the enactment of this Act, the Commissioner of Social Security shall prescribe such regulations as may be necessary to implement the amendments made by this chapter.

CHAPTER 4—STATE SUPPLEMENTATION PROGRAMS

SEC. 4225. REPEAL OF MAINTENANCE OF EFFORT REQUIREMENTS APPLICABLE TO OPTIONAL STATE PROGRAMS FOR SUPPLEMENTATION OF SSI BENEFITS.

Section 1618 (42 U.S.C. 1382g) is hereby repealed.

CHAPTER 5—STUDIES REGARDING SUPPLEMENTAL SECURITY INCOME PROGRAM

SEC. 4231. ANNUAL REPORT ON THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

Title XVI (42 U.S.C. 1381 et seq.), as amended by section 4201(c) of this Act, is amended by adding at the end the following new section:

"ANNUAL REPORT ON PROGRAM

"SEC. 1637. (a) Not later than May 30 of each year, the Commissioner of Social Security shall prepare and deliver a report annually to the President and the Congress regarding the program under this title, including—

"(1) a comprehensive description of the program;

"(2) historical and current data on allowances and denials, including number of applications and allowance rates for initial determinations, reconsideration determinations, administrative law judge hearings, appeals council reviews, and Federal court decisions;

"(3) historical and current data on characteristics of recipients and program costs, by recipient group (aged, blind, disabled adults, and disabled children);

"(4) projections of future number of recipients and program costs, through at least 25 years;

"(5) number of redeterminations and continuing disability reviews, and the outcomes of such redeterminations and reviews;

"(6) data on the utilization of work incentives;

"(7) detailed information on administrative and other program operation costs;

"(8) summaries of relevant research undertaken by the Social Security Administration, or by other researchers;

"(9) State supplementation program operations;

"(10) a historical summary of statutory changes to this title; and

"(11) such other information as the Commissioner deems useful.

"(b) Each member of the Social Security Advisory Board shall be permitted to provide an individual report, or a joint report if agreed, of views of the program under this title, to be included in the annual report required under this section.".

SEC. 4232. STUDY OF DISABILITY DETERMINATION PROCESS.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, and from funds otherwise appropriated, the Commissioner of Social Security shall make arrangements with the National Academy of Sciences, or other independent entity, to conduct a study of the disability determination process under titles II and XVI of the Social Security Act. This study shall be undertaken in consultation with professionals representing appropriate disciplines.

(b) STUDY COMPONENTS.—The study described in subsection (a) shall include—

(1) an initial phase examining the appropriateness of, and making recommendations regarding—

(A) the definitions of disability in effect on the date of the enactment of this Act and the advantages and disadvantages of alternative definitions; and

(B) the operation of the disability determination process, including the appropriate method of performing comprehensive assessments of individuals under age 18 with physical and mental impairments;

(2) a second phase, which may be concurrent with the initial phase, examining the validity, reliability, and consistency with current scientific knowledge of the standards and individual listings in the Listing of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations, and of related evaluation procedures as promulgated by the Commissioner of Social Security; and

(3) such other issues as the applicable entity considers appropriate.

(c) REPORTS AND REGULATIONS.—

(1) REPORTS.—The Commissioner of Social Security shall request the applicable entity, to submit an interim report and a final report of the findings and recommendations resulting from the study described in this section to the President and the Congress not later than 18 months and 24 months, respectively, from the date of the contract for such study, and such additional reports as the Commissioner deems appropriate after consultation with the applicable entity.

(2) REGULATIONS.—The Commissioner of Social Security shall review both the interim and final reports, and shall issue regulations implementing any necessary changes following each report.

SEC. 4233. STUDY BY GENERAL ACCOUNTING OFFICE.

Not later than January 1, 1999, the Comptroller General of the United States shall study and report on—

(1) the impact of the amendments made by, and the provisions of, this subtitle on the supplemental security income program under title XVI of the Social Security Act; and

(2) extra expenses incurred by families of children receiving benefits under such title that are not covered by other Federal, State, or local programs.

CHAPTER 6—NATIONAL COMMISSION ON THE FUTURE OF DISABILITY

SEC. 4241. ESTABLISHMENT.

There is established a commission to be known as the National Commission on the

Future of Disability (referred to in this chapter as the "Commission").

SEC. 4242. DUTIES OF THE COMMISSION.

(a) In General.—The Commission shall develop and carry out a comprehensive study of all matters related to the nature, purpose, and adequacy of all Federal programs serving individuals with disabilities. In particular, the Commission shall study the disability insurance program under title II of the Social Security Act and the supplemental security income disability program under title XVI of such Act.

(b) Matters Studied.—The Commission shall prepare an inventory of Federal programs serving individuals with disabilities, and shall examine—

(1) trends and projections regarding the size and characteristics of the population of individuals with disabilities, and the implications of such analyses for program planning;

(2) the feasibility and design of performance standards for the Nation's disability programs;

(3) the adequacy of Federal efforts in rehabilitation research and training, and opportunities to improve the lives of individuals with disabilities through all manners of scientific and engineering research; and

(4) the adequacy of policy research available to the Federal Government, and what actions might be undertaken to improve the quality and scope of such research.

(c) Recommendations.—The Commission shall submit to the appropriate committees of the Congress and to the President recommendations and, as appropriate, proposals for legislation, regarding—

(1) which (if any) Federal disability programs should be eliminated or augmented;

(2) what new Federal disability programs (if any) should be established;

(3) the suitability of the organization and location of disability programs within the Federal Government;

(4) other actions the Federal Government should take to prevent disabilities and disadvantages associated with disabilities; and

(5) such other matters as the Commission considers appropriate.

SEC. 4243. MEMBERSHIP.

(a) Number and Appointment.—

(1) In general.—The Commission shall be composed of 15 members, of whom—

(A) five shall be appointed by the President, of whom not more than 3 shall be of the same major political party;

(B) three shall be appointed by the Majority Leader of the Senate;

(C) two shall be appointed by the Minority Leader of the Senate;

(D) three shall be appointed by the Speaker of the House of Representatives; and

(E) two shall be appointed by the Minority Leader of the House of Representatives.

(2) Representation.—The Commission members shall be chosen based on their education, training, or experience. In appointing individuals as members of the Commission, the President and the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives shall seek to ensure that the membership of the Commission reflects the general interests of the business and taxpaying community and the diversity of individuals with disabilities in the United States.

(b) Comptroller General.—The Comptroller General of the United States shall advise the Commission on the methodology and approach of the study of the Commission.

(c) Term of Appointment.—The members shall serve on the Commission for the life of the Commission.

(d) Meetings.—The Commission shall locate its headquarters in the District of Columbia, and shall meet at the call of the Chairperson, but not less than 4 times each year during the life of the Commission.

(e) Quorum.—Ten members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(f) Chairperson and Vice Chairperson.—Not later than 15 days after the members of the Commission are appointed, such members shall designate a Chairperson and Vice Chairperson from among the members of the Commission.

(g) Continuation of Membership.—If a member of the Commission becomes an officer or employee of any government after appointment to the Commission, the individual may continue as a member until a successor member is appointed.

(h) Vacancies.—A vacancy on the Commission shall be filled in the manner in which the original appointment was made not later than 30 days after the Commission is given notice of the vacancy.

(i) Compensation.—Members of the Commission shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(j) Travel Expenses.—Each member of the Commission shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

SEC. 4244. STAFF AND SUPPORT SERVICES.

(a) Director.—

(1) Appointment.—Upon consultation with the members of the Commission, the Chairperson shall appoint a Director of the Commission.

(2) Compensation.—The Director shall be paid the rate of basic pay for level V of the Executive Schedule.

(b) Staff.—With the approval of the Commission, the Director may appoint such personnel as the Director considers appropriate.

(c) Applicability of Civil Service Laws.—The staff of the Commission shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) Experts and Consultants.—With the approval of the Commission, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(e) Staff of Federal Agencies.—Upon the request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist in carrying out the duties of the Commission under this chapter.

(f) Other Resources.—The Commission shall have reasonable access to materials, resources, statistical data, and other information from the Library of Congress and agencies and elected representatives of the executive and legislative branches of the Federal Government. The Chairperson of the Commission shall make requests for such access in writing when necessary.

(g) Physical Facilities.—The Administrator of the General Services Administration shall locate suitable office space for the operation of the Commission. The facilities shall serve as the headquarters of the Commission and shall include all necessary equipment and incidentals required for proper functioning of the Commission.

SEC. 4245. POWERS OF COMMISSION.

(a) Hearings.—The Commission may conduct public hearings or forums at the discretion of the Commission, at any time and place the Commission is able to secure facilities and witnesses, for the purpose of carrying out the duties of the Commission under this chapter.

(b) Delegation of Authority.—Any member or agent of the Commission may, if authorized by the Commission, take any action the Commission is authorized to take by this section.

(c) Information.—The Commission may secure directly from any Federal agency information necessary to enable the Commission to carry out its duties under this chapter. Upon request of the Chairperson or Vice Chairperson of the Commission, the head of a Federal agency shall furnish the information to the Commission to the extent permitted by law.

(d) Gifts, Bequests, and Devises.—The Commission may accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Commission. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Commission.

(e) Mails.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

SEC. 4246. REPORTS.

(a) Interim Report.—Not later than 1 year prior to the date on which the Commission terminates pursuant to section 4247, the Commission shall submit an interim report to the President and to the Congress. The interim report shall contain a detailed statement of the findings and conclusions of the Commission, together with the Commission's recommendations for legislative and administrative action, based on the activities of the Commission.

(b) Final Report.—Not later than the date on which the Commission terminates, the Commission shall submit to the Congress and to the President a final report containing—

(1) a detailed statement of final findings, conclusions, and recommendations; and

(2) an assessment of the extent to which recommendations of the Commission included in the interim report under subsection (a) have been implemented.

(c) Printing and Public Distribution.—Upon receipt of each report of the Commission under this section, the President shall—

(1) order the report to be printed; and

(2) make the report available to the public upon request.

SEC. 4247. TERMINATION.

The Commission shall terminate on the date that is 2 years after the date on which the members of the Commission have met and designated a Chairperson and Vice Chairperson.

SEC. 4248. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out the purposes of the Commission.

Subtitle C—Child Support

SEC. 4300. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this subtitle an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

CHAPTER 1—ELIGIBILITY FOR SERVICES; DISTRIBUTION OF PAYMENTS

SEC. 4301. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES.

(a) STATE PLAN REQUIREMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking paragraph (4) and inserting the following new paragraph:

"(4) provide that the State will—

"(A) provide services relating to the establishment of paternity or the establishment, modification, or enforcement of child support obligations, as appropriate, under the plan with respect to—

"(i) each child for whom (I) assistance is provided under the State program funded under part A of this title, (II) benefits or services for foster care maintenance are provided under the State program funded under part E of this title, or (III) medical assistance is provided under the State plan under title XIX, unless, in accordance with paragraph (29), good cause or other exceptions exist;

"(ii) any other child, if an individual applies for such services with respect to the child; and

"(B) enforce any support obligation established with respect to—

"(i) a child with respect to whom the State provides services under the plan; or

"(ii) the custodial parent of such a child;"; and

(2) in paragraph (6)—

(A) by striking "provide that" and inserting "provide that—";

(B) by striking subparagraph (A) and inserting the following new subparagraph:

"(A) services under the plan shall be made available to residents of other States on the same terms as to residents of the State submitting the plan;";

(C) in subparagraph (B), by inserting "on individuals not receiving assistance under any State program funded under part A" after "such services shall be imposed";

(D) in each of subparagraphs (B), (C), (D), and (E)—

(i) by indenting the subparagraph in the same manner as, and aligning the left margin of the subparagraph with the left margin of, the matter inserted by subparagraph (B) of this paragraph; and

(ii) by striking the final comma and inserting a semicolon; and

(E) in subparagraph (E), by indenting each of clauses (i) and (ii) 2 additional ems.

(b) CONTINUATION OF SERVICES FOR FAMILIES CEASING TO RECEIVE ASSISTANCE UNDER THE STATE PROGRAM FUNDED UNDER PART A.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking "and" at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting "; and"; and

(3) by adding after paragraph (24) the following new paragraph:

"(25) provide that if a family with respect to which services are provided under the plan ceases to receive assistance under the State program funded under part A, the State shall provide appropriate notice to the family and continue to provide such services, subject to the same conditions and on the same basis as in the case of other individuals to whom services are furnished under the plan, except that an application or other request to continue services shall not be required of such a family and paragraph (6)(B) shall not apply to the family.".

(c) CONFORMING AMENDMENTS.—

(1) Section 452(b) (42 U.S.C. 652(b)) is amended by striking "454(6)" and inserting "454(4)".

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking "454(6)" each place it appears and inserting "454(4)(A)(ii)".

(3) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "in the case of overdue support which a State has agreed to collect under section 454(6)" and inserting "in any other case".

(4) Section 466(e) (42 U.S.C. 666(e)) is amended by striking "paragraph (4) or (6) of section 454" and inserting "section 454(4)".

SEC. 4302. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.

(a) IN GENERAL.—Section 457 (42 U.S.C. 657) is amended to read as follows:

"SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.

"(a) IN GENERAL.—Subject to subsection (e), an amount collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

"(1) FAMILIES RECEIVING ASSISTANCE.—In the case of a family receiving assistance from the State, the State shall—

"(A) pay to the Federal Government the Federal share of the amount so collected; and

"(B) retain, or distribute to the family, the State share of the amount so collected.

"(2) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.—In the case of a family that formerly received assistance from the State:

"(A) CURRENT SUPPORT PAYMENTS.—To the extent that the amount so collected does not exceed the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected to the family.

"(B) PAYMENTS OF ARREARAGES.—To the extent that the amount so collected exceeds the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected as follows:

"(i) DISTRIBUTION OF ARREARAGES THAT ACCRUED AFTER THE FAMILY CEASED TO RECEIVE ASSISTANCE.—

"(I) PRE-OCTOBER 1997.—Except as provided in subclause (II), the provisions of this section (other than subsection (b)(1)) as in effect and applied on the day before the date of the enactment of section 4302 of the Personal Responsibility and Work Opportunity Act of 1996 shall apply with respect to the distribution of support arrearages that—

"(aa) accrued after the family ceased to receive assistance, and

"(bb) are collected before October 1, 1997.

"(II) POST-SEPTEMBER 1997.—With respect to the amount so collected on or after October 1, 1997 (or before such date, at the option of the State)—

"(aa) IN GENERAL.—The State shall first distribute the amount so collected (other than any amount described in clause (iv)) to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued after the family ceased to receive assistance from the State.

"(bb) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—After the application of division (aa) and clause (ii)(II)(aa) with respect to the amount so collected, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share (as defined in subsection (c)(2)) of the amount so collected, but only to the extent necessary to reimburse amounts paid to the family as assistance by the State.

"(cc) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither division (aa) nor division (bb) applies to the amount so collected, the State shall distribute the amount to the family.

"(ii) DISTRIBUTION OF ARREARAGES THAT ACCRUED BEFORE THE FAMILY RECEIVED ASSISTANCE.—

"(I) PRE-OCTOBER 2000.—Except as provided in subclause (II), the provisions of this section (other than subsection (b)(1)) as in effect and applied on the day before the date of the enactment of section 4302 of the Personal Responsibility and Work Opportunity Act of 1996 shall apply with respect to the distribution of support arrearages that—

"(aa) accrued before the family received assistance, and

"(bb) are collected before October 1, 2000.

"(II) POST-SEPTEMBER 2000.—Unless, based on the report required by paragraph (4), the Congress determines otherwise, with respect to the amount so collected on or after October 1, 2000 (or before such date, at the option of the State)—

"(aa) IN GENERAL.—The State shall first distribute the amount so collected (other than any amount described in clause (iv)) to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued before the family received assistance from the State.

"(bb) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—After the application of clause (i)(II)(aa) and division (aa) with respect to the amount so collected, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share (as defined in subsection (c)(2)) of the amount so collected, but only to the extent necessary to reimburse amounts paid to the family as assistance by the State.

"(cc) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither division (aa) nor division (bb) applies to the amount so collected, the State shall distribute the amount to the family.

"(iii) DISTRIBUTION OF ARREARAGES THAT ACCRUED WHILE THE FAMILY RECEIVED ASSISTANCE.—In the case of a family described in this subparagraph, the provisions of paragraph (1) shall apply with respect to the distribution of support arrearages that accrued while the family received assistance.

"(iv) AMOUNTS COLLECTED PURSUANT TO SECTION 464.—Notwithstanding any other provision of this section, any amount of support collected pursuant to section 464 shall be retained by the State to the extent past-due support has been assigned to the State as a condition of receiving assistance from the State, up to the amount necessary to reimburse the State for amounts paid to the family as assistance by the State. The State shall pay to the Federal Government the Federal share of the amounts so retained. To the extent the amount collected pursuant to section 464 exceeds the amount so retained, the State shall distribute the excess to the family.

"(v) ORDERING RULES FOR DISTRIBUTIONS.—For purposes of this subparagraph, unless an earlier effective date is required by this section, effective October 1, 2000, the State shall treat any support arrearages collected, except for amounts collected pursuant to section 464, as accruing in the following order:

"(I) To the period after the family ceased to receive assistance.

"(II) To the period before the family received assistance.

"(III) To the period while the family was receiving assistance.

"(3) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall distribute the amount so collected to the family.

"(4) STUDY AND REPORT.—Not later than October 1, 1998, the Secretary shall report to the Congress the Secretary's findings with respect to—

"(A) whether the distribution of post-assistance arrearages to families has been effective in moving people off of welfare and keeping them off of welfare;

"(B) whether early implementation of a pre-assistance arrearage program by some States has been effective in moving people off of welfare and keeping them off of welfare;

"(C) what the overall impact has been of the amendments made by the Personal Responsibility and Work Opportunity Act of 1996 with respect to child support enforcement in moving people off of welfare and keeping them off of welfare; and

"(D) based on the information and data the Secretary has obtained, what changes, if any, should be made in the policies related to the distribution of child support arrearages.

"(b) CONTINUATION OF ASSIGNMENTS.—Any rights to support obligations, which were assigned to a State as a condition of receiving assistance from the State under part A and which were in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996, shall remain assigned after such date.

"(c) DEFINITIONS.—As used in subsection (a):

"(1) ASSISTANCE.—The term 'assistance from the State' means—

"(A) assistance under the State program funded under part A or under the State plan approved under part A of this title (as in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996); and

"(B) foster care maintenance payments under the State plan approved under part E of this title.

"(2) FEDERAL SHARE.—The term 'Federal share' means that portion of the amount collected resulting from the application of the Federal medical assistance percentage in effect for the fiscal year in which the amount is collected.

"(3) FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—The term 'Federal medical assistance percentage' means—

"(A) the Federal medical assistance percentage (as defined in section 1118), in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa; or

"(B) the Federal medical assistance percentage (as defined in section 1905(b), as in effect on September 30, 1996) in the case of any other State.

"(4) STATE SHARE.—The term 'State share' means 100 percent minus the Federal share.

"(d) HOLD HARMLESS PROVISION.—If the amounts collected which could be retained by the State in the fiscal year (to the extent necessary to reimburse the State for amounts paid to families as assistance by the State) are less than the State share of the amounts collected in fiscal year 1995 (determined in accordance with section 457 as in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996), the State share for the fiscal year shall be an amount equal to the State share in fiscal year 1995.

"(e) GAP PAYMENTS NOT SUBJECT TO DISTRIBUTION UNDER THIS SECTION.—At State option, this section shall not apply to any amount collected on behalf of a family as support by the State (and paid to the family in addition to the amount of assistance otherwise payable to the family) pursuant to a plan approved under this part if such amount would have been paid to the family by the State under section 402(a)(28), as in effect and applied on the day before the date of the enactment of section 4302 of the Personal Responsibility and Work Opportunity Act of 1996. For purposes of subsection (d), the State share of such amount paid to the family shall be considered amounts which could be retained by the State if such payments were reported by the State as part of the State share of amounts collected in fiscal year 1995.".

(b) CONFORMING AMENDMENTS.—

(1) Section 464(a)(1) (42 U.S.C. 664(a)(1)) is amended by striking "section 457(b)(4) or (d)(3)" and inserting "section 457".

(2) Section 454 (42 U.S.C. 654) is amended—

(A) in paragraph (11)—

(i) by striking "(11)" and inserting "(11)(A)"; and

(ii) by inserting after the semicolon "and"; and

(B) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall be effective on October 1, 1996, or earlier at the State's option.

(2) CONFORMING AMENDMENTS.—The amendments made by subsection (b)(2) shall become effective on the date of the enactment of this Act.

SEC. 4303. PRIVACY SAFEGUARDS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by section 4301(b) of this Act, is amended—

(1) by striking "and" at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting "; and"; and

(3) by adding after paragraph (25) the following new paragraph:

"(26) will have in effect safeguards, applicable to all confidential information handled by the State agency, that are designed to protect the privacy rights of the parties, including—

"(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

"(B) prohibitions against the release of information on the whereabouts of 1 party to another party against whom a protective order with respect to the former party has been entered; and

"(C) prohibitions against the release of information on the whereabouts of 1 party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

SEC. 4304. RIGHTS TO NOTIFICATION OF HEARINGS.

(a) IN GENERAL.—Section 454 (42 U.S.C. 654), as amended by section 4302(b)(2) of this Act, is amended by inserting after paragraph (11) the following new paragraph:

"(12) provide for the establishment of procedures to require the State to provide individuals who are applying for or receiving services under the State plan, or who are parties to cases in which services are being provided under the State plan—

"(A) with notice of all proceedings in which support obligations might be established or modified; and

"(B) with a copy of any order establishing or modifying a child support obligation, or (in the case of a petition for modification) a notice of determination that there should be no change in the amount of the child support award, within 14 days after issuance of such order or determination;".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

CHAPTER 2—LOCATE AND CASE TRACKING

SEC. 4311. STATE CASE REGISTRY.

Section 454A, as added by section 4344(a)(2) of this Act, is amended by adding at the end the following new subsections:

"(e) STATE CASE REGISTRY.—

"(1) CONTENTS.—The automated system required by this section shall include a registry (which shall be known as the 'State case registry') that contains records with respect to—

"(A) each case in which services are being provided by the State agency under the State plan approved under this part; and

"(B) each support order established or modified in the State on or after October 1, 1998.

"(2) LINKING OF LOCAL REGISTRIES.—The State case registry may be established by linking local case registries of support orders through an automated information network, subject to this section.

"(3) USE OF STANDARDIZED DATA ELEMENTS.—Such records shall use standardized data elements for both parents (such as names, social security numbers and other uniform identification numbers, dates of birth, and case identification numbers), and contain such other information (such as on case status) as the Secretary may require.

"(4) PAYMENT RECORDS.—Each case record in the State case registry with respect to which services are being provided under the State plan approved under this part and with respect to which a support order has been established shall include a record of—

"(A) the amount of monthly (or other periodic) support owed under the order, and other amounts (including arrearages, interest or late payment penalties, and fees) due or overdue under the order;

"(B) any amount described in subparagraph (A) that has been collected;

"(C) the distribution of such collected amounts;

"(D) the birth date of any child for whom the order requires the provision of support; and

"(E) the amount of any lien imposed with respect to the order pursuant to section 466(a)(4).

"(5) UPDATING AND MONITORING.—The State agency operating the automated system required by this section shall promptly establish and update, maintain, and regularly monitor, case records in the State case registry with respect to which services are being provided under the State plan approved under this part, on the basis of—

"(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

"(B) information obtained from comparison with Federal, State, or local sources of information;

"(C) information on support collections and distributions; and

"(D) any other relevant information.

"(f) INFORMATION COMPARISONS AND OTHER DISCLOSURES OF INFORMATION.—The State shall use the automated system required by this section to extract information from (at such times, and in such standardized format or formats, as may be required by the Secretary), to share and compare information with, and to receive information from, other data bases and information comparison services, in order to obtain (or provide) information necessary to enable the State agency (or the Secretary or other State or Federal agencies) to carry out this part, subject to section 6103 of the Internal Revenue Code of 1986. Such information comparison activities shall include the following:

"(1) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—Furnishing to the Federal Case Registry of Child Support Orders established under section 453(h) (and update as necessary, with information including notice of expiration of orders) the minimum amount of information on child support cases recorded in the State case registry that is necessary to operate the registry (as specified by the Secretary in regulations).

"(2) FEDERAL PARENT LOCATOR SERVICE.—Exchanging information with the Federal Parent Locator Service for the purposes specified in section 453.

"(3) TEMPORARY FAMILY ASSISTANCE AND MEDICAID AGENCIES.—Exchanging information with State agencies (of the State and of other States) administering programs funded under part A, programs operated under a State plan approved under title XIX, and other programs designated by the Secretary, as necessary to perform State agency responsibilities under this part and under such programs.

"(4) INTRASTATE AND INTERSTATE INFORMATION COMPARISONS.—Exchanging information with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part.".

SEC. 4312. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 4301(b) and 4303(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting "; and"; and

(3) by adding after paragraph (26) the following new paragraph:

"(27) provide that, on and after October 1, 1998, the State agency will—

"(A) operate a State disbursement unit in accordance with section 454B; and

"(B) have sufficient State staff (consisting of State employees) and (at State option) contractors reporting directly to the State agency to—

"(i) monitor and enforce support collections through the unit in cases being enforced by the State pursuant to section 454(4) (including carrying out the automated data processing responsibilities described in section 454A(g)); and

"(ii) take the actions described in section 466(c)(1) in appropriate cases.".

(b) ESTABLISHMENT OF STATE DISBURSEMENT UNIT.—Part D of title IV (42 U.S.C. 651–669), as amended by section 4344(a)(2) of this Act, is amended by inserting after section 454A the following new section:

"SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

"(a) STATE DISBURSEMENT UNIT.—

"(1) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency must establish and operate a unit (which shall be known as the 'State disbursement unit') for the collection and disbursement of payments under support orders—

"(A) in all cases being enforced by the State pursuant to section 454(4); and

"(B) in all cases not being enforced by the State under this part in which the support order is initially issued in the State on or after January 1, 1994, and in which the income of the noncustodial parent are subject to withholding pursuant to section 466(a)(8)(B).

"(2) OPERATION.—The State disbursement unit shall be operated—

"(A) directly by the State agency (or 2 or more State agencies under a regional cooperative agreement), or (to the extent appropriate) by a contractor responsible directly to the State agency; and

"(B) except in cases described in paragraph (1)(B), in coordination with the automated system established by the State pursuant to section 454A.

"(3) LINKING OF LOCAL DISBURSEMENT UNITS.—The State disbursement unit may be established by linking local disbursement units through an automated information network, subject to this section, if the Secretary agrees that the system will not cost more nor take more time to establish or operate than a centralized system. In addition, employers shall be given 1 location to which income withholding is sent.

"(b) REQUIRED PROCEDURES.—The State disbursement unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

"(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the agencies of other States;

"(2) for accurate identification of payments;

"(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

"(4) to furnish to any parent, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent, except that, with respect to a case described in subsection (a)(1)(B), the State disbursement unit shall not be required to maintain records of payments which, after the effective date of this section, are made to, and distributed by, the unit.

"(c) TIMING OF DISBURSEMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the State disbursement unit shall distribute all amounts payable under section 457(a) within 2 business days after receipt from the employer or other source of periodic income, if sufficient information identifying the payee is provided.

"(2) PERMISSIVE RETENTION OF ARREARAGES.—The State disbursement unit may delay the distribution of collections toward arrearages until the resolution of any timely appeal with respect to such arrearages.

"(d) BUSINESS DAY DEFINED.—As used in this section, the term 'business day' means a day on which State offices are open for regular business.".

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 4344(a)(2) and as amended by section 4311 of this Act, is amended by adding at the end the following new subsection:

"(g) COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—

"(1) IN GENERAL.—The State shall use the automated system required by this section, to the maximum extent feasible, to assist and facilitate the collection and disbursement of support payments through the State disbursement unit operated under section 454B, through the performance of functions, including, at a minimum—

"(A) transmission of orders and notices to employers (and other debtors) for the withholding of income—

"(i) within 2 business days after receipt of notice of, and the income source subject to, such withholding from a court, another State, an employer, the Federal Parent Locator Service, or another source recognized by the State; and

"(ii) using uniform formats prescribed by the Secretary;

"(B) ongoing monitoring to promptly identify failures to make timely payment of support; and

"(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 466(c)) if payments are not timely made.

"(2) BUSINESS DAY DEFINED.—As used in paragraph (1), the term 'business day' means a day on which State offices are open for regular business.".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall become effective on October 1, 1998.

(2) LIMITED EXCEPTION TO UNIT HANDLING PAYMENTS.—Notwithstanding section 454B(b)(1) of the Social Security Act, as added by this section, any State which, as of the date of the enactment of this Act, processes the receipt of child support payments through local courts may, at the option of the State, continue to process through September 30, 1999, such payments through such courts as processed such payments on or before such date of enactment.

(e) SENSE OF THE CONGRESS.—It is the sense of the Congress that, in determining whether to comply with section 454B of the Social Security Act by establishing a single, centralized unit for the collection and disbursement of support payments or by linking together through automation local units for the collection and disbursement of support payments, a State should choose the method of compliance which best meets the needs of parents, employers, and children.

SEC. 4313. STATE DIRECTORY OF NEW HIRES.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 4301(b), 4303(a) and 4312(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting "; and"; and

(3) by adding after paragraph (27) the following new paragraph:

"(28) provide that, on and after October 1, 1997, the State will operate a State Directory of New Hires in accordance with section 453A.".

(b) STATE DIRECTORY OF NEW HIRES.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 453 the following new section:

"SEC. 453A. STATE DIRECTORY OF NEW HIRES.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—

"(A) REQUIREMENT FOR STATES THAT HAVE NO DIRECTORY.—Except as provided in subparagraph (B), not later than October 1, 1997, each State shall establish an automated directory (to be known as the 'State Directory of New Hires') which shall contain information supplied in accordance with subsection

(b) by employers on each newly hired employee.

"(B) STATES WITH NEW HIRE REPORTING IN EXISTENCE.—A State which has a new hire reporting law in existence on the date of the enactment of this section may continue to operate under the State law, but the State must meet the requirements of subsection (g)(2) not later than October 1, 1997, and the requirements of this section (other than subsection (g)(2)) not later than October 1, 1998.

"(2) DEFINITIONS.—As used in this section:

"(A) EMPLOYEE.—The term 'employee'—

"(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and

"(ii) does not include an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting pursuant to paragraph (1) with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

"(B) EMPLOYER.—

"(i) IN GENERAL.—The term 'employer' has the meaning given such term in section 3401(d) of the Internal Revenue Code of 1986 and includes any governmental entity and any labor organization.

"(ii) LABOR ORGANIZATION.—The term 'labor organization' shall have the meaning given such term in section 2(5) of the National Labor Relations Act, and includes any entity (also known as a 'hiring hall') which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.

"(b) EMPLOYER INFORMATION.—

"(1) REPORTING REQUIREMENT.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), each employer shall furnish to the Directory of New Hires of the State in which a newly hired employee works, a report that contains the name, address, and social security number of the employee, and the name and address of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(B) MULTISTATE EMPLOYERS.—An employer that has employees who are employed in 2 or more States and that transmits reports magnetically or electronically may comply with subparagraph (A) by designating 1 State in which such employer has employees to which the employer will transmit the report described in subparagraph (A), and transmitting such report to such State. Any employer that transmits reports pursuant to this subparagraph shall notify the Secretary in writing as to which State such employer designates for the purpose of sending reports.

"(C) FEDERAL GOVERNMENT EMPLOYERS.—Any department, agency, or instrumentality of the United States shall comply with subparagraph (A) by transmitting the report described in subparagraph (A) to the National Directory of New Hires established pursuant to section 453.

"(2) TIMING OF REPORT.—Each State may provide the time within which the report required by paragraph (1) shall be made with respect to an employee, but such report shall be made—

"(A) not later than 20 days after the date the employer hires the employee; or

"(B) in the case of an employer transmitting reports magnetically or electronically, by 2 monthly transmissions (if necessary) not less than 12 days nor more than 16 days apart.

"(c) REPORTING FORMAT AND METHOD.—Each report required by subsection (b) shall be made on a W-4 form or, at the option of the employer, an equivalent form, and may be transmitted by 1st class mail, magnetically, or electronically.

"(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—The State shall have the option to set a State civil money penalty which shall be less than—

"(1) $25; or

"(2) $500 if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.

"(e) ENTRY OF EMPLOYER INFORMATION.—Information shall be entered into the data base maintained by the State Directory of New Hires within 5 business days of receipt from an employer pursuant to subsection (b).

"(f) INFORMATION COMPARISONS.—

"(1) IN GENERAL.—Not later than May 1, 1998, an agency designated by the State shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

"(2) NOTICE OF MATCH.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name and address of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(g) TRANSMISSION OF INFORMATION.—

"(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the income of the employee an amount equal to the monthly (or other periodic) child support obligation (including any past due support obligation) of the employee, unless the employee's income is not subject to withholding pursuant to section 466(b)(3).

"(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—

"(A) NEW HIRE INFORMATION.—Within 3 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

"(B) WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of Health and Human Services shall specify in regulations.

"(3) BUSINESS DAY DEFINED.—As used in this subsection, the term 'business day' means a day on which State offices are open for regular business.

"(h) OTHER USES OF NEW HIRE INFORMATION.—

"(1) LOCATION OF CHILD SUPPORT OBLIGORS.—The agency administering the State plan approved under this part shall use information received pursuant to subsection (f)(2) to locate individuals for purposes of establishing paternity and establishing, modifying, and enforcing child support obligations, and may disclose such information to any agent of the agency that is under contract with the agency to carry out such purposes.

"(2) VERIFICATION OF ELIGIBILITY FOR CERTAIN PROGRAMS.—A State agency responsible for administering a program specified in section 1137(b) shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for the program.

"(3) ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS' COMPENSATION.—State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) for the purposes of administering such programs.".

(c) QUARTERLY WAGE REPORTING.—Section 1137(a)(3) (42 U.S.C. 1320b-7(a)(3)) is amended—

(1) by inserting "(including State and local governmental entities and labor organizations (as defined in section 453A(a)(2)(B)(iii))" after "employers"; and

(2) by inserting ", and except that no report shall be filed with respect to an employee of a State or local agency performing intelligence or counterintelligence functions, if the head of such agency has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission" after "paragraph (2)".

(d) DISCLOSURE TO CERTAIN AGENTS.—Section 303(e) (42 U.S.C. 503(e)) is amended by adding at the end the following:

"(5) A State or local child support enforcement agency may disclose to any agent of the agency that is under contract with the agency to carry out the purposes described in paragraph (1)(B) wage information that is disclosed to an officer or employee of the agency under paragraph (1)(A). Any agent of a State or local child support agency that receives wage information under this paragraph shall comply with the safeguards established pursuant to paragraph (1)(B).".

SEC. 4314. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—

(1) IN GENERAL.—Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

"(1)(A) Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

"(B) Procedures under which the income of a person with a support obligation imposed by a support order issued (or modified) in the State before October 1, 1996, if not otherwise subject to withholding under subsection (b), shall become subject to withholding as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.".

(2) CONFORMING AMENDMENTS.—

(A) Section 466(b) (42 U.S.C. 666(b)) is amended in the matter preceding paragraph (1), by striking "subsection (a)(1)" and inserting "subsection (a)(1)(A)".

(B) Section 466(b)(4) (42 U.S.C. 666(b)(4)) is amended to read as follows:

"(4)(A) Such withholding must be carried out in full compliance with all procedural due process requirements of the State, and the State must send notice to each noncustodial parent to whom paragraph (1) applies—

"(i) that the withholding has commenced; and

"(ii) of the procedures to follow if the noncustodial parent desires to contest such withholding on the grounds that the withholding or the amount withheld is improper due to a mistake of fact.

"(B) The notice under subparagraph (A) of this paragraph shall include the information provided to the employer under paragraph (6)(A).".

(C) Section 466(b)(5) (42 U.S.C. 666(b)(5)) is amended by striking all that follows "administered by" and inserting "the State through the State disbursement unit established pursuant to section 454B, in accordance with the requirements of section 454B.".

(D) Section 466(b)(6)(A) (42 U.S.C. 666(b)(6)(A)) is amended—

(i) in clause (i), by striking "to the appropriate agency" and all that follows and inserting "to the State disbursement unit within 5 business days after the date the amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part. The employer shall withhold funds as directed in the notice. For terms and conditions for withholding income that are not specified in a notice issued by another State, the employer shall apply the law of the State in which the obligor works. An employer who complies with an income withholding notice that is regular on its face shall not be subject to civil liability to any individual or agency for conduct in compliance with the notice.".

(ii) in clause (ii), by inserting "be in a standard format prescribed by the Secretary, and" after "shall"; and

(iii) by adding at the end the following new clause:

"(iii) As used in this subparagraph, the term 'business day' means a day on which State offices are open for regular business.".

(E) Section 466(b)(6)(D) (42 U.S.C. 666(b)(6)(D)) is amended by striking "any employer" and all that follows and inserting "any employer who—

"(i) discharges from employment, refuses to employ, or takes disciplinary action against any noncustodial parent subject to income withholding required by this subsection because of the existence of such withholding and the obligations or additional obligations which it imposes upon the employer; or

"(ii) fails to withhold support from income or to pay such amounts to the State disbursement unit in accordance with this subsection.".

(F) Section 466(b) (42 U.S.C. 666(b)) is amended by adding at the end the following new paragraph:

"(11) Procedures under which the agency administering the State plan approved under this part may execute a withholding order without advance notice to the obligor, including issuing the withholding order through electronic means.".

(b) DEFINITION OF INCOME.—

(1) IN GENERAL.—Section 466(b)(8) (42 U.S.C. 666(b)(8)) is amended to read as follows:

"(8) For purposes of subsection (a) and this subsection, the term 'income' means any periodic form of payment due to an individual, regardless of source, including wages, salaries, commissions, bonuses, worker's compensation, disability, payments pursuant to a pension or retirement program, and interest.".

(2) CONFORMING AMENDMENTS.—

(A) Subsections (a)(8)(A), (a)(8)(B)(i), (b)(3)(A), (b)(3)(B), (b)(6)(A)(i), and (b)(6)(C), and (b)(7) of section 466 (42 U.S.C. 666(a)(8)(A), (a)(8)(B)(i), (b)(3)(A), (b)(3)(B), (b)(6)(A)(i), and (b)(6)(C), and (b)(7)) are each amended by striking "wages" each place such term appears and inserting "income".

(B) Section 466(b)(1) (42 U.S.C. 666(b)(1)) is amended by striking "wages (as defined by the State for purposes of this section)" and inserting "income".

(c) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

SEC. 4315. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)) is amended by inserting after paragraph (11) the following new paragraph:

"(12) LOCATOR INFORMATION FROM INTERSTATE NETWORKS.—Procedures to ensure that all Federal and State agencies conducting activities under this part have access to any system used by the State to locate an individual for purposes relating to motor vehicles or law enforcement.".

SEC. 4316. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows "subsection (c))" and inserting ", for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations, or enforcing child custody or visitation orders—

"(1) information on, or facilitating the discovery of, the location of any individual—

"(A) who is under an obligation to pay child support or provide child custody or visitation rights;

"(B) against whom such an obligation is sought;

"(C) to whom such an obligation is owed,

including the individual's social security number (or numbers), most recent address, and the name, address, and employer identification number of the individual's employer;

"(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage); and

"(3) information on the type, status, location, and amount of any assets of, or debts owed by or to, any such individual."; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "social security" and all that follows through "absent parent" and inserting "information described in subsection (a)"; and

(B) in the flush paragraph at the end, by adding the following: "No information shall be disclosed to any person if the State has notified the Secretary that the State has reasonable evidence of domestic violence or child abuse and the disclosure of such information could be harmful to the custodial parent or the child of such parent. Information received or transmitted pursuant to this section shall be subject to the safeguard provisions contained in section 454(26).".

(b) AUTHORIZED PERSON FOR INFORMATION REGARDING VISITATION RIGHTS.—Section 453(c) (42 U.S.C. 653(c)) is amended—

(1) in paragraph (1), by striking "support" and inserting "support or to seek to enforce orders providing child custody or visitation rights"; and

(2) in paragraph (2), by striking ", or any agent of such court; and" and inserting "or to issue an order against a resident parent for child custody or visitation rights, or any agent of such court;".

(c) REIMBURSEMENT FOR INFORMATION FROM FEDERAL AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the 4th sentence by inserting "in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information)" before the period.

(d) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following new subsection:

"(g) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—The Secretary may reimburse Federal and State agencies for the costs incurred by such entities in furnishing information requested by the Secretary under this section in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information).".

(e) CONFORMING AMENDMENTS.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), 663(e), and 663(f)) are each amended by inserting "Federal" before "Parent" each place such term appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding "FEDERAL" before "PARENT".

(f) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as amended by subsection (d) of this section, is amended by adding at the end the following new subsections:

"(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—

"(1) IN GENERAL.—Not later than October 1, 1998, in order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry (which shall be known as the 'Federal Case Registry of Child Support Orders'), which shall contain abstracts of support orders and other information described in paragraph (2) with respect to each case in each State case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

"(2) CASE INFORMATION.—The information referred to in paragraph (1) with respect to a case shall be such information as the Secretary may specify in regulations (including the names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have the case.

"(i) NATIONAL DIRECTORY OF NEW HIRES.—

"(1) IN GENERAL.—In order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall, not later than October 1, 1997, establish and maintain in the Federal Parent Locator Service an automated directory to be known as the National Directory of New Hires, which shall contain the information supplied pursuant to section 453A(g)(2).

"(2) ENTRY OF DATA.—Information shall be entered into the data base maintained by the National Directory of New Hires within 2 business days of receipt pursuant to section 453A(g)(2).

"(3) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have access to the information in the National Directory of New Hires for purposes of administering section 32 of the Internal Revenue Code of 1986, or the advance payment of the earned income tax credit under section 3507 of such Code, and verifying a claim with respect to employment in a tax return.

"(4) LIST OF MULTISTATE EMPLOYERS.—The Secretary shall maintain within the National Directory of New Hires a list of multistate employers that report information regarding newly hired employees pursuant to section 453A(b)(1)(B), and the State which each such employer has designated to receive such information.

"(j) INFORMATION COMPARISONS AND OTHER DISCLOSURES.—

"(1) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION.—

"(A) IN GENERAL.—The Secretary shall transmit information on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

"(B) VERIFICATION BY SSA.—The Social Security Administration shall verify the accuracy of, correct, or supply to the extent possible, and report to the Secretary, the following information supplied by the Secretary pursuant to subparagraph (A):

"(i) The name, social security number, and birth date of each such individual.

"(ii) The employer identification number of each such employer.

"(2) INFORMATION COMPARISONS.—For the purpose of locating individuals in a paternity establishment case or a case involving the establishment, modification, or enforcement of a support order, the Secretary shall—

"(A) compare information in the National Directory of New Hires against information in the support case abstracts in the Federal Case Registry of Child Support Orders not less often than every 2 business days; and

"(B) within 2 business days after such a comparison reveals a match with respect to an individual, report the information to the State agency responsible for the case.

"(3) INFORMATION COMPARISONS AND DISCLOSURES OF INFORMATION IN ALL REGISTRIES FOR TITLE IV PROGRAM PURPOSES.—To the extent and with the frequency that the Secretary determines to be effective in assisting States to carry out their responsibilities under programs operated under this part and programs funded under part A, the Secretary shall—

"(A) compare the information in each component of the Federal Parent Locator Service maintained under this section against the information in each other such component (other than the comparison required by paragraph (2)), and report instances in which such a comparison reveals a match with respect to an individual to State agencies operating such programs; and

"(B) disclose information in such registries to such State agencies.

"(4) PROVISION OF NEW HIRE INFORMATION TO THE SOCIAL SECURITY ADMINISTRATION.—The National Directory of New Hires shall provide the Commissioner of Social Security with all information in the National Directory, which shall be used to determine the accuracy of payments under the supplemental security income program under title XVI and in connection with benefits under title II.

"(5) RESEARCH.—The Secretary may provide access to information reported by employers pursuant to section 453A(b) for research purposes found by the Secretary to be likely to contribute to achieving the purposes of part A or this part, but without personal identifiers.

"(k) FEES.—

"(1) FOR SSA VERIFICATION.—The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, for the costs incurred by the Commissioner in performing the verification services described in subsection (j).

"(2) FOR INFORMATION FROM STATE DIRECTORIES OF NEW HIRES.—The Secretary shall reimburse costs incurred by State directories of new hires in furnishing information as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such information).

"(3) FOR INFORMATION FURNISHED TO STATE AND FEDERAL AGENCIES.—A State or Federal agency that receives information from the Secretary pursuant to this section shall reimburse the Secretary for costs incurred by the Secretary in furnishing the information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and comparing the information).

"(l) RESTRICTION ON DISCLOSURE AND USE.—Information in the Federal Parent Locator Service, and information resulting from comparisons using such information, shall not be used or disclosed except as expressly provided in this section, subject to section 6103 of the Internal Revenue Code of 1986.

"(m) INFORMATION INTEGRITY AND SECURITY.—The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

"(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

"(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.

"(n) FEDERAL GOVERNMENT REPORTING.—Each department, agency, and instrumentality of the United States shall on a quarterly basis report to the Federal Parent Locator Service the name and social security number of each employee and the wages paid to the employee during the previous quarter, except that such a report shall not be filed with respect to an employee of a department, agency, or instrumentality performing intelligence or counterintelligence functions, if the head of such department, agency, or instrumentality has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.".

(g) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—

(A) Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

"(B) the Federal Parent Locator Service established under section 453;".

(B) Section 454(13) (42 U.S.C.654(13)) is amended by inserting "and provide that information requests by parents who are residents of other States be treated with the same priority as requests by parents who are residents of the State submitting the plan" before the semicolon.

(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(a)(16) of the Internal Revenue Code of 1986 is amended—

(A) by striking "Secretary of Health, Education, and Welfare" each place such term appears and inserting "Secretary of Health and Human Services";

(B) in subparagraph (B), by striking "such information" and all that follows and inserting "information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;";

(C) by striking "and" at the end of subparagraph (A);

(D) by redesignating subparagraph (B) as subparagraph (C); and

(E) by inserting after subparagraph (A) the following new subparagraph:

"(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453(i) of the Social Security Act, and".

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Subsection (h) of section 303 (42 U.S.C. 503) is amended to read as follows:

"(h)(1) The State agency charged with the administration of the State law shall, on a reimbursable basis—

"(A) disclose quarterly, to the Secretary of Health and Human Services, wage and claim information, as required pursuant to section 453(i)(1), contained in the records of such agency;

"(B) ensure that information provided pursuant to subparagraph (A) meets such standards relating to correctness and verification as the Secretary of Health and Human Services, with the concurrence of the Secretary of Labor, may find necessary; and

"(C) establish such safeguards as the Secretary of Labor determines are necessary to insure that information disclosed under subparagraph (A) is used only for purposes of section 453(i)(1) in carrying out the child support enforcement program under title IV.

"(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until the Secretary of Labor is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, the Secretary shall make no future certification to the Secretary of the Treasury with respect to the State.

"(3) For purposes of this subsection—

"(A) the term 'wage information' means information regarding wages paid to an individual, the social security account number of such individual, and the name, address, State, and the Federal employer identification number of the employer paying such wages to such individual; and

"(B) the term 'claim information' means information regarding whether an individual is receiving, has received, or has made application for, unemployment compensation, the amount of any such compensation being received (or to be received by such individual), and the individual's current (or most recent) home address.".

(4) DISCLOSURE OF CERTAIN INFORMATION TO AGENTS OF CHILD SUPPORT ENFORCEMENT AGENCIES.—

(A) IN GENERAL.—Paragraph (6) of section 6103(l) of the Internal Revenue Code of 1986 (relating to disclosure of return information to Federal, State, and local child support enforcement agencies) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

"(B) Disclosure to certain agents.—The following information disclosed to any child support enforcement agency under subparagraph (A) with respect to any individual with respect to whom child support obligations are sought to be established or enforced may be disclosed by such agency to any agent of such agency which is under contract with such agency to carry out the purposes described in subparagraph (C):

"(i) The address and social security account number (or numbers) of such individual.

"(ii) The amount of any reduction under section 6402(c) (relating to offset of past-due support against overpayments) in any overpayment otherwise payable to such individual."

(B) Conforming amendments.—

(i) Paragraph (3) of section 6103(a) of such Code is amended by striking "(l)(12)" and inserting "paragraph (6) or (12) of subsection (l)".

(ii) Subparagraph (C) of section 6103(l)(6) of such Code, as redesignated by subsection (a), is amended to read as follows:

"(C) Restriction on disclosure.—Information may be disclosed under this paragraph only for purposes of, and to the extent necessary in, establishing and collecting child support obligations from, and locating, individuals owing such obligations."

(iii) The material following subparagraph (F) of section 6103(p)(4) of such Code is amended by striking "subsection (l)(12)(B)" and inserting "paragraph (6)(A) or (12)(B) of subsection (l)".

(h) Requirement for Cooperation.—The Secretary of Labor and the Secretary of Health and Human Services shall work jointly to develop cost-effective and efficient methods of accessing the information in the various State directories of new hires and the National Directory of New Hires as established pursuant to the amendments made by this chapter. In developing these methods the Secretaries shall take into account the impact, including costs, on the States, and shall also consider the need to insure the proper and authorized use of wage record information.

SEC. 4317. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.

(a) State Law Requirement.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 4315 of this Act, is amended by inserting after paragraph (12) the following new paragraph:

"(13) Recording of social security numbers in certain family matters.—Procedures requiring that the social security number of—

"(A) any applicant for a professional license, commercial driver's license, occupational license, or marriage license be recorded on the application;

"(B) any individual who is subject to a divorce decree, support order, or paternity determination or acknowledgment be placed in the records relating to the matter; and

"(C) any individual who has died be placed in the records relating to the death and be recorded on the death certificate.

For purposes of subparagraph (A), if a State allows the use of a number other than the social security number, the State shall so advise any applicants.".

(b) Conforming Amendments.—Section 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by section 321(a)(9) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(1) in clause (i), by striking "may require" and inserting "shall require";

(2) in clause (ii), by inserting after the 1st sentence the following: "In the administration of any law involving the issuance of a marriage certificate or license, each State shall require each party named in the certificate or license to furnish to the State (or political subdivision thereof), or any State agency having administrative responsibility for the law involved, the social security number of the party.";

(3) in clause (ii), by inserting "or marriage certificate" after "Such numbers shall not be recorded on the birth certificate".

(4) in clause (vi), by striking "may" and inserting "shall"; and

(5) by adding at the end the following new clauses:

"(x) An agency of a State (or a political subdivision thereof) charged with the administration of any law concerning the issuance or renewal of a license, certificate, permit, or other authorization to engage in a profession, an occupation, or a commercial activity shall require all applicants for issuance or renewal of the license, certificate, permit, or other authorization to provide the applicant's social security number to the agency for the purpose of administering such laws, and for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.

"(xi) All divorce decrees, support orders, and paternity determinations issued, and all paternity acknowledgments made, in each State shall include the social security number of each party to the decree, order, determination, or acknowledgment in the records relating to the matter, for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.".

CHAPTER 3—STREAMLINING AND UNIFORMITY OF PROCEDURES

SEC. 4321. ADOPTION OF UNIFORM STATE LAWS.

Section 466 (42 U.S.C. 666) is amended by adding at the end the following new subsection:

"(f) Uniform Interstate Family Support Act.—

"(1) Enactment and use.—In order to satisfy section 454(20)(A), on and after January 1, 1998, each State must have in effect the Uniform Interstate Family Support Act, as approved by the American Bar Association on February 9, 1993, together with any amendments officially adopted before January 1, 1998 by the National Conference of Commissioners on Uniform State Laws.

"(2) Employers to follow procedural rules of State where employee works.—The State law enacted pursuant to paragraph (1) shall provide that an employer that receives an income withholding order or notice pursuant to section 501 of the Uniform Interstate Family Support Act follow the procedural rules that apply with respect to such order or notice under the laws of the State in which the obligor works.".

SEC. 4322. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking "subsection (e)" and inserting "subsections (e), (f), and (i)";

(2) in subsection (b), by inserting after the 2nd undesignated paragraph the following:

"'child's home State' means the State in which a child lived with a parent or a person acting as parent for at least 6 consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than 6 months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the 6-month period.";

(3) in subsection (c), by inserting "by a court of a State" before "is made";

(4) in subsection (c)(1), by inserting "and subsections (e), (f), and (g)" after "located";

(5) in subsection (d)—

(A) by inserting "individual" before "contestant"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(6) in subsection (e), by striking "make a modification of a child support order with respect to a child that is made" and inserting "modify a child support order issued";

(7) in subsection (e)(1), by inserting "pursuant to subsection (i)" before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting "individual" before "contestant" each place such term appears; and

(B) by striking "to that court's making the modification and assuming" and inserting "with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume";

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following new subsection:

"(f) Recognition of Child Support Orders.—If 1 or more child support orders have been issued with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

"(1) If only 1 court has issued a child support order, the order of that court must be recognized.

"(2) If 2 or more courts have issued child support orders for the same obligor and child, and only 1 of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

"(3) If 2 or more courts have issued child support orders for the same obligor and child, and more than 1 of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

"(4) If 2 or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

"(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.";

(11) in subsection (g) (as so redesignated)—

(A) by striking "Prior" and inserting "Modified"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting "including the duration of current payments and other obligations of support" before the comma; and

(B) in paragraph (3), by inserting "arrears under" after "enforce"; and

(13) by adding at the end the following new subsection:

"(i) REGISTRATION FOR MODIFICATION.—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification.".

SEC. 4323. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 4315 and 4317(a) of this Act, is amended by inserting after paragraph (13) the following new paragraph:

"(14) ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.—Procedures under which—

"(A)(i) the State shall respond within 5 business days to a request made by another State to enforce a support order; and

"(ii) the term 'business day' means a day on which State offices are open for regular business;

"(B) the State may, by electronic or other means, transmit to another State a request for assistance in a case involving the enforcement of a support order, which request—

"(i) shall include such information as will enable the State to which the request is transmitted to compare the information about the case to the information in the data bases of the State; and

"(ii) shall constitute a certification by the requesting State—

"(I) of the amount of support under the order the payment of which is in arrears; and

"(II) that the requesting State has complied with all procedural due process requirements applicable to the case;

"(C) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the case to be transferred to the caseload of such other State; and

"(D) the State shall maintain records of—

"(i) the number of such requests for assistance received by the State;

"(ii) the number of cases for which the State collected support in response to such a request; and

"(iii) the amount of such collected support.".

SEC. 4324. USE OF FORMS IN INTERSTATE ENFORCEMENT.

(a) PROMULGATION.—Section 452(a) (42 U.S.C. 652(a)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) (as amended by section 4346(a) of this Act) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(11) not later than October 1, 1996, after consulting with the State directors of programs under this part, promulgate forms to be used by States in interstate cases for—

"(A) collection of child support through income withholding;

"(B) imposition of liens; and

"(C) administrative subpoenas.".

(b) USE BY STATES.—Section 454(9) (42 U.S.C. 654(9)) is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by inserting "and" at the end of subparagraph (D); and

(3) by adding at the end the following new subparagraph:

"(E) not later than March 1, 1997, in using the forms promulgated pursuant to section 452(a)(11) for income withholding, imposition of liens, and issuance of administrative subpoenas in interstate child support cases;".

SEC. 4325. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as amended by section 4314 of this Act, is amended—

(1) in subsection (a)(2), by striking the first sentence and inserting the following: "Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations."; and

(2) by inserting after subsection (b) the following new subsection:

"(c) EXPEDITED PROCEDURES.—The procedures specified in this subsection are the following:

"(1) ADMINISTRATIVE ACTION BY STATE AGENCY.—Procedures which give the State agency the authority to take the following actions relating to establishment of paternity or to establishment, modification, or enforcement of support orders, without the necessity of obtaining an order from any other judicial or administrative tribunal, and to recognize and enforce the authority of State agencies of other States to take the following actions:

"(A) GENETIC TESTING.—To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

"(B) FINANCIAL OR OTHER INFORMATION.—To subpoena any financial or other information needed to establish, modify, or enforce a support order, and to impose penalties for failure to respond to such a subpoena.

"(C) RESPONSE TO STATE AGENCY REQUEST.—To require all entities in the State (including for-profit, nonprofit, and governmental employers) to provide promptly, in response to a request by the State agency of that or any other State administering a program under this part, information on the employment, compensation, and benefits of any individual employed by such entity as an employee or contractor, and to sanction failure to respond to any such request.

"(D) ACCESS TO INFORMATION CONTAINED IN CERTAIN RECORDS.—To obtain access, subject to safeguards on privacy and information security, and subject to the nonliability of entities that afford such access under this subparagraph, to information contained in the following records (including automated access, in the case of records maintained in automated data bases):

"(i) Records of other State and local government agencies, including—

"(I) vital statistics (including records of marriage, birth, and divorce);

"(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

"(III) records concerning real and titled personal property;

"(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

"(V) employment security records;

"(VI) records of agencies administering public assistance programs;

"(VII) records of the motor vehicle department; and

"(VIII) corrections records.

"(ii) Certain records held by private entities with respect to individuals who owe or are owed support (or against or with respect to whom a support obligation is sought), consisting of—

"(I) the names and addresses of such individuals and the names and addresses of the employers of such individuals, as appearing in customer records of public utilities and cable television companies, pursuant to an administrative subpoena authorized by subparagraph (B); and

"(II) information (including information on assets and liabilities) on such individuals held by financial institutions.

"(E) CHANGE IN PAYEE.—In cases in which support is subject to an assignment in order to comply with a requirement imposed pursuant to part A or section 1912, or to a requirement to pay through the State disbursement unit established pursuant to section 454B, upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

"(F) INCOME WITHHOLDING.—To order income withholding in accordance with subsections (a)(1)(A) and (b) of section 466.

"(G) SECURING ASSETS.—In cases in which there is a support arrearage, to secure assets to satisfy the arrearage by—

"(i) intercepting or seizing periodic or lump-sum payments from—

"(I) a State or local agency, including unemployment compensation, workers' compensation, and other benefits; and

"(II) judgments, settlements, and lotteries;

"(ii) attaching and seizing assets of the obligor held in financial institutions;

"(iii) attaching public and private retirement funds; and

"(iv) imposing liens in accordance with subsection (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

"(H) INCREASE MONTHLY PAYMENTS.—For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages, subject to such conditions or limitations as the State may provide.

Such procedures shall be subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal.

"(2) SUBSTANTIVE AND PROCEDURAL RULES.—The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

"(A) LOCATOR INFORMATION; PRESUMPTIONS CONCERNING NOTICE.—Procedures under which—

"(i) each party to any paternity or child support proceeding is required (subject to privacy safeguards) to file with the tribunal and the State case registry upon entry of an order, and to update as appropriate, information on location and identity of the party, including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and telephone number of employer; and

"(ii) in any subsequent child support enforcement action between the parties, upon sufficient showing that diligent effort has been made to ascertain the location of such a party, the tribunal may deem State due process requirements for notice and service of process to be met with respect to the party, upon delivery of written notice to the most recent residential or employer address filed with the tribunal pursuant to clause (i).

"(B) STATEWIDE JURISDICTION.—Procedures under which—

"(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties; and

"(ii) in a State in which orders are issued by courts or administrative tribunals, a case may be transferred between local jurisdictions in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.

"(3) COORDINATION WITH ERISA.—Notwithstanding subsection (d) of section 514 of the Employee Retirement Income Security Act of 1974 (relating to effect on other laws), nothing in this subsection shall be construed to alter, amend, modify, invalidate, impair, or supersede subsections (a), (b), and (c) of such section 514 as it applies with respect to any procedure referred to in paragraph (1) and any expedited procedure referred to in paragraph (2), except to the extent that such procedure would be consistent with the requirements of section 206(d)(3) of such Act (relating to qualified domestic relations orders) or the requirements of section 609(a) of such Act (relating to qualified medical child support orders) if the reference in such section 206(d)(3) to a domestic relations order and the reference in such section 609(a) to a medical child support order were a reference to a support order referred to in paragraphs (1) and (2) relating to the same matters, respectively.".

(b) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 4344(a)(2) and as amended by sections 4311 and 4312(c) of this Act, is amended by adding at the end the following new subsection:

"(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required by this section shall be used, to the maximum extent feasible, to implement the expedited administrative procedures required by section 466(c).".

CHAPTER 4—PATERNITY ESTABLISHMENT

SEC. 4331. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended to read as follows:

"(5) PROCEDURES CONCERNING PATERNITY ESTABLISHMENT.—

"(A) ESTABLISHMENT PROCESS AVAILABLE FROM BIRTH UNTIL AGE 18.—

"(i) Procedures which permit the establishment of the paternity of a child at any time before the child attains 18 years of age.

"(ii) As of August 16, 1984, clause (i) shall also apply to a child for whom paternity has not been established or for whom a paternity action was brought but dismissed because a statute of limitations of less than 18 years was then in effect in the State.

"(B) PROCEDURES CONCERNING GENETIC TESTING.—

"(i) GENETIC TESTING REQUIRED IN CERTAIN CONTESTED CASES.—Procedures under which the State is required, in a contested paternity case (unless otherwise barred by State law) to require the child and all other parties (other than individuals found under section 454(29) to have good cause and other exceptions for refusing to cooperate) to submit to genetic tests upon the request of any such party, if the request is supported by a sworn statement by the party—

"(I) alleging paternity, and setting forth facts establishing a reasonable possibility of the requisite sexual contact between the parties; or

"(II) denying paternity, and setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact between the parties.

"(ii) OTHER REQUIREMENTS.—Procedures which require the State agency, in any case in which the agency orders genetic testing—

"(I) to pay costs of such tests, subject to recoupment (if the State so elects) from the alleged father if paternity is established; and

"(II) to obtain additional testing in any case if an original test result is contested, upon request and advance payment by the contestant.

"(C) VOLUNTARY PATERNITY ACKNOWLEDGMENT.—

"(i) SIMPLE CIVIL PROCESS.—Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the mother and the putative father must be given notice, orally and in writing, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

"(ii) HOSPITAL-BASED PROGRAM.—Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child.

"(iii) PATERNITY ESTABLISHMENT SERVICES.—

"(I) STATE-OFFERED SERVICES.—Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

"(II) REGULATIONS.—

"(aa) SERVICES OFFERED BY HOSPITALS AND BIRTH RECORD AGENCIES.—The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies.

"(bb) SERVICES OFFERED BY OTHER ENTITIES.—The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, use the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as the provision of such services is evaluated by, voluntary paternity establishment programs of hospitals and birth record agencies.

"(iv) USE OF PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such procedures must require the State to develop and use an affidavit for the voluntary acknowledgment of paternity which includes the minimum requirements of the affidavit specified by the Secretary under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State according to its procedures.

"(D) STATUS OF SIGNED PATERNITY ACKNOWLEDGMENT.—

"(i) INCLUSION IN BIRTH RECORDS.—Procedures under which the name of the father shall be included on the record of birth of the child of unmarried parents only if—

"(I) the father and mother have signed a voluntary acknowledgment of paternity; or

"(II) a court or an administrative agency of competent jurisdiction has issued an adjudication of paternity.

Nothing in this clause shall preclude a State agency from obtaining an admission of paternity from the father for submission in a judicial or administrative proceeding, or prohibit the issuance of an order in a judicial or administrative proceeding which bases a legal finding of paternity on an admission of paternity by the father and any other additional showing required by State law.

"(ii) LEGAL FINDING OF PATERNITY.—Procedures under which a signed voluntary acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within the earlier of—

"(I) 60 days; or

"(II) the date of an administrative or judicial proceeding relating to the child (including a proceeding to establish a support order) in which the signatory is a party.

"(iii) CONTEST.—Procedures under which, after the 60-day period referred to in clause (ii), a signed voluntary acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown.

"(E) BAR ON ACKNOWLEDGMENT RATIFICATION PROCEEDINGS.—Procedures under which judicial or administrative proceedings are not required or permitted to ratify an unchallenged acknowledgment of paternity.

"(F) ADMISSIBILITY OF GENETIC TESTING RESULTS.—Procedures—

"(i) requiring the admission into evidence, for purposes of establishing paternity, of the results of any genetic test that is—

"(I) of a type generally acknowledged as reliable by accreditation bodies designated by the Secretary; and

"(II) performed by a laboratory approved by such an accreditation body;

"(ii) requiring an objection to genetic testing results to be made in writing not later than a specified number of days before any hearing at which the results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of the results); and

"(iii) making the test results admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy, unless objection is made.

"(G) PRESUMPTION OF PATERNITY IN CERTAIN CASES.—Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability that the alleged father is the father of the child.

"(H) DEFAULT ORDERS.—Procedures requiring a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

"(I) NO RIGHT TO JURY TRIAL.—Procedures providing that the parties to an action to establish paternity are not entitled to a trial by jury.

"(J) TEMPORARY SUPPORT ORDER BASED ON PROBABLE PATERNITY IN CONTESTED CASES.—Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, if there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

"(K) PROOF OF CERTAIN SUPPORT AND PATERNITY ESTABLISHMENT COSTS.—Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services or for testing on behalf of the child.

"(L) STANDING OF PUTATIVE FATHERS.—Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.

"(M) FILING OF ACKNOWLEDGMENTS AND ADJUDICATIONS IN STATE REGISTRY OF BIRTH RECORDS.—Procedures under which voluntary acknowledgments and adjudications of paternity by judicial or administrative processes are filed with the State registry of birth records for comparison with information in the State case registry.".

(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting ", and specify the minimum requirements of an affidavit to be used for the voluntary acknowledgment of paternity which shall include the social security number of each parent and, after consultation with the States, other common elements as determined by such designee" before the semicolon.

(c) CONFORMING AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking "a simple civil process for voluntarily acknowledging paternity and".

SEC. 4332. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

Section 454(23) (42 U.S.C. 654(23)) is amended by inserting "and will publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support by means the State deems appropriate" before the semicolon.

SEC. 4333. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF PART A ASSISTANCE.

Section 454 (42 U.S.C. 654), as amended by sections 4301(b), 4303(a), 4312(a), and 4313(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting "; and"; and

(3) by inserting after paragraph (28) the following new paragraph:

"(29) provide that the State agency responsible for administering the State plan—

"(A) shall make the determination (and redetermination at appropriate intervals) as to whether an individual who has applied for or is receiving assistance under the State program funded under part A of this title or the State program under title XIX is cooperating in good faith with the State in establishing the paternity of, or in establishing, modifying, or enforcing a support order for, any child of the individual by providing the State agency with the name of, and such other information as the State agency may require with respect to, the noncustodial parent of the child, subject to good cause and other exceptions which—

"(i) shall be defined, taking into account the best interests of the child, and

"(ii) shall be applied in each case,

by, at the option of the State, the State agency administering the State program under part A, this part, or title XIX;

"(B) shall require the individual to supply additional necessary information and appear at interviews, hearings, and legal proceedings;

"(C) shall require the individual and the child to submit to genetic tests pursuant to judicial or administrative order;

"(D) may request that the individual sign a voluntary acknowledgment of paternity, after notice of the rights and consequences of such an acknowledgment, but may not require the individual to sign an acknowledgment or otherwise relinquish the right to genetic tests as a condition of cooperation and eligibility for assistance under the State program funded under part A, or the State program under title XIX; and

"(E) shall promptly notify the individual, the State agency administering the State program funded under part A, and the State agency administering the State program under title XIX, of each such determination, and if noncooperation is determined, the basis therefor.".

CHAPTER 5—PROGRAM ADMINISTRATION AND FUNDING

SEC. 4341. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) DEVELOPMENT OF NEW SYSTEM.—The Secretary of Health and Human Services, in consultation with State directors of programs under part D of title IV of the Social Security Act, shall develop a new incentive system to replace, in a revenue neutral manner, the system under section 458 of such Act. The new system shall provide additional payments to any State based on such State's performance under such a program. Not later than November 1, 1996, the Secretary shall report on the new system to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(b) CONFORMING AMENDMENTS TO PRESENT SYSTEM.—Section 458 (42 U.S.C. 658) is amended—

(1) in subsection (a), by striking "aid to families with dependent children under a State plan approved under part A of this title" and inserting "assistance under a program funded under part A";

(2) in subsection (b)(1)(A), by striking "section 402(a)(26)" and inserting "section 408(a)(4)";

(3) in subsections (b) and (c)—

(A) by striking "AFDC collections" each place it appears and inserting "title IV-A collections", and

(B) by striking "non-AFDC collections" each place it appears and inserting "non-title IV-A collections"; and

(4) in subsection (c), by striking "combined AFDC/non-AFDC administrative costs" both places it appears and inserting "combined title IV-A/non-title IV-A administrative costs".

(c) CALCULATION OF PATERNITY ESTABLISHMENT PERCENTAGE.—

(1) Section 452(g)(1)(A) (42 U.S.C. 652(g)(1)(A)) is amended by striking "75" and inserting "90".

(2) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended—

(A) by redesignating subparagraphs (B) through (E) as subparagraphs (C) through (F), respectively, and by inserting after subparagraph (A) the following new subparagraph:

"(B) for a State with a paternity establishment percentage of not less than 75 percent but less than 90 percent for such fiscal year, the paternity establishment percentage of the State for the immediately preceding fiscal year plus 2 percentage points;"; and

(B) by adding at the end the following new flush sentence:

"In determining compliance under this section, a State may use as its paternity establishment percentage either the State's IV-D paternity establishment percentage (as defined in paragraph (2)(A)) or the State's statewide paternity establishment percentage (as defined in paragraph (2)(B)).".

(3) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i)—

(I) by striking "paternity establishment percentage" and inserting "IV-D paternity establishment percentage"; and

(II) by striking "(or all States, as the case may be)"; and

(ii) by striking "and" at the end; and

(B) by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

"(B) the term 'statewide paternity establishment percentage' means, with respect to a State for a fiscal year, the ratio (expressed as a percentage) that the total number of minor children—

"(i) who have been born out of wedlock, and

"(ii) the paternity of whom has been established or acknowledged during the fiscal year,

bears to the total number of children born out of wedlock during the preceding fiscal year; and".

(4) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively; and

(B) in subparagraph (A) (as so redesignated), by striking "the percentage of children born out-of-wedlock in a State" and inserting "the percentage of children in a State who are born out of wedlock or for whom support has not been established".

(d) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—

(A) IN GENERAL.—The system developed under subsection (a) and the amendments made by subsection (b) shall become effective on October 1, 1998, except to the extent provided in subparagraph (B).

(B) APPLICATION OF SECTION 458.—Section 458 of the Social Security Act, as in effect on the day before the date of the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years before fiscal year 1999.

(2) PENALTY REDUCTIONS.—The amendments made by subsection (c) shall become effective with respect to calendar quarters beginning on or after the date of the enactment of this Act.

SEC. 4342. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) STATE AGENCY ACTIVITIES.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (14), by striking "(14)" and inserting "(14)(A)";

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the following new paragraph:

"(15) provide for—

"(A) a process for annual reviews of and reports to the Secretary on the State program operated under the State plan approved under this part, including such information as may be necessary to measure State compliance with Federal requirements for expedited procedures, using such standards and procedures as are required by the Secretary, under which the State agency will determine the extent to which the program is operated in compliance with this part; and

"(B) a process of extracting from the automated data processing system required by paragraph (16) and transmitting to the Secretary data and calculations concerning the levels of accomplishment (and rates of improvement) with respect to applicable performance indicators (including paternity establishment percentages) to the extent necessary for purposes of sections 452(g) and 458;".

(b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended to read as follows:

"(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of subsection (g) of this section and section 458;

"(B) review annual reports submitted pursuant to section 454(15)(A) and, as appropriate, provide to the State comments, recommendations for additional or alternative corrective actions, and technical assistance; and

"(C) conduct audits, in accordance with the Government auditing standards of the Comptroller General of the United States—

"(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet the requirements of this part concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data and the accuracy of the reporting systems used in calculating performance indicators under subsection (g) of this section and section 458;

"(ii) of the adequacy of financial management of the State program operated under the State plan approved under this part, including assessments of—

"(I) whether Federal and other funds made available to carry out the State program are being appropriately expended, and are properly and fully accounted for; and

"(II) whether collections and disbursements of support payments are carried out correctly and are fully accounted for; and

"(iii) for such other purposes as the Secretary may find necessary;".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning 12 months or more after the date of the enactment of this Act.

SEC. 4343. REQUIRED REPORTING PROCEDURES.

(a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting ", and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes) to be applied in following such procedures" before the semicolon.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 4301(b), 4303(a), 4312(a), 4313(a), and 4333 of this Act, is amended—

(1) by striking "and" at the end of paragraph (28);

(2) by striking the period at the end of paragraph (29) and inserting "; and"; and

(3) by adding after paragraph (29) the following new paragraph:

"(30) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.".

SEC. 4344. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

(1) IN GENERAL.—Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking ", at the option of the State,";

(B) by inserting "and operation by the State agency" after "for the establishment";

(C) by inserting "meeting the requirements of section 454A" after "information retrieval system";

(D) by striking "in the State and localities thereof, so as (A)" and inserting "so as";

(E) by striking "(i)"; and

(F) by striking "(including" and all that follows and inserting a semicolon.

(2) AUTOMATED DATA PROCESSING.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 454 the following new section:

"SEC. 454A. AUTOMATED DATA PROCESSING.

"(a) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency administering the State program under this part shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section with the frequency and in the manner required by or under this part.

"(b) PROGRAM MANAGEMENT.—The automated system required by this section shall perform such functions as the Secretary may specify relating to management of the State program under this part, including—

"(1) controlling and accounting for use of Federal, State, and local funds in carrying out the program; and

"(2) maintaining the data necessary to meet Federal reporting requirements under this part on a timely basis.

"(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive payments and penalty adjustments required by sections 452(g) and 458, the State agency shall—

"(1) use the automated system—

"(A) to maintain the requisite data on State performance with respect to paternity establishment and child support enforcement in the State; and

"(B) to calculate the paternity establishment percentage for the State for each fiscal year; and

"(2) have in place systems controls to ensure the completeness and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

"(d) INFORMATION INTEGRITY AND SECURITY.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required by this section, which shall include the following (in addition to such other safeguards as the Secretary may specify in regulations):

"(1) POLICIES RESTRICTING ACCESS.—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

"(A) permit access to and use of data only to the extent necessary to carry out the State program under this part; and

"(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data.

"(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies described in paragraph (1).

"(3) MONITORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

"(4) TRAINING AND INFORMATION.—Procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use confidential program data are informed of applicable requirements and penalties (including those in section 6103 of the Internal Revenue Code of 1986), and are adequately trained in security procedures.

"(5) PENALTIES.—Administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.".

(3) REGULATIONS.—The Secretary of Health and Human Services shall prescribe final regulations for implementation of section 454A of the Social Security Act not later than 2 years after the date of the enactment of this Act.

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by section 4303(a)(1) of this Act, is amended to read as follows:

"(24) provide that the State will have in effect an automated data processing and information retrieval system—

"(A) by October 1, 1997, which meets all requirements of this part which were enacted on or before the date of enactment of the Family Support Act of 1988, and

"(B) by October 1, 1999, which meets all requirements of this part enacted on or before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996, except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 4344(a)(3) of the Personal Responsibility and Work Opportunity Act of 1996;".

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—

(1) IN GENERAL.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(A) in paragraph (1)(B)—

(i) by striking "90 percent" and inserting "the percent specified in paragraph (3)";

(ii) by striking "so much of"; and

(iii) by striking "which the Secretary" and all that follows and inserting ", and"; and

(B) by adding at the end the following new paragraph:

"(3)(A) The Secretary shall pay to each State, for each quarter in fiscal years 1996 and 1997, 90 percent of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16) (as in effect on September 30, 1995) but limited to the amount approved for States in the advance planning documents of such States submitted on or before September 30, 1995.

"(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1996 through 2001, the percentage specified in clause (ii) of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements of sections 454(16) and 454A.

"(ii) The percentage specified in this clause is 80 percent.".

(2) TEMPORARY LIMITATION ON PAYMENTS UNDER SPECIAL FEDERAL MATCHING RATE.—

(A) IN GENERAL.—The Secretary of Health and Human Services may not pay more than $400,000,000 in the aggregate under section 455(a)(3)(B) of the Social Security Act for fiscal years 1996 through 2001.

(B) ALLOCATION OF LIMITATION AMONG STATES.—The total amount payable to a State under section 455(a)(3)(B) of such Act for fiscal years 1996 through 2001 shall not exceed the limitation determined for the State by the Secretary of Health and Human Services in regulations.

(C) ALLOCATION FORMULA.—The regulations referred to in subparagraph (B) shall prescribe a formula for allocating the amount specified in subparagraph (A) among States with plans approved under part D of title IV of the Social Security Act, which shall take into account—

(i) the relative size of State caseloads under such part; and

(ii) the level of automation needed to meet the automated data processing requirements of such part.

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100-485) is repealed.

SEC. 4345. TECHNICAL ASSISTANCE.

(a) FOR TRAINING OF FEDERAL AND STATE STAFF, RESEARCH AND DEMONSTRATION PROGRAMS, AND SPECIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following new subsection:

"(j) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 1 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for—

"(1) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs under this part (including technical assistance concerning State automated systems required by this part); and

"(2) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part.

The amount appropriated under this subsection shall remain available until expended.".

(b) OPERATION OF FEDERAL PARENT LOCATOR SERVICE.—Section 453 (42 U.S.C. 653), as amended by section 4316 of this Act, is amended by adding at the end the following new subsection:

"(o) RECOVERY OF COSTS.—Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 2 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for operation of the Federal Parent Locator Service under this section, to the extent such costs are not recovered through user fees.".

SEC. 4346. REPORTS AND DATA COLLECTION BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—

(1) Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking "this part;" and inserting "this part, including—"; and

(B) by adding at the end the following new clauses:

"(i) the total amount of child support payments collected as a result of services furnished during the fiscal year to individuals receiving services under this part;

"(ii) the cost to the States and to the Federal Government of so furnishing the services; and

"(iii) the number of cases involving families—

"(I) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year; and

"(II) with respect to whom a child support payment was received in the month;".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i)—

(i) by striking "with the data required under each clause being separately stated for cases" and inserting "separately stated for cases";

(ii) by striking "cases where the child was formerly receiving" and inserting "or formerly received";

(iii) by inserting "or 1912" after "471(a)(17)"; and

(iv) by inserting "for" before "all other";

(B) in each of clauses (i) and (ii), by striking ", and the total amount of such obligations";

(C) in clause (iii), by striking "described in" and all that follows and inserting "in which support was collected during the fiscal year;";

(D) by striking clause (iv); and

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following new clauses:

"(iv) the total amount of support collected during such fiscal year and distributed as current support;

"(v) the total amount of support collected during such fiscal year and distributed as arrearages;

"(vi) the total amount of support due and unpaid for all fiscal years; and".

(3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking "on the use of Federal courts and".

(4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended—

(A) in subparagraph (H), by striking "and";

(B) in subparagraph (I), by striking the period and inserting "; and"; and

(C) by inserting after subparagraph (I) the following new subparagraph:

"(J) compliance, by State, with the standards established pursuant to subsections (h) and (i).".

(5) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking "The information contained in any such report under subpargraph (A)" and all that follows through "the State plan approved under part A.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to fiscal year 1997 and succeeding fiscal years.

SEC. 4347. CHILD SUPPORT DELINQUENCY PENALTY.

Section 454 (42 U.S.C. 654), as amended by sections 4301(b), 4303(a), 4312(a), 4313(a), 4333, and 4343(b) of this Act, is amended—

(1) by striking "and" at the end of paragraph (29);

(2) by striking the period at the end of paragraph (30) and inserting "; and"; and

(3) by adding after paragraph (30) the following new paragraph:

"(31) provide that the State shall have in effect such laws and procedures as may be necessary to ensure that—

"(A) any person who, at the end of any calendar year, is delinquent in the payment of child support is civilly liable to the State for a penalty in an amount equal to 10 percent of the amount of the delinquency (excluding any delinquency of the person with respect to which a penalty has been imposed pursuant to this paragraph for a prior calendar year); and

"(B) the State shall apply amounts collected from a person described in subparagraph (A) to the payment of penalties imposed pursuant to subparagraph (A), after all child support delinquencies of the person have been extinguished and the person has repaid the State for all public assistance provided to the person owed such support, and shall remit to the Federal Government an amount equal to 50 percent of the amount applied to the payment of such penalties."

CHAPTER 6—ESTABLISHMENT AND MODIFICATION OF SUPPORT ORDERS

SEC. 4351. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

"(10) REVIEW AND ADJUSTMENT OF SUPPORT ORDERS UPON REQUEST.—

"(A) IN GENERAL.—Procedures under which—

"(i) upon the request of either parent, the State shall review and, as appropriate, adjust each support order being enforced under this part, taking into account the best interests of the child involved; and

"(ii) upon the State's own initiative, the State may review and, if appropriate, adjust any support order being enforced under this part with respect to which there is an assignment under part A, taking into account the best interests of the child involved.Such procedures shall provide the following:

"(B) METHODS OF ADJUSTMENT.—Such procedures shall provide that the State may elect to review and, if appropriate, adjust an order—

"(i) by reviewing and, if appropriate, adjusting the order in accordance with the guidelines established pursuant to section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with the guidelines;

"(ii) by applying a cost-of-living adjustment to the order in accordance with a formula developed by the State and permit either party to contest the adjustment, within 30 days after the date of the notice of the adjustment, by making a request for review and, if appropriate, adjustment of the order in accordance with the child support guidelines established pursuant to section 467(a); or

"(iii) by using automated methods (including automated comparisons with wage or State income tax data) to identify orders eligible for review, conduct the review, identify orders eligible for adjustment, and apply the appropriate adjustment to the orders eligible for adjustment under the threshold established by the State.

"(C) NO PROOF OF CHANGE IN CIRCUMSTANCES NECESSARY.—Such procedures shall provide that any adjustment under this paragraph shall be made without a requirement for proof or showing of a change in circumstances.

"(D) NOTICE OF RIGHT TO REVIEW.—Such procedures shall require the State to provide notice not less than once every 3 years to the parents subject to an order being enforced under this part informing them of their right to request the State to review and, if appropriate, adjust the order pursuant to this paragraph. The notice may be included in the order.".

SEC. 4352. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT.

Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended by adding at the end the following new paragraphs:

"(4) In response to a request by the head of a State or local child support enforcement agency (or a State or local government official authorized by the head of such an agency), if the person making the request certifies to the consumer reporting agency that—

"(A) the consumer report is needed for the purpose of establishing an individual's capacity to make child support payments or determining the appropriate level of such payments;

"(B) the paternity of the consumer for the child to which the obligation relates has been established or acknowledged by the consumer in accordance with State laws under which the obligation arises (if required by those laws);

"(C) the person has provided at least 10 days' prior notice to the consumer whose report is requested, by certified or registered mail to the last known address of the consumer, that the report will be requested; and

"(D) the consumer report will be kept confidential, will be used solely for a purpose described in subparagraph (A), and will not be used in connection with any other civil, administrative, or criminal proceeding, or for any other purpose.

"(5) To an agency administering a State plan under section 454 of the Social Security Act (42 U.S.C. 654) for use to set an initial or modified child support award.".

SEC. 4353. NONLIABILITY FOR FINANCIAL INSTITUTIONS PROVIDING FINANCIAL RECORDS TO STATE CHILD SUPPORT ENFORCEMENT AGENCIES IN CHILD SUPPORT CASES.

Part D of title IV (42 U.S.C. 651-669) is amended by adding at the end the following:

"SEC. 469A. NONLIABILITY FOR FINANCIAL INSTITUTIONS PROVIDING FINANCIAL RECORDS TO STATE CHILD SUPPORT ENFORCEMENT AGENCIES IN CHILD SUPPORT CASES.

"(a) IN GENERAL.—Notwithstanding any other provision of Federal or State law, a financial institution shall not be liable under any Federal or State law to any person for disclosing any financial record of an individual to a State child support enforcement agency attempting to establish, modify, or enforce a child support obligation of such individual.

"(b) PROHIBITION OF DISCLOSURE OF FINANCIAL RECORD OBTAINED BY STATE CHILD SUPPORT ENFORCEMENT AGENCY.—A State child support enforcement agency which obtains a financial record of an individual from a financial institution pursuant to subsection (a) may disclose such financial record only for the purpose of, and to the extent necessary in, establishing, modifying, or enforcing a child support obligation of such individual.

"(c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLOSURE.—

"(1) DISCLOSURE BY STATE OFFICER OR EMPLOYEE.—If any person knowingly, or by reason of negligence, discloses a financial record of an individual in violation of subsection (b), such individual may bring a civil action for damages against such person in a district court of the United States.

"(2) NO LIABILITY FOR GOOD FAITH BUT ERRONEOUS INTERPRETATION.—No liability shall arise under this subsection with respect to any disclosure which results from a good faith, but erroneous, interpretation of subsection (b).

"(3) DAMAGES.—In any action brought under paragraph (1), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the sum of—

"(A) the greater of—

"(i) $1,000 for each act of unauthorized disclosure of a financial record with respect to which such defendant is found liable; or

"(ii) the sum of—

"(I) the actual damages sustained by the plaintiff as a result of such unauthorized disclosure; plus

"(II) in the case of a willful disclosure or a disclosure which is the result of gross negligence, punitive damages; plus

"(B) the costs (including attorney's fees) of the action.

"(d) DEFINITIONS.—For purposes of this section—

"(1) FINANCIAL INSTITUTION.—The term 'financial institution' means—

"(A) a depository institution, as defined in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c));

"(B) an institution-affiliated party, as defined in section 3(u) of such Act (12 U.S.C. 1813(u));

"(C) any Federal credit union or State credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752), including an institution-affiliated party of such a credit union, as defined in section 206(r) of such Act (12 U.S.C. 1786(r)); and

"(D) any benefit association, insurance company, safe deposit company, money-market mutual fund, or similar entity authorized to do business in the State.

"(2) FINANCIAL RECORD.—The term 'financial record' has the meaning given such term in section 1101 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401).".

CHAPTER 7—ENFORCEMENT OF SUPPORT ORDERS

SEC. 4361. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES.

(a) COLLECTION OF FEES.—Section 6305(a) of the Internal Revenue Code of 1986 (relating to collection of certain liability) is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting ", and";

(3) by adding at the end the following new paragraph:

"(5) no additional fee may be assessed for adjustments to an amount previously certified pursuant to such section 452(b) with respect to the same obligor."; and

(4) by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Secretary of Health and Human Services".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1997.

SEC. 4362. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—Section 459 (42 U.S.C. 659) is amended to read as follows:

"SEC. 459. CONSENT BY THE UNITED STATES TO INCOME WITHHOLDING, GARNISHMENT, AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS.

"(a) CONSENT TO SUPPORT ENFORCEMENT.—Notwithstanding any other provision of law (including section 207 of this Act and section 5301 of title 38, United States Code), effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States or the District of Columbia (including any agency, subdivision, or instrumentality thereof) to any individual, including members of the Armed Forces of the United States, shall be subject, in like manner and to the same extent as if the United States or the District of Columbia were a private person, to withholding in accordance with State law enacted pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary under such subsections, and to any other legal process brought, by a State agency administering a program under a State plan approved under this part or by an individual obligee, to enforce the legal obligation of the individual to provide child support or alimony.

"(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE PERSON.—With respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or any other order or process to enforce support obligations against an individual (if the order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), each governmental entity specified in subsection (a) shall be subject to the same requirements as would apply if the entity were a private person, except as otherwise provided in this section.

"(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS—

"(1) DESIGNATION OF AGENT.—The head of each agency subject to this section shall—

"(A) designate an agent or agents to receive orders and accept service of process in matters relating to child support or alimony; and

"(B) annually publish in the Federal Register the designation of the agent or agents, identified by title or position, mailing address, and telephone number.

"(2) RESPONSE TO NOTICE OR PROCESS.—If an agent designated pursuant to paragraph (1) of this subsection receives notice pursuant to State procedures in effect pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatory, with respect to an individual's child support or alimony payment obligations, the agent shall—

"(A) as soon as possible (but not later than 15 days) thereafter, send written notice of the notice or service (together with a copy of the notice or service) to the individual at the duty station or last-known home address of the individual;

"(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to such State procedures, comply with all applicable provisions of section 466; and

"(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatory, respond to the order, process, or interrogatory.

"(d) PRIORITY OF CLAIMS.—If a governmental entity specified in subsection (a) receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than 1 person—

"(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

"(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by section 466(b) and the regulations prescribed under such section; and

"(3) such moneys as remain after compliance with paragraphs (1) and (2) shall be available to satisfy any other such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.

"(e) NO REQUIREMENT TO VARY PAY CYCLES.—A governmental entity that is affected by legal process served for the enforcement of an individual's child support or alimony payment obligations shall not be required to vary its normal pay and disbursement cycle in order to comply with the legal process.

"(f) RELIEF FROM LIABILITY.—

"(1) Neither the United States, nor the government of the District of Columbia, nor any disbursing officer shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if the payment is made in accordance with this section and the regulations issued to carry out this section.

"(2) No Federal employee whose duties include taking actions necessary to comply with the requirements of subsection (a) with regard to any individual shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by the employee in connection with the carrying out of such actions.

"(g) REGULATIONS.—Authority to promulgate regulations for the implementation of this section shall, insofar as this section applies to moneys due from (or payable by)—

"(1) the United States (other than the legislative or judicial branches of the Federal Government) or the government of the District of Columbia, be vested in the President (or the designee of the President);

"(2) the legislative branch of the Federal Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

"(3) the judicial branch of the Federal Government, be vested in the Chief Justice of the United States (or the designee of the Chief Justice).

"(h) MONEYS SUBJECT TO PROCESS.—

"(1) IN GENERAL.—Subject to paragraph (2), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

"(A) consist of—

"(i) compensation paid or payable for personal services of the individual, whether the compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

"(ii) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

"(I) under the insurance system established by title II;

"(II) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

"(III) as compensation for death under any Federal program;

"(IV) under any Federal program established to provide 'black lung' benefits; or

"(V) by the Secretary of Veterans Affairs as compensation for a service-connected disability paid by the Secretary to a former member of the Armed Forces who is in receipt of retired or retainer pay if the former member has waived a portion of the retired or retainer pay in order to receive such compensation; and

"(iii) worker's compensation benefits paid under Federal or State law but

"(B) do not include any payment—

"(i) by way of reimbursement or otherwise, to defray expenses incurred by the individual in carrying out duties associated with the employment of the individual; or

"(ii) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.

"(2) CERTAIN AMOUNTS EXCLUDED.—In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

"(A) are owed by the individual to the United States;

"(B) are required by law to be, and are, deducted from the remuneration or other payment involved, including Federal employment taxes, and fines and forfeitures ordered by court-martial;

"(C) are properly withheld for Federal, State, or local income tax purposes, if the withholding of the amounts is authorized or required by law and if amounts withheld are not greater than would be the case if the individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1986 may be permitted only when the individual presents evidence of a tax obligation which supports the additional withholding);

"(D) are deducted as health insurance premiums;

"(E) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

"(F) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

"(i) DEFINITIONS.—For purposes of this section—

"(1) UNITED STATES.—The term 'United States' includes any department, agency, or instrumentality of the legislative, judicial, or executive branch of the Federal Government, the United States Postal Service, the Postal Rate Commission, any Federal corporation created by an Act of Congress that is wholly owned by the Federal Government, and the governments of the territories and possessions of the United States.

"(2) CHILD SUPPORT.—The term 'child support', when used in reference to the legal obligations of an individual to provide such support, means amounts required to be paid under a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages or reimbursement, and which may include other related costs and fees, interest and penalties, income withholding, attorney's fees, and other relief.

"(3) ALIMONY.—

"(A) IN GENERAL.—The term 'alimony', when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of the individual, and (subject to and in accordance with State law) includes separate maintenance, alimony pendente lite, maintenance, and spousal support, and includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

"(B) EXCEPTIONS.—Such term does not include—

"(i) any child support; or

"(ii) any payment or transfer of property or its value by an individual to the spouse or a former spouse of the individual in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

"(4) PRIVATE PERSON.—The term 'private person' means a person who does not have sovereign or other special immunity or privilege which causes the person not to be subject to legal process.

"(5) LEGAL PROCESS.—The term 'legal process' means any writ, order, summons, or other similar process in the nature of garnishment—

"(A) which is issued by—

"(i) a court or an administrative agency of competent jurisdiction in any State, territory, or possession of the United States;

"(ii) a court or an administrative agency of competent jurisdiction in any foreign country with which the United States has entered into an agreement which requires the United States to honor the process; or

"(iii) an authorized official pursuant to an order of such a court or an administrative agency of competent jurisdiction or pursuant to State or local law; and

"(B) which is directed to, and the purpose of which is to compel, a governmental entity which holds moneys which are otherwise payable to an individual to make a payment from the moneys to another party in order to satisfy a legal obligation of the individual to provide child support or make alimony payments.".

(b) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661 and 662) are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking "sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)" and inserting "section 459 of the Social Security Act (42 U.S.C. 659)".

(c) MILITARY RETIRED AND RETAINER PAY.—

(1) DEFINITION OF COURT.—Section 1408(a)(1) of title 10, United States Code, is amended—

(A) by striking "and" at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(C) by adding after subparagraph (C) the following new subparagraph:

"(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a program under a State plan approved under part D of title IV of the Social Security Act), and, for purposes of this subparagraph, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.".

(2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of such title is amended—

(A) by inserting "or a support order, as defined in section 453(p) of the Social Security Act (42 U.S.C. 653(p))," before "which—";

(B) in subparagraph (B)(i), by striking "(as defined in section 462(b) of the Social Security Act (42 U.S.C. 662(b)))" and inserting "(as defined in section 459(i)(2) of the Social Security Act (42 U.S.C. 659(i)(2)))"; and

(C) in subparagraph (B)(ii), by striking "(as defined in section 462(c) of the Social Security Act (42 U.S.C. 662(c)))" and inserting "(as defined in section 459(i)(3) of the Social Security Act (42 U.S.C. 659(i)(3)))".

(3) PUBLIC PAYEE.—Section 1408(d) of such title is amended—

(A) in the heading, by inserting "(OR FOR BENEFIT OF)" before "SPOUSE OR"; and

(B) in paragraph (1), in the 1st sentence, by inserting "(or for the benefit of such spouse or former spouse to a State disbursement unit established pursuant to section 454B of the Social Security Act or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)" before "in an amount sufficient".

(4) RELATIONSHIP TO PART D OF TITLE IV.—Section 1408 of such title is amended by adding at the end the following new subsection:

"(j) RELATIONSHIP TO OTHER LAWS.—In any case involving an order providing for payment of child support (as defined in section 459(i)(2) of the Social Security Act) by a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of such Act.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 4363. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) AVAILABILITY OF LOCATOR INFORMATION.—

(1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) TYPE OF ADDRESS.—

(A) RESIDENTIAL ADDRESS.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be disclosed due to national security or safety concerns.

(3) UPDATING OF LOCATOR INFORMATION.—Within 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service established under section 453 of the Social Security Act.

(b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT HEARINGS.—

(1) REGULATIONS.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted.

(2) COVERED HEARINGS.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

(3) DEFINITIONS.—For purposes of this subsection—

(A) The term "court" has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term "child support" has the meaning given such term in section 459(i) of the Social Security Act (42 U.S.C. 659(i)).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—

(1) DATE OF CERTIFICATION OF COURT ORDER.—Section 1408 of title 10, United States Code, as amended by section 4362(c)(4) of this Act, is amended—

(A) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively; and

(B) by inserting after subsection (h) the following new subsection:

"(i) CERTIFICATION DATE.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary.".

(2) PAYMENTS CONSISTENT WITH ASSIGNMENTS OF RIGHTS TO STATES.—Section 1408(d)(1) of such title is amended by inserting after the 1st sentence the following new sentence: "In the case of a spouse or former spouse who, pursuant to section 408(a)(4) of the Social Security Act (42 U.S.C. 608(a)(4)), assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights.".

(3) ARREARAGES OWED BY MEMBERS OF THE UNIFORMED SERVICES.—Section 1408(d) of such title is amended by adding at the end the following new paragraph:

"(6) In the case of a court order for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which provides for payments from the disposable retired pay of a member to satisfy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisfy the amount of child support set forth in a court order shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.".

(4) PAYROLL DEDUCTIONS.—The Secretary of Defense shall begin payroll deductions within 30 days after receiving notice of withholding, or for the 1st pay period that begins after such 30-day period.

SEC. 4364. VOIDING OF FRAUDULENT TRANSFERS.

Section 466 (42 U.S.C. 666), as amended by section 4321 of this Act, is amended by adding at the end the following new subsection:

"(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In order to satisfy section 454(20)(A), each State must have in effect—

"(1)(A) the Uniform Fraudulent Conveyance Act of 1981;

"(B) the Uniform Fraudulent Transfer Act of 1984; or

"(C) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

"(2) procedures under which, in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

"(A) seek to void such transfer; or

"(B) obtain a settlement in the best interests of the child support creditor.".

SEC. 4365. WORK REQUIREMENT FOR PERSONS OWING PAST-DUE CHILD SUPPORT.

(a) IN GENERAL.—Section 466(a) (42 U.S.C. 666(a)), as amended by sections 4315, 4317(a), and 4323 of this Act, is amended by inserting after paragraph (14) the following new paragraph:

"(15) PROCEDURES TO ENSURE THAT PERSONS OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN FOR PAYMENT OF SUCH SUPPORT.—

"(A) IN GENERAL.—Procedures under which the State has the authority, in any case in which an individual owes past-due support with respect to a child receiving assistance under a State program funded under part A, to issue an order or to request that a court or an administrative process established pursuant to State law issue an order that requires the individual to—

"(i) pay such support in accordance with a plan approved by the court, or, at the option of the State, a plan approved by the State agency administering the State program under this part; or

"(ii) if the individual is subject to such a plan and is not incapacitated, participate in such work activities (as defined in section 407(d)) as the court, or, at the option of the State, the State agency administering the State program under this part, deems appropriate.

"(B) PAST-DUE SUPPORT DEFINED.—For purposes of subparagraph (A), the term 'past-due support' means the amount of a delinquency, determined under a court order, or an order of an administrative process established under State law, for support and maintenance of a child, or of a child and the parent with whom the child is living.".

(b) CONFORMING AMENDMENT.—The flush paragraph at the end of section 466(a) (42 U.S.C.666(a)) is amended by striking "and (7)" and inserting "(7), and (15)".

SEC. 4366. DEFINITION OF SUPPORT ORDER.

Section 453 (42 U.S.C. 653) as amended by sections 4316 and 4345(b) of this Act, is amended by adding at the end the following new subsection:

"(p) SUPPORT ORDER DEFINED.—As used in this part, the term 'support order' means a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages, or reimbursement, and which may include related costs and fees, interest and penalties, income withholding, attorneys' fees, and other relief.".

SEC. 4367. REPORTING ARREARAGES TO CREDIT BUREAUS.

Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read as follows:

"(7) REPORTING ARREARAGES TO CREDIT BUREAUS.—

"(A) IN GENERAL.—Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any noncustodial parent who is delinquent in the payment of support, and the amount of overdue support owed by such parent.

"(B) SAFEGUARDS.—Procedures ensuring that, in carrying out subparagraph (A), information with respect to a noncustodial parent is reported—

"(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

"(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency (as so defined).".

SEC. 4368. LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended to read as follows:

"(4) LIENS.—Procedures under which—

"(A) liens arise by operation of law against real and personal property for amounts of overdue support owed by a noncustodial parent who resides or owns property in the State; and

"(B) the State accords full faith and credit to liens described in subparagraph (A) arising in another State, when the State agency, party, or other entity seeking to enforce such a lien complies with the procedural rules relating to recording or serving liens that arise within the State, except that such rules may not require judicial notice or hearing prior to the enforcement of such a lien.".

SEC. 4369. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 4315, 4317(a), 4323, and 4365 of this Act, is amended by inserting after paragraph (15) the following:

"(16) AUTHORITY TO WITHHOLD OR SUSPEND LICENSES.—Procedures under which the State has (and uses in appropriate cases) authority to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.".

SEC. 4370. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.

(a) HHS CERTIFICATION PROCEDURE.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652), as amended by section 4345 of this Act, is amended by adding at the end the following new subsection:

"(k)(1) If the Secretary receives a certification by a State agency in accordance with the requirements of section 454(31) that an individual owes arrearages of child support in an amount exceeding $5,000, the Secretary shall transmit such certification to the Secretary of State for action (with respect to denial, revocation, or limitation of passports) pursuant to paragraph (2).

"(2) The Secretary of State shall, upon certification by the Secretary transmitted under paragraph (1), refuse to issue a passport to such individual, and may revoke, restrict, or limit a passport issued previously to such individual.

"(3) The Secretary and the Secretary of State shall not be liable to an individual for any action with respect to a certification by a State agency under this section.".

(2) STATE AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by sections 4301(b), 4303(a), 4312(b), 4313(a), 4333, 4343(b), and 4347 of this Act, is amended—

(A) by striking "and" at the end of paragraph (30);

(B) by striking the period at the end of paragraph (31) and inserting "; and"; and

(C) by adding after paragraph (31) the following new paragraph:

"(32) provide that the State agency will have in effect a procedure for certifying to the Secretary, for purposes of the procedure under section 452(k), determinations that individuals owe arrearages of child support in an amount exceeding $5,000, under which procedure—

"(A) each individual concerned is afforded notice of such determination and the consequences thereof, and an opportunity to contest the determination; and

"(B) the certification by the State agency is furnished to the Secretary in such format, and accompanied by such supporting documentation, as the Secretary may require.".

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective October 1, 1997.

SEC. 4371. INTERNATIONAL SUPPORT ENFORCEMENT.

(a) AUTHORITY FOR INTERNATIONAL AGREEMENTS.—Part D of title IV, as amended by section 4362(a) of this Act, is amended by adding after section 459 the following new section:

"SEC. 459A. INTERNATIONAL SUPPORT ENFORCEMENT.

"(a) AUTHORITY FOR DECLARATIONS.—

"(1) DECLARATION.—The Secretary of State, with the concurrence of the Secretary of Health and Human Services, is authorized to declare any foreign country (or a political subdivision thereof) to be a foreign reciprocating country if the foreign country has established, or undertakes to establish, procedures for the establishment and enforcement of duties of support owed to obligees who are residents of the United States, and such procedures are substantially in conformity with the standards prescribed under subsection (b).

"(2) REVOCATION.—A declaration with respect to a foreign country made pursuant to paragraph (1) may be revoked if the Secretaries of State and Health and Human Services determine that—

"(A) the procedures established by the foreign country regarding the establishment and enforcement of duties of support have been so changed, or the foreign country's implementation of such procedures is so unsatisfactory, that such procedures do not meet the criteria for such a declaration; or

"(B) continued operation of the declaration is not consistent with the purposes of this part.

"(3) FORM OF DECLARATION.—A declaration under paragraph (1) may be made in the form of an international agreement, in connection with an international agreement or corresponding foreign declaration, or on a unilateral basis.

"(b) STANDARDS FOR FOREIGN SUPPORT ENFORCEMENT PROCEDURES.—

"(1) MANDATORY ELEMENTS.—Support enforcement procedures of a foreign country which may be the subject of a declaration pursuant to subsection (a)(1) shall include the following elements:

"(A) The foreign country (or political subdivision thereof) has in effect procedures, available to residents of the United States—

"(i) for establishment of paternity, and for establishment of orders of support for children and custodial parents; and

"(ii) for enforcement of orders to provide support to children and custodial parents, including procedures for collection and appropriate distribution of support payments under such orders.

"(B) The procedures described in subparagraph (A), including legal and administrative assistance, are provided to residents of the United States at no cost.

"(C) An agency of the foreign country is designated as a Central Authority responsible for—

"(i) facilitating support enforcement in cases involving residents of the foreign country and residents of the United States; and

"(ii) ensuring compliance with the standards established pursuant to this subsection.

"(2) ADDITIONAL ELEMENTS.—The Secretary of Health and Human Services and the Secretary of State, in consultation with the States, may establish such additional standards as may be considered necessary to further the purposes of this section.

"(c) DESIGNATION OF UNITED STATES CENTRAL AUTHORITY.—It shall be the responsibility of the Secretary of Health and Human Services to facilitate support enforcement in cases involving residents of the United States and residents of foreign countries that are the subject of a declaration under this section, by activities including—

"(1) development of uniform forms and procedures for use in such cases;

"(2) notification of foreign reciprocating countries of the State of residence of individuals sought for support enforcement purposes, on the basis of information provided by the Federal Parent Locator Service; and

"(3) such other oversight, assistance, and coordination activities as the Secretary may find necessary and appropriate.

"(d) EFFECT ON OTHER LAWS.—States may enter into reciprocal arrangements for the establishment and enforcement of support obligations with foreign countries that are not the subject of a declaration pursuant to subsection (a), to the extent consistent with Federal law.".

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 4301(b), 4303(a), 4312(b), 4313(a), 4333, 4343(b), 4347, and 4370(a)(2) of this Act, is amended—

(1) by striking "and" at the end of paragraph (31);

(2) by striking the period at the end of paragraph (32) and inserting "; and"; and

(3) by adding after paragraph (32) the following new paragraph:

"(33)(A) provide that any request for services under this part by a foreign reciprocating country or a foreign country with which the State has an arrangement described in section 459A(d)(2) shall be treated as a request by a State;

"(B) provide, at State option, notwithstanding paragraph (4) or any other provision of this part, for services under the plan for enforcement of a spousal support order not described in paragraph (4)(B) entered by such a country (or subdivision); and

"(C) provide that no applications will be required from, and no costs will be assessed for such services against, the foreign reciprocating country or foreign obligee (but costs may at State option be assessed against the obligor).".

SEC. 4372. FINANCIAL INSTITUTION DATA MATCHES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 4315, 4317(a), 4323, 4365, and 4369 of this Act, is amended by inserting after paragraph (16) the following new paragraph:

"(17) FINANCIAL INSTITUTION DATA MATCHES.—

"(A) IN GENERAL.—Procedures under which the State agency shall enter into agreements with financial institutions doing business in the State—

"(i) to develop and operate, in coordination with such financial institutions, a data match system, using automated data exchanges to the maximum extent feasible, in which each such financial institution is required to provide for each calendar quarter the name, record address, social security number or other taxpayer identification number, and other identifying information for each noncustodial parent who maintains an account at such institution and who owes past-due support, as identified by the State by name and social security number or other taxpayer identification number; and

"(ii) in response to a notice of lien or levy, encumber or surrender, as the case may be, assets held by such institution on behalf of any noncustodial parent who is subject to a child support lien pursuant to paragraph (4).

"(B) REASONABLE FEES.—The State agency may pay a reasonable fee to a financial institution for conducting the data match provided for in subparagraph (A)(i), not to exceed the actual costs incurred by such financial institution.

"(C) LIABILITY.—A financial institution shall not be liable under any Federal or State law to any person—

"(i) for any disclosure of information to the State agency under subparagraph (A)(i);

"(ii) for encumbering or surrendering any assets held by such financial institution in response to a notice of lien or levy issued by the State agency as provided for in subparagraph (A)(ii); or

"(iii) for any other action taken in good faith to comply with the requirements of subparagraph (A).

"(D) DEFINITIONS.—For purposes of this paragraph—

"(i) FINANCIAL INSTITUTION.—The term 'financial institution' has the meaning given to such term by section 469A(d)(1).

"(ii) ACCOUNT.—The term 'account' means a demand deposit account, checking or negotiable withdrawal order account, savings account, time deposit account, or money-market mutual fund account.".

SEC. 4373. ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS IN CASES OF MINOR PARENTS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 4315, 4317(a), 4323, 4365, 4369, and 4372 of this Act, is amended by inserting after paragraph (17) the following new paragraph:

"(18) ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS.—Procedures under which, at the State's option, any child support order enforced under this part with respect to a child of minor parents, if the custodial parent of such child is receiving assistance under the State program under part A, shall be enforceable, jointly and severally, against the parents of the noncustodial parent of such child.".

SEC. 4374. NONDISCHARGEABILITY IN BANKRUPTCY OF CERTAIN DEBTS FOR THE SUPPORT OF A CHILD.

(a) AMENDMENT TO TITLE 11 OF THE UNITED STATES CODE.—Section 523(a) of title 11, United States Code, is amended—

(1) by striking "or" at the end of paragraph (16);

(2) by striking the period at the end of paragraph (17) and inserting "; or";

(3) by adding at the end the following:

"(18) owed under State law to a State or municipality that is—

"(A) in the nature of support, and

"(B) enforceable under part D of title IV of the Social Security Act (42 U.S.C. 601 et seq.)."; and

(4) in paragraph (5), by striking "section 402(a)(26)" and inserting "section 408(a)(4)".

(b) AMENDMENT TO THE SOCIAL SECURITY ACT.—Section 456(b) (42 U.S.C. 656(b)) is amended to read as follows:

"(b) NONDISCHARGEABILITY.—A debt (as defined in section 101 of title 11 of the United States Code) owed under State law to a State (as defined in such section) or municipality (as defined in such section) that is in the nature of support and that is enforceable under this part is not released by a discharge in bankruptcy under title 11 of the United States Code.".

(c) APPLICATION OF AMENDMENTS.—The amendments made by this section shall apply only with respect to cases commenced under title 11 of the United States Code after the date of the enactment of this Act.

CHAPTER 8—MEDICAL SUPPORT

SEC. 4376. CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking "issued by a court of competent jurisdiction";

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following:

"if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued through an administrative process established under State law and has the force and effect of law under applicable State law.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1997.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the 1st plan year beginning on or after January 1, 1997, if—

(A) during the period after the date before the date of the enactment of this Act and before such 1st plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(B) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such 1st plan year.

A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

SEC. 4377. ENFORCEMENT OF ORDERS FOR HEALTH CARE COVERAGE.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 4315, 4317(a), 4323, 4365, 4369, 4372, and 4373 of this Act, is amended by inserting after paragraph (18) the following new paragraph:

"(19) HEALTH CARE COVERAGE.—Procedures under which all child support orders enforced pursuant to this part shall include a provision for the health care coverage of the child, and in the case in which a noncustodial parent provides such coverage and changes employment, and the new employer provides health care coverage, the State agency shall transfer notice of the provision to the employer, which notice shall operate to enroll the child in the noncustodial parent's health plan, unless the noncustodial parent contests the notice.".

CHAPTER 9—ENHANCING RESPONSIBILITY AND OPPORTUNITY FOR NON-RESIDENTIAL PARENTS

SEC. 4381. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

Part D of title IV (42 U.S.C. 651–669), as amended by section 4353 of this Act, is amended by adding at the end the following new section:

"SEC. 469B. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

"(a) IN GENERAL.—The Administration for Children and Families shall make grants under this section to enable States to establish and administer programs to support and facilitate noncustodial parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pickup), and development of guidelines for visitation and alternative custody arrangements.

"(b) AMOUNT OF GRANT.—The amount of the grant to be made to a State under this section for a fiscal year shall be an amount equal to the lesser of—

"(1) 90 percent of State expenditures during the fiscal year for activities described in subsection (a); or

"(2) the allotment of the State under subsection (c) for the fiscal year.

"(c) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—The allotment of a State for a fiscal year is the amount that bears the same ratio to $10,000,000 for grants under this section for the fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

"(2) MINIMUM ALLOTMENT.—The Administration for Children and Families shall adjust allotments to States under paragraph (1) as necessary to ensure that no State is allotted less than—

"(A) $50,000 for fiscal year 1997 or 1998; or

"(B) $100,000 for any succeeding fiscal year.

"(d) NO SUPPLANTATION OF STATE EXPENDITURES FOR SIMILAR ACTIVITIES.—A State to which a grant is made under this section may not use the grant to supplant expenditures by the State for activities specified in subsection (a), but shall use the grant to supplement such expenditures at a level at least equal to the level of such expenditures for fiscal year 1995.

"(e) STATE ADMINISTRATION.—Each State to which a grant is made under this section—

"(1) may administer State programs funded with the grant, directly or through grants to or contracts with courts, local public agencies, or nonprofit private entities;

"(2) shall not be required to operate such programs on a statewide basis; and

"(3) shall monitor, evaluate, and report on such programs in accordance with regulations prescribed by the Secretary.".

CHAPTER 10—EFFECTIVE DATES AND CONFORMING AMENDMENTS

SEC. 4391. EFFECTIVE DATES AND CONFORMING AMENDMENTS.

(a) IN GENERAL.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) the provisions of this subtitle requiring the enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this subtitle shall become effective upon the date of the enactment of this Act.

(b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this subtitle shall become effective with respect to a State on the later of—

(1) the date specified in this subtitle, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions,

but in no event later than the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT.—A State shall not be found out of compliance with any requirement enacted by this subtitle if the State is unable to so comply without amending the State constitution until the earlier of—

(1) 1 year after the effective date of the necessary State constitutional amendment; or

(2) 5 years after the date of the enactment of this Act.

(d) CONFORMING AMENDMENTS.—

(1) The following provisions are amended by striking "absent" each place it appears and inserting "noncustodial":

(A) Section 451 (42 U.S.C. 651).

(B) Subsections (a)(1), (a)(8), (a)(10)(E), (a)(10)(F), (f), and (h) of section 452 (42 U.S.C. 652).

(C) Section 453(f) (42 U.S.C. 653(f)).

(D) Paragraphs (8), (13), and (21)(A) of section 454 (42 U.S.C. 654).

(E) Section 455(e)(1) (42 U.S.C. 655(e)(1)).

(F) Section 458(a) (42 U.S.C. 658(a)).

(G) Subsections (a), (b), and (c) of section 463 (42 U.S.C. 663).

(H) Subsections (a)(3)(A), (a)(3)(C), (a)(6), and (a)(8)(B)(ii), the last sentence of subsection (a), and subsections (b)(1), (b)(3)(B), (b)(3)(B)(i), (b)(6)(A)(i), (b)(9), and (e) of section 466 (42 U.S.C. 666).

(2) The following provisions are amended by striking "an absent" each place it appears and inserting "a noncustodial":

(A) Paragraphs (2) and (3) of section 453(c) (42 U.S.C. 653(c)).

(B) Subparagraphs (B) and (C) of section 454(9) (42 U.S.C. 654(9)).

(C) Section 456(a)(3) (42 U.S.C. 656(a)(3)).

(D) Subsections (a)(3)(A), (a)(6), (a)(8)(B)(i), (b)(3)(A), and (b)(3)(B) of section 466 (42 U.S.C. 666).

(E) Paragraphs (2) and (4) of section 469(b) (42 U.S.C. 669(b)).

Subtitle D—Restricting Welfare and Public Benefits for Aliens

SEC. 4400. STATEMENTS OF NATIONAL POLICY CONCERNING WELFARE AND IMMIGRATION.

The Congress makes the following statements concerning national policy with respect to welfare and immigration:

(1) Self-sufficiency has been a basic principle of United States immigration law since this country's earliest immigration statutes.

(2) It continues to be the immigration policy of the United States that—

(A) aliens within the Nation's borders not depend on public resources to meet their needs, but rather rely on their own capabilities and the resources of their families, their sponsors, and private organizations, and

(B) the availability of public benefits not constitute an incentive for immigration to the United States.

(3) Despite the principle of self-sufficiency, aliens have been applying for and receiving public benefits from Federal, State, and local governments at increasing rates.

(4) Current eligibility rules for public assistance and unenforceable financial support agreements have proved wholly incapable of assuring that individual aliens not burden the public benefits system.

(5) It is a compelling government interest to enact new rules for eligibility and sponsorship agreements in order to assure that aliens be self-reliant in accordance with national immigration policy.

(6) It is a compelling government interest to remove the incentive for illegal immigration provided by the availability of public benefits.

(7) With respect to the State authority to make determinations concerning the eligibility of qualified aliens for public benefits in this subtitle, a State that chooses to follow the Federal classification in determining the eligibility of such aliens for public assistance shall be considered to have chosen the least restrictive means available for achieving the compelling governmental interest of assuring that aliens be self-reliant in accordance with national immigration policy.

CHAPTER 1—ELIGIBILITY FOR FEDERAL BENEFITS

SEC. 4401. ALIENS WHO ARE NOT QUALIFIED ALIENS INELIGIBLE FOR FEDERAL PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is not a qualified alien (as defined in section 4431) is not eligible for any Federal public benefit (as defined in subsection (c)).

(b) EXCEPTIONS.—

(1) Subsection (a) shall not apply with respect to the following Federal public benefits:

(A) Emergency medical services under title XIX of the Social Security Act.

(B) Short-term, non-cash, in-kind emergency disaster relief.

(C) Public health assistance for immunizations with respect to immunizable diseases and for testing and treatment of symptoms of communicable diseases whether or not such symptoms are caused by a communicable disease.

(D) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) deliver in-kind services at the community level, including through public or private nonprofit agencies; (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life or safety.

(E) Programs for housing or community development assistance or financial assistance administered by the Secretary of Housing and Urban Development, any program under title V of the Housing Act of 1949, or any assistance under section 306C of the Consolidated Farm and Rural Development Act, to the extent that the alien is receiving such a benefit on the date of the enactment of this Act.

(2) Subsection (a) shall not apply to any benefit payable under title II of the Social Security Act to an alien who is lawfully present in the United States as determined by the Attorney General, to any benefit if nonpayment of such benefit would contravene an international agreement described in section 233 of the Social Security Act, to any benefit if nonpayment would be contrary to section 202(t) of the Social Security Act, or to any benefit payable under title II of the Social Security Act to which entitlement is based on an application filed in or before the month in which this Act becomes law.

(c) FEDERAL PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this subtitle the term "Federal public benefit" means—

(A) any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United States; and

(B) any retirement, welfare, health, disability, public or assisted housing, postsecondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of the United States or by appropriated funds of the United States.

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Attorney General, after consultation with the Secretary of State.

SEC. 4402. LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR CERTAIN FEDERAL PROGRAMS.

(a) LIMITED ELIGIBILITY FOR SPECIFIED FEDERAL PROGRAMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in paragraph (2), an alien who is a qualified alien (as defined in section 4431) is not eligible for any specified Federal program (as defined in paragraph (3)).

(2) EXCEPTIONS.—

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—Paragraph (1) shall not apply to an alien until 5 years after the date—

(i) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

(ii) an alien is granted asylum under section 208 of such Act; or

(iii) an alien's deportation is withheld under section 243(h) of such Act.

(B) CERTAIN PERMANENT RESIDENT ALIENS.—Paragraph (1) shall not apply to an alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii)(I) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 435, and (II) did not receive any Federal means-tested public benefit (as defined in section 4403(c)) during any such quarter.

(C) VETERAN AND ACTIVE DUTY EXCEPTION.—Paragraph (1) shall not apply to an alien who is lawfully residing in any State and is—

(i) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii).

(D) TRANSITION FOR ALIENS CURRENTLY RECEIVING BENEFITS.—

(i) SSI.—

(I) IN GENERAL.—With respect to the specified Federal program described in paragraph (3)(A), during the period beginning on the date of the enactment of this Act and ending on the date which is 1 year after such date of enactment, the Commissioner of Social Security shall redetermine the eligibility of any individual who is receiving benefits under such program as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of this subsection.

(II) REDETERMINATION CRITERIA.— With respect to any redetermination under subclause (I), the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under such program.

(III) GRANDFATHER PROVISION.—The provisions of this subsection and the redetermination under subclause (I), shall only apply with respect to the benefits of an individual described in subclause (I) for months beginning on or after the date of the redetermination with respect to such individual.

(IV) NOTICE.—Not later than January 1, 1997, the Commissioner of Social Security shall notify an individual described in subclause (I) of the provisions of this clause.

(ii) FOOD STAMPS.—

(I) IN GENERAL.—With respect to the specified Federal program described in paragraph (3)(B), during the period beginning on the date of enactment of this Act and ending on the date which is 1 year after the date of enactment, the State agency shall, at the time of the recertification, recertify the eligibility of any individual who is receiving benefits under such program as of the date of enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of this subsection.

(II) RECERTIFICATION CRITERIA.—With respect to any recertification under subclause (I), the State agency shall apply the eligibility criteria for applicants for benefits under such program.

(III) GRANDFATHER PROVISION.—The provisions of this subsection and the recertification under subclause (I) shall only apply with respect to the eligibility of an alien for a program for months beginning on or after the date of recertification, if on the date of enactment of this Act the alien is lawfully residing in any State and is receiving benefits under such program on such date of enactment.

(iii) MEDICAID.—

(I) IN GENERAL.—With respect to the specified Federal program described in paragraph (3)(C), during the period beginning on the date of enactment of this Act and ending on the date which is 1 year after the date of enactment, the State agency shall, at the time of the redetermination, redetermine the eligibility of any individual who is receiving benefits under such program as of the date of enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of this subsection.

(II) REDETERMINATION.—With respect to any redetermination under subclause (I), the State agency shall apply the eligibility criteria for applicants for benefits under such program.

(III) GRANDFATHER PROVISION.—The provisions of this subsection and the redetermination under subclause (I) shall only apply with respect to the eligibility of an alien for a program for months beginning on or after the date of redetermination, if on the date of enactment of this Act the alien is lawfully residing in any State and is receiving benefits under such program on such date of enactment.

(3) SPECIFIED FEDERAL PROGRAM DEFINED.—For purposes of this subtitle, the term "specified Federal program" means any of the following:

(A) SSI.—The supplemental security income program under title XVI of the Social Security Act, including supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

(B) FOOD STAMPS.—The food stamp program as defined in section 3(h) of the Food Stamp Act of 1977.

(C) MEDICAID.—A State plan approved under title XIX of the Social Security Act.

(b) LIMITED ELIGIBILITY FOR DESIGNATED FEDERAL PROGRAMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in section 4403 and paragraph (2), a State is authorized to determine the eligibility of an alien who is a qualified alien (as defined in section 4431) for any designated Federal program (as defined in paragraph (3)).

(2) EXCEPTIONS.—Qualified aliens under this paragraph shall be eligible for any designated Federal program.

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(i) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(ii) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.

(iii) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.

(B) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii)(I) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 4435, and (II) did not receive any Federal means-tested public benefit (as defined in section 4403(c)) during any such quarter.

(C) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(i) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii).

(D) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits under such program on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(3) DESIGNATED FEDERAL PROGRAM DEFINED.—For purposes of this subtitle, the term "designated Federal program" means any of the following:

(A) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—The program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.

(B) SOCIAL SERVICES BLOCK GRANT.—The program of block grants to States for social services under title XX of the Social Security Act.

SEC. 4403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is a qualified alien (as defined in section 4431) and who enters the United States on or after the date of the enactment of this Act is not eligible for any Federal means-tested public benefit (as defined in subsection (c)) for a period of five years beginning on the date of the alien's entry into the United States with a status within the meaning of the term "qualified alien".

(b) EXCEPTIONS.—The limitation under subsection (a) shall not apply to the following aliens:

(1) EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act.

(B) An alien who is granted asylum under section 208 of such Act.

(C) An alien whose deportation is being withheld under section 243(h) of such Act.

(2) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(c) FEDERAL MEANS-TESTED PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this subtitle, the term "Federal means-tested public benefit" means a public benefit (including cash, medical, housing, and food assistance and social services) of the Federal Government in which the eligibility of an individual, household, or family eligibility unit for benefits, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.

(2) Such term does not include the following:

(A) Emergency medical services under title XIX of the Social Security Act.

(B) Short-term, non-cash, in-kind emergency disaster relief.

(C) Assistance or benefits under the National School Lunch Act.

(D) Assistance or benefits under the Child Nutrition Act of 1966.

(E) Public health assistance for immunizations with respect to immunizable diseases and for testing and treatment of symptoms of communicable diseases whether or not such symptoms are caused by a communicable disease.

(F) Payments for foster care and adoption assistance under parts B and E of title IV of the Social Security Act for a child who would, in the absence of subsection (a), be eligible to have such payments made on the child's behalf under such part, but only if the foster or adoptive parent or parents of such child are not described under subsection (a).

(G) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) deliver in-kind services at the community level, including through public or private nonprofit agencies; (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life or safety.

(H) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965.

(I) Means-tested programs under the Elementary and Secondary Education Act of 1965.

(J) Benefits under the Head Start Act.

(K) Benefits under the Job Training Partnership Act.

SEC. 4404. NOTIFICATION AND INFORMATION REPORTING.

(a) NOTIFICATION.—Each Federal agency that administers a program to which section 4401, 4402, or 4403 applies shall, directly or through the States, post information and provide general notification to the public and to program recipients of the changes regarding eligibility for any such program pursuant to this chapter.

(b) INFORMATION REPORTING UNDER TITLE IV OF THE SOCIAL SECURITY ACT.—Part A of title IV of the Social Security Act, as amended by section 4103(a) of this Act, is amended by inserting the following new section after section 411:

"SEC. 411A. STATE REQUIRED TO PROVIDE CERTAIN INFORMATION.

"Each State to which a grant is made under section 403 shall, at least 4 times annually and upon request of the Immigration and Naturalization Service, furnish the Immigration and Naturalization Service with the name and address of, and other identifying information on, any individual who the State knows is unlawfully in the United States.".

(c) SSI.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended—

(1) by redesignating the paragraphs (6) and (7) inserted by sections 206(d)(2) and 206(f)(1) of the Social Security Independence and Programs Improvement Act of 1994 (Public Law 103–296; 108 Stat. 1514, 1515) as paragraphs (7) and (8), respectively; and

(2) by adding at the end the following new paragraph:

"(9) Notwithstanding any other provision of law, the Commissioner shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this paragraph referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Commissioner knows is unlawfully in the United States, and shall ensure that each agreement entered into under section 1616(a) with a State provides that the State shall furnish such information at such times with respect to any individual who the State knows is unlawfully in the United States.".

(d) INFORMATION REPORTING FOR HOUSING PROGRAMS.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

"SEC. 27. PROVISION OF INFORMATION TO LAW ENFORCEMENT AND OTHER AGENCIES.

"Notwithstanding any other provision of law, the Secretary shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this section referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Secretary knows is unlawfully in the United States, and shall ensure that each contract for assistance entered into under section 6 or 8 of this Act with a public housing agency provides that the public housing agency shall furnish such information at such times with respect to any individual who the public housing agency knows is unlawfully in the United States.".

CHAPTER 2—ELIGIBILITY FOR STATE AND LOCAL PUBLIC BENEFITS PROGRAMS

SEC. 4411. ALIENS WHO ARE NOT QUALIFIED ALIENS OR NONIMMIGRANTS INELIGIBLE FOR STATE AND LOCAL PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsections (b) and (d), an alien who is not—

(1) a qualified alien (as defined in section 4431),

(2) a nonimmigrant under the Immigration and Nationality Act, or

(3) an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year,

is not eligible for any State or local public benefit (as defined in subsection (c)).

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following State or local public benefits:

(1) Emergency medical services under title XIX of the Social Security Act.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3) Public health assistance for immunizations with respect to immunizable diseases and for testing and treatment of symptoms of communicable diseases whether or not such symptoms are caused by a communicable disease.

(4) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(c) STATE OR LOCAL PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this chapter the term "State or local public benefit" means—

(A) any grant, contract, loan, professional license, or commercial license provided by an agency of a State or local government or by appropriated funds of a State or local government; and

(B) any retirement, welfare, health, disability, public or assisted housing, postsecondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of a State or local government or by appropriated funds of a State or local government.

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Secretary of State, after consultation with the Attorney General.

(d) STATE AUTHORITY TO PROVIDE FOR ELIGIBILITY OF ILLEGAL ALIENS FOR STATE AND LOCAL PUBLIC BENEFITS.—A State may provide that an alien who is not lawfully present in the United States is eligible for any State or local public benefit for which such alien would otherwise be ineligible under subsection (a) only through the enactment of a State law after the date of the enactment of this Act which affirmatively provides for such eligibility.

SEC. 4412. STATE AUTHORITY TO LIMIT ELIGIBILITY OF QUALIFIED ALIENS FOR STATE PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), a State is authorized to determine the eligibility for any State public benefits (as defined in subsection (c) of an alien who is a qualified alien (as defined in section 4431), a nonimmigrant under the Immigration and Nationality Act, or an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(b) EXCEPTIONS.—Qualified aliens under this subsection shall be eligible for any State public benefits.

(1) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(B) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.

(C) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.

(2) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(A) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(B)(i) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 4435, and (ii) did not receive any Federal means-tested public benefit (as defined in section 4403(c)) during any such quarter.

(3) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(4) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(c) STATE PUBLIC BENEFITS DEFINED.—The term "State public benefits" means any means-tested public benefit of a State or political subdivision of a State under which the State or political subdivision specifies the standards for eligibility, and does not include any Federal public benefit.

CHAPTER 3—ATTRIBUTION OF INCOME AND AFFIDAVITS OF SUPPORT

SEC. 4421. FEDERAL ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO ALIEN.

(a) IN GENERAL.—Notwithstanding any other provision of law, in determining the eligibility and the amount of benefits of an alien for any Federal means-tested public benefits program (as defined in section 4403(c)), the income and resources of the alien shall be deemed to include the following:

(1) The income and resources of any person who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 4423) on behalf of such alien.

(2) The income and resources of the spouse (if any) of the person.

(b) APPLICATION.—Subsection (a) shall apply with respect to an alien until such time as the alien—

(1) achieves United States citizenship through naturalization pursuant to chapter 2 of title III of the Immigration and Nationality Act; or

(2)(A) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 4435, and (B) did not receive any Federal means-tested public benefit (as defined in section 4403(c)) during any such quarter.

(c) REVIEW OF INCOME AND RESOURCES OF ALIEN UPON REAPPLICATION.—Whenever an alien is required to reapply for benefits under any Federal means-tested public benefits program, the applicable agency shall review the income and resources attributed to the alien under subsection (a).

(d) APPLICATION.—

(1) If on the date of the enactment of this Act, a Federal means-tested public benefits program attributes a sponsor's income and resources to an alien in determining the alien's eligibility and the amount of benefits for an alien, this section shall apply to any such determination beginning on the day after the date of the enactment of this Act.

(2) If on the date of the enactment of this Act, a Federal means-tested public benefits program does not attribute a sponsor's income and resources to an alien in determining the alien's eligibility and the amount of benefits for an alien, this section shall apply to any such determination beginning 180 days after the date of the enactment of this Act.

SEC. 4422. AUTHORITY FOR STATES TO PROVIDE FOR ATTRIBUTION OF SPONSORS INCOME AND RESOURCES TO THE ALIEN WITH RESPECT TO STATE PROGRAMS.

(a) OPTIONAL APPLICATION TO STATE PROGRAMS.—Except as provided in subsection (b), in determining the eligibility and the amount of benefits of an alien for any State public benefits (as defined in section 4412(c)), the State or political subdivision that offers the benefits is authorized to provide that the income and resources of the alien shall be deemed to include—

(1) the income and resources of any individual who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 4423) on behalf of such alien, and

(2) the income and resources of the spouse (if any) of the individual.

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following State public benefits:

(1) Emergency medical services.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3) Programs comparable to assistance or benefits under the National School Lunch Act.

(4) Programs comparable to assistance or benefits under the Child Nutrition Act of 1966.

(5) Public health assistance for immunizations with respect to immunizable diseases and for testing and treatment of symptoms of communicable diseases whether or not such symptoms are caused by a communicable disease.

(6) Payments for foster care and adoption assistance.

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General of a State, after consultation with appropriate agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

SEC. 4423. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.

(a) IN GENERAL.—Title II of the Immigration and Nationality Act is amended by inserting after section 213 the following new section:

"REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

"SEC. 213A. (a) ENFORCEABILITY.—(1) No affidavit of support may be accepted by the Attorney General or by any consular officer to establish that an alien is not excludable as a public charge under section 212(a)(4) unless such affidavit is executed as a contract—

"(A) which is legally enforceable against the sponsor by the sponsored alien, the Federal Government, and by any State (or any political subdivision of such State) which provides any means-tested public benefits program, but not later than 10 years after the alien last receives any such benefit;

"(B) in which the sponsor agrees to financially support the alien, so that the alien will not become a public charge; and

"(C) in which the sponsor agrees to submit to the jurisdiction of any Federal or State court for the purpose of actions brought under subsection (e)(2).

"(2) A contract under paragraph (1) shall be enforceable with respect to benefits provided to the alien until such time as the alien achieves United States citizenship through naturalization pursuant to chapter 2 of title III.

"(b) FORMS.—Not later than 90 days after the date of enactment of this section, the Attorney General, in consultation with the Secretary of State and the Secretary of Health and Human Services, shall formulate an affidavit of support consistent with the provisions of this section.

"(c) REMEDIES.—Remedies available to enforce an affidavit of support under this section include any or all of the remedies described in section 3201, 3203, 3204, or 3205 of title 28, United States Code, as well as an order for specific performance and payment of legal fees and other costs of collection, and include corresponding remedies available under State law. A Federal agency may seek to collect amounts owed under this section in accordance with the provisions of subchapter II of chapter 37 of title 31, United States Code.

"(d) NOTIFICATION OF CHANGE OF ADDRESS.—

"(1) IN GENERAL.—The sponsor shall notify the Attorney General and the State in which the sponsored alien is currently resident within 30 days of any change of address of the sponsor during the period specified in subsection (a)(2).

"(2) PENALTY.—Any person subject to the requirement of paragraph (1) who fails to satisfy such requirement shall be subject to a civil penalty of—

"(A) not less than $250 or more than $2,000, or

"(B) if such failure occurs with knowledge that the alien has received any means-tested public benefit, not less than $2,000 or more than $5,000.

"(e) REIMBURSEMENT OF GOVERNMENT EXPENSES.—(1)(A) Upon notification that a sponsored alien has received any benefit under any means-tested public benefits program, the appropriate Federal, State, or local official shall request reimbursement by the sponsor in the amount of such assistance.

"(B) The Attorney General, in consultation with the Secretary of Health and Human Services, shall prescribe such regulations as may be necessary to carry out subparagraph (A).

"(2) If within 45 days after requesting reimbursement, the appropriate Federal, State, or local agency has not received a response from the sponsor indicating a willingness to commence payments, an action may be brought against the sponsor pursuant to the affidavit of support.

"(3) If the sponsor fails to abide by the repayment terms established by such agency, the agency may, within 60 days of such failure, bring an action against the sponsor pursuant to the affidavit of support.

"(4) No cause of action may be brought under this subsection later than 10 years after the alien last received any benefit under any means-tested public benefits program.

"(5) If, pursuant to the terms of this subsection, a Federal, State, or local agency requests reimbursement from the sponsor in the amount of assistance provided, or brings an action against the sponsor pursuant to the affidavit of support, the appropriate agency may appoint or hire an individual or other person to act on behalf of such agency acting under the authority of law for purposes of collecting any moneys owed. Nothing in this subsection shall preclude any appropriate Federal, State, or local agency from directly requesting reimbursement from a sponsor for the amount of assistance provided, or from bringing an action against a sponsor pursuant to an affidavit of support.

"(f) DEFINITIONS.—For the purposes of this section—

"(1) SPONSOR.—The term 'sponsor' means an individual who—

"(A) is a citizen or national of the United States or an alien who is lawfully admitted to the United States for permanent residence;

"(B) is 18 years of age or over;

"(C) is domiciled in any of the 50 States or the District of Columbia; and

"(D) is the person petitioning for the admission of the alien under section 204.

"(2) MEANS-TESTED PUBLIC BENEFITS PROGRAM.—The term 'means-tested public benefits program' means a program of public benefits (including cash, medical, housing, and food assistance and social services) of the Federal Government or of a State or political subdivision of a State in which the eligibility of an individual, household, or family eligibility unit for benefits under the program, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.".

(b) CLERICAL AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 213 the following:

"Sec. 213A. Requirements for sponsor's affidavit of support.".

(c) EFFECTIVE DATE.—Subsection (a) of section 213A of the Immigration and Nationality Act, as inserted by subsection (a) of this section, shall apply to affidavits of support executed on or after a date specified by the Attorney General, which date shall be not earlier than 60 days (and not later than 90 days) after the date the Attorney General formulates the form for such affidavits under subsection (b) of such section.

(d) BENEFITS NOT SUBJECT TO REIMBURSEMENT.—Requirements for reimbursement by a sponsor for benefits provided to a sponsored alien pursuant to an affidavit of support under section 213A of the Immigration and Nationality Act shall not apply with respect to the following:

(1) Emergency medical services under title XIX of the Social Security Act.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3) Assistance or benefits under the National School Lunch Act.

(4) Assistance or benefits under the Child Nutrition Act of 1966.

(5) Public health assistance for immunizations with respect to immunizable diseases and for testing and treatment of symptoms of communicable diseases whether or not such symptoms are caused by a communicable disease.

(6) Payments for foster care and adoption assistance under part B of title IV of the Social Security Act for a child, but only if the foster or adoptive parent or parents of such child are not otherwise ineligible pursuant to section 4403 of this Act.

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(8) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965.

(9) Benefits under the Head Start Act.

(10) Means-tested programs under the Elementary and Secondary Education Act of 1965.

(11) Benefits under the Job Training Partnership Act.

CHAPTER 4—GENERAL PROVISIONS

SEC. 4431. DEFINITIONS.

(a) IN GENERAL.—Except as otherwise provided in this subtitle, the terms used in this subtitle have the same meaning given such terms in section 101(a) of the Immigration and Nationality Act.

(b) QUALIFIED ALIEN.—For purposes of this subtitle, the term "qualified alien" means an alien who, at the time the alien applies for, receives, or attempts to receive a Federal public benefit, is—

(1) an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act,

(2) an alien who is granted asylum under section 208 of such Act,

(3) a refugee who is admitted to the United States under section 207 of such Act,

(4) an alien who is paroled into the United States under section 212(d)(5) of such Act for a period of at least 1 year,

(5) an alien whose deportation is being withheld under section 243(h) of such Act, or

(6) an alien who is granted conditional entry pursuant to section 203(a)(7) of such Act as in effect prior to April 1, 1980.

SEC. 4432. VERIFICATION OF ELIGIBILITY FOR FEDERAL PUBLIC BENEFITS.

(a) IN GENERAL.—Not later than 18 months after the date of the enactment of this Act, the Attorney General of the United States, after consultation with the Secretary of Health and Human Services, shall promulgate regulations requiring verification that a person applying for a Federal public benefit (as defined in section 4401(c)), to which the limitation under section 4401 applies, is a qualified alien and is eligible to receive such benefit. Such regulations shall, to the extent feasible, require that information requested and exchanged be similar in form and manner to information requested and exchanged under section 1137 of the Social Security Act.

(b) STATE COMPLIANCE.—Not later than 24 months after the date the regulations described in subsection (a) are adopted, a State that administers a program that provides a Federal public benefit shall have in effect a verification system that complies with the regulations.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purpose of this section.

SEC. 4433. STATUTORY CONSTRUCTION.

(a) LIMITATION.—

(1) Nothing in this subtitle may be construed as an entitlement or a determination of an individual's eligibility or fulfillment of the requisite requirements for any Federal, State, or local governmental program, assistance, or benefits. For purposes of this subtitle, eligibility relates only to the general issue of eligibility or ineligibility on the basis of alienage.

(2) Nothing in this subtitle may be construed as addressing alien eligibility for a basic public education as determined by the Supreme Court of the United States under Plyler v. Doe (457 U.S. 202)(1982).

(b) NOT APPLICABLE TO FOREIGN ASSISTANCE.—This subtitle does not apply to any Federal, State, or local governmental program, assistance, or benefits provided to an alien under any program of foreign assistance as determined by the Secretary of State in consultation with the Attorney General.

(c) SEVERABILITY.—If any provision of this subtitle or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this subtitle and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 4434. COMMUNICATION BETWEEN STATE AND LOCAL GOVERNMENT AGENCIES AND THE IMMIGRATION AND NATURALIZATION SERVICE.

Notwithstanding any other provision of Federal, State, or local law, no State or local government entity may be prohibited, or in any way restricted, from sending to or receiving from the Immigration and Naturalization Service information regarding the immigration status, lawful or unlawful, of an alien in the United States.

SEC. 4435. QUALIFYING QUARTERS.

For purposes of this subtitle, in determining the number of qualifying quarters of coverage under title II of the Social Security Act an alien shall be credited with—

(1) all of the qualifying quarters of coverage as defined under title II of the Social Security Act worked by a parent of such alien while the alien was under age 18 if the parent did not receive any Federal means-tested public benefit (as defined in section 4403(c)) during any such quarter, and

(2) all of the qualifying quarters worked by a spouse of such alien during their marriage if the spouse did not receive any Federal means-tested public benefit (as defined in section 4403(c)) during any such quarter and the alien remains married to such spouse or such spouse is deceased.

CHAPTER 5—CONFORMING AMENDMENTS RELATING TO ASSISTED HOUSING

SEC. 4441. CONFORMING AMENDMENTS RELATING TO ASSISTED HOUSING.

(a) LIMITATIONS ON ASSISTANCE.—Section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) is amended—

(1) by striking "Secretary of Housing and Urban Development" each place it appears and inserting "applicable Secretary";

(2) in subsection (b), by inserting after "National Housing Act," the following: "the direct loan program under section 502 of the Housing Act of 1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or 542 of such Act, subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act,";

(3) in paragraphs (2) through (6) of subsection (d), by striking "Secretary" each place it appears and inserting "applicable Secretary";

(4) in subsection (d), in the matter following paragraph (6), by striking "the term 'Secretary'" and inserting "the term 'applicable Secretary'"; and

(5) by adding at the end the following new subsection:

"(h) For purposes of this section, the term 'applicable Secretary' means—

"(1) the Secretary of Housing and Urban Development, with respect to financial assistance administered by such Secretary and financial assistance under subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act; and

"(2) the Secretary of Agriculture, with respect to financial assistance administered by such Secretary.".

(b) CONFORMING AMENDMENTS.—Section 501(h) of the Housing Act of 1949 (42 U.S.C. 1471(h)) is amended—

(1) by striking "(1)";

(2) by striking "by the Secretary of Housing and Urban Development"; and

(3) by striking paragraph (2).

CHAPTER 6—EARNED INCOME CREDIT DENIED TO UNAUTHORIZED EMPLOYEES

SEC. 4451. EARNED INCOME CREDIT DENIED TO INDIVIDUALS NOT AUTHORIZED TO BE EMPLOYED IN THE UNITED STATES.

(a) IN GENERAL.—Section 32(c)(1) of the Internal Revenue Code of 1986 (relating to individuals eligible to claim the earned income credit) is amended by adding at the end the following new subparagraph:

"(F) IDENTIFICATION NUMBER REQUIREMENT.—The term 'eligible individual' does not include any individual who does not include on the return of tax for the taxable year—

"(i) such individual's taxpayer identification number, and

"(ii) if the individual is married (within the meaning of section 7703), the taxpayer identification number of such individual's spouse.".

(b) SPECIAL IDENTIFICATION NUMBER.—Section 32 of such Code is amended by adding at the end the following new subsection:

"(l) IDENTIFICATION NUMBERS.—Solely for purposes of subsections (c)(1)(F) and (c)(3)(D), a taxpayer identification number means a social security number issued to an individual by the Social Security Administration (other than a social security number issued pursuant to clause (II) (or that portion of clause (III) that relates to clause (II)) of section 205(c)(2)(B)(i) of the Social Security Act).".

(c) EXTENSION OF PROCEDURES APPLICABLE TO MATHEMATICAL OR CLERICAL ERRORS.—Section 6213(g)(2) of such Code (relating to the definition of mathematical or clerical errors) is amended by striking "and' at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting a comma, and by inserting after subparagraph (E) the following new subparagraphs:

"(F) an omission of a correct taxpayer identification number required under section 32 (relating to the earned income tax credit) to be included on a return, and

"(G) an entry on a return claiming the credit under section 32 with respect to net earnings from self-employment described in section 32(c)(2)(A) to the extent the tax imposed by section 1401 (relating to self-employment tax) on such net earnings has not been paid."

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

Subtitle E—Reform of Public Housing

SEC. 4601. FRAUD UNDER MEANS-TESTED WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

(a) IN GENERAL.—If an individual's benefits under a Federal, State, or local law relating to a means-tested welfare or a public assistance program are reduced because of an act of fraud by the individual under the law or program, the individual may not, for the duration of the reduction, receive an increased benefit under any other means-tested welfare or public assistance program for which Federal funds are appropriated as a result of a decrease in the income of the individual (determined under the applicable program) attributable to such reduction.

(b) WELFARE OR PUBLIC ASSISTANCE PROGRAMS FOR WHICH FEDERAL FUNDS ARE APPROPRIATED.—For purposes of subsection (a), the term "means-tested welfare or public assistance program for which Federal funds are appropriated" includes the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), any program of public or assisted housing under title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), and State programs funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

Subtitle F—Child Protection Block Grant Programs and Foster Care, Adoption Assistance, and Independent Living Programs

CHAPTER 1—CHILD PROTECTION BLOCK GRANT PROGRAM AND FOSTER CARE, ADOPTION ASSISTANCE, AND INDEPENDENT LIVING PROGRAMS

Subchapter A—Block Grants to States for the Protection of Children

SEC. 4701. ESTABLISHMENT OF PROGRAM.

Title IV of the Social Security Act (42 U.S.C. 601 et seq.) is amended by striking part B and inserting the following:

"PART B—BLOCK GRANTS TO STATES FOR THE PROTECTION OF CHILDREN

"SEC. 421. PURPOSE.

"The purpose of this part is to enable eligible States to carry out a child protection program to—

"(1) identify and assist families at risk of abusing or neglecting their children;

"(2) operate a system for receiving reports of abuse or neglect of children;

"(3) improve the intake, assessment, screening, and investigation of reports of abuse and neglect;

"(4) enhance the general child protective system by improving risk and safety assessment tools and protocols;

"(5) improve legal preparation and representation, including procedures for appealing and responding to appeals of substantiated reports of abuse and neglect;

"(6) provide support, treatment, and family preservation services to families which are, or are at risk of, abusing or neglecting their children;

"(7) support children who must be removed from or who cannot live with their families;

"(8) make timely decisions about permanent living arrangements for children who must be removed from or who cannot live with their families;

"(9) provide for continuing evaluation and improvement of child protection laws, regulations, and services;

"(10) develop and facilitate training protocols for individuals mandated to report child abuse or neglect; and

"(11) develop and enhance the capacity of community-based programs to integrate shared leadership strategies between parents and professionals to prevent and treat child abuse and neglect at the neighborhood level.

"SEC. 422. ELIGIBLE STATES.

"(a) IN GENERAL.—As used in this part, the term 'eligible State' means a State that has submitted to the Secretary, not later than October 1, 1996, and every 3 years thereafter, a plan which has been signed by the chief executive officer of the State and that includes the following:

"(1) OUTLINE OF CHILD PROTECTION PROGRAM.—A written document that outlines the activities the State intends to conduct to achieve the purpose of this part, including the procedures to be used for—

"(A) receiving and assessing reports of child abuse or neglect;

"(B) investigating such reports;

"(C) with respect to families in which abuse or neglect has been confirmed, providing services or referral for services for families and children where the State makes a determination that the child may safely remain with the family;

"(D) protecting children by removing them from dangerous settings and ensuring their placement in a safe environment;

"(E) providing training for individuals mandated to report suspected cases of child abuse or neglect;

"(F) protecting children in foster care;

"(G) promoting timely adoptions;

"(H) protecting the rights of families, using adult relatives as the preferred placement for children separated from their parents where such relatives meet the relevant State child protection standards; and

"(I) providing services to individuals, families, or communities, either directly or through referral, that are aimed at preventing the occurrence of child abuse and neglect.

"(2) CERTIFICATION OF STATE LAW REQUIRING THE REPORTING OF CHILD ABUSE AND NEGLECT.—A certification that the State has in effect laws that require public officials and other professionals to report, in good faith, actual or suspected instances of child abuse or neglect.

"(3) CERTIFICATION OF PROCEDURES FOR SCREENING, SAFETY ASSESSMENT, AND PROMPT INVESTIGATION.—A certification that the State has in effect procedures for receiving and responding to reports of child abuse or neglect, including the reports described in paragraph (2), and for the immediate screening, safety assessment, and prompt investigation of such reports.

"(4) CERTIFICATION OF STATE PROCEDURES FOR REMOVAL AND PLACEMENT OF ABUSED OR NEGLECTED CHILDREN.—A certification that the State has in effect procedures for the removal from families and placement of abused or neglected children and of any other child in the same household who may also be in danger of abuse or neglect.

"(5) CERTIFICATION OF PROVISIONS FOR IMMUNITY FROM PROSECUTION.—A certification that the State has in effect laws requiring immunity from prosecution under State and local laws and regulations for individuals making good faith reports of suspected or known instances of child abuse or neglect.

"(6) CERTIFICATION OF PROVISIONS AND PROCEDURES RELATING TO APPEALS.—A certification that not later than 2 years after the date of the enactment of this part, the State shall have laws and procedures in effect affording individuals an opportunity to appeal an official finding of abuse or neglect.

"(7) CERTIFICATION OF STATE PROCEDURES FOR DEVELOPING AND REVIEWING WRITTEN PLANS FOR PERMANENT PLACEMENT OF REMOVED CHILDREN.—A certification that the State has in effect procedures for ensuring that a written plan is prepared for children who have been removed from their families. Such plan shall specify the goals for achieving a permanent placement for the child in a timely fashion, for ensuring that the written plan is reviewed every 6 months (until such placement is achieved), and for ensuring that information about such children is collected regularly and recorded in case records, and include a description of such procedures.

"(8) CERTIFICATION OF STATE PROGRAM TO PROVIDE INDEPENDENT LIVING SERVICES.—A certification that the State has in effect a program to provide independent living services, for assistance in making the transition to self-sufficient adulthood, to individuals in the child protection program of the State who are 16, but who are not 20 (or, at the option of the State, 22), years of age, and who do not have a family to which to be returned.

"(9) CERTIFICATION OF STATE PROCEDURES TO RESPOND TO REPORTING OF MEDICAL NEGLECT OF DISABLED INFANTS.—

"(A) IN GENERAL.—A certification that the State has in place for the purpose of responding to the reporting of medical neglect of infants (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions), procedures or programs, or both (within the State child protective services system), to provide for—

"(i) coordination and consultation with individuals designated by and within appropriate health-care facilities;

"(ii) prompt notification by individuals designated by and within appropriate health-care facilities of cases of suspected medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions); and

"(iii) authority, under State law, for the State child protective service to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, as may be necessary to prevent the withholding of medically indicated treatment from disabled infants with life-threatening conditions.

"(B) WITHHOLDING OF MEDICALLY INDICATED TREATMENT.—As used in subparagraph (A), the term 'withholding of medically indicated treatment' means the failure to respond to the infant's life-threatening conditions by providing treatment (including appropriate nutrition, hydration, and medication) which, in the treating physician's or physicians' reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all such conditions, except that such term does not include the failure to provide treatment (other than appropriate nutrition, hydration, or medication) to an infant when, in the treating physician's or physicians' reasonable medical judgment—

"(i) the infant is chronically and irreversibly comatose;

"(ii) the provision of such treatment would—

"(I) merely prolong dying;

"(II) not be effective in ameliorating or correcting all of the infant's life-threatening conditions; or

"(III) otherwise be futile in terms of the survival of the infant; or

"(iii) the provision of such treatment would be virtually futile in terms of the survival of the infant and the treatment itself under such circumstances would be inhumane.

"(10) IDENTIFICATION OF CHILD PROTECTION GOALS.—The quantitative goals of the State child protection program.

"(11) CERTIFICATION OF CHILD PROTECTION STANDARDS.—With respect to fiscal years beginning on or after April 1, 1996, a certification that the State—

"(A) has completed an inventory of all children who, before the inventory, had been in foster care under the responsibility of the State for 6 months or more, which determined—

"(i) the appropriateness of, and necessity for, the foster care placement;

"(ii) whether the child could or should be returned to the parents of the child or should be freed for adoption or other permanent placement; and

"(iii) the services necessary to facilitate the return of the child or the placement of the child for adoption or legal guardianship;

"(B) is operating, to the satisfaction of the Secretary—

"(i) a statewide information system from which can be readily determined the status, demographic characteristics, location, and goals for the placement of every child who is (or, within the immediately preceding 12 months, has been) in foster care;

"(ii) a case review system for each child receiving foster care under the supervision of the State;

"(iii) a service program designed to help children—

"(I) where appropriate, return to families from which they have been removed; or

"(II) be placed for adoption, with a legal guardian, or if adoption or legal guardianship is determined not to be appropriate for a child, in some other planned, permanent living arrangement; and

"(iv) a preplacement preventive services program designed to help children at risk for foster care placement remain with their families; and

"(C)(i) has reviewed (or not later than October 1, 1997, will review) State policies and administrative and judicial procedures in effect for children abandoned at or shortly after birth (including policies and procedures providing for legal representation of such children); and

"(ii) is implementing (or not later than October 1, 1997, will implement) such policies and procedures as the State determines, on the basis of the review described in clause (i), to be necessary to enable permanent decisions to be made expeditiously with respect to the placement of such children.

"(12) CERTIFICATION OF REASONABLE EFFORTS BEFORE PLACEMENT OF CHILDREN IN FOSTER CARE.—A certification that the State in each case will—

"(A) make reasonable efforts prior to the placement of a child in foster care, to prevent or eliminate the need for removal of the child from the child's home, and to make it possible for the child to return home; and

"(B) with respect to families in which abuse or neglect has been confirmed, provide services or referral for services for families and children where the State makes a determination that the child may safely remain with the family.

"(13) CERTIFICATION OF COOPERATIVE EFFORTS.—A certification by the State, where appropriate, that all steps will be taken, including cooperative efforts with the State agencies administering the plans approved under parts A and D, to secure an assignment to the State of any rights to support on behalf of each child receiving foster care maintenance payments under part E.

"(14) CERTIFICATION OF CONFIDENTIALITY AND REQUIREMENTS FOR INFORMATION DISCLOSURE.—

"(A) IN GENERAL.—A certification that the State has in effect and operational—

"(i) requirements ensuring that reports and records made and maintained pursuant to the purposes of this part shall only be made available to—

"(I) individuals who are the subject of the report;

"(II) Federal, State, or local government entities, or any agent of such entities, having a need for such information in order to carry out their responsibilities under law to protect children from abuse and neglect;

"(III) child abuse citizen review panels;

"(IV) child fatality review panels;

"(V) a grand jury or court, upon a finding that information in the record is necessary for the determination of an issue before the court or grand jury; and

"(VI) other entities or classes of individuals statutorily authorized by the State to receive such information pursuant to a legitimate State purpose; and

"(ii) provisions that allow for public disclosure of the findings or information about cases of child abuse or neglect that have resulted in a child fatality or near fatality.

"(B) LIMITATION.—Disclosures made pursuant to clause (i) or (ii) shall not include the identifying information concerning the individual initiating a report or complaint alleging suspected instances of child abuse or neglect.

"(C) DEFINITION.—For purposes of this paragraph, the term 'near fatality' means an act that, as certified by a physician, places the child in serious or critical condition.

"(b) DETERMINATIONS.—The Secretary shall determine whether a plan submitted pursuant to subsection (a) contains the material required by subsection (a), other than the material described in paragraph (9) of such subsection. The Secretary may not require a State to include in such a plan any material not described in subsection (a).

"SEC. 423. GRANTS TO STATES FOR CHILD PROTECTION.

"(a) FUNDING OF BLOCK GRANTS.—

"(1) ENTITLEMENT COMPONENT.—

"(A) ELIGIBLE STATES.—Each eligible State shall be entitled to receive from the Secretary for each fiscal year specified in subsection (b)(1) a grant in an amount equal to the State share of 99 percent of the child protection amount for the fiscal year.

"(B) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—The Secretary shall reserve for payments to Indian tribes (as defined in section 658P(7) of the Child Care and Development Block Grant Act of 1990) and tribal organizations (as defined in section 658P(14) of such Act) for each fiscal year specified in subsection (b)(1) an amount equal to 1 percent of the child protection amount for the fiscal year.

"(2) AUTHORIZATION COMPONENT.—

"(A) IN GENERAL.—

"(i) ELIGIBLE STATES.—For each eligible State for each fiscal year specified in subsection (b)(1), the Secretary shall supplement the grant under paragraph (1)(A) of this subsection by an amount equal to the State share of 99.64 percent of the amount (if any) appropriated pursuant to subparagraph (B) of this paragraph for the fiscal year.

"(ii) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—The Secretary shall supplement the amount reserved for payments pursuant to paragraph (1)(B) of this subsection for each fiscal year specified in subsection (b)(1), by an amount equal to 0.36 percent of the amount (if any) appropriated pursuant to subparagraph (B) of this paragraph for the fiscal year.

"(B) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—For grants under subparagraph (A), there are authorized to be appropriated to the Secretary an amount not to exceed $325,000,000 for each fiscal year specified in subsection (b)(1).

"(b) DEFINITIONS.—As used in this section:

"(1) CHILD PROTECTION AMOUNT.—The term 'child protection amount' means—

"(A) $240,000,000 for fiscal year 1997;

"(B) $255,000,000 for fiscal year 1998;

"(C) $262,000,000 for fiscal year 1999;

"(D) $270,000,000 for fiscal year 2000;

"(E) $278,000,000 for fiscal year 2001; and

"(F) $286,000,000 for fiscal year 2002;

"(2) STATE SHARE.—

"(A) IN GENERAL.—The term 'State share' means the qualified child protection expenses of the State divided by the sum of the qualified child protection expenses of all of the States.

"(B) QUALIFIED CHILD PROTECTION EXPENSES.—The term 'qualified child protection expenses' means, with respect to a State the greater of—

"(i) the total amount of one-third of the Federal grant amounts to the State under the provisions of law specified in clauses (i) and (ii) of subparagraph (C) for fiscal years 1992, 1993, and 1994; or

"(ii) the total amount of the Federal grant amounts to the State under the provisions of law specified in clauses (i) and (ii) of subparagraph (C) for fiscal year 1994.

"(C) PROVISIONS OF LAW.—The provisions of law specified in this subparagraph are the following (as in effect with respect to each of the fiscal years referred to in subparagraph (B)):

"(i) Section 423 of this Act.

"(ii) Section 434 of this Act.

"(D) DETERMINATION OF INFORMATION.—In determining amounts for fiscal years 1992, 1993, and 1994 under clauses (i) and (ii) of subparagraph (B), the Secretary shall use information listed as actual amounts in the Justification for Estimates for Appropriation Committees of the Administration for Children and Families for fiscal years 1994, 1995, and 1996, respectively.

"(c) USE OF GRANT.—

"(1) IN GENERAL.—A State to which a grant is made under this section may use the grant in any manner that the State deems appropriate to accomplish the purpose of this part.

"(2) TIMING OF EXPENDITURES.—A State to which a grant is made under this section for a fiscal year shall expend the total amount of the grant not later than the end of the immediately succeeding fiscal year.

"(3) RULE OF INTERPRETATION.—This part shall not be interpreted to prohibit short- and long-term foster care facilities operated for profit from receiving funds provided under this part or part E.

"(4) PROHIBITION AGAINST USE OF FUNDS FOR FOSTER CARE MAINTENANCE OR ADOPTION ASSISTANCE PAYMENTS.—Funds provided under this part shall not be used to make foster care maintenance payments or adoption assistance payments under any State plan approved under part E.

"(d) TIMING OF PAYMENTS.—The Secretary shall pay each eligible State the amount of the grant payable to the State under this section in quarterly installments.

"(e) PENALTIES.—

"(1) FOR USE OF GRANT IN VIOLATION OF THIS PART.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that an amount paid to a State under this section for a fiscal year has been used in violation of this part, then the Secretary shall reduce the amount of the grant that would (in the absence of this paragraph) be payable to the State under this section for the immediately succeeding fiscal year by the amount so used, plus 5 percent of the grant paid under this section to the State for such fiscal year.

"(2) FOR FAILURE TO MAINTAIN EFFORT.—

"(A) IN GENERAL.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that the amount expended by a State (other than from amounts provided by the Federal Government) during the fiscal years specified in subparagraph (B), to carry out the State program funded under this part is less than the applicable percentage specified in such subparagraph of the total amount expended by the State (other than from amounts provided by the Federal Government) during fiscal year 1994 under part B of this title (as in effect on the day before the date of the enactment of this part), then the Secretary shall reduce the amount of the grant that would (in the absence of this paragraph) be payable to the State under this section for the immediately succeeding fiscal year by the amount of the difference, plus 5 percent of the grant paid under this section to the State for such fiscal year.

"(B) SPECIFICATION OF FISCAL YEARS AND APPLICABLE PERCENTAGES.—The fiscal years and applicable percentages specified in this subparagraph are as follows:

"(i) For fiscal years 1997 and 1998, 100 percent.

"(ii) For fiscal years 1999 through 2002, 75 percent.

"(3) FOR FAILURE TO SUBMIT REQUIRED REPORT.—

"(A) IN GENERAL.—The Secretary shall reduce by 3 percent the amount of the grant that would (in the absence of this paragraph) be payable to a State under this section for a fiscal year if the Secretary determines that the State has not submitted the report required by section 424 for the immediately preceding fiscal year, within 6 months after the end of the immediately preceding fiscal year.

"(B) RESCISSION OF PENALTY.—The Secretary shall rescind a penalty imposed on a State under subparagraph (A) with respect to a report for a fiscal year if the State submits the report before the end of the immediately succeeding fiscal year.

"(4) STATE FUNDS TO REPLACE REDUCTIONS IN GRANT.—A State which has a penalty imposed against it under this subsection for a fiscal year shall expend additional State funds in an amount equal to the amount of the penalty for the purpose of carrying out the State program under this part during the immediately succeeding fiscal year.

"(5) REASONABLE CAUSE EXCEPTION.—Except in the case of the penalty described in paragraph (2), the Secretary may not impose a penalty on a State under this subsection with respect to a requirement if the Secretary determines that the State has reasonable cause for failing to comply with the requirement.

"(6) CORRECTIVE COMPLIANCE PLAN.—

"(A) IN GENERAL.—

"(i) NOTIFICATION OF VIOLATION.—Before imposing a penalty against a State under this subsection with respect to a violation of this part, the Secretary shall notify the State of the violation and allow the State the opportunity to enter into a corrective compliance plan in accordance with this paragraph which outlines how the State will correct the violation and how the State will insure continuing compliance with this part.

"(ii) 60-DAY PERIOD TO PROPOSE A CORRECTIVE COMPLIANCE PLAN.—During the 60-day period that begins on the date the State receives a notice provided under clause (i) with respect to a violation, the State may submit to the Federal Government a corrective compliance plan to correct the violation.

"(iii) CONSULTATION ABOUT MODIFICATIONS.—During the 60-day period that begins with the date the Secretary receives a corrective compliance plan submitted by a State in accordance with clause (ii), the Secretary may consult with the State on modifications to the plan.

"(iv) ACCEPTANCE OF PLAN.—A corrective compliance plan submitted by a State in accordance with clause (ii) is deemed to be accepted by the Secretary if the Secretary does not accept or reject the plan during the 60-day period that begins on the date the plan is submitted.

"(B) EFFECT OF CORRECTING VIOLATION.—The Secretary may not impose any penalty under this subsection with respect to any violation covered by a State corrective compliance plan accepted by the Secretary if the State corrects the violation pursuant to the plan.

"(C) EFFECT OF FAILING TO CORRECT VIOLATION.—The Secretary shall assess some or all of a penalty imposed on a State under this subsection with respect to a violation if the State does not, in a timely manner, correct the violation pursuant to a State corrective compliance plan accepted by the Secretary.

"(7) LIMITATION ON AMOUNT OF PENALTY.—

"(A) IN GENERAL.—In imposing the penalties described in this subsection, the Secretary shall not reduce any quarterly payment to a State by more than 25 percent.

"(B) CARRYFORWARD OF UNRECOVERED PENALTIES.—To the extent that subparagraph (A) prevents the Secretary from recovering during a fiscal year the full amount of all penalties imposed on a State under this subsection for a prior fiscal year, the Secretary shall apply any remaining amount of such penalties to the grant payable to the State under subsection (a) for the immediately succeeding fiscal year.

"(f) TREATMENT OF TERRITORIES.—

"(1) IN GENERAL.—A territory, as defined in section 1108(b)(1), shall carry out a child protection program in accordance with the provisions of this part.

"(2) PAYMENTS.—Subject to the mandatory ceiling amounts specified in section 1108, each territory, as so defined, shall be entitled to receive from the Secretary for any fiscal year an amount equal to the total obligations to the territory under section 434 (as in effect on the day before the date of the enactment of this part) for fiscal year 1995.

"(g) LIMITATION ON FEDERAL AUTHORITY.—Except as expressly provided in this Act, the Secretary may not regulate the conduct of States under this part or enforce any provision of this part.

"SEC. 424. DATA COLLECTION AND REPORTING.

"(a) NATIONAL CHILD ABUSE AND NEGLECT DATA SYSTEM.—The Secretary shall establish a national data collection and analysis program—

"(1) which, to the extent practicable, coordinates existing State child abuse and neglect reports and which shall include—

"(A) standardized data on substantiated, as well as false, unfounded, or unsubstantiated reports; and

"(B) information on the number of deaths due to child abuse and neglect; and

"(2) which shall collect, compile, analyze, and make available State child abuse and neglect reporting information which, to the extent practical, is universal and case-specific and integrated with other case-based foster care and adoption data collected by the Secretary.

"(b) ADOPTION AND FOSTER CARE AND ANALYSIS AND REPORTING SYSTEMS.—The Secretary shall implement a system for the collection of data relating to adoption and foster care in the United States. Such data collection system shall—

"(1) avoid unnecessary diversion of resources from agencies responsible for adoption and foster care;

"(2) assure that any data that is collected is reliable and consistent over time and among jurisdictions through the use of uniform definitions and methodologies;

"(3) provide comprehensive national information with respect to—

"(A) the demographic characteristics of adoptive and foster children and their biological and adoptive or foster parents;

"(B) the status of the foster care population (including the number of children in foster care, length of placement, type of placement, availability for adoption, and goals for ending or continuing foster care);

"(C) the number and characteristics of—

"(i) children placed in or removed from foster care;

"(ii) children adopted or with respect to whom adoptions have been terminated; and

"(iii) children placed in foster care outside the State which has placement and care responsibility; and

"(D) the extent and nature of assistance provided by Federal, State, and local adoption and foster care programs and the characteristics of the children with respect to whom such assistance is provided; and

"(4) utilize appropriate requirements and incentives to ensure that the system functions reliably throughout the United States.

"(c) ADDITIONAL INFORMATION.—The Secretary may require the provision of additional information under the data collection system established under subsection (b) if the addition of such information is agreed to by a majority of the States.

"(d) ANNUAL REPORT BY THE SECRETARY.—Not later than 6 months after the end of each fiscal year, the Secretary shall prepare a report based on information provided by the States for the fiscal year pursuant to this section, and shall make the report and such information available to the Congress and the public.

"SEC. 425. FUNDING FOR STUDIES OF CHILD WELFARE.

"(a) NATIONAL RANDOM SAMPLE STUDY OF CHILD WELFARE.—There are authorized to be appropriated and there are appropriated to the Secretary for each of fiscal years 1996 through 2002—

"(1) $6,000,000 to conduct a national study based on random samples of children who are at risk of child abuse or neglect, or are determined by States to have been abused or neglected under section 208 of the Child and Family Services Block Grant Act of 1996; and

"(2) $10,000,000 for such other research as may be necessary under such section.

"(b) ASSESSMENT OF STATE COURTS IMPROVEMENT OF HANDLING OF PROCEEDINGS RELATING TO FOSTER CARE AND ADOPTION.—There are authorized to be appropriated and there are appropriated to the Secretary for each of fiscal years 1996 through 1998 $10,000,000 for the purpose of carrying out section 13712 of the Omnibus Budget Reconciliation Act of 1993 (42 U.S.C. 670 note). All funds appropriated under this subsection shall be expended not later than September 30, 1999.

"SEC. 426. DEFINITIONS.

"For purposes of this part and part E, the following definitions shall apply:

"(1) ADMINISTRATIVE REVIEW.—The term 'administrative review' means a review open to the participation of the parents of the child, conducted by a panel of appropriate persons at least one of whom is not responsible for the case management of, or the delivery of services to, either the child or the parents who are the subject of the review.

"(2) ADOPTION ASSISTANCE AGREEMENT.—The term 'adoption assistance agreement' means a written agreement, binding on the parties to the agreement, between the State, other relevant agencies, and the prospective adoptive parents of a minor child which at a minimum—

"(A) specifies the nature and amount of any payments, services, and assistance to be provided under such agreement; and

"(B) stipulates that the agreement shall remain in effect regardless of the State of which the adoptive parents are residents at any given time.

The agreement shall contain provisions for the protection (under an interstate compact approved by the Secretary or otherwise) of the interests of the child in cases where the adoptive parents and child move to another State while the agreement is effective.

"(3) CASE PLAN.—The term 'case plan' means a written document which includes at least the following:

"(A) A description of the type of home or institution in which a child is to be placed, including a discussion of the appropriateness of the placement and how the agency which is responsible for the child plans to carry out the voluntary placement agreement entered into or judicial determination made with respect to the child in accordance with section 472(a)(1).

"(B) A plan for assuring that the child receives proper care and that services are provided to the parents, child, and foster parents in order to improve the conditions in the parents' home, facilitate return of the child to his or her own home or the permanent placement of the child, and address the needs of the child while in foster care, including a discussion of the appropriateness of the services that have been provided to the child under the plan.

"(C) To the extent available and accessible, the health and education records of the child, including—

"(i) the names and addresses of the child's health and educational providers;

"(ii) the child's grade level performance;

"(iii) the child's school record;

"(iv) assurances that the child's placement in foster care takes into account proximity to the school in which the child is enrolled at the time of placement;

"(v) a record of the child's immunizations;

"(vi) the child's known medical problems;

"(vii) the child's medications; and

"(viii) any other relevant health and education information concerning the child determined to be appropriate by the State.

Where appropriate, for a child age 16 or over, the case plan must also include a written description of the programs and services which will help such child prepare for the transition from foster care to independent living.

"(4) CASE REVIEW SYSTEM.—The term 'case review system' means a procedure for assuring that—

"(A) each child has a case plan designed to achieve placement in the least restrictive (most family-like) and most appropriate setting available and in close proximity to the parents' home, consistent with the best interests and special needs of the child, which—

"(i) if the child has been placed in a foster family home or child-care institution a substantial distance from the home of the parents of the child, or in a State different from the State in which such home is located, sets forth the reasons why such placement is in the best interests of the child; and

"(ii) if the child has been placed in foster care outside the State in which the home of the parents of the child is located, requires that, periodically, but not less frequently than every 12 months, a caseworker on the staff of the State in which the home of the parents of the child is located, or of the State in which the child has been placed, visit such child in such home or institution and submit a report on such visit to the State in which the home of the parents of the child is located;

"(B) the status of each child is reviewed periodically but no less frequently than once every 6 months by either a court or by administrative review (as defined in paragraph (1)) in order to determine the continuing necessity for and appropriateness of the placement, the extent of compliance with the case plan, and the extent of progress which has been made toward alleviating or mitigating the causes necessitating placement in foster care, and to project a likely date by which the child may be returned to the home or placed for adoption or legal guardianship;

"(C) with respect to each such child, procedural safeguards will be applied, among other things, to assure each child in foster care under the supervision of the State of a dispositional hearing to be held, in a family or juvenile court or another court (including a tribal court) of competent jurisdiction, or by an administrative body appointed or approved by the court, no later than 18 months after the original placement (and not less frequently than every 12 months thereafter during the continuation of foster care), which hearing shall determine the future status of the child (including whether the child should be returned to the parent, should be continued in foster care for a specified period, should be placed for adoption, or should (because of the child's special needs or circumstances) be continued in foster care on a permanent or long-term basis) and, in the case of a child described in subparagraph (A)(ii), whether the out-of-State placement continues to be appropriate and in the best interests of the child, and, in the case of a child who has attained age 16, the services needed to assist the child to make the transition from foster care to independent living; and procedural safeguards shall also be applied with respect to parental rights pertaining to the removal of the child from the home of his parents, to a change in the child's placement, and to any determination affecting visitation privileges of parents; and

"(D) a child's health and education record (as described in paragraph (3)(C)) is reviewed and updated, and supplied to the foster parent or foster care provider with whom the child is placed, at the time of each placement of the child in foster care.

"(5) CHILD-CARE INSTITUTION.—The term 'child-care institution' means a private child-care institution, or a public child-care institution which accommodates no more than 25 children, which is licensed by the State in which it is situated or has been approved, by the agency of such State responsible for licensing or approval of institutions of this type, as meeting the standards established for such licensing, but the term shall not include detention facilities, forestry camps, training schools, or any other facility operated primarily for the detention of children who are determined to be delinquent.

"(6) FOSTER CARE MAINTENANCE PAYMENTS.—

"(A) IN GENERAL.—The term 'foster care maintenance payments' means payments to cover the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, and reasonable travel to the child's home for visitation. In the case of institutional care, such term shall include the reasonable costs of administration and operation of such institution as are necessarily required to provide the items described in the preceding sentence.

"(B) SPECIAL RULE.—In cases where—

"(i) a child placed in a foster family home or child-care institution is the parent of a son or daughter who is in the same home or institution; and

"(ii) payments described in subparagraph (A) are being made under this part with respect to such child,

the foster care maintenance payments made with respect to such child as otherwise determined under subparagraph (A) shall also include such amounts as may be necessary to cover the cost of the items described in that subparagraph with respect to such son or daughter.

"(7) FOSTER FAMILY HOME.—The term 'foster family home' means a foster family home for children which is licensed by the State in which it is situated or has been approved, by the agency of such State having responsibility for licensing homes of this type, as meeting the standards established for such licensing.

"(8) PARENTS.—The term 'parents' means biological or adoptive parents or legal guardians, as determined by applicable State law.

"(9) STATE.—The term 'State' means the 50 States and the District of Columbia.

"(10) VOLUNTARY PLACEMENT.—The term 'voluntary placement' means an out-of-home placement of a minor, by or with participation of the State, after the parents or guardians of the minor have requested the assistance of the State and signed a voluntary placement agreement.

"(11) VOLUNTARY PLACEMENT AGREEMENT.—The term 'voluntary placement agreement' means a written agreement, binding on the parties to the agreement, between the State, any other agency acting on its behalf, and the parents or guardians of a minor child which specifies, at a minimum, the legal status of the child and the rights and obligations of the parents or guardians, the child, and the agency while the child is in placement.".

SEC. 4702. CONFORMING AMENDMENTS.

(a) AMENDMENTS TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—

(1) Section 452(a)(10)(C) of the Social Security Act (42 U.S.C. 652(a)(10)(C)), as amended by section 4108(b)(2) of this Act, is amended by striking "or under section 471(a)(17),".

(2) Section 452(g)(2)(A) of such Act (42 U.S.C. 652(g)(2)(A)), as amended by paragraphs (6) and (7) of section 4108(b) of this Act, is amended by inserting "or benefits or services for foster care maintenance were being provided under the State program funded under part E" after "part A" each place it appears.

(3) Section 466(a)(3)(B) of such Act (42 U.S.C. 666(a)(3)(B)), as amended by section 4108(b)(14) of this Act, is amended by striking "or 471(a)(17)".

(b) AMENDMENT TO SECTION 9442 OF THE OMNIBUS BUDGET RECONCILIATION ACT OF 1986.—Section 9442(4) of the Omnibus Budget Reconciliation Act of 1986 (42 U.S.C. 679a(4)) is amended by inserting "(as in effect before October 1, 1995)" after "Act".

(c) REDESIGNATION AND AMENDMENTS OF SECTION 1123.—

(1) REDESIGNATION.—The Social Security Act is amended by redesignating section 1123, the second place it appears (42 U.S.C. 1320a-1a), as section 1123A.

(2) AMENDMENTS.—Section 1123A of such Act, as so redesignated, is amended in subsection (a)—

(A) by striking "The Secretary" and inserting "Notwithstanding section 423(g), the Secretary"; and

(B) in paragraph (2), by inserting "under this section" after "promulgated".

Subchapter B—Foster Care, Adoption Assistance, and Independent Living Programs

SEC. 4711. CONFORMING AMENDMENTS TO PART E OF TITLE IV.

(a) PURPOSE; APPROPRIATION.—Section 470 of the Social Security Act (42 U.S.C 670) is amended—

(1) by amending the heading to read as follows:

"SEC. 470. PURPOSE; APPROPRIATION."; and

(2) in the second sentence, by striking "this part" and inserting "section 422".

(b) STATE PLAN FOR FOSTER CARE AND ADOPTION ASSISTANCE.—Section 471 of such Act (42 U.S.C. 671) is amended to read as follows:

"SEC. 471. ELIGIBLE STATES.

"In order for a State to be eligible for payments under this part, the State shall have submitted to the Secretary a plan which satisfies the requirements of section 422.".

(c) FOSTER CARE MAINTENANCE PAYMENTS PROGRAM.—Section 472 of such Act (42 U.S.C. 672) is amended to read as follows:

"SEC. 472. REQUIREMENTS FOR FOSTER CARE MAINTENANCE PAYMENTS.

"(a) IN GENERAL.—Each State operating a program under this part shall make foster care maintenance payments, as defined in section 426(6) with respect to a child who would meet the requirements of section 406(a) (as in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996) or of section 407 (as so in effect) but for the removal of the child from the home of a relative (specified in section 406(a) (as so in effect)), if—

"(1) the removal from the home occurred pursuant to a voluntary placement agreement entered into by the child's parent or legal guardian, or was the result of a judicial determination to the effect that continuation therein would be contrary to the welfare of such child and that reasonable efforts of the type described in section 422(a)(12) have been made;

"(2) such child's placement and care are the responsibility of—

"(A) the State; or

"(B) any other public agency with which the State has made an agreement for the administration of the State program under this part which is still in effect;

"(3) such child has been placed in a foster family home or child-care institution as a result of the voluntary placement agreement or judicial determination referred to in paragraph (1); and

"(4) such child—

"(A) would have been eligible to receive aid under the eligibility standards under the State plan approved under section 402 (as in effect on the day before the date of the enactment of this part and adjusted for inflation, in accordance with regulations issued by the Secretary) in or for the month in which such agreement was entered into or court proceedings leading to the removal of such child from the home were initiated; or

"(B) would have received such aid in or for such month if application had been made therefor, or the child had been living with a relative specified in section 406(a) (as so in effect) within 6 months prior to the month in which such agreement was entered into or such proceedings were initiated, and would have received such aid in or for such month if in such month such child had been living with such a relative and application therefor had been made.

"(b) LIMITATION ON FOSTER CARE PAYMENTS.—Foster care maintenance payments may be made under this part only on behalf of a child described in subsection (a) of this section who is—

"(1) in the foster family home of an individual, whether the payments therefore are made to such individual or to a public or private child placement or child-care agency; or

"(2) in a child-care institution, whether the payments therefore are made to such institution or to a public or private child-placement or child-care agency, which payments shall be limited so as to include in such payments only those items which are included in the term 'foster care maintenance payments' (as defined in section 426(6)).

"(c) VOLUNTARY PLACEMENTS.—

"(1) SATISFACTION OF CHILD PROTECTION STANDARDS.—Notwithstanding any other provision of this section, Federal payments may be made under this part with respect to amounts expended by any State as foster care maintenance payments under this part, in the case of children removed from their homes pursuant to voluntary placement agreements as described in subsection (a), only if (at the time such amounts were expended) the State has fulfilled all of the requirements of section 422(a)(11).

"(2) REMOVAL IN EXCESS OF 180 DAYS.—No Federal payment may be made under this part with respect to amounts expended by any State as foster care maintenance payments, in the case of any child who was removed from such child's home pursuant to a voluntary placement agreement as described in subsection (a) and has remained in voluntary placement for a period in excess of 180 days, unless there has been a judicial determination by a court of competent jurisdiction (within the first 180 days of such placement) that such placement is in the best interests of the child.

"(3) DEEMED REVOCATION OF AGREEMENTS.—In any case where—

"(A) the placement of a minor child in foster care occurred pursuant to a voluntary placement agreement entered into by the parents or guardians of such child as provided in subsection (a); and

"(B) such parents or guardians request (in such manner and form as the Secretary may prescribe) that the child be returned to their home or to the home of a relative,

the voluntary placement agreement shall be deemed to be revoked unless the State opposes such request and obtains a judicial determination, by a court of competent jurisdiction, that the return of the child to such home would be contrary to the child's best interests.

"(d) ELIGIBILITY FOR MEDICAL ASSISTANCE.—For purposes of titles XIX and XX, any child with respect to whom foster care maintenance payments are made under this section is deemed to be a recipient of cash assistance under part A of this title. For the purposes of the preceding sentence, a child whose costs in a foster family home or child-care institution are covered by the foster care maintenance payments being made with respect to his or her minor parent, as provided in section 426(6)(B), shall be considered a child with respect to whom foster care maintenance payments are made under this section.".

(d) ADOPTION ASSISTANCE PROGRAM.—Section 473 of such Act (42 U.S.C. 673) is amended to read as follows:

"SEC. 473. REQUIREMENTS FOR ADOPTION ASSISTANCE PAYMENTS.

"(a) IN GENERAL.—A State operating a program under this part shall enter into adoption assistance agreements with the adoptive parents of children with special needs.

"(b) PAYMENTS UNDER AGREEMENTS.—

"(1) IN GENERAL.—Under any adoption assistance agreement entered into by a State with parents who adopt a child with special needs, the State—

"(A) shall make payments of nonrecurring adoption expenses incurred by or on behalf of such parents in connection with the adoption of such child, directly through the State agency or through another public or nonprofit private agency, in amounts determined under subsection (e), and

"(B) in any case where the child meets the requirements of subsection (d), may make adoption assistance payments to such parents, directly through the State agency or through another public or nonprofit private agency, in amounts so determined.

"(2) DEFINITION OF NONRECURRING ADOPTION EXPENSES.—

"(A) IN GENERAL.—For purposes of paragraph (1)(A), the term 'nonrecurring adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal adoption of a child with special needs and which are not incurred in violation of State or Federal law.

"(B) TREATMENT AS AN ADMINISTRATIVE EXPENSE.—A State's payment of nonrecurring adoption expenses under an adoption assistance agreement shall be treated as an expenditure made for the proper and efficient administration of the State plan for purposes of section 474(a)(3)(E).

"(c) ELIGIBILITY FOR MEDICAL ASSISTANCE.—For purposes of titles XIX and XX, any child—

"(1)(A) who is a child described in subsection (b), and

"(B) with respect to whom an adoption assistance agreement is in effect under this section (whether or not adoption assistance payments are provided under the agreement or are being made under this section), including any such child who has been placed for adoption in accordance with applicable State and local law (whether or not an interlocutory or other judicial decree of adoption has been issued), or

"(2) with respect to whom foster care maintenance payments are being made under section 472,

is deemed to be a recipient of cash assistance under part A of this title in the State where such child resides. For purposes of the preceding sentence, a child whose costs in a foster family home or child-care institution are covered by the foster care maintenance payments being made with respect to his or her minor parent, as provided in section 426(6)(B), shall be considered a child with respect to whom foster care maintenance payments are being made under section 472.

"(d) CHILDREN WITH SPECIAL NEEDS.—For purposes of subsection (b)(1)(B), a child meets the requirements of this subsection if such child—

"(1)(A) at the time adoption proceedings were initiated, met the requirements of section 406(a) (as in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996) or section 407 (as so in effect) or would have met such requirements except for such child's removal from the home of a relative (specified in section 406(a) (as so in effect)), either pursuant to a voluntary placement agreement with respect to which Federal payments are provided under section 474 (or 403 (as so in effect)) or as a result of a judicial determination to the effect that continuation therein would be contrary to the welfare of such child;

"(B) meets all of the requirements of title XVI with respect to eligibility for supplemental security income benefits; or

"(C) is a child whose costs in a foster family home or child-care institution are covered by the foster care maintenance payments being made with respect to his or her minor parent;

"(2)(A) would have received aid under the eligibility standards under the State plan approved under section 402 (as in effect on the day before the date of the enactment of this part, adjusted for inflation, in accordance with regulations issued by the Secretary) in or for the month in which such agreement was entered into or court proceedings leading to the removal of such child from the home were initiated;

"(B) would have received such aid in or for such month if application had been made therefor, or had been living with a relative specified in section 406(a) (as so in effect) within 6 months prior to the month in which such agreement was entered into or such proceedings were initiated, and would have received such aid in or for such month if in such month such child had been living with such a relative and application therefor had been made; or

"(C) is a child described in subparagraph (A) or (B); and

"(3) has been determined by the State, pursuant to subsection (h) of this section, to be a child with special needs.

"(e) DETERMINATION OF PAYMENTS.—The amount of the payments to be made in any case under subsection (b) shall be determined through agreement between the adoptive parents and the State or a public or nonprofit private agency administering the program under this part, which shall take into consideration the circumstances of the adopting parents and the needs of the child being adopted, and may be readjusted periodically, with the concurrence of the adopting parents (which may be specified in the adoption assistance agreement), depending upon changes in such circumstances. However, in no case may the amount of the adoption assistance payment exceed the foster care maintenance payment which would have been paid during the period if the child with respect to whom the adoption assistance payment is made had been in a foster family home.

"(f) PAYMENT EXCEPTION.—Notwithstanding subsection (e), no payment may be made to parents with respect to any child who has attained the age of 18 (or, where the State determines that the child has a mental or physical disability which warrants the continuation of assistance, the age of 21), and no payment may be made to parents with respect to any child if the State determines that the parents are no longer legally responsible for the support of the child or if the State determines that the child is no longer receiving any support from such parents. Parents who have been receiving adoption assistance payments under this part shall keep the State or public or nonprofit private agency administering the program under this part informed of circumstances which would, pursuant to this section, make them ineligible for such assistance payments, or eligible for assistance payments in a different amount.

"(g) PREADOPTION PAYMENTS.—For purposes of this part, individuals with whom a child who has been determined by the State, pursuant to subsection (h), to be a child with special needs is placed for adoption in accordance with applicable State and local law shall be eligible for adoption assistance payments during the period of the placement, on the same terms and subject to the same conditions as if such individuals had adopted such child.

"(h) DETERMINATION OF CHILD WITH SPECIAL NEEDS.—For purposes of this section, a child shall not be considered a child with special needs unless—

"(1) the State has determined that the child cannot or should not be returned to the home of the child's parents; and

"(2) the State had first determined—

"(A) that there exists with respect to the child a specific factor or condition such as the child's ethnic background, age, or membership in a minority or sibling group, or the presence of factors such as medical conditions or physical, mental, or emotional handicaps because of which it is reasonable to conclude that such child cannot be placed with adoptive parents without providing adoption assistance under this part or medical assistance under title XIX; and

"(B) that, except where it would be against the best interests of the child because of such factors as the existence of significant emotional ties with prospective adoptive parents while in the care of such parents as a foster child, a reasonable, but unsuccessful, effort has been made to place the child with appropriate adoptive parents without providing adoption assistance under this section or medical assistance under title XIX.".

(e) PAYMENTS TO STATES; ALLOTMENTS TO STATES.—Section 474 of such Act (42 U.S.C. 674) is amended to read as follows:

"SEC. 474. PAYMENTS TO STATES; ALLOTMENTS TO STATES.

"(a) FOSTER CARE, ADOPTION ASSISTANCE, AND INDEPENDENT LIVING PROGRAMS PAYMENTS.—Each eligible State, as determined under section 471, shall be entitled to receive from the Secretary for each quarter of each fiscal year a payment equal to the sum of—

"(1) an amount equal to the Federal medical assistance percentage (as defined in section 1905(b) of this Act as in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996) of the total amount expended during such quarter as foster care maintenance payments under the child protection program under this part for children in foster family homes or child-care institutions; plus

"(2) an amount equal to the Federal medical assistance percentage (as defined in section 1905(b) of this Act (as so in effect)) of the total amount expended during such quarter as adoption assistance payments under the child protection program under this part pursuant to adoption assistance agreements; plus

"(3) an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary for the provision of child placement services and for the proper and efficient administration of the State foster care and adoption assistance program—

"(A) 75 percent of so much of such expenditures as are for the training (including both short and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions) of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision;

"(B) 75 percent of so much of such expenditures (including travel and per diem expenses) as are for the short-term training of current or prospective foster or adoptive parents and the members of the staff of State-licensed or State-approved child care institutions providing care to foster and adopted children receiving assistance under this part, in ways that increase the ability of such current or prospective parents, staff members, and institutions to provide support and assistance to foster and adopted children, whether incurred directly by the State or by contract;

"(C) 50 percent (or, if the quarter is in fiscal year 1997, 75 percent) of so much of such expenditures as are for the planning, design, development, or installation of statewide mechanized data collection and information retrieval systems (including 50 percent (or, if the quarter is in fiscal year 1997, 75 percent) of the full amount of expenditures for hardware components for such systems) but only to the extent that such systems—

"(i) meet the requirements imposed by regulations;

"(ii) to the extent practicable, are capable of interfacing with the State data collection system that collects information relating to child abuse and neglect;

"(iii) to the extent practicable, have the capability of interfacing with, and retrieving information from, the State data collection system that collects information relating to the eligibility of individuals under part A (for the purposes of facilitating verification of eligibility of foster children); and

"(iv) are determined by the Secretary to be likely to provide more efficient, economical, and effective administration of the programs carried out under a State plan approved under this part;

"(D) 50 percent of so much of such expenditures as are for the operation of the statewide mechanized data collection and information retrieval systems referred to in subparagraph (C); and

"(E) one-half of the remainder of such expenditures; plus

"(4) an amount equal to the sum of—

"(A) so much of the amounts expended by such State to carry out a program under section 476, as do not exceed the basic amount for such State determined under subsection (e)(1) of such section; and

"(B) the lesser of—

"(i) one-half of any additional amounts expended by such State for such programs; or

"(ii) the maximum additional amount for such State under subsection (e)(1) of such section.

"(b) AUTOMATED DATA COLLECTION EXPENDITURES.—The Secretary shall treat as necessary for the proper and efficient administration of the State plan all expenditures of a State necessary in order for the State to plan, design, develop, install, and operate data collection and information retrieval systems, without regard to whether the systems may be used with respect to foster or adoptive children other than those on behalf of whom foster care maintenance payments or adoption assistance payments may be made under this part.

"(c) ESTIMATES BY THE SECRETARY.—

"(1) IN GENERAL.—The Secretary shall, prior to the beginning of each quarter, estimate the amount which a State will be entitled to receive under subsection (a) for such quarter, such estimates to be based on—

"(A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with subsection (a), and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived;

"(B) records showing the number of children in the State receiving assistance under this part; and

"(C) such other information as the Secretary may find necessary.

"(2) PAYMENTS.—The Secretary shall pay to the States the amounts so estimated under paragraph (1), reduced or increased to the extent of any overpayment or underpayment which the Secretary determines was made under this subsection to such State for any prior quarter and with respect to which adjustment has not already been made under this subsection.

"(3) PRO RATA SHARE.— The pro rata share to which the United States is equitably entitled, as determined by the Secretary, of the net amount recovered during any quarter by the State or any political subdivision thereof with respect to foster care and adoption assistance furnished under this part shall be considered an overpayment to be adjusted under this subsection.

"(d) ALLOWANCE OR DISALLOWANCE OF CLAIM.—

"(1) IN GENERAL.—Within 60 days after receipt of a State claim for expenditures pursuant to subsection (b)(1), the Secretary shall allow, disallow, or defer such claim.

"(2) NOTICE.—Within 15 days after a decision to defer a State claim, the Secretary shall notify the State of the reasons for the deferral and of the additional information necessary to determine the allowability of the claim.

"(3) DECISION.—Within 90 days after receiving such necessary information (in readily reviewable form), the Secretary shall—

"(A) disallow the claim, if able to complete the review and determine that the claim is not allowable; or

"(B) in any other case, allow the claim, subject to disallowance (as necessary)—

"(i) upon completion of the review, if it is determined that the claim is not allowable; or

"(ii) on the basis of findings of an audit or financial management review.".

(f) DEFINITIONS.—Section 475 of such Act (42 U.S.C. 675) is amended to read as follows:

"SEC. 475. DEFINITIONS.

For definitions of terms used in this part, see section 426.".

(g) TECHNICAL ASSISTANCE; DATA COLLECTION AND EVALUATION.—Part E of title IV of such Act is amended by striking section 476.

(h) INDEPENDENT LIVING INITIATIVES.—Part E of title IV of such Act (42 U.S.C. 670 et seq.), as amended by subsection (g) of this section, is amended—

(1) by redesignating section 477 as section 476; and

(2) by amending section 476, as so redesignated, to read as follows:

"SEC. 476. REQUIREMENTS FOR INDEPENDENT LIVING PROGRAMS.

"(a) PAYMENTS FOR INDEPENDENT LIVING PROGRAMS.—

"(1) IN GENERAL.—Payments shall be made in accordance with this section for the purpose of assisting States and localities in establishing and carrying out programs designed to assist children described in paragraph (2) who have attained age 16 in making the transition from foster care to independent living. Any State which provides for the establishment and carrying out of one or more such programs in accordance with this section for a fiscal year shall be entitled to receive payments under this section for such fiscal year, in an amount determined under subsection (e).

"(2) PROGRAM REQUIREMENTS.—A program established and carried out under paragraph (1)—

"(A) shall be designed to assist children with respect to whom foster care maintenance payments are being made by the State under this part;

"(B) may at the option of the State also include any or all other children in foster care under the responsibility of the State; and

"(C) may at the option of the State also include any child who has not attained age 21 to whom foster care maintenance payments were previously made by a State under this part and whose payments were discontinued on or after the date such child attained age 16, and any child who previously was in foster care described in subparagraph (B) and for whom such care was discontinued on or after the date such child attained age 16; and a written transitional independent living plan of the type described in subsection (d)(6) shall be developed for such child as a part of such program.

"(b) USE OF FUNDS.—Payment under this section shall be made to the State, and shall be used for the purpose of conducting and providing in accordance with this section (directly or under contracts with local governmental entities or private nonprofit organizations) the activities and services required to carry out the program or programs involved.

"(c) SUBMISSION OF PROGRAM DESCRIPTION AND ASSURANCES.—In order for a State to receive payments under this section for any fiscal year, the State, prior to February 1 of such fiscal year, must submit to the Secretary, in such manner and form as the Secretary may prescribe, a description of the program together with satisfactory assurances that the program will be operated in an effective and efficient manner and will otherwise meet the requirements of this section.

"(d) PROGRAM OBJECTIVES.—In carrying out the purpose described in subsection (a), it shall be the objective of each program established under this section to help the individuals participating in such program to prepare to live independently upon leaving foster care. Such programs may include (subject to the availability of funds) programs to—

"(1) enable participants to seek a high school diploma or its equivalent or to take part in appropriate vocational training;

"(2) provide training in daily living skills, budgeting, locating and maintaining housing, and career planning;

"(3) provide for individual and group counseling;

"(4) integrate and coordinate services otherwise available to participants;

"(5) provide for the establishment of outreach programs designed to attract individuals who are eligible to participate in the program;

"(6) provide each participant a written transitional independent living plan which shall be based on an assessment of his needs, and which shall be incorporated into his case plan, as defined in section 426(3); and

"(7) provide participants with other services and assistance designed to improve their transition to independent living.

"(e) DETERMINATION OF PAYMENTS.—

"(1) BASIC AMOUNT.—

"(A) IN GENERAL.—The basic amount to which a State shall be entitled under section

474(a)(4) for a fiscal year shall be an amount which bears the same ratio to the basic ceiling for such fiscal year as such State's average number of children receiving foster care maintenance payments under part E in fiscal year 1984 bore to the total of the average number of children receiving such payments under such part for all States for fiscal year 1984.

"(B) MAXIMUM ADDITIONAL AMOUNT.—The maximum additional amount to which a State shall be entitled under section 474(a)(4) for a fiscal year shall be an amount which bears the same ratio to the additional ceiling for such fiscal year as the basic amount of such State bears to $45,000,000.

"(C) DEFINITIONS.—For purposes of this section:

"(i) BASIC CEILING.—The term 'basic ceiling' means, for any fiscal year, $45,000,000.

"(ii) ADDITIONAL CEILING.—The term 'additional ceiling' means, for any fiscal year, $25,000,000.

"(2) REALLOCATION OF FUNDS.—If any State does not apply for funds under this section for any fiscal year within the time provided in subsection (c), the funds to which such State would have been entitled for such fiscal year shall be reallocated to one or more other States on the basis of their relative need for additional payments under this section (as determined by the Secretary).

"(3) SUPPLEMENT TO OTHER FUNDS.—Any amounts payable to States under this section shall be in addition to amounts payable to States under paragraphs (1), (2), and (3) of section 474(a), and shall supplement and not replace any other funds which may be available for the same general purposes in the localities involved.

"(f) LIMITATION ON USE OF FUNDS.—Payments made to a State under this section for any fiscal year—

"(1) shall be used only for the specific purposes described in this section;

"(2) may not be used for the provision of room or board;

"(3) may be made on an estimated basis in advance of the determination of the exact amount, with appropriate subsequent adjustments to take account of any error in the estimates; and

"(4) shall be expended by such State in such fiscal year or in the succeeding fiscal year.

"(g) REPORTING REQUIREMENTS.—Not later than the first January 1 following the end of each fiscal year, each State shall submit to the Secretary a report on the programs carried out during such fiscal year with the amounts received under this section. Such report shall be in such form and contain such information as may be necessary to provide an accurate description of such activities, to provide a complete record of the purposes for which the funds were spent, and to indicate the extent to which the expenditure of such funds succeeded in accomplishing the purpose described in subsection (a).

"(h) ASSISTANCE NOT CONSIDERED INCOME OR RESOURCES.—Notwithstanding any other provision of this title, payments made and services provided to participants in a program under this section, as a direct consequence of their participation in such program, shall not be considered as income or resources for purposes of determining eligibility (or the eligibility of any other persons) for assistance under the State's plan approved under this part or part A, or for purposes of determining the level of such assistance.".

(i) COLLECTION OF DATA RELATING TO ADOPTION AND FOSTER CARE.—Part E of title IV of such Act (42 U.S.C. 670 et seq.) is amended—

(1) by redesignating section 479 as section 477; and

(2) by amending section 477, as so redesignated, to read as follows:

"SEC. 477. COLLECTION OF DATA RELATING TO ADOPTION AND FOSTER CARE.

"For requirements with respect to the collection of data relating to adoption and foster care, see section 424.".

Subchapter C—Miscellaneous

SEC. 4721. SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL FOR TECHNICAL AND CONFORMING AMENDMENTS.

Not later than 90 days after the date of the enactment of this chapter, the Secretary of Health and Human Services, in consultation, as appropriate, with the heads of other Federal agencies, shall submit to the appropriate committees of Congress a legislative proposal providing for such technical and conforming amendments in the law as are required by the provisions of this chapter.

SEC. 4722. SENSE OF THE CONGRESS REGARDING TIMELY ADOPTION OF CHILDREN.

It is the sense of the Congress that—

(1) too many children who wish to be adopted are spending inordinate amounts of time in foster care;

(2) there is an urgent need for States to increase the number of waiting children being adopted in a timely and lawful manner;

(3) studies have shown that States spend an excess of $15,000 each year on each special needs child in foster care, and would save significant amounts of money if they offered incentives to families to adopt special needs children;

(4) States should allocate sufficient funds under this subtitle for adoption assistance and medical assistance to encourage more families to adopt children who otherwise would languish in the foster care system for a period that many experts consider detrimental to their development;

(5) States should offer incentives for families that adopt special needs children to make adoption more affordable for middle-class families;

(6) when it is necessary for a State to remove a child from the home of the child's biological parents, the State should strive—

(A) to provide the child with a single foster care placement and a single coordinated case team; and

(B) to conclude an adoption of the child, when adoption is the goal of the child and the State, within one year of the child's placement in foster care; and

(7) States should participate in local, regional, or national programs to enable maximum visibility of waiting children to potential parents. Such programs should include a nationwide, interactive computer network to disseminate information on children eligible for adoption to help match them with families around the country.

SEC. 4723. REMOVAL OF BARRIERS TO INTERETHNIC ADOPTION.

(a) STATE PLAN REQUIREMENTS.—Section 422(a) of the Social Security Act (42 U.S.C 622(a)), as added by section 4701 of this Act, is amended by adding at the end the following:

"(15) CERTIFICATION REGARDING REMOVAL OF BARRIERS TO INTERETHNIC ADOPTION.—A certification that, not later than January 1, 1997, the State has in effect such laws and procedures as may be necessary to ensure that neither the State nor any other entity in the State that receives funds from the Federal Government and is involved in adoption or foster care placements may—

"(A) deny to any person the opportunity to become an adoptive or a foster parent, on the basis of the race, color, or national origin of the person, or of the child, involved; or

"(B) delay or deny the placement of a child for adoption or into foster care, on the basis of the race, color, or national origin of the adoptive or foster parent, or the child, involved.".

(b) ENFORCEMENT.—Section 423(e) of such Act (42 U.S.C. 623(e)), as added by section 4701 of this Act, is amended by redesignating paragraphs (5), (6), and (7) as paragraphs (6), (7), and (8), respectively, and by inserting after paragraph (4) the following:

"(5) PENALTY FOR FAILURE TO REMOVE BARRIERS TO INTERETHNIC ADOPTION.—

"(A) REDUCTION OF PAYMENTS TO THE STATE.—If a State's program operated under this part is found, as a result of a review conducted under section 1123, to have violated section 422(a)(15) during a quarter with respect to any person, then, notwithstanding any regulations promulgated under section 1123(b)(3), the Secretary shall reduce the amount otherwise payable to the State under this part, for the quarter and for each subsequent quarter before the 1st quarter for which the State program is found, as a result of such a review, not to have violated section 422(a)(15) with respect to any person, by—

"(i) 2 percent of such otherwise payable amount, in the case of the 1st such finding with respect to the State;

"(ii) 5 percent of such otherwise payable amount, in the case of the 2nd such finding with respect to the State; or

"(iii) 10 percent of such otherwise payable amount, in the case of the 3rd or subsequent such finding with respect to the State.

"(B) RETURN OF FUNDS PAID TO OTHER VIOLATORS.—Any other entity which is in a State that receives funds under this part and which violates section 422(a)(15) during a quarter with respect to any person shall remit to the Secretary all funds that were paid by the State to the entity during the quarter from such funds.

"(C) PRIVATE CAUSE OF ACTION.—

"(i) IN GENERAL.—Any individual who is aggrieved by a violation of section 422(a)(15) by a State or other entity may bring an action seeking relief from the State or other entity in any United States district court.

"(ii) LIMITATION.—An action under this subparagraph may not be brought more than 2 years after the date the alleged violation occurred.

"(D) NO EFFECT ON THE INDIAN CHILD WELFARE ACT OF 1978.—This paragraph shall not be construed to affect the application of the Indian Child Welfare Act of 1978.".

(c) CIVIL RIGHTS.—

(1) PROHIBITED CONDUCT.—A person or government that is involved in adoption or foster care placements may not—

(A) deny to any individual the opportunity to become an adoptive or a foster parent, on the basis of the race, color, or national origin of the individual, or of the child, involved; or

(B) delay or deny the placement of a child for adoption or into foster care, on the basis of the race, color, or national origin of the adoptive or foster parent, or the child, involved.

(2) ENFORCEMENT.—Noncompliance with paragraph (1) is deemed a violation of title VI of the Civil Rights Act of 1964.

(3) NO EFFECT ON THE INDIAN CHILD WELFARE ACT OF 1978.—This subsection shall not be construed to affect the application of the Indian Child Welfare Act of 1978.

(d) CONFORMING REPEAL.—Section 553 of the Howard M. Metzenbaum Multiethnic Placement Act of 1994 (42 U.S.C. 5115a) is repealed.

SEC. 4724. EFFECTIVE DATE; TRANSITION RULES.

(a) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), this chapter and the amendments made by this chapter shall be effective on and after October 1, 1996.

(2) EXCEPTION.—Section 425 of the Social Security Act, as added by section 4701 of this Act, shall take effect on the date of the enactment of this chapter.

(3) TEMPORARY REDESIGNATION OF SECTION 425.—During the period beginning on the date of the enactment of this chapter and ending on October 1, 1996, section 425 of the Social Security Act, as added by section 4701 of this Act, is redesignated as section 425A.

(b) TRANSITION RULES.—

(1) CLAIMS, ACTIONS, AND PROCEEDINGS.—The amendments made by this chapter shall not apply with respect to—

(A) powers, duties, functions, rights, claims, penalties, or obligations applicable to aid, assistance, or services provided before the effective date of this chapter under the provisions amended; and

(B) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

(2) CLOSING OUT ACCOUNT FOR THOSE PROGRAMS TERMINATED OR SUBSTANTIALLY MODIFIED BY THIS CHAPTER.—In closing out accounts, Federal and State officials may use scientifically acceptable statistical sampling techniques. Claims made under programs which are repealed or substantially amended in this chapter and which involve State expenditures in cases where assistance or services were provided during a prior fiscal year, shall be treated as expenditures during fiscal year 1995 for purposes of reimbursement even if payment was made by a State on or after October 1, 1995. States shall complete the filing of all claims no later than September 30, 1997. Federal department heads shall—

(A) use the single audit procedure to review and resolve any claims in connection with the closeout of programs; and

(B) reimburse States for any payments made for assistance or services provided during a prior fiscal year from funds for fiscal year 1995, rather than the funds authorized by this chapter.

CHAPTER 2—CHILD AND FAMILY SERVICES BLOCK GRANT

SEC. 4751. CHILD AND FAMILY SERVICES BLOCK GRANT.

The Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.) is amended to read as follows:

"SECTION 1. SHORT TITLE.

"This Act may be cited as the 'Child and Family Services Block Grant Act of 1996'.

"SEC. 2. FINDINGS.

"The Congress finds the following:

"(1) Each year, close to 1,000,000 American children are victims of abuse and neglect.

"(2) Many of these children and their families fail to receive adequate protection or treatment.

"(3) The problem of child abuse and neglect requires a comprehensive approach that—

"(A) integrates the work of social service, legal, health, mental health, education, and substance abuse agencies and organizations;

"(B) strengthens coordination among all levels of government, and with private agencies, civic, religious, and professional organizations, and individual volunteers;

"(C) emphasizes the need for abuse and neglect prevention, assessment, investigation, and treatment at the neighborhood level;

"(D) ensures properly trained and support staff with specialized knowledge, to carry out their child protection duties; and

"(E) is sensitive to ethnic and cultural diversity.

"(4) The child protection system should be comprehensive, child-centered, family-focused, and community-based, should incorporate all appropriate measures to prevent the occurrence or recurrence of child abuse and neglect, and should promote physical and psychological recovery and social reintegration in an environment that fosters the health, safety, self-respect, and dignity of the child.

"(5) The Federal Government should provide leadership and assist communities in their child and family protection efforts by—

"(A) generating and sharing knowledge relevant to child and family protection, including the development of models for service delivery;

"(B) strengthening the capacity of States to assist communities;

"(C) helping communities to carry out their child and family protection plans by promoting the competence of professional, paraprofessional, and volunteer resources; and

"(D) providing leadership to end the abuse and neglect of the Nation's children and youth.

"SEC. 3. PURPOSES.

"The purposes of this Act are the following:

"(1) To assist each State in improving the child protective service systems of such State by—

"(A) improving risk and safety assessment tools and protocols;

"(B) developing, strengthening, and facilitating training opportunities for individuals who are mandated to report child abuse or neglect or otherwise overseeing, investigating, prosecuting, or providing services to children and families who are at risk of abusing or neglecting their children; and

"(C) developing, implementing, or operating information, education, training, or other programs designed to assist and provide services for families of disabled infants with life-threatening conditions.

"(2) To support State efforts to develop, operate, expand and enhance a network of community-based, prevention-focused, family resource and support programs that are culturally competent and that coordinate resources among existing education, vocational rehabilitation, disability, respite, health, mental health, job readiness, self-sufficiency, child and family development, community action, Head Start, child care, child abuse and neglect prevention, juvenile justice, domestic violence prevention and intervention, housing, and other human service organizations within the State.

"(3) To facilitate the elimination of barriers to adoption and to provide permanent and loving home environments for children who would benefit from adoption, particularly children with special needs, including disabled infants with life-threatening conditions, by—

"(A) promoting model adoption legislation and procedures in the States and territories of the United States in order to eliminate jurisdictional and legal obstacles to adoption;

"(B) providing a mechanism for the Department of Health and Human Services to—

"(i) promote quality standards for adoption services, preplacement, post-placement, and post-legal adoption counseling, and standards to protect the rights of children in need of adoption;

"(ii) maintain a national adoption information exchange system to bring together children who would benefit from adoption and qualified prospective adoptive parents who are seeking such children, and conduct national recruitment efforts in order to reach prospective parents for children awaiting adoption; and

"(iii) demonstrate expeditious ways to free children for adoption for whom it has been determined that adoption is the appropriate plan; and

"(C) facilitating the identification and recruitment of foster and adoptive families that can meet children's needs.

"(4) To respond to the needs of children, in particular those who are drug exposed or afflicted with Acquired Immune Deficiency Syndrome (AIDS), by supporting activities aimed at preventing the abandonment of children, providing support to children and their families, and facilitating the recruitment and training of health and social service personnel.

"(5) To carry out any other activities as the Secretary determines are consistent with this Act.

"SEC. 4. DEFINITIONS.

"As used in this Act:

"(1) CHILD.—The term 'child' means a person who has not attained the lesser of—

"(A) the age of 18; or

"(B) except in the case of sexual abuse, the age specified by the child protection law of the State in which the child resides.

"(2) CHILD ABUSE AND NEGLECT.—The term 'child abuse and neglect' means, at a minimum, any recent act or failure to act on the part of a parent or caretaker, which results in death, serious physical or emotional harm, sexual abuse or exploitation, or an act or failure to act which presents an imminent risk of serious harm.

"(3) FAMILY RESOURCE AND SUPPORT PROGRAMS.—The term 'family resource and support program' means a community-based, prevention-focused entity that—

"(A) provides, through direct service, the core services required under this Act, including—

"(i) parent education, support and leadership services, together with services characterized by relationships between parents and professionals that are based on equality and respect, and designed to assist parents in acquiring parenting skills, learning about child development, and responding appropriately to the behavior of their children;

"(ii) services to facilitate the ability of parents to serve as resources to one another (such as through mutual support and parent self-help groups);

"(iii) early developmental screening of children to assess any needs of children, and to identify types of support that may be provided;

"(iv) outreach services provided through voluntary home visits and other methods to assist parents in becoming aware of and able to participate in family resources and support program activities;

"(v) community and social services to assist families in obtaining community resources; and

"(vi) followup services;

"(B) provides, or arranges for the provision of, other core services through contracts or agreements with other local agencies; and

"(C) provides access to optional services, directly or by contract, purchase of service, or interagency agreement, including—

"(i) child care, early childhood development and early intervention services;

"(ii) self-sufficiency and life management skills training;

"(iii) education services, such as scholastic tutoring, literacy training, and General Educational Degree services;

"(iv) job readiness skills;

"(v) child abuse and neglect prevention activities;

"(vi) services that families with children with disabilities or special needs may require;

"(vii) community and social service referral;

"(viii) peer counseling;

"(ix) referral for substance abuse counseling and treatment; and

"(x) help line services.

"(4) INDIAN TRIBE AND TRIBAL ORGANIZATION.—The terms 'Indian tribe' and 'tribal organization' shall have the same meanings given such terms in subsections (e) and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b(e) and (l)).

"(5) RESPITE SERVICES.—The term 'respite services' means short-term care services provided in the temporary absence of the regular caregiver (parent, other relative, foster parent, adoptive parent, or guardian) to children who—

"(A) are in danger of abuse or neglect;

"(B) have experienced abuse or neglect; or

"(C) have disabilities, chronic, or terminal illnesses.

Such services shall be provided within or outside the home of the child, be short-term care (ranging from a few hours to a few weeks of time, per year), and be intended to enable the family to stay together and to keep the child living in the home and community of the child.

"(6) SECRETARY.—The term 'Secretary' means the Secretary of Health and Human Services.

"(7) SEXUAL ABUSE.—The term 'sexual abuse' includes—

"(A) the employment, use, persuasion, inducement, enticement, or coercion of any child to engage in, or assist any other person to engage in, any sexually explicit conduct or simulation of such conduct for the purpose of producing a visual depiction of such conduct; or

"(B) the rape, molestation, prostitution, or other form of sexual exploitation of children, or incest with children.

"(8) STATE.—The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

"(9) WITHHOLDING OF MEDICALLY INDICATED TREATMENT.—The term 'withholding of medically indicated treatment' means the failure to respond to the infant's life-threatening conditions by providing treatment (including appropriate nutrition, hydration, and medication) which, in the treating physician's or physicians' reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all such conditions, except that the term does not include the failure to provide treatment (other than appropriate nutrition, hydration, or medication) to an infant when, in the treating physician's or physicians' reasonable medical judgment—

"(A) the infant is chronically and irreversibly comatose;

"(B) the provision of such treatment would—

"(i) merely prolong dying;

"(ii) not be effective in ameliorating or correcting all of the infant's life-threatening conditions; or

"(iii) otherwise be futile in terms of the survival of the infant; or

"(C) the provision of such treatment would be virtually futile in terms of the survival of the infant and the treatment itself under such circumstances would be inhumane.

"TITLE I—GENERAL BLOCK GRANT

"SEC. 101. CHILD AND FAMILY SERVICES BLOCK GRANTS.

"(a) ELIGIBILITY.—The Secretary shall award grants to eligible States that file a State plan that is approved under section 102 and that otherwise meet the eligibility requirements for grants under this title.

"(b) AMOUNT OF GRANT.—The amount of a grant made to each State under subsection (a) for a fiscal year shall be based on the population of children under the age of 18 residing in each State that applies for a grant under this section.

"(c) USE OF AMOUNTS.—Amounts received by a State under a grant awarded under subsection (a) shall be used to carry out the purposes described in section 3.

"SEC. 102. ELIGIBLE STATES.

"(a) IN GENERAL.—As used in this title, the term 'eligible State' means a State that has submitted to the Secretary, not later than October 1, 1996, and every 3 years thereafter, a plan which has been signed by the chief executive officer of the State and that includes the following:

"(1) OUTLINE OF CHILD PROTECTION PROGRAM.—A written document that outlines the activities the State intends to conduct to achieve the purpose of this title, including the procedures to be used for—

"(A) receiving and assessing reports of child abuse or neglect;

"(B) investigating such reports;

"(C) with respect to families in which abuse or neglect has been confirmed, providing services or referral for services for families and children where the State makes a determination that the child may safely remain with the family;

"(D) protecting children by removing them from dangerous settings and ensuring their placement in a safe environment;

"(E) providing training for individuals mandated to report suspected cases of child abuse or neglect;

"(F) protecting children in foster care;

"(G) promoting timely adoptions;

"(H) protecting the rights of families, using adult relatives as the preferred placement for children separated from their parents where such relatives meet the relevant State child protection standards; and

"(I) providing services to individuals, families, or communities, either directly or through referral, that are aimed at preventing the occurrence of child abuse and neglect.

"(2) CERTIFICATION OF STATE LAW REQUIRING THE REPORTING OF CHILD ABUSE AND NEGLECT.—A certification that the State has in effect laws that require public officials and other professionals to report, in good faith, actual or suspected instances of child abuse or neglect.

"(3) CERTIFICATION OF PROCEDURES FOR SCREENING, SAFETY ASSESSMENT, AND PROMPT INVESTIGATION.—A certification that the State has in effect procedures for receiving and responding to reports of child abuse or neglect, including the reports described in paragraph (2), and for the immediate screening, safety assessment, and prompt investigation of such reports.

"(4) CERTIFICATION OF STATE PROCEDURES FOR REMOVAL AND PLACEMENT OF ABUSED OR NEGLECTED CHILDREN.—A certification that the State has in effect procedures for the removal from families and placement of abused or neglected children and of any other child in the same household who may also be in danger of abuse or neglect.

"(5) CERTIFICATION OF PROVISIONS FOR IMMUNITY FROM PROSECUTION.—A certification that the State has in effect laws requiring immunity from prosecution under State and local laws and regulations for individuals making good faith reports of suspected or known instances of child abuse or neglect.

"(6) CERTIFICATION OF PROVISIONS AND PROCEDURES RELATING TO APPEALS.—A certification that not later than 2 years after the date of the enactment of this Act, the State shall have laws and procedures in effect affording individuals an opportunity to appeal an official finding of abuse or neglect.

"(7) CERTIFICATION OF STATE PROCEDURES FOR DEVELOPING AND REVIEWING WRITTEN PLANS FOR PERMANENT PLACEMENT OF REMOVED CHILDREN.—A certification that the State has in effect procedures for ensuring that a written plan is prepared for children who have been removed from their families. Such plan shall specify the goals for achieving a permanent placement for the child in a timely fashion, for ensuring that the written plan is reviewed every 6 months (until such placement is achieved), and for ensuring that information about such children is collected regularly and recorded in case records, and include a description of such procedures.

"(8) CERTIFICATION OF STATE PROGRAM TO PROVIDE INDEPENDENT LIVING SERVICES.—A certification that the State has in effect a program to provide independent living services, for assistance in making the transition to self-sufficient adulthood, to individuals in the child protection program of the State who are 16, but who are not 20 (or, at the option of the State, 22), years of age, and who do not have a family to which to be returned.

"(9) CERTIFICATION OF STATE PROCEDURES TO RESPOND TO REPORTING OF MEDICAL NEGLECT OF DISABLED INFANTS.—

"(A) IN GENERAL.—A certification that the State has in place for the purpose of responding to the reporting of medical neglect of infants (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions), procedures or programs, or both (within the State child protective services system), to provide for—

"(i) coordination and consultation with individuals designated by and within appropriate health-care facilities;

"(ii) prompt notification by individuals designated by and within appropriate health-care facilities of cases of suspected medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions); and

"(iii) authority, under State law, for the State child protective service to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, as may be necessary to prevent the withholding of medically indicated treatment from disabled infants with life-threatening conditions.

"(B) WITHHOLDING OF MEDICALLY INDICATED TREATMENT.—As used in subparagraph (A), the term 'withholding of medically indicated treatment' means the failure to respond to the infant's life-threatening conditions by providing treatment (including appropriate nutrition, hydration, and medication) which, in the treating physician's or physicians' reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all such conditions, except that such term does not include the failure to provide treatment (other than appropriate nutrition, hydration, or medication) to an infant when, in the treating physician's or physicians' reasonable medical judgment—

"(i) the infant is chronically and irreversibly comatose;

"(ii) the provision of such treatment would—

"(I) merely prolong dying;

"(II) not be effective in ameliorating or correcting all of the infant's life-threatening conditions; or

"(III) otherwise be futile in terms of the survival of the infant; or

"(iii) the provision of such treatment would be virtually futile in terms of the survival of the infant and the treatment itself under such circumstances would be inhumane.

"(10) IDENTIFICATION OF CHILD PROTECTION GOALS.—The quantitative goals of the State child protection program.

"(11) CERTIFICATION OF CHILD PROTECTION STANDARDS.—With respect to fiscal years beginning on or after April 1, 1996, a certification that the State—

"(A) has completed an inventory of all children who, before the inventory, had been in foster care under the responsibility of the State for 6 months or more, which determined—

"(i) the appropriateness of, and necessity for, the foster care placement;

"(ii) whether the child could or should be returned to the parents of the child or should be freed for adoption or other permanent placement; and

"(iii) the services necessary to facilitate the return of the child or the placement of the child for adoption or legal guardianship;

"(B) is operating, to the satisfaction of the Secretary—

"(i) a statewide information system from which can be readily determined the status, demographic characteristics, location, and goals for the placement of every child who is (or, within the immediately preceding 12 months, has been) in foster care;

"(ii) a case review system for each child receiving foster care under the supervision of the State;

"(iii) a service program designed to help children—

"(I) where appropriate, return to families from which they have been removed; or

"(II) be placed for adoption, with a legal guardian, or if adoption or legal guardianship is determined not to be appropriate for a child, in some other planned, permanent living arrangement; and

"(iv) a preplacement preventive services program designed to help children at risk for foster care placement remain with their families; and

"(C)(i) has reviewed (or not later than October 1, 1997, will review) State policies and administrative and judicial procedures in effect for children abandoned at or shortly after birth (including policies and procedures providing for legal representation of such children); and

"(ii) is implementing (or not later than October 1, 1997, will implement) such policies and procedures as the State determines, on the basis of the review described in clause (i), to be necessary to enable permanent decisions to be made expeditiously with respect to the placement of such children.

"(12) CERTIFICATION OF REASONABLE EFFORTS BEFORE PLACEMENT OF CHILDREN IN FOSTER CARE.—A certification that the State in each case will—

"(A) make reasonable efforts prior to the placement of a child in foster care, to prevent or eliminate the need for removal of the child from the child's home, and to make it possible for the child to return home; and

"(B) with respect to families in which abuse or neglect has been confirmed, provide services or referral for services for families and children where the State makes a determination that the child may safely remain with the family.

"(13) CERTIFICATION OF CONFIDENTIALITY AND REQUIREMENTS FOR INFORMATION DISCLOSURE.—

"(A) IN GENERAL.—A certification that the State has in effect and operational—

"(i) requirements ensuring that reports and records made and maintained pursuant to the purposes of this part shall only be made available to—

"(I) individuals who are the subject of the report;

"(II) Federal, State, or local government entities, or any agent of such entities, having a need for such information in order to carry out their responsibilities under law to protect children from abuse and neglect;

"(III) child abuse citizen review panels;

"(IV) child fatality review panels;

"(V) a grand jury or court, upon a finding that information in the record is necessary for the determination of an issue before the court or grand jury; and

"(VI) other entities or classes of individuals statutorily authorized by the State to receive such information pursuant to a legitimate State purpose; and

"(ii) provisions that allow for public disclosure of the findings or information about cases of child abuse or neglect that have resulted in a child fatality or near fatality.

"(B) LIMITATION.—Disclosures made pursuant to clause (i) or (ii) shall not include the identifying information concerning the individual initiating a report or complaint alleging suspected instances of child abuse or neglect.

"(C) DEFINITION.—For purposes of this paragraph, the term 'near fatality' means an act that, as certified by a physician, places the child in serious or critical condition.

"(b) DETERMINATIONS.—The Secretary shall determine whether a plan submitted pursuant to subsection (a) contains the material required by subsection (a), other than the material described in paragraph (9) of such subsection. The Secretary may not require a State to include in such a plan any material not described in subsection (a).

"SEC. 103. DATA COLLECTION AND REPORTING.

"(a) NATIONAL CHILD ABUSE AND NEGLECT DATA SYSTEM.—The Secretary shall establish a national data collection and analysis program—

"(1) which, to the extent practicable, coordinates existing State child abuse and neglect reports and which shall include—

"(A) standardized data on substantiated, as well as false, unfounded, or unsubstantiated reports; and

"(B) information on the number of deaths due to child abuse and neglect; and

"(2) which shall collect, compile, analyze, and make available State child abuse and neglect reporting information which, to the extent practical, is universal and case-specific and integrated with other case-based foster care and adoption data collected by the Secretary.

"(b) ADOPTION AND FOSTER CARE AND ANALYSIS AND REPORTING SYSTEMS.—The Secretary shall implement a system for the collection of data relating to adoption and foster care in the United States. Such data collection system shall—

"(1) avoid unnecessary diversion of resources from agencies responsible for adoption and foster care;

"(2) assure that any data that is collected is reliable and consistent over time and among jurisdictions through the use of uniform definitions and methodologies;

"(3) provide comprehensive national information with respect to—

"(A) the demographic characteristics of adoptive and foster children and their biological and adoptive or foster parents;

"(B) the status of the foster care population (including the number of children in foster care, length of placement, type of placement, availability for adoption, and goals for ending or continuing foster care);

"(C) the number and characteristics of—

"(i) children placed in or removed from foster care;

"(ii) children adopted or with respect to whom adoptions have been terminated; and

"(iii) children placed in foster care outside the State which has placement and care responsibility; and

"(D) the extent and nature of assistance provided by Federal, State, and local adoption and foster care programs and the characteristics of the children with respect to whom such assistance is provided; and

"(4) utilize appropriate requirements and incentives to ensure that the system functions reliably throughout the United States.

"(c) ADDITIONAL INFORMATION.—The Secretary may require the provision of additional information under the data collection system established under subsection (b) if the addition of such information is agreed to by a majority of the States.

"(d) ANNUAL REPORT BY THE SECRETARY.—Within 6 months after the end of each fiscal year, the Secretary shall prepare a report based on information provided by the States for the fiscal year pursuant to this section, and shall make the report and such information available to the Congress and the public.

"TITLE II—RESEARCH, DEMONSTRATIONS, TRAINING, AND TECHNICAL ASSISTANCE

"SEC. 201. RESEARCH GRANTS.

"(a) IN GENERAL.—The Secretary, in consultation with appropriate Federal officials and recognized experts in the field, shall award grants or contracts for the conduct of research in accordance with subsection (b).

"(b) RESEARCH.—Research projects to be conducted using amounts received under this section—

"(1) shall be designed to provide information to better protect children from abuse or neglect and to improve the well-being of abused or neglected children, with at least a portion of any such research conducted under a project being field initiated;

"(2) shall at a minimum, focus on—

"(A) the nature and scope of child abuse and neglect;

"(B) the causes, prevention, assessment, identification, treatment, cultural and socio-economic distinctions, and the consequences of child abuse and neglect;

"(C) appropriate, effective and culturally sensitive investigative, administrative, and judicial procedures with respect to cases of child abuse; and

"(D) the national incidence of child abuse and neglect, including—

"(i) the extent to which incidents of child abuse are increasing or decreasing in number and severity;

"(ii) the incidence of substantiated and unsubstantiated reported child abuse cases;

"(iii) the number of substantiated cases that result in a judicial finding of child abuse or neglect or related criminal court convictions;

"(iv) the extent to which the number of unsubstantiated, unfounded and false reported cases of child abuse or neglect have contributed to the inability of a State to respond effectively to serious cases of child abuse or neglect;

"(v) the extent to which the lack of adequate resources and the lack of adequate training of reporters have contributed to the inability of a State to respond effectively to serious cases of child abuse and neglect;

"(vi) the number of unsubstantiated, false, or unfounded reports that have resulted in a child being placed in substitute care, and the duration of such placement;

"(vii) the extent to which unsubstantiated reports return as more serious cases of child abuse or neglect;

"(viii) the incidence and prevalence of physical, sexual, and emotional abuse and physical and emotional neglect in substitute care;

"(ix) the incidence and outcomes of abuse allegations reported within the context of divorce, custody, or other family court proceedings, and the interaction between this venue and the child protective services system; and

"(x) the cases of children reunited with their families or receiving family preservation services that result in subsequent substantiated reports of child abuse and neglect, including the death of the child; and

"(3) may include the appointment of an advisory board to—

"(A) provide recommendations on coordinating Federal, State, and local child abuse and neglect activities at the State level with similar activities at the State and local level pertaining to family violence prevention;

"(B) consider specific modifications needed in State laws and programs to reduce the number of unfounded or unsubstantiated reports of child abuse or neglect while enhancing the ability to identify and substantiate legitimate cases of abuse or neglect which place a child in danger; and

"(C) provide recommendations for modifications needed to facilitate coordinated national and Statewide data collection with respect to child protection and child welfare.

"SEC. 202. NATIONAL CLEARINGHOUSE FOR INFORMATION RELATING TO CHILD ABUSE.

"(a) ESTABLISHMENT.—The Secretary shall, through the Department of Health and Human Services, or by one or more contracts of not less than 3 years duration provided through a competition, establish a national clearinghouse for information relating to child abuse.

"(b) FUNCTIONS.—The Secretary shall, through the clearinghouse established by subsection (a)—

"(1) maintain, coordinate, and disseminate information on all programs, including private programs, that show promise of success with respect to the prevention, assessment, identification, and treatment of child abuse and neglect;

"(2) maintain and disseminate information relating to—

"(A) the incidence of cases of child abuse and neglect in the United States;

"(B) the incidence of such cases in populations determined by the Secretary under section 105(a)(1) of the Child Abuse Prevention, Adoption, and Family Services Act of 1988 (as such section was in effect on the day before the date of enactment of this Act); and

"(C) the incidence of any such cases related to alcohol or drug abuse;

"(3) disseminate information related to data collected and reported by States pursuant to section 103;

"(4) compile, analyze, and publish a summary of the research conducted under section 201; and

"(5) solicit public comment on the components of such clearinghouse.

"SEC. 203. GRANTS FOR DEMONSTRATION PROJECTS.

"(a) AWARDING OF GENERAL GRANTS.—The Secretary may make grants to, and enter into contracts with, public and nonprofit private agencies or organizations (or combinations of such agencies or organizations) for the purpose of developing, implementing, and operating time limited, demonstration programs and projects for the following purposes:

"(1) INNOVATIVE PROGRAMS AND PROJECTS.—The Secretary may award grants to public agencies that demonstrate innovation in responding to reports of child abuse and neglect including programs of collaborative partnerships between the State child protective service agency, community social service agencies and family support programs, schools, churches and synagogues, and other community agencies to allow for the establishment of a triage system that—

"(A) accepts, screens and assesses reports received to determine which such reports require an intensive intervention and which require voluntary referral to another agency, program or project;

"(B) provides, either directly or through referral, a variety of community-linked services to assist families in preventing child abuse and neglect; and

"(C) provides further investigation and intensive intervention where the child's safety is in jeopardy.

"(2) KINSHIP CARE PROGRAMS AND PROJECTS.—The Secretary may award grants to public entities to assist such entities in developing or implementing procedures using adult relatives as the preferred placement for children removed from their home, where such relatives are determined to be capable of providing a safe nurturing environment for the child and where, to the maximum extent practicable, such relatives comply with relevant State child protection standards.

"(3) ADOPTION OPPORTUNITIES.—The Secretary may award grants to public entities to assist such entities in developing or implementing programs to expand opportunities for the adoption of children with special needs.

"(4) FAMILY RESOURCE CENTERS.—The Secretary may award grants to public or nonprofit private entities to provide for the establishment of family resource programs and support services that—

"(A) develop, expand, and enhance statewide networks of community-based, prevention-focused centers, programs, or services that provide comprehensive support for families;

"(B) promote the development of parental competencies and capacities in order to increase family stability;

"(C) support the additional needs of families with children with disabilities;

"(D) foster the development of a continuum of preventive services for children and families through State and community-based collaborations and partnerships (both public and private); and

"(E) maximize funding for the financing, planning, community mobilization, collaboration, assessment, information and referral, startup, training and technical assistance, information management, reporting, and evaluation costs for establishing, operating, or expanding a statewide network of community-based, prevention-focused family resource and support services.

"(5) OTHER INNOVATIVE PROGRAMS.—The Secretary may award grants to public or private nonprofit organizations to assist such entities in developing or implementing innovative programs and projects that show promise of preventing and treating cases of child abuse and neglect (such as Parents Anonymous).

"(b) GRANTS FOR ABANDONED INFANT PROGRAMS.—The Secretary may award grants to public and nonprofit private entities to assist such entities in developing or implementing procedures—

"(1) to prevent the abandonment of infants and young children, including the provision of services to members of the natural family for any condition that increases the probability of abandonment of an infant or young child;

"(2) to identify and address the needs of abandoned infants and young children;

"(3) to assist abandoned infants and young children to reside with their natural families or in foster care, as appropriate;

"(4) to recruit, train, and retain foster families for abandoned infants and young children;

"(5) to carry out residential care programs for abandoned infants and young children who are unable to reside with their families or to be placed in foster care;

"(6) to carry out programs of respite care for families and foster families of infants and young children; and

"(7) to recruit and train health and social services personnel to work with families, foster care families, and residential care programs for abandoned infants and young children.

"(c) EVALUATION.—In making grants for demonstration projects under this section, the Secretary shall require all such projects to be evaluated for their effectiveness. Funding for such evaluations shall be provided either as a stated percentage of a demonstration grant or as a separate grant entered into by the Secretary for the purpose of evaluating a particular demonstration project or group of projects.

"SEC. 204. TECHNICAL ASSISTANCE.

"(a) CHILD ABUSE AND NEGLECT.—

"(1) IN GENERAL.—The Secretary shall provide technical assistance under this title to States to assist such States in planning, improving, developing, and carrying out programs and activities relating to the prevention, assessment identification, and treatment of child abuse and neglect.

"(2) EVALUATION.—Technical assistance provided under paragraph (1) may include an evaluation or identification of—

"(A) various methods and procedures for the investigation, assessment, and prosecution of child physical and sexual abuse cases;

"(B) ways to mitigate psychological trauma to the child victim; and

"(C) effective programs carried out by the States under this Act.

"(b) ADOPTION OPPORTUNITIES.—The Secretary shall provide, directly or by grant to or contract with public or private nonprofit agencies or organizations—

"(1) technical assistance and resource and referral information to assist State or local governments with termination of parental rights issues, in recruiting and retaining adoptive families, in the successful placement of children with special needs, and in the provision of pre- and post-placement services, including post-legal adoption services; and

"(2) other assistance to help State and local governments replicate successful adoption-related projects from other areas in the United States.

"SEC. 205. TRAINING RESOURCES.

"(a) TRAINING PROGRAMS.—The Secretary may award grants to public or private nonprofit organizations—

"(1) for the training of professional and paraprofessional personnel in the fields of medicine, law, education, law enforcement, social work, and other relevant fields who are engaged in, or intend to work in, the field of prevention, identification, and treatment of child abuse and neglect, including the links between domestic violence and child abuse;

"(2) to provide culturally specific instruction in methods of protecting children from child abuse and neglect to children and to persons responsible for the welfare of children, including parents of and persons who work with children with disabilities; and

"(3) to improve the recruitment, selection, and training of volunteers serving in private and public nonprofit children, youth and family service organizations in order to prevent child abuse and neglect through collaborative analysis of current recruitment, selection, and training programs and development of model programs for dissemination and replication nationally.

"(b) DISSEMINATION OF INFORMATION.—The Secretary may provide for and disseminate information relating to various training resources available at the State and local level to—

"(1) individuals who are engaged, or who intend to engage, in the prevention, identification, assessment, and treatment of child abuse and neglect; and

"(2) appropriate State and local officials, including prosecutors, to assist in training law enforcement, legal, judicial, medical, mental health, education, and child welfare personnel in appropriate methods of interacting during investigative, administrative, and judicial proceedings with children who have been subjected to abuse.

"SEC. 206. APPLICATIONS AND AMOUNTS OF GRANTS.

"(a) REQUIREMENT OF APPLICATION.—The Secretary may not make a grant to a State or other entity under this title unless—

"(1) an application for the grant is submitted to the Secretary;

"(2) with respect to carrying out the purpose for which the grant is to be made, the application provides assurances of compliance satisfactory to the Secretary; and

"(3) the application otherwise is in such form, is made in such manner, and contains such agreements, assurances, and information as the Secretary determines to be necessary to carry out this title.

"(b) AMOUNT OF GRANT.—The Secretary shall determine the amount of a grant to be awarded under this title.

"SEC. 207. PEER REVIEW FOR GRANTS.

"(a) ESTABLISHMENT OF PEER REVIEW PROCESS.—

"(1) IN GENERAL.—The Secretary shall, in consultation with experts in the field and other Federal agencies, establish a formal, rigorous, and meritorious peer review process for purposes of evaluating and reviewing applications for grants under this title and determining the relative merits of the projects for which such assistance is requested. The purpose of this process is to enhance the quality and usefulness of research in the field of child abuse and neglect.

"(2) REQUIREMENTS FOR MEMBERS.—In establishing the process required by paragraph (1), the Secretary shall appoint to the peer review panels only members who are experts in the field of child abuse and neglect or related disciplines, with appropriate expertise in the application to be reviewed, and who are not individuals who are officers or employees of the Administration for Children and Families. The panels shall meet as often as is necessary to facilitate the expeditious review of applications for grants and contracts under this title, but may not meet less than once a year. The Secretary shall ensure that the peer review panel utilizes scientifically valid review criteria and scoring guidelines for review committees.

"(b) REVIEW OF APPLICATIONS FOR ASSISTANCE.—Each peer review panel established under subsection (a)(1) that reviews any application for a grant shall—

"(1) determine and evaluate the merit of each project described in such application;

"(2) rank such application with respect to all other applications it reviews in the same priority area for the fiscal year involved, according to the relative merit of all of the projects that are described in such application and for which financial assistance is requested; and

"(3) make recommendations to the Secretary concerning whether the application for the project shall be approved.

The Secretary shall award grants under this title on the basis of competitive review.

"(c) NOTICE OF APPROVAL.—

"(1) IN GENERAL.—The Secretary shall provide grants under this title from among the projects which the peer review panels established under subsection (a)(1) have determined to have merit.

"(2) REQUIREMENT OF EXPLANATION.—In the instance in which the Secretary approves an application for a program under this title without having approved all applications ranked above such application, the Secretary shall append to the approved application a detailed explanation of the reasons relied on for approving the application and for failing to approve each pending application that is superior in merit.

"SEC. 208. NATIONAL RANDOM SAMPLE STUDY OF CHILD WELFARE.

"(a) IN GENERAL.—The Secretary shall conduct a national study based on random samples of children who are at risk of child abuse or neglect, or are determined by States to have been abused or neglected, and such other research as may be necessary.

"(b) REQUIREMENTS.—The study required by subsection (a) shall—

"(1) have a longitudinal component; and

"(2) yield data reliable at the State level for as many States as the Secretary determines is feasible.

"(c) PREFERRED CONTENTS.—In conducting the study required by subsection (a), the Secretary should—

"(1) collect data on the child protection programs of different small States (or different groups of such States) in different years to yield an occasional picture of the child protection programs of such States;

"(2) carefully consider selecting the sample from cases of confirmed abuse or neglect; and

"(3) follow each case for several years while obtaining information on, among other things—

"(A) the type of abuse or neglect involved;

"(B) the frequency of contact with State or local agencies;

"(C) whether the child involved has been separated from the family, and, if so, under what circumstances;

"(D) the number, type, and characteristics of out-of-home placements of the child; and

"(E) the average duration of each placement.

"(d) REPORTS.—

"(1) IN GENERAL.—From time to time, the Secretary shall prepare reports summarizing the results of the study required by subsection (a).

"(2) AVAILABILITY.—The Secretary shall make available to the public any report prepared under paragraph (1), in writing or in the form of an electronic data tape.

"(3) AUTHORITY TO CHARGE FEE.—The Secretary may charge and collect a fee for the furnishing of reports under paragraph (2).

"(4) FUNDING.—The Secretary shall carry out this section using amounts made available under section 425 of the Social Security Act.

"TITLE III—GENERAL PROVISIONS

"SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

"(a) TITLE I.—There are authorized to be appropriated to carry out title I, $230,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2002.

"(b) TITLE II.—

"(1) IN GENERAL.—Of the amount appropriated under subsection (a) for a fiscal year, the Secretary shall make available 12 percent of such amount to carry out title II (except for sections 203 and 208).

"(2) GRANTS FOR DEMONSTRATION PROJECTS.—Of the amount made available under paragraph (1) for a fiscal year, the Secretary shall make available not less than 40 percent of such amount to carry out section 203.

"(c) INDIAN TRIBES.—Of the amount appropriated under subsection (a) for a fiscal year, the Secretary shall make available 1 percent of such amount to provide grants and contracts to Indian tribes and Tribal Organizations.

"(d) AVAILABILITY OF APPROPRIATIONS.—Amounts appropriated under subsection (a) shall remain available until expended.

"SEC. 302. GRANTS TO STATES FOR PROGRAMS RELATING TO THE INVESTIGATION AND PROSECUTION OF CHILD ABUSE AND NEGLECT CASES.

"(a) GRANTS TO STATES.—The Secretary, in consultation with the Attorney General, is authorized to make grants to the States for the purpose of assisting States in developing, establishing, and operating programs designed to improve—

"(1) the handling of child abuse and neglect cases, particularly cases of child sexual abuse and exploitation, in a manner which limits additional trauma to the child victim;

"(2) the handling of cases of suspected child abuse or neglect related fatalities; and

"(3) the investigation and prosecution of cases of child abuse and neglect, particularly child sexual abuse and exploitation.

"(b) ELIGIBILITY REQUIREMENTS.—In order for a State to qualify for assistance under this section, such State shall—

"(1) be an eligible State under section 102;

"(2) establish a task force as provided in subsection (c);

"(3) fulfill the requirements of subsection (d);

"(4) submit annually an application to the Secretary at such time and containing such information and assurances as the Secretary considers necessary, including an assurance that the State will—

"(A) make such reports to the Secretary as may reasonably be required; and

"(B) maintain and provide access to records relating to activities under subsection (a); and

"(5) submit annually to the Secretary a report on the manner in which assistance received under this program was expended throughout the State, with particular attention focused on the areas described in paragraphs (1) through (3) of subsection (a).

"(c) STATE TASK FORCES.—

"(1) GENERAL RULE.—Except as provided in paragraph (2), a State requesting assistance under this section shall establish or designate, and maintain, a State multidisciplinary task force on children's justice (hereafter in this section referred to as 'State task force') composed of professionals with knowledge and experience relating to the criminal justice system and issues of child physical abuse, child neglect, child sexual abuse and exploitation, and child maltreatment related fatalities. The State task force shall include—

"(A) individuals representing the law enforcement community;

"(B) judges and attorneys involved in both civil and criminal court proceedings related to child abuse and neglect (including individuals involved with the defense as well as the prosecution of such cases);

"(C) child advocates, including both attorneys for children and, where such programs are in operation, court appointed special advocates;

"(D) health and mental health professionals;

"(E) individuals representing child protective service agencies;

"(F) individuals experienced in working with children with disabilities;

"(G) parents; and

"(H) representatives of parents' groups.

"(2) EXISTING TASK FORCE.—As determined by the Secretary, a State commission or task force established after January 1, 1983, with substantially comparable membership and functions, may be considered the State task force for purposes of this subsection.

"(d) STATE TASK FORCE STUDY.—Before a State receives assistance under this section, and at 3-year intervals thereafter, the State task force shall comprehensively—

"(1) review and evaluate State investigative, administrative and both civil and criminal judicial handling of cases of child abuse and neglect, particularly child sexual abuse and exploitation, as well as cases involving suspected child maltreatment related fatalities and cases involving a potential combination of jurisdictions, such as interstate, Federal-State, and State-Tribal; and

"(2) make policy and training recommendations in each of the categories described in subsection (e).

The task force may make such other comments and recommendations as are considered relevant and useful.

"(e) ADOPTION OF STATE TASK FORCE RECOMMENDATIONS.—

"(1) GENERAL RULE.—Subject to the provisions of paragraph (2), before a State receives assistance under this section, a State shall adopt recommendations of the State task force in each of the following categories—

"(A) investigative, administrative, and judicial handling of cases of child abuse and neglect, particularly child sexual abuse and exploitation, as well as cases involving suspected child maltreatment related fatalities and cases involving a potential combination of jurisdictions, such as interstate, Federal-State, and State-Tribal, in a manner which reduces the additional trauma to the child victim and the victim's family and which also ensures procedural fairness to the accused;

"(B) experimental, model and demonstration programs for testing innovative approaches and techniques which may improve the prompt and successful resolution of civil and criminal court proceedings or enhance the effectiveness of judicial and administrative action in child abuse and neglect cases, particularly child sexual abuse and exploitation cases, including the enhancement of performance of court-appointed attorneys and guardians ad litem for children; and

"(C) reform of State laws, ordinances, regulations, protocols and procedures to provide comprehensive protection for children from abuse, particularly child sexual abuse and exploitation, while ensuring fairness to all affected persons.

"(2) EXEMPTION.—As determined by the Secretary, a State shall be considered to be in fulfillment of the requirements of this subsection if—

"(A) the State adopts an alternative to the recommendations of the State task force, which carries out the purpose of this section, in each of the categories under paragraph (1) for which the State task force's recommendations are not adopted; or

"(B) the State is making substantial progress toward adopting recommendations of the State task force or a comparable alternative to such recommendations.

"(f) FUNDS AVAILABLE.—For grants under this section, the Secretary shall use the amount authorized by section 1404A of the Victims of Crime Act of 1984.

"SEC. 303. TRANSITIONAL PROVISION.

"A State or other entity that has a grant, contract, or cooperative agreement in effect, on the date of enactment of this Act, under the Family Resource and Support Program, the Community-Based Family Resource Program, the Family Support Center Program, the Emergency Child Abuse Prevention Grant Program, the Abandoned Infants Assistance Act of 1988, or the Temporary Child Care for Children with Disabilities and Crisis Nurseries Programs shall continue to receive funds under such grant, contract, or cooperative agreement, subject to the original terms under which such funds were provided, through the end of the applicable grant, contract, or agreement cycle.

"SEC. 304. RULE OF CONSTRUCTION.

"(a) IN GENERAL.—Nothing in this Act, or in part B or E of title IV of the Social Security Act, shall be construed—

"(1) as establishing a Federal requirement that a parent or legal guardian provide a child any medical service or treatment against the religious beliefs of the parent or legal guardian; and

"(2) to require that a State find, or to prohibit a State from finding, abuse or neglect in cases in which a parent or legal guardian relies solely or partially upon spiritual means rather than medical treatment, in accordance with the religious beliefs of the parent or legal guardian.

"(b) STATE REQUIREMENT.—Notwithstanding subsection (a), a State shall have in place authority under State law to permit the child protective service system of the State to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, to provide medical care or treatment for a child when such care or treatment is necessary to prevent or remedy serious harm to the child, or to prevent the withholding of medically indicated treatment from children with life threatening conditions. Except with respect to the withholding of medically indicated treatments from disabled infants with life threatening conditions, case by case determinations concerning the exercise of the authority of this subsection shall be within the sole discretion of the State.".

SEC. 4752. REAUTHORIZATIONS.

(a) MISSING CHILDREN'S ASSISTANCE ACT.—Section 408 of the Missing Children's Assistance Act (42 U.S.C. 5777) is amended—

(1) by striking "To" and inserting "(a) IN GENERAL.—To"

(2) by striking "and 1996" and inserting "1996, and 1997"; and

(3) by adding at the end thereof the following new subsection:

"(b) EVALUATION.—The Administrator shall use not more than 5 percent of the amount appropriated for a fiscal year under subsection (a) to conduct an evaluation of the effectiveness of the programs and activities established and operated under this title.".

(b) VICTIMS OF CHILD ABUSE ACT OF 1990.—Section 214B of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13004) is amended—

(1) in subsection (a)(2), by striking "and 1996" and inserting "1996, and 1997"; and

(2) in subsection (b)(2), by striking "and 1996" and inserting "1996, and 1997".

SEC. 4753. REPEALS.

(a) IN GENERAL.—The following provisions of law are repealed:

(1) Title II of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5111 et seq.).

(2) The Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note).

(3) The Temporary Child Care for Children with Disabilities and Crisis Nurseries Act of 1986 (42 U.S.C. 5117 et seq.).

(4) Subtitle F of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11481 et seq.).

(b) CONFORMING AMENDMENTS.—

(1) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of the Congress and the Director of the Office of Management and Budget, the Secretary of Health and Human Services shall prepare and submit to the Congress a legislative proposal in the form of an implementing bill containing technical and conforming amendments to reflect the repeals made by this section.

(2) SUBMISSION TO CONGRESS.—Not later than 6 months after the date of enactment of this subchapter, the Secretary of Health and Human Services shall submit the implementing bill referred to under paragraph (1).

Subtitle G—Reductions in Federal Government Positions

SEC. 4801. REDUCTIONS.

(a) DEFINITIONS.—As used in this section:

(1) APPROPRIATE EFFECTIVE DATE.—The term "appropriate effective date", used with respect to a Department referred to in this section, means the date on which all provisions of this Act (other than subtitle B of this title) that the Department is required to carry out, and amendments and repeals made by this Act to provisions of Federal law that the Department is required to carry out, are effective.

(2) COVERED ACTIVITY.—The term "covered activity", used with respect to a Department referred to in this section, means an activity that the Department is required to carry out under—

(A) a provision of this Act (other than subtitle B of this title); or

(B) a provision of Federal law that is amended or repealed by this Act (other than subtitle B of this title).

(b) REPORTS.—

(1) CONTENTS.—Not later than January 1, 1997, each Secretary referred to in paragraph (2) shall prepare and submit to the relevant committees described in paragraph (3) a report containing—

(A) the determinations described in subsection (c);

(B) appropriate documentation in support of such determinations; and

(C) a description of the methodology used in making such determinations.

(2) SECRETARY.—The Secretaries referred to in this paragraph are—

(A) the Secretary of Agriculture;

(B) the Secretary of Education;

(C) the Secretary of Labor;

(D) the Secretary of Housing and Urban Development; and

(E) the Secretary of Health and Human Services.

(3) RELEVANT COMMITTEES.—The relevant Committees described in this paragraph are the following:

(A) With respect to each Secretary described in paragraph (2), the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate.

(B) With respect to the Secretary of Agriculture, the Committee on Agriculture and the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(C) With respect to the Secretary of Education, the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

(D) With respect to the Secretary of Labor, the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

(E) With respect to the Secretary of Housing and Urban Development, the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(F) With respect to the Secretary of Health and Human Services, the Committee on Economic and Educational Opportunities of the House of Representatives, the Committee on Labor and Human Resources of the Senate, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate.

(4) REPORT ON CHANGES.—Not later than December 31, 1996, and each December 31 thereafter, each Secretary referred to in paragraph (2) shall prepare and submit to the relevant Committees described in paragraph (3), a report concerning any changes with respect to the determinations made under subsection (c) for the year in which the report is being submitted.

(c) DETERMINATIONS.—Not later than December 31, 1996, each Secretary referred to in subsection (b)(2) shall determine—

(1) the number of full-time equivalent positions required by the Department headed by such Secretary to carry out the covered activities of the Department, as of the day before the date of enactment of this Act;

(2) the number of such positions required by the Department to carry out the activities, as of the appropriate effective date for the Department; and

(3) the difference obtained by subtracting the number referred to in paragraph (2) from the number referred to in paragraph (1).

(d) ACTIONS.—Each Secretary referred to in subsection (b)(2) shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the number of positions of personnel of the Department—

(1) not later than 30 days after the appropriate effective date for the Department involved, by at least 50 percent of the difference referred to in subsection (c)(3); and

(2) not later than 13 months after such appropriate effective date, by at least the remainder of such difference (after the application of paragraph (1)).

(e) CONSISTENCY.—

(1) EDUCATION.—The Secretary of Education shall carry out this section in a manner that enables the Secretary to meet the requirements of this section.

(2) LABOR.—The Secretary of Labor shall carry out this section in a manner that enables the Secretary to meet the requirements of this section.

(3) HEALTH AND HUMAN SERVICES.—The Secretary of Health and Human Services shall carry out this section in a manner that enables the Secretary to meet the requirements of this section and sections 4802 and 4803.

(f) CALCULATION.—In determining, under subsection (c), the number of full-time equivalent positions required by a Department to carry out a covered activity, a Secretary referred to in subsection (b)(2) shall include the number of such positions occupied by personnel carrying out program functions or other functions (including budgetary, legislative, administrative, planning, evaluation, and legal functions) related to the activity.

(g) GENERAL ACCOUNTING OFFICE REPORT.—Not later than July 1, 1997, the Comptroller General of the United States shall prepare and submit to the committees described in subsection (b)(3), a report concerning the determinations made by each Secretary under subsection (c). Such report shall contain an analysis of the determinations made by each Secretary under subsection (c) and a determination as to whether further reductions in full-time equivalent positions are appropriate.

SEC. 4802. REDUCTIONS IN FEDERAL BUREAUCRACY.

(a) IN GENERAL.—The Secretary of Health and Human Services shall reduce the Federal workforce within the Department of Health and Human Services by an amount equal to the sum of—

(1) 75 percent of the full-time equivalent positions at such Department that relate to any direct spending program, or any program funded through discretionary spending, that has been converted into a block grant program under this Act and the amendments made by this Act; and

(2) an amount equal to 75 percent of that portion of the total full-time equivalent departmental management positions at such Department that bears the same relationship to the amount appropriated for the programs referred to in paragraph (1) as such amount relates to the total amount appropriated for use by such Department.

(b) REDUCTIONS IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Notwithstanding any other provision of this Act, the Secretary of Health and Human Services shall take such actions as may be necessary, including reductions in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the full-time equivalent positions within the Department of Health and Human Services—

(1) by 245 full-time equivalent positions related to the program converted into a block grant under the amendment made by section 103; and

(2) by 60 full-time equivalent managerial positions in the Department.

SEC. 4803. REDUCING PERSONNEL IN WASHINGTON, D.C. AREA.

In making reductions in full-time equivalent positions, the Secretary of Health and Human Services is encouraged to reduce personnel in the Washington, D.C., area office (agency headquarters) before reducing field personnel.

Subtitle H—Miscellaneous

SEC. 4901. APPROPRIATION BY STATE LEGISLATURES.

(a) IN GENERAL.—Any funds received by a State under the provisions of law specified in subsection (b) shall be subject to appropriation by the State legislature, consistent with the terms and conditions required under such provisions of law.

(b) PROVISIONS OF LAW.—The provisions of law specified in this subsection are the following:

(1) Part A of title IV of the Social Security Act (relating to block grants for temporary assistance for needy families).

(2) Section 25 of the Food Stamp Act of 1977 (relating to the optional State food assistance block grant).

(3) The Child Care and Development Block Grant Act of 1990 (relating to block grants for child care).

SEC. 4902. SANCTIONING FOR TESTING POSITIVE FOR CONTROLLED SUBSTANCES.

Notwithstanding any other provision of law, States shall not be prohibited by the Federal Government from testing welfare recipients for use of controlled substances nor from sanctioning welfare recipients who test positive for use of controlled substances.

SEC. 4903. REDUCTION IN BLOCK GRANTS TO STATES FOR SOCIAL SERVICES.

Section 2003(c) of the Social Security Act (42 U.S.C. 1397b(c)) is amended—

(1) by striking "and" at the end of paragraph (4); and

(2) by striking paragraph (5) and inserting the following:

"(5) $2,800,000,000 for each of the fiscal years 1990 through 1995;

"(6) $2,520,000,000 for each of the fiscal years 1997 through 2002; and

"(7) $2,380,000,000 for the fiscal year 2003 and each succeeding fiscal year.".

The CHAIRMAN. No other amendment shall be in order except the following amendments:

First, a further amendment printed in part 2 of the report, which may be offered only by the gentleman from Ohio [Mr. KASICH] or his designee, shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question; and

Second, a further amendment in the nature of a substitute consisting of the text of H.R. 3832, which may be offered only by the gentleman from Missouri [Mr. GEPHARDT] or his designee, shall be considered read, shall be debatable for 1 hour, equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment.

AMENDMENT OFFERED BY MR. NEY

Mr. NEY. Mr. Chairman, I offer an amendment as the designee of the gentleman from Ohio [Mr. KASICH].

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. NEY:

Subsection (o) of section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as added by section 1033(a), is amended—

(1) in paragraph (2)—

(A) by striking ", during the preceding 12-month period,",

(B) by inserting "after the effective date of this subsection" after "received", and

(C) by striking "4" and insert "3", and

(2) in paragraph (5) by striking subparagraph (B) and making such technical and conforming changes as may be appropriate.

Section 1033 is amended by striking subsection (b) and making such technical and conforming changes as may be appropriate.

The CHAIRMAN. Pursuant to House Resolution 482, the gentleman from Ohio [Mr. NEY] and a Member opposed each will control 10 minutes.

Mr. SABO. Madam Chairman, I rise in opposition.

The CHAIRMAN. The gentleman from Minnesota [Mr. SABO] will be recognized to control the time in opposition.

The Chair recognizes the gentleman from Ohio [Mr. NEY].

Mr. NEY. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, caring for people is not necessarily synonymous with taking care of people. Anyone can say that they feel pain, and many people obviously do feel pain for others that have not had the path of opportunity in this country. We have to work with all Americans to try and alleviate and minimize and finally end the pain once and for all. We need to reach out a helping hand to every person currently in the welfare system and say to them: If you want to work, we're going to help you climb that ladder of opportunity in this great country.

My amendment, which is the Kasich-Ney amendment, and I thank my colleague, the gentleman from Ohio [Mr. KASICH], for his guidance and support on this amendment; this amendment to H.R. 3437 is just that: It is a ladder. The amendment will tell every able-bodied person without children between the ages of 18 and 50 that there is no escalator built by Washington that will carry them up the ladder of opportunity, but with a little help from us, and if they are willing to help themselves, they can have a chance in this country.

Madam Chairman, as my colleagues know, under the base text of the bill, able-bodied adults between the ages of 18 and 50 who have no children are permitted to receive food stamps without working for 4 months out of every 12-month period. This means they could potentially work 8 months and take 4 months off. The amendment, while retaining the exemptions in the base bill; I would like to just restate those exemptions for the record; this is who the amendment does not affect: Anyone under 18 or over the age of 50, anyone medically certified as physically or mentally incapable or unable to be employed, a parent or other member of the household responsible for a dependent child or a pregnant woman.

Those are the persons that are not included in this amendment. They are exempted from it.

What I am talking about, very clearly, are people who have no dependents, that are 18 years old to 50 years old that are able to work and are receiving food stamps. So instead of the 4 months off potentially every year, there will be a 3-month lifetime ability to take off.

Now, they have to remain employed for at least 20 hours, be in a job training program or one of the workfare programs.

I believe that this is a very fair measure. I believe that this is a measure that will help people on the opportunity scale in this country.

I would ask, Madam Chairman, why does Washington continue to promote a welfare system that discourages work? Is it extreme to think that we can do better? Is it extreme to want to give welfare recipients hope instead of an endless cycle of dependency? Should we not be trying to encourage work?

And that is what this amendment does, but it is an amendment that provides some safety, it provides a course of a safety net, it has the ability to have waivers from the State departments of human services. So it is a well-crafted, very fair amendment, but it simply says: If you want assistance from your government and you are 18 to 50 years old, and you don't have any dependents, and you are capable of working, then you have to simply work.

This is a fair amendment, it provides the change that is necessary in this country, and let me just say in closing, as my colleague, the gentleman from Ohio [Mr. KASICH], many times refers to the end of the day, this amendment is referring to the end of the day because that day has come that we have to step up to the plate and take the responsibility to help people.

The easy path is to say to an individual man or woman in this country, Take the check, don't be seen, take 4 months of the year off, we don't want to address the problem of what we do with you.

What we are doing is forcing this issue to be addressed, but we are providing help to a person. But we want to say that, yes, we are going to be there. There are going to be some problems throughout the course in welfare reform, we better believe there are. But I can tell my colleagues for sure that the current system is in hard failure, and the current system is not creating opportunity, and what the bottom line of this Congress is and the bottom line of this change in this country, this is about children, and each and every one of us as human beings are responsible, we are responsible for whether this planet is going to be safe and prosperous and peaceful for children, and we do not want to have a legacy of children who know nothing but the welfare system. We want to provide opportunity.

This is another step in the right direction, it is a caring step, and it shows that we are a Congress that cares to help involve people in that ladder of opportunity.

Madam Chairman, I reserve the balance of my time.

Mr. SABO. Madam Chairman, I yield 3 minutes to the distinguished gentleman from Texas [Mr. STENHOLM].

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Madam Chairman, I rise in opposition to this single-bullet amendment to this year's first reconciliation bill. I understand full well the political advantage which is sought with amendments such as this. I am certainly not interested in ever defending a wasteful use of food stamps. But I am also interested in abandoning people in real need, confronted by unexpected, uncontrollable circumstances who count on food stamps for their survival.

I find it amazing that the Rules Committee took the unprecedented action of allowing an amendment other than a complete substitute. Had I known there was any possibility of such amendments being made in order, I assure my colleagues I would have had a number of my own to offer, and I know dozens of other Members would have wanted to do the same.

This unprecedented change of the rules aside, I must point out that this particular amendment is not about a food stamp time limit; it is a lifetime ban on food stamp benefits if ever they have received them in their adult life for 3 months and been unable to find work during that 3 months. If they have faced unexpected and uncontrollable circumstances in their life, if they have been laid off from their job in a period of recession, if they went on food stamps, searched high and low for work and found nothing after 3 months, it is tough luck for them. They are off the food stamp program and until they have reached age 50 or until you have found a job. It does not matter if they are following all of the rules, looking for work, in real need of a hand up, the food stamp program just will not be there for them.

The implication behind this amendment is that finding some kind of job is always easy. That simply is not true.

For example, food stamp data show that more than 40 percent of those who would be affected by this provision are women, and nearly one-third of those women are over the age of 40. Whether widowed, divorced, or facing some other difficult life circumstance, these 40-plus women typically have a very difficult time finding employment.

Their skills may be out of date or underdeveloped because they have been raising their families, and there simply are not many jobs out there for which they are qualified without training, which is another shortcoming of the base bill.

Coming from a rural district, I know very well that this amendment will hit particularly hard because there are an especially limited number of new employment opportunities in many small towns and rural communities of America.

This amendment is much more extreme even than the original bill passed by the House last year. Under that bill, people who were unable to find work could have continued to get food stamps if they participated in job search programs. This amendment cuts those people off the program and imposes the harshest work requirement of any proposal made during this Congress.

The amendment cannot be said to be toughening the work requirements. Such a statement assumes that for every person cut off from food stamps there is a job. Common sense tells us that is not the case. If this amendment were really intended to put people to work, it would provide a number of things, including funding for additional workfare slots. But, of course, that would cost money, and this amendment is intended to save an additional $2.2 billion. This is just another example of how extreme philosophy and this year's budget, not sound policy, are driving welfare reform.

This amendment is bad policy, a paperwork nightmare, and I urge every Member to vote against it.

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Madam Chairman, I rise today in strong opposition to the Kasich-Ney amendment.

I believe that the 4-month time limit presently contained in this legislation is egregious. This amendment would further reduce this already short period of time by 30 days.

According to data collected by USDA, three-fourths of able-bodied, nonelderly food stamp recipients leave within 9 months because they have found a job or another alternative means to augment their income, but over one-half of those people need more than 4 months to do so.

Even our current unemployment compensation system acknowledges that people need about 6 months to find a job.

That is why I offered an amendment, albeit unsuccessful, during the Agriculture Committee consideration of the food stamp title to increase the limit from 4 months to 6 months, which is consistent with last year's Senate welfare reform package.

The Congressional Budget Office has estimated that 700,000 unemployed people who are willing to work and willing to comply with the tenets of a work program would be denied food stamp assistance under the 4-month ceiling contained in H.R. 3734, whereas under the 6-month scenario of my amendment only 450,000 workers would be cut off.

If the proposed 120-day limit is shortened further to 90 days, 90 days, close to 1 million Americans will be denied food stamp assistance, 1 million of the poorest of the poor.

Madam Chairman, the majority must be credited here for the inclusion of the 4-month bridge, which is not as long as I would like it to be, but it is far better than the 3-month ceiling that this punitive amendment seeks to introduce.

Thirty days, Madam Chairman; imagine not eating for 30 days? That is the reality that some poor Americans who are actively looking for work will have to face, if the Kasich-Ney amendment passes. Is the small budget reduction gained by this proposal worth the large loss of food assistance, sustenance if my colleagues will, to those 1 million Americans denied assistance under a 90-day ceiling?

☐ 1330

Mr. NEY. Madam Chairman, I yield 3 minutes to my colleague, the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Madam Chairman, let me make clear what the amendment does so that there is no confusion. If you are able-bodied, single, between the ages of 18 and 50 and you get food stamps, we are saying you have to work 20 hours a week. It is no more complicated than that. If you cannot get a job, you go in a workfare program; 45 out of 50 States have a workfare program.

Let me just suggest to the Members, if there is any program that Americans who go to work are frustrated about, it is food stamps. They get frustrated to stand in line at the grocery store and just observe what goes on and the way in which people buy. They think people are trading them, they think there is a lot of fraud involved in the program. The American people, while supporting a food stamp program, they want the food stamp program cleaned up, tightened up, and fixed and reformed.

Madam Chairman, what this amendment says is that if you need to get food stamps and you are single, you are able-bodied, you are between the ages of 18 and 50, you have to do some work in exchange for the food stamps.

The opposition to this amendment, frankly, is opposed to the very premises that underlie our bill, our welfare bill. Our welfare bill says at some point you have to get trained, you have to go to work. You have to get off the system and get a job.

What this amendment says is very simple. If your people at home are frustrated about food stamps, this amendment does not take away food stamps. It says, though, if you are going to get food stamps, you are going to work 20 hours a week; 20 hours a week.

If you cannot find a job, you go to work for the State in a workfare program, and maybe you whitewash the graffiti, or maybe you clean up the neighborhood, but you participate in a program where you do some work in exchange, in exchange for the food stamps that you get.

Madam Chairman, it is not complicated. There is not a reason that I can think of as to why you should not be able to put in 20 hours a week if you are able-bodied, between the age of 18 to 50, in exchange for that program.

I would say to the House, think about this. If my colleagues support the underlying parts of this bill that call for people to work, that call for people to get trained, then clearly they support this concept. We are not asking people to work overly generous hours. In fact, there is already a requirement that says you have to work 8 months out of the year. What we say is we will give you a little exemption up front for 3 months, you have your 3 months, but after that if you need the food stamps you have to put in a little bit of work.

I think that is fair for the people who get the food stamps, and I think it is eminently reasonable and fair for the people that pay the bills for those who get the food stamps.

Support the Ney amendment.

Mr. SABO. Madam Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Madam Chairman, I want to tell the gentleman from Ohio I fully share, and indeed I have worked hard for the concept, off of welfare and into work, with time limits. But this amendment goes far beyond it.

Take the State of Michigan in the early 1980's. We had unemployment rising for 3 years in a row. We had about 115,000 more people on food stamps. In the Detroit metropolitan area, unemployment did not hit the 10 percent mark at any point.

So what about people, able bodied, who have been working all their lives, who are thrown out on the streets because there is no work? They had been on food stamps for 3 months 10 years earlier. What the gentleman is saying to those people: Starve. Oh, Members say all they have to do is get a job through workfare. Is there a workfare program in Michigan for 50,000 people or 100,000 people thrown out of work in a recession? Of course there is not.

I believe unequivocally people on welfare, able bodied, get to work with the adequate support protections in Castle-Tanner. What I do not say is to the hard-working person, with or without kids, if you cannot find a job, if you are working hard, looking hard to find one, we are going to say you starve, because 10 years ago you were on food stamps for 3 months.

Yes, Madam Chairman, I think this shows the difference between the two bills. They just insist on thinking tough means mean. I think tough means getting people off of welfare to work, but not hurting the hard-working person who hits hard times.

Vote against this amendment. It has been considered in the Senate before and rejected, across the board, on a bipartisan basis. This violates the spirit of getting tough on work but not being mean to kids or mean to anybody else.

Mr. NEY. Madam Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Ohio [Mr. NEY] is recognized for 2 minutes.

Mr. NEY. Madam Chairman, let me make this point very clear. This does not apply to children. Let me read the exemptions once again: Anyone under 18 years old or over 50, this does not apply to them. Anyone medically certified as physically or mentally incapable or unfit for employment, it does not apply to them. A parent or other member of a household responsible for a dependent child, it does not apply to them. A pregnant woman, it does not apply to her.

Also, if the gentleman wants to talk about unemployment, if we read the text, there are hardship exemptions. It can be waived. There are safeguards in this. The bottom line is it saves $2.2 billion on the fiscal side, but the real bottom line is it is responsible. It is a good amendment. It is fair. It is an amendment, and I cannot even believe some of the statements I have heard about this amendment. It is a very responsible amendment.

Mr. KASICH. Madam Chairman, will the gentleman yield?

Mr. NEY. I yield to the gentleman from Ohio.

Mr. KASICH. In other words, Madam Chairman, if you are under the age of 18 or over the age of 50, this does not apply to you. Only if you are childless and able-bodied and if there is an unemployment rate over 10 percent, it can be waived, is that correct? So if you have high unemployment or if you have children or if you are sick, it does not apply. It is only if you are able-bodied, if you are childless, and you live in an area where you are getting food stamps and there are jobs available, then it applies.

So if you are able-bodied and there are jobs available, you go and you have to work 20 hours to get your food stamps. Then of course if you cannot find a job then you do workfare. That is what it is. But there are a number of exemptions in here for people who find themselves in particularly difficult circumstances and in a State with high unemployment. Or you can be in job training. They can go to job training.

Mr. NEY. The gentleman is correct. It just means you simply have to work, just like everyone else. This is responsible, it is fair, it has exemptions. I urge support of the amendment.

Mr. SABO. Madam Chairman, I yield 45 seconds to the gentleman from North Carolina [Mr. HEFNER].

Mr. HEFNER. Madam Chairman, I guess I do not understand what the gentleman talks about, asking about a waiver. How would you get that? Would it have to do with the percentage of unemployment in this district?

I have been in this place for 22 years. I have seen some mean-spirited amendments in this place. To me this is the most mean-spirited amendment that I have ever seen on any bill that has come before this House. If this is what you have to do to get reelected to this Congress, I do not want to be a part of this body any longer if I have to vote for such mean-spirited legislation as this. It is not worth it to be in this most deliberative body in the world. I do not think it speaks well for this body as a whole to accept a mean-spirited amendment like this. It is degrading.

Mr. SABO. Madam Chairman, I yield the balance of my time to the gentlewoman from Florida [Mrs. THURMAN].

The CHAIRMAN. The gentlewoman from Florida [Mrs. THURMAN] is recognized for 2 minutes.

Mrs. THURMAN. Madam Chairman, I have to tell the Members, I am shocked at this attempt one more time to further erode one of the few protections we have for laidoff and downsized employees in America. The Kasich-Ney amendment actually penalizes people who play by the rules and do exactly what we want people on welfare to do: find a job.

Someone who loses her job during a recession is often forced to turn to food stamp assistance to meet her basic needs. If this person acts responsibly and finds a new job within 3 short months, she should not be disqualified, yes, for the rest of her adult years, from further food stamp assistance. If 10 years later this welfare success story is downsized, as so many people in modern America have been, the Kasich-Ney amendment would deny her the temporary assistance needed for her to get back into the job market.

Why? Because it is about money, not policy. Good policy would be to reinforce the goal of moving people to work instead of offering an amendment that penalizes people who are trying to fulfill that goal. I sit on the Committee on Agriculture in the House. No one came before our committee to offer this amendment. In fact, we had a discussion about how the 4-month time limit in the majority's bill was unrealistic if job slots are not available.

I was actually encouraged by the conversation and believed we may have been able to reach a compromise on this issue. Now, all of a sudden, an amendment surfaces to not only cut back the time limit to 3 months, but to prohibit 18- to 50-year-olds from any further food assistance. The logic escapes me. Is it not the people that we want to work that we are trying to help? This amendment simply is another example of money over policy. While the majority may believe that this saves them money, the policy is quite costly.

The CHAIRMAN. All time for debate on this amendment has expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. NEY].

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. NEY. Madam Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 239, noes 184, not voting 10, as follows:

[Roll No 328]

AYES—239

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Boehner
Bonilla
Bono
Browder
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Deal
DeLay
Diaz-Balart
Dickey
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Furse
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Goodlatte
Goodling
Gordon
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (SD)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Moran
Myers
Myrick
Neumann
Ney
Norwood
Nussle
Oxley
Parker
Paxon
Peterson (MN)
Petri
Pombo
Porter
Portman
Poshard
Pryce
Quillen
Radanovich
Ramstad
Regula

Richardson
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Salmon
Sanford
Saxton
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Visclosky
Vucanovich
Walker
Wamp
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wolf
Young (AK)
Zeliff
Zimmer

NOES—184

Abercrombie
Ackerman
Andrews
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Blumenauer
Blute
Boehlert
Bonior
Borski
Boucher
Brewster
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Bunn
Cardin
Castle
Chapman
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cummings
Davis
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gibbons
Gilman
Gonzalez
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Houghton
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Minge
Mink
Moakley
Mollohan
Montgomery
Morella
Murtha
Nadler
Neal
Nethercutt
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pomeroy
Quinn
Rahall
Rangel
Reed
Rivers
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Shays
Skaggs
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Velazquez
Vento
Volkmer
Walsh
Waters
Watt (NC)
Waxman
Wilson
Wise
Woolsey
Wynn
Yates

NOT VOTING—10

de la Garza
Doolittle
Forbes
Lincoln
McDade
Miller (CA)
Packard
Scarborough
Schiff
Young (FL)

□ 1401

The Clerk announced the following pair:

On this vote:

Mr. Forbes for, with Mrs. Lincoln against.

Messrs. NADLER, DEUTSCH, and SHAYS, and Mrs. JOHNSON of Connecticut changed their vote from "aye" to "no."

Mr. PETERSON of Minnesota, Mrs. KELLY, and Mr. JOHNSON of South Dakota changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. SCARBOROUGH. Madam Chairman, on rollcall No. 328, I was detained at a meeting. Had I been present, I would have voted "aye."

Mr. SHAW. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. UPTON) having assumed the chair, Ms. GREENE of Utah, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3734) to provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997, had come to no resolution thereon.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3816, ENERGY AND WATER APPROPRIATIONS ACT, 1997

Mr. QUILLEN, from the Committee on Rules, submitted a privileged report (Rept. No. 104–688) on the resolution (H. Res. 483) providing for the consideration of the bill (H.R. 3816) making appropriations for energy and water development for the fiscal year ending September 30, 1997, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON H.R. 3845, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1997

Mr. WALSH, from the Committee on Appropriations, submitted a privileged report (Rept. No. 104–689) on the bill (H.R. 3845) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1997, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XXI, all points of order are reserved on the bill.

PROVIDING FOR CONSIDERATION OF H.R. 3845, DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1997

Mr. LIVINGSTON. Mr. Speaker, I ask unanimous consent that it be in order at any time for the Speaker, as though pursuant to clause 1(b) of rule XXIII, to declare the House resolved into the Committee of the Whole House on the State of the Union for consideration of the bill (H.R. 3845) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1997, and for other purposes; that the first reading of the bill be dispensed with; that all points of order against the bill and against its consideration be waived; that general debate be confined to the bill and be limited to 1 hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations; that after general debate the bill be considered for amendment under the 5-minute rule; that the Chairman of the Committee of the Whole be authorized to postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment; that the Chairman of the Committee of the Whole be authorized to reduce to 5 minutes the minimum time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall be not less than 15 minutes; that after the reading of the final lines of the bill, a motion that the Committee of the Whole rise and report the bill to the House with such amendments as may have been adopted, if offered by the majority leader or a designee, have precedence over a motion to amend; that at the conclusion of consideration of the bill for amendment the Committee rise and report the bill to the House with such amendments as may have been adopted; and that the previous question be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

WELFARE AND MEDICAID REFORM ACT OF 1996

The SPEAKER pro tempore. Pursuant to House Resolution 482 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3734.

□ 1407

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R.

3734) to provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997, with Ms. GREENE of Utah in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose earlier today, the amendment printed in part 2 of House Report 104-686 offered by the gentleman from Ohio [Mr. NEY] had been disposed of.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. TANNER

Mr. TANNER. Madam Chairman, as the designee of the minority leader, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. TANNER: Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bipartisan Welfare Reform Act of 1996".

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Sec. 101. Findings.
Sec. 102. Reference to Social Security Act.
Sec. 103. Block grants to States.
Sec. 104. Services provided by charitable, religious, or private organizations.
Sec. 105. Census data on grandparents as primary caregivers for their grandchildren.
Sec. 106. Report on data processing.
Sec. 107. Study on alternative outcomes measures.
Sec. 108. Conforming amendments to the Social Security Act.
Sec. 109. Conforming amendments to the Food Stamp Act of 1977 and related provisions.
Sec. 110. Conforming amendments to other laws.
Sec. 111. Development of prototype of counterfeit-resistant social security card required.
Sec. 112. Disclosure of receipt of Federal funds.
Sec. 113. Modifications to the job opportunities for certain low-income individuals program.
Sec. 114. Secretarial submission of legislative proposal for technical and conforming amendments.
Sec. 115. Application of current AFDC standards under medicaid program.
Sec. 116. Effective date; transition rule.

TITLE II—SUPPLEMENTAL SECURITY INCOME

Sec. 200. Reference to Social Security Act.

Subtitle A—Eligibility Restrictions

Sec. 201. Denial of SSI benefits for 10 years to individuals found to have fraudulently misrepresented residence in order to obtain benefits simultaneously in 2 or more States.
Sec. 202. Denial of SSI benefits for fugitive felons and probation and parole violators.
Sec. 203. Verification of eligibility for certain SSI disability benefits.
Sec. 204. Treatment of prisoners.
Sec. 205. Effective date of application for benefits.
Sec. 206. Installment payment of large past-due supplemental security income benefits.
Sec. 207. Recovery of supplemental security income overpayments from social security benefits.

Subtitle B—Benefits for Disabled Children

Sec. 211. Definition and eligibility rules.
Sec. 212. Eligibility redeterminations and continuing disability reviews.
Sec. 213. Additional accountability requirements.
Sec. 214. Reduction in cash benefits payable to institutionalized individuals whose medical costs are covered by private insurance.
Sec. 215. Modification respecting parental income deemed to disabled children.
Sec. 216. Graduated benefits for additional children.

Subtitle C—State Supplementation Programs

Sec. 221. Repeal of maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.

Subtitle D—Studies Regarding Supplemental Security Income Program

Sec. 231. Annual report on the supplemental security income program.
Sec. 232. Study of disability determination process.
Sec. 233. Study by General Accounting Office.

Subtitle E—National Commission on the Future of Disability

Sec. 241. Establishment.
Sec. 242. Duties of the Commission.
Sec. 243. Membership.
Sec. 244. Staff and support services.
Sec. 245. Powers of Commission.
Sec. 246. Reports.
Sec. 247. Termination.
Sec. 248. Authorization of appropriations.

TITLE III—CHILD SUPPORT

Sec. 300. Reference to Social Security Act.

Subtitle A—Eligibility for Services; Distribution of Payments

Sec. 301. State obligation to provide child support enforcement services.
Sec. 302. Distribution of child support collections.
Sec. 303. Privacy safeguards.
Sec. 304. Rights to notification and hearings.

Subtitle B—Locate and Case Tracking

Sec. 311. State case registry.
Sec. 312. Collection and disbursement of support payments.
Sec. 313. State directory of new hires.
Sec. 314. Amendments concerning income withholding.
Sec. 315. Locator information from interstate networks.
Sec. 316. Expansion of the Federal parent locator service.
Sec. 317. Collection and use of social security numbers for use in child support enforcement.

Subtitle C—Streamlining and Uniformity of Procedures

Sec. 321. Adoption of uniform State laws.
Sec. 322. Improvements to full faith and credit for child support orders.
Sec. 323. Administrative enforcement in interstate cases.
Sec. 324. Use of forms in interstate enforcement.
Sec. 325. State laws providing expedited procedures.

Subtitle D—Paternity Establishment

Sec. 331. State laws concerning paternity establishment.
Sec. 332. Outreach for voluntary paternity establishment.
Sec. 333. Cooperation by applicants for and recipients of temporary family assistance.

Subtitle E—Program Administration and Funding

Sec. 341. Performance-based incentives and penalties.
Sec. 342. Federal and State reviews and audits.
Sec. 343. Required reporting procedures.
Sec. 344. Automated data processing requirements.
Sec. 345. Technical assistance.
Sec. 346. Reports and data collection by the Secretary.

Subtitle F—Establishment and Modification of Support Orders

Sec. 351. Simplified process for review and adjustment of child support orders.
Sec. 352. Furnishing consumer reports for certain purposes relating to child support.
Sec. 353. Nonliability for financial institutions providing financial records to State child support enforcement agencies in child support cases.

Subtitle G—Enforcement of Support Orders

Sec. 361. Internal Revenue Service collection of arrearages.
Sec. 362. Authority to collect support from Federal employees.
Sec. 363. Enforcement of child support obligations of members of the Armed Forces.
Sec. 364. Voiding of fraudulent transfers.
Sec. 365. Work requirement for persons owing past-due child support.
Sec. 366. Definition of support order.
Sec. 367. Reporting arrearages to credit bureaus.
Sec. 368. Liens.
Sec. 369. State law authorizing suspension of licenses.
Sec. 370. Denial of passports for nonpayment of child support.
Sec. 371. International child support enforcement.
Sec. 372. Financial institution data matches.
Sec. 373. Enforcement of orders against paternal or maternal grandparents in cases of minor parents.
Sec. 374. Nondischargeability in bankruptcy of certain debts for the support of a child.

Subtitle H—Medical Support

Sec. 376. Correction to ERISA definition of medical child support order.
Sec. 377. Enforcement of orders for health care coverage.

Subtitle I—Enhancing Responsibility and Opportunity for Non-Residential Parents

Sec. 381. Grants to States for access and visitation programs.

Subtitle J—Effect of Enactment

Sec. 391. Effective dates.

TITLE IV—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

Sec. 400. Statements of national policy concerning welfare and immigration.

Subtitle A—Eligibility for Federal Benefits

Sec. 401. Aliens who are not qualified aliens ineligible for Federal public benefits.
Sec. 402. Limited eligibility of certain qualified aliens for certain Federal programs.
Sec. 403. Five-year limited eligibility of qualified aliens for Federal means-tested public benefit.
Sec. 404. Notification and information reporting.

Subtitle B—Eligibility for State and Local Public Benefits Programs

Sec. 411. Aliens who are not qualified aliens or nonimmigrants ineligible for State and local public benefits.
Sec. 412. State authority to limit eligibility of qualified aliens for State public benefits.

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TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

SEC. 101. FINDINGS.

The Congress makes the following findings:

(1) Marriage is the foundation of a successful society.

(2) Marriage is an essential institution of a successful society which promotes the interests of children.

(3) Promotion of responsible fatherhood and motherhood is integral to successful child rearing and the well-being of children.

(4) In 1992, only 54 percent of single-parent families with children had a child support order established and, of that 54 percent, only about one-half received the full amount due. Of the cases enforced through the public child support enforcement system, only 18 percent of the caseload has a collection.

(5) The number of individuals receiving aid to families with dependent children (in this section referred to as "AFDC") has more than tripled since 1965. More than two-thirds of these recipients are children. Eighty-nine percent of children receiving AFDC benefits now live in homes in which no father is present.

(A)(i) The average monthly number of children receiving AFDC benefits—

(I) was 3,300,000 in 1965;

(II) was 6,200,000 in 1970;

(III) was 7,400,000 in 1980; and

(IV) was 9,300,000 in 1992.

(ii) While the number of children receiving AFDC benefits increased nearly threefold between 1965 and 1992, the total number of children in the United States aged 0 to 18 has declined by 5.5 percent.

(B) The Department of Health and Human Services has estimated that 12,000,000 children will receive AFDC benefits within 10 years.

(C) The increase in the number of children receiving public assistance is closely related to the increase in births to unmarried women. Between 1970 and 1991, the percentage of live births to unmarried women increased nearly threefold, from 10.7 percent to 29.5 percent.

(6) The increase of out-of-wedlock pregnancies and births is well documented as follows:

(A) It is estimated that the rate of nonmarital teen pregnancy rose 23 percent from 54 pregnancies per 1,000 unmarried teenagers in 1976 to 66.7 pregnancies in 1991. The overall rate of nonmarital pregnancy rose 14 percent from 90.8 pregnancies per 1,000 unmarried women in 1980 to 103 in both 1991 and 1992. In contrast, the overall pregnancy rate for married couples decreased 7.3 percent between 1980 and 1991, from 126.9 pregnancies per 1,000 married women in 1980 to 117.6 pregnancies in 1991.

(B) The total of all out-of-wedlock births between 1970 and 1991 has risen from 10.7 percent to 29.5 percent and if the current trend continues, 50 percent of all births by the year 2015 will be out-of-wedlock.

(7) The negative consequences of an out-of-wedlock birth on the mother, the child, the family, and society are well documented as follows:

(A) Young women 17 and under who give birth outside of marriage are more likely to go on public assistance and to spend more years on welfare once enrolled. These combined effects of "younger and longer" increase total AFDC costs per household by 25 percent to 30 percent for 17-year olds.

(B) Children born out-of-wedlock have a substantially higher risk of being born at a very low or moderately low birth weight.

(C) Children born out-of-wedlock are more likely to experience low verbal cognitive attainment, as well as more child abuse, and neglect.

(D) Children born out-of-wedlock were more likely to have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

(E) Being born out-of-wedlock significantly reduces the chances of the child growing up to have an intact marriage.

(F) Children born out-of-wedlock are 3 times more likely to be on welfare when they grow up.

(8) Currently 35 percent of children in single-parent homes were born out-of-wedlock, nearly the same percentage as that of children in single-parent homes whose parents are divorced (37 percent). While many parents find themselves, through divorce or tragic circumstances beyond their control, facing the difficult task of raising children alone, nevertheless, the negative consequences of raising children in single-parent homes are well documented as follows:

(A) Only 9 percent of married-couple families with children under 18 years of age have income below the national poverty level. In contrast, 46 percent of female-headed households with children under 18 years of age are below the national poverty level.

(B) Among single-parent families, nearly ½ of the mothers who never married received AFDC while only ⅕ of divorced mothers received AFDC.

(C) Children born into families receiving welfare assistance are 3 times more likely to be on welfare when they reach adulthood than children not born into families receiving welfare.

(D) Mothers under 20 years of age are at the greatest risk of bearing low-birth-weight babies.

(E) The younger the single parent mother, the less likely she is to finish high school.

(F) Young women who have children before finishing high school are more likely to receive welfare assistance for a longer period of time.

(G) Between 1985 and 1990, the public cost of births to teenage mothers under the aid to families with dependent children program, the food stamp program, and the medicaid program has been estimated at $120,000,000,000.

(H) The absence of a father in the life of a child has a negative effect on school performance and peer adjustment.

(I) Children of teenage single parents have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

(J) Children of single-parent homes are 3 times more likely to fail and repeat a year in grade school than are children from intact 2-parent families.

(K) Children from single-parent homes are almost 4 times more likely to be expelled or suspended from school.

(L) Neighborhoods with larger percentages of youth aged 12 through 20 and areas with higher percentages of single-parent households have higher rates of violent crime.

(M) Of those youth held for criminal offenses within the State juvenile justice system, only 29.8 percent lived primarily in a home with both parents. In contrast to these incarcerated youth, 73.9 percent of the 62,800,000 children in the Nation's resident population were living with both parents.

(9) Therefore, in light of this demonstration of the crisis in our Nation, it is the sense of the Congress that prevention of out-of-wedlock pregnancy and reduction in out-of-wedlock birth are very important Government interests and the policy contained in part A of title IV of the Social Security Act (as amended by section 103 of this Act) is intended to address the crisis.

SEC. 102. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

SEC. 103. BLOCK GRANTS TO STATES.

Part A of title IV (42 U.S.C. 601 et seq.) is amended to read as follows:

"PART A—BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

"SEC. 401. PURPOSE.

"(a) IN GENERAL.—The purpose of this part is to increase the flexibility of States in operating a program designed to—

"(1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;

"(2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;

"(3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and

"(4) encourage the formation and maintenance of two-parent families.

"(b) NO INDIVIDUAL ENTITLEMENT.—This part shall not be interpreted to entitle any individual or family to assistance under any State program funded under this part.

"SEC. 402. ELIGIBLE STATES; STATE PLAN.

"(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that, during the 2-year period immediately preceding the fiscal year, has submitted to the Secretary a plan that meets the requirements of subsection (b) and has been approved by the Secretary with respect to the fiscal year.

"(b) CONTENTS OF STATE PLANS.—A plan meets the requirements of this subsection if the plan includes the following:

"(1) OUTLINE OF FAMILY ASSISTANCE PROGRAM.—

"(A) GENERAL PROVISIONS.—A written document that outlines how the State will do the following:

"(i) Conduct a program, designed to serve all political subdivisions in the State, that provides assistance to needy families with (or expecting) children and provides parents with job preparation, work, and support services to enable them to leave the program and become self-sufficient.

"(ii) Determine, on an objective and equitable basis, the needs of and the amount of assistance to be provided to needy families, and treat families of similar needs and circumstances similarly, subject to subparagraph (B).

"(iii) Require a parent or caretaker receiving assistance under the program to engage in work (as defined by the State) once the State determines the parent or caretaker is ready to engage in work, or once the parent or caretaker has received assistance under the program for 24 months (whether or not consecutive), whichever is earlier.

"(iv) Ensure that parents and caretakers receiving assistance under the program engage in work activities in accordance with section 407.

"(v) Grant an opportunity for a fair hearing before the State agency to any individual to whom assistance under the program is denied, reduced, or terminated, or whose request for such assistance is not acted on with reasonable promptness.

"(vi) Take such reasonable steps as the State deems necessary to restrict the use and disclosure of information about individuals and families receiving assistance under the program attributable to funds provided by the Federal Government.

"(vii) Establish goals and take action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies, and establish numerical goals for reducing the illegitimacy ratio of the State (as defined in section 403(a)(2)(B)) for calendar years 1996 through 2005.

"(B) SPECIAL PROVISIONS.—

"(i) The plan shall indicate whether the State intends to treat families moving into the State from another State differently than other families under the program, and if so, how the State intends to treat such families under the program.

"(ii) The plan shall indicate whether the State intends to provide assistance under the program to individuals who are not citizens of the United States, and if so, shall include an overview of such assistance.

"(iii) The plan shall contain an estimate of the number of individuals (if any) who will become ineligible for medical assistance under the State plan approved under title XIX as a result of changes in the rules governing eligibility for the State program funded under this part, and shall indicate the extent (if any) to which the State will provide medical assistance to such individuals, and the scope of such medical assistance.

"(2) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.—The plan shall include a certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child support enforcement program under the State plan approved under part D.

"(3) CERTIFICATION THAT THE STATE WILL NOT OPERATE A SEPARATE FINANCIAL SUPPORT PROGRAM WITH STATE FUNDS TARGETED AT CERTAIN CHILD SUPPORT RECIPIENTS.—The plan shall include a certification by the chief executive officer of the State that, during the fiscal year, the State will not operate a separate financial support program with State funds targeted at child support recipients who would be eligible for assistance under the program funded under this part were it not for payments from the State-funded financial assistance program.

"(4) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD PROTECTION PROGRAM.—The plan shall include a certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child protection program under the State plan approved under part B.

"(5) CERTIFICATION OF THE ADMINISTRATION OF THE PROGRAM.—The plan shall include a certification by the chief executive officer of the State specifying which State agency or agencies will administer and supervise the program referred to in paragraph (1) for the fiscal year, which shall include assurances that local governments and private sector organizations—

"(A) have been working jointly with the State in all phases of the plan and design of welfare services in the State so that services are provided in a manner appropriate to local populations;

"(B) have had at least 60 days to submit comments on the final plan and the design of such services; and

"(C) will not have unfunded mandates imposed on them under such plan.

Such certification shall also include assurance that when local elected officials are currently responsible for the administration of welfare services, the local elected officials will be able to plan, design, and administer for their jurisdictions the programs established pursuant to this Act.

"(6) CERTIFICATION THAT THE STATE WILL PROVIDE INDIANS WITH EQUITABLE ACCESS TO ASSISTANCE.—The plan shall include a certification by the chief executive officer of the State that, during the fiscal year, the State will provide each Indian who is a member of an Indian tribe in the State that does not have a tribal family assistance plan approved under section 412 with equitable access to assistance under the State program funded under this part attributable to funds provided by the Federal Government.

"(7) CERTIFICATION OF NONDISPLACEMENT AND NONREPLACEMENT OF EMPLOYEES.—The plan shall include a certification that the implementation of the plan will not result in—

"(A) the displacement of a currently employed worker or position by an individual to whom assistance is provided under the State program funded under this part;

"(B) the replacement of an employee who has been terminated with an individual to whom assistance is provided under the State program funded under this part; or

"(C) the replacement of an employee who is on layoff from the same position filled by an individual to whom assistance is provided under the State program funded under this part or any equivalent position.

"(c) APPROVAL OF STATE PLANS.—The Secretary shall approve any State plan that meets the requirements of subsection (b) if the Secretary determines that operating a State program pursuant to the plan will contribute to achieving the purposes of this part.

"(d) PUBLIC AVAILABILITY OF STATE PLAN SUMMARY.—The State shall make available to the public a summary of any plan submitted by the State under this section.

"SEC. 403. GRANTS TO STATES.

"(a) GRANTS.—

"(1) FAMILY ASSISTANCE GRANT.—

"(A) IN GENERAL.—Each eligible State shall be entitled to receive from the Secretary, for each of fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 a grant in an amount equal to the State family assistance grant.

"(B) STATE FAMILY ASSISTANCE GRANT DEFINED.—As used in this part, the term 'State family assistance grant' means the greatest of—

"(i) ⅓ of the total amount required to be paid to the State under former section 403 (as in effect on September 30, 1995) for fiscal years 1992, 1993, and 1994 (other than with respect to amounts expended by the State for child care under subsection (g) or (i) of former section 402 (as so in effect));

"(ii)(I) the total amount required to be paid to the State under former section 403 for fiscal year 1994 (other than with respect to amounts expended by the State for child care under subsection (g) or (i) of former section 402 (as so in effect)); plus

"(II) an amount equal to 85 percent of the amount (if any) by which the total amount required to be paid to the State under former section 403(a)(5) for emergency assistance for fiscal year 1995 exceeds the total amount required to be paid to the State under former section 403(a)(5) for fiscal year 1994, if, during fiscal year 1994, the Secretary approved under former section 402 an amendment to the former State plan with respect to the provision of emergency assistance in the context of family preservation; or

"(iii) the amount required to be paid to the State under former section 403 (as in effect on September 30, 1995) for fiscal year 1995 (other than with respect to amounts expended by the State under the State plan approved under part F (as so in effect) or for child care under subsection (g) or (i) of former section 402 (as so in effect)), plus the total amount required to be paid to the State for fiscal year 1995 under former section 403(l) (as so in effect).

"(C) TOTAL AMOUNT REQUIRED TO BE PAID TO THE STATE UNDER FORMER SECTION 403 DEFINED.—As used in this part, the term 'total amount required to be paid to the State under former section 403' means, with respect to a fiscal year—

"(i) in the case of a State to which section 1108 does not apply, the sum of—

"(I) the Federal share of maintenance assistance expenditures for the fiscal year, before reduction pursuant to subparagraph (B) or (C) of section 403(b)(2) (as in effect on September 30, 1995), as reported by the State on ACF Form 231;

"(II) the Federal share of administrative expenditures (including administrative expenditures for the development of management information systems) for the fiscal year, as reported by the State on ACF Form 231;

"(III) the Federal share of emergency assistance expenditures for the fiscal year, as reported by the State on ACF Form 231;

"(IV) the Federal share of expenditures for the fiscal year with respect to child care pursuant to subsections (g) and (i) of former section 402 (as in effect on September 30, 1995), as reported by the State on ACF Form 231; and

"(V) the aggregate amount required to be paid to the State for the fiscal year with respect to the State program operated under part F (as in effect on September 30, 1995), as determined by the Secretary, including additional obligations or reductions in obligations made after the close of the fiscal year; and

"(ii) in the case of a State to which section 1108 applies, the lesser of—

"(I) the sum described in clause (i); or

"(II) the total amount certified by the Secretary under former section 403 (as in effect during the fiscal year) with respect to the territory.

"(D) INFORMATION TO BE USED IN DETERMINING AMOUNTS.—

"(i) FOR FISCAL YEARS 1992 AND 1993.—

"(I) In determining the amount described in subclauses (I) through (IV) of subparagraph (C)(i) for any State for each of fiscal years 1992 and 1993, the Secretary shall use information available as of April 28, 1995.

"(II) In determining the amount described in subparagraph (C)(i)(V) for any State for each of fiscal years 1992 and 1993, the Secretary shall use information available as of January 6, 1995.

"(ii) FOR FISCAL YEAR 1994.—In determining the amounts described in subparagraph (C)(i) for any State for fiscal year 1994, the Secretary shall use information available as of April 28, 1995.

"(iii) FOR FISCAL YEAR 1995.—

"(I) In determining the amount described in subparagraph (B)(ii)(II) for any State for fiscal year 1995, the Secretary shall use the information which was reported by the States and estimates made by the States with respect to emergency assistance expenditures and was available as of August 11, 1995.

"(II) In determining the amounts described in subclauses (I) through (IV) of subparagraph (C)(i) for any State for fiscal year 1995, the Secretary shall use information available as of October 2, 1995.

"(III) In determining the amount described in subparagraph (C)(i)(V) for any State for fiscal year 1995, the Secretary shall use information available as of October 5, 1995.

"(E) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 such sums as are necessary for grants under this paragraph.

"(2) GRANT TO REWARD STATES THAT REDUCE OUT-OF-WEDLOCK BIRTHS.—

"(A) IN GENERAL.—In addition to any grant under paragraph (1), each eligible State shall be entitled to receive from the Secretary for fiscal year 1998 or any succeeding fiscal year, a grant in an amount equal to the State family assistance grant multiplied by—

"(i) 5 percent if—

"(I) the illegitimacy ratio of the State for the fiscal year is at least 1 percentage point lower than the illegitimacy ratio of the State for fiscal year 1995; and

"(II) the rate of induced pregnancy terminations in the State for the fiscal year is less than the rate of induced pregnancy terminations in the State for fiscal year 1995; or

"(ii) 10 percent if—

"(I) the illegitimacy ratio of the State for the fiscal year is at least 2 percentage points lower than the illegitimacy ratio of the State for fiscal year 1995; and

"(II) the rate of induced pregnancy terminations in the State for the fiscal year is less than the rate of induced pregnancy terminations in the State for fiscal year 1995.

"(B) ILLEGITIMACY RATIO.—As used in this paragraph, the term 'illegitimacy ratio' means, with respect to a State and a fiscal year—

"(i) the number of out-of-wedlock births that occurred in the State during the most recent fiscal year for which such information is available; divided by

"(ii) the number of births that occurred in the State during the most recent fiscal year for which such information is available.

"(C) DISREGARD OF CHANGES IN DATA DUE TO CHANGED REPORTING METHODS.—For purposes of subparagraph (A), the Secretary shall disregard—

"(i) any difference between the illegitimacy ratio of a State for a fiscal year and the illegitimacy ratio of the State for fiscal year 1995 which is attributable to a change in State methods of reporting data used to calculate the illegitimacy ratio; and

"(ii) any difference between the rate of induced pregnancy terminations in a State for a fiscal year and such rate for fiscal year 1995 which is attributable to a change in State methods of reporting data used to calculate such rate.

"(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal year 1998 and for each succeeding fiscal year such sums as are necessary for grants under this paragraph.

"(3) SUPPLEMENTAL GRANT FOR POPULATION INCREASES IN CERTAIN STATES.—

"(A) IN GENERAL.—Each qualifying State shall, subject to subparagraph (F), be entitled to receive from the Secretary—

"(i) for fiscal year 1997 a grant in an amount equal to 2.5 percent of the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

"(ii) for each of fiscal years 1998, 1999, and 2000, a grant in an amount equal to the sum of—

"(I) the amount (if any) required to be paid to the State under this paragraph for the immediately preceding fiscal year; and

"(II) 2.5 percent of the sum of—

"(aa) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

"(bb) the amount (if any) required to be paid to the State under this paragraph for the fiscal year preceding the fiscal year for which the grant is to be made.

"(B) PRESERVATION OF GRANT WITHOUT INCREASES FOR STATES FAILING TO REMAIN QUALIFYING STATES.—Each State that is not a qualifying State for a fiscal year specified in subparagraph (A)(ii) but was a qualifying State for a prior fiscal year shall, subject to subparagraph (F), be entitled to receive from the Secretary for the specified fiscal year, a grant in an amount equal to the amount required to be paid to the State under this paragraph for the most recent fiscal year for which the State was a qualifying State.

"(C) QUALIFYING STATE.—

"(i) IN GENERAL.—For purposes of this paragraph, a State is a qualifying State for a fiscal year if—

"(I) the level of welfare spending per poor person by the State for the immediately preceding fiscal year is less than the national average level of State welfare spending per poor person for such preceding fiscal year; and

"(II) the population growth rate of the State (as determined by the Bureau of the Census for the most recent fiscal year for which information is available) exceeds the average population growth rate for all States (as so determined) for such most recent fiscal year.

"(ii) STATE MUST QUALIFY IN FISCAL YEAR 1997.—Notwithstanding clause (i), a State shall not be a qualifying State for any fiscal year after 1997 by reason of clause (i) if the State is not a qualifying State for fiscal year 1997 by reason of clause (i).

"(iii) CERTAIN STATES DEEMED QUALIFYING STATES.—For purposes of this paragraph, a State is deemed to be a qualifying State for fiscal years 1997, 1998, 1999, and 2000 if—

"(I) the level of welfare spending per poor person by the State for fiscal year 1996 is less than 35 percent of the national average level of State welfare spending per poor person for fiscal year 1996; or

"(II) the population of the State increased by more than 10 percent from April 1, 1990, to July 1, 1994, as determined by the Bureau of the Census.

"(D) DEFINITIONS.—As used in this paragraph:

"(i) LEVEL OF WELFARE SPENDING PER POOR PERSON.—The term 'level of State welfare spending per poor person' means, with respect to a State and a fiscal year—

"(I) the sum of—

"(aa) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

"(bb) the amount (if any) paid to the State under this paragraph for the immediately preceding fiscal year; divided by

"(II) the number of individuals, according to the 1990 decennial census, who were residents of the State and whose income was below the poverty line.

"(ii) NATIONAL AVERAGE LEVEL OF STATE WELFARE SPENDING PER POOR PERSON.—The term 'national average level of State welfare spending per poor person' means, with respect to a fiscal year, an amount equal to—

"(I) the total amount required to be paid to the States under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; divided by

"(II) the number of individuals, according to the 1990 decennial census, who were residents of any State and whose income was below the poverty line.

"(iii) STATE.—The term 'State' means each of the 50 States of the United States and the District of Columbia.

"(E) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1997, 1998, 1999, and 2000 such sums as are necessary for grants under this paragraph, in a total amount not to exceed $800,000,000.

"(F) GRANTS REDUCED PRO RATA IF INSUFFICIENT APPROPRIATIONS.—If the amount appropriated pursuant to this paragraph for a fiscal year is less than the total amount of payments otherwise required to be made under this paragraph for the fiscal year, then the amount otherwise payable to any State for the fiscal year under this paragraph shall be reduced by a percentage equal to the amount so appropriated divided by such total amount.

"(G) BUDGET SCORING.—Notwithstanding section 257(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, the baseline shall assume that no grant shall be made under this paragraph after fiscal year 2000.

"(4) SUPPLEMENTAL GRANT FOR OPERATION OF WORK PROGRAM.—

"(A) APPLICATION REQUIREMENTS.—An eligible State may submit to the Secretary an application for additional funds to meet the requirements of section 407 with respect to a fiscal year if the Secretary determines that—

"(i) the total expenditures of the State to meet such requirements for the fiscal year exceed the total expenditures of the State during fiscal year 1994 to carry out part F (as in effect on September 30, 1994);

"(ii) the work programs of the State under section 407 are coordinated with the job training programs established by title II of the Job Training Partnership Act, or (if such title is repealed by the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act) the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act; and

"(iii) the State needs additional funds to meet such requirements or certifies that it intends to exceed such requirements.

"(B) Grants.—The Secretary may make a grant to any eligible State which submits an application in accordance with subparagraph (A) of this paragraph for a fiscal year in an amount equal to the Federal medical assistance percentage of the amount (if any) by which the total expenditures of the State to meet or exceed the requirements of section 407 for the fiscal year exceeds the total expenditures of the State during fiscal year 1994 to carry out part F (as in effect on September 30, 1994).

"(C) Regulations.—The Secretary shall issue regulations providing for the equitable distribution of funds under this paragraph.

"(D) Appropriations.—

"(i) In general.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to the Secretary for grants under this paragraph—

"(I) $150,000,000 for fiscal year 1999;

"(II) $850,000,000 for fiscal year 2000;

"(III) $900,000,000 for fiscal year 2001; and

"(IV) $1,100,000,000 for fiscal year 2002 and for each succeeding fiscal year.

"(ii) Availability.—Amounts appropriated pursuant to clause (i) shall remain available until expended.

"(b) Contingency Fund.—

"(1) Establishment.—There is hereby established in the Treasury of the United States a fund which shall be known as the 'Contingency Fund for State Welfare Programs' (in this section referred to as the 'Fund').

"(2) Deposits into fund.—

"(A) Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1997, 1998, 1999, 2000, 2001 and 2002 such sums as are necessary for payment to the Fund in a total amount not to exceed $2,000,000,000, except as provided in subparagraphs (B) and (C).

"(B) If—

"(i) the average rate of total unemployment in the United States for the most recent 3 months for which data for all States are available is not less than 7 percent; and

"(ii) there are insufficient amounts in the Fund to pay all State claims under paragraph (4) for a quarter in that fiscal year;

then there are appropriated for that fiscal year, in addition to amounts appropriated under paragraph (2)(A), such sums as equal the difference between the amount needed to pay all State claims for that quarter and the amount remaining in the Fund.

"(C) If—

"(i)(I)(aa) the average rate of total unemployment in a State (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States are published is not less than 9 percent; or

"(bb) the average rate of total unemployment in such State (seasonally adjusted) for the 3-month period is not less than 120 percent of such average rate for either of the prior 2 years; or

"(II) the average number of persons in the State receiving assistance under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, for the most recent 3-month period for which data are available is not less than 120 percent of such average monthly number for fiscal year 1994 or for fiscal year 1995; and

"(ii) there are insufficient amounts in the Fund to pay all State claims under paragraph (4) for a quarter in that fiscal year; then

there are appropriated for payment to the Fund for that fiscal year, in addition to amounts appropriated pursuant to paragraph (2)(A), for payments to States described in this subparagraph, the amount by which payments to such States under paragraph (4) would otherwise be reduced under paragraph (8).

"(3) Payments to states.—The method of computing and paying amounts to States from the Fund under this subsection shall be as follows:

"(A) The Secretary shall, before each quarter, estimate the amount to be paid to each State for the quarter from the Fund, such estimate to be based on—

"(i) a report filed by the State containing an estimate by the State of qualifying State expenditures for the quarter; and

"(ii) such other information as the Secretary may find relevant and reliable.

"(B) The Secretary shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary.

"(C) The Secretary of the Treasury shall thereupon pay to the State, at the time or times fixed by the Secretary, the amount so certified.

"(4) Grants.—From amounts appropriated pursuant to paragraph (2), the Secretary of the Treasury shall pay to each eligible State for a fiscal year an amount equal to the lesser of—

"(A) the Federal medical assistance percentage for the State for the fiscal year (as defined in section 1905(b), as in effect on September 30, 1995) of the amount, if any, by which the expenditures of the State in the fiscal year under the State program funded under this part and expenditures on cash assistance under other State programs with respect to eligible families (as defined in section 409(a)(5)(B)(i)(III)) exceed historic State expenditures (as defined in section 409(a)(5)(B)(iii)); or

"(B) the number of percentage points (if any) by which 40 percent of the State family assistance grant for the fiscal year exceeds any payment to the State for the fiscal year under section 403(a)(3).

"(5) Annual reconciliation.—At the end of each fiscal year, each State shall remit to the Secretary an amount equal to the amount (if any) by which the total amount paid to the State under paragraph (4) during the fiscal year exceeds the lesser of—

"(A) the Federal medical assistance percentage for the State for the fiscal year (as defined in section 1905(b), as in effect on September 30, 1995) of the amount (if any) by which the expenditures of the State in the fiscal year under the State program funded under this part and expenditures on cash assistance under other State programs with respect to eligible families (as defined in section 409(a)(5)(B)(i)(III)) exceed historic State expenditures (as defined in section 409(a)(5)(B)(iii)); or

"(B) the amount (if any) by which 40 percent of the State family assistance grant for the fiscal year exceeds any payment to the State for the fiscal year under section 403(a)(3).

"(6) Eligible state.—For purposes of this subsection, a State is an eligible State for a fiscal year, if—

"(A)(i) the average rate of total unemployment in such State (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States are published is not less than 6.5 percent; and

"(ii) the average rate of total unemployment in such State (seasonally adjusted) for the 3-month period is not less than 110 percent of such average rate for either 1994 or 1995; or

"(B)(i) the average number of persons in the State receiving assistance under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, for the most recent 3-month period for which data are available is not less than 110 percent of the product of—

"(I) such average monthly number for either fiscal year 1994 or fiscal year 1995; and

"(II) the number of percentage points (if any) by which 100 percent exceeds the percentage by which the Bipartisan Welfare Reform Act of 1996, had it been in effect, would have reduced such average monthly number in such State in such fiscal year, as most recently estimated by the Secretary of Agriculture before the date of the enactment of such Act; and

"(ii) the State is not participating in the program established under section 23(b) of the Food Stamp Act of 1977.

"(7) State.—As used in this subsection, the term 'State' means each of the 50 States of the United States and the District of Columbia.

"(8) Payment priority.—Claims by States for payment from the Fund shall be filed quarterly. If the total amount of claims for any quarter exceeds the amount available for payment from the fund, claims shall be paid on a pro rata basis in a manner to be determined by the Secretary, except in the case of a State described in paragraph (2)(C).

"(9) Annual reports.—The Secretary of the Treasury shall annually report to Congress on the status of the Fund.

"SEC. 404. USE OF GRANTS.

"(a) General Rules.—Subject to this part, a State to which a grant is made under section 403 may use the grant—

"(1) in any manner that is reasonably calculated to accomplish the purpose of this part, including to provide low income households with assistance in meeting home heating and cooling costs; or

"(2) in any manner that the State was authorized to use amounts received under part A or F, as such parts were in effect on September 30, 1995.

"(b) Limitation on Use of Grant for Administrative Purposes.—

"(1) Limitation.—A State to which a grant is made under section 403 shall not expend more than 15 percent of the grant for administrative purposes.

"(2) Exception.—Paragraph (1) shall not apply to the use of a grant for information technology and computerization needed for tracking or monitoring required by or under this part.

"(c) Authority To Treat Interstate Immigrants Under Rules of Former State.—A State operating a program funded under this part may apply to a family the rules (including benefit amounts) of the program funded under this part of another State if the family has moved to the State from the other State and has resided in the State for less than 12 months.

"(d) Authority To Use Portion of Grant for Other Purposes.—

"(1) In general.—A State may use not more than 20 percent of the amount of the grant made to the State under section 403 for a fiscal year to carry out a State program pursuant to the Child Care and Development Block Grant Act of 1990.

"(2) APPLICABLE RULES.—Any amount paid to the State under this part that is used to carry out a State program pursuant to the Child Care and Development Block Grant Act of 1990 shall not be subject to the requirements of this part, but shall be subject to the requirements that apply to Federal funds provided directly under such Act to carry out the program.

"(e) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR ASSISTANCE.—A State may reserve amounts paid to the State under this part for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the State program funded under this part.

"(f) AUTHORITY TO OPERATE EMPLOYMENT PLACEMENT PROGRAM.—A State to which a grant is made under section 403 may use the grant to make payments (or provide job placement vouchers) to State-approved public and private job placement agencies that provide employment placement services to individuals who receive assistance under the State program funded under this part.

"(g) IMPLEMENTATION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—A State to which a grant is made under section 403 is encouraged to implement an electronic benefit transfer system for providing assistance under the State program funded under this part, and may use the grant for such purpose.

"SEC. 405. ADMINISTRATIVE PROVISIONS.

"(a) QUARTERLY.—The Secretary shall pay each grant payable to a State under section 403 in quarterly installments.

"(b) NOTIFICATION.—Not later than 3 months before the payment of any such quarterly installment to a State, the Secretary shall notify the State of the amount of any reduction determined under section 412(a)(1)(B) with respect to the State.

"(c) COMPUTATION AND CERTIFICATION OF PAYMENTS TO STATES.—

"(1) COMPUTATION.—The Secretary shall estimate the amount to be paid to each eligible State for each quarter under this part, such estimate to be based on a report filed by the State containing an estimate by the State of the total sum to be expended by the State in the quarter under the State program funded under this part and such other information as the Secretary may find necessary.

"(2) CERTIFICATION.—The Secretary of Health and Human Services shall certify to the Secretary of the Treasury the amount estimated under paragraph (1) with respect to a State, reduced or increased to the extent of any overpayment or underpayment which the Secretary of Health and Human Services determines was made under this part to the State for any prior quarter and with respect to which adjustment has not been made under this paragraph.

"(d) PAYMENT METHOD.—Upon receipt of a certification under subsection (c)(2) with respect to a State, the Secretary of the Treasury shall, through the Fiscal Service of the Department of the Treasury and before audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

"(e) COLLECTION OF STATE OVERPAYMENTS TO FAMILIES FROM FEDERAL TAX REFUNDS.—

"(1) IN GENERAL.—Upon receiving notice from the Secretary of Health and Human Services that a State agency administering a program funded under this part has notified the Secretary that a named individual has been overpaid under the State program funded under this part, the Secretary of the Treasury shall determine whether any amounts as refunds of Federal taxes paid are payable to such individual, regardless of whether the individual filed a tax return as a married or unmarried individual. If the Secretary of the Treasury finds that any such amount is so payable, the Secretary shall withhold from such refunds an amount equal to the overpayment sought to be collected by the State and pay such amount to the State agency.

"(2) REGULATIONS.—The Secretary of the Treasury shall issue regulations, after review by the Secretary of Health and Human Services, that provide—

"(A) that a State may only submit under paragraph (1) requests for collection of overpayments with respect to individuals—

"(i) who are no longer receiving assistance under the State program funded under this part;

"(ii) with respect to whom the State has already taken appropriate action under State law against the income or resources of the individuals or families involved to collect the past-due legally enforceable debt; and

"(iii) to whom the State agency has given notice of its intent to request withholding by the Secretary of the Treasury from the income tax refunds of such individuals;

"(B) that the Secretary of the Treasury will give a timely and appropriate notice to any other person filing a joint return with the individual whose refund is subject to withholding under paragraph (1); and

"(C) the procedures that the State and the Secretary of the Treasury will follow in carrying out this subsection which, to the maximum extent feasible and consistent with the provisions of this subsection, will be the same as those issued pursuant to section 464(b) applicable to collection of past-due child support.

"SEC. 406. FEDERAL LOANS FOR STATE WELFARE PROGRAMS.

"(a) LOAN AUTHORITY.—

"(1) IN GENERAL.—The Secretary shall make loans to any loan-eligible State, for a period to maturity of not more than 3 years.

"(2) LOAN-ELIGIBLE STATE.—As used in paragraph (1), the term 'loan-eligible State' means a State against which a penalty has not been imposed under section 409(e).

"(b) RATE OF INTEREST.—The Secretary shall charge and collect interest on any loan made under this section at a rate equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the period to maturity of the loan.

"(c) USE OF LOAN.—A State shall use a loan made to the State under this section only for any purpose for which grant amounts received by the State under section 403(a) may be used, including—

"(1) welfare anti-fraud activities; and

"(2) the provision of assistance under the State program to Indian families that have moved from the service area of an Indian tribe with a tribal family assistance plan approved under section 412.

"(d) LIMITATION ON TOTAL AMOUNT OF LOANS TO A STATE.—The cumulative dollar amount of all loans made to a State under this section during fiscal years 1997 through 2001 shall not exceed 10 percent of the State family assistance grant.

"(e) LIMITATION ON TOTAL AMOUNT OF OUTSTANDING LOANS.—The total dollar amount of loans outstanding under this section may not exceed $1,700,000,000.

"(f) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated such sums as may be necessary for the cost of loans under this section.

"SEC. 407. MANDATORY WORK REQUIREMENTS; INDIVIDUAL RESPONSIBILITY PLANS.

"(a) PARTICIPATION RATE REQUIREMENTS.—

"(1) ALL FAMILIES.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to all families receiving assistance under the State program funded under this part:

"If the fiscal year is:	The minimum participation rate is:
1997	20
1998	25
1999	30
2000	35
2001	40
2002 or thereafter ...	50.

"(2) 2-PARENT FAMILIES.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to 2-parent families receiving assistance under the State program funded under this part:

"If the fiscal year is:	The minimum participation rate is:
1997	75
1998	75
1999 or thereafter ...	90.

"(b) CALCULATION OF PARTICIPATION RATES.—

"(1) ALL FAMILIES.—

"(A) AVERAGE MONTHLY RATE.—For purposes of subsection (a)(1), the participation rate for all families of a State for a fiscal year is the average of the participation rates for all families of the State for each month in the fiscal year.

"(B) MONTHLY PARTICIPATION RATES.—The participation rate of a State for all families of the State for a month, expressed as a percentage, is—

"(i) the number of families receiving assistance under the State program funded under this part that include an adult who is engaged in work for the month; divided by

"(ii) the amount by which—

"(I) the number of families receiving such assistance during the month that include an adult receiving such assistance; exceeds

"(II) the number of families receiving such assistance that are subject in such month to a penalty described in subsection (e)(1) but have not been subject to such penalty for more than 3 months within the preceding 12-month period (whether or not consecutive).

"(C) SPECIAL RULE.—An individual shall be considered to be engaged in work and to be an adult recipient of assistance under a State program funded under this part for purposes of subparagraph (B) for the first 6 months (whether or not consecutive) after the first cessation of assistance to an individual under the program during which the individual is employed for an average of more than 25 hours per week in an unsubsidized job in the private sector.

"(2) 2-PARENT FAMILIES.—

"(A) AVERAGE MONTHLY RATE.—For purposes of subsection (a)(2), the participation rate for 2-parent families of a State for a fiscal year is the average of the participation rates for 2-parent families of the State for each month in the fiscal year.

"(B) MONTHLY PARTICIPATION RATES.—The participation rate of a State for 2-parent families of the State for a month shall be calculated by use of the formula set forth in paragraph (1)(B), except that in the formula the term 'number of 2-parent families' shall be substituted for the term 'number of families' each place such latter term appears.

"(3) PRO RATA REDUCTION OF PARTICIPATION RATE DUE TO CASELOAD REDUCTIONS NOT REQUIRED BY FEDERAL LAW.—

"(A) IN GENERAL.—The Secretary shall prescribe regulations for reducing the minimum participation rate otherwise required by this section for a fiscal year by the number of percentage points equal to the number of percentage points (if any) by which—

"(i) the number of families receiving assistance during the fiscal year under the State program funded under this part is less than

"(ii) the number of families that received aid under the State plan approved under part A (as in effect on September 30, 1995) during fiscal year 1994 or 1995, whichever is the greater.

The minimum participation rate shall not be reduced to the extent that the Secretary determines that the reduction in the number of families receiving such assistance is required by Federal law.

"(B) ELIGIBILITY CHANGES NOT COUNTED.—The regulations described in subparagraph (A) shall not take into account families that are diverted from a State program funded under this part as a result of differences in eligibility criteria under a State program funded under this part and eligibility criteria under the State program operated under the State plan approved under part A (as such plan and such part were in effect on September 30, 1995). Such regulations shall place the burden on the Secretary to prove that such families were diverted as a direct result of differences in such eligibility criteria.

"(4) STATE OPTION TO INCLUDE INDIVIDUALS RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY ASSISTANCE PLAN.—For purposes of paragraphs (1)(B) and (2)(B), a State may, at its option, include families receiving assistance under a tribal family assistance plan approved under section 412.

"(5) STATE OPTION FOR PARTICIPATION REQUIREMENT EXEMPTIONS.—For any fiscal year, a State may, at its option, not require an individual who is a single custodial parent caring for a child who has not attained 12 months of age to engage in work and may disregard such an individual in determining the participation rates under subsection (a).

"(c) ENGAGED IN WORK.—

"(1) ALL FAMILIES.—For purposes of subsection (b)(1)(B)(i), a recipient is engaged in work for a month in a fiscal year if the recipient is participating in such activities for at least the minimum average number of hours per week specified in the following table during the month, not fewer than 20 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (7), or (8) of subsection (d) (or, if the participation of the recipient in an activity described in subsection (d)(6) has been taken into account for purposes of paragraph (1) or (2) of subsection (b) for fewer than 4 weeks in the fiscal year, an activity described in subsection (d)(6)):

"If the month is in fiscal year:	**The minimum average number of hours per week is:**
1996	20
1997	20
1998	20
1999 or thereafter ...	25.

"(2) 2-PARENT FAMILIES.—For purposes of subsection (b)(2)(B)(i), an adult is engaged in work for a month in a fiscal year if the adult is making progress in such activities for at least 25 hours per week during the month, not fewer than 20 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (7), or (8) of subsection (d) (or, if the participation of the recipient in an activity described in subsection (d)(6) has been taken into account for purposes of paragraph (1) or (2) of subsection (b) for fewer than 8 weeks (no more than 4 of which may be consecutive) in the fiscal year, an activity described in subsection (d)(6)).

"(3) LIMITATION ON VOCATIONAL EDUCATION ACTIVITIES COUNTED AS WORK.—For purposes of determining monthly participation rates under paragraphs (1)(B)(i) and (2)(B)(i) of subsection (b), not more than 20 percent of adults in all families and in 2-parent families determined to be engaged in work in the State for a month may meet the work activity requirement through participation in vocational educational training.

"(4) OPTION TO REDUCE NUMBER OF HOURS OF WORK REQUIRED OF SINGLE PARENTS WITH A CHILD UNDER AGE 6.—Notwithstanding paragraph (1), a State may reduce to 20 the number of hours per week during which a single custodial parent is required pursuant to this section to engage in work activities if the family of the parent includes an individual who has not attained 6 years of age.

"(d) WORK ACTIVITIES DEFINED.—As used in this section, the term 'work activities' means—

"(1) unsubsidized employment;

"(2) subsidized private sector employment;

"(3) subsidized public sector employment;

"(4) work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available;

"(5) on-the-job training;

"(6) job search and job readiness assistance;

"(7) community service programs;

"(8) vocational educational training (not to exceed 12 months with respect to any individual);

"(9) job skills training directly related to employment;

"(10) education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency; and

"(11) satisfactory attendance at secondary school, in the case of a recipient who—

"(A) has not completed secondary school; and

"(B) is a dependent child, or a head of household who has not attained 20 years of age.

"(e) PENALTIES AGAINST INDIVIDUALS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), if an adult in a family receiving assistance under the State program funded under this part refuses to engage in work required in accordance with this section, the State shall—

"(A) reduce the amount of assistance otherwise payable to the family pro rata (or more, at the option of the State) with respect to any period during a month in which the adult so refuses; or

"(B) terminate such assistance,

subject to such good cause and other exceptions as the State may establish.

"(2) EXCEPTION.—Notwithstanding paragraph (1), a State may not reduce or terminate assistance under the State program funded under this part based on a refusal of an adult to work if the adult is a single custodial parent caring for a child who has not attained 11 years of age, and the adult proves that the adult has a demonstrated inability (as determined by the State) to obtain needed child care, for 1 or more of the following reasons:

"(A) Unavailability of appropriate child care within a reasonable distance from the individual's home or work site.

"(B) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

"(C) Unavailability of appropriate and affordable formal child care arrangements.

"(f) NONDISPLACEMENT IN WORK ACTIVITIES.—

"(1) IN GENERAL.—Subject to paragraph (2), an adult in a family receiving assistance under a State program funded under this part attributable to funds provided by the Federal Government may fill a vacant employment position in order to engage in a work activity described in subsection (d).

"(2) NO FILLING OF CERTAIN VACANCIES.—No adult in a work activity described in subsection (d) which is funded, in whole or in part, by funds provided by the Federal Government shall be employed or assigned—

"(A) when any other individual is on layoff from the same or any substantially equivalent job; or

"(B) if the employer has terminated the employment of any regular employee or otherwise caused an involuntary reduction of its workforce in order to fill the vacancy so created with an adult described in paragraph (1).

"(3) NO PREEMPTION.—Nothing in this subsection shall preempt or supersede any provision of State or local law that provides greater protection for employees from displacement.

"(g) INDIVIDUAL RESPONSIBILITY PLANS.—

"(1) ASSESSMENT.—The State agency responsible for administering the State program funded under this part shall make an initial assessment of the skills, prior work experience, and employability of each applicant for, or recipient of, assistance under the program who—

"(A) has attained 18 years of age; or

"(B) has not completed high school or obtained a certificate of high school equivalency, and is not attending secondary school.

"(2) CONTENTS OF PLANS.—

"(A) IN GENERAL.—On the basis of the assessment made under paragraph (1) with respect to an individual, the State agency, in consultation with the individual, shall develop an individual responsibility plan for the individual, which—

"(i) shall provide that participation by the individual in job search activities shall be a condition of eligibility for assistance under the State program funded under this part, except during any period for which the individual is employed full-time in an unsubsidized job in the private sector;

"(ii) sets forth an employment goal for the individual and a plan for moving the individual immediately into private sector employment;

"(iii) sets forth the obligations of the individual, which may include a requirement that the individual attend school, maintain certain grades and attendance, keep school age children of the individual in school, immunize children, attend parenting and money management classes, or do other things that will help the individual become and remain employed in the private sector;

"(iv) to the greatest extent possible shall be designed to move the individual into whatever private sector employment the individual is capable of handling as quickly as possible, and to increase the responsibility and amount of work the individual is to handle over time;

"(v) shall describe the services the State will provide the individual so that the individual will be able to obtain and keep employment in the private sector, and describe the job counseling and other services that will be provided by the State; and

"(vi) at the option of the State, may require the individual to undergo appropriate substance abuse treatment.

"(B) TIMING.—The State agency shall comply with subparagraph (A) with respect to an individual—

"(i) within 90 days (or, at the option of the State, 180 days) after the effective date of this part, in the case of an individual who, as of such effective date, is a recipient of aid under the State plan approved under part A (as in effect immediately before such effective date); or

"(ii) within 30 days (or, at the option of the State, 90 days) after the individual is determined to be eligible for such assistance, in the case of any other individual.

"(3) PROVISION OF PROGRAM AND EMPLOYMENT INFORMATION.—The State shall inform all applicants for and recipients of assistance under the State program funded under this part of all available services under the program for which they are eligible.

"(4) PENALTY FOR NONCOMPLIANCE BY INDIVIDUAL.—The State shall reduce, by such amount as the State considers appropriate, the amount of assistance otherwise payable under the State program funded under this part to a family that includes an individual who fails without good cause to comply with an individual responsibility plan signed by the individual.

"(h) SENSE OF THE CONGRESS.—It is the sense of the Congress that in complying with this section, each State that operates a program funded under this part is encouraged to assign the highest priority to requiring adults in 2-parent families and adults in single-parent families that include older preschool or school-age children to be engaged in work activities.

"(i) SENSE OF THE CONGRESS THAT STATES SHOULD IMPOSE CERTAIN REQUIREMENTS ON NONCUSTODIAL, NONSUPPORTING MINOR PARENTS.—It is the sense of the Congress that the States should require noncustodial, nonsupporting parents who have not attained 18 years of age to fulfill community work obligations and attend appropriate parenting or money management classes after school.

"SEC. 408. PROHIBITIONS; REQUIREMENTS.

"(a) IN GENERAL.—

"(1) NO ASSISTANCE FOR FAMILIES WITHOUT A MINOR CHILD.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to a family, unless the family includes—

"(A) a minor child who resides with a custodial parent or other adult caretaker relative of the child; or

"(B) a pregnant individual.

"(2) NO ADDITIONAL CASH ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—

"(A) GENERAL RULE.—A State to which a grant is made under section 403 shall not use any part of the grant to provide cash benefits for a minor child who is born to—

"(i) a recipient of assistance under the program operated under this part; or

"(ii) a person who received such assistance at any time during the 10-month period ending with the birth of the child.

"(B) EXCEPTION FOR CHILDREN BORN INTO FAMILIES WITH NO OTHER CHILDREN.—Subparagraph (A) shall not apply to a minor child who is born into a family that does not include any other children.

"(C) EXCEPTION FOR VOUCHERS.—Subparagraph (A) shall not apply to vouchers which are provided in lieu of cash benefits and which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved.

"(D) EXCEPTION FOR RAPE OR INCEST.—Subparagraph (A) shall not apply with respect to a child who is born as a result of rape or incest.

"(E) STATE ELECTION TO OPT OUT.—Subparagraph (A) shall not apply to a State if State law specifically exempts the State program funded under this part from the application of subparagraph (A).

"(F) SUBSTITUTION OF FAMILY CAPS IN EFFECT UNDER WAIVERS.—Subparagraph (A) shall not apply to a State—

"(i) if, as of the date of the enactment of this part, there is in effect a waiver approved by the Secretary under section 1115 which permits the State to deny aid under the State plan approved under part A of this title (as in effect without regard to the amendments made by title I of the Bipartisan Welfare Reform Act of 1996) to a family by reason of the birth of a child to a family member otherwise eligible for such aid; and

"(ii) for so long as the State continues to implement such policy under the State program funded under this part, under rules prescribed by the State.

"(3) REDUCTION OR ELIMINATION OF ASSISTANCE FOR NONCOOPERATION IN CHILD SUPPORT.—If the agency responsible for administering the State plan approved under part D determines that an individual is not cooperating with the State in establishing, modifying, or enforcing a support order with respect to a child of the individual, then the State—

"(A) shall deduct from the assistance that would otherwise be provided to the family of the individual under the State program funded under this part the share of such assistance attributable to the individual; and

"(B) may deny the family any assistance under the State program.

"(4) NO ASSISTANCE FOR FAMILIES NOT ASSIGNING CERTAIN SUPPORT RIGHTS TO THE STATE.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 shall require, as a condition of providing assistance to a family under the State program funded under this part, that a member of the family assign to the State any rights the family member may have (on behalf of the family member or of any other person for whom the family member has applied for or is receiving such assistance) to support from any other person, not exceeding the total amount of assistance so provided to the family, which accrue (or have accrued) before the date the family leaves the program, which assignment, on and after the date the family leaves the program, shall not apply with respect to any support (other than support collected pursuant to section 464) which accrued before the family received such assistance and which the State has not collected by—

"(i) September 30, 2000, if the assignment is executed on or after October 1, 1997, and before October 1, 2000; or

"(ii) the date the family leaves the program, if the assignment is executed on or after October 1, 2000.

"(B) LIMITATION.—A State to which a grant is made under section 403 shall not require, as a condition of providing assistance to any family under the State program funded under this part, that a member of the family assign to the State any rights to support described in subparagraph (A) which accrue after the date the family leaves the program, except to the extent necessary to enable the State to comply with section 457.

"(5) NO ASSISTANCE FOR TEENAGE PARENTS WHO DO NOT ATTEND HIGH SCHOOL OR OTHER EQUIVALENT TRAINING PROGRAM.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to an individual who has not attained 18 years of age, is not married, has a minor child at least 12 weeks of age in his or her care, and has not successfully completed a high-school education (or its equivalent), if the individual does not participate in—

"(A) educational activities directed toward the attainment of a high school diploma or its equivalent; or

"(B) an alternative educational or training program that has been approved by the State.

"(6) NO ASSISTANCE FOR TEENAGE PARENTS NOT LIVING IN ADULT-SUPERVISED SETTINGS.—

"(A) IN GENERAL.—

"(i) REQUIREMENT.—Except as provided in subparagraph (B), a State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to an individual described in clause (ii) of this subparagraph if the individual and the minor child referred to in clause (ii)(II) do not reside in a place of residence maintained by a parent, legal guardian, or other adult relative of the individual as such parent's, guardian's, or adult relative's own home.

"(ii) INDIVIDUAL DESCRIBED.—For purposes of clause (i), an individual described in this clause is an individual who—

"(I) has not attained 18 years of age; and

"(II) is not married, and has a minor child in his or her care.

"(B) EXCEPTION.—

"(i) PROVISION OF, OR ASSISTANCE IN LOCATING, ADULT-SUPERVISED LIVING ARRANGEMENT.—In the case of an individual who is described in clause (ii), the State agency referred to in section 402(a)(4) shall provide, or assist the individual in locating, a second chance home, maternity home, or other appropriate adult-supervised supportive living arrangement, taking into consideration the needs and concerns of the individual, unless the State agency determines that the individual's current living arrangement is appropriate, and thereafter shall require that the individual and the minor child referred to in subparagraph (A)(ii)(II) reside in such living arrangement as a condition of the continued receipt of assistance under the State program funded under this part attributable to funds provided by the Federal Government (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate).

"(ii) INDIVIDUAL DESCRIBED.—For purposes of clause (i), an individual is described in this clause if the individual is described in subparagraph (A)(ii), and—

"(I) the individual has no parent, legal guardian or other appropriate adult relative described in subclause (II) of his or her own who is living or whose whereabouts are known;

"(II) no living parent, legal guardian, or other appropriate adult relative, who would otherwise meet applicable State criteria to act as the individual's legal guardian, of such individual allows the individual to live in the home of such parent, guardian, or relative;

"(III) the State agency determines that—

"(aa) the individual or the minor child referred to in subparagraph (A)(ii)(II) is being or has been subjected to serious physical or emotional harm, sexual abuse, or exploitation in the residence of the individual's own parent or legal guardian; or

"(bb) substantial evidence exists of an act or failure to act that presents an imminent or serious harm if the individual and the minor child lived in the same residence with the individual's own parent or legal guardian; or

"(IV) the State agency otherwise determines that it is in the best interest of the minor child to waive the requirement of subparagraph (A) with respect to the individual or the minor child.

"(iii) SECOND-CHANCE HOME.—For purposes of this subparagraph, the term 'second-chance home' means an entity that provides individuals described in clause (ii) with a supportive and supervised living arrangement in which such individuals are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children.

"(7) NO MEDICAL SERVICES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), a State to which a grant is made under section 403 shall not use any part of the grant to provide medical services.

"(B) EXCEPTION FOR FAMILY PLANNING SERVICES.—As used in subparagraph (A), the term 'medical services' does not include family planning services.

"(8) NO ASSISTANCE FOR MORE THAN 5 YEARS.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), a State to which a grant is made under section 403 shall not use any part of the grant to provide cash assistance to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government, for 60 months (whether or not consecutive) after the date the State program funded under this part commences.

"(B) MINOR CHILD EXCEPTION.—In determining the number of months for which an individual who is a parent or pregnant has received assistance under the State program funded under this part, the State shall disregard any month for which such assistance was provided with respect to the individual and during which the individual was—

"(i) a minor child; and

"(ii) not the head of a household or married to the head of a household.

"(C) HARDSHIP EXCEPTION.—

"(i) IN GENERAL.—The State may exempt a family from the application of subparagraph (A) by reason of hardship or if the family includes an individual who has been battered or subjected to extreme cruelty.

"(ii) LIMITATION.—The number of families with respect to which an exemption made by a State under clause (i) is in effect for a fiscal year shall not exceed 20 percent of the average monthly number of families to which assistance is provided under the State program funded under this part.

"(iii) BATTERED OR SUBJECT TO EXTREME CRUELTY DEFINED.—For purposes of clause (i), an individual has been battered or subjected to extreme cruelty if the individual has been subjected to—

"(I) physical acts that resulted in, or threatened to result in, physical injury to the individual;

"(II) sexual abuse;

"(III) sexual activity involving a dependent child;

"(IV) being forced as the caretaker relative of a dependent child to engage in nonconsensual sexual acts or activities;

"(V) threats of, or attempts at, physical or sexual abuse;

"(VI) mental abuse; or

"(VII) neglect or deprivation of medical care.

"(D) RULE OF INTERPRETATION.—Subparagraph (A) shall not be interpreted to require any State to provide assistance to any individual for any period of time under the State program funded under this part.

"(9) DENIAL OF ASSISTANCE FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN ASSISTANCE IN 2 OR MORE STATES.—A State to which a grant is made under section 403 shall not use any part of the grant to provide cash assistance to an individual during the 10-year period that begins on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under this title, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.

"(10) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to any individual who is—

"(i) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(ii) violating a condition of probation or parole imposed under Federal or State law.

"(B) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—If a State to which a grant is made under section 403 establishes safeguards against the use or disclosure of information about applicants or recipients of assistance under the State program funded under this part, the safeguards shall not prevent the State agency administering the program from furnishing a Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(i) the recipient—

"(I) is described in subparagraph (A); or

"(II) has information that is necessary for the officer to conduct the official duties of the officer; and

"(ii) the location or apprehension of the recipient is within such official duties.

"(11) DENIAL OF ASSISTANCE FOR MINOR CHILDREN WHO ARE ABSENT FROM THE HOME FOR A SIGNIFICANT PERIOD.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance for a minor child who has been, or is expected by a parent (or other caretaker relative) of the child to be, absent from the home for a period of 45 consecutive days or, at the option of the State, such period of not less than 30 and not more than 90 consecutive days as the State may provide for in the State plan submitted pursuant to section 402.

"(B) STATE AUTHORITY TO ESTABLISH GOOD CAUSE EXCEPTIONS.—The State may establish such good cause exceptions to subparagraph (A) as the State considers appropriate if such exceptions are provided for in the State plan submitted pursuant to section 402.

"(C) DENIAL OF ASSISTANCE FOR RELATIVE WHO FAILS TO NOTIFY STATE AGENCY OF ABSENCE OF CHILD.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance for an individual who is a parent (or other caretaker relative) of a minor child and who fails to notify the agency administering the State program funded under this part of the absence of the minor child from the home for the period specified in or provided for pursuant to subparagraph (A), by the end of the 5-day period that begins with the date that it becomes clear to the parent (or relative) that the minor child will be absent for such period so specified or provided for.

"(12) INCOME SECURITY PAYMENTS NOT TO BE DISREGARDED IN DETERMINING THE AMOUNT OF ASSISTANCE TO BE PROVIDED TO A FAMILY.—If a State to which a grant is made under section 403 uses any part of the grant to provide assistance for any individual who is receiving a payment under a State plan for old-age assistance approved under section 2, a State program funded under part B that provides cash payments for foster care, or the supplemental security income program under title XVI, then the State shall not disregard the payment in determining the amount of assistance to be provided under the State program funded under this part, from funds provided by the Federal Government, to the family of which the individual is a member.

"(13) PROVISION OF VOUCHERS TO FAMILIES DENIED CASH ASSISTANCE DUE TO STATE-IMPOSED TIME LIMITS.—

"(A) REQUIREMENT.—If a family is denied assistance under the State program funded under this part by reason of a time limit imposed by the State other than pursuant to paragraph (8), the State shall provide vouchers to the family in accordance with subparagraph (B).

"(B) CHARACTERISTICS OF VOUCHERS.—The vouchers referred to in subparagraph (A) shall be—

"(i) in an amount equal to the amount determined by the State to meet the needs of only the child or children in the family, which shall be determined in the same manner as the State would otherwise determines the needs of the child or children under the program;

"(ii) designed appropriately to pay a third party for goods and services to be provided by the third party to the child or children in the family; and

"(iii) redeemable by a third party described in clause (ii) for a dollar amount equal to the amount of the voucher.

"(b) ALIENS.—For special rules relating to the treatment of aliens, see section 402 of the Bipartisan Welfare Reform Act of 1996.

"SEC. 409. PENALTIES.

"(a) IN GENERAL.—Subject to this section:

"(1) FAILURE TO SUBMIT REQUIRED REPORT.—

"(A) IN GENERAL.—If the Secretary determines that a State has not, within 1 month after the end of a fiscal quarter, submitted the report required by section 411(a) for the quarter, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 4 percent of the State family assistance grant.

"(B) RESCISSION OF PENALTY.—The Secretary shall rescind a penalty imposed on a State under subparagraph (A) with respect to a report for a fiscal quarter if the State submits the report before the end of the immediately succeeding fiscal quarter.

"(2) FAILURE TO PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—If the Secretary determines that a State program funded under this part is not participating during a fiscal year in the income and eligibility verification system required by section 1137, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to not more than 2 percent of the State family assistance grant.

"(3) FAILURE TO COMPLY WITH PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT REQUIREMENTS UNDER PART D.—Notwithstanding any other provision of this Act, if the Secretary determines that the State agency that administers a program funded under this part does not enforce the penalties requested by the agency administering part D against recipients of assistance under the State program who fail to cooperate in establishing paternity in accordance with such part, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year (without regard to this section) by not more than 5 percent.

"(4) FAILURE TO TIMELY REPAY A FEDERAL LOAN FUND FOR STATE WELFARE PROGRAMS.—If the Secretary determines that a State has failed to repay any amount borrowed from the Federal Loan Fund for State Welfare Programs established under section 406 within the period of maturity applicable to the loan, plus any interest owed on the loan, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year quarter (without regard to this section) by the outstanding loan amount, plus the interest owed on the outstanding amount. The Secretary shall not forgive any outstanding loan amount or interest owed on the outstanding amount.

"(5) FAILURE OF ANY STATE TO MAINTAIN CERTAIN LEVEL OF HISTORIC EFFORT.—

"(A) IN GENERAL.—The Secretary shall reduce the grant payable to the State under section 403(a)(1) for fiscal year 1997, 1998, 1999, 2000, 2001, or 2002 by the amount (if any) by which qualified State expenditures for the then immediately preceding fiscal year is less than the applicable percentage of historic State expenditures with respect to the fiscal year.

"(B) DEFINITIONS.—As used in this paragraph:

"(i) QUALIFIED STATE EXPENDITURES.—

"(I) IN GENERAL.—The term 'qualified State expenditures' means, with respect to a State and a fiscal year, the total expenditures by the State during the fiscal year, under all State programs, for any of the following with respect to eligible families:

"(aa) Cash assistance.

"(bb) Child care assistance.

"(cc) Educational activities designed to increase self-sufficiency, job training, and work, excluding any expenditure for public education in the State except expenditures which involve the provision of services or assistance to a member of an eligible family which is not generally available to persons who are not members of eligible families.

"(dd) Administrative costs in connection with the matters described in items (aa), (bb), (cc), and (ee), but only to the extent that such costs do not exceed 15 percent of the total amount of qualified State expenditures for the fiscal year.

"(ee) Any other use of funds allowable under section 404(a)(1).

"(II) EXCLUSION OF TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—Such term does not include expenditures under any State or local program during a fiscal year, except to the extent that—

"(aa) such expenditures exceed the amount expended under the State or local program in the fiscal year most recently ending before the date of the enactment of this part; or

"(bb) the State is entitled to a payment under former section 403 (as in effect immediately before such date of enactment) with respect to such expenditures.

"(III) ELIGIBLE FAMILIES.—As used in subclause (I), the term 'eligible families' means families eligible for assistance under the State program funded under this part, and families who would be eligible for such assistance but for the application of paragraph (2) or (8) of section 408(a) of this Act or section 402 of the Bipartisan Welfare Reform Act of 1996.

"(ii) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means—

"(I) for fiscal year 1996, 85 percent; and

"(II) for fiscal years 1997, 1998, 1999, 2000, and 2001, 85 percent adjusted (if appropriate) in accordance with subparagraph (C).

"(iii) HISTORIC STATE EXPENDITURES.—The term 'historic State expenditures' means, with respect to a State and a fiscal year specified in subparagraph (A), the lesser of—

"(I) the expenditures by the State under parts A and F (as in effect during fiscal year 1994) for fiscal year 1994; or

"(II) the amount which bears the same ratio to the amount described in subclause (I) as—

"(aa) the State family assistance grant for the fiscal year immediately preceding the fiscal year specified in subparagraph (A), plus the total amount required to be paid to the State under former section 403 for fiscal year 1994 with respect to amounts expended by the State for child care under subsection (g) or (i) of section 402 (as in effect during fiscal year 1994); bears to

"(bb) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994.

Such term does not include any expenditures under the State plan approved under part A (as so in effect) on behalf of individuals covered by a tribal family assistance plan approved under section 412, as determined by the Secretary.

"(iv) EXPENDITURES BY THE STATE.—The term 'expenditures by the State' does not include—

"(I) any expenditures from amounts made available by the Federal Government;

"(II) State funds expended for the medicaid program under title XIX; or

"(III) any State funds which are used to match Federal funds or are expended as a condition of receiving Federal funds under Federal programs other than under this part.

"(C) PERFORMANCE-BASED ADJUSTMENTS TO APPLICABLE PERCENTAGE.—

"(i) INCREASE IN MAINTENANCE OF EFFORT THRESHOLD FOR FAILURE TO MEET PARTICIPATION RATES.—If the Secretary determines that a State has failed to achieve the participation rate required by section 407 for a fiscal year, the Secretary shall increase the applicable percentage for the State for the immediately succeeding fiscal year by not more than 5 percentage points. In determining the amount of any such increase, the Secretary shall take into account any increase in the number of persons served by the State program and any increase in the unemployment rate of the State, in accordance with regulations which the Secretary shall prescribe.

"(ii) REDUCTION IN MAINTENANCE OF EFFORT THRESHOLD FOR HIGH PERFORMANCE STATES.—

"(I) CRITERIA.—The Secretary shall, by regulation, establish measures of the effectiveness of the State program funded under this part in moving recipients of assistance under the program into full-time unsubsidized employment. In developing the regulations, the Secretary shall take into account the length of time former recipients of assistance under the program remain employed, the earnings of such former recipients who obtain private sector employment, the total State caseload under the program, and the rate of unemployment in the State.

"(II) REDUCTION OF THRESHOLD.—The Secretary shall reduce the applicable percentage for a State for a fiscal year by not more than 5 percentage points if the Secretary determines that the State achieved the participation rate required by section 407 for the immediately preceding fiscal year and exceeded such performance threshold as the Secretary may establish under subclause (I) of this clause.

"(6) SUBSTANTIAL NONCOMPLIANCE OF STATE CHILD SUPPORT ENFORCEMENT PROGRAM WITH REQUIREMENTS OF PART D.—

"(A) IN GENERAL.—If a State program operated under part D is found as a result of a review conducted under section 452(a)(4) not to have complied substantially with the requirements of such part for any quarter, and the Secretary determines that the program is not complying substantially with such requirements at the time the finding is made, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the quarter and each subsequent quarter that ends before the 1st quarter throughout which the program is found to be in substantial compliance with such requirements by—

"(i) not less than 1 nor more than 2 percent;

"(ii) not less than 2 nor more than 3 percent, if the finding is the 2nd consecutive such finding made as a result of such a review; or

"(iii) not less than 3 nor more than 5 percent, if the finding is the 3rd or a subsequent consecutive such finding made as a result of such a review.

"(B) DISREGARD OF NONCOMPLIANCE WHICH IS OF A TECHNICAL NATURE.—For purposes of subparagraph (A) of this paragraph and section 452(a)(4), a State which is not in full compliance with the requirements of this part shall be determined to be in substantial compliance with such requirements only if the Secretary determines that any noncompliance with such requirements is of a technical nature which does not adversely affect the performance of the State's program operated under part D.

"(7) FAILURE OF STATE RECEIVING AMOUNTS FROM CONTINGENCY FUND TO MAINTAIN 100 PERCENT OF HISTORIC EFFORT.—If, at the end of any fiscal year during which amounts from the Contingency Fund for State Welfare Programs have been paid to a State, the Secretary finds that the State has failed, during the fiscal year, to expend under the State program funded under this part an amount equal to at least 100 percent of the level of historic State expenditures (as defined in paragraph (7)(B)(iii) of this subsection) with respect to the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by the total of the amounts so paid to the State.

"(8) FAILURE TO EXPEND ADDITIONAL STATE FUNDS TO REPLACE GRANT REDUCTIONS.—If the grant payable to a State under section 403(a)(1) for a fiscal year is reduced by reason of this subsection, the State shall, during the immediately succeeding fiscal year, expend under the State program funded under this part an amount equal to the total amount of such reductions.

"(9) FAILURE TO PROVIDE VOUCHER ASSISTANCE.—If the Secretary determines that a State program funded under this part has failed to comply with section 408(a)(13) during a fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to the difference between the amount the State would have expended on voucher assistance pursuant to section 408(a)(13) during the fiscal year in the absence of such noncompliance and the amount the State expended on such voucher assistance during the fiscal year.

"(10) FAILURE TO PROVIDE TRANSITIONAL MEDICAL ASSISTANCE.—If the Secretary determines that a State has not complied with section 408(a)(15) during a quarter, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding quarter by an amount equal to 5 percent of the portion of the State family assistance grant that is payable to the State for such succeeding quarter.

"(b) REASONABLE CAUSE EXCEPTION.—

"(1) IN GENERAL.—The Secretary may not impose a penalty on a State under subsection (a) with respect to a requirement if the Secretary determines that the State has reasonable cause for failing to comply with the requirement.

"(2) EXCEPTION.—Paragraph (1) of this subsection shall not apply to any penalty under subsection (a)(5).

"(c) CORRECTIVE COMPLIANCE PLAN.—

"(1) IN GENERAL.—

"(A) NOTIFICATION OF VIOLATION.—Before imposing a penalty against a State under subsection (a) with respect to a violation of this part, the Secretary shall notify the State of the violation and allow the State the opportunity to enter into a corrective compliance plan in accordance with this subsection which outlines how the State will correct the violation and how the State will insure continuing compliance with this part.

"(B) 60-DAY PERIOD TO PROPOSE A CORRECTIVE COMPLIANCE PLAN.—During the 60-day period that begins on the date the State receives a notice provided under subparagraph (A) with respect to a violation, the State may submit to the Federal Government a corrective compliance plan to correct the violation.

"(C) CONSULTATION ABOUT MODIFICATIONS.—During the 60-day period that begins with the date the Secretary receives a corrective compliance plan submitted by a State in accordance with subparagraph (B), the Secretary may consult with the State on modifications to the plan.

"(D) ACCEPTANCE OF PLAN.— A corrective compliance plan submitted by a State in accordance with subparagraph (B) is deemed to be accepted by the Secretary if the Secretary does not accept or reject the plan during 60-day period that begins on the date the plan is submitted.

"(2) EFFECT OF CORRECTING VIOLATION.—The Secretary may not impose any penalty under subsection (a) with respect to any violation covered by a State corrective compliance plan accepted by the Secretary if the State corrects the violation pursuant to the plan.

"(3) EFFECT OF FAILING TO CORRECT VIOLATION.—The Secretary shall assess some or all of a penalty imposed on a State under subsection (a) with respect to a violation if the State does not, in a timely manner, correct the violation pursuant to a State corrective compliance plan accepted by the Secretary.

"(d) LIMITATION ON AMOUNT OF PENALTY.—

"(1) IN GENERAL.—In imposing the penalties described in subsection (a), the Secretary shall not reduce any quarterly payment to a State by more than 25 percent.

"(2) CARRYFORWARD OF UNRECOVERED PENALTIES.—To the extent that paragraph (1) of this subsection prevents the Secretary from recovering during a fiscal year the full amount of penalties imposed on a State under subsection (a) of this section for a prior fiscal year, the Secretary shall apply any remaining amount of such penalties to the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year.

"(e) OTHER PENALTIES.—If, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of a State program funded under this part, the Secretary finds that the State has failed to comply substantially with any provision of this part or of the State plan approved under section 402, the Secretary shall, if subsection (a) does not apply to the failure, notify the State agency that further payments will not be made to the State under this part (or, in the Secretary's discretion, that the payments will be reduced or limited to categories under, or parts of, the State program not affected by the failure) until the Secretary is satisfied that there is no longer any such failure to comply. Until the Secretary is so satisfied, the Secretary shall make no further payments to the State (or shall reduce or limit payments to categories under or parts of the State program not affected by the failure).

"SEC. 410. APPEAL OF ADVERSE DECISION.

"(a) IN GENERAL.—Within 5 days after the date the Secretary takes any adverse action under this part with respect to a State, the Secretary shall notify the chief executive officer of the State of the adverse action, including any action with respect to the State plan submitted under section 402 or the imposition of a penalty under section 409.

"(b) ADMINISTRATIVE REVIEW.—

"(1) IN GENERAL.—Within 60 days after the date a State receives notice under subsection (a) of an adverse action, the State may appeal the action, in whole or in part, to the Departmental Appeals Board established in the Department of Health and Human Services (in this section referred to as the 'Board') by filing an appeal with the Board.

"(2) PROCEDURAL RULES.—The Board shall consider an appeal filed by a State under paragraph (1) on the basis of such documentation as the State may submit and as the Board may require to support the final decision of the Board. In deciding whether to uphold an adverse action or any portion of such an action, the Board shall conduct a thorough review of the issues and take into account all relevant evidence. The Board shall make a final determination with respect to an appeal filed under paragraph (1) not less than 60 days after the date the appeal is filed.

"(c) JUDICIAL REVIEW OF ADVERSE DECISION.—

"(1) IN GENERAL.—Within 90 days after the date of a final decision by the Board under this section with respect to an adverse action taken against a State, the State may obtain judicial review of the final decision (and the findings incorporated into the final decision) by filing an action in—

"(A) the district court of the United States for the judicial district in which the principal or headquarters office of the State agency is located; or

"(B) the United States District Court for the District of Columbia.

"(2) PROCEDURAL RULES.—The district court in which an action is filed under paragraph (1) shall review the final decision of the Board on the record established in the administrative proceeding, in accordance with the standards of review prescribed by subparagraphs (A) through (E) of section 706(2) of title 5, United States Code. The review shall be on the basis of the documents and supporting data submitted to the Board.

"SEC. 411. DATA COLLECTION AND REPORTING.

"(a) QUARTERLY REPORTS BY STATES.—

"(1) GENERAL REPORTING REQUIREMENT.—

"(A) CONTENTS OF REPORT.—Beginning July 1, 1996, each State shall collect on a monthly basis, and report to the Secretary on a quarterly basis, the following disaggregated case record information on the families receiving assistance under the State program funded under this part:

"(i) The county of residence of the family.

"(ii) Whether a child receiving such assistance or an adult in the family is disabled.

"(iii) The ages of the members of such families.

"(iv) The number of individuals in the family, and the relation of each family member to the youngest child in the family.

"(v) The employment status and earnings of the employed adult in the family.

"(vi) The marital status of the adults in the family, including whether such adults have never married, are widowed, or are divorced.

"(vii) The race and educational status of each adult in the family.

"(viii) The race and educational status of each child in the family.

"(ix) Whether the family received subsidized housing, medical assistance under the State plan approved under title XIX, food stamps, or subsidized child care, and if the latter 2, the amount received.

"(x) The number of months that the family has received each type of assistance under the program.

"(xi) If the adults participated in, and the number of hours per week of participation in, the following activities:

"(I) Education.

"(II) Subsidized private sector employment.

"(III) Unsubsidized employment.

"(IV) Public sector employment, work experience, or community service.

"(V) Job search.

"(VI) Job skills training or on-the-job training.

"(VII) Vocational education.

"(xii) Information necessary to calculate participation rates under section 407.

"(xiii) The type and amount of assistance received under the program, including the amount of and reason for any reduction of assistance (including sanctions).

"(xiv) From a sample of closed cases, whether the family left the program, and if so, whether the family left due to—

"(I) employment;

"(II) marriage;

"(III) the prohibition set forth in section 408(a)(8);

"(IV) sanction; or

"(V) State policy.

"(xv) Any amount of unearned income received by any member of the family.

"(xvi) The citizenship of the members of the family.

"(B) USE OF ESTIMATES.—

"(i) AUTHORITY.—A State may comply with subparagraph (A) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods approved by the Secretary.

"(ii) SAMPLING AND OTHER METHODS.—The Secretary shall provide the States with such case sampling plans and data collection procedures as the Secretary deems necessary to produce statistically valid estimates of the performance of State programs funded under this part. The Secretary may develop and implement procedures for verifying the quality of data submitted by the States.

"(2) REPORT ON USE OF FEDERAL FUNDS TO COVER ADMINISTRATIVE COSTS AND OVERHEAD.—The report required by paragraph (1) for a fiscal quarter shall include a statement of the percentage of the funds paid to the State under this part for the quarter that are used to cover administrative costs or overhead.

"(3) REPORT ON STATE EXPENDITURES ON PROGRAMS FOR NEEDY FAMILIES.—The report required by paragraph (1) for a fiscal quarter shall include a statement of the total amount expended by the State during the quarter on programs for needy families.

"(4) REPORT ON NONCUSTODIAL PARENTS PARTICIPATING IN WORK ACTIVITIES.—The report required by paragraph (1) for a fiscal quarter shall include the number of noncustodial parents in the State who participated in work activities (as defined in section 407(d)) during the quarter.

"(5) REPORT ON TRANSITIONAL SERVICES.—The report required by paragraph (1) for a fiscal quarter shall include the total amount expended by the State during the quarter to provide transitional services to a family that has ceased to receive assistance under this part because of employment, along with a description of such services.

"(6) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to define the data elements with respect to which reports are required by this subsection.

"(b) ANNUAL REPORTS TO THE CONGRESS BY THE SECRETARY.—Not later than 6 months after the end of fiscal year 1997, and each fiscal year thereafter, the Secretary shall transmit to the Congress a report describing—

"(1) whether the States are meeting—

"(A) the participation rates described in section 407(a); and

"(B) the objectives of—

"(i) increasing employment and earnings of needy families, and child support collections; and

"(ii) decreasing out-of-wedlock pregnancies and child poverty;

"(2) the demographic and financial characteristics of families applying for assistance, families receiving assistance, and families that become ineligible to receive assistance;

"(3) the characteristics of each State program funded under this part; and

"(4) the trends in employment and earnings of needy families with minor children living at home.

"SEC. 412. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.

"(a) GRANTS FOR INDIAN TRIBES.—

"(1) TRIBAL FAMILY ASSISTANCE GRANT.—

"(A) IN GENERAL.—For each of fiscal years 1997, 1998, 1999, and 2000, the Secretary shall pay to each Indian tribe that has an approved tribal family assistance plan a tribal family assistance grant for the fiscal year in an amount equal to the amount determined under subparagraph (B), and shall reduce the grant payable under section 403(a)(1) to any State in which lies the service area or areas of the Indian tribe by that portion of the amount so determined that is attributable to expenditures by the State.

"(B) AMOUNT DETERMINED.—

"(i) IN GENERAL.—The amount determined under this subparagraph is an amount equal to the total amount of the Federal payments to a State or States under section 403 (as in effect during such fiscal year) for fiscal year 1994 attributable to expenditures (other than child care expenditures) by the State or States under parts A and F (as so in effect) for fiscal year 1994 for Indian families residing in the service area or areas identified by the Indian tribe pursuant to subsection (b)(1)(C) of this section.

"(ii) USE OF STATE SUBMITTED DATA.—

"(I) IN GENERAL.—The Secretary shall use State submitted data to make each determination under clause (i).

"(II) DISAGREEMENT WITH DETERMINATION.—If an Indian tribe or tribal organization disagrees with State submitted data described under subclause (I), the Indian tribe or tribal organization may submit to the Secretary such additional information as may be relevant to making the determination under clause (i) and the Secretary may consider such information before making such determination.

"(2) GRANTS FOR INDIAN TRIBES THAT RECEIVED JOBS FUNDS.—

"(A) IN GENERAL.—The Secretary shall pay to each eligible Indian tribe for each of fiscal years 1996, 1997, 1998, 1999, and 2000 a grant in an amount equal to the amount received by the Indian tribe in fiscal year 1994 under section 482(i) (as in effect during fiscal year 1994).

"(B) ELIGIBLE INDIAN TRIBE.—For purposes of subparagraph (A), the term 'eligible Indian tribe' means an Indian tribe or Alaska Native organization that conducted a job opportunities and basic skills training program in fiscal year 1995 under section 482(i) (as in effect during fiscal year 1995).

"(C) USE OF GRANT.—Each Indian tribe to which a grant is made under this paragraph shall use the grant for the purpose of operating a program to make work activities available to members of the Indian tribe.

"(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $7,638,474 for each fiscal year specified in subparagraph (A) for grants under subparagraph (A).

"(b) 3-YEAR TRIBAL FAMILY ASSISTANCE PLAN.—

"(1) IN GENERAL.—Any Indian tribe that desires to receive a tribal family assistance grant shall submit to the Secretary a 3-year tribal family assistance plan that—

"(A) outlines the Indian tribe's approach to providing welfare-related services for the 3-year period, consistent with this section;

"(B) specifies whether the welfare-related services provided under the plan will be provided by the Indian tribe or through agreements, contracts, or compacts with intertribal consortia, States, or other entities;

"(C) identifies the population and service area or areas to be served by such plan;

"(D) provides that a family receiving assistance under the plan may not receive duplicative assistance from other State or tribal programs funded under this part;

"(E) identifies the employment opportunities in or near the service area or areas of the Indian tribe and the manner in which the Indian tribe will cooperate and participate in enhancing such opportunities for recipients of assistance under the plan consistent with any applicable State standards; and

"(F) applies the fiscal accountability provisions of section 5(f)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c(f)(1)), relating to the submission of a single-agency audit report required by chapter 75 of title 31, United States Code.

"(2) APPROVAL.—The Secretary shall approve each tribal family assistance plan submitted in accordance with paragraph (1).

"(3) CONSORTIUM OF TRIBES.—Nothing in this section shall preclude the development and submission of a single tribal family assistance plan by the participating Indian tribes of an intertribal consortium.

"(c) MINIMUM WORK PARTICIPATION REQUIREMENTS AND TIME LIMITS.—The Secretary, with the participation of Indian tribes, shall establish for each Indian tribe receiving a grant under this section minimum work participation requirements, appropriate time limits for receipt of welfare-related services under the grant, and penalties against individuals—

"(1) consistent with the purposes of this section;

"(2) consistent with the economic conditions and resources available to each tribe; and

"(3) similar to comparable provisions in section 407(d).

"(d) EMERGENCY ASSISTANCE.—Nothing in this section shall preclude an Indian tribe from seeking emergency assistance from any Federal loan program or emergency fund.

"(e) ACCOUNTABILITY.—Nothing in this section shall be construed to limit the ability of the Secretary to maintain program funding accountability consistent with—

"(1) generally accepted accounting principles; and

"(2) the requirements of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

"(f) PENALTIES.—Subsections (a)(4), (b), and (e) of section 409 shall apply to an Indian tribe with an approved tribal assistance plan in the same manner as such subsections apply to a State.

"(g) DATA COLLECTION AND REPORTING.—Section 411 shall apply to an Indian tribe with an approved tribal family assistance plan.

"(h) SPECIAL RULE FOR INDIAN TRIBES IN ALASKA.—

"(1) IN GENERAL.—Notwithstanding any other provision of this section, and except as provided in paragraph (2), an Indian tribe in the State of Alaska that receives a tribal family assistance grant under this section shall use the grant to operate a program in accordance with requirements comparable to the requirements applicable to the program of the State of Alaska funded under this part. Comparability of programs shall be established on the basis of program criteria developed by the Secretary in consultation with the State of Alaska and such Indian tribes.

"(2) WAIVER.—An Indian tribe described in paragraph (1) may apply to the appropriate State authority to receive a waiver of the requirement of paragraph (1).

"SEC. 413. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

"(a) RESEARCH.—The Secretary shall conduct research on the benefits, effects, and costs of operating different State programs funded under this part, including time limits relating to eligibility for assistance. The research shall include studies on the effects of different programs and the operation of such programs on welfare dependency, illegitimacy, teen pregnancy, employment rates, child well-being, and any other area the Secretary deems appropriate. The Secretary shall also conduct research on the costs and benefits of State activities under section 409.

"(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO REDUCING WELFARE DEPENDENCY AND INCREASING CHILD WELL-BEING.—

"(1) IN GENERAL.—The Secretary may assist States in developing, and shall evaluate, innovative approaches for reducing welfare dependency and increasing the well-being of minor children living at home with respect to recipients of assistance under programs funded under this part. The Secretary may provide funds for training and technical assistance to carry out the approaches developed pursuant to this paragraph.

"(2) EVALUATIONS.—In performing the evaluations under paragraph (1), the Secretary shall, to the maximum extent feasible, use random assignment as an evaluation methodology.

"(c) DISSEMINATION OF INFORMATION.—The Secretary shall develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this section, including the facilitation of the sharing of information and best practices among States and localities through the use of computers and other technologies.

"(d) ANNUAL RANKING OF STATES AND REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—

"(1) ANNUAL RANKING OF STATES.—The Secretary shall rank annually the States to which grants are paid under section 403 in the order of their success in placing recipients of assistance under the State program funded under this part into long-term private sector jobs, reducing the overall welfare caseload, and, when a practicable method for calculating this information becomes available, diverting individuals from formally applying to the State program and receiving assistance. In ranking States under this subsection, the Secretary shall take into account the average number of minor children living at home in families in the State that have incomes below the poverty line and the amount of funding provided each State for such families.

"(2) ANNUAL REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—The Secretary shall review the programs of the 3 States most recently ranked highest under paragraph (1) and the 3 States most recently ranked lowest under paragraph (1) that provide parents with work experience, assistance in finding employment, and other work preparation activities and support services to enable the families of such parents to leave the program and become self-sufficient.

"(e) ANNUAL RANKING OF STATES AND REVIEW OF ISSUES RELATING TO OUT-OF-WEDLOCK BIRTHS.—

"(1) ANNUAL RANKING OF STATES.—

"(A) IN GENERAL.—The Secretary shall annually rank States to which grants are made under section 403 based on the following ranking factors:

"(i) ABSOLUTE OUT-OF-WEDLOCK RATIOS.—The ratio represented by—

"(I) the total number of out-of-wedlock births in families receiving assistance under the State program under this part in the State for the most recent fiscal year for which information is available; over

"(II) the total number of births in families receiving assistance under the State program under this part in the State for such year.

"(ii) NET CHANGES IN THE OUT-OF-WEDLOCK RATIO.—The difference between the ratio described in subparagraph (A)(i) with respect to a State for the most recent fiscal year for which such information is available and the ratio with respect to the State for the immediately preceding year.

"(2) ANNUAL REVIEW.—The Secretary shall review the programs of the 5 States most recently ranked highest under paragraph (1) and the 5 States most recently ranked the lowest under paragraph (1).

"(f) STATE-INITIATED EVALUATIONS.—A State shall be eligible to receive funding to evaluate the State program funded under this part if—

"(1) the State submits a proposal to the Secretary for the evaluation;

"(2) the Secretary determines that the design and approach of the evaluation is rigorous and is likely to yield information that is credible and will be useful to other States; and

"(3) unless otherwise waived by the Secretary, the State contributes to the cost of the evaluation, from non-Federal sources, an amount equal to at least 10 percent of the cost of the evaluation.

"(g) FUNDING OF STUDIES AND DEMONSTRATIONS.—

"(1) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $15,000,000 for each fiscal year specified in section 403(a)(1) for the purpose of paying—

"(A) the cost of conducting the research described in subsection (a);

"(B) the cost of developing and evaluating innovative approaches for reducing welfare dependency and increasing the well-being of minor children under subsection (b);

"(C) the Federal share of any State-initiated study approved under subsection (f); and

"(D) an amount determined by the Secretary to be necessary to operate and evaluate demonstration projects, relating to this part, that are in effect or approved under section 1115 as of September 30, 1995, and are continued after such date.

"(2) ALLOCATION.—Of the amount appropriated under paragraph (1) for a fiscal year—

"(A) 50 percent shall be allocated for the purposes described in subparagraphs (A) and (B) of paragraph (1), and

"(B) 50 percent shall be allocated for the purposes described in subparagraphs (C) and (D) of paragraph (1).

"SEC. 414. STUDY BY THE CENSUS BUREAU.

"(a) IN GENERAL.—The Bureau of the Census shall expand the Survey of Income and Program Participation as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by title I of the Bipartisan Welfare Reform Act of 1996 on a random national sample of recipients of assistance under State programs funded under this part and (as appropriate) other low income families, and in doing so, shall pay particular attention to the issues of out-of-wedlock birth, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

"(b) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $10,000,000 for each of fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002 for payment to the Bureau of the Census to carry out subsection (a).

"SEC. 415. WAIVERS.

"(a) CONTINUATION OF WAIVERS.—

"(1) WAIVERS IN EFFECT ON DATE OF ENACTMENT OF WELFARE REFORM.—Except as provided in paragraph (3), if any waiver granted to a State under section 1115 or otherwise which relates to the provision of assistance under a State plan under this part (as in effect on September 30, 1995) is in effect as of the date of the enactment of the Bipartisan Welfare Reform Act of 1996, the amendments made by such Act shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent such amendments are inconsistent with the waiver.

"(2) WAIVERS GRANTED SUBSEQUENTLY.—Except as provided in paragraph (3), if any waiver granted to a State under section 1115 or otherwise which relates to the provision of assistance under a State plan under this part (as in effect on September 30, 1995) is submitted to the Secretary before the date of the enactment of the Bipartisan Welfare Reform Act of 1996 and approved by the Secretary before the effective date of this title, and the State demonstrates to the satisfaction of the Secretary that the waiver will not result in Federal expenditures under title IV of this Act (as in effect without regard to the amendments made by the Bipartisan Welfare Reform Act of 1996) that are greater than would occur in the absence of the waiver, such amendments shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent such amendments are inconsistent with the waiver.

"(3) FINANCING LIMITATION.—Notwithstanding any other provision of law, beginning with fiscal year 1996, a State operating under a waiver described in paragraph (1) shall be entitled to payment under section 403 for the fiscal year, in lieu of any other payment provided for in the waiver.

"(b) STATE OPTION TO TERMINATE WAIVER.—

"(1) IN GENERAL.—A State may terminate a waiver described in subsection (a) before the expiration of the waiver.

"(2) REPORT.—A State which terminates a waiver under paragraph (1) shall submit a report to the Secretary summarizing the waiver and any available information concerning the result or effect of the waiver.

"(3) HOLD HARMLESS PROVISION.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, a State that, not later than the date described in subparagraph (B), submits a written request to terminate a waiver described in subsection (a) shall be held harmless for accrued cost neutrality liabilities incurred under the waiver.

"(B) DATE DESCRIBED.—The date described in this subparagraph is the later of—

"(i) January 1, 1996; or

"(ii) 90 days following the adjournment of the first regular session of the State legislature that begins after the date of the enactment of the Bipartisan Welfare Reform Act of 1996.

"(c) SECRETARIAL ENCOURAGEMENT OF CURRENT WAIVERS.—The Secretary shall encourage any State operating a waiver described in subsection (a) to continue the waiver and to evaluate, using random sampling and other characteristics of accepted scientific evaluations, the result or effect of the waiver.

"(d) CONTINUATION OF INDIVIDUAL WAIVERS.—A State may elect to continue 1 or more individual waivers described in subsection (a).

"SEC. 416. ASSISTANT SECRETARY FOR FAMILY SUPPORT.

"The programs under this part and part D shall be administered by an Assistant Secretary for Family Support within the Department of Health and Human Services, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be in addition to any other Assistant Secretary of Health and Human Services provided for by law.

"SEC. 417. DEFINITIONS.

"As used in this part:

"(1) ADULT.—The term 'adult' means an individual who is not a minor child.

"(2) MINOR CHILD.—The term 'minor child' means an individual who—

"(A) has not attained 18 years of age; or

"(B) has not attained 19 years of age and is a full-time student in a secondary school (or in the equivalent level of vocational or technical training).

"(3) FISCAL YEAR.—The term 'fiscal year' means any 12-month period ending on September 30 of a calendar year.

"(4) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the terms 'Indian', 'Indian tribe', and 'tribal organization' have the meaning given such terms by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(B) SPECIAL RULE FOR INDIAN TRIBES IN ALASKA.—The term 'Indian tribe' means, with respect to the State of Alaska, only the Metlakatla Indian Community of the Annette Islands Reserve and the following Alaska Native regional nonprofit corporations:

"(i) Arctic Slope Native Association.

"(ii) Kawerak, Inc.

"(iii) Maniilaq Association.

"(iv) Association of Village Council Presidents.

"(v) Tanana Chiefs Conference.

"(vi) Cook Inlet Tribal Council.

"(vii) Bristol Bay Native Association.

"(viii) Aleutian and Pribilof Island Association.

"(ix) Chugachmuit.

"(x) Tlingit Haida Central Council.

"(xi) Kodiak Area Native Association.

"(xii) Copper River Native Association.

"(5) STATE.—Except as otherwise specifically provided, the term 'State' means the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.".

SEC. 104. SERVICES PROVIDED BY CHARITABLE, RELIGIOUS, OR PRIVATE ORGANIZATIONS.

(a) IN GENERAL.—

(1) STATE OPTIONS.—A State may—

(A) administer and provide services under the programs described in subparagraphs (A) and (B)(i) of paragraph (2) through contracts with charitable, religious, or private organizations; and

(B) provide beneficiaries of assistance under the programs described in subparagraphs (A) and (B)(ii) of paragraph (2) with certificates, vouchers, or other forms of disbursement which are redeemable with such organizations.

(2) PROGRAMS DESCRIBED.—The programs described in this paragraph are the following programs:

(A) A State program funded under part A of title IV of the Social Security Act (as amended by section 103 of this Act).

(B) Any other program established or modified under title I, II, or VI of this Act, that—

(i) permits contracts with organizations; or

(ii) permits certificates, vouchers, or other forms of disbursement to be provided to beneficiaries, as a means of providing assistance.

(b) RELIGIOUS ORGANIZATIONS.—The purpose of this section is to allow States to contract with religious organizations, or to allow religious organizations to accept certificates, vouchers, or other forms of disbursement under any program described in subsection (a)(2), on the same basis as any other nongovernmental provider without impairing the religious character of such organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under such program.

(c) NONDISCRIMINATION AGAINST RELIGIOUS ORGANIZATIONS.—In the event a State exercises its authority under subsection (a), religious organizations are eligible, on the same basis as any other private organization, as contractors to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, under any program described in subsection (a)(2) so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution. Except as provided in subsection (k), neither the Federal Government nor a State receiving funds under such programs shall discriminate against an organization which is or applies to be a contractor to provide assistance, or which accepts certificates, vouchers, or other forms of disbursement, on the basis that the organization has a religious character.

(d) RELIGIOUS CHARACTER AND FREEDOM.—

(1) RELIGIOUS ORGANIZATIONS.—A religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), shall retain its independence from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State shall require a religious organization to—

(A) alter its form of internal governance; or

(B) remove religious art, icons, scripture, or other symbols;

in order to be eligible to contract to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, funded under a program described in subsection (a)(2).

(e) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

(1) IN GENERAL.—If an individual described in paragraph (2) has an objection to the religious character of the organization or institution from which the individual receives, or would receive, assistance funded under any program described in subsection (a)(2), the State in which the individual resides shall provide such individual (if otherwise eligible for such assistance) within a reasonable period of time after the date of such objection with assistance from an alternative provider that is accessible to the individual and the value of which is not less than the value of the assistance which the individual would have received from such organization.

(2) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who receives, applies for, or requests to apply for, assistance under a program described in subsection (a)(2).

(f) EMPLOYMENT PRACTICES.—A religious organization's exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–1a) regarding employment practices shall not be affected by its participation in, or receipt of funds from, programs described in subsection (a)(2).

(g) NONDISCRIMINATION AGAINST BENEFICIARIES.—Except as otherwise provided in law, a religious organization shall not discriminate against an individual in regard to rendering assistance funded under any program described in subsection (a)(2) on the basis of religion, a religious belief, or refusal to actively participate in a religious practice.

(h) FISCAL ACCOUNTABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), any religious organization contracting to provide assistance funded under any program described in subsection (a)(2) shall be subject to the same regulations as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under such programs.

(2) LIMITED AUDIT.—If such organization segregates Federal funds provided under such programs into separate accounts, then only the financial assistance provided with such funds shall be subject to audit.

(i) COMPLIANCE.—Any party which seeks to enforce its rights under this section may assert a civil action for injunctive relief exclusively in an appropriate State court against the entity or agency that allegedly commits such violation.

(j) LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.—No funds provided directly to institutions or organizations to provide services and administer programs under subsection (a)(1)(A) shall be expended for sectarian worship, instruction, or proselytization.

(k) PREEMPTION.—Nothing in this section shall be construed to preempt any provision of a State constitution or State statute that prohibits or restricts the expenditure of State funds in or by religious organizations.

SEC. 105. CENSUS DATA ON GRANDPARENTS AS PRIMARY CAREGIVERS FOR THEIR GRANDCHILDREN.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Commerce, in carrying out section 141 of title 13, United States Code, shall expand the data collection efforts of the Bureau of the Census (in this section referred to as the "Bureau") to enable the Bureau to collect statistically significant data, in connection with its decennial census and its mid-decade census, concerning the growing trend of grandparents who are the primary caregivers for their grandchildren.

(b) EXPANDED CENSUS QUESTION.—In carrying out subsection (a), the Secretary of Commerce shall expand the Bureau's census question that details households which include both grandparents and their grandchildren. The expanded question shall be formulated to distinguish between the following households:

(1) A household in which a grandparent temporarily provides a home for a grandchild for a period of weeks or months during periods of parental distress.

(2) A household in which a grandparent provides a home for a grandchild and serves as the primary caregiver for the grandchild.

SEC. 106. REPORT ON DATA PROCESSING.

(a) IN GENERAL.—Within 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Congress a report on—

(1) the status of the automated data processing systems operated by the States to assist management in the administration of

State programs under part A of title IV of the Social Security Act (whether in effect before or after October 1, 1995); and

(2) what would be required to establish a system capable of—

(A) tracking participants in public programs over time; and

(B) checking case records of the States to determine whether individuals are participating in public programs of 2 or more States.

(b) PREFERRED CONTENTS.—The report required by subsection (a) should include—

(1) a plan for building on the automated data processing systems of the States to establish a system with the capabilities described in subsection (a)(2); and

(2) an estimate of the amount of time required to establish such a system and of the cost of establishing such a system.

SEC. 107. STUDY ON ALTERNATIVE OUTCOMES MEASURES.

(a) STUDY.—The Secretary shall, in cooperation with the States, study and analyze outcomes measures for evaluating the success of the States in moving individuals out of the welfare system through employment as an alternative to the minimum participation rates described in section 407 of the Social Security Act. The study shall include a determination as to whether such alternative outcomes measures should be applied on a national or a State-by-State basis and a preliminary assessment of the effects of section 409(a)(5)(C) of such Act.

(b) REPORT.—Not later than September 30, 1998, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report containing the findings of the study required by subsection (a).

SEC. 108. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT.

(a) AMENDMENTS TO TITLE II.—

(1) Section 205(c)(2)(C)(vi) (42 U.S.C. 405(c)(2)(C)(vi)), as so redesignated by section 321(a)(9)(B) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(A) by inserting "an agency administering a program funded under part A of title IV or" before "an agency operating"; and

(B) by striking "A or D of title IV of this Act" and inserting "D of such title".

(2) Section 228(d)(1) (42 U.S.C. 428(d)(1)) is amended by inserting "under a State program funded under" before "part A of title IV".

(b) AMENDMENT TO PART B OF TITLE IV.—Section 422(b)(2) (42 U.S.C. 622(b)(2)) is amended by striking "under the State plan approved" and inserting "under the State program funded.".

(c) AMENDMENTS TO PART D OF TITLE IV.—

(1) Section 451 (42 U.S.C. 651) is amended by striking "aid" and inserting "assistance under a State program funded".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A";

(B) by striking "such aid" and inserting "such assistance"; and

(C) by striking "under section 402(a)(26) or" and inserting "pursuant to section 408(a)(4) or under section".

(3) Section 452(a)(10)(F) (42 U.S.C. 652(a)(10)(F)) is amended—

(A) by striking "aid under a State plan approved" and inserting "assistance under a State program funded"; and

(B) by striking "in accordance with the standards referred to in section 402(a)(26)(B)(ii)" and inserting "by the State".

(4) Section 452(b) (42 U.S.C. 652(b)) is amended in the first sentence by striking "aid under the State plan approved under part A" and inserting "assistance under the State program funded under part A".

(5) Section 452(d)(3)(B)(i) (42 U.S.C. 652(d)(3)(B)(i)) is amended by striking "1115(c)" and inserting "1115(b)".

(6) Section 452(g)(2)(A)(ii)(I) (42 U.S.C. 652(g)(2)(A)(ii)(I)) is amended by striking "aid is being paid under the State's plan approved under part A or E" and inserting "assistance is being provided under the State program funded under part A".

(7) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter following clause (iii) by striking "aid was being paid under the State's plan approved under part A or E" and inserting "assistance was being provided under the State program funded under part A".

(8) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended in the matter following subparagraph (B)—

(A) by striking "who is a dependent child" and inserting "with respect to whom assistance is being provided under the State program funded under part A";

(B) by inserting "by the State agency administering the State plan approved under this part" after "found"; and

(C) by striking "under section 402(a)(26)" and inserting "with the State in establishing paternity".

(9) Section 452(h) (42 U.S.C. 652(h)) is amended by striking "under section 402(a)(26)" and inserting "pursuant to section 408(a)(4)".

(10) Section 453(c)(3) (42 U.S.C. 653(c)(3)) is amended by striking "aid under part A of this title" and inserting "assistance under a State program funded under part A".

(11) Section 454(5)(A) (42 U.S.C. 654(5)(A)) is amended—

(A) by striking "under section 402(a)(26)" and inserting "pursuant to section 408(a)(4)"; and

(B) by striking "; except that this paragraph shall not apply to such payments for any month following the first month in which the amount collected is sufficient to make such family ineligible for assistance under the State plan approved under part A;" and inserting a comma.

(12) Section 454(6)(D) (42 U.S.C. 654(6)(D)) is amended by striking "aid under a State plan approved" and inserting "assistance under a State program funded".

(13) Section 456(a)(1) (42 U.S.C. 656(a)(1)) is amended by striking "under section 402(a)(26)".

(14) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "402(a)(26)" and inserting "408(a)(4)".

(15) Section 466(b)(2) (42 U.S.C. 666(b)(2)) is amended by striking "aid" and inserting "assistance under a State program funded".

(16) Section 469(a) (42 U.S.C. 669(a)) is amended—

(A) by striking "aid under plans approved" and inserting "assistance under State programs funded"; and

(B) by striking "such aid" and inserting "such assistance".

(d) AMENDMENTS TO PART E OF TITLE IV.—

(1) Section 470 (42 U.S.C. 670) is amended—

(A) by striking "would be" and inserting "would have been"; and

(B) by inserting "(as such plan was in effect on March 1, 1996)" after "part A".

(2) Section 471(17) (42 U.S.C. 671(17)) is amended by striking "plans approved under parts A and D" and inserting "program funded under part A and plan approved under part D".

(3) Section 472(a) (42 U.S.C. 672(a)) is amended—

(A) in the matter preceding paragraph (1)—

(i) by striking "would meet" and inserting "would have met";

(ii) by inserting "(as such sections were in effect on June 1, 1995)" after "407"; and

(iii) by inserting "(as so in effect)" after "406(a)"; and

(B) in paragraph (4)—

(i) in subparagraph (A)—

(I) by inserting "would have" after "(A)"; and

(II) by inserting "(as in effect on June 1, 1995)" after "section 402"; and

(ii) in subparagraph (B)(ii), by inserting "(as in effect on June 1, 1995)" after "406(a)".

(4) Section 472(h) (42 U.S.C. 672(h)) is amended to read as follows:

"(h)(1) For purposes of title XIX, any child with respect to whom foster care maintenance payments are made under this section shall be deemed to be a dependent child as defined in section 406 (as in effect as of June 1, 1995) and shall be deemed to be a recipient of aid to families with dependent children under part A of this title (as so in effect). For purposes of title XX, any child with respect to whom foster care maintenance payments are made under this section shall be deemed to be a minor child in a needy family under a State program funded under part A and shall be deemed to be a recipient of assistance under such part.

"(2) For purposes of paragraph (1), a child whose costs in a foster family home or child care institution are covered by the foster care maintenance payments being made with respect to the child's minor parent, as provided in section 475(4)(B), shall be considered a child with respect to whom foster care maintenance payments are made under this section.".

(5) Section 473(a)(2) (42 U.S.C. 673(a)(2)) is amended—

(A) in subparagraph (A)(i)—

(i) by inserting "(as such sections were in effect on June 1, 1995)" after "407";

(ii) by inserting "(as so in effect)" after "specified in section 406(a)"; and

(iii) by inserting "(as such section was in effect on June 1, 1995)" after "403";

(B) in subparagraph (B)(i)—

(i) by inserting "would have" after "(B)(i)"; and

(ii) by inserting "(as in effect on June 1, 1995)" after "section 402"; and

(C) in subparagraph (B)(ii)(II), by inserting "(as in effect on June 1, 1995)" after "406(a)".

(6) Section 473(b) (42 U.S.C. 673(b)) is amended to read as follows:

"(b)(1) For purposes of title XIX, any child who is described in paragraph (3) shall be deemed to be a dependent child as defined in section 406 (as in effect as of June 1, 1995) and shall be deemed to be a recipient of aid to families with dependent children under part A of this title (as so in effect) in the State where such child resides.

"(2) For purposes of title XX, any child who is described in paragraph (3) shall be deemed to be a minor child in a needy family under a State program funded under part A and shall be deemed to be a recipient of assistance under such part.

"(3) A child described in this paragraph is any child—

"(A)(i) who is a child described in subsection (a)(2), and

"(ii) with respect to whom an adoption assistance agreement is in effect under this section (whether or nor adoption assistance payments are provided under the agreement or are being made under this section), including any such child who has been placed for adoption in accordance with applicable State and local law (whether or not an interlocutory or other judicial decree of adoption has been issued), or

"(B) with respect to whom foster care maintenance payments are being made under section 472.

"(4) For purposes of paragraphs (1) and (2), a child whose costs in a foster family home or child-care institution are covered by the foster care maintenance payments being made with respect to the child's minor parent, as provided in section 475(4)(B), shall be considered a child with respect to whom foster care maintenance payments are being made under section 472.".

(e) Repeal of Part F of Title IV.—Part F of title IV (42 U.S.C. 681–687) is repealed.

(f) Amendment to Title X.—Section 1002(a)(7) (42 U.S.C. 1202(a)(7)) is amended by striking "aid to families with dependent children under the State plan approved under section 402 of this Act" and inserting "assistance under a State program funded under part A of title IV".

(g) Amendments to Title XI.—

(1) Section 1108 (42 U.S.C. 1308) is amended—

(A) by redesignating subsection (c) as subsection (g);

(B) by striking all that precedes subsection (c) and inserting the following:

"SEC. 1108. ADDITIONAL GRANTS TO PUERTO RICO, THE VIRGIN ISLANDS, GUAM, AND AMERICAN SAMOA; LIMITATION ON TOTAL PAYMENTS.

"(a) Limitation on Total Payments to Each Territory.—Notwithstanding any other provision of this Act, the total amount certified by the Secretary of Health and Human Services under titles I, X, XIV, and XVI, under parts A and B of title IV, and under subsection (b) of this section, for payment to any territory for a fiscal year shall not exceed the ceiling amount for the territory for the fiscal year.

"(b) Entitlement to Matching Grant.—

"(1) In general.—Each territory shall be entitled to receive from the Secretary for each fiscal year a grant in an amount equal to 75 percent of the amount (if any) by which—

"(A) the total expenditures of the territory during the fiscal year under the territory programs funded under parts A and B of title IV; exceeds

"(B) the sum of—

"(i) the total amount required to be paid to the territory (other than with respect to child care) under former section 403 (as in effect on September 30, 1995) for fiscal year 1995, which shall be determined by applying subparagraphs (C) and (D) of section 403(a)(1) to the territory;

"(ii) the total amount required to be paid to the territory under former section 434 (as so in effect) for fiscal year 1995; and

"(iii) the total amount expended by the territory during fiscal year 1995 pursuant to parts A, B, and F of title IV (as so in effect), other than for child care.

"(2) Use of grant.—Any territory to which a grant is made under paragraph (1) may expend the amount under any program operated or funded under any provision of law specified in subsection (a).

"(c) Definitions.—As used in this section:

"(1) Territory.—The term 'territory' means Puerto Rico, the Virgin Islands, Guam, and American Samoa.

"(2) Ceiling amount.—The term 'ceiling amount' means, with respect to a territory and a fiscal year, the mandatory ceiling amount with respect to the territory plus the discretionary ceiling amount with respect to the territory, reduced for the fiscal year in accordance with subsection (f).

"(3) Mandatory ceiling amount.—The term 'mandatory ceiling amount' means—

"(A) $105,538,000 with respect to Puerto Rico;

"(B) $4,902,000 with respect to Guam;

"(C) $3,742,000 with respect to the Virgin Islands; and

"(D) $1,122,000 with respect to American Samoa.

"(4) Discretionary ceiling amount.—The term 'discretionary ceiling amount' means, with respect to a territory and a fiscal year, the total amount appropriated pursuant to subsection (d)(3) for the fiscal year for payment to the territory.

"(5) Total amount expended by the territory.—The term 'total amount expended by the territory'—

"(A) does not include expenditures during the fiscal year from amounts made available by the Federal Government; and

"(B) when used with respect to fiscal year 1995, also does not include—

"(i) expenditures during fiscal year 1995 under subsection (g) or (i) of section 402 (as in effect on September 30, 1995); or

"(ii) any expenditures during fiscal year 1995 for which the territory (but for section 1108, as in effect on September 30, 1995) would have received reimbursement from the Federal Government.

"(d) Discretionary Grants.—

"(1) In general.—The Secretary shall make a grant to each territory for any fiscal year in the amount appropriated pursuant to paragraph (3) for the fiscal year for payment to the territory.

"(2) Use of grant.—Any territory to which a grant is made under paragraph (1) may expend the amount under any program operated or funded under any provision of law specified in subsection (a).

"(3) Limitation on authorization of appropriations.—For grants under paragraph (1), there are authorized to be appropriated to the Secretary for each fiscal year—

"(A) $7,951,000 for payment to Puerto Rico;

"(B) $345,000 for payment to Guam;

"(C) $275,000 for payment to the Virgin Islands; and

"(D) $190,000 for payment to American Samoa.

"(e) Authority To Transfer Funds Among Programs.—Notwithstanding any other provision of this Act, any territory to which an amount is paid under any provision of law specified in subsection (a) may use part or all of the amount to carry out any program operated by the territory, or funded, under any other such provision of law.

"(f) Maintenance of Effort.—The ceiling amount with respect to a territory shall be reduced for a fiscal year by an amount equal to the amount (if any) by which—

"(1) the total amount expended by the territory under all programs of the territory operated pursuant to the provisions of law specified in subsection (a) (as such provisions were in effect for fiscal year 1995) for fiscal year 1995; exceeds

"(2) the total amount expended by the territory under all programs of the territory that are funded under the provisions of law specified in subsection (a) for the fiscal year that immediately precedes the fiscal year referred to in the matter preceding paragraph (1)."; and

(C) by striking subsections (d) and (e).

(2) Section 1109 (42 U.S.C. 1309) is amended by striking "or part A of title IV,".

(3) Section 1115 (42 U.S.C. 1315) is amended—

(A) in subsection (a)(2)—

(i) by inserting "(A)" after "(2)";

(ii) by striking "403,";

(iii) by striking the period at the end and inserting ", and"; and

(iv) by adding at the end the following new subparagraph:

"(B) costs of such project which would not otherwise be a permissible use of funds under part A of title IV and which are not included as part of the costs of projects under section 1110, shall to the extent and for the period prescribed by the Secretary, be regarded as a permissible use of funds under such part."; and

(B) in subsection (c)(3), by striking "under the program of aid to families with dependent children" and inserting "part A of such title".

(4) Section 1116 (42 U.S.C. 1316) is amended—

(A) in each of subsections (a)(1), (b), and (d), by striking "or part A of title IV,"; and

(B) in subsection (a)(3), by striking "404,".

(5) Section 1118 (42 U.S.C. 1318) is amended—

(A) by striking "403(a),";

(B) by striking "and part A of title IV,"; and

(C) by striking ", and shall, in the case of American Samoa, mean 75 per centum with respect to part A of title IV".

(6) Section 1119 (42 U.S.C. 1319) is amended—

(A) by striking "or part A of title IV"; and

(B) by striking "403(a),".

(7) Section 1133(a) (42 U.S.C. 1320b–3(a)) is amended by striking "or part A of title IV,".

(8) Section 1136 (42 U.S.C. 1320b–6) is repealed.

(9) Section 1137 (42 U.S.C. 1320b–7) is amended—

(A) in subsection (b), by striking paragraph (1) and inserting the following:

"(1) any State program funded under part A of title IV of this Act;"; and

(B) in subsection (d)(1)(B)—

(i) by striking "In this subsection—" and all that follows through "(ii) in" and inserting "In this subsection, in";

(ii) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii); and

(iii) by moving such redesignated material 2 ems to the left.

(h) Amendment to Title XIV.—Section 1402(a)(7) (42 U.S.C. 1352(a)(7)) is amended by striking "aid to families with dependent children under the State plan approved under section 402 of this Act" and inserting "assistance under a State program funded under part A of title IV".

(i) Amendment to Title XVI as in Effect With Respect to the Territories.—Section 1602(a)(11), as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972 (42 U.S.C. 1382 note), is amended by striking "aid under the State plan approved" and inserting "assistance under a State program funded".

(j) Amendment to Title XVI as in Effect With Respect to the States.—Section 1611(c)(5)(A) (42 U.S.C. 1382(c)(5)(A)) is amended to read as follows: "(A) a State program funded under part A of title IV,".

(k) Amendment to Title XIX.—Section 1902(j) (42 U.S.C. 1396a(j)) is amended by striking "1108(c)" and inserting "1108(g)".

SEC. 109. CONFORMING AMENDMENTS TO THE FOOD STAMP ACT OF 1977 AND RELATED PROVISIONS.

(a) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in the second sentence of subsection (a), by striking "plan approved" and all that follows through "title IV of the Social Security Act" and inserting "program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)";

(2) in subsection (d)—

(A) in paragraph (5), by striking "assistance to families with dependent children" and inserting "assistance under a State program funded"; and

(B) by striking paragraph (13) and redesignating paragraphs (14), (15), and (16) as paragraphs (13), (14), and (15), respectively;

(3) in subsection (j), by striking "plan approved under part A of title IV of such Act (42 U.S.C. 601 et seq.)" and inserting "program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.)"; and

(4) by striking subsection (m).

(b) Section 6 of such Act (7 U.S.C. 2015) is amended—

(1) in subsection (c)(5), by striking "the State plan approved" and inserting "the State program funded"; and

(2) in subsection (e)(6), by striking "aid to families with dependent children" and inserting "benefits under a State program funded".

(c) Section 16(g)(4) of such Act (7 U.S.C. 2025(g)(4)) is amended by striking "State plans under the Aid to Families with Dependent Children Program under" and inserting "State programs funded under part A of".

(d) Section 17 of such Act (7 U.S.C. 2026) is amended—

(1) in the first sentence of subsection (b)(1)(A), by striking "to aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "or are receiving assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)"; and

(2) in subsection (b)(3), by adding at the end the following new subparagraph:

"(I) The Secretary may not grant a waiver under this paragraph on or after October 1, 1995. Any reference in this paragraph to a provision of title IV of the Social Security Act shall be deemed to be a reference to such provision as in effect on September 30, 1995.";

(e) Section 20 of such Act (7 U.S.C. 2029) is amended—

(1) in subsection (a)(2)(B) by striking "operating—" and all that follows through "(ii) any other" and inserting "operating any"; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking "(b)(1) A household" and inserting "(b) A household"; and

(ii) in subparagraph (B), by striking "training program" and inserting "activity";

(B) by striking paragraph (2); and

(C) by redesignating subparagraphs (A) through (F) as paragraphs (1) through (6), respectively.

(f) Section 5(h)(1) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-186; 7 U.S.C. 612c note) is amended by striking "the program for aid to families with dependent children" and inserting "the State program funded".

(g) Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended—

(1) in subsection (b)—

(A) in paragraph (2)(C)(ii)(II)—

(i) by striking "program for aid to families with dependent children" and inserting "State program funded"; and

(ii) by inserting before the period at the end the following: "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on March 1, 1996"; and

(B) in paragraph (6)—

(i) in subparagraph (A)(ii)—

(I) by striking "an AFDC assistance unit (under the aid to families with dependent children program authorized" and inserting "a family (under the State program funded"; and

(II) by striking ", in a State" and all that follows through "9902(2)))" and inserting "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on March 1, 1996"; and

(ii) in subparagraph (B), by striking "aid to families with dependent children" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on March 1, 1996"; and

(2) in subsection (d)(2)(C)—

(A) by striking "program for aid to families with dependent children" and inserting "State program funded"; and

(B) by inserting before the period at the end the following: "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995".

(h) Section 17(d)(2)(A)(ii)(II) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(A)(ii)(II)) is amended—

(1) by striking "program for aid to families with dependent children established" and inserting "State program funded"; and

(2) by inserting before the semicolon the following: "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995".

SEC. 110. CONFORMING AMENDMENTS TO OTHER LAWS.

(a) Subsection (b) of section 508 of the Unemployment Compensation Amendments of 1976 (42 U.S.C. 603a; Public Law 94-566; 90 Stat. 2689) is amended to read as follows:

"(b) PROVISION FOR REIMBURSEMENT OF EXPENSES.—For purposes of section 455 of the Social Security Act, expenses incurred to reimburse State employment offices for furnishing information requested of such offices—

"(1) pursuant to the third sentence of section 3(a) of the Act entitled 'An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes', approved June 6, 1933 (29 U.S.C. 49b(a)), or

"(2) by a State or local agency charged with the duty of carrying a State plan for child support approved under part D of title IV of the Social Security Act,

shall be considered to constitute expenses incurred in the administration of such State plan.".

(b) Section 9121 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(c) Section 9122 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(d) Section 221 of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 602 note), relating to treatment under AFDC of certain rental payments for federally assisted housing, is repealed.

(e) Section 159 of the Tax Equity and Fiscal Responsibility Act of 1982 (42 U.S.C. 602 note) is repealed.

(f) Section 202(d) of the Social Security Amendments of 1967 (81 Stat. 882; 42 U.S.C. 602 note) is repealed.

(g) Section 903 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 11381 note), relating to demonstration projects to reduce number of AFDC families in welfare hotels, is amended—

(1) in subsection (a), by striking "aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded"; and

(2) in subsection (c), by striking "aid to families with dependent children in the State under a State plan approved" and inserting "assistance in the State under a State program funded".

(h) The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

(1) in section 404C(c)(3) (20 U.S.C. 1070a-23(c)(3)), by striking "(Aid to Families with Dependent Children)"; and

(2) in section 480(b)(2) (20 U.S.C. 1087vv(b)(2)), by striking "aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded".

(i) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) is amended—

(1) in section 231(d)(3)(A)(ii) (20 U.S.C. 2341(d)(3)(A)(ii)), by striking "the program for aid to dependent children" and inserting "the State program funded";

(2) in section 232(b)(2)(B) (20 U.S.C. 2341a(b)(2)(B)), by striking "the program for aid to families with dependent children" and inserting "the State program funded"; and

(3) in section 521(14)(B)(iii) (20 U.S.C. 2471(14)(B)(iii)), by striking "the program for aid to families with dependent children" and inserting "the State program funded".

(j) The Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.) is amended—

(1) in section 1113(a)(5) (20 U.S.C. 6313(a)(5)), by striking "Aid to Families with Dependent Children Program" and inserting "State program funded under part A of title IV of the Social Security Act";

(2) in section 1124(c)(5) (20 U.S.C. 6333(c)(5)), by striking "the program of aid to families with dependent children under a State plan approved under" and inserting "a State program funded under part A of"; and

(3) in section 5203(b)(2) (20 U.S.C. 7233(b)(2))—

(A) in subparagraph (A)(xi), by striking "Aid to Families with Dependent Children benefits" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act"; and

(B) in subparagraph (B)(viii), by striking "Aid to Families with Dependent Children" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act".

(k) Chapter VII of title I of Public Law 99-88 (25 U.S.C. 13d-1) is amended to read as follows: "*Provided further*, That general assistance payments made by the Bureau of Indian Affairs shall be made—

"(1) after April 29, 1985, and before October 1, 1995, on the basis of Aid to Families with Dependent Children (AFDC) standards of need; and

"(2) on and after October 1, 1995, on the basis of standards of need established under the State program funded under part A of title IV of the Social Security Act,

except that where a State ratably reduces its AFDC or State program payments, the Bureau shall reduce general assistance payments in such State by the same percentage as the State has reduced the AFDC or State program payment.".

(l) The Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.) is amended—

(1) in section 51(d)(9) (26 U.S.C. 51(d)(9)), by striking all that follows "agency as" and inserting "being eligible for financial assistance under part A of title IV of the Social Security Act and as having continually received such financial assistance during the 90-day period which immediately precedes the date on which such individual is hired by the employer.";

(2) in section 3304(a)(16) (26 U.S.C. 3304(a)(16)), by striking "eligibility for aid or services," and all that follows through "children approved" and inserting "eligibility for assistance, or the amount of such assistance, under a State program funded";

(3) in section 6103(l)(7)(D)(i) (26 U.S.C. 6103(l)(7)(D)(i)), by striking "aid to families with dependent children provided under a State plan approved" and inserting "a State program funded";

(4) in section 6103(l)(10) (26 U.S.C. 6103(l)(10))—

(A) by striking "(c) or (d)" each place it appears and inserting "(c), (d), or (e)"; and

(B) by adding at the end of subparagraph (B) the following new sentence: "Any return information disclosed with respect to section 6402(e) shall only be disclosed to officers and employees of the State agency requesting such information.";

(5) in section 6103(p)(4) (26 U.S.C. 6103(p)(4)), in the matter preceding subparagraph (A)—

(A) by striking "(5), (10)" and inserting "(5)"; and

(B) by striking "(9), or (12)" and inserting "(9), (10), or (12)";

(6) in section 6334(a)(11)(A) (26 U.S.C. 6334(a)(11)(A)), by striking "(relating to aid to families with dependent children)";

(7) in section 6402 (26 U.S.C. 6402)—

(A) in subsection (a), by striking "(c) and (d)" and inserting "(c), (d), and (e)";

(B) by redesignating subsections (e) through (i) as subsections (f) through (j), respectively; and

(C) by inserting after subsection (d) the following:

"(e) COLLECTION OF OVERPAYMENTS UNDER TITLE IV–A OF THE SOCIAL SECURITY ACT.—The amount of any overpayment to be refunded to the person making the overpayment shall be reduced (after reductions pursuant to subsections (c) and (d), but before a credit against future liability for an internal revenue tax) in accordance with section 405(e) of the Social Security Act (concerning recovery of overpayments to individuals under State plans approved under part A of title IV of such Act)."; and

(8) in section 7523(b)(3)(C) (26 U.S.C. 7523(b)(3)(C)), by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act".

(m) Section 3(b) of the Wagner-Peyser Act (29 U.S.C. 49b(b)) is amended by striking "State plan approved under part A of title IV" and inserting "State program funded under part A of title IV".

(n) The Job Training Partnership Act (29 U.S.C. 1501 et seq.) is amended—

(1) in section 4(29)(A)(i) (29 U.S.C. 1503(29)(A)(i)), by striking "(42 U.S.C. 601 et seq.)";

(2) in section 106(b)(6)(C) (29 U.S.C. 1516(b)(6)(C)), by striking "State aid to families with dependent children records," and inserting "records collected under the State program funded under part A of title IV of the Social Security Act,";

(3) in section 121(b)(2) (29 U.S.C. 1531(b)(2))—

(A) by striking "the JOBS program" and inserting "the work activities required under title IV of the Social Security Act"; and

(B) by striking the second sentence;

(4) in section 123(c) (29 U.S.C. 1533(c))—

(A) in paragraph (1)(E), by repealing clause (vi); and

(B) in paragraph (2)(D), by repealing clause (v);

(5) in section 203(b)(3) (29 U.S.C. 1603(b)(3)), by striking ", including recipients under the JOBS program";

(6) in subparagraphs (A) and (B) of section 204(a)(1) (29 U.S.C. 1604(a)(1) (A) and (B)), by striking "(such as the JOBS program)" each place it appears;

(7) in section 205(a) (29 U.S.C. 1605(a)), by striking paragraph (4) and inserting the following:

"(4) the portions of title IV of the Social Security Act relating to work activities;";

(8) in section 253 (29 U.S.C. 1632)—

(A) in subsection (b)(2), by repealing subparagraph (C); and

(B) in paragraphs (1)(B) and (2)(B) of subsection (c), by striking "the JOBS program or" each place it appears;

(9) in section 264 (29 U.S.C. 1644)—

(A) in subparagraphs (A) and (B) of subsection (b)(1), by striking "(such as the JOBS program)" each place it appears; and

(B) in subparagraphs (A) and (B) of subsection (d)(3), by striking "and the JOBS program" each place it appears;

(10) in section 265(b) (29 U.S.C. 1645(b)), by striking paragraph (6) and inserting the following:

"(6) the portion of title IV of the Social Security Act relating to work activities;";

(11) in the second sentence of section 429(e) (29 U.S.C. 1699(e)), by striking "and shall be in an amount that does not exceed the maximum amount that may be provided by the State pursuant to section 402(g)(1)(C) of the Social Security Act (42 U.S.C. 602(g)(1)(C))";

(12) in section 454(c) (29 U.S.C. 1734(c)), by striking "JOBS and";

(13) in section 455(b) (29 U.S.C. 1735(b)), by striking "the JOBS program,";

(14) in section 501(1) (29 U.S.C. 1791(1)), by striking "aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act";

(15) in section 506(1)(A) (29 U.S.C. 1791e(1)(A)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded";

(16) in section 508(a)(2)(A) (29 U.S.C. 1791g(a)(2)(A)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded"; and

(17) in section 701(b)(2)(A) (29 U.S.C. 1792(b)(2)(A))—

(A) in clause (v), by striking the semicolon and inserting "; and"; and

(B) by striking clause (vi).

(o) Section 3803(c)(2)(C)(iv) of title 31, United States Code, is amended to read as follows:

"(iv) assistance under a State program funded under part A of title IV of the Social Security Act".

(p) Section 2605(b)(2)(A)(i) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(b)(2)(A)(i)) is amended to read as follows:

"(i) assistance under the State program funded under part A of title IV of the Social Security Act;".

(q) Section 303(f)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note) is amended—

(1) by striking "(A)"; and

(2) by striking subparagraphs (B) and (C).

(r) The Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.) is amended—

(1) in the first section 255(h) (2 U.S.C. 905(h)), by striking "Aid to families with dependent children (75–0412–0–1–609);" and inserting "Block grants to States for temporary assistance for needy families;"; and

(2) in section 256 (2 U.S.C. 906)—

(A) by striking subsection (k); and

(B) by redesignating subsection (l) as subsection (k).

(s) The Immigration and Nationality Act (8 U.S.C. 1101 et seq.) is amended—

(1) in section 210(f) (8 U.S.C. 1160(f)), by striking "aid under a State plan approved under" each place it appears and inserting "assistance under a State program funded under";

(2) in section 245A(h) (8 U.S.C. 1255a(h))—

(A) in paragraph (1)(A)(i), by striking "program of aid to families with dependent children" and inserting "State program of assistance"; and

(B) in paragraph (2)(B), by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act"; and

(3) in section 412(e)(4) (8 U.S.C. 1522(e)(4)), by striking "State plan approved" and inserting "State program funded".

(t) Section 640(a)(4)(B)(i) of the Head Start Act (42 U.S.C. 9835(a)(4)(B)(i)) is amended by striking "program of aid to families with dependent children under a State plan approved" and inserting "State program of assistance funded".

(u) Section 9 of the Act of April 19, 1950 (64 Stat. 47, chapter 92; 25 U.S.C. 639) is repealed.

(v) Subparagraph (E) of section 213(d)(6) of the School-To-Work Opportunities Act of 1994 (20 U.S.C. 6143(d)(6)) is amended to read as follows:

"(E) part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) relating to work activities;".

(w) Section 552a(a)(8)(B)(iv)(III) of title 5, United States Code, is amended by striking "section 464 or 1137 of the Social Security Act" and inserting "section 404(e), 464, or 1137 of the Social Security Act.".

SEC. 111. DEVELOPMENT OF PROTOTYPE OF COUNTERFEIT-RESISTANT SOCIAL SECURITY CARD REQUIRED.

(a) DEVELOPMENT.—

(1) IN GENERAL.—The Commissioner of Social Security (in this section referred to as the "Commissioner") shall, in accordance with this section, develop a prototype of a counterfeit-resistant social security card. Such prototype card shall—

(A) be made of a durable, tamper-resistant material such as plastic or polyester,

(B) employ technologies that provide security features, such as magnetic stripes, holograms, and integrated circuits, and

(C) be developed so as to provide individuals with reliable proof of citizenship or legal resident alien status.

(2) ASSISTANCE BY ATTORNEY GENERAL.—The Attorney General of the United States shall provide such information and assistance as the Commissioner deems necessary to enable the Commissioner to comply with this section.

(b) STUDY AND REPORT.—

(1) IN GENERAL.—The Commissioner shall conduct a study and issue a report to Congress which examines different methods of improving the social security card application process.

(2) ELEMENTS OF STUDY.—The study shall include an evaluation of the cost and work load implications of issuing a counterfeit-resistant social security card for all individuals over a 3-, 5-, and 10-year period. The study shall also evaluate the feasibility and cost implications of imposing a user fee for replacement cards and cards issued to individuals who apply for such a card prior to the scheduled 3-, 5-, and 10-year phase-in options.

(3) DISTRIBUTION OF REPORT.—The Commissioner shall submit copies of the report described in this subsection along with a facsimile of the prototype card as described in subsection (a) to the Committees on Ways and Means and Judiciary of the House of Representatives and the Committees on Finance and Judiciary of the Senate within 1 year after the date of the enactment of this Act.

SEC. 112. DISCLOSURE OF RECEIPT OF FEDERAL FUNDS.

(a) IN GENERAL.—Whenever an organization that accepts Federal funds under this Act or the amendments made by this Act makes any communication that in any way intends to promote public support or opposition to any policy of a Federal, State, or local government through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public advertising, such communication shall state the following: "This was prepared and paid for by an organization that accepts taxpayer dollars.".

(b) FAILURE TO COMPLY.—If an organization makes any communication described in subsection (a) and fails to provide the statement required by that subsection, such organization shall be ineligible to receive Federal funds under this Act or the amendments made by this Act.

(c) DEFINITION.—For purposes of this section, the term "organization" means an organization described in section 501(c) of the Internal Revenue Code of 1986.

(d) EFFECTIVE DATES.—This section shall take effect—

(1) with respect to printed communications 1 year after the date of enactment of this Act; and

(2) with respect to any other communication on the date of enactment of this Act.

SEC. 113. MODIFICATIONS TO THE JOB OPPORTUNITIES FOR CERTAIN LOW-INCOME INDIVIDUALS PROGRAM.

Section 505 of the Family Support Act of 1988 (42 U.S.C. 1315 note) is amended—

(1) in the heading, by striking "**DEMONSTRATION**";

(2) by striking "demonstration" each place such term appears;

(3) in subsection (a), by striking "in each of fiscal years" and all that follows through "10" and inserting "shall enter into agreements with";

(4) in subsection (b)(3), by striking "aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "assistance under the program funded part A of title IV of the Social Security Act of the State in which the individual resides";

(5) in subsection (c)—

(A) in paragraph (1)(C), by striking "aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "assistance under a State program funded part A of title IV of the Social Security Act";

(B) in paragraph (2), by striking "aid to families with dependent children under title IV of such Act" and inserting "assistance under a State program funded part A of title IV of the Social Security Act";

(6) in subsection (d), by striking "job opportunities and basic skills training program (as provided for under title IV of the Social Security Act)" and inserting "the State program funded under part A of title IV of the Social Security Act"; and

(7) by striking subsections (e) through (g) and inserting the following:

"(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of conducting projects under this section, there is authorized to be appropriated an amount not to exceed $25,000,000 for any fiscal year.".

SEC. 114. SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL FOR TECHNICAL AND CONFORMING AMENDMENTS.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Health and Human Services and the Commissioner of Social Security, in consultation, as appropriate, with the heads of other Federal agencies, shall submit to the appropriate committees of Congress a legislative proposal proposing such technical and conforming amendments as are necessary to bring the law into conformity with the policy embodied in this title.

SEC. 115. APPLICATION OF CURRENT AFDC STANDARDS UNDER MEDICAID PROGRAM.

(a) IN GENERAL.—Title XIX is amended—

(1) by redesignating section 1931 as section 1932; and

(2) by inserting after section 1930 the following new section:

"APPLICATION OF AFDC STANDARDS AND METHODOLOGY

"SEC. 1931. (a)(1) Subject to the succeeding provisions of this section, with respect to a State any reference in this title (or other provision of law in relation to the operation of this title) to a provision of part A of title IV, or a State plan under such part (or a provision of such a plan), including standards and methodologies for determining income and resources under such part or plan, shall be considered a reference to such a provision or plan as in effect as of July 1, 1996, with respect to the State.

"(2) In applying section 1925(a)(1), the reference to 'section 402(a)(8)(B)(ii)(II)' is deemed a reference to a corresponding earning disregard rule (if any) established under a State program funded under part A of title IV (as in effect on and after October 1, 1996).

"(3) The provisions of section 406(h) (as in effect on July 1, 1996) shall apply, in relation to this title, with respect to individuals who receive assistance under a State program funded under part A of title IV (as in effect on and after October 1, 1996) and are eligible for medical assistance under this title or who are described in subsection (b)(1) in the same manner as they apply before such date with respect to individuals who become ineligible for aid to families with dependent children as a result (wholly or partly) of the collection or increased collection of child or spousal support under part D of title IV.

"(4) With respect to the reference in section 1902(a)(5) to a State plan approved under part A of title IV, a State may treat such reference as a reference either to a State program funded under such part (as in effect on and after October 1, 1996) or to the State plan under this title.

"(b)(1) For purposes of this title, subject to paragraph (2), in determining eligibility for medical assistance, an individual shall be deemed to be receiving aid or assistance under a State plan approved under part A of title IV (and shall be treated as meeting the income and resource standards under such part) only if the individual meets—

"(A) the income and resource standards under such plan, and

"(B) the eligibility requirements of such plan under subsections (a) through (c) of section 406 and section 407(a),

as in effect as of July 1, 1996. Subject to paragraph (2)(B), the income and resource methodologies under such plan as of such date shall be used in the determination of whether any individual meets income and resource standards under such plan.

"(2) For purposes of applying this section, a State may—

"(A) lower its income standards applicable with respect to part A of title IV, but not below the income standards applicable under its State plan under such part on May 1, 1988; and

"(B) use income and resource standards or methodologies that are less restrictive than the standards or methodologies used under the State plan under such part as of July 1, 1996.

"(3) For purposes of applying this section, a State may, subject to paragraph (4), treat all individuals (or reasonable categories of individuals) receiving assistance under the State program funded under part A of title IV (as in effect on or after October 1, 1996) as individuals who are receiving aid or assistance under a State plan approved under part A of title IV (and thereby eligible for medical assistance under this title).

"(4) For purposes of section 1925, an individual who is receiving assistance under the State program funded under part A of title IV (as in effect on or after October 1, 1996) and is eligible for medical assistance under this title shall be treated as an individual receiving aid or assistance pursuant to a plan of the State approved under part A of title IV (as in effect as of July 1, 1996) (and thereby eligible for continuation of medical assistance under such section).

"(c) In the case of a waiver of a provision of part A of title IV in effect with respect to a State as of July 1, 1996, if the waiver affects eligibility of individuals for medical assistance under this title, such waiver may (but need not) continue to be applied, at the option of the State, in relation to this title after the date the waiver would otherwise expire. If a State elects not to continue to apply such a waiver, then, after the date of the expiration of the waiver, subsection (a) shall be applied as if any provisions so waived had not been waived.

"(d) Nothing in this section, or part A of title IV, shall be construed as preventing a State from providing for the same application form for assistance under a State program funded under part A of title IV (on or after October 1, 1996) and for medical assistance under this title.

"(e) The provisions of this section shall apply notwithstanding any other provision of this title.".

(b) PLAN AMENDMENT.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) by striking "and" at the end of paragraph (61),

(2) by striking the period at the end of paragraph (62) and inserting "; and", and

(3) by inserting after paragraph (62) the following new paragraph:

"(63) provide for administration and determinations of eligibility with respect to individuals who are (or seek to be) eligible for medical assistance based on the application of section 1931.".

(c) ELIMINATION OF REQUIREMENT OF MINIMUM AFDC PAYMENT LEVELS.—(1) Section 1902(c) (42 U.S.C. 1396a(c)) is amended by striking "if—" and all that follows and inserting the following: "if the State requires individuals described in subsection (l)(1) to apply for assistance under the State program funded under part A of title IV as a condition of applying for or receiving medical assistance under this title.".

(2) Section 1903(i) (42 U.S.C. 1396b(i)) is amended by striking paragraph (9).

SEC. 116. EFFECTIVE DATE; TRANSITION RULE.

(a) IN GENERAL.—Except as otherwise provided in this title, this title and the amendments made by this title shall take effect on October 1, 1996.

(b) TRANSITION RULES.—

(1) STATE OPTION TO ACCELERATE EFFECTIVE DATE.—

(A) IN GENERAL.—If, within 3 months after the date of the enactment of this Act, the Secretary of Health and Human Services receives from a State, a plan described in section 402(a) of the Social Security Act (as added by the amendment made by section 103 of this Act), this title and the amendments made by this title (except section 409(a)(5) of the Social Security Act, as added by the amendment made by such section 103) shall also apply with respect to the State during the period that begins on the date the Secretary approves the plan and ends on September 30, 1996, except that the State shall be considered an eligible State for fiscal year 1996 for purposes of part A of title IV of the Social Security Act (as in effect pursuant to the amendment made by such section 103).

(B) LIMITATIONS ON FEDERAL OBLIGATIONS.—

(i) UNDER AFDC PROGRAM.—If the Secretary receives from a State the plan referred to in subparagraph (A), the total obligations of the Federal Government to the State under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to expenditures by the State after the date of the enactment of this Act shall not exceed an amount equal to—

(I) the State family assistance grant (as defined in section 403(a)(1)(B) of the Social Security Act (as in effect pursuant to the amendment made by section 103 of this Act)); minus

(II) any obligations of the Federal Government to the State under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to expenditures by the State during the period that begins on October 1, 1995, and ends on the day before the date of the enactment of this Act.

(ii) UNDER TEMPORARY FAMILY ASSISTANCE PROGRAM.—Notwithstanding section 403(a)(1) of the Social Security Act (as in effect pursuant to the amendment made by section 103 of this Act), the total obligations of the Federal Government to a State under such section 403(a)(1) for fiscal year 1996 after the termination of the State AFDC program shall not exceed an amount equal to—

(I) the amount described in clause (i)(I) of this subparagraph; minus

(II) any obligations of the Federal Government to the State under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to expenditures by the State on or after October 1, 1995.

(iii) CHILD CARE OBLIGATIONS EXCLUDED IN DETERMINING FEDERAL AFDC OBLIGATIONS.—As used in this subparagraph, the term "obligations of the Federal Government to the State under part A of title IV of the Social Security Act" does not include any obligation of the Federal Government with respect to child care expenditures by the State.

(C) SUBMISSION OF STATE PLAN FOR FISCAL YEAR 1996 DEEMED ACCEPTANCE OF GRANT LIMITATIONS AND FORMULA.—The submission of a plan by a State pursuant to subparagraph (A) is deemed to constitute the State's acceptance of the grant reductions under subparagraph (B)(ii) (including the formula for computing the amount of the reduction).

(D) DEFINITIONS.—As used in this paragraph:

(i) STATE AFDC PROGRAM.—The term "State AFDC program" means the State program under parts A and F of title IV of the Social Security Act (as in effect on September 30, 1995).

(ii) STATE.—The term "State" means the 50 States and the District of Columbia.

(2) CLAIMS, ACTIONS, AND PROCEEDINGS.—The amendments made by this title shall not apply with respect to—

(A) powers, duties, functions, rights, claims, penalties, or obligations applicable to aid, assistance, or services provided before the effective date of this title under the provisions amended; and

(B) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

(3) CLOSING OUT ACCOUNT FOR THOSE PROGRAMS TERMINATED OR SUBSTANTIALLY MODIFIED BY THIS TITLE.—In closing out accounts, Federal and State officials may use scientifically acceptable statistical sampling techniques. Claims made with respect to State expenditures under a State plan approved under part A of title IV of the Social Security Act (as in effect before the effective date of this Act) with respect to assistance or services provided on or before September 30, 1995, shall be treated as claims with respect to expenditures during fiscal year 1995 for purposes of reimbursement even if payment was made by a State on or after October 1, 1995. Each State shall complete the filing of all claims under the State plan (as so in effect) no later than September 30, 1997. The head of each Federal department shall—

(A) use the single audit procedure to review and resolve any claims in connection with the close out of programs under such State plans; and

(B) reimburse States for any payments made for assistance or services provided during a prior fiscal year from funds for fiscal year 1995, rather than from funds authorized by this title.

(4) CONTINUANCE IN OFFICE OF ASSISTANT SECRETARY FOR FAMILY SUPPORT.—The individual who, on the day before the effective date of this title, is serving as Assistant Secretary for Family Support within the Department of Health and Human Services shall, until a successor is appointed to such position—

(A) continue to serve in such position; and

(B) except as otherwise provided by law—

(i) continue to perform the functions of the Assistant Secretary for Family Support under section 417 of the Social Security Act (as in effect before such effective date); and

(ii) have the powers and duties of the Assistant Secretary for Family Support under section 416 of the Social Security Act (as in effect pursuant to the amendment made by section 103 of this Act).

TITLE II—SUPPLEMENTAL SECURITY INCOME

SEC. 200. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

Subtitle A—Eligibility Restrictions

SEC. 201. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

(a) IN GENERAL.—Section 1614(a) (42 U.S.C. 1382c(a)) is amended by adding at the end the following new paragraph:

"(5) An individual shall not be considered an eligible individual for the purposes of this title during the 10-year period that begins on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under title IV, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under this title.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 202. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)) is amended by inserting after paragraph (3) the following new paragraph:

"(4) A person shall not be considered an eligible individual or eligible spouse for purposes of this title with respect to any month if during such month the person is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law.".

(b) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Section 1611(e) (42 U.S.C. 1382(e)), as amended by subsection (a), is amended by inserting after paragraph (4) the following new paragraph:

"(5) Notwithstanding any other provision of law, the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address, Social Security number, and photograph (if applicable) of any recipient of benefits under this title, if the officer furnishes the Commissioner with the name of the recipient and notifies the Commissioner that—

"(A) the recipient—

"(i) is described in subparagraph (A) or (B) of paragraph (4); or

"(ii) has information that is necessary for the officer to conduct the officer's official duties; and

"(B) the location or apprehension of the recipient is within the officer's official duties.".

(c) Effective Date.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 203. VERIFICATION OF ELIGIBILITY FOR CERTAIN SSI DISABILITY BENEFITS.

Section 1631 (42 U.S.C. 1383) is amended by adding at the end the following new subsection:

"(o)(1) Notwithstanding any other provision of law, if the Commissioner of Social Security determines that an individual, who is 18 years of age or older, is eligible to receive benefits pursuant to section 1614(a)(3), the Commissioner shall, at the time of the determination, either exempt the individual from an eligibility review or establish a schedule for reviewing the individual's continuing eligibility in accordance with paragraph (2).

"(2)(A) The Commissioner shall establish a periodic review with respect to the continuing eligibility of an individual to receive benefits, unless the individual is exempt from review under subparagraph (C) or is subject to a scheduled review under subparagraph (B). A periodic review under this subparagraph shall be initiated by the Commissioner not later than 30 months after the date a determination is made that the individual is eligible for benefits and every 30 months thereafter, unless a waiver is granted under section 221(i)(2). However, the Commissioner shall not postpone the initiation of a periodic review for more than 12 months in any case in which such waiver has been granted unless exigent circumstances require such postponement.

"(B)(i) In the case of an individual, other than an individual who is exempt from review under subparagraph (C) or with respect to whom subparagraph (A) applies, the Commissioner shall schedule a review regarding the individual's continuing eligibility to receive benefits at any time the Commissioner determines, based on the evidence available, that there is a significant possibility that the individual may cease to be entitled to such benefits.

"(ii) The Commissioner may establish classifications of individuals for whom a review of continuing eligibility is scheduled based on the impairments that are the basis for such individuals' eligibility for benefits. A review of an individual covered by a classification shall be scheduled in accordance with the applicable classification, unless the Commissioner determines that applying such schedule is inconsistent with the purpose of this Act or the integrity of the supplemental security income program.

"(C)(i) The Commissioner may exempt an individual from review under this subsection, if the individual's eligibility for benefits is based on a condition that, as a practical matter, has no substantial likelihood of improving to a point where the individual will be able to perform substantial gainful activity.

"(ii) The Commissioner may establish classifications of individuals who are exempt from review under this subsection based on the impairments that are the basis for such individuals' eligibility for benefits. Notwithstanding any such classification, the Commissioner may, at the time of determining an individual's eligibility, schedule a review of such individual's continuing eligibility if the Commissioner determines that a review is necessary to preserve the integrity of the supplemental security income program.

"(3) The Commissioner may revise a determination made under paragraph (1) and schedule a review under paragraph (2)(B), if the Commissioner obtains credible evidence that an individual may no longer be eligible for benefits or the Commissioner determines that a review is necessary to maintain the integrity of the supplemental security income program. Information obtained under section 1137 may be used as the basis to schedule a review.

"(4)(A) The requirements of sections 1614(a)(4) and 1633 shall apply to reviews conducted under this subsection.

"(B) Such reviews may be conducted by the applicable State agency or the Commissioner, whichever is appropriate.

"(5) Not later than 3 months after the date of the enactment of this subsection, the Commissioner shall establish a schedule for reviewing the continuing eligibility of each individual who is receiving benefits pursuant to section 1614(a)(3) on such date of enactment and who has attained 18 years of age, unless such individual is exempt under paragraph (2)(C). Such review shall be scheduled under the procedures prescribed by or under paragraph (2), except that the reviews shall be scheduled so that the eligibility of ⅓ of all such nonexempt individuals is reviewed within 1 year after such date of enactment, the eligibility of ⅓ of such nonexempt individuals is reviewed within 1 year after such date of enactment, and all remaining nonexempt individuals who continue receiving benefits shall have their eligibility reviewed within 3 years after such date of enactment. Each individual determined eligible to continue receiving benefits in a review scheduled under this paragraph shall, at the time of the determination, be subject to paragraph (2).".

SEC. 204. TREATMENT OF PRISONERS.

(a) Implementation of Prohibition Against Payment of Benefits to Prisoners.—

(1) In general.—Section 1611(e)(1) (42 U.S.C. 1382(e)(1)) is amended by adding at the end the following new subparagraph:

"(I)(i) The Commissioner shall enter into a contract, with any interested State or local institution referred to in subparagraph (A), under which—

"(I) the institution shall provide to the Commissioner, on a monthly basis, the names, social security account numbers, dates of birth, and such other identifying information concerning the inmates of the institution as the Commissioner may require for the purpose of carrying out paragraph (1); and

"(II) the Commissioner shall pay to any such institution, with respect to each inmate of the institution who is eligible for a benefit under this title for the month preceding the first month throughout which such inmate is in such institution and becomes ineligible for such benefit (or becomes eligible only for a benefit payable at a reduced rate) as a result of the application of this paragraph, an amount not to exceed $400 if the institution furnishes the information described in subclause (I) to the Commissioner within 30 days after such individual becomes an inmate of such institution, or an amount not to exceed $200 if the institution furnishes such information after 30 days after such date but within 90 days after such date.

"(ii) The provisions of section 552a of title 5, United States Code, shall not apply to any contract entered into under clause (i) or to information exchanged pursuant to such contract.".

(2) Conforming OASDI amendments.—Section 202(x)(3) (42 U.S.C. 402(x)(3)) is amended—

(A) by inserting "(A)" after "(3)"; and

(B) by adding at the end the following new subparagraph:

"(B)(i) The Commissioner shall enter into a contract, with any interested State or local institution described in clause (i) or (ii) of paragraph (1)(A) the primary purpose of which is to confine individuals as described in paragraph (1)(A), under which—

"(I) the institution shall provide to the Commissioner, on a monthly basis, the names, social security account numbers, dates of birth, and such other identifying information concerning the individuals confined in the institution as the Commissioner may require for the purpose of carrying out paragraph (1); and

"(II) the Commissioner shall pay to any such institution, with respect to each individual who is entitled to a benefit under this title for the month preceding the first month throughout which such individual is confined in such institution as described in paragraph (1)(A), an amount not to exceed $400 if the institution furnishes the information described in subclause (I) to the Commissioner within 30 days after the date such individual's confinement in such institution begins, or an amount not to exceed $200 if the institution furnishes such information after 30 days after such date but within 90 days after such date.

"(ii) The provisions of section 552a of title 5, United States Code, shall not apply to any contract entered into under clause (i) or to information exchanged pursuant to such contract.".

(b) Denial of SSI Benefits for 10 Years to a Person Found To Have Fraudulently Obtained SSI Benefits While in Prison.—

(1) In general.—Section 1611(e)(1) (42 U.S.C. 1382(e)(1)), as amended by subsection (a)(1), is amended by adding at the end the following new subparagraph:

"(J) In any case in which the Commissioner of Social Security finds that a person has made a fraudulent statement or representation in order to obtain or to continue to receive benefits under this title while being an inmate in a penal institution, such person shall not be considered an eligible individual or eligible spouse for any month ending during the 10-year period beginning on the date on which such person ceases being such an inmate.".

(2) Effective date.—The amendment made by this subsection shall apply with respect to statements or representations made on or after the date of the enactment of this Act.

(c) Elimination of OASDI Requirement That Confinement Stem From Crime Punishable by Imprisonment for More Than 1 Year.—

(1) In general.—Section 202(x)(1)(A) (42 U.S.C. 402(x)(1)(A)) is amended—

(A) in the matter preceding clause (i), by striking "during" and inserting "throughout";

(B) in clause (i), by striking "pursuant" and all that follows through "imposed"; and

(C) in clause (ii)(I), by striking "an offense punishable by imprisonment for more than 1 year" and inserting "a criminal offense".

(2) Effective date.—The amendments made by this subsection shall be effective with respect to benefits payable for months beginning more than 180 days after the date of the enactment of this Act.

(d) Study of Other Potential Improvements in the Collection of Information Respecting Public Inmates.—

(1) Study.—The Commissioner of Social Security shall conduct a study of the desirability, feasibility, and cost of—

(A) establishing a system under which Federal, State, and local courts would furnish to the Commissioner such information respecting court orders by which individuals are confined in jails, prisons, or other public penal, correctional, or medical facilities as the Commissioner may require for the purpose of carrying out sections 202(x) and 1611(e)(1) of the Social Security Act; and

(B) requiring that State and local jails, prisons, and other institutions that enter into contracts with the Commissioner under section 202(x)(3)(B) or 1611(e)(1)(I) of the Social Security Act furnish the information required by such contracts to the Commissioner by means of an electronic or other sophisticated data exchange system.

(2) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall submit a report on the results of the study conducted pursuant to this subsection to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

SEC. 205. EFFECTIVE DATE OF APPLICATION FOR BENEFITS.

(a) IN GENERAL.—Subparagraphs (A) and (B) of section 1611(c)(7) (42 U.S.C. 1382(c)(7)) are amended to read as follows:

"(A) the first day of the month following the date such application is filed, or

"(B) the first day of the month following the date such individual becomes eligible for such benefits with respect to such application.".

(b) SPECIAL RULE RELATING TO EMERGENCY ADVANCE PAYMENTS.—Section 1631(a)(4)(A) (42 U.S.C. 1383(a)(4)(A)) is amended—

(1) by inserting "for the month following the date the application is filed" after "is presumptively eligible for such benefits"; and

(2) by inserting ", which shall be repaid through proportionate reductions in such benefits over a period of not more than 6 months" before the semicolon.

(c) CONFORMING AMENDMENTS.—

(1) Section 1614(b) (42 U.S.C. 1382c(b)) is amended by striking "at the time the application or request is filed" and inserting "on the first day of the month following the date the application or request is filed".

(2) Section 1631(g)(3) (42 U.S.C. 1382j(g)(3)) is amended by inserting "following the month" after "beginning with the month".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to applications for benefits under title XVI of the Social Security Act filed on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) BENEFITS UNDER TITLE XVI.—For purposes of this subsection, the term "benefits under title XVI of the Social Security Act" includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

SEC. 206. INSTALLMENT PAYMENT OF LARGE PAST-DUE SUPPLEMENTAL SECURITY INCOME BENEFITS.

(a) IN GENERAL.—Section 1631(a) (42 U.S.C. 1383) is amended by adding at the end the following new paragraph:

"(10)(A) If an individual is eligible for past-due monthly benefits under this title in an amount that (after any withholding for reimbursement to a State for interim assistance under subsection (g)) equals or exceeds the product of—

"(i) 12, and

"(ii) the maximum monthly benefit payable under this title to an eligible individual (or, if appropriate, to an eligible individual and eligible spouse),

then the payment of such past-due benefits (after any such reimbursement to a State) shall be made in installments as provided in subparagraph (B).

"(B)(i) The payment of past-due benefits subject to this subparagraph shall be made in not to exceed 3 installments that are made at 6-month intervals.

"(ii) Except as provided in clause (iii), the amount of each of the first and second installments may not exceed an amount equal to the product of clauses (i) and (ii) of subparagraph (A).

"(iii) In the case of an individual who has—

"(I) outstanding debt attributable to—

"(aa) food,

"(bb) clothing,

"(cc) shelter, or

"(dd) medically necessary services, supplies or equipment, or medicine; or

"(II) current expenses or expenses anticipated in the near term attributable to—

"(aa) medically necessary services, supplies or equipment, or medicine, or

"(bb) the purchase of a home, and

such debt or expenses are not subject to reimbursement by a public assistance program, the Secretary under title XVIII, a State plan approved under title XV or XIX, or any private entity legally liable to provide payment pursuant to an insurance policy, pre-paid plan, or other arrangement, the limitation specified in clause (ii) may be exceeded by an amount equal to the total of such debt and expenses.

"(C) This paragraph shall not apply to any individual who, at the time of the Commissioner's determination that such individual is eligible for the payment of past-due monthly benefits under this title—

"(i) is afflicted with a medically determinable impairment that is expected to result in death within 12 months; or

"(ii) is ineligible for benefits under this title and the Commissioner determines that such individual is likely to remain ineligible for the next 12 months.

"(D) For purposes of this paragraph, the term 'benefits under this title' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a), and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.".

(b) CONFORMING AMENDMENT.—Section 1631(a)(1) (42 U.S.C. 1383(a)(1)) is amended by inserting "(subject to paragraph (10))" immediately before "in such installments".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section are effective with respect to past-due benefits payable under title XVI of the Social Security Act after the third month following the month in which this Act is enacted.

(2) BENEFITS PAYABLE UNDER TITLE XVI.—For purposes of this subsection, the term "benefits payable under title XVI of the Social Security Act" includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

SEC. 207. RECOVERY OF SUPPLEMENTAL SECURITY INCOME OVERPAYMENTS FROM SOCIAL SECURITY BENEFITS.

(a) IN GENERAL.—Part A of title XI is amended by adding at the end the following new section:

"RECOVERY OF SSI OVERPAYMENTS FROM SOCIAL SECURITY BENEFITS

"SEC. 1146. (a) IN GENERAL.—Whenever the Commissioner of Social Security determines that more than the correct amount of any payment has been made to any person under the supplemental security income program authorized by title XVI, and the Commissioner is unable to make proper adjustment or recovery of the amount so incorrectly paid as provided in section 1631(b), the Commissioner (notwithstanding section 207) may recover the amount incorrectly paid by decreasing any amount which is payable under the Federal Old-Age and Survivors Insurance program or the Federal Disability Insurance program authorized by title II to that person or that person's estate.

"(b) NO EFFECT ON SSI BENEFIT ELIGIBILITY OR AMOUNT.—Notwithstanding subsections (a) and (b) of section 1611, in any case in which the Commissioner takes action in accordance with subsection (a) to recover an overpayment from any person, neither that person, nor any individual whose eligibility or benefit amount is determined by considering any part of that person's income, shall, as a result of such action—

"(1) become eligible under the program of supplemental security income benefits under title XVI, or

"(2) if such person or individual is already so eligible, become eligible for increased benefits thereunder.

"(c) PROGRAM UNDER TITLE XVI.—For purposes of this section, the term 'supplemental security income program authorized by title XVI' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a), and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.".

(b) CONFORMING AMENDMENTS.—

(1) Section 204 (42 U.S.C. 404) is amended by adding at the end the following new subsection:

"(g) For payments which are adjusted or withheld to recover an overpayment of supplemental security income benefits paid under title XVI (including State supplementary payments which were paid under an agreement pursuant to section 1616(a) or section 212(b) of Public Law 93–66), see section 1146.".

(2) Section 1631(b) is amended by adding at the end the following new paragraph:

"(5) For the recovery of overpayments of benefits under this title from benefits payable under title II, see section 1146.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply to overpayments outstanding on or after such date.

Subtitle B—Benefits for Disabled Children

SEC. 211. DEFINITION AND ELIGIBILITY RULES.

(a) DEFINITION OF CHILDHOOD DISABILITY.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended—

(1) in subparagraph (A), by striking "An individual" and inserting "Except as provided in subparagraph (C), an individual";

(2) in subparagraph (A), by striking "(or, in the case of an individual under the age of 18, if he suffers from any medically determinable physical or mental impairment of comparable severity)";

(3) by redesignating subparagraphs (C) through (H) as subparagraphs (D) through (I), respectively;

(4) by inserting after subparagraph (B) the following new subparagraph:

"(C) An individual under the age of 18 shall be considered disabled for the purposes of this title if that individual has a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months."; and

(5) in subparagraph (F), as so redesignated by paragraph (3) of this subsection, by striking "(D)" and inserting "(E)".

(b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

(1) MODIFICATION TO MEDICAL CRITERIA FOR EVALUATION OF MENTAL AND EMOTIONAL DISORDERS.—The Commissioner of Social Security shall modify sections 112.00C.2. and 112.02B.2.c.(2) of appendix 1 to subpart P of part 404 of title 20, Code of Federal Regulations, to eliminate references to maladaptive behavior in the domain of personal/behavorial function.

(2) DISCONTINUANCE OF INDIVIDUALIZED FUNCTIONAL ASSESSMENT.—The Commissioner of Social Security shall discontinue the individualized functional assessment for children set forth in sections 416.924d and 416.924e of title 20, Code of Federal Regulations.

(c) EFFECTIVE DATE; REGULATIONS; APPLICATION TO CURRENT RECIPIENTS.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) REGULATIONS.—The Commissioner of Social Security shall issue such regulations as the Commissioner determines to be necessary to implement the amendments made by subsections (a) and (b) not later than 60 days after the date of the enactment of this Act.

(3) APPLICATION TO CURRENT RECIPIENTS.—

(A) ELIGIBILITY DETERMINATIONS.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall redetermine the eligibility of any individual under age 18 who is receiving supplemental security income benefits based on a disability under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the amendments made by subsection (a) or (b). With respect to any redetermination under this subparagraph—

(i) section 1614(a)(4) of the Social Security Act (42 U.S.C. 1382c(a)(4)) shall not apply;

(ii) the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under title XVI of such Act;

(iii) the Commissioner shall give such redetermination priority over all continuing eligibility reviews and other reviews under such title; and

(iv) such redetermination shall be counted as a review or redetermination otherwise required to be made under section 208 of the Social Security Independence and Program Improvements Act of 1994 or any other provision of title XVI of the Social Security Act.

(B) GRANDFATHER PROVISION.—The amendments made by subsections (a) and (b), and the redetermination under subparagraph (A), shall only apply with respect to the benefits of an individual described in subparagraph (A) for months beginning on or after the date of redetermination with respect to the individual.

(C) NOTICE.—Not later than 90 days after the date of the enactment of this Act, the Commissioner of Social Security shall notify an individual described in subparagraph (A) of the provisions of this paragraph.

SEC. 212. ELIGIBILITY REDETERMINATIONS AND CONTINUING DISABILITY REVIEWS.

(a) CONTINUING DISABILITY REVIEWS RELATING TO CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as so redesignated by section 211(a)(3) of this Act, is amended—

(1) by inserting "(i)" after "(H)"; and

(2) by adding at the end the following new clause:

"(ii)(I) Not less frequently than once every 3 years, the Commissioner shall review in accordance with paragraph (4) the continued eligibility for benefits under this title of each individual who has not attained 18 years of age and is eligible for such benefits by reason of an impairment (or combination of impairments) which may improve (or, which is unlikely to improve, at the option of the Commissioner).

"(II) A parent or guardian of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.".

(b) DISABILITY ELIGIBILITY REDETERMINATIONS REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS OF AGE.—

(1) IN GENERAL.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as so redesignated by section 211(a)(3) of this Act and as amended by subsection (a) of this section, is amended by adding at the end the following new clause:

"(iii) If an individual is eligible for benefits under this title by reason of disability for the month preceding the month in which the individual attains the age of 18 years, the Commissioner shall redetermine such eligibility—

"(I) during the 1-year period beginning on the individual's 18th birthday; and

"(II) by applying the criteria used in determining the initial eligibility for applicants who have attained the age of 18 years.

With respect to a redetermination under this clause, paragraph (4) shall not apply and such redetermination shall be considered a substitute for a review or redetermination otherwise required under any other provision of this subparagraph during that 1-year period.".

(2) CONFORMING REPEAL.—Section 207 of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby repealed.

(c) CONTINUING DISABILITY REVIEW REQUIRED FOR LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as so redesignated by section 211(a)(3) of this Act and as amended by subsections (a) and (b) of this section, is amended by adding at the end the following new clause:

"(iv)(I) Not later than 12 months after the birth of an individual, the Commissioner shall review in accordance with paragraph (4) the continuing eligibility for benefits under this title by reason of disability of such individual whose low birth weight is a contributing factor material to the Commissioner's determination that the individual is disabled.

"(II) A review under subclause (I) shall be considered a substitute for a review otherwise required under any other provision of this subparagraph during that 12-month period.

"(III) A parent or guardian of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(e) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to the Secretary of Health and Human Services for the conduct of continuing disability reviews pursuant to the amendments made by this section—

(1) $200,000,000 for fiscal year 1997;

(2) $75,000,000 for fiscal year 1998; and

(3) $25,000,000 for fiscal year 1999.

SEC. 213. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.

(a) TIGHTENING OF REPRESENTATIVE PAYEE REQUIREMENTS.—

(1) CLARIFICATION OF ROLE.—Section 1631(a)(2)(B)(ii) (42 U.S.C. 1383(a)(2)(B)(ii)) is amended by striking "and" at the end of subclause (II), by striking the period at the end of subclause (IV) and inserting "; and", and by adding after subclause (IV) the following new subclause:

"(V) advise such person through the notice of award of benefits, and at such other times as the Commissioner of Social Security deems appropriate, of specific examples of appropriate expenditures of benefits under this title and the proper role of a representative payee.".

(2) DOCUMENTATION OF EXPENDITURES REQUIRED.—

(A) IN GENERAL.—Subparagraph (C)(i) of section 1631(a)(2) (42 U.S.C. 1383(a)(2)) is amended to read as follows:

"(C)(i) In any case where payment is made to a representative payee of an individual or spouse, the Commissioner of Social Security shall—

"(I) require such representative payee to document expenditures and keep contemporaneous records of transactions made using such payment; and

"(II) implement statistically valid procedures for reviewing a sample of such contemporaneous records in order to identify instances in which such representative payee is not properly using such payment.".

(B) CONFORMING AMENDMENT WITH RESPECT TO PARENT PAYEES.—Clause (ii) of section 1631(a)(2)(C) (42 U.S.C. 1383(a)(2)(C)) is amended by striking "Clause (i)" and inserting "Subclauses (II) and (III) of clause (i)".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to benefits paid after the date of the enactment of this Act.

(b) DEDICATED SAVINGS ACCOUNTS.—

(1) IN GENERAL.—Section 1631(a)(2)(B) (42 U.S.C. 1383(a)(2)(B)) is amended by adding at the end the following:

"(xiv) Notwithstanding clause (x), the Commissioner of Social Security may, at the request of the representative payee, pay any lump sum payment for the benefit of a child into a dedicated savings account that could only be used to purchase for such child—

"(I) education and job skills training;

"(II) special equipment or housing modifications or both specifically related to, and required by the nature of, the child's disability; and

"(III) appropriate therapy and rehabilitation.".

(2) DISREGARD OF TRUST FUNDS.—Section 1613(a) (42 U.S.C. 1382b(a)) is amended—

(A) by striking "and" at the end of paragraph (10),

(B) by striking the period at the end of paragraph (11) and inserting "; and", and

(C) by inserting after paragraph (11) the following:

"(12) all amounts deposited in, or interest credited to, a dedicated savings account described in section 1631(a)(2)(B)(xiv).".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to payments made after the date of the enactment of this Act.

SEC. 214. REDUCTION IN CASH BENEFITS PAYABLE TO INSTITUTIONALIZED INDIVIDUALS WHOSE MEDICAL COSTS ARE COVERED BY PRIVATE INSURANCE.

(a) IN GENERAL.—Section 1611(e)(1)(B) (42 U.S.C. 1382(e)(1)(B)) is amended—

(1) by striking "title XIX, or" and inserting "title XIX,"; and

(2) by inserting "or, in the case of an eligible individual under the age of 18 receiving payments (with respect to such individual) under any health insurance policy issued by a private provider of such insurance" after "section 1614(f)(2)(B),".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to benefits for months beginning 90 or more days after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

SEC. 215. MODIFICATION RESPECTING PARENTAL INCOME DEEMED TO DISABLED CHILDREN.

(a) IN GENERAL.—Section 1614(f)(2) (42 U.S.C. 1382c(f)(2)) is amended—

(1) by adding at the end of subparagraph (A) the following: "For purposes of the preceding sentence, the income of such parent or spouse of such parent shall be reduced by—

"(A) the allocation for basic needs described in subparagraph (C)(i); and

"(B) the earned income disregard described in subparagraph (C)(ii)."; and

(2) by adding at the end the following:

"(C)(i) The allocation for basic needs described by this clause is—

"(I) in the case of an individual who does not have a spouse, an amount equal to 50 percent of the maximum monthly benefit payable under this title to an eligible individual who does not have an eligible spouse; or

"(II) in the case of an individual who has a spouse, an amount equal to 50 percent of the maximum monthly benefit payable under this title to an eligible individual who has an eligible spouse.

"(ii) The earned income disregard described by this clause is an amount determined by deducting the first $780 per year (or proportionally smaller amounts for shorter periods) plus 64 percent of the remainder from the earned income (determined in accordance with section 1612(a)(1)) of the parent (and spouse, if any).".

(b) PRESERVATION OF MEDICAID ELIGIBILITY.—Section 1634 (42 U.S.C. 1383c) is amended by adding at the end the following:

"(f) Any child who has not attained 18 years of age and who would be eligible for a payment under this title but for the amendment made by section 215(a) of the Peronsal Responsibility and Work Opportunity Act of 1996 shall be deemed to be receiving such payment for purposes of eligibility of the child for medical assistance under a State plan approved under title XIX of this Act.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to months after 1996.

SEC. 216. GRADUATED BENEFITS FOR ADDITIONAL CHILDREN.

(a) IN GENERAL.—Section 1611(b) (42 U.S.C. 1382(b)) is amended by adding at the end the following:

"(3)(A) The benefit under this title for each eligible blind or disabled individual as determined pursuant to section 1611(a)(1) who—

"(i) is a child under the age of 18,

"(ii) lives in the same household as 1 or more persons who are also eligible blind or disabled children under the age of 18, and

"(iii) does not live in a group or foster home,

shall be equal to the applicable percentage of the amount in section 1611(b)(1), reduced by the amount of any income of such child, including income deemed to such child under section 1614(f)(2).

"(B) For purposes of this paragraph, the applicable percentage shall be determined under the following table:

"If the household has:	The applicable percentage for each eligible child is:
1 eligible child	100 percent
2 eligible children	81.2 percent
3 eligible children	71.8 percent
4 eligible children	65.9 percent
5 eligible children	61.8 percent
6 eligible children	58.5 percent
7 eligible children	55.9 percent
8 eligible children	53.5 percent
9 eligible children	51.7 percent
10 eligible children	50.2 percent
11 eligible children	48.7 percent
12 eligible children or more.	47.4 percent.".

"(C) For purposes of this paragraph, the applicable household size shall be determined by the number of eligible blind and disabled children under the age of 18 in such household whose countable income and resources do not exceed the limits specified in section 1611(a)(1).".

(b) PRESERVATION OF MEDICAID ELIGIBILITY.—Section 1634 (42 U.S.C. 1383c), as amended by section 215(b) of this Act, is amended by adding at the end the following:

"(g) Any child who has not attained 18 years of age and would be eligible for a payment under this title but for the limitation on payment amount imposed by section 1611(b)(3) shall be deemed to be receiving such benefit for purposes of establishing such child's eligibility for medical assistance under a State plan approved under title XIX.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect—

(1) on the date of the enactment of this Act, with respect to payments made on the basis of determinations of eligibility made on or after such date, and

(2) on January 1, 1998, with respect to payments made for months beginning after such date on the basis of determinations of eligibility made before the date of the enactment of this Act.

Subtitle C—State Supplementation Programs

SEC. 221. REPEAL OF MAINTENANCE OF EFFORT REQUIREMENTS APPLICABLE TO OPTIONAL STATE PROGRAMS FOR SUPPLEMENTATION OF SSI BENEFITS.

Section 1618 (42 U.S.C. 1382g) is hereby repealed.

Subtitle D—Studies Regarding Supplemental Security Income Program

SEC. 231. ANNUAL REPORT ON THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

Title XVI (42 U.S.C. 1381 et seq.), as amended by section 201(c) of this Act, is amended by adding at the end the following new section:

"ANNUAL REPORT ON PROGRAM

"SEC. 1637. (a) Not later than May 30 of each year, the Commissioner of Social Security shall prepare and deliver a report annually to the President and the Congress regarding the program under this title, including—

"(1) a comprehensive description of the program;

"(2) historical and current data on allowances and denials, including number of applications and allowance rates at initial determinations, reconsiderations, administrative law judge hearings, council of appeals hearings, and Federal court appeal hearings;

"(3) historical and current data on characteristics of recipients and program costs, by recipient group (aged, blind, work disabled adults, and children);

"(4) projections of future number of recipients and program costs, through at least 25 years;

"(5) number of redeterminations and continuing disability reviews, and the outcomes of such redeterminations and reviews;

"(6) data on the utilization of work incentives;

"(7) detailed information on administrative and other program operation costs;

"(8) summaries of relevant research undertaken by the Social Security Administration, or by other researchers;

"(9) State supplementation program operations;

"(10) a historical summary of statutory changes to this title; and

"(11) such other information as the Commissioner deems useful.

"(b) Each member of the Social Security Advisory Board shall be permitted to provide an individual report, or a joint report if agreed, of views of the program under this title, to be included in the annual report under this section.".

SEC. 232. STUDY OF DISABILITY DETERMINATION PROCESS.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, and from funds otherwise appropriated, the Commissioner of Social Security shall make arrangements with the National Academy of Sciences, or other independent entity, to conduct a study of the disability determination process under titles II and XVI of the Social Security Act. This study shall be undertaken in consultation with professionals representing appropriate disciplines.

(b) STUDY COMPONENTS.—The study described in subsection (a) shall include—

(1) an initial phase examining the appropriateness of, and making recommendations regarding—

(A) the definitions of disability in effect on the date of the enactment of this Act and the advantages and disadvantages of alternative definitions; and

(B) the operation of the disability determination process, including the appropriate method of performing comprehensive assessments of individuals under age 18 with physical and mental impairments;

(2) a second phase, which may be concurrent with the initial phase, examining the validity, reliability, and consistency with current scientific knowledge of the standards and individual listings in the Listing of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations, and of related evaluation procedures as promulgated by the Commissioner of Social Security; and

(3) such other issues as the applicable entity considers appropriate.

(c) REPORTS AND REGULATIONS.—

(1) REPORTS.—The Commissioner of Social Security shall request the applicable entity, to submit an interim report and a final report of the findings and recommendations resulting from the study described in this section to the President and the Congress not later than 18 months and 24 months, respectively, from the date of the contract for such study, and such additional reports as the Commissioner deems appropriate after consultation with the applicable entity.

(2) REGULATIONS.—The Commissioner of Social Security shall review both the interim and final reports, and shall issue regulations implementing any necessary changes following each report.

SEC. 233. STUDY BY GENERAL ACCOUNTING OFFICE.

Not later than January 1, 1998, the Comptroller General of the United States shall study and report on—

(1) the impact of the amendments made by, and the provisions of, this title on the supplemental security income program under title XVI of the Social Security Act; and

(2) extra expenses incurred by families of children receiving benefits under such title that are not covered by other Federal, State, or local programs.

Subtitle E—National Commission on the Future of Disability

SEC. 241. ESTABLISHMENT.

There is established a commission to be known as the National Commission on the Future of Disability (referred to in this subtitle as the "Commission").

SEC. 242. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—The Commission shall develop and carry out a comprehensive study of all matters related to the nature, purpose, and adequacy of all Federal programs serving individuals with disabilities. In particular, the Commission shall study the disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such Act.

(b) MATTERS STUDIED.—The Commission shall prepare an inventory of Federal programs serving individuals with disabilities, and shall examine—

(1) trends and projections regarding the size and characteristics of the population of individuals with disabilities, and the implications of such analyses for program planning;

(2) the feasibility and design of performance standards for the Nation's disability programs;

(3) the adequacy of Federal efforts in rehabilitation research and training, and opportunities to improve the lives of individuals with disabilities through all manners of scientific and engineering research; and

(4) the adequacy of policy research available to the Federal Government, and what actions might be undertaken to improve the quality and scope of such research.

(c) RECOMMENDATIONS.—The Commission shall submit to the appropriate committees of the Congress and to the President recommendations and, as appropriate, proposals for legislation, regarding—

(1) which (if any) Federal disability programs should be eliminated or augmented;

(2) what new Federal disability programs (if any) should be established;

(3) the suitability of the organization and location of disability programs within the Federal Government;

(4) other actions the Federal Government should take to prevent disabilities and disadvantages associated with disabilities; and

(5) such other matters as the Commission considers appropriate.

SEC. 243. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—

(1) IN GENERAL.—The Commission shall be composed of 15 members, of whom—

(A) five shall be appointed by the President, of whom not more than 3 shall be of the same major political party;

(B) three shall be appointed by the Majority Leader of the Senate;

(C) two shall be appointed by the Minority Leader of the Senate;

(D) three shall be appointed by the Speaker of the House of Representatives; and

(E) two shall be appointed by the Minority Leader of the House of Representatives.

(2) REPRESENTATION.—The Commission members shall be chosen based on their education, training, or experience. In appointing individuals as members of the Commission, the President and the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives shall seek to ensure that the membership of the Commission reflects the general interests of the business and taxpaying community and the diversity of individuals with disabilities in the United States.

(b) COMPTROLLER GENERAL.—The Comptroller General of the United States shall advise the Commission on the methodology and approach of the study of the Commission.

(c) TERM OF APPOINTMENT.—The members shall serve on the Commission for the life of the Commission.

(d) MEETINGS.—The Commission shall locate its headquarters in the District of Columbia, and shall meet at the call of the Chairperson, but not less than 4 times each year during the life of the Commission.

(e) QUORUM.—Ten members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(f) CHAIRPERSON AND VICE CHAIRPERSON.—Not later than 15 days after the members of the Commission are appointed, such members shall designate a Chairperson and Vice Chairperson from among the members of the Commission.

(g) CONTINUATION OF MEMBERSHIP.—If a member of the Commission becomes an officer or employee of any government after appointment to the Commission, the individual may continue as a member until a successor member is appointed.

(h) VACANCIES.—A vacancy on the Commission shall be filled in the manner in which the original appointment was made not later than 30 days after the Commission is given notice of the vacancy.

(i) COMPENSATION.—Members of the Commission shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(j) TRAVEL EXPENSES.—Each member of the Commission shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

SEC. 244. STAFF AND SUPPORT SERVICES.

(a) DIRECTOR.—

(1) APPOINTMENT.—Upon consultation with the members of the Commission, the Chairperson shall appoint a Director of the Commission.

(2) COMPENSATION.—The Director shall be paid the rate of basic pay for level V of the Executive Schedule.

(b) STAFF.—With the approval of the Commission, the Director may appoint such personnel as the Director considers appropriate.

(c) APPLICABILITY OF CIVIL SERVICE LAWS.—The staff of the Commission shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) EXPERTS AND CONSULTANTS.—With the approval of the Commission, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(e) STAFF OF FEDERAL AGENCIES.—Upon the request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist in carrying out the duties of the Commission under this subtitle.

(f) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, statistical data, and other information from the Library of Congress and agencies and elected representatives of the executive and legislative branches of the Federal Government. The Chairperson of the Commission shall make requests for such access in writing when necessary.

(g) PHYSICAL FACILITIES.—The Administrator of the General Services Administration shall locate suitable office space for the operation of the Commission. The facilities shall serve as the headquarters of the Commission and shall include all necessary equipment and incidentals required for proper functioning of the Commission.

SEC. 245. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may conduct public hearings or forums at the discretion of the Commission, at any time and place the Commission is able to secure facilities and witnesses, for the purpose of carrying out the duties of the Commission under this subtitle.

(b) DELEGATION OF AUTHORITY.—Any member or agent of the Commission may, if authorized by the Commission, take any action the Commission is authorized to take by this section.

(c) INFORMATION.—The Commission may secure directly from any Federal agency information necessary to enable the Commission to carry out its duties under this subtitle. Upon request of the Chairperson or Vice Chairperson of the Commission, the head of a Federal agency shall furnish the information to the Commission to the extent permitted by law.

(d) GIFTS, BEQUESTS, AND DEVISES.—The Commission may accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Commission. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Commission.

(e) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

SEC. 246. REPORTS.

(a) INTERIM REPORT.—Not later than 1 year prior to the date on which the Commission terminates pursuant to section 247, the Commission shall submit an interim report to the President and to the Congress. The interim report shall contain a detailed statement of the findings and conclusions of the Commission, together with the Commission's recommendations for legislative and administrative action, based on the activities of the Commission.

(b) FINAL REPORT.—Not later than the date on which the Commission terminates, the Commission shall submit to the Congress and to the President a final report containing—

(1) a detailed statement of final findings, conclusions, and recommendations; and

(2) an assessment of the extent to which recommendations of the Commission included in the interim report under subsection (a) have been implemented.

(c) PRINTING AND PUBLIC DISTRIBUTION.—Upon receipt of each report of the Commission under this section, the President shall—

(1) order the report to be printed; and

(2) make the report available to the public upon request.

SEC. 247. TERMINATION.

The Commission shall terminate on the date that is 2 years after the date on which the members of the Commission have met and designated a Chairperson and Vice Chairperson.

SEC. 248. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out the purposes of the Commission.

TITLE III—CHILD SUPPORT

SEC. 300. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, where ever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

Subtitle A—Eligibility for Services; Distribution of Payments

SEC. 301. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES.

(a) STATE PLAN REQUIREMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking paragraph (4) and inserting the following new paragraph:

"(4) provide that the State will—

"(A) provide services relating to the establishment of paternity or the establishment, modification, or enforcement of child support obligations, as appropriate, under the plan with respect to—

"(i) each child for whom (I) assistance is provided under the State program funded under part A of this title, (II) benefits or services for foster care maintenance and adoption assistance are provided under the State program funded under part B of this title, or (III) medical assistance is provided under the State plan approved under title XIX, unless the State agency administering the plan determines (in accordance with paragraph (29)) that it is against the best interests of the child to do so; and

"(ii) any other child, if an individual applies for such services with respect to the child; and

"(B) enforce any support obligation established with respect to—

"(i) a child with respect to whom the State provides services under the plan; or

"(ii) the custodial parent of such a child."; and

(2) in paragraph (6)—

(A) by striking "provide that" and inserting "provide that—";

(B) by striking subparagraph (A) and inserting the following new subparagraph:

"(A) services under the plan shall be made available to residents of other States on the same terms as to residents of the State submitting the plan;";

(C) in subparagraph (B), by inserting "on individuals not receiving assistance under any State program funded under part A" after "such services shall be imposed";

(D) in each of subparagraphs (B), (C), (D), and (E)—

(i) by indenting the subparagraph in the same manner as, and aligning the left margin of the subparagraph with the left margin of, the matter inserted by subparagraph (B) of this paragraph; and

(ii) by striking the final comma and inserting a semicolon; and

(E) in subparagraph (E), by indenting each of clauses (i) and (ii) 2 additional ems.

(b) CONTINUATION OF SERVICES FOR FAMILIES CEASING TO RECEIVE ASSISTANCE UNDER THE STATE PROGRAM FUNDED UNDER PART A.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking "and" at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting "; and"; and

(3) by adding after paragraph (24) the following new paragraph:

"(25) provide that if a family with respect to which services are provided under the plan ceases to receive assistance under the State program funded under part A, the State shall provide appropriate notice to the family and continue to provide such services, subject to the same conditions and on the same basis as in the case of other individuals to whom services are furnished under the plan, except that an application or other request to continue services shall not be required of such a family and paragraph (6)(B) shall not apply to the family.".

(c) CONFORMING AMENDMENTS.—

(1) Section 452(b) (42 U.S.C. 652(b)) is amended by striking "454(6)" and inserting "454(4)".

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking "454(6)" each place it appears and inserting "454(4)(A)(ii)".

(3) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "in the case of overdue support which a State has agreed to collect under section 454(6)" and inserting "in any other case".

(4) Section 466(e) (42 U.S.C. 666(e)) is amended by striking "paragraph (4) or (6) of section 454" and inserting "section 454(4)".

SEC. 302. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.

(a) IN GENERAL.—Section 457 (42 U.S.C. 657) is amended to read as follows:

"SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.

"(a) IN GENERAL.—An amount collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

"(1) FAMILIES RECEIVING ASSISTANCE.—In the case of a family receiving assistance from the State, the State shall—

"(A) pay to the Federal Government the Federal share of the amount so collected; and

"(B) retain, or distribute to the family, the State share of the amount so collected.

"(2) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.—In the case of a family that formerly received assistance from the State:

"(A) CURRENT SUPPORT PAYMENTS.—To the extent that the amount so collected does not exceed the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected to the family.

"(B) PAYMENTS OF ARREARAGES.—To the extent that the amount so collected exceeds the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected as follows:

"(i) DISTRIBUTION OF ARREARAGES THAT ACCRUED AFTER THE FAMILY CEASED TO RECEIVE ASSISTANCE.—

"(I) PRE-OCTOBER 1997.—The provisions of this section (other than subsection (b)(1)) as in effect and applied on the day before the date of the enactment of section 302 of the Bipartisan Welfare Reform Act of 1996 shall apply with respect to the distribution of support arrearages that—

"(aa) accrued after the family ceased to receive assistance, and

"(bb) are collected before October 1, 1997.

"(II) POST-SEPTEMBER 1997.—With respect the amount so collected on or after October 1, 1997, or before such date, at the option of the State—

"(aa) IN GENERAL.—The State shall first distribute the amount so collected (other than any amount described in clause (iv)) to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued after the family ceased to receive assistance from the State.

"(bb) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—After the application of division (aa) and clause (ii)(II)(aa) with respect to the amount so collected, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share (as defined in subsection (c)(2)(A)) of the amount so collected, but only to the extent necessary to reimburse amounts paid to the family as assistance by the State.

"(cc) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither division (aa) nor division (bb) applies to the amount so collected, the State shall distribute the amount to the family.

"(ii) DISTRIBUTION OF ARREARAGES THAT ACCRUED BEFORE THE FAMILY RECEIVED ASSISTANCE.—

"(I) PRE-OCTOBER 2000.—The provisions of this section (other than subsection (b)(1)) as in effect and applied on the day before the date of the enactment of section 302 of the Bipartisan Welfare Reform Act of 1996 shall apply with respect to the distribution of support arrearages that—

"(aa) accrued before the family received assistance, and

"(bb) are collected before October 1, 2000.

"(II) POST-SEPTEMBER 2000.—Unless, based on the report required by paragraph (4), the Congress determines otherwise, with respect to the amount so collected on or after October 1, 2000, or before such date, at the option of the State—

"(aa) IN GENERAL.—The State shall first distribute the amount so collected (other than any amount described in clause (iv)) to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued before the family received assistance from the State.

"(bb) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—After the application of clause (i)(II)(aa) and division (aa) with respect to the amount so collected, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share (as defined in subsection (c)(2)) of the amount so collected, but only to the extent necessary to reimburse of the amounts paid to the family as assistance by the State.

"(cc) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither division (aa) nor division (bb) applies to the amount so collected, the State shall distribute the amount to the family.

"(iii) DISTRIBUTION OF ARREARAGES THAT ACCRUED WHILE THE FAMILY RECEIVED ASSISTANCE.—In the case of a family described in this subparagraph, the provisions of paragraph (1) shall apply with respect to the distribution of support arrearages that accrued while the family received assistance.

"(iv) AMOUNTS COLLECTED PURSUANT TO SECTION 464.—Notwithstanding any other provision of this section, any amount of support collected pursuant to section 464 shall be retained by the State to the extent necessary to reimburse amounts paid to the family as assistance by the State. The State shall pay to the Federal Government the Federal share of the amounts so retained. To the extent the amount collected pursuant to section 464 exceeds the amount so retained, the State shall distribute the excess to the family.

"(v) ORDERING RULES FOR DISTRIBUTIONS.—For purposes of this subparagraph, the State shall treat any support arrearages collected as accruing in the following order:

"(I) to the period after the family ceased to receive assistance;

"(II) to the period before the family received assistance; and

"(III) to the period while the family was receiving assistance.

"(3) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall distribute the amount so collected to the family.

"(4) STUDY AND REPORT.—Not later than October 1, 1998, the Secretary shall report to the Congress the Secretary's findings with respect to—

"(A) whether the distribution of post-assistance arrearages to families has been effective in moving people off of welfare and keeping them off of welfare;

"(B) whether early implementation of a pre-assistance arrearage program by some States has been effective in moving people off of welfare and keeping them off of welfare;

"(C) what the overall impact has been of the amendments made by the Bipartisan Welfare Reform Act of 1996 with respect to child support enforcement in moving people off of welfare and keeping them off of welfare; and

"(D) based on the information and data the Secretary has obtained, what changes, if any, should be made in the policies related to the distribution of child support arrearages.

"(b) CONTINUATION OF ASSIGNMENTS.—Any rights to support obligations, which were assigned to a State as a condition of receiving assistance from the State under part A and which were in effect on the day before the date of the enactment of the Bipartisan Welfare Reform Act of 1996, shall remain assigned after such date.

"(c) DEFINITIONS.—As used in subsection (a):

"(1) ASSISTANCE.—The term 'assistance from the State' means—

"(A) assistance under the State program funded under part A or under the State plan approved under part A of this title (as in effect on the day before the date of the enactment of the Bipartisan Welfare Reform Act of 1996); or

"(B) benefits under the State plan approved under part E of this title (as in effect on the day before the date of the enactment of the Bipartisan Welfare Reform Act of 1996).

"(2) FEDERAL SHARE.—The term 'Federal share' means that portion of the amount collected resulting from the application of the Federal medical percentage in effect for the fiscal year in which the amount is collected.

"(3) FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—The term 'Federal medical assistance percentage' means—

"(A) the Federal medical assistance percentage (as defined in section 1118), in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa; or

"(B) the Federal medical assistance percentage (as defined in section 1905(b)) in the case of any other State.

"(4) STATE SHARE.—The term 'State share' means 100 percent minus the Federal share.

"(d) HOLD HARMLESS PROVISION.—If the amounts collected which could be retained by the State in the fiscal year (to the extent necessary to reimburse the State for amounts paid to families as assistance by the State) are less than the State share of the amounts collected in fiscal year 1995 (determined in accordance with section 457 as in effect on the day before the date of the enactment of the Bipartisan Welfare Reform Act of 1996), the State share for the fiscal year shall be an amount equal to the State share in fiscal year 1995.".

(b) CONFORMING AMENDMENTS.—

(1) Section 464(a)(1) (42 U.S.C. 664(a)(1)) is amended by striking "section 457(b)(4) or (d)(3)" and inserting "section 457".

(2) Section 454 (42 U.S.C. 654) is amended—

(A) in paragraph (11)—

(i) by striking "(11)" and inserting "(11)(A)"; and

(ii) by inserting after the semicolon "and"; and

(B) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall be effective on October 1, 1996, or earlier at the State's option.

(2) CONFORMING AMENDMENTS.—The amendments made by subsection (b)(2) shall become effective on the date of the enactment of this Act.

SEC. 303. PRIVACY SAFEGUARDS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by section 301(b) of this Act, is amended—

(1) by striking "and" at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting "; and"; and

(3) by adding after paragraph (25) the following new paragraph:

"(26) will have in effect safeguards, applicable to all confidential information handled by the State agency, that are designed to protect the privacy rights of the parties, including—

"(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

"(B) prohibitions against the release of information on the whereabouts of 1 party to another party against whom a protective order with respect to the former party has been entered; and

"(C) prohibitions against the release of information on the whereabouts of 1 party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

SEC. 304. RIGHTS TO NOTIFICATION AND HEARINGS.

(a) IN GENERAL.—Section 454 (42 U.S.C. 654), as amended by section 302(b)(2) of this Act, is amended by inserting after paragraph (11) the following new paragraph:

"(12) provide for the establishment of procedures to require the State to provide individuals who are applying for or receiving services under the State plan, or who are parties to cases in which services are being provided under the State plan—

"(A) with notice of all proceedings in which support obligations might be established or modified; and

"(B) with a copy of any order establishing or modifying a child support obligation, or (in the case of a petition for modification) a notice of determination that there should be no change in the amount of the child support award, within 14 days after issuance of such order or determination;".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

Subtitle B—Locate and Case Tracking

SEC. 311. STATE CASE REGISTRY.

Section 454A, as added by section 344(a)(2) of this Act, is amended by adding at the end the following new subsections:

"(e) STATE CASE REGISTRY.—

"(1) CONTENTS.—The automated system required by this section shall include a registry (which shall be known as the 'State case registry') that contains records with respect to—

"(A) each case in which services are being provided by the State agency under the State plan approved under this part; and

"(B) each support order established or modified in the State on or after October 1, 1998.

"(2) LINKING OF LOCAL REGISTRIES.—The State case registry may be established by linking local case registries of support orders through an automated information network, subject to this section.

"(3) USE OF STANDARDIZED DATA ELEMENTS.—Such records shall use standardized data elements for both parents (such as names, social security numbers and other uniform identification numbers, dates of birth, and case identification numbers), and contain such other information (such as on-case status) as the Secretary may require.

"(4) PAYMENT RECORDS.—Each case record in the State case registry with respect to which services are being provided under the State plan approved under this part and with respect to which a support order has been established shall include a record of—

"(A) the amount of monthly (or other periodic) support owed under the order, and other amounts (including arrearages, interest or late payment penalties, and fees) due or overdue under the order;

"(B) any amount described in subparagraph (A) that has been collected;

"(C) the distribution of such collected amounts;

"(D) the birth date of any child for whom the order requires the provision of support; and

"(E) the amount of any lien imposed with respect to the order pursuant to section 466(a)(4).

"(5) UPDATING AND MONITORING.—The State agency operating the automated system required by this section shall promptly establish and maintain, and regularly monitor, case records in the State case registry with respect to which services are being provided under the State plan approved under this part, on the basis of—

"(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

"(B) information obtained from comparison with Federal, State, or local sources of information;

"(C) information on support collections and distributions; and

"(D) any other relevant information.

"(f) INFORMATION COMPARISONS AND OTHER DISCLOSURES OF INFORMATION.—The State shall use the automated system required by this section to extract information from (at such times, and in such standardized format or formats, as may be required by the Secretary), to share and compare information with, and to receive information from, other data bases and information comparison services, in order to obtain (or provide) information necessary to enable the State agency (or the Secretary or other State or Federal agencies) to carry out this part, subject to section 6103 of the Internal Revenue Code of 1986. Such information comparison activities shall include the following:

"(1) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—Furnishing to the Federal Case Registry of Child Support Orders established under section 453(h) (and update as necessary, with information including notice of expiration of orders) the minimum amount of information on child support cases recorded in the State case registry that is necessary to operate the registry (as specified by the Secretary in regulations).

"(2) FEDERAL PARENT LOCATOR SERVICE.—Exchanging information with the Federal Parent Locator Service for the purposes specified in section 453.

"(3) TEMPORARY FAMILY ASSISTANCE AND MEDICAID AGENCIES.—Exchanging information with State agencies (of the State and of other States) administering programs funded under part A, programs operated under State plans under title XIX, and other programs designated by the Secretary, as necessary to perform State agency responsibilities under this part and under such programs.

"(4) INTRASTATE AND INTERSTATE INFORMATION COMPARISONS.—Exchanging information with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part.".

SEC. 312. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 301(b) and 303(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting "; and"; and

(3) by adding after paragraph (26) the following new paragraph:

"(27) provide that, on and after October 1, 1998, the State agency will—

"(A) operate a State disbursement unit in accordance with section 454B; and

"(B) have sufficient State staff (consisting of State employees) and (at State option) contractors reporting directly to the State agency to—

"(i) monitor and enforce support collections through the unit in cases being enforced by the State pursuant to section 454(4) (including carrying out the automated data processing responsibilities described in section 454A(g)); and

"(ii) take the actions described in section 466(c)(1) in appropriate cases.".

(b) ESTABLISHMENT OF STATE DISBURSEMENT UNIT.—Part D of title IV (42 U.S.C. 651-669), as amended by section 344(a)(2) of this Act, is amended by inserting after section 454A the following new section:

"SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

"(a) STATE DISBURSEMENT UNIT.—

"(1) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency must establish and operate a unit (which shall be known as the 'State disbursement unit') for the collection and disbursement of payments under support orders—

"(A) in all cases being enforced by the State pursuant to section 454(4); and

"(B) in all cases not being enforced by the State under this part in which the support order is initially issued in the State on or after January 1, 1994, and in which the wages of the absent parent are subject to withholding pursuant to section 466(a)(8)(B).

"(2) OPERATION.—The State disbursement unit shall be operated—

"(A) directly by the State agency (or 2 or more State agencies under a regional cooperative agreement), or (to the extent appropriate) by a contractor responsible directly to the State agency; and

"(B) except in cases described in paragraph (1)(B), in coordination with the automated system established by the State pursuant to section 454A.

"(3) LINKING OF LOCAL DISBURSEMENT UNITS.—The State disbursement unit may be established by linking local disbursement units through an automated information network, subject to this section, if the Secretary agrees that the system will not cost more nor take more time to establish or operate than a centralized system. In addition, employers shall be given 1 location to which income withholding is sent.

"(b) REQUIRED PROCEDURES.—The State disbursement unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

"(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the agencies of other States;

"(2) for accurate identification of payments;

"(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

"(4) to furnish to any parent, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

"(c) TIMING OF DISBURSEMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the State disbursement unit shall distribute all amounts payable under section 457(a) within 2 business days after receipt from the employer or other source of periodic income, if sufficient information identifying the payee is provided.

"(2) PERMISSIVE RETENTION OF ARREARAGES.—The State disbursement unit may delay the distribution of collections toward arrearages until the resolution of any timely appeal with respect to such arrearages.

"(d) BUSINESS DAY DEFINED.—As used in this section, the term 'business day' means a day on which State offices are open for regular business.".

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 344(a)(2) and as amended by section 311 of this Act, is amended by adding at the end the following new subsection:

"(g) COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—

"(1) IN GENERAL.—The State shall use the automated system required by this section, to the maximum extent feasible, to assist and facilitate the collection and disbursement of support payments through the State disbursement unit operated under section 454B, through the performance of functions, including, at a minimum—

"(A) transmission of orders and notices to employers (and other debtors) for the withholding of wages and other income—

"(i) within 2 business days after receipt from a court, another State, an employer, the Federal Parent Locator Service, or another source recognized by the State of notice of, and the income source subject to, such withholding; and

"(ii) using uniform formats prescribed by the Secretary;

"(B) ongoing monitoring to promptly identify failures to make timely payment of support; and

"(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 466(c)) if payments are not timely made.

"(2) BUSINESS DAY DEFINED.—As used in paragraph (1), the term 'business day' means a day on which State offices are open for regular business.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1998.

SEC. 313. STATE DIRECTORY OF NEW HIRES.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a) and 312(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting "; and"; and

(3) by adding after paragraph (27) the following new paragraph:

"(28) provide that, on and after October 1, 1997, the State will operate a State Directory of New Hires in accordance with section 453A.".

(b) STATE DIRECTORY OF NEW HIRES.—Part D of title IV (42 U.S.C. 651-669) is amended by inserting after section 453 the following new section:

"SEC. 453A. STATE DIRECTORY OF NEW HIRES.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—

"(A) REQUIREMENT FOR STATES THAT HAVE NO DIRECTORY.—Except as provided in subparagraph (B), not later than October 1, 1997, each State shall establish an automated directory (to be known as the 'State Directory of New Hires') which shall contain information supplied in accordance with subsection (b) by employers on each newly hired employee.

"(B) STATES WITH NEW HIRE REPORTING IN EXISTENCE.—A State which has a new hire reporting law in existence on the date of the enactment of this section may continue to operate under the State law, but the State must meet the requirements of this section (other than subsection (f)) not later than October 1, 1997.

"(2) DEFINITIONS.—As used in this section:

"(A) EMPLOYEE.—The term 'employee'—

"(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and

"(ii) does not include an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting pursuant to paragraph (1) with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

"(B) EMPLOYER.—

"(i) IN GENERAL.—The term 'employer' has the meaning given such term in section 3401(d) of the Internal Revenue Code of 1996 and includes any governmental entity and any labor organization.

"(ii) LABOR ORGANIZATION.—The term 'labor organization' shall have the meaning given such term in section 2(5) of the National Labor Relations Act, and includes any entity (also known as a 'hiring hall') which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.

"(b) EMPLOYER INFORMATION.—

"(1) REPORTING REQUIREMENT.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), each employer shall furnish to the Directory of New Hires of the State in which a newly hired employee works, a report that contains the name, address, and social security number of the employee, and the name and address of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(B) MULTISTATE EMPLOYERS.—An employer that has employees who are employed in 2 or more States and that transmits reports magnetically or electronically may comply with subparagraph (A) by designating 1 State in which such employer has employees to which the employer will transmit the report described in subparagraph (A), and transmitting such report to such State. Any employer that transmits reports pursuant to this subparagraph shall notify the Secretary in writing as to which State such employer designates for the purpose of sending reports.

"(C) FEDERAL GOVERNMENT EMPLOYERS.—Any department, agency, or instrumentality of the United States shall comply with subparagraph (A) by transmitting the report described in subparagraph (A) to the National Directory of New Hires established pursuant to section 453.

"(2) TIMING OF REPORT.—Each State may provide the time within which the report required by paragraph (1) shall be made with respect to an employee, but such report shall be made—

"(A) not later than 20 days after the date the employer hires the employee; or

"(B) in the case of an employer transmitting reports magnetically or electronically, by 2 monthly transmissions (if necessary) not less than 12 days nor more than 16 days apart.

"(c) REPORTING FORMAT AND METHOD.—Each report required by subsection (b) shall be made on a W-4 form or, at the option of the employer, an equivalent form, and may be transmitted by 1st class mail, magnetically, or electronically.

"(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—The State shall have the option to set a State civil money penalty which shall be less than—

"(1) $25; or

"(2) $500 if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.

"(e) ENTRY OF EMPLOYER INFORMATION.—Information shall be entered into the data base maintained by the State Directory of New Hires within 5 business days of receipt from an employer pursuant to subsection (b).

"(f) INFORMATION COMPARISONS.—

"(1) IN GENERAL.—Not later than May 1, 1998, an agency designated by the State shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

"(2) NOTICE OF MATCH.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to the employer.

"(g) TRANSMISSION OF INFORMATION.—

"(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the wages of the employee an amount equal to the monthly (or other periodic) child support obligation (including any past due support obligation) of the employee, unless the employee's wages are not subject to withholding pursuant to section 466(b)(3).

"(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—

"(A) NEW HIRE INFORMATION.—Within 3 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

"(B) WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of Health and Human Services shall specify in regulations.

"(3) BUSINESS DAY DEFINED.—As used in this subsection, the term 'business day' means a day on which State offices are open for regular business.

"(h) OTHER USES OF NEW HIRE INFORMATION.—

"(1) LOCATION OF CHILD SUPPORT OBLIGORS.—The agency administering the State plan approved under this part shall use information received pursuant to subsection (f)(2) to locate individuals for purposes of establishing paternity and establishing, modifying, and enforcing child support obligations.

"(2) VERIFICATION OF ELIGIBILITY FOR CERTAIN PROGRAMS.—A State agency responsible for administering a program specified in section 1137(b) shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for the program.

"(3) ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS' COMPENSATION.—State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) for the purposes of administering such programs.".

(c) QUARTERLY WAGE REPORTING.—Section 1137(a)(3) (42 U.S.C. 1320b-7(a)(3)) is amended—

(1) by inserting "(including State and local governmental entities and labor organizations (as defined in section 453A(a)(2)(B)(iii))" after "employers"; and

(2) by inserting ", and except that no report shall be filed with respect to an employee of a State or local agency performing intelligence or counterintelligence functions, if the head of such agency has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission" after "paragraph (2)".

SEC. 314. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—

(1) IN GENERAL.—Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

"(1)(A) Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

"(B) Procedures under which the wages of a person with a support obligation imposed by a support order issued (or modified) in the State before October 1, 1996, if not otherwise subject to withholding under subsection (b), shall become subject to withholding as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.".

(2) CONFORMING AMENDMENTS.—

(A) Section 466(b) (42 U.S.C. 666(b)) is amended in the matter preceding paragraph (1), by striking "subsection (a)(1)" and inserting "subsection (a)(1)(A)".

(B) Section 466(b)(4) (42 U.S.C. 666(b)(4)) is amended to read as follows:

"(4)(A) Such withholding must be carried out in full compliance with all procedural due process requirements of the State, and the State must send notice to each noncustodial parent to whom paragraph (1) applies—

"(i) that the withholding has commenced; and

"(ii) of the procedures to follow if the noncustodial parent desires to contest such withholding on the grounds that the withholding or the amount withheld is improper due to a mistake of fact.

"(B) The notice under subparagraph (A) of this paragraph shall include the information provided to the employer under paragraph (6)(A).".

(C) Section 466(b)(5) (42 U.S.C. 666(b)(5)) is amended by striking all that follows "administered by" and inserting "the State through the State disbursement unit established pursuant to section 454B, in accordance with the requirements of section 454B.".

(D) Section 466(b)(6)(A) (42 U.S.C. 666(b)(6)(A)) is amended—

(i) in clause (i), by striking "to the appropriate agency" and all that follows and inserting "to the State disbursement unit within 2 business days after the date the amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part. The employer shall comply with the procedural rules relating to income withholding of the State in which the employee works, regardless of the State where the notice originates.".

(ii) in clause (ii), by inserting "be in a standard format prescribed by the Secretary, and" after "shall"; and

(iii) by adding at the end the following new clause:

"(iii) As used in this subparagraph, the term 'business day' means a day on which State offices are open for regular business.".

(E) Section 466(b)(6)(D) (42 U.S.C. 666(b)(6)(D)) is amended by striking "any employer" and all that follows and inserting "any employer who—

"(i) discharges from employment, refuses to employ, or takes disciplinary action against any noncustodial parent subject to wage withholding required by this subsection because of the existence of such withholding and the obligations or additional obligations which it imposes upon the employer; or

"(ii) fails to withhold support from wages, or to pay such amounts to the State disbursement unit in accordance with this subsection.".

(F) Section 466(b) (42 U.S.C. 666(b)) is amended by adding at the end the following new paragraph:

"(11) Procedures under which the agency administering the State plan approved under this part may execute a withholding order without advance notice to the obligor, including issuing the withholding order through electronic means.".

(b) Conforming Amendment.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

SEC. 315. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)) is amended by adding at the end the following new paragraph:

"(12) Locator information from interstate networks.—Procedures to ensure that all Federal and State agencies conducting activities under this part have access to any system used by the State to locate an individual for purposes relating to motor vehicles or law enforcement.".

SEC. 316. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.

(a) Expanded Authority To Locate Individuals and Assets.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows "subsection (c))" and inserting ", for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations, or enforcing child custody or visitation orders—

"(1) information on, or facilitating the discovery of, the location of any individual—

"(A) who is under an obligation to pay child support or provide child custody or visitation rights;

"(B) against whom such an obligation is sought;

"(C) to whom such an obligation is owed,

including the individual's social security number (or numbers), most recent address, and the name, address, and employer identification number of the individual's employer;

"(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage); and

"(3) information on the type, status, location, and amount of any assets of, or debts owed by or to, any such individual."; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "social security" and all that follows through "absent parent" and inserting "information described in subsection (a)"; and

(B) in the flush paragraph at the end, by adding the following: "No information shall be disclosed to any person if the State has notified the Secretary that the State has reasonable evidence of domestic violence or child abuse and the disclosure of such information could be harmful to the custodial parent or the child of such parent. Information received or transmitted pursuant to this section shall be subject to the safeguard provisions contained in section 454(26).".

(b) Authorized Person for Information Regarding Visitation Rights.—Section 453(c) (42 U.S.C. 653(c)) is amended—

(1) in paragraph (1), by striking "support" and inserting "support or to seek to enforce orders providing child custody or visitation rights"; and

(2) in paragraph (2), by striking ", or any agent of such court; and" and inserting "or to issue an order against a resident parent for child custody or visitation rights, or any agent of such court;".

(c) Reimbursement for Information From Federal Agencies.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the 4th sentence by inserting "in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information)" before the period.

(d) Reimbursement for Reports by State Agencies.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following new subsection:

"(g) Reimbursement for Reports by State Agencies.—The Secretary may reimburse Federal and State agencies for the costs incurred by such entities in furnishing information requested by the Secretary under this section in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information).".

(e) Conforming Amendments.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), 663(e), and 663(f)) are each amended by inserting "Federal" before "Parent" each place such term appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding "FEDERAL" before "PARENT".

(f) New Components.—Section 453 (42 U.S.C. 653), as amended by subsection (d) of this section, is amended by adding at the end the following new subsections:

"(h) Federal Case Registry of Child Support Orders.—

"(1) In general.—Not later than October 1, 1998, in order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry (which shall be known as the 'Federal Case Registry of Child Support Orders'), which shall contain abstracts of support orders and other information described in paragraph (2) with respect to each case in each State case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

"(2) Case information.—The information referred to in paragraph (1) with respect to a case shall be such information as the Secretary may specify in regulations (including the names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have the case.

"(i) National Directory of New Hires.—

"(1) In general.—In order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall, not later than October 1, 1996, establish and maintain in the Federal Parent Locator Service an automated directory to be known as the National Directory of New Hires, which shall contain the information supplied pursuant to section 453A(g)(2).

"(2) Entry of data.—Information shall be entered into the data base maintained by the National Directory of New Hires within 2 business days of receipt pursuant to section 453A(g)(2).

"(3) Administration of federal tax laws.—The Secretary of the Treasury shall have access to the information in the National Directory of New Hires for purposes of administering section 32 of the Internal Revenue Code of 1986, or the advance payment of the earned income tax credit under section 3507 of such Code, and verifying a claim with respect to employment in a tax return.

"(4) List of multistate employers.—The Secretary shall maintain within the National Directory of New Hires a list of multistate employers that report information regarding newly hired employees pursuant to section 453A(b)(1)(B), and the State which each such employer has designated to receive such information.

"(j) Information Comparisons and Other Disclosures.—

"(1) Verification by social security administration.—

"(A) In general.—The Secretary shall transmit information on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

"(B) Verification by SSA.—The Social Security Administration shall verify the accuracy of, correct, or supply to the extent possible, and report to the Secretary, the following information supplied by the Secretary pursuant to subparagraph (A):

"(i) The name, social security number, and birth date of each such individual.

"(ii) The employer identification number of each such employer.

"(2) Information comparisons.—For the purpose of locating individuals in a paternity establishment case or a case involving the establishment, modification, or enforcement of a support order, the Secretary shall—

"(A) compare information in the National Directory of New Hires against information in the support case abstracts in the Federal Case Registry of Child Support Orders not less often than every 2 business days; and

"(B) within 2 such days after such a comparison reveals a match with respect to an individual, report the information to the State agency responsible for the case.

"(3) Information comparisons and disclosures of information in all registries for title IV program purposes.—To the extent and with the frequency that the Secretary determines to be effective in assisting States to carry out their responsibilities under programs operated under this part and programs funded under part A, the Secretary shall—

"(A) compare the information in each component of the Federal Parent Locator Service maintained under this section against the information in each other such component (other than the comparison required by paragraph (2)), and report instances in which such a comparison reveals a match with respect to an individual to State agencies operating such programs; and

"(B) disclose information in such registries to such State agencies.

"(4) Provision of new hire information to the social security administration.—The National Directory of New Hires shall provide the Commissioner of Social Security with all information in the National Directory, which shall be used to determine the accuracy of payments under the supplemental security income program under title XVI and in connection with benefits under title II.

"(5) RESEARCH.—The Secretary may provide access to information reported by employers pursuant to section 453A(b) for research purposes found by the Secretary to be likely to contribute to achieving the purposes of part A or this part, but without personal identifiers.

"(k) FEES.—

"(1) FOR SSA VERIFICATION.—The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, for the costs incurred by the Commissioner in performing the verification services described in subsection (j).

"(2) FOR INFORMATION FROM STATE DIRECTORIES OF NEW HIRES.—The Secretary shall reimburse costs incurred by State directories of new hires in furnishing information as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such information).

"(3) FOR INFORMATION FURNISHED TO STATE AND FEDERAL AGENCIES.—A State or Federal agency that receives information from the Secretary pursuant to this section shall reimburse the Secretary for costs incurred by the Secretary in furnishing the information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and comparing the information).

"(l) RESTRICTION ON DISCLOSURE AND USE.—Information in the Federal Parent Locator Service, and information resulting from comparisons using such information, shall not be used or disclosed except as expressly provided in this section, subject to section 6103 of the Internal Revenue Code of 1986.

"(m) INFORMATION INTEGRITY AND SECURITY.—The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

"(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

"(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.

"(n) FEDERAL GOVERNMENT REPORTING.—Each department, agency, and instrumentality of the United States shall on a quarterly basis report to the Federal Parent Locator Service the name and social security number of each employee and the wages paid to the employee during the previous quarter, except that such a report shall not be filed with respect to an employee of a department, agency, or instrumentality performing intelligence or counterintelligence functions, if the head of such department, agency, or instrumentality has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.".

(g) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—

(A) Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

"(B) the Federal Parent Locator Service established under section 453;".

(B) Section 454(13) (42 U.S.C.654(13)) is amended by inserting "and provide that information requests by parents who are residents of other States be treated with the same priority as requests by parents who are residents of the State submitting the plan" before the semicolon.

(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(a)(16) of the Internal Revenue Code of 1986 is amended—

(A) by striking "Secretary of Health, Education, and Welfare" each place such term appears and inserting "Secretary of Health and Human Services";

(B) in subparagraph (B), by striking "such information" and all that follows and inserting "information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;";

(C) by striking "and" at the end of subparagraph (A);

(D) by redesignating subparagraph (B) as subparagraph (C); and

(E) by inserting after subparagraph (A) the following new subparagraph:

"(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453(i) of the Social Security Act, and".

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Subsection (h) of section 303 (42 U.S.C. 503) is amended to read as follows:

"(h)(1) The State agency charged with the administration of the State law shall, on a reimbursable basis—

"(A) disclose quarterly, to the Secretary of Health and Human Services, wage and claim information, as required pursuant to section 453(i)(1), contained in the records of such agency;

"(B) ensure that information provided pursuant to subparagraph (A) meets such standards relating to correctness and verification as the Secretary of Health and Human Services, with the concurrence of the Secretary of Labor, may find necessary; and

"(C) establish such safeguards as the Secretary of Labor determines are necessary to insure that information disclosed under subparagraph (A) is used only for purposes of section 453(i)(1) in carrying out the child support enforcement program under title IV.

"(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until the Secretary of Labor is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, the Secretary shall make no future certification to the Secretary of the Treasury with respect to the State.

"(3) For purposes of this subsection—

"(A) the term 'wage information' means information regarding wages paid to an individual, the social security account number of such individual, and the name, address, State, and the Federal employer identification number of the employer paying such wages to such individual; and

"(B) the term 'claim information' means information regarding whether an individual is receiving, has received, or has made application for, unemployment compensation, the amount of any such compensation being received (or to be received by such individual), and the individual's current (or most recent) home address.".

(4) DISCLOSURE OF CERTAIN INFORMATION TO AGENTS OF CHILD SUPPORT ENFORCEMENT AGENCIES.—

(A) IN GENERAL.—Paragraph (6) of section 6103(l) of the Internal Revenue Code of 1986 (relating to disclosure of return information to Federal, State, and local child support enforcement agencies) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

"(B) DISCLOSURE TO CERTAIN AGENTS.—The following information disclosed to any child support enforcement agency under subparagraph (A) with respect to any individual with respect to whom child support obligations are sought to be established or enforced may be disclosed by such agency to any agent of such agency which is under contract with such agency to carry out the purposes described in subparagraph (C):

"(i) The address and social security account number (or numbers) of such individual.

"(ii) The amount of any reduction under section 6402(c) (relating to offset of past-due support against overpayments) in any overpayment otherwise payable to such individual."

(B) CONFORMING AMENDMENTS.—

(i) Paragraph (3) of section 6103(a) of such Code is amended by striking "(l)(12)" and inserting "paragraph (6) or (12) of subsection (l)".

(ii) Subparagraph (C) of section 6103(l)(6) of such Code, as redesignated by subsection (a), is amended to read as follows:

"(C) RESTRICTION ON DISCLOSURE.—Information may be disclosed under this paragraph only for purposes of, and to the extent necessary in, establishing and collecting child support obligations from, and locating, individuals owing such obligations."

(iii) The material following subparagraph (F) of section 6103(p)(4) of such Code is amended by striking "subsection (l)(12)(B)" and inserting "paragraph (6)(A) or (12)(B) of subsection (l)".

SEC. 317. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 315 of this Act, is amended by adding at the end the following new paragraph:

"(13) RECORDING OF SOCIAL SECURITY NUMBERS IN CERTAIN FAMILY MATTERS.—Procedures requiring that the social security number of—

"(A) any applicant for a professional license, commercial driver's license, occupational license, or marriage license be recorded on the application;

"(B) any individual who is subject to a divorce decree, support order, or paternity determination or acknowledgment be placed in the records relating to the matter; and

"(C) any individual who has died be placed in the records relating to the death and be recorded on the death certificate.

For purposes of subparagraph (A), if a State allows the use of a number other than the social security number, the State shall so advise any applicants.".

(b) CONFORMING AMENDMENTS.—Section 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by section 321(a)(9) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(1) in clause (i), by striking "may require" and inserting "shall require";

(2) in clause (ii), by inserting after the 1st sentence the following: "In the administration of any law involving the issuance of a

marriage certificate or license, each State shall require each party named in the certificate or license to furnish to the State (or political subdivision thereof), or any State agency having administrative responsibility for the law involved, the social security number of the party.";

(3) in clause (ii), by inserting "or marriage certificate" after "Such numbers shall not be recorded on the birth certificate".

(4) in clause (vi), by striking "may" and inserting "shall"; and

(5) by adding at the end the following new clauses:

"(x) An agency of a State (or a political subdivision thereof) charged with the administration of any law concerning the issuance or renewal of a license, certificate, permit, or other authorization to engage in a profession, an occupation, or a commercial activity shall require all applicants for issuance or renewal of the license, certificate, permit, or other authorization to provide the applicant's social security number to the agency for the purpose of administering such laws, and for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.

"(xi) All divorce decrees, support orders, and paternity determinations issued, and all paternity acknowledgments made, in each State shall include the social security number of each party to the decree, order, determination, or acknowledgment in the records relating to the matter, for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.".

Subtitle C—Streamlining and Uniformity of Procedures

SEC. 321. ADOPTION OF UNIFORM STATE LAWS.

Section 466 (42 U.S.C. 666) is amended by adding at the end the following new subsection:

"(f) UNIFORM INTERSTATE FAMILY SUPPORT ACT.—

"(1) ENACTMENT AND USE.—In order to satisfy section 454(20)(A), on and after January 1, 1998, each State must have in effect the Uniform Interstate Family Support Act, as approved by the American Bar Association on February 9, 1993, together with any amendments officially adopted before January 1, 1998, by the National Conference of Commissioners on Uniform State Laws.

"(2) EMPLOYERS TO FOLLOW PROCEDURAL RULES OF STATE WHERE EMPLOYEE WORKS.—The State law enacted pursuant to paragraph (1) shall provide that an employer that receives an income withholding order or notice pursuant to section 501 of the Uniform Interstate Family Support Act follow the procedural rules that apply with respect to such order or notice under the laws of the State in which the obligor works.".

SEC. 322. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking "subsection (e)" and inserting "subsections (e), (f), and (i)";

(2) in subsection (b), by inserting after the 2d undesignated paragraph the following:

"'child's home State' means the State in which a child lived with a parent or a person acting as parent for at least 6 consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than 6 months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the 6-month period.";

(3) in subsection (c), by inserting "by a court of a State" before "is made";

(4) in subsection (c)(1), by inserting "and subsections (e), (f), and (g)" after "located";

(5) in subsection (d)—

(A) by inserting "individual" before "contestant"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(6) in subsection (e), by striking "make a modification of a child support order with respect to a child that is made" and inserting "modify a child support order issued";

(7) in subsection (e)(1), by inserting "pursuant to subsection (i)" before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting "individual" before "contestant" each place such term appears; and

(B) by striking "to that court's making the modification and assuming" and inserting "with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume";

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following new subsection:

"(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If 1 or more child support orders have been issued in this or another State with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

"(1) If only 1 court has issued a child support order, the order of that court must be recognized.

"(2) If 2 or more courts have issued child support orders for the same obligor and child, and only 1 of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

"(3) If 2 or more courts have issued child support orders for the same obligor and child, and more than 1 of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

"(4) If 2 or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

"(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.";

(11) in subsection (g) (as so redesignated)—

(A) by striking "PRIOR" and inserting "MODIFIED"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting "including the duration of current payments and other obligations of support" before the comma; and

(B) in paragraph (3), by inserting "arrears under" after "enforce"; and

(13) by adding at the end the following new subsection:

"(i) REGISTRATION FOR MODIFICATION.—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification.".

SEC. 323. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315 and 317(a) of this Act, is amended by adding at the end the following new paragraph:

"(14) ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.—Procedures under which—

"(A)(i) the State shall respond within 5 business days to a request made by another State to enforce a support order; and

"(ii) the term 'business day' means a day on which State offices are open for regular business;

"(B) the State may, by electronic or other means, transmit to another State a request for assistance in a case involving the enforcement of a support order, which request—

"(i) shall include such information as will enable the State to which the request is transmitted to compare the information about the case to the information in the data bases of the State; and

"(ii) shall constitute a certification by the requesting State—

"(I) of the amount of support under the order the payment of which is in arrears; and

"(II) that the requesting State has complied with all procedural due process requirements applicable to the case;

"(C) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the case to be transferred to the caseload of such other State; and

"(D) the State shall maintain records of—

"(i) the number of such requests for assistance received by the State;

"(ii) the number of cases for which the State collected support in response to such a request; and

"(iii) the amount of such collected support.".

SEC. 324. USE OF FORMS IN INTERSTATE ENFORCEMENT.

(a) PROMULGATION.—Section 452(a) (42 U.S.C. 652(a)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(11) not later than June 30, 1996, after consulting with the State directors of programs under this part, promulgate forms to be used by States in interstate cases for—

"(A) collection of child support through income withholding;

"(B) imposition of liens; and

"(C) administrative subpoenas.".

(b) USE BY STATES.—Section 454(9) (42 U.S.C. 654(9)) is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by inserting "and" at the end of subparagraph (D); and

(3) by adding at the end the following new subparagraph:

"(E) no later than October 1, 1996, in using the forms promulgated pursuant to section 452(a)(11) for income withholding, imposition of liens, and issuance of administrative subpoenas in interstate child support cases;".

SEC. 325. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as amended by section 314 of this Act, is amended—

(1) in subsection (a)(2), by striking the first sentence and inserting the following: "Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations."; and

(2) by inserting after subsection (b) the following new subsection:

"(c) EXPEDITED PROCEDURES.—The procedures specified in this subsection are the following:

"(1) ADMINISTRATIVE ACTION BY STATE AGENCY.—Procedures which give the State agency the authority to take the following actions relating to establishment or enforcement of support orders, without the necessity of obtaining an order from any other judicial or administrative tribunal, and to recognize and enforce the authority of State agencies of other States) to take the following actions:

"(A) GENETIC TESTING.—To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

"(B) FINANCIAL OR OTHER INFORMATION.—To subpoena any financial or other information needed to establish, modify, or enforce a support order, and to impose penalties for failure to respond to such a subpoena.

"(C) RESPONSE TO STATE AGENCY REQUEST.—To require all entities in the State (including for-profit, nonprofit, and governmental employers) to provide promptly, in response to a request by the State agency of that or any other State administering a program under this part, information on the employment, compensation, and benefits of any individual employed by such entity as an employee or contractor, and to sanction failure to respond to any such request.

"(D) ACCESS TO CERTAIN RECORDS.—To obtain access, subject to safeguards on privacy and information security, to the following records (including automated access, in the case of records maintained in automated data bases):

"(i) Records of other State and local government agencies, including—

"(I) vital statistics (including records of marriage, birth, and divorce);

"(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

"(III) records concerning real and titled personal property;

"(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

"(V) employment security records;

"(VI) records of agencies administering public assistance programs;

"(VII) records of the motor vehicle department; and

"(VIII) corrections records.

"(ii) Certain records held by private entities, including—

"(I) customer records of public utilities and cable television companies; and

"(II) information (including information on assets and liabilities) on individuals who owe or are owed support (or against or with respect to whom a support obligation is sought) held by financial institutions (subject to limitations on liability of such entities arising from affording such access), as provided pursuant to agreements described in subsection (a)(18).

"(E) CHANGE IN PAYEE.—In cases in which support is subject to an assignment in order to comply with a requirement imposed pursuant to part A or section 1912, or to a requirement to pay through the State disbursement unit established pursuant to section 454B, upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

"(F) INCOME WITHHOLDING.—To order income withholding in accordance with subsections (a)(1) and (b) of section 466.

"(G) SECURING ASSETS.—In cases in which there is a support arrearage, to secure assets to satisfy the arrearage by—

"(i) intercepting or seizing periodic or lump-sum payments from—

"(I) a State or local agency, including unemployment compensation, workers' compensation, and other benefits; and

"(II) judgments, settlements, and lotteries;

"(ii) attaching and seizing assets of the obligor held in financial institutions;

"(iii) attaching public and private retirement funds; and

"(iv) imposing liens in accordance with subsection (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

"(H) INCREASE MONTHLY PAYMENTS.—For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages, subject to such conditions or limitations as the State may provide.

Such procedures shall be subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal.

"(2) SUBSTANTIVE AND PROCEDURAL RULES.—The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

"(A) LOCATOR INFORMATION; PRESUMPTIONS CONCERNING NOTICE.—Procedures under which—

"(i) each party to any paternity or child support proceeding is required (subject to privacy safeguards) to file with the tribunal and the State case registry upon entry of an order, and to update as appropriate, information on location and identity of the party, including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and name and telephone number of employer; and

"(ii) in any subsequent child support enforcement action between the parties, upon sufficient showing that diligent effort has been made to ascertain the location of such a party, the tribunal may deem State due process requirements for notice and service of process to be met with respect to the party, upon delivery of written notice to the most recent residential or employer address filed with the tribunal pursuant to clause (i).

"(B) STATEWIDE JURISDICTION.—Procedures under which—

"(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties; and

"(ii) in a State in which orders are issued by courts or administrative tribunals, a case may be transferred between local jurisdictions in the State without need for for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.

"(3) COORDINATION WITH ERISA.—Notwithstanding subsection (d) of section 514 of the Employee Retirement Income Security Act of 1974 (relating to effect on other laws), nothing in this subsection shall be construed to alter, amend, modify, invalidate, impair, or supersede subsections (a), (b), and (c) of such section 514 as it applies with respect to any procedure referred to in paragraph (1) and any expedited procedure referred to in paragraph (2), except to the extent that such procedure would be consistent with the requirements of section 206(d)(3) of such Act (relating to qualified domestic relations orders) or the requirements of section 609(a) of such Act (relating to qualified medical child support orders) if the reference in such section 206(d)(3) to a domestic relations order and the reference in such section 609(a) to a medical child support order were a reference to a support order referred to in paragraphs (1) and (2) relating to the same matters, respectively.".

(b) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 344(a)(2) and as amended by sections 311 and 312(c) of this Act, is amended by adding at the end the following new subsection:

"(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required by this section shall be used, to the maximum extent feasible, to implement the expedited administrative procedures required by section 466(c).".

Subtitle D—Paternity Establishment

SEC. 331. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended to read as follows:

"(5) PROCEDURES CONCERNING PATERNITY ESTABLISHMENT.—

"(A) ESTABLISHMENT PROCESS AVAILABLE FROM BIRTH UNTIL AGE 18.—

"(i) Procedures which permit the establishment of the paternity of a child at any time before the child attains 18 years of age.

"(ii) As of August 16, 1984, clause (i) shall also apply to a child for whom paternity has not been established or for whom a paternity action was brought but dismissed because a statute of limitations of less than 18 years was then in effect in the State.

"(B) PROCEDURES CONCERNING GENETIC TESTING.—

"(i) GENETIC TESTING REQUIRED IN CERTAIN CONTESTED CASES.—Procedures under which the State is required, in a contested paternity case (unless otherwise barred by State law) to require the child and all other parties (other than individuals found under section 454(29) to have good cause for refusing to cooperate) to submit to genetic tests upon the request of any such party, if the request is supported by a sworn statement by the party—

"(I) alleging paternity, and setting forth facts establishing a reasonable possibility of the requisite sexual contact between the parties; or

"(II) denying paternity, and setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact between the parties.

"(ii) OTHER REQUIREMENTS.—Procedures which require the State agency, in any case in which the agency orders genetic testing—

"(I) to pay costs of such tests, subject to recoupment (if the State so elects) from the alleged father if paternity is established; and

"(II) to obtain additional testing in any case if an original test result is contested, upon request and advance payment by the contestant.

"(C) VOLUNTARY PATERNITY ACKNOWLEDGMENT.—

"(i) SIMPLE CIVIL PROCESS.—Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the mother and the putative father must be given notice, orally and in writing, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

"(ii) HOSPITAL-BASED PROGRAM.—Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child, subject to such good cause exceptions, taking into account the best interests of the child, as the State may establish.

"(iii) PATERNITY ESTABLISHMENT SERVICES.—

"(I) STATE-OFFERED SERVICES.—Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

"(II) REGULATIONS.—

"(aa) SERVICES OFFERED BY HOSPITALS AND BIRTH RECORD AGENCIES.—The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies.

"(bb) SERVICES OFFERED BY OTHER ENTITIES.—The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, use the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as the provision of such services is evaluated by, voluntary paternity establishment programs of hospitals and birth record agencies.

"(iv) USE OF PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such procedures must require the State to develop and use an affidavit for the voluntary acknowledgment of paternity which includes the minimum requirements of the affidavit developed by the Secretary under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State according to its procedures.

"(D) STATUS OF SIGNED PATERNITY ACKNOWLEDGMENT.—

"(i) INCLUSION IN BIRTH RECORDS.—Procedures under which the name of the father shall be included on the record of birth of the child of unmarried parents only if—

"(I) the father and mother have signed a voluntary acknowledgment of paternity; or

"(II) a court or an administrative agency of competent jurisdiction has issued an adjudication of paternity.

Nothing in this clause shall preclude a State agency from obtaining an admission of paternity from the father for submission in a judicial or administrative proceeding, or prohibit the issuance of an order in a judicial or administrative proceeding which bases a legal finding of paternity on an admission of paternity by the father and any other additional showing required by State law.

"(ii) LEGAL FINDING OF PATERNITY.—Procedures under which a signed voluntary acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within the earlier of—

"(I) 60 days; or

"(II) the date of an administrative or judicial proceeding relating to the child (including a proceeding to establish a support order) in which the signatory is a party.

"(iii) CONTEST.—Procedures under which, after the 60-day period referred to in clause (ii), a signed voluntary acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown.

"(E) BAR ON ACKNOWLEDGMENT RATIFICATION PROCEEDINGS.—Procedures under which judicial or administrative proceedings are not required or permitted to ratify an unchallenged acknowledgment of paternity.

"(F) ADMISSIBILITY OF GENETIC TESTING RESULTS.—Procedures—

"(i) requiring the admission into evidence, for purposes of establishing paternity, of the results of any genetic test that is—

"(I) of a type generally acknowledged as reliable by accreditation bodies designated by the Secretary; and

"(II) performed by a laboratory approved by such an accreditation body;

"(ii) requiring an objection to genetic testing results to be made in writing not later than a specified number of days before any hearing at which the results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of the results); and

"(iii) making the test results admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy, unless objection is made.

"(G) PRESUMPTION OF PATERNITY IN CERTAIN CASES.—Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability that the alleged father is the father of the child.

"(H) DEFAULT ORDERS.—Procedures requiring a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

"(I) NO RIGHT TO JURY TRIAL.—Procedures providing that the parties to an action to establish paternity are not entitled to a trial by jury.

"(J) TEMPORARY SUPPORT ORDER BASED ON PROBABLE PATERNITY IN CONTESTED CASES.—Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, if there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

"(K) PROOF OF CERTAIN SUPPORT AND PATERNITY ESTABLISHMENT COSTS.—Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services or for testing on behalf of the child.

"(L) STANDING OF PUTATIVE FATHERS.—Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.

"(M) FILING OF ACKNOWLEDGMENTS AND ADJUDICATIONS IN STATE REGISTRY OF BIRTH RECORDS.—Procedures under which voluntary acknowledgments and adjudications of paternity by judicial or administrative processes are filed with the State registry of birth records for comparison with information in the State case registry.".

(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting ", and develop an affidavit to be used for the voluntary acknowledgment of paternity which shall include the social security number of each parent and, after consultation with the States, other common elements as determined by such designee" before the semicolon.

(c) CONFORMING AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking "a simple civil process for voluntarily acknowledging paternity and".

SEC. 332. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

Section 454(23) (42 U.S.C. 654(23)) is amended by inserting "and will publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support by means the State deems appropriate" before the semicolon.

SEC. 333. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF TEMPORARY FAMILY ASSISTANCE.

Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a), 312(a), and 313(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting "; and"; and

(3) by inserting after paragraph (28) the following new paragraph:

"(29) provide that the State agency responsible for administering the State plan—

"(A) shall make the determination (and redetermination at appropriate intervals) as to whether an individual who has applied for or is receiving assistance under the State program funded under part A or the State program under title XIX is cooperating in good faith with the State in establishing the paternity of, or in establishing, modifying, or enforcing a support order for, any child of the individual by providing the State agency with the name of, and such other information as the State agency may require with respect to, the noncustodial parent of the child, subject to such good cause exceptions, taking into account the best interests of the child, as the State may establish through the State agency, or at the option of the State, through the State agencies administering the State programs funded under part A and title XIX;

"(B) shall require the individual to supply additional necessary information and appear at interviews, hearings, and legal proceedings;

"(C) shall require the individual and the child to submit to genetic tests pursuant to judicial or administrative order;

"(D) may request that the individual sign a voluntary acknowledgment of paternity, after notice of the rights and consequences of such an acknowledgment, but may not require the individual to sign an acknowledgment or otherwise relinquish the right to genetic tests as a condition of cooperation and eligibility for assistance under the State program funded under part A or the State program under title XIX; and

"(E) shall promptly notify the individual and the State agency administering the State program funded under part A and the State agency administering the State program under title XIX of each such determination, and if noncooperation is determined, the basis therefore.".

Subtitle E—Program Administration and Funding

SEC. 341. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) DEVELOPMENT OF NEW SYSTEM.—The Secretary of Health and Human Services, in consultation with State directors of programs under part D of title IV of the Social Security Act, shall develop a new incentive system to replace, in a revenue neutral manner, the system under section 458 of such Act. The new system shall provide additional payments to any State based on such State's performance under such a program. Not later than June 1, 1996, the Secretary shall report on the new system to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(b) CONFORMING AMENDMENTS TO PRESENT SYSTEM.—Section 458 (42 U.S.C. 658) is amended—

(1) in subsection (a), by striking "aid to families with dependent children under a State plan approved under part A of this title" and inserting "assistance under a program funded under part A";

(2) in subsection (b)(1)(A), by striking "section 402(a)(26)" and inserting "section 408(a)(4)";

(3) in subsections (b) and (c)—

(A) by striking "AFDC collections" each place it appears and inserting "title IV–A collections", and

(B) by striking "non-AFDC collections" each place it appears and inserting "non-title IV–A collections"; and

(4) in subsection (c), by striking "combined AFDC/non-AFDC administrative costs" both places it appears and inserting "combined title IV–A/non-title IV–A administrative costs".

(c) CALCULATION OF IV–D PATERNITY ESTABLISHMENT PERCENTAGE.—

(1) Section 452(g)(1)(A) (42 U.S.C. 652(g)(1)(A)) is amended by striking "75" and inserting "90".

(2) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended by redesignating subparagraphs (B) through (E) as subparagraphs (C) through (F), respectively, and by inserting after subparagraph (A) the following new subparagraph:

"(B) for a State with a paternity establishment percentage of not less than 75 percent but less than 90 percent for such fiscal year, the paternity establishment percentage of the State for the immediately preceding fiscal year plus 2 percentage points;".

(3) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter preceding clause (i)—

(A) by striking "paternity establishment percentage" and inserting "IV–D paternity establishment percentage"; and

(B) by striking "(or all States, as the case may be)".

(4) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended by adding at the end the following new sentence: "In meeting the 90 percent paternity establishment requirement, a State may calculate either the paternity establishment rate of cases in the program funded under this part or the paternity establishment rate of all out-of-wedlock births in the State.".

(5) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(B) in subparagraph (A) (as so redesignated), by striking "the percentage of children born out-of-wedlock in a State" and inserting "the percentage of children in a State who are born out of wedlock or for whom support has not been established"; and

(C) in subparagraph (B) (as so redesignated) by inserting "and securing support" before the period.

(d) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—

(A) IN GENERAL.—The system developed under subsection (a) and the amendments made by subsection (b) shall become effective on October 1, 1997, except to the extent provided in subparagraph (B).

(B) APPLICATION OF SECTION 458.—Section 458 of the Social Security Act, as in effect on the day before the date of the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years before fiscal year 1999.

(2) PENALTY REDUCTIONS.—The amendments made by subsection (c) shall become effective with respect to calendar quarters beginning on or after the date of the enactment of this Act.

SEC. 342. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) STATE AGENCY ACTIVITIES.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (14), by striking "(14)" and inserting "(14)(A)";

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the following new paragraph:

"(15) provide for—

"(A) a process for annual reviews of and reports to the Secretary on the State program operated under the State plan approved under this part, including such information as may be necessary to measure State compliance with Federal requirements for expedited procedures, using such standards and procedures as are required by the Secretary, under which the State agency will determine the extent to which the program is operated in compliance with this part; and

"(B) a process of extracting from the automated data processing system required by paragraph (16) and transmitting to the Secretary data and calculations concerning the levels of accomplishment (and rates of improvement) with respect to applicable performance indicators (including IV–D paternity establishment percentages to the extent necessary for purposes of sections 452(g) and 458.".

(b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended to read as follows:

"(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of subsection (g) of this section and section 458;

"(B) review annual reports submitted pursuant to section 454(15)(A) and, as appropriate, provide to the State comments, recommendations for additional or alternative corrective actions, and technical assistance; and

"(C) conduct audits, in accordance with the Government auditing standards of the Comptroller General of the United States—

"(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet the requirements of this part concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data, and the accuracy of the reporting systems, used in calculating performance indicators under subsection (g) of this section and section 458;

"(ii) of the adequacy of financial management of the State program operated under the State plan approved under this part, including assessments of—

"(I) whether Federal and other funds made available to carry out the State program are being appropriately expended, and are properly and fully accounted for; and

"(II) whether collections and disbursements of support payments are carried out correctly and are fully accounted for; and

"(iii) for such other purposes as the Secretary may find necessary;".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning 12 months or more after the date of the enactment of this Act.

SEC. 343. REQUIRED REPORTING PROCEDURES.

(a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting ", and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes) to be applied in following such procedures" before the semicolon.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a), 312(a), 313(a), and 333 of this Act, is amended—

(1) by striking "and" at the end of paragraph (28);

(2) by striking the period at the end of paragraph (29) and inserting "; and"; and

(3) by adding after paragraph (29) the following new paragraph:

"(30) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.".

SEC. 344. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

(1) IN GENERAL.—Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking ", at the option of the State,";

(B) by inserting "and operation by the State agency" after "for the establishment";

(C) by inserting "meeting the requirements of section 454A" after "information retrieval system";

(D) by striking "in the State and localities thereof, so as (A)" and inserting "so as";

(E) by striking "(i)"; and

(F) by striking "(including" and all that follows and inserting a semicolon.

(2) AUTOMATED DATA PROCESSING.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 454 the following new section:

"SEC. 454A. AUTOMATED DATA PROCESSING.

"(a) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency administering the State program under this part shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section with the frequency and in the manner required by or under this part.

"(b) PROGRAM MANAGEMENT.—The automated system required by this section shall perform such functions as the Secretary may specify relating to management of the State program under this part, including—

"(1) controlling and accounting for use of Federal, State, and local funds in carrying out the program; and

"(2) maintaining the data necessary to meet Federal reporting requirements under this part on a timely basis.

"(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive payments and penalty adjustments required by sections 452(g) and 458, the State agency shall—

"(1) use the automated system—

"(A) to maintain the requisite data on State performance with respect to paternity establishment and child support enforcement in the State; and

"(B) to calculate the IV-D paternity establishment percentage for the State for each fiscal year; and

"(2) have in place systems controls to ensure the completeness and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

"(d) INFORMATION INTEGRITY AND SECURITY.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required by this section, which shall include the following (in addition to such other safeguards as the Secretary may specify in regulations):

"(1) POLICIES RESTRICTING ACCESS.—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

"(A) permit access to and use of data only to the extent necessary to carry out the State program under this part; and

"(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data.

"(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies described in paragraph (1).

"(3) MONITORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

"(4) TRAINING AND INFORMATION.—Procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use confidential program data are informed of applicable requirements and penalties (including those in section 6103 of the Internal Revenue Code of 1986), and are adequately trained in security procedures.

"(5) PENALTIES.—Administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.".

(3) REGULATIONS.—The Secretary of Health and Human Services shall prescribe final regulations for implementation of section 454A of the Social Security Act not later than 2 years after the date of the enactment of this Act.

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by section 303(a)(1) of this Act, is amended to read as follows:

"(24) provide that the State will have in effect an automated data processing and information retrieval system—

"(A) by October 1, 1997, which meets all requirements of this part which were enacted on or before the date of enactment of the Family Support Act of 1988, and

"(B) by October 1, 1999, which meets all requirements of this part enacted on or before the date of the enactment of the Bipartisan Welfare Reform Act of 1996, except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 344(a)(3) of the Bipartisan Welfare Reform Act of 1996;".

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—

(1) IN GENERAL.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(A) in paragraph (1)(B)—

(i) by striking "90 percent" and inserting "the percent specified in paragraph (3)";

(ii) by striking "so much of"; and

(iii) by striking "which the Secretary" and all that follows and inserting ", and"; and

(B) by adding at the end the following new paragraph:

"(3)(A) The Secretary shall pay to each State, for each quarter in fiscal years 1996 and 1997, 90 percent of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16) (as in effect on September 30, 1995) but limited to the amount approved for States in the advance planning documents of such States submitted on or before May 1, 1995.

"(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1996 through 2001, the percentage specified in clause (ii) of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements of sections 454(16) and 454A.

"(ii) The percentage specified in this clause is 80 percent.".

(2) TEMPORARY LIMITATION ON PAYMENTS UNDER SPECIAL FEDERAL MATCHING RATE.—

(A) IN GENERAL.—The Secretary of Health and Human Services may not pay more than $400,000,000 in the aggregate under section 455(a)(3)(B) of the Social Security Act for fiscal years 1996 through 2001.

(B) ALLOCATION OF LIMITATION AMONG STATES.—The total amount payable to a State under section 455(a)(3)(B) of such Act for fiscal years 1996 through 2001 shall not exceed the limitation determined for the State by the Secretary of Health and Human Services in regulations.

(C) ALLOCATION FORMULA.—The regulations referred to in subparagraph (B) shall prescribe a formula for allocating the amount specified in subparagraph (A) among States with plans approved under part D of title IV of the Social Security Act, which shall take into account—

(i) the relative size of State caseloads under such part; and

(ii) the level of automation needed to meet the automated data processing requirements of such part.

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100-485) is repealed.

SEC. 345. TECHNICAL ASSISTANCE.

(a) FOR TRAINING OF FEDERAL AND STATE STAFF, RESEARCH AND DEMONSTRATION PROGRAMS, AND SPECIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following new subsection:

"(j) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 1 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for—

"(1) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs under this part (including technical assistance concerning State automated systems required by this part); and

"(2) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part.

The amount appropriated under this subsection shall remain available until expended.".

(b) OPERATION OF FEDERAL PARENT LOCATOR SERVICE.—Section 453 (42 U.S.C. 653), as amended by section 316 of this Act, is amended by adding at the end the following new subsection:

"(o) RECOVERY OF COSTS.—Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 2 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for operation of the Federal Parent Locator Service under this section, to the extent such costs are not recovered through user fees.".

SEC. 346. REPORTS AND DATA COLLECTION BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—

(1) Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking "this part;" and inserting "this part, including—"; and

(B) by adding at the end the following new clauses:

"(i) the total amount of child support payments collected as a result of services furnished during the fiscal year to individuals receiving services under this part;

"(ii) the cost to the States and to the Federal Government of so furnishing the services; and

"(iii) the number of cases involving families—

"(I) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year; and

"(II) with respect to whom a child support payment was received in the month;".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i)—

(i) by striking "with the data required under each clause being separately stated for cases" and inserting "separately stated for (1) case";

(ii) by striking "cases where the child was formerly receiving" and inserting "or formerly received";

(iii) by inserting "or 1912" after "471(a)(17)"; and

(iv) by inserting "(2)" before "all other";

(B) in each of clauses (i) and (ii), by striking ", and the total amount of such obligations";

(C) in clause (iii), by striking "described in" and all that follows and inserting "in which support was collected during the fiscal year;";

(D) by striking clause (iv); and

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following new clauses:

"(iv) the total amount of support collected during such fiscal year and distributed as current support;

"(v) the total amount of support collected during such fiscal year and distributed as arrearages;

"(vi) the total amount of support due and unpaid for all fiscal years; and".

(3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking "on the use of Federal courts and".

(4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended—

(A) in subparagraph (H), by striking "and";

(B) in subparagraph (I), by striking the period and inserting "; and"; and

(C) by inserting after subparagraph (I) the following new subparagraph:

"(J) compliance, by State, with the standards established pursuant to subsections (h) and (i).".

(5) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (J), as added by paragraph (4).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to fiscal year 1996 and succeeding fiscal years.

Subtitle F—Establishment and Modification of Support Orders

SEC. 351. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

"(10) REVIEW AND ADJUSTMENT OF SUPPORT ORDERS UPON REQUEST.—Procedures under which the State shall review and adjust each support order being enforced under this part upon the request of either parent or the State if there is an assignment. Such procedures shall provide the following:

"(A) IN GENERAL.—

"(i) 3-YEAR CYCLE.—Except as provided in subparagraphs (B) and (C), the State shall review and, as appropriate, adjust the support order every 3 years, taking into account the best interests of the child involved.

"(ii) METHODS OF ADJUSTMENT.—The State may elect to review and, if appropriate, adjust an order pursuant to clause (i) by—

"(I) reviewing and, if appropriate, adjusting the order in accordance with the guidelines established pursuant to section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with the guidelines; or

"(II) applying a cost-of-living adjustment to the order in accordance with a formula developed by the State and permit either party to contest the adjustment, within 30 days after the date of the notice of the adjustment, by making a request for review and, if appropriate, adjustment of the order in accordance with the child support guidelines established pursuant to section 467(a).

"(iii) NO PROOF OF CHANGE IN CIRCUMSTANCES NECESSARY.—Any adjustment under this subparagraph (A) shall be made without a requirement for proof or showing of a change in circumstances.

"(B) AUTOMATED METHOD.—The State may use automated methods (including automated comparisons with wage or State income tax data) to identify orders eligible for review, conduct the review, identify orders eligible for adjustment, and apply the appropriate adjustment to the orders eligible for adjustment under the threshold established by the State.

"(C) REQUEST UPON SUBSTANTIAL CHANGE IN CIRCUMSTANCES.—The State shall, at the request of either parent subject to such an order or of any State child support enforcement agency, review and, if appropriate, adjust the order in accordance with the guidelines established pursuant to section 467(a) based upon a substantial change in the circumstances of either parent.

"(D) NOTICE OF RIGHT TO REVIEW.—The State shall provide notice not less than once every 3 years to the parents subject to such an order informing them of their right to request the State to review and, if appropriate, adjust the order pursuant to this paragraph. The notice may be included in the order.".

SEC. 352. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT.

Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended by adding at the end the following new paragraphs:

"(4) In response to a request by the head of a State or local child support enforcement agency (or a State or local government official authorized by the head of such an agency), if the person making the request certifies to the consumer reporting agency that—

"(A) the consumer report is needed for the purpose of establishing an individual's capacity to make child support payments or determining the appropriate level of such payments;

"(B) the paternity of the consumer for the child to which the obligation relates has been established or acknowledged by the consumer in accordance with State laws under which the obligation arises (if required by those laws);

"(C) the person has provided at least 10 days' prior notice to the consumer whose report is requested, by certified or registered mail to the last known address of the consumer, that the report will be requested; and

"(D) the consumer report will be kept confidential, will be used solely for a purpose described in subparagraph (A), and will not be used in connection with any other civil, administrative, or criminal proceeding, or for any other purpose.

"(5) To an agency administering a State plan under section 454 of the Social Security Act (42 U.S.C. 654) for use to set an initial or modified child support award.".

SEC. 353. NONLIABILITY FOR FINANCIAL INSTITUTIONS PROVIDING FINANCIAL RECORDS TO STATE CHILD SUPPORT ENFORCEMENT AGENCIES IN CHILD SUPPORT CASES.

(a) IN GENERAL.—Notwithstanding any other provision of Federal or State law, a financial institution shall not be liable under any Federal or State law to any person for disclosing any financial record of an individual to a State child support enforcement agency attempting to establish, modify, or enforce a child support obligation of such individual.

(b) PROHIBITION OF DISCLOSURE OF FINANCIAL RECORD OBTAINED BY STATE CHILD SUPPORT ENFORCEMENT AGENCY.—A State child support enforcement agency which obtains a financial record of an individual from a financial institution pursuant to subsection (a) may disclose such financial record only for the purpose of, and to the extent necessary in, establishing, modifying, or enforcing a child support obligation of such individual.

(c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLOSURE.—

(1) DISCLOSURE BY STATE OFFICER OR EMPLOYEE.—If any person knowingly, or by reason of negligence, discloses a financial record of an individual in violation of subsection (b), such individual may bring a civil action for damages against such person in a district court of the United States.

(2) NO LIABILITY FOR GOOD FAITH BUT ERRONEOUS INTERPRETATION.—No liability shall arise under this subsection with respect to any disclosure which results from a good faith, but erroneous, interpretation of subsection (b).

(3) DAMAGES.—In any action brought under paragraph (1), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the sum of—

(A) the greater of—

(i) $1,000 for each act of unauthorized disclosure of a financial record with respect to which such defendant is found liable; or

(ii) the sum of—

(I) the actual damages sustained by the plaintiff as a result of such unauthorized disclosure; plus

(II) in the case of a willful disclosure or a disclosure which is the result of gross negligence, punitive damages; plus

(B) the costs (including attorney's fees) of the action.

(d) DEFINITIONS.—For purposes of this section—

(1) FINANCIAL INSTITUTION.—The term "financial institution" means—

(A) a depository institution, as defined in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c));

(B) an institution-affiliated party, as defined in section 3(u) of such Act (12 U.S.C. 1813(v));

(C) any Federal credit union or State credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752), including an institution-affiliated party of such a credit union, as defined in section 206(r) of such Act (12 U.S.C. 1786(r)); and

(D) any benefit association, insurance company, safe deposit company, money-market mutual fund, or similar entity authorized to do business in the State.

(2) FINANCIAL RECORD.—The term "financial record" has the meaning given such term in section 1101 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401).

(3) STATE CHILD SUPPORT ENFORCEMENT AGENCY.—The term "State child support enforcement agency" means a State agency which administers a State program for establishing and enforcing child support obligations.

Subtitle G—Enforcement of Support Orders

SEC. 361. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES.

(a) COLLECTION OF FEES.—Section 6305(a) of the Internal Revenue Code of 1986 (relating to collection of certain liability) is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting ", and";

(3) by adding at the end the following new paragraph:

"(5) no additional fee may be assessed for adjustments to an amount previously certified pursuant to such section 452(b) with respect to the same obligor."; and

(4) by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Secretary of Health and Human Services".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1997.

SEC. 362. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—Section 459 (42 U.S.C. 659) is amended to read as follows:

"SEC. 459. CONSENT BY THE UNITED STATES TO INCOME WITHHOLDING, GARNISHMENT, AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS.

"(a) CONSENT TO SUPPORT ENFORCEMENT.—Notwithstanding any other provision of law (including section 207 of this Act and section 5301 of title 38, United States Code), effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States or the District of Columbia (including any agency, subdivision, or instrumentality thereof) to any individual, including members of the Armed Forces of the United States, shall be subject, in like manner and to the same extent as if the United States or the District of Columbia were a private person, to withholding in accordance with State law enacted pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary under such subsections, and to any other legal process brought, by a State agency administering a program under a State plan approved under this part or by an individual obligee, to enforce the legal obligation of the individual to provide child support or alimony.

"(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE PERSON.—With respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or any other order or process to enforce support obligations against an individual (if the order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), each governmental entity specified in subsection (a) shall be subject to the same requirements as would apply if the entity were a private person, except as otherwise provided in this section.

"(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS—

"(1) DESIGNATION OF AGENT.—The head of each agency subject to this section shall—

"(A) designate an agent or agents to receive orders and accept service of process in matters relating to child support or alimony; and

"(B) annually publish in the Federal Register the designation of the agent or agents, identified by title or position, mailing address, and telephone number.

"(2) RESPONSE TO NOTICE OR PROCESS.—If an agent designated pursuant to paragraph (1) of this subsection receives notice pursuant to State procedures in effect pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatory, with respect to an individual's child support or alimony payment obligations, the agent shall—

"(A) as soon as possible (but not later than 15 days) thereafter, send written notice of the notice or service (together with a copy of the notice or service) to the individual at the duty station or last-known home address of the individual;

"(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to such State procedures, comply with all applicable provisions of section 466; and

"(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatory, respond to the order, process, or interrogatory.

"(d) PRIORITY OF CLAIMS.—If a governmental entity specified in subsection (a) receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than 1 person—

"(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

"(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by section 466(b) and the regulations prescribed under such section; and

"(3) such moneys as remain after compliance with paragraphs (1) and (2) shall be available to satisfy any other such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.

"(e) NO REQUIREMENT TO VARY PAY CYCLES.—A governmental entity that is affected by legal process served for the enforcement of an individual's child support or alimony payment obligations shall not be required to vary its normal pay and disbursement cycle in order to comply with the legal process.

"(f) RELIEF FROM LIABILITY.—

"(1) Neither the United States, nor the government of the District of Columbia, nor any disbursing officer shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if the payment is made in accordance with this section and the regulations issued to carry out this section.

"(2) No Federal employee whose duties include taking actions necessary to comply with the requirements of subsection (a) with regard to any individual shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by the employee in connection with the carrying out of such actions.

"(g) REGULATIONS.—Authority to promulgate regulations for the implementation of this section shall, insofar as this section applies to moneys due from (or payable by)—

"(1) the United States (other than the legislative or judicial branches of the Federal Government) or the government of the District of Columbia, be vested in the President (or the designee of the President);

"(2) the legislative branch of the Federal Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

"(3) the judicial branch of the Federal Government, be vested in the Chief Justice of the United States (or the designee of the Chief Justice).

"(h) MONEYS SUBJECT TO PROCESS.—

"(1) IN GENERAL.—Subject to paragraph (2), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

"(A) consist of—

"(i) compensation paid or payable for personal services of the individual, whether the compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

"(ii) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

"(I) under the insurance system established by title II;

"(II) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

"(III) as compensation for death under any Federal program;

"(IV) under any Federal program established to provide 'black lung' benefits; or

"(V) by the Secretary of Veterans Affairs as compensation for a service-connected disability paid by the Secretary to a former member of the Armed Forces who is in receipt of retired or retainer pay if the former member has waived a portion of the retired or retainer pay in order to receive such compensation; and

"(iii) worker's compensation benefits paid under Federal or State law but

"(B) do not include any payment—

"(i) by way of reimbursement or otherwise, to defray expenses incurred by the individual in carrying out duties associated with the employment of the individual; or

"(ii) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.

"(2) CERTAIN AMOUNTS EXCLUDED.—In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

"(A) are owed by the individual to the United States;

"(B) are required by law to be, and are, deducted from the remuneration or other payment involved, including Federal employment taxes, and fines and forfeitures ordered by court-martial;

"(C) are properly withheld for Federal, State, or local income tax purposes, if the withholding of the amounts is authorized or required by law and if amounts withheld are not greater than would be the case if the individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1986 may be permitted only when the individual presents evidence of a tax obligation which supports the additional withholding);

"(D) are deducted as health insurance premiums;

"(E) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

"(F) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

"(i) DEFINITIONS.—For purposes of this section—

"(1) UNITED STATES.—The term 'United States' includes any department, agency, or instrumentality of the legislative, judicial, or executive branch of the Federal Government, the United States Postal Service, the Postal Rate Commission, any Federal corporation created by an Act of Congress that is wholly owned by the Federal Government, and the governments of the territories and possessions of the United States.

"(2) CHILD SUPPORT.—The term 'child support', when used in reference to the legal obligations of an individual to provide such support, means amounts required to be paid under a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages or reimbursement, and which may include other related costs and fees, interest and penalties, income withholding, attorney's fees, and other relief.

"(3) ALIMONY.—

"(A) IN GENERAL.—The term 'alimony', when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of the individual, and (subject to and in accordance with State law) includes separate maintenance, alimony pendente lite, maintenance, and spousal support, and includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

"(B) EXCEPTIONS.—Such term does not include—

"(i) any child support; or

"(ii) any payment or transfer of property or its value by an individual to the spouse or a former spouse of the individual in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

"(4) PRIVATE PERSON.—The term 'private person' means a person who does not have sovereign or other special immunity or privilege which causes the person not to be subject to legal process.

"(5) LEGAL PROCESS.—The term 'legal process' means any writ, order, summons, or other similar process in the nature of garnishment—

"(A) which is issued by—

"(i) a court or an administrative agency of competent jurisdiction in any State, territory, or possession of the United States;

"(ii) a court or an administrative agency of competent jurisdiction in any foreign country with which the United States has entered into an agreement which requires the United States to honor the process; or

"(iii) an authorized official pursuant to an order of such a court or an administrative agency of competent jurisdiction or pursuant to State or local law; and

"(B) which is directed to, and the purpose of which is to compel, a governmental entity which holds moneys which are otherwise payable to an individual to make a payment from the moneys to another party in order to satisfy a legal obligation of the individual to provide child support or make alimony payments.".

(b) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661 and 662) are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking "sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)" and inserting "section 459 of the Social Security Act (42 U.S.C. 659)".

(c) MILITARY RETIRED AND RETAINER PAY.—

(1) DEFINITION OF COURT.—Section 1408(a)(1) of title 10, United States Code, is amended—

(A) by striking "and" at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(C) by adding after subparagraph (C) the following: new subparagraph:

"(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a program under a State plan approved under part D of title IV of the Social Security Act), and, for purposes of this subparagraph, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.".

(2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of such title is amended—

(A) by inserting "or a support order, as defined in section 453(p) of the Social Security Act (42 U.S.C. 653(p))," before "which—";

(B) in subparagraph (B)(i), by striking "(as defined in section 462(b) of the Social Security Act (42 U.S.C. 662(b)))" and inserting "(as defined in section 459(i)(2) of the Social Security Act (42 U.S.C. 662(i)(2)))"; and

(C) in subparagraph (B)(ii), by striking "(as defined in section 462(c) of the Social Security Act (42 U.S.C. 662(c)))" and inserting "(as defined in section 459(i)(3) of the Social Security Act (42 U.S.C. 662(i)(3)))".

(3) PUBLIC PAYEE.—Section 1408(d) of such title is amended—

(A) in the heading, by inserting "(OR FOR BENEFIT OF)" before "SPOUSE OR"; and

(B) in paragraph (1), in the 1st sentence, by inserting "(or for the benefit of such spouse or former spouse to a State disbursement unit established pursuant to section 454B of the Social Security Act or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)" before "in an amount sufficient".

(4) RELATIONSHIP TO PART D OF TITLE IV.—Section 1408 of such title is amended by adding at the end the following new subsection:

"(j) RELATIONSHIP TO OTHER LAWS.—In any case involving an order providing for payment of child support (as defined in section 459(i)(2) of the Social Security Act) by a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of such Act.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 363. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) AVAILABILITY OF LOCATOR INFORMATION.—

(1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) TYPE OF ADDRESS.—

(A) RESIDENTIAL ADDRESS.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be disclosed due to national security or safety concerns.

(3) UPDATING OF LOCATOR INFORMATION.—Within 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service established under section 453 of the Social Security Act.

(b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT HEARINGS.—

(1) REGULATIONS.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted.

(2) COVERED HEARINGS.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

(3) DEFINITIONS.—For purposes of this subsection—

(A) The term "court" has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term "child support" has the meaning given such term in section 459(i) of the Social Security Act (42 U.S.C. 659(i)).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—

(1) DATE OF CERTIFICATION OF COURT ORDER.—Section 1408 of title 10, United States Code, as amended by section 362(c)(4) of this Act, is amended—

(A) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively; and

(B) by inserting after subsection (h) the following new subsection:

"(i) CERTIFICATION DATE.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary.".

(2) PAYMENTS CONSISTENT WITH ASSIGNMENTS OF RIGHTS TO STATES.—Section 1408(d)(1) of such title is amended by inserting after the 1st sentence the following new sentence: "In the case of a spouse or former spouse who, pursuant to section 408(a)(4) of the Social Security Act, assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights.".

(3) ARREARAGES OWED BY MEMBERS OF THE UNIFORMED SERVICES.—Section 1408(d) of such title is amended by adding at the end the following new paragraph:

"(6) In the case of a court order for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which provides for payments from the disposable retired pay of a member to satisfy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisfy the amount of child support set forth in a court order shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.".

(4) PAYROLL DEDUCTIONS.—The Secretary of Defense shall begin payroll deductions within 30 days after receiving notice of withholding, or for the 1st pay period that begins after such 30-day period.

SEC. 364. VOIDING OF FRAUDULENT TRANSFERS.

Section 466 (42 U.S.C. 666), as amended by section 321 of this Act, is amended by adding at the end the following new subsection:

"(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In order to satisfy section 454(20)(A), each State must have in effect—

"(1)(A) the Uniform Fraudulent Conveyance Act of 1981;

"(B) the Uniform Fraudulent Transfer Act of 1984; or

"(C) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

"(2) procedures under which, in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

"(A) seek to void such transfer; or

"(B) obtain a settlement in the best interests of the child support creditor.".

SEC. 365. WORK REQUIREMENT FOR PERSONS OWING PAST-DUE CHILD SUPPORT.

(a) IN GENERAL.—Section 466(a) of the Social Security Act (42 U.S.C. 666(a)), as amended by sections 315, 317(a), and 323 of this Act, is amended by adding at the end the following new paragraph:

"(15) PROCEDURES TO ENSURE THAT PERSONS OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN FOR PAYMENT OF SUCH SUPPORT.—

"(A) IN GENERAL.—Procedures under which the State has the authority, in any case in which an individual owes past-due support with respect to a child receiving assistance under a State program funded under part A, to seek a court order that requires the individual to—

"(i) pay such support in accordance with a plan approved by the court, or, at the option of the State, a plan approved by the State agency administering the State program under this part; or

"(ii) if the individual is subject to such a plan and is not incapacitated, participate in such work activities (as defined in section 407(d)) as the court, or, at the option of the State, the State agency administering the State program under this part, deems appropriate.

"(B) PAST-DUE SUPPORT DEFINED.—For purposes of subparagraph (A), the term 'past-due support' means the amount of a delinquency, determined under a court order, or an order of an administrative process established under State law, for support and maintenance of a child, or of a child and the parent with whom the child is living.".

(b) CONFORMING AMENDMENT.—The flush paragraph at the end of section 466(a) (42 U.S.C.666(a)) is amended by striking "and (7)" and inserting "(7), and (15)".

SEC. 366. DEFINITION OF SUPPORT ORDER.

Section 453 (42 U.S.C. 653) as amended by sections 316 and 345(b) of this Act, is amended by adding at the end the following new subsection:

"(p) SUPPORT ORDER DEFINED.—As used in this part, the term 'support order' means a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages, or reimbursement, and which may include related costs and fees, interest and penalties, income withholding, attorneys' fees, and other relief.".

SEC. 367. REPORTING ARREARAGES TO CREDIT BUREAUS.

Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read as follows:

"(7) REPORTING ARREARAGES TO CREDIT BUREAUS.—

"(A) IN GENERAL.—Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any noncustodial parent who is delinquent in the payment of support, and the amount of overdue support owed by such parent.

"(B) SAFEGUARDS.—Procedures ensuring that, in carrying out subparagraph (A), information with respect to a noncustodial parent is reported—

"(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

"(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency (as so defined).".

SEC. 368. LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended to read as follows:

"(4) LIENS.—Procedures under which—

"(A) liens arise by operation of law against real and personal property for amounts of overdue support owed by a noncustodial parent who resides or owns property in the State; and

"(B) the State accords full faith and credit to liens described in subparagraph (A) arising in another State, without registration of the underlying order.".

SEC. 369. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315, 317(a), 323, and 365 of this Act, is amended by adding at the end the following:

"(16) AUTHORITY TO WITHHOLD OR SUSPEND LICENSES.—Procedures under which the State has (and uses in appropriate cases) authority to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.".

SEC. 370. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.

(a) HHS CERTIFICATION PROCEDURE.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652), as amended by section 345 of this Act, is amended by adding at the end the following new subsection:

"(k)(1) If the Secretary receives a certification by a State agency in accordance with the requirements of section 454(31) that an individual owes arrearages of child support in an amount exceeding $5,000, the Secretary shall transmit such certification to the Secretary of State for action (with respect to denial, revocation, or limitation of passports) pursuant to section 370(b) of the Bipartisan Welfare Reform Act of 1996.

"(2) The Secretary shall not be liable to an individual for any action with respect to a certification by a State agency under this section.".

(2) STATE CASE AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a), 312(b), 313(a), 333, and 343(b) of this Act, is amended—

(A) by striking "and" at the end of paragraph (29);

(B) by striking the period at the end of paragraph (30) and inserting "; and"; and

(C) by adding after paragraph (30) the following new paragraph:

"(31) provide that the State agency will have in effect a procedure for certifying to the Secretary, for purposes of the procedure under section 452(k), determinations that individuals owe arrearages of child support in an amount exceeding $5,000, under which procedure—

"(A) each individual concerned is afforded notice of such determination and the consequences thereof, and an opportunity to contest the determination; and

"(B) the certification by the State agency is furnished to the Secretary in such format, and accompanied by such supporting documentation, as the Secretary may require.".

(b) STATE DEPARTMENT PROCEDURE FOR DENIAL OF PASSPORTS.—

(1) IN GENERAL.—The Secretary of State shall, upon certification by the Secretary of Health and Human Services transmitted under section 452(k) of the Social Security Act, refuse to issue a passport to such individual, and may revoke, restrict, or limit a passport issued previously to such individual.

(2) LIMIT ON LIABILITY.—The Secretary of State shall not be liable to an individual for any action with respect to a certification by a State agency under this section.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective October 1, 1996.

SEC. 371. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.

(a) AUTHORITY FOR INTERNATIONAL AGREEMENTS.—Part D of title IV, as amended by section 362(a) of this Act, is amended by adding after section 459 the following new section:

"SEC. 459A. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.

"(a) AUTHORITY FOR DECLARATIONS.—

"(1) DECLARATION.—The Secretary of State, with the concurrence of the Secretary of Health and Human Services, is authorized to declare any foreign country (or a political subdivision thereof) to be a foreign reciprocating country if the foreign country has established, or undertakes to establish, procedures for the establishment and enforcement of duties of support owed to obligees who are residents of the United States, and such procedures are substantially in conformity with the standards prescribed under subsection (b).

“(2) REVOCATION.—A declaration with respect to a foreign country made pursuant to paragraph (1) may be revoked if the Secretaries of State and Health and Human Services determine that—

“(A) the procedures established by the foreign nation regarding the establishment and enforcement of duties of support have been so changed, or the foreign nation's implementation of such procedures is so unsatisfactory, that such procedures do not meet the criteria for such a declaration; or

“(B) continued operation of the declaration is not consistent with the purposes of this part.

“(3) FORM OF DECLARATION.—A declaration under paragraph (1) may be made in the form of an international agreement, in connection with an international agreement or corresponding foreign declaration, or on a unilateral basis.

“(b) STANDARDS FOR FOREIGN SUPPORT ENFORCEMENT PROCEDURES.—

“(1) MANDATORY ELEMENTS.—Child support enforcement procedures of a foreign country which may be the subject of a declaration pursuant to subsection (a)(1) shall include the following elements:

“(A) The foreign country (or political subdivision thereof) has in effect procedures, available to residents of the United States—

“(i) for establishment of paternity, and for establishment of orders of support for children and custodial parents; and

“(ii) for enforcement of orders to provide support to children and custodial parents, including procedures for collection and appropriate distribution of support payments under such orders.

“(B) The procedures described in subparagraph (A), including legal and administrative assistance, are provided to residents of the United States at no cost.

“(C) An agency of the foreign country is designated as a Central Authority responsible for—

“(i) facilitating child support enforcement in cases involving residents of the foreign nation and residents of the United States; and

“(ii) ensuring compliance with the standards established pursuant to this subsection.

“(2) ADDITIONAL ELEMENTS.—The Secretary of Health and Human Services and the Secretary of State, in consultation with the States, may establish such additional standards as may be considered necessary to further the purposes of this section.

“(c) DESIGNATION OF UNITED STATES CENTRAL AUTHORITY.—It shall be the responsibility of the Secretary of Health and Human Services to facilitate child support enforcement in cases involving residents of the United States and residents of foreign nations that are the subject of a declaration under this section, by activities including—

“(1) development of uniform forms and procedures for use in such cases;

“(2) notification of foreign reciprocating countries of the State of residence of individuals sought for support enforcement purposes, on the basis of information provided by the Federal Parent Locator Service; and

“(3) such other oversight, assistance, and coordination activities as the Secretary may find necessary and appropriate.

“(d) EFFECT ON OTHER LAWS.—States may enter into reciprocal arrangements for the establishment and enforcement of child support obligations with foreign countries that are not the subject of a declaration pursuant to subsection (a), to the extent consistent with Federal law.”.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a), 312(b), 313(a), 333, 343(b), and 370(a)(2) of this Act, is amended—

(1) by striking “and” at the end of paragraph (30);

(2) by striking the period at the end of paragraph (31) and inserting “; and”; and

(3) by adding after paragraph (31) the following new paragraph:

“(32)(A) provide that any request for services under this part by a foreign reciprocating country or a foreign country with which the State has an arrangement described in section 459A(d)(2) shall be treated as a request by a State;

“(B) provide, at State option, notwithstanding paragraph (4) or any other provision of this part, for services under the plan for enforcement of a spousal support order not described in paragraph (4)(B) entered by such a country (or subdivision); and

“(C) provide that no applications will be required from, and no costs will be assessed for such services against, the foreign reciprocating country or foreign obligee (but costs may at State option be assessed against the obligor).”.

SEC. 372. FINANCIAL INSTITUTION DATA MATCHES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315, 317(a), 323, 365, and 369 of this Act, is amended by adding at the end the following new paragraph:

“(17) FINANCIAL INSTITUTION DATA MATCHES.—

“(A) IN GENERAL.—Procedures under which the State agency shall enter into agreements with financial institutions doing business in the State—

“(i) to develop and operate, in coordination with such financial institutions, a data match system, using automated data exchanges to the maximum extent feasible, in which each such financial institution is required to provide for each calendar quarter the name, record address, social security number or other taxpayer identification number, and other identifying information for each noncustodial parent who maintains an account at such institution and who owes past-due support, as identified by the State by name and social security number or other taxpayer identification number; and

“(ii) in response to a notice of lien or levy, encumber or surrender, as the case may be, assets held by such institution on behalf of any noncustodial parent who is subject to a child support lien pursuant to paragraph (4).

“(B) REASONABLE FEES.—The State agency may pay a reasonable fee to a financial institution for conducting the data match provided for in subparagraph (A)(i), not to exceed the actual costs incurred by such financial institution.

“(C) LIABILITY.—A financial institution shall not be liable under any Federal or State law to any person—

“(i) for any disclosure of information to the State agency under subparagraph (A)(i);

“(ii) for encumbering or surrendering any assets held by such financial institution in response to a notice of lien or levy issued by the State agency as provided for in subparagraph (A)(ii); or

“(iii) for any other action taken in good faith to comply with the requirements of subparagraph (A).

“(D) DEFINITIONS.—For purposes of this paragraph—

“(i) FINANCIAL INSTITUTION.—The term ‘financial institution’ means any Federal or State commercial savings bank, including savings association or cooperative bank, Federal- or State-chartered credit union, benefit association, insurance company, safe deposit company, money-market mutual fund, or any similar entity authorized to do business in the State; and

“(ii) ACCOUNT.—The term ‘account’ means a demand deposit account, checking or negotiable withdrawal order account, savings account, time deposit account, or money-market mutual fund account.”.

SEC. 373. ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS IN CASES OF MINOR PARENTS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315, 317(a), 323, 365, 369, and 372 of this Act, is amended by adding at the end the following new paragraph:

“(18) ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS.—Procedures under which, at the State's option, any child support order enforced under this part with respect to a child of minor parents, if the custodial parents of such child is receiving assistance under the State program under part A, shall be enforceable, jointly and severally, against the parents of the noncustodial parents of such child.”.

SEC. 374. NONDISCHARGEABILITY IN BANKRUPTCY OF CERTAIN DEBTS FOR THE SUPPORT OF A CHILD.

(a) AMENDMENT TO TITLE 11 OF THE UNITED STATES CODE.—Section 523(a) of title 11, United States Code, is amended—

(1) in paragraph (16) by striking the period at the end and inserting “; or”,

(2) by adding at the end the following:

“(17) to a State or municipality for assistance provided by such State or municipality under a State program funded under section 403 of the Social Security Act to the extent that such assistance is provided for the support of a child of the debtor.”, and

(3) in paragraph (5), by inserting “ or section 408” after “section 402(a)(26).

(b) AMENDMENT TO THE SOCIAL SECURITY ACT.—Section 456(b) of the Social Security Act (42 U.S.C. 656(b)) is amended to read as follows:

“(b) NONDISCHARGEABILITY.—A debt (as defined in section 101 of title 11 of the United States Code) to a State (as defined in such section) or municipality (as defined in such section) for assistance provided by such State or municipality under a State program funded under section 403 is not dischargeable under section 727, 1141, 1228(a), 1228(b), or 1328(b) of title 11 of the United States Code to the extent that such assistance is provided for the support of a child of the debtor (as defined in such section).”.

(c) APPLICATION OF AMENDMENTS.—The amendments made by this section shall apply only with respect to cases commenced under title 11 of the United States Code after the effective date of this section.

Subtitle H—Medical Support

SEC. 376. CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking “issued by a court of competent jurisdiction”;

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following:

“if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued through an administrative process established under State law and has the force and effect of law under applicable State law.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1997.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the 1st plan year beginning on or after January 1, 1997, if—

(A) during the period after the date before the date of the enactment of this Act and before such 1st plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(B) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such 1st plan year.

A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

SEC. 377. ENFORCEMENT OF ORDERS FOR HEALTH CARE COVERAGE.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315, 317(a), 323, 365, 369, 372, and 373 of this Act, is amended by adding at the end the following new paragraph:

"(19) HEALTH CARE COVERAGE.—Procedures under which all child support orders enforced pursuant to this part shall include a provision for the health care coverage of the child, and in the case in which a noncustodial parent provides such coverage and changes employment, and the new employer provides health care coverage, the State agency shall transfer notice of the provision to the employer, which notice shall operate to enroll the child in the noncustodial parent's health plan, unless the noncustodial parent contests the notice.".

Subtitle I—Enhancing Responsibility and Opportunity for Non-Residential Parents

SEC. 381. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

Part D of title IV (42 U.S.C. 651–669) is amended by adding at the end the following:

"SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

"(a) IN GENERAL.—The Administration for Children and Families shall make grants under this section to enable States to establish and administer programs to support and facilitate noncustodial parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pickup), and development of guidelines for visitation and alternative custody arrangements.

"(b) AMOUNT OF GRANT.—The amount of the grant to be made to a State under this section for a fiscal year shall be an amount equal to the lesser of—

"(1) 90 percent of State expenditures during the fiscal year for activities described in subsection (a); or

"(2) the allotment of the State under subsection (c) for the fiscal year.

"(c) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—The allotment of a State for a fiscal year is the amount that bears the same ratio to the amount appropriated for grants under this section for the fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

"(2) MINIMUM ALLOTMENT.—The Administration for Children and Families shall adjust allotments to States under paragraph (1) as necessary to ensure that no State is allotted less than—

"(A) $50,000 for fiscal year 1996 or 1997; or

"(B) $100,000 for any succeeding fiscal year.

"(d) NO SUPPLANTATION OF STATE EXPENDITURES FOR SIMILAR ACTIVITIES.—A State to which a grant is made under this section may not use the grant to supplant expenditures by the State for activities specified in subsection (a), but shall use the grant to supplement such expenditures at a level at least equal to the level of such expenditures for fiscal year 1995.

"(e) STATE ADMINISTRATION.—Each State to which a grant is made under this section—

"(1) may administer State programs funded with the grant, directly or through grants to or contracts with courts, local public agencies, or non-profit private entities;

"(2) shall not be required to operate such programs on a statewide basis; and

"(3) shall monitor, evaluate, and report on such programs in accordance with regulations prescribed by the Secretary.".

Subtitle J—Effect of Enactment

SEC. 391. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) the provisions of this title requiring the enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this title shall become effective upon the date of the enactment of this Act.

(b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this title shall become effective with respect to a State on the later of—

(1) the date specified in this title, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions,

but in no event later than the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT.—A State shall not be found out of compliance with any requirement enacted by this title if the State is unable to so comply without amending the State constitution until the earlier of—

(1) 1 year after the effective date of the necessary State constitutional amendment; or

(2) 5 years after the date of the enactment of this Act.

TITLE IV—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

SEC. 400. STATEMENTS OF NATIONAL POLICY CONCERNING WELFARE AND IMMIGRATION.

The Congress makes the following statements concerning national policy with respect to welfare and immigration:

(1) Self-sufficiency has been a basic principle of United States immigration law since this country's earliest immigration statutes.

(2) It continues to be the immigration policy of the United States that—

(A) aliens within the nation's borders not depend on public resources to meet their needs, but rather rely on their own capabilities and the resources of their families, their sponsors, and private organizations, and

(B) the availability of public benefits not constitute an incentive for immigration to the United States.

(3) Despite the principle of self-sufficiency, aliens have been applying for and receiving public benefits from Federal, State, and local governments at increasing rates.

(4) Current eligibility rules for public assistance and unenforceable financial support agreements have proved wholly incapable of assuring that individual aliens not burden the public benefits system.

(5) It is a compelling government interest to enact new rules for eligibility and sponsorship agreements in order to assure that aliens be self-reliant in accordance with national immigration policy.

(6) It is a compelling government interest to remove the incentive for illegal immigration provided by the availability of public benefits.

(7) With respect to the State authority to make determinations concerning the eligibility of qualified aliens for public benefits in this title, a State that chooses to follow the Federal classification in determining the eligibility of such aliens for public assistance shall be considered to have chosen the least restrictive means available for achieving the compelling governmental interest of assuring that aliens be self-reliant in accordance with national immigration policy.

Subtitle A—Eligibility for Federal Benefits

SEC. 401. ALIENS WHO ARE NOT QUALIFIED ALIENS INELIGIBLE FOR FEDERAL PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is not a qualified alien (as defined in section 431) is not eligible for any Federal public benefit (as defined in subsection (c)).

(b) EXCEPTIONS.—

(1) Subsection (a) shall not apply with respect to the following Federal public benefits:

(A) Emergency medical services under title XIX or XXI of the Social Security Act.

(B) Short-term, non-cash, in-kind emergency disaster relief.

(C)(i) Public health assistance for immunizations.

(ii) Public health assistance for testing and treatment of a serious communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(D) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) deliver in-kind services at the community level, including through public or private nonprofit agencies; (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life or safety.

(E) Programs for housing or community development assistance or financial assistance administered by the Secretary of Housing and Urban Development, any program under title V of the Housing Act of 1949, or any assistance under section 306C of the Consolidated Farm and Rural Development Act, to the extent that the alien is receiving such a benefit on the date of the enactment of this Act.

(F) Assistance or benefits under the National School Lunch Act or the Child Nutrition Act of 1966.

(2) Subsection (a) shall not apply to any benefit payable under title II of the Social Security Act to an alien who is lawfully present in the United States as determined by the Attorney General, to any benefit if nonpayment of such benefit would contravene an international agreement described in section 233 of the Social Security Act, to any benefit if nonpayment would be contrary to section 202(t) of the Social Security Act, or to any benefit payable under title II of the Social Security Act to which entitlement is based on an application filed in or before the month in which this Act becomes law.

(3) Subsection (a) shall not apply—

(A) for up to 48 months if the alien can demonstrate that (i) the alien has been battered or subject to extreme cruelty in the United States by a spouse or parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, or (ii) the alien's child has been battered or subject to extreme cruelty in the United States by a spouse or parent of the alien (without the active participation of the alien in the battery or extreme cruelty), or by a member of the spouse or parent's family residing in the same household as the alien when the spouse or parent consented or acquiesced to and the alien did not actively participate in such battery or cruelty, and (iii) the need for the public benefits applied for has a substantial connection to the battery or cruelty described in subclause (I) or (II); and

(B) for more than 48 months if the alien can demonstrate that any battery or cruelty under subparagraph (A) is ongoing, has led to the issuance of an order of a judge or an administrative law judge or a prior determination of the Service, and that the need for such benefits has a substantial connection to such battery or cruelty.

(c) Federal Public Benefit Defined.—

(1) Except as provided in paragraph (2), for purposes of this title the term "Federal public benefit" means—

(A) any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United States; and

(B) any retirement, welfare, health, disability, public or assisted housing, post-secondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of the United States or by appropriated funds of the United States.

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Attorney General, after consultation with the Secretary of State.

SEC. 402. LIMITED ELIGIBILITY OF CERTAIN QUALIFIED ALIENS FOR CERTAIN FEDERAL PROGRAMS.

(a) Limited Eligibility for Specified Federal Programs.—

(1) In general.—Notwithstanding any other provision of law and except as provided in paragraph (2), an alien who is a qualified alien (as defined in section 431) is not eligible for any specified Federal program (as defined in paragraph (3)).

(2) Exceptions.—

(A) Time-limited exception for refugees and asylees.—Paragraph (1) shall not apply to an alien until 5 years after the date—

(i) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

(ii) an alien is granted asylum under section 208 of such Act; or

(iii) an alien's deportation is withheld under section 243(h) of such Act.

(B) Certain permanent resident aliens.—Paragraph (1) shall not apply to an alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii)(I) has worked 20 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 435, and (II) did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter.

(C) Veteran and active duty exception.—Paragraph (1) shall not apply to an alien who is lawfully residing in any State and is—

(i) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii).

(D) Transition for aliens currently receiving benefits.—

(i) SSI.—

(I) In general.—With respect to the specified Federal program described in paragraph (3)(A), during the period beginning on the date of the enactment of this Act and ending on the date which is 1 year after such date of enactment, the Commissioner of Social Security shall redetermine the eligibility of any individual who is receiving benefits under such program as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of this subsection.

(II) Redetermination criteria.— With respect to any redetermination under subclause (I), the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under such program.

(III) Grandfather provision.—The provisions of this subsection and the redetermination under subclause (I), shall only apply with respect to the benefits of an individual described in subclause (I) for months beginning on or after the date of the redetermination with respect to such individual.

(IV) Notice.—Not later than January 1, 1997, the Commissioner of Social Security shall notify an individual described in subclause (I) of the provisions of this clause.

(ii) Food stamps.—

(I) In general.—With respect to the specified Federal program described in paragraph (3)(B), during the period beginning on the date of enactment of this Act and ending on the date which is 1 year after the date of enactment, the State agency shall, at the time of the recertification, recertify the eligibility of any individual who is receiving benefits under such program as of the date of enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of this subsection.

(II) Recertification criteria.—With respect to any recertification under subclause (I), the State agency shall apply the eligibility criteria for applicants for benefits under such program.

(III) Grandfather provision.—The provisions of this subsection and the recertification under subclause (I) shall only apply with respect to the eligibility of an alien for a program for months beginning on or after the date of recertification, if on the date of enactment of this Act the alien is lawfully residing in any State and is receiving benefits under such program on such date of enactment.

(E) FICA exception.—Paragraph (1) shall not apply to an alien if there has been paid with respect to the self-employment income or employment of the alien, or of a parent or spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 20 different calendar quarters.

(F) Exception for battered women and children.—Paragraph (1) shall not apply—

(i) for up to 48 months if the alien can demonstrate that (I) the alien has been battered or subject to extreme cruelty in the United States by a spouse or parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, or (II) the alien's child has been battered or subject to extreme cruelty in the United States by a spouse or parent of the alien (without the active participation of the alien in the battery or extreme cruelty), or by a member of the spouse or parent's family residing in the same household as the alien when the spouse or parent consented or acquiesced to and the alien did not actively participate in such battery or cruelty, and (III) the need for the public benefits applied for has a substantial connection to the battery or cruelty described in this clause; and

(ii) for more than 48 months if the alien can demonstrate that any battery or cruelty under clause (i) is ongoing, has led to the issuance of an order of a judge or an administrative law judge or a prior determination of the Service, and that need for such benefits has a substantial connection to such battery or cruelty.

(G) SSI disability exception.—Paragraph (1) shall not apply to an alien who has not attained 18 years of age and is eligible by reason of disability for supplemental security income benefits under title XVI of the Social Security Act.

(H) Food stamp exception for children.—Paragraph (1) shall not apply to the eligibility of an alien who has not attained 18 years of age for the food stamp program under paragraph (3)(B).

(3) Specified federal program defined.—For purposes of this title, the term "specified Federal program" means any of the following:

(A) SSI.—The supplemental security income program under title XVI of the Social Security Act.

(B) Food stamps.—The food stamp program as defined in section 3(h) of the Food Stamp Act of 1977.

(b) Limited Eligibility for Designated Federal Programs.—

(1) In general.—Notwithstanding any other provision of law and except as provided in section 403 and paragraph (2), a State is authorized to determine the eligibility of an

alien who is a qualified alien (as defined in section 431) for any designated Federal program (as defined in paragraph (3)).

(2) EXCEPTIONS.—Qualified aliens under this paragraph shall be eligible for any designated Federal program.

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(i) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(ii) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.

(iii) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.

(B) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii)(I) has worked 20 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 435, and (II) did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter.

(C) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(i) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii).

(D) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits under such program on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(E) FICA EXCEPTION.—Paragraph (1) shall not apply to an alien if there has been paid with respect to the self-employment income or employment of the alien, or of a parent or spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 20 different calendar quarters.

(F) TIME-LIMITED EXCEPTION FOR BATTERED WOMEN AND CHILDREN.—Paragraph (1) shall not apply—

(i) for up to 48 months if the alien can demonstrate that (I) the alien has been battered or subject to extreme cruelty in the United States by a spouse or parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, or (II) the alien's child has been battered or subject to extreme cruelty in the United States by a spouse or parent of the alien (without the active participation of the alien in the battery or extreme cruelty), or by a member of the spouse or parent's family residing in the same household as the alien when the spouse or parent consented or acquiesced to and the alien did not actively participate in such battery or cruelty, and (III) the need for the public benefits applied for has a substantial connection to the battery or cruelty described in subclause (I) or (II); and

(ii) for more than 48 months if the alien can demonstrate that any battery or cruelty under clause (i) is ongoing, has led to the issuance of an order of a judge or an administrative law judge or a prior determination of the Service, and that the need for such benefits has a substantial connection to such battery or cruelty.

(G) SSI DISABILITY EXCEPTION.—Paragraph (1) shall not apply to an alien who has not attained 18 years of age and is eligible by reason of disability for supplemental security income benefits under title XVI of the Social Security Act.

(3) DESIGNATED FEDERAL PROGRAM DEFINED.—For purposes of this title, the term "designated Federal program" means any of the following:

(A) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—The program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.

(B) SOCIAL SERVICES BLOCK GRANT.—The program of block grants to States for social services under title XX of the Social Security Act.

SEC. 403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is a qualified alien (as defined in section 431) and who enters the United States on or after the date of the enactment of this Act is not eligible for any Federal means-tested public benefit (as defined in subsection (c)) for a period of five years beginning on the date of the alien's entry into the United States with a status within the meaning of the term "qualified alien".

(b) EXCEPTIONS.—The limitation under subsection (a) shall not apply to the following aliens:

(1) EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act.

(B) An alien who is granted asylum under section 208 of such Act.

(C) An alien whose deportation is being withheld under section 243(h) of such Act.

(2) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(3) FICA EXCEPTION.—An alien if there has been paid with respect to the self-employment income or employment of the alien, or of a parent or spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 20 different calendar quarters.

(4) EXCEPTION FOR BATTERED WOMEN AND CHILDREN.—An alien—

(A) for up to 48 months if the alien can demonstrate that (i) the alien has been battered or subject to extreme cruelty in the United States by a spouse or parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, or (ii) the alien's child has been battered or subject to extreme cruelty in the United States by a spouse or parent of the alien (without the active participation of the alien in the battery or extreme cruelty), or by a member of the spouse or parent's family residing in the same household as the alien when the spouse or parent consented or acquiesced to and the alien did not actively participate in such battery or cruelty, and (iii) the need for the public benefits applied for has a substantial connection to the battery or cruelty described in clause (i) or (ii); and

(B) for more than 48 months if the alien can demonstrate that any battery or cruelty under subparagraph (A) is ongoing, has led to the issuance of an order of a judge or an administrative law judge or a prior determination of the Service, and that need for such benefits has a substantial connection to such battery or cruelty.

(5) SSI DISABILITY EXCEPTION.—An alien who has not attained 18 years of age and is eligible by reason of disability for supplemental security income benefits under title XVI of the Social Security Act.

(6) FOOD STAMP EXCEPTION FOR CHILDREN.—An alien who has not attained 18 years of age only for purposes of eligibility for the food stamp program as defined in section 3(h) of the Food Stamp Act of 1977.

(c) FEDERAL MEANS-TESTED PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this title, the term "Federal means-tested public benefit" means a public benefit (including cash, medical, housing, and food assistance and social services) of the Federal Government in which the eligibility of an individual, household, or family eligibility unit for benefits, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.

(2) Such term does not include the following:

(A) Emergency medical services under title XIX or XXI of the Social Security Act.

(B) Short-term, non-cash, in-kind emergency disaster relief.

(C) Assistance or benefits under the National School Lunch Act.

(D) Assistance or benefits under the Child Nutrition Act of 1966.

(E)(i) Public health assistance for immunizations.

(ii) Public health assistance for testing and treatment of a serious communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(F) Payments for foster care and adoption assistance under part B of title IV of the Social Security Act for a child who would, in the absence of subsection (a), be eligible to have such payments made on the child's behalf under such part, but only if the foster or adoptive parent or parents of such child are not described under subsection (a).

(G) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) deliver in-kind services at the community level, including through public or private nonprofit agencies; (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life or safety.

(H) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965.

(I) Means-tested programs under the Elementary and Secondary Education Act of 1965.

(J) The program of medical assistance under title XIX and title XXI of the Social Security Act.

SEC. 404. NOTIFICATION AND INFORMATION REPORTING.

(a) NOTIFICATION.—Each Federal agency that administers a program to which section 401, 402, or 403 applies shall, directly or through the States, post information and provide general notification to the public and to program recipients of the changes regarding eligibility for any such program pursuant to this title.

(b) INFORMATION REPORTING UNDER TITLE IV OF THE SOCIAL SECURITY ACT.—Part A of title IV of the Social Security Act is amended by inserting the following new section after section 411:

"SEC. 411A. STATE REQUIRED TO PROVIDE CERTAIN INFORMATION.

"Each State to which a grant is made under section 403 of the Social Security Act shall, at least 4 times annually and upon request of the Immigration and Naturalization Service, furnish the Immigration and Naturalization Service with the name and address of, and other identifying information on, any individual who the State knows is unlawfully in the United States.".

(c) SSI.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended—

(1) by redesignating paragraphs (6) and (7) inserted by sections 206(d)(2) and 206(f)(1) of the Social Security Independence and Programs Improvement Act of 1994 (Public Law 103–296; 108 Stat. 1514, 1515) as paragraphs (7) and (8), respectively; and

(2) by adding at the end the following new paragraph:

"(9) Notwithstanding any other provision of law, the Commissioner shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this paragraph referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Commissioner knows is unlawfully in the United States, and shall ensure that each agreement entered into under section 1616(a) with a State provides that the State shall furnish such information at such times with respect to any individual who the State knows is unlawfully in the United States.".

(d) INFORMATION REPORTING FOR HOUSING PROGRAMS.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

"SEC. 28. PROVISION OF INFORMATION TO LAW ENFORCEMENT AND OTHER AGENCIES.

"Notwithstanding any other provision of law, the Secretary shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this section referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Secretary knows is unlawfully in the United States, and shall ensure that each contract for assistance entered into under section 6 or 8 of this Act with a public housing agency provides that the public housing agency shall furnish such information at such times with respect to any individual who the public housing agency knows is unlawfully in the United States.".

Subtitle B—Eligibility for State and Local Public Benefits Programs

SEC. 411. ALIENS WHO ARE NOT QUALIFIED ALIENS OR NONIMMIGRANTS INELIGIBLE FOR STATE AND LOCAL PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsections (b) and (d), an alien who is not described under a paragraph of this subsection is not eligible for any State or local public benefit (as defined in subsection (c)):

(1) A qualified alien (as defined in section 431).

(2) A nonimmigrant under the Immigration and Nationality Act.

(3) An alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(4) An alien—

(A) for up to 48 months if the alien can demonstrate that (i) the alien has been battered or subject to extreme cruelty in the United States by a spouse or parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, or (ii) the alien's child has been battered or subject to extreme cruelty in the United States by a spouse or parent of the alien (without the active participation of the alien in the battery or extreme cruelty), or by a member of the spouse or parent's family residing in the same household as the alien when the spouse or parent consented or acquiesced to and the alien did not actively participate in such battery or cruelty, and (iii) the need for the public benefits applied for has a substantial connection to the battery or cruelty described in clause (i) or (ii), and

(B) for more than 48 months if the alien can demonstrate that any battery or cruelty under subparagraph (A) is ongoing, has led to the issuance of an order of a judge or an administrative law judge or a prior determination of the Service, and that the need for such benefits has a substantial connection to such battery or cruelty.

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following State or local public benefits:

(1) Emergency medical services under title XIX or XXI of the Social Security Act.

(2) Short-term, noncash, in-kind emergency disaster relief.

(3)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a serious communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(4) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(c) STATE OR LOCAL PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this subtitle the term "State or local public benefit" means—

(A) any grant, contract, loan, professional license, or commercial license provided by an agency of a State or local government or by appropriated funds of a State or local government; and

(B) any retirement, welfare, health, disability, public or assisted housing, post-secondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of a State or local government or by appropriated funds of a State or local government.

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Secretary of State, after consultation with the Attorney General.

(d) STATE AUTHORITY TO PROVIDE FOR ELIGIBILITY OF ILLEGAL ALIENS FOR STATE AND LOCAL PUBLIC BENEFITS.—A State may provide that an alien who is not lawfully present in the United States is eligible for any State or local public benefit for which such alien would otherwise be ineligible under subsection (a) only through the enactment of a State law after the date of the enactment of this Act which affirmatively provides for such eligibility.

SEC. 412. STATE AUTHORITY TO LIMIT ELIGIBILITY OF QUALIFIED ALIENS FOR STATE PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), a State is authorized to determine the eligibility for any State public benefits (as defined in subsection (c) of an alien who is a qualified alien (as defined in section 431), a nonimmigrant under the Immigration and Nationality Act, or an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(b) EXCEPTIONS.—Qualified aliens under this subsection shall be eligible for any State public benefits.

(1) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(B) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.

(C) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.

(2) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(A) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(B)(i) has worked 20 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 435, and (ii) did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter.

(3) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(4) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(5) EXCEPTION FOR BATTERED WOMEN AND CHILDREN.—An alien—

(A) for up to 48 months if the alien can demonstrate that (i) the alien has been battered or subject to extreme cruelty in the United States by a spouse or parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, or (ii) the alien's child has been battered or subject to extreme cruelty in the United States by a spouse or parent of the alien (without the active participation of the alien in the battery or extreme cruelty), or by a member of the spouse or parent's family residing in the same household as the alien when the spouse or parent consented or acquiesced to and the alien did not actively participate in such battery or cruelty, and (iii) the need for the public benefits applied for has a substantial connection to the battery or cruelty described in clause (i) or (ii); and

(B) for more than 48 months if the alien can demonstrate that any battery or cruelty under subparagraph (A) is ongoing, has led to the issuance of an order of a judge or an administrative law judge or a prior determination of the Service, and that the need for such benefits has a substantial connection to such battery or cruelty.

(c) STATE PUBLIC BENEFITS DEFINED.—The term "State public benefits" means any means-tested public benefit of a State or political subdivision of a State under which the State or political subdivision specifies the standards for eligibility, and does not include any Federal public benefit.

Subtitle C—Attribution of Income and Affidavits of Support

SEC. 421. FEDERAL ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO ALIEN FOR PURPOSES OF MEDICAID ELIGIBILITY.

(a) IN GENERAL.—Notwithstanding any other provision of law, in determining the eligibility and the amount of benefits of an alien (other than an alien who has not attained 18 years of age or an alien who is pregnant) for the program of medical assistance under title XIX and title XXI of the Social Security Act, the income and resources of the alien shall be deemed to include the following:

(1) The income and resources of any person who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 423) on behalf of such alien.

(2) The income and resources of the spouse (if any) of the person.

(b) APPLICATION.—Subsection (a) shall apply with respect to an alien (other than an alien who has not attained 18 years of age or an alien who is pregnant) until such time as the alien—

(1) achieves United States citizenship through naturalization pursuant to chapter 2 of title III of the Immigration and Nationality Act; or

(2)(A) has worked 20 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 435, and (B) did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter.

(c) REVIEW OF INCOME AND RESOURCES OF ALIEN UPON REAPPLICATION.—Whenever an alien (other than an alien who has not attained 18 years of age or an alien who is pregnant) is required to reapply for benefits under any Federal means-tested public benefits program, the applicable agency shall review the income and resources attributed to the alien under subsection (a).

SEC. 422. AUTHORITY FOR STATES TO PROVIDE FOR ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO THE ALIEN WITH RESPECT TO STATE PROGRAMS.

(a) OPTIONAL APPLICATION TO STATE PROGRAMS.—Except as provided in subsection (b), in determining the eligibility and the amount of benefits of an alien for any State public benefits (as defined in section 412(c)), the State or political subdivision that offers the benefits is authorized to provide that the income and resources of the alien shall be deemed to include—

(1) the income and resources of any individual who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 423) on behalf of such alien, and

(2) the income and resources of the spouse (if any) of the individual.

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following State public benefits:

(1) Emergency medical services.

(2) Short-term, noncash, in-kind emergency disaster relief.

(3) Programs comparable to assistance or benefits under the National School Lunch Act.

(4) Programs comparable to assistance or benefits under the Child Nutrition Act of 1966.

(5)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a serious communicable disease if the appropriate chief State health official determines that it is necessary to prevent the spread of such disease.

(6) Payments for foster care and adoption assistance.

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General of a State, after consultation with appropriate agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

SEC. 423. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.

(a) IN GENERAL.—Title II of the Immigration and Nationality Act is amended by inserting after section 213 the following new section:

"REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

"SEC. 213A. (a) ENFORCEABILITY.—(1) No affidavit of support may be accepted by the Attorney General or by any consular officer to establish that an alien is not excludable as a public charge under section 212(a)(4) unless such affidavit is executed as a contract—

"(A) which is legally enforceable against the sponsor by the sponsored alien, the Federal Government, and by any State (or any political subdivision of such State) which provides any means-tested public benefits program, but not later than 10 years after the alien last receives any such benefit;

"(B) in which the sponsor agrees to financially support the alien, so that the alien will not become a public charge; and

"(C) in which the sponsor agrees to submit to the jurisdiction of any Federal or State court for the purpose of actions brought under subsection (e)(2).

"(2) A contract under paragraph (1) shall be enforceable with respect to benefits provided to the alien until such time as the alien achieves United States citizenship through naturalization pursuant to chapter 2 of title III.

"(b) FORMS.—Not later than 90 days after the date of enactment of this section, the Attorney General, in consultation with the Secretary of State and the Secretary of Health and Human Services, shall formulate an affidavit of support consistent with the provisions of this section.

"(c) REMEDIES.—Remedies available to enforce an affidavit of support under this section include any or all of the remedies described in sections 3201, 3203, 3204, or 3205 of title 28, United States Code, as well as an order for specific performance and payment of legal fees and other costs of collection, and include corresponding remedies available under State law. A Federal agency may seek to collect amounts owed under this section in accordance with the provisions of subchapter II of chapter 37 of title 31, United States Code.

"(d) NOTIFICATION OF CHANGE OF ADDRESS.—

"(1) IN GENERAL.—The sponsor shall notify the Attorney General and the State in which the sponsored alien is currently resident within 30 days of any change of address of the sponsor during the period specified in subsection (a)(2).

"(2) PENALTY.—Any person subject to the requirement of paragraph (1) who fails to satisfy such requirement shall be subject to a civil penalty of—

"(A) not less than $250 or more than $2,000, or

"(B) if such failure occurs with knowledge that the alien has received any means-tested public benefit, not less than $2,000 or more than $5,000.

"(e) REIMBURSEMENT OF GOVERNMENT EXPENSES.—(1)(A) Upon notification that a sponsored alien has received any benefit under any means-tested public benefits program, the appropriate Federal, State, or local official shall request reimbursement by the sponsor in the amount of such assistance.

"(B) The Attorney General, in consultation with the Secretary of Health and Human Services, shall prescribe such regulations as may be necessary to carry out subparagraph (A).

"(2) If within 45 days after requesting reimbursement, the appropriate Federal, State, or local agency has not received a response from the sponsor indicating a willingness to commence payments, an action may be brought against the sponsor pursuant to the affidavit of support.

"(3) If the sponsor fails to abide by the repayment terms established by such agency, the agency may, within 60 days of such failure, bring an action against the sponsor pursuant to the affidavit of support.

"(4) No cause of action may be brought under this subsection later than 10 years after the alien last received any benefit under any means-tested public benefits program.

"(5) If, pursuant to the terms of this subsection, a Federal, State, or local agency requests reimbursement from the sponsor in the amount of assistance provided, or brings an action against the sponsor pursuant to the affidavit of support, the appropriate agency may appoint or hire an individual or other person to act on behalf of such agency acting under the authority of law for purposes of collecting any moneys owed. Nothing in this subsection shall preclude any appropriate Federal, State, or local agency from directly requesting reimbursement from a sponsor for the amount of assistance provided, or from bringing an action against a sponsor pursuant to an affidavit of support.

"(f) DEFINITIONS.—For the purposes of this section—

"(1) SPONSOR.—The term 'sponsor' means an individual who—

"(A) is a citizen or national of the United States or an alien who is lawfully admitted to the United States for permanent residence;

"(B) has attained the age of 18 years;

"(C) is domiciled in any of the 50 States or the District of Columbia; and

"(D) is the person petitioning for the admission of the alien under section 204.

"(2) MEANS-TESTED PUBLIC BENEFITS PROGRAM.—The term 'means-tested public benefits program' means a program of public benefits (including cash, medical, housing, and food assistance and social services) of the Federal Government or of a State or political subdivision of a State in which the eligibility of an individual, household, or family eligibility unit for benefits under the program, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.".

(b) CLERICAL AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 213 the following:

"Sec. 213A. Requirements for sponsor's affidavit of support.".

(c) EFFECTIVE DATE.—Subsection (a) of section 213A of the Immigration and Nationality Act, as inserted by subsection (a) of this section, shall apply to affidavits of support executed on or after a date specified by the Attorney General, which date shall not be earlier than 60 days (and not later than 90 days) after the date the Attorney General formulates the form for such affidavits under subsection (b) of such section.

(d) BENEFITS NOT SUBJECT TO REIMBURSEMENT.—Requirements for reimbursement by a sponsor for benefits provided to a sponsored alien pursuant to an affidavit of support under section 213A of the Immigration and Nationality Act shall not apply with respect to the following:

(1) Emergency medical services under title XIX or XXI of the Social Security Act.

(2) Short-term, noncash, in-kind emergency disaster relief.

(3) Assistance or benefits under the National School Lunch Act.

(4) Assistance or benefits under the Child Nutrition Act of 1966.

(5)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a serious communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(6) Payments for foster care and adoption assistance under part B of title IV of the Social Security Act for a child, but only if the foster or adoptive parent or parents of such child are not otherwise ineligible pursuant to section 403 of this Act.

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(8) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965.

SEC. 424. COSIGNATURE OF ALIEN STUDENT LOANS.

Section 484(b) of the Higher Education Act of 1965 (20 U.S.C. 1091(b)) is amended by adding at the end the following new paragraph:

"(6) Notwithstanding sections 427(a)(2)(A), 428B(a), 428C(b)(4)(A), and 464(c)(1)(E), or any other provision of this title, a student who is an alien lawfully admitted for permanent residence under the Immigration and Nationality Act shall not be eligible for a loan under this title unless the loan is endorsed and cosigned by the alien's sponsor under section 213A of the Immigration and Nationality Act or by another creditworthy individual who is a United States citizen.".

Subtitle D—General Provisions

SEC. 431. DEFINITIONS.

(a) IN GENERAL.—Except as otherwise provided in this title, the terms used in this title have the same meaning given such terms in section 101(a) of the Immigration and Nationality Act.

(b) QUALIFIED ALIEN.—For purposes of this title, the term "qualified alien" means an alien who, at the time the alien applies for, receives, or attempts to receive a Federal public benefit, is—

(1) an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act,

(2) an alien who is granted asylum under section 208 of such Act,

(3) a refugee who is admitted to the United States under section 207 of such Act,

(4) an alien who is paroled into the United States under section 212(d)(5) of such Act for a period of at least 1 year,

(5) an alien whose deportation is being withheld under section 243(h) of such Act, or

(6) an alien who is granted conditional entry pursuant to section 203(a)(7) of such Act as in effect prior to April 1, 1980.

SEC. 432. VERIFICATION OF ELIGIBILITY FOR FEDERAL PUBLIC BENEFITS.

(a) IN GENERAL.—Not later than 18 months after the date of the enactment of this Act, the Attorney General of the United States, after consultation with the Secretary of Health and Human Services, shall promulgate regulations requiring verification that a person applying for a Federal public benefit (as defined in section 401(c)), to which the limitation under section 401 applies, is a qualified alien and is eligible to receive such benefit. Such regulations shall, to the extent feasible, require that information requested and exchanged be similar in form and manner to information requested and exchanged under section 1137 of the Social Security Act.

(b) STATE COMPLIANCE.—Not later than 24 months after the date the regulations described in subsection (a) are adopted, a State that administers a program that provides a Federal public benefit shall have in effect a verification system that complies with the regulations.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purpose of this section.

SEC. 433. STATUTORY CONSTRUCTION.

(a) LIMITATION.—

(1) Nothing in this title may be construed as an entitlement or a determination of an individual's eligibility or fulfillment of the requisite requirements for any Federal, State, or local governmental program, assistance, or benefits. For purposes of this title, eligibility relates only to the general issue of eligibility or ineligibility on the basis of alienage.

(2) Nothing in this title may be construed as addressing alien eligibility for a basic public education as determined by the Supreme Court of the United States under Plyler v. Doe (457 U.S. 202)(1982).

(b) NOT APPLICABLE TO FOREIGN ASSISTANCE.—This title does not apply to any Federal, State, or local governmental program, assistance, or benefits provided to an alien under any program of foreign assistance as determined by the Secretary of State in consultation with the Attorney General.

(c) SEVERABILITY.—If any provision of this title or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this title and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 434. COMMUNICATION BETWEEN STATE AND LOCAL GOVERNMENT AGENCIES AND THE IMMIGRATION AND NATURALIZATION SERVICE.

Notwithstanding any other provision of Federal, State, or local law, no State or local government entity may be prohibited, or in any way restricted, from sending to or receiving from the Immigration and Naturalization Service information regarding the immigration status, lawful or unlawful, of an alien in the United States.

SEC. 435. QUALIFYING QUARTERS.

For purposes of this title, in determining the number of qualifying quarters of coverage under title II of the Social Security Act an alien shall be credited with—

(1) all of the qualifying quarters of coverage as defined under title II of the Social Security Act worked by a parent of such alien while the alien was under age 18 if the parent did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter, and

(2) all of the qualifying quarters worked by a spouse of such alien during their marriage if the spouse did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter and the alien remains married to such spouse or such spouse is deceased.

SEC. 436. TITLE INAPPLICABLE TO PROGRAMS SPECIFIED BY ATTORNEY GENERAL.

Notwithstanding any other provision of this title, this title or any provision of this title shall not apply to programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (1) deliver services at the community level, including through public or private nonprofit agencies; (2) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (3) are necessary for the protection of life, safety or the public health.

SEC. 437. TITLE INAPPLICABLE TO PROGRAMS OF NONPROFIT CHARITABLE ORGANIZATIONS.

Notwithstanding any other provision of this title, this title or any provision of this title shall not apply to programs, services, or assistance of a nonprofit charitable organization, regardless of whether such programs, services, or assistance are funded, in whole or in part, by the Federal Government or the government of any State or political subdivision of a State.

Subtitle E—Conforming Amendments

SEC. 441. CONFORMING AMENDMENTS RELATING TO ASSISTED HOUSING.

(a) LIMITATIONS ON ASSISTANCE.—Section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) is amended—

(1) by striking "Secretary of Housing and Urban Development" each place it appears and inserting "applicable Secretary";

(2) in subsection (b), by inserting after "National Housing Act," the following: "the direct loan program under section 502 of the Housing Act of 1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or 542 of such Act, subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act,";

(3) in paragraphs (2) through (6) of subsection (d), by striking "Secretary" each place it appears and inserting "applicable Secretary";

(4) in subsection (d), in the matter following paragraph (6), by striking "the term 'Secretary'" and inserting "the term 'applicable Secretary'"; and

(5) by adding at the end the following new subsection:

"(h) For purposes of this section, the term 'applicable Secretary' means—

"(1) the Secretary of Housing and Urban Development, with respect to financial assistance administered by such Secretary and financial assistance under subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act; and

"(2) the Secretary of Agriculture, with respect to financial assistance administered by such Secretary.".

(b) CONFORMING AMENDMENTS.—Section 501(h) of the Housing Act of 1949 (42 U.S.C. 1471(h)) is amended—

(1) by striking "(1)";

(2) by striking "by the Secretary of Housing and Urban Development"; and

(3) by striking paragraph (2).

TITLE V—REDUCTIONS IN FEDERAL GOVERNMENT POSITIONS

SEC. 501. REDUCTIONS.

(a) DEFINITIONS.—As used in this section:

(1) APPROPRIATE EFFECTIVE DATE.—The term "appropriate effective date", used with respect to a Department referred to in this section, means the date on which all provisions of this Act (other than title II) that the Department is required to carry out, and amendments and repeals made by such Act to provisions of Federal law that the Department is required to carry out, are effective.

(2) COVERED ACTIVITY.—The term "covered activity", used with respect to a Department referred to in this section, means an activity that the Department is required to carry out under—

(A) a provision of this Act (other than title II); or

(B) a provision of Federal law that is amended or repealed by this Act (other than title II).

(b) REPORTS.—

(1) CONTENTS.—Not later than December 31, 1995, each Secretary referred to in paragraph (2) shall prepare and submit to the relevant committees described in paragraph (3) a report containing—

(A) the determinations described in subsection (c);

(B) appropriate documentation in support of such determinations; and

(C) a description of the methodology used in making such determinations.

(2) SECRETARY.—The Secretaries referred to in this paragraph are—

(A) the Secretary of Agriculture;

(B) the Secretary of Education;

(C) the Secretary of Labor;

(D) the Secretary of Housing and Urban Development; and

(E) the Secretary of Health and Human Services.

(3) RELEVANT COMMITTEES.—The relevant Committees described in this paragraph are the following:

(A) With respect to each Secretary described in paragraph (2), the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate.

(B) With respect to the Secretary of Agriculture, the Committee on Agriculture and the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(C) With respect to the Secretary of Education, the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

(D) With respect to the Secretary of Labor, the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

(E) With respect to the Secretary of Housing and Urban Development, the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(F) With respect to the Secretary of Health and Human Services, the Committee on Economic and Educational Opportunities of the House of Representatives, the Committee on Labor and Human Resources of the Senate, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate.

(4) REPORT ON CHANGES.—Not later than December 31, 1996, and each December 31 thereafter, each Secretary referred to in paragraph (2) shall prepare and submit to the relevant Committees described in paragraph (3), a report concerning any changes with respect to the determinations made under subsection (c) for the year in which the report is being submitted.

(c) DETERMINATIONS.—Not later than October 1, 1996, each Secretary referred to in subsection (b)(2) shall determine—

(1) the number of full-time equivalent positions required by the Department headed by such Secretary to carry out the covered activities of the Department, as of the day before the date of enactment of this Act;

(2) the number of such positions required by the Department to carry out the activities, as of the appropriate effective date for the Department; and

(3) the difference obtained by subtracting the number referred to in paragraph (2) from the number referred to in paragraph (1).

(d) ACTIONS.—Each Secretary referred to in subsection (b)(2) shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the number of positions of personnel of the Department—

(1) not later than 30 days after the appropriate effective date for the Department involved, by at least 50 percent of the difference referred to in subsection (c)(3); and

(2) not later than 13 months after such appropriate effective date, by at least the remainder of such difference (after the application of paragraph (1)).

(e) CONSISTENCY.—

(1) EDUCATION.—The Secretary of Education shall carry out this section in a manner that enables the Secretary to meet the requirements of this section.

(2) LABOR.—The Secretary of Labor shall carry out this section in a manner that enables the Secretary to meet the requirements of this section.

(3) HEALTH AND HUMAN SERVICES.—The Secretary of Health and Human Services shall carry out this section in a manner that enables the Secretary to meet the requirements of this section and sections 502 and 503.

(f) CALCULATION.—In determining, under subsection (c), the number of full-time equivalent positions required by a Department to carry out a covered activity, a Secretary referred to in subsection (b)(2) shall include the number of such positions occupied by personnel carrying out program functions or other functions (including budgetary, legislative, administrative, planning, evaluation, and legal functions) related to the activity.

(g) GENERAL ACCOUNTING OFFICE REPORT.—Not later than July 1, 1996, the Comptroller General of the United States shall prepare and submit to the committees described in subsection (b)(3), a report concerning the determinations made by each Secretary under subsection (c). Such report shall contain an analysis of the determinations made by each Secretary under subsection (c) and a determination as to whether further reductions in full-time equivalent positions are appropriate.

SEC. 502. REDUCTIONS IN FEDERAL BUREAUCRACY.

(a) IN GENERAL.—The Secretary of Health and Human Services shall reduce the Federal workforce within the Department of Health and Human Services by an amount equal to the sum of—

(1) 75 percent of the full-time equivalent positions at such Department that relate to any direct spending program, or any program funded through discretionary spending, that has been converted into a block grant program under this Act and the amendments made by this Act; and

(2) an amount equal to 75 percent of that portion of the total full-time equivalent departmental management positions at such Department that bears the same relationship to the amount appropriated for the programs referred to in paragraph (1) as such amount relates to the total amount appropriated for use by such Department.

(b) REDUCTIONS IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Notwithstanding any other provision of this Act, the Secretary of Health and Human Services shall take such actions as may be necessary, including reductions in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the full-time equivalent positions within the Department of Health and Human Services—

(1) by 245 full-time equivalent positions related to the program converted into a block grant under the amendment made by section 103; and

(2) by 60 full-time equivalent managerial positions in the Department.

SEC. 503. REDUCING PERSONNEL IN WASHINGTON, D.C. AREA.

In making reductions in full-time equivalent positions, the Secretary of Health and Human Services is encouraged to reduce personnel in the Washington, D.C., area office (agency headquarters) before reducing field personnel.

TITLE VI—REFORM OF PUBLIC HOUSING

SEC. 601. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

"SEC. 27. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

"(a) IN GENERAL.—If the benefits of a family are reduced under a Federal, State, or local law relating to welfare or a public assistance program for the failure of any member of the family to perform an action required under the law or program, the family may not, for the duration of the reduction, receive any increased assistance under this Act as the result of a decrease in the income of the family to the extent that the decrease in income is the result of the benefits reduction.

"(b) EXCEPTION.—Subsection (a) shall not apply in any case in which the benefits of a family are reduced because the welfare or public assistance program to which the Federal, State, or local law relates limits the period during which benefits may be provided under the program.".

SEC. 602. FRAUD UNDER MEANS-TESTED WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

(a) IN GENERAL.—If an individual's benefits under a Federal, State, or local law relating to a means-tested welfare or a public assistance program are reduced because of an act of fraud by the individual under the law or program, the individual may not, for the duration of the reduction, receive an increased benefit under any other means-tested welfare or public assistance program for which Federal funds are appropriated as a result of a decrease in the income of the individual (determined under the applicable program) attributable to such reduction.

(b) WELFARE OR PUBLIC ASSISTANCE PROGRAMS FOR WHICH FEDERAL FUNDS ARE APPROPRIATED.—For purposes of subsection (a), the term "means-tested welfare or public assistance program for which Federal funds are appropriated" includes the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), any program of public or assisted housing under title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), and State programs funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

SEC. 603. ANNUAL ADJUSTMENT FACTORS FOR OPERATING COSTS ONLY; RESTRAINT ON RENT INCREASES.

(a) ANNUAL ADJUSTMENT FACTORS FOR OPERATING COSTS ONLY.—Section 8(c)(2)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)(2)(A)) is amended—

(1) by striking "(2)(A)" and inserting "(2)(A)(i)";

(2) by striking the second sentence and all that follows through the end of the subparagraph; and

(3) by adding at the end the following new clause:

"(ii) Each assistance contract under this section shall provide that—

"(I) if the maximum monthly rent for a unit in a new construction or substantial rehabilitation project to be adjusted using an annual adjustment factor exceeds 100 percent of the fair market rent for an existing dwelling unit in the market area, the Secretary shall adjust the rent using an operating costs factor that increases the rent to reflect increases in operating costs in the market area; and

"(II) if the owner of a unit in a project described in subclause (I) demonstrates that the adjusted rent determined under subclause (I) would not exceed the rent for an unassisted unit of similar quality, type, and age in the same market area, as determined by the Secretary, the Secretary shall use the otherwise applicable annual adjustment factor.".

(b) RESTRAINT ON SECTION 8 RENT INCREASES.—Section 8(c)(2)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)(2)(A)), as amended by subsection (a), is amended by adding at the end the following new clause:

"(iii)(I) Subject to subclause (II), with respect to any unit assisted under this section that is occupied by the same family at the time of the most recent annual rental adjustment, if the assistance contract provides for the adjustment of the maximum monthly rent by applying an annual adjustment factor, and if the rent for the unit is otherwise eligible for an adjustment based on the full amount of the annual adjustment factor, 0.01 shall be subtracted from the amount of the annual adjustment factor, except that the annual adjustment factor shall not be reduced to less than 1.0.

"(II) With respect to any unit described in subclause (I) that is assisted under the certificate program, the adjusted rent shall not exceed the rent for a comparable unassisted unit of similar quality, type, and age in the market area in which the unit is located.".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1996.

SEC. 604. EFFECTIVE DATE.

This title and the amendment made by this title shall become effective on the date of enactment of this Act.

TITLE VII—CHILD CARE

SEC. 701. SHORT TITLE AND REFERENCES.

(a) SHORT TITLE.—This title may be cited as the "Child Care and Development Block Grant Amendments of 1995".

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

SEC. 702. GOALS.

(a) GOALS.—Section 658A (42 U.S.C. 9801 note) is amended—

(1) in the section heading by inserting "AND GOALS" after "TITLE";

(2) by inserting "(a) SHORT TITLE.—" before "This"; and

(3) by adding at the end the following:

"(b) GOALS.—The goals of this subchapter are—

"(1) to allow each State maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within such State;

"(2) to promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs;

"(3) to encourage States to provide consumer education information to help parents make informed choices about child care;

"(4) to assist States to provide child care to parents trying to achieve independence from public assistance; and

"(5) to assist States in implementing the health, safety, licensing, and registration standards established in State regulations.".

SEC. 803. AUTHORIZATION OF APPROPRIATIONS AND ENTITLEMENT AUTHORITY.

(a) IN GENERAL.—Section 658B (42 U.S.C. 9858) is amended to read as follows:

"SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.

"There is authorized to be appropriated to carry out this subchapter $1,000,000,000 for each of the fiscal years 1996 through 2002.".

(b) SOCIAL SECURITY ACT.—Part A of title IV of the Social Security Act (as amended by section 103 of this Act) is amended by redesignating section 417 as section 418 and inserting after section 416 the following:

"SEC. 417. FUNDING FOR CHILD CARE.

"(a) GENERAL CHILD CARE ENTITLEMENT.—

"(1) GENERAL ENTITLEMENT.—Subject to the amount appropriated under paragraph (3), each State shall, for the purpose of providing child care assistance, be entitled to payments under a grant under this subsection for a fiscal year in an amount equal to the greatest of—

"(A) the sum of—

"(i) the total amount required to be paid to the State under former section 403 for fiscal year 1994 with respect to amounts expended for child care under section 402(g) of this Act (as such section was in effect before October 1, 1995); and

"(ii) such total amount with respect to amounts expended for child care under section 403(i) of this Act (as so in effect); or

"(B) the sum described in subparagraph (A) for fiscal year 1995; or

"(C) the average of the total amounts required to be paid to the State for fiscal years 1992 through 1994 under the sections referred to in subparagraph (A).

"(2) REMAINDER.—

"(A) GRANTS.—The Secretary shall use any amounts appropriated for a fiscal year under paragraph (3), and remaining after the reservation described in paragraph (5) and after grants are awarded under paragraph (1), to make grants to States under this paragraph.

"(B) AMOUNT.—Subject to subparagraph (C), the amount of a grant awarded to a State for a fiscal year under this paragraph shall be based on the formula used for determining the amount of Federal payments to the State under section 403(n) (as such section was in effect before October 1, 1995).

"(C) MATCHING REQUIREMENT.—The Secretary shall pay to each eligible State in a fiscal year an amount, under a grant under subparagraph (A), equal to the Federal medical assistance percentage for such State for fiscal year 1995 (as defined in section 1905(b)) of so much of the expenditures by the State for child care in such year as exceed the State set-aside for such State under subsection (a)(1) for such year and the amount of State expenditures in fiscal year 1995 that equal the non-Federal share for the programs described in subparagraphs (A), (B) and (C) of paragraph (1).

"(3) APPROPRIATION.—There are authorized to be appropriated, and there are appropriated, to carry out this section—

"(A) $1,967,000,000 for fiscal year 1997;

"(B) $2,067,000,000 for fiscal year 1998;

"(C) $2,167,000,000 for fiscal year 1999;

"(D) $2,367,000,000 for fiscal year 2000;

"(E) $2,567,000,000 for fiscal year 2001; and

"(F) $2,767,000,000 for fiscal year 2002.

"(4) REDISTRIBUTION.—With respect to any fiscal year, if the Secretary determines that amounts under any grant awarded to a State under this subsection for such fiscal year will not be used by such State for carrying out the purpose for which the grant is made, the Secretary shall make such amounts available for carrying out such purpose to 1 or more other States which apply for such funds to the extent the Secretary determines that such other States will be able to use such additional amounts for carrying out such purpose. Such available amounts shall be redistributed to a State pursuant to section 402(i) (as such section was in effect before October 1, 1995) by substituting 'the number of children residing in all States applying for such funds' for 'the number of children residing in the United States in the second preceding fiscal year'. Any amount made available to a State from an appropriation for a fiscal year in accordance with the preceding sentence shall, for purposes of this part, be regarded as part of such State's payment (as determined under this subsection) for such year.

"(5) INDIAN TRIBES.—The Secretary shall reserve not more than 1 percent of the aggregate amount appropriated to carry out this section in each fiscal year for payments to Indian tribes and tribal organizations.

"(b) USE OF FUNDS.—

"(1) IN GENERAL.—Amounts received by a State under this section shall only be used to provide child care assistance.

"(2) USE FOR CERTAIN POPULATIONS.—A State shall ensure that not less than 70 percent of the total amount of funds received by the State in a fiscal year under this section are used to provide child care assistance to families who are receiving assistance under a State program under this part, families who are attempting through work activities to transition off of such assistance program, and families who are at risk of becoming dependent on such assistance program.

"(c) APPLICATION OF CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.—Notwithstanding any other provision of law, amounts provided to a State under this section shall be transferred to the lead agency under the Child Care and Development Block Grant Act of 1990, integrated by the State into the programs established by the State under such Act, and be subject to requirements and limitations of such Act.

"(d) DEFINITION.—As used in this section, the term 'State' means each of the 50 States or the District of Columbia.".

SEC. 704. LEAD AGENCY.

Section 658D(b) (42 U.S.C. 9858b(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking "State" the first place that such appears and inserting "governmental or nongovernmental"; and

(B) in subparagraph (C), by inserting "with sufficient time and Statewide distribution of the notice of such hearing," after "hearing in the State"; and

(2) in paragraph (2), by striking the second sentence.

SEC. 705. APPLICATION AND PLAN.

Section 658E (42 U.S.C. 9858c) is amended—

(1) in subsection (b)—

(A) by striking "implemented—" and all that follows through "(2)" and inserting "implemented"; and

(B) by striking "for subsequent State plans";

(2) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (i) by striking ", other than through assistance provided under paragraph (3)(C),"; and

(II) by striking "except" and all that follows through "1992", and inserting "and provide a detailed description of the procedures the State will implement to carry out the requirements of this subparagraph";

(ii) in subparagraph (B)—

(I) by striking "Provide assurances" and inserting "Certify"; and

(II) by inserting before the period at the end "and provide a detailed description of such procedures";

(iii) in subparagraph (C)—

(I) by striking "Provide assurances" and inserting "Certify"; and

(II) by inserting before the period at the end "and provide a detailed description of how such record is maintained and is made available";

(iv) by amending subparagraph (D) to read as follows:

"(D) CONSUMER EDUCATION INFORMATION.—Certify that the State will collect and disseminate to parents of eligible children and the general public, consumer education information that will promote informed child care choices.";

(v) in subparagraph (E), to read as follows:

"(E) COMPLIANCE WITH STATE LICENSING REQUIREMENTS.—

"(i) IN GENERAL.—Certify that the State has in effect licensing requirements applicable to child care services provided within the State, and provide a detailed description of such requirements and of how such requirements are effectively enforced. Nothing in the preceding sentence shall be construed to require that licensing requirements be applied to specific types of providers of child care services.

"(ii) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—In lieu of any licensing and regulatory requirements applicable under State and local law, the Secretary, in consultation with Indian tribes and tribal organizations, shall develop minimum child care standards (that appropriately reflect tribal needs and available resources) that shall be applicable to Indian tribes and tribal organizations receiving assistance under this subchapter.";

(vi) by striking "Provide assurances" and inserting "Certify"; and

(vii) by striking subparagraphs (H), (I), and (J) and inserting the following:

"(G) MEETING THE NEEDS OF CERTAIN POPULATIONS.—Demonstrate the manner in which the State will meet the specific child care needs of families who are receiving assistance under a State program under part A of title IV of the Social Security Act, families who are attempting through work activities to transition off of such assistance program, and families who are at risk of becoming dependent on such assistance program.

"(H) PRESERVING PARENTAL CHOICE.—Certify that the State will not implement any policy or practice which has the effect of significantly restricting parental choice by—

"(i) expressly or effectively excluding any category of care or type of provider within a category of care;

"(ii) limiting parental access to or choices from among various categories of care or types of providers; or

"(iii) excluding a significant number of providers in any category of care.

"(I) INFORMING PARENTS OF OPTIONS.—Provides assurances that parents will be informed regarding their options under this section, including the option to receive a child care certificate or voucher.";

(B) in paragraph (3)—

(i) in subparagraph (A), by striking "(B) and (C)" and inserting "(B) through (D)";

(ii) in subparagraph (B)—

(I) by striking ".—Subject to the reservation contained in subparagraph (C), the" and inserting "AND RELATED ACTIVITIES.—The";

(II) in clause (i) by striking "; and" at the end and inserting a period;

(III) by striking "for—" and all that follows through "section 658E(c)(2)(A)" and inserting "for child care services on sliding fee scale basis, activities that improve the quality or availability of such services, and any other activity that the State deems appropriate to realize any of the goals specified in paragraphs (2) through (5) of section 658A(b)"; and

(IV) by striking clause (ii);

(iii) by amending subparagraph (C) to read as follows:

"(C) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 5 percent of the aggregate amount of funds available to the State to carry out this subchapter by a State in each fiscal year may be expended for administrative costs incurred by such State to carry out all of its functions and duties under this subchapter. As used in the preceding sentence, the term 'administrative costs' shall not include the costs of providing direct services."; and

(iv) by adding at the end thereof the following:

"(D) ASSISTANCE FOR CERTAIN FAMILIES.—A State shall ensure that a substantial portion of the amounts available (after the State has complied with the requirement of section 417(b)(2) of the Social Security Act with respect to each of the fiscal years 1997 through 2002) to the State to carry out activities this subchapter in each fiscal year is used to provide assistance to low-income working families other than families described in paragraph (2)(F)."; and

(C) in paragraph (4)(A)—

(i) by striking "provide assurances" and inserting "certify";

(ii) in the first sentence by inserting "and shall provide a summary of the facts relied on by the State to determine that such rates are sufficient to ensure such access" before the period; and

(iii) by striking the last sentence.

SEC. 706. LIMITATION ON STATE ALLOTMENTS.

Section 658F(b) (42 U.S.C. 9858d(b)) is amended—

(1) in paragraph (1), by striking "No" and inserting "Except as provided for in section 658O(c)(6), no"; and

(2) in paragraph (2), by striking "referred to in section 658E(c)(2)(F)".

SEC. 707. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

Section 658G (42 U.S.C. 9858e) is amended to read as follows:

"SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

"A State that receives funds to carry out this subchapter for a fiscal year, shall use not less than 4 percent of the amount of such funds for activities that are designed to provide comprehensive consumer education to parents and the public, activities that increase parental choice, and activities designed to improve the quality and availability of child care (such as resource and referral services).".

SEC. 708. REPEAL OF EARLY CHILDHOOD DEVELOPMENT AND BEFORE- AND AFTER-SCHOOL CARE REQUIREMENT.

Section 658H (42 U.S.C. 9858f) is repealed.

SEC. 709. ADMINISTRATION AND ENFORCEMENT.

Section 658I(b) (42 U.S.C. 9858g(b)) is amended—

(1) in paragraph (1), by striking ", and shall have" and all that follows through "(2)"; and

(2) in the matter following clause (ii) of paragraph (2)(A), by striking "finding and that" and all that follows through the period and inserting "finding and shall require that the State reimburse the Secretary for any funds that were improperly expended for purposes prohibited or not authorized by this subchapter, that the Secretary deduct from the administrative portion of the State allotment for the following fiscal year an amount that is less than or equal to any improperly expended funds, or a combination of such options.".

SEC. 710. PAYMENTS.

Section 658J(c) (42 U.S.C. 9858h(c)) is amended by striking "expended" and inserting "obligated".

SEC. 711. ANNUAL REPORT AND AUDITS.

Section 658K (42 U.S.C. 9858i) is amended—

(1) in the section heading by striking "ANNUAL REPORT" and inserting "REPORTS";

(2) in subsection (a), to read as follows:

"(a) REPORTS.—

"(1) COLLECTION OF INFORMATION BY STATES.—

"(A) IN GENERAL.—A State that receives funds to carry out this subchapter shall collect the information described in subparagraph (B) on a monthly basis.

"(B) REQUIRED INFORMATION.—The information required under this subparagraph shall include, with respect to a family unit receiving assistance under this subchapter information concerning—

"(i) family income;

"(ii) county of residence;

"(iii) the gender, race, and age of children receiving such assistance;

"(iv) whether the family includes only 1 parent;

"(v) the sources of family income, including the amount obtained from (and separately identified)—

"(I) employment, including self-employment;

"(II) cash or other assistance under part A of title IV of the Social Security Act;

"(III) housing assistance;

"(IV) assistance under the Food Stamp Act of 1977; and

"(V) other assistance programs;

"(vi) the number of months the family has received benefits;

"(vii) the type of child care in which the child was enrolled (such as family child care, home care, or center-based child care);

"(viii) whether the child care provider involved was a relative;

"(ix) the cost of child care for such families; and

"(x) the average hours per week of such care;

during the period for which such information is required to be submitted.

"(C) SUBMISSION TO SECRETARY.—A State described in subparagraph (A) shall, on a quarterly basis, submit the information required to be collected under subparagraph (B) to the Secretary.

"(D) SAMPLING.—The Secretary may disapprove the information collected by a State under this paragraph if the State uses sampling methods to collect such information.

"(2) BIANNUAL REPORTS.—Not later than December 31, 1997, and every 6 months thereafter, a State described in paragraph (1)(A) shall prepare and submit to the Secretary a report that includes aggregate data concerning—

"(A) the number of child care providers that received funding under this subchapter as separately identified based on the types of providers listed in section 658P(5);

"(B) the monthly cost of child care services, and the portion of such cost that is paid for with assistance provided under this subchapter, listed by the type of child care services provided;

"(C) the number of payments made by the State through vouchers, contracts, cash, and disregards under public benefit programs, listed by the type of child care services provided;

"(D) the manner in which consumer education information was provided to parents and the number of parents to whom such information was provided; and

"(E) the total number (without duplication) of children and families served under this subchapter;

during the period for which such report is required to be submitted."; and

(2) in subsection (b)—

(A) in paragraph (1) by striking "a application" and inserting "an application";

(B) in paragraph (2) by striking "any agency administering activities that receive" and inserting "the State that receives"; and

(C) in paragraph (4) by striking "entitles" and inserting "entitled".

SEC. 712. REPORT BY THE SECRETARY.

Section 658L (42 U.S.C. 9858j) is amended—

(1) by striking "1993" and inserting "1997";

(2) by striking "annually" and inserting "biennially"; and

(3) by striking "Education and Labor" and inserting "Economic and Educational Opportunities".

SEC. 713. ALLOTMENTS.

Section 658O (42 U.S.C. 9858m) is amended—

(1) in subsection (a)—

(A) in paragraph (1)

(i) by striking "POSSESSIONS" and inserting "POSSESSIONS";

(ii) by inserting "and" after "States,"; and

(iii) by striking ", and the Trust Territory of the Pacific Islands"; and

(B) in paragraph (2), by striking "3 percent" and inserting "1 percent";

(2) in subsection (c)—

(A) in paragraph (5) by striking "our" and inserting "out"; and

(B) by adding at the end thereof the following new paragraph:

"(6) CONSTRUCTION OR RENOVATION OF FACILITIES.—

"(A) REQUEST FOR USE OF FUNDS.—An Indian tribe or tribal organization may submit to the Secretary a request to use amounts provided under this subsection for construction or renovation purposes.

"(B) DETERMINATION.—With respect to a request submitted under subparagraph (A), and except as provided in subparagraph (C), upon a determination by the Secretary that adequate facilities are not otherwise available to an Indian tribe or tribal organization to enable such tribe or organization to carry out child care programs in accordance with this subchapter, and that the lack of such facilities will inhibit the operation of such programs in the future, the Secretary may permit the tribe or organization to use assistance provided under this subsection to make payments for the construction or renovation of facilities that will be used to carry out such programs.

"(C) LIMITATION.—The Secretary may not permit an Indian tribe or tribal organization to use amounts provided under this subsection for construction or renovation if such use will result in a decrease in the level of child care services provided by the tribe or organization as compared to the level of such services provided by the tribe or organization in the fiscal year preceding the year for which the determination under subparagraph (A) is being made.

"(D) UNIFORM PROCEDURES.—The Secretary shall develop and implement uniform procedures for the solicitation and consideration of requests under this paragraph."; and

(3) in subsection (e), by adding at the end thereof the following new paragraph:

"(4) INDIAN TRIBES OR TRIBAL ORGANIZATIONS.—Any portion of a grant or contract made to an Indian tribe or tribal organization under subsection (c) that the Secretary determines is not being used in a manner consistent with the provision of this subchapter in the period for which the grant or contract is made available, shall be allotted by the Secretary to other tribes or organizations that have submitted applications under subsection (c) in accordance with their respective needs.".

SEC. 714. DEFINITIONS.

Section 658P (42 U.S.C. 9858n) is amended—

(1) in paragraph (2), in the first sentence by inserting "or as a deposit for child care services if such a deposit is required of other children being cared for by the provider" after "child care services"; and

(2) by striking paragraph (3);

(3) in paragraph (4)(B), by striking "75 percent" and inserting "85 percent";

(4) in paragraph (5)(B)—

(A) by inserting "great grandchild, sibling (if such provider lives in a separate residence)," after "grandchild,";

(B) by striking "is registered and"; and

(C) by striking "State" and inserting "applicable".

(5) by striking paragraph (10);

(6) in paragraph (13)—

(A) by inserting "or" after "Samoa,"; and

(B) by striking ", and the Trust Territory of the Pacific Islands";

(7) in paragraph (14)—

(A) by striking "The term" and inserting the following:

"(A) IN GENERAL.—The term"; and

(B) by adding at the end thereof the following new subparagraph:

"(B) OTHER ORGANIZATIONS.—Such term includes a Native Hawaiian Organization, as defined in section 4009(4) of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (20 U.S.C. 4909(4)) and a private nonprofit organization established for the purpose of serving youth who are Indians or Native Hawaiians.".

SEC. 715. REPEALS.

(a) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE ACT OF 1985.—Title VI of the Human Services Reauthorization Act of 1986 (42 U.S.C. 10901-10905) is repealed.

(b) STATE DEPENDENT CARE DEVELOPMENT GRANTS ACT.—Subchapter E of chapter 8 of subtitle A of title VI of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9871-9877) is repealed.

(c) PROGRAMS OF NATIONAL SIGNIFICANCE.—Title X of the Elementary and Secondary Education Act of 1965, as amended by Public Law 103-382 (108 Stat. 3809 et seq.), is amended—

(1) in section 10413(a) by striking paragraph (4),

(2) in section 10963(b)(2) by striking subparagraph (G), and

(3) in section 10974(a)(6) by striking subparagraph (G).

(d) NATIVE HAWAIIAN FAMILY-BASED EDUCATION CENTERS.—Section 9205 of the Native Hawaiian Education Act (Public Law 103–382; 108 Stat. 3794) is repealed.

SEC. 716. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this title and the amendments made by this title shall take effect on October 1, 1996.

(b) EXCEPTION.—The amendment made by section 803(a) shall take effect on the date of enactment of this Act.

TITLE VIII—CHILD NUTRITION PROGRAMS

Subtitle A—National School Lunch Act

SEC. 801. VALUE OF FOOD ASSISTANCE.

(a) IN GENERAL.—Section 6(e)(1) of the National School Lunch Act (42 U.S.C. 1755(e)(1)) is amended by striking subparagraph (B) and inserting the following:

"(B) ADJUSTMENTS.—

"(i) IN GENERAL.—The value of food assistance for each meal shall be adjusted each July 1 by the annual percentage change in a 3-month average value of the Price Index for Foods Used in Schools and Institutions for March, April, and May each year.

"(ii) ADJUSTMENTS.—Except as otherwise provided in this subparagraph, in the case of each school year, the Secretary shall—

"(I) base the adjustment made under clause (i) on the amount of the unrounded adjustment for the preceding school year;

"(II) adjust the resulting amount in accordance with clause (i); and

"(III) round the result to the nearest lower cent increment.

"(iii) ADJUSTMENT FOR 24-MONTH PERIOD BEGINNING JULY 1, 1996.—In the case of the 24-month period beginning July 1, 1996, the value of food assistance shall be the same as the value of food assistance in effect on June 30, 1996.

"(iv) ADJUSTMENT FOR SCHOOL YEAR BEGINNING JULY 1, 1998.—In the case of the school year beginning July 1, 1998, the Secretary shall—

"(I) base the adjustment made under clause (i) on the amount of the unrounded adjustment for the value of food assistance for the school year beginning July 1, 1995;

"(II) adjust the resulting amount to reflect the annual percentage change in a 3-month average value of the Price Index for Foods Used in Schools and Institutions for March, April, and May for the most recent 12-month period for which the data are available; and

"(III) round the result to the nearest lower cent increment.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on July 1, 1996.

SEC. 802. COMMODITY ASSISTANCE.

(a) IN GENERAL.—Section 6(g) of the National School Lunch Act (42 U.S.C. 1755(g)) is amended by striking "12 percent" and inserting "8 percent".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on July 1, 1996.

SEC. 803. STATE DISBURSEMENT TO SCHOOLS.

(a) IN GENERAL.—Section 8 of the National School Lunch Act (42 U.S.C. 1757) is amended—

(1) in the third sentence, by striking "Nothing" and all that follows through "educational agency to" and inserting "The State educational agency may";

(2) by striking the fourth, fifth, and eighth sentences;

(3) by redesignating the first through sixth sentences, as amended by paragraph (1), as subsections (a) through (f), respectively;

(4) in subsection (b), as redesignated by paragraph (3), by striking "the preceding sentence" and inserting "subsection (a)"; and

(5) in subsection (d), as redesignated by paragraph (3), by striking "Such food costs" and inserting "Use of funds paid to States".

(b) DEFINITION OF CHILD.—Section 12(d) of the Act (42 U.S.C. 1760(d)) is amended by adding at the end the following:

"(9) 'child' includes an individual, regardless of age, who—

"(A) is determined by a State educational agency, in accordance with regulations prescribed by the Secretary, to have 1 or more mental or physical disabilities; and

"(B) is attending any institution, as defined in section 17(a), or any nonresidential public or nonprofit private school of high school grade or under, for the purpose of participating in a school program established for individuals with mental or physical disabilities.

No institution that is not otherwise eligible to participate in the program under section 17 shall be considered eligible because of this paragraph.".

SEC. 804. NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS.

(a) NUTRITIONAL STANDARDS.—Section 9(a) of the National School Lunch Act (42 U.S.C. 1758(a)) is amended—

(1) in paragraph (2)—

(A) by striking "(2)(A) Lunches" and inserting "(2) Lunches";

(B) by striking subparagraph (B); and

(C) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively;

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

(b) ELIGIBILITY GUIDELINES.—Section 9(b) of the Act is amended—

(1) in paragraph (2)—

(A) by striking subparagraph (A); and

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(2) in paragraph (5), by striking the third sentence; and

(3) in paragraph (6), by striking "paragraph (2)(C)" and inserting "paragraph (2)(B)".

(c) UTILIZATION OF AGRICULTURAL COMMODITIES.—Section 9(c) of the Act is amended by striking the second, fourth, and sixth sentences.

(d) CONFORMING AMENDMENT.—The last sentence of section 9(d)(1) of the Act is amended by striking "subsection (b)(2)(C)" and inserting "subsection (b)(2)(B)".

(e) NUTRITIONAL INFORMATION.—Section 9(f) of the Act is amended—

(1) by striking paragraph (1);

(2) by striking "(2)";

(3) by redesignating subparagraphs (A) through (D) as paragraphs (1) through (4), respectively;

(4) by striking paragraph (1), as redesignated by paragraph (3), and inserting the following:

"(1) NUTRITIONAL REQUIREMENTS.—Except as provided in paragraph (2), not later than the first day of the 1996–1997 school year, schools that are participating in the school lunch or school breakfast program shall serve lunches and breakfasts under the program that—

"(A) are consistent with the goals of the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341); and

"(B) provide, on the average over each week, at least—

"(i) with respect to school lunches, ⅓ of the daily recommended dietary allowance established by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences; and

"(ii) with respect to school breakfasts, ¼ of the daily recommended dietary allowance established by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences.";

(5) in paragraph (3), as redesignated by paragraph (3)—

(A) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively; and

(B) in subparagraph (A), as so redesignated, by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively; and

(6) in paragraph (4), as redesignated by paragraph (3), by striking the first sentence and inserting the following: "Schools may use any reasonable approach to meet the requirements of this paragraph, including any approach described in paragraph (3).".

(f) USE OF RESOURCES.—Section 9 of the Act is amended by striking subsection (h).

SEC. 805. FREE AND REDUCED PRICE POLICY STATEMENT.

Section 9(b)(2) of the National School Lunch Act (42 U.S.C. 1758(b)(2)), as amended by section 802(b)(1), is further amended by adding at the end the following:

"(C) FREE AND REDUCED PRICE POLICY STATEMENT.—After the initial submission, a school shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school. A routine change in the policy of a school, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the school to submit a policy statement.".

SEC. 806. SPECIAL ASSISTANCE.

(a) REIMBURSEMENT RATES FOR LUNCHES, BREAKFASTS, AND SUPPLEMENTS.—

(1) IN GENERAL.—Section 11(a)(3)(B) of the National School Lunch Act (42 U.S.C. 1759a(a)(3)(B)) is amended—

(A) by designating the second and third sentences as subparagraphs (C) and (D), respectively; and

(B) by striking subparagraph (D) (as so designated) and inserting the following:

"(D) ROUNDING.—Except as otherwise provided in this paragraph, in the case of each school year, the Secretary shall—

"(i) base the adjustment made under this paragraph on the amount of the unrounded adjustment for the preceding school year;

"(ii) adjust the resulting amount in accordance with subparagraphs (B) and (C); and

"(iii) round the result to the nearest lower cent increment.

"(E) ADJUSTMENT FOR 12-MONTH PERIOD BEGINNING JULY 1, 1996.—In the case of the 12-month period beginning July 1, 1996, the national average payment rates for paid lunches, paid breakfasts, and paid supplements shall be the same as the national average payment rate for paid lunches, paid breakfasts, and paid supplements, respectively, for the school year beginning July 1, 1995, rounded to the nearest lower cent increment.

"(F) ADJUSTMENT FOR SCHOOL YEAR BEGINNING JULY 1, 1997.—In the case of the school year beginning July 1, 1997, the Secretary shall—

"(i) base the adjustments made under this paragraph for—

"(I) paid lunches and paid breakfasts on the amount of the unrounded adjustment for paid lunches for the school year beginning July 1, 1996; and

"(II) paid supplements on the amount of the unrounded adjustment for paid supplements for the school year beginning July 1, 1996;

"(ii) adjust each resulting amount in accordance with subparagraph (C); and

"(iii) round each result to the nearest lower cent increment.".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall become effective on July 1, 1996.

(b) FINANCING BASED ON NEED.—Section 11(b) of the Act is amended—

(1) in the second sentence, by striking ", within" and all that follows through "all States,"; and

(2) by striking the third sentence.

(c) APPLICABILITY OF OTHER PROVISIONS.—Section 11 of the Act is amended—

(1) by striking subsection (d);

(2) in subsection (e)(2)—

(A) by striking "The" and inserting "On request of the Secretary, the"; and

(B) by striking "each month"; and

(3) by redesignating subsections (e) and (f), as so amended, as subsections (d) and (e), respectively.

SEC. 807. MISCELLANEOUS PROVISIONS AND DEFINITIONS.

(a) ACCOUNTS AND RECORDS.—Section 12(a) of the National School Lunch Act (42 U.S.C. 1760(a)) is amended by striking "at all times be available" and inserting "be available at any reasonable time".

(b) RESTRICTION ON REQUIREMENTS.—Section 12(c) of the Act is amended by striking "neither the Secretary nor the State shall" and inserting "the Secretary shall not".

(c) DEFINITIONS.—Section 12(d) of the Act, as amended by section 801(b), is further amended—

(1) in paragraph (1), by striking "the Trust Territory of the Pacific Islands" and inserting "the Commonwealth of the Northern Mariana Islands";

(2) by striking paragraphs (3) and (4); and

(3) by redesignating paragraphs (1), (2), and (5) through (9) as paragraphs (6), (7), (3), (4), (2), (5), and (1), respectively, and rearranging the paragraphs so as to appear in numerical order.

(d) ADJUSTMENTS TO NATIONAL AVERAGE PAYMENT RATES.—Section 12(f) of the Act is amended by striking "the Trust Territory of the Pacific Islands,".

(e) EXPEDITED RULEMAKING.—Section 12(k) of the Act is amended—

(1) by striking paragraphs (1), (2), and (5); and

(2) by redesignating paragraphs (3) and (4) as paragraphs (1) and (2), respectively.

(f) WAIVER.—Section 12(l) of the Act is amended—

(1) in paragraph (1)(A)(i), by inserting after "program" the following: "and would not have the effect of transferring funds or commodities from the support of meals for children with incomes below the income criteria for free or reduced price meals, as provided in section 9(b)";

(2) in paragraph (2)—

(A) by striking "(A)";

(B) in clause (iii), by adding "and" at the end;

(C) in clause (iv), by striking the semicolon at the end and inserting a period;

(D) by striking clauses (v) through (vii);

(E) by striking subparagraph (B); and

(F) by redesignating clauses (i) through (iv), as so amended, as subparagraphs (A) through (D), respectively;

(3) in paragraph (3)—

(A) by striking "(A)"; and

(B) by striking subparagraphs (B) through (D);

(4) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by striking "of any requirement relating" and inserting "that increases Federal costs or that relates";

(B) by striking subparagraphs (B), (D), (F), (H), (J), (K), and (L);

(C) by redesignating subparagraphs (C), (E), (G), (I), (M), and (N) as subparagraphs (B) through (G), respectively; and

(D) in subparagraph (F), as redesignated by subparagraph (C), by striking "and" at the end and inserting "or"; and

(5) in paragraph (6)—

(A) by striking "(A)(i)" and all that follows through "(B)"; and

(B) by redesignating clauses (i) through (iv) as subparagraphs (A) through (D), respectively.

(g) FOOD AND NUTRITION PROJECTS.—Section 12 of the Act is amended by striking subsection (m).

SEC. 808. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

(a) ESTABLISHMENT OF PROGRAM.—Section 13(a) of the National School Lunch Act (42 U.S.C. 1761(a)) is amended—

(1) in paragraph (1)—

(A) in the first sentence, by striking "initiate, maintain, and expand" and insert "initiate and maintain"; and

(B) in subparagraph (E) of the second sentence, by striking "the Trust Territory of the Pacific Islands,"; and

(2) in paragraph (7)(A), by striking "Except as provided in subparagraph (C), private" and inserting "Private".

(b) SERVICE INSTITUTIONS.—Section 13(b) of the Act is amended by striking "(b)(1)" and all that follows through the end of paragraph (1) and inserting the following:

"(b) SERVICE INSTITUTIONS.—

"(1) PAYMENTS.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, payments to service institutions shall equal the full cost of food service operations (which cost shall include the costs of obtaining, preparing, and serving food, but shall not include administrative costs).

"(B) MAXIMUM AMOUNTS.—Subject to subparagraph (C), payments to any institution under subparagraph (A) shall not exceed—

"(i) $2.00 for each lunch and supper served;

"(ii) $1.20 for each breakfast served; and

"(iii) 50 cents for each meal supplement served.

"(C) ADJUSTMENTS.—Amounts specified in subparagraph (B) shall be adjusted each January 1 to the nearest lower cent increment in accordance with the changes for the 12-month period ending the preceding November 30 in the series for food away from home of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor. Each adjustment shall be based on the unrounded adjustment for the prior 12-month period.".

(c) ADMINISTRATION OF SERVICE INSTITUTIONS.—Section 13(b)(2) of the Act is amended—

(1) in the first sentence, by striking "four meals" and inserting "3 meals, or 2 meals and 1 supplement,"; and

(2) by striking the second sentence.

(d) REIMBURSEMENTS.—Section 13(c)(2) of the Act is amended—

(1) by striking subparagraph (A);

(2) in subparagraph (B)—

(A) in the first sentence—

(i) by striking ", and such higher education institutions,"; and

(ii) by striking "without application" and inserting "upon showing residence in areas in which poor economic conditions exist or on the basis of income eligibility statements for children enrolled in the program"; and

(B) by adding at the end the following: "The higher education institutions referred to in the preceding sentence shall be eligible to participate in the program under this paragraph without application.";

(3) in subparagraph (C)(ii), by striking "severe need"; and

(4) by redesignating subparagraphs (B) through (E), as so amended, as subparagraphs (A) through (D), respectively.

(e) ADVANCE PROGRAM PAYMENTS.—Section 13(e)(1) of the Act is amended—

(1) by striking "institution: *Provided*, That (A) the" and inserting "institution. The";

(2) by inserting "(excluding a school)" after "any service institution"; and

(3) by striking "responsibilities, and (B) no" and inserting "responsibilities. No".

(f) FOOD REQUIREMENTS.—Section 13(f) of the Act is amended—

(1) by redesignating the first through seventh sentences as paragraphs (1) through (7), respectively;

(2) by striking paragraph (3), as redesignated by paragraph (1);

(3) in paragraph (4), as redesignated by paragraph (1), by striking "the first sentence" and inserting "paragraph (1)";

(4) in paragraph (6), as redesignated by paragraph (1), by striking "that bacteria levels" and all that follows through the period at the end and inserting "conformance with standards set by local health authorities."; and

(5) by redesignating paragraphs (4) through (7), as redesignated by paragraph (1), as paragraphs (3) through (6), respectively.

(g) PERMITTING OFFER VERSUS SERVE.—Section 13(f) of the Act, as amended by subsection (f), is further amended by adding at the end the following:

"(7) OFFER VERSUS SERVE.—A school food authority participating as a service institution may permit a child attending a site on school premises operated directly by the authority to refuse not more than 1 item of a meal that the child does not intend to consume. A refusal of an offered food item shall not affect the amount of payments made under this section to a school for the meal.".

(h) HEALTH DEPARTMENT INSPECTIONS.—Section 13(k) of the Act is amended by striking paragraph (3).

(i) FOOD SERVICE MANAGEMENT COMPANIES.—Section 13(l) of the Act is amended—

(1) by striking paragraph (4);

(2) in paragraph (5), by striking the first sentence; and

(3) by redesignating paragraph (5), as so amended, as paragraph (4).

(j) RECORDS.—The second sentence of section 13(m) of the Act is amended by striking "at all times be available" and inserting "be available at any reasonable time".

(k) REMOVING MANDATORY NOTICE TO INSTITUTIONS.—Section 13(n)(2) of the Act is amended by striking ", and its plans and schedule for informing service institutions of the availability of the program".

(l) PLAN.—Section 13(n) of the Act is amended—

(1) in paragraph (2), by striking "including the State's methods of assessing need";

(2) by striking paragraph (3);

(3) in paragraph (4), by striking "and schedule"; and

(4) by redesignating paragraphs (4) through (7), as so amended, as paragraphs (3) through (6), respectively.

(m) MONITORING AND TRAINING.—Section 13(q) of the Act is amended—

(1) by striking paragraphs (2) and (4);

(2) in paragraph (3), by striking "paragraphs (1) and (2) of this subsection" and inserting "paragraph (1)"; and

(3) by redesignating paragraph (3), as so amended, as paragraph (2).

(n) EXPIRED PROGRAM.—Section 13 of the Act is amended—

(1) by striking subsection (p); and

(2) by redesignating subsections (q) and (r), as so amended, as subsections (p) and (q), respectively.

(o) EFFECTIVE DATE.—The amendments made by subsection (b) shall become effective on January 1, 1996.

SEC. 809. COMMODITY DISTRIBUTION.

(a) CEREAL AND SHORTENING IN COMMODITY DONATIONS.—Section 14(b) of the National School Lunch Act (42 U.S.C. 1762a(b)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(b) IMPACT STUDY AND PURCHASING PROCEDURES.—Section 14(d) of the Act is amended by striking the second and third sentences.

(c) CASH COMPENSATION FOR PILOT PROJECT SCHOOLS.—Section 14(g) of the Act is amended by striking paragraph (3).

(d) STATE ADVISORY COUNCIL.—Section 14 is amended—

(1) by striking subsection (e); and

(2) by redesignating subsections (f) and (g), as so amended, as subsections (e) and (f), respectively.

SEC. 810. CHILD CARE FOOD PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—Section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended—

(1) in the section heading, by striking "AND ADULT"; and

(2) in the first sentence of subsection (a), by striking "initiate, maintain, and expand" and inserting "initiate and maintain".

(b) INSTITUTIONS PROVIDING CHILD CARE.—Section 17(a) of the Act (42 U.S.C. 1766(a)) is amended—

(1) in the second sentence—

(A) by inserting "the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) or" after "from amounts granted to the States under"; and

(B) by striking "(but only if" and all that follows and inserting a period; and

(2) in the fourth sentence, by striking "Reimbursement" and inserting "Notwithstanding the type of institution providing the meal or supplement, reimbursement".

(c) PAYMENTS TO SPONSOR EMPLOYEES.—Paragraph (2) of the last sentence of section 17(a) of the Act (42 U.S.C. 1766(a)) is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(3) by adding at the end the following:

"(D) in the case of a family or group day care home sponsoring organization that employs more than 1 employee, the organization does not base payments to an employee of the organization on the number of family or group day care homes recruited.".

(d) TECHNICAL ASSISTANCE.—The last sentence of section 17(d)(1) of the Act is amended by striking ", and shall provide technical assistance" and all that follows through "its application".

(e) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—

(1) RESTRUCTURED DAY CARE HOME REIMBURSEMENTS.—Section 17(f)(3) of the Act is amended by striking "(3)(A) Institutions" and all that follows through the end of subparagraph (A) and inserting the following:

"(3) REIMBURSEMENT OF FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(A) REIMBURSEMENT FACTOR.—

"(i) IN GENERAL.—An institution that participates in the program under this section as a family or group day care home sponsoring organization shall be provided, for payment to a home sponsored by the organization, reimbursement factors in accordance with this subparagraph for the cost of obtaining and preparing food and prescribed labor costs involved in providing meals under this section.

"(ii) TIER I FAMILY OR GROUP DAY CARE HOMES.—

"(I) DEFINITION.—In this paragraph, the term 'tier I family or group day care home' means—

"(aa) a family or group day care home that is located in a geographic area, as defined by the Secretary based on census data, in which at least 50 percent of the children residing in the area are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9;

"(bb) a family or group day care home that is located in an area served by a school enrolling elementary students in which at least 50 percent of the total number of children enrolled are certified eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); or

"(cc) a family or group day care home that is operated by a provider whose household meets the income eligibility guidelines for free or reduced price meals under section 9 and whose income is verified by the sponsoring or organization of the home under regulations established by the Secretary.

"(II) REIMBURSEMENT.—Except as provided in subclause (III), a tier I family or group day care home shall be provided reimbursement factors under this clause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the income eligibility guidelines for free or reduced price meals under section 9.

"(III) FACTORS.—Except as provided in subclause (IV), the reimbursement factors applied to a home referred to in subclause (II) shall be the factors in effect on the date of enactment of this subclause.

"(IV) ADJUSTMENTS.—The reimbursement factors under this subparagraph shall be adjusted on August 1, 1996, July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this subparagraph shall be rounded to the nearest lower cent increment and based on the unrounded adjustment in effect on June 30 of the preceding school year.

"(iii) TIER II FAMILY OR GROUP DAY CARE HOMES.—

"(I) IN GENERAL.—

"(aa) FACTORS.—Except as provided in subclause (II), with respect to meals or supplements served under this clause by a family or group day care home that does not meet the criteria set forth in clause (ii)(I), the reimbursement factors shall be $1.00 for lunches and suppers, 30 cents for breakfasts, and 15 cents for supplements.

"(bb) ADJUSTMENTS.—The factors shall be adjusted on July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this item shall be rounded down to the nearest lower cent increment and based on the unrounded adjustment for the preceding 12-month period.

"(cc) REIMBURSEMENT.—A family or group day care home shall be provided reimbursement factors under this subclause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the income eligibility guidelines for free or reduced price meals under section 9.

"(II) OTHER FACTORS.—A family or group day care home that does not meet the criteria set forth in clause (ii)(I) may elect to be provided reimbursement factors determined in accordance with the following requirements:

"(aa) CHILDREN ELIGIBLE FOR FREE OR REDUCED PRICE MEALS.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9, the family or group day care home shall be provided reimbursement factors set by the Secretary in accordance with clause (ii)(III).

"(bb) INELIGIBLE CHILDREN.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes do not meet the income eligibility guidelines, the family or group day care home shall be provided reimbursement factors in accordance with subclause (I).

"(III) INFORMATION AND DETERMINATIONS.—

"(aa) IN GENERAL.—If a family or group day care home elects to claim the factors described in subclause (II), the family or group day care home sponsoring organization serving the home shall collect the necessary income information, as determined by the Secretary, from any parent or other caretaker to make the determinations specified in subclause (II) and shall make the determinations in accordance with rules prescribed by the Secretary.

"(bb) CATEGORICAL ELIGIBILITY.—In making a determination under item (aa), a family or group day care home sponsoring organization may consider a child participating in or subsidized under, or a child with a parent participating in or subsidized under, a federally or State supported child care or other benefit program with an income eligibility limit that does not exceed the eligibility standard for free or reduced price meals under section 9 to be a child who is a member of a household whose income meets the income eligibility guidelines under section 9.

"(cc) FACTORS FOR CHILDREN ONLY.—A family or group day care home may elect to receive the reimbursement factors prescribed under clause (ii)(III) solely for the children participating in a program referred to in item (bb) if the home elects not to have income statements collected from parents or other caretakers.

"(IV) SIMPLIFIED MEAL COUNTING AND REPORTING PROCEDURES.—The Secretary shall prescribe simplified meal counting and reporting procedures for use by a family or group day care home that elects to claim the factors under subclause (II) and by a family or group day care home sponsoring organization that sponsors the home. The procedures the Secretary prescribes may include 1 or more of the following:

"(aa) Setting an annual percentage for each home of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under clause (ii)(III) and an annual percentage of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under subclause (I), based on the family income of children enrolled in the home in a specified month or other period.

"(bb) Placing a home into 1 of 2 or more reimbursement categories annually based on the percentage of children in the home whose households have incomes that meet the income eligibility guidelines under section 9, with each such reimbursement category carrying a set of reimbursement factors such as the factors prescribed under clause (ii)(III) or subclause (I) or factors established within the range of factors prescribed under clause (ii)(III) and subclause (I).

"(cc) Such other simplified procedures as the Secretary may prescribe.

"(V) MINIMUM VERIFICATION REQUIREMENTS.—The Secretary may establish any necessary minimum verification requirements.".

(2) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of the Act is amended by adding at the end the following:

"(D) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—

"(i) IN GENERAL.—

"(I) RESERVATION.—From amounts made available to carry out this section, the Secretary shall reserve $5,000,000 of the amount made available for fiscal year 1996.

"(II) PURPOSE.—The Secretary shall use the funds made available under subclause (I) to provide grants to States for the purpose of providing—

"(aa) assistance, including grants, to family and day care home sponsoring organizations and other appropriate organizations, in securing and providing training, materials, automated data processing assistance, and other assistance for the staff of the sponsoring organizations; and

"(bb) training and other assistance to family and group day care homes in the implementation of the amendment to subparagraph (A) made by section 808(d)(1) of the Personal Responsibility and Work Opportunity Act of 1996.

"(ii) ALLOCATION.—The Secretary shall allocate from the funds reserved under clause (i)(I)—

"(I) $30,000 in base funding to each State; and

"(II) any remaining amount among the States, based on the number of family day care homes participating in the program in a State during fiscal year 1994 as a percentage of the number of all family day care homes participating in the program during fiscal year 1994.

"(iii) RETENTION OF FUNDS.—Of the amount of funds made available to a State for fiscal year 1996 under clause (i), the State may retain not to exceed 30 percent of the amount to carry out this subparagraph.

"(iv) ADDITIONAL PAYMENTS.—Any payments received under this subparagraph shall be in addition to payments that a State receives under subparagraph (A).".

(3) PROVISION OF DATA.—Section 17(f)(3) of the Act, as amended by paragraph (2), is further amended by adding at the end the following:

"(E) PROVISION OF DATA TO FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(i) CENSUS DATA.—The Secretary shall provide to each State agency administering a child care food program under this section data from the most recent decennial census survey or other appropriate census survey for which the data are available showing which areas in the State meet the requirements of subparagraph (A)(ii)(I)(aa). The State agency shall provide the data to family or group day care home sponsoring organizations located in the State.

"(ii) SCHOOL DATA.—

"(I) IN GENERAL.—A State agency administering the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall provide to approved family or group day care home sponsoring organizations a list of schools serving elementary school children in the State in which not less than ½ of the children enrolled are certified to receive free or reduced price meals. The State agency shall collect the data necessary to create the list annually and provide the list on a timely basis to any approved family or group day care home sponsoring organization that requests the list.

"(II) USE OF DATA FROM PRECEDING SCHOOL YEAR.—In determining for a fiscal year or other annual period whether a home qualifies as a tier I family or group day care home under subparagraph (A)(ii)(I), the State agency administering the program under this section, and a family or group day care home sponsoring organization, shall use the most current available data at the time of the determination.

"(iii) DURATION OF DETERMINATION.—For purposes of this section, a determination that a family or group day care home is located in an area that qualifies the home as a tier I family or group day care home (as the term is defined in subparagraph (A)(ii)(I)), shall be in effect for 3 years (unless the determination is made on the basis of census data, in which case the determination shall remain in effect until more recent census data are available) unless the State agency determines that the area in which the home is located no longer qualifies the home as a tier I family or group day care home.".

(4) CONFORMING AMENDMENTS.—Section 17(c) of the Act is amended by inserting "except as provided in subsection (f)(3)," after "For purposes of this section," each place it appears in paragraphs (1), (2), and (3).

(f) REIMBURSEMENT.—Section 17(f) of the Act is amended—

(1) in paragraph (3)—

(A) in subparagraph (B), by striking the third and fourth sentences; and

(B) in subparagraph (C)—

(i) in clause (i)—

(I) by striking "(i)";

(II) in the first sentence, by striking "and expansion funds" and all that follows through "rural areas";

(III) by striking the second sentence; and

(IV) by striking "and expansion funds" each place it appears; and

(ii) by striking clause (ii); and

(2) by striking paragraph (4).

(g) NUTRITIONAL REQUIREMENTS.—Section 17(g)(1) of the Act is amended—

(1) in subparagraph (A), by striking the second sentence; and

(2) in subparagraph (B), by striking the second sentence.

(h) ELIMINATION OF STATE PAPERWORK AND OUTREACH BURDEN.—Section 17 of the Act is amended by striking subsection (k) and inserting the following:

"(k) TRAINING AND TECHNICAL ASSISTANCE.—A State participating in the program established under this section shall provide sufficient training, technical assistance, and monitoring to facilitate effective operation of the program. The Secretary shall assist the State in developing plans to fulfill the requirements of this subsection.".

(i) RECORDS.—The second sentence of section 17(m) of the Act is amended by striking "at all times" and inserting "at any reasonable time".

(j) MODIFICATION OF ADULT CARE FOOD PROGRAM.—Section 17(o) of the Act is amended—

(1) in the first sentence of paragraph (1)—

(A) by striking "adult day care centers" and inserting "day care centers for chronically impaired disabled persons"; and

(B) by striking "to persons 60 years of age or older or"; and

(2) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking "adult day care center" and inserting "day care center for chronically impaired disabled persons"; and

(ii) in clause (i)—

(I) by striking "adult";

(II) by striking "adults" and inserting "persons"; and

(III) by striking "or persons 60 years of age or older"; and

(B) in subparagraph (B), by striking "adult day care services" and inserting "day care services for chronically impaired disabled persons".

(k) UNNEEDED PROVISION.—Section 17 of the Act is amended by striking subsection (q).

(l) CONFORMING AMENDMENTS.—

(1) Section 17B(f) of the Act (42 U.S.C. 1766b(f)) is amended—

(A) in the subsection heading, by striking "AND ADULT"; and

(B) in paragraph (1), by striking "and adult".

(2) Section 18(e)(3)(B) of the Act (42 U.S.C. 1769(e)(3)(B)) is amended by striking "and adult".

(3) Section 25(b)(1)(C) of the Act (42 U.S.C. 1769f(b)(1)(C)) is amended by striking "and adult".

(4) Section 3(1) of the Healthy Meals for Healthy Americans Act of 1994 (Public Law 103–448) is amended by striking "and adult".

(m) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall become effective on the date of enactment of this Act.

(2) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—The amendments made by paragraphs (1), (3), and (4) of subsection (f) shall become effective on August 1, 1996.

(3) REGULATIONS.—

(A) INTERIM REGULATIONS.—Not later than February 1, 1996, the Secretary shall issue interim regulations to implement—

(i) the amendments made by paragraphs (1), (3), and (4) of subsection (f); and

(ii) section 17(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766(f)(3)(C)).

(B) FINAL REGULATIONS.—Not later than August 1, 1996, the Secretary shall issue final regulations to implement the provisions of law referred to in subparagraph (A).

(n) STUDY OF IMPACT OF AMENDMENTS ON PROGRAM PARTICIPATION AND FAMILY DAY CARE LICENSING.—

(1) IN GENERAL.—The Secretary of Agriculture, in conjunction with the Secretary of Health and Human Services, shall study the

impact of the amendments made by this section on—

(A) the number of family day care homes participating in the child care food program established under section 17 of the National School Lunch Act (42 U.S.C. 1766);

(B) the number of day care home sponsoring organizations participating in the program;

(C) the number of day care homes that are licensed, certified, registered, or approved by each State in accordance with regulations issued by the Secretary;

(D) the rate of growth of the numbers referred to in subparagraphs (A) through (C);

(E) the nutritional adequacy and quality of meals served in family day care homes that—

(i) received reimbursement under the program prior to the amendments made by this section but do not receive reimbursement after the amendments made by this section; or

(ii) received full reimbursement under the program prior to the amendments made by this section but do not receive full reimbursement after the amendments made by this section; and

(F) the proportion of low-income children participating in the program prior to the amendments made by this section and the proportion of low-income children participating in the program after the amendments made by this section.

(2) REQUIRED DATA.—Each State agency participating in the child care food program under section 17 of the National School Lunch Act (42 U.S.C. 1766) shall submit to the Secretary data on—

(A) the number of family day care homes participating in the program on July 31, 1996, and July 31, 1997;

(B) the number of family day care homes licensed, certified, registered, or approved for service on July 31, 1996, and July 31, 1997; and

(C) such other data as the Secretary may require to carry out this subsection.

(3) SUBMISSION OF REPORT.—Not later than 2 years after the effective date of this section, the Secretary shall submit the study required under this subsection to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 811. PILOT PROJECTS.

(a) UNIVERSAL FREE PILOT.—Section 18(d) of the National School Lunch Act (42 U.S.C. 1769(d)) is amended—

(1) by striking paragraph (3); and

(2) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(b) DEMO PROJECT OUTSIDE SCHOOL HOURS.—Section 18(e) of the Act is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking "(A)"; and

(ii) by striking "shall" and inserting "may"; and

(B) by striking subparagraph (B); and

(2) by striking paragraph (5) and inserting the following:

"(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as are necessary for each of fiscal years 1997 and 1998.".

(c) ELIMINATING PROJECTS.—Section 18 of the Act is amended—

(1) by striking subsections (a) and (g) through (i); and

(2) by redesignating subsections (b) through (f), as so amended, as subsections (a) through (e), respectively.

(d) CONFORMING AMENDMENT.—Section 17B(d)(1)(A) of the Act (42 U.S.C. 1766b(d)(1)(A)) is amended by striking "18(c)" and inserting "18(b)".

SEC. 812. REDUCTION OF PAPERWORK.

Section 19 of the National School Lunch Act (42 U.S.C. 1769a) is repealed.

SEC. 813. INFORMATION ON INCOME ELIGIBILITY.

Section 23 of the National School Lunch Act (42 U.S.C. 1769d) is repealed.

SEC. 814. NUTRITION GUIDANCE FOR CHILD NUTRITION PROGRAMS.

Section 24 of the National School Lunch Act (42 U.S.C. 1769e) is repealed.

SEC. 815. INFORMATION CLEARINGHOUSE.

Section 26 of the National School Lunch Act (42 U.S.C. 1769g) is repealed.

Subtitle B—Child Nutrition Act of 1966

SEC. 821. SPECIAL MILK PROGRAM.

(a) DEFINITION.—Section 3(a)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1772(a)(3)) is amended by striking "the Trust Territory of the Pacific Islands" and inserting "the Commonwealth of the Northern Mariana Islands".

(b) ADJUSTMENTS TO REIMBURSEMENTS.—

(1) IN GENERAL.—Section 3(a) of the Act is amended by striking paragraph (8) and inserting the following:

"(8) ADJUSTMENTS.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, in the case of each school year, the Secretary shall—

"(i) base the adjustment made under paragraph (7) on the amount of the unrounded adjustment for the preceding school year;

"(ii) adjust the resulting amount in accordance with paragraph (7); and

"(iii) round the result to the nearest lower cent increment.

"(B) ADJUSTMENT FOR 12-MONTH PERIOD BEGINNING JULY 1, 1996.—In the case of the 12-month period beginning July 1, 1996, the minimum rate shall be the same as the minimum rate in effect on June 30, 1996, rounded to the nearest lower cent increment.

"(C) ADJUSTMENT FOR SCHOOL YEAR BEGINNING JULY 1, 1997.—In the case of the school year beginning July 1, 1997, the Secretary shall—

"(i) base the adjustment made under paragraph (7) on the amount of the unrounded adjustment for the minimum rate for the school year beginning July 1, 1996;

"(ii) adjust the resulting amount to reflect changes in the Producer Price Index for Fresh Processed Milk published by the Bureau of Labor Statistics of the Department of Labor for the most recent 12-month period for which the data are available; and

"(iii) round the result to the nearest lower cent increment.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall become effective on July 1, 1996.

SEC. 822. REIMBURSEMENT RATES FOR FREE AND REDUCED PRICE BREAKFASTS.

(a) IN GENERAL.—Section 4(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)) is amended—

(1) in paragraph (1)(B)—

(A) in the first sentence, by striking "section 11(a)" and inserting "subparagraphs (B) through (D) of section 11(a)(3)"; and

(B) in the second sentence, by striking ", adjusted to the nearest one-fourth cent" and inserting "(as adjusted pursuant to subparagraphs (B) through (D) of section 11(a)(3) of the National School Lunch Act (42 U.S.C. 1759a(a)(3)))"; and

(2) in paragraph (2)(B)(ii)—

(A) by striking "nearest one-fourth cent" and inserting "nearest lower cent increment for the applicable school year"; and

(B) by inserting before the period at the end the following: ", and the adjustment required by this clause shall be based on the unrounded adjustment for the preceding school year".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective on July 1, 1996.

SEC. 823. FREE AND REDUCED PRICE POLICY STATEMENT.

Section 4(b)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1)) is amended by adding at the end the following:

"(E) FREE AND REDUCED PRICE POLICY STATEMENT.—After the initial submission, a school shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school. A routine change in the policy of a school, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the school to submit a policy statement.".

SEC. 824. SCHOOL BREAKFAST PROGRAM AUTHORIZATION.

(a) TRAINING AND TECHNICAL ASSISTANCE IN FOOD PREPARATION.—Section 4(e)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(e)(1)) is amended—

(1) in subparagraph (A), by striking "(A)"; and

(2) by striking subparagraph (B).

(b) EXPANSION OF PROGRAM; STARTUP AND EXPANSION COSTS.—

(1) IN GENERAL.—Section 4 of the Act is amended by striking subsections (f) and (g).

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall become effective on October 1, 1996.

SEC. 825. STATE ADMINISTRATIVE EXPENSES.

(a) USE OF FUNDS FOR COMMODITY DISTRIBUTION ADMINISTRATION; STUDIES.—Section 7 of the Child Nutrition Act of 1966 (42 U.S.C. 1776) is amended—

(1) by striking subsections (e) and (h); and

(2) by redesignating subsections (f), (g), and (i) as subsections (e), (f), and (g), respectively.

(b) APPROVAL OF CHANGES.—Section 7(e) of the Act, as so redesignated, is amended—

(1) by striking "each year an annual plan" and inserting "the initial fiscal year a plan"; and

(2) by adding at the end the following: "After submitting the initial plan, a State shall only be required to submit to the Secretary for approval a substantive change in the plan.".

SEC. 826. REGULATIONS.

Section 10 of the Child Nutrition Act of 1966 (42 U.S.C. 1779) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking "(1)"; and

(B) by striking paragraphs (2) through (4); and

(2) in subsection (c)—

(A) by striking "may" and inserting "shall";

(B) by inserting ", except the program authorized under section 17," after "under this Act"; and

(C) by adding at the end the following: "Such regulations shall prohibit the transfer of funds that are used to support meals served to children with incomes below the income eligibility criteria for free or reduced price meals, as provided in section 9(b) of the National School Lunch Act.".

SEC. 827. PROHIBITIONS.

Section 11(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1780(a)) is amended by striking "neither the Secretary nor the State shall" and inserting "the Secretary shall not".

SEC. 828. MISCELLANEOUS PROVISIONS AND DEFINITIONS.

Section 15 of the Child Nutrition Act of 1966 (42 U.S.C. 1784) is amended—

(1) in paragraph (1), by striking "the Trust Territory of the Pacific Islands" and inserting "the Commonwealth of the Northern Mariana Islands"; and

(2) in the first sentence of paragraph (3)—

(A) in subparagraph (A), by inserting "and" at the end; and

(B) by striking ", and (C)" and all that follows through "Governor of Puerto Rico".

SEC. 829. ACCOUNTS AND RECORDS.

The second sentence of section 16(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1785(a)) is amended by striking "at all times be available" and inserting "be available at any reasonable time".

SEC. 830. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

(a) Definitions.—Section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) is amended—

(1) in paragraph (15)(B)(iii), by inserting "of not more than 90 days" after "accommodation"; and

(2) in paragraph (16)—

(A) in subparagraph (A), by adding "and" at the end; and

(B) in subparagraph (B), by striking "; and" and inserting a period; and

(C) by striking subparagraph (C).

(b) Secretary's Promotion of WIC.—Section 17(c) of the Act is amended by striking paragraph (5).

(c) Eligible Participants.—Section 17(d) of the Act is amended by striking paragraph (4).

(d) Nutrition Education and Drug Abuse Education.—Section 17(e) of the Act is amended—

(1) in the first sentence of paragraph (1), by striking "shall ensure" and all that follows through "is provided" and inserting "shall provide nutrition education and may provide drug abuse education";

(2) in paragraph (2), by striking the third sentence;

(3) by striking paragraph (4) and inserting the following:

"(4) Information.—The State agency may provide a local agency with materials describing other programs for which participants in the program may be eligible.";

(4) in paragraph (5), by striking "The State" and all that follows through "local agency shall" and inserting "A local agency may"; and

(5) by striking paragraph (6).

(e) State Plan.—Section 17(f) of the Act is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking "annually to the Secretary, by a date specified by the Secretary, a" and inserting "to the Secretary, by a date specified by the Secretary, an initial"; and

(ii) by adding at the end the following: "After submitting the initial plan, a State shall only be required to submit to the Secretary for approval a substantive change in the plan.";

(B) in subparagraph (C)—

(i) by striking clause (iii) and inserting the following:

"(iii) a plan to coordinate operations under the program with other services or programs that may benefit participants in, and applicants for, the program;";

(ii) in clause (vi), by inserting after "in the State" the following: "(including a plan to improve access to the program for participants and prospective applicants who are employed, or who reside in rural areas)";

(iii) by striking clauses (vii), (ix), (x), and (xii);

(iv) in clause (xiii), by striking "may require" and inserting "may reasonably require"; and

(v) by redesignating clauses (viii), (xi), and (xiii), as so amended, as clauses (vii), (viii), and (ix), respectively;

(C) by striking subparagraph (D); and

(D) by redesignating subparagraph (E) as subparagraph (D);

(2) by striking paragraphs (2), (6), (8), (20), (22), and (24);

(3) in the second sentence of paragraph (5), by striking "at all times be available" and inserting "be available at any reasonable time";

(4) in paragraph (9)(B), by striking the second sentence;

(5) in the first sentence of paragraph (11), by striking ", including standards that will ensure sufficient State agency staff";

(6) in paragraph (12), by striking the third sentence;

(7) in paragraph (14), by striking "shall" and inserting "may";

(8) in paragraph (17), by striking "and to accommodate" and all that follows through "facilities";

(9) in paragraph (19), by striking "shall" and inserting "may"; and

(10) by redesignating paragraphs (3), (4), (5), (7), (9) through (19), (21), and (23), as so amended, as paragraphs (2), (3), (4), (5), (6) through (16), (17), and (18), respectively.

(f) Information.—Section 17(g) of the Act is amended—

(1) in paragraph (5), by striking "the report required under subsection (d)(4)" and inserting "reports on program participant characteristics"; and

(2) by striking paragraph (6).

(g) Procurement of Infant Formula.—

(1) In general.—Section 17(h) of the Act is amended—

(A) in paragraph (4)(E), by striking "and, on" and all that follows through "(d)(4)";

(B) in paragraph (8)—

(i) by striking subparagraphs (A), (C), and (M);

(ii) in subparagraph (G)—

(I) in clause (i), by striking "(i)"; and

(II) by striking clauses (ii) through (ix);

(iii) in subparagraph (I), by striking "Secretary—" and all that follows through "(v) may" and inserting "Secretary may";

(iv) by redesignating subparagraphs (B) and (D) through (L) as subparagraphs (A) and (B) through (J), respectively;

(v) in subparagraph (A)(i), as so redesignated, by striking "subparagraphs (C), (D), and (E)(iii), in carrying out subparagraph (A)," and inserting "subparagraphs (B) and (C)(iii),";

(vi) in subparagraph (B)(i), as so redesignated, by striking "subparagraph (B)" each place it appears and inserting "subparagraph (A)"; and

(vii) in subparagraph (C)(iii), as so redesignated, by striking "subparagraph (B)" and inserting "subparagraph (A)"; and

(C) in paragraph (10)(A), by striking "shall" and inserting "may".

(2) Application.—The amendments made by paragraph (1) shall not apply to a contract for the procurement of infant formula under section 17(h)(8) of the Act that is in effect on the effective date of this subsection.

(h) National Advisory Council on Maternal, Infant, and Fetal Nutrition.—Section 17(k)(3) of the Act is amended by striking "Secretary shall designate" and inserting "Council shall elect".

(i) Completed Study; Community College Demonstration; Grants for Information and Data System.—Section 17 of the Act is amended by striking subsections (n), (o), and (p).

(j) Disqualification of Vendors Who Are Disqualified Under the Food Stamp Program.—Section 17 of the Act, as so amended, is further amended by adding at the end the following:

"(n) Disqualification of Vendors Who Are Disqualified Under the Food Stamp Program.—

"(1) In general.—The Secretary shall issue regulations providing criteria for the disqualification under this section of an approved vendor that is disqualified from accepting benefits under the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

"(2) Terms.—A disqualification under paragraph (1)—

"(A) shall be for the same period as the disqualification from the program referred to in paragraph (1);

"(B) may begin at a later date than the disqualification from the program referred to in paragraph (1); and

"(C) shall not be subject to judicial or administrative review.".

SEC. 831. CASH GRANTS FOR NUTRITION EDUCATION.

Section 18 of the Child Nutrition Act of 1966 (42 U.S.C. 1787) is repealed.

SEC. 832. NUTRITION EDUCATION AND TRAINING.

(a) Findings.—Section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1788) is amended—

(1) in subsection (a), by striking "that—" and all that follows through the period at the end and inserting "that effective dissemination of scientifically valid information to children participating or eligible to participate in the school lunch and related child nutrition programs should be encouraged."; and

(2) in subsection (b), by striking "encourage" and all that follows through "establishing" and inserting "establish".

(b) Use of Funds.—Section 19(f) of the Act is amended—

(1) in paragraph (1)—

(A) by striking subparagraph (B); and

(B) in subparagraph (A)—

(i) by striking "(A)";

(ii) by striking clauses (ix) through (xix);

(iii) by redesignating clauses (i) through (viii) and (xx) as subparagraphs (A) through (H) and (I), respectively; and

(iv) in subparagraph (H), as so redesignated, by inserting "and" at the end;

(2) by striking paragraphs (2) and (4); and

(3) by redesignating paragraph (3) as paragraph (2).

(c) Accounts, Records, and Reports.—The second sentence of section 19(g)(1) of the Act is amended by striking "at all times be available" and inserting "be available at any reasonable time".

(d) State Coordinators for Nutrition; State Plan.—Section 19(h) of the Act is amended—

(1) in the second sentence of paragraph (1)—

(A) by striking "as provided in paragraph (2) of this subsection"; and

(B) by striking "as provided in paragraph (3) of this subsection";

(2) in paragraph (2), by striking the second and third sentences; and

(3) by striking paragraph (3).

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 19(i) of the Act is amended—

(1) in the first sentence of paragraph (2)(A), by striking "and each succeeding fiscal year";

(2) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(3) by inserting after paragraph (2) the following:

"(3) FISCAL YEARS 1997 THROUGH 2002.—

"(A) IN GENERAL.—There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 1997 through 2002.

"(B) GRANTS.—

"(i) IN GENERAL.—Grants to each State from the amounts made available under subparagraph (A) shall be based on a rate of 50 cents for each child enrolled in schools or institutions within the State, except that no State shall receive an amount less than $75,000 per fiscal year.

"(ii) INSUFFICIENT FUNDS.—If the amount made available for any fiscal year is insufficient to pay the amount to which each State is entitled under clause (i), the amount of each grant shall be ratably reduced.".

(f) ASSESSMENT.—Section 19 of the Act is amended by striking subsection (j).

(g) EFFECTIVE DATE.—The amendments made by subsection (e) shall become effective on October 1, 1996.

SEC. 833. BREASTFEEDING PROMOTION PROGRAM.

Section 21 of the Child Nutrition Act of 1966 (42 U.S.C. 1790) is repealed.

TITLE IX—FOOD STAMP PROGRAM AND RELATED PROGRAMS

SEC. 901. DEFINITION OF CERTIFICATION PERIOD.

Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by striking "Except as provided" and all that follows and inserting the following: "The certification period shall not exceed 12 months, except that the certification period may be up to 24 months if all adult household members are elderly or disabled. A State agency shall have at least 1 contact with each certified household every 12 months.".

SEC. 902. EXPANDED DEFINITION OF "COUPON".

Section 3(d) of the Food Stamp Act of 1977 (7 U.S.C. 2012(d)) is amended by striking "or type of certificate" and inserting "type of certificate, authorization cards, cash or checks issued in lieu of coupons or access devices, including, but not limited to, electronic benefit transfer cards and personal identification numbers".

SEC. 903. TREATMENT OF CHILDREN LIVING AT HOME.

The second sentence of section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by striking "(who are not themselves parents living with their children or married and living with their spouses)".

SEC. 904. ADJUSTMENT OF THRIFTY FOOD PLAN.

The second sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

(1) by striking "shall (1) make" and inserting the following:

"shall—

"(1) make";

(2) by striking "scale, (2) make" and inserting the following:

"scale;

"(2) make";

(3) by striking "Alaska, (3) make" and inserting the following:

"Alaska;

"(3) make"; and

(4) by striking "Columbia, (4) through" and all that follows through the end of the subsection and inserting the following:

"Columbia; and

"(4) on October 1, 1996, and each October 1 thereafter, adjust the cost of the diet to reflect the cost of the diet, in the preceding June, and round the result to the nearest lower dollar increment for each household size, except that on October 1, 1996, the Secretary may not reduce the cost of the diet in effect on September 30, 1996.".

SEC. 905. DEFINITION OF HOMELESS INDIVIDUAL.

Section 3(s)(2)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2012(s)(2)(C)) is amended by inserting "for not more than 90 days" after "temporary accommodation".

SEC. 906. INCOME EXCLUSIONS.

(a) EXCLUSION OF CERTAIN JTPA INCOME.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (d)—

(A) by striking "and (16)" and inserting "(16)"; and

(B) by inserting before the period at the end the following: ", and (17) income received under the Job Training Partnership Act (29 U.S.C. 1501 et seq.) by a household member who is less than 19 years of age"; and

(2) in subsection (*l*), by striking "under section 204(b)(1)(C)" and all that follows and inserting "shall be considered earned income for purposes of the food stamp program.".

(b) EXCLUSION OF LIFE INSURANCE POLICIES.—Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by adding at the end the following:

"(6) The Secretary shall exclude from financial resources the cash value of any life insurance policy owned by a member of a household.".

(c) IN-TANDEM EXCLUSIONS FROM INCOME.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by adding at the end the following:

"(n) Whenever a Federal statute enacted after the date of the enactment of this Act excludes funds from income for purposes of determining eligibility, benefit levels, or both under State plans approved under part A of title IV of the Social Security Act, then such funds shall be excluded from income for purposes of determining eligibility, benefit levels, or both, respectively, under the food stamp program of households all of whose members receive benefits under a State plan approved under part A of title IV of the Social Security Act.".

SEC. 907. DEDUCTIONS FROM INCOME.

Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended—

(1) in the 1st sentence—

(A) by striking "$85" and inserting "$134";

(B) by striking "$145, $120, $170, and $75, respectively" and inserting the following:

"$229, $189, $269, and $118, respectively, for fiscal year 1996; and a standard deduction of $120 a month for each household, except that households in Alaska, Hawaii, Guam, and the Virgin Islands of the United States shall be allowed a standard deduction of $200, $165, $234, and $103, respectively, for fiscal years thereafter, adjusted in accordance with this subsection";

(2) in the 2nd sentence by striking "Such" and all that follows through "each October 1 thereafter," and inserting "On October 1, 2001, and on each October 1 thereafter, such standard deductions shall be adjusted";

(3) by striking the 14th sentence; and

(4) by inserting after the 9th sentence the following:

"A State agency may make use of a standard utility allowance mandatory for all households with qualifying utility costs if the State agency has developed 1 or more standards that include the cost of heating and cooling and 1 or more standards that do not include the cost of heating and cooling, and if the Secretary finds that the standards will not result in an increased cost to the Secretary. A State agency that has not made the use of a standard utility allowance mandatory shall allow a household to switch, at the end of a certification period, between the standard utility allowance and a deduction based on the actual utility costs of the household.".

SEC. 908. VEHICLE ALLOWANCE.

Section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended to read as follows:

"(2) INCLUDED ASSETS.—

"(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary shall, in prescribing inclusions in, and exclusions from, financial resources, follow the regulations in force as of June 1, 1982 (other than those relating to licensed vehicles and inaccessible resources).

"(B) ADDITIONAL INCLUDED ASSETS.—The Secretary shall include in financial resources—

"(i) any boat, snowmobile, or airplane used for recreational purposes;

"(ii) any vacation home;

"(iii) any mobile home used primarily for vacation purposes;

"(iv) subject to subparagraph (C), any licensed vehicle that is used for household transportation or to obtain or continue employment to the extent that the fair market value of the vehicle exceeds a level set by the Secretary, which shall be $4,600 beginning October 1, 1995, and adjusted on each October 1 thereafter to reflect changes in the new car component of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics for the 12-month period ending on June 30 preceding the date of such adjustment and rounded to the nearest $50; and

"(v) any savings or retirement account (including an individual account), regardless of whether there is a penalty for early withdrawal.

"(C) EXCLUDED VEHICLES.—A vehicle (and any other property, real or personal, to the extent the property is directly related to the maintenance or use of the vehicle) shall not be included in financial resources under this paragraph if the vehicle is—

"(i) used to produce earned income;

"(ii) necessary for the transportation of a physically disabled household member; or

"(iii) depended on by a household to carry fuel for heating or water for home use and provides the primary source of fuel or water, respectively, for the household.".

SEC. 909. VENDOR PAYMENTS FOR TRANSITIONAL HOUSING COUNTED AS INCOME.

Section 5(k)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)(2)) is amended—

(1) by striking subparagraph (F); and

(2) by redesignating subparagraphs (G) and (H) as subparagraphs (F) and (G), respectively.

SEC. 910. INCREASED PENALTIES FOR VIOLATING FOOD STAMP PROGRAM REQUIREMENTS.

Section 6(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)) is amended—

(1) in clause (i)—

(A) by striking "six months" and inserting "1 year"; and

(B) by adding "and" at the end; and

(2) striking clauses (ii) and (iii) and inserting the following:

"(ii) permanently upon—

"(I) the second occasion of any such determination; or

"(II) the first occasion of a finding by a Federal, State, or local court of the trading of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)), firearms, ammunition, or explosives for coupons.".

SEC. 911. DISQUALIFICATION OF CONVICTED INDIVIDUALS.

Section 6(b)(1)(ii) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)(iii)), as amended by section 910, is amended—

(1) in subclause (I), by striking "or" at the end;

(2) in subclause (II), by striking the period at the end and inserting "; or"; and

(3) by inserting after subclause (II) the following:

"(IV) a conviction of an offense under subsection (b) or (c) of section 15 involving an item covered by subsection (b) or (c) of section 15 having a value of $500 or more.".

SEC. 912. DISQUALIFICATION.

(a) IN GENERAL.—Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended by striking "(d)(1) Unless otherwise exempted by the provisions" and all that follows through paragraph (1) and inserting the following:

"(d) CONDITIONS OF PARTICIPATION.—

"(1) WORK REQUIREMENTS.—

"(A) IN GENERAL.—No physically and mentally fit individual over the age of 15 and under the age of 60 shall be eligible to participate in the food stamp program if the individual—

"(i) refuses, at the time of application and every 12 months thereafter, to register for employment in a manner prescribed by the Secretary;

"(ii) refuses without good cause to participate in an employment and training program under paragraph (4), to the extent required by the State agency;

"(iii) refuses without good cause to accept an offer of employment, at a site or plant not subject to a strike or lockout at the time of the refusal, at a wage not less than the higher of—

"(I) the applicable Federal or State minimum wage; or

"(II) 80 percent of the wage that would have governed had the minimum hourly rate under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) been applicable to the offer of employment;

"(iv) refuses without good cause to provide a State agency with sufficient information to allow the State agency to determine the employment status or the job availability of the individual;

"(v) voluntarily and without good cause—

"(I) quits a job; or

"(II) reduces work effort and, after the reduction, the individual is working less than 30 hours per week; or

"(vi) fails to comply with section 20.

"(B) HOUSEHOLD INELIGIBILITY.—If an individual who is the head of a household becomes ineligible to participate in the food stamp program under subparagraph (A), the household shall, at the option of the State agency, become ineligible to participate in the food stamp program for a period, determined by the State agency, that does not exceed the lesser of—

"(i) the duration of the ineligibility of the individual determined under subparagraph (C); or

"(ii) 180 days.

"(C) DURATION OF INELIGIBILITY.—

"(i) FIRST VIOLATION.—The first time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 1 month after the date the individual became ineligible; or

"(III) a date determined by the State agency that is not later than 3 months after the date the individual became ineligible.

"(ii) SECOND VIOLATION.—The second time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 3 months after the date the individual became ineligible; or

"(III) a date determined by the State agency that is not later than 6 months after the date the individual became ineligible.

"(iii) THIRD OR SUBSEQUENT VIOLATION.—The third or subsequent time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 6 months after the date the individual became ineligible;

"(III) a date determined by the State agency; or

"(IV) at the option of the State agency, permanently.

"(D) ADMINISTRATION.—

"(i) GOOD CAUSE.—The Secretary shall determine the meaning of good cause for the purpose of this paragraph.

"(ii) VOLUNTARY QUIT.—The Secretary shall determine the meaning of voluntarily quitting and reducing work effort for the purpose of this paragraph.

"(iii) DETERMINATION BY STATE AGENCY.—

"(I) IN GENERAL.—Subject to subclause (II) and clauses (i) and (ii), a State agency shall determine—

"(aa) the meaning of any term in subparagraph (A);

"(bb) the procedures for determining whether an individual is in compliance with a requirement under subparagraph (A); and

"(cc) whether an individual is in compliance with a requirement under subparagraph (A).

"(II) NOT LESS RESTRICTIVE.—A State agency may not determine a meaning, procedure, or determination under subclause (I) to be less restrictive than a comparable meaning, procedure, or determination under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(iv) STRIKE AGAINST THE GOVERNMENT.—For the purpose of subparagraph (A)(v), an employee of the Federal Government, a State, or a political subdivision of a State, who is dismissed for participating in a strike against the Federal Government, the State, or the political subdivision of the State shall be considered to have voluntarily quit without good cause.

"(v) SELECTING A HEAD OF HOUSEHOLD.—

"(I) IN GENERAL.—For the purpose of this paragraph, the State agency shall allow the household to select any adult parent of a child in the household as the head of the household if all adult household members making application under the food stamp program agree to the selection.

"(II) TIME FOR MAKING DESIGNATION.—A household may designate the head of the household under subclause (I) each time the household is certified for participation in the food stamp program, but may not change the designation during a certification period unless there is a change in the composition of the household.

"(vi) CHANGE IN HEAD OF HOUSEHOLD.—If the head of a household leaves the household during a period in which the household is ineligible to participate in the food stamp program under subparagraph (B)—

"(I) the household shall, if otherwise eligible, become eligible to participate in the food stamp program; and

"(II) if the head of the household becomes the head of another household, the household that becomes headed by the individual shall become ineligible to participate in the food stamp program for the remaining period of ineligibility.".

(b) CONFORMING AMENDMENT.—

(1) The second sentence of section 17(b)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(2)) is amended by striking "6(d)(1)(i)" and inserting "6(d)(1)(A)(i)".

(2) Section 20(f) of the Food Stamp Act of 1977 (7 U.S.C. 2029(f)) is amended to read as follows:

"(f) DISQUALIFICATION.—An individual or a household may become ineligible under section 6(d)(1) to participate in the food stamp program for failing to comply with this section.".

SEC. 913. CARETAKER EXEMPTION.

Section 6(d)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(2)(B)) is amended to read as follows: "(B) a parent or other member of a household with responsibility for the care of (i) a dependent child under the age of 6 or any lower age designated by the State agency that is not under the age of 1, or (ii) an incapacitated person;".

SEC. 914. EMPLOYMENT AND TRAINING.

(a) IN GENERAL.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended—

(1) in subparagraph (D)—

(A) in clause (i), by striking "to which the application" and all that follows through "30 days or less";

(B) in clause (ii), by striking "but with respect" and all that follows through "child care"; and

(C) in clause (iii), by striking ", on the basis of" and all that follows through "clause (ii)" and inserting "the exemption continues to be valid";

(2) in subparagraph (E), by striking the third sentence; AND

(3) by adding at the end the following:

"(O) Notwithstanding any other provision of this paragraph, the amount of Federal funds a State agency uses in any fiscal year after fiscal year 1996 to carry out this paragraph with respect to individuals who receive benefits under a State plan approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall not exceed the amount of Federal funds the State agency used in fiscal year 1995 to carry out this paragraph with respect to individuals who received benefits under such plan.".

(b) FUNDING.—Section 16(h) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)) is amended by striking "(h)(1)(A) The Secretary" and all that follows through the end of paragraph (1) and inserting the following:

"(h) FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.—

"(1) IN GENERAL.—

"(A) AMOUNTS.—To carry out employment and training programs, the Secretary shall reserve for allocation to State agencies from funds made available for each fiscal year under section 18(a)(1) the amount of

$150,000,000 for each of the fiscal years 1996 through 2002.

"(B) ALLOCATION.—The Secretary shall allocate the amounts reserved under subparagraph (A) among the State agencies using a reasonable formula (as determined by the Secretary) that gives consideration to the population in each State affected by section 6(o).

"(C) REALLOCATION.—

"(i) NOTIFICATION.—A State agency shall promptly notify the Secretary if the State agency determines that the State agency will not expend all of the funds allocated to the State agency under subparagraph (B).

"(ii) REALLOCATION.—On notification under clause (i), the Secretary shall reallocate the funds that the State agency will not expend as the Secretary considers appropriate and equitable.

"(D) MINIMUM ALLOCATION.—Notwithstanding subparagraphs (A) through (C), the Secretary shall ensure that each State agency operating an employment and training program shall receive not less than $50,000 in each fiscal year.".

(d) REPORTS.—Section 16(h) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)) is amended—

(1) in paragraph (5)—

(A) by striking "(5)(A) The Secretary" and inserting "(5) The Secretary"; and

(B) by striking subparagraph (B); and

(2) by striking paragraph (6).

SEC. 915. COMPARABLE TREATMENT FOR DISQUALIFICATION.

(a) IN GENERAL.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following:

"(i) COMPARABLE TREATMENT FOR DISQUALIFICATION.—

"(1) IN GENERAL.—If a disqualification is imposed on a member of a household for a failure of the member to perform an action required under a Federal, State, or local law relating to a means-tested public assistance program, the State agency may impose the same disqualification on the member of the household under the food stamp program.

"(2) RULES AND PROCEDURES.—If a disqualification is imposed under paragraph (1) for a failure of an individual to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of such Act to impose the same disqualification under the food stamp program.

"(3) APPLICATION AFTER DISQUALIFICATION PERIOD.—A member of a household disqualified under paragraph (1) may, after the disqualification period has expired, apply for benefits under this Act and shall be treated as a new applicant, except that a prior disqualification under subsection (d) shall be considered in determining eligibility.".

(b) STATE PLAN PROVISIONS.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24), by striking "and" at the end;

(2) in paragraph (25), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(26) the guidelines the State agency uses in carrying out section 6(i); and".

(c) CONFORMING AMENDMENT.—Section 6(d)(2)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(2)(A)) is amended by striking "that is comparable to a requirement of paragraph (1)".

SEC. 916. DISQUALIFICATION FOR RECEIPT OF MULTIPLE FOOD STAMP BENEFITS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 915, is amended by adding at the end the following:

"(j) DISQUALIFICATION FOR RECEIPT OF MULTIPLE FOOD STAMP BENEFITS.—An individual shall be ineligible to participate in the food stamp program as a member of any household for a 10-year period if the individual is found by a State agency to have made, or is convicted in a Federal or State court of having made, a fraudulent statement or representation with respect to the identity or place of residence of the individual in order to receive multiple benefits simultaneously under the food stamp program.".

SEC. 917. DISQUALIFICATION OF FLEEING FELONS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by sections 915 and 916, is amended by adding at the end the following:

"(k) DISQUALIFICATION OF FLEEING FELONS.—No member of a household who is otherwise eligible to participate in the food stamp program shall be eligible to participate in the program as a member of that or any other household during any period during which the individual is—

"(1) fleeing to avoid prosecution, or custody or confinement after conviction, under the law of the place from which the individual is fleeing, for a crime, or attempt to commit a crime, that is a felony under the law of the place from which the individual is fleeing or that, in the case of New Jersey, is a high misdemeanor under the law of New Jersey; or

"(2) violating a condition of probation or parole imposed under a Federal or State law.".

SEC. 918. COOPERATION WITH CHILD SUPPORT AGENCIES.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by sections 915, 916, and 917, is amended by adding at the end the following:

"(l) CUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—

"(1) IN GENERAL.—At the option of a State agency, subject to paragraphs (2) and (3), no natural or adoptive parent or other individual (collectively referred to in this subsection as 'the individual') who is living with and exercising parental control over a child under the age of 18 who has an absent parent shall be eligible to participate in the food stamp program unless the individual cooperates with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

"(A) in establishing the paternity of the child (if the child is born out of wedlock); and

"(B) in obtaining support for—

"(i) the child; or

"(ii) the individual and the child.

"(2) GOOD CAUSE FOR NONCOOPERATION.—Paragraph (1) shall not apply to the individual if good cause is found for refusing to cooperate, as determined by the State agency in accordance with standards prescribed by the Secretary in consultation with the Secretary of Health and Human Services. The standards shall take into consideration circumstances under which cooperation may be against the best interests of the child.

"(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

"(m) NONCUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—

"(1) IN GENERAL.—At the option of a State agency, subject to paragraphs (2) and (3), a putative or identified noncustodial parent of a child under the age of 18 (referred to in this subsection as 'the individual') shall not be eligible to participate in the food stamp program if the individual refuses to cooperate with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

"(A) in establishing the paternity of the child (if the child is born out of wedlock); and

"(B) in providing support for the child.

"(2) REFUSAL TO COOPERATE.—

"(A) GUIDELINES.—The Secretary, in consultation with the Secretary of Health and Human Services, shall develop guidelines on what constitutes a refusal to cooperate under paragraph (1).

"(B) PROCEDURES.—The State agency shall develop procedures, using guidelines developed under subparagraph (A), for determining whether an individual is refusing to cooperate under paragraph (1).

"(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

"(4) PRIVACY.—The State agency shall provide safeguards to restrict the use of information collected by a State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to purposes for which the information is collected.".

SEC. 919. DISQUALIFICATION RELATING TO CHILD SUPPORT ARREARS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by sections 915, 916, 917 and 918, is amended by adding at the end the following:

"(o) DISQUALIFICATION FOR CHILD SUPPORT ARREARS.—

"(1) IN GENERAL.—At the option of a State agency, except as provided in paragraph (2), no individual shall be eligible to participate in the food stamp program as a member of any household during any month that the individual is delinquent in any payment due under a court order for the support of a child of the individual.

"(2) EXCEPTIONS.—Paragraph (1) shall not apply if—

"(A) a court is allowing the individual to delay payment; or

"(B) the individual is complying with a payment plan approved by a court or the State agency designated under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to provide support for the child of the individual.".

SEC. 920. WORK REQUIREMENT FOR ABLE-BODIED RECIPIENTS.

(a) IN GENERAL.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by sections 915, 916, 917, 918, and 919, is amended by adding at the end the following:

"(p) WORK REQUIREMENT.—

"(1) DEFINITION OF WORK PROGRAM.—In this subsection, the term 'work program' means—

"(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

"(C) a program of employment or training operated or supervised by a State or local government, as determined appropriate by the Secretary.

"(2) WORK REQUIREMENT.—No individual shall be eligible to participate in the food stamp program as a member of any household if, during the preceding 12 months, the individual received food stamp benefits for not less than 6 months during which the individual did not—

"(A) work 20 hours or more per week, averaged monthly;

"(B) participate in a workfare program under section 20 or a comparable State or local workfare program;

"(C) participate in and comply with the requirements of an approved employment and training program under subsection (d)(4); or

"(D) participate in and comply with the requirements of a work program for 20 hours or more per week.

"(3) EXCEPTION.—Paragraph (2) shall not apply to an individual if the individual is—

"(A) under 18 or over 50 years of age;

"(B) medically certified as physically or mentally unfit for employment;

"(C) a parent or other member of a household with a dependent child under 18 years of age; or

"(D) otherwise exempt under subsection (d)(2).

"(4) WAIVER.—

"(A) IN GENERAL.—The Secretary may waive the applicability of paragraph (2) to any group of individuals in the State if the Secretary makes a determination that the area in which the individuals reside—

"(i) has an unemployment rate of over 8 percent; or

"(ii) does not have a sufficient number of jobs to provide employment for the individuals.

"(B) REPORT.—The Secretary shall report the basis for a waiver under subparagraph (A) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.".

(b) WORK AND TRAINING PROGRAMS.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended by adding at the end the following:

"(O) REQUIRED PARTICIPATION IN WORK AND TRAINING PROGRAMS.—A State agency shall provide an opportunity to participate in the employment and training program under this paragraph to any individual who would otherwise become subject to disqualification under subsection (p).

"(P) COORDINATING WORK REQUIREMENTS.—

"(i) IN GENERAL.—Notwithstanding any other provision of this paragraph, a State agency that meets the participation requirements of clause (ii) may operate the employment and training program of the State for individuals who are members of households receiving allotments under this Act as part of a program operated by the State under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.), subject to the requirements of such Act.

"(ii) PARTICIPATION REQUIREMENTS.—A State agency may exercise the option under clause (i) if the State agency provides an opportunity to participate in an approved employment and training program to an individual who is—

"(I) subject to subsection (p);

"(II) not employed at least an average of 20 hours per week;

"(III) not participating in a workfare program under section 20 (or a comparable State or local program); and

"(IV) not subject to a waiver under subsection (i)(4).".

SEC. 921. ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.

(a) IN GENERAL.—Section 7(i) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) ELECTRONIC BENEFIT TRANSFERS.—

"(A) IMPLEMENTATION.—Each State agency shall implement an electronic benefit transfer system in which household benefits determined under section 8(a) or 24 are issued from and stored in a central databank before October 1, 2002, unless the Secretary provides a waiver for a State agency that faces unusual barriers to implementing an electronic benefit transfer system.

"(B) TIMELY IMPLEMENTATION.—State agencies are encouraged to implement an electronic benefit transfer system under subparagraph (A) as soon as practicable.

"(C) STATE FLEXIBILITY.—Subject to paragraph (2), a State agency may procure and implement an electronic benefit transfer system under the terms, conditions, and design that the State agency considers appropriate.

"(D) OPERATION.—An electronic benefit transfer system should take into account generally accepted standard operating rules based on—

"(i) commercial electronic funds transfer technology;

"(ii) the need to permit interstate operation and law enforcement monitoring; and

"(iii) the need to permit monitoring and investigations by authorized law enforcement agencies.";

(2) in paragraph (2)—

(A) by striking "effective no later than April 1, 1992,";

(B) in subparagraph (A)—

(i) by striking ", in any 1 year,"; and

(ii) by striking "on-line";

(F) by adding at the end the following:

"(I) procurement standards."; and

(3) by adding at the end the following:

"(7) REPLACEMENT OF BENEFITS.—Regulations issued by the Secretary regarding the replacement of benefits and liability for replacement of benefits under an electronic benefit transfer system shall be similar to the regulations in effect for a paper food stamp issuance system.".

(b) SENSE OF CONGRESS.—It is the sense of Congress that a State that operates an electronic benefit transfer system under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) should operate the system in a manner that is compatible with electronic benefit transfer systems operated by other States.

SEC. 922. VALUE OF MINIMUM ALLOTMENT.

The proviso in section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking ", and shall be adjusted" and all that follows through "$5".

SEC. 923. BENEFITS ON RECERTIFICATION.

Section 8(c)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(2)(B)) is amended by striking "of more than one month".

SEC. 924. OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.

Section 8(c)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(3)) is amended to read as follows:

"(3) OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.—A State agency may provide to an eligible household applying after the 15th day of a month, in lieu of the initial allotment of the household and the regular allotment of the household for the following month, an allotment that is equal to the total amount of the initial allotment and the first regular allotment. The allotment shall be provided in accordance with section 11(e)(3) in the case of a household that is not entitled to expedited service and in accordance with paragraphs (3) and (9) of section 11(e) in the case of a household that is entitled to expedited service.".

SEC. 925. FAILURE TO COMPLY WITH OTHER MEANS-TESTED PUBLIC ASSISTANCE PROGRAMS.

Section 8(d) of the Food Stamp Act of 1977 (7 U.S.C. 2017(d)) is amended to read as follows:

"(d) REDUCTION OF PUBLIC ASSISTANCE BENEFITS.—

"(1) IN GENERAL.—If the benefits of a household are reduced under a Federal, State, or local law relating to a means-tested public assistance program for the failure of a member of the household to perform an action required under the law or program, for the duration of the reduction—

"(A) the household may not receive an increased allotment as the result of a decrease in the income of the household to the extent that the decrease is the result of the reduction; and

"(B) the State agency may reduce the allotment of the household by not more than 25 percent.

"(2) RULES AND PROCEDURES.—If the allotment of a household is reduced under this subsection for a failure to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of such Act to reduce the allotment under the food stamp program.".

SEC. 926. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

"(f) ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.—

"(1) IN GENERAL.—In the case of an individual who resides in a center for the purpose of a drug or alcoholic treatment program described in the last sentence of section 3(i), a State agency may provide an allotment for the individual to—

"(A) the center as an authorized representative of the individual for a period that is less than 1 month; and

"(B) the individual, if the individual leaves the center.

"(2) DIRECT PAYMENT.—A State agency may require an individual referred to in paragraph (1) to designate the center in which the individual resides as the authorized representative of the individual for the purpose of receiving an allotment.".

SEC. 927. AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS.

Section 9(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)(1)) is amended by adding at the end the following:

"The Secretary is authorized to issue regulations establishing specific time periods during which authorization to accept and redeem coupons under the food stamp program shall be valid.".

SEC. 928. SPECIFIC PERIOD FOR PROHIBITING PARTICIPATION OF STORES BASED ON LACK OF BUSINESS INTEGRITY.

Section 9(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)(1)), as amended by section 927, is amended by adding at the end the following:

"The Secretary is authorized to issue regulations establishing specific time periods during which a retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied or that has such an approval withdrawn on the basis of business integrity and reputation cannot submit a new application for approval. Such periods shall reflect the severity of business integrity infractions that are the basis of such denials or withdrawals.".

SEC. 929. INFORMATION FOR VERIFYING ELIGIBILITY FOR AUTHORIZATION.

Section 9(c) of the Food Stamp Act of 1977 (7 U.S.C. 2018(c)) is amended—

(1) in the 1st sentence by inserting ", which may include relevant income and sales tax filing documents," after "submit information" ; and

(2) by inserting after the 1st sentence the following:

"The regulations may require retail food stores and wholesale food concerns to provide written authorization for the Secretary to verify all relevant tax filings with appropriate agencies and to obtain corroborating documentation from other sources in order that the accuracy of information provided by such stores and concerns may be verified.".

SEC. 930. WAITING PERIOD FOR STORES THAT INITIALLY FAIL TO MEET AUTHORIZATION CRITERIA.

Section 9(d) of the Food Stamp Act of 1977 (7 U.S.C. 2018(d)) is amended by adding at the end the following:

"Regulations issued pursuant to this Act shall prohibit a retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied because it does not meet criteria for approval established by the Secretary in regulations from submitting a new application for six months from the date of such denial.".

SEC. 931. OPERATION OF FOOD STAMP OFFICES.

Section 11(e)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(2)) is amended to read as follows:

"(2)(A) that the State agency shall establish procedures governing the operation of food stamp offices that the State agency determines best serve households in the State, including households with special needs, such as households with elderly or disabled members, households in rural areas with low-income members, homeless individuals, households residing on reservations, and households in areas in which a substantial number of members of low-income households speak a language other than English.

"(B) In carrying out subparagraph (A), a State agency—

"(i) shall provide timely, accurate, and fair service to applicants for, and participants in, the food stamp program;

"(ii) shall develop an application containing the information necessary to comply with this Act;

"(iii) shall permit an applicant household to apply to participate in the program on the same day that the household first contacts a food stamp office in person during office hours;

"(iv) shall consider an application that contains the name, address, and signature of the applicant to be filed on the date the applicant submits the application;

"(v) shall require that an adult representative of each applicant household certify in writing, under penalty of perjury, that—

"(I) the information contained in the application is true; and

"(II) all members of the household are citizens or are aliens eligible to receive food stamps under section 6(f);

"(vi) shall provide a method of certifying and issuing coupons to eligible homeless individuals, to ensure that participation in the food stamp program is limited to eligible households; and

"(vii) may establish operating procedures that vary for local food stamp offices to reflect regional and local differences within the State.

"(C) Nothing in this Act shall prohibit the use of signatures provided and maintained electronically, storage of records using automated retrieval systems only, or any other feature of a State agency's application system that does not rely exclusively on the collection and retention of paper applications or other records.

"(D) The signature of any adult under this paragraph shall be considered sufficient to comply with any provision of Federal law requiring a household member to sign an application or statement.";

(2) in the last sentence of subsection (i) by striking "No" and inserting "Other than in a case of disqualification as a penalty for failure to comply with a public assistance program rule or regulation, no".

SEC. 932. MANDATORY CLAIMS COLLECTION METHODS.

(a) ADMINISTRATION.—Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended by inserting "or refunds of Federal taxes as authorized pursuant to section 3720A of title 31 of the United States Code" before the semicolon at the end.

(b) COLLECTION OF CLAIMS.—Section 13(d) of the Food Stamp Act of 1977 (7 U.S.C. 2022(d)) is amended—

(1) by striking "may" and inserting "shall"; and

(2) by inserting "or refunds of Federal taxes as authorized pursuant to section 3720A of title 31 of the United States Code" before the period at the end.

(c) RELATED AMENDMENTS.—Section 6103(1) of the Internal Revenue Code (26 U.S.C. 6103(1)) is amended—

(1) by striking "officers and employees" in paragraph (10)(A) and inserting "officers, employees or agents, including State agencies"; and

(2) by striking "officers and employees" in paragraph (10)(B) and inserting "officers, employees or agents, including State agencies".

SEC. 933. EXCHANGE OF LAW ENFORCEMENT INFORMATION.

Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended—

(1) by striking "that (A) such" and inserting the following:

"that—

"(A) the";

(2) by striking "law, (B) notwithstanding" and inserting the following:

"law;

"(B) notwithstanding";

(3) by striking "Act, and (C) such" and inserting the following:

"Act;

"(C) the"; and

(4) by adding at the end the following:

"(D) notwithstanding any other provision of law, the address, social security number, and, if available, photograph of any member of a household shall be made available, on request, to any Federal, State, or local law enforcement officer if the officer furnishes the State agency with the name of the member and notifies the agency that—

"(i) the member—

"(I) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime (or attempt to commit a crime) that, under the law of the place the member is fleeing, is a felony (or, in the case of New Jersey, a high misdemeanor), or is violating a condition of probation or parole imposed under Federal or State law; or

"(II) has information that is necessary for the officer to conduct an official duty related to subclause (I);

"(ii) locating or apprehending the member is an official duty; and

"(iii) the request is being made in the proper exercise of an official duty; and

"(E) the safeguards shall not prevent compliance with paragraph (16);".

SEC. 934. EXPEDITED COUPON SERVICE.

Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is amended—

(1) in subparagraph (A)—

(A) by striking "five days" and inserting "7 days"; and

(B) by inserting "and" at the end;

(2) by striking subparagraph (B);

(3) in subparagraph (D) by striking ", (B), or (C)" and inserting "or (B)"; and

(4) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

SEC. 935. WITHDRAWING FAIR HEARING REQUESTS.

Section 11(e)(10) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(10)) is amended by inserting before the semicolon at the end a period and the following: "At the option of a State, at any time prior to a fair hearing determination under this paragraph, a household may withdraw, orally or in writing, a request by the household for the fair hearing. If the withdrawal request is an oral request, the State agency shall provide a written notice to the household confirming the withdrawal request and providing the household with an opportunity to request a hearing".

SEC. 936. INCOME, ELIGIBILITY, AND IMMIGRATION STATUS VERIFICATION SYSTEMS.

Section 11(e)(19) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(19)) is amended by striking "that information is" and inserting "at the option of the State agency, that information may be".

SEC. 937. BASES FOR SUSPENSIONS AND DISQUALIFICATIONS.

Section 12(a) of the Food Stamp Act of 1977 (7 U.S.C. 2021(a)) is amended by adding at the end the following:

"Regulations issued pursuant to this Act shall provide criteria for the finding of violations and the suspension or disqualification of a retail food store or wholesale food concern on the basis of evidence which may include, but is not limited to, facts established through on-site investigations, inconsistent redemption data, or evidence obtained through transaction reports under electronic benefit transfer systems.".

SEC. 938. AUTHORITY TO SUSPEND STORES VIOLATING PROGRAM REQUIREMENTS PENDING ADMINISTRATIVE AND JUDICIAL REVIEW.

(a) SUSPENSION AUTHORITY.—Section 12(a) of the Food Stamp Act of 1977 (7 U.S.C. 2021(a)), as amended by section 937, is amended by adding at the end the following:

"Such regulations may establish criteria under which the authorization of a retail food store or wholesale food concern to accept and redeem coupons may be suspended at the time such store or concern is initially found to have committed violations of program requirements. Such suspension may coincide with the period of a review as provided in section 14. The Secretary shall not be liable for the value of any sales lost during any suspension or disqualification period.".

(b) CONFORMING AMENDMENT.—Section 14(a) of the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amended—

(1) in the 1st sentence by inserting "suspended," before "disqualified or subjected";

(2) in the 5th sentence by inserting before the period at the end the following:

", except that in the case of the suspension of a retail food store or wholesale food concern pursuant to section 12(a), such suspension shall remain in effect pending any administrative or judicial review of the proposed disqualification action, and the period of suspension shall be deemed a part of any period of disqualification which is imposed."; and

(3) by striking the last sentence.

SEC. 939. DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED FROM THE WIC PROGRAM.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended by adding at the end the following:

"(g) The Secretary shall issue regulations providing criteria for the disqualification of approved retail food stores and wholesale food concerns that are otherwise disqualified from accepting benefits under the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) authorized under section 17 of the Child Nutrition Act of 1966. Such disqualification—

"(1) shall be for the same period as the disqualification from the WIC Program;

"(2) may begin at a later date; and

"(3) notwithstanding section 14 of this Act, shall not be subject to administrative or judicial review.".

SEC. 940. PERMANENT DEBARMENT OF RETAILERS WHO INTENTIONALLY SUBMIT FALSIFIED APPLICATIONS.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021), as amended by section 939, is amended by adding at the end the following:

"(h) The Secretary shall issue regulations providing for the permanent disqualification of a retail food store or wholesale food concern that is determined to have knowingly submitted an application for approval to accept and redeem coupons which contains false information about one or more substantive matters which were the basis for providing approval. Any disqualification imposed under this subsection shall be subject to administrative and judicial review pursuant to section 14, but such disqualification shall remain in effect pending such review.".

SEC. 941. EXPANDED CIVIL AND CRIMINAL FORFEITURE FOR VIOLATIONS OF THE FOOD STAMP ACT.

(a) FORFEITURE OF ITEMS EXCHANGED IN FOOD STAMP TRAFFICKING.—Section 15(g) of the Food Stamp Act of 1977 (7 U.S.C. 2024(g)) is amended by striking "or intended to be furnished".

(b) CIVIL AND CRIMINAL FORFEITURE.—Section 15 of the Food Stamp Act of 1977 (7 U.S.C. 2024)) is amended by adding at the end the following:

"(h)(1) CIVIL FORFEITURE FOR FOOD STAMP BENEFIT VIOLATIONS.—

"(A) Any food stamp benefits and any property, real or personal—

"(i) constituting, derived from, or traceable to any proceeds obtained directly or indirectly from, or

"(ii) used, or intended to be used, to commit, or to facilitate,

the commission of a violation of subsection (b) or subsection (c) involving food stamp benefits having an aggregate value of not less than $5,000, shall be subject to forfeiture to the United States.

"(B) The provisions of chapter 46 of title 18, United States Code, relating to civil forfeitures shall extend to a seizure or forfeiture under this subsection, insofar as applicable and not inconsistent with the provisions of this subsection.

"(2) CRIMINAL FORFEITURE FOR FOOD STAMP BENEFIT VIOLATIONS.—

"(A)(i) Any person convicted of violating subsection (b) or subsection (c) involving food stamp benefits having an aggregate value of not less than $5,000, shall forfeit to the United States, irrespective of any State law—

"(I) any food stamp benefits and any property constituting, or derived from, or traceable to any proceeds such person obtained directly or indirectly as a result of such violation; and

"(II) any food stamp benefits and any of such person's property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of such violation.

"(ii) In imposing sentence on such person, the court shall order that the person forfeit to the United States all property described in this subsection.

"(B) All food stamp benefits and any property subject to forfeiture under this subsection, any seizure and disposition thereof, and any administrative or judicial proceeding relating thereto, shall be governed by subsections (b), (c), (e), and (g) through (p) of section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853), insofar as applicable and not inconsistent with the provisions of this subsection.

"(3) APPLICABILITY.—This subsection shall not apply to property specified in subsection (g) of this section.

"(4) RULES.—The Secretary may prescribe such rules and regulations as may be necessary to carry out this subsection.".

SEC. 942. EXPANDED AUTHORITY FOR SHARING INFORMATION PROVIDED BY RETAILERS.

(a) AMENDMENT TO SOCIAL SECURITY ACT.—Section 205(c)(2)(C)(iii) of the Social Security Act (42 U.S.C. 405(c)(2)(C)(iii)), as amended by section 316(a) of the Social Security Administrative Reform Act of 1994 (Public Law 103-296; 108 Stat. 1464), is amended—

(1) by inserting in the 1st sentence of subclause (II) after "instrumentality of the United States" the following: ", or State government officers and employees with law enforcement or investigative responsibilities, or State agencies that have the responsibility for administering the Special Supplemental Nutrition Program for Women, Infants and Children (WIC)";

(2) by inserting in the last sentence of subclause (II) immediately after "other Federal" the words "or State"; and

(3) by inserting "or a State" in subclause (III) immediately after "United States".

(b) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Section 6109(f)(2) of the Internal Revenue Code of 1986 (26 U.S.C. 6109(f)(2)) (as added by section 316(b) of the Social Security Administrative Reform Act of 1994 (Public Law 103-296; 108 Stat. 1464)) is amended—

(1) by inserting in subparagraph (A) after "instrumentality of the United States" the following: ", or State government officers and employees with law enforcement or investigative responsibilities, or State agencies that have the responsibility for administering the Special Supplemental Nutrition Program for Women, Infants and Children (WIC)";

(2) in the last sentence of subparagraph (A) by inserting "or State" after "other Federal"; and

(3) in subparagraph (B) by inserting "or a State" after "United States".

SEC. 943. LIMITATION OF FEDERAL MATCH.

Section 16(a)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)(4)) is amended by inserting after the comma at the end the following: "but not including recruitment activities,".

SEC. 944. COLLECTION OF OVERISSUANCES.

Section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended by striking "25 percent during the period beginning October 1, 1990" and all that follows through "error of a State agency" and inserting the following: "25 percent of the overissuances collected by the State agency under section 13, except those overissuances arising from an error of the State agency".

SEC. 945. STANDARDS FOR ADMINISTRATION.

(a) IN GENERAL.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by striking subsection (b).

(b) CONFORMING AMENDMENTS.—

(1) The 1st sentence of section 11(g) of the Food Stamp Act of 1977 (7 U.S.C. 2020(g)) is amended by striking "the Secretary's standards for the efficient and effective administration of the program established under section 16(b)(1) or".

(2) Section 16(c)(1)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)(1)(B)) is amended by striking "pursuant to subsection (b)".

SEC. 946. RESPONSE TO WAIVERS.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)) is amended by adding at the end the following:

"(C) RESPONSE TO WAIVERS.—

"(i) RESPONSE.—Not later than 60 days after the date of receiving a request for a waiver under subparagraph (A), the Secretary shall provide a response that—

"(I) approves the waiver request;

"(II) denies the waiver request and explains any modification needed for approval of the waiver request;

"(III) denies the waiver request and explains the grounds for the denial; or

"(IV) requests clarification of the waiver request.

"(ii) FAILURE TO RESPOND.—If the Secretary does not provide a response in accordance with clause (i), the waiver shall be considered approved, unless the approval is specifically prohibited by this Act.

"(iii) NOTICE OF DENIAL.—On denial of a waiver request under clause (i)(III), the Secretary shall provide a copy of the waiver request and a description of the reasons for the denial to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.".

SEC. 947. AUTHORIZATION OF APPROPRIATIONS.

The 1st sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking "1991 through 1997" and inserting "1996 through 2002".

SEC. 948. AUTHORIZE STATES TO OPERATE SIMPLIFIED FOOD STAMP PROGRAMS.

(a) AUTHORITY FOR PROGRAM.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

"SEC. 24. SIMPLIFIED FOOD STAMP PROGRAM.

"(a) DEFINITION.—In this section, the term 'Federal costs' does not include any Federal costs incurred under section 17.

"(b) STATE OPTION.—Subject to subsection (d), a State may elect to carry out a simplified food stamp program for households described in subsection (c)(1), statewide or in a political subdivision of the State, in accordance with this section.

"(c) PROGRAM REQUIREMENTS.—If a State elects to carry out such simplified food stamp program, within the State or a political subdivision of the State—

"(1) only households in which all members receive assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall receive benefits under this section. Such households shall be automatically eligible to participate in such simplified food stamp program; and

"(2) subject to subsection (f), benefits under such simplified food stamp program shall be determined under rules and procedures established by the State under—

"(A) a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

"(B) the food stamp program; or

"(C) a combination of a State program funded under part A of title IV of the Social Security Act (42 US..C. 601 et seq.) and the food stamp program.

"(d) STATE PLAN.—(1) A State may not operate such simplified food stamp program unless the Secretary approves a State plan for the operation of such simplified food stamp program under paragraph (2).

"(2) The Secretary is authorized to approve any State plan to carry out such simplified food stamp program if the Secretary determines that the plan—

"(A) simplifies program administration while fulfilling the goals of the food stamp program to permit low-income households to obtain a more nutritious diet;

"(B) complies with this section;

"(C) would not increase Federal costs for any fiscal year; and

"(D) would not substantially alter, as determined by the Secretary, the appropriate distribution of benefits according to household need.

"(e) COST DETERMINATION.—(1) During each fiscal year and not later than 90 days after the end of each fiscal year, the Secretary shall determine using data provided by the State deemed appropriate by the Secretary whether such simplified food stamp program being carried out by a State is increasing Federal costs under this Act above what the costs would have been for the same population had they been subject to the rules of the food stamp program.

"(2) If the Secretary determines that such simplified food stamp program has increased Federal costs under this Act for any fiscal year or any portion of any fiscal year, the Secretary shall notify the State not later than 30 days after the Secretary makes the determination under paragraph (1).

"(3)(A) Not later than 90 days after the date of a notification under paragraph (2), the State shall submit a plan for approval by the Secretary for prompt corrective action that is designed to prevent such simplified food stamp program from increasing Federal costs under this Act.

"(B) If the State does not submit a plan under subparagraph (A) or carry out a plan approved by the Secretary, the Secretary shall terminate the approval of the State operating such simplified food stamp program and the State shall be ineligible to operate a future Simplified Program.

"(f) RULES AND PROCEDURES.—(1) In operating such simplified food stamp program, a State or political subdivision of a State may follow the rules and procedures established by the State or political subdivision under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under the food stamp program.

"(2) In operating such simplified food stamp program, a State or political subdivision shall comply with the requirements of—

"(A) section 5(e) to the extent that it requires an excess shelter expense deduction;

"(B) subsections (a) through (g) of section 7;

"(C) section 8(a) (except that the income of a household may be determined under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.));

"(D) subsections (b) and (d) of section 8;

"(E) subsections (a), (c), (d), and (n) of section 11;

"(F) paragraphs (8), (9), (12), (18), (20), (24), and (25) of section 11(e);

"(G) section 11(e)(2), to the extent that it requires the State agency to provide an application to households on the 1st day they contact a food stamp office in person during office hours to make what may reasonably be interpreted as an oral or written request for food stamp assistance and to allow those households to file such application on the same day;

"(H) section 11(e)(3), to the extent that it requires the State agency to complete certification of an eligible household and provide an allotment retroactive to the period of application to an eligible household not later than 30 days following the filing of an application;

"(I) section 11(e)(10) (or a comparable requirement established by the State under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)); and

"(J) section 16.

"(3) Notwithstanding any other provision of this section, a household may not receive benefits under this section as a result of the eligibility of the household under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), unless the Secretary determines that any household with income above 130 percent of the poverty guidelines is not eligible for such simplified food stamp program.".

(b) REPEALER.—Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by striking subsection (e).

(c) REQUIREMENTS.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24) by striking "and" at the end;

(2) in paragraph (25) by striking the period at the end; and

(3) by adding at the end the following:

"(26) if a State elects to carry out a simplified food stamp program under section 24, the plan of the State agency for operating such simplified food stamp program, including—

"(A) the rules and procedures to be followed by the State to determine food stamp benefits; and

"(B) a description of the method by which the State will carry out a quality control system under section 16(c).".

(d) REPEAL OF DEMONSTRATION PROJECTS.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by—

(1) by striking subsection (i); and

(2) redesignating subsections (j) through (l) as subsections (i) through (k), respectively.

SEC. 949. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) DEFINITIONS.—Section 201A of the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) is amended to read as follows:

"SEC. 201A. DEFINITIONS.

"In this Act:

"(1) ADDITIONAL COMMODITIES.—The term 'additional commodities' means commodities made available under section 214 in addition to the commodities made available under sections 202 and 203D.

"(2) AVERAGE MONTHLY NUMBER OF UNEMPLOYED PERSONS.—The term 'average monthly number of unemployed persons' means the average monthly number of unemployed persons in each State in the most recent fiscal year for which information concerning the number of unemployed persons is available, as determined by the Bureau of Labor Statistics of the Department of Labor.

"(3) ELIGIBLE RECIPIENT AGENCY.—The term 'eligible recipient agency' means a public or nonprofit organization—

"(A) that administers—

"(i) an emergency feeding organization;

"(ii) a charitable institution (including a hospital and a retirement home, but excluding a penal institution) to the extent that the institution serves needy persons;

"(iii) a summer camp for children, or a child nutrition program providing food service;

"(iv) a nutrition project operating under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.), including a project that operates a congregate nutrition site and a project that provides home-delivered meals; or

"(v) a disaster relief program;

"(B) that has been designated by the appropriate State agency, or by the Secretary; and

"(C) that has been approved by the Secretary for participation in the program established under this Act.

"(4) EMERGENCY FEEDING ORGANIZATION.—The term 'emergency feeding organization' means a public or nonprofit organization that administers activities and projects (including the activities and projects of a charitable institution, a food bank, a food pantry, a hunger relief center, a soup kitchen, or a similar public or private nonprofit eligible recipient agency) providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons.

"(5) FOOD BANK.—The term 'food bank' means a public or charitable institution that maintains an established operation involving the provision of food or edible commodities, or the products of food or edible commodities, to food pantries, soup kitchens, hunger relief centers, or other food or feeding centers that, as an integral part of their normal activities, provide meals or food to feed needy persons on a regular basis.

"(6) FOOD PANTRY.—The term 'food pantry' means a public or private nonprofit organization that distributes food to low-income and unemployed households, including food from sources other than the Department of Agriculture, to relieve situations of emergency and distress.

"(7) POVERTY LINE.—The term 'poverty line' has the same meaning given the term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

"(8) SOUP KITCHEN.—The term 'soup kitchen' means a public or charitable institution that, as an integral part of the normal activities of the institution, maintains an established feeding operation to provide food to needy homeless persons on a regular basis.

"(9) TOTAL VALUE OF ADDITIONAL COMMODITIES.—The term 'total value of additional commodities' means the actual cost of all additional commodities made available under section 214 that are paid by the Secretary (including the distribution and processing costs incurred by the Secretary).

"(10) VALUE OF ADDITIONAL COMMODITIES ALLOCATED TO EACH STATE.—The term 'value of additional commodities allocated to each State' means the actual cost of additional commodities made available under section 214 and allocated to each State that are paid by the Secretary (including the distribution and processing costs incurred by the Secretary).".

(b) STATE PLAN.—Section 202A of the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) (7 U.S.C. 612c note) is amended to read as follows:

"SEC. 202A. STATE PLAN.

"(a) IN GENERAL.—To receive commodities under this Act, a State shall submit a plan of operation and administration every 4 years to the Secretary for approval. The plan may be amended at any time, with the approval of the Secretary.

"(b) REQUIREMENTS.—Each plan shall—

"(1) designate the State agency responsible for distributing the commodities received under this Act;

"(2) set forth a plan of operation and administration to expeditiously distribute commodities under this Act;

"(3) set forth the standards of eligibility for recipient agencies; and

"(4) set forth the standards of eligibility for individual or household recipients of commodities, which shall require—

"(A) individuals or households to be comprised of needy persons; and

"(B) individual or household members to be residing in the geographic location served by the distributing agency at the time of applying for assistance.

"(c) STATE ADVISORY BOARD.—The Secretary shall encourage each State receiving commodities under this Act to establish a State advisory board consisting of representatives of all interested entities, both public and private, in the distribution of commodities received under this Act in the State.".

(c) AUTHORIZATION OF APPROPRIATIONS FOR ADMINISTRATIVE FUNDS.—Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) (7 U.S.C. 612c note) is amended—

(1) in the 1st sentence—

(A) by striking "1991 through 1995" and inserting "1996 through 2002"; and

(B) by striking "for State and local" and all that follows through "under this title" and inserting "to pay for the direct and indirect administrative costs of the State related to the processing, transporting, and distributing to eligible recipient agencies of commodities provided by the Secretary under this Act and commodities secured from other sources"; and

(2) by striking the fourth sentence.

(d) TECHNICAL AMENDMENTS.—The Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) (7 U.S.C. 612c note) is amended—

(1) in the 1st sentence of section 203B(a), by striking "203 and 203A of this Act" and inserting "203A";

(2) in section 204(a), by striking "title" each place it appears and inserting "Act"; and

(3) by striking section 212.

(e) REPORT ON EFAP.—Section 1571 of the Food Security Act of 1985 (Public Law 99-198; 7 U.S.C. 612c note) is repealed.

SEC. 950. FOOD BANK DEMONSTRATION PROJECT.

Section 3 of the Charitable Assistance and Food Bank Act of 1987 (Public Law 100-232; 7 U.S.C. 612c note) is repealed.

SEC. 951. REPORT ON ENTITLEMENT COMMODITY PROCESSING.

Section 1773 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 7 U.S.C. 612c note) is amended by striking subsection (f).

TITLE X—MISCELLANEOUS

SEC. 1001. EXPENDITURE OF FEDERAL FUNDS IN ACCORDANCE WITH LAWS AND PROCEDURES APPLICABLE TO EXPENDITURE OF STATE FUNDS.

(a) IN GENERAL.—Notwithstanding any other provision of law, any funds received by a State under the provisions of law specified in subsection (b) shall be expended only in accordance with the laws and procedures applicable to expenditures of the State's own revenues, including appropriation by the State legislature, consistent with the terms and conditions required under such provisions of law.

(b) PROVISIONS OF LAW.—The provisions of law specified in this subsection are the following:

(1) Part A of title IV of the Social Security Act (relating to block grants for temporary assistance for needy families).

(2) Section 25 of the Food Stamp Act of 1977 (relating to the optional State food assistance block grant).

(3) The Child Care and Development Block Grant Act of 1990 (relating to block grants for child care).

SEC. 1002. ELIMINATION OF HOUSING ASSISTANCE WITH RESPECT TO FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) ELIGIBILITY FOR ASSISTANCE.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) in section 6(l)—

(A) in paragraph (5), by striking "and" at the end;

(B) in paragraph (6), by striking the period at the end and inserting "; and"; and

(C) by inserting immediately after paragraph (6) the following new paragraph:

"(7) provide that it shall be cause for immediate termination of the tenancy of a public housing tenant if such tenant—

"(A) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(2) is violating a condition of probation or parole imposed under Federal or State law."; and

(2) in section 8(d)(1)(B)—

(A) in clause (iii), by striking "and" at the end;

(B) in clause (iv), by striking the period at the end and inserting "; and"; and

(C) by adding after clause (iv) the following new clause:

"(v) it shall be cause for termination of the tenancy of a tenant if such tenant—

"(I) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(II) is violating a condition of probation or parole imposed under Federal or State law;".

(b) PROVISION OF INFORMATION TO LAW ENFORCEMENT AGENCIES.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by section 601 of this Act, is amended by adding at the end the following:

"SEC. 28. EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.

"Notwithstanding any other provision of law, each public housing agency that enters into a contract for assistance under section 6 or 8 of this Act with the Secretary shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address, Social Security number, and photograph (if applicable) of any recipient of assistance under this Act, if the officer—

"(1) furnishes the public housing agency with the name of the recipient; and

"(2) notifies the agency that—

"(A) such recipient—

"(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(ii) is violating a condition of probation or parole imposed under Federal or State law; or

"(iii) has information that is necessary for the officer to conduct the officer's official duties;

"(B) the location or apprehension of the recipient is within such officer's official duties; and

"(C) the request is made in the proper exercise of the officer's official duties.".

SEC. 1003. SENSE OF THE SENATE REGARDING ENTERPRISE ZONES.

(a) FINDINGS.—The Senate finds that:

(1) Many of the Nation's urban centers are places with high levels of poverty, high rates of welfare dependency, high crime rates, poor schools, and joblessness;

(2) Federal tax incentives and regulatory reforms can encourage economic growth, job creation and small business formation in many urban centers;

(3) Encouraging private sector investment in America's economically distressed urban and rural areas is essential to breaking the cycle of poverty and the related ills of crime, drug abuse, illiteracy, welfare dependency, and unemployment;

(4) The empowerment zones enacted in 1993 should be enhanced by providing incentives to increase entrepreneurial growth, capital formation, job creation, educational opportunities, and home ownership in the designated communities and zones.

(b) SENSE OF THE SENATE.—Therefore, it is the Sense of the Senate that the Congress should adopt enterprise zone legislation in the One Hundred Fourth Congress, and that such enterprise zone legislation provide the following incentives and provisions:

(1) Federal tax incentives that expand access to capital, increase the formation and expansion of small businesses, and promote commercial revitalization;

(2) Regulatory reforms that allow localities to petition Federal agencies, subject to the relevant agencies' approval, for waivers or modifications of regulations to improve job creation, small business formation and expansion, community development, or economic revitalization objectives of the enterprise zones;

(3) Home ownership incentives and grants to encourage resident management of public housing and home ownership of public housing;

(4) School reform pilot projects in certain designated enterprise zones to provide low-

income parents with new and expanded educational options for their children's elementary and secondary schooling.

SEC. 1004. SENSE OF THE SENATE REGARDING THE INABILITY OF THE NONCUSTODIAL PARENT TO PAY CHILD SUPPORT.

It is the sense of the Senate that—

(a) States should diligently continue their efforts to enforce child support payments by the noncustodial parent to the custodial parent, regardless of the employment status or location of the noncustodial parent; and

(b) States are encouraged to pursue pilot programs in which the parents of a nonadult, noncustodial parent who refuses to or is unable to pay child support must—

(1) pay or contribute to the child support owed by the noncustodial parent; or

(2) otherwise fulfill all financial obligations and meet all conditions imposed on the non-custodial parent, such as participation in a work program or other related activity.

SEC. 1005. FOOD STAMP ELIGIBILITY.

Section 6(f) of the Food Stamp Act of 1977 (7 U.S.C. 2015(f)) is amended by striking the third sentence and inserting the following:

"The State agency shall, at its option, consider either all income and financial resources of the individual rendered ineligible to participate in the food stamp program under this subsection, or such income, less a pro rata share, and the financial resources of the ineligible individual, to determine the eligibility and the value of the allotment of the household of which such individual is a member.".

SEC. 1006. ESTABLISHING NATIONAL GOALS TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) preventing out-of-wedlock teenage pregnancies, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

SEC. 1007. SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

SEC. 1008. SANCTIONING FOR TESTING POSITIVE FOR CONTROLLED SUBSTANCES.

Notwithstanding any other provision of law, States shall not be prohibited by the Federal Government from sanctioning welfare recipients who test positive for use of controlled substances.

SEC. 1009. ABSTINENCE EDUCATION.

Title V of the Social Security Act (42 U.S.C. 701–709) is amended by adding at the end the following new section:

"ABSTINENCE EDUCATION

"SEC. 510. (a) There are authorized to be appropriated $75,000,000 for the purposes of enabling the Secretary, through grants, contracts, or otherwise to provide for abstinence education, and at the option of the State, where appropriate, mentoring, counseling, and adult supervision to promote abstinence from sexual activity, with a focus on those groups which are most liekly to bear children out of wedlock.

"(b) For purposes of this section, the term 'abstinence education' means an educational or motivational program which—

"(1) has as its exclusive purpose, teaching the social, psychological, and health gains to be realized by abstaining from sexual activity;

"(2) teaches abstinence from sexual activity outside marriage as the expected standard for all school age children;

"(3) teaches that abstinence from sexual activity is the only certain way to avoid out-of-wedlock pregnancy, sexually transmitted diseases, and other associated health problems;

"(4) teaches that a mutually faithful monogamous relationship in context of marriage is the expected standard of human sexual activity;

"(5) teaches that sexual activity outside of the context of marriage is likely to have harmful psychological and physical effects;

"(6) teaches that bearing children out-of-wedlock is likely to have harmful consequences for the child, the child's parents, and society;

"(7) teaches young people how to reject sexual advances and how alcohol and drug use increases vulnerability to sexual advances; and

"(8) teaches the importance of attaining self-sufficiency before engaging in sexual activity.".

SEC. 1010. PROVISIONS TO ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1693b) is amended—

(1) by striking "(d) In the event" and inserting "(d) APPLICABILITY TO SERVICE PROVIDERS OTHER THAN CERTAIN FINANCIAL INSTITUTIONS.—

"(1) IN GENERAL.—In the event"; and

(2) by adding at the end the following new paragraph:

"(2) STATE AND LOCAL GOVERNMENT ELECTRONIC BENEFIT TRANSFER PROGRAMS.—

"(A) EXEMPTION GENERALLY.—The disclosures, protections, responsibilities, and remedies established under this title, and any regulation prescribed or order issued by the Board in accordance with this title, shall not apply to any electronic benefit transfer program established under State or local law or administered by a State or local government.

"(B) EXCEPTION FOR DIRECT DEPOSIT INTO RECIPIENT'S ACCOUNT.—Subparagraph (A) shall not apply with respect to any electronic funds transfer under an electronic benefit transfer program for deposits directly into a consumer account held by the recipient of the benefit.

"(C) RULE OF CONSTRUCTION.—No provision of this paragraph may be construed as—

"(i) affecting or altering the protections otherwise applicable with respect to benefits established by Federal, State, or local law; or

"(ii) otherwise superseding the application of any State or local law.

"(D) ELECTRONIC BENEFIT TRANSFER PROGRAM DEFINED.—For purposes of this paragraph, the term 'electronic benefit transfer program'—

"(i) means a program under which a government agency distributes needs-tested benefits by establishing accounts to be accessed by recipients electronically, such as through automated teller machines, or point-of-sale terminals; and

"(ii) does not include employment-related payments, including salaries and pension, retirement, or unemployment benefits established by Federal, State, or local governments.".

SEC. 1011. REDUCTION IN BLOCK GRANTS TO STATES FOR SOCIAL SERVICES.

Section 2003(c) of the Social Security Act (42 U.S.C. 1397b(c)) is amended—

(1) by striking "and" at the end of paragraph (4); and

(2) by striking paragraph (5) and inserting the following:

"(5) $2,800,000,000 for each of the fiscal years 1990 through 1996 and for each fiscal year after fiscal year 2002; and

"(6) $2,520,000,000 for each of the fiscal years 1997 through 2002.".

SEC. 1012. EFFICIENT USE OF FEDERAL TRANSPORTATION FUNDS.

The Secretary of Health and Human Services is encouraged to work in coordination with State agencies to ensure that Federal transportation funds that may be used for the benefit of persons receiving public assistance pursuant to this Act and the amendments made by this Act are most efficiently used for such purpose. The Secretary shall work with the individual States to develop criteria and measurements to report back to the Congress, within 3 years after the date of the enactment of this Act, the following:

(1) The use of competitive contracting or other market-oriented strategies to achieve efficiencies.

(2) The efficient use of all related transportation funds to support persons receiving assistance pursuant to this Act and the amendments made by this Act.

(3) The actual value derived from transportation services to achieve such purposes.

(4) The application of such analyses to other support services to achieve such purposes.

SEC. 1013. ENHANCED FEDERAL MATCH FOR CHILD WELFARE AUTOMATION EXPENSES.

(a) IN GENERAL.—Section 474(a)(3)(C) of the Social Security Act (42 U.S.C. 674(a)(3)(C)) is amended to read as follows:

"(C) 50 percent (or, if the quarter is in fiscal year 1997, 75 percent) of so much of such expenditures as are for the planning, design, development, or installation of statewide mechanized data collection and information retrieval systems (including 50 percent (or, if the quarter is in fiscal year 1997, 75 percent) of the full amount of expenditures for hardware components for such systems) but only to the extent that such systems—

"(i) meet the requirements imposed by regulations;

"(ii) to the extent practicable, are capable of interfacing with the State data collection system that collects information relating to child abuse and neglect;

"(iii) to the extent practicable, have the capability of interfacing with, and retrieving information from, the State data collection system that collects information relating to the eligibility of individuals under part A (for the purposes of facilitating verification of eligibility of foster children); and

"(iv) are determined by the Secretary to be likely to provide more efficient, economical, and effective administration of the programs carried out under a State plan approved under this part;".

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective on and after October 1, 1996.

Subtitle B—Earned Income Tax Credit

SEC. 1021. EARNED INCOME CREDIT AND OTHER TAX BENEFITS DENIED TO INDIVIDUALS FAILING TO PROVIDE TAXPAYER IDENTIFICATION NUMBERS.

(a) EARNED INCOME CREDIT.—

(1) IN GENERAL.—Section 32(c)(1) of the Internal Revenue Code of 1986 (relating to individuals eligible to claim the earned income

credit) is amended by adding at the end the following new subparagraph:

"(F) IDENTIFICATION NUMBER REQUIREMENT.—The term 'eligible individual' does not include any individual who does not include on the return of tax for the taxable year—

"(i) such individual's taxpayer identification number, and

"(ii) if the individual is married (within the meaning of section 7703), the taxpayer identification number of such individual's spouse."

(2) SPECIAL IDENTIFICATION NUMBER.—Section 32 of such Code is amended by adding at the end the following new subsection:

"(l) IDENTIFICATION NUMBERS.—Solely for purposes of subsections (c)(1)(F) and (c)(3)(D), a taxpayer identification number means a social security number issued to an individual by the Social Security Administration (other than a social security number issued pursuant to subclause (II) (or that portion of subclause (III) that relates to subclause (II)) of section 205(c)(2)(B)(i) of the Social Security Act)."

(b) PERSONAL EXEMPTION.—

(1) IN GENERAL.—Section 151 of such Code (relating to allowance of deductions for personal exemptions) is amended by adding at the end the following new subsection:

"(e) INDENTIFYING INFORMATION REQUIRED.—No exemption shall be allowed under this section with respect to any individual unless the taxpayer identification number of such individual is included on the return claiming the exemption."

(2) CONFORMING AMENDMENTS.—

(A) Subsection (e) of section 6109 of such Code is repealed.

(B) Section 6724(d)(3) of such Code is amended by adding "and" at the end of subparagraph (C), by striking subparagraph (D), and by redesignating subparagraph (E) as subparagraph (D).

(c) DEPENDENT CARE CREDIT.—Subsection (e) of section 21 of such Code (relating to expenses for household and dependent care services necessary for gainful employment) is amended by adding at the end the following new paragraph:

"(10) IDENTIFYING INFORMATION REQUIRED WITH RESPECT TO QUALIFYING INDIVIDUALS.—No credit shall be allowed under this section with respect to any qualifying individual unless the taxpayer identification number of such individual is included on the return claiming the credit."

(d) EXTENSION OF PROCEDURES APPLICABLE TO MATHEMATICAL OR CLERICAL ERRORS.—Section 6213(g)(2) of such Code (relating to the definition of mathematical or clerical errors) is amended—

(1) by striking "and" at the end of subparagraph (D), and

(2) by striking the period at the end of subparagraph (E) and inserting a comma, and

(3) by adding at the end the following new subparagraphs:

"(F) an omission of a correct taxpayer identification number required under section 21 (relating to expenses for household and dependent care services necessary for gainful employment), section 32 (relating to the earned income credit) to be included on a return, or section 151 (relating to allowance of deductions for personal exemptions), and

"(G) an entry on a return claiming the credit under section 32 with respect to net earnings from self-employment described in section 32(c)(2)(A) to the extent the tax imposed by section 1401 (relating to self-employment tax) on such net earnings has not been paid."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to returns the due date for which (without regard to extensions) is more than 30 days after the date of the enactment of this Act.

SEC. 1022. RULES RELATING TO DENIAL OF EARNED INCOME CREDIT ON BASIS OF DISQUALIFIED INCOME.

(a) REDUCTION IN DISQUALIFIED INCOME THRESHOLD.—

(1) IN GENERAL.—Section 32(i)(1) of the Internal Revenue Code of 1986 (relating to denial of credit for individuals having excessive investment income) is amended by striking "$2,350" and inserting "$2,200".

(2) ADJUSTMENT FOR INFLATION.—Section 32(j) of such Code is amended to read as follows:

"(j) INFLATION ADJUSTMENTS.—

"(1) IN GENERAL.—In the case of any taxable year beginning after the applicable calendar year, each dollar amount referred to in paragraph (2)(B) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, except that subparagraph (B) thereof shall be applied by reference to the CPI for the calendar year preceding the applicable calendar year rather than the CPI for calendar year 1992.

"(2) DEFINITIONS, ETC.—For purposes of paragraph (1)—

"(A) APPLICABLE CALENDAR YEAR.—The term 'applicable calendar year' means—

"(i) 1994 in the case of the dollar amounts referred to in clause (i) of subparagraph (B), and

"(ii) 1996 in the case of the dollar amount referred to in clause (ii) of subparagraph (B).

"(B) DOLLAR AMOUNTS.—The dollar amounts referred to in this subparagraph are—

"(i) the dollar amounts contained in subsection (b)(2)(A), and

"(ii) the dollar amount contained in subsection (i)(1).

"(3) ROUNDING.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), if any dollar amount after being increased under paragraph (1) is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10 (or, if such dollar amount is a multiple of $5, such dollar amount shall be increased to the next higher multiple of $10).

"(B) DISQUALIFIED INCOME THRESHOLD AMOUNT.—If the dollar amount referred to in paragraph (2)(B)(ii) after being increased under paragraph (1) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50."

(b) DEFINITION OF DISQUALIFIED INCOME.—Paragraph (2) of section 32(i) of such Code (defining disqualified income) is amended by striking "and" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting a comma, and by adding at the end the following new subparagraphs:

"(D) the capital gain net income (as defined in section 1222) of the taxpayer for such taxable year, and

"(E) the excess (if any) of—

"(i) the aggregate income from all passive activities for the taxable year (determined without regard to any amount included in earned income under subsection (c)(2) or described in a preceding subparagraph), over

"(ii) the aggregate losses from all passive activities for the taxable year (as so determined).

For purposes of subparagraph (E), the term 'passive activity' has the meaning given such term by section 469."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 1023. MODIFICATION OF ADJUSTED GROSS INCOME DEFINITION FOR EARNED INCOME CREDIT.

(a) IN GENERAL.—Subsections (a)(2), (c)(1)(C), and (f)(2)(B) of section 32 of the Internal Revenue Code of 1986 are each amended by striking "adjusted gross income" and inserting "modified adjusted gross income".

(b) MODIFIED ADJUSTED GROSS INCOME DEFINED.—Section 32(c) of such Code (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

"(5) MODIFIED ADJUSTED GROSS INCOME.—

"(A) IN GENERAL.—The term 'modified adjusted gross income' means adjusted gross income—

"(i) determined without regard to the amounts described in subparagraph (B), and

"(ii) increased by

"(I) the amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax, and

"(II) amounts received as a pension or annuity, and any distributions or payments received from an individual retirement plan, by the taxpayer during the taxable year to the extent not included in gross income.

Clause (ii)(II) shall not include any amount which is not includible in gross income by reason of section 402(c), 403(a)(4), 403(b)(8), 408(d) (3), (4), or (5), or 457(e)(10).

"(B) CERTAIN AMOUNTS DISREGARDED.—An amount is described in this subparagraph if it is—

"(i) the amount of losses from sales or exchanges of capital assets in excess of gains from such sales or exchanges to the extent such amount does not exceed the amount under section 1211(b)(1),

"(ii) the net loss from estates and trusts,

"(iii) the excess (if any) of amounts described in subsection (i)(2)(C)(ii) over the amounts described in subsection (i)(2)(C)(i) (relating to nonbusiness rents and royalties), and

"(iv) the net loss from the carrying on of trades or businesses, computed separately with respect to—

"(I) trades or businesses (other than farming) conducted as sole proprietorships,

"(II) trades or businesses of farming conducted as sole proprietorships, and

"(III) other trades or businesses.

For purposes of clause (iv), there shall not be taken into account items which are attributable to a trade or business which consists of the performance of services by the taxpayer as an employee."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 1024. NOTICE OF AVAILABILITY REQUIRED TO BE PROVIDED TO APPLICANTS AND FORMER RECIPIENTS OF TEMPORARY ASSISTANCE FOR NEEDY FAMILIES, FOOD STAMPS, AND MEDICAID.

(a) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—Section 408(a), as added by section 103 of this Act, is amended by adding at the end the following:

"(16) NOTICE OF EITC AVAILABILITY.—A State to which a grant is made under section 403 shall provide written notice of the existence and availability of the earned income credit under section 32 of the Internal Revenue Code of 1986 to—

"(A) any individual who applies for assistance under the State program funded under this part, upon receipt of the application; and

"(B) any individual whose assistance under the State program is terminated, in the notice of termination of such assistance.".

(b) FOOD STAMPS.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24) by striking "and" at the end;

(2) in paragraph (25) by striking the period at the end and inserting "; and"; and

(3) by inserting after paragraph (25) the following:

"(26) that whenever a household applies for food stamp benefits, and whenever such benefits are terminated with respect to a household, the State agency shall provide to each member of such household notice of—

"(A) the existence of the earned income tax credit under section 32 of the Internal Revenue Code of 1986; and

"(B) the fact that such credit may be applicable to such member.".

(c) MEDICAID.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) by striking "and" at the end of paragraph (61);

(2) by striking the period at the end of paragraph (62) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(63) provide that the State shall provide notice of the existence and availability of the earned income tax credit under section 32 of the Internal Revenue Code of 1986 to each individual applying for medical assistance under the State plan and to each individual whose eligibility for medical assistance under the State plan is terminated.".

SEC. 1025. NOTICE OF AVAILABILITY OF EARNED INCOME TAX CREDIT AND DEPENDENT CARE TAX CREDIT TO BE INCLUDED ON W-4 FORM.

Section 11114 of the Omnibus Budget Reconciliation Act of 1990 (26 U.S.C. 21 note), relating to program to increase public awareness, is amended by adding at the end the following new sentence: "Such means shall include printing a notice of the availability of such credits on the forms used by employees to determine the proper number of withholding exemptions under chapter 24 of the Internal Revenue Code of 1986.".

SEC. 1026. ADVANCE PAYMENT OF EARNED INCOME TAX CREDIT THROUGH STATE DEMONSTRATION PROGRAMS.

(a) IN GENERAL.—Section 3507 of the Internal Revenue Code of 1986 (relating to the advance payment of the earned income tax credit) is amended by adding at the end the following:

"(g) STATE DEMONSTRATIONS.—

"(1) IN GENERAL.—In lieu of receiving earned income advance amounts from an employer under subsection (a), a participating resident shall receive advance earned income payments from a responsible State agency pursuant to a State Advance Payment Program that is designated pursuant to paragraph (2).

"(2) DESIGNATIONS.—

"(A) IN GENERAL.—From among the States submitting proposals satisfying the requirements of subsection (g)(3), the Secretary (in consultation with the Secretary of Health and Human Services) may designate not more than 4 State Advance Payment Demonstrations. States selected for the demonstrations may have, in the aggregate, no more than 5 percent of the total number of household participating in the program under the Food Stamp program in the immediately preceding fiscal year. Administrative costs of a State in conducting a demonstration under this section may be included for matching under section 403(a) of the Social Security Act and section 16(a) of the Food Stamp Act of 1977.

"(B) WHEN DESIGNATION MAY BE MADE.—Any designation under this paragraph shall be made no later than December 31, 1995.

"(C) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

"(i) IN GENERAL.—Designations made under this paragraph shall be effective for advance earned income payments made after December 31, 1995, and before January 1, 1999.

"(ii) SPECIAL RULES.—

"(I) REVOCATION OF DESIGNATIONS.—The Secretary may revoke the designation under this paragraph if the Secretary determines that the State is not complying substantially with the proposal described in paragraph (3) submitted by the State.

"(II) AUTOMATIC TERMINATION OF DESIGNATIONS.—Any failure by a State to comply with the reporting requirements described in paragraphs (3)(F) and (3)(G) has the effect of immediately terminating the designation under this paragraph (2) and rendering paragraph (5)(A)(ii) inapplicable to subsequent payments.

"(3) PROPOSALS.—No State may be designated under subsection (g)(2) unless the State's proposal for such designation—

"(A) identifies the responsible State agency,

"(B) describes how and when the advance earned income payments will be made by that agency, including a description of any other State or Federal benefits with which such payments will be coordinated,

"(C) describes how the State will obtain the information on which the amount of advance earned income payments made to each participating resident will be determined in accordance with paragraph (4),

"(D) describes how State residents who will be eligible to receive advance earned income payments will be selected, notified of the opportunity to receive advance earned income payments from the responsible State agency, and given the opportunity to elect to participate in the program,

"(E) describes how the State will verify, in addition to receiving the certifications and statement described in paragraph (7)(D)(iv), the eligibility of participating residents for the earned tax credit,

"(F) commits the State to furnishing to each participating resident and to the Secretary by January 31 of each year a written statement showing—

"(i) the name and taxpayer identification number of the participating resident, and

"(ii) the total amount of advance earned income payments made to the participating resident during the prior calendar year,

"(G) commits the State to furnishing to the Secretary by December 1 of each year a written statement showing the name and taxpayer identification number of each participating resident,

"(H) commits the State to treat the advanced earned income payments as described in subsection (g)(5) and any repayments of excessive advance earned income payments as described in subsection (g)(6),

"(I) commits the State to assess the development and implementation of its State Advance Payment Program, including an agreement to share its findings and lessons with other interested States in a manner to be described by the Secretary, and

"(J) is submitted to the Secretary on or before June 30, 1995.

"(4) AMOUNT AND TIMING OF ADVANCE EARNED INCOME PAYMENTS.—

"(A) AMOUNT.—

"(i) IN GENERAL.—The method for determining the amount of advance earned income payments made to each participating resident is to conform to the full extent possible with the provisions of subsection (c).

"(ii) SPECIAL RULE.—A State may, at its election, apply the rules of subsection (c)(2)(B) by substituting 'between 60 percent and 75 percent of the credit percentage in effect under section 32(b)(1) for an individual with the corresponding number of qualifying children' for '60 percent of the credit percentage in effect under section 32(b)(1) for such an eligible individual with 1 qualifying child' in clause (i) and 'the same percentage (as applied in clause (i))' for '60 percent' in clause (ii).

"(B) TIMING.—The frequency of advance earned income payments may be made on the basis of the payroll periods of participating residents, on a single statewide schedule, or on any other reasonable basis prescribed by the State in its proposal; however, in no event may advance earned income payments be made to any participating resident less frequently than on a calendar-quarter basis.

"(5) PAYMENTS TO BE TREATED AS PAYMENTS OF WITHHOLDING AND FICA TAXES.—

"(A) IN GENERAL.—For purposes of this title, advance earned income payments during any calendar quarter—

"(i) shall neither be treated as a payment of compensation nor be included in gross income, and

"(ii) shall be treated as made out of—

"(I) amounts required to be deducted by the State and withheld for the calendar quarter by the State under section 3401 (relating to wage withholding), and

"(II) amounts required to be deducted for the calendar quarter under section 3102 (relating to FICA employee taxes), and

"(III) amounts of the taxes imposed on the State for the calendar quarter under section 3111 (relating to FICA employer taxes),

as if the State had paid to the Secretary, on the day on which payments are made to participating residents, an amount equal to such payments.

"(B) ADVANCE PAYMENTS EXCEED TAXES DUE.—If for any calendar quarter the aggregate amount of advance earned income payments made by the responsible State agency under a State Advance Payment Program exceeds the sum of the amounts referred to in subparagraph (A)(ii) (without regard to paragraph (6)(A)), each such advance earned income payment shall be reduced by an amount which bears the same ratio to such excess as such advance earned income payment bears to the aggregate amount of all such advance earned income payments.

"(6) STATE REPAYMENT OF EXCESSIVE ADVANCE EARNED INCOME PAYMENTS.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, in the case of an excessive advance earned income payment a State shall be treated as having deducted and withheld under section 3401 (relating to wage withholding), and therefore is required to pay to the United States, the repayment amount during the repayment calendar quarter.

"(B) EXCESSIVE ADVANCE EARNED INCOME PAYMENT.—For purposes of this section, an excessive advance income payment is that portion of any advance earned income payment that, when combined with other advance earned income payments previously made to the same participating resident during the same calendar year, exceeds the amount of earned income tax credit to which that participating resident is entitled under section 32 for that year.

"(C) REPAYMENT AMOUNT.—The repayment amount is equal to 50 percent of the excess of—

"(i) excessive advance earned income payments made by a State during a particular calendar year, over

"(ii) the sum of—

"(I) 4 percent of all advance earned income payments made by the State during that calendar year, and

"(II) the excessive advance earned income payments made by the State during that calendar year that have been collected from participating residents by the Secretary.

"(D) REPAYMENT CALENDAR QUARTER.—The repayment calendar quarter is the second calendar quarter of the third calendar year after the calendar year in which an excessive earned income payment is made.

"(7) DEFINITIONS.—For purposes of this section—

"(A) STATE ADVANCE PAYMENT PROGRAM.—The term 'State Advance Payment Program' means the program described in a proposal submitted for designation under paragraph (1) and designated by the Secretary under paragraph (2).

"(B) RESPONSIBLE STATE AGENCY.—The term 'responsible State agency' means the single State agency that will be making the advance earned income payments to residents of the State who elect to participate in a State Advance Payment Program.

"(C) ADVANCE EARNED INCOME PAYMENTS.—The term 'advance earned income payments' means an amount paid by a responsible State agency to residents of the State pursuant to a State Advance Payment Program.

"(D) PARTICIPATING RESIDENT.—The term 'participating resident' means an individual who—

"(i) is a resident of a State that has in effect a designated State Advance Payment Program,

"(ii) makes the election described in paragraph (3)(C) pursuant to guidelines prescribed by the State,

"(iii) certifies to the State the number of qualifying children the individual has, and

"(iv) provides to the State the certifications and statement set forth in subsections (b)(1), (b)(2), (b)(3), and (b)(4) (except that for purposes of this clause (iv), the term 'any employer' shall be substituted for 'another employer' in subsection (b)(3)), along with any other information required by the State.".

(b) TECHNICAL ASSISTANCE.—The Secretaries of Treasury and Health and Human Services shall jointly ensure that technical assistance is provided to State Advance Payment Programs and that these programs are rigorously evaluated.

(c) ANNUAL REPORTS.—The Secretary shall issue annual reports detailing the extent to which—

(1) residents participate in the State Advance Payment Programs,

(2) participating residents file Federal and State tax returns,

(3) participating residents report accurately the amount of the advance earned income payments made to them by the responsible State agency during the year, and

(4) recipients of excessive advance earned income payments repaid those amounts.

The report shall also contain an estimate of the amount of advance earned income payments made by each responsible State agency but not reported on the tax returns of a participating resident and the amount of excessive advance earned income payments.

(d) AUTHORIZATION OF APPROPRIATIONS.—For purposes of providing technical assistance described in subsection (b), preparing the reports described in subsection (c), and providing grants to States in support of designated State Advance Payment Programs, there are authorized to be appropriated in advance to the Secretary of the Treasury and the Secretary of Health and Human Services a total of $1,400,000 for fiscal years 1996 through 1999.

The CHAIRMAN. Pursuant to House Resolution 482, the gentleman from Tennessee [Mr. TANNER] and a Member opposed will each control 30 minutes.

The Chair recognizes the gentleman from Tennessee [Mr. TANNER].

Mr. TANNER. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I would like to thank the minority leader for allowing us to present the so-called Castle-Tanner amendment to the matter pending before the body in this fashion. I want to, at the outset, thank my cosponsor, the gentleman from Delaware [Mr. CASTLE], the cosponsor of this Castle-Tanner bill. It has received some favorable comment around, and I appreciate it being considered on the floor today.

Madam Chairman, with those words, I yield 3 minutes to the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Madam Chairman, I thank the gentleman for yielding me time.

Madam Chairman, I will say very briefly, because we do not have much time, it has been a tremendous pleasure working with the gentleman and the others who worked on this for many, many months, in what is truly a bipartisan and bicameral piece of legislation, to resolve the problems of welfare in the United States of America. It was a bipartisan problem, and I think it is going to take a bipartisan solution to get there.

The differences between the Castle-Tanner proposal and the Archer legislation have been, I think, overstated as I have listened to the debate. Both are very tough, they end welfare as we know it, and they require work. There is unanimity of opinion that we need to reform welfare.

I think what I need to do in the brief time which I have is highlight some of the differences between these two pieces of legislation so people can make up their minds which they are going to support, or, as in my case, if they are going to support both.

First in the case of vouchers, Castle-Tanner continues benefits that can be used for the care of the child after a State-imposed time limit, be it up until the time of a job, 2 years, 5 years or after 5 years, while the Archer legislation strictly prohibits it. That is a highly important change, and, quite frankly, that has to be done before we pass any welfare reform bill.

Our bill has an additional $3 billion for work funding. There simply is not enough money in the Republican proposal right now to make it work. Maybe it can be put in later, but let us do it now. It is authorized in the Republican bill. It is committed in this particular bill.

The lack of money for the work requirement also gives States flexibility in terms of being able to put together programs to put people to work. There just is not sufficient money, and what we have really is an unfunded mandated if it goes to that level.

The maintenance of effort is extremely important. We are requiring the State spend at least 85 percent of what they spent in 1994. The States are doing very well by this in terms of saving money, maybe even better than the Federal Government. This is a minimal requirement in my opinion, and something we should do.

There is a contingency fund. I can tell Members that the Archer legislation does not provide a safety net if the contingency fund is wiped out by recession. Ours is more responsive to economic downturns. It gives people an opportunity.

There will be economic downturns. Welfare will never get better than it is now in terms of people not being on it with respect to the economy we have.

Transferability is important, for example. We want to limit the transferability to some degree between these different block grants which are being created to make sure the children receive the benefits of that. I believe our bill does that better.

Medicaid linkage is important. If you qualify now, you qualify later. People should have access to medical care.

In the area of food stamps, our bill ensures the food stamp safety net is not cut off if people are not working after 4 months, even if job slots are not available.

There are other changes in our legislation. There are many things which address this. But, overall, we have the same fundamental focus of ending welfare as we know it. I think we have carefully crafted the safety nets in a variety of areas to help the States carry out their programs, to give them flexibility, to make sure particularly the children, but those who are in the situation in which they cannot take care of themselves, are served by the piece of legislation we have before us.

I do not know what the will of the House is today. My preference is to pass this legislation, but I would be satisfied in passing the Republican legislation. But we must move forward with a concept of welfare reform. I hope before anyone votes on this, they will look at it carefully and decide this is the best way to do it, and support Castle-Tanner.

Mr. SHAW. Madam Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Florida [Mr. SHAW] is recognized for 30 minutes.

Mr. SHAW. Madam Chairman, I yield 4 minutes to the gentleman from Pennsylvania [Mr. GOODLING], the chairman of the Committee on Economic and Educational Opportunities.

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Mr. GOODLING. Madam Chairman, there is good news to announce on the floor of the House today. The good news basically is that all of those who have, over the last 30 some years, generated an unworkable welfare program, have now come to the floor and admitted that it does not work.

Well, obviously, anyone knew it was not going to work if the idea was to help Americans get a part of the American dream. It certainly worked very well if the intention was to make sure that millions of Americans would become wards of the State and never have an opportunity to get part of the American dream.

I want to point out some of the things that came from our committee, because they have been misrepresented, and why I feel so strongly that the Republican proposal is the way to go.

First of all, we designed the program with several things in mind. We said welfare must be a safety net, not a way of life. There must be very clear emphasis on work and on getting those on welfare into work. We need to stop abuses of the system. We need to return power and flexibility to the States because they have a better idea of how to handle it than we do. Welfare should not encourage, it should discourage destructive personal behavior that contributes so clearly to welfare dependence as sell as a host of other social problems.

Now, let me talk briefly about the bill. Under our bill, States must ensure an increasing percentage of their caseload as participating in work activities. The percentage increases to 50 percent by the year 2002. What is unique about the Republican welfare bill is that these are meaningful, honest numbers, unlike the numbers that we will hear in the other bill.

One of the easiest things to do in putting in work participation rates is to put in a high percentage, but then either exempt most welfare recipients from the calculation or count those who cycle on and off welfare toward meeting those numbers. That is one problem with the bill being offered by the other side. The work participation numbers are not honest numbers. We try to balance the need for States to have flexibility and how they put people to work with tough and meaningful goals and accountability.

Second, working together with the Committee on Ways and Means and others, I am pleased that the bill authorizes more money for child care, more money than anybody ever dreamed could become available. Clearly, if welfare reform is to succeed, there must be adequate child care.

We have increased funding to nearly $5 billion more than the current law and more than the President offered when claiming our bills were short on child care. One problem may arise, however. All of the working poor and those from low, middle income are going to say we cannot get child care but we are going to have to pay for someone else's.

We also made some other important improvements in child care. We consolidated programs to try to help both the States and, more importantly, families access child care. The bill increase the amount of money set aside for quality improvement activities and maintains the language on health and safety standards that is the child care development block grant.

The second, on child protection, we consolidated again six small separate single purpose grants into a new block that would be distributed by formula to the States. The results, more flexibility and more money for States to use in setting up programs to prevent as well as treat child abuse and related problems.

In the areas of child nutrition, the bill saves some money, primarily by means testing the family day care program, the only program that is not means tested, the only nutrition program. So it does not matter what the income is, we take from the money that we would have to feed the low income and the poor and give it to those who can otherwise pay for the care,

I would also note, unlike the substitute bill, the leadership welfare reform bill makes no reduction in reimbursement rates for school lunch and breakfast. Is it not ironic: All the misrepresentation last year when we talked about school lunch and child nutrition, and all of the abuse that got? And now the very people who made those promises and those abuses are doing just what they thought we were doing when we were not. They, as a matter of fact, are reducing the amount of money available for school lunch and school breakfast.

I would finally point out that we have come a long way on both sides. We are getting closer all the time. I truly believe that the Republican proposal is the way to go for meaningful welfare reform.

Mr. TANNER. Madam Chairman, I yield myself such time as I may consume to parenthetically note that the gentleman's criticism of our plan with respect to work participation is what the Governors' conference told us that they thought they could achieve. The numbers came from the Governors, not from us.

Madam Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. SAWYER].

Mr. SAWYER. Madam Chairman, I rise today in recognition of the contributions of the previous speaker through the Committee on Economic and Educational Opportunities to improving this bill, but it is not sufficient to improve the work that came out of other committees and, therefore, I rise in support of the Castle-Tanner substitute.

I am opposed to the Republican bill not because it tries to reform welfare, but because it tries to do so on the cheap. The Republican plan is based on the premise that the primary goal and the first objective of welfare reform ought to be to save money, and sadly it cannot be that alone.

If personal self-sufficiency for every American were easy or cheap, it would have been done long ago. The fact is that real and lasting and effective welfare reform will save money in the long run, but it will be difficult and costly and different in every State no matter what we do here today.

Today we have before us two bills that stand in stark contrast to one another, and what we do will make a difference. In one bill we ask the children to pay the price. It does not pay for work requirements, but it takes away the guarantee of food and health care for America's children.

We have another bill, the Castle-Tanner bill. It is tough. It requires self-sufficiency of adults, but it protects the children. It makes sure that at every level, no matter what we expect of adults, the children are fed and cared for. It has adequate funding for work programs. It recognizes this country sometimes has hard times, and it will not make the poorest and the youngest pay the most when the whole country is in a downturn.

Madam Chairman, we frequently point out that the devil is in the details. In this case both bills are filled with mind-numbing details, but the cumulative consequences of all those details are clear. We should not make the children pay an arbitrary and unfair share of the cost of reform, but we do need to reform.

Therefore, I support and urge my colleagues to support the Tanner-Castle bill because it is responsible, it puts people to work, and it looks out for America's children.

Mr. SHAW. Madam Chairman, I yield 5½ minutes to the gentleman from Kansas [Mr. ROBERTS], the distinguished chairman of the Committee on Agriculture.

Mr. ROBERTS. Madam Chairman, I thank the gentleman for yielding me this time.

Madam Chairman, I rise in opposition to the substitute and for real welfare reform, and I want to take time to thank the gentlewoman for the splendid and fair job that she is doing in presiding over a controversial issue, but a very important issue.

There have been many speeches over the past 2 days, 2 years, for that matter, and there has been quite a bit of talk about what is compassionate, what is caring, what is humane, what is inhumane about welfare reform.

Well, let us apply these markers to the Food Stamp Program. Now, that is the provision of the part of welfare reform that comes under the jurisdiction of the House Committee on Agriculture and to a great extent has been ignored in this debate.

Does it help the poor to run a program that has no work requirements? What is compassionate about running a program so rife with abuse and mismanagement that the public has lost faith in food stamps? How does it benefit the needy to run a program that the Department of Agriculture's own inspector general says is overrun with instances of trafficking food stamps for guns and drugs?

Evidence of those abuses, by the way, became national news on television as a result of the first hearing held by the Committee on Agriculture at the beginning of this Congress.

That is not compassion. That is not caring. Those are failures and they are failures of the current system that we address and reform in the committee bill.

Now, let me address another recurring part of this debate, and that is the gridlock or the inability of the Congress and the President to reach a compromise. We have worked with the Department of Agriculture, we have worked with the administration and we have reached accord on many items, 72 percent, in regards to this bill.

I respect the gentleman from Delaware [Mr. CASTLE] and the gentleman from Tennessee [Mr. TANNER]. They are two fine Members, with unimpeachable integrity, and I respect their views. But there are significant differences. The substitute does not structurally reform the Food Stamp Program. It achieves much of its savings by cutting food stamp benefits, and then in later years reintroduces something called indexing. That is not real reform.

Now, we have also heard much debate, especially from the administration, in reference to strong work requirements. My colleagues should know the substitute's work program actually costs $25 million more than current law. Current law. This substitute's work requirement is hollow, hollow because it does not apply, does not apply if a State does not provide every covered individual a position in a work training program. That is not a real work requirement, that is government make-work.

Our bill requires that able-bodied persons between the ages of 18 and 50, who have no dependents, may receive food stamps now for up to 3 months, and then the person is disqualified from food stamps unless they work for 20 hours a week or participate in a work program.

Who are we talking about? Two percent of the people that receive food stamps. Two-tenths of 1 percent of the population, able-bodied.

Now, let us talk about something that should be talked about regarding this debate, and that is the spending that has been out of control. This program has been on automatic pilot. It went from $10 billion to $27 billion in 10 years. If the economy improved, it went up. If the economy went bad, we would expect it to go up.

Our bill actually cuts the standard deduction provided to all applications below current levels to achieve savings. But then it goes back to indexing, the very cause of past runaway spending. Our bill takes the Food Stamp Program off of automatic pilot by keeping the deductions at current rates, but allowing the food stamp benefits to be adjusted to reflect the changes in the cost of food. Food stamps. We adjust the cost of food. That is simply basic.

Let us talk about unique and innovative work programs. True compassion. The substitute does not allow States to operate work support programs, our bill does, programs in which public assistance is provided to employers who hire recipients and then are used to pay part of the wages. Hiring, employers, wages: Real work. That allows food stamp recipients to gain the experience of working in real jobs to earn a paycheck.

Our bill allows certain States to pay cash in lieu of food stamp benefits to a household if a member of the household works in a nonsubsidized job for 90 days, earns at least $350 a month, and is eligible to receive welfare. My colleagues, that is incentive. That is not disincentive, that is incentive to work.

Now, let us talk about the real difference in these bills, and that is how our savings are achieved. Our bill is focused on making fundamental structural reforms, at the same time a careful and conscious decision was made to preserve the food assistance levels that are currently available.

The substitute, which relies on the proposals of the Clinton administration, preserves the failed structure of the old Food Stamp Program. Castle-Tanner achieves their savings by significantly cutting the benefit levels for the poor. Sixty percent of the savings in this substitute are derived from cuts in the current food assistance program.

In other words, saving the old failed system is so important that they would rather take food from the mouths of food stamp recipients today than make the needed changes to the structure of the program. We preserve the existing benefit levels. We make the needed reforms in the structure of the program.

If we are going to be compassionate and caring and humane, defeat the substitute and adopt the committee bill. Truly reform the Food Stamp Program.

Mr. TANNER. Madam Chairman, I yield 10 seconds to the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Madam Chairman, I admire the Agriculture Committee chairman greatly, but the Castle-Tanner bill requires all able-bodied food stamp recipients to work within 6 months of receiving benefits. Unlike the Republican leadership bill, Castle-Tanner does not deny food stamps to individuals who are willing to work but are not able to find a job. Participation in the food stamp program is a fair program.

Mr. TANNER. Madam Chairman, I yield 2 minutes to the gentleman from Utah [Mr. ORTON].

Mr. ORTON. Madam Chairman, let me begin with my sincere congratulations to my Republican colleagues.

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They have come a long way in the last 18 months since their original proposal, H.R. 4, which was a harsh and an unworkable bill. I would also like to congratulate my friends, the gentleman from Delaware [Mr. CASTLE] and the gentleman from Tennessee [Mr. TANNER], and all the others who worked together with us on the bipartisan compromise legislation. The Castle-Tanner bill is a good reform bill which should be enacted into law.

While H.R. 3734 is getting much closer to a viable reform package, it is not quite there yet. I will not again list the problems with the majority bill and explain how Castle-Tanner resolves them. Others have done or will do that adequately. Let me just summarize my concerns in two major categories: the impact of this legislation on States and on America's children.

If we are going to fix welfare, then our fix must be adequate. The Republican bill is inadequate, particularly in the area of work requirements. The National Governors Association 2 days ago adopted a resolution on welfare which states in part, we are concerned that the bill restricts State flexibility and will create additional unfunded costs. CBO in the report accompanying the Republican bill stated that in fact the estimate of the unfunded mandate will be at $1.9 billion. By the way, a footnote: The first day we were in session in this Congress we adopted legislation to prevent us from implementing unfunded mandates on States.

In my home State of Utah, we have adopted welfare reform with strong work requirements, but there is concern whether this legislation provides sufficient flexibility for Utah to continue that program. Most importantly, our welfare reform should not hurt innocent children who have no choice where they are born or whether their parents can find work. The Castle-Tanner provisions on child care funding, vouchers, maintenance of efforts, contingency funding and limits on shifting funds from block grants are all designed to protect innocent children in a way better than the majority bill. These are cured in the Castle-Tanner bill, and I urge adoption of the measure.

Madam Chairman, I am pleased that the House is debating welfare reform today. I have frequently stated that there are few things that people in our Nation agree upon more than the fact that our welfare system is a failure. I believe we all agree that the welfare system should be reformed so that it is based on work, and I have worked diligently to ensure that Congress adopts welfare reform which will be signed into law this year.

In order to achieve this goal, we must put aside partisan differences and concentrate on issues like requiring work, strengthening child support enforcement, and increasing State flexibility. At the same time, we need to provide sufficient funds for States to meet work requirements and to provide adequate child care, foster care, adoption assistance, and health care services to make it economically feasible for parents to go to work. If we fail to meet these objectives, we are either settling for a system that is designed to fail, or we are imposing an unfunded mandate on the States.

I am pleased to be a part of the bipartisan effort that has lead to the creation of the Castle-Tanner bill. The House will have the opportunity to consider this legislation today, and I strongly urge my colleagues to support this proposal because it is the only welfare bill that meets all of the objectives I have just stated.

In March of last year, the House passed the Personal Responsibility Act. I voted against that bill because it included several extreme provisions that would have imposed restrictive mandates on the States and decimated the safety net for American children. My greatest concerns were that it provided inadequate funding for child care, it imposed one-size-fits-all work requirements on States, and it did not provide for accountability of Federal tax dollars.

Adequate child care and health care funding is essential as we move parents into the workforce. No one wants innocent children to be in an unsafe environment because their parent is working. In addition, while everyone supports the concept of greater State flexibility in designing a welfare program that meets the needs of their population, it is essential to provide for accountability of Federal tax dollars. The Personal Responsibility Act provided no guarantee that States would use Federal grant funds for their stated purpose.

Finally, one of my central concerns in considering the Personal Responsibility Act was determining the impact of the legislation on the successful Single Parent Employment Demonstration [SPED] program in Utah. The premise underlying the Utah program is universal participation: everyone works toward self-sufficiency. This program has enjoyed national and local support, and is exactly the kind of program you would expect welfare reform to be based upon. Certainly, you would expect that the Utah program would be allowed to continue down the same successful path under a reformed system.

Instead, the Utah State Department of Human Services was concerned with the original bill because restrictive work participation definitions in the Personal Responsibility Act posed a threat to the program. The restrictive definition meant that a person faithfully following a self-sufficiency plan specifically designed to assist them in entering the labor market could be considered a non-participant by the Federal Government. The bill contained a Federal definition that would prevent States, who are dealing directly with individuals, from determining what would best assist a person in getting a job.

Ironically, while the bill did not allow States to count many active participants toward meeting mandatory rates, people who were forced to leave the system because of reaching a time limit could be counted toward meeting work participation rate even if they have never received any work-related assistance services.

The original bill simultaneously restricted successful State reform efforts and offered no protection to people on welfare who were willing to work—it was the worst of both worlds.

This original bill, which I opposed, was the same song only a different verse. It imposed a one-size-fits-all Federal solution, only it prohibited certain actions of States rather than mandating them.

The Democratic alternative was far superior, but not perfect solution. Subsequently, many of us, Democrat and Republicans have worked together and forged a bipartisan compromise, which has forced both the Republicans and the President toward a centrist compromise. Today's Republican welfare reform bill has been improved dramatically since its original version last year in the following areas:

It provides an additional $4 billion for child care funding, allowing more parents to be assured of their children's safety as they enter the workforce,

It removes the annual food stamp spending cap that would have hurt people during times of economic recession by limiting the food stamp program regardless of economic downturn,

It no longer allows conversion of child nutrition programs to State block grants, therefore we as a nation will remain committed to a basic level of nutrition for all of America's needy children,

It guarantees services to children in the foster care and adoption assistance programs where many children are waiting to be placed with a loving family, and

It enhances States' ability to create a flexible program by providing a work performance bonus, additional funding through the contingency fund, and a greater hardship exemption.

I commend my colleagues on the other side of the aisle for moving toward us on these critical issues. However, there still remain some very serious problems with the current Republican proposal that are addressed in the Castle/Tanner bill.

Before outlining important differences, it is critical to point out that where the Congressional Budget Office [CBO] has determined that the Republican bill provides inadequate funding to meet the requirements of the bill, the bill imposes an unfunded mandate on the States. One of the first actions of this Congress was to prohibit unfunded mandates.

The bipartisan Castle/Tanner bill, of which I am an original cosponsor, contains the following superior provisions:

Castle/Tanner adopts the recommendations of the National Governor's Association to give States greater flexibility to meet work requirements. On the other hand, the Republican bill contains an unfunded mandate. CBO estimates that the bill provides $12.9 billion less than necessary to achieve the work requirements in the bill, and concludes that most States would fail to meet the work requirements. Finally, CBO assumes that States would choose to accept penalties rather than meeting the costs of the program. In addition, the National Governors' Association has recently adopted a resolution regarding welfare reform in which the Governors state they are concerned that Republican majority bill H.R. 3734 because it "restricts State flexibility and will create additional unfunded costs."

Castle-Tanner provides for contingency funding for protection during times of economic downturn, when States are experiencing a regional recession or when the Nation is in recession. Without this provision, there will be no funding to assist States when they need it most.

Castle-Tanner provides adequate child care funding. CBO estimates that the Republican bill provides $800 million less than what is necessary to serve the children who need care as their parents enter the work force. Further, Castle/Tanner limits the transfer of block grant funds to anything but child care whereas the Republican bill would allow transfer of funds to other programs.

Castle-Tanner requires that States maintain at least 85 percent of their current level of effort. In contrast, the Republican bill allows States to decrease their current expenditures by 25 percent, even if they are not having any success in getting people into jobs. The Castle/Tanner bill allows some States to decrease their level of expenditures to 80 percent if they have been successful in getting people to work. This is a sensible provision that guarantees that States keep up their end of the partnership with the Federal Government, and that they are rewarded for their success.

Castle-Tanner requires that individuals in similar situations are treated similarly. This is a commonsense provision. In addition, it requires that States have objective and equitable standards for determining eligibility.

In conclusion, I urge my colleagues to vote in favor of the Castle-Tanner welfare bill. It outlines tough common sense reforms, but provides States with assistance in times of economic downturn. Let's not settle for anything less than welfare reform that works.

Mr. SHAW. Madam Chairman, I would point out to the gentleman in the well that the letter from the Congressional Budget Office to the chairman of the Committee on Ways and Means states that the work requirements contained in the portion of H.R. 3734 titled Temporary Assistance for Needy Families do not constitute an intergovernmental mandate as defined under the Unfunded Mandates Reform Act of 1995.

It is a bogus argument.

Madam Chairman, I include for the RECORD the letter to which I referred:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 18, 1996.

Hon. BILL ARCHER,
Chairman, Committee on Ways and Means,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: At the request of your staff, the Congressional Budget Office (CBO) is providing a more detailed explanation of why the work requirements contained in the portion of H.R. 3734 titled Temporary Assistance for Needy Families do not constitute an intergovernmental mandate as defined under the Unfunded Mandates Reform Act of 1995 (Public Law 104-4). On June 26, 1996, CBO transmitted an intergovernmental mandates statement for H.R. 3734, the Welfare and Medicaid Reform Act of 1996, as ordered reported by the House Committee on the Budget on June 18, 1996.

Even though the proposed work requirements would be more stringent than those in current law, the additional requirements would not constitute a mandate because states would have the flexibility to offset the cost of the requirement by reducing their own financial or programmatic responsibilities. Public Law 104-4 defines a federal intergovernmental mandate, in part, as:

"* * * any provision in legislation, statute, or regulation that relates to a then-existing Federal program under which $500,000,000 or more is provided annually to State, local, and tribal governments under entitlement authority, if the provision—

"(i)(I) would increase the stringency of conditions of assistance to State, local, or tribal governments under that program; or

"(II) would place caps upon, or otherwise decrease, the Federal Government's responsibility to provide funding to State, local, or tribal governments under the program; and

"(ii) the State, local, or tribal governments that participate in that Federal program lack authority under the program to amend their financial or programmatic responsibilities to continue providing required services that are affected by the legislation, statute, or regulation."

Under the program titled Temporary Assistance to Needy Families, states would have the flexibility to determine who is eligible for assistance and the size of the benefit. Therefore, the bill would not require states to devote additional funds to assistance for needy families. States would have the flexibility to offset the cost of the work requirements by tightening eligibility for assistance to needy families or by reducing the size of the benefit.

If you wish further details on this analysis, we will be pleased to provide them. The staff contact is John Patterson who can be reached at 225-3220.

Sincerely,

JAMES T. BLUM
(For June E. O'Neill, Director.)

Madam Chairman, I yield 1½ minutes to the gentleman from Texas [Mr. DELAY], distinguished Republican whip.

Mr. DELAY. Madam Chairman, I rise in opposition to this substitute offered by my good friends, the gentleman from Tennessee [Mr. TANNER] and the gentleman from Delaware [Mr. CASTLE]. I thought they worked very hard on this substitute. To me, this substitute is one last desperate attempt by the minority to cling to the status quo.

They are making an argument about unfunded mandates, yet they still do not understand the concept of block grants and flexibility given to the States to make decisions based upon where the money will be spent among these programs. Our children cannot afford this status quo.

I ask my colleagues this question: Is it right to preserve a system that has ruined opportunities, destroyed hope, and hurt generations of our Nation's children?

I say to my colleagues that the current system is tough on children, weak on work, and easy on deadbeat dads. It is this system that I think the minority has fought so fiercely to expand and protect.

This substitute does not go far enough to change the current system. It has loopholes that make any time limits worthless.

It still allows people who will have been on welfare for 5 years to continue to receive benefits. It puts the States in a straitjacket, giving them very little freedom to design their own reform programs. In fact, this substitute gives Secretary Shalala veto power over State welfare plans.

Madam Chairman, I just urge my colleagues to vote for real reform, defeat the Tanner substitute and let the American people know that the status quo is just not good enough.

Mr. TANNER. Madam Chairman, one could categorize our bill as a lot of things, but status quo it is not.

Madam Chairman, I yield such time as he may consume to the gentleman from Tennessee [Mr. CLEMENT].

(Mr. CLEMENT asked and was given permission to revise and extend his remarks.)

Mr. CLEMENT. Madam Chairman, I rise in support of Tanner-Castle. It is a good piece of legislation.

Let me tell you about Charles Davis, a former NBA basketball star who grew up in south Nashville on welfare. By utilizing his athletic skill, he was able to receive a scholarship to college and eventually play for the Chicago Bulls.

While he may be best known as a basketball great, he remains most admired in our community for his dedication to helping the disadvantaged. After years in the spotlight from his basketball achievements, he never forgot those less fortunate than himself, and he established the Charles Davis Foundation to provide funds that help individuals who are on welfare. He never forgot these people, because he knew firsthand what it was like to grow up on welfare.

As a Congress, we to cannot forget these individuals. We can on longer delay welfare reform and we must enact a tough, balanced proposal while striving to preserve the basic guarantees of assistance to the disadvantaged. Reflecting the principles of work, family, and responsibility, I feel that the Castle-Tanner welfare reform bill achieves this effect.

It is the Castle-Tanner substitute that requires work while providing the necessary support to make it a reality. We cannot forget the mothers trying to compete for jobs that provide real routes out of poverty but who find it extremely difficult to get the education or training they need. We cannot forget the value of good nutrition and health for the millions of children, working families, and the elderly on welfare.

I will support the Castle-Tanner substitute that guarantees protections for children and moves able welfare recipients to work. We must follow Charles Davis' example and not forget the individuals on welfare. The Castle-Tanner substitute is welfare reform that we can all support.

Mr. TANNER. Madam Chairman, I yield 2 minutes to the gentlewoman from Missouri [Ms. McCARTHY].

Ms. McCARTHY. Madam Chairman, I rise as a cosponsor of the Castle-Tanner proposal and in strong support of this substitute. Castle-Tanner is a fiscally responsible, bipartisan approach to putting people to work and protecting our children. It is encouraging to see that the House leadership has made changes in their bill attempting to move toward the Castle-Tanner substitute; however, many substantive differences still remain.

This proposal will give States the tools they need to achieve genuine welfare reform. Adequate funding is essential to a successful welfare reform and the Castle-Tanner substitute provides the resources for States to meet the participation rates required in their work programs. It will require a more reasonable State maintenance of effort, while still rewarding States that exceed their work participation rates. In times of economic downturn, it will ensure additional contingency funds for States to meet the increased demands.

The bipartisan alternative protects children. It requires States to provide vouchers for the needs of children in families removed from welfare rolls as a result of State imposed time limits less than 5 years, and it gives States the option of offering vouchers for children who leave welfare after the 5-year time limit Castle-Tanner also protects legal immigrant children by exempting them from the ban on food stamps and SSI. The substitute contains strong child support enforcement provisions to ensure that parents take responsibility for their children. In addition, the Castle-Tanner substitute protects the nutritional safety net by maintaining the entitlement in the Food Stamps Program.

The Castle-Tanner substitute moves more people from welfare to work. The substitute establishes reasonable work participation requirements and guarantees States the resources needed to meet those requirements rather another unfunded Federal mandate.

So that families working their way out of poverty will be able to put food on the table.

According to the Center on Budget and Policy Priorities, under the majority's welfare reform bill, households in Missouri could experience a decrease in food stamp benefits of $301 in 1998 and as much as $435 in the year 2000. When families are struggling to free themselves from poverty, punitive reductions in food stamp benefits make that job more difficult. The Castle-Tanner substitute ensures that families working their way out of poverty will be able to put food on the table.

As a State Legislator in Missouri, I worked diligently to reform the welfare system in my home State and implement reforms similar to provisions contained in the Castle-Tanner proposal. Our plan requires self-sufficiency pacts, similar to the personal responsibility contracts in this substitute, and we impose time based on these pacts.

We established successful State initiatives such as the Futures Program, which moves individuals with long-term dependency from welfare to work, and the Local Investment Commission [LINC] to encourage local businesses to put recipients to work a sustainable wage. One Futures participant, Scotti has two children and was on the verge of being homeless when she entered the program. She was able to find housing, enroll in computer training classes, and find employment in 10 months. Scotti, along with the other Futures participants were able to reach their goal of self-sufficiency by utilizing the support of Food Stamps and other public assistance programs.

All of the Missouri participants were willing to take risks to change the direction of their life by being confident their children's basic needs of food and nutrition and health care would not be jeopardized. These programs have been instrumental in assisting individuals to leave welfare and become productive taxpayers, and the Castle-Tanner substitute will give each State the opportunity to make reforms and experience similar success.

The Castle-Tanner substitute is a fiscally responsible approach to welfare reform that will move people from welfare to work, encourage responibility, and protect children. This substitute is supported by a bipartisan group in Congress and is a bill that the Pesident can sign. I urge my colleagues to support the Castle-Tanner substitute.

Mr. TANNER. Madam Chairman, I yield 2 minutes to the gentlewoman from New Jersey [Mrs. ROUKEMA].

Mrs. ROUKEMA. Madam Chairman, I rise in support of the Tanner-Castle alternative to the underlying welfare reform package contained in H.R. 3734.

I want to be very clear that I have been in the forefront of welfare reform that can be correctly characterized as "tough love" and I also support the block grant approach. The flexibility of block grants is meritorious as long as we preserve the maintenance of effort standards, protect the safety net with a rainy day fund and the food stamp program. I support block grants, in other words, does not become a blank check for the Governors. Tanner-Castle will not open the possibility that innocent children will go hungry and homeless.

I was quite distressed to learn, late last night, that the welfare reform package we are debating today contains changes to the food stamp program that undermine the food stamp program, and in doing so move our country in exactly the wrong direction—away from maintaining a true safety net for those truly in need, especially innocent children.

This welfare reform package—as opposed to our prior Republican plans—gives the States, and their Governors, newfound discretion over the food stamp program, which I readily suspect will be used in an attempt to block grant food stamps.

Block granting food stamps was subject to extensive debate and analysis last year, and ultimately this Congress correctly rejected this notion.

It is my strongly held position that block grants for food stamps was intentionally rejected because it represents beginning of the end of the food stamp program as a safety net for families with children in need.

Allowing Governors to block grant food stamps is a loophole that deeply concerns me and many others who have worked so hard to ensure that these programs help those who need it because they cannot help themselves.

Throughout all of the debate in recent years over how best to implement welfare reform, I have repeatedly made clear that I simply will not support any legislation that results in innocent children going hungry or homeless.

In my view, the Tanner-Castle alternative meets this test, while the underlying bill does not.

After reviewing both plans last night, I have concluded that Tanner-Castle does not erode our Nation's commitment to provide a safety net for those among us who cannot provide for themselves.

For example, the underlying bill calls for $23 billion in food stamp savings, while the Tanner-Castle amendment calls for $20 billion in savings.

Unfortuantely, the underlying bill calls for food stamp benefits to be terminated if a welfare recipient does not find work within 4 months, regardless of the circumstances. Under this policy, what happens to the innocent children in this family?

Thankfully, the Tanner-Castle amendment stipulates food stamp assistance cannot be denied to someone on welfare who can't find work because jobs aren't available—this is exactly the kind of protections that will ensure our Nation's safety net remains in place in order to protect children and ensure that they don't go hungry through no fault of their own.

I agree with today's New York Times editorial which voiced its clear support for the alternative plan by saying that Tanner-Castle "preserves a federally-guaranteed food stamp program," in addition to the editorial in today's Washington Post which said endorsed Tanner-Castle saying it will "preserve the income floor [provided by food stamp benefits] and reduce the severity of the cuts" proposed by the underlying bill.

Finally, this legislation allows States to use vouchers—instead of cash benefits—to pay for certain services needed by welfare recipients if a State has terminated cash benefits as part of its sanction program.

This is a large step in the right direction, because even if a welfare recipient is playing by all of the rules and has not found a job when the time limits become effective, the use of vouchers for services plays an important role in helping the family and its children keep their head above the waterline.

Although last night I indicated my support for the underlying legislation, I have withdrawn my support for this plan because I believe that the Tanner-Castle alternative is a more equitable, balanced approach to welfare reform.

Last April, I supported the initial House version of welfare reform legislation with some reservations. I was very pleased to see subsequently that the conference committee report on H.R. 4 last November included many significant improvements from the Senate-passed bill, which have properly been retained in the legislation before us now.

I might add that, at that time, I stressed and received explicit assurances from our House Agriculture Committee that food stamps would not be clock granted.

There should be no question that we must enact strong welfare reform legislation this year. The American people are correctly demanding that we restore the notion of individual responsibility and self-reliance to a system that has run amok over the past 20 years.

Although I have strongly supported some welfare reforms that have been described as tough love measures for several years now, I want to reiterate that my goal has always been to require self-reliance and responsibility, while ensuring that innocent children do not go hungry and homeless as a result of any Federal action—the Tanner-Castle plan meets that test, too.

Let me also be clear about the need for more flexibility for the States—I support giving Governors and State legislatures more freedom to design a welfare program that meets the needs of their people. However, the notion of block grants giving States more freedom and flexibility to better design programs for their local areas does not meet that the Federal Government gives the States a blank check for which they are not held accountable.

For example, I believe that block grants must still require so-called maintenance of effort requirements on States in order to ensure that the safety net of our Nation is maintained, and that States don't simply fund welfare programs with only Federal funds.

It is primarily for these reasons that I cannot support the underlying legislation, and must instead vote for the Tanner-Castle alternative.

First, this bill requires welfare recipients to work—a big step in the right direction.

Second, this bill places time limits on welfare benefits—no longer will people be allowed to live their lives on welfare.

Third, this bill keeps the family cap in place, which means that mothers on welfare don't get extra cash benefits for having babies.

In other words, the United States will no longer be the only nation in the Western World that pays young girls to have babies.

New Jersey already has this policy in place, and I am pleased to see that H.R. 3734 retains this worthwhile reform—I should mention that the New Jersey family cap law was sponsored by a Democratic State legislator, and gained strong bipartisan support and was ultimately signed into law by a Democratic Governor.

Fourth, this bill has a strong and effective child support enforcement reform title, which is something that I have worked on here in Congress for more than 10 years.

As I have long maintained, strong child support enforcement reforms must be an essential component of any true welfare reform plan, because improved child support enforcement is welfare prevention: one of primary reasons that so many mothers with children land on welfare rolls is that they are not receiving the child support payments they are legally and morally owed.

Failure to pay court-ordered child support is not a victimless crime. The children going with these payments are the first victims. But, the taxpayers who have to pick up the tab for deadbeat parents evading their obligations are the ultimate victims.

The core of these child support enforcement reforms is the absolute requirement for interstate enforcement of child support, because the current, State-based system is only as good as its weakest link.

Specifically, I want to note that the Roukema amendment on license revocation, which the House overwhelmingly approved last April 426 to 5, has been included in this bill. It requires States to implement a license revocation program for deadbeat parents who have driver's licenses, professional licenses, occupational licenses, or recreational licenses.

This reform has worked very well in 19 States—the State of Maine, in particular, has been a leader—that already have it in place, and if license revocation is implemented nationwide I am convinced it will work even more successfully.

Earlier today, I asked the Rules Committee to include a second child support enforcement proposal—a requirement that States enact criminal penalties of their own design for willful nonsupport of children—as part of the manager's amendment to H.R. 3734. I hope that the Rules Committee will do the right thing, and include this tough reform in the legislation we will vote on tomorrow.

Fifth, I believe that the legislation's reforms for nutrition programs represents significant progress in maintaining the safety net for those in our society who are unable to provide for themselves.

During both Opportunities Committee markup and floor debate on welfare reform last year, I repeatedly attempted to protect the current safety net for school lunches so that, during times of recession, when more families move toward or beyond the poverty level and become eligible to participate in the School Lunch Program, additional money would be available to provide nutrition services.

Thankfully, the Senate saved the House from itself with its decision to preserve the current Federal safety net for school lunches, and H.R. 3734 follows the Senate position on this issue, which I wholeheartedly support.

I have always preferred to see the School Lunch Program completely maintained at the Federal level, and this legislation correctly does just that.

I am also extremely pleased that the welfare reform package before us does not block grant nutrition services for WIC, the nutrition program serving low-income, postpartum women with children and infants.

Finally, I am gratified to see that this bill incorporates a rainy day fund for those States that suffer a recession or economic downturn.

Last year, I repeatedly advocated that this kind of provision be included in any kind of welfare reform package that contains block grants in order to ensure that those who truly depend on our safety net programs can continue to rely on them during times of economic distress.

Earlier this spring, the National Governors Association called upon the Congress to put $2 billion of funding into the rainy day fund, and this legislation meets that goal—I enthusiastically support this provision.

We have been so close to passing meaningful welfare reform for so long. Let us today finally move that process forward one more step by passing this comprehensive welfare reform bill.

This is the bill. This is the time. The people of America should not have to wait any longer. I urge my colleagues to join me in supporting this important package.

Mr. SHAW. Madam Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. Madam Chairman, what mean-spirited right winger said the following:

> The lessons of history, confirmed by the evidence immediately before me, show conclusively that continued dependence upon relief induces a spiritual disintegration, fundamentally destructive to the national fiber. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit. It is in violation of the traditions of America. The Federal Government must and shall quit this business of relief?

We heard the gentleman from Utah quote CBO. I am quoting another well known, much better known three-letter icon in American history, FDR, who made it very clear, the Federal Government must and shall quit this business of relief because the lessons of history make clear that to administer it is to administer a narcotic, a subtle destroyer of the human spirit.

I rise in opposition to this amendment and in support of the underlying bill. The reason that I do is because there is a fundamental difference that I want to highlight. It is the fundamental difference between allowing noncitizens to have access to our welfare safety net and not. The Castle-Tanner bill makes it very clear that noncitizens will have greater access to the welfare system; certainly, much more access than under the underlying bill.

What happens under the welfare reform bill that we are going to vote on later today is we completely eliminate welfare benefits to noncitizens except for emergency medical treatment and some other exceptions for elderly people.

The fact is that we have got to, if we are going to fix the immigration, illegal immigration problem, and even legal immigration problem, if we are going to fix that and if we are going to have those people coming to America because they want to be in America, because they want to give to America, not take from America, then we have to eliminate the welfare magnet that we have created here.

The real solution to the immigration problem lies in eliminating and changing the way that we dole out relief, dole out welfare to anyone who is in this country, whether legally or illegally, citizen, or noncitizen. That is a fundamental problem.

We have a certain responsibility with respect to safety nets to citizens of the United States of America. That responsibility does not extend to noncitizens. If we are to, in fact, as a compassionate nation that is able to take care of its own who are falling through the cracks, if we are to be able to do that in a proper way, then we must eliminate the welfare that goes to noncitizens.

Mr. TANNER. Madam Chairman, in response, I would simply say we have a modest exemption in our plan for kids and people who are legally in this country working and paying taxes.

Madam Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Madam Chairman, this bill, Castle-Tanner, reflects common sense because it is produced on common ground. How refreshing, Madam Chairman, to see Democrats and Republicans working together and trying to fix the welfare system that all Americans want us to fix.

I compliment the gentleman from Tennessee [Mr. TANNER] and the gentleman from Delaware [Mr. CASTLE] for bringing us together, and I am proud to be an original cosponsor of this legislation.

□ 1445

This is how the system is supposed to work.

Now, why will this bill work? Welfare reform will create work, it makes people work because it gives people work because it gives people the skills to work.

This bill protects children with child care, it protects children with foster care, and it cares about making sure that people work. Way too many people get on to welfare and then too quickly go off to welfare and come right back on again. Figures indicate that it might be from 50 from 60 percent of people are on welfare for a year and then get off and then come back on. We want to make sure we put a bill together to keep them off of welfare.

This bill puts $3 billion extra into the worker training programs. It provides the States with the needed flexibility so that Indiana can do some things differently from California in order to do and make people work. It also saves, Madam Chairman, $53 billion for the taxpayer.

So it puts people to work, and it still saves money.

Finally, in our State, in Indiana, the worker training programs are working if we put money into them and they are getting people off of welfare. We have had an impact program in Indiana which as seen a job placement increase of 162 percent and a 26 percent decrease in AFDC caseloads.

So I would encourage our Members to vote for a bipartisan bill that puts people to work and gives them the skills to work.

Mr. SHAW. Madam Chairman, I yield 1½ minutes to the gentlewoman from Washington [Ms. DUNN], a Member of the Committee on Ways and Means.

Ms. DUNN of Washington. Madam Chairman, I commend all the people who have been active in this debate on welfare. It has been a tough long haul. We have produced two very good bills, sent them to the President. He has vetoed both of them. We are working now to put together a bill that he will sign, and I certainly understand and appreciate the concern and the compassion of all the folks who have been involved.

I like this alternative bill, but I simply believe that our original welfare bill is far better balanced and has looked at every issue with a better eye. There are three areas where I am a bit concerned, Madam Chairman, about the lay of the land on the substitute bill.

First of all, it reduces earned income tax credit payments to low-income families by over $3 billion over our original bill. I am concerned about that. I think that we have been far more careful in revising the EITC and that this cuts it too much for working families.

Second, this substitute continues welfare after 5 years. There needs to be an end to welfare. Sixty months is enough in most cases, and as we continue food stamps and as we continue Medicaid, I believe 5 years is enough and that the voucher system is not a good part of the substitute bill.

Last, this substitute provides about $12 billion in extra welfare for noncitizens.

Madam Chairman, Americans are generous people. We have opened our arms to people from all over the world as long as they come to this Nation realizing it is a Nation of opportunity, not a Nation where we lean on the Government. We have in our original bill tightened the sponsor agreements. I believe that it is very, very bad to provide welfare to able-bodied noncitizens. I urge a vote against this substitute.

Mr. TANNER. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I would simply say that insofar as the EITC matter is concerned, once again we make no substantive change in the law. What we do is have savings scored because of compliance with the law.

Madam Chairman, I yield 1 minute to the gentleman from Alabama [Mr. CRAMER].

Mr. CRAMER. Madam Chairman, I thank my colleague from Tennessee for yielding this time to me, and I rise in strong support of the Tanner-Castle substitute here today, and I want to congratulate my colleague, the gentleman from Tennessee [Mr. TANNER] as well as the entire Conservative Democratic Coalition, the Blue Dogs, as we are fondly known.

We have worked long and hard to make sure that we had an opportunity to get to this day when we could engage in some effective give and take, some effective dialog of this issue to make sure that we had the opportunity to see that the American people have this chance to see this worn-out, burned-out welfare system redesigned.

Now, this is not an easy thing to do, and I think that is why my colleagues need to pay attention. The Tanner-Castle substitute is the better way to go. When we look at the bottom line of what we are about to do, we need to do what is effective, not just window dress this issue. I am concerned about the States, where the States are coming from and what they will be able to do effectively when we pass part of this burden, a significant part of this burden, on to the States, and I think the Tanner-Castle is the reasonable approach to take.

Mr. SHAW. Madam Chairman, I yield 30 seconds to the gentleman from Tennessee [Mr. TANNER] to find out how he saves $6 billion on EITC without affecting any benefits.

I mean I have been debating this as a straightforward bill, but I am wondering how in the world he saves that without affecting the benefits.

Mr. TANNER. Madam Chairman, I am advised that we made no substantive changes, that we get scoring for that savings because we cut out waste, fraud and abuse and maintained compliance. for example, if one has a trust fund income of $50,000 and has a job that pays 12, one would not be able to claim the EITC because they have a $12,000 income because we count the $50,000 unearned that they received from a trust fund.

So, as we score that, we are entitled to savings, and they have been so stated.

Mr. SHAW. Madam Chairman, I would simply say to the gentleman that those same provisions are in our bill, and we certainly do not save any $6 billion.

Madam Chairman, I yield to the 1½ minutes to the gentleman from Missouri [Mr. TALENT].

Mr. TALENT. Madam Chairman, I thank the gentleman for yielding this time to me.

Madam Chairman, I have 1½ minutes; let me get right to the point.

I appreciate very much the tone of the debate to this point, but I think the reason we ought to oppose the Democratic substitute is that it is much weaker on work than the underlying bill. It is better than the ones they have offered in the past, but it is much weaker on work. In fact, that is one of the things trumpeted as a virtue of it. We have heard that the Governors like that bill. Of course, they like that bill. They do not have to do very much under that bill, particularly in the earlier years. That is what they want, freedom and more money and not to have to do very much, particularly with regard to work requirements, and that is what the Democratic substitute does.

First, on face value, in terms of the face work participation requirements, the main bill is stronger than the substitute. But we have to look beyond face value when we look at work requirements.

Madam Chairman, at any given time, if we take a snapshot of the welfare caseload at any given time, there are people coming on and people going off. Naturally, without doing anything, people are leaving the welfare caseload, but others are coming on, and historically it has been growing, and we have been paying more and more money. The substitute would count people who leave naturally from the caseload towards meeting the work participation requirements. That is like a 10-percent bonus every year. What it would mean is that in order to meet the work requirements in the first year the Governors would have to do very little. They have to get another 4 percent of the caseload working.

That is the reason that they like it.

What we have heard basically is that this bill has to be reasonable, it has to be effective. Of course, it has to be effective. This system is terrible. Why are we arguing that we should be moderate in approaching it? If we are going to get substantial change, we have to have a bill that achieves substantial change and enforces that in the States. Vote for the main bill and vote against the substitute measure.

Mr. TANNER. Madam Chairman, I yield a minute and a half to the gentlewoman from Florida [Mrs. THURMAN].

Mrs. THURMAN. Madam Chairman, I too would like to take this time to congratulate the gentleman from Tennessee [Mr. TANNER] and the gentleman from Delaware [Mr. CASTLE] and, I might add, Mr. CASTLE, being a former Governor, I think lends some respectability to the issues that we are speaking about today.

I, too, am an original cosponsor of the Castle-Tanner because I think it does give us real reform and real responsibility. We demand responsibility not only from welfare recipients, but from the Federal Government and the States who are our partners in this system. We require work and hold beneficiaries responsible for their actions, but we do not make these demands and then not live up to our end of the bargain.

Our commitment requires adequate funding levels for the work requirements in the bill. Castle-Tanner meets this need. The majority bill does not.

Our commitment requires that we have a plan in the event of a national or regional rescission. We have seen that in this country. Castle-Tanner has a real contingency fund to meet this need. The majority bill has an underfunded contingency fund with unrealistic limits on a State's access to the fund.

In the Castle-Tanner we are more realistic. If there is no job, one cannot lose something as basic as food stamps.

We also provide better protections for children. Children must not be made to suffer for their parents' action. We allow vouchers so that families who reach that time limit on welfare can still care for the very basic needs of their children. The majority's bill prohibits the use of Federal funds to help children once their families have met the time limit.

These are both tough bills and reform bills. We are just as strict on fraud and abuse as the majority's bill. But the fact is the Castle-Tanner treats people fairly withholding them, and we save $53 billion as well.

Mr. TANNER. Madam Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Madam Chairman, let me respond briefly to a couple of points. First of all, on time limits.

The time limits remain in Tanner-Castle. There are exceptions in both bills. They have a 20-percent exemption allowed to the States. Castle-Tanner has a similar provision. The question is whether the States should have the flexibility to use Federal funds for vouchers for kids because of the time limit. They say "no." They say they are for flexibility, but if the States want to use Federal funds not for cash benefits but to help kids, they say "no." Castle-Tanner is much better in that respect.

EITC, I want to reiterate, we do not touch the rates. They tried to in their original bill. We scared them off it. We do not change the basic EITC. We get savings through compliance efforts, basically leaving the structure as it is, and it is so ironic they would come here after trying to take 15, 20 billion from EITC, from working families, and all of a sudden they are defending them.

Mr. SHAW. Madam Chairman, will the gentleman yield?

Mr. LEVIN. I yield to the gentleman from Florida.

Mr. SHAW. I mean the gentleman has been asking us to work with him in a bipartisan way, we come toward his position, and he says they scared us off of it. Come on. Let us lighten up.

Mr. LEVIN. All right, look. They agreed with us finally. All right, they can call it what they want. We hit them hard, and they finally said "OK," as they did on a lot of other things where they were weak on work and hard on kids. They have moved our way. They simply have to come further.

Now I want to talk about States getting people off welfare into work, which is so critical. CBO says, "You do not have money to help States get people off welfare to work." That is the key.

Now they say there is an authorization now. They have given this to the gentleman from Delaware [Mr. CASTLE]. The rumors are they will take it back in a conference. I hope those rumors are wrong. But I do not care, because it is only an authorization.

What Tanner-Castle says is we are serious about welfare to work. We are tough on that and we are going to provide the States the moneys to do it. They provide zero, and CBO says they are between $9 and $12 billion short.

If my colleagues want a bill that is tough on work, getting people off welfare to work, and does not hurt kids, Castle-Tanner is much closer to the mark, and they are further away. Vote for the Tanner-Castle bill. Vote for it, and then against the Republican bill. I hope the Tanner-Castle bill will pass. It is the only bipartisan effort so far. We need to keep that bipartisan spirit going.

Vote for it.

□ 1500

Mr. SHAW. Madam Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. FRANKS], a distinguished member of the Committee on Commerce.

Mr. FRANKS of Connecticut. Madam Chairman, I thank the gentleman for yielding time to me.

Madam Chairman, as we argue and continue to delay the passage of real welfare reform, more families are getting trapped or continue to be trapped in a system that, to me, is like the slavery system we had years ago. It is the 20th century version of slavery. We, the Government, will provide food and shelter but little hope of real change.

There are differences, however. Slaves were black. Most welfare recipients are white. Slaves worked but were not paid. Welfare recipients do not work but they are paid. The Republican bill will take a major step removing the shackles of Government dependency.

As we have argued and delayed passage of welfare reform over the years, more fathers have not been getting identified so they can be forced to take care of their own children. The growth of the single-parent household in the black community will hit 80 percent and in the white community 40 percent by the year 2000 if we continue to do nothing.

Compassion. It has been proven that these youngsters are more likely to get lower grades, more likely to be involved in crime, and more likely to fall victim of our welfare state. Compassion will be demonstrated when we change this slide downward.

As we have argued and delayed passage of welfare reform over the years, more young ladies have been getting more money for having more babies. How wrong.

As we have argued and delayed passage of welfare reform over the years, more drugs have been bought with taxpayers' dollars. Studies have shown that 25 percent of welfare recipients are drug abusers. So where are they getting the money? They are getting the money from you, the taxpayer.

The Republican bill will encourage the adoption of a debit card electronic benefits transfer system and will move us towards eliminating cash in our current welfare system.

Madam Chairman, it is like Nero during the Roman Empire. We fiddle while our welfare state continues to destroy lives. In 1992 Mr. Clinton promised that he would end welfare as we know it, and he has failed to do so. The President has vetoed two bills. He has failed to present his own bill, and he expressed support for the Wisconsin bill and a Senate bill, but failed to sign on to either one of them. The record of the Democratic-controlled Congress would be no better. In my first 4 years in Congress we never even voted on a welfare reform bill.

Madam Chairman, it took Abraham Lincoln, a Republican, to end slavery. I am becoming more and more convinced that it will take a Republican-controlled Congress and a Republican President to end welfare as we know it. I strongly support the Republican plan and I would strongly suggest opposition to the substitute.

Mr. TANNER. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I thank the gentleman for his previous remarks, and would point out that our bill contains the electronic transfer provisions as well.

Madam Chairman, I yield 4 minutes to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Madam Chairman, let me first begin by commending my colleagues, the gentleman from Tennessee [Mr. TANNER] and the gentleman from Delaware [Mr. CASTLE], for the tireless work they have put in on this issue, and also to my colleague, the gentleman from Florida [Mr. SHAW], for his very constructive handling of this bill. With the lone exception of the rhetoric on EITC, I have appreciated the gentleman's approach and attitude toward the development on this issue.

To set the record straight one more time, I simply want to reiterate that Castle-Tanner ensures that scarce EITC dollars go to the working poor who need it, not to the individuals with substantial business income who do not need it. And I suspect the gentleman from Florida [Mr. SHAW] would like to see the same provision in his bill today.

Also, I do not see my friend and colleague, the chairman of the House Committee on Agriculture on the floor, but I find it very, very interesting that he would be complaining about the fact that our bill attempts to maintain indexation of housing benefits for the very poor, those who have to spend over 50 percent of their income for housing; and at the same time the majority will have next week on the floor a bill dealing with campaign reform in which they will say indexation of those who would contribute to us is OK, but those who would index those of the very poorest among us is bad. I find it very, very interesting.

Madam Chairman, I want to take a couple of minutes and try to make it as plain and simple why I support Castle-Tanner versus the base bill. I want to do it in a way that is perfectly understandable.

First is the matter of political practicality. I am weary of political posturing, and we have heard it from a few today over and over, language that is intended more for campaign platforms than for realistic problem-solving. The Castle-Tanner proposal was developed to try to break that partisan stalemate on this issue and reach a consensus on welfare reform that can be signed into law. Our proposal is a true compromise, as evidenced by the fact 26 Democrats and 16 Republicans have cosponsored the legislation.

The principles and policies of this substitute can be supported by both parties in both bodies of Congress. The bill can be signed into law by the President. The base bill cannot.

Second is the matter of unfunded mandates. One of the first pieces of legislation passed by the 104th Congress was a resolution ensuring that the Federal Government pay the cost incurred by State and local governments in complying with Federal statutes and regulations.

The work mandate placed on the States in the base bill is not matched by financial support necessary to meet the mandate. CBO says so, the National Governors Association says so, and in addition to the unfunded work mandate, there is also an unfunded mandate on health care providers that will result from Medicaid changes for current welfare recipients.

So, $7 billion in Medicaid will no longer be available for those recipients, and yet health care providers in our States will still be morally if not legally obligated to provide care for these people. Castle-Tanner does not have unfunded mandates. The base bill does, as ascertained by CBO.

Third is the matter of how our Nation treats its children. Tanner-Castle is much stronger than the Republican bill in protecting children, all children. This substitute requires States to provide vouchers for the needs of the child for families removed from welfare rolls as a result of a time limit of less than 5 years, and gives States the option of providing vouchers for families cut off as a result of the 5-year time limit. The base bill explicitly prohibits States from using block grant funds to protect innocent children from being harmed because of the mistakes of their parents.

Madam Chairman, I urge my colleagues to vote for the bipartisan, bicameral, commonsense, achievable, enforceable Castle-Tanner substitute, and against the final passage of the base bill in its current form.

Mr. SHAW. Madam Chairman, I yield 3 minutes to the gentleman from Louisiana [Mr. MCCRERY], a most valuable member of the Committee on Ways and Means who was very instrumental in crafting the bill before us.

Mr. McCRERY. Madam Chairman, I have a lot of things to talk about.

First of all, the issue of unfunded mandates. I have in my hand here a letter from the CBO that my dear friend, the gentleman from Texas, kept referring to, in which the CBO states clearly:

> The work requirements contained in the portion of H.R. 3734 titled "Temporary Assistance for Needy Families" do not constitute an intergovernmental mandate, as defined under the Unfunded Mandates Reform Act of 1995.

So I hope that will put that to rest once and for all.

The issue of earned income tax credit. We received not too long ago a letter from the President in which he said, in listing his objections to our bill, the underlying bill on the floor today, the bill would still raise taxes on millions of working families by cutting the earned income tax credit.

Madam Chairman, in trying to satisfy the objections of the President, we took that out of our bill. We do not raise taxes any more, using the President's terminology, on working families by cutting the EITC, but the substitute we are about to vote on does. It does. They do lower the threshold for disqualified income under the EITC in their substitute. They do add additional sources of income to disqualified income under the EITC. Also, they add additional income to the definition of adjusted gross income, which affects the level of the EITC.

So we can talk around it all we want, but the fact is the substitute on the floor cuts the EITC by $3 billion in real money to real people. Do not get me wrong, I agree with the cuts. I think they are good.

Madam Chairman, I think it is good, our EITC changes. I wish we had more of them. We took them out, trying to satisfy the objections of Democrats and the President. Members ought not to say they do not have those cuts in there, because they do.

I think the Castle-Tanner substitute is a good bill. It is far superior to the present welfare system. The base bill, though, is a little better, so I hope people will vote against the substitute and for the underlying bill.

Medicaid, I heard my good friend, the gentleman from Delaware [Mr. CASTLE], talking about how the substitute is better on Medicaid. Again, we have made a change in our bill to satisfy the gentleman from Delaware [Mr. CASTLE] and the President. Our provision is exactly the same as the Castle-Tanner substitute, maintenance of effort. They have 85 percent, we have 80 percent. My goodness, an 80 percent maintenance of effort requirement is a tough requirement.

Vouchers. Our bill provides for a 20-percent hardship exemption at the option of the States. Twenty percent of their entire caseload can be exempted from the 5-year time limit. That is a very generous exemption. You do not need vouchers and you ought not to have them. You ought to have a strict time limit with an exemption for hardship cases. That is what we do in this bill.

Food stamps, there are very strict requirements in the base bill for block grants. CBO estimates very few States will qualify.

Mr. TANNER. Madam Chairman, I would state again for the record, we do not do anything with the EITC substantively.

Madam Chairman, I yield 2 minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Madam Chairman, we have heard a lot of talk about work requirements and where they really exist and where they are merely a sham. I argue that the Castle-Tanner bill really does the job of providing the States with the necessary funding to put welfare recipients to work.

The Republican leadership bill, as drafted, falls $12.9 billion short of the funding necessary to put people to work. The CBO, which is headed by a person appointed by the Republican leadership, has done a study. I refer Members to this chart, because CBO confirms that work requirements under this bill, the Republican leadership bill, are empty promises.

CBO concludes that most States would fail to meet the work requirements. They assume most States would simply accept penalties rather than implement the work requirements. In other words, the Republican bill places such a tremendous unfunded mandate on States that they would not even try to comply with the requirements to put welfare recipients to work.

Castle-Tanner provides States with the flexibility to design work programs that are appropriate for their local communities. In fact, the Republican leadership bill rejects the recommendations of the National Governors Association for State flexibility. This is an organization made up, obviously, of many, many Republican Governors, a majority of them. The NGA unanimously adopted a resolution stating: "We are concerned that the Republican leadership bill restricts State flexibility and will create additional unfunded costs."

So unless the States are given the flexibility to design work programs and given the resources to implement those programs, as the Tanner-Castle bill does, rhetoric about tough work requirements is either an empty promise, as CBO would maintain, or the greatest unfunded mandate in history; this, of course, in the Congress of devolution.

So really, who has the sham work requirement? It is obviously the Republican leadership bill. The bipartisan Castle-Tanner bill is the only one that really puts people to work.

Mr. TANNER. Madam Chairman, I yield 1½ minutes to the gentlewoman from California [Ms. HARMAN].

Ms. HARMAN. Madam Chairman, I commend the gentleman for his leadership in this important subject.

Madam Chairman, the Castle-Tanner bipartisan welfare reform bill is smart, fair, and comprehensive. It gives States both flexibility and the resources necessary for welfare-to-work programs, even in times of economic downturns. It is also fair to children whose parents are denied cash benefits. I urge my colleagues in the strongest terms to support it.

But if the House will not endorse this plan, in my view we cannot delay any longer enacting welfare reform. I have twice before voted against proposals which went too far and hurt children. I have many concerns about the underlying welfare reform plan. I would like to see Congress increase resources for moving people into the work force, less dramatic cuts in the eligibility of legal immigrants for some programs, and vouchers for children whose parents are ineligible for cash benefits.

But the underlying bill includes significant improvements over the bills the President vetoed. It provides an additional $4 billion for child care, removes the earlier bill's spending caps on food stamps, and increases the minimum required spending by States to 80 percent of fiscal 1994 levels.

□ 1515

I also believe the Senate will continue to improve the bill.

Madam Chairman, we must act now to move welfare reform forward. I urge my colleagues to vote for the Castle-Tanner amendment and to support final passage of welfare reform today.

Mr. TANNER. Madam Chairman, I yield myself the balance of my time.

Madam Chairman, I want to thank again, as I said at the outset, the cosponsors of this legislation. Particularly it has been a pleasure working with the gentleman from Delaware [Mr. CASTLE] and his staff in trying to put together a truly bipartisan approach to what is an American crisis and will require an American solution. The American solution to me means a bipartisan solution, one that both sides maybe cannot embrace in total but can accept.

That is really what we have tried to do, because we are honestly, sincerely, and for no other purpose, interested in changing and reforming a broken system. Everyone has spoken to that today, and that is the sole purpose for the countless hours that we have worked on this and brought it to this point.

We have tried to sail a partisan ship through this place twice this year, and it has not worked. What happens when we do that? We all fail; the White House fails, the Congress fails. It does not matter whether one is Democrat or Republican. We fail to deliver welfare reform to the American people when we insist on sailing this partisan ship through the Halls of this Congress.

Our bill does not do that. We have got 42 cosponsors, 26 Democrats and 16 Republicans. Our premise started when we sailed that ship of partisanship through here, and it became obvious to us that the Republican leadership and the White House had a gap. They were apart. So we got together and said, "Let's see what we can do to bridge the gap."

Our substitute is much like the base bill as the gentleman from Delaware [Mr. CASTLE] said in his opening remarks. We impose time limits on welfare. We change the system. We require personal responsibility. We have tough work requirements. No one can say that we do not. We have provisions to combat illegitimacy, and two-parent families we encourage. We have tough child support measures and so on.

It is clear to anyone, I think, to be fair, who reads these measures that both of them dramatically reform the current system and end, hopefully, this destructive cycle of generational dependency.

So why should a Member vote for Castle-Tanner over the base bill? First of all, one of the speakers, I think the gentleman from Texas [Mr. STENHOLM] said, we have a chance to pass and actually enact law, if we do, one that is close to the Republican bill in many respects but is better for kids.

We can pass this and actually make a law this year. We do not have to wait until next year. The President mentioned it in his radio address last Saturday morning. He has moved and said he would move to something like Castle-Tanner.

Second, we do a better job, we think, in providing the necessary structure, or infrastructure, to actually put people to work. That is the whole purpose of this bill, getting people off welfare, some say off the dole, into meaningful jobs, so that they will be role models for their kids and so on.

We are better, we think, on the State-Federal partnership theory. That really is what any social program like this ought to be under our system of government. We provide and we are better on the economic and necessary responsiveness to a downturn. And then, finally, it has been alluded to many times, we are really better for the kids.

I do not know anyone who is the most fervent supporter for welfare reform that thinks that treating a 4-year-old child like they are a 34-year-old person who will not work is a good idea. If we read the Republican underlying bill, that is what is happening. I hope Members will support this amendment.

Mr. SHAW. Madam Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Florida [Mr. SHAW] is recognized for 6 minutes.

Mr. SHAW. Madam Chairman, I want to join my other colleagues in congratulating the chairman for the way that she has presided over this body today. She has brought us great dignity.

I would like to also speak to the gentleman from Tennessee [Mr. TANNER], my good friend, who I think has done a wonderful job. I think it is incredible that the name MIKE CASTLE, as a Republican Member, a most distinguished Republican Member, appears first on a bill that is being offered as a substitute by the gentleman from Missouri [Mr. GEPHARDT]. My goodness, what in the world is this Chamber coming to?

But I think there are a few things we need to correct here. These are some of the characteristics that have been and some of the charges that have been laid toward H.R. 3734, the base bill that we are going to vote on this afternoon.

We hear speaker, after speaker who has gotten up and said how it is weak on work. For goodness sake, one of the last speakers gets down with a poster that says we are weak on work. Which is it, are we too weak on work or too strong on work? They say that the work requirements are not even obtainable. Come on, we cannot have it both ways.

At the request of the gentleman from Delaware [Mr. CASTLE], we also put in our bill, because he is concerned about, as a former Governor, whether or not the States are going to be able to meet these requirements. We provide that the States are going to report back to the Ways and Means and the Finance Committee in 3 years to take another look at these work standards to be sure that we have not made them too strong. That has been the concern that has been voiced here.

Let us put all the cliches aside, obviously the soundbite, weak on work, hard on kids. Come on. This is not the case. You know that, I know that. The dignity of this debate should bring us above that, and we should be talking in specifics. When we have honest disagreements as to what to do with noncitizens, I think we should face those. But I think it is also important to understand that in such matters as higher education, we allow noncitizens to continue to get Pell grants. We allow them, by the way, to sign a college loan by themselves. Castle-Tanner provides that the sponsor has to cosign that loan. We did not require that, because we do not consider higher education as welfare. That is part of the American dream. This is something that we desperately want to preserve.

I would tell my colleagues as members of this committee that, when we talk about harder on kids, sure, we do not provide for vouchers out of the Federal funds after 5 years. You might argue that that is hard on kids. I do not think so. We provide, however, that the States can provide 20 percent of the funding for their case load, of the Federal funds, to go beyond the 5-year work level. What does that mean? It means that, if they want to create with that 20 percent a voucher system, they can do it.

So there is virtually no difference in the two bills when you look at the practical application of what the States can do. But we set forth the national policy, and the national policy is that we are for now, and once and for all, going to time-limit the period of time someone can be on welfare. That is going to be the national policy.

We are going to also allow the States to craft their own bills. We are not going to continue to make welfare available to noncitizens. That is a very big difference of opinion that we have here in this hall, and I respect that difference of opinion.

But soon we are going to be taking a vote, I think, that is going to be most historic. When we talk about a bipartisan approach, I sincerely hope, and we have reached out to the Democrat side of the aisle in bringing Members in and talking to them. The gentleman from Michigan [Mr. LEVIN] has said on the floor that he made us do it. Well, whether he made us do it or whether it is bipartisan, it happened, and it happened with the Democrats and Republicans coming together.

We are receptive to good ideas not only from the Republican side but from the Democrat side as well. Once the minority party is fulfilling its responsibility of criticizing legislation that is provided by the Republican side, they are fulfilling their requirement under the system in which we work. When we listen to you, we are working in a bipartisan way. We are not getting bullied into any position.

One thing I want to answer, too, that the gentleman from Michigan [Mr. LEVIN] said, talked about all the rumors that are around about how we are going to cut this and that out of the bill. I can say the rumors are starting from my colleague's side; they are not starting on our side. I do not intend to take any of those provisions out that my colleague has talked about as being rumored to come out in conference. I would hope that the other body would move swiftly and pass this bill, that we could conference it and get it to the President's desk.

I would also hope on final passage that many of the Democrats who feel strongly about welfare reform, as I do, and as the Republicans do and as the President has stated, that my colleague will join us and show support of welfare reform coming out of this body so that, when we put something on the President's desk, we can truly say this is a bipartisan effort, this has bipartisan support, because we have worked with many of you on the Democrat side.

My colleagues have had input into this bill. I would now earnestly ask them after the substitute, support H.R. 3734.

Mrs. MALONEY. Madam Chairman, the American people do not want to hurt kids.

The Republican bill is so removed from reality. It punishes children, penalties working families, and denies benefits to virtually all legal immigrant children.

The bill would worsen poverty and hunger for 9 million innocent children by making deep cuts in benefits, especially during economic downturns by limiting the contingency fund to only $2 billion.

The Castle-Tanner substitute has an uncapped contingency fund for use during these troubling times.

Working families, who play by the rules, will see their food stamp benefits cuts by as much as 19 percent.

When you completely eliminate the Federal guarantee, those of us who work in State and city legislatures know that, given the financial pressures, poor people often fall through the cracks.

The Castle-Tanner bill provides State vouchers for needed support for families.

But the Republican bill we're considering today would make a bad system much worse by allowing only State funds.

This Republican bill just tells defenseless children, tough luck.

This bill won't put people to work. According to the CBO, the bill is $10 billion short of what they need to carry out their work program.

It will put families with children out on the street.

That's not welfare reform.

It's a blueprint for disaster.

Say yes to welfare reform Castle-Tanner.

Say no to this cruel and senseless bill.

Mrs. LINCOLN. Madam Chairman, today is a landmark day in congressional history. Today we will pass needed welfare reform that will hopefully move our Nation's low-income citizens from passively accepting a welfare check to actively earning a paycheck.

Most of my colleagues in this Chamber would agree with me that the current welfare system needs to be changed. No one should get something for nothing, and if the American people are going to be generous with their tax dollars, they should get something in return.

Madam Chairman, the bipartisan Castle-Tanner substitute, of which I am an original cosponsor, provides responsible reform through three main goals: personal responsibility, State flexibility, and work.

Personnel responsibility: Under our plan, all recipients must work within 2 years of receiving benefits, and the proposal establishes a 5-year time limit on cash assistance. Also, our plan requires teenage mothers to stay in school and live with an adult to receive assistance, and it establishes a family cap halting benefits for additional children born to welfare recipients. In addition, the bipartisan Castle-Tanner substitute holds fathers responsible for their children through strong child support enforcement.

State flexibility: Our plan provides States with the flexibility to design innovative welfare reform proposals within broad Federal guidelines. States can develop successful work programs that reflect the needs of their local communities, and States can deny cash assistance to teenage mothers. In addition Castle-Tanner gives States the option of providing vouchers for children or noncash emergency assistance to families and have lost cash assistance as a result of a time limit.

Work: Unlike the Republican proposal before us today, our substitute provides the amount of funding that the Congressional Budget Office has stated is necessary to fund the work programs, thereby ensuring no unfunded mandates for our States. Our bipartisan proposal provides $4.5 billion more than the Republican measure for child care assistance to families that leave welfare for work and need child care help in order to remain employed and stay off the welfare rolls.

But most importantly, Madam Chairman, if my colleagues want to pass welfare reform that has the best chance of being signed into law, then I encourage support of the bipartisan Castle-Tanner substitute. It is the only proposal that the President has promised to sign.

Mrs. COLLINS of Illinois. Madam Chairman, there is an old saying "the poor will be with us always." And another that "a person never stands so tall as when he or she bends to help a child." When a child is poor, that child is at greater risk of being undernourished and undereducated. My constituents in the Seventh District of Illinois are among the richest and the poorest of the Nation. I am told that I am the longest serving African-American female Member in the history of the United States House of Representatives, and as such, I have for 23 years fought strong and sometimes bitter battles for the benefit of the vulnerable, the disenfranchised, the young, old, disabled, and poor. That is what I hope to be remembered for when I retire from this body at the end of the year.

So, I rise today with some reservations about the Tanner-Castle substitute welfare reform measure which really is a compromise for me. I do not like the idea of block granting welfare benefits, but with sufficient Federal criteria and oversight, perhaps they can work. If so, they will be the wave of the future.

This substitute requires States to enter into personal responsibility plans with parents who seek to receive this public assistance. As long as this is a two way street, spelling out what the States' responsibilities are as well as those of the parents' it could possible financially protect the families. The States have asked for block grants and will be called upon to demonstrate that they can act responsibly to all vulnerable populations in a nondiscriminatory manner. My fear and recollection of contemporary history is that many of them will not.

The Tanner-Castle substitute also incorporates time limits as a widely accepted way to provide measurements toward performance for both the family receiving public assistance and the State in providing sufficient training, guidance and support—both personal and monetary.

A requirement of work is not unreasonable if the person has the skills to get and perform a meaningful job. Thus, with that requirement for work by the parent—and let's get it clear about whom we're talking: this welfare reform is for parents—the State has a comparable responsibility to provide that parent with the tools and means to perform and succeed in a job that pays a living wage.

I consider a living wage to include the ability to pay the family's bills: the rent, food, clothing, transportation, medical care, and child care. Without that ability, no parent now benefiting from AFDC should be made to take a job when there is no means of providing health care for a sick child, or which would provide insufficient food for their bellies. Let's stop making parents look like the bad guys in this debate.

A special problem has arisen because of the large number of teenage parents who are, for the most part single, and have not completed their education—and many will not. They, too, need to have a stable, dependable support system. Whether that is that teen parent's biological or substitute parent or a publicly funded shelter, should be the decision of that child-parent.

I also believe that the Federal Government must oversee the States to assure that those extremely vulnerable family units of "kids having kids" have alternative homes that will provide the shelter and life-skill training from which they can draw strength, skills, nurturing, and self-esteem.

There is a provision in the substitute that I strongly object to. It ties an arbitrary abortion rate within a State to an illegitimacy rate for which a State may receive additional bonus funding. I will monitor this provision as legislation progresses through Congress to assure the States fair and honest availability to receive performance bonuses when they develop successful programs to reduce their out-of-wedlock births.

States that currently have waivers of various measures would have the option to continue under those options until the expiration of those waivers.

The Tanner-Castle substitute does have a strong child support enforcement provision. As long as those provisions are implemented universally and non-discriminatorily nationwide, it may succeed in providing those vulnerable single parents a valuable additional resource. I wholeheartedly agree that parents should be responsible for their children, but when short duration public assistance is needed, they are entitled by our God almighty, to a decent life.

On the issue of Medicaid eligibility, until and unless Congress can achieve meaningful health care reform to provide for universal access to health care financing, there must be Medicaid eligibility for the unemployed, uninsured families who receive public assistance. Tanner-Castle retains current law for child protection funding, guidelines, and requirements. Child protection is what this welfare reform is really supposed to be all about. It is protecting the vulnerable children of our Nation against poverty and despair, against hunger and sickness, and against fear and helplessness. I think that for the most part, the Tanner-Castle substitute attempts to do that.

Mr. POSHARD. Madam Chairman, I rise today in strong support of the Castle-Tanner Welfare Reform Act, a tough, balanced welfare reform proposal that moves able welfare recipients to work and protects children. I am a cosponsor of this reform bill because I believe it provides States and our local communities with the resources, support, and flexibility they need to successfully move welfare recipients into the work force.

The Castle-Tanner Welfare Act requires all welfare recipients to begin work within 2 years of receiving assistance and imposes a 5-year time limit on cash assistance. However, the plan also gives States the option of providing continued assistance to children and non-cash emergency assistance to families that have lost cash assistance as a result of a time limitation.

The bill further requires that minor mothers must stay in school and live with an adult in order to receive assistance, and stops additional benefits for additional children born to individuals on welfare. In addition, the Castle-Tanner plan rewards States that are able to reduce illegitimacy without increasing the abortion rate. The bill also holds fathers responsible for their children through strong child support enforcement.

The Congressional Budget Office [CBO] estimated that the Republican welfare reform proposal, which we are also considering today, would fall nearly $13 billion below the funding level necessary to meet the work requirements outlined in the Republican bill, and $800 million short of the necessary funds to providing child care assistance to individuals who are required to work.

The Castle-Tanner plan ensures that States would be able to meet the work requirements in the bill by providing $3 billion, over the Republican plan, in additional mandatory funds they can access in order to meet the costs of moving welfare recipients to work. In addition, this plan gives more flexibility to States in meeting the bill's work requirements. The Castle-Tanner plan gives States the opportunity and the resources to meet the goals all of us support.

CBO has estimated the Castle-Tanner plan contains enough mandatory funding to provide child care assistance to all welfare recipients who need such assistance in order to comply with the work requirements in the bill. The additional funds contained in this plan for transitional and at-risk child care will give States an important tool in preventing individuals from returning to welfare.

I am also concerned with the fact that the Republican welfare measure would cut food stamp funding by $23 billion or 19 percent by converting the program into a block grant. Instead, the Castle-Tanner plan maintains the national food stamp program as we know it without allowing an optional block grant that would freeze funding for food for children and families.

Madam Chairman, I agree it is time to reform the current welfare system, but let us do it in a manner that reflects the values of this country. Let us reform the system to encourage men and women who have come to rely on welfare to return to work. We must also insure that the children of those on welfare are not punished in the process of reforming this system. I believe the Castle-Tanner Welfare Reform Act meets these goals, and I urge my colleagues on both sides of the aisle to support this reasonable, but effective reform measure.

Mrs. MORELLA. Madam Chairman, I rise in strong support of the Castle-Tanner bipartisan welfare reform substitute that will dramatically overhaul our welfare system. This substitute is based on the welfare bill that we crafted earlier this year to improve upon the Governors' plan.

I support bold welfare reform that moves recipients from welfare to work and encourages personal responsibility. This substitute does that, allowing States to try new approaches that meet the needs of their recipients. States are already experimenting with welfare reform. Over 40 waivers have been given to States by the Department of Health and Human Services, and the results are encouraging. It is clear that we must dramatically change our system to give women and children hope and opportunities to build a better future. This substitute does that. In giving leeway and dollars to States, however, we must ensure that we protect children and the disabled by adopting Castle-Tanner.

This substitute requires that States invest the resources necessary for welfare reform to succeed by establishing an 85-percent maintenance of effort requirement. It also ensures that States will have sufficient funds to provide work programs to move people off welfare into work.

We know that child care funding is the cornerstone of successful welfare reform. Without it, women cannot even go to work or job training. This substitute improves the Governors' plan by increasing child care funding by $4 billion and requiring States to spend 100 percent of their 1994 child care dollars before they can draw down Federal funds. It also provides States the flexibility to permit women with children under 6 to work 20 hours a week and maintains health and safety standards set by States for child care providers.

This substitute protects children by requiring States to provide vouchers for children in families removed from the welfare rolls as a result of a time limit of less than 5 years, and gives States the option of providing vouchers for families cut off as a result of the 5-year time limit. It also preserves the national food stamp safety net and does not allow food stamps to be converted into a block grant. Its humane immigration provisions would exempt children from the food stamp ban and exempt disabled children from the SSI ban.

I have been working with the Congressional Caucus for Women's Issues for many years to enact child support reform that will finally crack down on deadbeat parents by enacting penalties with real teeth and establishing Federal registries to help track deadbeats. This substitute contains these critical provisions.

Madam Chairman, I am pleased that H.R. 3734 contains substantial improvements over the House-passed bill and the conference report. The Castle-Tanner substitute, however, is our best opportunity yet to enact welfare reform that moves people from welfare to work while protecting children. I urge my colleagues to join me in supporting the Castle-Tanner substitute.

Mr. CRAMER. Madam Chairman, do we want welfare reform? That is the bottom line here today. The Castle-Tanner bill is a bipartisan bill. It shares and improves upon the leadership's ideas on how to restructure our welfare system that has become a burned-out, broken-down bureaucracy.

Like the leadership's bill, Castle-Tanner creates a single cash welfare block grant to replace the current AFDC, JOBS and Emergency Assistance programs. It requires recipients to work within 2 years and limits benefits to 5 years. Castle-Tanner requires able-bodied individuals with no dependents between the ages of 18 to 50 to participate in a work program in order to receive food stamps. It requires minor mothers to stay in school and live with an adult to receive assistance. In addition, Castle-Tanner creates a $2 billion contingency fund for States to meet their need in time of recession.

In this era of giving the States more responsibility, Castle-Tanner honors the Governor's request for greater flexibility. The leadership's bill, however, rejects the Governor's request. The National Governor's Assoication says "the bill greatly restricts State flexibility and will result in increased, unfunded costs for States, while undermining States ability to implement effective welfare reform programs. CBO estimates the leaderhip's bill would fall $12.9 billion short of the funding needed to meet the work requirements under their measure. Castle-Tanner remedies this by providing States necessary help in implementing their work programs.

I have focused much of my work in Congress on helping our children. One of the most important additions to the leadership's bill is Castle-Tanner's protection of our Nation's children. States must be able to provide for the needs of children. Castle-Tanner requires vouchers for those children whose families lose cash assistance as a result of a State time limit less than 5 years. Castle-Tanner contains sufficient child care assistance for mothers participating in work programs and provides additional child care assistance for working poor families in jeopardy of losing employment if child care assistance is not provided. Fathers are held responsible for their children through strong child support enforcement provisions. Unfortunately, CBO estimates the leadership's bill would fall $800 million short of the child care funds necessary to meet the legislation's work requirements and maintain current levels of spending on transitional and at-risk child care.

We must permanently erase the current, broken welfare state. To do this, we must ensure people are able to move into the workforce and enable them to stay there. Castle-Tanner does this while at the same time preserving the most sacred of American values—the family. The working poor should not be required to choose between caring for their children and the opportunity to be productive, working members of our society.

The CHAIRMAN. All time for debate on this amendment has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Tennessee [Mr. TANNER].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. TANNER. Madam Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 168, noes 258, not voting 8, as follows:

[Roll No. 329]

AYES—168

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Beilenson
Bentsen
Berman
Bevill
Bishop
Blumenauer
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Castle
Chapman
Clay
Clayton
Clement
Clyburn
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Cramer
Danner
Davis
DeFazio
DeLauro
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Eshoo
Evans
Farr
Fattah
Fazio
Flake
Foglietta
Ford
Fox
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilman
Gordon
Green (TX)
Greenwood
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hinchey
Holden
Hoyer
Jackson-Lee (TX)
Jacobs
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
Lowey
Luther
Maloney
Manton
Markey
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Millender-McDonald
Minge
Moakley
Mollohan
Montgomery
Moran
Morella
Murtha
Neal
Oberstar
Obey
Olver
Orton
Pallone
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rangel
Reed
Rivers
Roemer
Rose
Roukema
Sabo
Sawyer
Schroeder
Schumer
Scott
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stenholm
Studds
Stupak
Tanner
Taylor (MS)
Thornton
Thurman
Torkildsen
Torricelli
Traficant
Vento
Visclosky
Volkmer
Ward
Watt (NC)
Waxman
Weldon (PA)
Williams
Wilson
Wise
Woolsey
Wynn
Yates

NOES—258

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Becerra
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Coleman
Collins (GA)
Combest
Cooley
Cox
Coyne
Crane
Crapo
Cremeans
Cubin
Cummings
Cunningham
Deal
DeLay
Dellums
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Engel
English
Ensign
Everett
Ewing
Fawell
Fields (LA)
Fields (TX)
Filner
Flanagan
Foley
Fowler
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk

Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gingrich
Gonzalez
Goodlatte
Goodling
Goss
Graham
Greene (UT)
Gunderson
Gutierrez
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hilliard
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jefferson
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (RI)
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Lofgren
Longley
Lucas
Manzullo
Martinez
Martini
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
Menendez
Metcalf
Meyers
Mica
Miller (FL)
Mink
Molinari
Moorhead
Myers
Myrick
Nadler
Nethercutt
Neumann
Ney
Norwood
Nussle
Ortiz
Owens
Oxley
Parker
Pastor
Paxon
Payne (NJ)
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Regula
Richardson
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roybal-Allard
Royce
Rush
Salmon
Sanders
Sanford
Saxton
Scarborough
Schaefer
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stark
Stearns
Stockman
Stokes
Stump
Talent
Tate
Tauzin
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Tiahrt
Torres
Towns
Upton
Velazquez
Vucanovich
Walker
Walsh
Wamp
Waters
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Zeliff
Zimmer

NOT VOTING—8

de la Garza
Forbes
Lincoln
McDade
Miller (CA)
Packard
Schiff
Young (FL)

□ 1545

The Clerk announced the following pairs:

On this vote:

Mrs. Lincoln for, with Mr. Forbes against.

Mr. Miller of California for, with Mr. Packard against.

Mr. GONZALEZ and Mr. HILLIARD changed their vote from "aye" to "no."

Mrs. COLLINS of Illinois, Mr. FOGLIETTA, and Mr. GILMAN changed their vote from "no" to "aye."

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. ARMEY) having assumed the chair, Ms. GREENE of Utah, chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, (H.R. 3734), to provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997, pursuant to House Resolution 482, as amended by the adoption of that rule, she reported the bill back to the House with a further amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the further amendment.

The further amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. TANNER

Mr. TANNER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. TANNER. Yes, Mr. Speaker, in its present form.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. TANNER moves to recommit the bill H.R. 3734 to the Committee on Budget with instructions to report the same to the House with the following amendment:

In section 408(a)(8)(A) of the Social Security Act, as proposed to be added by section 4103(a)(1), insert "cash" before "assistance to a family."

Mr. TANNER (during the reading). Mr. Speaker, I ask unanimous consent that the motion be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The SPEAKER pro tempore. The gentleman from Tennessee [Mr. TANNER] is recognized for 5 minutes.

Mr. TANNER. Mr. Speaker, I know it has been a long debate. Almost everything that can be said has been said about the bill. I do not intend to use the full 5 minutes.

The motion to recommit is a laser beam about children. The Castle-Tanner substitute that was just voted down requires States to provide vouchers for the needs of the child for families cut off as a result of State-imposed time limits of less than 5 years, and gives States the option of providing vouchers for families cut off as a result of the Federal 5-year limit.

The bill that we are about to vote on in a minute explicitly prohibits States from using Federal funds to provide vouchers for children after this 5-year time limit.

Now, Mr. Speaker, I think both of these bills, under the debate that has occurred, a fair reading by any fair-minded individual would conclude both of these proposals are a complete and dramatic reform and change of the present system, which everybody wants. Our substitute and time limits, personal responsibility, work requirements, State flexibility, just like the base bill.

I am going to talk about State flexibility. Why in the world, when we are going to a block grant and telling the States, "You fashion the program that you think is best for your State," would we go then and after 5 years prohibit the States from using any Federal funds for noncash vouchers for kids whose parents have run over the 5-year or run out of the 5-year limit?

Mr. Speaker, according to the New Testament there is only one individual in the whole of human history who was privileged or enabled to decide the circumstance and the place and time of his birth, and that was decided for him by his father. These children come into this world and they cannot help their circumstance.

Now, for this body to say to the State, "You cannot use block grant money that is put there for you to devise for children in welfare programs," for this Congress to say, "But, by the way, you cannot use any of this money to provide noncash assistance to children because their," according to some, "deadbeat parent has overstayed his welcome in society," I think is just plain wrong.

This motion to recommit days that States will simply have the option to use part of the Federal grant money they receive to take care of these people in vouchers, noncash vouchers for children. I do not know of anyone who wants a welfare system where we reform it and say to a 3-year-old child, "You are just cut off, and it is too bad because your 33-year-old parents are not taking care of you." That is not welfare reform.

This will cure that, and I would urge a "yes" vote on this very simple, straightforward motion to recommit.

Mr. SHAW. Mr. Speaker, I rise in opposition to the motion to recommit.

The SPEAKER pro tempore. The Chair recognizes the gentleman from Florida [Mr. SHAW] for 5 minutes.

Mr. SHAW. Mr. Speaker, I want to address some of the remarks made by the gentleman from Tennessee [Mr. TANNER].

This bill has been very, very carefully crafted, and it is something we did not draw up last night or even last year. We have been working on this thing for so long, we have had so many drafts, and I think it has been done in the most compassionate way possible.

I would like to recognize Dr. Ron Haskins as someone who has been a great resource not only for the Republican side but he has also been a great resource for the Castle-Tanner people.

To address the question that is immediately before us can States craft vouchers after 5 years, the bill that is before us, that we are about to vote on on final passage, has a 20-percent exception in it. It provides that States can take 20 percent of their caseload and take it out of the welfare reform picture.

This simply means that they can use that money, the 20 percent, to issue vouchers if they want to, so in effect it does what the gentleman from Tennessee [Mr. TANNER] is talking about.

Mr. Speaker, this is extraordinarily important. Also, we particularly provide in the bill, so that we do maintain States' rights in the bill, specifically that there is absolutely no Federal hold on what the States do with their own funds. So, in effect, what Mr. TANNER wants to do can be done.

The difference is what message do we send from this body. Are we for genuine welfare reform? Are we for time limits on welfare reform? That is the message that we have got to send from this Congress if we are going to look for the people to get up and go to work and cooperate with us and take hold of their lives. This is the message that we carry with us when we are trying to rescue people from a corrupted system of welfare that has prevailed in this country now for 60 years.

Mr. Speaker, I urge a "no" vote on the motion to recommit and a "yes" vote on final passage.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. TANNER. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 203, noes 220, not voting 10, as follows:

[Roll No. 330]

AYES—203

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Blumenauer
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Bunn
Cardin
Castle
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilman
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Morella
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wynn
Yates

NOES—220

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Goodlatte
Goodling
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
McCollum
McCrery
McHugh
McInnis
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Moorhead
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Zeliff
Zimmer

NOT VOTING—10

de la Garza
Forbes
Lewis (CA)
Lincoln
McDade
McIntosh
Miller (CA)
Packard
Schiff
Young (FL)

☐ 1612

The Clerk announced the following pairs:

On this vote:

Mrs. Lincoln for, with Mr. Packard against.

Mr. Miller of California for, with Mr. Schiff against.

So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. McINTOSH. Mr. Speaker, on rollcall No. 330, I was unavoidably detained. Had I been present, I would have voted "no."

The SPEAKER pro tempore (Mr. ARMEY). The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE

Mr. SHAW. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 256, noes 170, not voting 8, as follows:

[Roll No. 331]

AYES—256

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brewster
Browder
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
Deal
DeLay
Deutsch
Dickey
Doolittle
Dornan
Doyle

Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Furse
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Gordon
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson (SD)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martini
Mascara
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Parker
Paxon
Peterson (MN)
Petri
Pickett
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Regula
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Roth
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Traficant
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Zeliff
Zimmer

NOES—170

Abercrombie
Ackerman
Andrews
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Blumenauer
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Bunn
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cummings
DeFazio
DeLauro
Dellums
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Durbin
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Gejdenson
Gephardt
Gibbons
Gonzalez
Green (TX)
Gutierrez
Hall (OH)
Hastings (FL)
Hefner
Hilliard
Hinchey
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martinez
Matsui
McCarthy
McDermott
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Minge
Mink
Moakley
Mollohan
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pomeroy
Poshard
Rahall
Rangel
Reed
Richardson
Rivers
Ros-Lehtinen
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Skaggs
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wynn
Yates

NOT VOTING—8

de la Garza
Forbes
Lincoln
McDade
Miller (CA)
Packard
Schiff
Young (FL)

□ 1632

The Clerk announced the following pair:

On this vote:

Mrs. Lincoln, with Mr. Miller of California against.

Mr. BECERRA changed his vote from "aye" to "no."

Mr. BISHOP changed his vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. FORBES. Mr. Speaker, on July 18, 1996, I was absent from the House of Representatives due to the tragic explosion on TWA Flight 800 over the First Congressional District of New York. I felt it was appropriate to return to my district to support and comfort my constituents impacted by this disaster as well as to help coordinate local, State, and Federal search and rescue efforts.

Had I been present I would have voted "yes" on roll No. 327, "yes" on roll No. 328, "no" on roll No. 329, "no" on roll No. 330, and "yes" on roll No. 331.

GENERAL LEAVE

Mr. SHAW. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the legislation just concluded.

The SPEAKER pro tempore (Mr. BARTON of Texas). Is there objection to the request of the gentleman from Florida?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1462

Mr. STEARNS. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor from H.R. 1462, due to my concerns that it allows the NIH to expand its research using tissue from aborted babies.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

TEAMWORK FOR EMPLOYEES AND MANAGERS ACT OF 1995

Mr. GOODLING. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 743) to amend the National Labor Relations Act to allow labor management cooperative efforts that improve economic competitiveness in the United States to continue to thrive, and for other purposes, with a Senate amendment thereto, and to concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate amendment: Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Teamwork for Employees and Managers Act of 1995".

SEC. 2 FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) The escalating demands of global competition have compelled an increasing number of employers in the United States to make dramatic changes in workplace and employer-employee relationships;

(2) such changes involve an enhanced role for the employee in workplace decisionmaking, often referred to as "Employee Involvement", which has taken many forms, including self-managed work teams, quality-of-worklife, quality circles, and joint labor-management committees;

(3) Employee Involvement programs, which operate successfully in both unionized and nonunionized settings, have been established by over 80 percent of the largest employers in the United States and exist in an estimated 30,000 workplaces;

(4) in addition to enhancing the productivity and competitiveness of businesses in the United States, Employee Involvement programs have had a positive impact on the lives of such employees, better enabling them to reach their potential in the workforce;

(5) recognizing that foreign competitors have successfully utilized Employee Involvement techniques, the Congress has consistently joined business, labor and academic leaders in encouraging and recognizing successful Employee Involvement programs in the workplace through such incentives as the Malcolm Baldrige National Quality Award;

(6) employers who have instituted legitimate Employee Involvement programs have not done so to interfere with the collective bargaining rights guaranteed by the labor laws, as was the case in the 1930's when employers established deceptive sham "company unions" to avoid unionization; and

(7) Employee Involvement is currently threatened by legal interpretations of the

prohibition against employer-dominated "company unions".

(b) PURPOSES.—The purpose of this Act is—

(1) to protect legitimate Employee Involvement programs against governmental interference;

(2) to preserve existing protections against deceptive, coercive employer practices; and

(3) to allow legitimate Employee Involvement programs, in which workers may discuss issues involving terms and conditions of employment, to continue to evolve and proliferate.

SEC. 3. EMPLOYER EXCEPTION.

Section 8(a)(2) of the National Labor Relations Act is amended by striking the semicolon and inserting the following: ": *Provided further*, That it shall not constitute or be evidence of an unfair labor practice under this paragraph for an employer to establish, assist, maintain, or participate in any organization or entity of any kind, in which employees who participate to at least the same extent practicable as representatives of management participate, to address matters of mutual interest, including, but not limited to, issues of quality, productivity, efficiency, and safety and health, and which does not have, claim, or seek authority to be the exclusive bargaining representatives of the employees or to negotiate or enter into collective bargaining agreements with the employer or to amend existing collective bargaining agreements between the employer and any labor organization, except that in a case in which a labor organization is the representative of such employees as provided in section 9(a), this proviso shall not apply;".

SEC. 4. LIMITATION ON EFFECT OF ACT.

Nothing in this Act shall affect employee rights and responsibilities contained in provisions other than section 8(a)(2) of the National Labor Relations Act, as amended.

Mr. GOODLING (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MARTINEZ. Reserving the right to object, Mr. Speaker, I do so not because I will object, but because I would like the gentleman from Pennsylvania [Mr. GOODLING], the chairman, to explain this measure to us.

Mr. GOODLING. Mr. Speaker, will the gentleman yield?

Mr. MARTINEZ. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. I thank the gentleman, Mr. Speaker, for yielding.

Mr. Speaker, H.R. 1434 the TEAM Act, passed the House September 27 last year and it recently passed the other body in the exact same form. Unfortunately, due to a procedural glitch during the other body's consideration, further action in the House is required before the bill can be presented to the President. The other body did not directly consider and pass H.R. 743 without amendment.

Technically, they passed H.R. 743 with an amendment, even though the amendment was the exact text passed by the House. Since the House would be adopting the same language of the bill we already passed, this unanimous consent will hurdle this procedural disagreement between the two bodies.

I rise in strong support of this legislation and I thank the gentleman for yielding to me.

Mr. MARTINEZ. Mr. Speaker, I thank the gentleman for the explanation.

Mr. Speaker, although I oppose the bill and will continue to oppose the bill, I see no reason to rehash the same old debate.

For that reason, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Pennsylvania?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GOODLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the legislation just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Mr. Speaker, I ask the distinguished gentleman from Pennsylvania [Mr. WALKER], what the schedule will be for the rest of the week and for the following week.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. BONIOR. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I am pleased to announce that the House has concluded its legislative business for the week.

We will meet on Monday, July 22, at 10:30 a.m. for Morning Hour, and 12 noon for legislative business. Members should note that the House will postpone any recorded votes until 5 p.m. On Monday the House will first consider a number of bills under suspension of the rules before turning to the District of Columbia Appropriations Act. Mr. Speaker, I will not read through the list of suspensions now, but a complete schedule will be distributed to all offices.

On Tuesday, July 23, the House will meet at 9 a.m. for Morning Hour, and 10 a.m. for legislative business. We hope to consider the following measures: H.R. 2779, the Soft Metric Conversion Act, on the Corrections Day Calendar; H.R. 3564, the NATO Enlargement Facilitation Act, as a suspension; and H.R. 3814, the Commerce, Justice, State appropriations bill, which will be taken up under an open rule.

For Wednesday, July 24, and the balance of the week the House will consider the following bills: H.R. 3814, the Energy and Water appropriations bill, under an open rule; H.R. 3760, the Campaign Finance Reform Act, under a modified closed rule; and H.R. 2391, the Compensatory Time for All Workers Act, which will be granted a rule next week.

Due to the full agenda next week, we may have to work later on Tuesday and Wednesday nights. However, we will finish legislative business by 2 p.m. on Friday, July 26.

I would also like to remind the Members that on Thursday, July 25, the annual congressional baseball game will be held, and I believe we can finish the votes that night in time for batting practice.

It is my personal hope that the Republicans' stellar one-game winning streak can be extended, although I understand that the Democrats have gotten themselves an unusually good left field this year and that may cause us a problem.

I thank the gentleman for yielding.

Mr. BONIOR. Mr. Speaker, I would say to my friend, the gentleman from Pennsylvania, that having just come from practice today, I can assure the gentleman that the Democrats are very strong up the middle, and I would also say to my friend, the gentleman from Pennsylvania, on the way to practice this morning I went by the field that the Republicans were practicing on and I noticed everybody shagging fly balls along the right field line, so we are looking forward to the game, and we are pleased that we will be out on time to enjoy that evening next Thursday.

Mr. Speaker, I have a comment or a question to raise to my friend, the gentleman from Pennsylvania. He mentioned late nights next week on Tuesday and Wednesday, I believe. How late is the gentleman anticipating that we might be those evenings?

Mr. WALKER. Mr. Speaker, if the gentleman will continue to yield, I would say to the gentleman that we are going to proceed under open rules on the appropriations bills. I think the Members could expect that it could go until 9, 10, or 11 o'clock on those two evenings.

Mr. BONIOR. I thank the gentleman for that information.

How about Friday? Are we certain to have votes on Friday, and if so, does the gentleman anticipate a certain specific bill coming up on Friday?

Mr. WALKER. We have a very full legislative calendar. If we could get through some of this expeditiously and complete the schedule, including not only the appropriations bill but the compensatory time bill and some of those, it is possible, this gentleman would love to think personally that it could take place that we would not have a session on Friday, but we would intend to complete the schedule, and I think now Members should plan on a Friday session being over by 2 o'clock.

Mr. BONIOR. Mr. Speaker, we were all very disappointed to see that virtually all of the items on reform week were pulled from the schedule this week. We hate for all of these reform measures to die in this Congress. Is the gentleman sure we are going to deal with campaign reform next week?

Mr. WALKER. That is certainly our intention. We believe it will be up on Wednesday if the time for the appropriation bills allows that. If not, it would probably come on Thursday.

Mr. BONIOR. Finally, Mr. Speaker, let me just say to my friend, the gentleman from Pennsylvania, and to others on the other side of the aisle who may want to comment on this, Members on this side of the aisle and the public in general have been reading conflicting reports from the Republican leadership about the continuing resolution and a possible early adjournment date in this Congress.

On the one hand we are hearing that. On the other hand, the chairman of the Committee on Rules, the gentleman from New York [Mr. SOLOMON], has said that we have more than 85 more bills to finish before we adjourn in this Congress.

We have so much unfinished business, including all the appropriations bills, the health care reform bill, the minimum wage bill, the welfare reform bill that we passed today that has to be processed, and so many others, we are on our side very concerned that it appears that Congress will fail to pass the regular appropriation bills again this year, and that we may have to consider another continuing resolution.

Can the gentleman advise us over here what the possibilities are of another CR, and when in fact that might happen?

Mr. WALKER. We will complete our appropriation bills in the House next week. Of course, we cannot predict what the gridlock in the Senate may produce in terms of bills reported from there, but it is certainly our intention to complete as many of the appropriation bills as possible, if not all of them, before the House adjourns.

The gentleman is correct that this House does have much other business to be done, and it seems to me that we are going to want to complete our work before settling on an adjournment date.

Mr. BONIOR. That is good to hear. I thank my colleague for his comments. We will look forward to finishing our business before we leave this Congress.

ADJOURNMENT TO MONDAY, JULY 22, 1996

Mr. WALKER. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10:30 a.m. on Monday next for morning hour debates.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. WALKER. Mr. Speaker, I ask unanimous consent that business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

APPOINTMENT AS MEMBERS OF ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE

The SPEAKER pro tempore. Without objection, and pursuant to the provisions of section 491 of the Higher Education Act, as amended by section 407 of Public Law 99-498, the Chair announces the Speaker's appointment of the following Members to the Advisory Committee on Student Financial Assistance on the part of the House: Mr. Thomas E. Dillon of California and Mr. William A. Irwin of Pennsylvania.

There was no objection.

□ 1645

MODIFICATION IN APPOINTMENT OF CONFEREES ON H.R. 3230, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The SPEAKER pro tempore (Mr. BARTON of Texas). Pursuant to clause 6 of rule X without objection, the Chair announces the following modification to the conference appointment to the bill H.R. 3230: Delete section 724 of the Senate amendment from the panel appointed from the Committee on Commerce.

The panel from the Committee on Commerce, consisting of Messrs. BLILEY, OXLEY, and DINGELL, is also appointed for the consideration of section 3174 of the Senate amendment, and modifications committed to conference.

The panel from the Committee on Science is also appointed for the consideration of section 1044 of the Senate amendment, and modifications committed to conference.

There was no objection.

The SPEAKER pro tempore. The Clerk will notify the Senate of the change in conferees.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

WELFARE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from West Virginia [Mr. WISE] is recognized for 5 minutes.

Mr. WISE. Mr. Speaker, I want to talk about welfare reform, because the action today taken by the House I think is very significant. In both bills that were debated today there were common elements.

Both bills created a single welfare block grant, a cash block grant, to replace the traditional AFDC, aid to families with dependent children program. Both bills limited the spending for the block grant at $16.4 billion for this next fiscal year. Those bills created a $2 billion contingency fund for States to use to meet their needs in time of recession. Both bills require work of welfare recipients, and both bills have a cutoff from welfare after 5 years.

So what is the difference between the Republican leadership bill and the bill that I supported, the bipartisan Republican and Democrat compromise, the Castle-Tanner bill? The difference in the bills is very, very important.

I supported a bill that requires work for all welfare recipients. I supported a bill that would limit the spending for welfare. I supported a bill that provides help to States in times of recession. I supported a bill that was better for kids but strict on their parents. And I supported a bill that met the Republican budget requirements to cut $53 billion from the existing welfare program.

While the Republican bill and the bill that I supported both had common elements of work, of limitation of spending, of assisting States in time of recession, there are some important differences in these bills, because the Republican bill requires work but does not provide the resources. Indeed, the CBO estimated that many States would not be able to comply with the work requirements. That becomes very important in a State like West Virginia with rural areas with high unemployment, where we want people to work but if we cannot provide the jobs for them, they are not able to work.

I also supported a bill that says that after they cut somebody off—because the bill that I supported has a lifetime period, they can only collect welfare benefits during their entire lifetime for no more than 5 years—the bill that I supported, though, would still say that the children in those families could receive vouchers for their most important needs: diapers, for instance, nutritional supplements, those kinds of things. The Republican bill would not do that, would not permit the Federal funds to pay for that.

The bill that I supported had help during a recession far more than the Republican bill, so that if this country goes into a recession and they have their caseload pickup, they are able to deal with it.

Also, the Republican bill had an unfunded mandate estimated to be as high as $12 billion. That is saying to States, "This is what we want you to do but we're not providing the resources." The bill that I supported put in resources for work, put in resources for job training, put in the resources necessary for child care.

In West Virginia there are almost 37,000 families presently receiving aid to families with dependent children, the monthly check. There are 115,000 people receiving food stamps who are on public assistance. There are another some 190,000 that are not on public assistance but receiving food stamps, for a total of 308,000 out of about 1.8 million.

The fact is that in the Republican bill there were not adequate resources for the work requirement that everybody agrees ought to be in there. And for a rural area with high unemployment, requiring work but not supplying the resources so that people can work I think is not fair.

There were no vouchers in the Republican bill. That means that when a family that has been on welfare for as long as 5 years, and that is the cutoff period, when that family has been on welfare for 5 years, there is no assistance for the children afterward and there is no help in a recession.

Mr. Speaker, I supported a bill that very simply says that they have to work, requires work for welfare recipients. I supported the bill that says that they receive benefits for no more than 5 years, and after that they are cut off. I supported a bill that provides help to States in recession. I supported that bill that is better for kids, because it says that yes, they can continue to get vouchers even after their parents may have been cut off. And I supported a bill that meets the Republicans' own budget requirements that we cut $53 billion out of welfare.

All of this was done in our bill. The only difference is, in our bipartisan compromise bill we were much kinder on kids, we were stricter on parents, we were tougher on requiring work. We actually put the resources in there. We saved the same amount of money that the Republicans said they wanted to save, but we did it in such a way that we were not being unnecessarily mean.

I think that people want reform in welfare, I think that they want people to be working whenever possible, but I do not think they want this to be a war on children, either. So I hope that those issues come back to this House and we have another chance to vote again another day.

TWA FLIGHT 800

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, today has been clearly a day that will cause many of us to reflect, one, on the goodness of America, but as well the sadness of some of what has occurred today.

Let me first of all start my remarks by acknowledging the tragic loss of life of TWA Flight 800, gratified of certainly the astounding and outstanding search-and-rescue effort of the Coast Guard and others and as well recognizing the many individuals that will be needed to be able to determine the cause of this great tragedy.

I know personally that the people of Houston, the State of Texas and this Nation will be saddened by one who was a member of our community, Pam Lynchner, a co-founder of the victims' rights organization, Criminal Justice Reform. She and her 10-year-old daughter Shannon and her 8-year-old daughter Katie were on this flight. Many times we have seen such tragedies occur in America. I can only be grateful to God that Americans will always rise to the goodness of what we represent. We will join in and embrace each other. We will give comfort to those who have lost loved ones, and we will seek information and determine to find justice without a punitive, despotic and dictatorial type of government. I am grateful for that.

I can only hope to that we will find a solution to the pain that has been given to these family members.

I would offer to say that we should not stop until we determine the cause. We should not prejudge, but if in any way this matter has criminal and terrorist overtones, we must move swiftly. We must also respond with the appropriate government agencies that must ensure the future safety of Americans.

I started with that, because as we proceeded today on the House floor, I knew many of my fellow colleagues were overwhelmed with this morning's news, and I simply wanted to say to Americans, I wanted to thank them for the kind of people that they are when tragedy strikes, when people are in need. And to the family of Pam Lynchner, let me simply say that we hope to have remembered by you the fact that Pam did serve this Nation and, in fact, was someone who cared about others.

Mr. Speaker, as the specter of the tragedy of the crash of TWA flight 800 settles over us, I want to extend my deepest sympathies to the surviving families and friends of the 229 passengers who were on board the flight. We empathize with your loss and will grieve as a Nation for your loved ones who have perished.

State and Federal officials, including the National Transportation Safety Board and the FBI are now on the scene and as speculative scenarios are flying everywhere, let's let cooler heads prevail. As a former member of the Houston Aviation Committee, I have learned that the experts will tell us soon enough how this mishap occurred. Experience has taught us that premature judgments can often be wrong. However, as a member of the House Judiciary Committee. I will certainly monitor this situation closely.

The people of Houston, the State of Texas, and this Nation has lost one of our most dedicated citizens in the crash. Pam Lynchner was the cofounder of the victim's rights organization, Criminal Justice Reform. She and her 10-year-old daughter Shannon and her 8-year-old daughter Katie were on their way to Paris. Shannon had drawn a copy of a painting by the famous French artist Claude Monet and they had planned to see the original together in Paris. Pam was not only a devoted mother but was a tireless advocate and worker for the victims of crime. She would come to the aid of whomever called her—day or night. She was an inspiration for us all and our condolences go out to her husband Joe.

I call on people of good will and members of the community to remember Pam in their prayers. She will not be soon forgotten.

WELFARE REFORM

Mr. Speaker, this day was historic in the U.S. Congress, for in fact we, too, as Members of Congress were responsible for changing the course of history. I am gratified in this debate on welfare reform again that Americans who cared about people rose up and supported legislation of which I supported, the Tanner-Castle welfare reform bill that in fact will do the job, the job that the legislation by the Republican majority that passed will not do, and, that is, of course to ensure that there is a bridge for those who have joined together to change this welfare system so that we do not create a scenario where people remain on welfare against their will; for the constituents in the 18th district in Texas have always told me, we want to work, we want our children to be proud of us, but we must have work, we must have child care, we must have health care.

The Tanner-Castle bill requires States to provide vouchers for the needs of the child, for families that are eventually cut off. That means it cares about children. I cannot imagine that in this debate it could get so ruckus that those who were listening would not understand that sometimes you have to stand up for what is right. You have got to understand that you will provide unfunded mandates to local communities when you cut off Medicaid, health care, for those who do not have any other resources. You will increase childhood diseases if you diminish the opportunities for those who are indigent to have immunization and to have health care. At the same time, many people are casting accusations against immigrants. We are all a country of immigrants. Some of us came here in the bottom of a belly of a slave boat.

I heard one of my colleagues compare welfare recipients to slaves. I might venture to say that no one can compare what happened in slavery to anyone's status now. But I do know that Americans want welfare reform that is caring and responsible and responds to people in need but provides them with an opportunity, not a hand-out but a bridge to independence.

□ 1700

UNDEREMPLOYMENT THE REAL PROBLEM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. DUNCAN] is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, like the previous speaker, I would first like to start by expressing my very great sympathy for all of those who lost loved ones in this terrible explosion and crash of the TWA Flight 800. As chairman of the House Subcommittee on Aviation, I can assure the previous speaker and all the Members of this body that we will be doing everything possible to look into this terrible tragedy and to take every step possible to make our aviation system and airport security the very highest priority in this country and do all that we possibly can to solve this horrible situation that has occurred.

The U.S. aviation system is by far the safest in the world. We have had approximately 12,900 deaths in all U.S. aviation accidents combined since the Wright Brothers flight in 1903. Unfortunately, that many Americans are killed every 4 months on the highways of this Nation. But our goal is to have no fatalities whatsoever, and certainly we are going to be doing everything we possibly can to achieve that goal.

Mr. Speaker, I previously requested this time to talk about another subject.

I have previously mentioned on this floor my great concern about certain trends I see in regard to our economy and employment in this country.

We had a trade deficit that cost us 3 million jobs last year alone, and that trade deficit is continuing at a rate of several billion dollars each month.

Leading economists tell us that we lose, conservatively, 20,000 jobs per billion.

We have had at least 1½ million jobs lost due to corporate downsizing in the last 3 years.

One recent report on the network news said that unlike the eighties, people who lost their jobs in the nineties were having to take replacement jobs at much lower pay and after being out of work for a much longer period between jobs.

We have several million college graduates who cannot find work in the fields for which they trained, with huge surpluses of lawyers, teachers, and now even doctors with the possible exception of in very rural areas.

There is certainly nothing wrong with working as a waiter or waitress, but we are now ending up with the best educated waiters and waitresses in the world.

Our unemployment problem is relatively low, but our underemployment problem is terrible.

It is really sad when parents and grandparents bring their college graduate children and grandchildren to me because they can't find good jobs.

And then we have many thousands of young people who have incurred large debts to gain these degrees, and oftentimes these are debts they are going to be unable to repay or at least have great difficulty in doing so.

Robert Sammuelson, the columnist for Newsweek and the Washington Post, wrote a few days ago concerning our $34 billion in Federal student grants and subsidized loans: "Arguably the easy availability of so much Government money is one reason that college costs and tuition have skyrocketed."

In other words, it is entirely possible that the main reason college costs have gone up so much and so fast in recent years is because of the Federal Government.

These tuition rates have gone up far faster than the rate of inflation.

We should restructure the Federal Student Loan Program so that the most favorable loans go to the students at schools that are decreasing or at least holding down the great increases in college tuition.

We should not do something that might cause college costs to skyrocket even more.

Now, while I am usually for increasing tax deductions, Mr. Sammuelson voiced his concern that a new tax deduction for college costs might encourage further increases. "By making tuition more 'affordable' the proposed new tax deductions might encourage further increases in college cost and tuition."

It is a good thing to get a college degree, Mr. Speaker, but it is not much good to get one that is worthless on today's job market. Also it is not good to go head over heels in debt.

I am just urging both parents and students to be more careful, to look before they leap, so to speak.

Last week, the Osgood File, on CBS Radio—a very entertaining program, has a segment by Gil Gross, on this subject, in which he told about talking to a college dropout who said he just decided he didn't want to incur loan payments of $1,000 a month for as far as the eye could see.

Mr. Gross said:

> The college dropout rate has hit an all-time high. One reason seems to be many students are not prepared by high schools to succeed in college, but another reason seems to be the cost. A college education has become incredibly expensive. When you consider that some of this money is wasted on things such as communications degrees, something that was invented so you could become a local TV anchor without actually having to know when the War of 1812 began, this is pretty amazing. It seems add that colleges where bright people congregate to solve problems can't seem to tackle this one. With all the new-fangled tools they have such as the internet and CD-ROMs, you'd think they could package a college education for far less than they do.

I would like to place this Osgood File program in the RECORD at this point and urge my colleagues and everyone to do everything possible to hold down college fees and tuition and to urge young people to very carefully choose a field of study that has at least some decent prospects for a good future.

THE OSGOOD FILE JULY 12, 1996

I'm Gil Gross for the vacationing Charles Osgood on the CBS Radio Network.

The college dropout rate has hit an all-time high. One reason seems to be many students are not prepared by high schools to succeed in college, but another reason seems to be the cost. A college education has become incredibly expensive. When you consider that some of this money is wasted on things such as communications degrees, something that was invented so you could become a local TV anchor without actually having to know when the War of 1812 began, this is pretty amazing. It seems odd that colleges where bright people congregate to solve problems can't seem to tackle this one. With all the new-fangled tools they have such as the internet and CD-ROMS, you'd think they could package a college education for far less than they do. What will happen if a little bit of knowledge continues to be an expensive thing? The answer after this:

I was talking to a college dropout and was trying to convince him to go back because any chance he had for success depended on it. He was resolutely unconvinced.

You can't afford not to get a college degree, I said. College graduates make much more than high school grads. He was having none of it.

Do you know how much my 4 years of college would cost, he asked? About $100,000, and that doesn't even count four years of lost income. Yes, but 4 years of a low lost income, I said. And do you know how much debt, I'd be carrying, he asked? About $85,000, which means, he explained, I'd probably be paying almost a grand a month in loan payments as far as the eye can see, unless I'm in a field where I also need a graduate degree, a law degree or a medical degree in which case I have a decent chance of being out of debt when I'm 40, if I don't buy a house and if I don't have kids and if, saying I do have kids, the public schools are good enough that I don't have to consider private schools and then if the kids are bright enough to send them to college which will probably be $500,000 a year by then.

Your point is what, I asked, though I already guessed. My point is I can't afford to go to college and be successful. I'd be broke the rest of my life! And you're satisfied with being a meter reader, he said its wonderful work. It involves math and I get to see what everyone's basement looks like. You realize what you've given up, I asked. Success comes at just too high a price, he said. Besides, he said, without a great job I don't get the credit rating to get head over heels in debt. No, he decided, the one thing you can say about failure is it's affordable.

I looked at him, struggling to think of one more thing to say and then I did. Look, I said, ummm could I borrow five bucks from you 'til Monday? The Osgood file. I'm Gil Gross on the CBS Radio Network.

CAMPAIGN FINANCE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. FARR] is recognized for 5 minutes.

Mr. FARR of California. Mr. Speaker, I rise tonight to bring to the attention of this House that there is a war of words being waged in this House on the issue of campaign finance reform, and the No. 1 form of ammunition is the Dear Colleague letters that are going back and forth.

I know, because I have sent several of these missives myself, and also been the recipient of a couple of them.

I would like to call a truce, if only temporarily, and will include the Congressional Research Service Report No. 96–628 GOV for the RECORD. I do this, Mr. Speaker, so that all the Members and the public can see laid out in chart style on a side-by-side comparison of the Thomas-Gingrich campaign finance bill and the Farr campaign finance bill, along with the current law.

The CRS report is done in its usual nonpartisan, unbiased style, and I commend it to everyone for solid information on the two bills that will be up for a vote next week before this body.

Mr. Speaker, I include for the RECORD the report.

CRS REPORT FOR CONGRESS

CAMPAIGN FINANCE BILLS IN THE 104TH CONGRESS: SUMMARY AND COMPARISON OF MAJOR PROVISIONS OF H.R. 3760, H.R. 2566, AND H.R. 3505

This report summarizes and compares major provisions of three campaign finance reform bills offered in the House during the 104th Congress. It provides capsule summaries of those sections which address the central focus of the reform debate: regulating the flow of money in federal elections through adding, deleting, or adjusting limits on expenditures and funding sources. These bills also contain provisions to improve disclosure and enforcement of federal election law; these and most miscellaneous provisions are omitted from the comparison.

H.R. 3760, the Campaign Finance Reform Act of 1996, was introduced by Representative Bill Thomas on July 9, 1996 and ordered reported by the House Oversight Committee on July 11, 1996. It is co-sponsored by the House Republican leadership. It represents a significant departure from Democratic-sponsored bills which passed the House in recent Congresses, which sought a voluntary system of spending limits and cost-saving benefits (or public funding) to complying candidates. H.R. 3760 seeks to promote greater competition and more broadly-based funding by augmenting the role of political parties and local citizens in the financing of campaigns. It thus attempts to offset the role played by wealthy candidates and political action committees (PACs) in recent elections.

H.R. 2566, the Bipartisan Clean Congress Act of 1995, was introduced by Representatives Linda Smith, Martin Meehan, and Christopher Shays on October 31, 1995. This bill is based on recent House-passed bills which offered a system of voluntary spending limits in House elections, in exchange for certain benefits. It departs from previous bills in replacing public funding with cost-reduction benefits to participating candidates. A prohibition on PAC contributions and expenditures in federal elections is another prominent feature.

H.R. 3505, the American Political Reform Act, was introduced by Representative Sam Farr on May 22, 1996. Co-sponsored by the House Democratic leadership, it closely resembles the House-passed bill of the 103d Congress (H.R. 3). Like H.R. 2566, it features voluntary spending limits and cost-saving benefits. Unlike that bill, it offers an aggregate PAC receipts limit and lower PAC contribution limit, rather than a PAC ban in federal elections.

TABLE 1.—CAMPAIGN FINANCE LEGISLATION BEFORE THE 104TH CONGRESS: COMPARISON OF SELECTED PROVISIONS

Current law	H.R. 3760 (Thomas)	H.R. 2566 (Smith/Meehan/Shays)	H.R. 3505 (Farr)
LIMITATIONS ON SOURCES OF FUNDS			
In general—Indexing			
Limits set in 1974 and 1976 FECA Amendments, not indexed for inflation.	All limits indexed retroactively to 1977, based on CPI, as of 1997 and every 2 years thereafter (rounded to next lowest $500 increment)[1].	No provision	No provision.
Political Action Committees			
To candidates			
Limit for multicandidate committee (which most PACs are) is $5,000 per election; no limit on PAC receipts by candidates.	Abolishes multicandidate committee status; PAC limit=individual limit: $2,500[1] per election.	Bans PAC contributions & expenditures in federal elections (If unconstitutional: lowers limit to $1,000 per election; sets an aggregate limit on PAC receipts by candidates of 25% of spending limit ($150,000).	Lowers limit to $8,000 per election cycle; Aggregate PAC receipts limit of 33⅓% of spending limit ($200,000), plus $100,000 if runoff, plus $66,600 if close primary.
To parties			
$5,000 per year to a state committee (and its local affiliates); $15,000 per year to a national committee.	$43,500[1] per year to a state or national committee (same as for individual).	No provision	$15,000 per year to any state committee (incl. Grassroots Fund); $25,000 per year to a national committee.
Leadership PACs			
Permitted as any other PAC	Prohibited after 2 year phase-out (by end of 1998 election); bans joint fundraising committees.	Prohibited upon enactment, with 1 year phase-out	Prohibited upon enactment, with 2 year phase-out.
Individuals			
Aggregate limit on all federal contributions			
$25,000 per year	$73,000[1] per year (contributions to any party committee exempted).	No provision	$100,000 per election cycle, with up to $25,000 per year to candidates and $20,000 per year to state parties.
To candidates			
$1,000 per election	$2,500[1] per election (limits lifted for candidate whose opponent spends more than $150,000 in primary or general.	Under voluntary system: $2,000 to participating candidate if opponent exceeds spending limits.	No provision.
To PAC's			
$5,000 per year	$2,500[1] per year	No provision	No provision.
To parties			
$5,000 per year to a state committee (and local affiliates); $20,000 per year to a national committee.	$58,500[1] per year to a state or national committee (exempt from aggregate annual limit).	No provision	$20,000 per year to a state committee (including its Grassroots Fund).
Parties			
To candidates			
$5,000 per election from a state committee (including local affiliates or a national committee.	$14,500[1] per election from a state or national committee. Party committees may exceed limits to offset (and match): incumbents' carryover from previous cycle; general election opponents whose personal spending exceeds individual contribution limit.	No provision	$5,000 aggregate limit on all contributions from state and local committees of same political party.
National and state committees subject to limits (under 2 U.S.C. 441a(d)) on coordinated expenditures on behalf of general election candidates.	Exempts from limits costs of party communications with members (contributors, voters registered with party, voters in recent party primary, self-identified partisans).	No provision	No provision.
To PACs			
$5,000 per year	$14,500[1] per year	No provision	No provision.

TABLE 1.—CAMPAIGN FINANCE LEGISLATION BEFORE THE 104TH CONGRESS: COMPARISON OF SELECTED PROVISIONS—Continued

Current law	H.R. 3760 (Thomas)	H.R. 2566 (Smith/Meehan/Shays)	H.R. 3505 (Farr)
Candidates			
No limits on contributions or loans to own campaign	Spending above individual contribution limit in general election triggers lifting of limit on party contributions (as match) to opponent. Spending above $150,000 in primary or general triggers lifting of individual and in-district limits for opponent.	Under voluntary system: limited to $60,000 per cycle; if candidate exceeds limit, triggers lifting of spending and large donor limits, and doubled contribution limit for participating opponents.	Under voluntary system: limited to $50,000 per cycle; if candidate exceeds limit, triggers increased spending limit for participating opponents.
In-state and district receipts			
No geographical restriction on campaign receipts	House candidates must raise at least 50% of funds from individual residents of district.	House candidates must raise at least 60% of funds from individual residents of state; for eligibility threshold in voluntary system, 50% of required amount from in-state must come from in-district.	No provision.
Large donor receipts			
No restrictions on campaign receipts	No provision	House candidates can accept up to 25% of voluntary spending limit ($150,000) in individual donations in excess of $250.	House candidates can accept up to 33⅓% of spending limit ($200,000) in individual donations in excess of $200, plus $100,000 if runoff, plus $66,600 if close primary.
Lobbyists			
Subject to same contribution limits as any individual ($1,000 per candidate, per election).	No provision	Contributions from registered lobbyists reduced to $100 per candidate, per election.	No provision.
INDEPENDENT EXPENDITURES			
No limit on expenditures expressly advocating election or defeat of clearly identified candidates, if made without cooperation or consultation with any candidate.	Clarifies definition of independent expenditure, and adds definition of express advocacy.	Amends definition of independent expenditure to include express advocacy (broadly defined); enumerates activities and agents which would indicate collaboration (thus precluding independent expenditure).	Amends definition of independent expenditure to include express advocacy (broadly defined); enumerates activities and agents which would indicate collaboration (thus precluding independent expenditure).
BUNDLING			
No restriction on collecting donations to candidates by conduits or intermediaries; contribution counts against donor's limit.	Prohibits PACs and registered lobbyists from acting as conduit for contributions.	Counts contributions raised by conduit against conduit's contribution limit (as well as donor's), if conduit is a: PAC, party committee, or their employees and agents; union, corporation, registered lobbyist, or anyone acting in their behalf.	Counts contributions raised by conduit against conduit's contribution limit (as well as donor's), if conduit is a: connected PAC; party committee; union, corporation, or partnership; registered lobbyist; or any employee or agent acting in their behalf.
SOFT MONEY			
Party and Candidate Activity			
Only money raised in amounts and from sources permitted under federal law may be used in federal elections; FEC regulations contain formulae for allocating costs of "mixed" activities, which benefit both federal and nonfederal elections; allocation can be based on time and space of communication, ballot composition, funds expended, funds received, or fixed or minimum percentage.	Prohibits national party committees from using non-federal money for mixed activities (incl. registration, get-our-the-vote, and absentee ballot efforts. Party committees may use non-federal money for mixed candidate-specific activities, if allocated on time and space basis. Exempts party slate lists, volunteer mailings and phone banks, and collateral materials from contribution or expenditure definition, if allocated by ballot composition method.	Prohibits national party committees from raising, soliciting, or transferring soft money. Prohibits state and local party committees from spending soft money for mixed activities or for generic party activities and vote drives in a federal election year. Prohibits party committees from using soft money to raise funds. Prohibits federal candidates and officeholders from raising soft money.	Prohibits national party committees from raising, soliciting, or transferring soft money. Requires state activities in connection with federal activities to be funded with federal money through State Party Grassroots Funds. Prohibits use of soft money for any activity that significantly affects a federal election. Prohibits federal candidates and officeholders from raising soft money.
Tax-Exempt Activity			
No provision in FECA	No provision	Prohibits party committees from raising money for tax-exempt organizations. Prohibits federal candidates from establishing, maintaining, or controlling a tax-exempt organization which raises funds from the public. Prohibits federal candidates from raising money for a tax-exempt organization involved in get-out-the-vote and registration drives.	Prohibits federal candidates and officeholders from raising money for a tax-exempt organization which he or she establishes, maintains, or controls and which is substantially involved in voter registration or get-out-the-vote drives.
MISCELLANEOUS			
	Approval for payroll deduction Requires employees who make PAC contributions through payroll deduction to give authorization at least annually, with rights to withdraw approval at any time; employers must inform them of these rights at least annually.	Franking Bans unsolicited mass mailings in election year, until after general election.	
VOLUNTARY SPENDING LIMITS AND PUBLIC BENEFITS IN HOUSE ELECTIONS			
Limits on Campaign Expenditures			
No provision	No provision	$600,000 limit in 2 year cycle, plus $120,000 if runoff and $180,000 if close primary winner; $60,000 limit on candidate's personal funds; Limit raised (and individual contribution limit doubled) for participant if non-complying opponent exceeds certain limits; Limit raised to offset extent of independent expenditures against participant or for opponent, one in excess of $25,000 overall.	$600,000 limit in 2 year cycle, plus $200,000 if runoff and $200,000 if close primary winner; $50,000 limit on candidate's personal funds; Limit raised for participant if non-complying opponent exceeds certain limits; Limit raised to offset extent of independent expenditures, once over $5,000 total or $2,500 by one source; limit removed if $15,000 spent, which parties can match (beyond their contribution limits).
Fundraising Threshold for Eligibility			
No provision	No provision	$60,000 in individual contributions of $200 or less, at least 60% in-state, with half of in-state amount from in-district.	$60,000 in individual contributions of $200 or less.
Benefits for Participating Candidates			
No provision	No provision	Broadcast rate of 50% of lowest unit rate in last 30 days of primary and last 60 days in general election; 3 mailings per eligible voter at non-profit 3rd class bulk rate.	Broadcast rate of 50% of lowest unit rate in last 30 days of primary and last 60 days in general election; Unlimited mailings at non-profit 3rd class bulk rate.
Penalties for Non-Participating Candidates			
No provision	No provision	No provision	35% tax on receipts of candidates who exceed spending limits; Not eligible for lowest unit rate for broadcast time.

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[1] Dollar amounts with asterisks are estimated indexed values.

WELFARE REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. PALLONE] is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I listened to the debate over the so-called welfare reform legislation today, as well as last night, and I felt very strongly that the Republican leadership bill was not welfare reform, would not accomplish the goal of getting people off of welfare and working into productive jobs, into being productive members of society. I also was very concerned over the fact that it would take away many of the protections for children in this country.

It disturbed me to a great extent to listen to some of the statements that were being made on the Republican side of the aisle on the issue of welfare reform and what we need to do to get people back to work, one of the basic tenets of this Republican leadership bill, and I think that is how it differs a great deal from the Democrat or bipartisan Castle-Tanner substitute, which I supported, is that the Republican leadership bill essentially is money-driven. In other words, its major focus, if you will, is to try to save significant amounts of money that would theoretically help us balance the budget and reduce the Federal deficit.

In its drive to save money, it assumes that by cutting back on programs like food stamps and other types of assistance, that that will ultimately end the welfare system and get people to work and get people productive jobs.

Historically, if you look at successful welfare reforms that have been tried out in may States in this country, and the States really have been good laboratories to experiment with ways to produce welfare reform, in many cases it has actually cost the State more money, and the notion that somehow welfare reform will at least in the short run result in monetary savings is simply a false premise.

Think about it for a minute. If you are saying that the State is going to get people off welfare, oftentimes that involves job training, which costs money; oftentimes it requires day care, because most welfare recipients, at least those on AFDC, Aid to Families with Dependent Children, are mothers with dependent children.

So it costs money to provide day care. It costs money to provide job training or education. If often costs money to provide for health benefits so that there is health insurance coverage for children.

So where does the notion come that somehow we are going to save money for the deficit, at least in the short run, by providing for welfare reform? I think that is a basic tenet of this Republican bill that is false and is creating the problems that result in less protection and measures in this bill that actually hurt children.

If you look at the Republican bill, the largest share of the welfare bill's food stamp savings would come from across-the-board cuts in food stamp benefit programs. A lot of my Republican colleagues talked about how there were a lot of people on welfare who were fraudulent, or how they wanted to end benefits for people failing to comply with work requirements.

But actually if you look at this bill, only 2 percent of the food stamp savings in the bill, and the food stamps is the largest savings in the bill, only 2 percent of that food stamp savings come from provisions to reduce administrative costs, curbing fraud or ending benefits for people found to comply with work requirements.

Most of the savings is achieved by just slashing the amount of money that goes to food stamp programs. So even people who legitimately need the food stamps, because they are working in many cases, will actually suffer losses in their benefits under the food stamp program.

The other myth I think that was promulgated by the Republicans was this notion that, well, the welfare system is a failure because the poverty rate has climbed in the last few years under the existing welfare program. I guess the theory is that throwing money at the problem does not work.

Well, the reality is that the reason why more and more people are sinking into poverty in this country is because the safety net is being cut. In other words, the food stamps, the cash assistance, the housing assistance that many of the poor individuals that need this type of assistance receive, in real dollars has actually decreased over the last 5 or 10 years. So the reality is that more and more people are going into poverty because we are not providing sufficient funding for them to eke through an existence, to have a healthy life, to have proper housing, to have enough money to take care of their children.

So I honestly believe that the basic premise, if you will, of this Republican plan, which says that somehow we are going to be able to save money by making the kind of welfare reform that they propose, is a false premise, and one of the biggest problems with their bill.

DAY 9 OF MINIMUM WAGE HOSTAGE SITUATION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Connecticut [Ms. DELAURO] is recognized for 5 minutes.

Ms. DELAURO. Mr. Speaker, its is day 9 of the holding of the minimum wage increase hostage by Senate Republicans. They are keeping to their threat to stall the minimum wage until medical savings accounts [MSA] are added to health care reform. MSA's in exchange for the minimum wage—it's not right and it's not how we should govern in this Congress.

MSA's are a bad idea. Consumers Union—the people who publish Consumer Reports—has called MSA's a time bomb that will make health insurance less accessible and less affordable for many Americans. MSA's will make us take a step backward in our quest for health care coverage for the majority of Americans. The Republican leadership refuses to let MSA's die—a death they truly deserve—because they are a pay-off to an insurance company that also happens to be a big-time Republican donor.

This is an outrage and its despicable. Over 80 percent of the American people support a minimum wage increase. A minimum wage increase passed both the House and Senate by substantial margin. In fact, a Senate Republican aide told the New York Times that "Republicans don't believe in raising the minimum wage. We voted for it because it was killing us."

So they voted for it but they won't let it be enacted. Not until they get their pay-off for special interests.

Mr. Speaker, over 12 million Americans need a minimum wage increase. Over 12 million Americans are waiting for a minimum wage increase. Over 12 million Americans are counting on that minimum wage increase to put food on their tables, clothe their kids and maintain their standard of living. It is a shame that they have been waiting as long as they have.

But why should that surprise us? It seems like money talks in this Congress. If you contribute, you get your legislation. Just look at MSA's. Since minimum wage families can't afford to donate money to political campaigns they have to wait for the legislation that will help them.

A 90 cent increase is all we are asking for—90 cents. That's it. But the Republicans are firm in their opposition. They don't understand that 90 cents can go a long way. This extra pay may seem small but it translates into 7 months of groceries, 1 year of health care costs, 9 months of utility bills, or 4 months of housing.

In the State of Connecticut 87,158 hard working people earn between $4.25 and $5.14 an hour. Each one of those people would benefit by passing a minimum wage increase. But these hard-working Americans in Connecticut and their 12 million fellow Americans continue to wait for a boost in their wages because the Republican party continues to find new ways to block the increase.

A minimum wage worker makes about $8,500 a year. That's it. Two-thirds of these workers are adults and almost 60 percent are women. Over 40 percent are the sole breadwinners in their family. The Department of Health and Human Services estimates that the minimum wage increase could lift 300,000 families out of poverty including 100,000 children.

Day 9 of the Republicans hostile holding of the minimum wage hostage. Free the minimum wage and honor the work of over 12 million Americans and their families.

□ 1715

THE SCOURGE OF TERRORISM

The SPEAKER pro tempore (Mr. BARTON). Under the Speaker's announced policy of May 12, 1995, the gentleman from California [Mr. DORNAN] is recognized for 60 minutes as the designee of the majority leader.

Mr. DORNAN. Mr. Speaker, my colleagues, and anybody who watches the proceedings of this, the world's greatest legislative body, first among equals even with the distinguished U.S. Senate, because all money bills start here, all spending bills, and all tax bills start in this Chamber on the south side of this exquisite Capitol Building.

When people watch this floor, they expect promises to be kept. I made a promise the day before yesterday when I returned from the funeral of the highest ranking Navy ace in history, the Navy's ace of aces, Capt. David McCampbell. I said, because it was only a 5-minute special order, that I would read this beautiful eulogy from a fellow Medal of Honor winner, a fellow Medal of Honor winner to Captain McCampbell. Barney Barnum from a different war won his as a 24-year-old Marine company commander, actually a platoon leader who took over the company when his commander died in his arms. It was such a beautiful eulogy I said I would read it on the floor tonight.

I will read as much of it as I can, but the business at hand that requires some comment is yet what will turn out to be another terrorist horror.

Everybody is holding their fire and their analysis. It is all couched in careful terms because of the unfortunate jumping to the conclusion that the atrocity in Oklahoma City on Patriot's Day, April 19 a year ago, was a terrorist act, which it was. But they assumed no Americans would kill women and children and Army and Navy and Air Force recruiters and law enforcement officers and marshals and FBI agents. We assumed no American would perpetrate a terrorist act like that so that it had to be outside terrorists. Americans of Arab culture, of Middle Eastern background, and that can be Mennonite Christians from Lebanon, like my great friend, former late great Danny Thomas, family name was Jacobs. My brothers and I went to school with his children, Margie Thomas, later became a television star known as Marlo Thomas Margie Jacobs was known to us. But John Sununu, a Lebanese family, the great Governor of New Hampshire, great TV debater now.

All the way through all of the countries. Persian, people from Iran, who are Islamic in religious culture but not Arab in nationality. It was very unfair to every American who is Christian, Islamic, or even Jewish of Arab blood. People jump to the conclusion not incorrectly that Oklahoma City, the bomber of the Murrah Building was terrorism, it was, but they assumed it had to be outside evil terrorists, not evil Americans.

Also, the tragedy of ValuJet, my favorite airline at the time because it had lowered its prices and made jet travel so available to so many American families. It was growing so amazingly, up to 51 aircraft when that explosion tore it out of the sky, because people jumped to the conclusion that that might have been a terrorist bomb. And then we found out it was dangerous cargo, improperly loaded. We passed regulations. All the airlines are absolutely at a high state of alert for that not happening again.

All of that focuses in on this tragedy of TWA flight 800, where we do not have to jump to conclusion over what group or what heritage of any group was responsible for this. But all the vectors are coming together here that this was a catastrophic explosion; that in spite of the age of this big giant beautiful Boeing 747, it was over 25 years old, one of the oldest in the fleet, in spite of the fact there was a small difficulty with some part in Athens before it flew back to its home base there at JFK Airport there in New York, that it was on the ground for 3 hours.

I am convinced, until told otherwise, and I am in my 8th year in the Permanent Select Committee on Intelligence, that dogs are going over every aircraft that comes in from foreign airports and that it sat there for 3 hours and that the Los Angeles passengers, including, I am told, a constituent of mine that boarded this flight number changed equipment, that means aircraft, and got on this 747 only 3 hours on the ground from Athens. And off they go to be torn out of the sky by this catastrophic explosion.

We have not found, at least when I left the TV set in the Republican Cloakroom, we have not found the blackbox yet. It will be found. The water is manageable. Half-hour or more, it would have been out over the deep Atlantic. Another few minutes after that, it would have been off the Continental Shelf, and we would be dealing with the depths of the H.M.S. *Titanic*, 15,000 feet at the bottom of the sea. And then we might never have known.

As in the Air India 747, it was blown to bits off the southern coast of Ireland. We have never been able to trace that accident, including some others lost at sea. So we will be able to unravel the mystery of where the bomb was when it went off, how badly it tore the aircraft apart.

Obviously, the stewardesses were serving milk and soft drinks to those beautiful children from Pennsylvania, from that French class that must have been having the thrill of their life headed toward the City of Light across the North Atlantic. Not in weeks, a journey of weeks and months like all the European forbearers of the citizens of this Nation, but in just a matter of hours. The thrill of a lifetime, practicing their French.

I do not know whether my constituent is from Santa Ana, Garden Grove, Anaheim, CA, whether they live in the shadow of Disneyland, whether they are from 1 of 10 parts of other small cities that adjoin mine, Fountain Valley, Orange. I do not know where this person is from. I do not know whether it is a child going to visit a mom or a dad in Paris or whether they were with a parent or if it is just a parent or if it is a senior citizen taking maybe their last trip to Europe.

I leave this lectern tonight and call out to California to learn a name, a gender, an age of a constituent of mine that I might have met at a town hall meeting that maybe voted against me, for me, maybe wrote to me. We will look in my files to see if we ever helped them find a veterans check, a Social Security check. It will personalize this for me, as it will for 229 Congressmen. Now the children and the five teachers all are from one congressional district.

The gentleman from Pennsylvania [Mr. CLINGER] said he represented this city. It has a French name. Is that not ironc, Montoursville, and that will concentrate some constituents in one district. But there are probably going to be 200 Congressmen trying to call people and say how sorry they are that this has happened.

Now, obviously, with the Olympics beginning, with the beautiful torch ceremony bringing together some young athletes and some not so young, some in their 40's, from all over the world to celebrate, to begin the second century of these modern Olympic games, this throws a cloud over tomorrow night.

I went to the 1972 Olympics as the producer of my own television show, the Robert K. Dornan Show, in 1972. I was lucky enough to control 90 minutes live on Saturday night of television time in the second biggest market in the world. I assigned myself to go to Munich for the 1972 games and cover them.

The terrible tragedy of terrorists killing the Olympic athletes there, the Israeli coaches, weight lifters, athletes, and team members. I think it was 14 or more died, burned to death strapped in their helicopters with their hands tied behind their back. The three terrorists that survived the German sniper fire, they were released on another terrorist act holding people hostages. And although it was fictionalized partly in a movie titled Operation Jericho, it is my understanding, from visits in Israel, talking to their intelligence officers, that they hunted down every one of the surviving killers.

I think there were eight terrorists. The three that survived and were released by Germany, went to Libya, they hunted them all down. And in the Old Testament, an-eye-for-an-eye justice sent them to meet their God, our God, Allah is Yahweh is God. And Israel's correcting this injustice is probably what we should be doing in

Libya. PanAmerican, one of my favorite airlines, PanAmerican Airways, PAA, was destroyed by the terrorist bombers.

We know who they are. They are in Libya right now being protected by a warlord dictator, Mu'ammar Qadhafi. They, in Christmas week, a week before Christmas, killed not 229, 259 and 11 people on the ground in the quiet little Scottish village of Lockerbie, 270.

□ 1730

When a Russian fighter pilot shot down and killed my colleague, who had served with 6 years up to that point, Larry McDonald of Georgia, that plane took 12 minutes to slowly descend on fire with everybody putting on their life vests. Russians to this day have hidden their bodies that they recovered. And slowly, as they descend, 12 minutes is a long time, next time you are 12 minutes out on a flight to anywhere in this country, give your watch a hack and think how long 12 minutes is. That is a quarter in high school football, as I said on the floor.

There is Larry McDonald, doing his congressional duty, going over to celebrate the 30th year ending of the ceasefire in Korea, 1953 to 1983. Larry was murdered by Russian evil empire Soviet orders at that time.

It was still August 31, when we found out about it here in Washington. On the other side of the world, that side of the international dateline, his death is recorded as September 1. That was a 747, Korean 007, 268 people killed. So 268, 270, 229, three 747's and others around the world. How about the one that good intelligence precluded from happening, an Irish or a Middle Eastern terrorist has his Irish girlfriend pregnant with his child and her child and loads her up with a bomb and puts her on a 747 heading to Europe and fortunately that was thwarted and the plane was saved. The people were saved. She was saved to go on and have her child that its own father was going to murder. Been a few success cases we cannot even talk about, because we do not want to give away the modus operandi of how to preclude one of these tragedies from happening.

I think that it is time for the United States of America to revisit our standoff and our embargo of Italy which is, excuse me, of Libya, which is broken regularly by Italy, former colonial master of Libya, by Germany, by other European countries trading with Libya, ignoring our embargo on them until Mu'ammar Qadhafi turns over the assassins, the terrorists that destroyed an airline, that ripped the hearts out of hundreds of American families in Christmas week and that blew up Pan Am 103.

Is this going to be fatal to this other great airline, the other of our initial transcontinental, excuse me, trans- national airlines? TWA, Pan Am were the two greatest world intercontinental carriers of all through most of my life. One is gone, destroyed by this kind of terrorism. Now TWA, just starting to come out of Chapter 11, just starting to advertise and rebuild the morale of its flight attendant corps and certainly its pilot corps, without a word from this aircraft, it was so catastrophic, without people putting on their life vests like Korean 007 with the U.S. Congressman on board. That was 68 Americans on that flight. Without any warning, this giant aircraft, the drawing on the front page of the LA Times is terrifying. It says that shortly after takeoff, still skirting the south shore of Long Island, if that was not a safety procedure, they flew as the crow flies, following a great circle route that would take you right along the length of Long Island, and they would have fallen on some village that would have been the equivalent of Lockerbie, Scotland, burning to death people on the ground.

But putting together, the LA Times did, several eyewitnesses, it says, flame shoots from the plane like a flare. An eyewitness who did not see that, and I saw this with my own eyes late last night, he said he picked up the aircraft when it was in a steep descent and rotating, He thought it was an acrobatic aircraft. That is, given the curvature of the earth even at this time of night in summertime at around 8:40, an aircraft, an aircraft at 5,000 feet or more is still getting light that you are not getting on the ground. It even makes more, it makes it more like something up on a stage where it is highlighted. He thought it was an acrobatic plane turning.

Imagine the terror inside this airplane, but that is the very root word for terrorist. Then all of a sudden two explosions, and then smoke and flame just enveloped the airplane until some people thought, who looked up at that moment, that it was a fireworks display.

I have had two classified briefings today. I did not learn anything that citizens, Mr. Speaker, will not learn watching the networks tonight and watching C-SPAN, I mean CNN, all day long. I think we are going to have to revisit Libya, revisit with our NATO allies their disregard of our embargo of Libya and clean up the ugliness of Pan American Flight 103 and give those relatives who still call me, give them some peace and rest by bringing to justice, even if we have to run a covert operation, which is difficult, difficult as hell given the background of the person that sits in the White House, but we have to do something along Israeli lines to let every terrorist know what President Reagan said at the time and was unable to fulfill, and that is, you can hide but we will get you.

President Reagan did at least, after the terrorist bombings at the La Belle disco in Germany, April 5, 1986, he did unleash our F-111's from England. And by the way, I understand years later that France did cooperate but had plausible denial. They let our refueling tankers fly over France to refuel the F-111's.

I recall two Americans gave their lives, too young to have served in Vietnam, just 30 years of age, one 29, Paul Lawrence and Fernando Revesdominich. This crew that was shot exiting Libya, people say, was that a cowboy act of Reagan's? Did it work? That aggressive action of Ronald Reagan to bomb Benghazi and military facilities outside of Tripoli and, yes, Qadhafi himself with 1,000-pound bombs. That so rattled that warlord's brain that there were no terrorist acts out of Libya for about a decade. I would say that that direct action worked and maybe that is the kind of direct action we are going to have to take here.

Of course, they are not going to do anything leading up to the Olympic ceremonies tomorrow. I pray to God they will not, because they are patient, these terrorists. They strike and then they pull back, and then they completely change their modus operandi.

We were going over every aircraft coming into this country leading up to the Olympics, bringing the athletes with literally the old cliche, a fine-toothed comb, and dogs as well. So they changed their modus operandi and put maybe a catastrophic explosive device on a plane leaving the country.

It is so difficult to play defense and stay ahead of terrorists when they are on offense. The timing is all theirs. Occasionally they can opt to use suicide people. If someone would blow himself up twice in one week on Tel Aviv or Jerusalem buses, why would not someone be willing to die on the aircraft? And there goes the baggage underneath. That is very difficult to go through each piece of luggage. They slow down the pace of modern life. They do terrorize some of us. They cause some senior citizens to never fly again in their lives. And not even to enjoy their savings, to see this fascinating world of ours.

It is just incredible, but like the so-called war on narcotics that has never been a war under this President, evil is something that is with us perennially since the fall of Adam, and it is just our expertise on defense against theirs. But occasionally, offense is required. That is what we should do with Libya now, go back on the offense. And it gives a message to Syria, Iraq, and it gives a message to Iran, countries that maybe in a few years will again know what it is like to have freedom and free elections.

Mr. Speaker, I want to cut a little bit into my own time that I am going to dedicate to David McCampbell, Navy ace of aces, and discuss something that

I just put around in a dear colleague letter: Bosnia.

Bosnia, once more into the breach, Richard Holbrooke, the man who I met the first time in the lobby of the U.S. Embassy or the court yard showing some friends the bullet holes still in our U.S. Embassy from the liberation of Paris in August 1944. And I am standing in the courtyard, and here comes Richard Holbrooke, then working Asian affairs, not Balkan affairs. And I said to him, of course, he is 19 years younger. I took off my POW bracelet with Maj. David Hrdlicka's name on it, known prisoner in Laos, right up till the prisoner exchange a few years before that June 1977 date.

I said, you tell the Vietnamese, Richard, Mr. Assistant Secretary, that thousands of Americans, 13 million wore these bracelets. There are still hundreds of thousands wearing them. This year of 1977, you tell them that we know they are holding back live Americans and hundreds of records, psychologically torturing our families. OK, I will do it.

About 2 weeks later a brown envelope arrives in my office, Mr. Speaker, with my POW bracelet in it. And Richard Holbrooke says to me, sorry, never got a chance to bring that up with the Vietnamese. So I do not hold him in awe as a negotiator the way some people do. But I will give him this: He is working on his second million dollars as a Wall Street honcho. I do not know what exactly his title was. His friend, Warren Christopher, Secretary of State, says, you have got to come back and you have got to go back and talk to Milosevic, that we have to solve this problem of ousting Radavan Karazdic, who is a killer, a warlord, killer, Serbian genocide creator. And he does it.

So he is over there a few days ago. At stake are the elections in Bosnia, scheduled for September 14. That is the date in the courts that Holbrooke, before he left the State Department last spring as an assistant secretary for that area, actually, Ambassador Plenipotentiary, he is over there now telling Milosevic, who himself is a warlord and a nonelected person, certainly not in any free election up in Belgrade, he himself unleashed this genocide. He himself is not just an unindicted coconspirator but by the people that I respect, like Richard Goldstone, who is the immediate prior head of the war crimes trials in the Netherlands, he told me Milosevic is a war criminal. So here is Richard Holbrooke, civilian Wall Street, now temporarily seconded back to the State Department to sit down with Milosevic and say, look, 20,000 United States troops are in Bosnia. It is part of the 60,000 U.N. mission. We have another 20,000 spread all around naval ships, Hungary, other places I visited a few months ago on the same airplane that killed Ron Brown. The agreement forbids those indicted for war crimes such as Karazdic from holding office or even participating in the elections.

It also requires signatories, such as Milosevic, to turn such individuals over to the tribunal at The Hague without, of course, turning himself over. So Richard Holbrooke, chief U.S. architect of the accords, is back over there.

Holbrooke is quoted in news reports as saying he believes the Bosnian Serbs are defying the Dayton agreement. But there is nothing to be heard or discussed about possible consequences. Despite repeated violations of the accord, Clinton has certified that the conditions necessary for a free and fair election exist. Many observers, including my colleague in the Senate, WILLIAM COHEN, have warned that this new term IFOR 2, IFOR 2 is now going to be an open-ended, unlimited extension of our United States commitment to Bosnia.

Mr. Speaker, I did not have our Speaker, Mr. GINGRICH, in my corner or eight of his lieutenants, various Congressmen from different districts, but I came last winter within four votes. A shift of four votes and this House would have gone on record cutting off the money for Clinton to follow up his Somalia misadventure which killed 19 of our very best Rangers and Delta Force people. And Haiti, where we compromised our intelligence, put out bad intelligence and allowed a competing, wonderful female lawyer, Bertrand, to be shot down and killed in the street. This lady, because we were so screwed up in the way we were trying to cover for Aristide down there, that murders took place that we could have prevented. That is all being bottled up for the election.

Now, just what I predicted from this, from that microphone and lectern controlling the debate, that this was an open-ended engagement, that Clinton was not qualified to be the Commander in Chief of an operation like this and we should cut off the money. Here we are in the election. The election is 111 days from today. Mr. Perry, a nice man, said in front of my Committee on National Security that we would start pulling out troops in August.

□ 1745

That is in 2 weeks from now, and instead it is an open-ended commitment now with the IFOR force. The implementation force, IFOR, is now going to be IFOR–2 and they are going to stay. I found out when I went over there the second time that all these U.N. vehicles that they repainted khaki with the white paint underneath, they were all going to be repainted white, and it was going to go back to a U.N. operation anyway, with us paying a quarter or more of that bill.

Bob Novak, my pal, one of the best political pundits and writers in this last couple of decades in American life, he says: "Brace yourself. We are stuck in the Balkans just as I predicted."

So even my friend who I was honored to have lunch with Tuesday, Bob Dole, former great Senate leader, and we know that, God willing, he will be the nominee of my party on August 15, next month, he is having second thoughts about whether he should have not looked at it like backing up the troops on the ground with full support but should have looked at cutting off the money in the Senate, joining the Dornan effort over here and telling Clinton there is no money for this operation.

And by the way, the money is cutting into our operations and training from Haiti and from Bosnia, open-ended billing tearing apart the defense readiness of this country.

Now, Mr. Speaker, if the first part of my special order here was terrorism, and then Bosnia, this third of four parts is going to be on what it is like to be a Christian in a post-Christendom period of secular humanism and mockery of those who believe that Jesus Christ was the Son of God, our Savior who died for our sins.

I got this letter from one of the finest voices on radio in this country, a great child psychologist, educated man from a family of reverends, but not a minister himself, Dr. James Dobson, and listen to this newsletter, actually last week in June, from Jim Dobson. He says at the beginning of his family on the focus newsletter:

"Even if you are not accustomed to reading my letters, Dr. Dobson's focus on the family letters each month, I plead with you to read this one to the end. The words I have quoted here will inspire you and give you a new vision for this great land, the United States of America. More importantly, you will see that the road we are traveling as a nation was feared by our Founding Fathers, and their warnings must be heeded while there is time. God bless you, Jim Dobson, June 1996, dear friends."

Keep in mind what Billy Graham said May 2 in our beautiful secular cathedral, the nave of this building in our rotunda when we awarded him unanimously, both Houses, both parties, the Congressional Medal. Billy Graham said, "We are a Nation on the brink of self-destruction."

Follow up those terrifying words with the words of Jim Dobson quoting Justice Scalia:

"On April 9," that is Bataan Death March Day, remember, you veterans who love your country, bled for it and are great devotees of watching the proceedings on this House floor, even these special orders when the Chamber may be empty, and stupid writers like to point out why is BOB DORNAN or anybody speaking to an empty Chamber. One million three hundred thousand people are watching my image on television reading this letter from Jim Dobson to this friends:

On April 9, 1996, U.S. Supreme Court Justice Antonin Scalia delivered a historic address at the invitation of the Mississippi College School of Law, a Baptist school. No printed texts are available, and I could not get one from Mr. Justice Scalia's office, and his remarks were not recorded electronically; that is a tragedy. Excerpts of Justice Scalia's April 9 speech were reported in the news media the following day and continue to reverberate throughout the Nation, continue to reverberate months later. Indeed his speech generated a fire storm of criticism among indignant members of the liberal press. Just like Vice President Dan Quayle's controversial Murphy Brown speech in 1992, Justice Scalia had the audacity to be politically incorrect in the public square. Justice Scalia's address helped with the ridicule of Christians in the United States, and the fact that we have brought upon us Christians disdain in which their cherished beliefs are held by the culture elite.

I am going to read that sentence again; "His address at Mississippi College School of Law dealt with the ridicule of Christians in the United States and the disdain in which their cherished Christian beliefs are held by the cultural elite." That means the New York Times and many people at the networks. Perhaps—oh, and my pal Ted Turner saying that Christians were basically jerks. Remember that wonderful moment that he sort of apologized for, that he was quoting Jane Fonda at the time? So he was not too interested in really apologizing. Maybe one of these days Ted will apologize properly. The Christians are jerks, backwards, uneducated, and the Washington Post said something to that effect within weeks after that insult from Ted Turner.

Perhaps Scalia's comments on that day were motivated by cover stories, Easter Week stories in Time, Newsweek, and U.S. News and World Report, each questioning the historic validity of Jesus' resurrection.

Mr. Speaker, I read all three of those magazine. They really were offensive, particularly two of the three. Not surprisingly, those stories were run during or near Easter Week; that is in your face, when Christians were celebrating the risen Savior. Scalia's speech was reported in this manner. They at least let this much out.

Quote: Devout Christians are destined to be regarded as fools in modern society, Supreme Court Justice Antonin Scalia said Tuesday offering a rare glimpse of his private views. We are fools for Christ's sake, the conservative jurist said. We must pray for the courage to endure the scorn of the so-called sophisticated world. Scalia said intellectuals through history have rejected miracles and the Easter story. The wise do not investigate such silliness, he said sarcastically. They do not believe in the resurrection of the dead. Scalia said it is irrational. You must reject miracles. One can be sophisticated and believe in God. Reason and intellect are not to be laid aside where matters or religion are concerned.

He, Scalia, took note that, I learned this from him, that the word "cretin" or "fool" is derived from the French word for Christian. That probably came upright before the reign of terror and the bloodletting and murder of priests and nuns during the French Revolution and the destruction of all of the great church art and the smashing of every statue, even in beautiful Notre Dame in Paris.

Scalia continues: To be honest about it, that is the way of Christians taken by modern society. Six hundred fifty people were at Mississippi College School of Law. Surely those who adhere to all or most of these traditional Christian beliefs are to be regarded as simple-minded.

Another quote. To many Americans, Scalia added sarcastically, everything from the Easter morning to the Ascension had to be made up by the groveling enthusiasts, the disciples of Christ, as part of their plan to get themselves martyred.

Dr. Dobson goes back to his text. Only a few excerpts from Scalia's speech had been published to date, but they were enough to bring down the liberal roof. Prominent editorial writers, columnists, cultural elites were appalled at his audacity. They came after the justice with a vengeance, just as they knew they would and just as they regularly castigate another conservative justice, any of them, but notably Clarence Thomas.

Richard Cohen, reporter for the Washington Post, my debate partner sometimes on Cross Fire wrote: I am less enamored of Scalia than some of my colleagues. I think this Supreme Court Justice is a cheap-shot artist.

Cohen went on to talk about Scalia's foolishness and concluded by writing Scalia's remarks are joined. Whatever his intentions, he showed himself to be a man who misjudges the nature and the motives of those who insist on a constitutional law of church and State, pretending that is in the Constitution when it was merely in the letter of Thomas Jefferson in passing, and it has been misinterpreted and misquoted for two centuries.

It seems his mind is made up—this is Cohen on Scalia—on such matters, and anyone who thinks Scalia will give first amendment issues a fair and reasoned hearing is, it seems, proceeding in a way Scalia would appreciate solely on faith.

Elliot Mintzberg, legal director for the People for the American Way, found Scalia's words to be troubling because they so closely resemble those used by Christian political activists like Pat Buchanan. This is a disturbing view for a Supreme Court Justice to have.

Remember when people attacked Clarence Thomas, that his life had probably been ruined by the nuns because he thanked them for giving him a good education and did not bother to find out that he had never converted to Catholicism, was not a Catholic. He, just as a young black child, got a great education from nuns in his Southern State.

Jim Dobson just pours out his heart, 1 page, 2 page, 3 page, 4 page, and then he comes back to quoting more of how there is this built-in bias. Then he starts quoting some of the fathers of our country: John Adams, Thomas Jefferson, John Quincy Adams, Andrew Jackson. Let me come back to this Jefferson quote.

Jefferson, our third President and one of the principal Framers of the constitution and one of the three writers of the Declaration of Independence, the first among three equals, Benjamin Franklin, John Adams being the others, a man who revisionists tell us wanted a wall of separation to protect the Government from the people of faith, wrote the words that now appear in his memorial in Washington, and yes I have seen this, the beautiful Jefferson Memorial. Around the frieze inside it says: I swear upon the altar of God, eternal vigilance against every tyranny over the mind of man.

But it also says in there, Dobson quotes, can the liberties of a Nation be thought secure when we have removed their only firm basis, a conviction in the minds of the people that these liberties are a gift of God?

That bears rereading. Jefferson, Thomas Jefferson: Can the liberties of a Nation be thought secure when we have removed—today he would have said ripped from them their only firm basis for all these liberties, a conviction in the minds of the people that these liberties are a gift of God.

The year 1781, so it was written before the French fleet blocked the British and gave George Washington his victory at Yorktown on October 19 of that very year.

This is go good, and I do not have time. I wish that I had time to read it all. He comes up through Calvin Coolidge.

Franklin Roosevelt prayed this prayer on a national radio hookup on D-day. I read this on the House floor on the 50th anniversary of D-day: Almighty God, with thy blessing we shall prevail over the unholy forces of our enemy. Help us to conquer the apostles of greed and racial arrogance. Lead us to the saving of our country. Thy will be done, almighty God. Amen. The year 1944.

Meanwhile on every one of the 5,000-plus invasion ships over the public address systems General Eisenhower had ordered that the Lord's Prayer be read. Every single one of the attacking young men, many of them it was the last sunrise of their lives, that carried a small Bible with a red cover. I have a commemorative edition published on the 50th anniversary, with Roosevelt's beautiful speech in the frontispiece of that little Bible.

□ 1800

Harry Truman, 33d President, a man who said "You can't ever trust an adulterer," he was not known to be a deeply committed believer. Nevertheless, he understood the spiritual heritage of this Nation. He had absorbed it sort of by osmosis.

Truman said, "If men and nations would but live by the precepts of the ancient prophets and the teachings of Jesus' Sermon on the Mount, problems which now seem so difficult would soon disappear. That is a supreme opportunity for the church to continue to fulfill its mission on earth. The Protestant church, the Catholic Church, and the Jewish synagogue, bound together in the American unity of brotherhood," this is all 1946, Mr. Speaker, "must provide the shock forces to accomplish this moral and spiritual awakening. No other agency can do that. Unless it is done, we are headed for the disaster we would deserve. Oh, for an Isaiah or a St. Paul, to reawaken a sick world to its moral responsibilities;" Harry Truman, Capt. Harry, like my dad, Capt. Harry, artillery officer, World War I, French trenches.

Gerald Ford, Ronald Reagan, forgive me, Jerry for skipping over yours, but I am only going to read one more.

Ronald Reagan, 40th President, gave this in a speech: "The frustrating thing is that those who are attacking religion claim they are doing it in the name of tolerance, freedom, and openmindedness. Question: Isn't the real truth that they are intolerant of religion? They refuse to tolerate its importance in our lives."

Ronald Reagan, the year of his second victory, where he took every single State but Senator Mondale's, Vice President Mondale's own home State of Minnesota, because Ronald Reagan refused to campaign there. He only lost by a few hundred votes. He refused to campaign there, in Mondale's face, and discourteously take his own State away from him. So Ronald Reagan, a man of ultimate decency, was content to win the biggest State majority ever 49 States out of 50.

Mr. Speaker, I ask that Jim Dobson's whole newsletter be put in the RECORD.

Mr. Speaker, the other night I said that one of our cameras up in the gallery probably could not capture this picture closely enough. When I went home my wife had taped the picture, and it showed up, although it is a black and white picture, it showed up. I just have to tilt it a little more for flare, even though it is a fax picture, of Capt. David McCampbell.

THE NAVY ACE OF ACES GOES TO THAT BIG HANGER IN HEAVEN

There is Chester, his plane captain, the crew chief of his airplane. There are 34 Rising Sun Japanese warlord flags on his F-6F Hellcat beautiful R2800 that was also in the corsair, and lots of two-engine airplanes on the other side of the world bombing Nazi Germany, those evil enemies that Roosevelt had condemned.

What I love about it is that David McCampbell even then is 34 years of age. He was the commander of the air group, the CAG, way over the age of the young pilots like George Bush, who at that very time this photograph was taken was in between his two aircraft losses and halfway through Bush's 58 combat missions. He was 20 years of age. So here is someone 14 years older.

David McCampbell, I went to his funeral Tuesday, a beautiful, moving ceremony. He has passed away at 86 years of age on the 30th. Here is that incomparable eulogy given by a fellow Medal of Honor winner, Col. H.C. "Barney" Barnum, Company Commander, Vietnam. He did it in cryptic terms at first, beautifully laid out. He gave me his original text, and it looked like quatrains in a poem.

Medal of Honor recipient Barney Barnum says:

David McCampbell, Navy fighter pilot extraordinaire, superb combat leader—a true warrior, a patriotic American. He was to naval aviation what Gen. George Patton was to Army armor, Generals Chesty Puller, Howlin Mad Smith, and Lew Walt were to Marine Corps infantry—all true combat warriors.

My first recollection of Captain McCampbell as a newly decorated Vietnam veteran was at my first Medal of Honor Society convention. I recall his flashy clothes, the infamous cane, his flare for having a good time, but most of all, his willingness to sit and talk with the new guys, the Vietnam Medal of Honor veterans.

Accompanied by Col. Joseph McCarthy years ago, I visited Captain McCampbell in Lake Worth. That is Florida, I believe. I recall upon arrival he had to show us his new Cadillac he had just bought his wife, Buffy. We sat for hours in a room adorned with photos of Navy fighter aircraft, ships, photos, models of his famous F-6F Hellcat.

I recall vividly David's accounts of the decisions required in air combat, the excitement of combat flying. He always said he was never scared, but at times was apprehensive.

I want to add at this point, so people can enjoy this eulogy, I forgot to point out the other night that of those 34 aerial victories, Mr. Speaker, 9 were on one mission, one flight a little short of an hour and a half. He returned back on the carrier deck with less than 10 minutes of fuel. That is one bolter in a go-around to get it back on that deck, and only two physical 50-caliber bullets, two out of hundreds, left in his guns.

Imagine what a sharpshooter he was, and how he shepherded his ammunition, to be able to shoot down 9 bombers and so demoralize the formation of almost 40 aircraft that they turned around. He destroyed their mission. They dropped no bombs on his carrier battle group, the Essex group, and they left.

That is what another young Medal of Honor winner paid for later with his life, Butch O'Hare, that O'Hare airport in Chicago was named after. Butch shot down six on one mission and won the Medal of Honor. He shot down nine in one mission, and earlier that year of 1944, shot down six in one day. Nobody has ever equalled that feat, not even the three Army Air Corps aces still living with us; No. three, Gabreski; or the two that died in the South Pacific, Tommy McGuire, with 38 victories, or all-time American Ace of aces, young Dick Bong with 40. So think of those combat missions when you hear Barney Barnum's tribute.

He said, "I ask you not only to remember what a great American combat warrior he was, but think about the living example he set for his fellow aviators, the young pilots he led. The footprints he put in the sands of naval aviation were truly a path for those aviators who came after him to follow," including our own colleague, the gentleman from California, RANDALL CUNNINGHAM, "DUKE", his call sign and to his friends; a great congressman from San Diego, CA.

Those who knew David McCampbell will recall, I am sure, that he worked hard and he played hard. He truly did it all the way. He was born in Bessemer, AL, 86 years ago, attended prep school right down the road apiece from here in Virginia, at Stanton Military Academy, out there on highway 81. He had a year at Georgia Tech before his appointment to the U.S. Naval Academy, giving up his first year in college to make it a 5-year deal.

Many, many of the cadets I met up there at West Point a few weeks ago have a 5-year college course, because they go 1 year someplace else, making up for a C grade somewhere in high school, and then to start over as a freshman, to have that great military academy degree, and even more than that, the integrity, the duty, honor, country training.

He graduated in 1933, the year I was born, in the same class with Adm. John Duncan Bulkely, who I did a tribute to on this floor, the great Navy surface fleet and PT boat commander who took

MacArthur off Corregidor. I did not realize that, both of this class of 1933, so they were seasoned middle-field-grade naval officers in 1941 when their Nation put them to the test.

As a midshipman, David exhibited his true competitive spirit as an active baseball player, swimmer. He went on to become the 1931 AAU diving champion, mid-Atlantic States, while a midshipman, and subsequently Eastern intercollegiate diving champion in 1932.

Upon graduation June 1, 1933, due to congressional legislation limiting commissions in the U.S. Navy, the same kind of shut-everything-down thinking we are still fighting in this Chamber, Mr. Speaker, he was discharged from the Navy, the same as Admiral Bulkely, and commissioned an ensign in the U.S. Naval Reserve. He went inactive for 1 year before being recalled in 1934 and commissioned as an ensign in the regular Navy.

His first duty was aboard the U.S.S. *Portland* as aircraft gunnery officer with Scouting Squadron 11. They are all biplanes, of course. The aviation unit aboard the cruiser, and that is even more than a biplane, that is a float plane biplane. In 1937, he was detached from the *Portland* and reported to Pensacola for flight training and was designated a naval aviator in 1938.

Imagine this, it took him 9 years after he reported in to Annapolis. That is stick-to-itiveness. For the next 2 years he served with Fighter Squadron 4 above our very first carrier, the *Ranger*, until being transferred in 1940 to Norfolk. There were clouds of war on the horizon for duty with the Wasp Air Group.

I found out at the funeral he was on the Wasp when it was sunk in the Battle of the Solomon Islands in September 1942. They told me he was the LSO, the landing officer, bringing in all the planes coming back to be recovered, only to go down when the ship went down.

From November 1942 to August 1943, after returning from the Pacific, he had consecutive duty at Jacksonville, Melbourne, FL, dying to get back into the fight. I can feel his fighter pilot's heart jumping out through these words of Barney Barnum's.

Then he fitted out Squadron 15. He went on to command that squadron from 1943 to February 1944 and then assumed command of Air Group 15, which was later to be labeled Fabled 15, aboard the U.S.S. *Essex*, the Galloping Ghost, they called it. The Japanese claimed they sunk the *Essex* six times during the war and never got her.

In addition to all the responsibilities incumbent with being the CAG, commander of the Air Group, McCampbell became the Navy's highest scoring pilot, 34 enemy planes destroyed, the greatest number ever shot down by an American pilot during a single combat duty tour. It took McGuire and Dick Bong two tours to get to their totals of 40 and 38.

His phenomenal feat of destroying nine Japanese aircraft in one day is unequalled in the annals of combat aviation. We have one Army Air Force pilot who shot down seven in Europe; no, six, flying a reconnaissance Mustang. It did not even have a full load of ammunition because of the cameras. They called it, instead of P-51, they called them F-5's and F-6's, the P-38 and Mustang photo versions.

It was somewhere off the Philippine Islands, October 24, 1944, that McCampbell shot down those nine aircraft. In an interview later, David was quoted as saying, it was just me and my wing man. I stand corrected, Mr. Speaker, 60 incoming Japanese bombers and supporter fighters. I screamed for help over the radio like a wounded eagle, but there was not anyone to send.

The air director that day was John Connally, later Secretary of the Navy and Governor of Texas, wounded the day Kennedy was murdered, assassinated.

I asked him what I should do, and he said "Use your judgment." You don't think of getting out of there, because that is not what you are trained to do. So my best judgment was to attack, 2 against 60, and attack we did. He went on to say in combat: You just do not think much of anything but the enemy, shooting him down, because that is what we were trained to do. I had help, of course, my wing man.

And I am learning this along with you, Mr. Speaker, for the first time; shot down six planes that day. So he became an ace on this mission also; 15 airplanes between the two of them.

Colonel Barnum said, I have heard David say "I'm not a hero," but as I read his Medal of Honor citation, I know you will all agree with me that indeed he was truly a hero.

I will close on this, Mr. Speaker. His Medal of Honor citation: David McCampbell, son of Alabama, Annapolis graduate, rank and organization commander, U.S. Navy Air Group 15; place and date, first and second Battle of the Philippines Sea, the biggest naval battle ever, by the way, June 19, 1944. Entered service at Florida. Born January 16, 1910, Bessemer, AL. Citation for conspicuous gallantry and intrepidity at the risk of his life above and beyond the call of duty as Commander Air Group 15 during combat service against enemy Japanese aerial force in the first and second battles of the Philippine Sea.

An inspiring leader fighting boldly in the fact of terrific odds, Commander McCampbell led his fighter planes against a force of 60. The Medal of Honor has it up to 80, 80 Japanese carrier-based aircraft bearing down on our fleet on June, 1944. Striking fiercely in valiant defense of our service force, he personally destroyed this seven hostile planes, later upgraded to nine, during this single engagement in which the outnumbering attack forces was utterly routed and virtually annihilated.

During a major fleet engagement with the enemy, the next, October 24, Commander McCampbell assisted by but a single airplane, intercepted, and daringly attacked a formation of 60 hostile land-based craft approaching our forces. I see, they had it right. He takes on 90 and gets 6, he takes on 60 and gets 9.

Fighting desperately but with superb skill against such overwhelming air power, he shot down nine Japanese planes and completely disorganizing the enemy group, forced the remainder to abandon the attack before a single aircraft could reach the fleet. His great personal valor and indomitable spirit of aggression under extremely perilous combat conditions reflect the highest credit upon Commander McCampbell and the U.S. Navy.

☐ 1815

He is also credited with the destruction of 24 grounded airplanes and his air group, which became known as Fabled 15, was credited with the destruction of more enemy airplanes than any other Navy group in the Pacific war. That means in history.

It goes on to mention all the places that he fought, the Marianas, that was called the Turkey Shoot of Iwo Jima, bloody Palau, the Philippines, Formosa, and Nansei Shotos. He took part in the first battle of the Philippines. Over 400 enemy planes were destroyed in one battle. His remarkable exploits continued up to and including the Battle of Leyte Gulf.

It goes on to talk about the ships sunk, a Japanese battleship, 3 aircraft carriers, a heavy cruiser, additional ships, 3 more battleships, another carrier, 5 heavy cruisers, 4 light cruisers, 19 destroyers. They destroyed the navy.

And I remember George Bush's backseater Leo Nado. I said, "Leo, in 58 missions, how many times were you jumped by Japanese aircraft?" He said, "Congressman, Mr. Bush," he says "I still call him "Mr." because that is what he called ensigns and lieutenants," he said, "Mr. Bush and I never saw a Japanese airplane." I said "What, in 58 missions getting shot down twice?" He said, "No, our fighter pilots, those Hell Cat pilots," he is talking about McCampbell, and he gestured with his arm, Leo says, "They swept the skies clear in front of Mr. Bush and myself." Bush of course in his combat missions was hit with ground fire.

But we have buried another great hero at Arlington. He is in the new part of the cemetery, the plot where all the Vietnam veterans are.

Mr. Speaker, I will be a conferee on the Senate-House authorization bill conference this year. I was just talking to Speaker GINGRICH about it. I will be a conferee. I tell you that I will dedicate myself to a good authorization bill by thinking about people like Navy ace of aces David McCampbell.

REPORT FROM INDIANA—BENNIE MAJERS/RACHAEL GINDER

The SPEAKER pro tempore. (Mr. BARTON of Texas). Under a previous order of the House, the gentleman from Indiana [Mr. MCINTOSH] is recognized for 5 minutes.

Mr. McINTOSH. Mr. Speaker, I rise to give my weekly report from Indiana. There are special people in our society who reach out and lend a caring hand to all who are alone in the world. These individuals make our community a better place to live. Every weekend when Ruthie and I return home, we meet good people who are doing just that. I call them Hoosier heroes, Hoosier heroes because they are generous in their acts of love, because they sacrifice and serve as an example for the rest of us in our community.

Today I want to recognize Bennie Majers and Rachael Ginder, both of Madison County as Hoosier heroes. These two women shared their story with me during my visit with them over the Fourth of July break. I met with them because a good friend of mine, Judge Dennis Carroll had shared with me how much they had contributed as advocates for children in our community.

For over 16 years, Bennie Majers has been investigating the accidental deaths of children that turn out to be homicides. She is able to pursue most of these unthinkable cases because of her own life story. As an abused child, Bennie witnessed her own father murder her young brother. Bennie is known throughout Madison County and around the country because of her determination and hard work to uncover similar heinous crimes. She told me she does it in the memory of her young brother because she wants to make sure that other young people do not have that happen to them.

Her reputation as a victims advocate has earned her national appearances on the Oprah and the Geraldo shows. Certainly Bennie is one of those people who is helping out our community. She works with the sheriff's office in Madison County and develops profiles to indicate where a murder may have occurred of a young child. Her heart is filled with love and hope, and her impressive résumé is full of efforts to help children. Her commitment is indeed commendable.

The story of Rachael Ginder is also one of those that deserves mention and special recognition. Rachael and her husband Ron have provided foster care for nearly 150 children, many of whom are difficult and hard to place. Rachael shared with me that often those children have come back to them as adults and thanked Rachael and Ron for the love that they provided them and gave them a chance for a better life.

Many of the children that they have had are severely retarded, mentally handicapped. The doctors often say that some of the children have very few months of live or only days. But the Ginders have been willing to love them and to never give up hope on those children who enter their home. In their hearts, their thoughts and their prayers, they feel that it is their special gift to love these children, to give them a home where they can be nurtured.

One particular story involves a young girl named Melissa, who was born with no brain tissue, only a brainstem. The doctors gave her only a few days to live. She came to the Ginders when she was 15 months. They have adopted her as their own child, and now she is a young girl of 15 years who enjoys listening to music, the piano and the flute, and she continues to be a joy for all those in her house.

With the strength and hope in their hearts and God to guide them, the Ginders continue loving these children, like Melissa, unconditionally. The Ginders open up their hearts to these children, children who desperately need them, and they shower them with love. The Ginders seek to be more Christlike in their approach as they continue to give to those who are least fortunate in our society.

So today, Mr. Speaker, I would like to lift up Ron and Rachel Ginder and Betty Majers and her husband as Hoosier heroes in the true sense of the word. They have made sacrifices in their lives so that young people who are less fortunate than they were have a chance for hope and a better life in the future.

FAMILIES FINISH LAST IN GOP WELFARE REFORM BILL

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New York [Mr. OWENS] is recognized for 60 minutes as the designee of the minority leader.

Mr. OWENS. Mr. Speaker, today we passed the Republican majority's welfare reform bill, H.R. 3734. I think this triumph of the Republican majority again proves what we have said all along, that Democrats put families and children first, Republicans put families and children last. The Republicans are at least open and consistent, I appreciate their honesty. They are open and consistent in their extremism. As Speaker GINGRICH has said, politics is war without blood. The Republicans have declared war on families and children and they do not hide it. They have declared war on working people. They do not hide it. They are consistent. The American people will have a clear choice in November. There is no camouflaging of their intentions. The Republicans have done more than they said they would do but they clearly have laid out a pattern which shows that they are not for families, they are not for children. They use the rhetoric, they use the slogans, but the proof is in their actions. Today's welfare reform legislation certainly proves that.

I am all for welfare reform. I am in favor of reforming any program and any function of government, in fact. That is part of our vital function here, to keep the process of reform going. There is not a single government program or a single function of government that cannot stand improvement. The process of reform should be a permanent, ongoing process, and welfare certainly needed reforming. It did not need reforming because the poor people have ruined it because poor people do not administer anything. Poor people have no power. Poor people have no say in how we have administered any program, and certainly they have had no vital function here in the administration of the welfare program. If the welfare program needs reform and needed reform, and I think it did, it is because the people who are running it, including the policymakers in our Congress and our various State legislatures and city councils, it needed reform because we have not operated properly. Did it need such extremism as we have seen today, in today's Republican welfare reform bill?

It can best be described, I think, and I will read this little description from the Democratic whip notice. I think it describes it quite well and summarizes some of the problems quite well. The Welfare Budget Reconciliation for Fiscal Year 1997 is what the title of the bill is.

It creates a welfare block grant to replace the current Aid to Families with Dependent Children and three other related programs. The bill is tough on kids and weak on work. More than 1 million children will be pushed into poverty, and in 70 percent of these families, one of the parents is working. According to the Congressional Budget Office, the Republican bill provides $10 billion less than what States need to meet its work requirements. The bill has certain requirements for work but there is a need for funding for those requirements and they have $10 billion less than what is needed by the requirements of the bill according to the Congressional Budget Office. This bill makes it less likely that child support orders will be updated regularly. It actually weakens current law on deadbeat parents while increasing Federal costs. In addition, emergency funds for use during a recession are inadequate.

There was also an amendment to the bill which passed which Members ought to know about which limits the lifetime use of food stamps. There is a lifetime limit of 3 months for the use of food stamps. Individuals, families who have fallen into hard times for a brief period and need to eat, something as basic as food will be denied. You have got 3 months for your lifetime, regardless of your circumstances, the Federal Government will help you eat and stay alive for only 3 months. We do not say we have 3 months, or that there is a limit on the amount of earthquake assistance we give. If people live in zones where they have earthquakes, no matter how many earthquakes you have, the Federal Government will always rise to the occasion and there will be aid for people who suffer from disasters that are natural disasters, like earthquakes. No matter how many hurricanes or tornadoes come, there will be Federal aid for people who are in the path of a hurricane or tornadoes. There will be Federal aid for people who are in flood plain zones. Even if they have had floods there before and people know the danger, and they continue to build houses there, there is still Federal aid. There is no limit on the amount of Federal aid you can get.

Over the last 3 years, we have paid out quite a bit of Federal aid for natural disasters, earthquakes, floods, and hurricanes. But individual disasters, family disasters, which are economic and which will come, we all admit. We have a fluctuating economy, an economy which is constantly in motion, and there will be temporary losers. That is a certainty. But the temporary losers now will have a limit on how much you can get in food stamps. The most elementary and the least thing that the Federal Government can do for you is to give you an opportunity to eat. That is going to be limited. That is what this bill does.

I am not going to spend all my time talking just about this bill. I want to bring a commonsense perspective to the whole welfare debate. This great triumph of the Republican majority today which will certainly be repeated in the Senate, and we can expect this bill to go the President's desk. He has said he will veto it as it is, but the perspective that should have been brought to the discussion and the debate today, we could not bring it there because there was so little time to debate the bill.

I have had a lot of comments from people who watch these special orders, and there are a lot of good people out there who watch them. I am always surprised at the number of people who say that they do watch the special orders. They want to know why you are talking in an empty room.

□ 1830

Why bother to talk to an empty Chamber? Two things: They do not know for most of the time debate is going on and during the regular session, the Chamber is almost empty.

But more important than that, this is an institution, a special order institution, which allows us to bring some perspective to the debate, to talk in terms which will allow the American people to understand what is going on here. It is an opportunity for those of us who care about making commonsense decisions and making reasonable decisions with the best information that we can get.

We take advantage of this opportunity to give real information to people. We do not talk about the things that are really important in this country. We do not give the time we need to the life and death kinds of public policy decisionmaking.

People think that food, clothing, and shelter are the three necessities of life, and that is the way it is and that is the way it always has been. Well, food, clothing, and shelter are three basic necessities, but information to make informed decisions is as vital as food, clothing, and shelter.

In a democracy, the public policy decisions made will often determine whether you will get food, clothing, and shelter. Certainly nothing offers a better example of that than the bill that passed today, which deprives people who are in desperate circumstances of food stamps.

So I am here because this is an opportunity to help bring a perspective to the situation that I could not bring otherwise.

Why did I not talk during the debate? I talked during the debate for 2 minutes. I had to beg for 2 minutes. That is the best I could get. You can understand if there are 435 Members of the House, and seldom do 435 Members of the House all want to speak on the same subject, let us say 200 Members of the House want to speak, and they are given 1 minute apiece, that is 200 minutes.

I think we should have the 200 minutes. Maybe we should all get 5 minutes apiece. You need at least 5 minutes to make a decent statement. We cannot get 5 minutes apiece if 200 people want to speak on a subject.

In fact, you might be interested to know that on this very important topic of welfare reform, where we are making vital decisions about the entitlement to subsistence, this is a matter that was decided in the 1930's under Franklin Roosevelt and the New Deal, when the Social Security Act was passed. We gave people an entitlement to help when they are in desperate need. Families were given this entitlement.

The Aid to Families with Dependent Children is an entitlement which in essence says children in need must be helped and the Federal Government is going to stand behind you and guarantee that help. The States are obligated to make their contribution in this process.

So the entitlement is taken away by this legislation. Something as vital as an entitlement is gone. I am happy to report that the entitlement for Medicaid, which they are trying to steal also, the Republicans are quite honest, they do not pretend to care about families and children. They put families last. Democrats put families first. And they have not camouflaged their intentions. They wanted to take away the entitlement for Medicaid as well as take away the entitlement for Aid to Families with Dependent Children.

When we take away the entitlement for Aid to Families with Dependent Children, we begin to chop away at the substance and foundation for Medicaid, because if you are not deemed eligible for Aid to Families with Dependent Children—and the States have a block grant, they have a great deal of freedom and leeway in making the decisions about who actually gets designated as a person in need—then they will be able to lower their Medicaid bill by refusing to certify that people are eligible for AFDC.

The families are eligible for help. So we have already begun to chip away at Medicaid, which is the first and most important step this Nation has ever made toward universal health care.

So, as I say, we had 2 hours of debate allotted for this, 1 hour for the Republicans and 1 hour for the Democrats. Two hours allotted for debate, in a Chamber which has 435 people. So you can see how important this institution is of special orders. When 435 people are there, there is no time to actually give a discussion which makes sense.

I think we should allocate more time for debate on the floor. I do not know why we cannot spend more time in session. You might be interested to know that Roll Call, the newspaper here which is focused primarily on the coverage of activities in the Congress, Roll Call does periodically a little chart called Congress at Work, and they give the work load figures for the first half of the year.

Here is a comparison of Congress' effort so far this session against the same period in 1994. To compare the Senate and the House, they have the number of days that we have been in session, the House of Representatives, with 435 people who need time to deliberate and speak.

The House has been in session for 82 days this year, from January 3 to June 30, 82 days in session. The Senate with only 100 people has been in session for 90 days. The House, with 435 people who have to have time to deliberate and to debate, has spent 615 hours in session from January 3 to June 30 with its 435 members, while the Senate has spent 651 hours, more hours with only 100 members.

So just that little item tells you that something is very strange about the way we operate. Are we afraid of debate? Are we afraid of discussion in the

House? Why can there not be more time allotted on the floor for an issue as vital as life and death matters related to food stamps, related to children, aid to families with dependent children.

That is just what it says, it is aid to families with dependent children. No matter how many stereotypes we have thrown at us about welfare mothers, and there are excesses and abuse, it is primarily a program to help children. If they do not have children, they do not get AFDC. The money is really there for children.

We have taken away the entitlement, the Federal Government's participation guaranteeing that everybody will get it. We left it to the States and the localities to decide who gets it, who does not, and how much.

We have made a radical change. This is an extreme change. We could have had welfare reform without such extremism. We did not have to go to that extreme, but we have taken an extreme step, and we only had 2 hours of general debate on the floor.

There was another hour to debate a Democratic substitute, 30 minutes on one side and 30 minutes on the other. So you have these far-reaching public policy decisions which will mean life and death for numerous families, numerous individuals in the future. If not life and death, for many others it will mean a lot of suffering that cannot be relieved in some reasonable way. And all we had was 2 hours to debate. So we need an opportunity to set this thing in perspective.

I would like to put it in the context of other developments in this 104th Congress. Let us take a look at this great triumph of the Republican majority today. They passed a bill which is going to hurt families and children.

They put families and children last, as they have done from the very beginning. We had the same phenomenon in the fall when the school lunch programs were being discussed. They started with their attack on school lunches, and, to some degree, they relented because we exposed them. They started with their attach on education programs, title I. They wanted to cut it by $1.1 billion. Head Start they wanted to cut by $300,000. Many other education programs are wiped out completely, a total of more than $5 billion in cuts.

But we took that case to the American people, and the voters out there in their districts let every Member of Congress, regardless of their party, know that those education cuts were not acceptable. So they backed down and they did not cut it. But they did make the attempt in their war against families, in their war against children. They had to capitulate.

Even Hitler's Wehrmacht had to capitulate in a few cases in its early days. They thought they had victory after victory after victory, and when they invaded Russia, it looked as though they were going to march all the way to Moscow. But because of the resistance in certain pockets, they had to capitulate and yield. Finally you had the counterattack at the doors of Moscow, which sent them into a whole series of defeats and left them in the Russian winter.

But despite this capitulation temporarily on education, the are back again this year with more cuts on education. The war on children, the war on students, the war on education continues. They are not saying anymore, the Republican majority is not as extreme as they were when they started at the beginning this 104th session. If you recall at the beginning of the 104th session, the Republicans proposed to abolish the Department of Education, eliminate it, wipe it out, send a signal across the country that the Federal Government has no role in education.

Then there was the assault on workers. In the Contract With America, the Republicans never said that they were going to assault workers. They never said they were going to go after the Occupational Safety and Health Administration. OSHA was never attacked in the Contract With America. But the minute they gained power the attack on OSHA began, to wipe out the safety regulations and the agency responsible for the safety and health of workers all over the country.

The the attack on Davis-Bacon, which calls for prevailing wages to be paid on Federal construction programs underway in any neighborhood, any city across the country, to pay people what the local wages are. There is nothing unreasonable about Davis-Bacon, but they attacked Davis-Bacon.

They attacked the National Labor Relations Board, which is responsible for guaranteeing that there is a collective bargaining process and it moves along smoothly.

Finally, they have recently attacked the overtime pay you get. The Republican want your overtime pay. The Fair Labor Standards Act, they want to change in order to force people to accept compensatory time in private industry instead of a cash check. The Republican want your overtime. They have come for your overtime.

So they have been very consistent. The attack on families, the attack on children, has been very consistent. Republicans put families and children last, and they have not hidden that fact.

Who do they put first? Well, you have got evidence clearly in the budget. They have not attacked spending for defense. They increased that by $13 billion, at a time when they were determined to balance the budget and were making all of these cuts in education programs and school lunch programs, in Head Start.

They were making these cuts in the name of fiscal responsibility. They wanted to balance the budget in order to eliminate the possibility that we would continue to have a rising national debt. The pace of the national debt started by Ronald Reagan in a Republican administration, they wanted to end that.

We are all in favor of that. We do not want to continue to do what Ronald Reagan started. The deficit was about $60 billion in the last year of Jimmy Carter's administration. In the last year of Ronald Reagan's administration, it was up to $400 billion. That is the annual deficit. This means under Ronald Reagan all those years, the deficit kept increasing.

The national debt, of course, goes up as a result of each year's deficit. So we are all in favor of ending that. But do you have to attack children and do you have to attack families in order to end the increase in the national debt?

Why not cut the defense budget, or at least leave it as it is. Why add $13 billion to the defense budget, as we are doing in the present budget that recently passed? Why go after families in the name of cutting the budget, when you do not go after farm subsidy programs, farmers home loan mortgages?

Billions of dollars have gone down the drain in farmers home loan mortgages. Nobody bothers to collect them, it is just a gift. Billions of dollars have been given to the farmers, and nobody is out there trying to collect them anymore in the farmers home loan mortgage program.

Farm subsidy programs, paying farmers not to plant crops, not to plow up the soil, and various other little subsidy programs, have given farmers across the country a handout for years. We do not propose to cut those handouts drastically.

But Aid to Families with Dependent Children, which is about 1 percent of the total budget, has been under attack. There is a hysteria that has been generated about welfare and giving aid to families with dependent children. So we rushed into scapegoating, we rushed into persecuting the poor. Welfare reform was needed, but you did not need to persecute the poor. You did not need such extremism.

Let us look at this matter again in context. Welfare reform has been touted as a way to put the bums to work, take people off the dole and put people to work. That is a big lie, because most of the people on welfare are not able to go to work.

□ 1845

The whole theory behind Aid to Families with Dependent Children is you are giving the aid to the mother who is there to take care of the child. If you did not have a mother to take care of the child, you offer day care for those mothers who go to work while they still have young children. Well, you have to pay for the day care then. You offer job training. You have to pay for that.

The important thing is that the whole notion that people are out there on the dole and they are there because they do not want to go to work means that there are jobs out there and that they should use those jobs, or that they are able to go to work and it is cheaper for them to go to work. Leave the child with a day care program and we, the public, will pay for the day care program and go into a training program if you do not qualify for a job now. The public will pay for the training program.

And finally you get a job. The question is, Will there be jobs there when you go through the training program, make the arrangements for your child's day care? Will there be jobs? No, we do not have jobs in the places where we have the largest concentrations of people on aid to families with dependent children.

Let us assume we did have the jobs. If the Republicans cared about families, if they did not put families last, they would not be opposing the minimum wage. We would like for the jobs to pay enough for the mother to be able to go to work, put the child in a day care program an pay part of that, I guess, and be able to take care of the family.

I suppose if they do not have health benefits on the job, they have to pay for their health benefits. But in order for this to happen, they have to have something above the minimum wage pay.

The current minimum wage pay will give an individual about $8,400 a year if you work every hour of a 40-hour week of the year. Never lose time. Never lose pay. You work every hour for a 40-hour week every week of the year, and you come out with $8,400. That will not support a mother and child. That will not support a mother and child.

We propose a minimum wage which would help matters a little bit more, where an individual would be making, instead of the $4.25 an hour, which produces $8,400, an individual would be making $5.15 an hour, a 90-cent increase, which would be granted over a 2-year period. which does not improve things that much but it is one small step forward. You would be making a little more than $9,000 a year if you worked 40 hours a week every week of the year.

So minimum wage makes sense if you really are sincere about wanting to provide work opportunities for people who are on welfare. Minimum wage makes sense. Minimum wage coupled with health care makes even more sense. Really, we need to give that combination of the minimum wage plus a guarantee of health care in order to really make sense for families that are poor with children to take are of.

Aid to Families with Dependent Children makes a person automatically eligible. If the receive Aid to Families with Dependent Children, they are automatically eligible for Medicaid. If they are not receiving AFDC, they are not eligible for Medicaid anymore. They lose their health care benefits.

Are you going to get a minimum wage job that also has a health care benefit? Most of them do not have health care packages. Most minimum wage jobs are the ones that are rudimentary and not in a structure which would provide for a minimum wage plus a health care package. So many people find ways to stay on welfare just to hold on to their health care.

The Republicans have made it clear that they do not really believe in work because they are not willing to pay a minimum wage. They are not willing to reward work. Work at the very bottom at least deserves a minimum wage as a reward.

Now, the majority in this House finally capitulated to common sense. The people out there have a lot of common sense. If more of that could be communicated in a more intense form, we would have a great improvement of what happens here in Washington. But the problem is America's common sense does not come through often.

When it came to the minimum wage, people clearly understood that, if we care about people and care about work and if we want to promote the work ethic, then the guy on the street, the person on the street out there understood that the least we could do is raise the minimum wage from $4.25 an hour over a 2-year period to $5.15. That is a minimum. That is the least we could do. That is a tiny improvement, to go from $4.25 an hour to $5.15 an hour.

Most American workers are making more than that, but there are more than 10 million who are making minimum wage only. That number is growing, of course, as we move from more people into a service economy where minimum wage is more likely to take place.

So America's common sense was communicated up through the focus groups, up through the public opinion polls. It was so strong and so clear and so consistent that even a Republican Party that had sworn that it did not want to pass the minimum wage had to relent. So we passed a minimum wage bill here in the House after some people said it would never happen. Some Republican leaders said over their dead bodies would we even put the bill on the floor.

But America's common sense and pressure and communication of their common sense to the Members of Congress resulted in the passage of a minimum wage bill here on the floor of this House. And the Senate finally got around to it. They passed a minimum wage bill also.

But what is happening now? During the same period where we are waging war against families by reducing food stamps, by taking away the entitlement for Aid to Families With Dependent Children, the Republicans are holding the minimum wage bill hostage. It has passed the Senate and it has passed the House. They are determined it will not go unless we pay ransom for it.

Let me just read from the communications from our leader, DICK GEPHARDT. It is called Outrage of the Week. And I agree with the communications leaflet that comes from our Democrat leader's office:

> When you're losing the game, change the rules: Republican leaders ignore majority vote, put stranglehold on minimum wage.
>
> Republicans proved this week that they will go to any length to stop 12 million American workers from getting a modest raise in their wages.
>
> After the Senate voted overwhelmingly 74 to 24 to pass a bill increasing the minimum wage by 90 cents, one month after the House had approved a similar bill, Senate Republican whip DON NICKLES intervened to stop the bill dead in its tracks. NICKLES told reporters Tuesday that he wouldn't allow the minimum wage bill to proceed to the next legislative step until he got his way on a health insurance bill that's currently bogged down by Republican attempts to add a special perk for the Golden Rule Insurance Co.
>
> Said NICKLES: "My intention is to see that we don't have conferees appointed on the minimum wage bill until after we have conferees appointed to the health bill."
>
> Republican leaders made good on their threat Thursday, blocking the minimum wage bill from going to conference by trying to attach unacceptable strings like the controversial health bill."

Now, the health bill is one item on the agenda which has a lot of good pieces in there. Everybody is in favor of a health bill which allows you to move your portability of your health care package and plan from one place to another. The end to discrimination on people with preexisting health conditions.

There are a number of good things in there. But in that health bill, when they talk about a perk for the Golden Rule Insurance Co., they are talking about the medical savings accounts, medical savings accounts which will allow certain healthy people to opt out of the Medicare system as it is now and receive a reward for being healthy.

That is good, receiving a reward for being healthy. But the whole principle of the Medicare insurance is based on a pool of people being there. If we take the people out of the pool that are the healthiest and leave only the sickest people, it means that the pool is going to be paying money to take care of the sickest people and the pool is not supported by the insurance premiums paid by the people who are healthiest. The whole principle of the insurance pool collapses.

If we would allow that in other insurance situations, we would find insurance companies would go out of business. But we are going to destroy Medicare. The same people who said they want to save it will destroy it by placing this special item in there, and that is one insurance company which specializes in medical savings accounts. That is Golden Rule Insurance Co.

So Senator NICKLES wants to hold the minimum wage bill hostage because he wants to make room for the Golden Rule Insurance Co. to capitalize on a provision to have medical savings accounts.

> Why is Senator NICKLES so determined to sink this minimum wage bill?

I am continuing to read from the Democratic leader's communication.

> Why is Senator NICKLES so determined to sink this minimum wage bill? Here's a countdown of the three key reasons:
>
> He's mad because he lost a key vote on the Republican amendment to gut the minimum wage bill, by denying the increase to millions of otherwise eligible workers. A similar amendment had also been defeated in the House in May.

What Senator NICKLES had proposed is the elimination of small businesses. A large number of small businesses would be eliminated. And that is where we have millions of the people who earn a minimum wage, no higher than minimum wage. They are working in small businesses. He wanted to eliminate the requirement that small businesses pay minimum wages and trap all of these people in a situation where they would not be covered by the minimum wage. He lost that vote in the Senate.

Another reason that Senator NICKLES is upset is, Republicans don't believe in the minimum wage. They just do not believe in it. As I said before, they do not hide their feelings. They do not hide their policies.

They have been quite clear to the American people that they are against families and children, they are against poor people, and they are against working people. They do not hide it. They started the year by saying we do not want the minimum wage, and some people said over my dead body will we even put the minimum wage bill on the floor.

So the Republicans do not believe, as the Republican Senate aide said to the New York Times on Tuesday, "Republicans don't believe in raising the minimum wage. We voted for it because it was killing us."

As I said before, common sense was killing the Republicans, common sense that was communicated by the people out there back to the Senators, back to the Members of the House, which said we see the minimum wage as being a fair proposition. If you care about work, you want to reward work. If you want to encourage the work ethic in America, then you have to pay a higher wage and have that wage be rewarded. So they had to respond. It was killing them.

And finally, Senator NICKLES is determined to sink the minimum wage for the following reason:

> Special interest money is just too good to pass up. Senator NICKLES' strategy is directed at two special interest groups, both of which gave big bucks to the GOP. The first is the Golden Rule Insurance Co., which would reap huge profits from the medical savings account provision Republicans want to add to the health bill. The second is business and industry lobbyists, who loathe the minimum wage bill as much as Republicans do. The New York Times confirmed this, reporting Wednesday after the vote on the Republican amendment to gut the minimum wage bill that Republicans said they hoped to use yesterday's vote to win donations from small businesses.

They are referring to the vote that took place in the Senate, which would have exempted small businesses, and one of the reasons was to win donations from the small businesses.

This is a communication from the Democratic leader, DICK GEPHARDT, called "Outrage of the Week." It is an outrage. It is outrageous the position that consistently is taken by the Republicans against families, putting families last, and against children.

If we are going to set this welfare vote that took place today in perspective, what do we want poor people to do? If we are not going to help them by giving aid to children, then we need to provide jobs and job opportunities.

□ 1900

The first step is not there. There is no provision to increase the number of jobs. Let us assume that jobs are there. The jobs need to pay a living wage. A living wage is really above the present minimum wage plus a health care package. A health care package is a vital part of a living wage. A job is not a job of any substance for a family unless in addition to providing the minimum wage, it also provides the health care package. The Republicans are determined that neither one of those will be there.

The welfare reform needed to take place. We needed to reform welfare. We needed to make better use of the dollars spent to help children. We needed to make better use and end waste in the way we handle our food stamps. There are a number of things about welfare reform that had to take place. But this welfare reform bill is an extremist bill.

It starts with the very extreme step of eliminating the entitlement. Poor people are no longer guaranteed that the Federal Government will be there to give you help when it is needed. The Federal Government will be there to give you help if you are a victim of an earthquake. The Federal Government will be there to give you help if you are the victim of a flood. The Federal Government will be there if you are the victim of a hurricane, some other weather, which is proper, altogether fitting and proper that the Federal Government should be a participant in the process.

Maybe the States should do more in helping hurricane victims themselves. They do not have any State or local provisions for that. Maybe the States should do more in being responsible for their earthquake victims. Maybe the States should do more to be responsible for their flood victims. The Federal Government should participate. Right now it is the primary participant in providing relief for people who suffer from natural disaster. So people who suffer from economic disaster deserve at least some help from the Federal Government, and we have taken away the Federal Government's participation.

In perspective, this is consistent with what the Republicans have been doing. In perspective, their attack on education is another part of the problem. Educational opportunity must be provided to poor people if you want to guarantee that they do not have to ask the Federal Government or the State government or the local government for help.

Let us provide some fishing lines. The statement that if you really want to feed a person, you do not keep supplying them with fish. You buy them a hook and line and teach them how to fish. Let us teach people how to fish.

Let us follow the evidence that is clear that everybody who has an education in America is able to make a contribution back to both himself and the economy. Certainly when it comes to college graduates, this evidence is quite clear and overwhelming. Most college graduates are able to support themselves and also to pay income tax, which supports their government, pay income taxes and other taxes.

College graduates, graduation up to now almost guarantees that you are going to get some kind of job. So why not have the Federal Government play a greater role in education instead of a lesser role? From our House Democratic leadership there is another communications which bears out my oft stated hypothesis that Republicans are the enemies of public education.

Republicans are consistent, though. This is the way to help families, this is the way to help children. They do not want to do that. In this communication we call it the Republicans' raid on education.

Republicans in Congress get an F. The GOP fails to meet growing educational needs of America's children. While the needs of our children and schools are increasing, the GOP Congress has failed to grasp this important reality. Indeed, at the end of the 1995–96 school year, the GOP Congress has failed America's children and has earned an F once again for failing the American educational system.

Specifically, the fiscal year 1997 budget resolution narrowly passed in the House and Senate and the fiscal year 1997 Labor-HHS appropriations bill that the House will vote on this week, just the same old song from last year. This was a week ago, cutting back on programs important to educating our Nation's children when we need to be moving forward to meet their growing educational needs. Only this time it is a little better disguised than the cuts were in the previous budget.

While Republicans claim to have moderated their course, the performance of the GOP Congress on education in 1996 is consistent with the extreme cuts in education that they voted on in 1995. Indeed, many of the education programs the GOP is proposing to cut, freeze, or eliminate this year are the same priority education programs that they tried to last year.

Indeed, the record of the GOP Congress shows that rather than working to expand the access to a college education and to maintain Federal support for local schools, the GOP Congress continues to move in exactly the opposite direction. They have flunked in every aspect of meeting America's educational needs. While Republicans claim to freeze spending on education in the fiscal year 1997 budget resolution, the reality is that they do not understand the fundamentals of math. The fiscal year 1997 GOP budget resolution freezes spending on education and training programs below the fiscal 1996 level for the next 6 years and cuts spending on education by 21 percent in real terms by the year 2002. Such a large 21-percent cut in real terms will result in deep cuts in services to children and education.

Furthermore, the resolution provides no allowances for helping schools meet the challenge of projected enrollment increases of 12 percent over the next decade.

Republicans put families and children last. Republicans are against public education being used as a way to help people out of dependence on government at any level.

There is a rumor that there is going to be a new initiative taken by the Republicans on education, that the Republican candidate for President is going to announce his new initiative next week or this weekend. I hope so. I hope that the Republicans will take the initiative on education and the attack on education, because we used to have far more bipartisan cooperation on education.

There were differences in many areas but when it came to education, we sort of came together and understood that probably more important than any other function of our Government's local, State, and Federal governments is the function of education. Education has become even more important now that the world has changed and the competition in the world does not revolve around military strength and military hardware, military preparedness.

Competition in the world revolves around the quality of education the population has, which enables that population to compete and be productive, which enables that population to understand the complexities of world trade and the complexities of modern life so that people themselves do not become a burden on their society because they are overwhelmed by the complexities.

The only answer to that being overwhelmed by the complexities of modern life and the only avenue and instrument for being able to make yourself productive for yourself and make yourself productive so you can make a contribution to the society is education.

Education was always the answer. Among the newly freed slaves, it was clearly understood in the African-American community that education was the answer. From the very beginning slaves understood that if the slavemasters had passed legislation that it was bad to teach them to read, prohibited the teaching of reading to the slaves, then it must be indeed a powerful weapon, this reading must be a powerful thing. Education must be a powerful thing.

So it was understood by all that they wanted to have a piece of this education process, and it has been of value in the African-American community since then. The African-American community believes strongly that education is important. The problem is that there is a lot of confusion about how you guarantee that their children get an education. There are a lot of battles that have to be fought with the bureaucracy, especially in our big cities like New York, to guarantee that children are given an education which is going to be relevant to guarantee that children are given course work which makes them feel that their education is relevant.

To guarantee that children are given some kind of course work and built into the curricula are items which will motivate those children, build up their self-esteem and make them feel that they are important and feel that they have some hope and feel that education is going to be important so that they themselves will contribute more than half of what is needed in that education process, regardless of what teachers do or what kind of equipment you have or what kind of schools you have. If the children are motivated, they will overcome, they will move forward.

The big problem is that we do not have an education curriculum in most of our big cities that motivates children to begin with. Just as important as the motivation, of course, is the need for concrete opportunities to learn by providing a decent building, conducive to learning. The lighting in the school classroom has to be proper. The atmosphere in the school has to be safe. The water has to be free of lead and not poison the children.

The ceilings have to be free of asbestos. We have a situation now where schools across the country are in serious trouble. Half the schools across the country have some kind of health hazard. The health of young people who attend these schools is jeopardized by the fact that an asbestos problem or lead in the water problem or a problem with the way the lighting is and the ventilation.

The President recently announced an initiative, again, I hope the Republicans will join this initiative, an initiative to begin to offer some Federal help on school construction. It is long overdue. Half the school buildings in America need help, not just with repairs; a lot of them need to be torn down and rebuilt.

The President before that announced an initiative in the State of the Union Message. In the State of the Union Message the President talked about wiring all the schools in America by the year 2000. He first talked about by the end of the year 20 percent of schools in California were going to be wired and they are using volunteers to accomplish a lot of this in the wiring process. I think that that objective and that estimated goal of the President with respect to California has proven true. They have gone on and done that. Twenty percent of the schools are wired.

□ 1915

But the big problem of wiring all the schools in America so that they can receive the kind of help that you get with the Internet going into the classrooms, the classrooms being able to have the latest educational technology, all of that is still to come. And we see on the horizon in many of the inner-city schools, like the schools in my district, no hope that that is going to happen unless you have more help from the Federal Government.

Yes, volunteers may help to some extent, but I am not sure that in the context of a big city you are going to get enough of that to have any significance whatsoever in overcoming the problems faced by our schools that do not have proper wiring to be able to install the computers and be able to have the Internet and the educational technology that is needed to keep pace and guarantee that our children will get the benefits of the best and the latest in education.

All of these things can happen only if you have some help with the construction and the physical environment that our schools exist in, so the President's initiative is welcome. I hope the Republicans will join the initiative.

I do not think it is enough because it is talking about Federal Government picking up the interests on part of the cost of construction of schools. I think we need a grant program to jump-start our schools across the country and rebuild the infrastructure by giving maximum help instead of the minimum.

But at least this is a start. The construction program offered by, proposed by, President Clinton begins the process, and I hope the Republicans will join us.

Today we had our first planning meeting for National Education Funding Support Day. We joined last year in conjunction with the National Commission for the Education of African American Children. We had a National Education Funding Support Day last November. Today we launched the first planning meeting, and the effort will go forward this year.

The date for the National Education Funding Support Day is October 23. October 23 has been chosen because we want to have a whole month of activity, and October 23, National Education Funding Support Day, will kick it off. Citizens will be encouraged to go right through to National Education Week, which takes place in the middle of November. You have a month of activity designed to raise the level of awareness of the average American, the person out there on the street who is not a part of the education family.

Yes, last year we had participation by the teachers, we had participation by the teachers' unions, we had participation by the companies that do business with schools. People who are in the education family responded to our initial effort in National Education Funding Support Day, and this year we want to go beyond that. We want to make certain that the churches are involved. We want to make certain that the fraternities and sororities and religious organizations of various kinds are involved. Civic organizations.

The need is to communicate again to our decision makers the way you have just communicated on the minimum wage bill. The public understood the vital necessity of increasing the minimum wage. The public understood that the man on the street, the women on the street, everybody understood that if you got a paycheck and you are getting $4.25 an hour and a proposal is made to raise that to $5.15 an hour, that makes sense. So the public supported raising the minimum wage.

We want the public to understand that education needs Federal help, education needs more resources, and regardless of what you hear, money comes first, resources come first. There are a lot of problems that have to be solved in education reform. There are a lot of problems, and they will be there for a long time, and we have to work at them, but before you can get those problems resolved, you are going to have to have resources, you need money.

The favorite statement of people who want to oppose funding social programs or funding nondefense programs is you cannot solve the problem by throwing money at the problem. They throw money at the Department of Defense all the time. They constantly throw money at the Department of Defense because they know you cannot solve a problem in the military unless you do have money. They make a lot of errors, and a lot of gross boondoggles take place there, a lot of errors that have cost people, cost the American people as much as $2 billion and $3 billion on weapon systems that never got developed. Even when they say they developed certain smart weapons like the ones used in the gulf war, later evaluations showed that the smart weapons which cost a great deal did not prove their value. I mean they did not perform at a level to justify their cost.

So they throw money at the Defense Department. And I do not like the phrase: throw money. But that is what they do in the case of defense.

In education they do not throw money; they never throw money at social programs, they never throw money at education. The amounts of money that any social program has received has always been compulsory in connection with the need, and in the case of education the Federal Government's participation at this point is less than 7 percent. You know, the total education bill, which is above $360 billion now annually, that bill is borne mostly by the States, that cost is borne mostly by the States and local governments. Local governments fund and support most of the expenses for public schools. State funding supports most expenses for public schools. For public higher education institutions, States are the primary funding sources.

So the Federal Government's participation is all too small already, 7 percent. At least it will be increased. At least it will be increased at every level. We need more money for day care, we need more money for elementary and secondary school, we need more money for higher education. It will never be the overwhelming part, the funds spent for education. You will always have local control, and local governments will always pay most of it or State governments will always pay most of it. But why can we not raise the Federal participation and funding for education from 7 percent over the next 4 years to 25 percent? Why cannot we go between now and the year 2000 up to 25 percent of the total cost of education? The States and localities will still be funded at 75 percent. If they have 75 percent of the funding power, they will have 75 percent of the control. The control will still remain with the States and local government. But we will be providing the kind of resources necessary to carry us into the 21st century on education.

So what I am saying is that the President's proposals, whether you are talking about wiring schools or providing new funds for construction, they are welcome, they are necessary, they are all too inadequate. We need more. And in order to have the public understand this, we need to have ways to communicate to the public the importance of common sense getting involved here. If common sense gets involved, if the average person out there begins to understand what the costs are for providing education at a level necessary to go into the 21st century, and they communicate that to the congressmen, they communicate that to the Senators, we will get some action.

So National Education Funding Support Day on October 23 is designed to get down to the street level and have people understand that you need to communicate to your government at every level, and certainly the Federal Government is key because the Federal Government, despite its small percentage of the funding for education, sets the tone. We need to set the tone so that the cuts that are taking place at the State level in education and the cuts that local governments are perpetrating on education, like New York City has had a 5-year string of cuts in education, New York State now has had dramatic cuts in education; they take their clue from the Federal Government. The Federal Government starts making cuts, then the importance of education seems to go down on the priority agenda of the Governors and of the mayors.

So we need to start first at the Federal level. So in order to get the Federal Government moving, they need to hear from the very bottom.

National Education Funding Day, then, is like the National Night Out Against Crime. We took our cue from the National Night Out Against Crime. Citizens put together a National Night Out Against Crime where on a single night, Tuesday night I think it is, in August, everybody across the country demonstrates that they care about what is going on in their neighborhoods in terms of crime and protection, and they want their police departments and their district attorneys and all the people who are professionally responsible for the criminal justice system to understand that they are upset. They want some new action. They want some new resources. They want to make certain that we do not continue the way we are.

That National Night Out Against Crime effort has been very successful. Communities all over the country do turn out. They show up.

So we want to capture that same spirit in a National Morning Out For Education. A National Morning Out For Education on October 23 means that whatever can be done, whatever activities that take place which send a message to your government, your city government or the State government, or send a message to the Federal Government, do it. If it means buying some gifts for the children in the school, they are publicizing that so that they have in schools like the ones in my district who do not have crayons, who do not have erasers, they have a problem with Xerox paper; they will get some gift which highlights the fact that they are not being supplied properly by the government. If it means that day care centers are brought to the attention of local merchants so that occasionally they will help the day care centers in some way, then let that be the way we do it. If it means the police department and the various law enforcement agencies are going to guarantee the safety of children going to school and they want to highlight their support for education, schools that way, let them do it. There can be a thousand ways to show your support for education and, in this process, send a message to both the Republicans and the Democrats that education is important.

And finally it makes sense in the context of everything I have said before. Education, minimum wage, all that has to play a role if you want to move people from welfare to sufficiency in a humane way.

OMISSION FROM THE RECORD

SAFE DRINKING WATER ACT AMENDMENTS OF 1995

[The following is a reprint of the RECORD of July 17, 1996, at page 17597, at which time the text of H.R. 3604 was not printed.]

MOTION OFFERED BY MR. BLILEY

Mr. BLILEY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. BLILEY moves to strike all after the enacting clause of S. 1316 and insert in lieu thereof the text of H.R. 3604 as passed by the House, as follows:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Safe Drinking Water Act Amendments of 1996".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents.
Sec. 2. References; effective date; disclaimer.

TITLE I—PUBLIC WATER SYSTEMS

Subtitle A—Promulgation of National Primary Drinking Water Regulations

Sec. 101. Selection of additional contaminants.
Sec. 102. Disinfectants and disinfection byproducts.
Sec. 103. Limited alternative to filtration.
Sec. 104. Standard-setting.
Sec. 105. Ground water disinfection.
Sec. 106. Effective date for regulations.
Sec. 107. Risk assessment, management, and communication.
Sec. 108. Radon, arsenic, and sulfate.
Sec. 109. Urgent threats to public health.
Sec. 110. Recycling of filter backwash.
Sec. 111. Treatment technologies for small systems.

Subtitle B—State Primary Enforcement Responsibility for Public Water Systems

Sec. 121. State primacy.

Subtitle C—Notification and Enforcement

Sec. 131. Public notification.
Sec. 132. Enforcement.
Sec. 133. Judicial review

Subtitle D—Exemptions and Variances

Sec. 141. Exemptions.
Sec. 142. Variances.

Subtitle E—Lead Plumbing and Pipes

Sec. 151. Lead plumbing and pipes.

Subtitle F—Capacity Development

Sec. 161. Capacity development.

TITLE II—AMENDMENTS TO PART C

Sec. 201. Source water quality assessment.
Sec. 202. Federal facilities.

TITLE III—GENERAL PROVISIONS REGARDING SAFE DRINKING WATER ACT

Sec. 301. Operator certification.
Sec. 302. Technical assistance.
Sec. 303. Public water system supervision program.
Sec. 304. Monitoring and information gathering.
Sec. 305. Occurrence data base.
Sec. 306. Citizens suits.
Sec. 307. Whistle blower.
Sec. 308. State revolving funds.
Sec. 309. Water conservation plan.

TITLE IV—MISCELLANEOUS

Sec. 401. Definitions.
Sec. 402. Authorization of appropriations.
Sec. 403. New York City watershed protection program.
Sec. 404. Estrogenic substances screening program.
Sec. 405. Reports on programs administered directly by Environmental Protection Agency.
Sec. 406. Return flows.
Sec. 407. Emergency powers.
Sec. 408. Waterborne disease occurrence study.
Sec. 409. Drinking water studies.
Sec. 410. Bottled drinking water standards.
Sec. 411. Clerical amendments.

TITLE V—ADDITIONAL ASSISTANCE FOR WATER INFRASTRUCTURE AND WATERSHEDS

Sec. 501. General program.
Sec. 502. New York City Watershed, New York.
Sec. 503. Rural and Native villages, Alaska.
Sec. 504. Acquisition of lands.
Sec. 505. Federal share.
Sec. 506. Condition on authorizations of appropriations.
Sec. 507. Definitions.

TITLE VI—DRINKING WATER RESEARCH AUTHORIZATION

Sec. 601. Drinking water research authorization.
Sec. 602. Scientific research review.

SEC. 2. REFERENCES; EFFECTIVE DATE; DISCLAIMER.

(a) REFERENCES TO SAFE DRINKING WATER ACT.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to that section or other provision of title XIV of the Public Health Service Act (commonly known as the Safe Drinking Water Act, 42 U.S.C. 300f et seq.).

(b) EFFECTIVE DATE.—Except as otherwise specified in this Act or in the amendments made by this Act, this Act and the amendments made by this Act shall take effect on the date of enactment of this Act.

(c) DISCLAIMER.—Nothing in this Act or in any amendments made by this Act to title XIV of the Public Health Service Act (commonly known as the Safe Drinking Water Act) or any other law shall be construed by the Administrator of the Environmental Protection Agency or the courts as affecting, modifying, expanding, changing, or altering—

(1) the provisions of the Federal Water Pollution Control Act;

(2) the duties and responsibilities of the Administrator under that Act; or

(3) the regulation or control of point or nonpoint sources of pollution discharged into waters covered by that Act.

The Administrator shall identify in the agency's annual budget all funding and full-time equivalents administering such title XIV separately from funding and staffing for the Federal Water Pollution Control Act.

TITLE I—PUBLIC WATER SYSTEMS

Subtitle A—Promulgation of National Primary Drinking Water Regulations

SEC. 101. SELECTION OF ADDITIONAL CONTAMINANTS.

(a) IN GENERAL.—Section 1412(b)(3) (42 U.S.C. 300g–1(b)(3)) is amended to read as follows:

"(3) REGULATION OF UNREGULATED CONTAMINANTS.—

"(A) LISTING OF CONTAMINANTS FOR CONSIDERATION.—(i) Not later than 18 months after the date of the enactment of the Safe Drinking Water Act Amendments of 1996 and every 5 years thereafter, the Administrator, after consultation with the scientific community, including the Science Advisory Board, after notice and opportunity for public comment, and after considering the occurrence data base established under section 1445(g), shall publish a list of contaminants which, at the time of publication, are not subject to any proposed or promulgated national primary drinking water regulation, which are known or anticipated to occur in public water systems, and which may require regulation under this title.

"(ii) The unregulated contaminants considered under clause (i) shall include, but not be limited to, substances referred to in section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and substances registered as pesticides under the Federal Insecticide, Fungicide, and Rodenticide Act.

"(iii) The Administrator's decision whether or not to select an unregulated contaminant for a list under this subparagraph shall not be subject to judicial review.

"(B) DETERMINATION TO REGULATE.—(i) Not later than 5 years after the date of the enactment of the Safe Drinking Water Act Amendments of 1996, and every 5 years thereafter, the Administrator shall, by rule, for not fewer than 5 contaminants included on the list published under subparagraph (A), make determinations of whether or not to regulate such contaminants.

"(ii) A determination to regulate a contaminant shall be based on findings that—

"(I) the contaminant is known to occur or there is a substantial likelihood that the contaminant will occur in public water systems with a frequency and at a level of public health concern; and

"(II) regulation of such contaminant presents a meaningful opportunity for public health risk reduction for persons served by public water systems.

Such findings shall be based on the best available public health information, including the occurrence data base established under section 1445(g).

"(iii) The Administrator may make a determination to regulate a contaminant that does not appear on a list under subparagraph (A) if the determination to regulate is made pursuant to clause (ii).

"(iv) A determination under this subparagraph not to regulate a contaminant shall be considered final agency action and subject to judicial review.

"(C) PRIORITIES.—In selecting unregulated contaminants for consideration under subparagraph (B), the Administrator shall select contaminants that present the greatest public health concern. The Administrator, in making such selection, shall take into consideration, among other factors of public health concern, the effect of such contaminants upon subgroups that comprise a meaningful portion of the general population (such as infants, children, pregnant women, the elderly, individuals with a history of serious illness, or other subpopulations) that are identifiable as being at greater risk of adverse health effects due to exposure to contaminants in drinking water than the general population.

"(D) REGULATION.—For each contaminant that the Administrator determines to regulate under subparagraph (B), the Administrator shall promulgate, by rule, maximum contaminant level goals and national primary drinking water regulations under this subsection. The Administrator shall propose the maximum contaminant level goal and national primary drinking water regulation not later than 24 months after the determination to regulate under subparagraph (B), and may publish such proposed regulation concurrent with the determination to regulate. The Administrator shall promulgate a maximum contaminant level goal and national primary drinking water regulation within 18 months after the proposal thereof. The Administrator, by notice in the Federal Register, may extend the deadline for such promulgation for up to 9 months.

"(E) HEALTH ADVISORIES AND OTHER ACTIONS.—The Administrator may publish health advisories (which are not regulations) or take other appropriate actions for contaminants not subject to any national primary drinking water regulation.".

(b) APPLICABILITY OF PRIOR REQUIREMENTS.—The requirements of subparagraphs (C) and (D) of section 1412(b)(3) of title XIV of the Public Health Service Act (commonly known as the Safe Drinking Water Act) as in effect before the enactment of this Act, and any obligation to promulgate regulations pursuant to such subparagraphs not promulgated as of the date of enactment of this Act, are superseded by the amendments made by subsection (a) to such subparagraphs (C) and (D).

SEC. 102. DISINFECTANTS AND DISINFECTION BYPRODUCTS.

Section 1412(b)(3) (42 U.S.C. 300g–1(b)(3)) is amended by adding at the end the following subparagraph:

"(F) DISINFECTANTS AND DISINFECTION BYPRODUCTS.—

"(i) INFORMATION COLLECTION RULE.—Not later than December 31, 1996, the Administrator shall, after notice and opportunity for public comment, promulgate an information collection rule to obtain information that will facilitate further revisions to the national primary drinking water regulation for disinfectants and disinfection byproducts, including information on microbial contaminants such as cryptosporidium. The Administrator may extend the December 31, 1996, deadline under this clause for up to 180 days if the Administrator determines that progress toward approval of an appropriate analytical method to screen for cryptosporidium is sufficiently advanced and approval is likely to be completed within the additional time period.

"(ii) ADDITIONAL DEADLINES.—The time intervals between promulgation of a final information collection rule, an Interim Enhanced Surface Water Treatment Rule, a Final Enhanced Surface Water Treatment Rule, a Stage I Disinfectants and Disinfection Byproducts Rule, and a Stage II Disinfectants and Disinfection Byproducts Rule shall be in accordance with the schedule published in volume 59, Federal Register, page 6361 (February 10, 1994), in table III.13 of the proposed Information Collection Rule. If a delay occurs with respect to the promulgation of any rule in the timetable established by this subparagraph, all subsequent rules shall be completed as expeditiously as practicable but no later than a revised date that reflects the interval or intervals for the rules in the timetable.".

SEC. 103. LIMITED ALTERNATIVE TO FILTRATION.

Section 1412(b)(7)(C) is amended by adding the following after clause (iv):

"(v) As an additional alternative to the regulations promulgated pursuant to clauses (i) and (iii), including the criteria for avoiding filtration contained in CFR 141.71, a State exercising primary enforcement responsibility for public water systems may, on a case-by-case basis, and after notice and opportunity for public comment, establish treatment requirements as an alternative to filtration in the case of systems having uninhabited, undeveloped watersheds in consolidated ownership, and having control over access to, and activities in, those watersheds, if the State determines (and the Administrator concurs) that the quality of the source water and the alternative treatment requirements established by the State ensure greater removal or inactivation efficiencies of pathogenic organisms for which national primary drinking water regulations have been promulgated or that are of public health concern than would be achieved by the combination of filtration and chlorine disinfection (in compliance with paragraph (8)).".

SEC. 104. STANDARD-SETTING.

(a) IN GENERAL.—Section 1412(b) (42 U.S.C. 300g–1(b)) is amended as follows:

(1) In paragraph (4)—

(A) by striking "(4) Each" and inserting the following:

"(4) GOALS AND STANDARDS.—

"(A) MAXIMUM CONTAMINANT LEVEL GOALS.—Each";

(B) in the last sentence—

(i) by striking "Each national" and inserting the following:

"(B) MAXIMUM CONTAMINANT LEVELS.— Except as provided in paragraphs (5) and (6), each national"; and

(ii) by striking "maximum level" and inserting "maximum contaminant level"; and

(C) by adding at the end the following:

"(C) DETERMINATION.—At the time the Administrator proposes a national primary drinking water regulation under this paragraph, the Administrator shall publish a determination as to whether the benefits of the maximum contaminant level justify, or do not justify, the costs based on the analysis conducted under paragraph (12)(C).".

(2) By striking "(5) For the" and inserting the following:

"(D) DEFINITION OF FEASIBLE.—For the".

(3) In the second sentence of paragraph (4)(D) (as so designated), by striking "paragraph (4)" and inserting "this paragraph".

(4) By striking "(6) Each national" and inserting the following:

"(E) FEASIBLE TECHNOLOGIES.—

"(i) Each national".

(5) In paragraph (4)(E)(i) (as so designated), by striking "this paragraph" and inserting "this subsection".

(6) By inserting after paragraph (4) (as so amended) the following:

"(5) ADDITIONAL HEALTH RISK CONSIDERATIONS.—

"(A) IN GENERAL.—Notwithstanding paragraph (4), the Administrator may establish a maximum contaminant level for a contaminant at a level other than the feasible level, if the technology, treatment techniques, and other means used to determine the feasible level would result in an increase in the health risk from drinking water by—

"(i) increasing the concentration of other contaminants in drinking water; or

"(ii) interfering with the efficacy of drinking water treatment techniques or processes that are used to comply with other national primary drinking water regulations.

"(B) ESTABLISHMENT OF LEVEL.—If the Administrator establishes a maximum contaminant level or levels or requires the use of treatment techniques for any contaminant or contaminants pursuant to the authority of this paragraph—

"(i) the level or levels or treatment techniques shall minimize the overall risk of adverse health effects by balancing the risk from the contaminant and the risk from other contaminants the concentrations of which may be affected by the use of a treatment technique or process that would be employed to attain the maximum contaminant level or levels; and

"(ii) the combination of technology, treatment techniques, or other means required to meet the level or levels shall not be more stringent than is feasible (as defined in paragraph (4)(D)).

"(6) ADDITIONAL HEALTH RISK REDUCTION AND COST CONSIDERATIONS.—

"(A) IN GENERAL.—Notwithstanding paragraph (4), if the Administrator determines based on an analysis conducted under paragraph (12)(C) that the benefits of a maximum contaminant level promulgated in accordance with paragraph (4) would not justify the costs of complying with the level, the Administrator may, after notice and opportunity for public comment, promulgate a maximum contaminant level for the contaminant that maximizes health risk reduction benefits at a cost that is justified by the benefits.

"(B) EXCEPTION.—The Administrator shall not use the authority of this paragraph to promulgate a maximum contaminant level for a contaminant, if the benefits of compliance with a national primary drinking water regulation for the contaminant that would be promulgated in accordance with paragraph (4) experienced by—

"(i) persons served by large public water systems; and

"(ii) persons served by such other systems as are unlikely, based on information provided by the States, to receive a variance under section 1415(e) (relating to small system assistance program);

would justify the costs to the systems of complying with the regulation. This subparagraph shall not apply if the contaminant is found almost exclusively in small systems (as defined in section 1415(e), relating to small system assistance program).

"(C) DISINFECTANTS AND DISINFECTION BYPRODUCTS.—The Administrator may not use the authority of this paragraph to establish a maximum contaminant level in a Stage I or Stage II national primary drinking water regulation for contaminants that are disinfectants or disinfection byproducts (as described in paragraph (3)(F)), or to establish a maximum contaminant level or treatment technique requirement for the control of cryptosporidium. The authority of this paragraph may be used to establish regulations for the use of disinfection by systems relying on ground water sources as required by paragraph (8).

"(D) JUDICIAL REVIEW.—A determination by the Administrator that the benefits of a maximum contaminant level or treatment requirement justify or do not justify the costs of complying with the level shall be reviewed by the court pursuant to section 1448 only as part of a review of a final national primary drinking water regulation that has been promulgated based on the determination and shall not be set aside by the court under that section unless the court finds that the determination is arbitrary and capricious.".

(b) DISINFECTANTS AND DISINFECTION BYPRODUCTS.—The Administrator of the Environmental Protection Agency may use the authority of section 1412(b)(5) of the Public Health Service Act (as amended by this Act) to promulgate the Stage I and Stage II rules for disinfectants and disinfection byproducts as proposed in volume 59, Federal Register, page 38668 (July 29, 1994). The considerations used in the development of the July 29, 1994, proposed national primary drinking water regulation on Disinfection and Disinfection Byproducts shall be treated as consistent with such section 1412(b)(5) for purposes of such Stage I and Stage II rules.

(c) REVIEW OF STANDARDS.—Section 1412(b)(9) (42 U.S.C. 300g–1(b)) is amended to read as follows:

"(9) REVIEW AND REVISION.—The Administrator shall, not less often than every 6 years, review and revise, as appropriate, each national primary drinking water regulation promulgated under this title. Any revision of a national primary drinking water regulation shall be promulgated in accordance with this section, except that each revision shall maintain, or provide for greater, protection of the health of persons.".

SEC. 105. GROUND WATER DISINFECTION.

Section 1412(b)(8) (42 U.S.C. 300g–1(b)(8)) is amended by striking the first sentence and inserting the following: "At any time after the end of the 3-year period that begins on the date of enactment of the Safe Drinking Water Act Amendments of 1996, but not later than the date on which the Administrator promulgates a Stage II rulemaking for disinfectants and disinfection byproducts (as described in paragraph (3)(F)(ii)), the Administrator shall also promulgate national primary drinking water regulations requiring disinfection as a treatment technique for all public water systems, including surface water systems and, as necessary, ground water systems. After consultation with the States, the Administrator shall (as part of the regulations) promulgate criteria that the Administrator, or a State that has primary enforcement responsibility under section 1413, shall apply to determine whether disinfection shall be required as a treatment technique for any public water system served by ground water. A State that has primary enforcement authority shall develop a plan through which ground water disinfection determinations are made. The plan shall be based on the Administrator's criteria and shall be submitted to the Administrator for approval.".

SEC. 106. EFFECTIVE DATE FOR REGULATIONS.

Section 1412(b)(10) (42 U.S.C. 300g–1(b)(10)) is amended to read as follows:

"(10) EFFECTIVE DATE.—A national primary drinking water regulation promulgated under this section (and any amendment thereto) shall take effect on the date that is 3 years after the date on which the regulation is promulgated unless the Administrator determines that an earlier date is practicable, except that the Administrator, or a State (in the case of an individual system), may allow up to 2 additional years to comply with a maximum contaminant level or treatment technique if the Administrator or State (in the case of an individual system) determines that additional time is necessary for capital improvements.".

SEC. 107. RISK ASSESSMENT, MANAGEMENT, AND COMMUNICATION.

Section 1412(b) (42 U.S.C. 300g–1(b)) is amended by inserting after paragraph (11) the following:

"(12) RISK ASSESSMENT, MANAGEMENT AND COMMUNICATION.—

"(A) USE OF SCIENCE IN DECISIONMAKING.—In carrying out this section, and, to the degree that an Agency action is based on science, the Administrator shall use—

"(i) the best available, peer-reviewed science and supporting studies conducted in accordance with sound and objective scientific practices; and

"(ii) data collected by accepted methods or best available methods (if the reliability of the method and the nature of the decision justifies use of the data).

"(B) PUBLIC INFORMATION.—In carrying out this section, the Administrator shall ensure that the presentation of information on public health effects is comprehensive, informative and understandable. The Administrator shall, in a document made available to the public in support of a regulation promulgated under this section, specify, to the extent practicable—

"(i) each population addressed by any estimate of public health effects;

"(ii) the expected risk or central estimate of risk for the specific populations;

"(iii) each appropriate upper-bound or lower-bound estimate of risk;

"(iv) each significant uncertainty identified in the process of the assessment of public health effects and studies that would assist in resolving the uncertainty; and

"(v) peer-reviewed studies known to the Administrator that support, are directly relevant to, or fail to support any estimate of public health effects and the methodology used to reconcile inconsistencies in the scientific data.

"(C) HEALTH RISK REDUCTION AND COST ANALYSIS.—

"(i) MAXIMUM CONTAMINANT LEVELS.—When proposing any national primary drinking water regulation that includes a maximum contaminant level, the Administrator shall, with respect to a maximum contaminant level that is being considered in accordance with paragraph (4) and each alternative maximum contaminant level that is being considered pursuant to paragraph (5) or (6)(A), publish, seek public comment on, and use for the purposes of paragraphs (4), (5), and (6) an analysis of:

"(I) Quantifiable and nonquantifiable health risk reduction benefits for which there is a factual basis in the rulemaking record to conclude that such benefits are likely to occur as the result of treatment to comply with each level.

"(II) Quantifiable and nonquantifiable health risk reduction benefits for which there is a factual basis in the rulemaking record to conclude that such benefits are likely to occur from reductions in co-occurring contaminants that may be attributed solely to compliance with the maximum contaminant level, excluding benefits resulting from compliance with other proposed or promulgated regulations.

"(III) Quantifiable and nonquantifiable costs for which there is a factual basis in the rulemaking record to conclude that such costs are likely to occur solely as a result of compliance with the maximum contaminant level, including monitoring, treatment, and other costs and excluding costs resulting from compliance with other proposed or promulgated regulations.

"(IV) The incremental costs and benefits associated with each alternative maximum contaminant level considered.

"(V) The effects of the contaminant on the general population and on groups within the general population such as infants, children, pregnant women, the elderly, individuals with a history of serious illness, or other subpopulations that are identified as likely to be at greater risk of adverse health effects due to exposure to contaminants in drinking water than the general population.

"(VI) Any increased health risk that may occur as the result of compliance, including risks associated with co-occurring contaminants.

"(VII) Other relevant factors, including the quality and extent of the information, the uncertainties in the analysis supporting subclauses (I) through (VI), and factors with respect to the degree and nature of the risk.

"(ii) TREATMENT TECHNIQUES.—When proposing a national primary drinking water regulation that includes a treatment technique in accordance with paragraph (7)(A), the Administrator shall publish and seek public comment on an analysis of the health risk reduction benefits and costs likely to be experienced as the result of compliance with the treatment technique and alternative treatment techniques that are being considered, taking into account, as appropriate, the factors described in clause (i).

"(iii) APPROACHES TO MEASURE AND VALUE BENEFITS.—The Administrator may identify valid approaches for the measurement and valuation of benefits under this subparagraph, including approaches to identify consumer willingness to pay for reductions in health risks from drinking water contaminants.

"(iv) AUTHORIZATION.—There are authorized to be appropriated to the Administrator, acting through the Office of Ground Water and Drinking Water, to conduct studies, assessments, and analyses in support of regulations or the development of methods, $35,000,000 for each of fiscal years 1996 through 2003.".

SEC. 108. RADON, ARSENIC, AND SULFATE.

Section 1412(b) is amended by inserting after paragraph (12) the following:

"(13) CERTAIN CONTAMINANTS.—

"(A) RADON.—Any proposal published by the Administrator before the enactment of the Safe Drinking Water Act Amendments of 1996 to establish a national primary drinking water standard for radon shall be withdrawn by the Administrator. Notwithstanding any provision of any law enacted prior to the enactment of the Safe Drinking Water Act

Amendments of 1996, within 3 years of such date of enactment, the Administrator shall propose and promulgate a national primary drinking water regulation for radon under this section, as amended by the Safe Drinking Water Act Amendments of 1996. In undertaking any risk analysis and benefit cost analysis in connection with the promulgation of such standard, the Administrator shall take into account the costs and benefits of control programs for radon from other sources.

"(B) ARSENIC.—(i) Notwithstanding the deadlines set forth in paragraph (1), the Administrator shall promulgate a national primary drinking water regulation for arsenic pursuant to this subsection, in accordance with the schedule established by this paragraph.

"(ii) Not later than 180 days after the date of enactment of this paragraph, the Administrator shall develop a comprehensive plan for study in support of drinking water rulemaking to reduce the uncertainty in assessing health risks associated with exposure to low levels of arsenic. In conducting such study, the Administrator shall consult with the National Academy of Sciences, other Federal agencies, and interested public and private entities.

"(iii) In carrying out the study plan, the Administrator may enter into cooperative agreements with other Federal agencies, State and local governments, and other interested public and private entities.

"(iv) The Administrator shall propose a national primary drinking water regulation for arsenic not later than January 1, 2000.

"(v) Not later than January 1, 2001, after notice and opportunity for public comment, the Administrator shall promulgate a national primary drinking water regulation for arsenic.

"(vi) There are authorized to be appropriated $2,000,000 for each of fiscal years 1997 through 2001 for the studies required by this paragraph.

"(C) SULFATE.—

"(i) ADDITIONAL STUDY.—Prior to promulgating a national primary drinking water regulation for sulfate, the Administrator and the Director of the Centers for Disease Control and Prevention shall jointly conduct an additional study to establish a reliable dose-response relationship for the adverse human health effects that may result from exposure to sulfate in drinking water, including the health effects that may be experienced by groups within the general population (including infants and travelers) that are potentially at greater risk of adverse health effects as the result of such exposure. The study shall be conducted in consultation with interested States, shall be based on the best available, peer-reviewed science and supporting studies conducted in accordance with sound and objective scientific practices.

"(ii) PROPOSED AND FINAL RULE.—Notwithstanding the deadlines set forth in paragraph (1), the Administrator may, pursuant to the authorities of this subsection and after notice and opportunity for public comment, promulgate a final national primary drinking water regulation for sulfate. Any such regulation shall include requirements for public notification and options for the provision of alternative water supplies to populations at risk as a means of complying with the regulation in lieu of a best available treatment technology or other means.".

SEC. 109. URGENT THREATS TO PUBLIC HEALTH.

Section 1412(b) is amended by inserting the following after paragraph (13):

"(14) URGENT THREATS TO PUBLIC HEALTH.—The Administrator may promulgate an interim national primary drinking water regulation for a contaminant without making a determination for the contaminant under paragraph (4)(C) or completing the analysis under paragraph (12)(C) to address an urgent threat to public health as determined by the Administrator after consultation with and written response to any comments provided by the Secretary of Health and Human Services, acting through the director of the Centers for Disease Control and Prevention or the director of the National Institutes of Health. A determination for any contaminant in accordance with paragraph (4)(C) subject to an interim regulation under this subparagraph shall be issued, and a completed analysis meeting the requirements of paragraph (12)(C) shall be published, not later than 3 years after the date on which the regulation is promulgated and the regulation shall be repromulgated, or revised if appropriate, not later than 5 years after that date.".

SEC. 110. RECYCLING OF FILTER BACKWASH.

Section 1412(b) is amended by adding the following new paragraph after paragraph (14):

"(15) RECYCLING OF FILTER BACKWASH.—The Administrator shall promulgate a regulation to govern the recycling of filter backwash water within the treatment process of a public water system. The Administrator shall promulgate such regulation not later than 4 years after the date of the enactment of the Safe Drinking Water Act Amendments of 1996 unless such recycling has been addressed by the Administrator's 'enhanced surface water treatment rule' prior to such date.".

SEC. 111. TREATMENT TECHNOLOGIES FOR SMALL SYSTEMS.

(a) LIST OF TECHNOLOGIES FOR SMALL SYSTEMS.—Section 1412(b)(4)(E) (42 U.S.C. 300g-1(b)(4)(E)), is amended by adding at the end the following:

"(ii) The Administrator shall include in the list any technology, treatment technique, or other means that is affordable for small public water systems serving—

"(I) a population of 10,000 or fewer but more than 3,300;

"(II) a population of 3,300 or fewer but more than 500; and

"(III) a population of 500 or fewer but more than 25;

and that achieves compliance with the maximum contaminant level or treatment technique, including packaged or modular systems and point-of-entry or point-of-use treatment units. Point-of-entry and point-of-use treatment units shall be owned, controlled and maintained by the public water system or by a person under contract with the public water system to ensure proper operation and maintenance and compliance with the maximum contaminant level or treatment technique and equipped with mechanical warnings to ensure that customers are automatically notified of operational problems. If the American National Standards Institute has issued product standards applicable to a specific type of point-of-entry or point-of-use treatment unit, individual units of that type shall not be accepted for compliance with a maximum contaminant level or treatment technique requirement unless they are independently certified in accordance with such standards.

"(iii) Except as provided in clause (v), not later than 2 years after the date of the enactment of this clause and after consultation with the States, the Administrator shall issue a list of technologies that achieve compliance with the maximum contaminant level or treatment technique for each category of public water systems described in subclauses (I), (II), and (III) of clause (ii) for each national primary drinking water regulation promulgated prior to the date of the enactment of this paragraph.

"(iv) The Administrator may, at any time after a national primary drinking water regulation has been promulgated, supplement the list of technologies describing additional or new or innovative treatment technologies that meet the requirements of this paragraph for categories of small public water systems described in subclauses (I), (II) and (III) of clause (ii) that are subject to the regulation.

"(v) Within one year after the enactment of this clause, the Administrator shall list technologies that meet the surface water treatment rules for each category of public water systems described in subclauses (I), (II), and (III) of clause (ii).".

(b) AVAILABILITY OF INFORMATION ON SMALL SYSTEM TECHNOLOGIES.—Section 1445 (42 U.S.C. 300j-4) is amended by adding after subsection (g):

"(h) AVAILABILITY OF INFORMATION ON SMALL SYSTEM TECHNOLOGIES.—For purposes of sections 1412(b)(4)(E) and 1415(e) (relating to small system assistance program), the Administrator may request information on the characteristics of commercially available treatment systems and technologies, including the effectiveness and performance of the systems and technologies under various operating conditions. The Administrator may specify the form, content, and submission date of information to be submitted by manufacturers, States, and other interested persons for the purpose of considering the systems and technologies in the development of regulations or guidance under sections 1412(b)(4)(E) and 1415(e).".

Subtitle B—State Primary Enforcement Responsibility for Public Water Systems

SEC. 121. STATE PRIMACY.

(a) STATE PRIMARY ENFORCEMENT RESPONSIBILITY.—Section 1413 (42 U.S.C. 300g-2) is amended as follows:

(1) In subsection (a), by amending paragraph (1) to read as follows:

"(1) has adopted drinking water regulations that are no less stringent than the national primary drinking water regulations promulgated by the Administrator under subsections (a) and (b) of section 1412 not later than 2 years after the date on which the regulations are promulgated by the Administrator, except that the Administrator may provide for an extension of not more than 2 years if, after submission and review of appropriate, adequate documentation from the State, the Administrator determines that the extension is necessary and justified;".

(2) By adding at the end the following subsection:

"(c) INTERIM PRIMARY ENFORCEMENT AUTHORITY.—A State that has primary enforcement authority under this section with respect to each existing national primary drinking water regulation shall be considered to have primary enforcement authority with respect to each new or revised national primary drinking water regulation during the period beginning on the effective date of a regulation adopted and submitted by the State with respect to the new or revised national primary drinking water regulation in accordance with subsection (b)(1) and ending at such time as the Administrator makes a determination under subsection (b)(2)(B) with respect to the regulation.".

(b) EMERGENCY PLANS.—Section 1413(a)(5) is amended by inserting after "emergency circumstances" the following: "including earthquakes, floods, hurricanes, and other natural disasters, as appropriate".

Subtitle C—Notification and Enforcement

SEC. 131. PUBLIC NOTIFICATION.

Section 1414(c) (42 U.S.C. 300g–3(c)) is amended to read as follows:

"(c) NOTICE TO PERSONS SERVED.—

"(1) IN GENERAL.—Each owner or operator of a public water system shall give notice of each of the following to the persons served by the system:

"(A) Notice of any failure on the part of the public water system to—

"(i) comply with an applicable maximum contaminant level or treatment technique requirement of, or a testing procedure prescribed by, a national primary drinking water regulation; or

"(ii) perform monitoring required by section 1445(a).

"(B) If the public water system is subject to a variance granted under subsection (a)(1)(A), (a)(2), or (e) of section 1415 for an inability to meet a maximum contaminant level requirement or is subject to an exemption granted under section 1416, notice of—

"(i) the existence of the variance or exemption; and

"(ii) any failure to comply with the requirements of any schedule prescribed pursuant to the variance or exemption.

"(C) Notice of the concentration level of any unregulated contaminant for which the Administrator has required public notice pursuant to paragraph (2)(E).

"(2) FORM, MANNER, AND FREQUENCY OF NOTICE.—

"(A) IN GENERAL.—The Administrator shall, by regulation, and after consultation with the States, prescribe the manner, frequency, form, and content for giving notice under this subsection. The regulations shall—

"(i) provide for different frequencies of notice based on the differences between violations that are intermittent or infrequent and violations that are continuous or frequent; and

"(ii) take into account the seriousness of any potential adverse health effects that may be involved.

"(B) STATE REQUIREMENTS.—

"(i) IN GENERAL.—A State may, by rule, establish alternative notification requirements—

"(I) with respect to the form and content of notice given under and in a manner in accordance with subparagraph (C); and

"(II) with respect to the form and content of notice given under subparagraph (D).

"(ii) CONTENTS.—The alternative requirements shall provide the same type and amount of information as required pursuant to this subsection and regulations issued under subparagraph (A).

"(iii) RELATIONSHIP TO SECTION 1413.—Nothing in this subparagraph shall be construed or applied to modify the requirements of section 1413.

"(C) VIOLATIONS WITH POTENTIAL TO HAVE SERIOUS ADVERSE EFFECTS ON HUMAN HEALTH.—Regulations issued under subparagraph (A) shall specify notification procedures for each violation by a public water system that has the potential to have serious adverse effects on human health as a result of short-term exposure. Each notice of violation provided under this subparagraph shall—

"(i) be distributed as soon as practicable after the occurrence of the violation, but not later than 24 hours after the occurrence of the violation;

"(ii) provide a clear and readily understandable explanation of—

"(I) the violation;

"(II) the potential adverse effects on human health;

"(III) the steps that the public water system is taking to correct the violation; and

"(IV) the necessity of seeking alternative water supplies until the violation is corrected;

"(iii) be provided to the Administrator or the head of the State agency that has primary enforcement responsibility under section 1413 as soon as practicable, but not later than 24 hours after the occurrence of the violation; and

"(iv) as required by the State agency in general regulations of the State agency, or on a case-by-case basis after the consultation referred to in clause (iii), considering the health risks involved—

"(I) be provided to appropriate broadcast media;

"(II) be prominently published in a newspaper of general circulation serving the area not later than 1 day after distribution of a notice pursuant to clause (i) or the date of publication of the next issue of the newspaper; or

"(III) be provided by posting or door-to-door notification in lieu of notification by means of broadcast media or newspaper.

"(D) WRITTEN NOTICE.—

"(i) IN GENERAL.—Regulations issued under subparagraph (A) shall specify notification procedures for violations other than the violations covered by subparagraph (C). The procedures shall specify that a public water system shall provide written notice to each person served by the system by notice (I) in the first bill (if any) prepared after the date of occurrence of the violation, (II) in an annual report issued not later than 1 year after the date of occurrence of the violation, or (III) by mail or direct delivery as soon as practicable, but not later than 1 year after the date of occurrence of the violation.

"(ii) FORM AND MANNER OF NOTICE.—The Administrator shall prescribe the form and manner of the notice to provide a clear and readily understandable explanation of the violation, any potential adverse health effects, and the steps that the system is taking to seek alternative water supplies, if any, until the violation is corrected.

"(E) UNREGULATED CONTAMINANTS.—The Administrator may require the owner or operator of a public water system to give notice to the persons served by the system of the concentration levels of an unregulated contaminant required to be monitored under section 1445(a).

"(3) REPORTS.—

"(A) ANNUAL REPORT BY STATE.—

"(i) IN GENERAL.—Not later than January 1, 1998, and annually thereafter, each State that has primary enforcement responsibility under section 1413 shall prepare, make readily available to the public, and submit to the Administrator an annual report on violations of national primary drinking water regulations by public water systems in the State, including violations with respect to (I) maximum contaminant levels, (II) treatment requirements, (III) variances and exemptions, and (IV) monitoring requirements determined to be significant by the Administrator after consultation with the States.

"(ii) DISTRIBUTION.—The State shall publish and distribute summaries of the report and indicate where the full report is available for review.

"(B) ANNUAL REPORT BY ADMINISTRATOR.—Not later than July 1, 1998, and annually thereafter, the Administrator shall prepare and make available to the public an annual report summarizing and evaluating reports submitted by States pursuant to subparagraph (A) and notices submitted by public water systems serving Indian Tribes provided to the Administrator pursuant to subparagraph (C) or (D) of paragraph (2) and making recommendations concerning the resources needed to improve compliance with this title. The report shall include information about public water system compliance on Indian reservations and about enforcement activities undertaken and financial assistance provided by the Administrator on Indian reservations, and shall make specific recommendations concerning the resources needed to improve compliance with this title on Indian reservations.

"(4) CONSUMER CONFIDENCE REPORTS BY COMMUNITY WATER SYSTEMS.—

"(A) ANNUAL REPORTS TO CONSUMERS.—The Administrator, in consultation with public water systems, environmental groups, public interest groups, risk communication experts, and the States, and other interested parties, shall issue regulations within 24 months after the date of the enactment of this paragraph to require each community water system to mail to each customer of the system at least once annually a report on the level of contaminants in the drinking water purveyed by that system (hereinafter in this paragraph referred to as a 'consumer confidence report'). Such regulations shall provide a brief and plainly worded definition of the terms 'maximum contaminant level goal' and 'maximum contaminant level' and brief statements in plain language regarding the health concerns that resulted in regulation of each regulated contaminant. The regulations shall also provide for an Environmental Protection Agency toll-free hot-line that consumers can call for more information and explanation.

"(B) CONTENTS OF REPORT.—The consumer confidence reports under this paragraph shall include, but not be limited to, each of the following:

"(i) Information on the source of the water purveyed.

"(ii) A brief and plainly worded definition of the terms 'maximum contaminant level goal' and 'maximum contaminant level', as provided in the regulations of the Administrator.

"(iii) If any regulated contaminant is detected in the water purveyed by the public water system, a statement setting forth (I) the maximum contaminant level goal, (II) the maximum contaminant level, (III) the level of such contaminant in such water system, and (IV) for any regulated contaminant for which there has been a violation of the maximum contaminant level during the year concerned, the brief statement in plain language regarding the health concerns that resulted in regulation of such contaminant, as provided by the Administrator in regulations under subparagraph (A).

"(iv) Information on compliance with national primary drinking water regulations.

"(v) Information on the levels of unregulated contaminants for which monitoring is required under section 1445(a)(2) (including levels of cryptosporidium and radon where States determine they may be found).

"(vi) A statement that more information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency hot line.

A public water system may include such additional information as it deems appropriate for public education. The Administrator may, for not more than 3 regulated contaminants other than those referred to in subclause (IV) of clause (iii), require a consumer confidence report under this paragraph to include the brief statement in plain language regarding the health concerns that resulted in regulation of the contaminant or contaminants concerned, as provided by the Administrator in regulations under subparagraph (A).

"(C) COVERAGE.—The Governor of a State may determine not to apply the mailing requirement of subparagraph (A) to a community water system serving fewer than 10,000 persons. Any such system shall—

"(i) inform its customers that the system will not be complying with subparagraph (A),

"(ii) make information available upon request to the public regarding the quality of the water supplied by such system, and

"(iii) publish the report referred to in subparagraph (A) annually in one or more local newspapers serving the area in which customers of the system are located.

"(D) ALTERNATIVE FORM AND CONTENT.—A State exercising primary enforcement responsibility may establish, by rule, after notice and public comment, alternative requirements with respect to the form and content of consumer confidence reports under this paragraph.".

SEC. 132. ENFORCEMENT.

(a) IN GENERAL.—Section 1414 (42 U.S.C. 300g-3) is amended as follows:

(1) In subsection (a):

(A) In paragraph (1)(A)(i), by striking "any national primary drinking water regulation in effect under section 1412" and inserting "any applicable requirement", and by striking "with such regulation or requirement" in the matter following clause (ii) and inserting "with the requirement".

(B) In paragraph (1)(B), by striking "regulation or" and inserting "applicable".

(C) By amending paragraph (2) to read as follows:

"(2) ENFORCEMENT IN NONPRIMACY STATES.—

"(A) IN GENERAL.—If, on the basis of information available to the Administrator, the Administrator finds, with respect to a period in which a State does not have primary enforcement responsibility for public water systems, that a public water system in the State—

"(i) for which a variance under section 1415 or an exemption under section 1416 is not in effect, does not comply with any applicable requirement; or

"(ii) for which a variance under section 1415 or an exemption under section 1416 is in effect, does not comply with any schedule or other requirement imposed pursuant to the variance or exemption;

the Administrator shall issue an order under subsection (g) requiring the public water system to comply with the requirement, or commence a civil action under subsection (b).

"(B) NOTICE.—If the Administrator takes any action pursuant to this paragraph, the Administrator shall notify an appropriate local elected official, if any, with jurisdiction over the public water system of the action prior to the time that the action is taken.".

(2) In subsection (b), in the first sentence, by striking "a national primary drinking water regulation" and inserting "any applicable requirement".

(3) In subsection (g):

(A) In paragraph (1), by striking "regulation, schedule, or other" each place it appears and inserting "applicable".

(B) In paragraph (2), by striking "effect until after notice and opportunity for public hearing and," and inserting "effect,", and by striking "proposed order" and inserting "order", in the first sentence and in the second sentence, by striking "proposed to be".

(C) In paragraph (3), by striking subparagraph (B) and inserting the following:

"(B) In a case in which a civil penalty sought by the Administrator under this paragraph does not exceed $5,000, the penalty shall be assessed by the Administrator after notice and opportunity for a public hearing (unless the person against whom the penalty is assessed requests a hearing on the record in accordance with section 554 of title 5, United States Code). In a case in which a civil penalty sought by the Administrator under this paragraph exceeds $5,000, but does not exceed $25,000, the penalty shall be assessed by the Administrator after notice and opportunity for a hearing on the record in accordance with section 554 of title 5, United States Code.".

(D) In paragraph (3)(C), by striking "paragraph exceeds $5,000" and inserting "subsection for a violation of an applicable requirement exceeds $25,000".

(4) By adding at the end the following subsections:

"(h) RELIEF.—

"(1) IN GENERAL.—An owner or operator of a public water system may submit to the State in which the system is located (if the State has primary enforcement responsibility under section 1413) or to the Administrator (if the State does not have primary enforcement responsibility) a plan (including specific measures and schedules) for—

"(A) the physical consolidation of the system with 1 or more other systems;

"(B) the consolidation of significant management and administrative functions of the system with 1 or more other systems; or

"(C) the transfer of ownership of the system that may reasonably be expected to improve drinking water quality.

"(2) CONSEQUENCES OF APPROVAL.—If the State or the Administrator approves a plan pursuant to paragraph (1), no enforcement action shall be taken pursuant to this part with respect to a specific violation identified in the approved plan prior to the date that is the earlier of the date on which consolidation is completed according to the plan or the date that is 2 years after the plan is approved.

"(i) DEFINITION OF APPLICABLE REQUIREMENT.—In this section, the term 'applicable requirement' means—

"(1) a requirement of section 1412, 1414, 1415, 1416, 1417, 1441, or 1445;

"(2) a regulation promulgated pursuant to a section referred to in paragraph (1);

"(3) a schedule or requirement imposed pursuant to a section referred to in paragraph (1); and

"(4) a requirement of, or permit issued under, an applicable State program for which the Administrator has made a determination that the requirements of section 1413 have been satisfied, or an applicable State program approved pursuant to this part.".

(b) STATE AUTHORITY FOR ADMINISTRATIVE PENALTIES.—Section 1413(a) (42 U.S.C. 300g-2(a)) is amended as follows:

(1) In paragraph (4), by striking "and" at the end thereof.

(2) In paragraph (5), by striking the period at the end and inserting "; and".

(3) By adding at the end the following:

"(6) has adopted authority for administrative penalties (unless the constitution of the State prohibits the adoption of the authority) in a maximum amount—

"(A) in the case of a system serving a population of more than 10,000, that is not less than $1,000 per day per violation; and

"(B) in the case of any other system, that is adequate to ensure compliance (as determined by the State);

except that a State may establish a maximum limitation on the total amount of administrative penalties that may be imposed on a public water system per violation.".

SEC. 133. JUDICIAL REVIEW

Section 1448(a) (42 U.S.C. 300j-7(a)) is amended as follows:

(1) In paragraph (2), in the first sentence, by inserting "final" after "any other".

(2) In the matter after and below paragraph (2):

(A) By striking "or issuance of the order" and inserting "or any other final Agency action".

(B) By adding at the end the following: "In any petition concerning the assessment of a civil penalty pursuant to section 1414(g)(3)(B), the petitioner shall simultaneously send a copy of the complaint by certified mail to the Administrator and the Attorney General. The court shall set aside and remand the penalty order if the court finds that there is not substantial evidence in the record to support the finding of a violation or that the assessment of the penalty by the Administrator constitutes an abuse of discretion.".

Subtitle D—Exemptions and Variances

SEC. 141. EXEMPTIONS.

(a) SYSTEMS SERVING FEWER THAN 3,300 PERSONS.—Section 1416 is amended by adding the following at the end thereof:

"(h) SMALL SYSTEMS.—(1) For public water systems serving fewer than 3,300 persons, the maximum exemption period shall be 4 years if the State is exercising primary enforcement responsibility for public water systems and determines that—

"(A) the public water system cannot meet the maximum contaminant level or install Best Available Affordable Technology ('BAAT') due in either case to compelling economic circumstances (taking into consideration the availability of financial assistance under section 1452, relating to State Revolving Funds) or other compelling circumstances;

"(B) the public water system could not comply with the maximum contaminant level through the use of alternate water supplies;

"(C) the granting of the exemption will provide a drinking water supply that protects public health given the duration of exemption; and

"(D) the State has met the requirements of paragraph (2).

"(2)(A) Before issuing an exemption under this section or an extension thereof for a small public water system described in paragraph (1), the State shall—

"(i) examine the public water system's technical, financial, and managerial capability (taking into consideration any available financial assistance) to operate in and maintain compliance with this title, and

"(ii) determine if management or restructuring changes (or both) can reasonably be made that will result in compliance with this title or, if compliance cannot be achieved, improve the quality of the drinking water.

"(B) Management changes referred to in subparagraph (A) may include rate increases, accounting changes, the hiring of consultants, the appointment of a technician with expertise in operating such systems, contractual arrangements for a more efficient and capable system for joint operation, or other reasonable strategies to improve capacity.

"(C) Restructuring changes referred to in subparagraph (A) may include ownership change, physical consolidation with another system, or other measures to otherwise improve customer base and gain economies of scale.

"(D) If the State determines that management or restructuring changes referred to in subparagraph (A) can reasonably be made, it shall require such changes and a schedule therefore as a condition of the exemption. If the State determines to the contrary, the State may still grant the exemption. The decision of the State under this subparagraph shall not be subject to review by the Administrator, except as provided in subsection (d).

"(3) Paragraphs (1) and (3) of subsection (a) shall not apply to an exemption issued under this subsection. Subparagraph (B) of subsection (b)(2) shall not apply to an exemption issued under this subsection, but any exemption granted to such a system may be renewed for additional 4-year periods upon application of the public water system and after a determination that the criteria of paragraphs (1) and (2) of this subsection continue to be met.

"(4) No exemption may be issued under this section for microbiological contaminants.".

(b) LIMITED ADDITIONAL COMPLIANCE PERIOD.—At the end of section 1416(h) insert:

"(5)(A) Notwithstanding this subsection, the State of New York, on a case-by-case basis and after notice and an opportunity of at least 60 days for public comment, may allow an additional period for compliance with the Surface Water Treatment Rule established pursuant to section 1412(b)(7)(C) in the case of unfiltered systems in Essex, Columbia, Greene, Dutchess, Rennsselaer, Schoharie, Saratoga, Washington, and Warren Counties serving a population of less than 5,000, which meet appropriate disinfection requirements and have adequate watershed protections, so long as the State determines that the public health will be protected during the duration of the additional compliance period and the system agrees to implement appropriate control measures as determined by the State.

"(B) The additional compliance period referred to in subparagraph (A) shall expire on the earlier of the date 3 years after the date on which the Administrator identifies appropriate control technology for the Surface Water Treatment Rule for public water systems in the category that includes such system pursuant to section 1412(b)(4)(E) or 5 years after the enactment of the Safe Drinking Water Act Amendments of 1996.".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—(1) Section 1416(b)(1) is amended by striking "prescribed by a State pursuant to this subsection" and inserting "prescribed by a State pursuant to this subsection or subsection (h)".

(2) Section 1416(c) is amended by striking "under subsection (a)" and inserting "under this section" and by inserting after "(a)(3)" in the second sentence "or the determination under subsection (h)(1)(C)".

(3) Section 1416(d)(1) is amended by striking "3-year" and inserting "4-year" and by amending the first sentence to read as follows: "Not later than 4 years after the date of enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall complete a comprehensive review of the exemptions granted (and schedules prescribed pursuant thereto) by the States during the 4-year period beginning on such date.".

(4) Section 1416(b)(2)(C) is repealed.

(d) SYSTEMS SERVING MORE THAN 3,300 PERSONS.—Section 1416(b)(2)(A)(ii) is amended by striking "12 months" and inserting "4 years" and section 1416(b)(2)(B) is amended by striking "3 years after the date of the issuance of the exemption" and inserting "4 years after the expiration of the initial exemption".

SEC. 142. VARIANCES.

(a) BAAT VARIANCE.—Section 1415 (42 U.S.C. 300g-4) is amended by adding the following at the end thereof:

"(e) SMALL SYSTEM ASSISTANCE PROGRAM.—

"(1) BAAT VARIANCES.—In the case of public water systems serving 3,300 persons or fewer, a variance under this section shall be granted by a State which has primary enforcement responsibility for public water systems allowing the use of Best Available Affordable Technology in lieu of best technology or other means where—

"(A) no best technology or other means is listed under section 1412(b)(4)(E) for the applicable category of public water systems;

"(B) the Administrator has identified BAAT for that contaminant pursuant to paragraph (3); and

"(C) the State finds that the conditions in paragraph (4) are met.

"(2) DEFINITION OF BAAT.—The term 'Best Available Affordable Technology' or 'BAAT' means the most effective technology or other means for the control of a drinking water contaminant or contaminants that is available and affordable to systems serving fewer than 3,300 persons.

"(3) IDENTIFICATION OF BAAT.—(A) As part of each national primary drinking water regulation proposed and promulgated after the enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall identify BAAT in any case where no 'best technology or other means' is listed for a category of public water systems listed under section 1412(b)(4)(E). No such identified BAAT shall require a technology from a specific manufacturer or brand. BAAT need not be adequate to achieve the applicable maximum contaminant level or treatment technique, but shall bring the public water system as close to achievement of such maximum contaminant level as practical or as close to the level of health protection provided by such treatment technique as practical, as the case may be. Any technology or other means identified as BAAT must be determined by the Administrator to be protective of public health. Simultaneously with identification of BAAT, the Administrator shall list any assumptions underlying the public health determination referred to in the preceding sentence, where such assumptions concern the public water system to which the technology may be applied, or its source waters. The Administrator shall provide the assumptions used in determining affordability, taking into consideration the number of persons served by such systems. Such listing shall provide as much reliable information as practicable on performance, effectiveness, limitations, costs, and other relevant factors in support of such listing, including the applicability of BAAT to surface and underground waters or both.

"(B) To the greatest extent possible, within 36 months after the date of the enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall identify BAAT for all national primary drinking water regulations promulgated prior to such date of enactment where no best technology or other means is listed for a category of public water systems under section 1412(b)(4)(E), and where compliance by such small systems is not practical. In identifying BAAT for such national primary drinking water regulations, the Administrator shall give priority to evaluation of atrazine, asbestos, selenium, pentachlorophenol, antimony, and nickel.

"(4) CONDITIONS FOR BAAT VARIANCE.—To grant a variance under this subsection, the State must determine that—

"(A) the public water system cannot install 'best technology or other means' because of the system's small size;

"(B) the public water system could not comply with the maximum contaminant level through use of alternate water supplies or through management changes or restructuring;

"(C) the public water system has the capacity to operate and maintain BAAT; and

"(D) the circumstances of the public water system are consistent with the public health assumptions identified by the Administrator under paragraph (3).

"(5) SCHEDULES.—Any variance granted by a State under this subsection shall establish a schedule for the installation and operation of BAAT within a period not to exceed 2 years after the issuance of the variance, except that the State may grant an extension of 1 additional year upon application by the system. The application shall include a showing of financial or technical need. Variances under this subsection shall be for a term not to exceed 5 years (including the period allowed for installation and operation of BAAT), but may be renewed for such additional 5-year periods by the State upon a finding that the criteria in paragraph (1) continue to be met.

"(6) REVIEW.—Any review by the Administrator under paragraphs (4) and (5) shall be pursuant to subsection (a)(1)(G)(i).

"(7) INELIGIBILITY FOR VARIANCES.—A variance shall not be available under this subsection for—

"(A) any maximum contaminant level or treatment technique for a contaminant with respect to which a national primary drinking water regulation was promulgated prior to January 1, 1986; or

"(B) a national primary drinking water regulation for a microbial contaminant (including a bacterium, virus, or other organism) or an indicator or treatment technique for a microbial contaminant.".

(b) TECHNICAL AND CONFORMING CHANGES.—Section 1415 (42 U.S.C. 300g-4) is amended as follows:

(1) By striking "best technology, treatment techniques, or other means" and "best available technology, treatment techniques or other means" each place such terms appear and inserting in lieu thereof "best technology or other means".

(2) By striking the third sentence and by striking "Before a schedule prescribed by a State pursuant to this subparagraph may take effect" and all that follows down to the beginning of the last sentence in subsection (a)(1)(A).

(3) By amending the first sentence of subsection (a)(1)(C) to read as follows: "Before a variance is issued and a schedule is prescribed pursuant to this subsection or subsection (e) by a State, the State shall provide notice and an opportunity for a public hearing on the proposed variance and schedule.".

(4) By inserting "under this section" before the period at the end of the third sentence of subsection (a)(1)(C).

(5) By striking "under subparagraph (A)" and inserting "under this section" in subsection (a)(1)(D).

(6) By striking "that subparagraph" in each place it appears and insert in each such place "this section" in subsection (a)(1)(D).

(7) By striking the last sentence of subsection (a)(1)(D).

(8) By striking "3-year" and inserting "5-year" in subsection (a)(1)(F) and by amending the first sentence of such subsection (a)(1)(F) to read as follows: "Not later than 5 years after the enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall complete a review of the variances granted under this section (and the schedules prescribed in connection with such variances).".

(9) By striking "subparagraph (A) or (B)" and inserting "this section" in subsection (a)(1)(G)(i).

(10) By striking "paragraph (1)(B) or (2) of subsection (a)" and inserting "this section" in subsection (b).

(11) By striking "subsection (a)" and inserting "this section" in subsection (c).

(12) By repealing subsection (d).

Subtitle E—Lead Plumbing and Pipes

SEC. 151. LEAD PLUMBING AND PIPES.

Section 1417 (42 U.S.C. 300g-6) is amended as follows:

(1) In subsection (a)—

(A) by striking paragraph (1) and inserting the following:

"(1) PROHIBITIONS.—

"(A) IN GENERAL.—No person may use any pipe, any pipe or plumbing fitting or fixture, any solder, or any flux, after June 19, 1986, in the installation or repair of—

"(i) any public water system; or

"(ii) any plumbing in a residential or nonresidential facility providing water for human consumption,

that is not lead free (within the meaning of subsection (d)).

"(B) LEADED JOINTS.—Subparagraph (A) shall not apply to leaded joints necessary for the repair of cast iron pipes.".

(2) In subsection (a)(2)(A), by inserting "owner or operator of a" after "Each".

(3) By adding at the end of subsection (a) the following:

"(3) UNLAWFUL ACTS.—Effective 2 years after the date of enactment of this paragraph, it shall be unlawful—

"(A) for any person to introduce into commerce any pipe, or any pipe or plumbing fitting or fixture, that is not lead free, except for a pipe that is used in manufacturing or industrial processing;

"(B) for any person engaged in the business of selling plumbing supplies, except manufacturers, to sell solder or flux that is not lead free; or

"(C) for any person to introduce into commerce any solder or flux that is not lead free unless the solder or flux bears a prominent label stating that it is illegal to use the solder or flux in the installation or repair of any plumbing providing water for human consumption.".

(4) In subsection (d)—

(A) by striking "lead, and" in paragraph (1) and inserting "lead;";

(B) by striking "lead." in paragraph (2) and inserting "lead; and"; and

(C) by adding at the end the following:

"(3) when used with respect to plumbing fittings and fixtures, refers to plumbing fittings and fixtures in compliance with standards established in accordance with subsection (e).".

(5) By adding at the end the following:

"(e) PLUMBING FITTINGS AND FIXTURES.—

"(1) IN GENERAL.—The Administrator shall provide accurate and timely technical information and assistance to qualified third-party certifiers in the development of voluntary standards and testing protocols for the leaching of lead from new plumbing fittings and fixtures that are intended by the manufacturer to dispense water for human ingestion.

"(2) STANDARDS.—

"(A) IN GENERAL.—If a voluntary standard for the leaching of lead is not established by the date that is 1 year after the date of enactment of this subsection, the Administrator shall, not later than 2 years after the date of enactment of this subsection, promulgate regulations setting a health-effects-based performance standard establishing maximum leaching levels from new plumbing fittings and fixtures that are intended by the manufacturer to dispense water for human ingestion. The standard shall become effective on the date that is 5 years after the date of promulgation of the standard.

"(B) ALTERNATIVE REQUIREMENT.—If regulations are required to be promulgated under subparagraph (A) and have not been promulgated by the date that is 5 years after the date of enactment of this subsection, no person may import, manufacture, process, or distribute in commerce a new plumbing fitting or fixture, intended by the manufacturer to dispense water for human ingestion, that contains more than 4 percent lead by dry weight.".

Subtitle F—Capacity Development

SEC. 161. CAPACITY DEVELOPMENT.

Part B (42 U.S.C. 300g et seq.) is amended by adding at the end the following:

"SEC. 1419. CAPACITY DEVELOPMENT.

"(a) STATE AUTHORITY FOR NEW SYSTEMS.—Each State shall obtain the legal authority or other means to ensure that all new community water systems and new nontransient, noncommunity water systems commencing operation after October 1, 1999, demonstrate technical, managerial, and financial capacity with respect to each national primary drinking water regulation in effect, or likely to be in effect, on the date of commencement of operations.

"(b) SYSTEMS IN SIGNIFICANT NONCOMPLIANCE.—

"(1) LIST.—Beginning not later than 1 year after the date of enactment of this section, each State shall prepare, periodically update, and submit to the Administrator a list of community water systems and nontransient, noncommunity water systems that have a history of significant noncompliance with this title (as defined in guidelines issued prior to the date of enactment of this section or any revisions of the guidelines that have been made in consultation with the States) and, to the extent practicable, the reasons for noncompliance.

"(2) REPORT.—Not later than 5 years after the date of enactment of this section and as part of the capacity development strategy of the State, each State shall report to the Administrator on the success of enforcement mechanisms and initial capacity development efforts in assisting the public water systems listed under paragraph (1) to improve technical, managerial, and financial capacity.

"(c) CAPACITY DEVELOPMENT STRATEGY.—

"(1) IN GENERAL.—Not later than 4 years after the date of enactment of this section, each State shall develop and implement a strategy to assist public water systems in acquiring and maintaining technical, managerial, and financial capacity.

"(2) CONTENT.—In preparing the capacity development strategy, the State shall consider, solicit public comment on, and include as appropriate—

"(A) the methods or criteria that the State will use to identify and prioritize the public water systems most in need of improving technical, managerial, and financial capacity;

"(B) a description of the institutional, regulatory, financial, tax, or legal factors at the Federal, State, or local level that encourage or impair capacity development;

"(C) a description of how the State will use the authorities and resources of this title or other means to—

"(i) assist public water systems in complying with national primary drinking water regulations;

"(ii) encourage the development of partnerships between public water systems to enhance the technical, managerial, and financial capacity of the systems; and

"(iii) assist public water systems in the training and certification of operators;

"(D) a description of how the State will establish a baseline and measure improvements in capacity with respect to national primary drinking water regulations and State drinking water law; and

"(E) an identification of the persons that have an interest in and are involved in the development and implementation of the capacity development strategy (including all appropriate agencies of Federal, State, and local governments, private and nonprofit public water systems, and public water system customers).

"(3) REPORT.—Not later than 2 years after the date on which a State first adopts a capacity development strategy under this subsection, and every 3 years thereafter, the head of the State agency that has primary responsibility to carry out this title in the State shall submit to the Governor a report that shall also be available to the public on the efficacy of the strategy and progress made toward improving the technical, managerial, and financial capacity of public water systems in the State.

"(4) REVIEW.—The decisions of the State under this section regarding any particular public water system are not subject to review by the Administrator and may not serve as the basis for withholding funds under section 1452(a)(1)(H)(i).

"(d) FEDERAL ASSISTANCE.—

"(1) IN GENERAL.—The Administrator shall support the States in developing capacity development strategies.

"(2) INFORMATIONAL ASSISTANCE.—

"(A) IN GENERAL.—Not later than 180 days after the date of enactment of this section, the Administrator shall—

"(i) conduct a review of State capacity development efforts in existence on the date of enactment of this section and publish information to assist States and public water systems in capacity development efforts; and

"(ii) initiate a partnership with States, public water systems, and the public to develop information for States on recommended operator certification requirements.

"(B) PUBLICATION OF INFORMATION.—The Administrator shall publish the information developed through the partnership under subparagraph (A)(ii) not later than 18 months after the date of enactment of this section.

"(3) PROMULGATION OF DRINKING WATER REGULATIONS.—In promulgating a national primary drinking water regulation, the Administrator shall include an analysis of the likely effect of compliance with the regulation on the technical, financial, and managerial capacity of public water systems.

"(4) GUIDANCE FOR NEW SYSTEMS.—Not later than 2 years after the date of enactment of this section, the Administrator shall publish guidance developed in consultation with the States describing legal authorities and other means to ensure that all new community water systems and new nontransient, noncommunity water systems demonstrate technical, managerial, and financial capacity with respect to national primary drinking water regulations.".

TITLE II—AMENDMENTS TO PART C

SEC. 201. SOURCE WATER QUALITY ASSESSMENT.

(a) GUIDELINES AND PROGRAMS.—Section 1428 is amended by adding "**and source water**" after "**wellhead**" in the section heading and by adding at the end thereof the following:

"(1) SOURCE WATER ASSESSMENT.—

"(1) GUIDANCE.—Within 12 months after enactment of the Safe Drinking Water Act Amendments of 1996, after notice and comment, the Administrator shall publish guidance for States exercising primary enforcement responsibility for public water systems to carry out directly or through delegation (for the protection and benefit of public water systems and for the support of monitoring flexibility) a source water assessment program within the State's boundaries.

"(2) PROGRAM REQUIREMENTS.—A source water assessment program under this subsection shall—

"(A) delineate the boundaries of the assessment areas in such State from which one or more public water systems in the State receive supplies of drinking water, using all reasonably available hydrogeologic information on the sources of the supply of drinking water in the State and the water flow, recharge, and discharge and any other reliable information as the State deems necessary to adequately determine such areas; and

"(B) identify for contaminants regulated under this title for which monitoring is required under this title (or any unregulated contaminants selected by the State in its discretion which the State, for the purposes of this subsection, has determined may present a threat to public health), to the extent practical, the origins within each delineated area of such contaminants to determine the susceptibility of the public water systems in the delineated area to such contaminants.

"(3) APPROVAL, IMPLEMENTATION, AND MONITORING RELIEF.—A State source water assessment program under this subsection shall be submitted to the Administrator within 18 months after the Administrator's guidance is issued under this subsection and shall be deemed approved 9 months after the date of such submittal unless the Administrator disapproves the program as provided in subsection (c). States shall begin implementation of the program immediately after its approval. The Administrator's approval of a State program under this subsection shall include a timetable, established in consultation with the State, allowing not more than 2 years for completion after approval of the program. Public water systems seeking monitoring relief in addition to the interim relief provided under section 1418(a) shall be eligible for monitoring relief, consistent with section 1418(b), upon completion of the assessment in the delineated source water assessment area or areas concerned.

"(4) TIMETABLE.—The timetable referred to in paragraph (3) shall take into consideration the availability to the State of funds under section 1452 (relating to State Revolving Funds) for assessments and other relevant factors. The Administrator may extend any timetable included in a State program approved under paragraph (3) to extend the period for completion by an additional 18 months. Compliance with subsection (g) shall not affect any State permanent monitoring flexibility program approved under section 1418(b).

"(5) DEMONSTRATION PROJECT.—The Administrator shall, as soon as practicable, conduct a demonstration project, in consultation with other Federal agencies, to demonstrate the most effective and protective means of assessing and protecting source waters serving large metropolitan areas and located on Federal lands.

"(6) USE OF OTHER PROGRAMS.—To avoid duplication and to encourage efficiency, the program under this section shall, to the extent practicable, be coordinated with other existing programs and mechanisms, and may make use of any of the following:

"(A) Vulnerability assessments, sanitary surveys, and monitoring programs.

"(B) Delineations or assessments of ground water sources under a State wellhead protection program developed pursuant to this section.

"(C) Delineations or assessments of surface or ground water sources under a State pesticide management plan developed pursuant to the Pesticide and Ground Water State Management Plan Regulation (subparts I and J of part 152 of title 40, Code of Federal Regulations), promulgated under section 3(d) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(d)).

"(D) Delineations or assessments of surface water sources under a State watershed initiative or to satisfy the watershed criterion for determining if filtration is required under the Surface Water Treatment Rule (section 141.70 of title 40, Code of Federal Regulations).

"(7) PUBLIC AVAILABILITY.—The State shall make the results of the source water assessments conducted under this subsection available to the public.".

(b) APPROVAL AND DISAPPROVAL OF STATE PROGRAMS.—Section 1428 is amended as follows:

(1) Amend the first sentence of subsection (c)(1) to read as follows: "If, in the judgment of the Administrator, a State program or portion thereof under subsection (a) is not adequate to protect public water systems as required by subsection (a) or a State program under subsection (l) or section 1418(b) does not meet the applicable requirements of subsection (l) or section 1418(b), the Administrator shall disapprove such program or portion thereof.".

(2) Add after the second sentence of subsection (c)(1) the following: "A State program developed pursuant to subsection (l) or section 1418(b) shall be deemed to meet the applicable requirements of subsection (l) or section 1418(b) unless the Administrator determines within 9 months of the receipt of the program that such program (or portion thereof) does not meet such requirements.".

(3) In the third sentence of subsection (c)(1) and in subsection (c)(2) strike "is inadequate" and insert "is disapproved".

(4) In subsection (b), add the following before the period at the end of the first sentence: "and source water assessment programs under subsection (l)".

(5) In subsection (g)—

(A) insert after "under this section" the following: "and the State source water assessment programs under subsection (l) for which the State uses grants under section 1452 (relating to State Revolving Funds)"; and

(B) strike "Such" in the last sentence and inserting "In the case of wellhead protection programs, such".

SEC. 202. FEDERAL FACILITIES.

(a) IN GENERAL.—Part C (42 U.S.C. 300h et seq.) is amended by adding at the end thereof the following new section:

"SEC. 1429. FEDERAL FACILITIES.

"(a) IN GENERAL.—Each department, agency, and instrumentality of the executive, legislative, and judicial branches of the Federal Government—

"(1) owning or operating any facility in a wellhead protection area,

"(2) engaged in any activity at such facility resulting, or which may result, in the contamination of water supplies in any such area, or

"(3) owning or operating any public water system,

shall be subject to, and comply with, all Federal, State, interstate, and local requirements, both substantive and procedural (including any requirement for permits or reporting or any provisions for injunctive relief and such sanctions as may be imposed by a court to enforce such relief), respecting the protection of such wellhead areas and respecting such public water systems in the same manner and to the same extent as any person is subject to such requirements, including the payment of reasonable service charges. The Federal, State, interstate, and local substantive and procedural requirements referred to in this subsection include, but are not limited to, all administrative orders and all civil and administrative penalties and fines, regardless of whether such penalties or fines are punitive or coercive in nature or are imposed for isolated, intermittent, or continuing violations. The United States hereby expressly waives any immunity otherwise applicable to the United States with respect to any such substantive or procedural requirement (including, but not limited to, any injunctive relief, administrative order or civil or administrative penalty or fine referred to in the preceding sentence, or reasonable service charge). The reasonable service charges referred to in this subsection include, but are not limited to, fees or charges assessed in connection with the processing and issuance of permits, renewal of permits, amendments to permits, review of plans, studies, and other documents, and inspection and monitoring of facilities, as well as any other nondiscriminatory charges that are assessed in connection with a Federal, State, interstate, or local regulatory program respecting the protection of wellhead areas or public water systems. Neither the United States, nor any agent, employee, or officer thereof, shall be immune or exempt from any process or sanction of any State or Federal Court with respect to the enforcement of any such injunctive relief. No agent, employee, or officer of the United States shall be personally liable for any civil penalty under any Federal, State, interstate, or local law concerning the protection of wellhead areas or public water systems with respect to any act or omission within the scope of the official duties of the agent, employee, or officer. An agent, employee, or officer of the United States shall be subject to any criminal sanction (including, but not limited to, any fine or imprisonment) under any Federal or State requirement adopted pursuant to this title, but no department, agency, or instrumentality of the executive, legislative, or judicial branch of the Federal Government shall be subject to any such sanction. The President may exempt any facility of any department, agency, or instrumentality in the executive branch from compliance with such a requirement if he determines it to be in the paramount interest of the United States to do so. No such exemption shall be granted due to lack of appropriation unless the President shall have specifically requested such appropriation as a part of the budgetary process and the Congress shall have failed to make available such requested appropriation. Any exemption shall be for a period not in excess of 1 year, but additional exemptions may be granted for periods not to exceed 1 year upon the President's making a new determination. The President shall report each January to the Congress all exemptions from the requirements of this section granted during the preceding calendar year, together with his reason for granting each such exemption.

"(b) ADMINISTRATIVE PENALTY ORDERS.—

"(1) IN GENERAL.—If the Administrator finds that a Federal agency has violated an applicable requirement under this title, the Administrator may issue a penalty order assessing a penalty against the Federal agency.

"(2) PENALTIES.—The Administrator may, after notice to the agency, assess a civil penalty against the agency in an amount not to exceed $25,000 per day per violation.

"(3) PROCEDURE.—Before an administrative penalty order issued under this subsection becomes final, the Administrator shall provide the agency an opportunity to confer with the Administrator and shall provide the agency notice and an opportunity for a hearing on the record in accordance with chapters 5 and 7 of title 5, United States Code.

"(4) PUBLIC REVIEW.—

"(A) IN GENERAL.—Any interested person may obtain review of an administrative penalty order issued under this subsection. The review may be obtained in the United States District Court for the District of Columbia or in the United States District Court for the district in which the violation is alleged to have occurred by the filing of a complaint with the court within the 30-day period beginning on the date the penalty order becomes final. The person filing the complaint shall simultaneously send a copy of the complaint by certified mail to the Administrator and the Attorney General.

"(B) RECORD.—The Administrator shall promptly file in the court a certified copy of the record on which the order was issued.

"(C) STANDARD OF REVIEW.—The court shall not set aside or remand the order unless the court finds that there is not substantial evidence in the record, taken as a whole, to support the finding of a violation or that the assessment of the penalty by the Administrator constitutes an abuse of discretion.

"(D) PROHIBITION ON ADDITIONAL PENALTIES.—The court may not impose an additional civil penalty for a violation that is subject to the order unless the court finds that the assessment constitutes an abuse of discretion by the Administrator.

"(c) LIMITATION ON STATE USE OF FUNDS COLLECTED FROM FEDERAL GOVERNMENT.—Unless a State law in effect on the date of the enactment of the Safe Drinking Water Act Amendments of 1996 or a State constitution requires the funds to be used in a different manner, all funds collected by a State from the Federal Government from penalties and fines imposed for violation of any substantive or procedural requirement referred to in subsection (a) shall be used by the State only for projects designed to improve or protect the environment or to defray the costs of environmental protection or enforcement.".

(b) CITIZEN ENFORCEMENT.—(1) The first sentence of section 1449(a) (42 U.S.C. 300j-8(a)) is amended—

(A) in paragraph (1), by striking ", or" and inserting a semicolon;

(B) in paragraph (2), by striking the period at the end and inserting "; or"; and

(C) by adding at the end the following:

"(3) for the collection of a penalty by the United States Government (and associated costs and interest) against any Federal agency that fails, by the date that is 18 months after the effective date of a final order to pay a penalty assessed by the Administrator under section 1429(b), to pay the penalty.".

(2) Subsection (b) of section 1449 (42 U.S.C. 300j-8(b)) is amended, by striking the period at the end of paragraph (2) and inserting "; or" and by adding the following new paragraph after paragraph (2):

"(3) under subsection (a)(3) prior to 60 days after the plaintiff has given notice of such action to the Attorney General and to the Federal agency.".

(c) CONFORMING AMENDMENTS.—Section 1447 (42 U.S.C. 300j-6) is amended as follows:

(1) In subsection (a):

(A) In the first sentence, by striking "(1) having jurisdiction over any federally owned or maintained public water system or (2)".

(B) In the first sentence, by striking out "respecting the provision of safe drinking water and".

(C) In the second sentence, by striking "(A)", "(B)", and "(C)" and inserting "(1)", "(2)", and "(3)", respectively.

(2) In subsection (c), by striking "the Safe Drinking Water Amendments of 1977" and inserting "this title" and by striking "this Act" and inserting "this title".

TITLE III—GENERAL PROVISIONS REGARDING SAFE DRINKING WATER ACT

SEC. 301. OPERATOR CERTIFICATION.

Section 1442 is amended by adding the following after subsection (e):

"(f) MINIMUM STANDARDS.—(1) Not later than 30 months after the date of enactment of the Safe Drinking Water Act Amendments of 1996 and after consultation with States exercising primary enforcement responsibility for public water systems, the Administrator shall promulgate regulations specifying minimum standards for certification (and recertification) of the operators of community and nontransient noncommunity public water systems. Such regulations shall take into account existing State programs, the complexity of the system and other factors aimed at providing an effective program at reasonable cost to States and public water systems, taking into account the size of the system.

"(2) Any State exercising primary enforcement responsibility for public water systems shall adopt and implement, within 2 years after the promulgation of regulations pursuant to paragraph (1), requirements for the certification of operators of community and nontransient noncommunity public water systems.

"(3) For any State exercising primary enforcement responsibility for public water systems which has an operator certification program in effect on the date of the enactment of the Safe Drinking Water Act Amendments of 1996, the regulations under paragraph (1) shall allow the State to enforce such program in lieu of the regulations under paragraph (1) if the State submits the program to the Administrator within 18 months after the promulgation of such regulations unless the Administrator determines (within 9 months after the State submits the program to the Administrator) that such program is not substantially equivalent to such regulations. In making this determination, such existing State programs shall be presumed to be substantially equivalent to the regulations, notwithstanding program differences, based on the size of systems or the quality of source water, providing State programs meet overall public health objectives of the regulations. If disapproved the program may be resubmitted within 6 months after receipt of notice of disapproval.".

SEC. 302. TECHNICAL ASSISTANCE.

Section 1442(e) (42 U.S.C. 300j-1(e)), relating to technical assistance for small systems, is amended to read as follows:

"(e) TECHNICAL ASSISTANCE.—The Administrator may provide technical assistance to small public water systems to enable such systems to achieve and maintain compliance with applicable national primary drinking water regulations. Such assistance may include circuit-rider programs, training, and preliminary engineering evaluations. There is authorized to be appropriated to the Administrator to be used for such technical assistance $15,000,000 for fiscal years 1997 through 2003. No portion of any State revolving fund established under section 1452 (relating to State revolving funds) and no portion of any funds made available under this subsection may be used either directly or indirectly for lobbying expenses. Of the total amount appropriated under this subsection, 3 percent shall be used for technical assistance to public water systems owned or operated by Indian tribes.".

SEC. 303. PUBLIC WATER SYSTEM SUPERVISION PROGRAM.

Section 1443(a) (42 U.S.C. 300j-2(a)) is amended as follows:

(1) Paragraph (7) is amended to read as follows:

"(7) AUTHORIZATION.—FOR THE PURPOSE of making grants under paragraph (1), there are authorized to be appropriated $100,000,000 for each of fiscal years 1997 through 2003.".

(2) By adding at the end the following:

"(8) RESERVATION OF FUNDS BY THE ADMINISTRATOR.—If the Administrator assumes the primary enforcement responsibility of a State public water system supervision program, the Administrator may reserve from funds made available pursuant to this subsection, an amount equal to the amount that would otherwise have been provided to the State pursuant to this subsection. The Administrator shall use the funds reserved pursuant to this paragraph to ensure the full and effective administration of a public water system supervision program in the State.

"(9) STATE LOAN FUNDS.—For any fiscal year for which the amount made available to the Administrator by appropriations to carry out this subsection is less than the amount that the Administrator determines is necessary to supplement funds made available pursuant to paragraph (8) to ensure the full and effective administration of a public water system supervision program in a State, the Administrator may reserve from the funds made available to the State under section 1452 (relating to State revolving funds) an amount that is equal to the amount of the shortfall. This paragraph shall not apply to any State not exercising primary enforcement responsibility for public water systems as of the date of enactment of the Safe Drinking Water Amendments of 1996.''.

SEC. 304. MONITORING AND INFORMATION GATHERING.

(a) Review of Existing Requirements.—Paragraph (1) of section 1445(a) (42 U.S.C. 300j–4(a)(1)) is amended to read as follows:

''(1)(A) Every person who is subject to any requirement of this title or who is a grantee, shall establish and maintain such records, make such reports, conduct such monitoring, and provide such information as the Administrator may reasonably require by regulation to assist the Administrator in establishing regulations under this title, in determining whether such person has acted or is acting in compliance with this title, in administering any program of financial assistance under this title, in evaluating the health risks of unregulated contaminants, or in advising the public of such risks. In requiring a public water system to monitor under this subsection, the Administrator may take into consideration the system size and the contaminants likely to be found in the system's drinking water.

''(B) Every person who is subject to a national primary drinking water regulation under section 1412 shall provide such information as the Administrator may reasonably require, after consultation with the State in which such person is located if such State has primary enforcement responsibility for public water systems, on a case-by-case basis, to determine whether such person has acted or is acting in compliance with this title.

''(C) Every person who is subject to a national primary drinking water regulation under section 1412 shall provide such information as the Administrator may reasonably require to assist the Administrator in establishing regulations under section 1412 of this title, after consultation with States and suppliers of water. The Administrator may not require under this subparagraph the installation of treatment equipment or process changes, the testing of treatment technology, or the analysis or processing of monitoring samples, except where the Administrator provides the funding for such activities. Before exercising this authority, the Administrator shall first seek to obtain the information by voluntary submission.

''(D) The Administrator shall not later than 2 years after the date of enactment of this sentence, after consultation with public health experts, representatives of the general public, and officials of State and local governments, review the monitoring requirements for not fewer than 12 contaminants identified by the Administrator, and promulgate any necessary modifications.''.

(b) Monitoring Relief.—Part B is amended by adding the following new section after section 1417:

''SEC. 1418. MONITORING OF CONTAMINANTS.

''(a) Interim Monitoring Relief Authority.—(1) A State exercising primary enforcement responsibility for public water systems may modify the monitoring requirements for any regulated or unregulated contaminants for which monitoring is required other than microbial contaminants (or indicators thereof), disinfectants and disinfection byproducts or corrosion byproducts for an interim period to provide that any public water system serving 10,000 persons or fewer shall not be required to conduct additional quarterly monitoring during an interim relief period for such contaminants if—

''(A) monitoring, conducted at the beginning of the period for the contaminant concerned and certified to the State by the public water system, fails to detect the presence of the contaminant in the ground or surface water supplying the public water system, and

''(B) the State, (considering the hydrogeology of the area and other relevant factors), determines in writing that the contaminant is unlikely to be detected by further monitoring during such period.

''(2) The interim relief period referred to in paragraph (1) shall terminate when permanent monitoring relief is adopted and approved for such State, or at the end of 36 months after the enactment of the Safe Drinking Water Act Amendments of 1996, whichever comes first. In order to serve as a basis for interim relief, the monitoring conducted at the beginning of the period must occur at the time determined by the State to be the time of the public water system's greatest vulnerability to the contaminant concerned in the relevant ground or surface water, taking into account in the case of pesticides the time of application of the pesticide for the source water area and the travel time for the pesticide to reach such waters and taking into account, in the case of other contaminants, seasonality of precipitation and contaminant travel time.

''(b) Permanent Monitoring Relief Authority.—(1) Each State exercising primary enforcement responsibility for public water systems under this title and having an approved wellhead protection program and a source water assessment program may adopt, in accordance with guidance published by the Administrator, and submit to the Administrator as provided in section 1428(c), tailored alternative monitoring requirements for public water systems in such State (as an alternative to the monitoring requirements for chemical contaminants set forth in the applicable national primary drinking water regulations) where the State concludes that (based on data available at the time of adoption concerning susceptibility, use, occurrence, wellhead protection, or from the State's drinking water source water assessment program) such alternative monitoring would provide assurance that it complies with the Administrator's guidelines. The State program must be adequate to assure compliance with, and enforcement of, applicable national primary drinking water regulations. Alternative monitoring shall not apply to regulated microbiological contaminants (or indicators thereof), disinfectants and disinfection by-products, or corrosion by-products. The preceding sentence is not intended to limit other authority of the Administrator under other provisions of this title to grant monitoring flexibility.

''(2)(A) The Administrator shall issue, after notice and comment and at the same time as guidelines are issued for source water assessment under section 1428(l), guidelines for States to follow in proposing alternative monitoring requirements under paragraph (1) of this subsection for chemical contaminants. The Administrator shall publish such guidelines in the Federal Register. The guidelines shall assure that the public health will be protected from drinking water contamination. The guidelines shall require that a State alternative monitoring program apply on a contaminant-by-contaminant basis and that, to be eligible for such alternative monitoring program, a public water system must show the State that the contaminant is not present in the drinking water supply or, if present, it is reliably and consistently below the maximum contaminant level.

''(B) For purposes of subparagraph (A), the phrase 'reliably and consistently below the maximum contaminant level' means that, although contaminants have been detected in a water supply, the State has sufficient knowledge of the contamination source and extent of contamination to predict that the maximum contaminant level will not be exceeded. In determining that a contaminant is reliably and consistently below the maximum contaminant level, States shall consider the quality and completeness of data, the length of time covered and the volatility or stability of monitoring results during that time, and the proximity of such results to the maximum contaminant level. Wide variations in the analytical results, or analytical results close to the maximum contaminant level, shall not be considered to be reliably and consistently below the maximum contaminant level.

''(3) The guidelines issued by the Administrator under paragraph (2) shall require that if, after the monitoring program is in effect and operating, a contaminant covered by the alternative monitoring program is detected at levels at or above the maximum contaminant level or is no longer reliably or consistently below the maximum contaminant level, the public water system must either—

''(A) demonstrate that the contamination source has been removed or that other action has been taken to eliminate the contamination problem, or

''(B) test for the detected contaminant pursuant to the applicable national primary drinking water regulation.

''(c) Treatment as NPDWR.—All monitoring relief granted by a State to a public water system for a regulated contaminant under subsection (a) or (b) shall be treated as part of the national primary drinking water regulation for that contaminant.

''(d) Other Monitoring Relief.—Nothing in this section shall be construed to affect the authority of the States under applicable national primary drinking water regulations to alter monitoring requirements through waivers or other existing authorities. The Administrator shall periodically review and, as appropriate, revise such authorities.''.

(c) Unregulated Contaminants.—Section 1445(a) (42 U.S.C. 300j–4(a)) is amended by striking paragraphs (2) through (8) and inserting the following:

''(2) Monitoring program for unregulated contaminants.—

''(A) Establishment.—The Administrator shall promulgate regulations establishing the criteria for a monitoring program for unregulated contaminants. The regulations shall require monitoring of drinking water supplied by public water systems and shall vary the frequency and schedule for monitoring requirements for systems based on the number of persons served by the system, the source of supply, and the contaminants likely to be found.

''(B) Monitoring program for certain unregulated contaminants.—

''(i) Initial list.—Not later than 3 years after the date of enactment of the Safe Drinking Water Amendments of 1996 and every 5 years thereafter, the Administrator shall issue a list pursuant to subparagraph (A) of not more than 40 unregulated contaminants to be monitored by public water systems and to be included in the national drinking water occurrence data base maintained pursuant to subsection (g).

''(ii) Governors' petition.—The Administrator shall include among the list of contaminants for which monitoring is required under this paragraph each contaminant recommended in a petition signed by the Governor of each of 7 or more States, unless the

Administrator determines that the action would prevent the listing of other contaminants of a higher public health concern.

"(C) MONITORING PLAN FOR SMALL AND MEDIUM SYSTEMS.—

"(i) IN GENERAL.—Based on the regulations promulgated by the Administrator, each State shall develop a representative monitoring plan to assess the occurrence of unregulated contaminants in public water systems that serve a population of 10,000 or fewer. The plan shall require monitoring for systems representative of different sizes, types, and geographic locations in the State.

"(ii) GRANTS FOR SMALL SYSTEM COSTS.—From funds appropriated under subparagraph (H), the Administrator shall pay the reasonable cost of such testing and laboratory analysis as are necessary to carry out monitoring under the plan.

"(D) MONITORING RESULTS.—Each public water system that conducts monitoring of unregulated contaminants pursuant to this paragraph shall provide the results of the monitoring to the primary enforcement authority for the system.

"(E) NOTIFICATION.—Notification of the availability of the results of monitoring programs required under paragraph (2)(A) shall be given to the persons served by the system and the Administrator.

"(F) WAIVER OF MONITORING REQUIREMENT.—The Administrator shall waive the requirement for monitoring for a contaminant under this paragraph in a State, if the State demonstrates that the criteria for listing the contaminant do not apply in that State.

"(G) ANALYTICAL METHODS.—The State may use screening methods approved by the Administrator under subsection (i) in lieu of monitoring for particular contaminants under this paragraph.

"(H) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this paragraph $10,000,000 for each of the fiscal years 1997 through 2003.".

(d) SCREENING METHODS.—Section 1445 (42 U.S.C. 300j-4) is amended by adding the following after subsection (h):

"(i) SCREENING METHODS.—The Administrator shall review new analytical methods to screen for regulated contaminants and may approve such methods as are more accurate or cost-effective than established reference methods for use in compliance monitoring.".

SEC. 305. OCCURRENCE DATA BASE.

Section 1445 is amended by adding the following new subsection after subsection (f):

"(g) NATIONAL DRINKING WATER OCCURRENCE DATA BASE.—

"(1) IN GENERAL.—Not later than 3 years after the date of enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall assemble and maintain a national drinking water occurrence data base, using information on the occurrence of both regulated and unregulated contaminants in public water systems obtained under subsection (a)(1)(A) or subsection (a)(2) and reliable information from other public and private sources.

"(2) PUBLIC INPUT.—In establishing the occurrence data base, the Administrator shall solicit recommendations from the Science Advisory Board, the States, and other interested parties concerning the development and maintenance of a national drinking water occurrence data base, including such issues as the structure and design of the data base, data input parameters and requirements, and the use and interpretation of data.

"(3) USE.—The data shall be used by the Administrator in making determinations under section 1412(b)(3) with respect to the occurrence of a contaminant in drinking water at a level of public health concern.

"(4) PUBLIC RECOMMENDATIONS.—The Administrator shall periodically solicit recommendations from the appropriate officials of the National Academy of Sciences and the States, and any person may submit recommendations to the Administrator, with respect to contaminants that should be included in the national drinking water occurrence data base, including recommendations with respect to additional unregulated contaminants that should be listed under subsection (a)(2). Any recommendation submitted under this clause shall be accompanied by reasonable documentation that—

"(A) the contaminant occurs or is likely to occur in drinking water; and

"(B) the contaminant poses a risk to public health.

"(5) PUBLIC AVAILABILITY.—The information from the data base shall be available to the public in readily accessible form.

"(6) REGULATED CONTAMINANTS.—With respect to each contaminant for which a national primary drinking water regulation has been established, the data base shall include information on the detection of the contaminant at a quantifiable level in public water systems (including detection of the contaminant at levels not constituting a violation of the maximum contaminant level for the contaminant).

"(7) UNREGULATED CONTAMINANTS.—With respect to contaminants for which a national primary drinking water regulation has not been established, the data base shall include—

"(A) monitoring information collected by public water systems that serve a population of more than 3,300, as required by the Administrator under subsection (a);

"(B) monitoring information collected by the States from a representative sampling of public water systems that serve a population of 3,300 or fewer; and

"(C) other reliable and appropriate monitoring information on the occurrence of the contaminants in public water systems that is available to the Administrator.".

SEC. 306. CITIZENS SUITS.

Section 1449 (42 U.S.C. 300j-8) is amended by inserting ", or a State" after "prosecuting a civil action in a court of the United States" in subsection (b)(1)(B).

SEC. 307. WHISTLE BLOWER.

(a) WHISTLE BLOWER.—Section 1450(i) is amended as follows:

(1) Amend paragraph (2)(A) by striking "30 days" and inserting "180 days" and by inserting before the period at the end "and the Environmental Protection Agency".

(2) Amend paragraph (2)(B)(i) by inserting before the last sentence the following: "Upon conclusion of such hearing and the issuance of a recommended decision that the complaint has merit, the Secretary shall issue a preliminary order providing the relief prescribed in clause (ii), but may not order compensatory damages pending a final order.".

(3) Amend paragraph (2)(B)(ii) by inserting "and" before "(III)" and by striking "compensatory damages, and (IV) where appropriate, exemplary damages" and inserting "and the Secretary may order such person to provide compensatory damages to the complainant".

(4) Redesignate paragraphs (3), (4), (5), and (6) as paragraphs (4), (5), (6), and (7), respectively, and insert after paragraph (2) the following:

"(3)(A) The Secretary shall dismiss a complaint filed under paragraph (1), and shall not conduct the investigation required under paragraph (2), unless the complainant has made a prima facie showing that any behavior described in subparagraphs (A) through (C) of paragraph (1) was a contributing factor in the unfavorable personnel action alleged in the complaint.

"(B) Notwithstanding a finding by the Secretary that the complaint has made the showing required by paragraph (1)(A), no investigation required under paragraph (2) shall be conducted if the employer demonstrates, by clear and convincing evidence, that it would have taken the same unfavorable personnel action in the absence of such behavior.

"(C) The Secretary may determine that a violation of paragraph (1) has occurred only if the complainant has demonstrated that any behavior described in subparagraphs (A) through (C) of paragraph (1) was a contributing factor in the unfavorable personnel action alleged in the complaint.

"(D) Relief may not be ordered under paragraph (2) if the employer demonstrates clear and convincing evidence that it would have taken the same unfavorable personnel action in the absence of such behavior.".

(5) Add at the end the following:

"(8) This subsection may not be construed to expand, diminish, or otherwise affect any right otherwise available to an employee under Federal or State law to reduce the employee's discharge or other discriminatory action taken by the employer against the employee. The provisions of this subsection shall be prominently posted in any place of employment to which this subsection applies.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to claims filed under section 1450(i) of the Public Health Service Act on or after the date of the enactment of this Act.

SEC. 308. STATE REVOLVING FUNDS.

Part E (42 U.S.C. 300j et seq.) is amended by adding the following new section after section 1451:

"SEC. 1452. STATE REVOLVING FUNDS.

"(a) GENERAL AUTHORITY.—

"(1) GRANTS TO STATES TO ESTABLISH REVOLVING FUNDS.—(A) The Administrator shall enter into agreements with eligible States to make capitalization grants, including letters of credit, to the States under this subsection solely to further the health protection objectives of this title, promote the efficient use of fund resources, and for such other purposes as are specified in this title.

"(B) To be eligible to receive a capitalization grant under this section, a State shall establish a drinking water treatment revolving loan fund and comply with the other requirements of this section.

"(C) Such a grant to a State shall be deposited in the drinking water treatment revolving fund established by the State, except as otherwise provided in this section and in other provisions of this title. No funds authorized by other provisions of this title to be used for other purposes specified in this title shall be deposited in any State revolving fund.

"(D) Such a grant to a State shall be available to the State for obligation during the fiscal year for which the funds are authorized and during the following fiscal year, except that grants made available from funds provided in Public Law 103-327, Public Law 103-124, and Public Law 104-134 shall be available for obligation during each of the fiscal years 1997 and 1998.

"(E) Except as otherwise provided in this section, funds made available to carry out this part shall be allotted to States that have entered into an agreement pursuant to this section in accordance with—

"(i) for each of fiscal years 1995 through 1997, a formula that is the same as the formula used to distribute public water system supervision grant funds under section 1443 in fiscal year 1995, except that the minimum proportionate share established in the formula shall be 1 percent of available funds and the formula shall be adjusted to include a minimum proportionate share for the State of Wyoming; and

"(ii) for fiscal year 1998 and each subsequent fiscal year, a formula that allocates to each State the proportional share of the State needs identified in the most recent survey conducted pursuant to section 1452(h), except that the minimum proportionate share provided to each State shall be the same as the minimum proportionate share provided under clause (i).

"(F) Such grants not obligated by the last day of the period for which the grants are available shall be reallotted according to the appropriate criteria set forth in subparagraph (E).

"(G) The State allotment for a State not exercising primary enforcement responsibility for public water systems shall not be deposited in any such fund but shall be allotted by the Administrator as follows: 20 percent of such allotment shall be available to the Administrator as needed to exercise primary enforcement responsibility under this title in such State and the remainder shall be reallotted to States exercising primary enforcement responsibility for public water systems for deposit in such funds. Whenever the Administrator makes a final determination pursuant to section 1413(b) that the requirements of section 1413(a) are no longer being met by a State, additional grants for such State under this title shall be immediately terminated by the Administrator. This subparagraph shall not apply to any State not exercising primary enforcement responsibility for public water systems as of the date of enactment of the Safe Drinking Water Act Amendments of 1996.

"(H)(i) Beginning in fiscal year 1999, the Administrator shall withhold 20 percent of each capitalization grant made pursuant to this section to a State if the State has not met the requirements of section 1419 (relating to capacity development).

"(ii) The Administrator shall withhold 20 percent of each capitalization grant made pursuant to this section if the State has not met the requirements of subsection (f) of section 1442 (relating to operator certification).

"(iii) All funds withheld by the Administrator pursuant to clause (i) shall be reallotted by the Administrator on the basis of the same ratio as is applicable to funds allotted under subparagraph (E). None of the funds reallotted by the Administrator pursuant to this paragraph shall be allotted to a State unless the State has met the requirements of section 1419 (relating to capacity development).

"(iv) All funds withheld by the Administrator pursuant to clause (ii) shall be reallotted by the Administrator on the basis of the same ratio as applicable to funds allotted under subparagraph (E). None of the funds reallotted by the Administrator pursuant to this paragraph shall be allotted to a State unless the State has met the requirements of subsection (f) of section 1442 (relating to operator certification).

"(2) USE OF FUNDS.—Except as otherwise authorized by this title, amounts deposited in such revolving funds, including loan repayments and interest earned on such amounts, shall be used only for providing loans, loan guarantees, or as a source of reserve and security for leveraged loans, the proceeds of which are deposited in a State revolving fund established under paragraph (1), or other financial assistance authorized under this section to community water systems and nonprofit noncommunity water systems, other than systems owned by Federal agencies. Such financial assistance may be used by a public water system only for expenditures (not including monitoring, operation, and maintenance expenditures) of a type or category which the Administrator has determined, through guidance, will facilitate compliance with national primary drinking water regulations applicable to such system under section 1412 or otherwise significantly further the health protection objectives of this title. Such funds may also be used to provide loans to a system referred to in section 1401(4)(B) for the purpose of providing the treatment described in section 1401(4)(B)(i)(III). Such funds shall not be used for the acquisition of real property or interests therein, unless such acquisition is integral to a project authorized by this paragraph and the purchase is from a willing seller. Of the amount credited to any revolving fund established under this section in any fiscal year, 15 percent shall be available solely for providing loan assistance to public water systems which regularly serve fewer than 10,000 persons.

"(3) LIMITATION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), no assistance under this part shall be provided to a public water system that—

"(i) does not have the technical, managerial, and financial capability to ensure compliance with the requirements of this title; or

"(ii) is in significant noncompliance with any requirement of a national primary drinking water regulation or variance.

"(B) RESTRUCTURING.—A public water system described in subparagraph (A) may receive assistance under this part if—

"(i) the owner or operator of the system agrees to undertake feasible and appropriate changes in operations (including ownership, management, accounting, rates, maintenance, consolidation, alternative water supply, or other procedures) if the State determines that such measures are necessary to ensure that the system has the technical, managerial, and financial capability to comply with the requirements of this title over the long term; and

"(ii) the use of the assistance will ensure compliance.

"(b) INTENDED USE PLANS.—

"(1) IN GENERAL.—After providing for public review and comment, each State that has entered into a capitalization agreement pursuant to this part shall annually prepare a plan that identifies the intended uses of the amounts available to the State loan fund of the State.

"(2) CONTENTS.—An intended use plan shall include—

"(A) a list of the projects to be assisted in the first fiscal year that begins after the date of the plan, including a description of the project, the expected terms of financial assistance, and the size of the community served;

"(B) the criteria and methods established for the distribution of funds; and

"(C) a description of the financial status of the State loan fund and the short-term and long-term goals of the State loan fund.

"(3) USE OF FUNDS.—

"(A) IN GENERAL.—An intended use plan shall provide, to the maximum extent practicable, that priority for the use of funds be given to projects that—

"(i) address the most serious risk to human health;

"(ii) are necessary to ensure compliance with the requirements of this title (including requirements for filtration); and

"(iii) assist systems most in need on a per household basis according to State affordability criteria.

"(B) LIST OF PROJECTS.—Each State shall, after notice and opportunity for public comment, publish and periodically update a list of projects in the State that are eligible for assistance under this part, including the priority assigned to each project and, to the extent known, the expected funding schedule for each project.

"(c) FUND MANAGEMENT.—Each State revolving fund under this section shall be established, maintained, and credited with repayments and interest. The fund corpus shall be available in perpetuity for providing financial assistance under this section. To the extent amounts in each such fund are not required for current obligation or expenditure, such amounts shall be invested in interest bearing obligations.

"(d) ASSISTANCE FOR DISADVANTAGED COMMUNITIES.—

"(1) LOAN SUBSIDY.—Notwithstanding any other provision of this section, in any case in which the State makes a loan pursuant to subsection (a)(2) to a disadvantaged community or to a community that the State expects to become a disadvantaged community as the result of a proposed project, the State may provide additional subsidization (including forgiveness of principal).

"(2) TOTAL AMOUNT OF SUBSIDIES.—For each fiscal year, the total amount of loan subsidies made by a State pursuant to paragraph (1) may not exceed 30 percent of the amount of the capitalization grant received by the State for the year.

"(3) DEFINITION OF DISADVANTAGED COMMUNITY.—In this subsection, the term 'disadvantaged community' means the service area of a public water system that meets affordability criteria established after public review and comment by the State in which the public water system is located. The Administrator may publish information to assist States in establishing affordability criteria.

"(e) STATE CONTRIBUTION.—Each agreement under subsection (a) shall require that the State deposit in the State revolving fund from State moneys an amount equal to at least 20 percent of the total amount of the grant to be made to the State on or before the date on which the grant payment is made to the State, except that a State shall not be required to deposit such amount into the fund prior to the date on which each grant payment is made for fiscal years 1994, 1995, 1996, and 1997 if such State deposits the State contribution amount into the State fund prior to September 30, 1998.

"(f) COMBINED FINANCIAL ADMINISTRATION.—Notwithstanding subsection (c), a State may (as a convenience and to avoid unnecessary administrative costs) combine, in accordance with State law, the financial administration of a revolving fund established under this section with the financial administration of any other revolving fund established by the State if otherwise not prohibited by the law under which such revolving fund was established and if the Administrator determines that—

"(1) the grants under this section, together with loan repayments and interest, will be separately accounted for and used solely for the purposes specified in this section; and

"(2) the authority to establish assistance priorities and carry out oversight and related activities (other than financial administration) with respect to such assistance remains with the State agency having primary responsibility for administration of the State program under section 1413.

"(g) Administration.—(1) Each State may annually use up to 4 percent of the funds allotted to the State under this section to cover the reasonable costs of administration of the programs under this section, including the recovery of reasonable costs expended to establish such a fund which are incurred after the date of enactment of this section, and to provide technical assistance to public water systems within the State. For fiscal year 1995 and each fiscal year thereafter, each State with primary enforcement responsibility for public water systems within that State may use up to an additional 10 percent of the funds allotted to the State under this section—

"(A) for public water system supervision programs which receive grants under section 1443(a);

"(B) to administer or provide technical assistance through source water protection programs;

"(C) to develop and implement a capacity development strategy under section 1419(c); and

"(D) for an operator certification program for purposes of meeting the requirements of section 1442(f),

if the State matches such expenditures with at least an equal amount of State funds. At least half of such match must be additional to the amount expended by the State for public water supervision in fiscal year 1993. An additional 1 percent of the funds annually allotted to the State under this section shall be used by each State to provide technical assistance to public water systems in such State. Funds utilized under section 1452(g)(1)(B) shall not be used for enforcement actions or for purposes which do not facilitate compliance with national primary drinking water regulations or otherwise significantly further the health protection objectives of this title.

"(2) The Administrator shall publish such guidance and promulgate such regulations as may be necessary to carry out the provisions of this section, including—

"(A) provisions to ensure that each State commits and expends funds allotted to the State under this section as efficiently as possible in accordance with this title and applicable State laws,

"(B) guidance to prevent waste, fraud, and abuse, and

"(C) guidance to avoid the use of funds made available under this section to finance the expansion of any public water system in anticipation of future population growth.

Such guidance and regulations shall also insure that the States, and public water systems receiving assistance under this section, use accounting, audit, and fiscal procedures that conform to generally accepted accounting standards.

"(3) Each State administering a revolving fund and assistance program under this subsection shall publish and submit to the Administrator a report every 2 years on its activities under this subsection, including the findings of the most recent audit of the fund and the entire State allotment. The Administrator shall periodically audit all revolving funds established by, and all other amounts allotted to, the States pursuant to this subsection in accordance with procedures established by the Comptroller General.

"(h) Needs Survey.—The Administrator shall conduct an assessment of water system capital improvements needs of all eligible public water systems in the United States and submit a report to the Congress containing the results of such assessment within 180 days after the date of the enactment of the Safe Drinking Water Act Amendments of 1996 and every 4 years thereafter.

"(i) Indian Tribes.—1½ percent of the amounts appropriated annually to carry out this section may be used by the Administrator to make grants to Indian Tribes and Alaskan Native Villages which are not otherwise eligible to receive either grants from the Administrator under this section or assistance from State revolving funds established under this section. Such grants may only be used for expenditures by such tribes and villages for public water system expenditures referred to in subsection (a)(2).

"(j) Other Areas.—Of the funds annually available under this section for grants to States, the Administrator shall make allotments in accordance with section 1443(a)(4) for the District of Columbia, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, and the Republic of Palau. The grants allotted as provided in this subsection may be provided by the Administrator to the governments of such areas, to public water systems in such areas, or to both, to be used for the public water system expenditures referred to in subsection (a)(2). Such grants shall not be deposited in revolving funds. The total allotment of grants under this section for all areas described in this paragraph in any fiscal year shall not exceed 1 percent of the aggregate amount made available to carry out this section in that fiscal year.

"(k) Set-Asides.—

"(1) In general.—Notwithstanding subsection (a)(2), a State may take each of the following actions:

"(A) Provide assistance, only in the form of a loan to one or both of the following:

"(i) Any public water system described in subsection (a)(2) to acquire land or a conservation easement from a willing seller or grantor, if the purpose of the acquisition is to protect the source water of the system from contamination and to ensure compliance with national primary drinking water regulations.

"(ii) Any community water system to implement local, voluntary source water protection measures to protect source water in areas delineated pursuant to section 1428(l), in order to facilitate compliance with national primary drinking water regulations applicable to such system under section 1412 or otherwise significantly further the health protection objectives of this title. Funds authorized under this clause may be used to fund only voluntary, incentive-based mechanisms.

"(B) Provide assistance, including technical and financial assistance, to any public water system as part of a capacity development strategy developed and implemented in accordance with section 1419(c).

"(C) Make expenditures from the capitalization grant of the State for fiscal years 1996 and 1997 to delineate and assess source water protection areas in accordance with section 1428(l), except that funds set aside for such expenditure shall be obligated within 4 fiscal years.

"(D) Make expenditures from the fund for the establishment and implementation of wellhead protection programs under section 1428.

"(2) Limitation.—For each fiscal year, the total amount of assistance provided and expenditures made by a State under this subsection may not exceed 15 percent of the amount of the capitalization grant received by the State for that year and may not exceed 10 percent of that amount for any one of the following activities:

"(A) To acquire land or conservation easements pursuant to paragraph (1)(A)(i).

"(B) To provide funding to implement voluntary, incentive-based source water quality protection measures pursuant to paragraph (1)(A)(ii).

"(C) To provide assistance through a capacity development strategy pursuant to paragraph (1)(B).

"(D) To make expenditures to delineate or assess source water protection areas pursuant to paragraph (1)(C).

"(E) To make expenditures to establish and implement wellhead protection programs pursuant to paragraph (1)(D).

"(3) Statutory construction.—Nothing in this section creates or conveys any new authority to a State, political subdivision of a State, or community water system for any new regulatory measure, or limits any authority of a State, political subdivision of a State or community water system.

"(l) Savings.—The failure or inability of any public water system to receive funds under this section or any other loan or grant program, or any delay in obtaining the funds, shall not alter the obligation of the system to comply in a timely manner with all applicable drinking water standards and requirements of this title.

"(m) Authorization of Appropriations.—There is authorized to be appropriated to carry out the purposes of this section $599,000,000 for the fiscal year 1994 and $1,000,000,000 for each of the fiscal years 1995 through 2003. Sums shall remain available until expended.

"(n) Health Effects Studies.—From funds appropriated pursuant to this section for each fiscal year, the Administrator shall reserve $10,000,000 for health effects studies on drinking water contaminants authorized by the Safe Drinking Water Act Amendments of 1996. In allocating funds made available under this subsection, the Administrator shall give priority to studies concerning the health effects of cryptosporidium, disinfection byproducts, and arsenic, and the implementation of a plan for studies of subpopulations at greater risk of adverse effects.

"(o) Demonstration Project for State of Virginia.—Notwithstanding the other provisions of this subsection limiting the use of funds deposited in a State revolving fund from any State allotment, the State of Virginia may, as a single demonstration and with the approval of the Virginia General Assembly and the Administrator, conduct a program to demonstrate alternative approaches to intergovernmental coordination to assist in the financing of new drinking water facilities in the following rural communities in southwestern Virginia where none exists on the date of the enactment of the Safe Drinking Water Act Amendments of 1996 and where such communities are experiencing economic hardship: Lee County, Wise County, Scott County, Dickenson County, Russell County, Buchanan County, Tazewell County, and the city of Norton, Virginia. The funds allotted to that State and deposited in the State revolving fund may be loaned to a regional endowment fund for the purpose set forth in this paragraph under a plan to be approved by the Administrator. The plan may include an advisory group that includes representatives of such counties.

"(p) SMALL SYSTEM TECHNICAL ASSISTANCE.—The Administrator may reserve up to 2 percent of the total funds appropriated pursuant to subsection (m) for each of the fiscal years 1997 through 2003 to carry out the provisions of section 1442(e), relating to technical assistance for small systems.".

SEC. 309. WATER CONSERVATION PLAN.

Part E is amended by adding at the end the following:

"SEC. 1453. WATER CONSERVATION PLAN.

"(a) GUIDELINES.—Not later than 2 years after the date of the enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall publish in the Federal Register guidelines for water conservation plans for public water systems serving fewer than 3,300 persons, public water systems serving between 3,300 and 10,000 persons, and public water systems serving more than 10,000 persons, taking into consideration such factors as water availability and climate.

"(b) SRF LOANS OR GRANTS.—Within 1 year after publication of the guidelines under subsection (a), a State exercising primary enforcement responsibility for public water systems may require a public water system, as a condition of receiving a loan or grant from a State revolving fund under section 1452, to submit with its application for such loan or grant a water conservation plan consistent with such guidelines.".

TITLE IV—MISCELLANEOUS

SEC. 401. DEFINITIONS.

(a) ALTERNATIVE QUALITY CONTROL AND TESTING PROCEDURES.—Section 1401(1)(D) (42 U.S.C. 300f(1)(D)) is amended by adding the following at the end thereof: "At any time after promulgation of a regulation referred to in this paragraph, the Administrator may add equally effective quality control and testing procedures by guidance published in the Federal Register. Such procedures shall be treated as an alternative for public water systems to the quality control and testing procedures listed in the regulation.".

(b) PUBLIC WATER SYSTEM.—

(1) IN GENERAL.—Section 1401(4) (42 U.S.C. 300f(4)) is amended—

(A) in the first sentence, by striking "piped water for human consumption" and inserting "water for human consumption through pipes or other constructed conveyances";

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(C) by striking "(4) The" and inserting the following:

"(4) PUBLIC WATER SYSTEM.—

"(A) IN GENERAL.—The"; and

(D) by adding at the end the following:

"(B) CONNECTIONS.—

"(i) IN GENERAL.—For purposes of subparagraph (A), a connection to a system that delivers water by a constructed conveyance other than a pipe shall not be considered a connection, if—

"(I) the water is used exclusively for purposes other than residential uses (consisting of drinking, bathing, and cooking, or other similar uses);

"(II) the Administrator or the State (in the case of a State exercising primary enforcement responsibility for public water systems) determines that alternative water to achieve the equivalent level of public health protection provided by the applicable national primary drinking water regulation is provided for residential or similar uses for drinking, cooking, and bathing; or

"(III) the Administrator or the State (in the case of a State exercising primary enforcement responsibility for public water systems) determines that the water provided for residential or similar uses for drinking, cooking, and bathing is centrally treated or treated at the point of entry by the provider, a pass-through entity, or the user to achieve the equivalent level of protection provided by the applicable national primary drinking water regulations.

"(ii) IRRIGATION DISTRICTS.—An irrigation district in existence prior to May 18, 1994, that provides primarily agricultural service through a piped water system with only incidental residential or similar use shall not be considered to be a public water system if the system or the residential or similar users of the system comply with subclause (II) or (III) of clause (i).

"(C) TRANSITION PERIOD.—A water supplier that would be a public water system only as a result of modifications made to this paragraph by the Safe Drinking Water Act Amendments of 1996 shall not be considered a public water system for purposes of the Act until the date that is two years after the date of enactment of this subparagraph. If a water supplier does not serve 15 service connections (as defined in subparagraphs (A) and (B)) or 25 people at any time after the conclusion of the two-year period, the water supplier shall not be considered a public water system.".

(2) GAO STUDY.—The Comptroller General of the United States shall undertake a study to—

(A) ascertain the numbers and locations of individuals and households relying for their residential water needs, including drinking, bathing, and cooking (or other similar uses) on irrigation water systems, mining water systems, industrial water systems or other water systems covered by section 1401(4)(B) of the Safe Drinking Water Act that are not public water systems subject to the Safe Drinking Water Act;

(B) determine the sources and costs and affordability (to users and systems) of water used by such populations for their residential water needs; and

(C) review State and water system compliance with the exclusion provisions of section 1401(4)(B) of such Act.

The Comptroller General shall submit a report to the Congress within 3 years after the enactment of this Act containing the results of such study.

SEC. 402. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—Part A (42 U.S.C. 300f) is amended by adding the following new section after section 1401:

"SEC. 1402. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title for the first 7 fiscal years following the enactment of the Safe Drinking Water Act Amendments of 1996. With the exception of biomedical research, nothing in this Act shall affect or modify any authorization for research and development under this Act or any other provision of law.".

(b) CRITICAL AQUIFER PROTECTION.—Section 1427 (42 U.S.C. 300h-6) is amended as follows:

(1) Subsection (b)(1) is amended by striking "not later than 24 months after the enactment of the Safe Drinking Water Act Amendments of 1986".

(2) The table in subsection (m) is amended by adding at the end the following:

"1992–2003 .... 15,000,000.".

(c) WELLHEAD PROTECTION AREAS.—The table in section 1428(k) (42 U.S.C. 300h-7(k)) is amended by adding at the end the following:

"1992–2003 .... 30,000,000.".

(d) UNDERGROUND INJECTION CONTROL GRANT.—The table in section 1443(b)(5) (42 U.S.C. 300j-2(b)(5)) is amended by adding at the end the following:

"1992–2003 .... 15,000,000.".

SEC. 403. NEW YORK CITY WATERSHED PROTECTION PROGRAM.

Section 1443 (42 U.S.C. 300j-2) is amended by adding at the end the following:

"(d) NEW YORK CITY WATERSHED PROTECTION PROGRAM.—

"(1) IN GENERAL.—The Administrator is authorized to provide financial assistance to the State of New York for demonstration projects implemented as part of the watershed program for the protection and enhancement of the quality of source waters of the New York City water supply system, including projects necessary to comply with the criteria for avoiding filtration contained in 40 CFR 141.71. Demonstration projects which shall be eligible for financial assistance shall be certified to the Administrator by the State of New York as satisfying the purposes of this subsection. In certifying projects to the Administrator, the State of New York shall give priority to monitoring projects that have undergone peer review.

"(2) REPORT.—Not later than 5 years after the date on which the Administrator first provides assistance pursuant to this paragraph, the Governor of the State of New York shall submit a report to the Administrator on the results of projects assisted.

"(3) MATCHING REQUIREMENTS.—Federal assistance provided under this subsection shall not exceed 35 percent of the total cost of the protection program being carried out for any particular watershed or ground water recharge area.

"(4) AUTHORIZATION.—There are authorized to be appropriated to the Administrator to carry out this subsection for each of fiscal years 1997 through 2003 $8,000,000 for each of such fiscal years for the purpose of providing assistance to the State of New York to carry out paragraph (1).".

SEC. 404. ESTROGENIC SUBSTANCES SCREENING PROGRAM.

Part F is amended by adding the following at the end thereof:

"SEC. 1466. ESTROGENIC SUBSTANCES SCREENING PROGRAM.

"(a) DEVELOPMENT.—Not later than 2 years after the date of enactment of this section, the Administrator shall develop a screening program, using appropriate validated test systems and other scientifically relevant information, to determine whether certain substances may have an effect in humans that is similar to an effect produced by a naturally occurring estrogen, or such other endocrine effect as the Administrator may designate.

"(b) IMPLEMENTATION.—Not later than 3 years after the date of enactment of this section, after obtaining public comment and review of the screening program described in subsection (a) by the scientific advisory panel established under section 25(d) of the Act of June 25, 1947 (chapter 125) or the Science Advisory Board established by section 8 of the Environmental Research, Development, and Demonstration Act of 1978 (42 U.S.C. 4365), the Administrator shall implement the program.

"(c) SUBSTANCES.—In carrying out the screening program described in subsection (a), the Administrator—

"(1) shall provide for the testing of all active and inert ingredients used in products described in section 103(e) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9603(e)) that may be found in sources of drinking water, and

"(2) may provide for the testing of any other substance that may be found in sources of drinking water if the Administrator determines that a substantial population may be exposed to such substance.

"(d) EXEMPTION.—Notwithstanding subsection (c), the Administrator may, by order, exempt from the requirements of this section a biologic substance or other substance if the Administrator determines that the substance is anticipated not to produce any effect in humans similar to an effect produced by a naturally occurring estrogen.

"(e) COLLECTION OF INFORMATION.—

"(1) IN GENERAL.—The Administrator shall issue an order to a person that registers, manufactures, or imports a substance for which testing is required under this subsection to conduct testing in accordance with the screening program described in subsection (a), and submit information obtained from the testing to the Administrator, within a reasonable time period that the Administrator determines is sufficient for the generation of the information.

"(2) PROCEDURES.—To the extent practicable the Administrator shall minimize duplicative testing of the same substance for the same endocrine effect, develop, as appropriate, procedures for fair and equitable sharing of test costs, and develop, as necessary, procedures for handling of confidential business information.

"(3) FAILURE OF REGISTRANTS TO SUBMIT INFORMATION.—

"(A) SUSPENSION.—If a person required to register a substance referred to in subsection (c)(1) fails to comply with an order under paragraph (1) of this subsection, the Administrator shall issue a notice of intent to suspend the sale or distribution of the substance by the person. Any suspension proposed under this paragraph shall become final at the end of the 30-day period beginning on the date that the person receives the notice of intent to suspend, unless during that period a person adversely affected by the notice requests a hearing or the Administrator determines that the person referred to in paragraph (1) has complied fully with this subsection.

"(B) HEARING.—If a person requests a hearing under subparagraph (A), the hearing shall be conducted in accordance with section 554 of title 5, United States Code. The only matter for resolution at the hearing shall be whether the person has failed to comply with an order under paragraph (1) of this subsection. A decision by the Administrator after completion of a hearing shall be considered to be a final agency action.

"(C) TERMINATION OF SUSPENSIONS.—The Administrator shall terminate a suspension under this paragraph issued with respect to a person if the Administrator determines that the person has complied fully with this subsection.

"(4) NONCOMPLIANCE BY OTHER PERSONS.—Any person (other than a person referred to in paragraph (3)) who fails to comply with an order under paragraph (1) shall be liable for the same penalties and sanctions as are provided under section 16 of the Toxic Substances Control Act (15 U.S.C. 2601 and following) in the case of a violation referred to in that section. Such penalties and sanctions shall be assessed and imposed in the same manner as provided in such section 16.

"(f) AGENCY ACTION.—In the case of any substance that is found, as a result of testing and evaluation under this section, to have an endocrine effect on humans, the Administrator shall, as appropriate, take action under such statutory authority as is available to the Administrator, including consideration under other sections of this Act, as is necessary to ensure the protection of public health.

"(g) REPORT TO CONGRESS.—Not later than 4 years after the date of enactment of this section, the Administrator shall prepare and submit to Congress a report containing—

"(1) the findings of the Administrator resulting from the screening program described in subsection (a);

"(2) recommendations for further testing needed to evaluate the impact on human health of the substances tested under the screening program; and

"(3) recommendations for any further actions (including any action described in subsection (f)) that the Administrator determines are appropriate based on the findings.

"(h) SAVINGS CLAUSE.—Nothing in this section shall be construed to amend or modify the provisions of the Toxic Substances Control Act or the Federal Insecticide, Fungicide, and Rodenticide Act.".

SEC. 405. REPORTS ON PROGRAMS ADMINISTERED DIRECTLY BY ENVIRONMENTAL PROTECTION AGENCY.

For States and Indian Tribes in which the Administrator of the Environmental Protection Agency has revoked primary enforcement responsibility under part B of title XIV of the Public Health Service Act (which title is commonly known as the Safe Drinking Water Act) or is otherwise administering such title, the Administrator shall provide every 2 years, a report to Congress on the implementation by the Administrator of all applicable requirements of that title in such States.

SEC. 406. RETURN FLOWS.

Section 3013 of Public Law 102-486 (42 U.S.C. 13551) shall not apply to drinking water supplied by a public water system regulated under title XIV of the Public Health Service Act (the Safe Drinking Water Act).

SEC. 407. EMERGENCY POWERS.

Section 1431(b) is amended by striking out "$5,000" and inserting in lieu thereof "$15,000".

SEC. 408. WATERBORNE DISEASE OCCURRENCE STUDY.

(a) SYSTEM.—The Director of the Centers for Disease Control and Prevention, and the Administrator of the Environmental Protection Agency, shall jointly establish—

(1) within 2 years after the date of enactment of this Act, pilot waterborne disease occurrence studies for at least 5 major United States communities or public water systems; and

(2) within 5 years after the date of enactment of this Act, a report on the findings of the pilot studies, and a national estimate of waterborne disease occurrence.

(b) TRAINING AND EDUCATION.—The Director and Administrator shall jointly establish a national health care provider training and public education campaign to inform both the professional health care provider community and the general public about waterborne disease and the symptoms that may be caused by infectious agents, including microbial contaminants. In developing such a campaign, they shall seek comment from interested groups and individuals, including scientists, physicians, State and local governments, environmental groups, public water systems, and vulnerable populations.

(c) FUNDING.—There are authorized to be appropriated for each of the fiscal years 1997 through 2001, $3,000,000 to carry out this section. To the extent funds under this section are not fully appropriated, the Administrator may use not more than $2,000,000 of the funds from amounts reserved under section 1452(n) for health effects studies for purposes of this section. The Administrator may transfer a portion of such funds to the Centers for Disease Control and Prevention for such purposes.

SEC. 409. DRINKING WATER STUDIES.

(a) SUBPOPULATIONS AT GREATER RISK.—The Administrator of the Environmental Protection Agency shall conduct a continuing program of studies to identify groups within the general population that are at greater risk than the general population of adverse health effects from exposure to contaminants in drinking water. The study shall examine whether and to what degree infants, children, pregnant women, the elderly, individuals with a history of serious illness, or other subpopulations that can be identified and characterized are likely to experience elevated health risks, including risks of cancer, from contaminants in drinking water.

(b) BIOLOGICAL MECHANISMS.—The Administrator shall conduct studies to—

(1) understand the biomedical mechanisms by which chemical contaminants are absorbed, distributed, metabolized, and eliminated from the human body, so as to develop more accurate physiologically based models of the phenomena;

(2) understand the effects of contaminants and the biomedical mechanisms by which the contaminants cause adverse effects (especially noncancer and infectious effects) and the variations in the effects among humans, especially subpopulations at greater risk of adverse effects, and between test animals and humans; and

(3) develop new approaches to the study of complex mixtures, such as mixtures found in drinking water, especially to determine the prospects for synergistic or antagonistic interactions that may affect the shape of the dose-response relationship of the individual chemicals and microbes, and to examine noncancer endpoints and infectious diseases, and susceptible individuals and subpopulations.

(c) STUDIES ON HARMFUL SUBSTANCES IN DRINKING WATER.—

(1) DEVELOPMENT OF STUDIES.—The Administrator shall, after consultation with the Secretary of Health and Human Services, the Secretary of Agriculture, and, as appropriate, the heads of other Federal agencies, conduct the studies described in paragraph (2) to support the development and implementation of the most current version of each of the following:

(A) Enhanced surface water treatment rule (59 Fed. Reg. 38832 (July 29, 1994)).

(B) Disinfectant and disinfection byproducts rule (59 Fed. Reg. 38668 (July 29, 1994)).

(C) Ground water disinfection rule (availability of draft summary announced at (57 Fed. Reg. 33960; July 31, 1992)).

(2) CONTENTS OF STUDIES.—The studies required by paragraph (1) shall include, at a minimum, each of the following:

(A) Toxicological studies and, if warranted, epidemiological studies to determine what levels of exposure from disinfectants and disinfection byproducts, if any, may be associated with developmental and birth defects and other potential toxic end points.

(B) Toxicological studies and, if warranted, epidemiological studies to quantify the carcinogenic potential from exposure to disinfection byproducts resulting from different disinfectants.

(C) The development of dose-response curves for pathogens, including cryptosporidium and the Norwalk virus.

(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $12,500,000 for each of fiscal years 1997 through 2003.

SEC. 410. BOTTLED DRINKING WATER STANDARDS.

Section 410 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 349) is amended as follows:

(1) By striking "Whenever" and inserting "(a) Except as provided in subsection (b), whenever".

(2) By adding at the end thereof the following new subsection:

"(b)(1) Not later than 180 days before the effective date of a national primary drinking water regulation promulgated by the Administrator of the Environmental Protection Agency for a contaminant under section 1412 of the Public Health Service Act (42 U.S.C. 300g–1), the Secretary shall promulgate a standard of quality regulation under this subsection for that contaminant in bottled water or make a finding that such a regulation is not necessary to protect the public health because the contaminant is contained in water in public water systems (as defined under section 1401(4) of such Act (42 U.S.C. 300f(4))) but not in water used for bottled drinking water. The effective date for any such standard of quality regulation shall be the same as the effective date for such national primary drinking water regulation, except for any standard of quality of regulation promulgated by the Secretary before the date of enactment of the Safe Drinking Water Act Amendments of 1996 for which (as of such date of enactment) an effective date had not been established. In the case of a standard of quality regulation to which such exception applies, the Secretary shall promulgate monitoring requirements for the contaminants covered by the regulation not later than 2 years after such date of enactment. Such monitoring requirements shall become effective not later than 180 days after the date on which the monitoring requirements are promulgated.

"(2) A regulation issued by the Secretary as provided in this subsection shall include any monitoring requirements that the Secretary determines appropriate for bottled water.

"(3) A regulation issued by the Secretary as provided in this subsection shall require the following:

"(A) In the case of contaminants for which a maximum contaminant level is established in a national primary drinking water regulation under section 1412 of the Public Health Service Act, the regulation under this subsection shall establish a maximum contaminant level for the contaminant in bottled water which is no less stringent than the maximum contaminant level provided in the national primary drinking water regulation.

"(B) In the case of contaminants for which a treatment technique is established in a national primary drinking water regulation under section 1412 of the Public Health Service Act, the regulation under this subsection shall require that bottled water be subject to requirements no less protective of the public health than those applicable to water provided by public water systems using the treatment technique required by the national primary drinking water regulation.

"(4)(A) If the Secretary does not promulgate a regulation under this subsection within the period described in paragraph (1), the national primary drinking water regulation referred to in paragraph (1) shall be considered, as of the date on which the Secretary is required to establish a regulation under paragraph (1), as the regulation applicable under this subsection to bottled water.

"(B) In the case of a national primary drinking water regulation that pursuant to subparagraph (A) is considered to be a standard of quality regulation, the Secretary shall, not later than the applicable date referred to in such subparagraph, publish in the Federal Register a notice—

"(i) specifying the contents of such regulation, including monitoring requirements, and

"(ii) providing that for purposes of this paragraph the effective date for such regulation is the same as the effective date for the regulation for purposes of title XIV of the Public Health Service Act (or, if the exception under paragraph (1) applies to the regulation, that the effective date for the regulation is not later than 2 years and 180 days after the date of the enactment of the Safe Drinking Water Act Amendments of 1996).".

SEC. 411. CLERICAL AMENDMENTS.

(a) PART B.—Part B (42 U.S.C. 300g and following) is amended as follows:

(1) In section 1412(b)(2)(C) by striking "paragraph (3)(a)" and inserting "paragraph (3)(A)".

(2) In section 1412(b)(8) strike "1442(g)" and insert "1442(e)".

(3) In section 1415(a)(1)(A) by inserting "the" before "time the variance is granted".

(b) PART C.—Part C (42 U.S.C. 300h and following) is amended as follows:

(1) In section 1421(b)(3)(B)(i) by striking "number or States" and inserting "number of States".

(2) In section 1427(k) by striking "this subsection" and inserting "this section".

(c) PART E.—Section 1441(f) (42 U.S.C. 300j(f)) is amended by inserting a period at the end.

(d) SECTION 1465(b).—Section 1465(b) (42 U.S.C. 300j–25) is amended by striking "as by" and inserting "by".

(e) SHORT TITLE.—Section 1 of Public Law 93-523 (88 Stat. 1600) is amended by inserting "of 1974" after "Act" the second place it appears and title XIV of the Public Health Service Act is amended by inserting the following immediately before part A:

"SEC. 1400. SHORT TITLE AND TABLE OF CONTENTS.

"(a) SHORT TITLE.—This title may be cited as the 'Safe Drinking Water Act'.

"(b) TABLE OF CONTENTS.—

"TITLE XIV—SAFETY OF PUBLIC WATER SYSTEMS

"Sec. 1400. Short title and table of contents.

"PART A—DEFINITIONS

"Sec. 1401. Definitions.
"Sec. 1402. Authorization of appropriations.

"PART B—PUBLIC WATER SYSTEMS

"Sec. 1411. Coverage.
"Sec. 1412. National drinking water regulations.
"Sec. 1413. State primary enforcement responsibility.
"Sec. 1414. Enforcement of drinking water regulations.
"Sec. 1415. Variances
"Sec. 1416. Exemptions.
"Sec. 1417. Prohibition on use of lead pipes, solder, and flux.
"Sec. 1418. Monitoring of contaminants.
"Sec. 1419. Capacity development.

"PART C—PROTECTION OF UNDERGROUND SOURCES OF DRINKING WATER

"Sec. 1421. Regulations for State programs.
"Sec. 1422. State primary enforcement responsibility.
"Sec. 1423. Enforcement of program.
"Sec. 1424. Interim regulation of underground injections.
"Sec. 1425. Optional demonstration by States relating to oil or natural gas.
"Sec. 1426. Regulation of State programs.
"Sec. 1427. Sole source aquifer demonstration program.
"Sec. 1428. State programs to establish wellhead and source water protection areas.
"Sec. 1429. Federal facilities.

"PART D—EMERGENCY POWERS

"Sec. 1431. Emergency powers.
"Sec. 1432. Tampering with public water systems.

"PART E—GENERAL PROVISIONS

"Sec. 1441. Assurance of availability of adequate supplies of chemicals necessary for treatment of water.
"Sec. 1442. Research, technical assistance, information, training of personnel.
"Sec. 1443. Grants for State programs.
"Sec. 1444. Special study and demonstration project grants; guaranteed loans.
"Sec. 1445. Records and inspections.
"Sec. 1446. National Drinking Water Advisory Council.
"Sec. 1447. Federal agencies.
"Sec. 1448. Judicial review.
"Sec. 1449. Citizen's civil action.
"Sec. 1450. General provisions.
"Sec. 1451. Indian tribes.
"Sec. 1452. State revolving funds.
"Sec. 1453. Water conservation plan.

"PART F—ADDITIONAL REQUIREMENTS TO REGULATE THE SAFETY OF DRINKING WATER

"Sec. 1461. Definitions.
"Sec. 1462. Recall of drinking water coolers with lead-lined tanks.
"Sec. 1463. Drinking water coolers containing lead.
"Sec. 1464. Lead contamination in school drinking water.
"Sec. 1465. Federal assistance for State programs regarding lead contamination in school drinking water.
"Sec. 1466. Estrogenic substances screening program.".

TITLE V—ADDITIONAL ASSISTANCE FOR WATER INFRASTRUCTURE AND WATERSHEDS

SEC. 501. GENERAL PROGRAM.

(a) TECHNICAL AND FINANCIAL ASSISTANCE.—The Administrator may provide technical and financial assistance in the form of grants to States (1) for the construction, rehabilitation, and improvement of water supply systems, and (2) consistent with nonpoint source management programs established under section 319 of the Federal Water Pollution Control Act, for source water quality protection programs to address pollutants in navigable waters for the purpose of making such waters usable by water supply systems.

(b) LIMITATION.—Not more than 30 percent of the amounts appropriated to carry out this section in a fiscal year may be used for source water quality protection programs described in subsection (a)(2).

(c) CONDITION.—As a condition to receiving assistance under this section, a State shall ensure that such assistance is carried out in the most cost-effective manner, as determined by the State.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $50,000,000 for each of fiscal years 1996 through 2003. Such sums shall remain available until expended.

SEC. 502. NEW YORK CITY WATERSHED, NEW YORK.

(a) IN GENERAL.—The Administrator may provide technical and financial assistance in the form of grants for a source water quality protection program described in section 501 for the New York City Watershed in the State of New York.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $8,000,000 for each of fiscal years 1996 through 2003. Such sums shall remain available until expended.

SEC. 503. RURAL AND NATIVE VILLAGES, ALASKA.

(a) IN GENERAL.—The Administrator may provide technical and financial assistance in the form of grants to the State of Alaska for the benefit of rural and Alaska Native villages for the development and construction of water systems to improve conditions in such villages and to provide technical assistance relating to construction and operation of such systems.

(b) CONSULTATION.—The Administrator shall consult the State of Alaska on methods of prioritizing the allocation of grants made to such State under this section.

(c) ADMINISTRATIVE EXPENSES.—The State of Alaska may use not to exceed 4 percent of the amount granted to such State under this section for administrative expenses necessary to carry out the activities for which the grant is made.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $25,000,000. Such sums shall remain available until expended.

SEC. 504. ACQUISITION OF LANDS.

Assistance provided with funds made available under this title may be used for the acquisition of lands and other interests in lands; however, nothing in this title authorizes the acquisition of lands or other interests in lands from other than willing sellers.

SEC. 505. FEDERAL SHARE.

The Federal share of the cost of activities for which grants are made under this title shall be 50 percent.

SEC. 506. CONDITION ON AUTHORIZATIONS OF APPROPRIATIONS.

An authorization of appropriations under this title shall be in effect for a fiscal year only if at least 75 percent of the total amount of funds authorized to be appropriated for such fiscal year by section 308 are appropriated.

SEC. 507. DEFINITIONS.

In this title, the following definitions apply:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) STATE.—The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(3) WATER SUPPLY SYSTEM.—The term "water supply system" means a system for the provision to the public of piped water for human consumption if such system has at least 15 service connections or regularly serves at least 25 individuals and a draw and fill system for the provision to the public of water for human consumption. Such term does not include a for-profit system that has fewer than 15 service connections used by year-round residents of the area served by the system or a for-profit system that regularly serves fewer than 25 year-round residents and does not include a system owned by a Federal agency. Such term includes (A) any collection, treatment, storage, and distribution facilities under control of the operator of such system and used primarily in connection with such system, and (B) any collection or pretreatment facilities not under such control that are used primarily in connection with such system.

TITLE VI—DRINKING WATER RESEARCH AUTHORIZATION

SEC. 601. DRINKING WATER RESEARCH AUTHORIZATION.

There are authorized to be appropriated to the Administrator of the Environmental Protection Agency, in addition to—

(1) amounts authorized for research under section 1412(b)(13) of the Safe Drinking Water Act (title XIV of the Public Health Service Act);

(2) amounts authorized for research under section 409 of the Safe Drinking Water Act Amendments of 1996; and

(3) $10,000,000 from funds appropriated pursuant to this section 1452(n) of the Safe Drinking Water Act (title XIV of the Public Health Service Act),

such sums as may be necessary for drinking water research for fiscal years 1997 through 2003. The annual total of the sums referred to in this section shall not exceed $26,593,000.

SEC. 602. SCIENTIFIC RESEARCH REVIEW.

(a) IN GENERAL.—The Administrator shall assign to the Assistant Administrator for Research and Development (in this section referred to as the "Assistant Administrator") the duties of—

(1) developing a strategic plan for drinking water research activities throughout the Environmental Protection Agency (in this section referred to as the "Agency");

(2) integrating that strategic plan into ongoing Agency planning activities; and

(3) reviewing all Agency drinking water research to ensure the research—

(A) is of high quality; and

(B) does not duplicate any other research being conducted by the Agency.

(b) REPORT.—The Assistant Administrator shall transmit annually to the Administrator and to the Committees on Commerce and Science of the House of Representatives and the Committee on Environment and Public Works of the Senate a report detailing—

(1) all Agency drinking water research the Assistant Administrator finds is not of sufficiently high quality; and

(2) all Agency drinking water research the Assistant Administrator finds duplicates other Agency research.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. FORBES (at the request of Mr. ARMEY), for today, on account of helping to coordinate Federal, State, and local search and rescue efforts in the crash of TWA Flight 800.

Mr. MILLER of California (at the request of Mr. GEPHARDT), for today, on account of a death in the family.

Mr. UNDERWOOD (at the request of Mr. GEPHARDT), for today through Tuesday, July 23, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Ms. DELAURO, for 5 minutes, today.

Mr. WISE, for 5 minutes, today.

Ms. JACKSON-LEE, for 5 minutes, today.

Mr. FARR of California, for 5 minutes, today.

Mr. PALLONE, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. DUNCAN, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. PALLONE) and to include extraneous matter:)

Mr. SERRANO.

Mr. GEJDENSON.

Mr. HASTINGS of Florida.

Mr. CONDIT.

Mr. WAXMAN.

Mr. BONIOR.

Mr. LANTOS.

Ms. DELAURO.

(The following Members (at the request of Mr. DUNCAN) and to include extraneous matter:)

Mr. SOLOMON in three instances.

Mr. ALLARD.

Mr. MARTINI.

Mr. THOMAS.

Mr. DUNCAN.

Mr. YOUNG of Alaska.

Mr. CUNNINGHAM.

Mr. HORN.

(The following Members (at the request of Mr. OWENS) and to include extraneous matter:)

Ms. WOOLSEY.

Mr. TEJEDA.

Ms. KAPTUR.

Mrs. MYRICK.

Mr. BATEMAN.

Mrs. MORELLA.

Mr. STUPAK.

Mr. VISCLOSKY.

Mr. BISHOP.

Mr. HAMILTON.

Mr. FRELINGHUYSEN.

Mr. ENGEL.

Mr. BARCIA.

Mrs. COLLINS of Illinois.

Mr. LOBIONDO.

Mr. BENTSEN.

Ms. DELAURO.

Mr. RADANOVICH.

Ms. NORTON.
Ms. PELOSI.
Mr. KENNEDY of Rhode Island.
Mr. HORN.

ENROLLED BILL SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 743. An act to amend the National Labor Relations Act to allow labor management cooperative efforts that improve economic competitiveness in the United States to continue to thrive, and for other purposes.

SENATE CONCURRENT RESOLUTION REFERRED

A concurrent resolution of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. Con. Res. 64. Concurrent resolution to recognize and honor the Filipino World War II veterans for their defense of democratic ideals and their important contribution to the outcome of World War II.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 966. An act for relief of Nathan C. Vance, and for other purposes.

S. 1899. An act entitled the "Mollie Beattie Wilderness Area Act."

ADJOURNMENT

Mr. OWENS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 24 minutes p.m.), under its previous order, the House adjourned until Monday, July 22, 1996, at 10:30 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4188. A letter from the Acting Director, the Office of Management and Budget, transmitting a report on revised estimates of the budget receipts, outlays, and budget authority for fiscal years 1996 through 2002 and other summary information required by statute—received in the U.S. House of Representatives July 16, 1996, pursuant to 31 U.S.C. 1106(a) (H. Doc. No. 104-247); to the Committee on Appropriations and ordered to be printed.

4189. A letter from the Acting Director, Office of Thrift Supervision, transmitting information on changes and progress in the operations involving regulatory resources for the Office, pursuant to 12 U.S.C. 1462a(g); to the Committee on Banking and Financial Services.

4190. A letter from the General Counsel, Department of Energy, transmitting the Department's final rule—Administrative Procedures and Sanctions; Annual Reports From States and Nonregulated Utilities on Progress in Considering the Ratemaking and Other Regulatory Standards Under the Public Utility Regulatory Policies Act of 1978; Removal of Unnecessary or Obsolete Regulations (10 CFR Parts 205 and 463) received July 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4191. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Access to Telecommunications Equipment and Services by Persons With Disabilities [CC Docket No. 87-124] received July 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4192. A letter from the Chief Counsel, Office of Foreign Assets Control, Department of the Treasury, transmitting the Department's final rule—Cuban Assets Control Regulations; Indirect Financing in Cuba, Civil Penalties (Office of Foreign Assets Control) (31 CFR Part 515) received July 15, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

4193. A letter from the Chief Counsel, Office of Foreign Assets Control, Department of the Treasury, transmitting the Department's final rule—Iraqi Sanctions Regulations; Contracts with the Government of Iraq (Office of Foreign Assets Control) (31 CFR Part 575) received July 12, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on International Relations.

4194. A letter from the Executive Director, Committee for Purchase From People Who Are Blind or Severely Disabled, transmitting the Committee's final rule—Additions to the Procurement List (41 U.S.C. Sec. 47(a)(2)) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4195. A letter from the Chairman, First South Production Credit Association, transmitting the annual pension plan report for the plan year ending December 31, 1995, for the Production Credit Association plan, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Reform and Oversight.

4196. A letter from the Director, Office of Personnel Management, transmitting the Office's final rule—Federal Employees Health Benefits Program: Payment of Premiums for Periods of Leave Without Pay or Insufficient Pay (RIN: 3206-AG66) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4197. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's final rule—General Regulations for Areas Administered by the National Park Service and National Park System Units in Alaska (RIN: 1024-AC21) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4198. A letter from the General Counsel, Department of Energy, transmitting the Department's final rule—National Environmental Policy Act Implementing Procedures (RIN: 1901-AA67) received July 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4199. A letter from the Director, Office of Surface Mining, transmitting the Office's final rule—West Virginia Regulatory Program [WV-075-FOR] received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4200. A letter from the Director, Office of Surface Mining, transmitting the Office's final rule—Missouri Regulatory Program [SPATS No. MO-029-FOR] received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4201. A letter from the Director, Office of Surface Mining, transmitting the Office's final rule—New Mexico Abandoned Mine Land Reclamation Plan [NM-035-FOR] received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4202. A letter from the Director, Office of Surface Mining, transmitting the Office's final rule—Oklahoma Regulatory Program [SPATS No. OK-018-FOR] received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4203. A letter from the Accounting Administrative Supervisor, Daughters of the American Revolution, transmitting the report of the audit of the society for the fiscal year ended February 29, 1996, pursuant to 36 U.S.C. 1101(20) and 1103; to the Committee on the Judiciary.

4204. A letter from the Chief Counsel, Bureau of the Public Debt, transmitting the Bureau's final rule—to Update Collection Procedures to Provide for Debiting Accounts of Paying Agents of U.S. Savings Bonds and Notes (31 CFR 321) received July 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

4205. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Action on Decision: Fisher v. Commissioner, 45 F.3d 396 (10th Cir. 1995), rev'g T.C. Memo. 1992-740, reh'g denied, No. 93-9029 (10th Cir. April 7, 1995) [T.C. Docket No. 28630-89], pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

4206. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Action on Decision: Alan K. Lauckner v. United States, 68 F.3d 69 (3d Cir. 1995), aff'g No. 93-1594 (D.N.J. May 4, 1994), pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

4207. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Action on Decision: Estate of Clack v. Commissioner, 106 T.C. No. 6 (February 19, 1996), pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

4208. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Rulings and determination letters (Revenue Procedure 96-40), pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

4209. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Action on Decision: Tele-Communications, Inc. v. Commissioner, 12 F.3d 1005 (10th Cir. 1993), aff'g 95 T.C. 495 (1990) [T.C. Docket No. 268-89], pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

4210. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Action on Decision: Richard L. and Fiona Simon v. Commissioner, 68 F.3d 41 (2d Cir. 1995), aff'g 103 T.C. 247 (1994), pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

4211. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Action on Decision: Estate of Maria Cristofani, Deceased, Frank Cristofani, Executor, v. Commissioner, Venue: Ninth Circuit, 97 T.C. 74 (1991) [T.C. Docket No. 28538-89] pursuant to 5 U.S.C.

801(a)(1)(A); to the Committee on Ways and Means.

4212. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Action on Decision: William H. Murphy v. Commissioner, 103 T.C. 111 (1994) [T.C. Docket No. 10275-92], pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

4213. A letter from the Secretary of Energy, transmitting the sixth annual report for the demonstration and commercial application of Renewable Energy and Energy Efficiency Technologies Program, pursuant to 42 U.S.C. 12006; jointly, to the Committees on Commerce and Science.

4214. A letter from the Secretary of Transportation, transmitting the Department's report entitled "Improving Noncomplying Motor Vehicles" for calendar year 1995, pursuant to 49 U.S.C. 30169(b); jointly, to the Committees on Commerce and Ways and Means.

4215. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting notification of the Department's intent to use up to $500,000 to facilitate absentee voting in the September 14 elections by refugees and other Bosnians resident in the United States, pursuant to 22 U.S.C. 2394-1(a); jointly, to the Committees on International Relations and Appropriations.

4216. A letter from the Chairman, Railroad Retirement Board, transmitting a letter in writing, dated May 30, 1996, expressing the Board's opposition to H.R. 2942, the Railroad Retirement Amendment Act of 1996; jointly, to the Committees on Transportation and Infrastructure and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1786. A bill to regulate fishing in certain waters of Alaska; with an amendment (Rept. 104-687). Referred to the Committee on the Whole House on the State of the Union.

Mr. QUILLEN: Committee on Rules. House Resolution 483. Resolution providing for consideration of the bill (H.R. 3816) making appropriations for energy and water development for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104-688). Referred to the House Calendar.

Mr. WALSH: Committee on Appropriations. H.R. 3845. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104-689). Referred to the Committee of the Whole House on the State of the Union.

Mr. STUMP: Committee on Veterans' Affairs. H.R. 3118. A bill to amend title 38, United States Code, to reform eligibility for health care provided by the Department of Veterans Affairs (Rept. 104-690). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 1784. A bill to validate certain conveyances made by the Southern Pacific Transportation Company within the cities of Reno, NV, and Tulare, CA, and for other purposes; with an amendment (Rept. 104-691). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 2940. A bill to amend the Deepwater Port Act of 1974; with an amendment (Rept. 104-692 Pt. 1). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 2145. A bill to reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965 (Rept. 104-693 Pt. 1). Ordered to be printed.

DISCHARGE OF COMMITTEE

Pursuant to clause 5 of rule X the Committee on the Judiciary discharged from further consideration. H.R. 2940 referred to the Committee of the Whole House on the State of the Union.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 2940. Referral to the Committee on the Judiciary extended for a period ending not later than July 18, 1996.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WALSH:

H.R. 3845. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 1997, and for other purposes.

By Mr. GILMAN:

H.R. 3846. A bill to amend the Foreign Assistance Act of 1961 to authorize the provision of assistance for microenterprises, and for other purposes; to the Committee on International Relations.

By Mr. BARTON of Texas:

H.R. 3847. A bill to establish the Drug Abuse Prevention and Treatment Administration, and for other purposes; to the Committee on Commerce.

By Mr. BORSKI:

H.R. 3848. A bill to amend title 23, United States Code, to include removal of graffiti within the meaning of transportation enhancement activity; to the Committee on Transportation and Infrastructure.

By Mr. BURR (for himself, Mr. Wicker, Mrs. Smith of Washington, Mr. McIntosh, Mr. DeLay, Mr. Oxley, Mr. Bachus, Mr. Flanagan, Mr. Schaefer, Mr. Borski, Mr. Calvert, Mr. Stenholm, Mr. Sensenbrenner, Mr. Ehrlich, Mr. Pastor, Mr. Graham, Mr. Frost, Ms. Jackson-Lee, Mr. Hall of Texas, Mr. Lucas, Mr. Nethercutt, and Mr. Solomon):

H.R. 3849. A bill to amend the Clean Air Act and the Superfund Amendments and Reauthorization Act of 1986 to clarify the listing of a unique chemical substance; to the Committee on Commerce, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. CUNNINGHAM:

H.R. 3850. A bill to amend title 4, United States Code, to declare English as the official language of the United States; to the Committee on Economic and Educational Opportunities.

H.R. 3851. A bill to authorize the Secretary of the Interior to provide a loan guarantee to the Olivenhain Water Storage Project, and for other purposes; to the Committee on Resources.

By Mr. HEINEMAN:

H.R. 3852. A bill to prevent the illegal manufacturing and use of methamphetamine; to the Committee on the Judiciary, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. HILLEARY:

H.R. 3853. A bill to amend the Tennessee Valley Authority Act of 1933 to prohibit the Authority from imposing a performance deposit on any person constructing a dock or making any other residential shoreline alteration; to the Committee on Transportation and Infrastructure.

By Mr. KASICH:

H.R. 3854. A bill to authorize the reburial in the Memorial Amphitheater at Arlington National Cemetery of two unknown Americans who lost their lives during the Civil War, one while serving in the Union Army of the United States and the other while serving in the Army of the Confederate States of America, and for other purposes; to the Committee on Veterans' Affairs.

H.R. 3855. A bill to authorize the reburial in the Memorial Amphitheater at Arlington National Cemetery of an unknown American who lost his life while serving in the Union Army of the United States during the Civil War, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. LoBIONDO (for himself, Mr. Zimmer, Mr. Saxton, and Mrs. Roukema):

H.R 3856. A bill to amend title XVIII of the Social Security Act to provide for prospective payment under the Medicare Program for inpatient services of rehabilitation hospitals and units based on discharges classified by functional-related groups; to the Committee on Ways and Means.

By Mrs. MORELLA (for herself, Mrs. Lowey, Ms. Roybal-Allard, Ms. Waters, Ms. Brown of Florida, Ms. Furse, Ms. Velazquez, Mrs. Meek of Florida, Mrs. Collins of Illinois, Mrs. Maloney, Mrs. Schroeder, Ms. Lofgren, Ms. Woolsey, Ms. Eddie Bernice Johnson of Texas, Mrs. Kennelly, Ms. Pelosi, Mrs. Clayton, and Ms. Jackson-Lee):

H.R. 3857. A bill to ensure economic equity for American women and their families by promoting fairness in the workplace, creating new economic opportunities for women workers and women business owners, helping workers better meet the competing demands of work and family, and enhancing economic self-sufficiency through public and private pension reform and improved child support and enforcement; to the Committee on Ways and Means, and in addition to the Committees on Agriculture, Banking and Financial

Services, Commerce, Economic and Educational Opportunities, Government Reform and Oversight, House Oversight, International Relations, the Judiciary, National Security, Resources, and Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. THOMAS:

H.R. 3858. A bill to amend the Internal Revenue Code of 1986 to prevent, for unemployment compensation purposes, services performed by a person committed to a penal institution from being treated as employment; to the Committee on Ways and Means.

By Mr. WHITFIELD (for himself and Mr. HALL of Texas):

H.R. 3859. A bill to amend section 1848 of the Social Security Act to extend for 1 year the treatment of certain practice relative value units under the Medicare payment system for physicians' services; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Ms. WOOLSEY:

H.R. 3860. A bill to consolidate and expand Federal child care services to promote self-sufficiency and support working families, and for other purposes; to the Committee on Economic and Educational Opportunities, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. KASICH:

H.J. Res. 185. Joint resolution to designate the Village of Sunbury, OH, as "Flagville, U.S.A."; to the Committee on Government Reform and Oversight.

By Mr. SMITH of Texas (for himself, Mr. KENNEDY of Massachusetts, Mr. WHITFIELD, Mr. GREENWOOD, Mr. JOHNSON of South Dakota, Mr. DORNAN, Mr. BARRETT of Wisconsin, Mrs. MALONEY, Mr. CANADY, Mr. BENTSEN, Mr. SOLOMON, Mr. WATTS of Oklahoma, Mr. GREEN of Texas, Mr. KIM, Mr. FOLEY, Mr. DURBIN, Mr. REED, Ms. LOFGREN, Mr. SCARBOROUGH, Mr. INGLIS of South Carolina, Ms. NORTON, Mr. WELDON of Pennsylvania, Mr. BARTLETT of Maryland, Mr. JACOBS, Mr. EHRLICH, Mr. CALVERT, Mr. LIPINSKI, Mr. WOLF, Mr. CUNNINGHAM, Mrs. CLAYTON, Mr. PORTMAN, Mr. DICKEY, Mr. HINCHEY, Mrs. MYRICK, Mr. WELDON of Florida, Mr. NETHERCUTT, Mrs. KELLY, Mr. HUTCHINSON, Mr. ROBERTS, Mr. COLLINS of Georgia, Mr. UNDERWOOD, Mrs. LINCOLN, Mr. HASTINGS of Florida, Mr. HEINEMAN, Mr. WAMP, Mr. SMITH of Michigan, Mrs. FOWLER, Mr. RADANOVICH, Mr. SPENCE, Mr. SOUDER, Mr. HUNTER, Mr. BURTON of Indiana, Mr. CHAMBLISS, Mr. DEAL of Georgia, Ms. MCKINNEY, Mr. POSHARD, Mr. LAFALCE, Mr. WILSON, Mr. DELAY, Mr. STENHOLM, Mr. PACKARD, Mr. LARGENT, Mr. HOKE, Mr. FROST, Ms. KAPTUR, Mr. POMEROY, Mr. HERGER, Mr. EVANS, Mr. CASTLE, Mr. ENGLISH of Pennsylvania, Mr. MURTHA, Mr. WICKER, Mr. KNOLLENBERG, Mr. LAHOOD, Ms. RIVERS, Mr. BARTON of Texas, Mr. PARKER, Mr. STOCKMAN, Mr. ARCHER, Mr. LAUGHLIN, Mr. SAM JOHNSON, Mr. COMBEST, Mr. THORNBERRY, Mr. MCCRERY, Mr. FRANKS of New Jersey, Mr. FILNER, Mr. BALLENGER, Mr. MORAN, Mr. FALEOMAVAEGA, Mr. MANZULLO, Mrs. COLLINS of Illinois, Mr. CLEMENT, Ms. ROYBAL-ALLARD, AND Mr. LONGLEY):

H. Res. 484. Resolution expressing the sense of the House of Representatives that the major television networks should revive their traditional "Family Hour" and voluntarily reserve the first hour of prime-time broadcasting for family-oriented programming; to the Committee on Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. YOUNG of Alaska introduced a bill (H.R. 3861) for the relief of Herman J. Koehler, III; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 104: Mr. STOCKMAN.

H.R. 878: Mr. ZIMMER.

H.R. 973: Mr. TATE.

H.R. 1010: Mr. COYNE.

H.R. 1024: Mr. SANFORD.

H.R. 1073: Mrs. KELLY, Mr. HAYWORTH, Ms. DUNN of Washington, Mr. HASTINGS of Washington, Mr. JACKSON, Mr. BISHOP, Mr. TATE, Ms. MILLENDER-MCDONALD, Mr. LONGLEY, and Mr. WHITE.

H.R. 1074: Mrs. KELLY, Mr. HAYWORTH, Ms. DUNN of Washington, Mr. HASTINGS of Washington, Mr. JACKSON, Mr. BISHOP, Ms. MILLENDER-MCDONALD, and Mr. LONGLEY.

H.R. 1462: Mr. BARR, Mrs. CLAYTON, Mr. TEJEDA, Mr. POMBO, Mr. CUMMINGS, Mr. DUNCAN, and Mr. POMEROY.

H.R. 1805: Mr. ZIMMER.

H.R. 1863: Ms. MILLENDER-MCDONALD.

H.R. 2178: Mr. SAWYER.

H.R. 2209: Mr. SKAGGS, Mr. SHADEGG, and Mr. SANDERS.

H.R. 2247: Mr. NADLER and Mr. WELDON of Florida.

H.R. 2260: Mr. LATHAM.

H.R. 2270: Mr. SANFORD.

H.R. 2367: Mr. STOCKMAN.

H.R. 2472: Mr. BLUMENAUER.

H.R. 2480: Mr. HOLDEN.

H.R. 2536: Mr. COBURN and Mr. SANFORD.

H.R. 2701: Mr. DAVIS, Mr. GEKAS, and Mr. HYDE.

H.R. 2748: Mr. DEUTSCH and Mr. FROST.

H.R. 2757: Mrs. MYRICK and Mr. FRELINGHUYSEN.

H.R. 2807: Mr. CLINGER, Mr. MARKEY, Mr. FLAKE, and Mr. SCHAEFER.

H.R. 2892: Ms. PELOSI and Mr. EVANS.

H.R. 2912: Ms. JACKSON-LEE and Mr. SCARBOROUGH.

H.R. 2942: Mr. DEFAZIO.

H.R. 3057: Mr. TORRICELLI, Ms. FURSE, and Mr. HORN.

H.R. 3067: Mr. FARR.

H.R. 3102: Mr. SANFORD.

H.R. 3118: Mr. FARR.

H.R. 3142: Mr. YATES, Mr. HEINEMAN, Mr. CLEMENT, Mr. PETE GEREN of Texas, and Mr. GEJDENSON.

H.R. 3145: Mr. FOX.

H.R. 3199: Ms. JACKSON-LEE and Mr. NEAL of Massachusetts.

H.R. 3226: Mrs. MEYERS of Kansas.

H.R. 3351: Mr. OWENS.

H.R. 3362: Mr. EVANS, Mrs. THURMAN, Mr. MARTINEZ, and Mr. FOX.

H.R. 3401: Mr. BILBRAY.

H.R. 3427: Mr. LIVINGSTON.

H.R. 3455: Mr. MATSUI.

H.R. 3479: Mr. GIBBONS.

H.R. 3565: Mr. CANADY.

H.R. 3590: Ms. RIVERS and Mr. EVANS.

H.R. 3600: Mrs. MORELLA, Mrs. JOHNSON of Connecticut, Mr. NETHERCUTT, and Mr. CAMPBELL.

H.R. 3621: Mr. PAYNE of New Jersey.

H.R. 3644: Ms. KAPTUR and Ms. JACKSON-LEE.

H.R. 3716: Mr. HOBSON and Mr. LARGENT.

H.R. 3726: Mr. FOX.

H.R. 3727: Mr. KANJORSKI, Mr. FROST, Mr. DURBIN, Mr. LIPINSKI, Mr. KENNEDY of Massachusetts, Mrs. MALONEY, Mr. GONZALEZ, Mr. GUTIERREZ, Ms. VELAZQUEZ, Mr. JACKSON, Mr. LAFALCE, Mrs. KENNELLY, Mr. WATT of North Carolina, Ms. RIVERS, Mr. ACKERMAN, Mr. DINGELL, Mr. WYNN, Ms. LOFGREN, Mr. BARRETT of Wisconsin, and Mrs. CLAYTON.

H.R. 3746: Mr. SAWYER and Mr. LIPINSKI.

H.R. 3768: Mr. MOAKLEY, Mr. STUDDS, Mr. TORKILDSEN, Mr. FRANK of Massachusetts, Mr. NEAL of Massachusetts, Mr. KENNEDY of Massachusetts, Mr. OLVER, and Mr. MARKEY.

H.R. 3776: Mr. COBURN and Mr. HAYWORTH.

H.R. 3793: Mr. FROST, Mr. ENGLISH of Pennsylvania, Mr. BARRETT of Wisconsin, Mr. SANFORD, and Mr. UPTON.

H.R. 3807: Mr. MCNULTY.

H. Con. Res. 135: Mr. BERMAN, Mr. BEREUTER, and Mrs. MORELLA.

H. Con. Res. 164: Mr. BEREUTER, Mr. FATTAH, Mr. LEWIS of California, Ms. LOFGREN, Mr. PETRI, and Mr. KLINK.

H. Con. Res. 194: Mr. FOX.

H. Con. Res. 197: Mr. OLVER, Mr. DEFAZIO, Mr. PALLONE, and Mr. EVANS.

H. Res. 200: Mr. OLVER.

H. Res. 381: Mr. OLVER.

H. Res. 439: Mr. SANFORD.

H. Res. 452: Mr. SOLOMON.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 1462: Mr. STEARNS.

DISCHARGE PETITIONS

Under clause 3, rule XXVII the following discharge petitions were filed:

Petition 15, July 17, 1996, by Mr. BONILLA on House Resolution 466, has been signed by the following Members: Henry Bonilla, Larry Combest, Wes Cooley, Lamar S. Smith, Ken Calvert, Roger F. Wicker, William M. "Mac" Thornberry, John N. Hostettler, Barbara Cubin, Ralph M. Hall, Jim Bunning, Michael D. Crapo, Bill K. Brewster, Charles W. Stenholm, Todd Tiahrt, Joe Skeen, Dana Rohrabacher, Frank Riggs, Edward R. Royce, Don Young, Sam Johnson, Richard W. Pomo, Howard P. "Buck" McKeon, John T. Doolittle, John Linder, Wally Herger, Mac Collins, Gary A. Condit, Tom A. Coburn, Steve Largent, Jay Dickey, Randy "Duke" Cunningham, Bob Stump, Ron Lewis, and Frank D. Lucas.

DISCHARGE PETITIONS—ADDITIONS OR DELETIONS

The following Members added their names to the following discharge petitiions:

Petition 13 by Mr. CONDIT on House Resolution 443; Edward R. Royce.

Petition 14 by Mr. TANNER on House Resolution 425; Chet Edward.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3814

OFFERED BY: MR. GANSKE

AMENDMENT NO. 16: Page 116, after line 2, insert the following new section:

SEC. 615. (a) LIMITATION ON USE OF FUNDS TO ISSUE CERTAIN PATENTS.—None of the funds made available in this Act may be used by the Patent and Trademark Office to issue a patent when it is made known to the Federal official having authority to obligate or expend such funds that the patent is for any invention or discovery of a technique, method, or process for performing a surgical or medical procedure, administering a surgical or medical therapy, or making a medical diagnosis.

(b) EXCEPTIONS.—The limitation established in subsection (a) shall not apply to the issuance of a patent when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the patent is for a machine, manufacture, or composition of matter, or improvement thereof, that is itself patentable subject matter, and the technique, method, or process referred to in subsection (a) is performed by or is a necessary component of the machine, manufacture, or composition of matter; or

(2)(A) the patent is for a new use of or a new indication for a drug (as defined in section 201(g)(1) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(G)(1))), new drug (as defined in section 201(p) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321(p))), biologic product (as defined in section 600.3(h) of title 21, Code of Federal Regulations), or biotechnological process, that is not itself patentable subject matter: and

(B) the effect of such drug, new drug, biologic product, or biotechnological process on the body part on which it is used in the claimed method was not previously known or obvious to a person or ordinary skill in the art.

H.R. 3814

OFFERED BY MR. GEKAS

AMENDMENT NO. 17: Page 116, after line 2, add the following new section:

SEC. 615. (a) Chapter 13 of title 31, United States Code, is amended by inserting after section 1310 the following new section:

"§ 1311. Continuing appropriations

"(a)(1) If any regular appropriation bill for a fiscal year does not become law prior to the beginning of such fiscal year or a joint resolution making continuing appropriations is not in effect, there is appropriated, out of any moneys in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, such sums as may be necessary to continue any project or activity for which funds were provided in the preceding fiscal year—

"(A) in the corresponding regular appropriations Act for such preceding fiscal year; or

"(B) if the corresponding regular appropriation bill for such preceding fiscal year did not become law, then in a joint resolution making continuing appropriations for such preceding fiscal year.

"(2) Appropriations and funds made available, and authority granted, for a project or activity for any fiscal year pursuant to this section shall be at a rate of operations not in excess of the lower of—

"(A) the rate of operations provided for in the regular appropriation Act providing for such project or activity for the preceding fiscal year,

"(B) in the absence of such an Act, the rate of operations provided for such project or activity pursuant to a joint resolution making continuing appropriations for such preceding fiscal year,

"(C) the rate of operations provided for in the House or Senate passed appropriation bill for the fiscal year in question, except that the lower of these two versions shall be ignored for any project or activity for which there is a budget request if no funding is provided for that project or activity in either version,

"(D) the rate provided in the budget submission of the President under section 1105(a) of title 31, United States Code, for the fiscal year in question, or

"(E) the annualized rate of operations provided for in the most recently enacted joint resolution making continuing appropriations for part of that fiscal year.

"(3) Appropriations and funds made available, and authority granted, for any fiscal year pursuant to this section for a project or activity shall be available for the period beginning with the first day of a lapse in appropriations and ending with the earlier of—

"(A) the date on which the applicable regular appropriation bill for such fiscal year becomes law (whether or not such law provides for such project or activity) or a continuing resolution making appropriations becomes law, as the case may be, or

"(B) the last day of such fiscal year.

"(b) An appropriation or funds made available, or authority granted, for a project or activity for any fiscal year pursuant to this section shall be subject to the terms and conditions imposed with respect to the appropriation made or funds made available for the preceding fiscal year, or authority granted for such project or activity under current law.

"(c) Appropriations and funds made available, and authority granted, for any project or activity for any fiscal year pursuant to this section shall cover all obligations or expenditures incurred for such project or activity during the portion of such fiscal year for which this section applies to such project or activity.

"(d) Expenditures made for a project or activity for any fiscal year pursuant to this section shall be charged to the applicable appropriation, fund, or authorization whenever a regular appropriation bill or a joint resolution making continuing appropriations until the end of a fiscal year providing for such project or activity for such period becomes law.

"(e) No appropriation is made by this section for a fiscal year for any project or activity for which there is no authorization of appropriations for such fiscal year.

"(f) This section shall not apply to a project or activity during a fiscal year if any other provision of law (other than an authorization of appropriations)—

"(1) makes an appropriation, makes funds available, or grants authority for such project or activity to continue for such period, or

"(2) specifically provides that no appropriation shall be made, no funds shall be made available, or no authority shall be granted for such project or activity to continue for such period.

"(g) For purposes of this section, the term 'regular appropriation bill' means any annual appropriation bill making appropriations, otherwise making funds available, or granting authority, for any of the following categories of projects and activities:

"(1) Agriculture, rural development, and related agencies programs.

"(2) The Departments of Commerce, Justice, and State, the judiciary, and related agencies.

"(3) The Department of Defense.

"(4) The government of the District of Columbia and other activities chargeable in whole or in part against the revenues of the District.

"(5) The Departments of Labor, Health and Human Services, and Education, and related agencies.

"(6) The Department of Housing and Urban Development, and sundry independent agencies, boards, commissions, corporations, and offices.

"(7) Energy and water development.

"(8) Foreign assistance and related programs.

"(9) The Department of the Interior and related agencies.

"(10) Military construction.

"(11) The Department of Transportation and related agencies.

"(12) The Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies.

"(13) The legislative branch.".

(b) The analysis of chapter 13 of title 31, United States Code, is amended by inserting after the item relating to section 1310 the following new item:

"1311. Continuing appropriations.".

(c) The amendments made by this section shall apply with respect to fiscal years beginning after September 30, 1996.

H.R. 3814

OFFERED BY: MR. LAHOOD

AMENDMENT NO. 18: Page 116, after line 2, insert the following new section:

SEC. 615. None of the funds made available in this Act may be used to close a field office of any Federal agency in the State of Illinois, except when it is made known to the Federal official having authority to obligate or expend such funds that the head of such agency has consulted with the Committees on Appropriations of the House of Representatives and the Senate regarding the closing of such office.

H.R. 3814

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 19: Page 112, after line 11, insert the following:

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9,409 of title 48, Code of Federal Regulations.

H.R. 3816

OFFERED BY: MR. FOGLIETTA

AMENDMENT NO. 2: Page 10, line 5, strike "10,000,000" and insert "7,500,000".

Page 10, strike section 102 on lines 16 through 18.

H.R. 3816

OFFERED BY: MR. OBEY

AMENDMENT NO. 3: On page 17, line 21, strike "$2,648,000,000", and insert "$2,631,000,000".

H.R. 3816

OFFERED BY: MR. OBEY

AMENDMENT NO. 4: On page 17, line 21, after the dollar amount insert the following: "(reduced by $17,000,000)".

SENATE—*Thursday, July 18, 1996*

The Senate met at 9:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God, knowledge of You is our purpose and our passion. It is also our greatest need and our most urgent desire. We really want to know You, not just as some distant creator and sustainer of the universe but as our Father and our Friend. We confess that often our lack of knowledge of You is the cause of our insecurity, our inconsistency, and our insufficiency. It also accounts for our vacillation in our prayers. We commit this day to seek to know You better. We open our true selves to You; we want to be real, honest, and vulnerable with You; we invite You to invade every aspect of our relationships and our responsibilities today. Show us Your will and give us the strength and courage to follow Your guidance. We dedicate ourselves to make knowledge of You our first priority. Show us Your grace and goodness, righteousness and power. We place our total trust in You, and we will live by faith in You today. Be the unseen but undeniable presence in every moment of this day.

Gracious Lord, as we seek to know You and understand You, we wonder why good people face difficult and painful things. We wonder about the crash of the TWA aircraft. We think of the young people and the sponsors who were with them from Montoursville, PA. We realize that Your most difficult decision was to allow this world to be free in which accidents can happen, wrong choices can be made. And we turn to You for Your strength and courage in the midst of questions that seem to be without answers. But we also know that in spite of everything, You are in control, and so we trust You as our Lord and Savior. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, Senator STEVENS, is recognized.

SCHEDULE

Mr. STEVENS. Mr. President, this morning the Senate will immediately resume consideration of the Department of Defense appropriations bill.

Under a previous order, the Senate will proceed to a series of three rollcall votes on the remaining amendments and passage of the Department of Defense appropriations bill.

Following passage of the defense bill, the Senate will then proceed to the reconciliation bill, S. 1956. That matter will be considered under a 20-hour statutory limitation, and the majority leader is hopeful that under the 20-hour statutory time limitation, some time can be yielded back. Senators can expect rollcall votes throughout the day on amendments to the reconciliation bill and a late-night session is anticipated by the majority leader in the hopes of completing action on that matter today.

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1997

The PRESIDING OFFICER (Mr. KYL). Under the previous order, the Senate will now resume consideration of S. 1894, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1894) making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Harkin/Simon amendment No. 4492, relating to payments by the Department of Defense of restructuring costs associated with business combinations.

Levin amendment No. 4893, to strike funding for new production of F-16 aircraft in excess of six, and transfer the funding to increase funding for anti-terrorism support.

AMENDMENT NO. 4492

The PRESIDING OFFICER. The Senate will now proceed to rollcall votes with respect to amendments offered on Wednesday, July 17, with 2 minutes for explanation equally divided prior to each vote. The first amendment is No. 4492, the motion to table. The yeas and nays have been ordered.

Who yields time?

Mr. HARKIN. Mr. President, I understand we have a minute on each side to explain the amendment?

The PRESIDING OFFICER. That is correct.

Mr. HARKIN. Mr. President, all I can say is:

> Remember the $600 toilet seat and the $500 hammers that had taxpayers up in arms during the mid-1980's. Today's subsidized mergers are going to make them look like bargains.

That is not my quote. That is a quote of Lawrence Korb, President Reagan's Under Secretary of Defense.

In 1993, DOD changed its policy to allow payments to defense contractors for the costs of mergers and acquisitions. The GAO and inspector general have both recently issued reports that seriously question DOD's purported savings.

This amendment simply puts a 1-year hold on merger costs while the GAO, the IG, and OMB put together a mechanism to make sure that future payments actually result in savings. It does not affect Government assistance to laid-off workers. It does not prohibit payment of any merger costs which DOD is contractually obligated to pay in the fiscal year 1997.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, this amendment would prevent severance pay for employees under a restructuring plan. It would eliminate early retirement incentive payments for employees, employee retraining costs, relocation expenses for retrained and retained employees, placement services for employees, and continued medical-dental-life insurance coverage for terminated employees. In the past 3 years, the Department of Defense has reimbursed contractors $300 million in restructuring costs and will save $1.4 billion, a 450-percent return on the investment.

Mr. President, it is my understanding this will be a 20-minute vote, regular vote, and the following votes will be 10 minutes. Is that correct?

The PRESIDING OFFICER. The Senator from Alaska is correct.

Mr. STEVENS. Mr. President, the yeas and nays have been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered. The question is on agreeing to the motion to table. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] and the Senator from Connecticut [Mr. DODD] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 71, nays 27, as follows:

[Rollcall Vote No. 198 Leg.]

YEAS—71

Abraham
Ashcroft
Bennett
Biden
Bingaman
Bond
Bradley
Breaux
Bryan
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
DeWine
Domenici
Exon
Faircloth
Ford
Frahm
Frist
Gorton
Graham
Gramm
Grams
Gregg
Hatch
Heflin
Helms
Hutchison
Inhofe
Inouye
Jeffords
Johnston

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Kassebaum
Kempthorne
Kerrey
Kyl
Lautenberg
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Murkowski
Nickles
Nunn
Pell
Pressler
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thurmond
Warner

NAYS—27

Akaka
Baucus
Boxer
Brown
Byrd
Daschle
Dorgan
Feingold
Feinstein
Glenn
Grassley
Harkin
Hatfield
Hollings
Kennedy
Kerry
Kohl
Leahy
Moseley-Braun
Moynihan
Murray
Pryor
Reid
Simon
Thompson
Wellstone
Wyden

NOT VOTING—2

Bumpers
Dodd

The motion to lay on the table the amendment (No. 4492) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. GRAMM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

Does the Senator from Michigan wish to proceed?

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

AMENDMENT NO. 4893

Mr. LEVIN. Mr. President, this amendment would transfer money that the Air Force did not ask for for two F–16's and transfer it into an antiterrorist emergency account which we created yesterday which the Department of Defense very much needs and wants.

The original budget request asked us for four F–16's. Then when we asked the Air Force, if they had additional funds, what would they spend those funds on? They said, well, if they had about $2 billion extra, they would add two more F–16's, for a total of six. In this appropriations bill, there are eight, four more F–16's than the Air Force requested in their original budget request and two more even than they asked for on their wish list.

So what this amendment would do is transfer that $48 million not requested by the Air Force for F–16's and move it into an antiterrorism emergency fund.

Mr. STEVENS. Mr. President, after the event of last night, this is a very serious matter. I want to start off by assuring the Senate that we have money for counterterrorism in the Commerce bill, in the Treasury-Post Office bill, in the Transportation bill. I want to tell you as chairman of this committee, there are significant—very significant—sums in the classified portions of this bill for counterterrorism. So the counterterrorism issue should be set aside.

The question is, are the two extra F–16's—the F–4 Wild Weasels are being retired. The F–16's can take their place in that role. The F–16's—it is true what the Senator said, they first asked for two. When we looked at it, and the authorization bill authorized four, we went into it in depth. I personally talked to General Fogleman, Chief of the Air Force, about the need. He said they do in fact need this. As a matter of fact, General Ralston who is now the Vice Chairman of the Joint Chiefs, has said that we are short 120 airplanes if the F–16's are to carry out the two contingency roles.

I believe we need these extra two F–16's. That is the issue, not counterterrorism. I moved to table this amendment. This will be a rollcall vote.

The PRESIDING OFFICER (Mr. FRIST). The question occurs on agreeing to the motion to lay on the table the Levin amendment No. 4893. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 58, nays 41, as follows:

[Rollcall Vote No. 199 Leg.]

YEAS—58

Akaka
Ashcroft
Bennett
Biden
Bond
Breaux
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dodd
Domenici
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Johnston
Kassebaum
Kempthorne
Kyl
Lieberman
Lott
Mack
McConnell
Moynihan
Murkowski
Nickles
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—41

Abraham
Baucus
Bingaman
Boxer
Bradley
Bryan
Byrd
Conrad
Daschle
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Hatfield
Jeffords
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lugar
McCain
Mikulski
Moseley-Braun
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone
Wyden

NOT VOTING—1

Bumpers

The motion to lay on the table the amendment (No. 4893) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

B–52 MODIFICATIONS AMENDMENT

Mr. STEVENS. Mr. President, yesterday during consideration of the defense appropriations bill, the Senate adopted my amendment allocating an additional $11,500,000 in Air Force aircraft procurement funds for modifications to B–52 bombers. I want to explain the source for these funds.

In reporting out its version of the fiscal year 1997 Defense Appropriations Act, the committee added operations and maintenance funds to maintain the current force structure for B–52 bomber attrition reserve aircraft.

My amendment allocated funds from within the aircraft procurement account to modify these aircraft. These modifications are required to maintain the combat effectiveness of these aircraft should they be called upon to fly combat missions.

The funds for the bomber modifications are to be offset by a decrease of funds allocated for the F–15 fighter data link modifications in the same appropriations account.

The fighter data link funds are excess to program requirements due to a delay in a projected contract award. The fighter data link program remains fully funded for fiscal year 1997.

HARRISBURG INTERNATIONAL AIRPORT

Mr. SANTORUM. Mr. President, I rise to alert my colleagues to an environmental restoration center at the Harrisburg International Airport, formerly Olmsted Air Force Base, located in Pennsylvania. My colleague, Congressman GEORGE GEKAS, has shown great leadership on the issue of environmental restoration.

In 1984, this former Air Force base was designated an Environmental Protection Agency Superfund site. For the last 13 years, an intense effort under the guidance of the EPA, has been undertaken at the local, State, and Federal level to determine the nature of the origins, locations, and the proper remediation of the waste left by the U.S. Air Force. A database established at the site will enable all future site users to have an understanding of the remediation efforts undertaken. By the time all the current participants have left the site, the only remaining reliable reference source will be this database.

Mr. STEVENS. I thank the Senator from Pennsylvania for his efforts in keeping the committee informed of his actions on this matter. I will work with my colleagues during conference to examine this matter more closely.

SACRIFICES FOR DEFENSE

Mr. BYRD. Mr. President, I want to congratulate my colleagues on the Appropriations Committee, Senator STEVENS and Senator INOUYE, on their efforts to complete action on the Fiscal Year 1997 Defense Appropriations bill. Their management of this complex bill is masterful and executed with their customary efficiency. The bill is within the 602(b) allocations and it is consistent with the amount recommended by the budget resolution.

This bill addresses legitimate defense needs and provides support for the men and women in our military. It contains a 3-percent raise in pay for military personnel and a 4-percent raise in the basic allowance for quarters, both effective January 1, 1997.

It fully funds the initiative included in the fiscal year 1997 Defense authorization bill to support the operations of, and enhanced modifications for, the SR-71 reconnaissance aircraft. The rationale for including this system in the fiscal year 1997 budget is that it is an invulnerable proven system, available day or night, in all-weather, regardless of cloud cover. It is available for our commanders in the theater, on an on-call basis, to provide near-real-time imagery of the battlefield or area of interest to those Commanders. As such, it is now available as America's premier tactical reconnaissance airborne system. Furthermore, it is inexpensive, compared to the costs incurred for the development of our unmanned aerial vehicles now being funded. I am a strong supporter of developing UAV's as rapidly as prudent development schedules allow, but it will still be years before a proven system can be fielded. When that occurs, I would support retiring the Blackbird aircraft, but it would be foolish to throw away this unique system before it is fully replaced. Therefore, I congratulate the managers for their support of continuing the SR-71 in service. The funding includes $30 million for 1 year of operations, and $9 million in modification costs which enhance the real-time downlink from the aircraft directly to our commanders on the ground. I hope and certainly expect that our commanders in the field, in Korea, in Bosnia, and in other regions of interest will call upon the system frequently to provide the unique data for them that is now available.

My concern regarding this bill is not with the many worthy provisions contained with it. I do not want a weak military, unable to defend our legitimate and vital national security interests. But neither do I want a weak nation, sapped of its vitality, worn down and shabby because legitimate domestic needs have been neglected in favor of greater spending on defense. I do not want to see in America a street person, dirty, dressed in rags, but carrying a shiny new pistol. I want to see in America a hard-working, educated, prosperous homeowner, with a well-kept yard where bright-eyed and well-fed children play.

I know that this bill is within its allocation and consistent with the budget resolution guidelines, but I believe that the budget resolution guidelines are out of balance with American priorities, skewed toward military spending at the expense of education, infrastructure, and other domestic necessities. I would rather rebuild bridges over mighty rivers than build bridges on unneeded ships. I would rather spend funds on domestic airline safety measures than on unrequested fighter aircraft. I would rather support more police on our city streets stopping bullets than futuristic missile-stopping missiles aimed at a flimsy threat.

This bill is $10.2 billion over the administration's request for defense. Some have argued that defense spending has declined in real terms over the last 10 years, and that buying weapons now rather than later in the decade saves money. But the funding for domestic programs has also declined, and continues to decline. If we are to make good on our promises to reduce the deficit and to bring spending in line with reality, every program, domestic and defense alike, must share in the sacrifice. Right now, domestic programs are being cut more deeply in order to support defense spending that is above the administration's request. For instance, the Department of Agriculture, as part of its Water 2000 initiative to provide safe, affordable drinking water to every home in the United States by the turn of the century, estimates that $9.8 billion is needed to accomplish that goal. This $9.8 billion is needed to provide nearly 3 million U.S. households—176,114 of them in my own State of West Virginia—with clean drinking water. For less than the amount added to the Department of Defense for 1 year, we could provide clean, safe, drinking water to 8 million suffering Americans.

The budget resolution, which passed without my support, deliberately chose to sacrifice safe drinking water, education, highways, medical research, police, children's programs, and other peaceful domestic programs, in order to spend more on weapons and war. I regret the choice and the path that we have taken. This defense appropriations bill is the result of that decision, and reflects the largess bestowed upon the Defense Department at the expense of the Departments of Education, Labor, Agriculture, Environment, Health and Human Services, Interior, and others. It reflects the decisions taken in the defense authorization bill, which I voted against. Therefore, I must regretfully vote against this bill.

Mr. GLENN. Mr. President, I rise today in opposition to S. 1894, the Department of Defense appropriations bill for fiscal year 1997. This bill suffers from the same fundamental defect as S. 1745, the national defense authorization bill, a bill I also opposed.

The appropriations bill adds $10.2 billion to the President's budget request. The $10.2 billion is spent partially funding programs not requested by the administration for which we will pay billions in the outyears. For example, the bill adds $856 million for ballistic missile defense research, of which $300 million is added to the national missile defense account. The bill also adds $525 million in unrequested funds for the DDG-51, $701 million in unrequested funds for the new attack submarine, $300 million in unrequested funds for the V-22, $489 million in unrequested funds for the F/A-18 C/D, $760 million in unrequested funds for National Guard and Reserve equipment, $204.5 million in unrequested funds for the C-130, $107.4 million in unrequested funds for the F-16, and $210 million in unrequested funds for the JSTARS program.

I have been a long time supporter of our efforts to ensure our national security. However, Mr. President, this is the second time in my Senate career that I have felt that I must oppose a Defense Appropriations bill. I cannot support adding billions and billions of dollars for programs that I am not convinced and the Pentagon does not believe we need. It is true that I would support additional funding for some of these programs but adding $10.2 billion in unrequested funding is simply too much particularly when we are cutting funding for critical programs elsewhere in the budget.

Mr. HATFIELD. Mr. President, as Chairman of the Appropriations Committee, which is responsible for recommending sound, fiscally responsible funding legislation to the Senate, I am deeply disturbed about the spending levels contained in the fiscal year 1997 Department of Defense appropriation bill.

This bill provides over $244 billion in budget authority for the coming year. This reflects the recently passed national defense authorization bill, which authorized nearly $11.3 billion more than the administration requested for military spending for 1997. Included in this legislation are billions of dollars worth of weapons the Pentagon says it does not want and cannot afford to maintain in the future. Meanwhile, vital domestic programs are being critically underfunded or terminated. Fiscally, this is unwise; morally, it is unconscionable.

Despite all the debate about balancing the Federal budget, it is apparent to me that we are not yet ready to break off our addiction to excessive military spending. Of even more concern, is the continued failure of this body to define national security in a truly comprehensive and meaningful way. As I have stated many times before, true national security consists of more than our arsenal of military weapons, it also includes the health and welfare of our population.

Many years ago, the cabinet agency tasked with protecting the national security of the United States was renamed from the Department of War to the Department of Defense. This is an important distinction. The definition of war is a state of open and hostile conflict between states or nations. The definitions of defense and security carry with them much broader connotations. Defense, or to defend, is to drive danger or attack away from. While security means freedom from danger, freedom from fear or anxiety, freedom from want or deprivation.

The mission of the Department of Defense is to protect the citizens of the United States against threats to our security. Let us recognize that these threats can take many forms, that they are internal as well as external. The American people are under attack today. The attacks are not as obvious as tanks rolling down Constitution Avenue or nuclear submarines sailing up the Potomac River. The enemies aren't as easily identifiable as a soldier pointing a gun, rather they are often subtle and insidious. But, make no mistake, we do have formidable enemies threatening our population. The enemies I speak of are disease and disability.

In one year, more Americans will die from disease than from all the military battles fought in the twentieth century. The number of Americans killed in battle during World War I, World War II, Korea, Vietnam, Panama, the Persian Gulf, and Somalia total 426,175. Certainly a horrendous number and a tragic loss of life. In contrast, however, approximately 500,000 people will die of cancer this year alone. Lung cancer will kill 115,000 Americans, breast cancer 48,000, and prostate cancer 41,000. I could go on and on. Heart disease will kill over 743,000 people, diabetes 53,000, and AIDS 37,000. The list of casualties from disease is endless.

Make no mistake, there are thousands of tiny wars being fought in America today. The battleground is the human body. The command centers are clinical research laboratories and our weapons are test tubes and microscopes. The Generals and Admirals leading the fight are the medical researchers, physicians, and nurses all around the country searching for new treatments and cures for disease.

But in this war, the front line troops are civilians as well as soldiers. This battle is as ugly and painful as any military conflict. Every day men, women, and children are being killed, maimed, and ravaged by disease. No mortars are being launched, but limbs are being amputated as a result of diabetes. No napalm has been dropped, but skin is destroyed and bodies are disfigured by EB. No nerve gas has been released, but brains and central nervous systems are disabled by Alzheimers and Parkinsons diseases. It is time to declare war on disease and disability. This is a battle which is worthy of the full commitment and resources of our Federal Government, including the Department of Defense. In fact, this is one war which I fully support.

The Department of Defense also has the responsibility to care for the men and women who sacrifice to serve and protect our country. In devoting a small portion of its considerable resources to medical research and treatment, the Pentagon invests in the health and welfare of our troops, as well as our military retirees, veterans, and family members.

Several years ago, Congress appropriated funds for and directed the Department of Defense to establish a peer-reviewed breast cancer research program. This program has been a tremendous success and is a vital component in the effort to find a cure for breast cancer. We have continued funding for that program in 1997. In this bill, we have also provided $100 million to establish a similar program for prostate cancer research.

Prostate cancer is the second leading cause of cancer death among men. Yet, it has largely been overlooked by the general public and research has been grievously underfunded by the Federal Government. In 1996, over 317,000 men will be diagnosed with prostate cancer and 41,400 will die from it. Yet, with early detection, 9 out of 10 men can be successfully treated for prostate cancer. Clearly, an investment in research to improve detection and treatment of this disease will yield a tremendous return.

Medical research is the key to winning the war against disease and disability. I am pleased that the Senate has included some funding for this critical effort in this legislation. In my view, however, the amount of resources devoted to life-destroying technologies compared to life-sustaining endeavors is still critically out of balance. The health and well-being of our population is every bit as vital to the Nation's security as our arsenal of military weapons. Until this imbalance is recognized and corrected, the people of our Nation will continue to be vulnerable to these destructive enemies and true national security will not be achieved, no matter what our level of military might.

The PRESIDING OFFICER. Under the previous order, the bill, S. 1894, will be read for the third time.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. Under the previous order, the Senate shall proceed immediately to the House companion bill, H.R. 3610; that all after the enacting clause be stricken and the text of S. 1894, as amended, if amended, be inserted, and that H.R. 3610 be read for the third time.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read for the third time.

The PRESIDING OFFICER. Under the previous order, the Senator from North Dakota is recognized for 5 minutes.

Mr. DORGAN. Mr. President, I rise to discuss briefly today's vote on the defense appropriations bill. I will be voting for this bill, because it includes provisions that do support our national defense. But I have some serious concerns about the overall level of spending, as well as some other issues that I feel should be addressed in negotiations during the conference.

On the positive side, this bill contains $150 million to fund the Nunn-Lugar-Domenici amendment, which will strengthen the Nunn-Lugar program. As I have said a number of times on this floor, Nunn-Lugar is exactly the kind of investment in our security that we should be making. It is far cheaper to destroy Russian missiles and bombers now than to make new expenditures on a strategic deterrent or a missile defense system against them later.

The strengthened Nunn-Lugar program will also help us prevent the spread and use of weapons of mass destruction by terrorists. A terrorist nuclear, chemical, or biological attack is perhaps our worst security nightmare today.

Moreover, this defense bill contains $69 million for operating, maintaining, and upgrading the Nation's full fleet of B–52 bombers. The defense authorization bill rightly prohibited retirement of B–52's before Russia ratifies the START II Treaty. I am hopeful that the House will agree to the Senate's very modest investment. It will enable the Air Force to abide by the authorization bill's directive to retain this combat-proven force of long-range bombers.

On the other hand, given our bipartisan commitment to a balanced budget, the overall funding level in this bill is not sustainable. It exceeds the President's budget request by $10 billion. The $6 billion downpayment for unrequested ships and aircraft alone in the bill will create a funding crunch in the years to come. To make expansive procurement decisions as if they have no consequences for deficit reduction is not responsible.

Second, my colleagues will not be surprised to learn that I am troubled by the bill's commitment of $808 million for national missile defense, $300 million above the administration's request. This additional funding is unwanted, unneeded, unfrugal, and unwise.

So I will reluctantly vote for this bill in order to move the appropriations process forward. Yet I will closely examine the conference report on the bill. I urge the conferees to make it more fiscally responsible than the versions passed by either the Senate or the House of Representatives.

Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. Under the previous order, there will now be 5 minutes, equally divided, under the control of the two managers.

Mr. INOUYE. Mr. President, in a few minutes, the Senate will vote on the final passage of this bill. I wanted to use this opportunity to advise my colleagues of my complete support of this measure. Yes, this bill provides more funding than sought by the administration, but it is at a level approved by the Congress in the budget resolution. Furthermore, while it is $1.3 billion more than appropriated last year, it still falls short in keeping up with inflation.

Mr. President, it is a very good bill. It funds the priorities of the administration. It contains no controversial riders on social policy. It redresses shortfalls identified by our military leaders. It provides funding to cover overseas contingencies, and it meets the needs of our field commanders, who have identified many items that they require to improve the quality of the lives of our men and women in uniform.

Mr. President, it is a bipartisan bill. Yesterday, the Senate agreed on approximately 60 amendments and, by my count, nearly half were Democratic amendments. This should come as no surprise to my colleagues. The Appropriations Committee, particularly this subcommittee, has a long tradition of bipartisanship.

If I may, I would like to take my hat off to our chairman, who has done an extraordinary job in preparing the recommendations in the bill and managing it on the floor. Mr. President, there is no finer floor manager in the Senate than my friend from Alaska, TED STEVENS.

I thank the staff on both sides of the aisle for their help in this very difficult legislation. A particular note of thanks to the staff director, Steve Cortese, for his leadership. On my staff, a special thanks to Lt. Col. Tina Homeland, who kept her eye on health programs for me this year. Also Emelie East of the subcommittee who provided tireless energy in keeping track of all of the amendments and assuring their adoption.

So, Mr. President, I urge all of my colleagues to support this measure.

Mr. STEVENS. Mr. President, this bill does reflect the partnership that the Senator from Hawaii and I have shared for many years. I can assure all Senators that this approach is a bipartisan approach and will be followed throughout the conference on this bill with the House.

I will make further statements after the vote, if I may. At this time, I yield the remainder of my time and ask for final passage of this bill.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 72, nays 27, as follows:

[Rollcall Vote No. 200 Leg.]

YEAS—72

Abraham
Akaka
Ashcroft
Bennett
Bingaman
Bond
Breaux
Bryan
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Faircloth
Feinstein
Ford
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kyl
Leahy
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Reid
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—27

Baucus
Biden
Boxer
Bradley
Brown
Byrd
Exon
Feingold
Glenn
Graham
Harkin
Hatfield
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Levin
Moseley-Braun
Moynihan
Pryor
Rockefeller
Sarbanes
Simon
Specter
Wellstone
Wyden

NOT VOTING—1

Bumpers

The bill (H.R. 3610), as amended, was passed.

Mr. STEVENS. Mr. President, I thank the Senate for this overwhelming bipartisan support of this bill. It is a bill that I think meets the needs as best we can of our defense forces and maintains the defense of this country. This year we had a record number of requests to our subcommittee from Members of the Senate and, I might say, also from Members of the House that we had to consider. Were it not for this fine working relationship that the Senator from Hawaii and I have, it would be impossible to deal with a bill of this magnitude in a 24-hour period.

But we have done that, and there are a number of people who deserve to be identified now who have worked hard in the preparation of this bill. The Senator from Hawaii has mentioned the people on his side of the aisle. This team works together on a bipartisan basis on the staff level, too. So I want to note the contributions of the subcommittee staff on our side. We have this long record of bipartisan work together: Steve Cortese, who is our staff director; Charlie Houy, staff director on the other side; Peter Lennon, Jay Kimmitt, Mary Marshall, Jim Morhard, John Young, Sid Ashworth, Susan Hogan, Mazie Mattson, Justin Weddle, Candice Rogers, and Emelie East.

This year we were assisted by two individuals who were loaned to our committee. As I said, we have just had a tremendous workload this year. We have Darrell Roberson from the Air Force and Mike Gillmore from GAO who worked with us. During the floor debate yesterday, I was pleased to be able to have two of the high school interns from my office who have observed our work and were helpful to me yesterday, Brad Brunsdon from Fairbanks and Meegan Condon of Petersburg.

This was my first opportunity to manage a bill in the Chamber since the retirement of Senator Dole, and I want to express my thanks to our new leader, TRENT LOTT, for his unwavering efforts to help us get this bill passed. I thank the Senate for its patience.

Additionally, we have received full consideration from many Members. We started out yesterday morning, I believe, with about 150 amendments, and they have all been handled in one fashion or another in order to get to where we are today. I do thank Senator MCCAIN and Ann Sauer of his staff, who have worked with us this year to review amendments to make certain that we would not meet objections to them in terms of their presentation to the Senate here on a unanimous-consent basis. Today, I have Megan Curry of Juneau and Beth Pozzi of Anchorage with me in the Chamber.

I am pleased to once again thank the Senate for the support of this bill. I do think the American people should know that we have firm support here in the Senate now on a bipartisan basis to maintain the level of expenditures which we believe are necessary. I hope we can get the bill into conference and back as soon as possible, because we want time to work with the White House to make sure that the executive branch is willing to share with us this burden of maintaining the funding of our military throughout the world.

Mr. President, I now move to reconsider the vote the Senate has just taken to pass this bill.

Mr. INOUYE. I move to table the motion.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senate shall insist on its amendments and request a conference with the House.

The Chair appointed Mr. STEVENS, Mr. COCHRAN, Mr. SPECTER, Mr. DOMENICI, Mr. BOND, Mr. MCCONNELL, Mr. MACK, Mr. SHELBY, Mr. GREGG, Mr. HATFIELD, Mr. INOUYE, Mr. HOLLINGS, Mr. JOHNSTON, Mr. BYRD, Mr. LEAHY, Mr. BUMPERS, Mr. LAUTENBERG, and Mr. HARKIN conferees on the part of the Senate.

The PRESIDING OFFICER. Under the previous order, S. 1894 shall be returned to the calendar.

Mr. STEVENS. I thank the Chair.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Before the two managers of the Department of Defense appropriations bill leave the Chamber, I want to say again today, as I did yesterday, how much I appreciate the outstanding work that they did. We have just seen an unbelievable accomplishment, for this bill to have been completed in 24 hours, with tremendous effort yesterday. They obviously are two of the very best managers we have in the Senate, and on behalf of the Senate I thank them for their good work and hope that their example will be followed on other appropriations bills and with the bill that we are about to begin consideration of.

PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

The PRESIDING OFFICER. Under the previous order, the Senate shall now proceed to the consideration of S. 1956, which the clerk will report.

The bill clerk read as follows:

A bill (S. 1956) to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 1997.

The Senate proceeded to consider the bill.

Mr. LOTT. Mr. President, we are now ready to go to the reconciliation bill. The chairman of the Finance Committee, the Senator from Delaware, Mr. ROTH, is here, the chairman of the Budget Committee, Mr. DOMENICI, is here, and we have the ranking member, the Senator from Nebraska, Mr. EXON, here also. So we are ready to begin the debate.

I hope we can make progress and reach some agreement on limiting time. We need to complete this legislation by noon tomorrow. We have 20 hours of debate under the rules, plus amendments that could be voted on even after that 20 hours. So we have a lot of work to do between now and 12 o'clock tomorrow. But if we can continue to cooperate as we have been doing this week from both sides of the aisle, I am convinced we can do it, and that is what we should do. We have the distinguished ranking member of the Finance Committee here, the Senator from New York, Mr. MOYNIHAN, here.

I ask unanimous consent that the time between now and 1 p.m. be equally divided for opening statements only and that the majority leader be recognized at 1 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I yield the floor, Mr. President.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, first let me say to the distinguished majority leader, we will be working together with the Agriculture Committee and Finance Committee leadership, and we will try to live up to the Senator's desire that we finish this bill by noon tomorrow. I want to say, frankly, I do not see why we cannot.

When the majority leader gets the floor, I assume one of the early items of business will be to strike the Medicaid provision. That might be debated, but there is an hour limit even on that, and then the bill will be a welfare bill.

I think everybody should know that we have not seen very many amendments. Neither has the distinguished chairman of the Finance Committee. But this is a reconciliation bill, so it is not so easy to put an amendment together that meets the test of an amendment to a reconciliation bill. For those who have them, the sooner we can see them, the sooner we can analyze them from the standpoint of points of order, or we may be helpful in some respects. So that is how I see the ensuing time. I thank the majority leader very much.

Having said that, I want to publicly first thank the two distinguished chairmen, the chairman of the Finance Committee, Chairman ROTH, and the chairman of the Agriculture Committee, Chairman LUGAR, and the ranking members. These two chairmen and their committees have crafted the legislation that meets the spending requirements given in the 1997 resolution adopted earlier this spring. Both of these chairmen will be here during the consideration of this legislation and will help manage amendments that might be offered in their respective parts of the bill.

I also thank Senator EXON, ranking member of the Budget Committee, who voted with all the Republicans on the Budget Committee on Tuesday to report this bill from our committee to the Senate floor. I am fully cognizant of the qualification he attached. That was that in fact the Medicaid provisions were going to be stricken. I have, just once again, to the best of my ability indicated we are pursuing that. The Senate will have to vote nonetheless, and the Senate will make that determination. I assume it will be almost unanimous that we do that; perhaps not unanimous, but overwhelming.

Mr. EXON. If I may speak there for just moment?

Mr. DOMENICI. Certainly.

Mr. EXON. I thank my friend for his kind remarks. I think it is important we move this matter along. I would like to add my plea to those on this side and those on the other side as well, to please give us the amendments that you have in mind as early as possible, hopefully maybe before noon. If we can get a list of the serious amendments that are going to be offered, then we are going to be in a better position, not only to fashion this bill that may eventually receive a substantial number of votes if some amendments can be agreed to, but also expedite the process. So I pledge my cooperation to every extent I can to the chairman of my committee, the chairman of the Finance Committee, and the ranking Democrat on the Finance Committee. I think the four of us working together with our usual understanding and cooperation can move this matter along. That is my desire.

Mr. DOMENICI. I thank my colleague.

Finally, I want to thank our former colleague and former Republican leader of the Senate, Senator Dole, who tried not once, not even twice, but three times in this Congress to get welfare reform enacted. I believe his leadership will be felt even in his absence from the Chamber today, as this legislation moves forward and, hopefully, this time secures the signature of the President of the United States after these earlier vetoes by the President of the United States.

First, for those who may be watching this process, let me briefly explain what we are about to do today. After the President vetoed the Balanced Budget Act of 1995 last winter, and after the failure to find common ground on a plan to achieve balance in our budget, the process moved on and Congress again put together another budget blueprint that achieved balance in 2002. The blueprint, known as Concurrent Resolution on the Budget for Fiscal Year 1997, was adopted early in June. The budget resolution does not go to the President for his signature, but rather directs the action of the authorizing and spending committees on how to proceed for the remainder of the year to come into compliance with that budget blueprint and resolution. The budget blueprint also included instructions to 11 Senate committees to make changes in legislation in entitlement programs within their jurisdiction to cause fundamental reform of these programs, but also at the same time to slow the spending and achieve the deficit reduction envisioned in that budget plan.

Today we begin debate on the first of three reconciliation bills that were prescribed by that budget resolution. The reconciliation bills are very special because they have protections and procedures that the Budget Act established for their consideration. And because of the need to have them enacted to implement that budget blueprint, they receive some very special consideration and are immune from some of the rules, and some of the privileges that Senators have are denied with reference to these kinds of bills.

This first one addresses two major areas of public concern, welfare and the escalating costs of Medicaid. The bill before us at this moment makes very needed and fundamental reforms to our welfare system, a system that has clearly failed not only the American public as taxpayers, but also the very individuals and families and children that the system was supposed to help. Obviously, much more will be said by distinguished Senators on both sides of the aisle as to how that will be done in this bill.

The bill before us also makes many needed changes in the escalating Medicaid Program, but obviously that will not be long before the Senate for, hopefully early this afternoon, since it is the wish of the majority and the leadership here, it will be stricken by will of the Senate.

Federal spending under this bill before us today will still increase for both Medicaid and welfare from nearly $270 to $350 billion. That might surprise some. If we were to enact both of them, both of those programs would increase over the next 6 years from $270 to $350 billion. But compared to what would happen without these reforms, the bill would save the American taxpayers $126 billion. We are not going to get all of that because the portion that would be forthcoming under Medicaid will be stricken, but I believe there would be $56 billion left—Senator ROTH?

Mr. ROTH. That is correct.

Mr. DOMENICI. As the savings over the projected costs of the welfare program in all of its ramifications as contained in this bill.

So, as we begin this debate, let me remind my colleagues that, because this is a privileged measure, a bill whose consideration is governed by rules established in the Budget Act, the amendments are limited both in time and scope. The total time on the bill under the statute is 20 hours. I would say right up front we, on this side, do not think we should use 20 hours. In fact, we do not believe we need much of our 10 hours allotted under this bill.

First-degree amendments get 2 hours, and second-degree amendments 1 hour, which is equally divided regardless of how much time is left on each side—an anomaly, but that is how it is. So if we had only an hour left and an amendment is forthcoming, we get half the time on the amendment. That is the way the timing is done on these amendments. We intend to move this along, but not to deny Members the opportunity to get their case before the Senate.

Also, I should remind everyone—and we will hear more about this as the debate unfolds—that amendments may not violate the Byrd rule, named for our distinguished colleague from West Virginia. This rule is very restrictive and is designed to maintain reconciliation bills as truly budget-focused bills. So I ask that Senators work with the leadership and Budget Committee staffs to determine if amendments violate the Byrd rule. If they violate the Byrd rule, you can offer them, nonetheless they would be subject to a point of order and that means you would have to get 60 votes of the U.S. Senate to pass them over the Byrd rule, which limits their adoption.

I should also say, the Budget Act does provide for the waiver or any point of order that might lie against a nongermane amendment, and that is a very, very heavy-handed test in this case, or an amendment that violates the Byrd rule. But that waiver requires 60 affirmative votes, as I have just indicated.

Shortly, I will discuss some of the substantive provisions, but I will not do that on this bill until the distinguished chairman and the ranking member on the Budget Committee have had a chance to talk about it. I am hopeful most of the substance can be handled by the committee chairmen. I will be here to help them move this along and to make sure we are as fair as possible with reference to the many procedural implications of a reconciliation bill.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, if I understand the unanimous-consent request, there is 1 hour equally divided between the two sides up to 1 o'clock; is that correct?

The PRESIDING OFFICER. Two hours ten minutes equally divided.

Mr. EXON. Mr. President, at this time, I yield myself 12 minutes of that time. Following my remarks, I yield the remaining time, up to the 1 o'clock time, to my friend and colleague from New York, the ranking member of the Finance Committee. We will be working jointly on the various amendments. I am grateful that both he and the chairman of the Finance Committee will be working jointly with us on this matter today.

Mr. President, as the Democratic leader on the Budget Committee, I come to the Senate floor today with some truly mixed emotions. I am most relieved that the Republican majority has decided that they will strike the Medicaid language from the reconciliation bill. It was with that understanding that I joined my colleague and chairman, Senator DOMENICI, in reporting out this bill to the floor.

Obviously, cooler heads in the Republican fever swamp prevailed. I trust this will be reflected in the vote. I salute my friend, the distinguished chairman of the Budget Committee, for his role. Might I suggest that Senator DOMENICI's good counsel had much to do with the decision to seek a more productive and less combative path. But I say somewhat wistfully that I wish his voice of reason had not been drowned out earlier in the budget process.

For all their fluster and bluster, the Republican majority will walk away from the 104th Congress with precious little deficit reduction to show for it. There is no bipartisan 7-year budget plan. Far from it. Republicans made a lot of noise about balancing the budget. In the end, the Democrats made a lot more sense.

At this time, I renew a plea that I have made oftentimes, and that is, in view of the fact that we have an economy today that is moving ahead progressively and well, with little or no inflation concerns, I simply hope in due time, maybe sometime in the next couple of weeks, the Federal Reserve Board will recognize the situation and maybe begin to ease at least slightly the interest rate problem which continues to bother many sectors of America, including the stock market.

I do not think our decisions should be directly made here on what happens in any certain phase of our economy. But the facts of the matter are, as I just alluded to the fact we have no 7-year balanced budget plan. We do not have that because the Republican majority and their leadership in the House and the Senate have refused to meet with the President to see if we cannot come up with a bipartisan compromise.

I have said time and time again, and I am not sure that Americans totally understand it—sometimes I wonder if the news media understands it from the reports I have been reading—that both sides have agreed basically to make the cuts that are necessary to balance the budget in 7 years. It can be done, it should be done, and I appeal, once again, now that the Republican leadership of the House and the Senate have come out of their cocoon, to recognize this is the time to strike. Let's get together. Let's let the Republican leadership in the House and the Senate take up the offer of the President of the United States to meet and come up with a 7-year balanced budget plan.

I know there is a great deal of haste right now, Mr. President, to get out of town, to leave things here because we want to go about campaigning. Certainly, I believe that there is nothing that could better serve the United States of America—the great two-party system that has served us, with all its warts, quite well over the years than if we can, before we leave here, have a balanced budget agreement. It is clearly within our grasp if we would just get on, put aside some of the egos and come to some kind of understanding. I make that plea once again.

Mr. President, I believe that the Republican majority had little choice but to yank the Medicaid portion of this bill out, as we and the President had suggested. One did not have to read the tea leaves to see that it was certainly headed for a veto without that change.

It was a plan hatched by the far right that reneged on the promises of providing health coverage to low-income Americans and those most in need of it—the elderly, children, and the disabled. Many of the Governors could not accept the plan because funding did not automatically adjust for changes in enrollment. I am glad that this unreasonable scheme has been laid to rest.

Now that the shackles of the Medicaid plan have been released, we have a good opportunity to work together and fashion a bipartisan welfare reform bill that will win not only the approval of the Congress but the signature of the President as well and I believe would have a good chance of receiving near universal support from the American people as well.

I compliment the majority for making some substantive and key changes in their previous welfare plan. For example, child care resources that were woefully lacking in their earlier efforts have been shored up, at least some. But the majority should know also that those of us on this side do not plan to spend the next 20 hours singing hosannas to their bill. We intend to offer amendments that we believe could significantly improve this bill and make it acceptable to a broad spectrum of Senators on both sides of the aisle.

I add, I would have preferred to deal with welfare reform outside of the reconciliation bill. Welfare reform is a policy issue, not a budgetary matter. In fact, there are no budgetary savings. I emphasize again, Mr. President, there are no budgetary savings from what most people believe as welfare. I, of course, reference aid to families with dependent children. The savings in this bill come from food stamps, child nutrition, denying SSI and food stamp benefits to most legal immigrants.

I hope in the future the majority will not feel the need to hide behind reconciliation skirts when every tough issue comes down the pike. I point out, too, that last year, we were able to come to a bipartisan agreement on welfare reform outside of the context of the budget reconciliation.

I emphasize once again, Mr. President, I think that while we are going to do this, making this part of the budget bill and the reconciliation process is not the way that this should have been handled. It should have been a freestanding bill. It should have come out of the Finance Committee which, I think, would have been the proper course of action. But, obviously, for many reasons that was not to be.

Mr. President, we have heard a great deal in this Congress about returning power to the States. Under the rubric of devolution, we have seen some thoughtful proposals, such as restrictions on unfunded mandates and others that are played bad, like the Medicaid plan.

But the clear signal we are getting from the townhall meetings and the State houses is the need for greater flexibility in dealing with these problems. I believe the Democrats answered that challenge in our updated "Work First" welfare plan that will shortly be offered as an amendment to this measure. It gives the States the flexibility to consolidate and streamline welfare operations yet protects children and saves $50 billion in the process.

As a former two-term Governor of Nebraska, I have more, Mr. President, than a passing acquaintance with the problems that are faced daily by the Nation's Governors. I have done my able best to help them where I could. I was an original cosponsor of the unfunded mandates bill. But as sympathetic as I may be to our Governors, we must ensure that welfare reform does not just meet their needs, their needs being the Governors. It must continue to meet the needs of the innocent children who have become pawns, unfortunately, in this debate.

In this regard, there are still areas of concern about the Republican package. I will not address all of them today. I am not wedded to any particular amendment, but I do want to touch upon a few concerns today that have a common thread. That common thread, that important thread, is kids in need. Children should not be an afterthought in welfare reform. Protecting children should be right up there with requiring able-bodied men and women to earn their keep.

The first issue in the voucher program is important. The Republican measure prohibits—prohibits, Mr. President—any assistance once a parent has been on the welfare rolls for a time limit to be determined by the individual States. This, Mr. President, could be anywhere from 60 days at a minimum to 5 years at the outside.

Under the Republican bill, no vouchers would be allowed for families reaching the time limits set by the individual States. They would be locked in to whatever State they were a resident of. In my book, this is draconian. We should not cut and run on our poor kids. Depriving a child of the bare necessities in life, such as food and clothing and shelter, serves no useful purpose. The Government is not punishing the parents; it is the children who would suffer. We should not visit the sins of the parents upon their children. I see no reason why we cannot design some sort of a voucher or noncash aid for these children. Under the Democratic work first plan, the States would provide a minimal safety net. That would be an enormous improvement to this bill.

My second criticism involves the inflexibility of the Republican plan during hard economic times. This bill cries out for more flexibility during recessions. Under the preferred Democratic proposal, children are entitled to assistance based on their household incomes, not whether the States have exhausted their funding due to increased needs during a recession or other uncontrollable events. This would be a reasonable and a desirable addition to the welfare reform package and something that I hope the Senate will accept.

My third concern, Mr. President, revolves around the food stamps and the optional block granting of the program. It is a good idea to encourage electronic benefit transfers and to reduce fraud and abuse in the Food Stamp Program as is called for in the Democrat work first plan. We should throw the book at violators, but I cannot say that I am as understanding about the Republicans' insistence on block granting food stamps.

It is evident to this Senator that States devote radically different levels of effort to our needy children. They do not treat them with the same level of compassion. By removing the Federal entitlement and block granting food stamps, we could knowingly exacerbate these differences. I am also concerned that block granting does not completely take into account the changes in the caseloads or regional economic trends.

Mr. President, many thoughtful observers have also suggested that the instigation of block granting would trigger a so-called race to the bottom. Let us understand that term. We are very much concerned that the way this is written now, it would almost guarantee a so-called race to the bottom among the States seeking to lower services to the poor so as not to attract more of them. Even worse, some States may reject the dwindling block grants and drop the whole burden on to the narrow shoulders of the counties and the local governments below them. We should not be abetting such a shirking of responsibility if it should happen.

Mr. President, there are, of course, many other issues, bones of contention, in this legislation that we will be addressing. Senators on both sides of the aisle will be talking about them and, undoubtedly, offering amendments. But I do believe that, with a few modifications, we could have a bill that sits well with both sides and with the American people. To pass their test, it will have to be a bipartisan effort that requires work while still protecting children. Those are the tricky waters that we still have to navigate over the next few hours. I trust that we will be successful.

Mr. President, I reserve the remainder of my time and yield it, as I have previously indicated, to the Senator from New York.

The PRESIDING OFFICER (Mr. GREGG). Who seeks recognition? Who yields time?

Mr. MOYNIHAN. Mr. President, I think, in the interest of symmetry and the fact of seniority and the overwhelming presence of the chairmanship, that the Senator from Delaware should speak now. In any event, I would like to hear him in the hopes that I might think of something to reflect upon.

The PRESIDING OFFICER. Is the Senator from Delaware seeking time?

Mr. ROTH. Mr. President, I yield myself such time as I may take.

Mr. President, this is the beginning of the end to the lengthy debate in the 104th Congress about the current welfare system. The issue of welfare reform has been frequently and passionately debated over these past months, and rightly so. The effects and consequences of the welfare system in some way touch us all.

Mr. President, it would be difficult to estimate exactly how many thousands of hours the Congress has devoted to this issue over the past months. The various committees in the Senate and the House of Representatives have taken testimony from Governors, Members of Congress advocating their own particular brand of reform, Cabinet officials, outside experts, advocacy groups, and so forth.

But of all of these, perhaps the clearest message for welfare reform I have found comes from a newspaper article about Sharon Stewart, a 33-year-old single mother who has been on welfare for nearly 12 years. In a Richmond Times-Dispatch article last month, Ms. Stewart was quoted as praising Virginia's new 2-year time limit on welfare benefits. She said, "I feel like I can actually accomplish something again. This is something I'm doing and nobody else is just giving me a handout."

With simple eloquence, Ms. Stewart told the Times-Dispatch, "this program should have been in effect when I [first] went on AFDC. It means people"—it means people—"are going to be independent. At first they're real scared and kind of back off, but I believe it will help in the long run."

In the same article, Tracy James, a mother of four children, also voiced her support for the time limit on benefits. She summed up the situation better than any of the experts when she stated, "The old law was too easy. I settled for it. [Now] it's either get yourself together or you're just stuck."

Eloise Anderson, the very distinguished director of the California Department of Social Services, recently responded to a reporter who asked whether time limits were a form of "tough love." Miss Anderson responded, "It's the real world."

Mr. President, this is the fundamental philosophy upon which our welfare reform package is based. We will help families through the crisis which forced them into poverty. But that assistance is only temporary, and they must again help themselves.

Welfare reform will restore the dignity to families who want more than to "just settle" for what the welfare system will give them.

The current AFDC program, as it was designed in the 1930's, abandoned many families long ago as a statistic of long-term dependency in contemporary society. The current welfare system has failed the very families it was intended to serve. Look at the record. The record speaks for itself. Unfortunately, in 1965, something like 3.3 million children received AFDC benefits. In 1990, more than 7.7 million children received AFDC. This growth occurred even though the total number of children in the United States had declined—I underscore "had declined"—by nearly 5 million between 1965 and 1990. In 1994, nearly 9.6 million children received AFDC. Last year, the U.S. Department of Health and Human Services estimated that 12 million would receive AFDC benefits within 10 years under the current welfare system.

I think it is clear that the present system has not worked. To the contrary, rather than giving a lifting hand and helping people back to work, back to the mainstream, we find the record is consistently an increase in the number of families, the number of children, caught in the web of welfare.

If the present system was working well for children, we would, frankly, not be here today. I do not think anyone wants to make a claim that the existing system is good for children.

While the present welfare system is full of excuses, the welfare reform legislation being presented to the American people today is a bold challenge. While the present system quietly accepts the dependency of more than 9 million children, our proposal speaks loudly to them and insists they, too, are among the heirs to the blessing of this great Nation.

The key to their success will not be found in Washington, but, frankly, in the timeless values of family and work.

Mr. President, 90 percent of the children on AFDC live without one of their parents. Only a fraction of welfare families are engaged in work. The current welfare system has cheated these children of what they need most.

The reason the States will succeed in welfare reform where Washington has failed is because State and local officials see the faces of their neighbors, while Washington only sees caseload numbers. The bureaucracy in Washington is too detached, too removed, too far out of touch to reform the welfare system.

The opponents of welfare reform believe the States lack either the compassion or the capacity or both to serve needy families. They are wrong.

We understand that there is not a singular approach to welfare reform. We believe if families, if children, are going to escape from the vicious cycle of dependency, they must be enabled to find their own way out. Welfare reform is not simple because human beings are complex.

The goal of welfare reform for all families is for all families to leave welfare. The path on how they get there is not necessarily a straight line. Nor, under our approach, must all families follow the same path.

In contrast, this is precisely why Washington will never be able to end welfare as we know it. The existing system is designed more for the convenience of the bureaucracy than for the needs of the individuals. Washington wants to put its one shoe on every foot. That simply does not work. In the tradition of scientific management, everything must be reduced to bureaucratic rules, procedures, and mathematical equations. This is why, if we are truly seeking the answer to end dependency, Washington is the wrong place to look.

The causes and cures of poverty involve some of the most intimate acts in human behavior. What many families on welfare need cannot be sent through the mail or reproduced in the Federal Register. There is no flaw in admitting we do not understand how or why individuals will respond to the various incentives and sanctions present in everyday life in modern society. The mistake is believing, especially after 30 years of evidence to the contrary, that Washington does know how to apply these incentives and sanctions to the lives of millions of people.

Under the present system, welfare dependency is allowed to become a permanent condition. This is one of the cruelest features of the welfare system because it saps the human spirit.

Welfare reform will help free families from the present welfare trap and save future generations from its affect. To do this, we must give the State and local governments all of the tools they need to change the existing welfare system. What works in Delaware may not work in Virginia or New York and the States that demonstrated that it is time to move beyond the waiver process.

One of the basic flaws in the existing system is, while State officials have the responsibility to administer these programs, they do not—I emphasize the word "not"—have the authority they need to effectively run the program. That authority is dispensed by Washington one drop at a time, and this is no longer acceptable. Waivers are no substitute for an authentic welfare reform.

Since President Clinton vetoed welfare reform for a second time, we worked with the Nation's Governors to construct a comprehensive welfare reform package, which, of course, included Medicaid. And a compromise last February was supported by the most liberal Governor and the most conservative Governor and everyone in between. No one liked everything, but there was something for everyone. That is the essence of bipartisanship.

When this legislation was marked up in the Finance Committee, I included more than 50 Democratic amendments. Nearly half of all the Democratic amendments were incorporated into the legislation. Those changes still did not gain Democrat support in committee. And, of course, the administration still refused to compromise on Medicaid. So we are now separating Medicaid from the rest of the welfare package.

Let me say, Mr. President, although I am supporting and have supported the separation, it is a matter that I personally believe need not happen. The President, on several occasions, in addresses to the Governors, stated that many, many people on welfare would not take themselves off the rolls because they were fearful that they would put their children at risk, that they would not be covered by Medicaid. I think there is great truth in that statement. But, for that reason, it seems to me critically important that we deal with welfare and Medicaid as a package. That is what the Senate Finance Committee did, and that is what we have before us. But, as I stated earlier, we will be separating Medicaid from the rest of the welfare package.

Mr. President, we have a bipartisan bill. There is no need to look any further than the measure before us. Frankly, this legislation will look very familiar to my colleagues, as it closely resembles H.R. 4, as it was passed by the Senate last September by a vote of 87 to 12. In other words, it is basically similar legislation which received broad bipartisan support when they voted for H.R. 4 last September. With regard to such issues as work requirements and time limits, this legislation is nearly identical to the Senate-passed bill.

Mr. President, it has been 41 months since President Clinton outlined his welfare reform goals to the American people. Welfare reform was not enacted in 1993 or in 1994. Welfare reform is not about claiming political credit. We need to enact welfare reform for families like those of Sharon Stewart, Tracy James, and their children. If we do nothing, more children will fall into the trap of dependency. That is a certainty of what the current system will bring.

Mr. President, I yield the floor.

(Mr. ASHCROFT assumed the chair.)

Mr. MOYNIHAN. Mr. President, I yield to myself whatever time I may require. I will express, once again, my admiration and gratitude for the tone of thoughtful inquiry which the chairman brings to these discussions. We will not agree today. We have not in a whole year in this regard, but we certainly are trying to lay out arguments and information as best we understand it. I think we know where we are going today, but it does not preclude us from one last effort. There is still hope. You may yet change your mind, but I do not think so today.

Mr. ROTH. Will the distinguished Senator yield?

Mr. MOYNIHAN. I am happy to do it.

Mr. ROTH. I want to say what an honor and privilege it has been to work on these matters with the distinguished Senator from New York. There is no one on either side of the aisle who brings greater knowledge, understanding, and depth than Senator MOYNIHAN. Now, frankly, sometimes his conclusions are wrong, but that is understandable, and that is what makes for the democratic process. But I do want to say that working with them, in an effort to bring a solution, to be compassionate, to take care of the needs of the many children who are without is our common goal. I know he seeks that with all his intelligence and being.

Mr. MOYNIHAN. Mr. President, as I rise today, I find myself thinking of the passage with which Hannah Arendt begins her classic work, "The Origins of Totalitarianism." She speaks of the disasters of the First World War, and then the Second World War, and now the prospects of a third, final encounter between the two remaining world powers. She says, "This moment of anticipation is like the calm that settles after all hopes have died."

If I sound subdued today, I hope it will be taken in that light, rather than any diminished sense of the importance of what we are about to do, because we are all somehow subdued today. The Senate floor is all but empty. I see four Senators.

The lobbies are empty. There is no outcry against what we are doing. Two fine editorials appeared this morning in the Washington Post and the New York Times saying, "Do not do this." But those are rare voices at this moment.

We learn in the press that the President is concerned that there be vouchers made available for diapers. This is commendable, but scarcely a suggestion that something fundamental is about to happen. What is about to happen is we are going to repeal title IV-A of the Social Security Act, the provision established in 1935 in the act, aid to families with dependent children.

This will be the first time in our history that we have repealed a core provision of the Social Security Act. Further, we are choosing to repeal the provision for children. It is as if we are going to live only for this moment, and let the future be lost.

I said that there were few voices. Actually, there is one unified voice: that of every national religious group and faith-based charity. But we seem unable or unwilling to listen. They all oppose ending the entitlement. Catholic Charities USA and the Catholic bishops, especially, the National Council of Churches, Bread for the World, have persisted in this matter. Other organizations, as I say, are once again silent. Having briefly aroused themselves, they have sunk back into apathy, or resignation—or agreement with what is about to be done. We will not know if we do not hear.

Yesterday, Members of Congress received a letter from Father Fred Kammer, president of Catholic Charities USA, who wrote:

> The welfare reform proposal before you reflects ignorance and prejudice far more than the experience of this Nation's poorest working and welfare families. This bill would end the basic guarantee of protection to our neediest families, and, in the words of Milwaukee's Archbishop, Rembert Weakland, OSB, nullify "America's 60-year covenant with its poor children and those who nurture them." It would also punish children born to welfare parents, legal immigrants, and desperately hungry citizens.
>
> Welfare reform is acutely needed in this country, reform which is designed genuinely to move people who can do so from welfare to work. Today's proposals are largely a sham designed to appease the ignorant and to pander to our worst prejudices in an election year. There is little here to recommend to believers, for whom Jesus of Nazareth said, "Whatever you do to the least of my sisters and brothers, you do to me."

And then Father Kammer says:

> Please stop this so-called "welfare reform" now lest election and budget politics shred the fabric of this Nation's protections and supports for its most vulnerable families.
>
> Again in the words of Archbishop Weakland, "This is not welfare reform, but welfare repeal."
>
> The Nation, its historians, and its poorest families will little remember what you say here, but they will long remember what you do here.
>
> Sincerely, Fred Kammer, S.J. President, Catholic Charities USA.

This is an extraordinary statement by the president of one of the Nation's leading charities. But then he knows too well the profound impact this legislation will have on poverty and on children.

It is children we are talking about. I have been trying for most of this Congress to describe the consequences for children in ending support after 5 years. The average AFDC recipient will receive benefits for 13 years.

Ten months ago, as the distinguished chairman has observed, on September 19, 1995, the Senate passed a welfare bill providing just that. That bill, H.R. 4, as amended, was, as the chairman just said, nearly identical to the bill now before us. Again, to quote the chairman, "It was basically similar legislation." At that time, we had no data before us to give us a sense of what we were doing. There were 11 Democrats who voted against that bill—11. I hope one day we might see their names listed in a place of honor.

A few weeks later I learned that there was, in fact, in the Department of Health and Human Services, as you would expect, an analysis of H.R. 4 that addressed itself to the poverty impact of the bill.

Then on October 24, at the first and only meeting of the House-Senate conference on the legislation, I put it this way. I said:

> Just how many millions of infants we will put to the sword is not yet clear. There is dickering to do. In April, the Department of Health and Human Services reported that when fully implemented, the time limits in the House bill would cut off benefits for 4,800,000 children. At that time, the Department simply assumed that the administration would oppose repeal. But the administration has since decided to support repeal. HHS has done a report on the impact of the Senate bill on children, but the White House will not release it. Those involved will take this disgrace to their graves.

During the following 2 days, the administration denied the existence of the HHS report. But then, on October 27, on the front page of the Los Angeles Times, there was an article by Elizabeth Shogren entitled, "Welfare Report Clashes with Clinton, Senate."

It began:

> A sweeping welfare reform plan approved by the Senate and embraced by President Clinton would push an estimated 1.1 million children into poverty and make conditions worse for those already under the poverty line, according to a Clinton Administration analysis not released to the public.

A subsequent administration analysis of the conference report on H.R. 4, after the House and Senate provisions had been reconciled, estimated that it would plunge 1½ million children into poverty.

On December 22, 1996, when the conference report on that bill came back to the Senate, every Democrat save one voted "no."

Now, with these facts in front of them, Senators on our side—and not only on our side—voted almost unanimously against the bill.

I should point out that in some ways the bill before us, although basically identical to last year's legislation, as the chairman of the Finance Committee has said, is even worse in that it provides for very harsh measures against legal immigrants who are noncitizens. The Congressional Budget Office makes this point in its report on the measure. It says:

> Chapter 4 would limit the eligibility of legal aliens for public assistance programs. It would explicitly make most immigrants ineligible for SSI and food stamp benefits. Savings would also materialize in other programs that are not mentioned by name.

This must be noted as a regression of genuine importance. In the beginning of this century, Western nations began the practice, and after a while, by treaty, international labor conventions, and such like, of extending social services available in a particular country to legal visitors or immigrants from another country. It was seen as a part of the comity of nations, part of the standard civilization which we had attained.

Now, sir, I had the opportunity to speak with our distinguished Secretary of Health and Human Services this morning, the Honorable Donna E. Shalala. She tells me that this bill will cut off some 200,000 legal immigrants currently receiving supplemental security income because of severe disabilities—cut them off. It will cut off women receiving services in battered women clinics, said Dr. Shalala. Things that civilized nations do not do, save perhaps when carried away, as Father Kammer said, by ignorance and prejudice.

Now to the present legislation. I recall the long and difficult effort to get the executive branch to follow its normal practice of providing a report on legislation saying this is what this legislation will do, this is why we support it or do not support it, or whatever.

Since May of this year, Representative SAM GIBBONS, ranking member of the Committee on Ways and Means, and I have been asking for a similar analysis of the poverty impact of the new Republican welfare bill. We asked for the poverty effects because they have a clarity for Members that perhaps more diffuse issues, such the operation of time limits. It is a usage with which we are familiar. Last winter, when Democratic Senators found out what the effects of H.R. 4 were, having voted for the bill, they turned around and voted against it. The President, having indicated he would support the bill, turned around and vetoed it.

So, since May of this year, Representative GIBBONS and I have been asking for a similar analysis of the effects of the new Republican welfare bill. Despite three separate written requests, no report has been forthcoming. But we did receive a letter on June 26 from Jacob L. Lew, the Acting Director of the Office of Management and Budget, in which he wrote:

> As you recall, the administration's analysis of the conference report on H.R. 4 estimated that it would move 1.5 million children below the poverty line. Based on that analysis, it appears that improvements in the Roth/Archer bill would mean that somewhat fewer children would fall below the poverty line. But many of the factors that would move children below the poverty line remain the same in both bills.

So we have before us a bill that in the administration's own judgment would impoverish over 1 million children. But I remind you, Mr. President, we do not have an analysis, and we read in this Sunday's New York Times, by Robert Pear, an eminently respected reporter in this area, that the White House had given instructions to HHS that there was to be no report. I had not ever thought I would be standing on the Senate floor stating my understanding, that an administration has said we will not tell the Senate what it is doing. If we knew what it was doing, we would not do it. That is precisely what happened on our side of the aisle, and not just on our side of the aisle, between September and December of last year. If we knew what we were doing, we would not dare to do it, and therefore the information is being withheld.

I would say that Dr. June O'Neill, Director of the Congressional Budget Office, has been very forthcoming, but that is an institution within our ranks, as it were, and with which we have normal cooperation.

I talked about the problems of poverty, but I would like to make the point that this is not really the issue here.

Most children on AFDC are already poor. Those who are above the poverty line are part of that portion of the AFDC population which works part of the year, loses jobs, goes on welfare, goes back. Time limits would drop them completely below poverty because there would be no available income when they were not working.

Might I say we have an AFDC population that is made up of roughly three groups. One is a sizable number in which adult, mature families break up, and a mother finds herself with children and needs income for a relatively brief period. It is the equivalent of the mill closing and men out of work. Within 2 years' time, they are back on their own. They do not need any advice, they do not need any counseling. It is income insurance for them, and it works.

There is a second, middle group which cycles on and off: Works, finds the work does not work out—jobs are lost, plants close and that kind of thing—then they go back onto welfare. Work comes along, they go off. And it is back and forth.

Then there is another group. In overall terms, it is much the largest group. This group is on welfare for a very long, continuous time. Thirteen years is the average.

The essential problem with this legislation is that it imposes time limits without any real provision for the heroic efforts that are required to take people who have been on welfare for a long while, get them off and keep them off.

I have no problem with that proposition, that work is what we should seek, independence is what we should seek. Some years ago, I wrote a long book on this subject, which began: "The issue of welfare is the issue of dependency. Whereas most people stand on their own two feet, dependent persons, as the buried image of the word implies, dependent people hang."

This very week Time magazine chose, on its page called "Notebook," to reproduce a cover of Time from July 28, 1967. It is called, 29 Years Ago in Time: DOGGED CONSISTENCY. There is a picture of the Senator from New York, and I am arguing the case—this is at a time when I was director of Joint Center for Urban Studies at MIT and at

Harvard—that we have a crisis in our cities and it was getting worse.

I am quoted:

> We are the only industrial democracy, he told a Senate subcommittee, that does not have a family allowance. And we are the only democracy whose streets are filled with rioters each summer. The biggest single experience anyone has is working.

No one argues that. But to put a time limit on, when you do not have provision for seeing that people have work, is to invite an urban crisis unlike anything we have known since the 1960's. It may be it will bring us to our senses. But it will be a crisis.

Here are the numbers. The Congressional Budget Office, in the cost estimate of the bill, said it would cut Federal welfare rolls by 30 to 40 percent by the year 2004. If we follow the estimates of the Senator from Delaware, and they are quite accurate, of course, by the year 2005, we will have over 10 million children on AFDC. Cut off 40 percent, and you have 4 million children dropped.

CBO estimates that, under the bill we are dealing with, we will cut off 3.5 million children by the year 2001. By the year 2001—5 years from now.

That would be an unprecedented experience, and its impact would be quite disproportionate in racial and ethnic terms. Two-thirds of those affected would be minorities: 49 percent black, 19 percent Hispanic.

I said in the Finance Committee, in March of this year, that to drop these children from our Federal life-support system would be the most "regressive and brutal act of social policy since Reconstruction."

Think of what it means for our cities. Remember, not all these children will be 4 months old or 4 years old. Many will be 14 years old. In 5 years' time, you will not recognize Detroit, Los Angeles, New York. These are cities where a majority of births are out of wedlock. The average for our largest 50 cities is 48.0 percent.

What is going on is a profound social change which we do not understand, just as we could not comprehend the problem of unemployment in the first part of this century, and ended with the crisis of the world depression, which almost destroyed democracy. It was a very close thing. Now, we are putting the viability of our own social system at risk.

This year the National Center for Health Statistics reported that the nonmarital, out-of-wedlock ratio of births in the United States has now reached one-third, 32.6 percent. That was for 1994, so it is a third today. In Detroit, that number is 75.3 percent; in Los Angeles, it is 50.1 percent; in New York City, 52.3 percent; in Chicago, 56 percent; in New Orleans, 64 percent. I think Detroit and New Orleans are probably the highest. No society in history has ever encountered this problem. These numbers a half century ago were 4 percent. New York City, 4 percent half a century ago, 52 percent today; Manhattan, 54 percent.

Nobody understands. Something like this is going on in Britain, in Canada, in France, in Germany. We are undergoing an enormous social change which we do not understand. Although it does not happen at all in Japan. Ratios were 1 percent in 1940 and 1 percent today.

Yet, we are acting as if we do understand. The basic model of this problem in the minds of most legislators, and most persons in the administration, is that since we first had welfare and we then got illegitimacy, it must be that welfare caused illegitimacy. And they may be right. I do not know. But neither do they.

I have stood on this floor and argued for the Family Support Act, which one Senator after another invokes as a measure that works, getting people out of dependency, into jobs. It could continue to work. But not this sharp cutoff—bang, 2 years, you are off; 5 years, you are off forever. That invites the kind of calamity which it may be we are going to have to experience in order to come to our senses.

I said on the floor last September that we will have children sleeping on grates if this becomes law. I repeat that today. I hope I shall have been proved wrong. I hope.

We will have a chance to track it. In the Social Security Act Amendments of 1994, I was able to include a small, but significant, provision to try to get us some accumulation of information and then perhaps theoretical knowledge about this situation. We enacted the Welfare Indicators Act of 1994. It requires the Secretary of Health and Human Services to start producing an annual report based on the Economic Report of the President, which derives from the Employment Act of 1946.

We will have the first interim report due October 31 of this year. It takes a long time for these institutions, if I can use that word, to mature, but we will have documentation of what this legislation did. We will know, unless we are reduced to concealing the truth, which we are getting very close to in this debate. Administration officials saying, when asked for the report, "There is no report"; when the report is published saying, "Well, I guess there was a report"; then saying, "No more reports." We are standing here on the Senate floor with no report from the administration. Shame.

One of the comments I have made throughout this debate, over the last year and a half, is that it has been conservative social analysts who have been most wary of what we are doing. They have consistently warned us that we do not know enough to do this. They have asked us to be conservatives and not take this radical step, putting at risk the lives of children in a way we have never done.

After we allowed a system to develop in which children are supported in this manner, to suddenly stop that support based on some very vague notion of human behavior—that if you are going to suffer awful consequences, you will change your behavior. We will be making cruelty to children an instrument of social policy. Lawrence Mead of NYU said you don't know enough to do this. Lawrence Mead, no liberal he; a career telling the liberals they were letting this situation get out of hand.

But 52 percent of the children born in the city of New York are to a single parent. John J. Dillulio, Jr., at Princeton saying, "Conservatives should know better than to take such risks with the lives of children."

And then George F. Will. George Will of unequaled authority as a commentator on the difficulty of social change and the care with which it is to be addressed. He wrote of the vote last September:

> As the welfare debate begins to boil, the place to begin is with an elemental fact: No child in America asked to be here. No child is going to be spiritually improved by being collateral damage in a bombardment of severities targeted at adults who may or may not deserve more severe treatment from the welfare state.

I end on that proposition. No child in America asked to be here. Why, then, are we determined to punish them?

Mr. President, I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from New Mexico has approximately 36 minutes remaining.

Mr. DOMENICI. I yield 15 minutes to the Senator from Pennsylvania.

Mr. SANTORUM. Thank you, Mr. President. I thank the chairman.

EXPRESSING CONDOLENCES TO PEOPLE OF MONTOURSVILLE, PA

Mr. SANTORUM. Mr. President, before I speak about the welfare bill, I just want to express my condolences to the people of Montoursville, PA. As many of you know, the crash of TWA Flight 800 included French students from that high school in Montoursville, along with five chaperones.

I talked with some people in Montoursville today. To say the people are shocked and overwhelmed does not quite, I think, relay the feelings that are going through that small town in north central Pennsylvania, near Williamsport, PA.

Senator SPECTER and I have pledged to do all we can to aid the people of that community in getting information that is necessary to begin the healing process, which is a very difficult one. We will do whatever we can to assist them in that process. Obviously, we will be vigilant in making sure the U.S. Government follows up and makes a thorough investigation of this and to the cause of this accident, hopefully accident.

PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

The Senate continued with the consideration of the bill.

Mr. SANTORUM. Mr. President, let me move on to the issue before us of welfare reform. It is never easy to follow the Senator from New York when talking about this issue, because there is no one on the Senate floor who knows more about this issue than the Senator from New York. But I was struck by one of the comments he made. I felt compelled to respond to that comment, when he made the comment that the bill before us invites calamity. I am quoting him. He used the term "invites calamity."

I found it odd that he used the term, that the bill before us invites calamity, right after a very eloquent and fact-filled dissertation on the calamity that has been created by this welfare system, that calamity of illegitimacy in our civilization.

He suggested there is no solution, at least we do not know the solution, and, therefore, we should not try anything. I assume that is the conclusion. Since we are not absolutely sure what causes illegitimacy, then we should not even attempt to bring it up since we do not have the answer.

I suggest that the Senator from New York should have been here in the 1960's when in fact we did not know the solution for poverty but we went ahead and tried the Great Society programs anyway. We went ahead not knowing what the answers would be, and for the last 30 years, in my opinion, ignoring—ignoring—the results of the Great Society programs, the welfare component of the Great Society programs in particular.

So if we are going to talk about not knowing what the future holds with the bill before us, then let us talk about not knowing back in the 1960's what the welfare state that we created would do, and now refusing to change it, when we know it has created the calamity that the Senator from New York eloquently described. He only described, in my opinion, one element of that calamity.

Oh, it is a very serious one—illegitimacy. I suggest it may be the great social ill that can be the cancer within to destroy this civilization. So I think he does highlight a most important issue. It is one that we attempt to address in this bill, which I suggest we attempt to address in a very modest way. We have not gone out with a right wing extreme agenda, whatever that is, to deal with this issue.

We have taken steps like saying that people who are on welfare, if they want to have more children, they should not necessarily get more money for having more children out of wedlock. The States can enact a law under our bill to pay them money if they want. But the presumption is that if you are on AFDC and you are not married, and you are receiving benefits and you have additional children, you are not automatically going to get a pay raise.

The second thing we do is we look at mothers who have children out of wedlock and do not cooperate with the Government in telling us who the father is. One might suggest that that probably is not a very likely occurrence. The fact of the matter is, having visited many agencies in my State that deal with this problem, that is a very common occurrence for a variety of reasons.

The most common reason is because usually there is a relationship between mom and the boyfriend. Mom does not want to jeopardize that relationship by giving the boyfriend a legal responsibility for the child. The Government is willing to pay. Why rely on a tenuous relationship, sometimes, between the boyfriend and the mom, to track down someone who may not have regular work to provide for that, when you have a Government who is going to consistently provide for that child? You may even work out something that has been told to me on many occasions, where the Government provides, and under the table the real dad provides some money, too.

It works out best for everybody except for the fact that the child is without a father. That is a little glitch that somehow gets glossed over. Like it or not, in our society—I know some do not believe it—but I think fathers are important. I think we need mothers and fathers to raise children.

I happen to believe one of the big problems in our society of youth violence among young males is because we do not have fathers in the household. They do not have the example of a father to help guide them through the very difficult time of growing up.

Yes, we do some things that are untested. Sure, they are untested, granted. We do not know whether making mom cooperate with authorities, forcing the mother to give us the name of the father—sanction her if she does not—will in fact help. We do not know. But, my God, we should start trying.

We cannot turn our back and say, just because we do not know, we should not try. Donna Shalala says, Well, you know, there may be people who fall off welfare because they did not cooperate, and that is a tragedy for the children. What the tragedy for the children is is they have no father. That is a tragedy. We run around and we hide behind children. The liberals hide behind children, when it is the children who are hurt the worst by this system that does not care. It is not loving and compassionate. Passing out a check behind a bulletproof window in a welfare office is not compassion, is not how we solve problems in this society when it comes to the poor.

We give States a bonus if they reduce their illegitimacy rate. So we provide an economic incentive for States to begin to try things to help reduce the number of illegitimate children. And they cannot do it through abortion.

That is illegitimacy. That is only one of the calamities that we now have as a result of this system.

How many people believe that, in the last 30 years, as a result of the welfare state, the neighborhoods in which people on welfare reside are safer, that crime is less, that the values of the people who are on welfare in second and third generations are better than they were before? If you want to look into the eyes of those values, look into the eyes of the senseless and indiscriminate juvenile crime that we see in our society, the lack of values between right and wrong, the lack of respect for human life in our society.

Drugs. Are there less drugs? Are drugs less of a problem in these communities than they were 30 years ago? Is education better in these communities than it was 30 years ago? Is the family structure better than it was 30 years ago? Oh, what progress we have made, what a system we should defend. And, oh, we dare not try anything that is untested. I would agree with the Senator, maybe he is right, maybe we should not try anything that is untested, because the last time we tried something that was untested, we got a horrible result. But the problem is, we are stuck with that system right now. We must—we must—face that and change that.

Here is how we change it. As I said before, we deal with the issue of illegitimacy and in a modest way—I have to repeat that—in a very modest way.

Secondly, what we say is that we are going to require people who are able-bodied to work. I talked about the values in communities. One of the most important values that you can pass on to your children is a work ethic. You can pass it on by talking about it. But you parents know you can tell your children all sorts of things—I have three children; I tell them lots of things—but they are more interested in watching you and seeing what you do and following your example.

How many times do you catch your kids saying things that you say, and you say, "Gosh, do I say that that much that they actually pick it up?" I tell them not to say it, but they say it, so I guess I do, too. I do this, so they do it, too. Work is one of those things. The most important thing for economic success for children is to have a mom and a dad—or mom or dad—go to work every day. So we require work because we think that is a value that is important for people to exit poverty.

I am not interested in taking care of people on poverty as the solution to poverty. My solution to poverty is to get people out of poverty. That is how we should measure a successful system—not how many children we take care of—by how many families are no longer needed to be on the system. That, to me, is a successful poverty program, not going around looking and saying, "Look at all the people we have on welfare and we are taking care of all these people now." I have not met very many people on welfare who tell me that life on welfare is a lot of fun or is what they desire for their life. Why should it be the goal of the Government to put people or to capture people in a system which they do not want to be in, and which the public resents paying for, because it is a dead end? That is not a solution.

Our goal is to get people to work and to self-sufficiency, to instill the values that make America great. So, yes, after 2 years we require work. For 2 years the State, through this bill, will have resources available for education, for training, for searching jobs. There are a lot of people who get on welfare, are job-ready, and there are some that cannot, they need their GED, to get some training, it takes time. Some people take more than 2 years.

The Senator from New York said we are going to put these rigid time limits on people of 2 years, and after 5 years no more benefits. The Senator from New York knows very well within this bill there is what is called a hardship exception. What the State can do is exempt 20 percent, 20 percent of the people in this program from the time limit. The time-limited program only applies to 50 percent of all the people in the program. That is not for 7 years. It starts out at 25 percent of the people.

I know it is a lot of numbers, but let me suggest there is lots of flexibility here for hard cases, for people who are really trying, and just cannot seem to find a job. We understand that happens. We understand it happens in a lot of urban areas and rural areas where unemployment is scarce. We provide an exception, but it is an exception to the rule. Sometimes it is important to establish a rule, an expectation of what we desire out of everyone. Set the bar a little higher. Instead of just saying you are all incapable of providing for yourself, so we will provide for you.

I ask the Senator from New Mexico for 3 additional minutes.

Mr. DOMENICI. I yield 3 additional minutes to the Senator from Pennsylvania.

Mr. SANTORUM. It is important to set that standard. We set that standard. We do it with the understanding that we know not everybody can meet that standard. We give the States and the communities, and, I hope, and the Governors assure me, this is not going to be just one Federal bureaucratic program transferred to 50 State bureaucratic programs.

Frankly, I am not that much comforted, I am somewhat comforted, but not significantly comforted, to know that this is a Federal program run by Federal bureaucrats that now is going to be a State program run by State bureaucrats. State bureaucrats may be marginally better than Federal bureaucrats, but that is not enough. The Governors understand, at least the ones that are talking to me, that they need to go further. They need to get down into the local communities, into the nonprofit organizations, into the folks who really have compassion, because it is their neighbors and their friends they are providing for. Those are the organizations we have to empower through this bill, and give them the resources to solve the problems that are in their community. We believe this is a vehicle with the flexibility that is in this bill to make that happen.

I want to talk about just a couple of other things. No. 1, child care. It has been argued on this floor, and I think well argued on this floor by Members, frankly, on both sides of the aisle, that the key to making work work is child care. That there are millions of women out there who would like to go to work but because of the barrier for safe, affordable day care, they simply cannot do it. We provide $4 billion more in child care in this bill than under current law, and even more money than what the President is suggesting. Under this bill, work will work, and people will be able to succeed.

The other two things I will quickly go through, first is child support enforcement. There is uniform agreement on both sides to improve, toughen child support enforcement, including wage withholding, and is included in here, among other things. This gets back to, again, requiring fathers to take responsibility for their children. Again, setting the bar high, but, my goodness, we should have standards high for fathers when it comes to providing for their children.

Finally, the issue of noncitizens. The Senator from New York said no civilized society would cut off these benefits for noncitizens like we do in this bill. He is absolutely right. Do you know why? Because there is no civilized society that provides the benefits in the first place. We are the only society that gives benefits to people who are in this country who are not citizens of the country. What we are saying is we will provide benefits to refugees, to asylees, but to people who come in under sponsorship agreements, the sponsors, who signs that document will be the one who takes care of them, not the Federal Government.

Mr. DOMENICI. There is time left on both sides; could you tell us how much each side has?

The PRESIDING OFFICER. The side of the Senator from New Mexico has 17 minutes and 17 seconds and the other side has 7 minutes and 18 seconds.

Mr. DOMENICI. I have Senator FRIST here. Does the Senator from Florida want to speak during that time, during that 7 minutes?

Mr. GRAHAM. I have not had an opportunity to talk to the floor manager, Senator EXON, but I will request time to speak. If Senator FRIST is prepared to proceed, that is fine.

Mr. DOMENICI. I yield 6 minutes to Senator FRIST.

Mr. FRIST. Mr. President, it is with much disappointment that I rise today to mark the apparent, the apparent, demise of what was a carefully considered, carefully crafted, bipartisan agreement on Medicaid. Despite the historic agreement among the Nations 50 Governors, we are compelled by the President's veto threat to separate Medicaid reform from welfare reform.

Ultimately, comprehensive welfare reform must include health care and health care reform for the poor. The face of that woman with her child in her arms who is below the poverty level, who wants to go back to work, is just inextricably combined and connected to that welfare system. Our Medicaid plan, which was based on this Governors' bipartisan proposal, would have indeed preserved the safety net for women, children, our senior citizens, and for individuals with disabilities.

Mr. President, I stand here today also, along with my colleagues and before the American people, to assure them that we will continue to work for a strong, for a secure, and for a simplified Medicaid Program. After the election, when all of the partisan passions have subsided, we will find a way to work together and give relief to States burdened to the point today of bankruptcy by out-of-control skyrocketing Medicaid costs. For the sake of our children, for the sake of their families, we must find a way to put policy before politics.

Before coming to the U.S. Senate, I performed transplant surgery, and a third of my transplant patients received Medicaid. That gave me a perspective of those patients on Medicaid also on welfare. As chairman of the Tennessee State Task Force on Medicaid Reform, I grappled with those issues before coming to this body from a State perspective.

Medicaid today takes up nearly 6 percent of the total of all Federal spending. State by State, it is approximately 20 percent of all State spending. Unless we act, we can expect an over 150 percent increase in just 10 years. The increase in Medicaid spending from last year alone is more than we spent on mass transit, criminal investigations, pollution control and abatement, or the National Science Foundation.

Yes, Medicaid is bankrupting our State budgets and will ultimately drive the Federal budget into bankruptcy, unless something is done.

Now, nothing in the budget reconciliation plan reported to the Senate constitutes a cut in Medicaid. President Clinton and Republicans both attempt to reign in the excessive growth in spending and, at the same time, protect eligible populations.

The chart that I have beside me shows just how close we in Congress are with what the President has proposed. This chart depicts overall Medicaid spending growth over a period of time, comparing what has been spent from 1991 to 1996, a total of $463 billion, to what we have proposed, the U.S. Congress, from 1997 to 2002, the Republican budget proposal, to spend $731 billion, which is very close to what the President has proposed to spend from 1997 to the year 2002. The difference between the yellow bar, what the Republican proposal has put forth, and what the President has proposed is less than 2 percent. We are very, very close. But the difference is that the Republican plan was based on the National Governors' bipartisan proposal. It passed their assembly unanimously. It was designed to specifically protect all current law eligibles, and included an umbrella fund for emergencies as well. And to truly preserve this safety net, there is $56 billion more in this bill than was in last year's budget resolution.

The program will continue to grow. Nothing is going to be cut. It is going to continue to grow at a rate of about, on average, 6.2 percent a year, and that is more than twice the rate of inflation. And it will grow a total of 43 percent over the 5-year period from 1996 to the year 2002.

When I came to this body, the U.S. Senate, I came as a physician out of the private sector, as a citizen legislator, unfamiliar with the political machinery that can block this type of positive advance. At that juncture, I hoped to work with my colleagues, Republican and Democrat, to address these issues that will affect our future and the future of our children. We have made progress, and I am glad we have made progress. But I am disappointed that we cannot enact a combined Medicaid Program with welfare, facing the realities that, again, Medicaid is inextricably woven to our welfare program. That is something that is close to my heart. But we shall return next year to move forward on this very important issue of preserving Medicaid and improving Medicaid for the future generations.

Thank you, Mr. President.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. The Senator from Nebraska has yielded to me the remainder of time under his control.

The PRESIDING OFFICER. Seven minutes remain.

Mr. GRAHAM. Mr. President, I wish to speak to one section of this bill to which I will intend to offer an amendment, and that is the section that deals with the rights of legal aliens who are in the United States.

As my colleagues will recall, this is not a new issue. In fact, we have spent weeks on the Senate floor debating the question of what should be the eligibility of legal aliens for a variety of Federal benefits. This Senate, by an overwhelming vote, passed on May 2 an immigration control bill, which laid out with great specifics what would be the rights of legal aliens—Mr. President, I underscore the word "legal"—to various Federal benefit programs. That legislation passed after extensive hearings and markups in the Judiciary Committee and exhaustive floor debate that lasted well over a week. Similar actions were taken in the House of Representatives, and now this legislation is before a conference committee.

While all of that has occurred, we now receive this welfare bill, which has a redundant, conflicting, and, I think, draconian set of provisions relative to the rights of the very same people who were the subject of our debate just a few weeks ago—legal aliens in the United States.

Mr. President, I am going to propose that we should strike this section from the bill and leave the question of what should be the eligibility rights of legal aliens to the process of resolution in the conference committee and our final action on the results of that conference committee. There are extreme differences between the provisions in the immigration bill that the Senate passed in May and what we are now being asked to consider in July. Let me just mention two of those principal differences.

The essential concept of eligibility in the immigration bill was the concept of "deeming." Deeming is the responsibility of the sponsor who has made it possible for the legal alien who comes into the United States to have the sponsor's income added or deemed to be part of the income of the legal alien, in determining whether the legal alien is eligible for Federal needs-based programs.

This bill uses a different concept, and that is a concept of a prohibition of legal aliens for a variety of Federal benefit programs.

I might say, Mr. President, that much of the debate on the question of rights of legal aliens is a result of the report that was originally sanctioned by this Congress called "U.S. Immigration Policy: Restoring Credibility," often referred to as the "Barbara Jordan report," after our esteemed recently-passed colleague. In the report—the Jordan report—it states, "The safety net provided by needs-tested programs should be available to those whom we have affirmatively accepted as legal immigrants into our communities." It points out that it is appropriate to look to the sponsor to be the primary caregiver for those they have sponsored into the United States. They endorse the concept of deeming. But they say that under circumstances where a sponsor is not available, the sponsor has died, the sponsor has suffered illness, or some other incapacitating condition that made them unable to meet their obligations, that immigrants should continue to be eligible. "A policy that categorically denied legal immigrants access to such safety nets, based solely on alienage, would lead to a gross inequality between very similar individuals and undermine our immigration goals to reunite families and quickly integrate immigrants into American society."

So that is one fundamental difference. This is a difference, Mr. President, which will have real impact on the lives of real residents of our country.

I ask unanimous consent to have printed in the RECORD the circumstances of Polyna Novak, a legal immigrant who has come to the United States as a refugee from persecution in the Soviet Union and how the difference in the immigration bill's use of deeming and this bill's use of an absolute bar would have an impact on her life.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Polyna Novak is a legal immigrant who came to the United States as a refugee from Russia 16 years ago (1980). She currently lives by herself in an apartment in Marina del ray, California. Her daughter Dina lives nearby and is her mother's full time care giver.

Polyna is 74 years old, has Alzheimer's disease and also has great difficulty walking. She speaks and reads basic English. She receives SSI and Medicaid.

In November, she tried to become a naturalized citizen under the 1993 rules exempting persons with cognitive disability from some of the testing requirements. The INS examiner refused to administer the oath, however, because of her cognitive impairment, claiming that she could not understand what she was doing.

Mrs. Novak is in a catch-22 situation-too disabled to naturalize, under this Welfare bill, she will lose her only source of Income, her SSI benefits. There is no deeming, it's simply an unfeeling, outright ban, with no consideration for tragic individual cases such as this one.

Mr. GRAHAM. Mr. President, in my State of Florida, we are now receiving thousands of refugees and people seeking asylum from countries such as Cuba, generally under agreements that have been reached between the United States Federal Government and foreign governments, and now the Federal

Government is going to take the position that it washes its hands of the financial responsibilities that flow from that.

The second big difference is the impact on State and local governments. The bill that we passed would have had a cost transferred to State and local governments of approximately $5.6 billion over the next 7 years. This bill, if you would believe it, would have a cost transfer to State and local governments of up to $23 billion over the next 7 years.

I suggest, Mr. President, in respect to the work that this Senate has already done on the immigration bill and the efforts that are currently being made in conference to reconcile the House and the Senate versions, that it is inappropriate for us at this hour under these constrained parliamentary procedures to take up a provision that would fundamentally change the decisions that we have already made, increase the cost to State and local governments by potentially three times or more than in the legislation that we have already passed, and place literally hundreds of communities and tens of thousands of people in serious jeopardy by our ill-considered actions.

So at an appropriate time, Mr. President, I will ask, as will colleagues, including Senators MURRAY, SIMON, and FEINSTEIN, that those provisions that relate to the eligibility of legal aliens be deleted from this bill and rely upon the immigration bill to come to an appropriate policy resolution.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from today's Los Angeles Times on this subject, and other materials that relate to legal aliens.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, July 18, 1996]

PASSING THE BUCK ON WELFARE

Tucked into the Republicans' welfare reform package in Congress is a wrongheaded proposal to cut benefits and social services to most immigrants who are legally in the United States but who have not yet become citizens. Under the proposal, Washington, which is seeking ways to finance federal welfare reform, would shift billions of dollars in costs to states and counties. The provision should be rejected.

Sen. Bob Graham, a Florida Democrat, plans to offer an amendment to the bill to strike out restrictions on public benefits to legal immigrants. A host of eligibility issues ranging from student aid to Medicaid for legal immigrants already is part of a separate immigration bill now in conference committee. There is no logic in including those matters in a welfare bill. The two issues should be handled separately.

The welfare bill now proposes to help finance the costs of reform by cutting $23 billion over six years in benefits to legal immigrants, including children and the elderly. This would be an unfair and punitive move against legal immigrants who have played by the rules.

The bill would make most legal immigrants now in the country ineligible for Supplemental Security Income (SSI) and food stamps. Future legal immigrants (except for refugees and asylum seekers) would be ineligible for most other federal means-tested benefits (including AFDC and nonemergency Medicaid services) during their first five years in the country.

The cutbacks would disproportionately hit California, Florida, New York and Texas, the states with the biggest immigrant populations. California alone could lose $10 billion, or about 40% of the proposed $23 billion in benefit reductions. Those ineligible for such benefits would have to turn elsewhere for aid. In Los Angeles County, for example, if all affected SSI recipients sought general assistance relief instead it would cost the county $236 million annually. The cost shifting could have potentially disastrous results for the already fiscally strapped county.

The immigration bill now under consideration already includes $5.6 billion in savings from tightening eligibility requirements for legal immigrants on a variety of federal programs, including Medicaid. The attempt to use welfare reform to slip through further curbs on public assistance to legal immigrants should be called what it is—a deplorable money grab by Washington that can only hurt California.

JUNE 24, 1996.

Hon. BOB GRAHAM,
U.S. Senate,
Washington, DC.

DEAR SENATOR GRAHAM: As health care providers caring for millions of Americans in rural and urban areas, we are writing to express our concerns about provisions in the welfare reform legislation the Senate Finance Committee plans to mark up this week. The provisions at issue would completely bar legal immigrants from receiving any Medicaid coverage for five years, and would effectively deny Medicaid coverage to most legal immigrants for an additional five years.

These provisions will force hundreds of thousands of legal immigrants off of Medicaid, creating a new population of uninsured low income individuals at a time when the number of uninsured Americans is approaching 40 million. Furthermore, the loss of Medicaid coverage means that the amount of preventive care provided to legal immigrants will be drastically reduced, thereby exposing entire communities to communicable diseases while increasing the overall cost of providing necessary care. We urge the Committee to drop these provisions when it marks up the welfare legislation.

In particular, the bill would bar legal immigrants from eligibility for Medicaid (and other assistance programs) for five years. After five years, the legislation would require that the income and resources of a legal immigrant's sponsor and the sponsor's spouse be "deemed" to be the income of the legal immigrant when determining the immigrant's eligibility for Medicaid.

If a low income legal immigrant is barred from receiving, or deemed out of the Medicaid program, he or she may have no other means to pay for health care. Most low income immigrants cannot afford private health insurance. Many sponsors may be unable or unwilling to help finance the health care costs of the immigrants they sponsor. Yet, because of the five-year ban and the deeming requirements, legal immigrants will be ineligible for Medicaid, although they will still need care. This is a cost shift from the federal government to state and local entities and providers of care. And this cost shift will disproportionately fall on providers in states with large numbers of legal immigrants—states such as California, Texas, Florida, New York, New Jersey, Massachusetts, and Illinois.

We understand provisions dealing with benefits in the welfare bill are based upon the recommendations of the United States Commission on Immigration Reform, a bipartisan commission appointed by Congress in 1990 to study and make recommendations on national immigration policy. But the Commission opposes any broad, categorical denial of public benefits to legal immigrants such as the pending welfare bill's five-year ban to Medicaid eligibility. In its recommendations to Congress, it firmly states that "the Commission rejects proposals to categorically deny eligibility for public benefits on the basis of alienage." It expressly stated that "special consideration should be given to the issue of medical care." Specifically, the Commission's recommendation was very clear:

"The safety net provided by needs-tested programs should be available to those whom we have affirmatively accepted as legal immigrants in our communities . . . circumstances may arise after an immigrant's entry that create a pressing need for public help—unexpected illness, injuries sustained due to a serious accident. . . . Under such circumstances, legal immigrants should be eligible for public benefits if they meet other eligibility criteria. We are not prepared to remove the safety net from under individuals who, we hope, will become full members of our polity."

We recognize the importance of regulating legal and illegal immigration into the United States. But it must be accomplished through means that will not pull the health care safety net from under legal immigrants, create a public health threat, or impair the ability of health care providers to provide essential services to their communities. Therefore, we urge the Finance Committee to honor the Commission's recommendations and exempt Medicaid from the five year eligibility bar and deeming requirements.

Sincerely,

American Hospital Association, American Osteopathic Healthcare Association, American Rehabilitation Association, Association of American Medical Colleges, California Association of Public Hospitals and Health Systems, California Healthcare Association, Catholic Health Association of the U.S., Federation of American Health Systems, Greater New York Hospital Association, InterHealth, National Association of Children's Hospitals, National Association of Public Hospitals and Health Systems, Premier, Inc., Private Essential Access Community Hospitals, Texas Association of Public and Non-Profit Hospitals, Texas Hospital Association, VHA Inc.

Mr. DOMENICI. Mr. President, how much time do we have?

The PRESIDING OFFICER. Ten minutes.

Mr. DOMENICI. Mr. President, I yield 6 minutes of that to the Senator from Missouri. Might I yield myself 1 minute before I yield to him?

Mr. President, I thank Senator FRIST for his comments on the floor, and I add one thought to it. Frankly, I, too, have a real concern about not doing anything this year about Medicaid. But I think the die is cast. However, it seems to me that the next episode that is going to push us to do something significant is not something that leadership should feel very proud of because I think we are going to be pushed by States that cannot afford to pay for the programs.

We have all been talking about what is happening to the beneficiaries; how we are going to modify the program, make it more efficient, and what about the delivery system? But there has been very little talk about the fact that many States cannot afford the Medicaid Program.

I note in my own State that there was a major story. People are confused when you talk about Medicaid not having enough money because they almost always believe that is us, the Fed's. But in my State the story was our State has not appropriated enough money for its share. We happen to be one of those States where only 25 percent is our burden; 75 is the Federal burden. We cannot even afford to pay for the program in its current form, and we are concerned about whether the Federal Government ought to reform it so that it becomes more efficient. We are the ones getting accused, with reference to fixing that, of being neglectful of some parts of our population.

The truth of the matter is education at home is suffering. Pretty soon they cannot pay for education because the States do not have enough money if they have to pay for Medicaid and programs of that sort.

So I think the Senator's suggestion that perhaps it would have been good if we would have challenged the President and others and proceeded with that Medicaid provision was a good one. Our job will get done soon, I am sure, thanks to people like the occupant of the chair.

I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. I thank the Chair. I commend the Senators from Mexico and Tennessee each for mentioning this important component of reform which is literally pressing and demands that the system will require it. We must undertake those reforms immediately.

I am struck by the fact that our debate is not a debate about restructuring a government program. Our debate is about rescuing our culture from a tragedy, a tragedy the dimensions of which have been eloquently outlined and defined by speaker after speaker on this floor. The Senator from New York eloquently and tragically defined the problem. He said that 75 percent of some of the births in some cities in this country are births to incomplete families.

The welfare system, which has been designed or hoped for as a way of helping people, has become a way of ensnaring people. A net can be something that saves you from a fall. It can be something in which you are caught. I believe we have a system where we have seen that the welfare system is one where people are caught. It is not where people are saved.

When he rather dramatically ended his speaking earlier, the Senator from New York talked about the children. What about the children? I think we have to ask the question. What about the children? What about the one-third of all children in this country who are born to incomplete families without fathers in the home? What happens to those children?

I was reminded about one child whose story I read. Her name was Ariel Hill. She was one of five children of a welfare family that lived in an apartment beyond description in Chicago public housing. The parents were 22-year-old, drug-using high school dropouts. They did not have jobs. The mother had her first child as a teenager, obviously. She was one of five children. The father grew up on welfare. The source of the income to the family was the $900 per month in public aid checks.

What tragically impressed me was after she died at the hands of her mother, the investigators came in to look around the apartment to see what they could find. They went into the apartment and found a paper listing the welfare dollars that each child had brought into the family.

We are literally living with a system which has taught people to value children for the kind of incomes those children could attract to the family through the welfare system.

This is not something that recommends our future. It is not something upon which we should build. It is something which we must change.

The Senator from Pennsylvania made it very clear and eloquently argued that we may not know everything about what we want to do and we maybe cannot be assured that it will work completely. But we do know one thing with a certainty. That is that the current system of welfare is a tragedy. It has entrapped individuals. It has seen the skyrocketing rate of individuals born into homes without families. It has found more and more people in circumstances of dependence.

The War on Poverty, started years ago, addressed the situation where fewer children were in poverty then than are in poverty now. It seems to me that we must take action to change the status quo. We are dealing with a tragedy. If every time we say, "Well, we cannot reform welfare, we are not sure that what will happen will be a perfect solution," we are allowing the potential for perfection to paralyze us. And to say that we will not act at all, it is pretty clear to me with individuals who have begun to make careers—and not only careers for one individual but careers for individuals generation after generation in families—of a system which has ensnared them and not saved them, that we have the wrong kind of net here and that we have to restructure it. We have to provide some of the very tough motivations for people who lead this system to be involved in the ladder of opportunity rather than the net of ensnarement.

I believe that is what welfare has to be. It has to be a transitional system.

So I think it is time for us to limit the amount of time that people can be on welfare. It is time for us to provide disincentives to bear children out of wedlock. It is time for us to provide powerful incentives for people to go to work. It is time for us to say that, if you are on welfare, you should be off drugs. It is time for us to say that, if you are on welfare, your children should be in school. It is time for us to say that, if you are on welfare, your children should have the immunizations that are available to them free of charge. You have to be responsible for what you are doing. We are not going to continue to support you in a way in which you abdicate, you simply run from, you hide from, your responsibility as a citizen.

As we look at where we are, we see a system the carnage of which is written in the lives of children. It is written in the lives of adults who have been ensnared by a net which was designed to arrest their fall.

But instead of being a net of saving, it tends to be a net of trapping, a net of ensnarement, and it is time for us to make this system one of transition. It is time for welfare to be a ladder of opportunity, and I believe the measure that is before us today gives us the opportunity to make that the truth for the American people. They are asking us to reform the welfare system. It is time to get about the business and get it done.

I thank the Chair.

The PRESIDING OFFICER. The Senator's time has expired.

All time has expired.

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The majority leader is recognized.

POINT OF ORDER

Mr. LOTT. Mr. President, the net effect of provisions reported by the Finance Committee is that the committee fails to achieve its reconciliation instruction for the year 2002. The Medicaid supplemental umbrella fund increases outlays in the year 2002. Pursuant to section 313(b)(1)(B) of the Budget

Act, I raise a point of order against Section 1511 of the Social Security Act as added by section 2923 of the reconciliation bill from page 772, line 13, through page 785, line 22.

The PRESIDING OFFICER. The point of order is well taken, and the provisions are stricken from the bill.

AMENDMENT NO. 4894

Mr. LOTT. Mr. President, I move to strike all of subtitle B, Restructuring Medicaid, from title II of the reconciliation bill from page 663, line 9, through page 1027, line 20.

The PRESIDING OFFICER. The clerk will report.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I believe there are Democratic Senators who would like to speak on this measure. I do not know their names.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

> The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 4894.

The amendment is as follows:

> On page 663, strike line 9, through page 1027, line 20.

Mr. LOTT. Parliamentary inquiry, Mr. President. I believe that this would be debatable for up to 1 hour?

The PRESIDING OFFICER. The debate will be 2 hours.

Mr. LOTT. Two hours equally divided. So if the distinguished Senator from New York has Senators who wish to speak, they would have that opportunity.

I would like to be recognized just briefly, Mr. President.

The PRESIDING OFFICER. The Senator is recognized.

Mr. LOTT. Mr. President, I personally feel very strongly that we should act on the need to improve and reform Medicaid.

I had hoped we could get that done this year. I think that we could have a better program, and I think that we could control the rate of growth in such a way that it would help us move toward fiscal responsibility and a balanced budget, but a number of considerations have come into play.

The Senate and the House majority are very much committed to genuine reform of welfare, requiring work, also giving flexibility to States as to how this program is administered, also trying to move toward a situation where welfare is not a way of life but there is an opportunity for people in this country to get off welfare, get the necessary training and education that will allow them to get into a full-time job.

Unfortunately, in view of the opposition and threat of a veto from the President if we had these two combined, we felt it was the best thing to do at this time to move forward with welfare. We are committed to getting that done. We are committed to getting it through the Senate today or tomorrow and then going to conference as soon as possible and completing action on this very important legislation before we go out for the August recess.

There are a lot of factors that have come into play here, and I know we will hear more about it from the distinguished chairman of the Budget Committee and the chairman of the Finance Committee, but I just wanted to make those brief remarks. I think all things considered, this is the right thing to do at this time, and I hope the Senate will act quickly on it and move on to further consideration of the welfare reform package.

I yield the floor.

Mr. DOMENICI. Mr. President, before the majority leader leaves, we have heard from the Democratic side that they want a vote on this. I wonder, while the leader is still here, if we could get the yeas and nays.

Mr. MOYNIHAN. If the Senator will give me just 3 minutes.

Mr. DOMENICI. He will come back with an answer.

I yield the floor. I thank the leader.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware [Mr. ROTH], is recognized.

Mr. ROTH. I yield myself such time as I might take.

Mr. President, I rise in support of the leader's motion to separate Medicaid from this welfare reform legislation. Leo Tolstoy once said that "Life and the ideal are hard to reconcile. To try to make them follow the same path is a life's work."

I have to say that this observation has taken on new meaning for me as we have worked diligently to craft welfare reform in a way that is workable and meaningful.

In the case of welfare reform, the ideal, of course, is a proposal that breaks the back of dependency, a proposal that reverses the perverse incentives in the current program, and empowers men, women and families to find security through work. The ideal program returns authority to state and local governments—allowing them to unleash their creativity, to be innovative, effective and, of course, compassionate. This is where the people live; it is where their needs are best met; it is where they are seen as individuals rather than as statistics.

Likewise, Mr. President, the ideal welfare reform program contains real and necessary reforms to Medicaid. In the past, President Clinton has expressed why Medicaid reform is necessary for real welfare reform. The Nation's Governors, liberal and conservative, have been eloquent and persuasive as to why: Medicaid is quickly overtaking education to be the number one expense in State budgets. Medicaid as it is currently administered leads families to impoverishment, as they find it necessary to qualify in an "all-or-nothing" way. Federal Medicaid spending will be over $827 billion in the next 5 years, Mr. President, challenging our Treasury, our taxpayer resources, as well as America's economic well-being.

The ideal would be to have Medicaid reform attached to welfare reform. I have made no secret of this. In trying to keep Medicaid a part of this proposal, we have compromised time and again to give the President a bill he could sign. In fact, the President himself proposed to cut Medicaid by $59 billion. In our proposal to reform Medicaid, we came within 2 percent of this number—2 percent—the difference of about two dimes a day per beneficiary. And in our compromise we continued to increase spending in the Medicaid Program—increase it faster than Social Security. But, unfortunately, despite all this, President Clinton maintains that Medicaid reform is a "poison pill." Many of the President's allies in Congress support him. In their arguments, they suggested that they could support welfare reform, and the President would sign welfare reform, if the two were decoupled.

We have separated, or are in the process of separating Medicaid reform from this legislation. Welfare reform is so important to the American people that they are willing to accept compromise. Like Tolstoy, they understand that "life and the ideal are hard to reconcile." While it may take a life's work to achieve the ideal, it will certainly take the best efforts of this Senate to eventually return to Medicaid reform when the time comes. We cannot leave undone something so important and declare complete victory.

Medicaid, in my opinion, must be addressed, if not now, later. Anyone who looks at the spending trends, anyone who looks at how this one program is threatening the States, anyone who sees how it leads families to choices, behaviors that are counterproductive to their well-being and long-term success can understand that Medicaid must be changed. It must be improved. It must be administered in a way that allows States to be more flexible, more creative, and more effective in helping families.

For the time, we must move forward. This is what the American people want. We must pass this welfare reform legislation, a bill that takes a very important first step toward meeting the needs of those most vulnerable among us, a bill that returns common sense to the welfare system, a bill that gives greater flexibility to the Federal and State governments to help people help themselves. The time is right for this legislation. At another time, we will revisit Medicaid, but for the moment we must move on.

Mr. President, it is no secret that I firmly believe that it is vitally important that both welfare and Medicaid reform should go together. I believe there are compelling reasons for Medicaid reform. The Governors, Democratic and Republican alike, have been strong advocates of including Medicaid with welfare reform. President Clinton himself for more than 3 years has talking about Medicaid's role in removing the incentives to families to stay in poverty.

More than 3 years ago, President Clinton told the Nation's Governors that, "* * * many people stay on welfare not because of the checks * * * they do it solely because they do not want to put their children at risk of losing health care or because they do not have the money to pay for child care * * *. This is precisely the purpose of the legislation we introduced in May, S. 1795. That is why we have worked for months with the Nation's Governors to keep welfare and Medicaid reform together. Let me spell out some of the reasons why they belong together.

It is important for the American people to understand that the difference between our proposal and the President's plan for Medicaid is not about spending money.

There is now little difference between this plan and the President's own plan in terms of Federal spending levels on Medicaid.

Secretary Shalala appeared before the Finance Committee last month and knowledged the President proposed to cut Medicaid by $59 billion.

Under our plan, the Federal commitment to Medicaid remains intact. Even while slowing the rate of growth Medicaid spending would still rise faster than Social Security under our plan.

The Federal Government will spend an estimated $827.1 billion between 1996 and 2002 on Medicaid, an average annual increase of approximately 6 percent.

We have met the President half-way in terms of Medicaid savings.

The difference between us is less than 2 percent of the total Federal cost of Medicaid.

That is difference of about two dimes a day per beneficiary.

The American people should fully understand that the critical difference between President Clinton and this legislation is not about the level of spending. The difference between us is who controls the spending. The fundamental issue is whether or not the Governors and State legislators and judges can do a better job in running the $2.4 trillion welfare system than the bureaucracy in Washington.

The essence of the administration's opposition to Medicaid reform is that the States cannot be trusted. The Clinton plan is built on the premise that Washington must control the decisionmaking.

It is unfortunate that the potential achievements which would have been brought from including Medicaid in welfare reform are not better known. Too many people listened to unfounded accusations that the Governors and State legislatures cannot wait to abandon the children in their State. That is pure nonsense. If a family stays on welfare, that family will get both a welfare check and Medicaid. Under this reform proposal, the States have greater incentives to expand Medicaid coverage and help prevent families from being forced onto the welfare rolls in the first place. Reform is a critical component of getting those now on welfare off of cash assistance.

The Governors also understand that under current law, Medicaid is an all or nothing proposition. The current system contains built-in incentives for families to impoverish themselves in order to qualify for Medicaid.

The Governors also understand that under today's all or nothing scheme, a lot of low-income working families get nothing. As if to add insult to injury, many low-income families are paying for the benefits a welfare family is getting while their own children go without coverage.

Medicaid is an important program for our elderly citizens in terms of long-term care coverage. But the current system is far from perfect in serving our senior citizens.

The current system forces elderly citizens into poverty even before any benefits can be provided.

Our senior citizens often do not receive the most appropriate services because the current system, run under rules dictated by the Federal Government, is not flexible enough. What is good for the bureaucracy is not necessarily good for the individual. Our legislation would have given the States greater flexibility to redesign benefits so that our senior citizens could be better saved.

But instead of reform, the Clinton administration chose to scare the elderly and hide behind children. The very idea that the current system must remain in place in order to protect our vulnerable citizens from their Governors and State legislators is not only insulting. It is wrong.

More than half of the money being spent on Medicaid is there solely because the States have chosen to provide optional benefits and extend optional coverage to a greater number of people.

The administration scared people with a convoluted argument that our legislation "lacks a Federal guarantee" as if only the Federal Government is entirely responsible for anything good in the Medicaid program. This argument is completely hollow. As Secretary Shalala acknowledged to the Finance Committee earlier this month, the States could take nearly $70 billion today, more than half the spending in the program, out of the current Medicaid system without needing her approval.

We did not create the linkage between welfare and Medicaid.

That was done more than 30 years ago when Medicaid was created.

Our legislation guarantees coverage and benefits for poor children, children in foster care, pregnant women, senior citizens, persons with disabilities, and families on welfare.

If anything, our legislation goes beyond the Governors' resolution in terms of setting guarantees. In committee, we extended those Medicaid guarantees even further to phase in coverage of children ages 13 to 18.

We also extended coverage to families leaving welfare. The modification also requires States to provide health coverage under the Medicaid Program for 1 year to families leaving welfare to go into the work force.

This goal of Medicaid reform also goes directly to issue of a balanced budget, another major issue of concern to the American people. Simply put, the Federal budget cannot be balanced without Medicaid reform. It is the third largest domestic program in the Federal budget. It costs more than AFDC, food stamps, and SSI combined.

Medicaid reform is also critical to balancing State budgets and priorities. One out of every $5 spent by the States goes to Medicaid. The National Association of State Budget Officers reports that Medicaid surpassed higher education as the second largest program in 1990.

If nothing changes, Medicaid spending may soon overtake elementary and secondary education spending as well.

To those taxpayers who are wondering why there is not more money for schools, to repair roads, and build bridges, a large part of the answer is the uncontrolled spending of Medicaid.

Our Medicaid legislation would have returned power and flexibility to the States, while retaining guarantee of a safety net for the most vulnerable populations. It would have helped replace a failed welfare system in which dependence is measured in generations and illegitimacy is the norm, with a system that encourages work and helps keep families together.

But in the past few weeks, it has become clear that the President cannot stand the heat of a compromise on Medicaid.

For the record, let me point out that President Clinton vetoed a welfare reform last January, H.R. 4, which did not include Medicaid.

In doing so, he also vetoed a bill which provided more support, including child care, for welfare families than his own legislation does.

H.R. 4 did not include Medicaid. But it did include the sweeping child support enforcement reform for which millions of American families are waiting.

This legislation, again included in S. 1795, goes light years beyond anything the President could ever accomplish solely through administrative actions.

In the meantime, thousands of children have remained in poverty or under the threat of poverty for at least another 6 months because they have not received the cash assistance and medical insurance of their absent parent as a result of President Clinton's vetoes.

My Democratic colleagues on the Finance Committee vowed that unless we agreed to drop Medicaid, welfare reform would be lost. To his great credit, the Republican nominee for President, our former colleague and majority leader, Bob Dole, also encouraged us to not allow this dissent to keep us from achieving welfare reform.

Senator Dole understands that the children and families in poverty should not be forced to wait any longer for welfare reform.

In that spirit, we have again agreed to compromise. I support the leader's motion to strike Medicaid.

Having now removed this stumbling block, it is my hope that the administration will not erect new barriers to welfare reform at the 11th hour. The children and families who need this legislation should not have to wait any longer.

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from New York [Mr. MOYNIHAN].

Mr. MOYNIHAN. Mr. President, there will be no objection on this side of the aisle to the proposal to strike that will now be made. But may I point out that after a not inconsiderable debate, the Committee on Finance, following the lead of its distinguished chairman, voted 17 to 3 not to strike this measure. But other considerations have appeared.

Mr. ROTH. If the distinguished Senator will yield, I would just point out that that vote reflects the ideal.

Mr. MOYNIHAN. The ideal—we are doing nothing but realities today. I thank the Chair.

The PRESIDING OFFICER. The Senator from New Mexico [Mr. DOMENICI].

Mr. DOMENICI. Mr. President, I understand we could adopt this right now.

Mr. MOYNIHAN. Yes.

Mr. DOMENICI. I think we have to do a couple of things in order to do that. I understand there is no objection to adopting this by voice vote?

Mr. MOYNIHAN. None.

Mr. DOMENICI. Is that correct?

Mr. MOYNIHAN. If people want to speak, they better show up. There is no Senator on this floor wishing to speak on this matter. I have not been informed of any. I have been told that there might be, but there comes a time when that will no longer do.

Mr. DOMENICI. I think we can accommodate them in case they drop along and want to talk. If you will give me just 1 minute —I understand we would have to yield back time—let me make this unanimous consent request first.

Mr. MOYNIHAN. Certainly.

UNANIMOUS CONSENT AGREEMENT

Mr. DOMENICI. Mr. President, I ask unanimous consent the pending Lott amendment be deemed agreed to, the motion to reconsider be laid upon the table, the time between now and 2 p.m. be equally divided, and that at 2 p.m. the Democratic leader be recognized to offer an amendment.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, we have no objection, at least to this amendment. But does the distinguished chairman of the Budget Committee not want to proceed to the matter of striking the Medicaid provision?

Mr. DOMENICI. That is what this does: "The pending Lott amendment be deemed agreed to."

Mr. MOYNIHAN. The Lott amendment was not to the Byrd but to the strike?

Mr. DOMENICI. The Lott amendment is to strike Medicaid.

The PRESIDING OFFICER. The Senator is correct.

Mr. MOYNIHAN. Mr. President, I think, lest I reveal further ignorance in regard to this measure, I had best be silent.

The PRESIDING OFFICER. Is there further debate?

Mr. DOMENICI. Have you ruled?

The PRESIDING OFFICER. Is there objection? The Senator from Delaware.

Mr. ROTH. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is agreed to.

The amendment (No. 4894) was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time? The time is under control of the Senator from Delaware or the Senator from New York.

Mr. MOYNIHAN. Mr. President, we have approximately 45 minutes. I would like to divide that to 27½ minutes to the Senator from Louisiana, or anyone he should recognize.

The PRESIDING OFFICER. The Senator from Louisiana [Mr. BREAUX] is recognized.

Mr. BREAUX. Mr. President, I yield myself 10 minutes.

Mr. DOMENICI. Mr. President, I wonder if I might at this point—how much time would Senator GRASSLEY like?

Mr. GRASSLEY. I would like to have 10 minutes.

Mr. DOMENICI. I yield 10 minutes to Senator GRASSLEY on our side. I assume we should return to your side since we had just spoken. He will be recognized after you have completed yours.

I ask unanimous consent that 10 minutes of our time be reserved for Senator GRASSLEY and he follow the first Democratic speaker.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Louisiana [Mr. BREAUX] is recognized.

Mr. BREAUX. Mr. President, let me start off by saying I support the effort of the Senator from New Mexico and chairman of the Finance Committee to separate this welfare reform legislation from the Medicaid reform effort that has been worked on by the Members of this body. I say that for just very pragmatic reasons. We need to reform Medicaid. We need to reform welfare. But if we have an agreement on one, do not mess it up with another item we do not have an agreement on.

This body is not in agreement on what to do with regard to Medicaid. I think we are close to reaching an agreement on how to reform the welfare programs in this country, so let us proceed together, hopefully, to try to come up with a welfare reform bill that makes sense, that both sides of the aisle can support, and, hopefully, one that the President will be able to sign.

So, I support the effort to separate the two, and, of course, now that is exactly what has occurred. We are now going to be dealing with welfare reform this afternoon and hopefully finish it up in a timely fashion.

I think the people of this country—I know the people of Louisiana—certainly know welfare in this country today does not serve well the people who are on it, nor does it serve very well the people who are paying for it. It is clear the American people, particularly those outside of Washington, are saying to the Congress that we want realistic welfare. We want a welfare reform bill that emphasizes work, a real welfare reform bill that is more about getting a job and less about just getting a check. They want a welfare reform bill that is fair, that emphasizes work, that has time limits, but a welfare reform bill that is also good for children.

As President Clinton has always said, he wants to reform welfare as we know it. He wants to be tough on work but good for kids. I have said you can say the same thing and come to the same conclusion saying that welfare reform is really about putting work first, but it is also about making sure we do not put children last. I think, in a bipartisan fashion, we should be able to come together and reach those separate but, I think, mutually agreeable goals.

While Congress has not been able for over a year now to come to an agreement on welfare reform, the administration has really not waited for us. If you look at what the administration has done, working with the States, you will see they have really left the Congress behind, because we have not been able to agree. President Clinton and his administration team has really been working with the States. They have now approved 67 welfare reform plans in 40 different States. Welfare reform is occurring, and it is occurring without Congress.

It is time that Congress get on the wagon, get on the ball and write a national program so we do not have to have 67 separate welfare reform programs in 40 different States, many with different types of standards and different emphases on what should be done. We should come together and write a national welfare reform bill.

It is important the Federal Government be involved. In my own State of Louisiana, the State puts up 28 percent of the money, approximately. The Federal Government puts up 78 percent. Should not the Federal Government be involved in welfare reform? If we are raising 78 percent of the money that is going to the people of my State, of course, we should be. It is not a question of who does it, it is a question of making sure everybody does it. It is not a question of whether it is run in Washington or whether it is run by the States, it should be run in partnership between the States and the Federal Government, giving the States the maximum amount of flexibility, but also having some national standards because national funds are being contributed to the welfare reform program in all of the various States.

So, Mr. President, I think we ought to all agree reform is needed. We ought to agree we can come up with something the President can sign. We, on this side, will be offering what we now call a "Work First" welfare reform bill. It meets the principles of what people in this country want.

No. 1, they want it to have time limits. Welfare should not be forever. It should be about getting a job. It should have time limits that are real and realistic. The amendment that we will be offering says that at most, people will be able to be on welfare for a total of 5 years in their lifetime. Then we give the States authority to make it less if they think it is right for their State. We give the State the flexibility to do that.

Our bill requires work. It is an absolute unconditional requirement that people on welfare move into the work force. There is no more unconditional assistance. The goal of welfare reform, under our proposal, would be to get people into the private sector and get them a real job. Instead of just getting a check for not working, get them a job and then the check will be for working.

Our bill says the States should have the maximum amount of flexibility. What is good in my State of Louisiana may not work in New York or in any other State in the country, and vice versa. So our legislation gives the States maximum amount of flexibility. What does that mean? It means the States set the benefit level for the people in that State. They will decide how to get people off welfare into a job. It is a State decision. The State will set the sanctions, or the penalties, if you will, for those who refuse to go to work. We give the States the flexibility that they need.

I think that, however, in many instances, our bills are very similar. The Senate Finance Committee, under the leadership of Senator ROTH, has moved in a major way toward a middle ground, a middle proposal. He is to be congratulated for that. It is an indication of good faith on his part in working with some of us on our side of the aisle to produce a better bill.

What we have to do is to make sure that our goal is to put work first but without putting children last. That is a very important standard for us to meet. We should be as tough as we possibly can be on parents, because they have a responsibility and are old enough to understand what that responsibility should be. But there are a lot of innocent children involved who did not ask to be born and are here because of perhaps, in some cases, the fault of their parents, but they are here not because they want to be here necessarily. They are innocent victims of welfare problems in this country. Therefore, it is very important that we make sure that we protect children while we are as tough as we possibly can be and should be with regard to parents.

I also point out that our legislation is going to make sure parents who are on welfare or AFDC assistance are eligible for health care in this country. I cannot imagine anybody standing up and saying, "I'm tough on families, but I want to knock them off health care." The bill this Congress passed before, by an 87 to 12 margin, guaranteed AFDC recipients would continue to receive Medicaid. This bill does not do that. It is a major change. It says if you knock them off AFDC assistance there is no guarantee they will get health care. I think that is wrong. We are going to have a bipartisan amendment to correct that. This body should adopt that.

I also want to point out that in trying to make sure we protect children, we ought to take into consideration what happens if we are being tough on parents and we say that you are off after 2 years, no more assistance, you should be working, what are we going to tell a 2-year-old child of that parent? Are we going to tell them they are not going to have any more help? Are we going to tell the 2-year-old they should go out and find a job?

These are the innocent victims who I think we should work together to try and help. Be as tough as we can on parents, but let's make sure that the innocent child, in many cases almost a baby, is protected.

I have an amendment that I will be offering to the bill that says we should have vouchers for children. After the family has been take off of AFDC assistance, do not just throw the child out into the street. Our amendment is going to provide for noncash vouchers for innocent children of families who have had welfare terminated.

I heard the distinguished Senator from New York talking about providing diapers for children. If anybody ever had small children, diapers for children happen to be a pretty important thing in raising a child in a healthy environment. Yes, they could use the noncash assistance for diapers, but they could also use it for clothes, they could use it for school supplies, they could use it for medicine, they could use it for food so that a 2-year-old baby does not go hungry because they have a parent who is not responsible.

Again, the emphasis should be as being as tough as we possibly can be on the parent, but let's not in this body in this prosperous country say we are not going to take care of the innocent child. So our vouchers for children will say just that.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BREAUX. How much time remains?

The PRESIDING OFFICER. The Senator's time has expired. There remains 17 minutes 23 seconds.

Mr. BREAUX. I yield myself an additional 5 minutes.

Mr. President, the point of the vouchers for children is to say to States, "Look, if you want to have a 5-year cutoff of an AFDC recipient, you can do that now and you ought to have authority to provide vouchers for kids after that 5-year period, if you cut off a family or a recipient sooner than 5 years, say maybe 2 years."

In my State, we will do exactly that, which has been approved, a 2-year time limit. But when a State does that, we have a responsibility to say that you should be required to provide at least noncash vouchers out of the money you are getting for the innocent children.

We are giving the State the absolute maximum amount of flexibility on designing that program. The States will be able to decide just about everything with regard to how that voucher is going to be handled and how it is going to be awarded.

My own State has the highest percentage of children in poverty in the Nation. Mr. President, 34.5 percent of all the children in my State are in poverty. I think we on the Federal level have an obligation to say that they should be taken care of after the parent is told that there will no longer be any cash assistance to that parent.

We are not talking about any additional spending by the State or any additional money by the State, we are talking about the money the State is going to get under this new block grant. The Federal money and State money can be combined to provide these vouchers for children, which I think are very, very important. We are talking about giving the State the absolute maximum degree of flexibility on designing how this program would work. The State would assess the needs of the child. They would set how much that child will be able to get and in what form it would be able to be given. They would set the amount. They would set the type of assistance, but I just do not think that we, as a Nation, can walk away from children who are innocent victims of circumstances that they have absolutely no control over.

The Food Stamp Program is going to be addressed. We need to make sure, from a Federal level, that it is a responsibility, as it always has been, to design a Food Stamp Program that provides certain guarantees in terms of economic downturns by the various States.

I think it is incredibly important that the Chafee-Breaux amendment, dealing with the Medicaid guarantee, will be addressed in a positive fashion. If we can do something positively on the vouchers for children, I think we can come together on a true, real welfare reform bill that this President will be happy to sign.

We have to decide whether we want a political issue or whether we want a real bill. There are some Democrats in Congress who say, "We do not want any bill; we'll do anything we can to stop it, because it is not to our liking 100 percent."

I think there are some on the Republican side who also want to send the bill to the President as bad as they can make it to make sure he vetoes it and then blame him for vetoing it. There is a growing number in the Senate that wants to work together and come up with something that is doable.

So I summarize my points as let us be as tough as we can on the parents, let us have time limits, and let us have work requirements, and let us give a maximum degree of flexibility to the States to do what they want, but at the same time let us make sure we protect the children who are the innocent victims in this entire exercise.

PRIVILEGE OF THE FLOOR

Mr. BREAUX. Mr. President, I ask unanimous consent that Kristen Testa on my staff, a fellow in my office, be granted floor privileges for the duration of the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BREAUX. I reserve the balance of my time.

The PRESIDING OFFICER. Under the previous agreement, the Senator from Iowa has 10 minutes.

Mr. GRASSLEY. Mr. President, as a member of the Senate Finance Committee that has worked so hard to put these bills on the floor of the Senate, I am very proud, for a third time, to be part of an effort, another effort, I might say, to pass comprehensive welfare reform.

We have passed welfare reform on two separate occasions. The President has vetoed the bill on both of those occasions. So we obviously wonder whether or not he wants an issue or whether he wants welfare reform. Does he want a bill or an issue? He said in the election of 1992 that he wanted to end welfare as we know it.

For sure, the bills that we passed previously ended welfare as we know it. One bill, part of the 1995 Balanced Budget Act, the first Balanced Budget Act Congress would pass in a generation, did welfare reform, saving $58 billion, compared to the $53 billion that this bill saves.

So maybe the President vetoed that because there was something else in that very big Balanced Budget Act that he did not like. Then we took the welfare reform language out of that, and on December 18 passed that, and in early January he vetoed it. So we wonder just exactly what kind of welfare reform the President wants that would satisfy his and our desire to end welfare as we know it.

Until just last weekend, it looked like he would veto the bill that we are talking about today. In his Saturday radio address, however, he said that the Republican Congress was finally—remember that—finally sending him a welfare bill he could sign. That sounds pretty certain, right? But it is not so certain, because he has said similar things in the past concerning the Senate-passed bill and the Governors' proposals. We do not get a definitive answer—even on this bill—do not get a definitive answer of whether he would sign it even after he talked so positively on the radio Saturday. So only time will tell if he will actually sign this bill.

The President seems to be able to have it two ways. Through the TV media and the radio media, he sends a very clear message to the public that he is promoting welfare reform and he is ready to sign something. But then, when you actually try to pin his people down, whether he will sign a certain bill, we do not get the answer. So, to the mass of the public, they hear that we have a President leading on welfare reform. But the truth is that in the Halls of Congress, there is a dragging of feet of whether or not his people will say, yes, he will sign it.

We passed a previous welfare reform bill by a high bipartisan margin of 87 to 12. Like that, this bill that we have before us now creates a block grant to the States to draft their own welfare reform proposals. This eliminates the need to come, hat in hand, on bended knee to the Federal Government under current waiver provisions.

The President has been touted as signing 67—I do not dispute that—for 40 different States. But still you find an environment today where States have to come on hands and knees to beg for permission to make some change in their welfare system so they can put people to work and save the taxpayers money.

So what is different about this approach is that it is finally welfare reform and not just waiver reform. People that do not want to give up the power of Washington to determine everything, their proposals tend to be more waiver reform, not welfare reform. Welfare reform, in the strictest sense of the word, trusts States.

Wisconsin is an example. The President, wanting to beat Senator Dole to the punch when he knew Senator Dole was going to espouse Wisconsin-type welfare reform, the President said that what Wisconsin is doing is what we should be doing. And under existing law, Wisconsin comes, hat in hand, to the Federal Government begging for a waiver. Now, 60 days later they still do not have their waiver. Yet, the President said, flatly, that we ought to be doing what Wisconsin is doing. Within a few minutes after that comment that day he was asked, would he sign it, if Congress passed what Wisconsin did, and he would not say that he would. We still do not know. For sure, if he likes the Wisconsin approach, why has he not granted Wisconsin's waiver?

The importance of this change from waivers to welfare reform or mere waiver reform, which would be nothing compared to welfare reform, is we give power to the States for a very good reason. We passed so-called welfare reform in 1988. It passed this body 96 to 1. It was supposed to save the taxpayers money. It was supposed to move people from welfare to work. What do we see 8 years later? Three million-plus more people on welfare, we have not saved the taxpayers money, and we are not moving people from welfare to work.

In the meantime, we have seen States, like Wisconsin, that even the President said is doing something right—Michigan, Iowa, and a lot of other States, we have actually seen them, regardless of the fact that they have had to come to Washington to get permission to do what they wanted to do—we are seeing States succeeding where Washington has failed. That is why we have great confidence in what we do, of suggesting welfare reform, welfare to be turned over to the States to administer.

My own State of Iowa overwhelmingly passed legislation in April 1993 to change welfare in our State. In order to implement that plan, the State had to seek 18 initial Federal waivers, and more since. Although the State wanted to implement a statewide plan, they were required to have a control group of between 5 and 10 percent who would remain under the old AFDC policies in order to obtain even this initial waiver.

In October 1993, the policies that affected work incentives and family stability were implemented. At that time, there were over 36,000 families receiving assistance in my State with an average monthly benefit of over $373. I just received the latest figures from my State. That caseload of 36,000 is down 12.6 percent to just under 32,000. The average monthly benefit is down 11.7 percent to $330.

In January 1994, the State implemented its personal responsibility contracts, in which each family on welfare commits to pursue independence, and the State commits to provide certain supports to move that family from welfare to work. Before the State implemented welfare reform, only 18 percent of the welfare families in my State on cash assistance had some earned income.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GRASSLEY. Mr. President, I have permission from Senator DOMENICI, the floor manager of the bill, to yield myself more time. I yield myself 10 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Now, under this new plan people are working. The most recent numbers show that the 18-percent figure has gone to over 33 percent of all cash-assisted families in Iowa now having earned income, the highest percentage of any State in the Nation. Now, some have attributed this dramatic increase to a strong economy and low unemployment rate in my State. However, in this control group that we had to have to satisfy the Washington bureaucrats at HHS, only 19 percent of the people in the old program have earned income. That is only 1 percentage point above what it was for a long period of time before reform in Iowa. So it shows that it takes policies and it takes reform, not just a strong economy, to bring about changes of behavior. My State's success demonstrates that giving States freedom and discretion to create their own programs will be best for the constituents we serve. This bill does that. I firmly believe that State leaders are as compassionate and as concerned for those in need as we are here at the Federal level.

By passing welfare reform that gives more authority to the States, we are putting the best interests of our constituents first. Not only that, but by enacting good welfare policy we are also saving the taxpayers some of their hard-earned money. In this package, we save $53 billion over the next 6 years. Much of this savings comes from making noncitizens ineligible for most Federal assistance programs. Even with these savings, spending on major means-tested programs will actually grow 4.3 percent from $99.3 billion in fiscal year 1996 to $127 billion in the year 2002. This is a measured approach to reforming our welfare system. I am pleased to support it.

There is a concern that a reduction in funds will hurt low-income families. Once again, Iowa serves as an example of what can happen when States are given more freedom to create their own programs. When my State implemented welfare reform in October 1993, the monthly payout for the State was $13.6 million. In June of this year, the monthly payout was down to $10.5 million, a reduction of almost 23 percent. Because of these savings, the State has been able to put more money into job training and into child care for both those on public assistance and those who are low-income working Iowans. This is as it should be.

My State and other States are demonstrating their commitment to serve the needs of their respective constituents. Producing savings to better serve Iowans is simply a benefit of good policy changes.

It is incumbent upon this Congress to try again, then, as we are, to pass welfare reform that fulfills our promise. In this act we are fulfilling our commitment to change welfare as we know it. We are fulfilling our commitment to require work for welfare. We are fulfilling our commitment to have time-limited assistance.

We do not know what the President will do. But just because the President has trouble keeping his promise does not mean we should have trouble keeping our promise, as Members of the U.S. Senate, to deliver on our promise of ending welfare as we know it. We are fulfilling our commitments. He will have to reconsider his commitment.

I am also supportive, as we have just done, of the striking of the Medicaid provisions. I do not like to do that. Striking Medicaid from this bill, no doubt, means any Medicaid reform is dead for this Congress. That is too bad because Medicaid definitely needs reform. Medicaid is spending too much money. The rate of increase it is spending under current law is too rapid to sustain. It is also too encumbered with Federal rules and requirements.

I remind my colleagues that just 12 months ago Senator PACKWOOD, as then chairman of the Senate Finance Committee, was on the floor. He held up a stack of documents just from the State of Oregon—new regulations that had been issued just within the previous 6 months, new regulations for the State Medicaid Program. That is how complicated and irresponsibly administered this program is. Too much control in Washington, not enough faith.

Mr. DOMENICI. Will the Senator yield?

Mr. GRASSLEY. I yield.

Mr. DOMENICI. Senator, I want to yield to Senator GREGG when you are finished. Can I do that now?

Mr. GRASSLEY. Yes.

Mr. DOMENICI. I ask the remainder of time on our side, once Senator GRASSLEY is finished, be yielded to Senator GREGG. Then we will have completed time on this side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Iowa is recognized.

Mr. GRASSLEY. So this Medicaid proposal we had before the Senate would have ended some of that complicated bureaucratic overregulation that has come from the last 30 years under the existing program.

There is nothing new with this proposal. We have been back and forth over this ground. This bill would have changed a lot of that. What disappoint me most, in the Senate Finance Committee's deliberation on Medicaid, we tried in every way possible to satisfy the Democratic members of our committee. Senator ROTH accepted over 50 amendments, many of them retaining Federal protections that the other side wanted, even some Republicans wanted. It seems to me Senator ROTH went a long way toward addressing the major concerns that the minority had and maybe even the President had on the Medicaid portions of the bill.

Despite this, not a single Finance Committee Democrat voted for the bill.

I understand that some of the Republican Governors are not happy with the changes the Finance Committee made to the bill. When we started down this road of Medicaid reform, the idea was that the States would be able to live with less Federal assistance if they had sufficient discretion to organize their programs as they see fit. The bill filed by the Finance Committee does not provide the discretion which most of the Governors were saying earlier this year that they wanted.

Perhaps, for that reason, some of the Governors are willing to see Medicaid and welfare separated. I don't know.

In any case, even with the Democratic amendments accepted by the Finance Committee, the Governors would have had substantially greater discretion than they have now over important aspects of their savings if this legislation were enacted. And we would have moved a step closer to a balanced budget by getting greater control over the Medicaid spending which has been growing in recent years at an unsustainable rate.

But the minority in the Finance Committee voted against the bill. And the President has said again that he would veto it.

So, our leadership has yielded to the inevitable. If there is a silver lining here, it is that we will have a chance to get real welfare reform, assuming that the President is at last willing to sign a welfare reform bill.

The PRESIDING OFFICER. Senator GREGG has 4 minutes and 32 seconds, the remaining time.

Mr. GREGG. I thank the Senator from New Mexico for his courtesy in yielding me this time. I wish to rise to echo much of what has been said here but also hopefully to expand upon it in an effective way. The issue which is being brought forth here is the fundamental issue that we have to address as a Governor. It is the issue of how to control our entitlement accounts.

I serve on the Appropriations Committee. I have the pleasure to chair the Commerce, State, and Justice Subcommittee. I am constantly petitioned by individuals coming to me who represent very legitimate organizations, asking that they receive funding at last year's level of expenditure, or maybe even a slight increase, maybe an inflationary increase in their accounts. I have to say to them, "I am sorry, we are going to have to reduce this account," or in some cases we have to eliminate spending in that account because we do not have the money available.

Why do we not have the money available? Primarily because of the fact we have not been able to control entitlement spending here in our body. Therefore, all the effort to control spending in this body falls on the discretionary side. Entitlement spending, as my colleagues know, is made up of five major items: Social Security, Medicare, Medicaid, AFDC, and earned-income tax credit. There are also the farm programs and a variety of other mandatory programs. In fact, I think there are 400 of them.

This Congress, in the balanced budget bill which we sent to the President, addressed the primary drivers of our spending problem on the entitlement side. We addressed Medicaid, we addressed Medicare, we addressed welfare, we addressed AFDC, we addressed the farm program. We did not take up the Social Security issue because that had been moved off the table. Regrettably, the balanced budget proposal which was passed by this Congress was vetoed by the President.

So we have now proceeded to take up these items one at a time. There was a legitimate effort and a very good effort made in the farm area. It did not go as far as I would like on issues like sugar and peanuts, but it did make significant strides.

However, there remains the core issues of the health care accounts, Social Security, and welfare. So today we take up one more leg of the school of entitlement spending which must be addressed and shored up, if it is to be stable, and that is the welfare issue.

I regret, however—and I want to talk about this—that we have not addressed, also, the Medicaid accounts. It is very hard, logically, to separate these two because Medicaid is the health care benefit for people who are essentially on welfare. To separate them is to do something which, from a matter of substantive policy, makes little sense. It may make sense politically, because the administration and the other side of the aisle refuse to address Medicaid. More important, it makes no sense from a standpoint of how it affects our day-to-day life in this Congress in the area of controlling the Federal budget, because Medicaid is a much more significant problem than welfare in the area of spending. In fact, Medicaid spending, over the last 5 years, was $464 billion. But if we do nothing about it over the next 5 years, it will be projected to be $802 billion. That is a 73-percent increase in spending on those accounts.

Now, at that rate of increase, we would soon see—it is projected—that by the year 2010, all the revenues of the Federal Government would be absorbed in order to pay for the costs of the entitlement programs: Medicaid, Medicare, Social Security, welfare benefits, and interest on the Federal debt. We would have no money available to do discretionary activities, such as defense spending, roads, environment, or education.

So this Congress needs to address all those different entitlement accounts. Yet, it has decided not to address the Medicaid accounts—not because this side is not willing; this side is willing to do that. We proposed a bill which addressed it that was vetoed by the President. We reported out of the committee another bill which would have addressed it. The other side of the aisle is not amenable to this.

Therefore, our failure to address the Medicaid account is, in my opinion, a fundamental failure to do the job that is required of us as Members of this Congress, because it is a failure to address what is one of the core issues that is driving the deficit of this country and driving the fact that this Nation is headed toward fiscal bankruptcy in the next century, unless we take control back of these entitlement accounts.

I, therefore, am one who feels that we should have joined the efforts. We should have brought welfare and Medicaid to the floor together, and we should pass them together. But the decision has been made to pursue this welfare reform package.

I simply want to say that, even though it does not include Medicaid as a package, it is a step in the right direction. Although it still has more strings attached than there need to be, it is a package which returns to the States pretty much authority over the management of the welfare accounts in this country. That is the essence of our effort, to take a program that has been an entitlement, directed at the Federal level, and turn it back to the States as a discretionary program, and basically allow the States to manage it in a way that is much more efficient and effective.

In New Hampshire, the dollars that come back to the States without strings will be spent much more effectively than those that come back with strings. It will be able to take care of more people for fewer dollars than is presently occurring under the system as it functions today.

I, therefore, strongly support the welfare part of this reconciliation bill. I regret that we are not taking up what I consider to be one of the other core elements that is driving our fiscal problems in this country—the Medicaid issue. I hope that as we move into this election cycle, however, we will not ignore those issues that are critical in getting this fiscal house in order, such as Medicaid, Medicare, and the Social Security issue, as we move forward.

The PRESIDING OFFICER. The Senator's time has expired. The minority leader or his designee has 7 minutes, 30 seconds.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. I yield myself the remainder of the time.

Mr. President, I support the motion to strike the Medicaid provisions of the pending bill, thereby providing for a realistic change of historic welfare reform becoming law this year.

This is something I have supported for some time. I joined with Senator BOND in 1994 to introduce the first bipartisan welfare reform plan that required responsibility from day one. Last year, I worked with Republican and Democratic colleagues to craft a bipartisan compromise that passed the Senate by a vote of 87–12. This year, I have been pushing to free welfare reform from controversial proposals to cut nursing home and other health care in Medicaid.

In May, I offered an amendment to the budget resolution calling for the separation of welfare from Medicaid. Although my effort at that time was defeated, I am pleased that it looks like that change is agreed to here today, and we do have them separately.

Mr. President, there is no doubt that the current welfare system is broken and in desperate need of reform. It is failing the people on it and the taxpayers who provide the money to finance it. We need to change it, and we should do it, as we did last year, with bipartisan cooperation.

No one has a corner on good ideas, and by putting partisan politics aside and working together, we can forge a bill that makes common sense. For the past few years, I have talked, from time to time, about the need to enact bipartisan welfare reform, which demands responsibility from day one, requires work, and releases welfare families from the cycle of dependency.

The Iowa Family Investment Program, I believe, provides us with an effective model for achieving these goals.

Since Iowa began implementing welfare reforms in October 1993, the number of people working has almost doubled, the welfare caseload has declined, and welfare costs are down. I call that a triple play. In fact, I am proud of the fact that our State of Iowa, right now, has a higher percentage of people on welfare who work than any State in the Nation. I believe that is because of the historic welfare reform that we passed in 1993.

Mr. President, there are other good reasons to look at the Iowa experience as we craft legislation. I commend the Iowa experience to my colleagues. In 1993, Iowa enacted sweeping changes to the welfare system, and did so with very strong bipartisan support. In fact, the Iowa plan received only one dissenting vote from the 150-member Democratically controlled general assembly, and it was signed into law by our Republican Governor. So it shows that it is possible to work together on welfare reform, and the State of Iowa is better because of it.

In 1994, I sought to take a page from the Iowa playbook and went to work with my Republican colleague from Missouri, Senator BOND, to develop bipartisan welfare reform legislation modeled on innovations occurring in our respective States. The result was the first bipartisan welfare reform legislation in that session of Congress. The bill was reintroduced last year.

The centerpiece of the Iowa program is the family investment agreement.

In order to receive aid, all welfare recipients are required to sign a binding contract which outlines the steps that each individual family will take to move off of welfare and a date when welfare benefits will end.

Last September, I offered, and the Senate adopted, an amendment to include such a requirement in our bipartisan bill that passed by a vote of 87 to 12. Unfortunately this provision was dropped in the conference with the House.

Later today, I will again, hopefully with bipartisan support, once again try to include a provision which requires individuals to sign a personal responsibility contract as a condition of receiving benefit. I can tell you these contracts are working in Iowa. In fact, I frequently visit with welfare recipients and caseworkers to ask about the contracts. An overwhelming majority say it is positive and very helpful in charting the course for a family to move off of welfare and to keep on track.

While there are many positive features in this bill that we have before us, from requiring work to increased child care funding to child support enforcement improvements, I have concerns about some provisions, and I hope we can work together to improve them. I will not go into all of them. But I want to say that some of the cuts in nutrition really do not have anything to do with welfare reform, and I think are more designed to reach arbitrary budget savings. We cannot back off of our commitment to child nutrition. It will cost us more money in the long run.

I also have concerns about assuring that we maintain basic health and safety standards for child care. I think the work first substitute is far superior to the committee reported bill. It addresses my concerns, and it also includes a strong contract requirement as well as making our Iowa program a model that other States might adopt. It also maintains our commitment to child nutrition and preserving important protections for children.

Senator DASCHLE will be offering this substitute shortly. As one of his cosponsors, I believe it deserves the support of all Senators. It is tough on work while protecting kids. And that is common sense.

Mr. President, if there is one lesson to be learned from the past year and a half it is this: Confrontation and partisanship is a prescription for failure. The only way we can truly accomplish welfare reform this year is to stop the political games and join forces across the aisle to craft a bipartisan welfare reform which accomplishes the goals that the American people support—a welfare system that puts people to work, and gets them off public assistance quickly, fairly, and permanently.

The adoption of this amendment to take up stand-alone welfare reform moves in that direction of bipartisanship, and I hope that as we proceed on this bill we will continue to work in this spirit—a spirit of bipartisanship—to craft and pass a bill so we can finally achieve needed reform in the area of welfare.

Mr. President, I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER (Ms. SNOWE). The minority leader, Senator DASCHLE, is recognized.

Mr. DASCHLE. Madam President, thank you.

AMENDMENT NO. 4897

Mr. DASCHLE. Madam President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from South Dakota (Mr. DASCHLE), for himself, Mr. BREAUX, Ms. MIKULSKI, Mr. FORD, Mr. ROCKEFELLER, Mr. REID, and Mr. KERREY, proposes an amendment numbered 4897.

Mr. DASCHLE. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. DASCHLE. Madam President, let me begin by commending the distinguished Senator from Iowa for his excellent statement just now. He has indicated, in much the same way that I intend to give, the reasons for supporting the work first bill, and his concerns about the pending bill as it has been reported out of the Senate Finance Committee.

There are many Members in our caucus that I would like to single out publicly, and applaud for their remarkable effort and the tremendous work that they have dedicated to this whole issue and to the determination they have shown to pass a meaningful welfare reform bill this year.

Let me begin with the distinguished Senator from Maryland, BARBARA MIKULSKI, and the distinguished Senator as well from Louisiana, JOHN BREAUX, who were extraordinarily helpful to the leadership all the way through our deliberations and have provided remarkable leadership in their own right. I thank them for that. I appreciate very much their assistance in so many ways. The Senator from Connecticut, CHRIS DODD, and the Senator from North Dakota, BYRON DORGAN, and so many of our colleagues who are listed today as cosponsors have also been extremely helpful.

While we have all put an effort into the issue of welfare reform, I should say that no one in our caucus, I daresay in the Senate, has been more vocal and more of a student of this issue than the senior Senator from New York, Senator MOYNIHAN. He is not on the floor at this moment. But I also want to commend him for the real leadership and the willingness that he has demonstrated throughout to hold this body to a set of principles, and in a sense to be the conscience of the Senate when it comes to welfare. He is indeed the conscience of the Senate when it comes to this issue, and no one has dedicated more years—in fact, I would say more decades—to the issue of welfare and the ways in which to address many of the social ills of our country in an effective way as he has.

Madam President, I have two charts here that I just want to address very briefly. I have listened with some interest to the comments made by colleagues on both sides of the aisle. While, obviously, there are issues that divide us, there are many things that unite us. One of the things that unites us I think is an awareness of the degree to which current welfare recipients face barriers of all kinds as they attempt to confront the real changes that they face in their own lives.

The effort to understand those barriers at the beginning through a better realization of how we address those barriers in an effective way through public policy are all listed on this chart. This chart outlines the barriers identified in a study released last year by the Child Care Trends organization. I think it is very constructive to note that of all the barriers that exist today, the biggest barrier of all is child care. The realization that people are not willing to leave their child home alone, that young children demand and, indeed, deserve to be cared for and protected, and that there has to be some confidence that children will find a way with which to be fed and cared for in a meaningful way. But child care without exception is by far the largest barrier that we face in encouraging and finding ways in which to bring about more work for welfare recipients today.

The second is personal—personal problems; struggle, most likely related to job skills; problems that they have had going all the way back to perhaps even their failures in education. But the realization that unless they develop better job skills and better personal skills in order to be more competitive is something that over one-fourth of all recipients say is the problem that leads them to welfare dependency.

Obviously, there are other issues. I will not go into all of them. Some people simply cannot find work. I know of a lot of South Dakotans who live on Indian reservations where unemployment is 80 percent, and there, frankly, is no job on a reservation in large measure that will bring people to a better opportunity for work than the one they have.

Pregnancy is a problem; inability to work because of disabilities; and, obviously, there is a motivation question in some cases.

So, if we are going to devise a bill that will deal with the barriers, we have to devise a bill that deals with all of the different circumstances that welfare recipients find themselves in. We have to ensure that there is motivation to give them some sense that they do not have the luxury of being unmotivated; that we have to deal with child care; we have to deal with job skills; we have to find ways with which to ensure that, if work is not there, we will find work for them.

So we want to do as many things as possible to ensure that welfare recipients no longer face the barriers that they are facing. That really is what unites Republicans and Democrats, and brings us to the effort that is underway in both the House and the Senate this afternoon.

Madam President, there are a number of areas—and a number of our colleagues have already addressed them—that have been improved in the pending legislation. There are significant improvements, and we have counted perhaps as many as two dozen improvements in the current bill over what was originally proposed last year. There certainly has been significant progress.

I heard the distinguished chairman of the Finance Committee address many of the improvements that are made in this legislation. We still believe, however, with all of the improvements, there are some very serious deficiencies we have to address. And in an effort to lay down the marker, to find a way with which to make a comparison between the pending legislation and what ideally Democrats would like to see as a meaningful comprehensive welfare reform approach, we are now offering what we call the work first II plan. We have also made improvements. We have also addressed deficiencies that have been raised over the last 12 months. We have also tried to find ways with which to come to the middle, and, even though we thought we were in the middle from the very beginning, maybe a better phrase would be to compromise with our Republican colleagues in a way that addresses their concerns and brings to a higher level of priority some of the concerns that have been raised by critics of welfare reform in the past.

So we today propose the work first plan which provides for conditional assistance of limited duration, which provides work first for all able-bodied recipients, which turns welfare offices into employment offices, and which guarantees child care assistance.

If I could say what our goal ought to be, regardless of what approach we might take, I hope we would all agree on three important goals: first and foremost, providing the assurance that people will have the ability to get a good job, first by the acquisition of skills, and, second, by the acquisition of whatever necessary means it may require to ensure that they have access to good jobs. Turning welfare offices into employment offices ought to be what welfare is all about.

Secondly, we want to ensure that we are protecting children, that we are not going to punish them, that we will not hold vulnerable individuals in a way that would jeopardize their future, that would condemn them to the same cycle of dependency that their parents and grandparents and great grandparents have experienced.

So protecting children ought to be our second goal—fortifying them, strengthening them, empowering them to do things that they may not otherwise be able to do on their own.

Third, we believe there are ways in which to save Federal tax dollars. We believe we can provide a welfare system that is more efficient, that saves resources in ways that can be better spent, first, in welfare but also in the vast array of other responsibilities we have at the Federal level.

So in a sense, Madam President, that is exactly what the work first bill does. It provides work; it provides job skills to get work; it protects children; and it saves money. In fact, it saves about $51 billion, according to the Congressional Budget Office. The CBO scores our plan as real reform. The CBO says that we have sufficient resources to put welfare recipients to work, one of the goals.

In addition, we provide sufficient resources to pay for child care to assist states in meeting the work rates, to pay for the other major responsibilities that we see shared at both the State and the Federal level.

Unlike our plan, the CBO does not say the same about the Republican plan. CBO says that States will just take the penalties that are incorporated in the Republican plan; that they will not put people to work; that they will not meet the work rates; that they will not fundamentally change the current system. The Congressional Budget Office says that about the Republican plan, about the Finance Committee passed plan, not about our plan.

Under our plan, the work first plan of 1996, we do some of the same things that the Republican plan does. We provide conditional assistance of limited duration. We require that there be work for all able-bodied welfare recipients. We turn welfare offices, in other words, into employment offices. And we guarantee child care assistance.

Those are the fundamental principles of the work first plan. Our plan answers three key questions: Does it require welfare recipients to look for a job? The answer is yes, unequivocally. Second, does it require welfare recipients to work? The answer is yes, unequivocally. Finally, does it help welfare recipients retain a job? Again, the answer is yes, unequivocally.

Under our plan, there is no more unconditional assistance. From the very first day parents are going to be required to sign a contract. It is a blueprint for employment. They must sign it to receive any assistance whatsoever. Under the Republican plan, there is no contract at all.

For the first 2 months, our plan calls for extensive job search. We get the most job-ready into the work force that we can, that is, the more people that come into the welfare offices looking for help, the whole design is to find them help not with a welfare check but with a job, with assistance to get that job. If within 3 months a parent is not working or is not in job training or education, that parent must perform community service. They do not have the option. They are required to perform community service within a 3-month period of time.

Within 3 months, our plan, in other words, has a work requirement. It may surprise some that there is no work requirement of that kind in the Republican plan. There is no similar provision. We see a lot of tough talk but no actual work requirement for 2 years under the Republican plan.

So there you have one of the very significant differences between the work first plan, which is work in 3 months, and the Republican plan which is only work after 24 months or 2 years. That is 2 years of unconditional assistance under the Republican plan as it is currently written.

Our plan is tough on parents, Madam President, but not on children. And that in our view is the second big difference between ours and theirs. Our plan protects children. Child care for parents who are required to work and parents transitioning from welfare to work is something we want to do in every possible instance. We want to provide vouchers for children whose families have reached the time limit.

We recognize that in some cases you are going to bump up to the time limit and then it begs the question, what happens to the kids? Are the kids also going to be penalized through no fault of their own? And if they are penalized, are they then relegated once more to this neverending cycle of dependency and poverty with no hope of bringing themselves out?

Health care coverage for children whose families have reached the time limit is something that we think is vital if we are going to provide meaningful, comprehensive assistance that deals with the challenges we talked about earlier.

It seems to us that Republicans may not want to do this. They end up aiming at the mother but in some cases hitting the child. They do not allow their block grant funds to be used to help children whose families have reached the 5-year time limit. They do not guarantee child care. They do not guarantee health care. Their idea of a safety net is a sieve. There are so many holes in that safety net there is no possibility that people who are trying to work their way through the system can protect their kids and ensure that they have the competence to go out and get a good job.

The work first plan targets the specific barriers, in other words, Madam President, that we feel must be addressed if we are going to be successful in passing a •meaningful comprehensive, successful welfare reform plan this year. In child care, we provide $8 billion in new resources. That is $16 billion total because that is what we are told will be required if, indeed, we want to provide the services to those directly affected. Unlike the Republican plan, the Congressional Budget Office says we sufficiently fund child care to make the work rates and assist those transitioning from welfare to work. The Republican plan cannot make that claim. They recognize, if CBO is to be the guide, that they fall short in providing the necessary resources to ensure that the child care services are going to be provided.

Our plan also targets aid to the working poor so they will not have to turn to welfare or return to welfare at some later date.

The second barrier that I addressed just a moment ago is personal reasons. Many welfare recipients cite personal reasons for not working, like the lack of transportation or no job skills. The money to tear down these barriers is something that has to be provided in a welfare reform plan—money for transportation, resources for job training, resources it takes to create their own plans to put people to work. In other words, to be honest and to recognize that unless we have the ability to deal directly with those reasons that welfare recipients give for their inability to get a job—their inability to get to a job, their inability to qualify for a job, their inability to demonstrate that they have the personal skills to hold a job—we are not going to change this welfare dependency regardless of all of our good intentions.

So, we address those. We address those personal reasons that welfare recipients have given time and time again. For those who are unmotivated, our answer is very simple. We say the time limit is going to be there and you are going to have to accept it. You have a timeframe within which you must get a job. You have a timeframe within which you must realize the benefits are going to stop.

Unless you are unwilling to work with us, you can expect we will work with you to address your motivation and problems of the past. We can help you get job skills. We can help you get child care. But you have to reciprocate. You have to find ways in which you can prove to us you are motivated and you want to get that job as badly as we want to get you one. So dealing with the unmotivated is something we feel has to be addressed.

We also address the barriers the Republican plan does not. The Congressional Budget Office says the Republican plan will not meet the work rates that we all are stipulating or stating as our objective in dealing with welfare reform. The Congressional Budget Office says the Republican plan falls far short on child care.

Clearly the Republican plan needs to be improved in a number of areas, and that is our whole purpose: To lay down in a comprehensive way, in one bill, all of the areas that we believe would allow us, as Democrats and Republicans, adequately to address the deficiencies and work together to solve them.

There is a lot of common ground, as I said just a moment ago, on welfare reform. We all want to reform welfare. We all want to end welfare the way we knew it. We all want able-bodied welfare recipients to work. There ought to be no unconditional assistance. We largely agree with that. But not welfare reform on the backs of children. That may be an area where there is some disagreement. There are over 8 million children today who receive welfare. It is the children that we feel the need to protect, infants and toddlers who do not know what welfare is ought not to be penalized. They ought to be held harmless in this effort to try to help their families and their parents.

So, Madam President, this is an opportunity. It is an opportunity to come to the middle. It is an opportunity to address what we consider to be a bill that yet, in spite of its improvements, still has some serious deficiencies that need to be addressed if, indeed, we are going to pass this legislation and have it signed into law.

The President has made it very clear he will not be hesitant to veto a bad bill. On the other hand, he has also made it clear that he would like very much to work with Republicans and Democrats to sign a good bill. We have an opportunity this afternoon, tonight, and tomorrow, to make this bill a good one. Passage of this amendment would do just that.

So we hope Republicans will join Democrats in supporting the work first amendment: To save the $51 billion we know we can save if we do it right and still protect the children, to fundamentally change the welfare system as we know it and to recognize we simply cannot do it on the backs of children.

A tremendous amount of effort has gone into this whole project. I am, indeed, very grateful to my colleagues for their help and all the leadership they have demonstrated in bringing us to this point. I urge its adoption. I urge bipartisan support.

I will be delighted to yield to one of the coauthors of the legislation, the Senator from Maryland.

Mr. DOMENICI. Will the Senator yield for a question? Will the Senator yield for a question? Just a brief one?

Ms. MIKULSKI. Of course.

Mr. DOMENICI. We do not have the amendment. We understand it is 800 pages long and we have not seen it. Does anybody know where we could get a copy of it?

Mr. DASCHLE. We will get you a copy.

Mr. DOMENICI. You will get us a copy? Thank you very much. Thank you, Senator.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Ms. MIKULSKI. Madam President, I am proud to join the Democratic leader and Senator BREAUX in offering this substitute amendment, the Work First Act of 1996. As one of the coauthors of this amendment, working with Senator DASCHLE and Senator BREAUX, I want to say it does reform welfare. It embodies the principles of turning the welfare system into an employment system, of being firm on work, and of providing a safety net for children. It recognizes that child care is the linchpin between welfare and work. And it puts men back into the picture.

We do it very straightforwardly. We do it by replacing AFDC with temporary employment assistance, which is time-limited and conditional. We require all parents on welfare to sign a parent empowerment contract, which is their plan for moving from welfare to work, and which also emphasizes their role and responsibility in child rearing. We advocate not only moving people to work, but we do it by providing the tools to move people to work, through child care assistance, transitional Medicaid coverage, and other work-related services. We also require a safety net for children with child care funding, a guarantee of health care, and noncash aid where it is needed to meet the specific needs of each child. In the event the parents do not meet their responsibilities, we are not going to punish the child for the failings of the mother. We also eliminate the cruel and punitive rule called the "man in the house" rule and allow States to offer job placement services to fathers. The Work First Act is a plan that is tough on work but not tough on kids.

It is important to note the bill before us today is much improved over the Republican plan which the Senate considered last year. Many of the provisions included in the Democratic work first bill from last year have been incorporated into this version.

I am particularly pleased that earlier Republican efforts to block grant child protection programs—to take the child protection programs and turn them into a block grant—have been abandoned. This is an issue of special importance to me. I worked as a child abuse and child neglect worker, and I know how crucial those programs are. It was absolutely crucial this bill maintain those protections. I thank Senator CHAFEE and all those on the other side of the aisle who worked on that. I want to acknowledge the Senator from Maine for her particular role in that advocacy.

I believe the changes that have been made to last year's Republican bill has brought us a long way. The pending bill is no longer the punitive one that was brought to the floor last year.

But I do believe improvement needs to be made. That is why we are offering the work first amendment. This amendment is the result of ongoing efforts to find the sensible center. We listened to the concerns raised about the work first bill in last year's debate. So we tightened up our plan, and we save more money. We save some $51 billion. We also heard the voices of the Governors, and in response made sure our plan provided greater flexibility for the States to design their own programs. I believe our plan is a stronger plan as a result.

In drafting our amendment, we emphasize two clear priorities. First, we wanted to emphasize work as the goal of any welfare program. Second, we wanted to protect children and provide a safety net for them.

First and foremost, our plan is about the empowerment of people, not the enlargement of bureaucracy. Empowering people has become almost a cliche. What does empowerment mean? Empower means that you give people tools to get ready for a job, to obtain a job, and to keep a job. We think you have to be in job training and we emphasize the job training must immediately lead to work.

I do believe the best social program is a job; one that moves a person from welfare to work, and to a better life for themselves and their families. That is what we hope to do.

Work is the cornerstone of our plan. The first step for any welfare recipient will be to sign an empowerment contract, which is a contract outlining a plan to get into the work force. Our plan ensures that people live up to their contract by requiring recipients to engage in an intensive job search, ending assistance to those who refuse to accept a legitimate job offer, and providing a 5-year time limit for benefits.

We give the States the resources and the flexibility to help people meet the terms of their empowerment contract, whether it is job search assistance, on the job training, placement vouchers or even wage subsidies.

This emphasis on work changes the whole culture of welfare by saying welfare should not be a way of life but a way to a better life. We want to turn welfare offices into employment offices, by changing the focus to looking for work rather than looking for benefits.

But while we are making work the top priority, we also look out for the children with a safety net that provides child care, health care and protections from child abuse. We recognize that lack of child care is the biggest obstacle to work; to both getting a job and keeping one. So our bill provides $16 billion in child care funds for those required to work, for those transitioning to work, and for the working poor so they don't slide into welfare.

We also make sure that every child has access to health care; that they get their immunizations; that they get their early detection and screening so that their parents are not only workforce ready, but the children are learning ready when they go to school and stay in school.

We maintain that Federal commitment to fight child abuse by requiring States to meet Federal standards in child welfare and foster care programs. We also reauthorize the Child Abuse Prevention and Treatment Act.

Child abuse and neglect is growing like an epidemic. Just like we need to end welfare abuse, we need to end the abuse of children. With child protection systems overwhelmed, and half the States under court order because of the way they handle child protection, we must do all we can to make sure no one gets away with abusing or neglecting a child.

Madam President, we also provide a safety net for children. I believe that most welfare recipients will move to work and take advantage of the opportunities in this bill. But if they do not, we are not going to punish the child. We are not going to aim at a parent and hit the child. So we require the States to assess the needs of children in families who have reached the time limit, and to provide noncash aid, for example, vouchers to a third party, to meet the basic subsistence needs of children. States will have the flexibility to design this program, but we believe the Federal requirement is needed to make sure that children do not pay the price when parents are unable to move from welfare to work.

Because we value family, marriage, and work, we know the strongest family is one with two parents, with the father in the home. So the work first amendment brings men back into the family by ending rules which create a marriage penalty if poor people get married and stay married.

Our bill is also tough on child support. It requires Federal and State governments to work together to enforce child support orders, streamlines the process to collect child support checks, and calls on States to implement tough procedures to make sure that parents do live up to their responsibilities. We, the Democrats, believe that if you are a deadbeat parent, you should not have a driver's license or a professional license, and so we call on States to implement procedures on that.

Madam President, I hope we adopt this work first amendment. It is an amendment which pulls together the best ideas of both parties. It ends the cycle of poverty and the culture of poverty.

It is a plan that saves lives, saves taxpayers dollars, creates opportunities for work and protects the children.

I urge the adoption of the amendment, and I yield the floor.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. DOMENICI. How much time does the Senator need?

Mr. D'AMATO. Fifteen minutes.

Mr. DOMENICI. Madam President, I yield 15 minutes of our hour to the Senator from New York.

Mr. D'AMATO. Madam President, I rise in strong support of the welfare bill that is before us. Let's put it simply: Our current welfare system is broken. It is broken. We have recognized that. This Chamber passed a welfare reform bill 87 to 12. I want to raise the question, did my colleagues who overwhelmingly support this bill vote for that because it was a bill that was going to punish people or did they recognize that the system is broken and is in need of repair—87 to 12?

Let me say something. The welfare system was never intended to become a way of life. It was meant as a temporary haven for rough times to assist people, and after 30 years, it has expended $5 trillion, and the welfare system still does not work. It entraps people, and the results have been a horror.

The fact of the matter is that we have to do better than sloganeering. We have to do better than saying "ending welfare as we know it" is a priority. The President has said that. But we need action, we need real action, and the one thing we do not need to do is to empower the bureaucracy here in Washington, because some of my colleagues are advocating that we give and make the czarina of HHS, the czarina who will have absolute authority as it relates to the administration of welfare programs in our States.

All of a sudden, we have adopted an attitude that somehow the Governors of our States, Democrats and Republicans, and the legislatures of our States are inhuman, that they do not have the capacity to do what is right, that they would threaten our children, threaten our seniors, threaten the elderly.

Madam President, that is not correct; that is not true. But I will tell you what I do believe. I believe that most of the Governors and most of the State legislatures are saying, "Set us free. Let us help our people help themselves. Help us help encourage a work ethic."

The fact of the matter is, this bill is very similar to last year's bill which passed overwhelmingly. There are some myths that say we will hurt children. That happens not to be the case. I am going to touch on some of these things, but let me say something. No less than a great President known for his compassion for immigrants, for poor people, for working people, for the downtrodden than Franklin Delano Roosevelt said it best when he talked about welfare. He said:

> If people stay on welfare for prolonged periods of time, it administers a narcotic to their spirit, and this dependence on welfare undermines their humanity, makes them wards of the state and takes away their chance at America.

Franklin Delano Roosevelt. I do not believe any of us can say it better. I am not going to attempt to say it better. I refer to a great American, a great President, the man who had every bit as much compassion for those in need as anybody who warned us and gave us the admonition of watching about entrapping people and killing their spirit, the American spirit.

Madam President, the current system has created a culture of dependence that has doomed an entire generation of children, and it has consigned them to poverty. Some people do not like to lose control. They are more worried about their power and their control in terms of what has taken place. They seem to be blind to that. Somehow we are going to make it worse. How can we make it worse?

Look at the statistics. Look at the out-of-wedlock births that continue to rise. Look at the cycle of dependency. The current system provides a basis for, if not encouragement of, irresponsible behavior, particularly in the area of out-of-wedlock births.

This is a strong bill. Is it a perfect bill? Of course not, but it is an attempt to strike a balance between giving power to the States and to local communities to set expectations for work and responsibility, limiting benefits as it relates to time and maintaining a safety net for children and hardship cases. This bill maintains that safety net.

Let's take a look at the record. A great Governor in our State, Al Smith, said that sometimes people do not like to look at the record because it can prove to be embarrassing. There are facts in these records. If we look over the last 15 years, we will see an increase in welfare spending that is absolutely startling.

Our expenditures have risen from $27 billion in 1980—$27 billion when I came here to the Senate—to $128 billion. Have we improved the lot of those on welfare? I do not think so.

While the bill converts the AFDC Program, the Aid to Families with Dependent Children Program, to a block grant that we have heard so much about—"No, don't give a block grant, you're going to be giving it to the Governors." We are not giving it to the Governors. What we are doing is turning over responsibility to those closest to the people who have seen how badly the system has been administered, how flawed it is, how it does not give flexibility to deal with the human needs of our citizens.

While it makes a block grant, it provides $4 billion in extra money, not less. Four billion dollars in extra funds will be available to help welfare clients hold a job, and it provides up to 20 percent of the caseload will be exempt from time limits, so that if there are those people with special needs who cannot hold a job, who cannot work, who are going to have to stay on welfare beyond 2 years or beyond 5 years, it does exactly that, it gives to the States flexibility.

The bill addresses a small but very growing problem of immigrants' use of welfare. I, being the grandson of immigrants, understand the great culture that we have in this country due to our immigration and to our diversity of cultures, and it has contributed to the strength of America. I do not want to stop immigration to this country, but I have to tell you, we have seen lately a situation that has developed where we have 3 percent of the population, and that is what the foreign-born population is; the immigrant population over the age of 65 now constitutes over 30 percent—30 percent—of the elderly receiving SSI benefits. Something is terribly wrong, and we have found, through hearings, what is taking place.

There are those people who are gaming the system. They sign up to bring elderly people in and say they are going to be responsible for them, and they put them right on welfare. That is not right. That is not what this system is about. We did not design the system to say, "Come here and get welfare benefits, and John Q. Public, hard-working middle-class families, are going to pay for it."

There is a question of, are we going to hurt the children? Let me tell you something. We guarantee that school lunch programs will be continued for the children of those who are born here and for immigrant children as well. We understand our responsibility. I thank the Agriculture Committee for continuing this important program.

Let me touch on one other area. For years we have had a gaming of the system. We have had what you call welfare shopping where people from one jurisdiction will move in to an adjoining State so that they can get higher benefits. We have seen the statistics. I saw one county, when I offered this provision 4-years ago to stop welfare shopping, to eliminate it, to cut down on it, they had this relatively small county, and more than 600 families moved in, people moved in to Niagara County to get benefits. They were receiving welfare benefits in other States, adjoining States. Since the benefit level in New York was much higher, they found the system, and the word spread. People moved in simply to get on welfare.

That is not what this is about. What does this bill do? It stops welfare shopping. It says, if you move into a jurisdiction and you were previously on welfare, you come into a system and go right to the welfare commissioner to get your increased maintenance, you will receive payments at the same level for a year that you were receiving from the adjoining State. So that is going to stop that practice.

Again, President Roosevelt talked about the narcotic. It seems to me that this is what has taken place. We have really been saying over generations and generations, it is OK, it is OK; you can game the system.

This bill includes $4 billion in additional child care funding that is not available now. It is not available now. That is a good bill. It makes sense. In fact, this bill has more money for child care, a larger contingency fund, greater financial incentives for States to meet the work requirements, a higher hardship exemption from the 5-year limit, and a better maintenance of effort than the bill that we passed 87-12.

It is a superior bill. It has more safety for children. It provides more revenue, more flexibility for States. To what? To hurt people? No. To move them off the cycle of dependency, to move them into real work.

The bill has a 5-year limit on benefits. It is necessary. It is an adequate length of time for recipients to raise their infants, straighten out their lives, and get a job and make a better life for themselves and their children.

Madam President, we have to be honest with ourselves. May there be some imperfections? Of course. Are we going to say, though, if there is an imperfection that a State will duck out on their legitimate responsibility to feed the poor, to take care of the children, to take care of those who are truly in need? Are we really saying that somehow those of us here in the Senate and in the House of Representatives have a higher standard of helping those who are most in need than our local representatives, than our Democratic legislatures, than our Republican legislatures and our Democratic Governors and our Republican Governors? Is that what we are really saying?

The system has been gamed. The system has grown from $27 billion to over $128 billion in the past 15 years—billions and billions more—no additional freedom, no additional opportunity for those it has entrapped. If one were to look at the statistics, it is staggering. Only 1 out of 20 who have dependent children—only 1 out of 20—go to work. Is that the legacy we are sowing? Is that what Franklin Delano Roosevelt meant when he said, again: If people stay on welfare for prolonged periods of time, it administers a narcotic to their spirit. This dependency on welfare undermines their humanity.

Think about that. How prophetic. I think it has undermined their spirit, their humanity. It makes them wards of the state. Who wants to be a ward of the state? Who wants to feel like a second- or third-class citizen? Who wants to feel like they are not carrying their weight? Give our people an opportunity. Free them. Let us create the incentive to move them into work. Do not hold them in bondage. Let us not get involved in the ridiculous politics of one-upmanship.

Let us give to our States and local administrators the ability to help bring about this kind of change. It is going to be tough. It is not going to be easy. It is going to be very tough. Some people may not make it. We may not be totally successful. I daresay, we will not be. But for every individual, for every citizen that we help, who gains that spirit of independence and freedom, freedom to do for themselves, economic freedom, freedom to stand up and say, "I participate to the best of my ability," that is what we have to be seeking.

I think it is about time that all of us, Democrats, Republicans—this bill passed overwhelmingly, 87 to 12. My colleagues on the other side supported it. Was it perfect then? No. Is it perfect now? No. But it is better than doing business as usual. The time for sloganeering has passed, Madam President. Future generations need our help. Some parents may not be happy about what we are going to be doing, but to those who are born and those who are yet to be born, we have an obligation to do what is right and to provide a way and to provide an opportunity for economic freedom.

I urge that we come together and pass this bill. It is a good bill. It is not perfect. It certainly will be helping people—people—in this country and its spirit.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. D'AMATO. Certainly.

Mr. DOMENICI. First, before I ask the question, I see my friend, Senator EXON is here, the ranking minority member. A little while ago, I mentioned I have not seen the Senator's Democrat amendment yet and that it was 800 pages, I understood. I ask the Senator, did he have some suggestion with reference to that amendment?

Mr. EXON. Yes, I did. I am not sure how serious it was, but I heard the strenuous objection to the 800 pages in the amendment that is now before us. I suggested maybe if the Republicans would accept it, we would cut it down to 700 pages. The Senator did not immediately agree to that. Will the Senator take it under consideration?

Mr. DOMENICI. I think the Senator has to get down to maybe 300, 400 pages. Then we might be interested.

Mr. EXON. That shows bipartisanship and cooperation is working.

Mr. DOMENICI. Mr. President, I wanted to ask Senator D'AMATO awhile ago—he was talking about noncitizens who are receiving welfare benefits. I want to ask, because I think the American people somehow have missed over the last 15, 20 years, because most of us missed it, we were totally unaware, as I understand it, that many Americans were sending off to foreign countries for their elders under an American policy that is so generous it just makes you understand what a wonderful country we are. Under a policy of family unification, we let a 45-year-old, 48-year-old American send off to a foreign country and bring their 65-year-old mother or father to America.

Mr. D'AMATO. That is correct.

Mr. DOMENICI. Right. That 45, 48-year-old American signs an agreement that that relative will not become a ward of the people of America, because we have had a policy since our Revolutionary days that noncitizens, aliens, illegal aliens and aliens, would not become wards of the state; thus, moving aliens to become citizens and to become productive. That was the reasoning.

Here is what has happened. That 45, 46, 47-year-old American, in good faith, brought that elderly parent over here. But what happened, I say to the Senator, is that in very short order they found that the U.S. Government would do nothing about it if they did not support them. So guess what happened? They did not support them. So guess what happens? Hundreds of thousands are on SSI.

In fact, I want to show the Senator this chart because it is so incredible. It makes our point in the most descriptive way you could. Of the general population, 2.9 percent of that general population are noncitizens over 65.

Mr. DODD. Will my colleague yield on that point?

Mr. DOMENICI. In just a moment. Look at this. And 29 percent of all of those on SSI are noncitizens over 65, 10 times the proportion of the population that they represent—10 times.

Mr. DODD. Will my colleague yield?

Mr. DOMENICI. I was borrowing his time.

Mr. DODD. If the Senator will yield, my colleague from New Mexico raised a good point.

As I understand it, the underlying bill that came out of committee bans this. The substitute that is being offered by the Democratic leader bans this. Our colleague from New Mexico has raised a good point here. As I understand it, both bills plug up this loophole that the chairman of the Budget Committee has so accurately and properly pointed out.

Am I wrong on that?

Mr. D'AMATO. I do not know about the——

Mr. DOMENICI. I have a lot of difficulty finding out what is in your bill. As soon as we get the 800-page bill.

Mr. DODD. I am here to say it is in the bill. We ban it. I presume it is banned in the underlying bill, as well.

Mr. D'AMATO. It is banned in the underlying bill.

Mr. DOMENICI. We agree it is there, and we compliment you for, at least, that page.

Mr. DODD. I just wanted to be clear on that.

Mr. DOMENICI. Just to understand, that is 1 million aliens who are on SSI.

Mr. D'AMATO. Improperly.

Mr. DOMENICI. Frankly, all we are saying is that is not the way we intended it, so fix it, and make sure it does not happen.

Now, we actually know, and I share this with my friend from New York, we actually know that there are games taking place where people are educated about how they can come here under the circumstances I described and how soon they can get on SSI. Now, if you would like for this little dialog to show how many are advantaged now by Medicaid, since Americans wonder about Medicaid, let me give you the number. I do not think you would have known it. Madam President, 2.7 million aliens are on Medicaid.

Mr. D'AMATO. Would my colleague know how many billions of dollars a year that is costing the taxpayers?

Mr. DOMENICI. I cannot remember.

Mr. D'AMATO. If we multiplied 2.7 million times $3,000 per recipient—and that is a modest figure, because as they are more elderly the cost even goes up higher—we would find that is a shocking figure. It seems to me that approaches over $6 billion a year—$6 billion a year. That is a round number.

Mr. DOMENICI. We figured it out. It is $8.1 billion.

Mr. D'AMATO. So I gave you a low figure of $6 billion.

I am happy to yield to my colleague and friend but, again, let me simply say what is taking place is that the noblest of purposes—as a result of the culture that has developed in terms of our present welfare system, it is doing exactly what our great President Franklin Delano Roosevelt said. He said it would act as a narcotic to the spirit of those who received these benefits for a prolonged period of time, undermine their humanity.

There is nothing more noble than taking care of the elderly, taking care of one's parents and grandparents and sending for them. That was why we have this legislation. I think we demonstrate how quickly that becomes undermined when we now have a system that encourages the abuse. I commend my colleagues on the Democratic side for saying, and recognizing, that this is something that has to be dealt with.

Madam President, I strongly urge we get done with the business of rhetoric as it relates to talking about the need for welfare reform and enact this legislation substantially in the form that it is, do the business of the people, and particularly the business of future generations, of giving them an opportunity to really live the American dream, to feel free, to feel that spirit of independence that is a right of every one of our citizens.

I yield the floor.

Mr. EXON. Madam President, may we have the chart back up for a minute. I yield myself such time as I may need. I will be brief and then I will yield to the next speaker on this side.

It is an interesting chart that my friend and colleague brought up. We have been debating this. I simply point out that I think we are debating a smelly dead polecat or a straw man. Both of the bills, the Republican bill and the amendment that we have offered, both address what has been pointed out here as something wrong. Another way of saying that is that there are general agreements on both sides of the aisle that these kind of things must be corrected.

I simply want to point out that we agree with the points made by the chairman, my friend and colleague from New Mexico, and the junior Senator from New York. I simply say of the 800-page bill that we have agreed to cut down, one or two of the pages in that bill that address the very same thing that is adequately addressed in your bill, are two of the pages that we will not drop. I simply say, I think we have enough to debate about. I want to make the point there are lots of similarities between the two bills, and it may take 800 pages to define some of the objections that we have which we will continue to debate and point out.

I come back to the basic point I made in the opening remarks on this side. We are most concerned about children, and while we recognize and agree and salute the opposition for some of the changes they have made, we still think more has to be done with regard to children.

How much time remains on the Daschle amendment?

The PRESIDING OFFICER. The proponents have 31 minutes and 10 seconds.

Mr. EXON. How much time does the Senator from North Dakota need?

Mr. DORGAN. Twelve minutes.

Mr. EXON. I yield 12 minutes to the Senator from North Dakota.

Mr. DORGAN. Madam President, I appreciate the cooperation of the Senator from Nebraska.

I rise to support the work first amendment offered by Senator DASCHLE. This issue is not, as is often portrayed, a caricature about Cadillac welfare queens whom we have heard about over a couple of decades of debate about the welfare system. The stereotype we hear about is this clipping of a Cadillac welfare queen, living in some big city, collecting a multitude of checks with which to buy a Cadillac and color television, and living the life of leisure.

That is not what this debate is about. It is about a welfare system, and this is a serious subject, that affects the lives of many, many people. This is the right subject. The welfare system does not work very well in this country. It does not work very well for the taxpayers, because there are able-bodied people who make welfare a way of life and should go to work. It does not work very well for those on welfare because it encourages them to stay there rather than go to work. It does not work well for kids, who are the most important element in this issue.

I have told my colleagues about the young boy I have never forgotten, a young boy named David who came to testify at a committee hearing. He lived in a homeless shelter with his mother in New York, moving back and forth between shelters. He testified before a committee on hunger and said, "No 10-year-old boy like me should have to put his head down on his desk at school in the afternoon because it hurts to be hungry." I have never forgotten this young fellow and what he said.

The debate about this bill is increasingly about children, about those who live in circumstances that are troubled, about those who are born in circumstances of poverty, about those who have suffered setbacks in their lives. Two-thirds of the welfare expenditures in America are for the benefit of kids under 16 years of age. If you listen to some of the debate, you would believe that welfare is essentially, if not entirely, about giving a check to an able-bodied person so she can find a LA-Z-BOY couch or chair and lean back, and watch television, while drinking a quart of beer. That is the caricature drawn of welfare recipients, but that is wrong.

Two-thirds of the welfare dollars are spent for children under 16 years of age. No one here would sensibly say it is time to kick 10-year-olds out and have them go to work, get a good job, and take care of themselves. Children in this country, born in circumstances of poverty, did not ask for that, and we owe it to them to care about their lives.

I mentioned that welfare is the right subject, because the current welfare system does not work very well. The fact is, there are many similarities between what the Republicans and Democrats in the Congress believe on welfare reform. We tend to emphasize the differences, but we have much in common.

There is an avalanche of teen pregnancies in this country, and too many of them end up on welfare and are unprepared to take care of children. We need a national crusade to try to reduce the number of teenage pregnancies in this country. That is one way to address the welfare issue. We do that in the amendment that is before the body now.

There is an army of deadbeat dads in America, men who have babies and leave, saying, "Yes, it is my baby, but not my responsibility, and I do not intend to pay a cent for that child." Guess who pays for that child? The American taxpayer. This bill says: Deadbeat dads, avoiding your responsibility is over. If you have children, you have a responsibility to help pay for the care of those children. And you have a responsibility to the American taxpayer.

Tens of billions of dollars in child support payments that are owed by deadbeat dads who have left and said, "The kids I fathered are none of my business." This bill says: I am sorry, but you are wrong, and we are going to make sure that in the future you take responsibility for those children.

Yes, there are able-bodied people in this country who believe that welfare can be a way of life. This bill says, you are wrong. This bill says that we intend to turn welfare offices into employment offices. We intend to say to welfare people—those who are able-bodied—If you are able-bodied and need a helping hand, if you are down and out, down on your luck, if you have just had a fire and lost everything in your trailer home, lost your job, suffered health consequences, or you have suffered a multitude of problems, we want to reach out and give you a helping hand. We want to help you back up, to help you get back on your feet, and to give you a chance.

That is what our welfare system ought to be. But it ought to also say that you have a responsibility as well. Yes, we will help you get back on your feet, but you have to be involved in helping yourself, and you have certain responsibilities. If all of the American taxpayers are going to help you, you have a responsibility to help yourself. That is also what this legislation does.

Work is the focus of this bill for those who are able-bodied. This is a tough bill, but a fair bill. It reforms the welfare system in the right way. It says that if you take responsibility for yourself, the Government will provide you with a temporary helping hand. It says we will provide you with the tools to get back into the work force and when you get there, we expect you to stay there. This amendment requires the able-bodied to sign a contract agreeing to go to work. It also says that if you fail to live up to the terms of that contract, your benefits will be terminated immediately.

The plan is flexible. It gives State and local governments the ability to be creative in developing their plans. But this plan especially recognizes that child care and job training are the linchpins to solving the welfare problem for those who are able-bodied.

I have told my colleagues of getting up in 6 in the morning and going to a homeless shelter in this town, Washington, DC, and talking to a young woman who had several children, and then driving back to the Capitol Building about 8 in the morning and thinking to myself, if I had been that young woman, what would I have done? Would I be able to climb out of the circumstances she found herself in, with a husband who left her, a need to care for several children, no job, no skills, but certainly not a desire to remain in that circumstance? This is not someone who said to me over pancakes at the shelter, "I really want to stay on welfare." With tears in her eyes, she said, "I want to go to work. I want to get a place to live. I want to provide for my kids. I want to get skills so I can get a good job." I was trying to think on the way back to the Capitol, I wonder how I could deal with that if I were her. Well, if you save for the first and last month's rent to get an apartment, they will cut you back on the AFDC payments. So you cannot save in order to get into an apartment. So no housing, no home. You will remain homeless. If you go get a minimum wage job frying hamburgers, as she did, what happens? You lose your children's Medicaid benefits. No health care for your children. If you try to go find some job training, where do you put your kids? Is anybody going to pay child care? No. So they are trapped. This young lady was trapped and she did not want more help. She did not want more welfare. She wanted to find a way out of that trap—to find a job, help provide for her kids, to give her hope and an opportunity for the future. That is what this debate is about.

This debate says it is unfair to the American taxpayers to pay for those who are able-bodied and stay at home. But it also recognizes that most people finding themselves on welfare want a way out, a way up, a way to improve their lives. This legislation offers that helping hand by saying that you have a responsibility, even as we help you. If you fail to meet that responsibility, we will not help. The amendment says, with respect to the issue of teen pregnancies, there will be no more independent households for teen mothers on welfare. None. Stay at home and stay in school. You must live with an adult family member or in a supervised setting where you can learn the skills to become a responsible parent. If you do not, there will be no benefits.

Some will say that is tough, and it is tough. But it is what we must do to reform this welfare plan. I have talked about the many challenges we face in Congress today. I summarized it by talking about kids, jobs, and values. That summarizes most of the challenges we face in Congress—dealing with kids, jobs, and values. The welfare debate touches all of those areas. It is, most importantly, an issue of what do we do about kids born in circumstances of poverty, born into a life that they did not choose. They did not ask to be born in poverty. What do we say to them? Do we say, "You have value, merit, and we intend to help you, and we care about your lives"?

Welfare reform is about jobs, moving people from circumstances of welfare to employment, and to the ability to take care of themselves. Values? Yes, it is also about values. Do we value work over welfare? If so, let us apply those judgments in welfare reform, on the minimum wage and in other areas. Let us say to the folks at the bottom of the economic ladder in America that we are going to help you climb up the ladder and help you reach your full potential.

In my final remaining moments, let me tell my colleagues, I think for the second time, about Caroline, because she is an object lesson, it seems to me, of what we are discussing today.

Caroline was a wonderful Norwegian woman, who married a man named Otto in Oslo, Norway, came to this country and settled in St. Paul, MN. Otto tragically died. When Otto died, Caroline had six children. She took the six children and moved to the prairies of North Dakota and settled in a tent in Indian Creek Township, I believe, in Hettinger County, ND. They lived in a tent. Then this strong Norwegian woman built a home, raised a family, started a homestead and became a North Dakota farmer.

I can only guess what kind of strength and courage it took for this Norwegian woman, losing her husband, to move to the prairies of North Dakota and pitch a tent and raise her family and start her farm. But she did it. And she had a son, and her son had a daughter, and her daughter had me. That is how I came to live in Hettinger County, ND.

I told that story one day on a radio show when I was asked about my heritage. And somebody called in and said, "Isn't it lucky that we did not have a welfare program at the turn of the century, because Caroline never would have left St. Paul; she would have stayed there and stayed on welfare." I said, "Well, who do you think gave Caroline the land when she homesteaded 160 acres in Hettinger County, ND? The Federal Government."

The Homestead Act said what we are trying to say in this welfare bill. We want to help those who are willing to help themselves. It was good policy then. It is good policy now.

I hope that in the name of Caroline—and in the name of children across this country—and in the name of common sense we will pass a welfare reform bill that is a bipartisan effort to understand that this Senate needs to do what is right to address one of the vexing problems of the day.

Mr. President, thank you for your indulgence.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Nebraska.

Mr. EXON. Mr. President, the Senator from Connecticut is patiently waiting. About how much time does the Senator need?

Mr. DODD. I do not know. I see my colleagues from Pennsylvania and New Mexico. I can wait.

Mr. DOMENICI. How much time would the Senator like?

Mr. SANTORUM. Five minutes.

Mr. DOMENICI. I yield 10 minutes.

The PRESIDING OFFICER. The Senator is recognized for up to 10 minutes.

Mr. SANTORUM. I thank the Senator from New Mexico.

Mr. President, I want to respond to the speeches about the Work First Act.

This is, from what I can tell, an 800-page amendment that has been submitted without giving anyone on the other side a preview of that amendment, or any kind of opportunity to review an 800-page document. We were handed a background brief which is on one side of the paper. I think it is five or six pages of one-sided paper with fairly big type. It is not much information. There are, in fact, a lot of questions about the exemptions that are provided for to the rules that sound very good but like previous bills that I have seen come from the Democratic leader, while the appearance, the facade, looks nice, there are a lot of holes in the floor for the people to drop through and stay in the current system, and, in fact, in the end the current system is alive and well after we have gone through great effort to pass something.

This bill does, from what I have seen—at least what they admit to in this background brief; I think "brief" is probably the applicable word here—there are essentially no time limits left. Under the Republican bill, under the bill that passed the U.S. Senate last year 87 to 12, there is a time limit on welfare. After 5 years, you are off AFDC; you had your time to, in a sense, get an education, get training, do job search, work, get that experience, and after 5 years the social contract was, in a sense, at an end.

That is important for the reason that we have to—just like all programs where you are dealing with people who are troubled and need to turn their lives around, it is important to set a time limit, some sort of goal, and some sort of time where people have to hit the wall. We provide in this bill, and we provide in the bill that we passed last year, a hardship exemption for those who were having a tough time still and realize, "Hey, look, you are trying. You are still working." We allow a percentage of up to 20 percent of the people in the system to continue to receive benefits. Will they do that in this bill, in the Democratic substitute? In addition, people who hit the 5-year limit—everybody continues to receive vouchers which is, in a sense, a cash payment. They say, "Well, it is vouchers for the children."

Mr. BREAUX. Will the Senator yield?

Mr. SANTORUM. I can tell you while there are vouchers for the children, the parents get the vouchers. The parents spend the money for the children.

I am happy to yield.

Mr. BREAUX. I thank the Senator for yielding because the Senator is making an incorrect statement. Under the amendment that I am going to offer, which I happen to have written, it is very clear that the vouchers do not go to the parent or to the children. They go to a third party. They go to the people who provide the services. They cannot be given to the parent by law. They do not go to the parent. They do not go to the child. They go to the person who provides the benefit, the clothing, or the food, or perhaps a 2-year-old child whose parent has been cut off of welfare.

I ask the question of the Senator. What would he say to a small child whose parent has been cut off of any assistance and that kid could not have the food? What does he say to that kid?

Mr. SANTORUM. I would say one thing. No. 1, under the Republican bill that family still is eligible for food stamps. That family is still eligible for food stamps; still eligible for other medical benefits and other kinds of welfare services. What they are not eligible for—and what your vouchers are replacing—is cash.

So what you are doing is taking a cash program and turning it into a services program that does not have to be used for food, and can be used—again, I have to apologize. There is not much detail in this thing. So I am groping a little bit for my own information. I appreciate the Senator's responding and filling it in. But what you are filling in for—you already have people qualifying for food stamps, you already have people who are continuing to qualify for Medicaid, you already have people who continue, if they are eligible today, to qualify for housing. None of that changes. What we eliminate is cash, and what you replace it with is pseudocash, which is in a sense the same thing.

Mr. BREAUX. Will the Senator yield?

Mr. SANTORUM. Yes.

Mr. BREAUX. The Senator talks about food stamps. For the first time, you are taking the Food Stamp Program and, through block grants, States do not have to use their money for food stamps if they do not want to.

Mr. SANTORUM. We did in the bill, as we did in the bill that passed 87 to 12 on this floor, allow States the option to take a block grant for food stamps, the option which was again approved by 87 votes on this floor.

Mr. BREAUX. The question is: Is it not possible that the States do not have to provide food stamps for the child you are talking about if they do not want to?

Mr. SANTORUM. If they take the option for the block grant, they can design this program, which has to be approved by the Secretary, of course. I am sure there are going to be some limitations on that.

Mr. BREAUX. You are mandating.

Mr. SANTORUM. No. There is mandate. But I would suspect, knowing the Governors I have talked to on this issue, if they are going to come to the point where they are going to end cash assistance, they are not going to take food stamp benefits away. In fact, the Congressional Budget Office, when they scored our bill, in fact, provided for an increase in food stamp expenditures because of the reduction in the AFDC payment. Therefore, you have less income in the family and, therefore, they are eligible for more food stamps. So food stamps have actually a counterbalancing influence on the reduction of cash. That is provided for in our bill.

But I think the point is here what you are doing is continuing the entitlement which is continued in this bill, No. 1.

No. 2, what you are doing is allowing families to legitimately make an economic decision which they make today, which is not to work, to stay on welfare, and to be able to survive doing so.

What we want to do, except for those cases that are hardship, except for those cases where people are really trying in high-unemployment areas, have problems one way or another with their family and holding down a job—we are not talking about people who are disabled. People who are disabled are not even in the program. We are taking about able-bodied people who are capable of working. We are saying to 20 percent of those people, we are going to allow you to stay after 5 years because we know there might be situations where it is tough. But the rest of you, yes, we will have an expectation that after 5 years you can get a job. You should be able to hold that job.

Mr. BREAUX. Will the Senator yield?

Mr. SANTORUM. Yes.

Mr. BREAUX. Is that the Senator's premise of what he is trying to accomplish? Let me read a very short description of what a voucher program does, and tell me why he disagrees with it. It says a voucher provided to a family under this law shall be based on the State's assessment of the need of the child of the family. That shall be determined from the day of the subsistence need of the child; that it is effectively designed to appropriately pay third parties for shelter, goods, and services received by the child; and, third, finally, it is payable directly to such third parties.

If a State decides to have a 24-month termination of a parent because they do not follow the rules, what is wrong with this provision taking care of the needs of the child designed by the State to take care of the needs determined by the State to be payable to a third party on the subsistence needs of the child? If they talk about food stamps, it would not qualify under this.

We are talking about assistance needs of the child. Food stamps would include food.

Mr. SANTORUM. Sure. I can respond. Again, it is very hard to respond because you may be looking at the bill. I just got it.

Mr. BREAUX. We got it this morning.

Mr. SANTORUM. That bill came through the Finance Committee. You are on that committee. You saw it when it came through that committee. You had the markup when this came through the committee. You have the markup document before you, No. 1. No. 2, let me just say that what you say here again in your description is to provide non cash aid; maintain a minimal safety net for the children.

Who determines that in your bill?

Mr. BREAUX. The State.

Mr. SANTORUM. The State determines the minimal safety and the Federal Government has no oversight?

Mr. BREAUX. Let me read it again. A voucher provided to a family under this law shall be made on the State's assessment of the need of the child—not the Federal Government, not Washington, but the States.

Mr. SANTORUM. This is an optional voucher program.

Mr. BREAUX. It is a voucher of 5 years, optional on behalf of the State. The cutoff in less than 5 years is mandatory on the part of the child.

Mr. SANTORUM. If it is less than 5 years, and the people are not working, this is a difficult——

Mr. BREAUX. Not the parent. The parent gets zero under my amendment. We are talking about a child maybe 2 years old that cannot work.

Mr. SANTORUM. Or a child 16 years hold who can work.

Mr. BREAUX. Or a child 3 years old who cannot work.

Mr. SANTORUM. Or a child 17 years old who can. We can go back and forth. But the fact is we are talking about all children; that is, under 18. The point I am trying to make is, the question I am trying to have answered here is, if it is under five years, you mandate that the State provide a voucher to someone who is unwilling to work.

Mr. BREAUX. If it is less than 5 years and the parent is cut off, the child, as determined by the State, has to receive a voucher to provide the subsistence needs of that particular child.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator's time has expired.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. In part of this dialog some 4 minutes ago, the question came up on block grants for food stamps. I might say the Republican bill before us here says the State has the option, but I would suggest that you read further, because it says that 85 percent of that money, if they choose to block it, must be used for nutrition. I believe that is correct in terms of the underlying bill.

I am going to yield now. We should be moving to the other side. Might I ask Senator EXON, does the Senator know how many more speakers there are on the Democratic substitute?

Mr. EXON. There is the Senator from Connecticut and there is myself and the Senator from Louisiana, so that is three.

Mr. DOMENICI. And how much time is remaining?

The PRESIDING OFFICER. The Senator from Nebraska controls 17 minutes, 21 seconds; the Senator from New Mexico controls 27 minutes.

Mr. DOMENICI. I yield the floor.

Mr. EXON. Mr. President, the Senator from Connecticut would be next. How much time does the Senator from Connecticut need?

Mr. DODD. I see one of the authors, my colleague from Louisiana, so I will try about 7 minutes or so.

Mr. EXON. I have some time that I can yield off the bill.

Mr. DODD. I thank my colleague. Ten minutes, if I can.

Mr. EXON. Ten minutes. I yield 10 minutes off the bill to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for up to 10 minutes.

Mr. DODD. I thank the Chair. I thank my colleague from Nebraska.

Let me begin by thanking the Democratic leader, Senator DASCHLE, along with our colleague, Senator BREAUX, of Louisiana, and Senator MIKULSKI, of Maryland, who are the principal authors of this alternative. I commend them for it.

I draw my colleagues' attention to the exchange between our colleagues from Pennsylvania and Louisiana that comes to one of the critical elements as far as I am concerned. It is the critical distinction between what is being offered by the majority and what we are offering in the alternative. That is, Mr. President, the children.

I do not think there is any debate among us here about trying to get the adults from welfare to work. There are 2 million people out of roughly 275 million that we are going to put to work.

Let me begin by framing this in mathematical terms so people can get a conception in their minds of what we are talking about. We are a nation of some 270 million people, thereabouts. What we are talking about is Federal welfare, aid to families with dependent children. There are 13 million people in the United States on AFDC, aid to families with dependent children, out of a nation of 270 million. Of that 13 million, Mr. President, 4.1 million are adults and 8.8 million of that 13 million are children under the age of 18. And 78 percent, almost 80 percent of that 8.8 million are under the age of 12; roughly 50 percent of that 8.8 million are under the age of 6.

I do not think the debate here is about whether or not we can take 2 million of the 4 million adults out of a nation of 270 million and put them to work. That we all agree on. What this side of the aisle has so much trouble with and why there is such a fundamental disagreement here relates to the 8.8 million children—80 percent of whom are under the age of 12. People who are 16 or 17, I presume they are almost adults; they can work. But I do not know of anyone, Mr. President, regardless of ideology or political persuasion, who is going to look into the eyes of a child and say, "I am sorry. Because your parent did not get a job, because the recession happened, because there were not enough jobs, you are out of it. We cannot help you any longer."

I do not understand that sort of approach. It would break a tradition in this country, regardless of party and political persuasion, that has existed for more than a half a century. We have said, when it comes to America's kids, the circumstance they are born into is none of their doing. It is none of their doing. And yet if a 6-year-old child is starving, is hungry, we ought to find subsistence help. That is what my colleague from Louisiana was just talking about, some form of subsistence assistance for them.

Mr. President, I am going to focus these brief remarks on the children. I do not make any argument about whether we want to make it 2 years or 5 years to get people off of welfare to work. I'm talking about roughly 2 million or 4 million of 270 million. I figure we ought to be able to figure out how to do that.

I am really concerned about these infants and children. We see under the proposal offered by the majority that we do not have health and safety standards for child care if the parents go to work. These children under the age of 12 who are going to need a child care setting. Yet the bill eliminates today's health and safety standards for child care settings.

We have standards for automobiles that must be met, emission controls that must be met. We have standards for pets in this country that must be met. For the life of me, I do not understand why we will not have health and safety standards for America's children in a child care setting. What is so radical or outrageous about saying that on basic health and safety, children who are put into a child care setting ought to have that minimum guarantee.

I will offer an amendment, assuming—I hope it is not the case—that the Democratic alternative is rejected, to try to correct that situation on health and safety standards. I am hopeful my colleagues will support it.

Senator HATCH and I, 6 years ago, wrote the child care legislation and included health and safety standards, and we have worked with it pretty well over the last 6 years. It is not in this bill. I would urge that we put it back in. The Democratic alternative does that. We have in our bill a minimum requirement that would require quality of child care.

If we are saying to these parents, which we should, we want you to get to work, and we want you to be self-sufficient. Then we have to say that when these children are being cared for, there is going—Mr. President, I am having a hard time even hearing my own self speaking.

The PRESIDING OFFICER. The Senator will suspend.

The Senate will come to order.

The Senator from Connecticut.

Mr. DODD. I thank the Chair.

So, Mr. President, the health and safety standards, the quality of our child care settings, again, this ought not be a question of partisan disagreement here. As I said, if we are going to have quality controls on automobiles and pets, then we ought to do it for child care settings. If you try to place your pet in some place over the weekend when you go on your vacation, there are standards for where your pet is kept. And yet this bill says that the standards where you place your child 8 hours a day as you go to work are not required.

I do not know why this ought to be the subject of partisan disagreement, and yet it is. And so when you talk about welfare reform, it is critically important that health and safety standards and quality be included. We will offer alternatives in that regard.

I also want to emphasize the point that the Senator from Louisiana just made to our colleague from Pennsylvania about a voucher system at the end of 5 years or 2 years. In my view, you can put any level you want on it. My concern is, what happens to the kids at that point? What happens to those children at the end of 2 years? For some of the adults, let us assume they will be going off to work. But let us assume for a second they cannot. What happens to those kids? You cut off the parents. OK, I do not like that, and I think you have a problem with that. But for the life of me, why would you say to the child, you lose.

The voucher system here provides the safety net. And, of course, under the bill offered by the majority, in fact, it is mandatory—mandatory—there be no voucher system. It specifically prohibits it. It does not even give the State the option. It mandates that no voucher exist at all.

I do not understand that. I do not understand that at all.

Mr. SANTORUM addressed the Chair.

Mr. DODD. Let me, if I can, finish my remarks, because time is brief here, and then I will be glad at the end, if I do have an extra minute, to yield to my colleague.

The proposal offered by the distinguished Senator from South Dakota and the Senator from Louisiana offers a safety net for children that I urge my colleagues to look at. The voucher system that allows for that safety net for children.

The same on the food stamp issue that has been raised earlier. Again, by block granting it, you run the risk in certain States, because the political will is not there—and my colleagues know as well as I do that can happen—then the food stamp issue is also lost.

I hope that is not the case. I heard my colleague from Pennsylvania earlier say he did not think that would happen. I hope he is right. But I do not know why we cannot require some safety net so all of us on a national level know these children are not going to be adversely affected.

One of the other provisions that has not been the subject of much debate is the penalties imposed by the majority's proposal. We are told by the Congressional Budget Office that many States will not be able to meet the criteria laid out in the legislation, the standards here, and that in fact they will be imposing penalties of 5 percent of the assistance they will be receiving under this bill in the first year. Then it is cumulative. Whatever that number is, the penalty the first year, if there is a penalty the second it is 5 percent on that number. The point is, as has been pointed out by some of our Governors, this is an unfunded mandate, because that falls on the States, on local taxpayers. One estimate from one Governor is it may be as much as $12 billion in an unfunded mandate on the States as a result of the penalties being imposed if States do not get the numbers of people to work in the timeframe they are required to under our legislation.

Again, I assume most of the States will try to get it done, but I think all of us know what happens when a recession or other economic difficulties hit. For one reason or another, the States would not meet those standards and the penalty is imposed. Then it gets cumulative thereafter. We collect that back. So that is, in effect, a tax, an unfunded mandate on the States. And I am looking specifically at our colleague in the chair because he authored very effectively, at the very outset of this Congress, a very successful piece of legislation on unfunded mandates. I urge him to look at this, because Governor Carper of Delaware and others at the Governors Conference raised this issue included in the majority bill, and I do not think any of us would like to see an unfunded mandate imposed as a result of this legislation despite our activities earlier in this Congress.

I end where I began here. My concern is about these children, these kids.

I ask unanimous consent I be able to proceed for 1 additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. My concern is children. Again, on the health and safety standards, on the quality, on the vouchers and food, it seems to me we ought to try to correct these mistakes. Again, remember, we are talking about putting 2 million adults out of 4 million adults on welfare to work over the next 5 years, out of a Nation of 270 million people. Of the 8.8 million children on welfare, 80 percent are under the age of 12, 50 percent under the age of 6—of the 8.8 million. We ought to be able to say to those infants and those children that there is a safety net here. We are going to try to see to it that your parents go to work, but for whatever reason if they are unable to do it, no matter what we do to them, you are not going to be adversely affected by this. That ought not to be that hard to do. I do not understand why we cannot find common ground on that issue as we try to achieve the goal of putting people, adults on welfare, to work without jeopardizing the children. That is the simple question.

Can we not write a bill, can we not come together and write a bill that puts people from welfare to work and does not adversely affect infants, infants in this country who I think will be hurt as a result of the legislation, if adopted unamended, as the majority has presented it?

Mr. President, I see my colleague from Pennsylvania standing. I will be glad to ask for an additional minute if he wanted to ask me a question, or maybe my colleague from New Mexico would.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. DOMENICI. How much time do we have?

The PRESIDING OFFICER. The Senator from New Mexico has 27 minutes, the Senator from Nebraska, 17 minutes.

Mr. DOMENICI. I yield 3 minutes to the Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I do have a question of the Senator. Let me state something first. I stated before in my opening comments that the Senator from Connecticut and the Senator from New York said and repeated that what they care about is the children. I suggest the current system reflects that all the care that has been expressed for children, here, has not panned out into a reality that children are cared for. That is the real issue.

We can all care about children. The question is, are children cared for and by whom? What we are trying to do here, in this bill, is to make sure, not that we feel good about caring for children—I am sure the Senator from Connecticut knows that everybody in this Chamber cares for children; that is not the issue, to measure our care—it is to measure whether children are cared for and by whom.

What we do here in our bill is to try to rebuild a culture that has been systematically destroyed by the welfare system to make sure that there are families to care for children; that there are communities where children are safe again. As long as you continue the welfare entitlement, the dependency structure of unlimited welfare, you will not get care for children. You will not get caring neighborhoods. You will not get caring communities. You will not have stable families. It is a reality. You are looking at it today. That is why we are here.

Mr. DODD. If my colleague will yield?

Mr. SANTORUM. I just ask this question of my friend from Connecticut. Does your bill create a day care entitlement?

Mr. DODD. No.

Mr. SANTORUM. You say in your bill that "all children will receive day care."

Mr. DODD. No, we block grant——

Mr. SANTORUM. You say all children will receive day care. I will read from it. "To help recipients get and keep a job, child care will be made available to all those required to work." That sounds like a quasi-entitlement.

Mr. DODD. If the parents go to work, we are trying to provide a setting for those children in that situation. Rather than have them go onto the streets, there is some child care setting for them.

Mr. SANTORUM. As the Senator from Connecticut knows, under the Republican bill before you, we spent $4 billion—"b" billion—$4 billion more on child care than under current law and almost $2 billion more than what the President believes he needs for day care. So we spend a lot more money. The question——

Mr. DODD. The Senator did not hear me suggest I was going to offer an amendment to add additional funds for child care. I said health and safety standards. And I appreciate the fact we are going to be able to get more on child care. I say to my colleague, it will probably be inadequate. If, in fact, we get everybody to work, the money there will not provide for the child care needs for those families. I do not think anybody will tell you that it would be adequate. But I appreciate the fact there is more money and I appreciate the fact the Senator from Delaware, who is the chairman, is responsible for that.

Mr. SANTORUM. I ask for 1 additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANTORUM. The second question is on the vouchers issue, and the Senator from Louisiana, while he responded to a question was not responding to my question. He was responding to the provision in his amendment, not the provision in the amendment before us.

You suggest the Republican bill forbids vouchers after 5 years.

Mr. DODD. Right.

Mr. SANTORUM. I am sure the Senator from Connecticut knows that what it forbids is Federal dollars to be used for vouchers after 5 years. States can give vouchers using their own dollars for an unlimited period of time. Obviously, if they do not, if they use their money—there is a discrete amount of money here. What we are saying is you have to focus that money on the 5 years. If you want to extend beyond the 5 years, then use your own dollars.

Conversely, what you would say is, look, you can use our dollars after 5 years, which means you would necessarily have to take it out of the first 5 years. We do not think that money should come out of the first 5 years. We think there should be an intensive effort in 5 years, committing every Federal resource possible to that 5-year transition period, to get those people to work and not hold out money, Federal dollars, for a continuation of welfare into the future. That is the philosophical difference.

Mr. DODD. Let me respond, if I may, to my colleague. Two points. One, on child care, there is a cap on entitlements on the child care issue. I ask for 30 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. It is a capped entitlement on child care, so it will not be increased.

Mr. SANTORUM. It is a new entitlement?

Mr. DODD. Let me respond. You asked the question. Let me respond.

In regard to the issue of the vouchers, obviously the States and localities can do what they want. But we are talking about our Federal involvement here. We prohibit the use of the Federal funds, of our money, Federal money, if you will, to go for the voucher system. I just suggest that, if we are going to put people to work as we should, and if for some reason States are unable to meet those standards, then those children, whatever else you want to do with the adults, ought to have a safety net. The voucher ought to be a system they can use to provide for that safety net. We say that States ought to be able to provide that. The bill by the majority prohibits it. Obviously, we cannot stop a State from doing what it wants, but why would we prohibit them from using these moneys?

Mr. SANTORUM. I ask for 1 additional minute to respond.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANTORUM. I would respond by saying, as the Senator from Connecticut knows, we are talking about originally 25 percent of the AFDC population, able-bodied AFDC population——

Mr. DODD. Four million.

Mr. SANTORUM. Yes—going into this system, increasing up to 70 percent over the next 5 years. Within that category, 20 percent are exempted for hardship. That means they can go beyond the 5 years and still receive Federal dollars after 5 years. We are talking about a limited number of people who are able-bodied, who have had 5 years, who are not designated by the State as hardship. That is not a high hurdle to get over.

Mr. DODD. I do not have any disagreement on that. On the adult side I have no disagreement. My focus is on the 8.8 million kids, 80 percent under the age of 12. That is the focus of my concern. My fear is the children are not being adequately protected at all.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. How much time does the Senator from Nebraska have left on the amendment?

The PRESIDING OFFICER. The Senator from Nebraska has 16 minutes, 15 seconds.

Mr. EXON. On the Daschle amendment.

The PRESIDING OFFICER. That is correct.

Mr. EXON. I yield 10 minutes to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for up to 10 minutes.

Mr. BREAUX. I thank the Chair.

Mr. President, I think a lot of this is getting far more complicated than it deserves. It is a serious issue, but it is not that complicated. I think the work first amendment that has been offered by the distinguished Democratic leader, Senator DASCHLE, is a very good compromise. It is fair, it emphasizes work, and it sets time limits for people on welfare. It also, I think, however, is good for children. It is tough on work, but it is good for kids.

Welfare reform must be about getting a check by working as opposed to getting a check by not working. We all agree with that. Democrats have said very strongly that we believe that there should be time limits; that people should be required to work; that an unmarried mother should be required to live with an adult, in an adult family, with her own family, if that is possible, but with adult supervision; that we should have a time limit on how long someone can be on welfare. It cannot be forever.

Our amendment says there is a lifetime limit of 5 years, and a State has the option under our bill to set shorter limits if they want. My own State of Louisiana has been approved to set time limits for welfare as low as 24 months, 2 years.

But what I am talking about when we are talking about these vouchers for kids is that all of us believe that while we are being so tough on a parent, that we should not be tough on an innocent child and an innocent victim who did not ask to be brought into this world. What good do we do by telling a 2-year-old that we are going to throw him or her out without any help or assistance?

The voucher proposal which I have as an amendment to be offered later on simply says that if a State determines to terminate a person on welfare assistance in a period shorter than 5 years, that that State must use the Federal and State money that they have to help pay for essential needs of a child.

My amendment says that the State shall do an assessment of that child. They still determine the need of that child. The child may need diapers, the child may need medicine, the child may be older and need book supplies, good gosh, to go to school, which we all should support, or may need food because they are hungry and the Food Stamp Program is not adequate.

The State makes the determination of the need of that child, and then after they have made the determination, they determine vouchers for that child's benefits. The parent does not get it. Everybody wants to penalize the parent. The voucher does not go to the parent under my amendment. The voucher would go to the third party who is going to provide the essential needs for the child. Maybe it is a food supply organization, maybe it is a school, maybe it is a drugstore for medicine for the child. They would get the voucher under the State program, and they would take care of the needs of that child as determined by the State.

Is it too much for us in Congress to say to a State that we are giving most of the money to that you have to use those moneys to take care of children who are innocent victims while we are being so tough on the parent?

I support time limits of parents. I support making them go to work. I support making them be responsible and live with an adult if they are going to receive AFDC assistance. My gosh, can't we be, in this great country of ours, with the economic benefits that we all participate in, strong enough also to say we are going to somehow protect the needs of innocent children?

We are close on this. It should not be a big disagreement. After 5 years, we say we allow the State to do it, but the Republican proposal forbids it. Why, if the State wants to do it, can they not use the block grant money they get to do this? If the State sees a child that they think is in need, why should we not at least allow the State, under this wonderful block grant concept, to provide vouchers for children after 5 years if the State wants to do it with the block grant money that they get? Yet, the Republican bill forbids it.

I think that is too extreme. Let the State make the decision. If the State wants to forbid it, all right, let them do it. But if the State wants to do it with the block grant money they are getting, allow them to do it. Then, if it is less than 5 years, if they want to cut off the assistance to a parent in 2 years or 3 years or 4 years, we think that the moneys that Washington and the States are providing together should at least be used to take care of the child while we are being tough on the parent.

Mr. GREGG. Will the Senator yield?

Mr. BREAUX. All this should be about putting work first but not children last.

Mr. GREGG. Will the Senator yield?

Mr. BREAUX. Yes, I yield.

Mr. GREGG. Is it my understanding that in your proposal, the States are mandated to use the vouchers during the 5 years, permitted to use vouchers after 5 years.

Mr. BREAUX. I will answer the Senator, who has a distinguished career as Governor back in his State, it says that a State, based on their determination of the need, if the child does not need it under the State determination, the State does not have to do it, if it is a 2-year time limit, 3 years or 4. But if the State, in their determination, sees a child who has a need that is not being met, then the State must have a voucher. If the State finds that child is being taken care of with other programs or through a parent, aunt, uncle or grandfather, there is no need there. The State makes the determination.

Mr. GREGG. If I may continue this question, basically what you are saying, then, is the State is required to use the voucher for a child up to the 5 years.

Mr. BREAUX. That is incorrect.

Mr. GREGG. The State identifies the need.

Mr. BREAUX. The question the Senator is posing is an incorrect statement in the sense it does not require the State to give a voucher to a child whose parent has been cut off from welfare for less than 5 years. It would only require it if the State first makes a determination that the child has a need. The State makes that determination.

Mr. GREGG. That differs from the pending legislation. The pending legislation leaves it up to the State to make that decision during the 5-year period; is that correct?

Mr. BREAUX. I think the Senator is correct.

Mr. GREGG. And then you are saying that after the 5-year period, the States would be given the flexibility to continue the voucher, but even if there was a need at that time, it would be identified by the State, it would not be required.

Mr. BREAUX. That is correct.

Mr. GREGG. So, essentially, you are putting the State in this position—as the bill is presently structured, you are taking that language and moving it into the post-5-year period, and then for the pre-5-year period, you are requiring that the payments be made for need—

Mr. BREAUX. As I understand the Senator's question—let me try and restate it as simply as I possibly can.

Under the Breaux voucher amendment that will be offered, for a family that is cut off from welfare after being there for 5 years, it would allow the State to use their block grant funds to provide vouchers to a child if the State determines that there is a need for assistance for that child.

If the State has a shorter period than 5 years—2 years, 3 years, 4 years, what have you—based on the State's assessment of the need of that child, the State decides there is a needy child here, then the State is required to use block grant funds to help that child. They determine how much; they determine where to spend it. It does not go to the parent. It does not go to the child. It goes to a third-party provider.

Mr. GREGG. Which I guess leads to the point I wanted to ask about, which is that if you are essentially using the logic of this bill for the post-5-year period, why not use it for the pre-5-year period also?

Or to state it another way, you said in your statement that it made no sense to you that people wanted to give flexibility to the States; they would not allow the States that flexibility after a 5-year period to spend the voucher. Doesn't that same logic apply to the pre-5-year period?

In other words, shouldn't the State flexibility remain for the pre-5-year period as well as for the post-5-year period? Why should the Federal Government come in and direct the States to do it?

Mr. BREAUX. I will respond to the Senator in this way.

I would like to, but politically I do not think it is possible to do it, to say that when you have a block grant fund going to the State, and the State has made a determination that there is a needy child out there, the State be required to use those funds to take care of the needs of the child at any point, 5 years, 2 years, or 3 years, either one. I just do not think that is politically possible to do.

Mr. GREGG. Well, I appreciate the Senator's courtesy of yielding to me for these questions. If the logic of the Senator's position is correct—and I think there is a lot of attractiveness to the Senator's logic in the post-5-year-period—if this bill, as it is presently structured, basically takes that logic and applies it to the pre-5-year period, would not the Senator's amendment be a lot stronger and consistent, if the Senator would essentially use his language for the post-5-year period, but not change the language for the pre-5-year period to create a mandate on the States which is going to put the States in a position of basically being instructed as to how to govern the welfare system in that 5-year period?

Mr. BREAUX. I respond by saying I offered that in the Senate Finance Committee. I think it may have lost on a tie vote. I tried it once. I think I will try to get something that will pass the Senate and narrow it down to one. The bottom line is very simple.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BREAUX. Mr. President, I ask for 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BREAUX. I thank Senator EXON for yielding the time.

What I am trying to accomplish—and I do not think anybody on the Senator's side is being cruel with children or anything. I think that there is a great deal of sympathy on both sides. I say to the Senator, what I am trying to do is say to the States that are getting Federal money with their State money, if the State looks at their population and the State sees children who are being put in need because we have cut off their parent, that we should use funds to take care of the needs of those children.

The State determines what the need is. The State determines how to help that child. The State determines whether to help that child or not. They can make a decision this child does not need help. But if the State makes a decision that there is a child in need, and he has been put in need because the parent has been cut off of welfare assistance, that we should have a requirement that they use Federal and State funds to take care of that need.

How much they do is left up to the State. How they do it is left up to the State. But, by gosh, we have an obligation here to say that we are not going to let children go hungry or uncared for. I think the Senator's side should agree with that. I think that many do.

Mr. GREGG. If the Senator would yield for an additional comment.

Mr. BREAUX. Yes.

Mr. GREGG. I simply state that the question and the point I make is that the Senator's amendment is, on its face, inconsistent because in the first 5 years it puts mandates on the States, the second 5 years it gives the States flexibility. I think the flexibility part is very refreshing.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. How much time remains on the Democratic side and how much on our side?

The PRESIDING OFFICER. The Senator from Nebraska controls 4 minutes 50 seconds. The Senator from New Mexico controls 20 minutes 14 seconds.

Mr. DOMENICI. I want to say to the Senators on our side, the chairman of the Finance Committee, Senator ROTH, wants to speak for a few moments, and I want to speak for a couple. Then we want to yield back our time and have a vote. Obviously, the Senator has a few minutes left, Senator EXON.

Before I proceed to ask Senator ROTH if he would like to speak, may I clarify for those who are going to vote shortly.

I say to the Senator from Louisiana, his discussion was about an amendment the Senator proposes to offer; is that correct?

Mr. BREAUX. I respond to the Senator by saying that we have been talking about a little of everything here, but most of the comments have been about the Breaux voucher amendment.

Mr. DOMENICI. The Breaux voucher amendment will not be before us when we vote here in about 10 or 15 minutes. The Senator intends to offer it later on, as I understand it.

Mr. BREAUX. I also answer to the Senator, for clarification, the work first also has a voucher plan for children in it.

Mr. LEVIN. Mr. President, the Nation's current welfare system does not serve the Nation well. It has failed the children it is intended to protect and it has failed the American taxpayer. I am hopeful that the debate in the Senate will ultimately result in a constructive bipartisan effort which will finally end the current system and achieve meaningful reform.

Meaningful reform will assure that children are protected, that able-bodied people work and that child support enforcement laws are effective in getting absent parents to support their children.

One challenge is to seek genuine reform of welfare without abandoning the goal of helping children. The Daschle work-first bill fundamentally changes the current welfare system by replacing unconditional, unlimited aid with conditional benefits for a limited time.

Under the work-first bill, in order to receive assistance, all recipients must sign a contract. This contract will contain an individual plan designed to move the parent promptly into the work force. Those who refuse to sign a contract won't get assistance and tough sanctions apply to those not complying with the contract they sign.

The underlying legislation requires people to work within no more than 2 years. Why wait that long? Why wait 2 years? Unless someone is in school or job training, why wait longer than 3 months to require that a person who is able bodied either have a private job or be performing community service.

I have long believed that work requirements should be applied promptly. The Daschle amendment contains language which I will offer as an amendment to the underlying bill, if the Daschle substitute fails which requires that recipients be in training or in school or working in a private sector job within 3 months, or if one cannot be found, in community service employment. Within 3 months, not 2 years. The requirement would be phased in to allow States the chance to adjust administratively and would allow for a State to opt out.

Last year, the Senate-passed welfare reform bill contained this provision, added as an amendment which I offered with Senator Dole.

Experience has shown we must be more aggressive in requiring recipients to work. But, as we require recipients to work, we must remember another important part of the challenge facing us: that fully two-thirds of welfare recipients nationwide are children. Almost 10 million American children—nearly 400,000 in Michigan alone—receive benefits. We must not punish the kids.

I am hopeful that the 104th Congress is on the road to finding a way to get people off welfare and into jobs, in the private sector, if possible, but in community service, if necessary; make sure that absent parents take the responsibility for the support of their children; and do these things without penalizing children—that way, I believe, is the work first plan offered by Senator DASCHLE.

I congratulate Senator DASCHLE, Senator MIKULSKI, Senator BREAUX, and the many others of my colleagues who have worked on the Daschle work first bill.

The work first bill is tough on getting people into jobs, but it provides the necessary incentives and resources to the States not only to require people to work, but to help people find jobs, and keep them.

Mr. President, I have focused on getting to people to work. However, there are other elements of positive welfare reform that I support. The number of children born to unwed teenage parents has continued to rise at unacceptable rates. We all recognize the need to do something about this and to remove any incentives created by the welfare system for teenagers to have children. I support teen pregnancy prevention programs with considerable flexibility for the States in implementation.

We know, however, that the problem of teen pregnancy and unwed teenage parents will not be completely or easily eliminated. I strongly support provisions which require teen parents to continue their education or job training and to live either at home, with an adult family member, or in an adult-supervised group home in order to qualify for benefits.

Another key element of any successful welfare reform plan will be assuring that parents take responsibility for their children. We must toughen and improve interstate enforcement of child support. I support provisions to require cooperation in establishing the paternity of a child as a condition of eligibility for benefits, and a range of measures such as driver's license and passport restrictions, use of Federal income tax refunds, and an enhanced data base capability for locating parents who do not meet their child support obligations.

The Daschle amendment which is before us addresses these and other problems. It ends the failed welfare system and replaces it with a program to move people into jobs, to guarantee child care assistance, to assure that parents take responsibility for the children they bring into the world, and does so without penalizing the children.

Mr. President, the bill before us is an improvement over the bill which the President vetoed last year, which was inadequate in many ways, including its failure to protect children. However, the bill can still be improved. In my judgement, the Daschle amendment does a better job by putting people to work more quickly and by doing a better job of protecting innocent children. I intend to vote for Senator DASCHLE's work first welfare reform plan. I urge my colleagues on both sides of the aisle to lay partisanship loyalties aside and to join in an effort to finally end the current system and achieve meaningful reform.

Mr. DOMENICI. I yield 5 minutes to the chairman of the Finance Committee.

The PRESIDING OFFICER. The Senator from Delaware is recognized for up to 5 minutes.

Mr. ROTH. Mr. President, the American people should heed the old advertising slogan "accept no imitations." The work first amendment is a well-named imitation of welfare reform. But real reform must have some very basic provisions. It must have real and workable time limits. It must bring closure to entitlement programs. It must not engender dependency and allow multigenerational abuse of the system. Real reform must require able-bodied individuals to work. It must offer flexibility and authority to State governments to be innovative and effective in meeting the needs of their people.

While work first has the benefit of good advertising, it is an imitation. Work first has no real time limits. Work first has no real requirements for people to work. Work first lacks the specific, concrete requirements needed for reform. Rather, work first appears to be more of the same. It does not extend real authority to the States. It offers waivers. It grandfathers existing waivers and intends to expedite the process.

The Governors have had their fill of waivers. To them, work first is business as usual with Washington bureaucrats dispensing authority one drop, one waiver at a time. But waivers, Mr. President, are not welfare reform. And for requiring individuals to work, work first offers something called parent empowerment contracts. These sound great. And I have much interest in that concept. But we do not know much about them other than intensive job search is required. This is all we know, and that they are designed to move the parent into the work force as soon as possible.

For real reform, Mr. President, this rhetoric is simply too vague. I might say, that the Governors have real concern about these contracts. They are concerned that they will be provocative of much litigation for those who would seek to impose obligations on the States because of these contracts.

But in any event, real reform must be concrete. As I said, it must have time limits and a bottom line. To create incentives in the hearts and minds of people moving off welfare rolls, they must know that Washington and their State governments are serious. Their behavior must change.

Last year the General Accounting Office reported that between 1989 and 1994 the Federal and State governments have spent more than $8 billion through the job program. The GAO told Congress that we do not know what progress has been made in helping poor families become employed and avoid long-term dependence.

Real reform must change behavior and foster policies that encourage men and women to make correct choices. Work first attempts to attract support by offering false choices in regard to teen parents, child care, and transitional Medicaid benefits. Make no mistake about it, the Republican welfare bill includes all of these items.

Mr. President, I oppose the amendment. It is time for welfare reform. It is time for the real thing. I yield back the balance of my time.

The PRESIDING OFFICER. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, may I inquire as to whether or not the yeas and nays have been requested on the Daschle work first amendment?

The PRESIDING OFFICER. The yeas and nays have not been requested.

Mr. EXON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. EXON. Mr. President, I think we are trying to bring this debate to a close. The Senator from Nebraska has been yielding time now for 2 or 3 hours. I wish to address this briefly myself, not hash over other ground. I understand that the Senator from Connecticut may wish some time. Is that correct?

Mr. LIEBERMAN. I thank the Senator from Nebraska. If it is possible to speak for up to 5 minutes, I would be grateful.

Mr. EXON. I will be glad to yield 5 minutes. Then I will take 3 or 4 minutes. I believe that will be the end of the debate on this side. Then maybe we can get some agreement to proceed to a vote.

The PRESIDING OFFICER. The Senator from Nebraska controls 3 minutes 42 seconds.

Mr. EXON. As soon as the manager of the bill finishes his statement, I will yield 5 minutes off of the bill to the Senator from Connecticut. Then I will use the last 3½ minutes.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Let me just say, the 800-page amendment is subject to a point of order, which I do not want to make. However, if we cannot vote in about 15 minutes—I have a couple of Senators who will not be here for a little while—I will need to make a point of order on this matter.

Could we agree right now on how much time we will use, Senator, and then vote?

Mr. EXON. I have agreed to give 5 minutes to the Senator from Connecticut. I think I have 3½ minutes left on the bill, for a total of 8½ minutes.

Mr. DOMENICI. I will wrap it up with 3 minutes. That makes 11 minutes.

The PRESIDING OFFICER. That is 11½ minutes.

Mr. DOMENICI. I ask unanimous consent that in 11½ minutes there be a vote, and the time be distributed as we have indicated.

Mr. CONRAD. Reserving the right to object, I would like 2½ or 3 minutes, if I might be part of the queue.

Mr. EXON. Mr. President, in order to accommodate everyone, the manager of the bill will agree to put my statement in the RECORD. I yield whatever time I had to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota would have 3½ minutes.

Is there an objection to the unanimous consent request?

Without objection, it is so ordered.

The Senator from Connecticut is recognized for 5 minutes.

Mr. LIEBERMAN. I thank the Chair. I thank my friend from Nebraska for yielding.

I rise to support the work first amendment, which I think is balanced and valuable in the sense of expressing the values of the American people's statement on the problem of welfare. It is genuine reform. It targets and puts the pressure on those who should feel the pressure. That is the parents who are on welfare. It does what I think the American people, in the best expression of our values, want us to do, and that is to protect the children and not punish the children who are the innocent victims of the current status quo.

As I look at the various proposals before the Senate, the underlying bill, the amendment we have put together, it seems to me there is so much in common that we ought to be able in the interest of those on welfare and the interest to the Federal Treasury and the interest of creating a welfare program in this country that truly expresses the values of the American people, to get together and make this happen. I still think there is time to send the President a good bill that he will feel in the fullness of his conscience that he can sign.

Mr. President, if we talk about welfare reform, I think we have to focus at its heart on the question of babies born out of wedlock. Particularly, of teenage pregnancy. Because so many of those on welfare—and the numbers are in the RECORD—are children and mothers of children who were born when the mothers were teenagers and unwed—an extraordinarily damaging epidemic that has swept this country, damaging to the young women whose future is hobbled and severely limited by the fact they have given birth to babies as teenagers, unmarried, and bringing into the world these children who are subjected to some of the worst imaginable conditions, with very little hope, born to a 12, 13, 14, 15, 16-year-old girl without a man in the house and living in poverty—what chance does that child have, on the average to make something of his or her life?

All the proposals here, including the work first proposal, contain a basic principle, which is that unmarried, minor moms are required to live at home or under adult supervision, and must stay in school or training in order to continue to receive welfare benefits. A great idea which I fully support.

Mr. President, I intend to offer two amendments which I think strengthen this battle against teen pregnancy. I saw a study last week that said that we spend $29 billion every year because of babies born to unwed mothers, a startling number. Think what we could do if we could prevent this from happening.

I have two amendments. The first one would require States to dedicate 3 percent of their share of title 20 social service block grants, which is an amount equal to $71.4 million, to programs and services that stress to minors the difficulties of becoming a teenage parent. Hopefully, these programs will infuse our children with a clear understanding of the consequences, let alone the immorality of bearing a child as a teenager who is unmarried.

The second amendment gets at a problem we have recently uncovered in our country, which is that a startling number of the babies born to teenage mothers are fathered by older men. This used to be something when I was growing up that we called statutory rape. It sort of went out of fashion to think of that in the age of widespread consensual sex, and none of the norms that used to exist. Very often in these cases it is not consensual. It is an older man forcing himself on a younger woman with drastic consequences for that woman and the baby.

My second amendment would appropriate $6 million, a small sum, to the Attorney General to direct a national program of training State and local prosecutors to revive and enforce statutory rape laws. It will also—and I think this may be the most significant part, as part of the certification procedure that is in the underlying bill, in which the Governor of a State has to certify that programs in his or her State to qualify for aid under the program—it requires the State to certify that there is within the State a program to reduce the incidence of statutory rape of minors by expanding criminal law enforcement, public education, and counseling services, as well as restructuring teen pregnancy prevention programs to include the education of men.

Mr. President, I hope one or both of these might be accepted as the day goes on, by the majority, because they are not presented in a spirit of partisanship. Obviously, this is a problem that is not partisan and is very human.

I thank the Chair. I thank my friend from Nebraska. I yield the floor.

Mr. EXON. Mr. President, I rise to support the Democratic work first substitute amendment to the budget reconciliation bill. As I observed in my opening statement, there is ample room for improvement in the Republican welfare reform bill. But there is also a great deal of common ground upon which we can build.

There is agreement that the current welfare system serves neither the recipients, nor the taxpayers. The cycle of dependency deepens with each new generation and is most discouraging. We agree that all able-bodied recipients should earn their daily bread. And we concur that assistance should be conditional.

I want to commend by colleagues on the other side for moving off of some strongly held beliefs and seeking the center. I believe that this new version of the Democratic work first welfare reform bill also reflects this same spirit of compromise and bipartisanship.

I argue, however, that the amendment before us today is preferable to the Republican plan. The sponsors of the amendment have spoken with great clarity and vigor about the differences between the two plans. Both give the States greater flexibility to administer welfare. But the Democratic work first plan does not accomplish it at the expense of innocent children who find themselves in the middle of this legislative crossfire.

I would hope that Senators on both sides would hold the line on protecting the safety net for children. The Democratic work first plan does that in three critical areas.

First, it provides for vouchers or noncash aid to children whose parents have exceeded a State's time limit on the welfare rolls. Depriving a child of life's necessities not only saps their strength; it weakens our spirit as a Nation as well.

Second, the Democratic plan provides for flexibility during times of recession. Who is hurt most in these times? The poor. Let's not make a bad situation worse.

And third, the Democratic plan does not provide for an optional block grant of food stamps. We should not be encouraging the States to lower aid even further.

There is great merit in both bills, but the necessary safeguards I have just outlined make this amendment the superior piece of legislation. I urge my colleagues to vote for it.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER (Mr. THOMPSON). There is 3 minutes, 20 seconds.

Mr. EXON. I yield 3 minutes and 20 seconds to the Senator from North Dakota.

Mr. CONRAD. Mr. President, I want to thank the able floor leader on the Democratic side on this legislation, Senator EXON, for giving me this time.

Mr. President, as a member of the Finance Committee I have been deeply involved in the formulation of this legislation, including the work first alternative that has been presented by Leader DASCHLE.

Mr. President, Senator LIEBERMAN has made the point well with respect to teen pregnancy. One of the epidemics we are facing in this country is an epidemic of teen pregnancy, children having children. One has to ask what chance does a child have who is born into a circumstance when the mother is 14 years old or 15 years old? We know the chances are limited. We know the results—dramatically increased chance of living in poverty, dramatically increased chance of living a life that is blighted by crime.

Mr. President, we also know what can help prevent that circumstance. We know that requiring the child to live at home and to stay in school is critically important. I remember very well the testimony before the Finance Committee by Sister Mary Rose, who works with Catholic Charities in Covenant House. She has dealt with literally thousands of young women in this circumstance. How do you prevent that young woman from having another child? She has found that if you can bring that young woman into a circumstance where there is warmth, love, discipline, and structure, almost without exception, those young women do not have another child.

Now, this legislation, work first, has $150 million for second-chance homes for those young women who cannot be at home, who face abusive situations at home. Some people can go home and that is appropriate and right, and that is what should happen. But in other circumstances, these girls who have had children really have no place to go. They have been in an abusive setting at home. The last thing to do is to send them back there. Yet, if we can structure a circumstance or an environment in which there is discipline, structure, and warmth, and there is a vision of a better future, these young people can have a chance. Sister Mary Rose told us very clearly that if we can structure a circumstance in which those elements were present, we could avoid the tragedy of increased teen pregnancy.

I hope my colleagues will support the bill before us.

Mr. DOMENICI. Mr. President, I just want to make one observation. The distinguished minority leader said, in explaining this bill, that with reference to the work requirements, he thought it was the equivalent of the Republican bill in that, in 2002, 50 percent of the participants would have to be working. Actually, we have had that analyzed and looked at, and because the bill uses different rules for establishing this percentage, we believe that it is more like 60 percent of what the Republican bill does. So it is in the neighborhood of 25 to 30 percent instead of 50. I believe that is a truism. Just a reading of what goes into the formula would indicate that it is clearly a different formula. Much more is included in their starting point than in ours. So if for no other reason, the amendment before us does not push the States to the same degree in turning this program into a workfare instead of a welfare program.

Whatever time I have remaining, I yield that back. I think we are ready to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 46, nays 53, as follows:

[Rollcall Vote No. 201 Leg.]

YEAS—46

Akaka
Baucus
Biden
Bingaman
Boxer
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone
Wyden

NAYS—53

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Domenici
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—1

Bradley

So the amendment (No. 4897) was rejected.

Mr. D'AMATO. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRAIG. Mr. President, I want to take this opportunity to speak today on the important yet controversial topic of welfare reform. As this Congress works through the rigors and challenges of welfare reform, I am reminded of my upbringing in Idaho, where I learned that charity begins in the home.

Having grown up in a rural western State, I can remember the days when the county clerks were the ones who handed out public assistance. Today that task has been assumed by the Federal Government and operated thousands of miles away from the recipient. Obviously, the war on poverty was launched with good intentions, but it has become a miserable failure. Unfortunately, the plight of the poor today is worse than it was before we began our massive assistance programs.

Since 1965, when our current welfare system was started, the American taxpayers have spent trillions of dollars—yes, trillions. The current budget is in the hundreds of billions and its growth continues to spiral upward. Incredibly, with this extraordinary growth in spending, the number of children living in poverty has also risen. We need real reform in the welfare system. Throwing unlimited money at this problem has proven not to be the answer.

Welfare spending was intended to provide a safety net for children, likewise to provide a hand up and out of poverty for those in need. What it has become is a way of life and not short term assistance.

With dramatic reforms and an emphasis on getting people into real permanent work situations, we can provide these children and their parents with a future. All one has to do is to look at the successes States are achieving that are already out there operating under waivers to the current policy. I would argue that these same States have done a much better job at designing programs to meet the needs of their people than has the Federal Government. It is just plain common sense that the State can identify problems quicker and develop solutions faster, as they can see the problems as they really are.

One of the ways these States are achieving successes is through block grants. Governors have supported this. Our Governor in Idaho supports this. We can provide block grants to the States and give them the flexibility to use funds in a variety of ways, including to supplement wages for those recipients who are working.

In closing, I support welfare reform. Everyone here supports welfare reform. We must find ways to overcome bipartisan differences in our efforts toward our single common goal—providing a helping hand up and out of poverty while preserving the dignity of those in need.

Mr. DOMENICI. Mr. President, I believe we are going to yield to Senator SPECTER for a resolution.

EXPRESSING THE SENSE OF THE SENATE REGARDING THE TRAGIC CRASH OF TWA FLIGHT 800

Mr. SPECTER. Mr. President, I have consulted with the distinguished majority leader as to sequencing on a resolution relating to last night's crash of TWA flight 800, and this is a resolution which has, as I understand it, been cleared on both sides of the aisle.

Mr. DOMENICI. Could we have order, Mr. President.

The PRESIDING OFFICER. The Senate will come to order.

Mr. SPECTER. I thank the Chair.

Mr. President, this resolution relates to the disaster last night involving TWA flight 800 where 229 passengers were killed. As I have said, my distinguished colleague from Pennsylvania, Senator SANTORUM, and I have taken the lead on this because at least from preliminary indications, our State, Pennsylvania, has been hit the hardest. We are not yet sure about the passenger list, but from all indications the passenger list contained some 16 members of the Montoursville High School French Club and 5 chaperones.

I talked earlier today with Superintendent David Black and Principal Dan Chandler to get an idea of the impact on the community. They have commented that this group of students was a most extraordinary group, as shown by the fact that it was a specially planned trip to Paris, and these young men and women were among the best and the brightest.

Along with these 16 high school students were 5 chaperones, and I understand a recent report shows that two other Pennsylvanians were on board. Of course, passengers included people from all over the United States and doubtless beyond the United States.

So I offer this resolution expressing the sense of the Senate regarding the tragic crash of TWA flight 800:

Whereas, on July 17, 1996, Trans World Airlines Flight 800 tragically crashed en route from New York to Paris, France, creating a tremendous and tragic loss of life estimated at 229 men, women, and children;

Whereas, according to Daniel L. Chandler, principal of Montoursville, Pennsylvania

High School, among those traveling on board this airplane were 16 members of the Montoursville High School French Club, who were among the very best students of the French language at their school, and five adult chaperones, who generously devoted their time to making possible this planned three-week French Club trip to Paris and the French provinces;

Whereas the actual cause of the airplane crash is as of yet unknown;

Whereas the federal government is investigating the cause of this tragedy; Now, therefore, be it

Resolved, That the Senate of the United States—

(1) expresses its condolences to the families, friends, and loved ones of those whose lives were taken away by this tragic occurrence; and

(2) expresses its sincere hope that the cause of this tragedy will be determined through a thorough investigation as soon as possible.

That is the text of the resolution. Beyond that, as has been reported publicly, it is unknown what the cause was. We have requested a briefing for Senators through the Intelligence Committee or Terrorist Subcommittee of Judiciary. We are awaiting final word on that.

Mr. President, I submit this resolution for consideration by the Senate and ask for the yeas and nays.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 280) expressing the sense of the Senate regarding the tragic crash of TWA flight 800.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Ms. MOSELEY-BRAUN. Mr. President, last night TWA flight 800, on route from New York to Paris and then Rome, crashed into the Atlantic Ocean approximately 10 miles off the coast of Long Island. It does not appear that there were any survivors among the 228 passengers and crewmembers who were aboard.

My heart goes out to the family and friends of the victims of this tragedy. It is always hard to lose a loved one. It is particularly hard to lose a loved one in an unexpected, violent event such as last night's tragedy.

We do not yet know the cause of this terrible crash. We do not know whether it was accidental or intentional.

I do not believe that we should make assumptions at this time as to what happened last night. This is the time to collect the remains of the dead, to mourn their passing, and to begin to investigate the cause of this tragedy.

Rest assured, however, that this is an event that must be fully investigated. If last night's tragedy was intentional, we will find out who was responsible. If it was the result of a mechanical or electrical failure, we will find out the cause.

Every year, Americans take off and land 547 million times; 22 thousand flights take off every day in this country.

I am committed to achieving the highest possible level of safety for our Nation's airways. Yesterday's events point out that we need to redouble our efforts to ensure the safety of our travelers.

Air transportation is an integral part of the lives of millions of Americans, and we must do everything in our power to ensure that it is as safe as we can possibly make it.

We must do everything in our power to prevent future tragedies like the one that occurred last night.

My prayers are with the families and friends of the people aboard TWA flight 800.

The PRESIDING OFFICER. The yeas and nays have been requested.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the resolution. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Oregon [Mr. HATFIELD] is necessarily absent.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote "yea."

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER (Mrs. FRAHM). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 202 Leg.]

YEAS—98

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frahm
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone
Wyden

NOT VOTING—2

Bradley
Hatfield

The resolution (S. Res. 280) was agreed to.

The preamble was agreed to.

Mr. SANTORUM. I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

The Senate continued with the consideration of the bill.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

AMENDMENT NO. 4901

(Purpose: To ensure that welfare recipients are drug-free as a condition for receiving welfare assistance from the American taxpayers)

Mr. ASHCROFT. Madam President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Missouri [Mr. ASHCROFT] proposes an amendment numbered 4901.

Mr. ASHCROFT. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike existing Section 2902, and replace with the following:

"SEC. 2902. SANCTIONING WELFARE RECIPIENTS FOR TESTING POSITIVE FOR THE USE OF CONTROLLED SUBSTANCES.

Notwithstanding any other provision of law, States shall randomly test welfare recipients, including recipients of assistance under the temporary assistance for needy families program under part A of title IV of the Social Security Act and individuals receiving food stamps under the program defined in section 3(h) of the Food Stamp Act of 1977, for the use of controlled substances and shall sanction welfare recipients who test positive for the use of such illegal drugs.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I understand the distinguished Senator from Missouri will agree to 15 minutes and Senator KENNEDY, in opposition, to 15 minutes. I ask unanimous consent that there be 15 minutes on each side for a total of 30 minutes on this amendment.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. And I ask unanimous consent that there be no second-degree amendments.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. I wonder if we could get some indication, while the managers are here, of what is going to transpire for the remainder of the evening, perhaps tomorrow.

Mr. ASHCROFT. Madam President, I ask unanimous consent that this not be deducted from the time on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. That was understood, but we will be glad to agree.

I say to Senator CHAFEE, we have 28 Democratic amendments and 22 Republican amendments. We have not had a chance to go through and see if there are significant numbers that we could agree to accept. So for now we are in business until we get to talk with our leader and see what he wants to do. We will take this amendment and use that time to see what we can give the Senator by way of assurance. There are a lot of Senators who have things planned for this evening, but I think the leader made it clear that we want to try to finish this reconciliation bill by a time certain, and we are nowhere close to that. So for now, the best I can do is say let us wait for at least 30 minutes and then try to give you a more concrete answer.

I thank Senator ASHCROFT for yielding.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Madam President, the debate over the provisions before us today represents an opportunity to change the way we view welfare in this country. The question is simple: Will we continue to allow Federal assistance to be a way of life?

That is the fundamental choice we face. Will we see welfare as the intergenerational problem that it is, or will we continue to fund this failure, this dependence?

There are a number of things in this bill that would help us make sure welfare is no more than a transition. We put time limits on welfare, for instance. But if we really want to move people from dependence to independence, if we want individuals to move from welfare to work, if we really want individuals to change their behavior, I think we ought to be asking people to display a set of behaviors which readies them for the real world.

If you want to be part of the working world, you ought to be drug-free. When you go to work in the private sector, this is the standard. As the chart behind me indicates, even in small firms with 1 to 500 employees, 62 percent test for drugs. Similarly, 88 percent of all firms employing over 10,000 people in America require drug testing.

Now, I ask a simple question: What good does it do for us to allow people to remain on drugs if they have little or no capacity to be placed in the private sector? If you are on welfare, you should be off drugs. Period.

That is the point that I make, that the American people should not be asked to spend their hard-earned resources supporting the drug habits of uninterested addicts. Under my amendment, each State would be required to create a random drug-testing program as well as sanction those individuals who test positive.

It does mandate that the States require drug testing. No question. It is time, however, for us to stop funding the drug habits of individuals who have no intention of working toward a job.

I am pleased, then, to send this amendment to the desk, and to say to those individuals who are on welfare, it is time to move from dependence to independence and opportunity. I reserve the balance of my time.

Mr. KENNEDY. Madam President, I yield myself 10 minutes.

Madam President, I listened with interest to the presentation made by the Senator from Missouri regarding his amendment. I bring to the attention of the membership that the amendment says "notwithstanding any other provision of law, States shall"—not may, but "shall"—"shall test welfare recipients." So, effectively this is a mandate. The Senator has not commented about how much money these tests would cost and who would pay for them. We heard a good deal earlier this year about unfunded Federal mandates. Well that's what this amendment is. This amendment says that the States shall undertake this activity.

Now, if the Senator offered an amendment to provide that the Governors, or the State legislatures and the Governors, may do this, I might urge the Senate to support it. I might support giving States the discretion to test, within constitutional limits, provided that they comply with the HHS guidelines which ensure maximum accuracy and appropriate safeguards.

But the Senator says we will not leave this matter up to the States. We will not let the Governors make a decision or judgment about this. This amendment provides no flexibility based on different State experiences. This amendment says that every State shall do it.

I hope in the remaining time, the Senator from Missouri would explain to the Senate where the States will get the money to do it. If they use money from this bill, it is going to come out of other vital activities. If they had discretion, Governors might decide that drug testing was a sensible priority for these scarce funds, or they might not. But this amendment provides no discretion. As a result, the money spent on drug testing will be money not spent on children's programs and expectant mother programs. We are going to cut back on those even further.

I would have thought the Senator would at least attempt to justify his proposal by arguing that there is a higher incidence of substance abuse among AFDC recipients, but he has not made that point. He has not made that point because there is no evidence whatsoever to suggest that it is true. But evidently he believes that poor people need this kind of testing, but that other, different groups that get Federal benefits do not. We do not drug test farmers applying for crop subsidies. We do not drug test homebuyers applying for a federally guaranteed mortgage. We do not drug test corporate executives applying for marketing assistance overseas. But we are singling out this particular group of poor people for this stigmatizing, intrusive procedure.

Now, the latest information from HHS is that it costs at least $35 to conduct a drug test, and that does not include the cost of an administrative appeals process, or the cost of treatment for those who test positive. There are some 5 million adults receiving AFDC, and that is only one category of welfare recipients. So we are looking ar a bare minimum price tag of $1.75 billion. That is $1.75 billion, without any assurance about what particular tests or laboratories we will have.

Madam President, it seems to me it would make more sense to say that the States may go ahead and develop these programs if they choose within constitutional limits and in compliance with the HHS guidelines. Let the Governors make that decision. But that is not what this amendment is about.

At an appropriate time, Mr. President, I will make a point of order against the amendment.

Madam President, just a brief comment on the underlying piece of legislation that we are considering here this evening. It is shocking to me that after months of what I had hoped was progress, our Republican friends are once again prepared to shed the fragile and frayed safety net designed to protect nearly 9 million American children. As I said from the beginning, there is a right way and a wrong way to reform welfare. Punishing children is the wrong way. Denying realistic job training and work opportunities, is the wrong way. Leaving States holding the bag is the wrong way. We all want to move families from welfare to work, but we should be clear that this bill is still not about real welfare reform but is simply more welfare fraud.

After more than 60 years of a good-faith national commitment to protect all needy children, our Republican friends are still proposing legislative child neglect, if not abuse. This measure, the broad measure, the underlying measure, is an assault on the youngest and most vulnerable Americans.

I urge my colleagues to join with me in doing the right compassionate thing and eventually voting no. Granted, after being called on the carpet for putting forward their home alone welfare bill, a proposal that would have forced mothers into workfare programs even if they had no one to care for their children—this bill provides funding for child care services. In addition, the Republicans have finally let go of their desire to dismantle existing protections for abused and neglected children. These are improvements.

The bill, nevertheless, poses many of the very same dangers to children as the bills that have already been vetoed. Madam President, here are a few of the tragic consequences. Under the Republican bill, destitute children would no longer be able to count on even the most basic concern in a time of need. In 1935, Congress made a historic promise that no child would be left to face poverty, hunger, and disease. This bill permanently breaks that promise. If the Republicans have their way, when children need a helping hand, it will depend on whether they are fortunate enough to be born in a State that has the resources and the will to provide that assistance. It will no longer be a matter of national policy. It will be a gamble geography.

Under the Republican bill, more than 1 million adolescent children and 4 million parents would lose their currently guaranteed access to health care. We know that adequate health care is a major barrier to employment. If we are serious about promoting work and reducing long-term health care costs, this is a major step backward.

Under the Republican bill, food stamp payments would be reduced to 66 cents a meal. I do not know how many of my colleagues have tried to feed a child for 66 cents, but it is just not possible. By slashing $27 billion from critically important nutrition programs, the Republican bill will leave more than 14 million children at risk of hunger, malnutrition, stunted development, and school failure.

Under the Republican bill, 300,000 children with serious disabilities, including mental retardation, tuberculosis, autism, and head injuries, will be denied SSI cash benefits and Medicaid eligibility.

The Republican bill pulled back the welcome mat for legal immigrants who enter this country under our laws, play by the rules, pay taxes, and contribute to our communities. It bans legal immigrants from SSI and food stamps. Even if their sponsors cannot help them, they still cannot help. Many immigrants, particularly those who come to fill needs rather than to unite with families, do not even have sponsors to turn to when they need help. Under this bill, if you are a legal immigrant and you fall on hard times, you are out of luck.

Madam President, I can think of no measure that expresses a greater hostility toward the immigrants that have made this country great than to ban legal immigrants from the ultimate safety net—Medicaid.

There is a solution to ensure that public assistance is truly a last resort for immigrants. We should hold sponsors accountable for the care of the immigrants they sponsor. But where the sponsor cannot shoulder the burden, or where there is no sponsor, we should be prepared to lend a helping hand, particularly to the children. There is much more.

The Republican bill provides far too few Federal resources to help in the training, education, and services needed to help move families from welfare to work. It prohibits the States from offering assistance to babies born to families on welfare—unless and until they enact laws to exempt themselves from this requirement. These provisions are a direct assault on children and have nothing at all to do with meaningful reform.

Madam President, right here in the Senate, much of what America has stood for is being dismantled and destroyed.

In the movie "Independence Day," people go to the theater, the lights go down, and they sit in the dark to watch a battle between aliens and America's best fighters, who win in the end. Here we are talking about American children living in poverty, the innocent victims of fate. If this bill passes, they will be the innocent victims of their own Government.

Tonight, after the movies, when people shut out their lights, we should all think about how fate has treated us and about what kind of country we want to live in, about what kind of children we want to grow up in this country. We do not need to worry about aliens; we need to worry about what we are doing to ourselves, our country, and our children. We may be reaching for the gold in Atlanta, but when it comes to caring for our children, we are certainly trailing the rest of the industrial world here in Washington. Surely, we can do better.

Mr. BIDEN. Madam President, I support random drug tests, and I have voted for random drug tests for welfare and food stamp recipients—as recently, in fact, as last May in Senate vote 133. But the big distinction between that and what Senator ASHCROFT is proposing here is that he is making it mandatory—and not providing the money to pay for it. We spent the first part of this Congress in 1995 debating the entire issue of unfunded mandates. And, here is an unfunded mandate. If this amendment had provided the funding or allowed States to do random drug tests, I would have supported it, as I have similar proposals in the past. But I cannot support this.

Madam President, I support the right of States to require welfare recipients to submit to drug tests and to fulfill a commitment to remain drug free as a condition for receiving public assistance. Drug abuse is serious, and is all-too-often a heartbreaking problem, particularly among young people. And we have to attack it on as many fronts as we can. Just yesterday, I joined my friend and colleague, Senator HATCH of Utah, in introducing a bill to crack down on the manufacture and importation of methamphetamine, or crank.

But whether a State chooses to combat drug abuse among welfare recipients through random testing and punishment, or through other methods of screening drug use and efforts to help people get off drugs permanently, is a decision that should be left to the States. Random drug testing is not cheap, and this amendment, as written, would force the States to spend up to $200 million—even if they had in place another means to go after drug use money recipients. While I support the right of States to test welfare recipients for drug use, I cannot support this unfunded mandate.

Mr. ASHCROFT. Madam President, I ask that the Senator from Oklahoma [Mr. NICKLES] be added as a cosponsor, and I yield 4 minutes to the Senator from Alabama.

Mr. SHELBY. Madam President, I rise tonight to join my friend from Missouri, Senator ASHCROFT, in offering this amendment, which would require the States to sanction individuals testing positive for drug use. This amendment would go a long way in restoring integrity into our system of public assistance.

Madam President, I trust there is not one Senator in this Chamber who would stand here and argue that taxpayers should be forced to subsidize the drug habits of other individuals. Yet, if the Federal Government continues to send cash payments to individuals using drugs, that is exactly what is happening. Not only is that directly contrary to the intent of the AFDC program, and others, and a complete waste of the taxpayers' money, but it is also very harmful to the parents using drugs and the children living in that environment.

Subsidizing the parents' drug habits will, in the end, destroy their chances for ever becoming self-sufficient. They will remain trapped on welfare longer and will require substantial rehabilitation.

However, Madam President, think of what we are doing to the children living in that environment. Giving cash to parents using drugs is one of the cruelest forms of Federal child abuse I can think of. By cutting off or limiting public assistance to those buying drugs, we are limiting their ability to buy the drugs. That will improve not only their lives, but the lives of their children.

Madam President, I believe the amendment offered by the distinguished Senator from Missouri will restore a great deal to our welfare system. I hope my colleagues will support it.

I yield the floor.

Mr. DOMENICI. Madam President, has all time expired?

The PRESIDING OFFICER. No. The Senator from Missouri has 6 minutes and 10 seconds. The Senator from Massachusetts has 5 minutes.

Mr. KENNEDY. I am more than glad to yield back 4 minutes of the time and just take 1 more minute if the Senator wants to yield back his time. I am more than glad to do that. If he is going to retain the time, I will retain mine.

Mr. DOMENICI. Before the Senator does that——

Mr. KENNEDY. I will not do anything until I hear what Senator ASHCROFT is going to do. If he wants to yield time, I will as well. If he does not, I will retain my time.

Mr. ASHCROFT. I would like to use my time.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. ASHCROFT. I yield myself 4 minutes of the time remaining.

I have to say that I agree totally with the senior Senator from Massachusetts. This amendment is about children. As a matter of fact, drug use has been damning to children. It has, as a matter of fact, been lethal.

I would like to introduce you to one such child. This young man is no longer with us. His name was Jason. His mother was a 21-year-old recipient of the welfare of which we speak, and she funded her drug habit with the methamphetamine drug known as crank. Not only was her child born drug-addicted, but as a result of the nursing, the child literally died of an overdose of methamphetamine.

So, this amendment is about children. It is also about drug use and what that use does to children. It kills them. It is time for us to stop this killing.

This amendment is also about preparing for a job. If we are willing to say that people who are involved in job training should be subject to mandatory drug tests, as we did last October, it seems to me that welfare recipients should be held to the same standard. That is what this amendment would do.

Mr. President, let us not lure welfare recipients into a false sense of security; stay on drugs and we will still support you. Let us make it clear from the very beginning. If you are on welfare, you will be off drugs. The taxpayers and the children who aspire to a better tomorrow deserve nothing less.

I reserve the remainder of my time.

Mr. KENNEDY. Madam President, we can all have a feel good vote and support Senator ASHCROFT's amendment and think we are doing something about children. But the underlying bill cuts back on nutrition support for 14 million children in the United States. So who really favors children?

It is interesting listening to this Senator from Missouri. He says we know better, Washington knows better, we ought to tell those States how to run their programs. Of course he tells us something entirely different in another context. I hope we can let the Governors make this decision.

And remember the backdrop against which this amendment is offered. This Republican Congress has spent the last 2 years cutting back on the drug treatment and prevention programs that are designed to help the families whose lives have been affected by the scourge of drugs. We have tens of thousands of individuals who need and want drug treatment today, to free themselves from addiction, but they languish on the waiting lists of the treatment programs that still exist after the Republican budget cut these programs almost 20 percent. So we can pretend to be tough about drugs by voting for this amendment, but if we really wanted to fight drugs we would provide treatment to the people who need it and are begging for it.

The Senator from Missouri talks about substance-abusing mothers. But there is no money in here to assist any of those individuals who might test positive and want freedom from addiction. Does the amendment have any money for treating these women so that they can be better mothers to their children? No. It is not provided.

Not only is money for treatment not provided. There is no money in here for the testing itself. It is $1.75 billion, and the Senator does not show where it comes from.

On the underlying measure, we have 1.3 million children who are going to be thrown off Medicaid. We are supposed to shed crocodile tears about drug-abusing mothers under the Ashcroft amendment, but the bill says to 1.3 million Americans, "You are going to be denied any kind of help and assistance." Are we going to say to the 4 million mothers who are being denied Medicaid, many of them of childbearing age, that they are going to be denied prenatal care? The baby may get some care, but we are denying the mothers the prenatal care? Do we care about children?

It is difficult for me to be persuaded by the Senator's argument about how concerned we are about children when the underlying bill so badly frays the social safety net for children.

In conclusion, the amendment is an unfunded mandate on the States. It does not provide the money to conduct the drug tests. And it is simply inhumane to test these people and throw them into the street when the Republican budget so dramatically cuts back on the drug treatment programs that provide assistance for those individuals who want to free themselves from substance abuse.

I withhold whatever time I have.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Are we clear on time on amendments yet?

The PRESIDING OFFICER. There are 2 minutes left for each side.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Madam President, thank you very much.

The case of Jason Allen is not an isolated case. I could fill the RECORD with cases of children who are drug abused, or victims of the drug abuse of their parents, all funded by a welfare system that is the subject of this debate.

This amendment does nothing to impair our ability to care for children. Far from it. This amendment merely says that we ought to provide incentives for our children to live in drug-free environments, not drug-laden environments.

If we care about children, we cannot allow the current devastation to persist. It has occurred for too long. It has ruined families and ruined children. This amendment is an important first step in the right direction.

With that, Madam President, I thank you. I yield the floor.

Mr. KENNEDY. Madam President, we still have not heard from the Senator about what is going to happen to those children. What is going to happen if the mother is thrown off the welfare rolls for testing positive? Say she has been denied treatment, she is on a waiting list for drug treatment, and so she tests positive for drug use and forfeits her family's welfare benefits. How does that possibly help the children? You are prohibiting these women from getting vouchers so that they can get diapers, so they can get milk, or infant formula. So what happens to these families? They get thrown out on the street, and they are made homeless. There is no provision in here to look after the children.

I just think this is a harsh proposal. It is directed toward the mother, but it hits the children. It is also reflective of the underlying problem with the whole welfare bill. We are fragmenting the safety net for children in this country, and I think that is why the underlying measure should be defeated as well.

I withhold the remaining time. I have to withhold enough time to be able to make a point of order.

Mr. ASHCROFT. Madam President, I would be pleased to yield the remainder of my time for raising the point of order by the Senator from Massachusetts.

Mr. KENNEDY. I yield back all my time, and as I understand when all time is yielded that it is appropriate to make the point of order that the pending Ashcroft amendment is not germane. I raise the point of order that the amendment violates section 305(b) of the Congressional Budget Act.

Mr. ASHCROFT. Madam President, I move to waive the Budget Act for consideration of my amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Madam President, I ask unanimous consent that the time be yielded back on the motion to waive.

The PRESIDING OFFICER. Is there objection?

Mr. ASHCROFT. There is no objection on my part.

Mr. DOMENICI. Madam President, before we proceed to a vote, could I ask Senator DODD? I understand he has an amendment. If the sponsor and the opposition to the previous amendment would permit us, we would like to set the motion aside temporarily and take up the Dodd amendment. I think the Senator is going to go to 30 minutes equally divided.

Mr. DODD. That is correct.

Mr. DOMENICI. And there be no second-degree amendments.

Mr. DODD. Right.

Mr. DOMENICI. After which time we will order a rollcall on it, and we will then ask they be sequenced——

Mr. ASHCROFT. Reserving the right to object, might the Senator from New Mexico estimate the time at which a vote would occur on this amendment, on the motion to waive the budget act?

Mr. DOMENICI. It looks to me like it would be 6:10.

Does the Senator want that agreed to now so we do not violate that?

Mr. ASHCROFT. If it is possible, I would like to defer the vote until perhaps 8:30.

Mr. DOMENICI. I think maybe we better proceed to vote on the motion to waive right now, Mr. President. We will just do that and take Senator DODD's up in due course.

Mr. DODD. I say to my colleague, we will try to get it done quickly. The amendment is not a matter of great controversy. I know a lot of people wanted to say something about the amendment.

Mr. DOMENICI. Would the Senator take less?

Mr. DODD. I will try to do it in 20 minutes.

Mr. DOMENICI. The amendment was going to be agreed to, so I assume the Senator is going to get a very big vote. Would the Senator want to agree to let us accept the amendment?

Mr. DODD. I want a vote, I say, with all due respect, to the Chairman, on an issue that has gone back and forth.

Mr. ASHCROFT. Reserving the right to object, is there a reason the Senator wants to make his remarks in advance of the vote?

If the Senator from Connecticut needs to leave for other reasons, I would indicate to him that that is the condition in which the Senator from Missouri finds himself.

Mr. DOMENICI. Madam President, I withdraw my unanimous-consent request and ask for the regular order.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Oregon [Mr. HATFIELD] is necessarily absent.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote nay.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The PRESIDING OFFICER (Mr. BENNETT). Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 50, nays 47, as follows:

[Rollcall Vote No. 203 Leg.]

YEAS—50

Abraham
Ashcroft
Bennett
Bond
Breaux
Brown
Burns
Campbell
Coats
Cochran
Coverdell
Craig
D'Amato
DeWine
Domenici
Faircloth
Feinstein
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Heflin
Helms
Hutchison
Inhofe
Kassebaum
Kohl
Kyl
Lieberman
Lott
McCain
McConnell
Murkowski
Nickles
Nunn
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—47

Akaka
Baucus
Biden
Bingaman
Boxer
Bryan
Bumpers
Byrd
Chafee
Cohen
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Ford
Glenn
Graham
Harkin
Hollings
Inouye
Jeffords
Johnston
Kempthorne
Kennedy
Kerrey
Kerry
Lautenberg
Leahy
Levin
Lugar
Mack
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Reid
Robb
Rockefeller
Sarbanes
Simon
Snowe
Specter
Wellstone
Wyden

NOT VOTING—3

Bradley
Hatfield
Pryor

The PRESIDING OFFICER. On this vote, the yeas are 50, the nays are 47. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, our leader will announce his intentions shortly, but I just want to say, from the best I can ascertain, there are 28 known amendments on the Democratic side, and that does not include the list of Byrd rule violations which could be considered to be votes. And on our side, there are 22, as of the last count.

I think the longer we are here, I say to the leader, it is an invitation for phone calls. We have about nine additional phone calls in our cloakroom from Senators who want to add amendments. So I do not believe it is going to be very easy to get this completed. We are going to need substantial time.

I yield to the leader, because I can't do anything about it at this point.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, first, I would like to inquire, are we in a position where we can get a 20-minute time agreement, equally divided, on the Dodd amendment and get a vote on that in 20 minutes?

Mr. DODD. I say to the majority leader, we had 30 minutes, and we will try to use less than that. We have a number of people who want to speak. That is the problem. I will try to keep it to no more than 30.

Mr. LOTT. Are you talking about a total of 30 minutes equally divided?

Mr. DODD. Yes, 30.

Mr. LOTT. Let me lock this in.

Mr. President, I ask unanimous consent that there be a 30-minute time agreement equally divided on the Dodd amendment, with a vote to follow immediately after that time, and no second degrees be in order.

Mr. CHAFEE. Mr. President, I thought this was an amendment they were going to accept.

Mr. DOMENICI. We told the Senator we would accept it. He desires a rollcall vote and desires debate.

Mr. CHAFEE. If it is going to be accepted, how much debate is there going to be on the other side? Can you take 10 minutes?

Mr. DODD. We are wasting time debating. Why don't we get to the amendment?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I don't want to delay time here. There has been a suggestion made that we try to work together on both sides of the aisle to get a reasonable list of amendments that would be debated and voted on. If we could get that done, then we could go to events that are scheduled tonight. Some of the Senators would like to be at the Olympics tomorrow at 12. Then we would have a series of votes on those amendments beginning at 9:30 Tuesday. Basically that is the outline of what we were trying to do. But instead of the amendments shrinking, they are growing on both sides of the aisle.

I have suggested to the Democratic leader that we will get our list down to five amendments on our side of the aisle for votes, which means that some of them will be accepted, some of them will come up another day. I mean, that is reasonable. I hope there will be an effort on the other side. We debated this before. We made our points. You can make your points on your five amendments and we can make whatever points we have to on our five amendments or so. It does not have to be exactly that number. But if we are talking about a series of 20 to 40 amendments on Tuesday, that is no accomplishment.

We do have an alternative. That is to stay here tonight and stay tomorrow and complete the time that is remaining and vote on amendments tomorrow, which would suit me fine. But I would like to be able to accommodate Members on both sides of the aisle who have things that they would like to do. I think that would be fair.

So at this point, I just ask everybody—we have 30 minutes here. Let us get serious. Let us get this agreement worked out. Then we can go on and do what we need to do tonight and tomorrow. We can take up the agricultural appropriations bill Monday. We can debate the amendments tonight, tomorrow, and 4 hours on Monday and we can vote on Tuesday. That is a mighty good arrangement. We have been having good cooperation all week. Let us see if we cannot do it one more time on this very important piece of legislation that the President wants and both sides of the aisle want. With that, I plead with Members on both sides to cooperate with us and let us get a reasonable list worked out.

Mr. DASCHLE. Mr. President, let me reiterate as well my desire to see if we cannot work this list down in the next 30 minutes. I hope every one of the colleagues on my side of the aisle will come to me and tell me, No. 1, when they intend to offer the amendment and, No. 2, whether they really need a rollcall or whether they would be satisfied with a voice vote.

If we cannot get it down to a reasonable list, I think it is fair to say that within a half-hour we would be then in a position to say whether we will be here tonight, tomorrow, and Monday. So, if we cannot—I do not have any plans—we will be here tonight. I have no objection to being here tomorrow and Monday, but there are a lot of people who have expressed an interest in trying to accommodate the schedule that the majority leader has discussed, and I hope we can do that, just to take into account some of the people who have already made their plans. But we will have to make that decision within the next 30 minutes. So, I hope everybody will come to me, and we will decide within that 30-minute timeframe whether or not we will be here tomorrow and Monday or not.

Mr. DOMENICI. Could we ask our side to do the same—30 minutes?

Mr. LOTT. Absolutely.

Mr. DOMENICI. Just come into the Cloakroom and tell us. We want to dispose of them. Thank you.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

AMENDMENT NO. 4902

(Purpose: To restore health and safety protections with respect to child care)

Mr. DODD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD] for himself, Mr. COATS, Mr. KENNEDY, Mrs. KASSEBAUM, Ms. SNOWE, Ms. MIKULSKI, Mr. HARKIN, Mr. KOHL, Mr. KERRY, Mrs. MURRAY, Mr. KERREY, Mr. COHEN, Mr. REID, and Mr. LEAHY, proposes an amendment numbered 4902.

Mr. DODD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 628, strike clauses (vi) and (vii) of section 2805(2)(A).

Mr. DODD. Mr. President, I offer this amendment on behalf of myself and my colleagues, Senators COATS, KENNEDY, KASSEBAUM, SNOWE, MIKULSKI, HARKIN, KOHL, KERRY, MURRAY, KERREY, COHEN, REID, and LEAHY. As you can see by this list, Mr. President, this is a bipartisan effort.

I have asked for a rollcall vote here because this is an issue that has been adopted in the past and yet mysteriously ends up dropping out of the bill every time we turn around. So I am asking for a rollcall vote, and hopefully an overwhelming vote here, so that when we get to conference on this legislation, it stays in the bill. Despite the fact that we passed this a number of times, every time we get it done, somehow it manages to disappear from the bill again, as it did from the Finance Committee bill. For those reasons, we will ask Members to be recorded on this issue.

Mr. President, let me just briefly point out that what we are doing here is restoring to the bill the child care health and safety standards that we adopted now 6 years ago when the senior Senator from Utah and I offered the child care legislation and set up broad guidelines for health and safety standards, leaving to the States the specifics on how they would achieve those particular goals.

I am thankful for the efforts of my colleague from Indiana, and Senator SNOWE, Senator KASSEBAUM, and others who worked on this over the years. We have felt that it has been very, very helpful to have these standards in place. If we are going to have, as we must have, child care resources as we move people from welfare to work, these children have to be in a safe place. We have standards by which we maintain our pets and our automobiles. In this case here we are setting basic minimum standards for children. It is something that we ought to all be able to agree on.

There was a study done, Mr. President, a few years ago that assessed the health and safety standards at child care settings across the country. The conclusion of that study, Mr. President, was that in only 14 percent of the cases was it where the child care centers provided good quality care. In 85 percent of those settings, almost 86 percent, the study concluded it was not good quality at all. So there is a necessity for requiring that these children be in a healthy and safe setting. We are talking about a setting where you are seeing to it that there are not open electrical outlets, there is electrical safety, water safety, basic requirements so that these children will be adequately protected.

Mr. President, as I pointed out earlier today, let us try to keep this debate in perspective. Of the 13 million people on welfare, 8.8 million of those are children. And 78 percent of that 8.8 million are under the age of 12. Almost 50 percent of the 8.8 million children are under the age of 6. So there is going to be a substantial number of children who will need child care as their mothers or fathers who are on welfare go to work.

There is money for child care. I would like more, but it certainly is an improvement over what existed in the past. But it is not just a question of having funding for child care. These children must also be in a safe environment.

A little later on this evening or tomorrow, or whenever, you are going to have another amendment offered by my colleague from Louisiana dealing with another aspect of children's safety. Let me urge my colleagues here, many of whom support this amendment, to look at the Breaux amendment and look at the other amendments dealing with children. I do not think there is any debate in this Chamber about trying to get adults from welfare to work. But there ought not to be any debate either, in our view, about trying to see to it that innocent children who through no fault of their own have been born into circumstances where they need some help, whether it is in food or health care or child care, are protected.

So we urge the adoption of the amendment and also amendments that would provide that safety net for these children.

At this point, if I can, Mr. President, I yield 3 minutes to my colleague from Maryland, and then I will yield to my colleague from Indiana. At that point we will try to wrap up the debate here, unless others want to be heard, and get to a vote on this amendment.

Ms. MIKULSKI. Mr. President, I rise in strong support of the Dodd-Mikulski-Kassebaum-Coats, et al. amendment. This amendment is really quite simple. It restores basic health and safety standards for child-care providers receiving Federal funds.

The bill before us repeals those modest standards. I think that is shocking. Safe child care is too important to be left to chance.

Mr. President, we have to make sure that what we explicitly state are our values we put in our legislative policy. This bill does that. It restores the requirement that states have standards in place to protect children. These standards protect children from infectious diseases, make sure their buildings and playgrounds are safe, and require the people who take care of children to know first aid.

I hope that every Senator will support this amendment because in moving families to work, we must ensure not only the adequacy of child care, but that child care is safe. Sure, we often focus on debating the amount of money we are going to spend on child care. And this is one Senator who believes we need to provide more funding for child care. However, we have to make sure that child care is not only affordable, but that it is safe. There is a basic need for health and safety standards for child care facilities and providers. We need standards to make sure our kids are not around open electrical outlets, that there are not open manholes like little Jessica fell down some years ago. This is basic. Child care has to be more than warehousing kids. Parents have to have some assurance that their children are in a hazard-free environment, and that those who are taking care of them know at least basic first aid, so they will know what to do if a child is hurt or becomes ill.

This is not an unfunded mandate. It is not even a mandate at all. It is common human decency. Requiring States to assure certain basic health and safety standards is the least we can do to give parents peace of mind, while they are working to provide for their children.

Mr. President, in 1990 the Congress enacted a major child care bill. We had bipartisan support for that bill. It provided Federal funds for tax credits and grants to make child care more affordable. It also ensured that providers who receive those funds had to meet minimum health and safety standards, which each State would establish.

We recognized that basic standards were needed to ensure that all children would be safe and well-cared for. The 1990 child care bill made sense then and it makes sense now. Under that law, States set the standards; they decide what will work best for their State.

In my own State of Maryland, we have a three tiered system of health and safety standards. Maryland felt it was important that child care centers that care for lots of kids have a higher level of regulation than someone who provides care in a home setting or in the child's own home. Maryland also ensures background checks to screen providers for criminal records.

Other States have different standards to meet the particular needs of their State. But this law ensures that each and every State must have at least a minimal level of safety and health standards. If we are serious about protecting children, we absolutely must maintain that requirement.

It is what every mom and dad wants for their kids. We should vote our values and support the Dodd-Mikulski, et al, amendment.

I yield the floor.

Mr. COATS. Mr. President, I will be brief. I know time is of the essence here, and we will yield back some of our time.

Let me state that I support very much what Senator DODD and Senator MIKULSKI are attempting to do here. This is essentially the same legislation that we are attempting to restore that we enacted in the 1990 child care legislation. This gives States a great deal of flexibility.

For instance, the State of California has a program called Trust Line which allows the State to require background checks, criminal background checks, of child-care providers. In those background checks, they found 5 percent of those who had applied to be State-certified child-care providers had criminal backgrounds and they had to disqualify them. Not all States have chosen to operate on that basis, although I think that is a reasonable requirement that a State might want to impose on a child-care provider. That is just one example of the flexibility that a State has to impose, those minimal conditions for safety and health, under child-care provisions.

Now, the House Ways and Means committee has supported this. The House Employment Economic Opportunity Committee, President Bush supported this in 1990, the Congress supported it on a bipartisan basis, the Governors have supported this. What we are attempting to do is correct something that I believe was an error, maybe it was not, but I think all indications are that it was an error as it was put in the reconciliation bill. This would restore it to what, essentially, is current law and what the Congress agreed to in 1990. I urge its adoption.

Mr. DODD. Mr. President I ask unanimous consent that Senator BOXER of California be added as a cosponsor, as well as Senator EXON and Senator WELLSTONE.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. I end on the note I began with here. I hope our colleagues will look at some of the other amendments dealing with children, particularly the voucher proposal from Senator BREAUX. I believe we can develop a pretty good bill here.

I do not think there is much debate about moving 4 million adults in the country from welfare to work, and I hope we could develop some consensus, particularly on the children under the age of 12. I understand people make an argument for 16-, 17-, and 18-year-olds, but when you have 80 percent of the 8.8 million kids on AFDC under the age of 12, 50 percent under the age of 6, it seems to me we ought to find the means to provide a safety net for them, whether in a child-care setting or regarding adequate nutrition.

I do not think we need any real debate about ideological differences on that point. While I think we will get a strong vote here, I urge my colleagues to look at these other amendments and judge them on their merits and decide whether or not you do not think this will help strengthen and improve a welfare-to-work piece of legislation that draws us all together in this body, makes it a stronger bill, and one that I think will adequately give the kind of protection to children that all of us want to give.

Do not blame the innocent child for the circumstances they have arrived in. They ought not to go hungry without adequate health care and the protection of a child-care setting.

Mrs. BOXER. Will the Senator yield?

Mr. DODD. I am happy to yield to the Senator.

Mrs. BOXER. I commend the Senator and both sides of the aisle for their leadership here, and say as one who has fought hard and long with the Senators from Maryland, Connecticut, and certainly Senator PRYOR and others for nursing home standards, we have to take care of our vulnerable populations. This is a big step forward.

Mr. President, back in 1990, we passed a law in the reconciliation bill to enact basic health and safety protections for child care.

That current law now requires providers receiving funds through the child care development block grant [CCDBG] to have basic health and safety protections in place.

The Dodd amendment restores these basic health and safety protections which are otherwise repealed in the pending welfare bill.

What do we mean by basic?

Requirements regarding the prevention and control of infectious diseases.

Building and physical premises safety.

Minimum health and safety training.

These standards ensure, for example, that children have up-to-date immunizations. That poisonous substances stay out of the reach of young children.

That electrical outlets have plugs in them.

Simply put, these basic standards reduce the numbers of accidents, incidence of illness, and safe childrens' lives.

Mr. President, we are about to make major changes to the way welfare programs in our country are run.

We hope that these changes will mean a lot more people will be getting off welfare and going to work.

I think the least we can do is give people some assurance that their children's caregivers meet a minimum level of health and safety standards.

Spurred by the Federal health and safety standards we put in place in 1990, California decided to pass a law to give even more protection for children from providers with a criminal record.

The law California passed created Trust Line.

Trust Line is a criminal background check for child care providers who are exempt from State licensing requirements.

Through Trust Line, the State found that 5 percent of these providers had criminal records—60 percent of which involved child abuse convictions.

Repealing the Federal standards would be a huge step backward for protecting our children.

Many of us here are parents. I think we understand that having piece of mind about our childrens' safety is literally priceless.

The least we can do for the welfare recipients we will be sending off to work is to assure them that some minimum health and safety standards are in place for their child's day care facility.

I urge my colleagues to support the Dodd amendment.

Mr. EXON. Have the yeas and nays been requested?

The PRESIDING OFFICER. No.

Mr. EXON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DODD. I yield 30 seconds to my colleague from Delaware.

Mr. BIDEN. Mr. President, I compliment my friend from Connecticut and our Republican colleagues.

Mr. President, it was not too long ago—1990—that we first put the child care health and safety standards in place. The Senator from Connecticut—who led the effort—remembers all too well the extensive discussion—and, bipartisan compromise—that went into enacting these standards.

It would be unfortunate if we repealed them today. They were the product of a bipartisan effort 6 years ago. They were retained in the bipartisan Senate bill that passed here last September. And they are retained in the bipartisan Castle-Tanner bill.

Frankly, I am not sure why we are repealing them. Usually, we hear the argument about Federal requirements being a burden on people.

But, in fact, in my State of Delaware, the people who are the strongest supporters of these health and safety standards are the very people who have to comply with them—the child care providers.

Yes, child care providers in Delaware have come to me and said, "Don't get rid of the safety standards. Don't get rid of the quality in day care."

It may sound strange. But, think about it. They want Federal standards and Federal requirements because they remember what it was like before there were standards. And, they do not want to go back.

And at a time when we are increasing child care funding—and going to see significant increases in the number of children in day care as welfare mothers are required to work—it is crucial that the child care providers who will be caring for kids meet minimum standards. I don't think that's too much to expect.

In fact, I think every parent with a child in day care would expect no less. Parents who drop their children off every morning want to know that their kids will be safe. They want to be sure that they are not leaving their child at some fly-by-night, shoddy, unsafe, unhealthy day care center.

So, I just urge my colleagues to think about what is being proposed here.

I add one point, I do not know how we can, in fact, have the kind of bill we want without this amendment. I think it is very important. I yield the floor.

Mr. DODD. I yield back the balance of my time.

Mr. KOHL. Mr. President, I rise in strong support, and as an original cosponsor, of the amendment by the Senator from Connecticut.

I agree with much of what is in the welfare legislation before us today and I plan to vote on it. We owe it to the low-income families of this country to end a welfare system that keeps them down rather than helps them up. We owe it to the taxpayers to spend their money in a way that strengthens their communities. We owe it to ourselves to be honest when we have failed—as we have with our current welfare system. And we owe it to this country to develop a welfare system that respects and encourages this Nation's longstanding values of work and family. I think this bill, on the whole, does that, and that is why I support it.

But before we send this bill out of the Senate, there is room for improvement. One of my chief concerns with this bill is the unwise elimination of the bipartisan, minimal Federal standards that govern the quality of child care. We ought to be doing exactly the opposite.

Not only does the repeal of safety standards jeopardize quality of care for children from welfare families, it threatens child care safety for all children. Children of families from all income levels benefit from the current health and safety standards.

We need to return welfare to the States because the Federal program has proven itself a disaster. But turning the program over does not mean turning our backs on the people and communities welfare is meant to help. We still have a responsibility at the Federal level to make sure that State-run welfare systems are able to succeed where the Federal system so dismally failed.

And that means doing everything we can to keep the national economy healty—so there are jobs for welfare recipients to move into. And that means strengthening our child care infrastructure—so there are safe and stimulating places for the children of welfare recipients to spend their days as their parents go back to work.

As States begin to move mothers off the welfare rolls and into jobs, the demand for child care is going to soar. Preliminary estimates done for the city of Milwaukee have shown that welfare reform will create the demand for 8,000 new child care slots—child care that does not exist today. Already in the State of Wisconsin, there are almost 6,500 children from 4,000 families on waiting lists for child care.

At the Federal level, there is much we can do to start putting a broader child care infrastructure in place. But one thing I know we cannot do is move backward and eliminate the minimal Federal standards that now regulate the quality of child care.

At the very heart of the welfare debate is the Government's responsibility to the impoverished children of this county. We failed them with our current welfare system, and today we rightly admit that failure and ask the States to try and do better. As we turn welfare over to the States, we cannot fail those children again by ignoring the real need they have for protection and education while their parents work. We can—and should—turn over welfare. But we cannot turn away from the children who need and deserve quality day care.

I ask my colleagues to support the Dodd amendment.

Ms. SNOWE. Mr. President. I rise today as a proud cosponsor of Senator DODD's amendment to restore child care health and safety standards to this welfare reform bill. During consideration of last year's welfare reform bill, I worked with my distinguished colleague from Connecticut to add crucial child care funds to the welfare reform bill. In fact, the $3 billion in child care funds which we succeeded in adding to the bill resulted in an overwhelming vote of 87 to 12 in favor of the bill.

I am pleased to join my colleague once again, as we consider a new welfare reform bill almost one year later, on another important child care issue. Maintaining health and safety standards for federally subsidized child care is a basic issue of accountability for Federal dollars. But above all, it is about guaranteeing the safety of this Nation's youngest and most vulnerable children. The amendment is a significant step toward ensuring that American children from low-income and working families receive safe child care.

These health and safety standards were created as part of the child care and development block grant in 1990, with broad support from President Bush, Congress, and the Nation's Governors. The 1990 legislation did not dictate regulations governing child care facilities. Instead, it required child care facilities receiving Federal funds to meet basic requirements set by the states in three areas: building premises safety; prevention of infectious diseases; and training for child care providers.

Again, I emphasize that these health and safety standards are set by the States. And because they are set by the States, they allow States the same State flexibility that motivates this welfare reform bill.

Six years after the creation of these health and safety standards, we know that they work to protect this Nation's children. For example, California protects children through Trustline, which institutes background checks for providers that are exempt from State licensing requirements. Through these background checks, the State found that 5 percent of these providers had criminal records—of which 60 percent involved child abuse convictions.

Yet despite their proven success, this welfare bill does not contain these crucial protections for children. Instead, it simply requires States to certify that they have State licensing requirements for child care. However, a significant percentage of child care facilities are exempt from State licensing requirements. In fact, only 9 States require all family child care homes to be regulated regardless of size. The children who attend these exempted facilities would do so with no assurances that these facilities met even minimal health and safety requirements. And yet Federal funds would pay for this potentially substandard care where children are offered no protections for their health and safety.

This does not make sense. After all, we offer consumers protection when they buy food and cars, use public transportation on our highways, and have their hair cut. It does not make sense that this bill would leave the Federal Government with no way to ensure that children receiving public child care funds are in minimally healthy and safe settings.

This amendment simply ensures that when Federal child care funds are used they will not be in settings where poisonous substances are within easy reach of children; where electrical outlets are left exposed and open; where unfenced play areas expose children to busy streets; where children are allowed to go unimmunized; and where child care providers have a criminal record. How can we allow public funds—taxpayer dollars—to be spent in such a reckless and uncaring manner?

Finally, if we are talking about welfare reform helping people become self-sufficient, why wouldn't we want to ensure that children get off to a good start by having safe child care? Experts believe that the first few years of life—those years during which an increasing number of children are in child care—are the most crucial for a child's development. If children are to develop to their full potential, we need to ensure that they are cared for in safe environments by responsible adults who are knowledgeable about child development.

Research shows that unregulated child care is generally of lower quality than regulated care. This means that children are less likely to receive the care they need to enter school ready to learn. The children that will receive child care under this bill are some of the most vulnerable children in our society. They should not be placed at greater developmental risk because they begin life in substandard child care.

As a Nation, it is the least we can do to ensure that Federally funded child care meets minimum health and safety standards. I urge my colleagues to support this important amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Oregon [Mr. HATFIELD] and the Senator from Oklahoma [Mr. INHOFE] are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote "yea."

Mr. FORD. I announce that the Senator from Arkansas [Mr. PRYOR] and the Senator from New Jersey [Mr. BRADLEY] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 96, nays 0, as follows:

[Rollcall Vote No. 204 Leg.]

YEAS—96

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frahm
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Heflin
Helms
Hollings
Hutchison
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone
Wyden

NOT VOTING—4

Bradley
Hatfield
Inhofe
Pryor

The amendment (No. 4902) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. BREAUX. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum, the time to be charged equally.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I want to say before I ask this unanimous consent request that I appreciate the cooperation, again, from the Democratic leader. There has been an effort on both sides to reduce the number of amendments. We have not been able to get it reduced as much as we had hoped for on either side of the aisle. We worked on it. We will continue working on it. We are trying to accommodate as many Senators as we possibly can, with a variety of personal problems or needs, and to get our work done. It is very hard to get both of those done simultaneously. So we have come up with a unanimous consent request that I think will allow us to do our job and still allow for consideration of as many Senators' needs as possible.

The summation of it is basically we will begin now and continue to take up as many as nine amendments tonight for debate. Hopefully, some time limitations could be agreed to on those. We will begin voting at 9 a.m. tomorrow morning on those amendments taken up tonight. There will be a series of votes on those amendments. Then we will return to debate on amendments throughout the afternoon tomorrow and for 4 hours on Monday, at which point we will turn to the agriculture appropriations bill and make an effort to complete that bill, if it is at all possible, on Monday. All time on all amendments would be done Friday afternoon and Monday, during that time. Then we will go to the final votes beginning at 9:30 on Tuesday and complete action on the reconciliation bill.

I think that is as fair a process as we can come up with because we still have 13 hours of time remaining. We still have a long list of amendments remaining. It does take time to debate those amendments, though, so this will allow us to have a substantial portion of that time used up tonight. We are going to be counting on Senators to stay and offer those amendments. We have offered at least three on our side and six on the other side. We will have the votes in the morning. I think that is a fair arrangement.

I have submitted a unanimous-consent request. The leader is reviewing that now, and I think we can achieve this.

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Mr. President, I ask unanimous consent during the remainder of the Senate's consideration of S. 1956, the following amendments be the only amendments in order and those amendments be subject to germane second degrees and all other provisions under the statute remain in effect and any rollcall votes ordered this evening with respect to amendments offered tonight occur at 9 a.m. on Friday, July 19, in a stacked sequence, with 2 minutes for debate to be divided equally prior to each vote, and following the disposition of amendments the Senate proceed to further debate on the remaining amendments.

I further ask that following those stacked votes on Friday, any additional rollcall votes ordered with respect to the amendments be stacked in the same fashion as described above beginning at 9:30 on Tuesday, July 23, and following disposition of the amendments, the bill be advanced to third reading and the Senate proceed immediately to the House companion bill, H.R. 3734, and all after the enacting clause be stricken, the text of S. 1956 as amended be inserted, and the bill be immediately advanced to third reading and final passage occur, all without further action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. DASCHLE. Reserving the right to object.

Mr. DOMENICI. I do not object, but I ask if you could insert that time on the amendments be no longer than 30 minutes, equally divided?

Mr. DASCHLE. Mr. President, I think in some cases we are not going to need 30 minutes. I know at least in one case, the amendment to be offered by the distinguished Senators from Delaware and Pennsylvania, I think they wanted 45 minutes.

Mr. DOMENICI. I withdraw that request. We will work on it.

Mr. DASCHLE. I would like to, if we could, at the end of the colloquy, announce the list and the order in which the amendments are going to be taken so Senators will be put on notice as to when their amendment could be expected.

Mr. LOTT. If I could respond to that suggestion, Mr. President, we are working on a list right now. Of course, we will try to identify them in order. We will try to go back and forth so you are getting your amendments offered, although tonight there may not be exactly that number. We have three, I think, committed tonight. You may have as many as six.

Mr. DASCHLE. Six.

Mr. LOTT. I urge the Senators to agree to time agreements, hopefully less than 30 minutes. If we have one that needs 40 minutes, we will do that. But we will, at the end of this, try to identify the list somewhat in the order they would come up.

The PRESIDING OFFICER. Is there objection? The Senator from Rhode Island.

Mr. CHAFEE. May I ask the leader a question, please?

Mr. LOTT. That will be fine, Mr. President.

Mr. CHAFEE. I have an amendment which is up near the top of the list. I greatly prefer if I did not have to debate that tonight. I will be perfectly prepared to debate it after we have completed our rollcalls tomorrow.

Mr. LOTT. I do not think there will be any problem. I know the Senator has a couple of problems tonight. We will accommodate that. We have identified other amendments that can be offered tonight, and yours could be one of the first tomorrow.

Mr. CHAFEE. As far as the time agreement, I am perfectly prepared to agree to 30 minutes. I do not know what the Senator from Delaware would say, but I am agreeable to 30 minutes equally divided.

Mr. EXON. Mr. President, if I understood the unanimous consent request, any amendment that would be offered would be debated either tonight, sometime on Saturday——

Mr. LOTT. Friday. Friday afternoon or Monday morning.

Mr. EXON. Or Monday.

Mr. LOTT. Yes, sir.

Mr. EXON. There would be no amendments debated—if you want to offer an amendment on this bill, you are going to have to do it by Monday, is that correct?

Mr. LOTT. Yes, sir.

Mr. EXON. But there would be 2 minutes of debate equally divided, on every amendment that was offered, on Tuesday before the vote?

Mr. LOTT. That is the way it has been done, and that is what is incorporated in the request.

Mr. EXON. I thank my friend.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LOTT. Mr. President, I further ask unanimous consent that all amendments must be offered and points of order must be offered and debated during the remainder of the session this evening, during tomorrow's session of the Senate, or Monday, July 22, between the hours of 10 a.m. and 2 p.m., with that time for debate on Monday to be equally divided. That is in response to the question that the Senator from Nebraska just asked.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. So, for the information of all Senators, there will be no further votes this evening. The next vote will occur at 9 a.m. on Friday, July 19, 1996. Following those stacked votes, the Senate will continue to debate the reconciliation bill. The next voting series will be on July 23, 1996.

Members are put on notice, if they intend to offer amendments under the consent agreement just reached, they must be offered and debated tonight, during the session of the Senate on Friday, or on Monday between the hours of 10 a.m. and 2 p.m. No further amendments or debate other than the 2 minutes of closing debate will be in order.

I thank all Senators for their cooperation in this matter.

Mr. HARKIN. Will the majority leader yield?

Mr. LOTT. I yield.

Mr. HARKIN. As I understand it, tomorrow morning at 9 votes will start. After those stacked votes, there will be no more votes after that.

Mr. LOTT. We will shorten the time for votes by agreement, and there will be no more recorded votes after that sequence of votes, which could be as many as nine votes in a row.

Mr. HARKIN. I thank the majority leader.

Mr. LOTT. Mr. President, I am submitting for the RECORD a list of amendments that we have identified. I still hope some of these will be accepted on a voice vote or be worked out, but we are submitting this list for the RECORD. This would foreclose any other amendments on our side being offered, other than on that list.

I send the list to the desk and ask unanimous consent that it be printed in the RECORD.

There being no objection, the last was ordered to be printed in the RECORD, as follows:

1. Jeffords: LIHEAP.
2. McCain: Child support—Indians.
3. Chafee: Standards of eligibility.
4. Shelby: Adoption assistance.
5. Craig: Childcare.
6. Hatch: SOS EIC.
7. Helms: Food stamp—work.
8. Abraham: Illegitimacy ratio.
9. Faircloth: Funds for teenager mothers.
10. Faircloth: SSI outreach.

11. Ascrost: Children immunization.
12. Faircloth: Childcare work.
13. Bono/Abraham etc.: Waivers.
14. Gramm: Deny drug benefits.
15. Coats: Independent accounts.
16. Coats: Kinship.
17. Pressler: FS Fraud.
18. Nickles: Reports on small businesses.
19. Ascroft: Limit time.
20. D'Amato: Work requirement.
21. Lott: Manager's package.
22. Domenici: Manager's package.

Mr. LOTT. We would like to ask that a similar list be submitted from the Democratic side.

Mr. DASCHLE. That will be provided.

Mr. DOMENICI. When will that list be provided, the overall list?

Mr. DASCHLE. We will provide it within the next half-hour; even sooner. It is available. We just want to put it in a form that is presentable.

Mr. DOMENICI. Presentable.

Mr. LOTT. You are not adding any more to it? I inquire how many that is? What number is that?

I will not put you on the record, because I hope whatever it is, it will be less than that when it is submitted for the RECORD or, in fact, when they are brought up.

Mr. DASCHLE. That is our intention.

Mr. LOTT. We still have a real problem with the colleagues not being cooperative enough with us. There is no reason why we should have 40 votes on amendments on this bill. We can make our points. Some of these can be taken on voice votes. Senators insisted, "I want a recorded vote."

I remember one time, when Senator DASCHLE and I were in the House of Representatives, a Congressman who won on a voice vote insisted on a recorded vote and lost. There is a great message in that.

I, again, ask our colleagues, cooperate with us. There is no reason why we should have more than 10 or 12 additional amendments voted on in this process. Vote-a-ramas do not help anybody and it makes us all look very bad.

Mr. DASCHLE. Mr. President, if it is appropriate, I ask unanimous consent that the first 15 minutes of this series of amendments to be considered be for the distinguished Senator from Washington, to be joined by the Senator from Illinois, and we will dispose of the first amendment.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I say to Senator DASCHLE, I just checked as to what that amendment is. That is an amendment in the jurisdiction of the Agriculture Committee, not either Senator ROTH or myself. We were wondering if we could have someone from the Agriculture Committee—we will proceed. Do you want to go for 15 minutes?

Mr. DASCHLE. Can we do 15 minutes? I do not know if you need more.

Mr. DOMENICI. We will take up to 15 minutes. Let's get that locked in and proceed.

We will say to Senators around waiting to offer their amendments, we are going to use this 15 minutes to sequence eight or nine amendments so Senators can know when they are coming up.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Washington.

AMENDMENT NO. 4903

(Purpose: To strike amendments to the summer food service program for children)

Mrs. MURRAY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Washington [Mrs. MURRAY] proposes an amendment numbered 4903.

Mrs. MURRAY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike section 1206.

Mrs. MURRAY. Thank you, Mr. President.

Mr. President, I offer this amendment that simply strikes provisions relating to the Summer Food Program in the welfare bill that is in front of us. I hope this can be accepted on a voice vote. If not, we will have it be one of our recorded votes tomorrow.

Mr. SANTORUM. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The point is well taken. The Senate is not in order.

The Senator from Washington.

Mrs. MURRAY. Thank you, Mr. President.

Again, the amendment that I have sent to the desk simply strikes the provisions that are related to the Summer Food Program. As all of the Members of the Senate know, we debated the school lunch issue over the last year and a half. Understand, the consensus across this country is people believe we do need to make sure that our children get adequate nutrition. The Summer Food Program is the same argument.

The Senate bill that is before us makes an 11-percent cut to the reimbursement rate for lunches provided in the Summer Food Program. This reduction is a 23-cent cut on each lunch that is provided. It will reduce the amount of money that is provided for these lunches from $2.16 to $1.93. That is a substantial cut, Mr. President, and will have a dramatic impact on the programs offered across this country that assure each one of the children of those programs get adequate nutrition.

We have heard the arguments many times over the last year how important it is that a child get proper nutrition and, without that nutrition, is unable to learn. That is exactly what these cuts will do. They will dramatically impact the ability of our kids to have a nutritious meal in these summer programs.

It also will mean many of these summer programs will not survive. If they have to charge the people in these programs an additional $20 or $30 a month in order to make up the difference, it will mean that many of these programs will be lost, particularly in our rural areas where costs are substantial and it is very difficult for parents to come up with adequate money for these programs to begin with.

Estimates vary by State, but a recent report concluded that this cut that is being proposed in this welfare bill will result in a 30- to 35-percent drop in the number of sponsors, most of them in our rural districts. It will result in a 20-percent cut in the number of children who are able to participate, and many of the larger sponsors are going to have to drop their smaller sites.

I think it is very critical that this Senate go on record saying that we understand the nutrition needs of young children in this country today, and I urge my colleagues, hopefully by voice vote, to accept this reasonable amendment to assure that young children in this country do get the proper nutrition in the Summer Food Program that is in the welfare bill.

The PRESIDING OFFICER. Who seeks recognition?

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent to speak for about 15 minutes. I probably will not use it all.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

If the Senator will suspend, the Senate is not in order. The Chair suggests that the negotiations that are going on take place in the cloakroom. It is making it very difficult for Senators to proceed.

The Senator from Illinois.

Ms. MOSELEY-BRAUN. Thank you very much, Mr. President, for restoring order.

Mr. President, I would like to speak to the bill. Maintaining a social safety net for the poor has always been a complex and paradoxical challenge. How does one provide sufficient support for the poorest Americans while simultaneously promoting self-help and individual initiative?

The bill before us offers one approach to the problem in the current welfare system by implementing time limits on benefits, requiring individuals to work and, at the same time, increasing parental responsibility. However, the problem lies in that this bill does not focus welfare reform on the people that welfare really serves. I know you have heard me use these statistics before, but I think it is important to restate them.

There are 14 million people in this country on welfare; 9 million, or 67 percent, of those people are children, almost 60 percent of whom are below the age of 6.

Is it fair that these children lose the safety net that the Federal Government and the States have maintained for 60 years, in the name of welfare reform?

Whenever we cite problems with the current welfare system, such as encouraging family breakups or fostering dependence, I have never heard anyone arguing that we are giving children excessive resources as a complaint. Therefore, Mr. President, as we consider welfare reform today, my question remains the same as I posed months and months ago when this debate first started. What about the children?

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate is not in order. Once again the Chair requests that negotiations that are going on go on inside the cloakroom.

Mr. FORD. Mr. President, there is room for staff to have seats in the back. That would help some.

The PRESIDING OFFICER. The point is well taken. If staff are not required on the floor, they can retire to the cloakroom.

The Senator from Illinois.

Ms. MOSELEY-BRAUN. I thank you again, Mr. President. I really appreciate it, and I appreciate Senator FORD's interjection.

My question remains the same: What about the children, our children? What about America's future? No one has answered that question, and all the sponsors of this initiative can do is speculate, guess, come up with hypothetical responses about the answer. What happens to the children is the great unanswered issue in this welfare reform debate.

I am sure that my colleague will recall the discussions about what happened in this country before we had a safety net for children.

We found many children being left to their own devices. Subsequently, the term "homeless half-orphan" was formed. I do not believe for a moment, Mr. President, the architects of this bill want to move this country back to the bad old days with homeless half-orphans and friendless foundlings and children left to their own devices begging in the streets. I do not believe that.

But I am a bit dismayed with the Members' apparent ability to conclude, while they do not yet know what the implications are for children with this bill, we still must go forward, we still must reach closure on this issue in spite of the fact that we have not answered that great unanswered question.

Many of my colleagues seem to be willing to take the chances that the States will do no harm to children. There is also, it seems to me, the perception that we have to do something no matter how misguided it may be. Frankly, Mr. President, I am concerned. I do not agree it is better to do something bad than to do nothing at all. If any of us were directly affected by this bill, if we were directly affected by what happens here, I believe we would all be a lot less willing to take that chance. That is a chance that we are now forcing on those who are the most vulnerable in our society.

I want to take this opportunity to discuss two core implications of this bill, its impact on children and the disproportionate impact on States and communities.

First, what about the children? Currently, Mr. President, 22 percent of American children live in poverty. That is about 15 million children, or one in every five. That number is twice the number of children in poverty in Canada and Australia; four times that of France and Germany, the Netherlands and Sweden.

Consequently, there are 9 million children on welfare and about 300,000 homeless children in our Nation. These facts are disheartening enough because America is the greatest country on Earth. There is no reason why we have so many kids, so many children stuck in poverty. As a Nation, we are No. 1 in terms of gross domestic product, the number of millionaires and billionaires, health technology, and defense expenditures.

It is shameful that we are number 16 in living standards among our poorest one-fifth of the children, number 18 in the gap between rich and poor children, number 18 in infant mortality rates, and number 19 in low-birthweight rates.

Mr. President, these children are not responsible for being born poor. They did not choose to have parents who refuse to play by the rules, nor do these children have the means of fighting a State or local decision made during difficult budget times.

The Department of Health and Human Services has estimated last year that about 1.5 million children would be pushed below the poverty level by last year's passed Senate welfare bill. Essentially, the same provisions that pushed children below the poverty line last year are included in this bill as well, and the result is likely to be the same.

Nearly 1.5 million American children pushed into poverty who are not today in poverty. This alone should set off the warning sirens that we are doing something wrong here, that there is something flawed with this approach. The ramifications of welfare reform should not be to push more children into poverty than are already there.

The Department of Health and Human Services, HHS, again, currently estimates that under a best-case scenario, which would be every State having 5-year time limits and exempting 20 percent of families, about 2.6 million children would be cut off of subsistence that public assistance provides now—left with absolutely nothing.

This legislation even prohibits the States from providing in-kind assistance to children whose families reach the time limits. I cannot understand, Mr. President, the reasoning behind this provision. Efforts in the Finance Committee to restore even the State option to provide noncash assistance to children were opposed and were defeated. The entire block grant approach is supposed to be—is supposed to be—predicated on State flexibility, and yet this policy in this bill says to the States that they cannot use funds, they cannot use their own money that they are already getting from the block grants to provide for the children of their States through the best possible means that they decide are the best possible means under the circumstances.

In other words, it is a mandate in a direction that cuts against flexibility. Again, it is stunning to me that that would happen in the context of a bill that is touted as giving local flexibility. Perhaps my colleagues are tired of the question, "What about the children?" I cannot, however, help believing that the implications of this welfare reform genuinely are not fully understood yet. And 1.5 million children will be pushed into poverty, and 2.6 million children cut off altogether. We are not talking about 1.5 million cars or 2.6 million trees. These are children. And they are poor through no fault of their own.

Should not we, as Americans, as the wealthiest nation in the world, provide a safety net to ensure that our children do not go hungry, do not become homeless—a minimum level beneath which no American child can fall?

Adults, of course, must be held responsible and held accountable. Everyone who can work, should work. I mean, I do not think there is any debate at all by anybody on that score. There are currently about 5 million adults on welfare, lower than the number of children. But of the 5 million adults on welfare, 4 million of them, approximately, are able-bodied and can work. They, therefore, should work.

However, demanding that adult welfare recipients work is not enough. We need also to recognize there has to be 4 million jobs for those 4 million people. It is unlikely, Mr. President, that the job market can so quickly absorb that number of people.

Again, a second unanswered question in this legislation. Where does the job creation come from? How do these people find jobs? We have to be careful. We have to be certain, Mr. President, that we do not punish 9 million children based on unrealistic assumptions about the employability of 4 million adults. And that is what this legislation does.

The Massachusetts welfare program that began in November of 1995 demonstrates this fact. That program required 20,000 AFDC recipients to work at least 20 hours a week. As of June of this year, only 6,000 had actually found work. I want to point out, of that 6,000 who actually found work, 1,900 of those were working in subsidized jobs. Only 30 percent of the 20,000 individuals have found work of any sort, paid or unpaid.

Massachusetts has realized that a lack of education and skills among these parents, half of whom have never completed high school, seems to be a factor in the failure of that program so far. The State is encountering numerous unanticipated problems, including an inadequate job supply. So again, this legislation, which does not create any jobs, forces the 4 million adults into the job market, and then, thereby, if they do not find jobs, if they cannot support their families, those 9 million children will suffer. I think that these assumptions ought to be looked at very carefully as we rush to judgment on this legislation.

The second point I am going to talk about has to do with the State and community variation which I call the "food chain" argument. We have all heard the expression that "all politics are local." Well, caring for the poor, dealing with poverty is also local. The needs of the poor do not just stop because the Federal Government decides to stop paying for it. Again, this legislation moves in that direction. The block grant program will lock in the Federal funding to the States. And no matter what happens—no matter what happens in the economy—that funding will not change.

Currently, many States, particularly in the Midwest, are experiencing revitalized growth, and welfare rolls are in fact declining. These are good economic times in this country. We heard the discussion about that this morning in committee. So, of course, many States weigh the flexibility of block grants versus the projected decline in needs and say, "Well, OK, this program, this new initiative is acceptable to us."

I am not surprised that many Governors concluded that block grants were acceptable because their budget estimates tended to indicate that fewer people will need welfare and that they can have this free block grant money to play with. Financially, this probably looks like a good deal to a lot of Governors.

But what happens when the business cycle takes its normal dip or, even worse, a recession? That is the time in which more difficult decisions will have to be made. Will a State raise additional revenues to meet needs, shift responsibilities to localities, or reduce benefits? That is the key question.

Although this bill includes a $2 billion contingency fund for States to tap into during economic downturns, the fine print on the access to that fund makes it clear that it will be too little and too late to help people who lose their jobs when the economy turns sour.

Some States and communities do a better job of taking care of poor people than others. Also, States and communities often start from very different positions. The Federal Government and the States have maintained a 60-year commitment to abolishing child poverty through the AFDC program. This bill would take this national problem, turn it over to the States, and say to the Governors, "Here. Go fix it." I fear that a system will develop in which Governors will be forced to say to mayors and county commissioners, local governments, "Here is a problem. Go fix it."

The result will be of this pushing down of accountability, the successive washing of hands, that our children will become victims of geography. The benefits available to a child may depend on what State that child lives in or what region of the State that child resides in.

I want to show you a national chart, Mr. President, about the variation in child poverty rates between the States. The variation in child poverty rates between the States reflects these likely disproportionate impacts. The increase in color, from beige to red, indicates States with high poverty rates. These are the high-poverty-rate States.

You recall, I indicated 22 percent of children are below the poverty line. Well, there are great variances. In Virginia, it is a 14-percent poverty rate under the age of 6; Illinois, 18.9 percent poverty rate for children under 6; Texas, 25.6 percent poverty rate of children under 6. How can my State be expected to care for children under the same conditions as a State like Virginia with such different needs?

In all likelihood, the provisions of the bill will force the States to handle the burden for those who simply cannot find work to local units of government. Yet, there is even more in child poverty rates among counties within a State, more variation than among the States generally.

My own State of Illinois, Mr. President, is an illustration. We have an overall child poverty rate for children under 6 of almost 19 percent. However, as you can see, there is considerable variation among the counties, ranging from less than 3 percent in DuPage County, to 57 percent down here in the south, Alexander County. Virginia and Texas show a similar pattern. Texas goes from 7 percent in some counties to almost 70 percent in others.

Again, the debate surrounding the solution to those living in poverty has gone on and will probably go on for a long time. Yet, as we attempt to address this difficult issue, let us not relive a past where we turn over the problem and let children fend for themselves.

The PRESIDING OFFICER. The time of the Senator has expired.

Ms. MOSELEY-BRAUN. I ask unanimous consent for an additional 2 minutes.

Mr. DOMENICI. I have no objection.

The PRESIDING OFFICER. The Senator is recognized for 2 additional minutes.

Ms. MOSELEY-BRAUN. This bill aims to make people more responsible and may have some minor success in achieving that objective. However, in teaching others responsibility, let us not forget our own responsibility. Let us not just wash our hands of the responsibility we have to the children of this Nation, as we hand it down to States and local communities. The existing disparities between State and local communities will only be exacerbated, and our children, these American children, will be the losers.

Mr. President, welfare reform is necessary. Few would argue that we need to do something to encourage change here, to give people a chance, to give them the opportunity to pull themselves up by their bootstraps and take care of their own children. Welfare reform must be based on welfare reality, not welfare mythology. We must not forget who the real victims are, or beneficiaries are, depending on your point of view—our Nation's children.

In the absence of information, in the absence of real data about the impact of this legislation, we should not abandon our responsibility to be thoughtful as we approach our legislative duties.

I want to say in conclusion, Mr. President, I was with my son one time and we were driving down the street. He asked why there were so many homeless people. I tried to describe to him it was a function of failed policy. Folks just did not pay attention to decisions they were making when we made some decisions in terms of the mentally ill. The result is we have people laying in the gutters talking to themselves in the alleys.

Mr. President, I do not want to look up 5 years from now and discover we have children living in the gutters, sleeping on the streets, and begging on the corners because we did not wait until HHS or anybody else could come up with decent numbers regarding the impact of our decision, that we did not think about the fact that counties within a State had variations, that we did not think about the economic impact.

Mr. President, I understand it is a popular issue. I understand it is a political issue. I say, Mr. President, and I quote my colleague, Senator MOYNIHAN, who said at one point that this is the most regressive social legislation we have seen in this century. It is for that reason that I am going to oppose this, as I have opposed this legislation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. I yield myself such time as I may consume.

Mr. President, I rise in opposition to the Murray amendment for a couple of reasons. No. 1, there is no offset identified in the Murray amendment. For the information of Members, what that means is we have $214 million of savings that the Agriculture Committee was required to come up with that now we are going to have to come up with savings somewhere else, in some other program, which, given where the big money is in the agriculture bill, we are talking about looking at the Food Stamp Program.

We have already heard from many Members on the other side that the Food Stamp Program already has been squeezed, so we are back to a very tough decision. That is a very important reason to oppose this amendment.

No. 2, really, this amendment is not necessary to continue to meet the needs of the summer feeding programs for children. The reason I say that is because the rates that are in the underlying bill for the Summer Food Service Program for lunch is $1.93 a meal. The ordinary rate for a lunch, a school lunch, in an ordinary school in America during the year is $1.79. Let me repeat that: The ordinary rate for a school lunch during the year, during the school year, is $1.79. The rate in the bill for a lunch during the summer is $1.93 for that lunch. That, by the way, that reimbursement rate is roughly equivalent to the amount we pay to severe-need schools. Those are schools that have at least 60 percent of their children at the school who are in poverty. So we are paying a rate, actually, slightly above the rate that we pay during the school year for severe-need schools.

Now, I understand that the Summer Food Service Program for Children is targeted at poor communities, but we are paying a reimbursement rate here which is equal to the rate we pay to poor communities during the school year. So I guess we believe that this was a responsible place to find a reduction, that we are still paying enough money for school lunches, to encourage venders to participate, schools to participate in providing the service for children throughout the summer.

If we do not make a reduction in this program, and I think it is a judicious reduction, then we have to come up with money from someplace else in the budget, which may, in fact, be tougher on children than the reduction proposed in the underlying bill.

I encourage Members to oppose the Murray amendment for those reasons. I reserve the balance of my time.

Mrs. MURRAY. Mr. President, I will be very brief because I know there are a number of Senators who want to offer amendments.

I heard two arguments, one that there is no offset. It is my understanding that when this Senate struck the Medicaid provisions in this bill, that had a $70 billion impact, without worrying about where the offsets were. So in this provision, it only affects $24 million. I say because it is the right policy that we care for our children and make sure they have nutritious foods, it seems legitimate and likeminded to do what we have done with the Medicaid provision in this bill.

Second, the other argument was that the price for these meals is higher than what is offered during the school year. That is, of course, true, because during the school year the volume, the number of children that are served is quite large, is much larger. In the summer, we are serving fewer students, and, therefore, the cost of meals goes up.

Second, during the school year, the facility is provided. During the summer, programs have to pay for the sites, and the cost goes up prohibitively because of that. That is why the summer program costs more than the school-year program.

It is a very legitimate concern. I will again say that the bill reduces the amount of the program by 23 cents on each lunch. That will have a dramatic impact. We will lose sites, especially in rural areas, and see as much as a 35-percent drop in the number of programs that are able to offer this.

Again, I urge my colleagues to support this amendment tomorrow morning. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SANTORUM. My response to that, Mr. President, first, the Senator from Washington knows the fact is that the Agriculture Committee was given a reconciliation instruction, and by removing this part from that portion of the bill we will have to come up with money elsewhere. It is not like Medicaid is part of that instruction. It is not. It is a separate instruction, a separate area, an area that is gone for now. We are deeming with this portion of the bill.

We cannot just say we cut something somewhere else, and, therefore, we should not worry about it here. It is apples and oranges. We do have to come up with the money somewhere else. I think this is a reasonable place to come up with it. The rate of $1.93 was increased in the committee by Senator LEAHY. He sought to increase it more himself, but he recognized that to do that he would have had to find savings somewhere else. It was his judgment—obviously, by his amendment—that this was an area that could afford a reduction more than other areas of the agriculture budget. And so I think, going from the attempt that he made in committee, that this was probably the best place to find the reduction at the time. So I ask, again, that Members oppose the amendment.

I yield the remainder of my time.

The PRESIDING OFFICER. Who seeks recognition?

Mr. DOMENICI. Mr. President, has the Senator yielded back her time?

Mrs. MURRAY. How much time is left?

The PRESIDING OFFICER. The Senator has approximately 5 minutes left.

Mrs. MURRAY. Mr. President, I will simply conclude by saying that we have had this argument about the importance of providing nutritious meals for our kids so they have the ability to learn and learn well.

I urge my colleagues to remember those children when we vote on this amendment tomorrow morning.

I yield the remainder of my time.

Mr. DOMENICI. Mr. President, I am going to try to just informally establish a little bit of the order, so that Senators who know they are going to offer amendments tonight will kind of know the sequencing. The first thing we would like to do, however, is to ask the distinguished chairman of the Finance Committee to shortly offer three amendments, en bloc, which have been cleared on both sides.

The order would be as follows: We have just completed debate on Murray. Next would be Senator FAIRCLOTH on our side. He has two amendments. We will have the first Faircloth amendment. Senator BREAUX would be next.

Mr. FORD. If the Senator will yield, are we going to try to have time agreements on these?

Mr. DOMENICI. I tried that a while ago, and we decided to just wait on each one.

Mr. FORD. I was just hoping.

Mr. DOMENICI. I am hoping, too. Senator FAIRCLOTH is not going to take much time. Maybe we can get an agreement now. While we are waiting for him, to put everybody on notice, Senator BREAUX would follow Senator FAIRCLOTH.

There will be a second Faircloth amendment, to be followed by Senator BIDEN. And then we would have a Santorum-Frist amendment with reference to waiver. Then there will be a Senator Harkin amendment and then an Ashcroft amendment. Then we would have Senator WELLSTONE, who, I believe, has two. We would be pleased to let him proceed with two in sequence. And then we would have Senator GRAHAM of Florida and Senator DODD.

If we can complete those, we will be set up for a vote in the morning on 11 amendments. Senator FAIRCLOTH will be right along. We will ask for 15 minutes to a side, if that is satisfactory.

Mr. FORD. That suits me. If we can get a finite time or an understanding, it would be helpful to all concerned.

Mr. DOMENICI. If the Senator is prepared, can Senator FAIRCLOTH agree to 15 minutes on his amendment?

Mr. FAIRCLOTH. I can do it in about 3 minutes. They are bringing it over from the office.

Mr. FORD. Would it be all right for Senator BREAUX to go ahead with his?

Mr. FAIRCLOTH. I only need about 3 minutes for just a brief description.

Mr. DOMENICI. Senator FAIRCLOTH wants 3 minutes. How much does the opposition want?

Mr. FORD. I do not know whether we will oppose it. Give us 3 minutes.

Mr. DOMENICI. I ask unanimous consent that there be 3 minutes to a side on the Faircloth amendment, and that it be the next amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DOMENICI. I ask unanimous consent that no second-degrees be in order to the Faircloth amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. How much time would Senator BREAUX like on his amendment?

Mr. BREAUX. I think 10 minutes.

Mr. DOMENICI. I ask unanimous consent that there be 10 minutes on each side on the Breaux amendment, with no second-degrees in order.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DOMENICI. Senator FAIRCLOTH has a second amendment. While we are waiting for him, does anybody know if 15 minutes will be satisfactory for Senator BIDEN?

Mr. FORD. He has a total substitute, so it will be a little longer, probably.

Mr. DOMENICI. On Senator FAIRCLOTH's second amendment, I ask unanimous consent that there be 3 minutes on a side, with no second-degrees in order to that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. We have Senator BIDEN's amendment, and we are trying to find out what he would like. In the meantime, will Senator SANTORUM, Senator FRIST, and Senator ABRAHAM decide what they need? And then we will lock that in shortly. Those three Senators are participating in waiver amendments.

I yield the floor and suggest the absence of a quorum, and I ask unanimous consent that the time be charged equally.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, I have a unanimous consent agreement to propound to dispose of four amendments which have been agreed to on both sides of the aisle. These amendments are Senator JEFFORDS' amendment to protect recipients of Federal energy assistance; the second is Senator CRAIG's amendment to require administrative summons to request child support information from public utilities; the third is Senator MCCAIN's amendment to allow child support agencies to enter into cooperative agreements with Indian tribes; and the fourth, Senator COATS' amendment relating to placing children separated from their parents with a relative. Senator WYDEN is a cosponsor of this amendment.

Mr. President, I ask unanimous consent that it be in order for me to offer these four amendments, which I now send to the desk en bloc, that they be considered and agreed to en bloc, and that the motions to table and the motions to reconsider be agreed upon en bloc, and that they appear on the RECORD as if considered individually.

Mr. FORD. Mr. President, reserving the right to object, I apologize. We have failed, and those on the other side have failed, to talk to the ranking member of the Indian Affairs Committee, Senator INOUYE. It has not been cleared with him yet. I suspect that it will be. But I hope that the Senator will withhold this until such time as we might contact him. And that would be within a minute or two.

Mr. ROTH. Mr. President, I withhold my request until such time as we hear from the senior Senator from Hawaii.

Mr. FORD. Mr. President, why don't we ask unanimous consent that this motion be set aside? It would automatically come back, I say to the Senator, if that is all right. I ask unanimous consent, then, that this amendment be set aside so that we might proceed to the Faircloth amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Under the previous order, Senator FAIRCLOTH is recognized for 3 minutes.

AMENDMENT NO. 4905

(Purpose: To prohibit recruitment activities in SSI outreach programs, demonstration projects, and other administrative activities)

Mr. FAIRCLOTH. Mr. President, this is a very simple one but is a very direct one and I think a very important one to the American taxpayers.

I am offering an amendment which clarifies that no Federal funds should be used for recruitment activities in the SSI program.

I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. FAIRCLOTH) proposes an amendment numbered 4905.

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 399, between lines 10 and 11, insert the following:

Subchapter F—Other Provisions

SEC. 2241. PROHIBITION OF RECRUITMENT ACTIVITIES.

(a) IN GENERAL.—Section 1631 (42 U.S.C. 1383) is amended by adding at the end the following new subsection:

"PROHIBITION OF RECRUITMENT ACTIVITIES

"Nothing in this title shall be construed to authorize recruitment activities under this title, including with respect to any outreach programs or demonstration projects.".

Mr. FAIRCLOTH. Mr. President, this amendment says very simply that we will not use the taxpayers' money to solicit people to come into the SSI program, which we are doing, and spending massive amounts of taxpayers' dollars to solicit people to come and sign up for SSI benefits. We are doing it through mailing, advertising, and even door-to-door solicitation with people who are hired and paid by the Federal Government. SSI outreach programs are used to try to maximize participation in the SSI program.

I believe we owe it to the American people to assure them that we are using the hard-earned dollars that we spend on welfare programs only to provide assistance to the truly needy and that we are not out spending more of their money and hiring bureaucrats to solicit people to come get their money.

So this is a very simple program. It forbids the use of Federal funds for the recruitment of people into the SSI program. I do not think we should be hiring people to solicit people to come get welfare.

Mr. President, I yield the remainder of my time.

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. I thank the Chair.

Mr. President, I was just looking at the amendment. It is the first time I have had the opportunity to see it and read it. The Social Security Disability Program that the Senator is referring to is essentially cash benefits for disabled people, most of which are elderly.

The question I am concerned about when the Senator's amendment says "nothing shall be construed to authorize recruitment activities, including any outreach program, or demonstration projects," I think it is important that the agencies let people know what the program is about.

I tend to agree with the Senator about going out and trying to recruit people to come in and engage in a program that is there. But is the Senator's amendment intended to prohibit trying to let people know what is in the program? Would they be prohibited under the Senator's amendment from telling people about what the program does and how it works?

Mr. FAIRCLOTH. It would not prohibit them from telling them if they come in and ask about it. They can come into the Social Security office and ask about the program. They would be told.

Mr. BREAUX. Let me ask the Senator something further. We have a lot of Federal programs that provide benefits and loans. For instance, the Senator is aware of the farm programs. The Farmers Home Administration has loan programs and things that are beneficial to farmers. They try to communicate that information to the farm community to let them know that we have a program that does the following three things. "If you are interested, come in and talk to us."

Would this prohibit the Social Security people from doing the same thing that other Federal programs are able to do with regard to informing people about the benefits of the program?

Mr. FAIRCLOTH. I am not sure how they inform all the people about the programs because there are many Federal programs and many, many ways of informing people. But we have simply created here an issue that we could simply go out and solicit door to door. We bring people in to try to get the benefits. If they come to the office and ask about the program, then it certainly is perfectly all right.

Mr. BREAUX. Would his amendment prohibit publishing a brochure describing what the program does?

Mr. FAIRCLOTH. No, not if they kept it in the office, but not start mailing them and delivering them door to door.

Mr. BREAUX. The concern I have is that it is sort of like we will have a Federal program, but we are going to hide it; that we are not going to let anybody know about it. I do not think that a Federal agency should go out and recruit people to benefit from a program. If a program is a legal program, I am concerned about getting to the point of trying to say we are going to have this program but we do not want to tell anybody about it. If you are lucky enough to find out about it on your own, maybe you could come and apply for the benefits. We are talking about people who are disabled. A lot of them are disabled. They cannot get anywhere. How do they find out about it?

Mr. FAIRCLOTH. The Senator is well aware that we have never had a Government program in which we have given away money that was not well advertised.

Mr. BREAUX. My concern is we are taking about a disabled person who may be homebound and who cannot get out. They are disabled. We are talking about disabled people. That person is disabled. How are they going to find out about the program if you cannot tell them about it?

Mr. FAIRCLOTH. They are going to find out about the program.

Mr. BREAUX. I am wondering how they would find out about the program. How?

Mr. FAIRCLOTH. Innumerable ways; family members. They will find out about the program. But we have gone out soliciting people door to door that are not homebound, that are not sick.

Mr. BREAUX. Let me ask the Senator this question.

Would his amendment prohibit the Social Security Administration from getting a list from the county health authority on people who are disabled and then sending them a brochure telling them about the benefits?

Mr. FAIRCLOTH. Getting this from where?

Mr. BREAUX. Would the Senator's amendment prohibit the Social Security Administration from getting a list of people who are disabled from the county health authority and then sending them a brochure describing what the benefits are?

Mr. FAIRCLOTH. No, the amendment would not prohibit that. I would be willing to amend it so we could do that. That is certainly within the realm of what we could do. But door-to-door solicitation, big ads in the newspaper, come-and-get-it type ads, that is what I am trying to get at.

Mr. BREAUX. The Senator is aiming at door-to-door solicitation and running ads advertising the program, but other than that, communicating by any other means would be legitimate communication?

Mr. FAIRCLOTH. They can do it if they do not use Federal funds. There are many advocacy groups that are working and soliciting—I am saying advocacy groups cannot use Federal funds.

Mr. BREAUX. Is the Senator saying the Social Security Administration could not use funds to print a brochure to describe the benefits?

Mr. FAIRCLOTH. They can print the brochure, they can mail it, but they cannot give money to advocacy groups going door to door.

Mr. BREAUX. Could they mail it to the disabled?

Mr. FAIRCLOTH. Certainly. Who else would you mail it to?

Mr. BREAUX. I just want to make sure we are not trying to hide the program so well nobody will ever find out anything about it.

Mr. FAIRCLOTH. I do not think there has ever been a Federal program in which we gave away money like we have with SSI that was very well hidden.

Mr. BREAUX. I wonder under the unanimous-consent agreement whether the Senator's amendment would be amendable.

Mr. FAIRCLOTH. It would be amendable, yes.

Mr. BREAUX. It would be. Would it take unanimous consent to amend it?

Mr. FAIRCLOTH. It would not.

The PRESIDING OFFICER (Mr. SMITH). The Chair would inform the Senators the time on the amendment has expired.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. May I ask the distinguished Senator from North Carolina a question. I understood the Senator to say to the Senator from Louisiana he would be able to amend it to be sure that door-to-door solicitation and that sort of thing was not acceptable but what he explained would be. Is there a chance we might set it aside and work out an agreement so it could be accepted and we would not have a vote?

Mr. FAIRCLOTH. That would be agreeable, yes.

Mr. FORD. I ask unanimous consent then that the Faircloth amendment be set aside temporarily.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. FORD. Now, Mr. President, as I understand it, the Roth proposal is now the pending business?

Mr. BREAUX. I do not think so.

The PRESIDING OFFICER. The Roth amendment was withdrawn by consent. The Senator can renew the request.

Mr. FORD. All right, I ask him to renew it then, because at the time I was the culprit because we had not checked completely with the ranking members and now it has been cleared and we are in full support of Senator ROTH's proposal.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Delaware? Is there objection? The Chair hears none, and it is so ordered.

AMENDMENTS NOS. 4906 THROUGH 4909, EN BLOC

Mr. ROTH. Mr. President, I would ask permission to renew my request that the four amendments which I identified earlier be agreed to en bloc, they be considered and agreed to en bloc, that the motions to table the motions to reconsider be agreed to en bloc, and that they appear in the RECORD as if considered individually.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendments by number.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes amendments en bloc numbered 4906 through 4909.

The amendments (Nos. 4906 through 4909), en bloc, are as follows:

AMENDMENT NO. 4906

(Purpose: To protect recipients of federal energy assistance)

Beginning on page 1–5, strike line 18 and all that follows through page 1–7, line 12, and insert the following:

(a) IN GENERAL.—Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended by striking paragraph (11) and inserting the following: "(11)(A) any payments or allowances made for the purpose of providing energy assistance under any Federal law, or (B) a 1-time payment or allowance made under a Federal or State law for the costs of weatherization or emergency repair or replacement of an unsafe or inoperative furnace or other heating or cooling device,".

(b) CONFORMING AMENDMENTS.—Section 5(k) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking "plan for aid to families with dependent children approved" and inserting "program funded"; and

(B) in subparagraph (B), by striking ", not including energy or utility-cost assistance,";

(2) in paragraph (2), by striking subparagraph (C) and inserting the following:

"(C) a payment or allowance described in subsection (d)(11);"; and

(3) by adding at the end the following:

"(4) THIRD PARTY ENERGY ASSISTANCE PAYMENTS.—

"(A) ENERGY ASSISTANCE PAYMENTS.—For purposes of subsection (d)(1), a payment made under a State law to provide energy assistance to a household shall be considered money payable directly to the household.

"(B) ENERGY ASSISTANCE EXPENSES.—For purposes of subsection (e)(7), an expense paid on behalf of a household under a State law to provide energy assistance shall be considered an out-of-pocket expense incurred and paid by the household.".

Mr. JEFFORDS. Mr. President, I wish to correct what I think is a serious problem with this bill. I ask my colleagues to support my amendment to remove from the welfare section of this bill those provisions that unfairly burden poor families who rely on both food stamps and Federal energy assistance. Not only does the bill change a long-standing bipartisan policy, it does so without bringing any savings to the bill.

As it's currently drafted, S. 1956 will cut the food stamp benefits of poor families and elderly people who receive Federal low-income energy assistance. The bill achieves this end by counting LIHEAP benefits as though they were income available to families to purchase food. The result is that any time a poor family with children or an elderly person receives Federal help to pay a fuel bill, they'll get less in food stamp benefits that month.

The good news is this is a very easy provision to fix. Linking LIHEAP benefits to food stamp eligibility doesn't add any savings to the bill because under new scoring policies, CBO doesn't score any savings to this provision. We can remove this harsh provision from the bill without reducing our welfare savings.

I'd like to take a few minutes now to remind my colleagues of the importance of both the Food Stamp Program and the energy assistance program to our most vulnerable populations.

Who is receiving food stamps?

Households with children—80 percent of the food stamp population.

Elderly people—another 7 percent.

People living at half the poverty level—more than half of all food stamp benefits go to people living at half the poverty level.

That's who's getting food stamps—families with children, the elderly, and extremely poor people, Food stamps benefit our most vulnerable populations. We can't lost sight of that fact.

LIHEAP, too, serves the poorest of the poor:

Households with incomes less than $8,000—two-thirds of LIHEAP funds goes to these households.

Half of the households receiving LIHEAP have incomes below $6,000.

One-third of LIHEAP households have elderly people living in them.

One-third of LIHEAP households have disabled people living there.

LIHEAP is the program that prevents many disadvantaged households from having to choose between putting food on the table or heating or cooling their homes.

What we've done in the bill as drafted is force people to make that choice again. If they need help heating or cooling their homes, there will be less food stamp benefits available to them. In households with incomes of less than $8,000, we shouldn't be forcing people to make that choice.

Food and shelter are very basic human needs. On $8,000 a year, there can be no doubt that the entire household income must be devoted to meeting the needs of basic human existence: clothing, medical care, and maybe transportation. In my mind, it's simply bad policy to force those basic needs to compete with each other.

This welfare reform package is about helping people to get back on their feet: helping them to move beyond poverty and dependence into productive and contributing citizenship. To the extent that we're talking about populations we don't expect to hold down jobs: the severely disabled, the elderly, and children—this policy is even more problematic. Either way, we need to make sure that people have the fuel they need to heat their homes, or cool them if that's necessary. We need to make sure people have food for their children and for themselves. It's not a one or the other proposition—people need both. Federal law has recognized this fact since the mid-1980's, and there's no reason to change the policy now.

For many years, it has been our policy to not count aid provided under LIHEAP assistance as income. Members of both parties have recognized in the past that reducing the food stamps of LIHEAP recipients would be counterproductive. Do we really want a policy that says "whenever LIHEAP helps a poor family or elderly person pay high utility bills, they well have their food stamps cut?" I don't believe we're really helping if we implement this policy. People will still face major difficulty in paying basic bills and securing adequate food at the same time.

According to CBO estimates, the welfare bill already cuts the Food Stamp Program by $28 billion over the next 6 years. The food stamp cuts in this bill are $4 billion deeper than the cuts in those years under last year's Senate welfare bill. The cuts in the benefits of the households receiving energy assistance would be on top of the food stamp benefit reductions already in the bill. Since the provision cutting the food stamps of poor households that receive LIHEAP doesn't score any savings, we should remove this link from the bill and retain current law.

Again, I urge my colleagues to join me and my colleagues, Senators SNOWE, CHAFEE, COHEN, LEAHY, LIEBERMAN, SIMON, KENNEDY, KOHL, and WELLSTONE in supporting this amendment.

AMENDMENT NO. 4907

(Purpose: To modify the requirement for expedited procedures to establish paternity and to establish, modify, and enforce support obligations)

Beginning on page 467, line 22, strike all through page 469, line 18, and insert the following:

"(D) ACCESS TO INFORMATION CONTAINED IN CERTAIN RECORDS.—To obtain access, subject to safeguards on privacy and information security, and subject to the nonliability of entities that afford such access under this subparagraph, to information contained in the following records (including automated access, in the case of records maintained in automated data bases):

"(i) Records of other State and local government agencies, including—

"(I) vital statistics (including records of marriage, birth, and divorce);

"(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

"(III) records concerning real and titled personal property;

"(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

"(V) employment security records;

"(VI) records of agencies administering public assistance programs;

"(VII) records of the motor vehicle department; and

"(VIII) corrections records.

"(ii) Certain records held by private entities with respect to individuals who owe or are owed support (or against or with respect to whom a support obligation is sought), consisting of—

"(I) the names and addresses of such individuals and the names and addresses of the employers of such individuals, as appearing in customer records of public utilities and cable television companies, pursuant to an administrative subpoena authorized by subparagraph (B); and

"(II) information (including information on assets and liabilities) on such individuals held by financial institutions.

Mr. CRAIG. Mr. President, my amendment will bring the child support enforcement language in this bill in line with Federal law on privacy protections. I understand it has been accepted by the committee, so I will keep my remarks brief. I sincerely appreciate the help and support of the chairman, Senator ROTH, and the ranking member, Senator MOYNIHAN.

Mr. President, part of our effort to reform the welfare system in this country has been to ensure that parents are responsible for the financial support of their children. Efforts to streamline the ability of States to identify and collect child support payments from dead-beat parents is a big part of the Personal Responsibility and Work Opportunity Act of 1996. In our ardent effort to accomplish this, however, we must also remain mindful of legal protections that should be provided for private entities that would be required to supply necessary information for the enhanced enforcement of child support payments.

It is important to note that the private entities that will be required to participate in the bill's support enforcement efforts should be able to operate within the constraints of existing laws designed to protect privacy.

Current privacy protections in Federal law (18 U.S.C. §2703), require that private information can be provided only pursuant to a warrant, court order, or administrative subpoena. The bill's current provisions, which allow States to obtain information by merely requesting it, would be in conflict with this Federal statute. Without addressing this issue, the bill would put private entities such as telephone companies in a needlessly difficult situation. My amendment will resolve this problem.

In short, Mr. President, what my amendment would do is allow States the ability to obtain this information in the simplest manner, while complying with Federal statute, by requiring only an administrative subpoena for the procurement of private information for the purposes of child support enforcement. It will also provide these private entities with the necessary protection from lawsuits.

An administrative subpoena is not an onerous or time-consuming requirement for State agencies. In fact, in the States where it is currently used, the device actually streamlines the process of obtaining necessary information. Under an administrative subpoena, if preapproved conditions and standards are met, an agency has the authority to issue a subpoena without having to submit individual cases for a court's approval. In fact, it is my understanding that some States allow certain individuals, within an appropriate agency, the authority to issue subpoenas. For example, that could include a caseworker, who is working directly with the issue, to issue an administrative subpoena. This procedure is recognized by courts, and allows agencies to quickly obtain information, while providing private entities the necessary protection from lawsuits based on the unauthorized release of private information.

Mr. President, the private entities involved, such as telephone companies, have a good record of complying with these requests, and working with agencies within the constraints of the law. Given that fact, and an expressed desire on the part of industry to be able to continue those efforts under this legislation, this minor change needs to be made. Otherwise, we could see a new problem arise with less timely compliance on the part of industry, if the protections of an administrative subpoena are not guaranteed.

As I mentioned before, I thank the committee for their assistance and for accepting this amendment.

AMENDMENT NO. 4908

(Purpose: To provide for child support enforcement agreements between the States and Indian tribes or tribal organizations)

On page 411, between lines 2 and 3, insert the following:

"(4) FAMILIES UNDER CERTAIN AGREEMENTS.—In the case of a family receiving assistance from an Indian tribe, distribute the amount so collected pursuant to an agreement entered into pursuant to a State plan under section 454(33).

On page 411, line 3, strike "(3)" and insert "(4)".

On page 554, between lines 7 and 8, insert the following:

SEC. 2375. CHILD SUPPORT ENFORCEMENT FOR INDIAN TRIBES.

(a) CHILD SUPPORT ENFORCEMENT AGREEMENTS.—Section 454 (42 U.S.C. 654), as amended by sections 2301(b), 2303(a), 2312(b), 2313(a), 2333, 2343(b), 2370(a)(2), and 2371(b) of this Act is amended—

(1) by striking "and" at the end of paragraph (31);

(2) by striking the period at the end of paragraph (32) and inserting "; and";

(3) by adding after paragraph (32) the following new paragraph:

"(33) provide that a State that receives funding pursuant to section 428 and that has within its borders Indian country (as defined in section 1151 of title 18, United States Code) may enter into cooperative agreements with an Indian tribe or tribal organization (as defined in subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), if the Indian tribe or tribal organization demonstrates that such tribe or organization has an established tribal court system or a Court of Indian Offenses with the authority to establish paternity, establish, modify, and enforce support orders, and to enter support orders in accordance with child support guidelines established by such tribe or organization, under which the State and tribe or organization shall provide for the cooperative delivery of child support enforcement services in Indian country and for the forwarding of all funding collected pursuant to the functions performed by the tribe or organization to the State agency, or conversely, by the State agency to the tribe or organization, which shall distribute such funding in accordance with such agreement; and

(4) by adding at the end the following new sentence: "Nothing in paragraph (33) shall void any provision of any cooperative agreement entered into before the date of the enactment of such paragraph, nor shall such paragraph deprive any State of jurisdiction over Indian country (as so defined) that is lawfully exercised under section 402 of the Act entitled 'An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes', approved April 11, 1968 (25 U.S.C. 1322).".

(b) DIRECT FEDERAL FUNDING TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—Section 455 (42 U.S.C. 655) is amended by adding at the end the following new subsection:

"(b) The Secretary may, in appropriate cases, make direct payments under this part to an Indian tribe or tribal organization which has an approved child support enforcement plan under this title. In determining whether such payments are appropriate, the Secretary shall, at a minimum, consider whether services are being provided to eligible Indian recipients by the State agency through an agreement entered into pursuant to section 454(33).".

(c) COOPERATIVE ENFORCEMENT AGREEMENTS.—Paragraph (7) of section 454 (42 U.S.C. 654) is amended by inserting "and Indian tribes or tribal organizations (as defined in subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b))" after "law enforcement officials".

(d) CONFORMING AMENDMENT.—Subsection (c) of section 428 (42 U.S.C. 628) is amended to read as follows:

"(c) For purposes of this section, the terms 'Indian tribe' and 'tribal organization' shall have the meanings given such terms by subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), respectively.".

Mr. MCCAIN. Mr. President, I thank my colleagues, Senators INOUYE, DOMENICI, and DASCHLE, for joining me in offering this important amendment.

The amendment is similar to provisions adopted by the Senate during debate last year on H.R. 4, the original welfare reform bill. The amendment has bipartisan support, and as revised, is now endorsed by the National Council of State Child Support Enforcement Administrators.

The non-controversial amendment I am offering should be adopted because it addresses a long-standing problem which Indian tribes and States have both experienced in providing child support enforcement services and funding affecting Indian children.

The amendment would further the goals of enforcing child support enforcement activities by encouraging State governments with Indian lands within their borders to enter into cooperative agreements with Indian tribal governments for the delivery of child support enforcement services in Indian country. Let me repeat—the cooperative agreements would be encouraged; they would not be mandated.

The amendment provides funding to achieve these purposes within the overall spending allocated to this effort. It gives the Secretary the authority, in specific instances, to provide direct Federal funding to Indian tribes operating an approved child support enforcement plan. This approach is consistent with the government-to-government relationship between tribal governments and the Federal Government, and the other provisions contained in the reconciliation measure.

Mr. President, the problem is this—title IV–D of the Social Security Act was enacted to assist all children in obtaining support and moving out of poverty. Under title IV–D, State child support offices are required to provide basic services to parents who apply for these services, including those that receive welfare assistance. These services include collecting and distributing child support payments from dead beat dads. Yet this program has been of little assistance to Indian children residing in Indian country because under title IV–D, only States are eligible to receive Federal funds to operate IV–D programs under Federal regulations which, as a practical matter, all but prohibits them from providing services to Indian children on reservations. Because of this, Indian children have lost, and will continue to lose, vitally-needed services.

Mr. President, there is a great need for child support enforcement funding and services in Indian country. There are approximately 557 federally-recognized Indian tribes and Alaska Native villages in the United States. According to the most recent Bureau of Census data, children under the age of 18 make up the largest age group of Indians. Approximately 20.5 percent of American Indians and Alaska Natives are under the age of 10 compared to 14 percent for the Nation's total population. In addition, one out of every five Indian households are headed by single females. This data reveals that the need for coordinated child support enforcement and service delivery in Indian country exceeds the need in the rest of America.

There are also jurisdictional barriers to effective service delivery under IV–D programs on Indian reservations. Federal courts have held that Indian tribes, not States, have authority over Indian child support enforcement issues and paternity establishment of tribal members residing and working on the reservation. These jurisdictional safeguards, although necessary, have hampered State child support agencies in their efforts to negotiate agreements for the provision of services or funding to Indian tribal governments. The types of services provided under title IV–D include genetic blood testing and other measures used to establish paternity, and the establishment and enforcement of child support obligations through wage withholdings and tax intercepts. These activities fall within the exclusive jurisdiction of the Indian tribes for reservation residents. Yet there is no mechanism to enable tribes to receive Federal funding and assistance to conduct these activities.

This amendment in no way forces or compels an Indian tribe or State to act, nor does it affect well-established State or tribal jurisdiction to establish paternity or support orders. It merely recognizes the problems of child support collection and distribution between States and tribes as they exist under the current system. Simply put, this amendment encourages cooperative agreements between two governments to satisfy the goals and purposes of uniform child support enforcement. Let me just point out that some of these agreements are already in place in States like Washington and Arizona.

State administrators, such as in my own State, have attempted to meet the goals of uniform child support enforcement by extending their efforts to Indian country, but the administrative and jurisdictional hurdles make it all but impossible to get these services out to the children in need. These obstacles have lead to costly litigation. The ability of State governments to work with tribal governments to provide these services is quite limited because Indian tribes are not mentioned in title IV–D. The amendment would clarify that Indian children are entitled to the same protections from deadbeat dads as all other children in our country.

Mr. President, this problem is not new to those involved in State child support enforcement agencies or national organizations concerned with these issues. For instance, in 1992, the American Bar Association and the Interstate Commission on Child Support Enforcement recognized the problems created by the omission of Indian tribes from the title IV–D legislation. In fact, the American Bar Association issued a handbook for States and tribes to use in attempting to negotiate State/tribal cooperative agreements for child support enforcement. Also in an extensive report issued in 1992, the Interstate Commission on Child Support Enforcement recommended that the Congress address this problem in Federal legislation. Until now, nothing has been done to implement this recommendation.

More recently, I received a letter from the President of the National Council of State Child Support Enforcement Administrators in support of the amendment I am offering. Mr. President, I ask unanimous consent that a copy of the letter appear in the RECORD following my remarks.

I will also say that there are several other weaknesses in our welfare reform bill that I remain very concerned about, issues raised by Indian tribes that have not been adequately addressed. The amendment I am offering does not address those concerns. But I want to take this opportunity to briefly outline the deficiencies I see.

The welfare reform legislation we have before us eliminates the Child Protection Block Grant Program. I am concerned because the elimination of this program takes away the funding that tribes currently receive under the title IV–B child welfare programs.

Currently tribes receive funding under the title IV–B, subpart 1 program, known as child welfare services. The Secretary is directed to make grants to tribes, but the law does not specify a particular amount. Previous HHS regulations were very restrictive, and required that only those tribes which contracted under the Indian Self-Determination Act for all BIA social services were eligible for the IV–B, subpart 1 program. The result was that relatively few tribes were able to access this program. But HHS has recently revised, and greatly improved, the regulations for funding to tribes. Beginning in fiscal year 1996, HHS changed the IV–B Subpart 1 regulations to drop the requirement that only those tribes which contract for BIA social services would be eligible. The new regulations also increased the weight given to tribes in the formula, and they combined the IV–B incentive funds with the regular program, thus making more money available. Tribes are still in the process of applying for Title IV–B, subpart 1 funds under the new regulations. HHS Region X reports that the fiscal year 1996 applications from tribes thus far represent a 3-fold increase over those of 2 years ago. And they expect more tribes to apply before the end of the fiscal year.

Tribes also receive under current law a statutory 1 percent allocation under the title IV–B, subpart 2, Family Preservation and Support Services. But the welfare reform bill under consideration in the Senate today removes all funding for the child protection block grant program, meaning that Indian tribes will likely lose these funds.

The House version of the bill, however, does provide for funding for the Child Protection Block Grant, including Indian tribes. Under the House bill, there are two streams of funding for the Child Protection Block Grant. First, under the House bill, Indian tribes would receive 1 percent of funds under the mandatory money, or about $2.4 million annually. And tribes would be authorized to receive .36 percent, or about ⅓ of 1 percent of the discretionary stream of funding. If the discretionary program is fully appropriated, tribes would receive about $1 million under this section of the Child Protection Block Grant. This .36 percent reflects the amount tribes received under the very restrictive title IV-B, subpart 1 regulations.

I urge the conferees to adopt a figure which would reflect the amount of IV-B, Subpart 1 funds tribes would receive under the new regulations. As a rule, the relative funding levels provided to

Indian tribes should, at the very least, not be reduced below previous levels. I have refrained at this time from offering amendments in the Senate in the hope that the conferees will ensure that Indian tribes are at least held harmless on these funds in the final version of the bill at conference. I urge the conferees to adopt the House approach in providing direct funding to tribes under the Child Protection Block Grant. We should make the funding under the discretionary program consistent with the mandatory funding in the Child Protection block grant and provide at least 1 percent for tribes.

With that, Mr. President, I ask that my colleagues accept the amendment I am offering today that would allow States and Indian tribes to cooperate on child support enforcement activities.

There being no objection, the letter referred to was ordered to be printed in the RECORD, as follows:

NATIONAL COUNCIL OF STATE CHILD SUPPORT ENFORCEMENT ADMINISTRATORS, *July 18, 1996.*

Re Senator McCain's Senate Floor amendment to Senate bill 1956, the Balanced Budget Reconciliation Act.

Hon. JOHN MCCAIN, *Chairman,*
Senate Committee on Indian Affairs,
Hon. WILLIAM V. ROTH, *Chairman,*
Senate Finance Committee,
Hon. PETE V. DOMENICI, *Chairman,*
Senate Budget Committee, Washington, DC

GENTLEMEN: I am writing you on behalf of the National Council of State Child Support Enforcement Administrators (NCSCSEA) in reference to the amendment offered on the Senate floor by Senator McCain regarding child support enforcement services to Native Americans.

The amendment has been reviewed by the members of NCSCSEA's Committee on Native American Children. Although not all members of the Committee have responded on the amendment, a majority of the Committee members have indicated their support of it. Therefore, I feel comfortable expressing NCSCSEA's support for this amendment.

We feel this is an important step toward the goal of providing all children the benefits of child support enforcement. On behalf of NCSCSEA, I want to express our appreciation to Senator McCain for his efforts on this important issue.

Sincerely,

LESLIE L. FRYE,
President.

AMENDMENT NO. 4909

(Purpose: To require a State plan for foster care and adoption assistance to provide for the protection of the rights of families, using adult relatives as the preferred placement for children separated from their parents where such relatives meet the relevant State child protection standards)

At the end of chapter 7, of subtitle A, of title II, add the following:

SEC. ___. KINSHIP CARE.

Section 471(a) of the Social Security Act (42 U.S.C. 671(a)) is amended—

(1) by striking "and" at the end of paragraph (16);

(2) by striking the period at the end of paragraph (17) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(18) provides that States shall give preference to an adult relative over a non-related caregiver when determining a placement for a child, provided that the relative caregiver meets all relevant State child protection standards.".

Mr. COATS. Mr. President, each year, scores of abused, neglected, and abandoned children are herded into the world of child protection to be cared for by strangers. For many of these children, foster care will be a refuge, for others, a nightmare. Being separated from a parent is never easy, but we can make the transition smoother by looking to relatives when a child must be removed from his home.

And so I wish, with my colleague from Oregon, to introduce the kinship care amendment. This amendment encourages States to use adult relatives as the preferred placement option for children separated from their parents. We are introducing this amendment because we feel strongly that if a child has to be separated from their parents for a period of time, that separation should be as smooth as possible.

Kinship care is a time honored tradition in most cultures. Care of children by kin is strongly tied to family preservation. These relationships may stabilize family situations, ensure the protection of children, and prevent the need to separate children from their parents and place them in a formal foster care arrangement within the child welfare system.

Yet, rather than encourage relative or kinship care some States have made it increasingly difficult for relatives to provide care for their own. Immense financial, emotional, and regulatory challenges are often barriers willing kinship caregivers.

The amendment I am offering is consistent with current law. The Adoption Assistance and Child Welfare Act of 1980, Public Law 96–272, requires that when children are separated from their parents and placed in the custody of a public child welfare agency, the State must place them in the least restrictive alternative available. While relatives are not expressly mentioned, this requirement has been interpreted by many child welfare practitioners as a preference for placement with relatives when separation from parents must occur.

Mr. President, this amendment is also consistent with previous positions I have taken on this matter. In S. 919, the 1995 amendments to the Child Abuse Prevention and Treatment Act which was passed unanimously by the Labor Committee, includes a kinship care demonstration project. This demonstration project, which is administered by the Secretary of HHS, awards grants to public entities to assist in developing or implementing procedures using adult relatives as the preferred placement for children removed from their home, when those relatives are found to be capable of providing a safe, nurturing environment for the child.

Additionally, S. 1904, the Project for American Renewal, includes The Kinship Care Act which creates a $30 million demonstration program for States to use adult relatives as the preferred placement option for children separated from their parents.

Mr. President, this country is truly facing a very serious crisis concerning many of our children.

By the end of 1992, 442,000 children were in foster care, up from 276,000 in 1985, at a Federal cost in fiscal year 1993 of $2.6 billion. The population of children in foster care is expected to exceed 500,000 by the end of 1996.

The National Foster Parent Association reports that between 1985 and 1990, the number of foster families declined by 27 percent while the number of children in out of home care increased by 47 percent.

Children placed for foster care with relatives grew from 18 percent to 31 percent of the foster care caseload from 1986 through 1990 in 25 States that supplied information to the Department of Health and Human Services.

Children in kinship care are less likely to experience multiple placements than their counterparts in family foster care. Of the children who entered California's foster care system in 1988, for example, only about 23 percent of those placed initially with kin experienced another placement, while 58 percent of children living with unrelated foster families experienced at least one subsequent placement during the following 3.5 years.

This amendment will: Ensure that grandparents and other adult relatives will be first in line to care for children who would otherwise be forced into foster care or adoption; strengthen the ability of families to rely on their own family members as resources. It will also help soften the trauma that occurs when children are separated from their parents. Living with relatives that they know and trust will give these children more immediate stability during this painful transition; and provide a hopeful alternative to traditional foster care.

I hope that all my colleagues can see the critical importance of ensuring that children who are in need of out-of-home placement will be placed with relatives who they know and trust, rather than strangers. Please join me and Senator WYDEN in supporting the kinship care amendment.

The PRESIDING OFFICER. Under the previous order, those amendments now are agreed to.

The amendments (Nos. 4906 through 4909), en bloc, were agreed to.

Mr. ROTH. I yield back the floor.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

AMENDMENT NO. 4910

(Purpose: To ensure needy children receive noncash assistance to provide for basic needs until the Federal 5-year time limit applies)

Mr. BREAUX. Mr. President, I send an amendment to the desk under the previous order and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Louisiana [Mr. BREAUX] proposes an amendment numbered 4910.

Mr. BREAUX. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Section 408(a)(8) of the Social Security Act, as added by section 2103(a)(1), is amended by adding at the end the following:

"(E) EFFECTS OF DENIAL OF CASH ASSISTANCE.—

"(i) PROVISION OF VOUCHERS.—In the event that a family is denied cash assistance because of a time limit imposed under this paragraph—

"(I) in the event that a family is denied cash assistance because of a time limit imposed at the option of a State that is less than 60 months, a State shall provide vouchers to the family in accordance with clause (iii); and

"(II) in the event that a family is denied cash assistance because of the 60 month time limit imposed pursuant to this paragraph, a State may provide vouchers to the family in accordance with such clause.

"(ii) OTHER ASSISTANCE.—The—

"(I) eligibility of a family that receives a voucher under clause (i) for any other Federal or federally assisted program based on need, shall be determined without regard to the voucher; and

"(II) such a family shall be considered to be receiving cash assistance in the amount of the assistance provided in the voucher for purposes of determining the amount of any assistance provided to the family under any other such program.

"(iii) VOUCHER REQUIREMENTS.—A voucher provided to a family under clause (i) shall be based on a State's assessment of the needs of a child of the family and shall be—

"(I) determined based on the basic subsistence needs of the child;

"(II) designed appropriately to pay third parties for shelter, goods, and services received by the child; and

"(III) payable directly to such third parties.

Mr. BREAUX. Mr. President and my colleagues, this is the amendment that has been referred to as the so-called voucher amendment which we have authored.

I would point out that the legislation which originally came to the Senate from the House was much more reasonable in this area than the bill that is now before the Senate, which is the reason for this amendment.

What we are basically talking about is the situation of what happens to children after we cut off a parent from a welfare program. Everybody wants to cut the parent off if they are not doing what they are supposed to be doing. We want to really be tough on parents. We are really going to be tough about work. We want to put work first. But we should not put children last.

That is what I am trying to get at. I do not think there is a lot of difference between the position of my Republican colleagues and Democrats on this issue. We have time limits on the bill. Everybody agrees we ought to have time limits now. At least most people agree we ought to have time limits. We said in this legislation there was going to be a maximum period of time someone could be on welfare, and after that, they are off.

A State under our legislation can pick a time limit of shorter than 5 years. They can make it 24 months. My State is probably going to do that. Many other States are going to make it a lot shorter than 5 years.

So we are saying to parents, we are going to be very tough on you; we are going to make you realize that welfare is not forever, that it is temporary. We want you to get a job. We want you to go to work. We want you to earn a check and not just get a check.

That is what all of this debate is basically about, trying to get people off welfare into the work force. I agree with that. I think most people in this body share that desire as well. Let us face it. Most people on welfare are not parents. Most people on welfare are children. And the majority of those children are young children. The majority of those children cannot get a job. They cannot work. Most of them do not even go to school because they are too young.

So the point is, when we get tough on parents, fine, but how many people want to get tough on innocent children who did not ask to be born? I think we as a Nation have a responsibility to make sure that while we get as tough as we can on parents, we do not harm innocent children at the same time.

Here is the problem. Under the Republican plan that is now pending before the Senate, if, after 5 years, a person is taken off welfare, there can be no assistance to children. There cannot be any vouchers to children. There can be no noncash assistance to children after 5 years. They are gone. I can agree that the parent may be gone as far as Federal assistance or State assistance. I do not agree that a young, innocent child, maybe 2 or 3 years old, should be neglected and forgotten by their country.

That is the principal problem, because it forbids any type of assistance even to children, which are the majority of the people on welfare. Two-thirds of all people on AFDC assistance are children. In my State of Louisiana, 34.5 percent of all children are living in conditions below the poverty line—34.5 percent of the children living in Louisiana are at the poverty level or lower. So why should I as a Senator say that after the parent is taken off welfare, I am also for taking the child off any help or assistance?

Is that what America is all about? I suggest it is not. We ought to be talking about putting children first in what we are trying to do for the future. The Republican plan, if the State takes a 2, 3 or 4-year period, allows them to give assistance but does not require it. And this is Federal money.

In my State, the State puts up 28 percent, and the Federal Government puts up 72 percent. Should we not, as managers of the money we raise, say to the States they should use those funds to take care of innocent children?

So the Breaux amendment which is now pending says to States, after 5 years, they can use funds that they are getting in their block grant to help children, and it requires the States to do that if they pick a period to cut off the parent in a period shorter than 5 years.

Let me tell you what we do with the amendment. It is absolutely, totally flexible in what it would allow. No. 1, the State, as they do when they select people on welfare, does an assessment. They do an assessment that determines whether this family should be on welfare. They know what the income level is; they know if they have a house or a car or truck or clothes or what have you. They make an assessment. They decide whether the person is eligible for welfare assistance or not. They know things about the family already.

What my amendment simply says is that a voucher under conditions that we have set out—for instance, mandating it if the period is less than 5 years—shall be based on the State's assessment of the needs of the child. The State makes the determination that the child is needy. If they make a determination that the child is in need, then that State will pay to third parties, for shelter, for goods, for services, clothing for the child if they need clothes, diapers if it is an infant and they cannot afford diapers in the family, a crib or medicine. How many people want to say we are not going to provide medicine for an innocent child because we kicked the child off welfare? How many people want to say we do not want to pay for medicine you need to survive? Or how many people want to say if the child wants to go to school and has no money to buy school supplies, that we, as a nation, are going to say to the children of America we are not going to help you buy school supplies to go? That is all we are saying.

We are telling the State: You make the assessments. You determine if there is a need. If you determine there is a need, for heaven's sake, let us make sure we take care of the child. Not with cash. There is no money here. We are talking about in-kind vouchers so they could go to a third party:

Maybe it is a Wal-Mart, maybe it is the local drug store, maybe it is a grocery store to get the food, but to take care of the child. The parent does not get the cash. There is no cash. The third party would get it, under my amendment, payable directly to third parties. The third party gets the money and uses those funds to take care of the children who did not ask to be born, who are innocent victims here. And we better start treating them better or we are going to have more people on welfare, not less.

Are we going to allow children to get sick and just neglect them? Some say there is Federal money available under title 20. Great, $2 billion a year and it goes to the elderly and goes to programs like Meals on Wheels and child care and everything else. Some will say this title 20, they can use it for that. "There ain't no money left." There is no money in title 20. It has been frozen practically since we instituted the program. If they have food stamps, then the State determines that if the child is getting food stamps they do not need any of this.

Really, what we are saying is let us be fair and treat children fair in this country. Let us be as tough as we possibly can on the parent who refuses to work. But for heaven's sake, we as a nation owe something to the children of America. The Breaux amendment, I think, would do just that.

I reserve any time I may still have left.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. Mr. President, I yield myself 5 minutes.

Mr. President, this is a nice idea that is unnecessary. The current legislation very well takes care of what problem the Senator from Louisiana has laid out in his vouchers for children amendment. The Senator from Louisiana suggests, and correctly suggests, in the first 5 years of the program, when someone enters the program, under the Republican bill the States are allowed—are allowed to provide a voucher program for those who disqualify themselves, usually, in most cases, because they refuse to comply with the law there, by not working. I should say those are people who are still eligible for a voucher. The States can use Federal dollars to provide those vouchers. OK? So it allows the State to provide a voucher using Federal dollars.

What the Senator from Louisiana wants to do is, frankly, an additional cost to the State and not a requirement of the State. What he requires the State to do is an assessment after someone has broken their eligibility for welfare within the 5-year time period. He requires the State to do an assessment of the family to determine whether the children in that family are in need now, now that mom has decided not to go to work.

So, an additional assessment is necessary under his plan. So they are required to do the assessment. What they are not required to do is provide a voucher. It is up to the State whether they want to provide that voucher or not. That, to me, is a cost and the State will say: Look, if you are going to make us do the assessment we will spend the money we would have spent maybe providing the vouchers, doing the assessment and not help anybody. So I think it is well intentioned but it could actually have the reverse effect, of getting fewer vouchers approved for those people within that 5-year window.

On the other side of the 5-year window, again I think the Senator from Louisiana has missed the mark. He is correct, his amendment allows States to use the block grant funds for the AFDC block grant. It allows them to use those funds for vouchers after 5 years. That is what his amendment does. Our bill does not allow you to use the block grant funds in the AFDC block grant, now it is called the TANF block grant, for vouchers. But what we do allow under current law is to use title 20 block grant money for that provision of services.

So there are several block grants we are giving to the State. One is the block grant to the States for social services. It is an existing block grant and there is nothing in this law—in fact I will read it. "Services which are directed at the goals set forth in this section, 2001, include, but are not limited to . . ." and it includes child care services and a whole bunch of other things. It is very clear within this block grant, the Governors, the legislature if they want to provide it, can give Federal dollars for a voucher program after the 5-year time limit is expired. They have Federal dollars right here to do it.

We are all talking about the same pot of money. The Senator from Louisiana does not put up more money to provide vouchers after 5 years. We have the same pots of money here. All we are suggesting is we want—and here is the difference. If you want to know the difference between what the Senator from Louisiana wants to do and what the Republican bill wants to do—I should put it this way.

The Republicans want all the block-granted funds for AFDC to go in the first 5 years, to concentrate that money to get people off welfare. We do not want any of those funds diverted to maintain people on welfare. We want all that money spent in the first 5 years. We believe we want every conceivable dollar we can get to get people up and going and off so we do not have to worry about the next 5 years.

By spending less the first 5 you guarantee people will be there at the end, and we do not want to do that. We want to make sure it is all spent. If there is a problem after the 5-year period, then we will say: Look, there are some other Federal dollars out here. If you want to use those dollars, you are certainly welcome to use those dollars. In addition, obviously there is nothing in either of these bills that prohibits the State from using State dollars to fund a voucher program after the 5-year period.

Mr. FORD. Will the distinguished Senator yield for one question?

Mr. SANTORUM. I will be happy to yield.

Mr. FORD. Did the Republican welfare bill that was passed last year, the one that was proposed last year, have in it the same thing that the Senator from Louisiana is trying to propose now? In this bill have you restricted it more than the previous bill?

Mr. SANTORUM. You have two questions there, actually, in order to give the answer.

The PRESIDING OFFICER. The Chair will say to the Senator, the time of the Senator has expired.

Mr. SANTORUM. I yield myself an additional 30 seconds.

It is restrictive in some respects; in some it is not. We do not require in the first 5 years—in the original bill you have to do these reviews and have to provide some service, so that is not the same. The Breaux amendment in fact goes further. In the second 5 years there was an allowance in the conference report, I believe, and I can check on that, that after 5 years they could use Federal funds.

Mr. FORD. I say to the Senator I do not believe—you allowed noncash——

Mr. SANTORUM. Correct.

Mr. FORD. At the discretion of the State. Now you are not allowing it, you are cutting it off at the end of 5 years.

Mr. SANTORUM. I think that was in the conference report and not the Senate bill, but I will check on that.

Mr. FORD. It was somewhat different. You allowed it before and now you say you cannot.

Mr. SANTORUM. But we do not go as far as, I believe in the wrong direction, the Breaux amendment goes at this time.

The PRESIDING OFFICER. Who yields time?

Mr. BREAUX. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. The Senator from Louisiana has 2 minutes and 50 seconds.

Mr. BREAUX. Mr. President, let me just make a couple of comments. I do not want to belabor this point. When the Senate votes tomorrow, it is going to be faced with the question of how do we do welfare reform? Do we do welfare reform by being tough on parents who refuse to work? Or are we going to be tough on kids who do not have a choice in life?

I think this country, as strong as we are, should be as tough as we possibly can on deadbeat parents or parents who do not want to work or refuse to work, whatever the reason. But we should not take it out on innocent children who did not ask to be born.

This amendment simply says that, after a family has been taken off AFDC assistance, we should at least allow the States to use their block grant money they already get to pay for vouchers to give to third parties to provide for the needs of children whose parents have been kicked off AFDC assistance.

This is a child, and most of the people on welfare are children. Over two-thirds are children, and those children are poor children. I am merely saying with my amendment that we should at least allow—and the Republican bill says it is forbidden—at least allow a State to use its block grant money to aid a child with in-kind assistance, not with cash dollars to the parent, not with cash money to the child, but in-kind contributions to help that child survive, in many cases in terms of getting food, in terms of getting clothing, in terms of getting diapers, yes, or in terms of getting medicine.

The Republican bill forbids it. This amendment says we allow the State to do it. It simply says, if the State is going to cut them off after a shorter period of time, we ought to require them to do that. The State makes a determination whether there is a need. The State makes a determination what kind of benefits they get, how much and for how long. This is truly in keeping with the block grant concept that the States should have the maximum flexibility in this particular area.

The National Governors' Association endorses this, and a majority of them are Republicans. They said, "Don't prevent us from doing this if we want to do it." That is the NGA position. They have sent a formal, written letter to those of us on the committee which says, "Please do not prohibit us from helping children if we want to help children."

The Republican bill is absolutely contrary to the NGA position. Even more, it is contrary to what this country is about, and that is give an opportunity for children to survive.

I think without this amendment we make a very strong statement that we are going to be so tough we are going to step on the rights and futures of the children of this country. That is not what this Congress is about; that is not what this country is about. I suggest this amendment be adopted.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. SANTORUM. Mr. President, I want to make two quick responses. No. 1, the Senator from Kentucky is absolutely right, it was in the conference report, but I tell the Senator from Kentucky, it was not in the House bill, it was not in the Senate bill, and I have been informed by staff it was a drafting error in the conference report. It was a mistake on the part of the drafters in putting that in. It was not intended policy by either body to include what the Breaux amendment does.

I think one of the reasons is—and I get back to the fact that there are Federal dollars out there for the States to use for that last 5 years, and I think that is more than generous and complies with what the Governors want to do, which is to have Federal dollars available for the voucher program after the 5-year period.

Mr. FORD. Mr. President, may I just say to the Senator from Pennsylvania, it is strange to blame staff.

Mr. ROTH. Mr. President, how much time remains?

The PRESIDING OFFICER. Two minutes 30 seconds remain.

The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I reiterate what my distinguished colleague from Pennsylvania has said. First of all, the States are still free to use title XX money for whatever purpose they see fit. So it is not accurate to say that funds are shut off so that children cannot be helped.

I point out that even with the 5-year time limit to implement the important welfare reforms we are considering, families receiving Government assistance will still be eligible for more than 80 means-tested programs. That is quite a few. These programs range from food stamps, WIC, health care, to section 8 low-income housing. In other words, placing a 5-year time limit on implementing our welfare reform package is not Government pulling away a lifeline; rather, it is Government encouraging people to swim and giving them the time necessary to learn.

Mr. President, I believe we must keep the 5-year time limit, and I encourage my colleagues to see that we do. I encourage them to join me in seeing that real and necessary reforms take place in a real and positive way.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. ROTH. Mr. President, I make a point of order against the Breaux amendment on the grounds that it is nongermane under sections 305 and 310 of the Budget Act.

Mr. BREAUX. Mr. President, pursuant to section 904 of the Congressional Budget Act, I move to waive all applicable points of order under that act for the purposes of the Breaux amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The vote will be delayed under the previous order.

Mr. BIDEN. Mr. President, what is the order of business? Was there agreement as to the order? I was not sure whether the Senator from North Carolina—I am told he has 3 minutes; is that correct? I do not want to usurp his order.

Mr. FAIRCLOTH. I think the order is Senator ABRAHAM.

The PRESIDING OFFICER. The Chair will clarify it was not a unanimous consent agreement, it was a general understanding that the Senator from North Carolina would proceed.

Mr. BIDEN. As I understand it, Mr. President, it was a general understanding that after the Senator from North Carolina finished, the Senators from Pennsylvania and Delaware would have the floor to offer their amendment. That was my understanding. I know it is not a UC.

The PRESIDING OFFICER. I have Senator FAIRCLOTH, Senator BIDEN, Senator Santorum.

Mr. BIDEN. I assume we will do that. If we do not, I will not yield the floor.

So I ask unanimous consent that upon the completion of the 6 minutes on the Faircloth amendment, then myself and Senator SPECTER be recognized to offer our amendment.

The PRESIDING OFFICER. Is there objection to that?

Mr. WELLSTONE. Mr. President, I have been trying to get——

The PRESIDING OFFICER. Does the Senator reserve the right to object?

Mr. WELLSTONE. Reserving the right to object, can I ask unanimous consent that I be in order after the Biden-Specter amendment?

Mr. SANTORUM. No. I object.

Mr. DOMENICI. We already placed the Senator from Minnesota and indicated when he is going to come up. We indicated that at least informally.

Mr. WELLSTONE. When is that? I might ask.

The PRESIDING OFFICER. The Chair informs the Senator from Minnesota, the Senator from New Mexico is correct. Under a general agreement, not a unanimous-consent agreement, the Senator is due to be recognized after the Senator from Missouri, Senator ASHCROFT.

The Chair will clarify: Senators FAIRCLOTH, BIDEN, SANTORUM, HARKIN, ASHCROFT, WELLSTONE, GRAHAM and DODD.

Mr. DOMENICI. Wellstone has two.

Mr. FORD. Wellstone has two.

The PRESIDING OFFICER. That is correct.

Mr. FAIRCLOTH. Mr. President, I am ready to proceed.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

AMENDMENT NO. 4911

(Purpose: To address multi-generational welfare dependency)

Mr. FAIRCLOTH. Mr. President, I have an amendment that I send to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. FAIRCLOTH] proposes an amendment numbered 4911.

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 245, line 22, insert "and subparagraph (C)," after "(B)".

on page 249, between lines 14 and 15, insert the following:

"(C) REQUIREMENT THAT ADULT RELATIVE OR GUARDIAN NOT HAVE A HISTORY OF ASSISTANCE.—A State shall not use any part of the grant paid under section 403 to provide cash assistance to an individual described in subparagraph (B)(ii) if such individual resides with a parent, guardian, or other adult relative who is receiving assistance under a State program funded under this part and has been receiving this assistance for a 3-year period.

The PRESIDING OFFICER. The Senator is recognized for 3 minutes.

Mr. FAIRCLOTH. Mr. President, this amendment is intended to address the problem of multigenerational welfare dependency. In other words, this is an attempt to cut off the money, to break the cycle of welfare dependency.

The bill before us requires that minor children be required to live with the parent to receive assistance. I agree with this. But, unfortunately, in many cases that parent or, as it might turn out to be, grandparent to the child to be born, has a history of dependency herself and has continuously for a long time been dependent upon welfare and Aid to Families with Dependent Children, to cash payments. My amendment says simply that if the parent is currently receiving welfare, and has been for a 3-year period, that the minor may not receive cash benefits.

This amendment is not intended to reduce benefits. States are not prohibited from giving noncash benefits. This amendment will simply prevent more cash from going to a household with a clear history of welfare dependency. In its very simplest terms, if the grandmother of this child to be born or that has just been born has been on welfare for 3 continuous years, then the mother of the child cannot receive a check, a cash check benefit. She can receive all other benefits, food stamps, diapers, whatever would be appropriate, medical care. But two cash checks cannot go to the same household.

Mr. President, I think this is what we are trying to do, to cut out the dependency upon direct Government taxpayers' cash money. This will do it in this case. I yield the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from North Carolina does have 30 seconds remaining. Who yields time?

Mr. FORD. Mr. President, I do not believe there is anyone on our side who would like to take the 3 minutes. I understood the Senator from North Carolina yielded back his time.

Mr. FAIRCLOTH. I yield back my time.

Mr. FORD. On behalf of the floor manager, I yield back the 3 minutes on our side.

The PRESIDING OFFICER. All time is yielded back. All time on the amendment has expired.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

AMENDMENT NO. 4912

(Purpose: To provide for a complete substitute.)

Mr. BIDEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Delaware [Mr. BIDEN], for himself and Mr. SPECTER, proposes an amendment numbered 4912.

Mr. BIDEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. BIDEN. Mr. President, I yield to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, the pending amendment is the substance of a bill which the distinguished Senator from Delaware, Senator BIDEN, and I introduced some time ago, Senate bill 1867. This bill was introduced as a companion bill to H.R. 3266, which was a bipartisan bill introduced by Congressman CASTLE of Delaware and Congressman TANNER.

The purpose of this effort was to try to find a bipartisan way to move to agreement on welfare reform. At that time, in the context of the muddled situation which was then presented, welfare reform was stalled because, after the Senate approved a welfare reform bill by a vote of 87 to 12, and the House passed its own bill, and then the conference report produced legislation which was divided pretty much along party lines, when the conference report came out of the Congress that bill was vetoed by the President.

There has been a general consensus in America that welfare reform is necessary with President Clinton's famous statement, "We need to reform welfare as we know it." There has been a very considerable effort in both Houses to have welfare reform. When welfare reform was stalled, Congressman CASTLE and Congressman TANNER introduced the bipartisan bill in the House, and Senator BIDEN and I followed suit with a bipartisan bill in the Senate.

Thereafter, the Budget Committee reported out a new welfare reform bill, Senate bill 1956. Having started with a bipartisan effort with Senator BIDEN, I intend to continue that. It is my view that, in a side-by-side comparison of the committee report contrasted with the original Biden-Specter bill, our bill is preferable, although candidly they are very close.

Mr. President, I ask unanimous consent that at the conclusion of my remarks, a 7-page summary of the comparison of the welfare reform proposals, of the budget reconciliation bill, S. 1956, compared to the Biden-Specter, bill be printed in the RECORD, together with a 1-page summary of the major differences in the welfare proposals.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SPECTER. Briefly, Mr. President, I will itemize six of these issues which I believe show the superiority of the Biden-Specter bill over the committee report as embraced in Senate bill 1956.

The first difference is that the budget reconciliation bill eliminates child-care safety standards from existing law, whereas the Biden-Specter bill maintains those child-care safety standards, which I submit are very important.

The second significant difference in provisions is that in the Biden-Specter bill there is an individual responsibility contract, while the budget reconciliation bill has none. This individual responsibility contract is an agreement entered into by the Government on one side and the welfare recipient on the other, which specifies the responsibilities of each, which I submit is a significant step forward and is desirable to have in the legislation.

The third significant activity is that the Biden-Specter bill provides funding for work-activities funding, which is a very important element. There is some contention that this may put us out of order in terms of funding, but it is my understanding that on the Castle-Tanner bill, the identical bill, there was a budget estimate which puts us within the appropriate range.

The fourth significant difference is on the safety net provisions. The budget reconciliation bill has the States prohibited from using Federal funds to provide vouchers after the 5-year time limit. Under Biden-Specter, there is a State option for such benefits, to both children and adults, after 5 years. It is my submission that leaving the State option is preferable to having an absolute Federal prohibition in line with the general theory of leaving the State options.

The fifth significant difference relates to food stamps, where there is a retention of the entitlement under the

Biden-Specter bill, contrasted with the budget reconciliation bill, which gives a State option for a block grant.

Overall, the Biden-Specter bill does not contain entitlements. But on this one item, food stamps, there is a retention of this existing entitlement because of our consideration that food stamps are so important, so basic that there ought not to be the option for the States to eliminate food stamps.

The Sixth item relates to immigrant exceptions, where the Biden-Specter bill retains the exemptions or has an identical provision as to the retention of immigrant exceptions under the budget reconciliation bill as to exempting refugees, veterans, and military personnel. But we add to it disabled children, victims of domestic abuse, and all children in the case of food stamps.

Mr. President, we are in a very complex matter here. It is my hope that the Congress will adopt welfare reform legislation which will be signed by the President and that the gridlock will not continue. In maintaining my support for Senate bill 1867, I understand that the budget reconciliation bill, Senate bill 1956 has the support of a majority of Republicans, but having started all this effort to have a bipartisan legislative proposal with Congressmen Castle and Tanner joining Senator BIDEN and I, I intend to stay there.

I do believe there are some beneficial provisions which are included in Biden-Specter which are not present in the budget reconciliation bill. For these reasons, I urge Members to support this amendment which Senator BIDEN and I are proposing this evening.

EXHIBIT 1

COMPARISON OF WELFARE REFORM PROPOSALS

	Budget reconciliation (S. 1956, as approved by Finance and reported by Budget)	Bipartisan Reform Act (Biden-Specter, S. 1867) (Tanner-Castle, H.R. 3266)
	GRANTS TO STATES	
Cash Assistance Block Grant	Ends AFDC entitlement and combines AFDC, EA, and JOBS into a block grant to the states. Funding totals $16.4 billion annually.	Same.
Maintenance-of-Effort	80% of FY 94 spending on AFDC and related programs. Percentage could be lowered to as low as 72% for "high performance" states (see performance bonus section below).	85% of FY 94 spending on AFDC and related programs. Percentage could range anywhere from 80% to 90%, depending on a state's success in meeting the work participation requirements.
Supplemental Grant	$800 million fund for states with high population growth and/or below average AFDC benefits.	Same.
Loan Fund	$1.7 billion loan fund, which must be repaid with interest within 3 years	Same.
Contingency Funds	$2 billion contingency fund for states with high unemployment rates or increases in food stamp caseload. State maximum equal to 20% of block grant. States must maintain 100% of state spending in order to tap contingency funds.	Same, except (1) minor differences in triggers to qualify; (2) if the fund is exhausted as a result of a national or regional recession, additional money would be added to the fund; and (3) state maximum equal to 40% of block grant minus the supplemental grant a state receives.
Work Activities Funding	No provision	$3 billion work fund available beginning in FY 1999 for states that maintain 100% of state spending on work programs and match federal funds at the Medicaid rate.
Illegitimacy Bonus	States that reduced their out-of-wedlock birth rates without increasing their abortion rates would be eligible for additional funding equal to 5% to 10% of block grant.	Same.
Performance Bonus	$200 million per year, beginning in FY 1999, available to states with "high performance," as determined by a formula to be developed by HHS. Each state's performance bonus could not exceed 5% of block grant.	No provision.
	CHILD CARE	
Child Care Block Grant	$13.8 billion over 6 years in guaranteed funding (annual amount increases each year). An additional $1 billion per year is authorized and subject to annual appropriations.	Same.
Child Care Maintenance of Effort	To receive funds above base allocation ($9.3 billion), states must maintain 100% of FY 94 or FY 95 spending on child care, whichever is greater, and match federal funds at the Medicaid rate.	Same, except states must maintain 100% of FY 95 spending on child care.
Transfer of Funds	States may transfer up to 30% of cash block grant to child care	States may transfer up to 20% of cash block grant to child care.
Health and Safety Standards	Eliminates health/safety standards for child care providers	Maintains health/safety standards for child care providers.
	TIME LIMITS	
Time Limits	5 years (less at a state's option, but no less than 2 years)	Same.
Hardship Exception	States can exempt 20% of caseload from the time limit for reasons of hardship or abuse/extreme cruelty.	Same.
Safety Net	States prohibited from using federal funds to provide vouchers after the five-year time limit.	If states have time limit of less than 5 years, in-kind/voucher benefits must be provided to kids. State option for such benefits to both kids and adults after 5 years.
	WORK	
Individual Responsibility Contract	No provision	To be eligible for benefits, individuals must sign an individual responsibility contract.
Work Requirements	Welfare recipients must work after two years of receiving assistance	Same.
Work Participation Rate	States must have the following percentages of welfare recipients working: FY 97—25%; FY 98—30%; FY 99—35%; FY 00—40%; FY 01—45% FY02—50%.	States must have the following percentages of welfare recipients working: FY 97—20%; FY 98—25%; FY 99—30%; FY 00—35%; FY 01—40%; FY 02—50%.
Financial Penalties on States	States that failed to meet the work participation rate would lose 5% of their block grant in the first year, 10% in the second year, 15% in the third year, etc.	No provision. (See maintenance-of-effort section above.)
Hourly Work Requirements	To count as work, individuals would be required to work the following hours each week: FY 97–98—20; FY 99-25; FY 00–01—30; FY 02—35.	To count as work, individuals would be required to work the following hours each week: FY 97–98—20; FY 99—25.
Work Requirement Exemption	State option to exempt from work requirement those with children under age 1, with one-year lifetime aggregate exemption per family. Those with children under age 6 are required to work 20 hours per week.	Same, except there is no one-year aggregate lifetime cap per family.
Child Care Exemption	States cannot penalize those who refuse to work if they have children under age eleven and cannot find or cannot afford child care.	Same, except applies to those with children under age six.
Work Activities	"Work" is defined as employment; on-the-job training; work experience; community service; job search activities (for 4 weeks, or for 12 weeks if state unemployment exceeds national average); and vocational training (for 12 months and no more than 20 percent of caseload). Teenagers in secondary school would be considered "working.".	Same. Also, individuals leaving welfare for work, and working at least 25 hours per week, would count toward the state participation requirement for six months.
	TEENAGERS	
Teen Parents	In order to receive cash assistance, unmarried teens under the age of 18 must stay in school and live at home or in another adult-supervised setting.	Same.
Denial of Benefits to Unmarried Minors	State option	Same.
Federal Strategy to Prevent Teen Pregnancies	Requires HHS to establish a strategy for preventing out-of-wedlock teen pregnancies and have a teen pregnancy prevention program in 25% of all U.S. communities.	Same.
	OTHER CASH ASSISTANCE PROVISIONS	
Family Cap	Federal mandate, with state ability to opt out	Same.
Existing Waivers	States with existing welfare waivers would have the option to continue to operate under their waivers, regardless of the provisions of this bill. However, funding for that state would be the amount under the block grant.	Same.
Transitional Medicaid	Provides Medicaid coverage during a one-year transition period for those who leave welfare for work as long as family income is below the poverty line.	Retains current law of one-year transition Medicaid coverage for all welfare recipients who leave welfare for work.

COMPARISON OF WELFARE REFORM PROPOSALS—Continued

	Budget reconciliation (S. 1956, as approved by Finance and reported by Budget)	Bipartisan Reform Act (Biden-Specter, S. 1867) (Tanner-Castle, H.R. 3266)
State Accountability	States must establish procedures to ensure that eligibility and benefits are determined in a fair and equitable manner—and that similar families are treated similarly. States must have due process procedures for those denied assistance.	Same, except that the federal government must approve state welfare plans and therefore has oversight on fairness and due process requirements.
	CHILD SUPPORT	
Licenses/Passports	Requires states to have laws suspending drivers, professional, occupation, and recreational licenses for overdue child support. Federal government will deny or suspend passports to those with arrears in excess of $5,000.	Same.
Paternity Establishment	Increases the paternity establishment rate from 75% to 90%. States that fail to meet this percentage would have their block grant reduced.	Same.
Distribution of Child Support	Beginning FY 1998, arrearages collected after family leaves welfare would be paid to family (unless collected through IRS intercept). Beginning FY 2001, pre-welfare arrearages would be paid to family (unless collected through IRS intercept). Ends $50 pass through.	Same.
Automation	States must have central registry of child support cases and support orders—and an automated directory of new hires. Also, states must operate a centralized unit to collect and disburse all child support orders. Increases funding for states for systems automation.	Same.
Individual Cooperation	Individuals receiving cash assistance who fail to cooperate in establishing paternity or collecting child support would have family benefit reduced at least 25%. States could deny all benefits to the family.	Same, except the minimum penalty would be the amount of family assistance attributable to the adult.
Interstate Enforcement	Requires states to enact Uniform Interstate Family Support Act and have expedited procedures for interstate cases. Creates forms for use in collection of interstate orders. Requires states to respond within 5 days to a request by another state for enforcement of an order.	Same.
Work Requirement	States must have procedures to ensure that noncustodial parents in arrears have a plan for payment or participate in work programs.	Same.
Grandparent Liability	State option to hold parents of noncustodial minor parent (the grandparents of the child receiving welfare) responsible for child support.	Same.
Health Care Support	Requires states to have procedures to ensure that all child support orders include the provision of health care benefits for the child.	Same.
Access/Visitation	Creates grants for states to establish programs and systems of access and visitation for noncustodial parents.	Same.
	SSI FOR CHILDREN	
Eligibility	Eliminates comparable severity standard, Individual Functional Assessment (IFA), and references to maladaptive behavior. Establishes new definition of disability for children.	Same.
Grandfather Clause	All children currently receiving SSI benefits must be reevaluated under the new definition. But, no child currently receiving benefits would be disenrolled before June 30, 1997.	Same, except that the earliest disenrollment date is January 1, 1997.
Continuing Reviews	Disability reviews must be conducted at least every three years for children under age 18. Representative payees must prove that children are receiving treatment for their condition. Eligibility would be determined using adult disability definition within one year of turning 18.	Same.
Privately Insured, Institutionalized Children	Benefits limited to $30 per month	Same.
Deeming of Parents Income	No provision	Disregards some income of the parents of disabled children to provide a monthly benefit for those with lower incomes that is greater than those with higher incomes. Medicaid eligibility would be retained for those who lose benefits under this provision.
Fraud	Individuals who have fraudulently misrepresented their residence in order to receive welfare, food stamps, or SSI benefits in more than one state simultaneously would be ineligible for benefits for 10 years. Benefits would not be available to fugitive felons.	Same.
	IMMIGRANTS	
Food Stamps/SSI	Current and future immigrants barred from receiving food stamps and SSI until attaining citizenship or working 40 quarters. Exempts the following people: *Refugees (first 5 years only) *Veterans/Active duty military and their dependents.	Same, except following people also exempted: *Children (food stamps only); *Disabled children; *Victims of domestic abuse.
All Other Means Tested Programs	Five-year ban on means-tested benefits for new immigrants, with same exceptions as food stamps/SSI. Ban does not apply to the following programs: *Emergency medical care; *Emergency disaster relief; *Child nutrition; *Immunizations; *Testing and treatment for communicable diseases; *Foster care and adoption assistance; *Higher education loans and grants; *Title I education for disadvantaged children.	Same, except for the additional people exempted under food stamps/SSI. Also, ban does ***not*** apply to Medicaid (but sponsor's income would be deemed; see below).
Deeming	Income of immigrant's sponsor deemed to immigrant for all federal means-tested programs until citizenship or 40 quarters of work.	Extends current law deeming requirement to Medicaid program. (Thus, deeming applies to cash benefits plus Medicaid.)
State Flexibility	State option to deny or restrict benefits under Medicaid, Title XX, and welfare to immigrants. Same exceptions as food stamp/SSI.	Same, except for Medicaid.
Non-Profit Organizations	No provision	Immigrant provisions do not apply to any program operated by a non-profit organization.

MAJOR DIFFERENCES IN WELFARE PROPOSALS

	Budget reconciliation (S. 1956, as approved by Finance and reported by Budget)	Bipartisan Reform Act (Biden-Specter, S. 1867) (Tanner-Castle, H.R. 3266)
Work Activities Funding	No provision	$3 billion work fund available beginning in FY 1999 for states that maintain 100% of state spending on work programs.
Contingency Funds	Once the $2 billion contingency fund is exhausted, no more contingency money is available to states.	If the $2 billion contingency fund is exhausted as a result of a national or regional recession, additional money would be added.
Child Care Safety Standards	Eliminates	Maintains
Private Sector Work	No provision	Individuals leaving welfare for work, and working at least 25 hours per week, would count toward the state participation requirement for six months.
Safety Net	States prohibited from using federal funds to provide vouchers after five-year time limit.	If states have time limit of less than 5 years, in-kind/voucher benefits must be provided to kids. State option of such benefits to both kids and adults after 5 years.
Food Stamps	State option for a block grant	Retains existing entitlement.
Individual Responsibility Contract	No provision	To be eligible for benefits, individuals must sign an individual responsibility contract.
Transitional Medicaid	Provides Medicaid coverage for one year for those who leave welfare for work as long as family income is below the poverty line.	Retains current law of one-year transition Medicaid coverage for all welfare recipients who leave welfare for work.
Financial Penalty on States	States that failed to meet the work participation rate would lose 5% of their block grant in the first year, 10% in the second year, 15% in the third year, etc.	No financial penalty. But, state maintenance-of-effort for block grant funds would increase or decrease depending on whether state met work requirements.
Work Exemption for Children Under Age 1	Each family could only claim exemption for an aggregate 12 months	At a state option, families with child under age 1 could always be exempt from work requirements.
Immigrant Exemptions	Exempts refugees, veterans, and military personnel from the prohibitions on immigrant eligibility for federal benefits.	Also exempts disabled children, victims of domestic abuse, and all children in the case of food stamps.

MAJOR DIFFERENCES IN WELFARE PROPOSALS—Continued

	Budget reconciliation (S. 1956, as approved by Finance and reported by Budget)	Bipartisan Reform Act (Biden-Specter, S. 1867) (Tanner-Castle, H.R. 3266)
Immigrant Eligibility for Medicaid	Bars immigrants from being eligible for Medicaid for five years; deems sponsor's income thereafter.	Always deems sponsor's income to determine eligibility, but not an outright ban for the first five years.

Note.—This table shows the major differences between the Budget Reconciliation bill and the Biden Amendment—the Bipartisan Welfare Reform Act. It is not a complete listing of all differences in the two proposals.

Mr. SPECTER. I yield the floor.

Mr. BIDEN. For the benefit of my colleagues who are waiting in line to introduce their amendments, we had 45 minutes on this amendment, and we will not take that amount of time, but will probably take considerably less than half of that.

In offering this amendment with Senator SPECTER, the reason we offered it is I believe we have gotten off track on welfare reform. We need to return to bipartisanship on this issue and, quite frankly, on many others.

This amendment is the text of the only bipartisan welfare reform bill that has been introduced in this Congress and the only bill that President Clinton has promised he would sign. It is not to suggest it is the only bill he will sign, but it is the only bill he has promised to sign, and the only bill I am aware of that has relatively wide editorial support from the leading papers in the country.

My colleagues will probably know it as the Castle-Tanner welfare reform bill. I, frankly, like to call it the Biden-Specter bill because Senator SPECTER and I did introduce it on the Senate side. But, the heavy lifting on this bill and the drafting of the legislation was done by Congressmen CASTLE and TANNER. It is perhaps appropriate that everyone know it as the Castle-Tanner bill, and they did a first-rate job.

Before talking about the substance of the proposal, I want to briefly review how we got to this point of offering the amendment. Last September, the Senate passed a bipartisan welfare reform bill by an overwhelming majority, as my colleague, Senator SPECTER, indicated. We, along with the vast majority of our colleagues, voted for it. Since then, however, we have been faced with gridlock, politics, and paralysis. Both sides of the aisle have been using welfare reform as a political football, and we have accomplished nothing thus far.

Last April, Congressmen CASTLE and TANNER, and several other moderates from both parties in the House, decided to leave the bickering behind, sit down, and write a bipartisan welfare plan. This amendment is that bill. There is nothing shocking or hidden in this bill. It has all been out there before. Block grants to the States, a 5-year time limit, work requirements, child care, and child-support enforcement. The genius of this particular amendment is that it is bipartisan and has been from day one.

Let me mention just a couple of differences between this amendment and the underlying bill. Before I do, I want to compliment my senior colleague from Delaware, Senator ROTH, for the changes that he has made in the bill in the Finance Committee. When I introduced the Biden-Specter bill, or Castle-Tanner bill, in the Senate last month, the differences between the Finance Committee proposal and what we are proposing today were much larger than they are today. There is still, in my view, much room for improvement in the so-called leadership bill, and I believe we should still go forward with the bipartisan bill. However, I want to recognize Senator ROTH's effort at accommodating some bipartisan changes.

Some of the major differences that remain—one we settled just a couple hours ago, the child care health and safety standards, to ensure that kids are being cared for in a safe environment. We accepted that amendment. I guess we voted, actually, overwhelmingly, for the amendment to become part of the leadership bill.

Second, the Biden-Specter bill provides States with additional funds to set up work programs, because getting welfare recipients into jobs is going to cost a little bit of money on the front end.

Third, the Biden-Specter bill allows—not requires, but allows—States to provide noncash benefits for those who reach the time limit, so that States have the flexibility to design a program that meets the needs of the children in their State. This provision is the same as an amendment which was independently introduced by the distinguished Senator from Louisiana, and just discussed.

Fourth, the Biden-Specter bill would not allow food stamps to be converted into block grants, so that the ultimate safety net, ensuring that all Americans have food on the table, will not be taken away.

Fifth, the Biden-Specter bill would retain for all families, not just those who are below the poverty line, the transitional Medicaid coverage, where those who go to work can keep their health insurance for 1 year. It is acknowledged that the vast majority of welfare recipients in that first year in jobs will not have jobs that, in fact, provide health insurance for their children.

Welfare recipients are not stupid; they know most of the jobs will not have any health insurance for their kids. If we really want to move them off of welfare and on to work, and not just on to the streets, an extra year of health care, in my view, and in the view of the bipartisan group, is critical.

Sixth, the Biden-Specter bill says that anyone who wants to receive welfare must sign an individual responsibility contract, so that they are forced to agree up front to the conditions placed on receiving the benefit, and so that they will have a plan from day one on how to get themselves off of welfare.

Again, Mr. President, these are not all of the differences that exist in the bills, but they are among the most important.

Now, I know that every Member of the Senate will be able to find something that he or she does not like in the Biden-Specter proposal and all other proposals. I can do that, too, and it is my own amendment. The point is this: If we really want welfare reform, and not a political issue, we must do it in a bipartisan way, with each of us compromising and doing it in a form the President can sign.

This amendment fits that bill. It is the only bipartisan welfare reform bill to be introduced in Congress. It is a bill the President said he would sign, a bill that has gotten wide editorial endorsement, and a bill that makes compromises by definition of being bipartisan on both sides.

I do not like the idea that we are block granting welfare and that it is no longer an entitlement, but in return for that, my Republican colleagues agreed they would come up with sufficient dollars for a 1-year transition for health care and they would come up with money for child care, and so on.

It is a genuine compromise that I think is a solid proposal. I proposed a concept of welfare to work in 1987, and I was pilloried by my colleagues on the Democratic side at the time for suggesting that there be mandatory a work requirement for anyone receiving welfare. We have all sort of come to the same general proposition.

The issue is, are kids going to be left out there? Are women going to be able to go to work, or single fathers be able to go to work, knowing that there is no reasonable prospect for anyone to take care of that child, and not have day care? And are they going to make that judgment to do it, knowing once they do, they are going to lose their Medicaid—which is translated as health care for their children—by going to a job where they will not get health care for their children?

This is not just about money, although the Biden-Specter bill is estimated to achieve savings of $53.1 billion. But that is only one of the purposes, I thought, of this legislation, this change. We hear speech after speech after speech about changing the ethic that is involved in the welfare syndrome. We just heard our good friend from North Carolina talking about the generational nature of this problem and how to break the spiral, and so on. Part of this effort is to, in fact, not just take people off of welfare and put them on the streets, but put them to work and make them want to go to work and make it reasonable for them to go to work.

I respectfully suggest it is not just about money. It is about changing attitudes.

It is time to say that we do not care who gets credit for reforming welfare. It is time to just do it in a bipartisan fashion. For the sake of the American people and the sake of the people on welfare, I urge my colleagues to support this bipartisan Welfare Reform Act. And depending on what my friends on the other side have to say in opposition, I reserve the remainder of my time. I do not expect to use any more time if there is no reason to respond.

I yield the floor.

Mr. ROTH. Mr. President, I yield myself such time as I may consume.

Mr. President, let me thank Senators SPECTER and BIDEN for their important contribution to the welfare debate before us. The tremendous effort it takes to find common ground is always welcomed and appreciated.

There are many similarities between the Specter-Biden legislation and the welfare reform legislation reported by the Finance Committee. We are very close, for example, on issues such as ending the individual entitlement to benefits, work participation rates, supplemental grants for States with high population growth, the family cap, and the 20-percent hardship exemption.

The Specter-Biden bill includes provisions from our welfare reform bill regarding funding for abstinence education, SSI reforms, and child support enforcement to mention a few more of the policy areas we share.

But the substitute offered by Senators SPECTER and BIDEN also includes a number of provisions which I cannot support. Working with the Governors over these past months, I have learned a firm lesson that they are willing to accept the risks associated with a block grant. But in exchange, the states must have the requisite flexibility to redesign and manage the programs.

I am concerned that the Specter-Biden provisions regarding Maintenance of Effort, transferability of funds mandatory individual responsibility plans, would break the fragile balance the Governors seek.

The substitute also opens up the Federal checkbook for a $3 billion work program. Both bills provide for a $2 billion contingency fund. This is a $1 billion increase from last year. But the Specter-Biden substitute appropriates additional Federal funds subject to unemployment or Food Stamps triggers. This additional spending does not achieve the savings necessary. In other words, the Specter-Biden substitute breaks the budget. And for this reason alone was must oppose it.

However, Mr. President, breaking the budget is not the only problem with this substitute.

The Specter-Biden substitute severely weakens the goal of setting time limits.

Vouchers are mandatory, subject to a reduction in the State grant for noncompliance.

The Specter-Biden substitute also undermines the goal of curbing Federal benefits to noncitizens. Under this substitute, even illegal aliens could qualify for Medicaid, a liberalization of the program beyond current law. Under the Specter-Biden plan, middle- and low-income American families would be put in a position of subsidizing individuals who are openly breaking the law. This is not fair.

Under Specter-Biden, the limitations on Medicaid benefits for other noncitizens under the finance bill would be lifted as well. While I respect the good intentions of the sponsors, I simply believe these provisions to too far.

Mr. President, I must therefore oppose the Specter-Biden substitute. Let me also hasten to add that there is no need to look any further for a bill which has bipartisan support.

The finance bill is identical in many of the most critical aspects to H.R. 4 which originally passed the Senate by a vote of 87 to 12 last September.

The finance bill was crafted with the help of Democratic and Republican Governors alike.

It includes a number of Democratic amendments which were offered in committee. Over the past several weeks, we have been told in a variety of ways that Medicaid was the stumbling block to welfare reform. We have removed that stumbling block. This is no time to erect new barriers to welfare reform. This is no time to turn back from authentic welfare reform.

Mr. President, I yield the floor.

Mr. BIDEN. Mr. President, I will yield back my time if the Senator from Delaware is prepared to yield back his time.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I yield the remainder of my time.

Mr. President, since the pending amendment, if adopted, would have the effect of reducing outlays by $10 billion less than the legislation before us, I make a point of order against the amendment under section 310(d)(2) of the Budget Act.

Mr. BIDEN. Mr. President, pursuant to Section 904 of the Congressional Budget Act, I move to waive all applicable points of order under the act for the purposes of the Biden-Specter amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous order, the vote will be delayed until tomorrow.

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

AMENDMENT NO. 4914

(Purpose: Expressing the sense of Congress that the President should ensure approval of State waiver requests)

Mr. FRIST. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Tennessee [Mr. FRIST], for himself, Mr. ABRAHAM, Mr. SANTORUM, Mrs. HUTCHISON, and Mr. THOMPSON, PROPOSES AN AMENDMENT NUMBERED 4914.

Mr. FRIST. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, add the following new section:

SEC. . SENSE OF CONGRESS

(a) FINDINGS.—Congress finds that—

(1) the Secretary of Health and Human Services has not approved in a timely manner, State waiver requests for programs carried out under part A of title IV of the Social Security Act or other Federal law providing needs-based or income-based benefits (referred to in this resolution as "welfare reform programs");

(2) valuable time is running out for these states which need to obtain the waivers in order to implement the changes as planned;

(3) across the country there are 16 States, with 22 waiver requests for welfare reform programs, awaiting approval of the requests by the Secretary of Health and Human Services;

(4) on July 21, 1995, in Burlington, Vermont, President Clinton promised the Governors that the Secretary of Health and Human Services would approve their waiver requests within 30 days; and

(5) despite the President's promise, the average delay in approving such a waiver request is currently 210 days and some of the waiver requests have been pending since 1994.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the President should ensure that the Secretary of Health and Human Services approved the following waiver requests for Georgia—Jobs First Project, submitted 7/5/94; Georgia—Fraud Detection Project, submitted 7/1/96; Indiana—Impacting Families Welfare Reform Demonstration, submitted 12/14/95; Kansas—Actively Creating Tomorrow for Families Demonstration,

submitted 7/26/94; Michigan—To Strengthen Michigan Families, submitted 6/27/96; Minnesota—Work First Program, submitted 4/4/96; Minnesota—AFDC Barrier Removal Project, submitted 4/4/96; New York—Learnfare Program, submitted 5/31/96; New York—Intentional Program Violation Demonstration, submitted 5/31/96; Oklahoma—Welfare Self-Sufficiency Initiative, submitted 10/27/95; Pennsylvania—School Attendance Improvement Program, submitted 9/12/94; Pennsylvania—Savings for Education Program, submitted 12/29/94; Tennessee—Families First, submitted 4/30/96; Utah—Single Parent Employment Demonstration, submitted 7/2/96; Virginia—Virginia Independence Program, submitted 5/24/96; Wisconsin—Work Not Welfare and Pay for Performance, submitted 5/29/96; And Wyoming—New Opportunities and New Responsibilities—Phase II, submitted 5/13/96.

Mr. FRIST. Mr. President, I ask unanimous consent that there be 45 minutes of debate equally divided on the amendment.

The PRESIDING OFFICER. Is there objection to the request?

Mr. FORD. Reserving the right to object. Would the Senator add that no amendments in the second degree be in order?

Mr. FRIST. Yes, I have no objection to that. I ask unanimous consent that there be no second-degree amendments in order to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FRIST. This amendment, submitted on behalf of myself and colleagues, Senators ABRAHAM, SANTORUM, HUTCHISON and THOMPSON, asks for a sense of the Congress that President Clinton should ensure approval of a waiver request for Tennessee's Family First program, as well as welfare programs in 12 other States.

Across this country this very minute, States are desperately awaiting the Clinton administration's approval for local welfare state initiatives. The State of Tennessee, like 12 other States, has submitted a waiver request to Donna Shalala, Secretary of Health and Human Services, to gain Federal approval for portions of a State-based welfare plan. Tennessee submitted its waiver request on April 30, 1996—78 days ago. This is not uncommon. Across this country, there are 15 other States with 22 waiver requests currently pending.

Some of these States include Georgia, the Jobs First program; also in Georgia, the Fraud Detection Project; in Kansas, Actively Creating Tomorrow for Families Demonstration; in Minnesota, the Work First program and the AFDC Barrier Removal Project; in Oklahoma, the Welfare Self-Sufficiency Initiative. Those are a few samples.

Mr. President, on July 31, 1995, the President promised the Governors that the Secretary of Health and Human Services would approve their requests "within 30 days." That is what he said—30 days. It has been 78 days since Tennessee's request was placed.

Mr. President, I remain committed to holding President Clinton to this promise, ensuring that the Secretary of Health and Human Services approve these much-needed waiver requests, such as that for Tennessee's Families First welfare program, as well as for Michigan's and Wisconsin's.

I urge every one of my Senate colleagues to join me in this effort. Across this country States are fighting for the waivers that the President has promised to sign.

Time is running. Time is ticking. Time is running out for the people of Tennessee. The State needs to obtain this Federal waiver in order to implement the changes by September 1, 1996 as planned. Tennessee needs action. The country needs action.

Mr. President, I would particularly like to thank the distinguished Senators from Michigan and Pennsylvania for their support in this effort, and also Senator HUTCHISON of Texas for her hard work in putting this effort together.

I thank the Chair. I yield the floor.

Mr. ROTH. Mr. President, will the Senator yield for a question?

Mr. FRIST. Yes, sir.

Mr. ROTH. Does the fact that you are here asking that the President sign these waivers demonstrate the urgent need for welfare reform?

Mr. FRIST. That is correct. And States are calling out for this reform at the State level, and at the national level. These are waivers that have been promised to these States to be considered within 30 days. We need to fulfill that promise.

Mr. ROTH. And those waivers would not be necessary under our reform legislation?

Mr. FRIST. That is correct. The bureaucratic nightmare, the barriers that are placed with these States, would be removed by this piece of legislation.

Mr. ROTH. I thank the Senator for his answers.

Mr. FORD. Will the Senator yield for an additional question, Mr. President?

Mr. FRIST. Yes.

Mr. FORD. Is it not true that this President has issued 67 waivers to 40 States, more than any President has issued?

Mr. FRIST. That is correct; 16 States are waived now, all over 30 days at this point; 22 waiver requests are pending at this very minute.

I would like to yield 10 minutes to my colleague from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. ABRAHAM. Thank you, Mr. President.

Mr. President, I rise to join my colleagues from Tennessee and Pennsylvania and other States, all of whom are trying find themselves in the same position as we do in Michigan. States across America know best how to deal with the problems of the people who live in those States. Places like Michigan, Wisconsin, Pennsylvania, Tennessee, Texas, and many other jurisdictions have attempted to address the problems of their most needy citizens in thoughtful ways designed to try to the best degree possible move people from dependency on government programs to the economic ladder.

In Michigan we have been doing a variety of things over the past few years on a bipartisan basis; I would add to try to establish a set of programs that will work. These programs will work in Michigan. They might not work in Tennessee, or they might not work in New Hampshire. They might not work in Kentucky, or Pennsylvania. They are designed to work in Michigan. That is the way we believe welfare reform needs to be addressed, giving States the kind of flexibility to design programs best able to serve the constituencies in their jurisdictions.

It is interesting. The legislation which recently passed in Michigan with respect to welfare reform passed the Michigan State senate by a vote of 30 to 7. It passed the State house of representatives by a margin of 85 to 22. I promise my fellow Senators that is not a reflection of the partisan makeup of those legislative chambers. A 30-to-7 vote in the Michigan Senate and 85-to-22 vote in the Michigan House of Representatives reflects an overwhelming bipartisan decision to put in place a set of welfare reforms that will work for our State. That is what has happened.

These reforms come on the heels of others that have been implemented in the last 2 years. The results of Michigan's welfare reforms to date have been very impressive. Michigan's AFDC caseload has dropped from 221,000 cases in September 1992 to 176,000 cases in May 1996, a decrease of 45,000. The current AFDC caseload level is the lowest in nearly 25 years in Michigan. The caseload in our State have decreased for 26 straight months, and has fallen by more than 20 percent over the past 2 years. During fiscal year 1994 alone, nearly 30,000 individuals were placed into employment and since September 1992 over 90,000 AFDC cases have been closed as a result of earned income from employment.

In addition, by January 1996 the number of cases with earned income had risen 31.1 percent compared to the 15.7 percent of cases with earned income in September 1992.

Mr. President, this reflects a successful effort undertaken on a bipartisan basis in my State of Michigan designed to address the concerns and the problems of the neediest people in our State. We believe we have the best insight into solving Michigan's problems—a better insight than anyone in other States, and certainly a better insight than those in the bureaucracies in Washington.

For that reason, Mr. President, I join in this amendment. We want to give

Michigan the chance to go further, to continue the success that we have had, to build on that success to try to make sure that everybody in Michigan who in any sense desires the opportunity to move onto the economic ladder gets the chance to do so. So that is why I join in this amendment.

The legislation which was passed in Michigan that became then the waiver sought from the Federal Government and that is part of this amendment here tonight is, I think, the right solution for our State. It is what the people of Michigan on a bipartisan basis have said is the right solution for our State. It frees us to give us the flexibility to move forward and solve people's problems rather than spending too much time solving problems created by bureaucracy.

Just to put that in perspective, we did a study in Michigan. We talked to the people on the front lines in the social services department which we now call the Family independence department. We discovered, interestingly, that two-thirds of the time of the folks whose job it is to help people get out of dependency is spent not helping people get out of dependency but is spent handling paperwork and redtape, most of it emanating from Washington, and only one-third of this time is spent trying to actually assist the folks who they are trying to help.

Our legislation will try to put the priorities where they ought to be. The proposal that we include in this amendment, this waiver that was sought, includes a number of innovations that will assist Michigan.

It will require attendance for all adult AFDC, food stamp, and State general assistance applicants or recipients at a joint orientation meeting with the family independence agency and Michigan's Jobs Commission personnel as a condition of eligibility.

It will require recipients to enter into a family independence contract.

It will require compliance with work activity requirements within 60 days.

Failure to comply will result in the loss of the family independence and AFDC benefits, and food stamps for a minimum of 1 month, and until there is compliance with work requirements.

It will require teen parents to live in an adult supervised setting and stay in school. Failure to comply will result in case closure.

The proposal includes many other similar programs designed to place incentives into the structure for people who, in fact, want to get out of dependency and onto the economic ladder. But at the same time our waiver is designed to give people some of the tools they need to be on that ladder.

It provides greater employment-related services, guaranteed access to child care, guaranteed transportation so people can get to the jobs we hope to create and make available to them, and guaranteed access to health care for anyone leaving welfare for work—in short, assistance and incentives for those seeking employment just as we also include increased responsibility for individuals receiving assistance.

Third, our program will remove unnecessary and overly burdensome regulations; provides a vastly simplified application form reduced from the current 30 pages down to 6; provides for the most dramatic simplification of AFDC food stamp and medical assistance anywhere in the country, and it streamlines services by establishing a single point of contact with the welfare office for each welfare recipient regardless of the mix of benefits received.

Finally, the program encompassed in this amendment will strengthen families and increase community involvement.

It provides additional funding for prevention services to help keep children safe and strengthen families.

And, it will allow faith-based organizations to work with communities to address the needs of welfare recipients.

In short, it is a balanced approach tailor-made to assist those in Michigan who are needy, and those in Michigan who are currently dependent on Government support in the best way we can craft to get out of that dependency and onto the economic ladder.

We recognize how to do this in Michigan for our citizens. We have developed a plan that has moved us a long way in the right direction.

If we were given the opportunities created by the waiver we have sought, which we embody in this amendment, we think we can go the final steps it takes to give the people in our State opportunity regardless of where they live, regardless of economic condition, and regardless of their current status. We will give them hope.

That is what I believe this overall welfare reform bill before us is designed to do, to give States the flexibility, to give States the opportunity to design programs that will work for them, not programs that work in one State but programs that work individually State by State, not programs dreamed up in Washington but programs designed in State capitals and in major cities of this country for the people who live in those communities.

For that reason, I strongly support this amendment. I believe that if Michigan, Tennessee, Pennsylvania, Wisconsin, and other States are given this flexibility, given the chance to have the programs they have designed put into place, it will create the kind of opportunity we want for every American citizen.

For that reason, I strongly support the amendment. I thank the Senator from Tennessee for bringing it before us this evening.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. FORD. Mr. President, how much time does this side have?

The PRESIDING OFFICER. The side of the Senator from Kentucky has 22½ minutes and the Senator from Tennessee has 10 minutes.

Mr. FORD. Mr. President, I have just had an opportunity to sit down and read this amendment. I have operated as a Governor and understand what Governors like to say and what Governors like to do. Governors want the money now at the higher level but when we start decreasing the amount of funds the State receives, it is going to be difficult for them to reduce their expenditures or reduce the number, and so we find that is going to be somewhat difficult for them to do.

I have some problem with us micromanaging any program. Mr. President, I looked at these projects that are here. Some of them sound good, others not necessarily. Fraud Detection Project, that sounds interesting. Actively Creating Tomorrow for Families Demonstration. I do not know, are you supposed to look at these and just approve them without studying them some? AFDC Barrier Removal Project; Intentional Program Violation Demonstration, Single Parent Employment Demonstration, Work-Not-Welfare and Pay For Performance, New Opportunities and New Responsibilities Demonstration.

Now, I am hopeful that we can get a welfare bill that the President will sign. We hear a lot about 80-something to a few votes for a bill that we passed. If that bill had gone to the President's desk, my judgment is that he would have signed it. I think we are close to getting a bill that will be signed. I am one who wants to vote for welfare reform. I hope we can listen to Senators like the Senator from Louisiana and others who are trying to protect children. I think we have gone much, much too far in trying to be harsh on parents and then in turn being harsh on children.

So, Mr. President, in listening to the Governors, the other side of the aisle, the Republicans are not listening to the Governors except in certain cases where they want to listen to them. We have endorsements of the National Governors' Conference as it relates to vouchers and the amendment of the Senator from Louisiana. The Governors have endorsed that. But they do not pay any attention to that one. We are going to be against it. I think it is wrong. So now the Governors want all this. Are we supposed to flip over and say, yes? You did not do that when I was Governor. I had to come up here and cry a little bit, shed some crocodile tears, try to get something more for my State.

So I hope we will not try to micromanage this particular operation. As I say, the President has issued 67 waivers to 40 States. But none of these waivers, in my opinion, in reading them, are all directly welfare connected. Maybe they are. But some of the programs as they are listed lead me—work first, I like that. I like Gov. McWherter's program in Tennessee. I thought Governor Ned McWherter did a good job. It took a lot of bumps; it took a lot of skin off his back, as we say politically, but I thought Governor McWherter did a good job in Tennessee.

So since I am here standing in for others, I hope that we will be very careful with the vote as it relates to micromanaging welfare. If we are going to give it to the States, let us give it to the States and let us do it in a bill; let us do it legislatively; let us do it statutorily, and let us not start telling the President what to do and what not to do, because their President did not do nearly as well as this President. You have to look at the number of jobs that we have had. That reduces the amount of welfare in a State—more jobs, less welfare. And I can take credit for unemployment being at a low level in my State. We are doing great. We have so many people off welfare. We are saving this kind of money. All these programs are working. But if the economy is good, Mr. President, then all States are going to look good, and as of now the economy is good and all States are faring somewhat better.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. FRIST. I understand we have 10 minutes.

The PRESIDING OFFICER. The Senator is correct.

Mr. FRIST. I yield 8 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 8 minutes.

Mr. SANTORUM. I thank my friend from Tennessee. I will not take the entire 8 minutes. I rise in support of this amendment.

I ask unanimous consent that Senator BOND from Missouri be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANTORUM. In fact, Senator BOND has introduced legislation, frankly, that goes further than the sense of the Senate. Senator BOND's legislation would actually move the Senate to approve of the Wisconsin waiver and a bill similar to what passed in the House of Representatives, passed through the Senate and actually forced the President's hand on the Wisconsin waiver.

That is the most publicized waiver, frankly, because the President said, and I will quote his words, in his Presidential radio address back on May 18:

> All in all, Wisconsin has the making of a solid, bold welfare reform plan. We should get it done.

"Get it done," meaning approve the waiver.

> I pledge that my administration will work with Wisconsin to make an effective transition to a new vision of welfare based on work, that protects children and does right by working people and their families.

That is what the President said. He said he wanted to do it with the waiver. He said he was for the waiver. In fact, he went so far as to make it the real focus of his radio address to the American public. Unfortunately, his administration has not approved those waivers yet. He set an artificial deadline, he has for quite some time, of a 30-day turnaround on all waiver requests by the States. He, as the Senator from Tennessee mentioned, has not met that 30-day requirement recently. In fact, we have the Wisconsin plan and here we are in the middle of July and he has not approved what is now a 12-month-old waiver request.

Unfortunately, we learn that while the President is still running around the country talking about how good the Wisconsin plan is, the President's people are saying that they are not going to approve the plan, which led Governor Thompson the other day down at the National Governors' Association to say, "We are sort of shaking our heads, not knowing what's going on, who to believe."

Well, in the end, I always found that it is best policy to believe what you see, not what you hear from this administration. And what you see from this administration is not approving your waiver. That is pretty concrete evidence of whether you are going to get it approved or not. The fact that they are not approving it, in effect, the bureaucrats in the administration are saying the likelihood of your getting through the approval process is not good. And it is not a simple approval process. It sounds like these waivers are no big deal; everybody gets them approved. Remember, these get approved; they get modified; they get altered a little bit; they have to sort of work with the Federal Government to make changes that they in the Federal Government believe is best for the State. In the case of Wisconsin, in order to put the plan in effect, the State requested waivers from 83 Federal provisions administered by HHS. So they needed 83 separate decisions by the Department of Health and Human Services to get those waivers. They needed five from the Department of Agriculture to get their overall waiver approved by the Federal Government. This is no small task. It is a task that, under our bill, the bill that is before the Senate right now, would be unnecessary.

The Senator from Delaware, I think accurately and perceptively, questioned the Senator from Tennessee about whether this bill would make all of this rather expensive, time-consuming and inefficient process of waivers necessary in the future. If, in fact, we are going to use the States, as the States have been used recently, as incubators for changing the welfare system, we should give them more flexibility in dealing with this program.

We should give them the opportunity to design programs that fit their needs, not judged by people in Washington who maybe have never set foot in that State, who do not know the particular problems in the communities, but by people who represent those communities, as Senator ABRAHAM was talking about, the State legislators who live in those communities, who represent those people in a much smaller area, in a district in those States—those are the people who should make decisions about what the welfare system should look like; not people at Health and Human Services.

So one of the reasons I wanted to sign on to this effort was to highlight the inconsistencies—not surprising to my mind—but the inconsistencies between what the President says and what the President has done on one of the most important issues before us, which is welfare reform. We have, obviously, the President's record overall on what he says and what he does on welfare, which is he runs television commercials all over the country saying he is for welfare reform and then every chance he has to sign welfare reform, he finds a reason to veto it. I hope this is not the case this time around. I am confident we will send him a bill that he certainly can sign. The question is whether he will sign it, but he certainly will talk a good game up until that point. But when the rubber hits the road, whether it is waivers or whether it is the actual bill, the President has fallen short in the area of welfare reform.

Part of my reason for cosponsoring this legislation is that Pennsylvania has just recently passed welfare reform legislation. They are going to be requesting a couple of waivers from the Federal Government. They will be submitting them shortly. I am hopeful the President will go along with what Pennsylvania has wanted to do with Governor Ridge's plan to reform the welfare system and Medicaid system. To try to reduce the strain on the State budget, frankly, is one reason; but also to provide a better future for the people in Pennsylvania who are on welfare.

So I congratulate the Senator from Tennessee for his efforts. I hope we can approve this amendment and send a very strong signal we want the administration to move more quickly and more efficiently when it comes to granting waivers.

I reserve the remainder of our time.

The PRESIDING OFFICER. Who yields time? The Senator from Tennessee.

AMENDMENT NO. 4914, AS MODIFIED

Mr. FRIST. Mr. President, I yield myself 1 minute. I ask unanimous consent to modify my amendment No. 4914. I send that modification to the desk. As part of that unanimous consent, I ask that Senator BOND be added as a cosponsor.

The PRESIDING OFFICER. Is there objection to the request? Without objection, it is so ordered.

The amendment as modified is as follows:

At the appropriate place, add the following new section:

SEC. . SENSE OF CONGRESS

(a) FINDINGS.—Congress finds that—

(1) the Secretary of Health and Human Services has not approved in a timely manner, State waiver requests for programs carried out under part A of title IV of the Social Security Act or other Federal law providing needs-based or income-based benefits (referred to in this resolution as "welfare reform programs");

(2) valuable time is running out for these States which need to obtain the waivers in order to implement the changes as planned;

(3) across the country there are 16 States, with 22 waiver requests for welfare reform programs, awaiting approval of the requests by the Secretary of Health and Human Services;

(4) on July 21, 1995, in Burlington, Vermont, President Clinton promised the Governors that the Secretary of Health and Human Services would approve their waiver requests within 30 days; and

(5) despite the President's promise, the average delay in approving such a waiver request is currently 210 days and some of the waiver requests have been pending since 1994.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the President should ensure that the Secretary of Health and Human Services approves the following waiver requests for Georgia—Jobs First Project, submitted 7/5/94; Georgia—Fraud Detection Project, submitted 7/1/96; Indiana—Impacting Families Welfare Reform Demonstration, submitted 12/14/95; Kansas—Actively Creating Tomorrow for Families Demonstration, submitted 7/26/94; Michigan—To Strengthen Michigan Families, submitted 6/27/96; Minnesota—Work First Program, submitted 4/4/96; Minnesota—AFDC Barrier Removal Project, submitted 4/4/96; New York—Learnfare Program, submitted 5/31/96; New York—International Program, Violation Demonstration, submitted 5/31/96; Oklahoma—Welfare Self-Sufficiency Initiative, submitted 10/27/95; Pennsylvania—School Attendance Improvement Program, submitted 9/12/94; Pennsylvania—Savings for Education Program, submitted 12/29/94; Tennessee—Families First, submitted 4/30/96; Utah—Single Parent Employment Demonstration, submitted 7/2/96; Virginia—Virginia Independence Program, submitted 5/24/96; Wisconsin—Work Not Welfare and Pay for Performance, submitted 5/29/96; And Wyoming—New Opportunities and New Responsibilities—Phase II, submitted 5/13/96; California—Assistance Payment Demonstration Project, submitted 3/13/96; California—Work Pays Demonstration Project, submitted 11/9/94; Hawaii—Pursuit of New Opportunities, submitted 5/7/96; West Virginia—West Virginia Works, submitted 7/1/96.

Mr. FORD. Mr. President, I am about to yield back what time we have. Is the Senator yielding his time?

Mr. FRIST. I, too, am ready to yield back.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. FORD. Mr. President, we have an amendment that has been agreed to. I ask unanimous consent the Senator from Massachusetts [Mr. KERRY], be given 60 seconds to offer his amendment and get it modified so it could be passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. I thank the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

AMENDMENT NO. 4913, AS MODIFIED

Mr. KERRY. Mr. President, I call up my amendment on child poverty which was submitted earlier tonight. I ask unanimous consent this amendment be modified in a manner that has been agreed to by both sides. I send the modification to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY] proposes an amendment numbered 4913, as modified.

Mr. KERRY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Section 413 of the Social Security Act, as added by section 2103, is amended by adding at the end thereof the following new subsection:

"(h) CHILD POVERTY RATES.—

"(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this part, and annually thereafter, the chief executive officer of a State shall submit to the Secretary a statement of the child poverty rate in the State as of such date of enactment or the date of such subsequent statements. Such subsequent statements shall include the change in such rate from the previous statement, if any.

"(2) INCREASE IN RATE.—

"(A) IN GENERAL.—With respect to a State that submits a statement under paragraph (1) that indicates an increase of 5 percent or more in the child poverty rate of the State from the previous statement as a result of the changes made by the Act, the State shall, not later than 90 days after the date of such statement, prepare and submit to the Secretary a corrective action plan in accordance with paragraph (3).

"(3) CORRECTIVE ACTION PLAN.—

"(A) IN GENERAL.—A corrective action plan submitted under paragraph (2) shall outline that manner in which the State will reduce the child poverty rate within the State. The plan shall include a description of the actions to be taken by the State under such plan.

"(B) CONSULTATION ABOUT MODIFICATIONS.—During the 60-day period that begins with the date the Secretary receives the corrective action plan of a State under subparagraph (A), the Secretary may consult with the State on modifications to the plan.

"(C) ACCEPTANCE OF PLAN.—A corrective action plan submitted by a State in accordance with subparagraph (A) is deemed to be accepted by the Secretary if the Secretary does not accept or reject the plan during 60-day period that begins on the date the plan is submitted.

"(4) COMPLIANCE WITH PLAN.—

"(A) IN GENERAL.—A State that submits a corrective action plan under this subsection shall continue to implement such plan until such time as the Secretary makes the determination described in subparagraph (B).

"(B) DETERMINATION.—A determination described in this subparagraph is a determination that the child poverty rate for the State involved has fallen to, and not exceeded for a period of 2 consecutive years, a rate that is not greater than the rate contained in the most recent statement submitted by the State under paragraph (1) which did not trigger the application of paragraph (2).

"(C) LABOR SURPLUS AREA.—With respect to a State that submits a corrective action plan under paragraph (2)(B), such plan shall continue to be implemented until the area involved is no longer designated as a Labor Surplus Area.

"(5) METHODOLOGY.—The Secretary shall promulgate regulations establishing the methodology by which a State shall determine the child poverty rate within such State. Such methodology shall, with respect to a State, take into account factors including the number of children who receive free or reduced-price lunches, the number of food stamp households, and the county by county estimates of children in poverty as determined by the Census Bureau.

Mr. KERRY. Mr. President, the welfare bill before us today would allow States to experiment with various welfare policies. Many States may implement innovative welfare policies to move parents from welfare to work. But if we are sending Federal money to States, if we are going to take this risk and allow States to experiment, let's be sure that child poverty does not increase.

This amendment, which I introducing with Senator MURRAY, says that if child poverty increases in a State after the date of enactment of this welfare bill, that State would be required to submit a corrective action plan.

There is nothing more important to this debate than constantly reminding ourselves that our focus is—or ought to be—this Nation's children. That was the focus when under Franklin Roosevelt's leadership title IV–A of the Social Security Act was originally enacted. The objective here is to help impoverished children.

Let me acknowledge right up front that this amendment will be subject to a point of order under the Byrd rule and will require 60 votes to pass. I want to say to my Republican colleagues that it is outrageous that we are debating welfare reform under budget reconciliation rules. We should not be considering such major changes affecting millions of children and families and cutting more than $60 billion from human service programs under budget rules that make almost any substantive amendment out of order. There is no reason to debate welfare reform under budget reconciliation except for the majority to make it significantly harder to make any changes to this bill, even changes supported by a majority of members. But despite this unreasonable hurdle erected by the majority party, we must attempt to remedy problems in the bill.

What does this amendment do? This amendment says that if the most recent State child poverty rate exceeds the level for the previous year by 5 percent or more then the State would have to submit to the HHS Secretary within 90 days a corrective action plan describing the actions the State shall take to reduce child poverty rates.

Mr. President, I want to be clear that this amendment in no way intrudes on a State's ability to design its own welfare program. State flexibility would not be decreased in any way. This amendment simply says that if a State's welfare system increases child poverty, that State must take corrective action.

Mr. President, there are many very different views of welfare in this Chamber. But I believe all of us regardless of party can agree on two things at least: we can all agree that the child poverty rate in this country is too high. The fact is that 15.3 million U.S. children live in poverty. This means that more than one in five children—21.8 percent—live in poverty. In Massachusetts, there are more than 176,000 children who live in poverty. And despite the stereotypes, Mr. President, the majority of America's poor children are white—9.3 million—and live in rural or suburban areas—8.4 million—rather than central cities—6.9 million.

The other thing on which we can all agree, because it is a fact rather than an opinion, is that the child poverty rate in this country is dramatically higher than the rate in other major industrialized countries. According to an excellent, comprehensive recent report by an international research group called the Luxembourg Income Study, the child poverty rate in the United Kingdom is less than half our rate, 9.9 percent, the rate in France is less than one-third of our rate, 6.5 percent, and the rate in Denmark 3.3 percent is about one-sixth our rate.

Mr. President, we know that poverty is bad for children, This should be obvious. Nobel Prize-winning economist Robert Solow and the Children's Defense Fund recently conducted the first-ever long-term impact of child poverty. They found that their lowest estimate was that the future cost to society of a single year of poverty for the 15 million poor children is $36 billion in lost output per worker. When they included lost work hours, lower skills, and other labor market disadvantages related to poverty, they found that the future cost to society was $177 billion.

With this amendment, I want to make sure that, at the very least, if a State's welfare plan increases child poverty—instead of increasing the number of parents moving from welfare to work and self-sufficiency—that State will take immediate steps to refocus its program.

Mr. President, I also want to say that I hope that our extremist colleagues on the House side do not ultimately prevail again in conference. This effort to reform welfare should not be scuttled by a conference report they call welfare reform but that children will only know as their ticket to empty stomachs and hopelessness.

Mr. President, I want to thank Chairman ROTH and his staff, Senator MOYNIHAN and his staff, and Senator EXON and his staff for their assistance and their willingness to accept this amendment that I believe will benefit children across the Nation.

Mr. President, as we know, the child poverty rate in the United States is dramatically higher than that in other industrial countries. It is in our obvious interest, in whatever we do with respect to welfare reform, that whatever we do here not increase that rate.

This seeks, by agreement on both sides, to simply measure where we are today with respect to child poverty and, if there is an ascertainable difference as a consequence of the measures of this act that increases it, then the Secretary of Health and Human Services has the ability to ask that particular State to come up with a remedy. There is no forced remedy. There is no mandate. It is simply a requirement to try to deal with the obvious negative consequences or unintended consequence of anything we might do here.

The PRESIDING OFFICER. The time of the Senator has expired.

If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 4913), as modified, was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. KERRY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KERRY. I thank my colleagues.

The PRESIDING OFFICER. The Senator from Iowa.

AMENDMENT NO. 4915

(Purpose: To require each family receiving assistance under the State program funded under part A of title IV of the Social Security Act to enter into a personal responsibility agreement)

Mr. HARKIN. Mr. President, I have a couple of amendments. I send the first one to the desk and ask for its immediate consideration. I send this amendment to the desk on behalf of myself and Senator COATS of Indiana.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself and Mr. COATS, proposes an amendment numbered 4915.

Mr. HARKIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Section 408 of the Social Security Act, as added by section 2103, is amended by adding at the end thereof the following new subsection:

"(d) STATE REQUIRED TO ENTER INTO A PERSONAL RESPONSIBILITY AGREEMENT WITH EACH FAMILY RECEIVING ASSISTANCE.—

"(1) IN GENERAL.—Each State to which a grant is made under section 403 shall require each family receiving assistance under the State program funded under this part to enter into a personal responsibility agreement (as developed by the State) with the State.

"(2) PERSONAL RESPONSIBILITY AGREEMENT.—For purposes of this subsection, the term 'personal responsibility agreement' means a binding contract between the State and each family receiving assistance under the State program funded under this part that—

"(A) contains a statement that public assistance is not intended to be a way of life, but is intended as temporary assistance to help the family achieve self-sufficiency and personal independence;

"(B) outlines the steps each family and the State will take to get the family off of welfare and to become self-sufficient, including an employment goal for the individual and a plan for promptly moving the individual into paid employment;

"(C) specifies a negotiated time-limited period of eligibility for receipt of assistance that is consistent with unique family circumstances and is based on a reasonable plan to facilitate the transition of the family to self-sufficiency;

"(D) provides for the imposition of sanctions if the individual refuses to sign the agreement or does not comply with the terms of the agreement, which may include loss or reduction of cash benefits;

"(E) provides that the contract shall be invalid if the State agency fails to comply with the contract; and

"(F) provides that the individual agrees not to abuse illegal drugs or other substances that would interfere with the ability of the individual to become self-sufficient, or provide for a referral for substance abuse treatment if necessary to increase the employability of the individual.

"(3) ASSESSMENT.—The State agency shall provide, through a case manager, an initial and thorough assessment of the skills, prior work experience, and employability of each parent for use in developing and negotiating a personal responsibility contract.

"(4) DISPUTE RESOLUTION.—The State agency shall establish a dispute resolution procedure for disputes related to participation in the personal responsibility contract that provides the opportunity for a hearing.

Mr. HARKIN. Mr. President, when individuals are hired for a job they are handed a job description, a job description which outlines their responsibilities so on day one they know what is expected in order to earn a paycheck. However, when individuals go into a welfare office to sign up for benefits, they fill out an application and then the Government sends them a check. There is no job description, nothing is expected on day one. The individual goes home and collects a check. I believe that is wrong. It saps an individual's self-esteem and makes a family dependent.

We must fundamentally change the way we think about welfare. We should be guided by common sense and build a system based on a foundation of responsibility. If you want a check, you must earn it and you must follow the job description. We need to stop looking at welfare as a Government giveaway program. Instead, welfare should be a contract, demanding mutual responsibility between the Government and the individual receiving the benefits. The contract should outline the steps a recipient will take to become self-sufficient, and also a date certain by which benefits will end. Responsibility should begin on day one, and benefits should be conditioned on compliance with the terms of the contract. Essentially, the contract would outline the responsibilities for an individual, just like a job description outlines a worker's duties. It builds greater accountability in the welfare system and sends the clear message that welfare as usual is no more.

A binding contract of this nature makes common sense, and it works. Here is how I know. The Family Investment Agreement, or contract, is the centerpiece of Iowa's innovative welfare reform program. The agreement or the contract is negotiated between individual recipients and their case workers. Failure to negotiate and sign a Family Investment Agreement or to refuse to follow its terms results in elimination of welfare benefits.

I meet with welfare recipients and their case workers on a regular basis in Iowa. I always ask them what they think about the requirement for this contract. An overwhelming number credit the contract for creating a fundamental change of the welfare system in Iowa, change which has meant fewer families on welfare and an increase in the number of families working and earning income and a decrease in the amount of money spent on cash grants. The results have been truly impressive in Iowa.

Caseworkers say the family investment agreement, or contract, has helped them guide families off welfare. Welfare recipients often say it is the first time that anyone ever asked them about their goals, and with the contract, they get a clear picture of exactly what is expected of them. That is an important first step toward making families self-sufficient.

The amendment I am offering with Senator COATS is simple. It builds on the successful reforms that are going on in our States; that welfare recipients negotiate and sign an agreement which outlines what will be done to move off welfare. A similar amendment was included in last year's bipartisan Senate bill. That bill we adopted 87 to 12. This would be a good improvement to the pending bill. Some changes were made in that amendment at the suggestion of Senator COATS, very good changes, I might add.

So I urge my colleagues to support that amendment.

Mr. President, I do not know if this amendment is going to be agreed to or not. There is some talk that it will be. We do not really know yet.

I ask unanimous consent that if this amendment is not agreed to that it be put over until Tuesday so that Senator COATS can speak on it. He could not be here this evening. So I ask unanimous consent that it be put over, that the vote on it be put over until Tuesday, and I will ask for the yeas and nays, which, if it is accepted, we can vitiate the yeas and nays.

The PRESIDING OFFICER. Is there objection to the unanimous consent request?

Mr. HARKIN. Let me rephrase that request. I ask unanimous-consent that this amendment, if it is not accepted, be put over to a vote until Tuesday so that Senator COATS might speak on it.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HARKIN. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. HARKIN. Mr. President, I still hope the amendment will be accepted after it is looked at. I do want to thank Senator COATS for his help in crafting this amendment and making changes to it. Again, I still hope it will be accepted. As I said, something similar to it was adopted unanimously on the bill we put through last fall.

Mr. HARKIN. Mr. President, I have a second amendment. It will not take very long.

AMENDMENT NO. 4916

(Purpose: To strike amendments to child nutrition requirements)

Mr. HARKIN. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 4916.

Strike section 1253.

Mr. HARKIN. Mr. President, this amendment would strike the provision in the bill that eliminates the existing program of grants for initiating or expanding school breakfast or summer food programs. The provision in the bill has nothing to do with welfare reform. It is merely killing a good program to save only a relatively small amount of money in terms of the total amount of money involved in this bill.

In fact, I believe this provision in the bill will actually hinder welfare reform, because it will mean more kids will be hungry during the school year and over the summer months. That is a circumstance that will make it harder for that family to get off welfare.

Many children having the greatest need for school breakfast and summer food assistance do not get the opportunity they should have to receive the benefits of these valuable programs. Currently, about 12 million low-income children take part in the School Lunch Program. Only about 5.5 million children participate in the School Breakfast Program, and the number of participants in the Summer Food Program is only about 2 million.

What these numbers mean is that a large proportion of low-income children who benefit from the School Lunch Program do not benefit from the School Breakfast Program and even fewer from the summer food program. Less than half of the low-income kids getting school lunches now receive breakfasts and less than 20 percent of low-income kids in the lunch program receive summer meals. There are many children who cannot take part in these very important programs because they simply are not available in their neighborhoods due to a lack of community resources.

Startup and expansion funds have proven themselves as a means to get these programs going in neighborhoods. What this program does is provide modest amounts of assistance to allow schools and summer food sponsors to get programs started or expand them in low-income areas. The school may need, for example, some equipment or some other resource that will help them deliver meals to hungry kids. There is no other program that is in existence to help out on these equipment and infrastructure needs. This is the only one.

The School Breakfast Startup and Expansion Program was begun by Congress to provide competitive grants for one-time expenses associated with starting a School Breakfast Program in individual schools. In 1994, the startup and expansion program was modified and made permanent and made to cover both school breakfast and the summer food programs.

The first grants under the new guidelines were announced in June of 1995, just last year. Forty-eight States have applied for grants; 31 States have received funding under this program. So it is needed, and it is helping to improve access of low-income kids to nutritious breakfasts and summer meals across the country.

There has been a resounding consensus from State departments of education that the availability of these funds has played a major role in increasing the availability of school breakfast and summer food programs to low-income kids. These funds are for one-time startup costs. Funding does not go on and on and on, but it provides schools and sponsors with the seed funds necessary to start or to expand to new sites these proven nutrition programs for children.

These startup and expansion funds have meant the difference between needy children going hungry in the morning—because their schools are too poor to afford the startup costs of a breakfast program—and children ready to learn after eating a school breakfast.

This bill that we have before us cuts spending by over $50 billion. My amendment would only have a minuscule effect on the magnitude of those savings. Mr. President, I submit that the cost in human terms, the cost in diminished futures for our Nation's children is far too high to pay in order to achieve the relatively minor spending reductions associated with the provision that my amendment strikes. By striking this provision, my amendment will ensure we continue to make a modest, sound investment in the nutrition, health, education and future of our children.

Finally, Mr. President, I believe that this amendment will actually save money in the long run, because kids who are well-nourished grow up healthy. They are able to learn and acquire the skills they need to live as productive members of society. That means less welfare dependency, less crime, less poor health and less cost to our society in dealing with the various ills that result from poor nutrition and stunted human development.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. Mr. President, I rise in opposition to the Harkin amendment. The underlying provision that the Harkin amendment attempts to amend actually has some commonality here, bipartisan support, I should say.

The President, in his most recent welfare reform proposal, contained a provision to repeal the expansion grants, the grants that the Senator from Iowa wants to put back in.

In addition, the Democratic substitute which we voted on earlier today also repealed expansion grants. And I think the reason was that these expansion grants, at least for the school breakfast program, have been around for 6 or 7 years. With 6 or 7 years, that is a fair amount of time to have those grants on the table to use to grow the program. If they have not grown by now, they are probably not going to grow with respect to the summer food program. It has not been widely used.

The Senator from Iowa mentioned 31 States. But these are not State grants. They are grants to very small discreet schools. If you only have 31 in the entire country, that is hardly a significant expansion of the program. I think most everyone has recognized that we have sort of reached the end of the road with respect to expanding this program. And this money can be more efficiently spent elsewhere.

I remind Senators that this provision saves a substantial amount of money. What it is is $112 million that we were required to come up with in our reconciliation portion of the agriculture budget. And there is no offset provided for in this legislation. So if in fact we put these grants back, we are going to have to find other places, food stamps, other kinds of programs that I think have more political support, and for good reason, than these expansion grants. So I would urge my colleagues not to support this amendment.

I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Just a small followup. I do not always agree with the President of the United States. These start-up and expansion grants stand on their own merits, without regard to what is contained in the President's or any other welfare reform proposal.

As the Senator from Pennsylvania says, this is kind of a modest program. But we did in 1994, as I said, make it permanent and modify it to include summer food start-up and expansion. We got the first of the new grants out last year. It is a modest program. It is not a big, overwhelming program. But it allows really the poorest schools to get the seed money.

As I said, it is a one-time infusion of money. Let us say they have some sites they want to deliver meals to. They have a central kitchen and they want to delivery some meals to other sites. Maybe they do not have a vehicle to do it. Well, this program would help them get the vehicle that will be able to deliver those meals to other sites, let us say, around the area.

So it is a one-time cost that will enable them to go ahead and have a breakfast program or a summer food program. It is needed. You say, well, it is a modest program. I suppose if it was big, they would argue it is too big. But it is a modest program and it is needed.

Right now, I say to my friend from Pennsylvania, that in the ag function we have over $500 million in excess spending reductions beyond the levels required by the budget resolution. CBO estimates that eliminating this program will reduce spending over 6 years by $112 million. So there is plenty of excess savings in the Agriculture Committee's portion of this bill to cover this amendment. I hope that we will correct this bill to allow these very important start-up and expansion grants for school breakfast and summer food programs to continue. Thank you very much.

Mr. SANTORUM. Just one of the reasons we had more savings than the ag bill is because we had to meet a specific target in the last year. And to meet that target, we had to cut a little bit more than we needed to in the first few years to meet the outyear number. That is why if you change the numbers, then we do not have the numbers in the outyears. I say that in response.

I am willing to get the yeas and nays on this.

Mr. HARKIN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. May I ask the Senator from Iowa, did the Senator offer two amendments?

Mr. HARKIN. Yes. I offered two amendments.

Mr. FORD. Did we get the yeas and nays on the second one?

Mr. HARKIN. I did get the yeas and nays, but we had a unanimous consent to hold off until Tuesday.

Mr. SANTORUM. I say to the Senator from Iowa, in discussing the matter with the Senator from Delaware, we are prepared to accept the first Harkin amendment, the one that was pushed off until Tuesday and accept the amendment without the need for a vote, if that is acceptable to the Senator.

Mr. HARKIN. That would be very acceptable.

Mr. SANTORUM. Mr. President, I ask unanimous consent to vitiate the yeas and nays on the first Harkin amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered on the second Harkin amendment.

AMENDMENT NO. 4915

Mr. FORD. Mr. President, we are now ready to accept the Harkin amendment.

The PRESIDING OFFICER. The question is on agreeing to the Harkin amendment No. 4915.

The amendment (No. 4915) was agreed to.

Mr. FORD. I move to reconsider the vote.

Mr. SANTORUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FORD. Mr. President, we have an amendment that is up from the Republican side. I understand that the Senator is not here. It is going to be offered by the acting floor manager. I do not know that we have anybody on our side. If the Senator wants to introduce it, then we would get the yeas and nays on it.

AMENDMENT NO. 4917

(Purpose: To ensure that recipients or caretakers of minor recipients of means-tested benefits programs are held responsible for ensuring that their minor children are up to date on immunizations as a condition for receiving welfare benefits from the taxpayers)

Mr. SANTORUM. Mr. President, I send an amendment to the desk on behalf of the Senator from Missouri, Senator ASHCROFT.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] for Mr. ASHCROFT, proposes an amendment numbered 4917.

Mr. SANTORUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in chapter 9 of subtitle A, insert the following:

SEC. . SANCTIONS FOR FAILING TO ENSURE THAT MINOR CHILDREN ARE IMMUNIZED.

(a) TANF.—

(1) IN GENERAL.—Notwithstanding any other provision of law, a State shall not be prohibited by the Federal Government from sanctioning a recipient of assistance under a State program funded under part A of title IV of the Social Security Act for failing to provide verification that such recipient's minor children have received appropriate immunizations against contagious diseases as required by the law of such State.

(2) EXCEPTION.—In the event that a State requires verification of immunizations, paragraph (1) shall not apply to a caretaker described in such paragraph who relies solely or partially upon spiritual means rather than medical treatment, in accordance with the religious beliefs of such caretaker.

(b) FOOD STAMPS.—

(1) IN GENERAL.—A caretaker recipient of assistance or benefits under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, shall provide verification that any dependent minor child residing in such recipient's household has received appropriate immunizations against contagious diseases as required by the law of the State in which the recipient resides.

(2) EXCEPTION.—Paragraph (1) shall not apply to a caretaker described in such paragraph who relies solely or partially upon spiritual means rather than medical treatment, in accordance with the religious beliefs of such caretaker.

(3) INDIVIDUAL PENALTIES.—The failure of a caretaker described in paragraph (1) to comply with the requirement of such paragraph within the 6-month period beginning with the month that includes the date that the caretaker first receives benefits under the food stamp program shall result in a 20 percent reduction in the monthly amount of benefits paid under such program to such caretaker for each month beginning after such period, until the caretaker complies with the requirement of paragraph (1).

(c) SSI.—

(1) IN GENERAL.—A caretaker of a minor child who receives, on their own behalf or on behalf of such child, payments under the supplemental security income program under title XVI of the Social Security Act (42 U.S.C. 1681 et seq.) shall provide verification that the child has received appropriate immunizations against contagious diseases as required by the law of the State in which the child resides.

(2) EXCEPTION.—Paragraph (1) shall not apply to a caretaker described in such paragraph who relies solely or partially upon spiritual means rather than medical treatment, in accordance with the religious beliefs of such caretaker.

(3) INDIVIDUAL PENALTIES.—The failure of a caretaker described in paragraph (1) to comply with the requirement of such paragraph within the 6-month period beginning with the month that includes the date that the caretaker first receives, on their own behalf or on behalf of such child, payments under the supplemental security income program shall result in a 20 percent reduction in the monthly amount of each payment made under such program on behalf of the caretaker or such child for each month beginning after such period, until the caretaker complies with the requirement of paragraph (1).

Mr. ASHCROFT. Mr. President, in 1994, one out of every four 2-year-olds had not received the proper vaccinations. This statistic worsens appreciably in urban areas. For example, a 1995 survey of State health department clinics in Houston found that only 14 percent of the children were up-to-date on their immunizations.

Because these children are not being immunized, the Centers for Disease Control reported 1,537 needless and easily avoidable incidences of mumps in 1994.

Such a deplorable lack of basic preventive health care is inexcusable, particularly since immunizations are free in America.

The Vaccines for Children Program administered by the National Immunization Program of the Centers for Disease Control and Prevention provides free vaccines to children under 18 who are eligible for Medicaid, or are uninsured or underinsured.

When a child in America is not immunized, it is entirely the fault of the parent. It is a blatantly irresponsible act not to immunize a child.

We should not be paying welfare recipients to abdicate their responsibility. The welfare system should encourage people to take care of their own.

Children are the future, and in order to break the cycle of dependence, children of welfare recipients need every break available.

All schools require immunization records for a child to be enrolled. An unimmunized child can be denied admission to school. And a child that doesn't go to school will probably end up on welfare.

What's wrong with requiring parents on welfare to have their children immunized? We shouldn't be paying parents to neglect their children.

This amendment allows States to sanction welfare recipients of TANF, and other States programs who do not immunize their children.

This amendment also requires States to sanction Food Stamps and SSI recipients who do not immunize their children.

Again, immunizations are free to Medicaid recipients and the uninsured in hospitals and clinics across the Nation, so there is simply no legitimate excuse for parents not to have their children immunized. Additionally, States think immunization requirements for government aid are a good idea.

According to the American Public Welfare Association 12 States have received Federal waivers to implement AFDC requirements for immunization.

For example: Delaware, immunization is required for pre-school children. Failure to comply results in $50 decrease per month in AFDC grant. Indiana, recipients must show proof within 12 months of AFDC application that children are immunized. Families in noncompliance are sanctioned $90 per month. Michigan sanctions AFDC families $25 per month if parents fail to immunize pre-school-age children according to State policy. Mississippi children under 6 must receive regular immunization and checkups or sanction of $25 per month applies. AFDC preschoolers in Texas must be immunized or the State may sanction the family $25 per child. And finally, in Virginia, AFDC recipients with children who have not been immunized receive fiscal sanctions of $50 for the first child and $25 for each additional child.

This amendment is the best means to ensure that all children everywhere are immunized against deadly, but easily controllable diseases such as mumps, tetanus, measles, polio, et cetera.

It is a first step to encouraging responsibility in a system that breeds decadence and dependence—a step upward on the ladder of opportunity out of our current welfare system's net of ensnarement.

Mr. FORD. Mr. President, I yield back what time we might have on this side.

Mr. SANTORUM. Likewise.

Mr. President, I ask for the yeas and nays on the Ashcroft amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

AMENDMENT NO. 4918

(Purpose: To revise this legislation if it increases the number of impoverished children in this Nation)

Mr. WELLSTONE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] for himself and Mr. SIMON, proposes amendment numbered 4918.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

"IMPOVERISHED CHILDREN PROVISION.—

"(A) REPORT BY THE SECRETARY, ACCOMPANIED BY LEGISLATIVE PROPOSAL.—The Secretary of Health and Human Services shall develop data and, by January 30, 1999, shall report to Congress with respect to whether the National child poverty rate for Fiscal Year 1998 is higher than it would have been had this Act not been implemented. If the Secretary determines that this rate has increased and that such increase is attributable to the implementation of provisions of this Act, then such report shall contain the Secretary's recommendations for legislation to halt this increase. The Secretary's report shall be made public and shall be accompanied by a legislative proposal in the form of a bill reflecting said recommendations.

"(B) CONGRESSIONAL ACTION.—

"(1) The bill described in (A) shall be introduced in each House of Congress by the Majority Leader or his designee upon submission and shall be referred to the committee or committees with jurisdiction in each House.

"(2) DISCHARGE.—If any committee to which is referred a bill described in paragraph (1) has not reported such bill at the end of 20 calendar days after referral, such committee shall be discharged from further consideration of such bill, and such bill shall be placed on the appropriate calendar of the House involved.

"(3) FLOOR CONSIDERATION.—Any bill described in paragraph (1) placed on the calendar as a result of a committee's report or the provisions of paragraph (2) shall become the pending business of the House involved within 60 days after it has been placed on the calendar of such House, unless such House shall otherwise determine."

Mr. WELLSTONE. Mr. President, this amendment is on behalf of myself and Senator SIMON. This amendment is a very simple and straightforward amendment. And it is my fervent hope that this amendment will have strong bipartisan support.

Mr. President, let me just assume—and I think it is probably a correct assumption—that there is not one Senator in this Chamber that wishes to impoverish any more children in America, that when people say that they think the passage of this bill will not hurt children, they mean it. I accept that as having been said in good faith.

Mr. President, today the Washington Post, in an editorial, said that this welfare reform bill could be a profound mistake and called upon all of us to be cautious, that one out of every eight children in America is covered by the AFDC program, the welfare program.

Mr. President, let me give you the context, and then let me go right to the amendment. The context is as follows. I think we are going to be very honest about this. As the old saying goes, people can be in honest disagreement about this bill. But the fact of the matter is, we do not know for certain. There are some ardent advocates for this welfare bill. And there are those who have spoken in strong opposition.

One of those Senators who has been most vocal in his opposition is Senator PATRICK MOYNIHAN from New York, who has been a giant in the field, who has studied welfare longer than any of the rest of us, who is an acknowledged expert, and who has enormous intellectual and political and personal integrity.

Senator MOYNIHAN argues that this in fact would mean that there would be more impoverished children in America. That is his view. That is not the view of every Senator.

Mr. President, what this amendment says is that Health and Human Services takes a look at what we have done over the next 2 years. I know that Senators do not want this to be the case. But if, in fact, as a result of some of the provisions in this legislation there are more impoverished children in America, that report comes back to us, and we fast track it. It comes back to the Congress, we fast track it, and it comes to the floor in 20 days, and we take action to correct the problem.

Now, Senators, please understand what I am saying. I wish there was time to summarize this tomorrow. I am assuming everybody in this Chamber—and I believe it has been operating in good faith; we just have some honest disagreements. But I do not think any of us know for certain.

What I am saying in this amendment is, at least have some safety net here or some fail-safe mechanism. At least be willing to evaluate what we have done. We cannot know what we do not want to know. We cannot be unwilling to study what we have done. We cannot be unwilling to have some sort of evaluation, have Health and Human Services study this, bring it back to us, and if, in fact, because of some of the provisions in this legislation, there are more impoverished children in America—that is what the Office of Management and Budget said about the last bill we passed—then we would take a look at that study, and we, not Health and Human Services, we, as legislators, would take the kind of corrective action that would be necessary to make sure we do not continue to cause this poverty among children in America.

Mr. President, I am really hopeful that there will be strong support for this. I think it is a most reasonable amendment. I think it would be reassuring to people in the country. Frankly, I think it is a way we can reassure ourselves. I offer this amendment, and I hope that it will be accepted.

I withhold the balance of my time and ask for a response from the Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I do not see anything in this amendment that is necessary. We already get a variety of information from the Department of Health and Human Services, the Labor Department, and a whole lot of other agencies with respect to statistical information with respect to poverty rates and a whole variety of other factors dealing with children in poverty.

That information is compiled regularly and is made available to the Congress. So to have the Secretary of Health and Human Services redo that in some report as requested by the Senator from Minnesota seems to me to be unnecessary.

If, in fact, the poverty statistics over the 2-year-period, as described in this legislation, show an increase in the poverty rate among children, I guarantee you that there will be Members, maybe from both sides of the aisle if it is dramatic, who will come here to the floor and will be looking to make some changes in the welfare program.

I suggest we have seen increases in poverty with the current system on many occasions, almost continually over the past 30 years, and we have never done anything as dramatic as what the Senator from Minnesota is suggesting with this proposal. I think what we are seeing here is really nothing more than putting in some sort of structure in some very limited and constrained timing. Why not 2 years? Why not 5 years? Why not 1 year? It is hard to pull a number like 2 years out of the hat.

This is a program that, once implemented, will be implemented differently across this country because of the flexibility given in this bill. There will be programs that I think will be dramatically successful which will have tremendous impact on the poor in this country. There are those, in all likelihood, that will have modest success. I think it is important to let that play out. It is important to give the Congress the flexibility to be able to deal with that in a rational, measured way, by debate, instead of forcing them into a rather tight timeframe that is being designed here by the Senator from Minnesota.

For those reasons, I oppose the Wellstone amendment.

Mr. WELLSTONE. Mr. President, the Senator from Pennsylvania evades the point. This amendment is not about collecting statistics about poverty in general. It is about this piece of legislation and doing something in the affirmative for children if, in fact, provisions in this piece of legislation should lead to an increase in poverty among children. Two years is hardly too tight a time line for children who might find themselves in more difficult economic circumstances because of what we have done.

In all due respect, I find it absolutely amazing that Senators who make the argument that this is going to be a piece of legislation that will not hurt children would now be unwilling to support a study to see whether, in fact, provisions in this piece of legislation are going to impoverish more children. You cannot evade the point.

I ask my colleague, what would be the harm in such a study? Gunnar Myrdal said, "Ignorance is never random." Sometimes I guess we do not know what we do not want to know.

Before I move on to my other amendment, is there any particular response as to why?

Mr. FORD. Will the Senator yield?

Mr. WELLSTONE. I am happy to yield to the Senator.

Mr. FORD. We are starting something new, and it is down a path that we are not sure how it will turn out. I think that is the Senator's point.

The States will be doing this and not the Federal Government, as such, because in this legislation we would be giving block grants. I think we ought to know how that is faring out there.

I remember when the States were in charge of nursing homes. Because it was so bad, the Federal Government took it over and set higher standards so we could take care of our senior citizens better. Is it not the point that we do not know what will happen?

Like the Senator from Pennsylvania said, some programs may be good, some may be mediocre, some may flunk. Do we not need to know and respond, particularly for children? Is that not the point the Senator is trying to make?

Mr. WELLSTONE. I say to my colleague from Kentucky, absolutely.

I will give but one other example. It was President Richard Nixon, a Republican, who said we better have some national standards for food stamps, because we had all these reports in the mid and late 1960's. I am sure my colleague from Pennsylvania has read about those reports on children with extended bellies and children suffering from rickets and scurvy. We decided there better be some national standards.

If we are going to do something quite new, and we have Senators of the stature of Senator PATRICK MOYNIHAN who say this will impoverish more children, and we have two studies from OMB and Health and Human Services saying the same thing, I do not wish to cast judgment on it, but I cannot for the life of me understand why my colleagues would not want to at least have Health and Human Services study it and bring back a report to us, and if, in fact, some of the provisions of this legislation have increased poverty among children, we take corrective action.

My colleagues have said that will not happen, so why would you want to vote against this? Why would you not want to have a study? Why would you not want to have some measuring of statistics? Why would we not want to err on the side of caution when it comes to what we are doing, as it affects the poorest children in America? Why would we not want to err on the side of caution?

The silence is deafening; is there a response?

Mr. SANTORUM. Mr. President, I am happy to respond to the Senator from Minnesota. The answer simply is, like every other welfare program that has been instituted in this country, there are volumes of studies as to its impact by a variety of organizations from the left to the right, including the Government. I do not think there will be any shortage of information as to the efficacy of this new direction in welfare. That is No. 1.

No. 2, what your amendment provides for is not only reports, and I suggest duplicative reports, but congressional action, discharge for consideration, an expedited procedure, very expedited procedure for legislation, which is, again, I think, an overreaction and just not necessary.

Mr. WELLSTONE. Well, Mr. President, I will finish up with one other quick amendment with my time slot. First, I will respond by saying one more time that it just evades the point. It is not a question of academics or whether there will be studies. It is a question of whether or not we are willing, as an institution, as a body, to say we are doing something very different. We want to make sure that in this legislation we pass we have some provision here to take a look at what we have done, so that the results will come back to us, so that if in fact, God forbid, we have done something that impoverished more children, we will take quick action to correct the problem. I cannot, for the life of me, understand the opposition to such a proposal. I am really shocked. Excuse me for my indignation, but I am.

Mr. President, I ask unanimous consent to lay this amendment aside and to offer my other amendment.

The PRESIDING OFFICER (Mr. FRIST). Is there objection?

Mr. ROTH. Mr. President, reserving the right to object, and I will not object, but I want to make some comments.

Mr. WELLSTONE. I am sorry. I yield for that purpose.

The PRESIDING OFFICER. Does the Senator withdraw the unanimous consent request for the moment?

Mr. WELLSTONE. Yes. I thank the Chair.

Mr. ROTH. Mr. President, every Senator here is concerned about the children of America, and we are particularly concerned about those children that are not having the kind of opportunity we all think they deserve. So I do not think the comments should be that we do not all seek the same benefits for the children in our country.

Just let me point out that the legislation reported out by the Finance Committee already provides for research, evaluation, and national studies. In section 413(a), we specifically provide that the Secretary shall conduct research on the benefits, efforts, and costs of operating different State programs funded under this part, including time limits relating to eligibility. Not only do we provide for studies, but we provide $15 million for each of the fiscal years from 1998 through 2001, with the purpose of paying the cost of conducting such research, for the cost of developing and evaluating innovative approaches for reducing welfare dependency and increasing the well-being of minor children under section (b).

So we already have in the legislation ample provisions for studies to be made to determine how effective our reform programs are. We all want that information. That is the reason it is contained in this bill.

However, we do object to the expedited procedure, whereby the Secretary of Health makes recommendations and they are put on an accelerated track to be considered by the Congress. I know of no instance where this kind of procedure has been used. Yes, we have had accelerated procedures in certain limited circumstances, such as trade bills. But the recommendations come from the President of the United States. I, for one, think that it is appropriate for the recommendations of these studies to go through the regular process of Congress.

My distinguished friend and colleague from Minnesota talks about the timeframe. Just let me point out that the present program has been in effect for about 30 years, and we have studies and recommendations from the CBO that show that if we do not do something about reform, that another 3 million children will be on welfare in the next 9 years. So do not talk to me about the timeframe. Let us all agree that we do want the studies, and we do want the independent analyses as to how these programs are working. But let us use the Congress and its normal processes, including its committees, to determine what is appropriate, rather than to give this kind of authority to a nonelected Member of the Cabinet.

Mr. WELLSTONE. Mr. President, I have just a quick response, and we will move on. First of all, I say to my friend from Delaware that to talk in general terms about studies and evaluations and not to connect it specifically to the issue that I raised in this amendment, as to whether or not we will in fact be willing to look at the very real and important questions as to whether this legislation or provisions in this legislation have impoverished more children, and then take corrective action, again, it misses the point. It is not a response to that very real concern.

Second of all, this it is not an agency that takes the action. Health and Human Services reports back to this body, and we are the ones that correct the problem. We are the ones that correct the problem. So, again, I do not really believe that the comments of my colleague are responsive to what this amendment speaks to.

Finally, on welfare—I cannot resist—and then we can move on. But this reference to the CBO study. With all due respect, when I hear my colleagues talk about welfare and how welfare caused poverty, it is tantamount to making the argument that Social Security caused people to grow old. You have the cause and effect mixed up. Every 30 seconds, a child is born into poverty in this country. We are getting close to one out of every four children. That is true. There are a whole host of reasons why we have this poverty. Welfare is a response to it. To argue that the welfare system causes the poverty is like saying the Social Security system causes people to be aged. You just have the cause and effect mixed up.

I yield the floor.

Mr. SANTORUM. Mr. President, I yield back all our time on the amendment.

The amendment is not germane to the provisions of the reconciliation bill pursuant to 305(b)(2) of the Budget Act. I raise a point of order against the pending amendment.

Mr. WELLSTONE. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the applicable section of that Act for the consideration of the pending amendment.

Mr. SANTORUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4919

(Purpose: To ensure that States which receive block grants under Part A of title IV of the Social Security Act establish standards and procedures regarding individuals receiving assistance under such part who have a history of domestic abuse, who have been victimized by domestic abuse, and who have been battered or subjected to extreme cruelty)

Mr. WELLSTONE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE], for himself and Mrs. MURRAY, proposes an amendment numbered 4919.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of section 402(a) of the Social Security Act, as added by section 2103(a)(1), add the following:

"(7) CERTIFICATION OF STANDARDS AND PROCEDURES TO ENSURE THAT THE STATE WILL SCREEN FOR AND IDENTIFY DOMESTIC VIOLENCE.—

"(A) IN GENERAL.—A certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to—

"(i) screen and identify individuals receiving assistance under this part with a history of domestic violence while maintaining the confidentiality of such individuals;

"(ii) refer such individuals to counseling and supportive services; and

"(iii) waive, pursuant to a determination of good cause, other program requirements such as time limits (for so long as necessary) for individuals receiving assistance, residency requirements, child support cooperation requirements, and family cap provisions, in cases where compliance with such requirements would make it more difficult for individuals receiving assistance under this part to escape domestic violence or unfairly penalize such individuals who are or have been victimized by such violence, or individuals who are at risk of further domestic violence.

"(B) DOMESTIC VIOLENCE DEFINED.—For purposes of this paragraph, the term 'domestic violence' has the same meaning as the term 'battered or subjected to extreme cruelty', as defined in section 408(a)(8)(C)(iii).

"(8) CERTIFICATION REGARDING ELIGIBILITY OF INDIVIDUAL WHO HAS BEEN BATTERED OR SUBJECTED TO EXTREME CRUELTY.—A certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to ensure that in the case of an individual who has been battered or subjected to extreme cruelty, as determined under section 408(a)(8)(C)(iii), the State will determine the eligibility of such individual for assistance under this part based solely on such individual's income.

Mr. WELLSTONE. Mr. President, I will try to be brief. This amendment speaks to an issue that we, as the Senate, have really, I think, taken some important steps and major strides forward in addressing, and that is domestic violence in our country, violence within families that effect women, children, and sometimes men—usually women and children.

Mr. President, this amendment would ensure that States that receive the block grant under part A of title IV of the Social Security Act establish standards and procedures regarding individuals receiving assistance who have a history of domestic abuse, who have been victimized by domestic abuse and have been battered or subjected to extreme cruelty.

There was a study done by the Taylor Institute in Chicago that documented that between 50 to 80 percent of women receiving AFDC are current or past victims of domestic abuse. In other words, for all too many of these women and children welfare, imperfections and all, is the only alternative to a very dangerous home.

So what this amendment would say is that States would be required to screen and identify individuals receiving assistance with a history of domestic violence, refer such individuals to counseling and supportive services, and waive for good cause other program requirements for so long as necessary.

This is what the States would essentially end up doing. It would all be done at the State level.

Mr. President, we cannot have "one size fit all," as I have heard many of my colleagues so say. It took Monica Seles 2 years to play tennis again. Can you imagine what it would be like as a result of her stabbing—to be beaten up over and over and over again; can you imagine what it would be like to be a small child and see that happen in your home over and over again?

I want to make sure that these women and these children throughout our country, for whom the welfare system has been sometimes the only alternative to these very dangerous homes, receive the kind of special services and assistance that they need. In the absence of the passing of this amendment, all too many women and children could find themselves forced back into these very dangerous homes.

So it is a reasonable amendment. It is one that speaks to the very real problem of violence within homes in our country. It would be an extremely important, I think, modification of this welfare bill that would provide assistance that is really needed by many women, many children, and many families in our country.

I hope that this amendment would be agreed to and would receive strong support, bipartisan support.

Mr. SANTORUM. Mr. President, there is no objection to this amendment on this side. We are willing to accept the amendment.

Mr. WELLSTONE. Mr. President, I thank the Senator from Pennsylvania.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment (No. 4919) was agreed to.

Mr. SANTORUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WELLSTONE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I have a unanimous consent agreement to propound to dispose of two amendments which have been agreed to on both sides of the aisle. They are Senator FAIRCLOTH's amendment to clarify that a welfare recipient may provide child care services to satisfy the bill's work requirements.

The second one is Senator COATS' amendment allowing welfare recipients to establish individual development accounts.

Mr. President, I ask unanimous consent that it be in order for me to offer these two amendments which I now send to the desk.

The PRESIDING OFFICER. Is there objection?

Mr. GRAHAM. Mr. President, reserving the right to object, has this amendment been cleared?

Mr. ROTH. Yes. Both have been cleared.

Mr. GRAHAM. Mr. President, I have been informed that the first amendment has not been cleared on this side.

Mr. ROTH. I understand that, although they have been cleared, a question has been raised.

So I withdraw my request until clarified.

Mr. DEWINE addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

AMENDMENT NO. 4920, WITHDRAWN

(Purpose: To amend the Social Security Act to clarify that the reasonable efforts requirement includes consideration of the health and safety of the child)

Mr. DEWINE. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Ohio [Mr. DEWINE] proposes an amendment numbered 4920.

Mr. DEWINE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of chapter 7 of subtitle A of title II, add the following:

SECTION 2703. CLARIFICATION OF REASONABLE EFFORTS REQUIREMENT BEFORE PLACEMENT IN FOSTER CARE.

(a) IN GENERAL.—Section 471(a)(15) of the Social Security Act (42 U.S.C. 671(a)(15)) is amended to read as follows:

"(15) provides that, in each case—

"(A) reasonable efforts will be made—

"(i) prior to the placement of the child in foster care, to prevent or eliminate the need for removing the child from the child's home; and

"(ii) to make it possible for the child to return home; and

"(B) in determining reasonable efforts, the best interests of the child, including the child's health and safety, shall be of primary concern;".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by subsection (a) shall be effective on the date of the enactment of this Act.

(2) EXCEPTION.—In the case of a State plan for foster care and adoption assistance under part E of title IV of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirement imposed by the amendment made by subsection (a), such plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet this additional requirement before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

Mr. DEWINE. Mr. President, I intend to talk for approximately 10 minutes about this amendment, and then, for reasons which I am going to discuss in just a moment, withdraw the amendment. But I want to discuss it. I inform my colleagues that it will take approximately 10 minutes.

Mr. President, my amendment deals with the issue of foster care. It is my understanding that because the Senate bill has no language in this bill on the issue of foster care that my amendment would be considered not to be germane. The House bill does deal with foster care. Therefore, if we had a House bill before us it obviously would be germane. Because of this, after a few brief remarks, I am going to withdraw this amendment.

But I would like to discuss tonight what I consider to be a very important issue. It is the issue that my amendment addresses. It is the subject of a freestanding bill that I have just a few moments ago introduced. I believe that the idea contained in the bill, the idea contained in my amendment, must be acted upon; if not in this bill then in a subsequent bill. And I have previously discussed this issue at length on the Senate floor. I want to take just a few moments now to revisit the issue, and to talk to my colleagues about it.

In 1980, Congress passed the Adoption Assistance and Child Welfare Act, known as CWA. That 1980 act has done a great deal of good. It increased the resources available to struggling families. It increased the supervision of children in the foster care system, and it gave financial support to people to encourage them to adopt children with special needs.

Mr. President, while the law has done a great deal of good, many experts are coming to believe that this law has actually had some bad unintended consequences. The bad unintended consequences were not because of the way the law was written and not because of the way the lawmakers intended in 1980 that it happen, but, frankly, because the law has been grossly misinterpreted.

Under the 1980 act, for a State to be eligible for Federal matching funds for foster care expenditures, the State must have a plan for the provision of child welfare services. And that plan must be approved by the Secretary of HHS. This plan must provide, and I quote. Here is the pertinent language, referring now to foster care:

> In each case reasonable efforts will be made, (A), prior to the placement of a child in foster care to prevent or eliminate the need for removal of the child from his home; and, (B), to make it possible for the child to return to his home.

In other words, Mr. President, the law very correctly says we should try family reunification. The law put money behind that. That is the right thing to do. But, Mr. President, this law has been misinterpreted. In other words, Mr. President, no matter what the particular circumstances of the household may be, the State must make reasonable efforts to keep it together and to put it back together, if it falls apart.

What constitutes reasonable efforts? Here is where the rub comes. How far does the State have to go? This has not been defined by Congress nor has it been defined by HHS. This failure to define what constitutes reasonable efforts has had a very important and very damaging practical result. There is strong evidence to suggest that in the absence of a definition reasonable efforts have become in some cases extraordinary efforts, unreasonable efforts; efforts to keep families together at all costs. These are families, Mr. President, that many times are families in name only and parents that are parents in name only.

In the last few months I have traveled extensively throughout the State of Ohio talking to social work professionals; talking to people who are in the field every day dealing with this issue.

In these discussions, I have found that there is great disparity in how the law is being interpreted by judges and by social workers. In my home State of Ohio we have 88 counties, and I would venture to say the law is being interpreted 88 different ways and in some counties with many juvenile judges it is interpreted differently within that same county by different judges.

Let me give you an example. This is the easiest way that I can explain it. I posed this hypothetical, which it turns out in some cases, unfortunately, is not a hypothetical, but I made it up, I posed a hypothetical to representatives of children's services in both rural parts of Ohio and urban counties.

Here is my hypothetical. The mother, Mary, is a 28-year-old, crack-addicted individual who has seven children. Steve, the father, 29-year-old father of the children, is an abusive alcoholic, and all seven of their children have been taken away, taken away permanently by the county, by the State over a period of time. In each child's case, courts have decided these people cannot have this child; they are abusive; it is dangerous for the child. Not only that, we are taking them away permanently. The mother gives birth now to an eighth child. This newborn tests positive for crack. Therefore, it is very obvious that the mother is still addicted to crack. The father is still an alcoholic. Those are the facts.

Pretend for a moment that you work for the county children's services department. Here is the question, the question I posed to numerous people across Ohio. Does the law allow you to get the new baby out of the household, and if you do, should you file for permanent custody so that baby can be adopted? Can you file for permanent custody so that baby can be adopted?

The answer, I believe, will surprise and shock you. In fact, I was surprised at the response I got when I asked a number of Ohio social work professionals that very question. The answer varied from county to county but I heard too much "no" in the answers I got. Some officials said they could apply for emergency custody of the baby, they would get emergency custody and take the child away on a temporary basis, but that they would have to make a continued effort—do you believe this? They would then have to make a continued effort to send the baby back to the family, back to the mother, back to the father.

Other social workers said if they went to court to get custody of the baby, they probably would not be able to get even temporary custody of this little child. Most shocking of all, Mr. President, is the issue of adoption. I asked then with this hypothetical, with the seven children already having been taken away, with the eighth child now testing one day positive for crack, mother clearly still on crack, showing no signs she is going to get off, father continues to be an alcoholic, continues to be an abusive alcoholic, with all of those facts, how soon could I expect that this poor little baby would be eligible to be adopted?

Most shocking of all is the answer I got. The lowest figure I got was 2 years. That was the best I got; it would take 2 years for this child to be eligible to be adopted. In one urban county in the State of Ohio—and this is not unusual to Ohio—I was told it would take 5 years before that child was eligible to be adopted—5 years.

One social worker, just one out of the ones I asked, told me that her department would move immediately for permanent custody of the baby, but she said their success would depend on the particular judge that is assigned to the case.

Mr. President, should our Federal law really push the envelope this far? Should this Federal law really require extraordinary efforts? Should it require extraordinary efforts be made to keep that family together, efforts that any one of us clearly would not consider to be reasonable based on past history? I had one social worker look me in the eye and say, "Senator, the problem is the way our courts interpret this law, we can't look at any history. We can't learn from the history of that family. We can't learn from the history of that abusive father or that abusive mother. We have to start over again each time."

It is clear that after 16 years of experience with the law, there is a great deal of confusion as to how the act applies. Again, I do not believe that is the fault of the authors. I think that is just the way it has been interpreted. I would not interpret the law that way, but the fact is after 16 years we know it is being interpreted that way and is going to be interpreted that way.

My legislation is very simple, very short. My legislation would clarify once and for all the intent of Congress in the 1980 act. My legislation would amend that language in the following way. I am going to read in a moment what my language would add. I want to first state to the Senate that I would not change any of the language in the current law. I would add to it, but I would not change it. I would not change the requirement for reasonable efforts to be made to reunify a family. That is a positive thing. That is something that we should try whenever it is reasonable to do so. The people who make that decision are the people on the front lines, the social workers, the children's service agencies, the people who have to make life-and-death decisions. They are the ones who are going to have to make the decision. I just want to clarify the law and to get it back to where I think the framers of the law, people who wrote the law in this Congress in 1980, intended it to be. So I would add the following, after the current language:

> In determining reasonable efforts, the best interests of the child, including the child's health and safety, shall be a primary concern.

Let me read it again:

> In determining reasonable efforts, the best interests of the child, including the child's health and safety, shall be a primary concern.

I think that settles it; it clarifies it. Again, I think it does what the framers wanted.

In conclusion, Mr. President, the 1980 act was a good bill. There are some families that need a little help if they are going to stay together, and it is right for us to help them. That is what the Child Welfare Act did. But by now it should be equally clear that the framers of the 1980 act did not intend for extraordinary, unreasonable efforts to be made to reunite children with their abusers.

As Peter Digre, the Director of the Los Angeles County Department of Children and Family Services, testified at a recent House hearing, "We cannot ignore the fact that at least 22 percent of the time infants who are reunited with their families are subjected to new episodes of abuse, neglect or endangerment."

That was not the intent of Congress in the 1980 law, but too often that law is being misinterpreted in a way that is trapping these children in abusive households.

I believe we should leave no doubt about the will of the American people on this issue affecting the lives of America's children. The legislation I am proposing today would put the children first.

Now, Mr. President, for the reasons that I have stated in the beginning, I reluctantly ask the Chair to withdraw the amendment.

I ask unanimous consent to have the amendment withdrawn.

The PRESIDING OFFICER. The amendment is withdrawn.

The amendment (No. 4920) was withdrawn.

AMENDMENT NO. 4911

Mr. DEWINE. I yield the floor.

Mr. SANTORUM. Mr. President, I ask unanimous consent it be in order to ask unanimous consent to order the yeas and nays on amendment 4911.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. SANTORUM. I thank the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I would make a series of notions to strike provisions in S. 1956.

Mr. SANTORUM. Will the Senator from Florida agree to a time agreement at this point?

Mr. GRAHAM. Mr. President, 40 minutes, equally divided.

Mr. SANTORUM. I ask unanimous consent to have 40 minutes equally divided on the Graham motion without a second-degree amendment in order.

The PRESIDING OFFICER. Is there objection?

Mr. GRAHAM. I would modify that. It will require more than a single motion in order to strike the sections which I intend to strike from title II, chapter C, of S. 1956. So could the reference to "motions" be placed in the plural?

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, the purpose of the series of motions which I will make, which I hope will be considered as a single motion for purposes of our final vote, is to strike from this legislation those sections which relate to the eligibility of legal immigrants—

legal immigrants—to receive various Federal needs-based benefits. I do this because to have this language in this welfare bill is both redundant and punitive in terms of those communities which have large numbers of legal immigrants and will have significant costs shifted to them as a result of this legislation.

I am joined in this effort by Senators SIMON, MURRAY and FEINSTEIN, who also recognize it would be inappropriate, and a duplication, to consider matters which have already been resolved by this body.

As we will all recall, it was only a few weeks ago, May 2, to be precise, that the Senate passed the Immigration Control and Financial Responsibility Act. This act, which had as its primary objective controlling illegal immigration into the United States, also contained provisions that restrict the rights of legal aliens to a variety of Federal needs-based programs.

This legislation was the result of extensive hearings and markups in the Judiciary Committee. It was subjected to exhaustive floor debate which lasted well over a week in the Senate. The majority of the time spent on the immigration bill dealt with the public benefits for legal and illegal immigrants. The availability of Supplemental Social Security Income, Aid for Families with Dependent Children, Medicaid and Medicare for immigrants, was examined during several floor votes which resulted in a comprehensive Senate bill.

I am going to say, I hope with not excessive arrogance, that this is a subject which I know something about. I was Governor of Florida in 1980 when over 125,000 immigrants in various legal categories came to my State in a period of a few weeks. Since that time, it has been estimated that the total unreimbursed cost of that incident to the State of Florida was in excess of $1.5 billion. Those were costs associated with health care, social services, education, housing, job training—a variety of activities which were necessary in order to facilitate the assimilation of that large population into the population of the State of Florida.

The State of Florida has tried for the better part of 15 years to get recognition of those costs which were incurred because of Federal immigration decisions, but which ended up being an unreimbursed, unfunded mandate on the State of Florida. This case finally ended up in the U.S. Supreme Court earlier this year. The decision of the U.S. Supreme Court: This is not a judicial issue. If the State of Florida, and other States which might be similarly affected, is to be dealt with, it has to be dealt with by a political judgment, not by a judicial remedy.

What distresses me is after having spent weeks shaping the bill which was intended to provide that type of structured legal response by the Federal Government when such impositions are placed by Federal action on a particular community or State, we now, in a bill which is going to be subject to 20 hours of debate—here it is after 10:30 at night—we are about to substantially rewrite, discard the fundamental policy premise of our previous actions and almost quadruple the amount of the unfunded mandate we are going to impose on affected States. In addition to the inappropriateness of us rejecting our previous work, we are making some very significant policy decisions without the kind of attention that we afforded to our earlier action on immigration.

What are some of those decisions we are about to make? In the previous bill, we used the concept of deeming. I wish the Senator from Wyoming were with us this evening, because he explained in great detail and on a repetitive basis what the theory of deeming is. It is that if a person sponsors a legal alien to come into this country, that that person should assume the financial obligations that will guarantee that their sponsored legal alien will not become a public charge.

Therefore, in terms of evaluating whether that legal alien qualifies—for instance, for Medicaid—you would add the income of the sponsor to the income of the legal alien. And if the combination of those incomes exceeded the eligibility threshold, then the legal alien would no longer qualify for that particular needs-based service. That concept of deeming that we worked so carefully on in the immigration bill is largely replaced in this legislation by absolute prohibitions against legal aliens being able to access these Federal programs.

Much of the legislation that we considered earlier and passed on May 2 was based on a recommendation of the U.S. Immigration Commission, which was established by act of Congress in 1990, and which issued a series of reports in the mid-1990's. This report, issued in 1994, entitled "U.S. Immigration Policy: Restoring Credibility," while it spoke well of the concept of deeming as a means of assigning responsibility for legal aliens, went on to say:

> However, circumstances may arise after an immigrant's entry that create a pressing need for public health: unexpected illnesses, injuries sustained because of serious accident, loss of employment, death in the family. Under such circumstances, legal immigrants should be eligible for public benefits if they meet other eligibility criteria. We are not prepared to remove the safety net from under individuals who we hope will become full members of our polity.

That is precisely what this legislation does. It removes the social net.

This also will make a very significant difference in the dollar amount of unfunded costs shifted to the States. Under the bill we passed as immigration reform, the cost over 7 years was $5.6 billion.

This bill will impose an unfunded mandate of $23 billion over the next 7 years on States. Mr. President, in deference to the limited time that we have and the lateness of the hour, I will not unduly burden the Senate with the reports which I have, but I ask unanimous consent to have printed in the RECORD a statement from the National Association of Public Hospitals and Health Systems which outlines what the costs are going to be just in the one sector of health care institutions which are going to be a principal target of these unfunded mandates.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE NATIONAL ASSOCIATION OF PUBLIC HOSPITALS AND HEALTH SYSTEMS IN SUPPORT OF SENATOR GRAHAM'S AMENDMENT

The National Association of Public Hospitals and Health Systems (NAPH) strongly supports Senator Graham's amendment, cosponsored by Senator Simon, to strike Title IV from the welfare reform legislation. NAPH is strongly opposed to the legal immigrant provisions in the welfare reform bill because barring legal immigrants from Medicaid eligibility for five years and deeming legal immigrants out of Medicaid eligibility until citizenship would jeopardize the health care safety net in many urban areas.

Public hospitals would still treat immigrants but receive no reimbursement. Most low income legal immigrants cannot afford health insurance. Because of the legislation, however, all legal aliens will be ineligible for Medicaid.

Public hospitals would have new burdens of uncompensated care. The bar on Medicaid eligibility and Medicaid deeming would lead to an increase in the number of uninsured patients and exacerbate an already tremendous burden of uncompensated care on public hospitals and other providers who treat large numbers of low income patients. This is a cost shift from the federal government to state and local entities and providers.

Public hospitals would bear the costs of welfare reform. The cost shift created by the welfare legislation would disproportionately fall on public hospitals in states with large numbers of legal immigrants, such as Florida, California, Texas, New York, and Illinois. Public hospitals in states with lower levels of immigration would also bear the costs, because legal immigrants are part of almost every community.

There would be new public health risks. The loss of Medicaid coverage means that the amount of preventive care provided to legal immigrants would be drastically reduced, thereby exposing entire communities to communicable diseases while increasing the overall cost of providing necessary care.

Mr. GRAHAM. Mr. President, there are two other aspects of the policy shifts in this legislation. The immigration bill contained the shift in eligibility, the constriction of eligibility based on deeming for legal aliens in order to generate funds that would then be used to finance the programs that were authorized in the illegal immigration sections of that bill to better protect our borders. What we are about to do here is to take all the money that is in the immigration bill that is intended to be used for border enforcement and divert it for the purposes of this welfare reform bill.

So all of the promises that we made, for instance, to the people along the Southwest border, that we are going to have more Border Patrol agents, fencing, and other steps to enforce our borders against illegal immigration are going to be ashen, because we, by this action, have taken all the money that we have provided to finance those enhancements to our borders. It is, in part, for that reason, I suspect, that Senator FEINSTEIN, who has been such a leader in the efforts to protect our borders, is a cosponsor of this amendment.

Finally, I suggest, Mr. President, that this is a very clear back-door way to accomplish the same objective that this Senate on several occasions rejected when we were debating the immigration bill, and that is a sharp reduction on the rights of legal immigration into this country which we know is primarily the right to reunify families.

Why is this a back-door constraint on legal immigration and particularly family reunification? The reason is because we are making it so financially onerous for sponsors. We are raising the specter of their own impoverishment as a result of bringing a loved one, a child, a spouse, a parent into this country that we are going to effectively, through coercion, accomplish the same thing that this Senate, by direct action, refused to do, which was to make it more difficult for legal aliens to reunite with their families.

So, Mr. President, this amendment, this series of motions to strike will eliminate those sections of the legislation that relate to the eligibility of legal aliens to a variety of Federal benefits. I underscore that this is not to say that we are not going to restrain those benefits, but we would do so through the immigration bill that we have passed, a bill that had the considered judgment of this Senate as opposed to doing it through a welfare reform bill where this matter is getting virtually no consideration.

We are going to do it through the concept of deeming rather than the concept of a total prohibition. We are going to do it at a reasonable level of $5.6 billion which I personally think is, in itself, excessive, but pales in comparison to the $23 billion of reduction that is contained in this welfare bill.

AMENDMENT NO. 4921

(Purpose: To strike the provisions restricting welfare and public benefits for aliens)

Mr. GRAHAM. Mr. President, I send an amendment to the desk, and I ask unanimous consent that the time I have used thus far be counted against my time on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for himself, Mrs. FEINSTEIN, Mr. SIMON, Mrs. MURRAY and Mrs. BOXER, proposes an amendment numbered 4941.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 562 strike line 5 through the end of line 23 on page 567.

Beginning on page 567 strike line 14 through the end of page 582 line 2.

Beginning on page 585 line 13 strike all through the end of line 25 on page 587.

Mr. GRAHAM. Mr. President, I reserve the remainder of my time.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I think this is an area where there is just a disagreement in philosophy. I respect the Senator from Florida, and there probably is not a Member in this Chamber who knows more about the difficulty in dealing with a large number of legal immigrants in this country than the former Governor of Florida. But I think there is just a philosophical difference here, or a difference of what we believe is fair and equitable in this country.

What we are talking about is a particular class of legal immigrants. We are not talking about refugees, people who come to this country seeking refuge from persecution in their homeland. All refugees are excluded from the provisions of this bill. In other words, they are fully entitled to the array of social welfare benefits provided by the Federal Government.

Asylees, for example, the two Cuban baseball players—they are probably not going to need any social welfare benefits given their talent level, but if they were not so talented and were here in this country claiming political asylum, they would continue to be eligible for a variety of welfare benefits.

We are, in a sense, to my understanding, unique in that respect around the world. There are, to my knowledge, no other countries that do provide welfare benefits to legal immigrants and their noncitizens in their country. So, in a sense, we are keeping very much with the tradition of our country, with the Statue of Liberty when we suggest that those who are under persecution at home, that those who are in need of this country as a beacon of freedom are, in fact, provided for by this country. So I think that is something we should all agree on, be proud of and, obviously, continue, and we do that in this bill.

What we do not continue in this bill, and I think wisely do not continue, is to continue to provide benefits to what are called sponsored immigrants. Sponsored immigrants are immigrants who come to this country, and almost all come to this country through a family unification provision, which is to unify a family, whether it is a spouse or a child or a mother or a father or a sister or a brother. They come to this country to unify a family, and when they do so, the citizen of this country, who is the sponsor, signs a document. The document says that I will take financial responsibility for this person who I want to bring to this country for a period of 5 years, and that all of my assets are deemed available and in the possession, so to speak, constructive possession of the person coming into this country for purposes of evaluating whether that person is eligible for welfare or other Government benefits. That is current law.

But the problem with this whole agreement is it is not legally enforceable, and they are not enforced. In fact, one hand does not know what the other hand is doing. The welfare department has no idea what the immigration status is, and, in fact, these benefits are handed out without really much knowledge of the immigration status of the individual involved.

What we are seeing—and the Senator from New York and the Senator from New Mexico discussed this earlier today—is a trend. I say it is even more than a trend, it is an avalanche, and the avalanche is elderly family reunification, elderly being the bringing over of mom or dad to this country.

Mom or dad being 60 or 70 or 80 years of age, coming to this country, you know, the doting son signs the sponsor agreement. And lo and behold, mom, who is disabled, ends up on SSI. Or if you are elderly, because you qualify when you are over 65, you end up on SSI. The Federal Government and the taxpayers of this country become the retirement village supporters of the entire world.

I do not think that is what the intent of these provisions was for. I think we have seen a real pattern of abuse here of a document that is not legally enforceable, which is the sponsorship agreement, and a tremendous number of people coming over here and using the SSI system as, in fact, the retirement system for many people all across the world. So what we have said is that we do not want to continue to have this incentive.

We, as members of the Ways and Means Committee over in the other body, heard testimony on numerous occasions about how it was well known—and in fact it went throughout many refugee camps in Southeast Asia and other places; that was one of the items of testimony—about how this was this great system that America had, that you can get over here and you could array yourself in all these wonderful benefits.

People should come to this country because they want the benefits of our society, not the benefits of our welfare system. I think that is where we really have to draw the line here. So I think we have held up our responsibility to the fabric of our society, which is to invite those who are in need to come here, and we will in fact help you get started.

But I think we have drawn the line saying, if you want to bring a member of your family over and you sign a document saying that you will take financial responsibility for them, live up to the document, provide for them. In fact, if you want—after 5 years, under current law, you are eligible for citizenship. If you apply for citizenship, you do what is necessary to prepare yourself for citizenship, and comply and apply and pass all your tests, you can, too, be eligible for the wide variety of welfare programs that we have in this country.

But, I mean, we talk in terms of people coming here for welfare. The fact is, the vast majority of people do not come here for welfare. They come here because America is the land of opportunity, and unfortunately what we have seen is because of the abuse in this area, it has caused a lot of some of the anti-immigrant feelings that are seen in many areas of the country and by many people in this country.

I think what we have a responsibility to do—I joined with Senator DEWINE and Senator ABRAHAM on this side of the aisle, I know Senator GRAHAM and others on the other side of the aisle, in not restricting the caps on immigration. I am proimmigration. I am the son of an immigrant. I am not one of these people who says, "I'm in. OK. Close the door." I believe immigration is important to the future of this country.

But I believe if we have programs that are abused, if we have programs that in fact call into question the immigration policy in this country, that cast a broad shadow over immigration in general, we have a responsibility to the taxpayers, No. 1, but also to the sentiment of immigration in this country, No. 2, to clean up the mess, to put a better face on immigration, to show that we have our act together in providing immigration to those who truly are in need, but not to those who are abusing the system.

If we clean that up, I think we improve the image of immigration and there is less pressure on lowering those caps and doing other things that I think could be harmful with respect to the area of immigration and, I think, save the taxpayers a whole bundle of money in the process.

I think those are all very positive things that happen. That is one of the reasons that this provision that is in this bill is included in the Democrat substitute and has been included in, I think, all the House bills that have been considered.

I think it has very strong bipartisan support. While I think the Senator from Florida is well-intentioned and certainly is, I think, sensitive to the needs of the many thousands of immigrants who are in the State of Florida, I think we have taken a judicious swipe at this issue and have cut appropriately. I hope we will support the underlying bill and be in opposition to the amendment of the Senator from Florida. I reserve the remainder of my time.

Mr. GRAHAM. Will the Senator from Pennsylvania yield for a question?

Mr. SANTORUM. I will be happy to.

Mr. GRAHAM. Did the Senator from Pennsylvania state that these provisions that are not bars to eligibility only apply to those persons who come into the country with a sponsor who has assumed the financial obligation?

Mr. SANTORUM. I mean, I have not combed over the Finance Committee bill, but that has been my understanding all along.

Mr. GRAHAM. Will the Senator please turn to section 2402, which is one of the sections that my motion would strike?

Mr. SANTORUM. Can you tell me what page that is on?

Mr. GRAHAM. Page 234 on my copy, but at a different page—

Mr. SANTORUM. I have section 2402 before me.

Mr. GRAHAM. It states that:

> Notwithstanding any other provision of law and except as provided in paragraph (2), an alien who is a qualified alien (as defined in section 2431) is not eligible for any specified Federal program (as defined in paragraph (3)).

So thus we then have to go to section 2431 to determine what the definition is of a "qualified alien." Subparagraph (b) of that section says:

> For purposes of this chapter, the term "qualified alien" means an alien who, at the time the alien applies for, receives, or attempts to receive a Federal public benefit, is—

Among other things—

> (2) an alien who is granted asylum under section 208 . . .
>
> (3) a refugee who is admitted to the United States under section 207 . . .
>
> (4) an alien who is paroled into the United States under section 212(d)(5) . . .

None of these people have a sponsor. If I have misread the language of this section, I will appreciate being corrected. But that is a very fundamental issue as to who is intended to be covered.

Mr. SANTORUM. What I think this provision says is they are eligible for a 5-year exemption under the law, and then they have to become citizens.

Mr. GRAHAM. The Senator said the only people this applied to were those who had a sponsor who could assume responsibility. I understood the Senator to say specifically, for instance, they did not apply to refugees who were admitted because they are fleeing legitimate persecution.

Mr. SANTORUM. Yes. The Senator is absolutely right. This is different than I understood the provision to be. The difference is—and the Senator is correct—that aliens, refugees, et cetera, are eligible for 5 years until they become eligible for citizenship, and then we expect them to become citizens or they will not be eligible in the future.

Mr. GRAHAM. Mr. President, I think this question precisely underscores why I have offered this series of strikes. We spent a week-plus on this floor in April and May debating a comprehensive immigration bill. We came to a studied judgment as to how, for whom, for what time period benefits for legal aliens should be constrained. We came to a judgment that said over the next 7 years the restraint should have a dollar figure of $5.6 billion.

Tonight we are debating a provision that purports to reduce the benefits of legal aliens by $23 billion, four times more than what we had purported to do just a few weeks ago. Yet there is not the opportunity for careful scrutiny and study. Therefore, fundamental misconceptions as to who this applies to are being presented on this legislation on which our colleagues are going to be asked to vote.

I think the prudent thing to do is to adopt the motions to strike that I have offered and let these issues be resolved in the conference committee which is now in place to settle the immigration bill and not attempt to do these things at now 11 o'clock at night on a bill that has received not a scintilla of the kind of analysis insofar as it relates to the impact on legal aliens as did that immigration bill.

That is the argument that I make in support of my motions to strike these provisions. This has very serious implications, not only to the individuals involved, but to the communities in which legal aliens elect to live.

As an example, in a study by Los Angeles County of what this will mean in terms of health care in that community, there are estimates that they have 93,000 legal immigrants who would lose their SSI benefits, making them automatically eligible for county funded general assistance. That would cost Los Angeles County $236 million a year in additional costs. I do not think we ought to be imposing an unfunded mandate of $236 million on the citizens of Los Angeles County in the cavalier manner that I suggest we are about to do.

We have a process. The conference committee focused on immigration with Senators and Members of the House who were selected because of their knowledge and background on that subject matter, several of whom have served on these important commissions on immigration. That is the form which these issues ought to be resolved, not in this welfare bill.

Mr. DODD. Will the Senator yield?

Mr. GRAHAM. I am happy to yield to the Senator.

Mr. DODD. Mr. President, it is awfully late here. Our colleague from Pennsylvania gets saddled with the responsibility of providing analysis for I do not know how many pages in the bill, and it is not easy, but I think our colleague from Florida, despite the late hour and the fact there are only a handful of us here, is a classic example of offering insight that we probably were not aware of.

I hope those who understand this bill would look carefully at the suggestions our colleague has made, because, as I understood it, this is the kind of thing which none of us intended to be the case. We are talking about a category of people who come here legally, who fall into circumstances that all of us have agreed should not be denied benefits. There is no debate about that. I think we have resolved that.

I urge staff and others who might look at this, so that tomorrow when we are asked to vote on matters as we gather in the well, there will not be the benefit that those of us sitting here today will have had of the very careful analysis of the Senator from Florida. My hope is, and I say this so our friends from Pennsylvania and Delaware who are here, who have staff here to look at this, so tomorrow when our colleagues gather we will have an opportunity to pass judgment on this, and if it is as our colleague from Florida has suggested, we might adopt that amendment maybe by voice vote, go to conference, and try and resolve some of the matters.

They may take an opposite point of view, but I urge that thought be given to that. Most of our colleagues, if they have any sense at all, are fast asleep by this hour. I see that our Presiding Officer is a surgeon. He may make recommendations for all of us here. We all know what it is like when it comes time to vote. We come in, there are papers at the desk, we vote aye or we vote no, we do not have a chance to benefit from the exchanges that have occurred here.

I urge our staffs take a good look at this, and if the Senator from Florida is correct, I urge, in the spirit of bipartisanship, that we try and set that matter aside for conference so as not to unwittingly adopt some provisions that I think none of us would agree with.

Mr. SANTORUM. Mr. President, with all due respect to my friend and colleague from Connecticut, I am not too sure there is anything unwitting going on here. This was a provision that was in the Senate bill when it passed 87 to 12. It was in the conference report; it was in the original bill that was introduced. This provision has really been unchanged for quite some time and has been, as I said, not only included in the Republican bill, but the Senator from Connecticut himself stood up on the floor when the Senator from New Mexico and the Senator from New York said, "What are you guys talking about? This provision on illegal immigrants, it is in our bill. You should not be talking about that."

I think there has been very broad support of this issue. It saves a significant amount of money. It is $18 billion. Obviously, the Senator from Florida does not have any offset there to put us within our reconciliation target, so this puts us well beyond, well under our reconciliation target, No. 1.

No. 2, the Senator from Florida talks about the potential for an unfunded mandate. We have a CBO estimate here that there is no unfunded mandate here, including the provision in this bill that the bill does not provide an unfunded mandate. So we have no unfunded mandate with this provision included in the bill, No. 1.

No. 2, we lose $18 billion of a $50-some-odd-billion savings in this bill with this provision.

No. 3, it has been adopted on many occasions, included in both parties' bills, and we had a vote on it the last time we were here, and it was voted down.

I think to suggest that someone is being hoodwinked here or that there is some substantial question as to whether this is a legitimate way to reform the system, I do not think is borne out by the history of these provisions. I think these provisions have been tested. These provisions have had broad bipartisan support. I am hopeful tomorrow that broad bipartisan support will continue.

Mr. DODD. I will not dwell on this. I do not believe our colleague from Florida was on the floor when our colleague from New York, and the chairman, Senator DOMENICI, had a chart they raised and talked about legal aliens, the parents of citizens, who under the deeming process—

The PRESIDING OFFICER. Who yields time?

Mr. DODD. Mr. President, I ask unanimous consent I be able to proceed for 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. As I understood it, those were the parents of citizens who would come in legally, and under the deeming process their children assumed, as my colleague from Pennsylvania properly described, the financial responsibility of those parents coming in. The exchange was that both the Democratic proposal and the underlying bill prohibit that kind of situation from persisting. I think we all agree on that.

Mr. SANTORUM. I suggest to the Senator from Connecticut that with the amendment of the Senator from Florida, that would not be; it would strike the provisions that eliminate that, that that situation could continue.

Mr. DODD. I understand that part of it. I think we would want to keep it. What I understood, this went beyond that, which I am not as knowledgeable as our colleague from Florida. In addition to that, you have refugees, asylees and others who would not necessarily fall into the category, or they did not have a sponsor and got here.

That is what he is trying to carve out. That is why I suggest staff get together. Maybe I misunderstood.

I yield to the Senator from Florida.

Mr. GRAHAM. Mr. President, to be clear, my argument is that this is a redundant and inappropriate piece of legislation to be considering the issue of the eligibility of legal aliens for Federal benefits. That is exactly what we did in the immigration bill.

We spent days on the floor and weeks in the appropriate committee considering the nuances of that legislation, including its impact on the communities, which would now have to carry the cost that previously had been a partnership between the States, the communities, and the Federal Government.

I am suggesting what we ought to do is let that process come to fruition. The House has passed an immigration bill. The Senate has passed the immigration bill. They are in conference. They have been in conference since mid-May. Let that forum decide what should be the benefits that the Federal Government would provide for legal aliens. Do not do it in this welfare bill.

I think the very fact that we are proposing to reduce those benefits by $23 billion, when just a few weeks ago we thought the appropriate level of reduction was $5.6 billion, ought to raise in our minds whether we really know what we are doing here.

The statement that this is not an unfunded mandate, how in the world is it not going to be an unfunded mandate when the Federal Government denies coverage to large groups of people and imposes that cost for the sick, the elderly, those who require special other assistance, is going to end up being a responsibility of States and local governments.

If I could use one example, the U.S. Government has entered into an agreement with the Cuban Government which sets up a process by which 20,000 Cubans each year will come into the United States. Most of them, when they come into the United States, come under the category of parolees. Currently, the Federal Government, which is the government that signed this agreement, is responsible for the financial cost of that group of new arrivals if they, for instance, become eligible for health care because they are indigent and they are in need of health care.

This is going to say that, for the first year, that group of people will not be eligible for any Federal assistance. Who is going to pick up those costs?

Eighty percent plus of those people end up in Dade County, FL. I can tell you who is going to pick up the cost. Jackson Memorial Hospital and the other health care providers in the community are going to be paying for the costs, and it will become—in the classic definition of an unfunded mandate—an unfunded mandate to render services to a group of people who the Federal Government has determined shall enter the community without any Federal financial participation in paying those costs.

We dealt with that issue specifically in the immigration bill, and we did not reach that, I think, quite unjust result. This would reverse a decision that we have previously made.

So my argument, Mr. President, is a simple one—not that we should not face the issue and try to accomplish some of the objectives the Senator from Pennsylvania strives to do; but we ought to do it in the proper form with the proper consideration and with the proper level of respect to the communities that are going to be most affected by the ultimate decisions we will make. I believe striking these provisions out of this bill, which then turns to the more appropriate forum of the immigration conference committee as the means by which we would reach ultimate judgment, is the appropriate policy. I hope the Senate will concur when we vote on this issue tomorrow.

Mr. ROTH. Mr. President, I would just like to point out that it is, of course, the Finance Committee that has jurisdiction over these programs. I point out that the provisions that are contained in the legislation before us were also contained in H.R. 4, as well as the Balanced Budget Act of last year. So this legislation has been acted upon in the Congress twice.

I further point out that the matter was considered in committee, and on that committee we have a number of members of the Judiciary Committee. On the Republican side, these provisions were supported.

So I do not think it can be said that this is a matter that just came up in the wee hours of this evening. It has been a matter carefully considered in committee, as well as on the Senate floor.

I also point out that much of these provisions, although not entirely in the same form, were included as part of the Democratic substitute.

So I think it is important that we bring this into the proper perspective. I want to point out that much of the savings that would come about through this legislation are through the changes that are being made in welfare programs for noncitizens. These people came into the United States on the basis that they would not become a public charge. S. 1956 requires noncitizens to live up to their end of the bargain by requiring them to work or depend on the support of their sponsors and not rely on the American taxpayers.

I yield the floor.

Mr. GRAHAM. Mr. President, I ask for the yeas and nays on the motion to strike.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4922

(Purpose: To correct provisions relating to quality standards for child care)

Mr. DODD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Connecticut [Mr. DODD], for himself, Ms. SNOWE, Mr. KENNEDY, Ms. MIKULSKI, Mr. HARKIN, Mr. KOHL, Mr. KERRY, Mrs. MURRAY, Mr. KERREY, Mr. COHEN, Mr. REID, and Mr. LEAHY, proposes an amendment numbered 4922.

Mr. DODD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the amendment made by section 2807, strike "3" and insert "4".

Mr. DODD. Mr. President, I offer this amendment on behalf of myself, Senator SNOWE, and others.

This deals with the child care section of the legislation. Let me just very briefly describe the amendment to my colleagues. The reconciliation bill reserves 3 percent of the child care funds to improve the quality and availability of child care. Using current law projections, Mr. President, this proposal would represent a reduction of approximately $400 million over 6 years for the quality and increased availability of child care, and buildings and accommodations for those children who will need it.

This amendment increases the funds reserved for quality from 3 percent to 4 percent, reducing the shortfall in funds to about $200 million over 6 years, about half of what the shortfall would be without this amendment.

I point out, Mr. President, that the House has adopted a similar provision of 4 percent, so we would be conforming with this legislation to what is already included in the House language.

Earlier in the day, Mr. President, I made a case for the importance of health and safety standards for our child care settings, and I pointed out that in recent studies of child care facilities in this country, only 1 in 7 day care centers received a rating of good quality care, with even fewer programs—8 percent—providing good quality care for infants and toddlers. In the same study, 40 percent of rooms serving infants and toddlers provided less than minimum quality care in the country.

I do not think I need to make the case here. I think we all agree and understand the implications of the legislation. There is unanimity here on the concept of moving adults from welfare to work. We all understand that many of these adults, of course, have children who are going to require child care of one kind or the other.

As I pointed out earlier in the day, of the 13 million people in this entire country who receive AFDC, 8.8 million of the 13 million are under the age of 18; 78 percent of the 8.8 million are under the age of 12; and 46 percent of the 8.8 million are under the age of 6. There are 4.1 million adults who collect AFDC. So as we take the 2 million adults, of the 4 million that this bill requires we put to work over the next 7 years, at least anyway, 78 percent of that 8.8 million, you can argue actually a higher number will require some form of child care setting—a significant amount. We are told the numbers will get larger in the coming years.

So we want to put adequate quality child care out there. We have made the case that for automobiles and pets we have standards. If you leave your pet someplace, certain standards have to be met. What we are trying to say here is, when it comes to our Nation's children, minimum standards should be met, and there should be some quality control.

We leave it to the States, Mr. President, to decide in specificity what those quality standards ought to be. We do not try to mandate here specific requirements, except in a broader context. So we are not violating the notion that States meet those standards. I point out, by the way, that this is language that we adopted—my colleague from Delaware will recall—going back to 1990, under the Bush administration, when Senator HATCH and I authored the Child Care Block Grant Program that was supported by the Bush administration and adopted here. We included quality and health and safety standards.

Earlier today, with the support of Senator COATS, Senator KASSEBAUM, Senator SNOWE, and others, we adopted the health and safety standards in the bill. This amendment offered by Senator SNOWE and I would raise from 3 percent to 4 percent an allocation for quality, and I hope that my colleagues will see fit to support this amendment. I think it improves the bill.

With that, I would not necessarily ask for a rollcall vote because I understand that it may be acceptable to the majority. If that is the case, I will not ask, obviously, for a rollcall vote.

Mr. ROTH. Mr. President, I say to the distinguished Senator from Connecticut that we are willing to agree to his amendment, and consequently a rollcall vote would not be necessary.

Mr. DODD. Mr. President, I deeply appreciate my colleagues' support for the amendment.

I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut.

The amendment (No. 4922) was agreed to.

Mr. DODD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROTH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DODD. Mr. President, there is also an amendment. The Senator from North Carolina, Senator FAIRCLOTH, had an amendment he was going to propose, and it has to do with child care and the question of whether or not child care workers could be considered in the work sections of this bill. There was some question as to whether or not we would clear that.

As I understand it, all the health and safety standards and quality would apply. If my colleague from Delaware would confirm that for me, we would be more than willing to accept that amendment and move another amendment along.

Mr. ROTH. Yes. I do confirm that.

Mr. DODD. I would be more than happy to clear that amendment on our side. I do not know if the Senator has an amendment and he would like to offer it. If he does, we could remove one more amendment. I am sure Senator DOMENICI, who is sound asleep, would be grateful in the morning when he arrives to find out that we agreed to one more amendment.

Mr. ROTH. Actually, I had three more amendments.

Mr. DODD. Do not get carried away.

Mr. ROTH. Do you want more?

Mr. DODD. No.

[Laughter.]

Mr. ROTH. We had the two earlier agreements.

AMENDMENTS NUMBERED 4923 THROUGH 4925, EN BLOC

Mr. ROBB. Let me start over.

Mr. President, I have a unanimous-consent agreement to propound to dispose of three amendments which have been agreed to on both sides of the aisle. They include Senator FAIRCLOTH's amendment to clarify that a welfare recipient may provide child care services to satisfy the bill's work requirement; two, Senator COATS' amendment allowing welfare recipients to establish individual development accounts; and, third, Senator ABRAHAM's amendment modifying the illegitimacy ratio.

I ask unanimous consent that it be in order for me to offer these three amendments that I send to the desk, en bloc, that they be considered and agreed to, en bloc, and that the motions to table and the motions to reconsider be agreed to, en bloc, and that they appear in the RECORD as if considered individually.

Mr. DODD. Mr. President, reserving the right to object—I shall not object—the Senator from Delaware is correct. These amendments have been cleared on this side. We are pleased to have them accepted.

The PRESIDING OFFICER. The clerk will report the amendments by number.

The bill clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes amendments numbered 4923 through 4925, en bloc.

The PRESIDING OFFICER. The amendments are agreed to.

The amendments (Nos. 4923, 4924, and 4925, en bloc) were agreed to, as follows:

AMENDMENT NO. 4923

(Purpose: To encourage individuals to provide child care services)

On page 239, between lines 21 and 22, insert the following:

"(i) ENCOURAGEMENT TO PROVIDE CHILD CARE SERVICES.—An individual participating in a State community service program may be treated as being engaged in work under subsection (c) if such individual provides child care services to other individuals participating in the community service program in the manner, and for the period of time each week, determined appropriate by the State.

AMENDMENT NO. 4924

(Purpose: To provide for the establishment of individual development accounts)

On page 221, between lines 20 and 21, insert the following new subsection:

"(h) USE OF FUNDS FOR INDIVIDUAL DEVELOPMENT ACCOUNTS.—

"(1) IN GENERAL.—A State operating a program funded under this part may use amounts received under a grant under section 403 to carry out a program to fund individual development accounts (as defined in paragraph (2)) established by individuals eligible for assistance under the State program under this part.

"(2) INDIVIDUAL DEVELOPMENT ACCOUNTS.—

"(A) ESTABLISHMENT.—Under a State program carried out under paragraph (1), an individual development account may be established by or on behalf of an individual eligible for assistance under the State program operated under this part for the purpose of enabling the individual to accumulate funds for a qualified purpose described in subparagraph (B).

"(B) QUALIFIED PURPOSE.—A qualified purpose described in this subparagraph is 1 or more of the following, as provided by the qualified entity providing assistance to the individual under this subsection:

"(i) POSTSECONDARY EDUCATIONAL EXPENSES.—Postsecondary educational expenses paid from an individual development account directly to an eligible educational institution.

"(ii) FIRST-HOME PURCHASE.—Qualified acquisition costs with respect to a qualified principal residence for a qualified first-time homebuyer, if paid from an individual development account directly to the persons to whom the amounts are due.

"(iii) BUSINESS CAPITALIZATION.—Amounts paid from an individual development account directly to a business capitalization account which is established in a federally insured financial institution and is restricted to use solely for qualified business capitalization expenses.

"(C) CONTRIBUTIONS TO BE FROM EARNED INCOME.—An individual may only contribute to an individual development account such amounts as are derived from earned income, as defined in section 911(d)(2) of the Internal Revenue Code of 1986.

"(D) WITHDRAWAL OF FUNDS.—The Secretary shall establish such regulations as may be necessary to ensure that funds held in an individual development account are not withdrawn except for 1 or more of the qualified purposes described in subparagraph (B).

"(3) REQUIREMENTS.—

"(A) IN GENERAL.—An individual development account established under this subsection shall be a trust created or organized in the United States and funded through periodic contributions by the establishing individual and matched by or through a qualified entity for a qualified purpose (as described in paragraph (2)(B).

"(B) QUALIFIED ENTITY.—For purposes of this subsection, the term 'qualified entity' means either—

"(i) a not-for-profit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; or

"(ii) a State or local government agency acting in cooperation with an organization described in clause (i).

"(4) NO REDUCTION IN BENEFITS.—Notwithstanding any other provision of Federal law (other than the Internal Revenue Code of 1986) that requires consideration of 1 or more financial circumstances of an individual, for the purpose of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such law to be provided to or for the benefit of such individual, funds (including interest accruing) in an individual development account under this subsection shall be disregarded for such purpose with respect to any period during which such individual maintains or makes contributions into such an account.

"(5) DEFINITIONS.—For purposes of this subsection—

"(A) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means the following:

"(i) An institution described in section 481(a)(1) or 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)(1) or 1141(a)), as such sections are in effect on the date of the enactment of this subsection.

"(ii) An area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this subsection.

"(B) POST-SECONDARY EDUCATIONAL EXPENSES.—The term 'post-secondary educational expenses' means—

"(i) tuition and fees required for the enrollment or attendance of a student at an eligible educational institution, and

"(ii) fees, books, supplies, and equipment required for courses of instruction at an eligible educational institution.

"(C) QUALIFIED ACQUISITION COSTS.—The term 'qualified acquisition costs' means the costs of acquiring, constructing, or reconstructing a residence. The term includes any usual or reasonable settlement, financing, or other closing costs.

"(D) QUALIFIED BUSINESS.—The term 'qualified business' means any business that does not contravene any law or public policy (as determined by the Secretary).

"(E) QUALIFIED BUSINESS CAPITALIZATION EXPENSES.—The term 'qualified business capitalization expenses' means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

"(F) QUALIFIED EXPENDITURES.—The term 'qualified expenditures' means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

"(G) QUALIFIED FIRST-TIME HOMEBUYER.—

"(i) IN GENERAL.—The term 'qualified first-time homebuyer' means a taxpayer (and, if married, the taxpayer's spouse) who has no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence to which this subsection applies.

"(ii) DATE OF ACQUISITION.—The term 'date of acquisition' means the date on which a binding contract to acquire, construct, or reconstruct the principal residence to which this subparagraph applies is entered into.

"(H) QUALIFIED PLAN.—The term 'qualified plan' means a business plan which—

"(i) is approved by a financial institution, or by a nonprofit loan fund having demonstrated fiduciary integrity,

"(ii) includes a description of services or goods to be sold, a marketing plan, and projected financial statements, and

"(iii) may require the eligible individual to obtain the assistance of an experienced entrepreneurial advisor.

"(I) QUALIFIED PRINCIPAL RESIDENCE.—The term 'qualified principal residence' means a principal residence (within the meaning of section 1034 of the Internal Revenue Code of 1986), the qualified acquisition costs of which do not exceed 100 percent of the average area purchase price applicable to such residence (determined in accordance with paragraphs (2) and (3) of section 143(e) of such Code).

AMENDMENT NO. 4925

(Purpose: To establish an illegitimacy reduction bonus fund)

Beginning on page 202, line 20, strike "a grant" and all that follows through line 13 on page 203, and insert the following: "an illegitimacy reduction bonus if—

"(i) the State demonstrates that the number of out-of-wedlock births that occurred in the State during the most recent 2-year period for which such information is available decreased as compared to the number of such births that occurred during the previous 2-year period; and

"(ii) the rate of induced pregnancy terminations in the State for the fiscal year is less than the rate of induced pregnancy terminations in the State for fiscal year 1995.

"(B) PARTICIPATION IN ILLEGITIMACY BONUS.—A State that demonstrates a decrease under subparagraph (A)(i) shall be eligible for a grant under paragraph (5).

On page 203, line 19, strike "(B)" and insert "(C)".

On page 204, line 7, strike "(C)" and insert "(D)".

On page 204, lines 13 and 14, strike "for fiscal year 1995" and insert "the preceding 2 fiscal years".

On page 214, between lines 10 and 11, insert the following:

"(5) BONUS TO REWARD DECREASE IN ILLEGITIMACY.—

"(A) IN GENERAL.—The Secretary shall make a grant pursuant to this paragraph to each State determined eligible under paragraph (2)(B) for each bonus year for which the State demonstrates a net decrease in out-of-wedlock births.

"(B) AMOUNT OF GRANT.—

"(i) IN GENERAL.—Subject to this subparagraph, the Secretary shall determine the amount of the grant payable under this paragraph to a low illegitimacy State for a bonus year.

"(ii) TOP FIVE STATES.—With respect to States determined eligible under paragraph (2)(B) for a fiscal year, the Secretary shall determine which five of such States demonstrated the greatest decrease in out-of-wedlock births under such paragraph for the period involved. Each of such five States shall receive a grant of equal amount under this paragraph for such fiscal year but such amount shall not exceed $20,000,000 for any single State.

"(iii) LESS THAN FIVE STATES.—With respect to a fiscal year, if the Secretary determines that there are less than five States eligible under paragraph (2)(B) for a fiscal year, the grants under this paragraph shall be awarded to each such State in an equal amount but such amount shall not exceed $25,000,000 for any single State.

"(C) BONUS YEAR.—The term 'bonus year' means fiscal years 1999, 2000, 2001, 2002, and 2003.

"(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1999 through 2003, such sums as are necessary for grants under this paragraph.

MORNING BUSINESS

Mr. ROTH. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THOMAS R. BURKE

Mr. HATCH. Mr. President, I rise to today to speak a few words in remembrance of Thomas R. Burke, whose recent, tragic death at the young age of 57 has robbed America of one of its leading health care policymakers.

Many of us in this body remember Tom Burke for his outstanding work at the Department of Health and Human Services. Indeed, I first came to know Tom over a decade ago during the confirmation process for one of the great HHS Secretaries of all time, Dr. Otis Bowen. I quickly came to admire Tom's forthright style, which some may have called gruff. But everyone respected Tom for his vigor, honesty, and impact.

In the early 1980's, Tom served as the staff director of the Advisory Council on Social Security, chaired by Dr. Bowen. When Dr. Bowen joined the Reagan administration as Secretary of Health and Human Services in 1985, he made a wise decision and chose Tom Burke as Chief of Staff of the 110,000 employee department. This was a significant honor and great responsibility—and Tom didn't let Dr. Bowen down. He stood as "Doc's" top-most advocate, defender, and protector, until President Reagan left office.

While many remember Tom for the Medicare catastrophic legislation, which I will discuss in a moment, Tom must be remembered for his many, many other accomplishments at HHS, including initiatives to: Strengthen patient-outcomes and medical effectiveness research; launch a public awareness campaign against alcohol abuse; propose reforms in the medical liability system; and, undertake managerial changes to elevate the Indian Health Service and rejuvenate the Commissioned Corps of the Public Health Service.

Tom Burke worked diligently on behalf of our Nation's seniors in the area of catastrophic health insurance. While we know that this legislation proved to be controversial, there is one aspect of this issue about which there can be no disagreement: Tom Burke worked hard to accomplish what he thought was in the best interest of the American public.

Indeed, the record must reflect that the original Bowen-Burke proposal was a much, much more modest proposal than that which the Congress ultimately expanded, approved and repealed. I remember well the initial idea which Tom had such a large hand in bringing to the forefront of public debate. It was a small add-on to the amount seniors pay for Medicare, under $5 a month, in exchange for which seniors would have the peace of mind of knowing they had unlimited hospitalization coverage. Unfortunately, this was not the provision which became law.

Tom was widely recognized by his peers for these accomplishments, a fact recognized by the special awards he received from Secretary Bowen and Surgeon General C. Everett Koop.

Tom Burke had a long career in public service. In addition to his work at HHS, Tom was a member of the Green Berets and also became Director of Health Policy Analysis for the Assistant Secretary for Health Affairs at the Department of Defense. These two assignments served him well in his later Government service.

Mr. President, after Tom's untimely passing, a number of us who worked closely with him wanted to express our admiration of his service to the government and of his achievements in health care policy. At this time, I ask unanimous consent that the statements of two of this body's most distinguished health care leaders—now retired—Senator Dave Durenberger, and Senator George Mitchell, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR DAVID DURENBERGER

Tom Burke will always be my friend. He represents all that is good in making public policy in Washington D.C. We made a lot of it in the 1980's, especially through the Medicare program. It was Republicans and Democrats, Senate and House.

Our most significant effort was Burke-Bowen or Bowen-Burke or whatever. Neither was elected to Congress, but HHS Secretary Otis Bowen and his Chief of Staff, Tom Burke, made us who were in Congress make sense out of Medicare. They insisted we protect every elderly and disabled American from financial catastrophy because of medical, long-term care, drug price or medigap premium expenses. They created a "Secretary's Task Force" to iron out all the varied views; they marched it through all the Committees and the finale—a conference committee in the LBJ. Room on the Senate side of the Capitol.

I was the most recent Republican chair of the Health Sub-Committee of Finance, just replaced by George Mitchell, so Tom treated me with just enough of the deference due my office. But not so much that I didn't know he believed strongly enough in what we were privileged enough to do for America and that he'd find a way to get it done even if we had some disagreements.

America misses the policy that legislation changed. Its repeal has cost billions. And we all miss Tom now that the Lord has repealed his lease on our lives. Our last joint effort—a year ago—was his initiative too. When I retired from the Senate he called and put me to work helping him convince his beloved Indian University that its Otis Bowen Health Policy Center could really impact Washington if it had a presence here. And of course he'd carry on a part of that presence. Doing all the policy reform work that was left undone during his time with Secretary Bowen.

STATEMENT OF SENATOR GEORGE MITCHELL

Tom was a very devoted public servant who I came to know during the policy debates over Medicare Catastrophes Health Insurance in the late 1980's. Tom believed in the need to help the elderly better cope with the complexities and shortcomings of health insurance. He helped design and promote a Medicare Catastrophic benefit, even when doing so made him unpopular with some members of his political party. He cared deeply for the Medicare program and wanted to improve it for all beneficiaries. Tom fought long and hard for the passage of Medicare Catastrophic, and then renewed his fight during the ultimate repeal of the legislation. He took the defeat particularly hard, but refused to believe that he couldn't continue to serve the public by turning his attention and expertise as an economist to other public policy issues.

Tom brought a passion to public service. As Chief-of-Staff under Secretary Otis Bowen, he was fiercely loyal to the programs of the Department of Health and Human Services. Tom devoted each day to finding ways to improve upon the services provided to millions of Americans. He was especially concerned with the Medicaid program, and believed that the application of managed care principles could help the poorest of our society. His style was often gruff and "take no prisoners," but his heart was always focused on the right place. His need to be popular fell second to his belief that through hard work he could make a difference to the people served by government.

Seeing the need to get more value from America's escalating health care expenditures, Tom firmly believed in the need for more and better information about what treatments and therapies work. He concurred with visionaries on the need for a significant investment in health services research to bring about more rationale and science-based medical care. He strongly supported my legislation on outcomes research and was a major force to help establish "effectiveness research" as a bona fide organizational responsibility of the Department.

I am sorry that we have lost such an unusually dedicated and forward thinking public servant. He put politics aside in order to accomplish goals he thought were in the best interest of the public. he was a man of great ideas, the will to make them reality, and a sense of humor that encased a heart dedicated to the American people.

Mr. HATCH. Mr. President, one of the things I remember fondly about Tom is that his measure of a man's judgment was often to look up and question, Is he a long-ball hitter? Judging Tom by his own measure, we all must conclude he could hit the home run ball.

More important than his many professional achievements, Tom Burke was a good family man. I want to take this opportunity to offer my condolences to his wife, Sharon; daughters, Rosemary, Heather, and Kerry; and, son, Brendan. Although the love of a husband and father can never be replaced, with God's help and strength, his family will make it through this trying time.

It seems to me that far too often in this institution we get so engrossed in partisan and policy battles that we forget that ultimately it is people that matter. In losing Tom Burke we have lost a good public servant and a good man. We will all miss him.

TRIBUTE TO THE REVEREND DR. OTIS A. HERRING

Mr. BIDEN. Mr. President, with the death of the Reverend Dr. Otis A. Herring on Friday, July 12, the Wilmington, DE, community—and indeed a much larger community of family, friends and faith—suffered a loss we can not help mourn.

It is the loss of a husband and father, a son and brother, a grandfather and uncle, a nephew and cousin—a man who deeply loved and was deeply loved by his family

It is the loss of a inspiring preacher and inspired pastor who devoted 35 years of spiritual leadership of Wilmington's Union Baptist Church and the surrounding community.

It is the loss a morally engaged citizen who spoke fearlessly and worked tirelessly for the less fortunate among us; the loss of a man who created out of his own determined faith and the conscience of the community resources to serve the poor and the disadvantaged.

It is the loss of a friend and mentor, whose example made better people and a better community out of all of us.

But despite that catalog of loss we feel so keenly, Reverend Herring's death is not, in fact, an occasion fit only for grieving.

In the first place, if we can ever be sure that any man has attained the spiritual goal that is the promise of the faith many of us share, Otis Herring was beyond a doubt just such a man.

His memorial service was rightly called a "Homegoing Celebration," for the most important thing about reverend Herring was that he believed. His whole life was an expression of that belief, and even as we sorrow for our loss, we must celebrate the final victory that he never for one moment doubted.

And we celebrate, too, with lasting gratitude, the living legacy of Otis Herring, a legacy that endures because he lived his faith with a steadfastness and a power that literally reshaped the community to which he was so devoted.

It is a legacy that lives in Union Baptist Community Services, a nonprofit organization that Reverend Herring founded and served for 22 years as executive director, and that counts among its neighborhood-designed programs a day-care center, anti-drug outreach, crisis assistance, mentoring and counseling for at-risk youth and families, housing for the disabled, tutoring and job training, a housing corporation, a neighborhood-improvement program, and a food closet.

It is a legacy that lives because Reverend Herring was a leader who called on us to come together as members of one community, a leader who made us not only see but feel our common bond and common obligation to one another as citizens and as children of God.

Reverend Herring's own exceptional citizenship earned wideranging respect and recognition. In addition to high honors from the State of Delaware and the city of Wilmington, he received tributes from numerous organizations and institutions, including the University of Delaware and Delaware State University, the Delaware Businessmen's Association and the Brandywine Professional Association, the News Journal newspaper and the Jefferson Awards, the National Conference of Christians and Jews, the Mental Health Association, the National Urban Coalition, and many fraternal and civic organizations.

The record of Otis Herring's achievements and contributions, and the list of awards and tributes recognizing them, is all the more extraordinary when we recall that he began to lose his eyesight when he was just a senior in high school, and that he was blind throughout his adult life.

Otis Herring was, in fact, a magnificent irony among us.

He lived in darkness, yet he illuminated the world around him; he was blind, yet he saw his way through life with a clarity both humbling and inspiring to the rest of us; he lost his sight, but he never lost his way, and he never failed to lead us to a higher ground.

As an editorial in Delaware's News Journal paper said, accurately and eloquently, of Reverend Herring, "His vision of his role in the world was unimpaired." And to that I would add only that our vision of our role in the world is brighter, more challenging and more rewarding because of the way he lived his life among us.

In extending our sympathies to Reverend Herring's wife, Carol, to his son, Steven, to his mother, brother, sister, grandson, and loving extended family, we do indeed share their deep sadness and sense of loss.

But we also share their sure and certain faith that, long after the sadness of his death has passed, Otis Herring's life will stand as a triumph and as a neverending cause for celebration.

THE REALITY BEHIND CANDIDATE BOB DOLE'S VOUCHER PROPOSAL

Mr. KENNEDY. Mr. President, Yesterday Candidate Bob Dole claimed to offer Americans an "Education Consumer's Warranty." Today, we saw the reality behind the claim—a recycled plan called Opportunity Scholarships that gives opportunity to the few at the expense of the many.

Candidate Dole's $2.5 billion plan would pay $500 toward $1,000 vouchers for elementary school students and $750 toward $1,500 vouchers for high school students. States would have to match the Federal voucher.

Candidate Dole's new-found appreciation of the importance of education comes on the heels of a long and distressing anti-education record, including opposition to public school choice and grants for higher education.

Last year, as majority leader, Senator Dole voted to cut $25 billion from education programs that help 52 million students learn reading and math skills, that help teachers to teach, and that prevent violence and drug abuse in school. With strong leadership from President Clinton, Congress rejected those devastating Republican cuts.

Candidate Dole claims that his voucher plan is modeled after the G.I. Bill of Rights and other Federal programs that help students afford college. But in Congress, Bob Dole has a 3-decade-long record of opposition to Federal college aid. In 1965, as a member of the House of Representatives, he voted against the creation of the first Federal student loan program. Twice in the 1980s, he voted to cut Pell Grants, which he now endorses.

He claims that under his voucher plan, students will be able to go to the private school of their choice. But private schools can decide whether to accept a child or not. The real choice is made by the schools, not parents. The more exclusive the school, the more students will be excluded.

Scarce Federal dollars should not go to schools that can exclude children they do not want. Public schools are already starved for funds. The Dole voucher scheme will inevitably make their plight much worse. We do not have to destroy the public schools in order to save them.

President Clinton and Democrats support true choice—public school choice—where every child has an equal opportunity to go to the school of their choice within the public school system.

President Clinton has been and is a leader in the movement for public school choice, which is supported by a vast majority of Americans. In this year's State of the Union Address, President Clinton said, "I challenge every State to give all parents the right to choose which public school children will attend."

Candidate Dole has it wrong. Education is a national priority that requires public effort and commitment to benefit the entire population, not just the few.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, July 17, the Federal debt stood at $5,162,069,897,551.43.

On a per capita basis, every man, woman, and child in America owes $19,456.14 as his or her share of that debt.

REDUCE THE DEFICIT WHILE PROTECTING OUR NATIONAL SECURITY: ELIMINATE WASTEFUL MILITARY SPENDING NOT REQUESTED BY THE PENTAGON

Mr. WELLSTONE. Mr. President, today I rise in opposition to the FY 1997 Defense Appropriation bill. Once again Senate Republicans have sought to include over $10 billion extra dollars on military projects not requested by the President, the Secretary of Defense, and the Chairman of the Joint Chiefs of Staff. Quite frankly, it is fiscally irresponsible to spend more than is needed on wasteful military programs at a time when many domestic programs are being reduced substantially in order to balance the budget.

At the request of the Republican leadership, the Appropriations Committee has authorized $10.1 billion more than was requested. That's right. The majority wants to spend $10.1 billion more than the Pentagon has requested, or than they have indicated they will be able to responsibly use, next year. Much of that figure was not even included in the Pentagon's 5-year plan, or on so-called wish lists that were solicited by congressional defense committees. The Pentagon has said clearly: They don't need these funds now, the projects are not in their 5-year plan, and they're not even on their wish lists.

Mr. President, there is no question that there is waste in the Pentagon. In fact, about a year ago, the Pentagon's own spending watchdog, its Comptroller General John Hamre, conceded that DOD could not account for over $13 billion in spending. It's just been lost in the ocean of paperwork at the Pentagon, and likely won't ever be sorted out. In fact, the Comptroller has all but given up on trying to find out what happened to most of the money, arguing it would be more expensive than it would be worth to account for these funds. It is particularly outrageous that the Appropriations Committee has proposed these hefty increases at the same time that the Defense Department is being called to task for not being able to account for billions of dollars in its own spending.

Waste, possible fraud in Pentagon spending, certainly egregious abuses of basic accounting rules—this is a serious problem, and no one seems to be doing very much about it. Indeed, instead of vigorously overseeing spending in this budget, we are trying to foist off on the Pentagon an extra $10.1 billion in military hardware, new weapons systems, planes and ships, and other spending they have not even requested so that certain Senators can protect jobs in their States that depend on continued high levels of defense spending.

If we pass this bill, my Minnesota constituents will continue to pay their taxes to bolster the treasuries of bloated defense contractors, who are building ships and planes and weapons systems that we don't need, and can't use, and that won't make our Nation any more secure. So that there is no mistake, let me repeat that for those who are listening. We are considering today a defense spending bill that spends a full $10.1 billion more than the President requested in his budget. We are doing this despite the fact that there is no sudden, extraordinary threat to justify such an increase. And many of those in this body who are pressing for such a huge increase are precisely the same people who are out here on this floor, day after day, week after week, month after month, howling about how we simply must get the deficit under control.

They are doing this while at the same time larding defense bills with billions in spending for their local shipyard, or weapons contractor, or plane manufacturer. Have we no shame, Mr. President? Is there no sense of limits in this body when it comes to wasteful and unnecessary weapons programs? Now, controlling the deficit is important, and I have supported responsible, fairminded deficit reduction proposals totaling hundreds of billions of dollars. We heard yesterday that the deficit has dropped from about $290 billion to an estimated $117 billion this year, due largely to the President's fiscal policies. And now we again are faced with outrageous overspending on military programs that are not even supported by the Pentagon.

For the past couple of years, we've heard from many of our Republican colleagues who have sought to look like they were reducing the Federal deficit through various schemes and non-specific formulas. And even when they have offered something specific, they tend to first go after funding for education, Medicare and Medicaid; programs for those who cannot help themselves; programs which protect our air, lakes and rivers, and on and on.

While I have serious concerns even about some of the President's underlying defense spending assumptions which require, for example, fighting two major regional conflicts at one time without help from our allies, at least his budget focuses on research and development, maintaining a high level of readiness, and improving the quality of life of our Armed Forces. We can meet our defense needs fully and responsibly. My question is, Why aren't we applying the same standards to wasteful military spending that are being applied to domestic programs that millions of average Americans rely on?

There are three arguments that I want to make to counter Republican assertions that the President's defense request is too low. First, the appropriations bill provides more to defense, in dollar terms, than last year. This is in stark contrast to the fact that nondefense discretionary spending as a whole is frozen or declining precipitously in many areas.

Second, Republicans are claiming that defense spending in the bill declines in real terms and as such their budget recommendation is actually a cut from last year. Think about that argument—defense spending is declining in real terms. Now contrast it with the Republican arguments as they seek to dismantle domestic spending programs. Do they ever seek to portray their domestic cuts in real terms? Or do they consistently recite that they are spending the same or more in the current year than they did last year. They can't have it both ways. Pick one methodology and stick with it, I say.

Third, the administration estimates that due to lower inflation estimates over the next few years, we can buy as much for our defense dollar as we had planned, but spend about $46 billion less for it than was requested last year. By this calculation, the President's budget request actually represents a long-term increase over last year's defense program.

The bottom line is this: The President's defense budget maintains a strong defense, no matter how the Republicans choose to craft their argument. It takes into account all of our current and future defense needs, and makes tough choices. Adding billions in additional pork barrel spending is unnecessary, wasteful, and wrong.

Even if one acknowledges that defense spending has decreased by some measures since the mid-1980's, and that the administration's request continues that trend, it must be placed into context. That is, much has changed since the end of the cold war. And our country's priorities must change accordingly—we must maintain a strong defense, but accommodate increasing concerns for better education, health care, crime prevention, economy and the environment.

Maintain a strong defense, but do it by increasing burden-sharing by our allies, imposing cost and accountability controls called for by GAO, eliminating unnecessary weapons programs. We must also re-assess the fundamental assumptions which continue to drive continued high defense spending, like the requirement that we be able to fight two major wars at once, without the help or support of our allies.

We already spend vastly more on the military than all our potential major enemies combined—40 percent of the world's total military budget. Along with our allies, we spend about $510 billion on defense of our interests worldwide. All our major potential enemies combined spend about $140 billion per year.

The billions spent on star wars, the *Trident*, the B-2 bomber, and the 600-ship Navy are but a few of the reasons why our deficit rose so dramatically during the 1980's. This administration however, has sought to maintain a strong defense while addressing critical domestic needs and reducing the deficit as well. But while the President has made tough choices, the Republicans have refused to stare down military contractors clamoring for even more than the Pentagon has said it needs. If Members are so concerned about a looming procurement problem, then maybe we ought to make some tough decisions about the size of our military forces, and their dispersion around the world, and scale back here. Instead, we are bolstering funding on fantastically expensive weapons programs, while we underfund key peacekeeping programs and the dual-use applications program that will benefit U.S. industry.

I recognize that there are still real dangers out there for which we must prepare, including nuclear proliferation and terrorism. The need to combat weapons proliferation to rogue states poses new problems for the United States, and must be addressed forcefully and directly. But we can do that now. We have the largest and strongest military in the world, and there is nothing in the administration's request that does anything to diminish that fact. To the contrary, the administration's budget improves an already strong defense establishment.

So why do the Republicans persist in adding to the Pentagon's request? Do they perceive some previously unidentified emerging threat that the intelligence or national security community has disregarded? No. I think at its worst it is simply their desire to pour billions more dollars into spending for large weapons programs, ships, fighters and the like built in the States of defense committee members. At best it is a misplaced desire to save jobs. Mr. President, we cannot afford these kinds of pet projects.

How should we reduce wasteful military spending? I'll start with what arguably must be the most difficult problem to attack—the Pentagon bureaucracy. Several of my colleagues have recently railed against the Department of Energy, the Departments of Education, Commerce and others—but I hear a deafening silence on their part when it comes to the Department of Defense, the largest and most wasteful bureaucracy in the world. The same tough accountability standards should be applied to all Federal agencies, if we are to root out waste, abuse, and program duplication.

Let me give a few examples of the size and scope of the defense waste we're talking about. The General Accounting Office, in a 1995 report on the Defense travel process, concluded that the Pentagon could save hundreds of millions of dollars in travel processing costs simply by following the examples of leading companies. This 1995 study identified a myriad of travel agents, voucher processing centers, and over 1,300 pages of regulations. DOD reported $3.5 billion in expenditures for travel and perhaps as much as $1.0 billion more in processing costs. Clearly, efforts to reform and streamline this process, and bring it into control, is urgently needed.

I've already discussed the billions lost due to inadequate Pentagon accounting, so I won't rehash that here. But let's take a look at over $3.0 billion extra of procurement add-ons that were not even included in the Pentagon's 5-year plan. These items include procurement of four additional F-16 fighters for the Air Force at a cost of over $107 million. These were not even on the Air Force wish list.

The Army gets an additional $120 million to purchase 12 more UH-60 Blackhawk helicopters than the Pentagon asked for. In true share-the-wealth tradition, the Navy receives an astounding $489 million in additional funding for the F/A-18C/D Hornet. The list goes on and on.

The additional construction funds provided for the new attack submarine comes at a time when we're already building the *Seawolf*, after fierce fights by its opponents over the wisdom of building more of these. Why then, are we financing an additional $700 million for advance procurement of the new attack submarine, which is less capable than the *Seawolf* and only slightly less expensive? To top it off, as directed under the Defense authorization bill, the purchase has preempted any pretense of competition between shipyards by directing these submarines be built in both Connecticut and Virginia.

At the same time that advance and unnecessary procurement costs are added, the bill seeks to reduce by $150 million funding for the Dual-Use Applications Program that supports development of technologies that can be applied to both commercial and defense systems, thereby reducing the cost of defense systems. Full funding of this initiative would have moved the Nation in the right direction as we seek to reduce Government spending and reliance on single source industries.

Make no mistake: the post-cold-war defense budget is becoming less and less focused on our real national security needs, and more and more on the needs of particular members of Congress to sustain jobs in their home States. American taxpayers are paying for costly, obsolete, fantastically expensive cold-war-era weapons systems that are no longer justifiable, basically to help preserve the political health of certain Members of Congress. That is the sad, unvarnished truth. Many of the weapons systems we are still paying for were initiated during the 1980's defense build-up, and have little or no relation to the changed strategic situation we now face in the post cold-war-era. And yet we continue to fund them, terrified that scaling this spending back modestly will cost jobs in our States. This, despite the fact that under the authorization bill we accepted a proposal by Senator LIEBERMAN that calls for a new study to determine the threat as we enter the 21st century. This study will go a long way to determining the weapons systems we will need to address the threat. I'll bet many of the weapons systems we are providing advanced funding for will be deemed obsolete as the results of the study are released.

I believe that at a time when we are slashing budgets for hundreds of social programs that protect the vulnerable; protect our lakes and streams; provide health care for the vulnerable elderly, and create expanded opportunities for the broad middle class—such as student loans and job retraining—it is wrong to provide vastly more military spending than the Secretary of Defense and Joint Chiefs of Staff have requested. We have dramatically reduced or frozen funding for many other non-defense programs, and yet we're pouring even more dollars than the Department of Defense can use into expensive weapons systems.

In defense, as elsewhere in the Federal budget, there are responsible ways to eliminate wasteful and unnecessary spending; by cutting obsolete cold war weapons systems, imposing money-saving reforms within the bureaucracy, and streamlining procurement policy to make the system more efficient and more cost-effective. Over and over, in recent months, I have offered or cosponsored amendments to address this problem. These attempts have either been voted down here on the Senate floor, or the bills to accomplish these ends have been bottled up in committee.

In the end, there is little Pentagon streamlining, little elimination of waste provided for in this bill. Instead, when faced with difficult choices between competing weapons systems, basic housing improvements for our troops, and other readiness requirements, the committee decided simply to appropriate funds to buy all of the big weapons systems, ships, and planes that $10.1 billion could buy, larding the bill with special interest funding for defense contractors, and accelerating purchases not scheduled to be made for many years, if at all.

I believe this bill in its current form spends vastly more on defense than we can afford. The Joint Chiefs and the President agree with me. At a time when we are asked to spend billions less on education, health care, our children and our elderly, I urge my colleagues to vote against these huge and unwarranted increases in defense spending. If it passes, as I'm sure it will, I hope the President will veto it, and then require Congress to come to the negotiating table to more fairly distribute the burden of deficit reduction, eliminating defense pork while preserving our national security.

CENTENNIAL OLYMPIC GAMES

Mr. CAMPBELL. Mr. President. I take this opportunity to join my colleagues in recognizing the 1996 Centennial Olympic games to be held in Atlanta beginning Friday, July 19, and running through August 4.

The modern Olympics have seen a century of athletes from countries around the world coming together in the original spirit of the games—"international understanding and peace through sports." In 1896, Athens hosted the first modern Olympics, with 13 nations sending 311 athletes. The opening event was the triple jump, which was won by an American, James B. Connolly, after he arrived in Greece only 12 hours before the start. This young athlete led America to win the first title at an Olympic games in more than 1,500 years, when the ancient Greeks last awarded Olympic medals in 393 A.D.

The 1996 Olympic games is expected to be the largest and most widely attended in history. With 197 delegations being represented by almost 11,000 athletes, this games is 40 percent larger than the 1992 Olympics in competitors alone. Over 1,900 medals will be awarded during 271 events in 26 different sports. It is estimated that the between 1991 and 1997 the build-up to the games and the event itself will pump over $5 billion into the economy.

The Olympics hold a special place in my heart, as I was fortunate enough to represent our country in the 1964 games as captain of the U.S. judo team, a sport offered for the first time that year. Although I suffered injuries throughout the course of the games, it was an honor to carry the U.S. flag during the games' closing ceremonies. I am thrilled to know that my teammate from the 1964 games and fellow Coloradan, Al Oerter, will be carrying the Olympic flame into the stadium during the opening ceremonies in Atlanta. Al is the only American ever to win gold medals in four consecutive Olympics in the discus. He competing in 1956, 1960, 1964, and 1968.

There is no question that making a serious commitment to a sport at a young age gave my life purpose, channeled my energies, and taught me self-discipline. I was lucky to have had great coaches and mentors to nurture my love of judo and help me achieve my Olympic goals. For all of the athletes who strive to heights worthy of Olympic stature, I commend you. I urge all of you to represent our country with dignity and respect, and the sportsmanship that has brought you to Atlanta.

In particular, I would like to name for the RECORD the athletes representing Colorado. These are a varied group, with unique talents and skills. I join with all Coloradans in saying how proud we are of you.

Mark Coogan, Boulder, marathon; Anthony Washington, Aurora, discus; Rich Weiss, Steamboat Springs, slalom men's kayak; Susan DeMattei, Gunnison, mountain bike; Alison Dunlap, Colorado Springs, women's road race; Juli Furtado, Durango, mountain biking; Jeanne Golay, Glenwood Springs, women's road race.

Ned Overend, Durango, mountain biking; Elaine Cheris, Denver, women's fencing; Rebecca Snyder, Grand Junction, women's air pistol; Eric Uptagraff, Lake Wood, prone rifle; Amy Van Dyken, Highlands Ranch, 50m, 100m free, 100m fly, 400m relay in swimming; Laura Coenen, Peyton, team handball; and Mujaahid Maynard, Denver Greco-Roman wrestling.

I would also like to offer my sincere congratulations to Mr. Todd Riech of Montana. Todd is the only Native American representing the United States in the 1996 games. After overcoming potentially career-threatening injuries, he won his qualifying event for the javelin. Todd is setting an example of perseverance and commitment for all young Native Americans to follow. He is already a winner.

I wish all the best of these and the other athletes representing us at these centennial summer games.

MESSAGES FROM THE HOUSE

At 9:38 am., a message from the House of Representatives, delivered by

Mr. Hayes, one of its reading clerks, announced that the House insists upon its amendment to the bill (S. 1316) to reauthorize and amend title XIV of the Public Health Service Act, commonly known as the "Safe Drinking Water Act", and for other purposes, and asks a conference with the Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers of the conference on the part of the House:

Resolved, That the House insist upon its amendment to the bill (S. 1316) entitled "An Act to authorize and amend title XIV of the Public Health Service Act (commonly known as the "Safe Drinking Water Act"), and for other purposes," and ask a conference with the Senate on the disagreement votes of the two Houses thereon.

Ordered, That the following Members be the managers of the conference on the part of the House:

From the Committee on Commerce, for consideration of the Senate bill (except for sections 28(a) and 28(e)) and the House amendment (except for title V), and modifications committed to conference: Mr. Bliley, Mr. Bilirakis, Mr. Crapo, Mr. Bilbray, Mr. Dingell, Mr. Waxman, and Mr. Stupak.

From the Committee on Commerce, for consideration of sections 28(a) and 28(e) of the Senate bill, and modifications committed to conference: Mr. Bliley, Mr. Bilirakis, and Mr. Dingell.

As additional conferees from the Committee on Science, for consideration of that portion of section 3 that adds a new section 1478 and sections 23, 25(f), and 28(f) of the Senate bill, and that portion of section 308 that adds a new section 1452(n) and section 402 and title VI of the House amendment, and modifications committed to conference: Mr Walker, Mr. Rohrabacher, and Mr. Roemer.

As additional conferees from the Committee on Transportation and Infrastructure, for the consideration of that portion of section 3 that adds a new section 1471(c) and sections 9, 17, 22(d), 25(a), 25(g), 28(a), 28(e), 28(h), and 28(i) of the Senate bill, and title V of the House amendment and modifications committed to conference: Mr. Shuster, Mr. Boehlert, Mr. Wamp, Mr. Borski, and Mr. Menendez: *Provided*, That Mr. Blute is appointed in lieu of Mr. Wamp for consideration of title V of the House amendment.

At 11:18 am., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3161. An act to authorize the extension of nondiscriminatory treatment (most-favored-nation treatment to the products of Romania.

H.R. 3166. An act to amend title 18, United States Code, with respect to the crime of false statement in a Government matter.

H.R. 3756. An act to amend title 18, United States Code, with respect to the crime of false statement in a Government matter.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 3230) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1997, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two House thereon; and appoints the following Members as the managers of the conference on the part of the House:

From the Committee on National Security, for consideration of the House bill and the Senate amendment, and modifications committed to conference: Mr. Spence, Mr. Stump, Mr. Hunter, Mr. Kasich, Mr. Bateman, Mr. Hansen, Mr. Weldon of Pennsylvania, Mr. Hefley, Mr. Saxton, Mr. Cunningham, Mr. Buyer, Mr. Torkildsen, Mrs. Fowler, Mr. McHugh, Mr. Talent, Mr. Watts of Oklahoma, Mr. Hostettler, Mr. Chambliss, Mr. Hilleary, Mr. Hastings of Washington, Mr. Dellums, Mr. Montgomery, Mrs. Schroeder, Mr. Skelton, Mr. Sisisky, Mr. Spratt, Mr. Ortiz, Mr. Pickett, Mr. Evans, Mr. Tanner, Mr. Browder, Mr. Taylor of Mississippi, Mr. Tejeda, Mr. McHale, Mr. Kennedy of Rhode Island, and Ms. DeLauro.

As additional conferees from the Permanent Select Committee on Intelligence, for consideration of matters within the jurisdiction of that committee under clause 2 of rule XLVIII: Mr. Combest, Mr. Lewis of California, and Mr. Dicks.

As additional conferees from the Committee on Banking and Financial Services, for consideration of sections 1085 and 1089 of the Senate amendment, and modifications committed to conference: Mr. Castle, Mr. Bachus, and Mr. Gonzalez.

As additional conferees from the Committee on Commerce, for consideration of sections 601, 741, 742, 2863, 3154, and 3402 of the House bill, and sections 345–347, 561, 562, 601, 724, 1080, 2827, 3175, and 3181–3191 of the Senate amendment, and modifications committed to conference: Mr. Bliley, Mr. Bilirakis, and Mr. Dingell: *Provided*, That Mr. Richardson is appointed in lieu of Mr. Dingell and Mr. Schaefer is appointed in lieu of Mr. Bilirakis for consideration of sections 3181–3191 of the Senate amendment: *Provided further*, That Mr. Oxley is appointed in lieu of Mr. Bilirakis for the consideration of section 3154 of the House bill, and sections 345–347 and 3175 of the Senate amendment: *Provided further*, That Mr. Schaefer is appointed in lieu of Mr. Bilirakis for the consideration of sections 2863 and 3402 of the House bill, and section 2827 of the Senate amendment.

As additional conferees from the Committee on Economic and Educational Opportunities, for consideration of sections 572, 1086, and 1122 of the Senate amendment, and modifications committed to conference: Mr. Goodling, Mr. McKeon, and Mr. Clay.

As additional conferees from the Committee on Government Reform and Oversight, for consideration of sections 332–336, 362, 366, 807, 821–825, 1047, 3523–3539, 3542, and 3548 of the House bill, and sections 636, 809(b), 921, 924–925, 1081, 1082, 1101, 1102, 1104, 1105, 1109–1134, 1401–1434, and 2826 of the Senate amendment, and modifications committed to conference: Mr. Clinger, Mr. Mica, and Mrs. Collins of Illinois: *Provided*, That Mr. Horn is appointed in lieu of Mr. Mica for consideration of sections 362, 366, 807, and 821–825 of the House bill, and sections 809(b), 1081, 1401–1434, and 2826 of the Senate amendment: *Provided further*, That Mr. Zeliff is appointed in lieu of Mr. Mica for consideration of section 1082 of the Senate amendment.

As additional conferees from the Committee on International Relations, for consideration of sections 223–234, 237, 1041, 1043, 1052, 1101–1105, 1301, 1307, 1501–1553 of the House bill, sections 234, 1005, 1021, 1031, 1041–1043, 1045, 1323, 1332–1335, 1337, 1341–1344, and 1352–1354 of the Senate amendment, and modifications committed to conference: Mr. Gilman, Mr. Bereuter, and Mr. Hamilton.

As additional conferees from the Committee on the Judiciary, for consideration of sections 537, 543, 1066, 1080, 1088, 1201–1216, and 1313 of the Senate amendment, and modifications committed to conference: Mr. Hyde, Mr. McCollum, and Mr. Conyers: *Provided*, That Mr. Moorhead is appointed in lieu of Mr. McCollum for consideration of sections 537 and 1080 of the Senate amendment: *Provided further*, That Mr. Smith of Texas is appointed in lieu of Mr. McCollum for consideration of sections 1066 and 1201–1216 of the Senate amendment.

As additional conferees from the Committee on Resources, for consideration of sections 247, 601, 2821, 1401–1414, 2901–2913, and 2921–2931 of the House bill, and sections 251–252, 351, 601, 1074, 2821, 2836, and 2837 of the Senate amendment, and modifications committed to conference: Mr. Hansen, Mr. Saxton, and Mr. Miller of California.

As additional conferees from the Committee on Science, for consideration of sections 203, 211, 245, and 247 of the House bill, and sections 211 and 251–252 of the Senate amendment, and modifications committed to conference: Mr. Walker, Mr. Sensenbrenner, and Ms. Harman.

As additional conferees from the Committee on Transportation and Infrastructure, for consideration of sections 324, 327, 501, and 601 of the House bill, and sections 345–348, 536, 601, 641, 1004, 1009–1010, 1311, 1314, and 3162 of the Senate amendment, and modifications committed to conference: Mr. Shuster, Mr. Coble, and Mr. Barcia.

As additional conferees from the Committee on Veterans' Affairs, for consideration of sections 556, 638, and 2821 of the House bill, and sections 538 and 2828 of the Senate amendment, and modifications committed to conference: Mr. Stump, Mr. Smith of New Jersey, and Mr. Montgomery.

As additional conferees from the Committee on Ways and Means, for consideration of sections 905, 1041(c)(2), 1550(a)(2), and 3313 of the House bill, and sections 1045(c)(2), 1214, and 1323 of the Senate amendment, and modifications committed to conference: Mr. Crane, Mr. Thomas, and Mr. Gibbons.

ENROLLED BILLS SIGNED

At 5:52 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 743. An act to amend the National Labor Relations Act to allow labor management cooperative efforts that improve economic competitiveness in the United States to continue to thrive, and for other purposes.

S. 966. An act for the relief of Nathan C. Vance, and for other purposes.

S. 1899. An act entitled the "Mollie Beattie Alaska Wilderness Area Act".

The enrolled bills were signed subsequently by the President pro tempore [Mr. THURMOND].

At 6:01 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 743) to amend the National Labor Relations Act to allow labor management cooperative efforts that improve economic competitiveness in the United States to continue to thrive, and for other purposes.

At 8:35 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3734. An act to provide for reconciliation pursuant to section (a)(1) of the concurrent resolution on the budget for fiscal year 1997.

The message also announced that pursuant to provisions of section 491 of the Higher Education Act, as amended by section 407 of Public Law 99–498, the Speaker appoints the following as members from private life on the part of the House to the Advisory Committee on Student Financial Assistance: Mr. Thomas E. Dillion of California, and Mr. William A. Irwin of Pennsylvania.

The message further announced that pursuant to clause 6 of rule 10, the Speaker announces the following modification to the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3230) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes:

Delete section 724 of the Senate amendment from the panel appointed from the Committee on Commerce.

The panel from the Committee on Commerce, consisting of Mr. BLILEY, Mr. OXLEY, and Mr. DINGELL, is also appointed for the consideration of section 3174 of the Senate amendment, and modifications committed to conference.

The panel from the Committee on Science is also appointed for the consideration of section 1044 of the Senate amendment, and modifications committed to conference.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 3166. An act to amend title 18, United States Code, with respect to the crime of false statement in a Government matter; to the Committee on the Judiciary.

H.R. 3756. An act to amend title 18, United States Code, with respect to the crime of false statement in a Government matter, to the Committee on Appropriations.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3426. A communication from the Administrator, Food and Consumer Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Removal of the 'Cheese Alternate Products' specifications from the National School Lunch Program," (RIN0584-AC04) received on July 16, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3427. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Karnal Bunt," received on July 16, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3428. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Goats Imported From Mexico for Immediate Slaughter," received on July 15, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3429. A communication from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Raisins Produced From Grapes Grown in California," received on July 15, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3430. A communication from the Acting Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, the notice of a Presidential Determination relative to the assistance for Bosnia and Herzegovina; to the Committee on Appropriations.

EC–3431. A communication from the Acting Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, the notice of the intention to obligate funds in fiscal year 1996; to the Committee on Appropriations.

EC–3432. A communication from the Acting Director of the Office of Thrift Supervision, Department of the Treasury, transmitting, pursuant to law, a report on changes and progress in the operations involving regulatory resources for the Office; to the Committee on Banking, Housing, and Urban Affairs.

EC–3433. A communication from the Assistant Chief Counsel of the Office of Thrift Supervision, Department of the Treasury, transmitting, pursuant to law, the rule entitled "Review of OTS Decisions," received on July 15, 1996; to the Committee on Banking, Housing, and Urban Affairs.

EC–3434. A communication from the Chairman of the Federal Financial Institutions Examination Council, transmitting, pursuant to law, the report on the use of consistent financial terminology; to the Committee on Banking, Housing, and Urban Affairs.

EC–3435. A communication from the Secretary of the U.S. Securities and Exchange Commission, transmitting, pursuant to law, a rule concerning the uniform broker-dealer registration form; to the Committee on Banking, Housing, and Urban Affairs.

EC–3436. A communication from the Chief Counsel of the Office of Foreign Assets Control, Department of the Treasury, transmitting, pursuant to law, a rule concerning the Iraqi Sanctions Regulations, received on July 11, 1996; to the Committee on Banking, Housing, and Urban Affairs.

EC–3437. A communication from the Chief Counsel of the Office of Foreign Assets Control, Department of the Treasury, transmitting, pursuant to law, a rule concerning the Cuban Assets Control Regulations, received on July 15, 1996; to the Committee on Banking, Housing, and Urban Affairs.

EC–3438. A communication from the Acting Director of the Office of Thrift Supervision, Department of the Treasury, transmitting, pursuant to law, a report on enforcement actions and initiatives; to the Committee on Banking, Housing, and Urban Affairs.

EC–3439. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report relative to importing noncomplying motor vehicles; to the Committee on Commerce, Science, and Transportation.

EC–3440. A communication from the Managing Director, Federal Communications Commission, transmitting, pursuant to law, a report relative to the release procedures for 1–800 telephone numbers; to the Committee on Commerce, Science, and Transportation.

EC–3441. A communication from the Acting Director of the Office of Fisheries Conservation and Management, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Pacific Halibut Fisheries," received on July 15, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3442. A communication from the Office of the General Counsel, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Federal Motor Vehicle Safety Standards, Truck-Camper Loading," (RIN2127–AF81) received on July 15, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3443. A communication from the Acting Director of the Office of Fisheries Conservation and Management, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Atlantic Swordfish Fishery," received on July 15, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3444. A communication from the Managing Director, Federal Communications Commission, transmitting, pursuant to law, a report relative to the Final Regulatory Flexibility Analysis; to the Committee on Commerce, Science, and Transportation.

EC–3445. A communication from the Managing Director, Federal Communications Commission, transmitting, pursuant to law, a report relative to the Hearing Aid Compatibility Act of 1988; to the Committee on Commerce, Science, and Transportation.

EC–3446. A communication from the Assistant Secretary for Fish and Wildlife Parks, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Scope and Applicability of Regulations," (RIN1024–AC21) received on July 16, 1996; to the Committee on Energy and Natural Resources.

EC–3447. A communication from the Director, Office of Surface and Mining, Department of Interior, transmitting, pursuant to law, the report of two rules entitled "Alabama Regulatory Program," received on July 15, 1996; to the Committee on Energy and Natural Resources.

EC–3448. A communication from the Chair of the Federal Subsistence Board, transmitting, pursuant to law, the report of a rule entitled "Subsistence Management Regulations for Public Lands in Alaska, Subpart C and Subpart D–1996–1997 Subsistence Taking of Fish and Wildlife Regulations," (RIN1018–AD42) received on July 15, 1996; to the Committee on Energy and Natural Resources.

EC–3449. A communication from the Director of the Office of Congressional Affairs, U.S. Nuclear Regulatory Commission, transmitting, pursuant to law, the rule concerning criteria and procedures for determining the adequacy of available spent fuel storage capacity; to the Committee on Environment and Public Works.

EC–3450. A communication from the Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a regulatory guide relative to the safety systems of nuclear power plants; to the Committee on Environment and Public Works.

EC–3451. A communication from the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Approval and Promulgation of Air Quality Implementation Plans," received on July 16, 1996; to the Committee on Environment and Public Works.

EC–3452. A communication from the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of five rules entitled "Approval and Promulgation of Implementation Plans," (FRL5464–6, 5532–3, 5514–4, 5533–5, 5531–4) received on July 15, 1996; to the Committee on Environment and Public Works.

EC–3453. A communication from the General Counsel, Department of Energy, transmitting, pursuant to law, the report of a rule entitled "National Environmental Policy Act Implementing Procedures," (RIN1901–AA67) received on July 17, 1996; to the Committee on Environment and Public Works.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS ON JULY 18, 1996

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. McCAIN (for himself, Mr. INOUYE, Mr. THOMAS, and Mr. CAMPBELL):

S. 1970. A bill to amend the National Museum of the American Indian Act to make improvements in the Act, and for other purposes; to the Committee on Indian Affairs.

By Mr. MACK (for himself, Mr. DEWINE, Mr. NICKLES, Mr. THURMOND, Mr. GRAHAM, Mr. INHOFE, Mr. COATS, Mr. FAIRCLOTH, and Mr. ABRAHAM):

S. 1971. A bill to empower States with authority for most taxing and spending for highway programs and mass transit programs, and for other purposes; to the Committee on Finance.

By Mr. McCAIN (for himself, Mr. INOUYE, and Mr. STEVENS):

S. 1972. A bill to amend the Older Americans Act of 1965 to improve the provisions relating to Indians, and for other purposes; to the Committee on Indian Affairs.

By Mr. McCAIN:

S. 1973. A bill to provide for the settlement of the Navajo-Hopi land dispute, and for other purposes; to the Committee on Indian Affairs.

By Mr. DEWINE:

S. 1974. A bill to amend the Social Security Act to clarify that the reasonable efforts requirement includes consideration of the health and safety of the child; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS ON JULY 17, 1996

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. STEVENS:

S. Res. 279. A resolution to commend Dr. LeRoy T. Walker for his service as President of the U.S. Olympic Committee and his lifelong dedication to the improvement of amateur athletic opportunities in the United States; considered and agreed to.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS ON JULY 18, 1996

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SPECTER (for himself, Mr. SANTORUM, Mr. D'AMATO, Mr. MOYNIHAN, and Mr. LAUTENBERG):

S. Res. 280. A resolution expressing the sense of the Senate regarding the tragic crash of TWA Flight 800; considered and agreed to.

By Mr. DASCHLE:

S. Res. 281. A resolution to authorize representation by Senate Legal Counsel; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McCAIN (for himself, Mr. INOUYE, Mr. THOMAS, and Mr. CAMPBELL):

S. 1970. A bill to amend the National Museum of the American Indian Act to make improvements in the Act, and for other purposes; to the Committee on Indian Affairs.

THE NATIONAL MUSEUM OF THE AMERICAN INDIAN ACT AMENDMENTS OF 1996

• Mr. McCAIN. Mr. President, I introduce legislation to amend the National Museum of the American Indian Act of 1989. I am very pleased to be joined by Senators INOUYE, THOMAS, and CAMPBELL as original cosponsors of this legislation. I am particularly pleased to be joined by my good friend from Hawaii, Senator INOUYE, the Vice-Chairman of the Committee on Indian Affairs, who, with his tireless dedication, has championed this particular issue for many years. This legislation is intended to amend the National Museum of the American Indian Act to ensure that the requirements for the inventory, identification and repatriation of Native American human remains, associated and unassociated funerary objects, sacred objects, and objects of cultural patrimony in the possession of the Smithsonian Institution are being carried out in a manner consistent with the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001), so that these culturally important items can be returned to their rightful keepers and protectors, the Indian tribes.

The possession of Native American human remains, funerary objects, sacred objects, and objects of cultural patrimony by various Federal agencies, museums, and private collectors has been a very contentious issue for Indian tribes, tribal organizations, and Native Hawaiian Organizations for many years. Native Americans, not unlike other Americans, feel that the bones of their ancestors and the objects buried with them are sacred and rightfully belong under the protection and control of their descendants. Similarly, Native Americans feel strongly that sacred objects and objects of cultural patrimony, which have been wrongfully acquired, should be returned to the appropriate Indian tribe or Native Hawaiian organization. On the other side of the debate are archeologists, anthropologists, and others from the scientific community who feel that there is an overriding principle of scientific inquiry to unearth and study the remains of the Indians of the past in order to understand past cultures and their histories. Over the years, this debate has ranged from scholarly discussion to impassioned arguments and finally to emotional demands by Indian people for understanding and respect for their right to have these culturally and spiritually important items to be properly returned.

It is important to note that the Smithsonian Institution was the first museum to take the lead in establishing a process for the repatriation of Native American human remains and funerary objects. Under the National Museum of the American Indian Act (20 U.S.C. 80q, et seq.), Congress established a process for the inventory, identification, and repatriation of Native American human remains and associated funerary objects. This ground breaking legislation was a critical first step in facilitating thoughtful dialogue between Indian tribes and museums regarding the proper treatment of Native American human remains, funerary objects, sacred objects and objects of cultural patrimony. These discussions resulted in the passage of the Native American Graves Protection and Repatriation Act. Since the passage of the Act, the Smithsonian Institution has continued to work diligently to fulfill the mandates of the National Museum of the American Indian Act regarding the repatriation of Native American human remains and funerary objects. In fact, in certain areas the administrative policies of the National Museum of the American Indian and the National Museum of Natural History exceed the requirements of the National Museum of the American Indian. Since 1991 the Museum of Natural History has adopted the categories and repatriation provisions described in Native American Graves Protection and Repatriation Act as museum policy. Under that policy, the museum has inventoried a substantial part of its collection of Native American human remains and returned hundreds of human remains to Native American communities. The National Museum of the American Indian has developed a substantive repatriation policy that goes well beyond the requirements of the Native American Graves Protection and Repatriation Act in order to facilitate the identification and repatriation of any Native American human remains and objects in its collections. Under its 1991 repatriation policy, the National Museum of the American Indian has prepared and distributed both the summary of ethnographic materials and the inventory of human remains and funerary objects within its entire collection to all of the 557 federally recognized Indian tribes. The Museum's summary goes beyond the requirements of Native American Graves Protection and Repatriation Act by not only including sacred objects and objects of cultural patrimony but also includes religious and ceremonial objects, and objects that are owned in common.

Under the repatriation provisions of the National Museum of the American Indian Act, the Smithsonian Institution is required only to inventory and repatriate Native American human remains and associated funerary objects. Although the Native American Graves Protection and Repatriation Act does not cover the Smithsonian Institution, the Smithsonian has endeavored to meet or exceed each of the requirements of the Act. Despite the absence of a statutory obligation to identify and repatriate Native American unassociated funerary objects, sacred objects, and objects of cultural patrimony, the Smithsonian Institution has committed to complete its identification and summary of Native American unassociated funerary objects, sacred objects, and objects of cultural patrimony by December 31, 1996. Similarly, the Smithsonian has committed to completing its inventory of Native American human remains and associated funerary objects before June 1, 1998.

Mr. President, the bill I am introducing today would provide the statutory authority to the Smithsonian Institution to complete its inventory, identification, and repatriation process for the respectful return of the tribal ancestors and items of cultural importance to Native Americans. This legislation is consistent with the administrative policies of the Smithsonian as it relates to repatriation and it is consistent with the requirements of the Native American Graves Protection and Repatriation Act. I would like to commend the tremendous progress made by the Smithsonian Institution in implementing a policy that respects Indian tribes and their deeply-held beliefs by providing for the return of the remains of their ancestors and relatives and the culturally significant objects in its possession. I would like to add that representatives of the Smithsonian have worked closely with the Committee in the preparation of this legislation and have continued to demonstrate their serious commitment to returning these sacred remains and objects to their rightful owners, the Indian tribes.

Mr. President, I ask unanimous consent that the full text of the bill and the accompanying section by section analysis appear in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1970

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the "National Museum of the American Indian Act Amendments of 1996".

(b) REFERENCES.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to a section or other provision of the National Museum of the American Indian Act (20 U.S.C. 80q et seq.).

SEC. 2. BOARD OF TRUSTEES.

Section 5(f)(1)(B) (20 U.S.C. 80q–3(f)(1)(B)) is amended by striking "an Assistant Secretary" and inserting "a senior official".

SEC. 3. INVENTORY.

Section 11(a) (20 U.S.C. 80q–9) is amended—

(1) by striking "(1)" and inserting "(A)";

(2) by striking "(2)" and inserting "(B)";

(3) by inserting "(1)" before "The Secretary"; and

(4) by adding at the end the following new paragraphs:

"(2) The inventory made by the Secretary of the Smithsonian Institution under paragraph (1) shall be completed not later than June 1, 1998.

"(3) For purposes of this subsection, the term 'inventory' means a simple, itemized list that, to the extent practicable, identifies, based upon available information held by the Smithsonian Institution, the geographic and cultural affiliation of the remains and objects referred to in paragraph (1).".

SEC. 4. SUMMARY AND REPATRIATION OF UNASSOCIATED FUNERARY OBJECTS, SACRED OBJECTS, AND CULTURAL PATRIMONY.

The National Museum of the American Indian Act is amended by inserting after section 11 the following new section:

"SEC. 11A. SUMMARY AND REPATRIATION OF UNASSOCIATED FUNERARY OBJECTS, SACRED OBJECTS, AND CULTURAL PATRIMONY.

"(a) SUMMARY.—Not later than December 31, 1996, the Secretary of the Smithsonian Institution shall provide a written summary that contains a summary of unassociated funerary objects, sacred objects, and objects of cultural patrimony (as those terms are defined in subparagraphs (B), (C), and (D), respectively, of section 2(3) of the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001(3)), based upon available information held by the Smithsonian Institution. The summary required under this section shall include, at a minimum, the information required under section 6 of the Native American Graves Protection and Repatriation Act (25 U.S.C. 3004).

"(b) REPATRIATION.—Where cultural affiliation of Native American unassociated funerary objects, sacred objects, and objects of cultural patrimony has been established in the summary prepared pursuant to subsection (a), or where a requesting Indian tribe or Native Hawaiian organization can show cultural affiliation by a preponderance of the evidence based upon geographical, kinship, biological, archaeological, anthropological, linguistic, folkloric, oral traditional, historical, or other relevant information or expert opinion, then the Smithsonian Institution shall expeditiously return such unassociated funerary object, sacred object, or object of cultural patrimony where—

"(1) the requesting party is the direct lineal descendant of an individual who owned the unassociated funerary object or sacred object;

"(2) the requesting Indian tribe or Native Hawaiian organization can show that the object was owned or controlled by the Indian tribe or Native Hawaiian organization; or

"(3) the requesting Indian tribe or Native Hawaiian organization can show that the unassociated funerary object or sacred object was owned or controlled by a member thereof, provided that in the case where an unassociated funerary object or sacred object was owned by a member thereof, there are no identifiable lineal descendants of said member or the lineal descendants, upon notice, have failed to make a claim for the object.

"(c) STANDARD OF REPATRIATION.—If a known lineal descendant or an Indian tribe or Native Hawaiian organization requests the return of Native American unassociated funerary objects, sacred objects, or objects of cultural patrimony pursuant to this Act and presents evidence which, if standing alone before the introduction of evidence to the contrary, would support a finding that the Smithsonian Institution did not have the right of possession, then the Smithsonian Institution shall return such objects unless it can overcome such inference and prove that it has a right of possession to the objects.

"(d) MUSEUM OBLIGATION.—Any museum of the Smithsonian Institution which repatriates any item in good faith pursuant to this Act shall not be liable for claims by an aggrieved party or for claims of fiduciary duty, public trust, or violations of applicable law that are inconsistent with the provisions of this Act.

"(e) STATUTORY CONSTRUCTION.—Nothing in this section may be construed to prevent the Secretary of the Smithsonian Institution, with respect to any museum of the Smithsonian Institution, from making an inventory or preparing a written summary or carrying out the repatriation of Native American human remains, associated and unassociated funerary objects, sacred objects, or objects of cultural patrimony in a manner that exceeds the requirements of this section.

"(f) NATIVE HAWAIIAN ORGANIZATION DEFINED.—For purposes of this section, the term 'Native Hawaiian organization' has the meaning provided that term in section 2(11) of the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001(11)).".

SEC. 5. SPECIAL COMMITTEE.

Section 12 (20 U.S.C. 80q–10) is amended—

(1) in the first sentence of subsection (a), by inserting "and unassociated funerary objects, sacred objects, and objects of cultural patrimony under section 11A" before the period; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "five" and inserting "7";

(B) in paragraph (1)—

(i) by striking "three" and inserting "4"; and

(ii) by striking "and" at the end;

(C) by redesignating paragraph (2) as paragraph (3); and

(D) by inserting after paragraph (1) the following:

"(2) at least 2 members shall be traditional Indian religious leaders; and".

SECTION-BY-SECTION ANALYSIS OF THE NATIONAL MUSEUM OF THE AMERICAN INDIAN ACT AMENDMENTS OF 1996

SECTION ONE. SHORT TITLE

This section cites the short title of the Act as "the National Museum of the American Indian Act Amendments of 1996". It also provides that any reference to amendment or repeal in this Act shall be considered to be references to the provisions of the National Museum of the American Indian Act. (20 U.S.C. 80q et seq.)

SECTION TWO. BOARD OF TRUSTEES

This section amends section 5 of the National Museum of the American Indian Act by changing the reference to "an Assistant Secretary" of the Smithsonian Institution to "a senior official" of the Smithsonian.

SECTION THREE. INVENTORY

This section amends section 11 of the National Museum of the American Indian Act to require the inventory to be conducted by the Secretary of the Smithsonian be completed not later than June 1, 1998. It also defines the term "inventory" as it is used in the Act.

SECTION FOUR. SUMMARY AND REPATRIATION OF UNASSOCIATED FUNERARY OBJECTS, SACRED OBJECTS, AND CULTURAL PATRIMONY

This section amends the National Museum of the American Indian Act by establishing a new section 11a. Section 11a requires the Secretary of the Smithsonian to develop a written summary of unassociated funerary objects, sacred objects, and objects of cultural patrimony held by the Smithsonian, based upon available information and consistent with the requirements of the Native American Graves Protection and Repatriation Act (25 U.S.C. 3004). The summary must be completed by December 31, 1996.

Subsection (b) requires the Smithsonian to expeditiously return any Native American unassociated funerary object, sacred object, or object of cultural patrimony where the cultural affiliation has been established in the summary prepared by the Smithsonian, or where a requesting Indian tribe or Native Hawaiian Organization can show its cultural affiliation with the items by a preponderance of the evidence, and the requesting Indian tribe or Native Hawaiian Organization can establish that the object was owned or controlled by the Indian tribe or Native Hawaiian Organization, or by a member of the tribe or organization. The Smithsonian shall expeditiously return any object to any direct lineal descendent of the owner of the object.

Subsection (c) sets out the standard of repatriation under the Act. It provides that if a known lineal descendant or an Indian tribe or Native Hawaiian organization requests the return of Native American unassociated funerary objects, sacred objects, or objects of cultural patrimony and can make a prima facie showing that the Smithsonian Institution did not have the right of possession of such object, then the Smithsonian must return such object unless it can prove that it has the right of possession of such objects.

Subsection (d) provides that any museum of the Smithsonian Institution, which repatriates an item in good faith shall not be liable for any claims of fiduciary duty, public trust, or violations of State law that are inconsistent with the provisions of this Act.

Subsection (e) provides that nothing in this Act shall be construed to prevent the Secretary of the Smithsonian from making an inventory or preparing a written summary or carrying out the repatriation of objects under this Act in a manner that exceeds the requirements of this section.

Subsection (f) defines the term "Native Hawaiian Organization" as the term is used in this Act.

SECTION FIVE. SPECIAL COMMITTEE

This section amends section 12 of the National Museum of the American Indian Act by increasing the membership of the Special Committee to seven and it shall include two members who are traditional Indian religious leaders.

• Mr. INOUYE. Mr. President, I am pleased to join my Chairman, Senator JOHN MCCAIN, in the introduction of a bill to amend the National Museum of the American Indian Act.

The amendments that this bill proposes would fulfill a commitment I made to other museums and scientific institutions at the time the Congress was considering the Native American Graves Protection and Repatriation Act.

At that time, Mr. President, the National Museum of the American Indian was newly authorized and was engaged in establishing the necessary administrative structures and policies that would define its character as an institution.

Amongst the issues to be addressed by the new museum was the development of a repatriation policy, and the need to reconcile that policy with the policies of other museums in the Smithsonian Institution.

Accordingly, while a general framework addressing repatriation was included in the National Museum of the American Indian Act that we adopted in 1989, the opportunity for the Smithsonian Institution to develop an institution-wide repatriation policy and the processes associated with the implementation of such a policy was requested, and we provided the time necessary to enable the development of that comprehensive policy.

The other museums and scientific institutions that were to be covered under the Native American Graves Protection and Repatriation Act objected in the strongest possible terms to the exclusion of the Smithsonian Institution from the act, but ultimately agreed not to oppose passage of the act based in part upon my personal commitment that the Congress would subsequently enact legislation to assure that the Smithsonian Institution would be subject to Federal repatriation law.

The bill we introduce today is designed, as I have indicated, to fulfill that commitment and to assure that the policy objectives of the Native American Graves Protection and Repatriation Act are extended to the Smithsonian Institution.

As I complete my service as a member of the Board of Trustees of the National Museum of the American Indian this year, I am pleased that my Chairman has seized the initiative to act upon the discussions in which we have been engaged with the Smithsonian Institution and thereby given his support for carrying out my promise.

I am hopeful that our colleagues in the Senate and the House will agree to act upon this legislation before the end of the 104th session of the Congress, and I thank my Chairman for his leadership.•

By Mr. MACK (for himself, Mr. DEWINE, Mr. NICKLES, Mr. THURMOND, Mr. GRAHAM, Mr. INHOFE, Mr. COATS, Mr. FAIRCLOTH, and Mr. ABRAHAM):

S. 1971. A bill to empower States with authority for most taxing and spending for highway programs and mass transit programs, and for other purposes; to the Committee on Finance.

TRANSPORTATION EMPOWERMENT ACT

Mr. MACK. Mr. President, I introduce legislation entitled the Transportation Empowerment Act which will return primary transportation program responsibility and taxing authority to the States. I intend to be brief today. But, I will be back on the floor to speak to this proposal periodically over the remainder of the Congress and again early in the next Congress as debate begins in earnest on the reauthorization of the transportation bill known as the Intermodal Surface Transportation Efficiency Act [ISTEA].

The era of Big Government is over. The highway system is a relic of this era and a perfect example of a program that ought to be returned to the States.

In the 1950's, the Federal Government began building the Interstate Highway System. Its construction was slated to last 13 years and cost $25 billion. It has lasted 40 years at a cost of about $130 billion. At the same time, the Federal-Aid Highways Program was also expanded to include more than $170 billion in other programs and projects.

The antiquated system of collecting and distributing gas tax dollars to fund these programs as well as the transportation priorities of the States and local governments is inefficient, costly, and bureaucratic.

The Interstate Highway System is complete. Now it's time to change directions to provide State and local governments the authority and the flexibility to move forward without succumbing to the bureaucratic whims of Washington.

This legislation does just that—it reempowers States to make their own decisions. This bill uses a 2-year transition period to lower the Federal gas tax, eliminate most highway trust fund programs, relieve States of an array of regulations and restrictions, and remove Federal roadblocks to infrastructure privatization.

This proposal provides that the Federal Government would retain a core Federal transportation program including maintenance of the current Interstate System. Federal participation would also continue for Indian reservation roads, public lands, parkways and park roads, and emergency relief.

The bottom line is this—for far too long Washington has had a stranglehold on States' transportation needs. It's past time for Washington to let go and let the States take responsibility for their own surface transportation needs.

Mr. President, I have included several letters on this issue which I have previously sent to my Senate colleagues and I ask unanimous consent that they be printed in the RECORD. I also ask unanimous consent that a summary of this legislation be printed in the RECORD.

I ask my colleagues to review this proposal and to consider joining me as a cosponsor of this legislation which will re-empower States and end Washington's micromanagement of States' transportation dollars and priorities.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, March 7, 1996.

DEAR COLLEAGUE: Several weeks ago, I sent you a letter informing you of my plan to introduce legislation which largely repeals the federal gas tax and returns the primary transportation program responsibility and taxing authority to the states. I am currently drafting this legislation as well as exploring options to ensure a smooth transition from a federal to a state program.

In light of this effort, I thought you might be interested in the attached article which highlights a major problem with the current federal transportation system.

This article, from the February 23, 1996 edition of the "American Association of State Highway and Transportation Officials (AASHTO) Weekly Transportation Report," contains excerpts of a speech by Deputy Highway Administrator, Jane Garvey. Ms. Garvey predicted future transportation funding will fall dramatically short of previous years' levels and she further indicated future transportation funding will be spent on non-transportation priorities.

Our states have consistently asked that their highway trust fund dollars be reserved for infrastructure requirements and that they be returned unencumbered by federal restrictions and mandates. It is my belief this request can only be accomplished by removing these transportation dollars from the federal coffers. The simple fact is that, if left in federal hands, these funds will always be a temptation for a Congress which must contend with competing priorities and declining discretionary funding levels.

I hope you will consider the benefits of returning transportation program responsibility and primary taxing authority to the states and join me in this effort. Should your staff have any questions or comments, please have them contact Patrick Kearney of my staff at 224-3102.

Sincerely,

CONNIE MACK,
U.S. Senator.

THE AASHTO JOURNAL,
Washington, DC, February 23, 1996.

LESS FUNDING, MORE ALTERNATIVE FINANCING PREDICTED

Predicting lean years ahead for federal transportation funding, Jane Garvey, Deputy Administrator, of the Federal Highway Administration, this week outlined alternatives for funding future transportation projects, and some of the issues the Administration will address in reauthorization of federal transportation programs.

Garvey discussed the status of the Administration's FY 1997 budget proposal and provided a future outlook for transportation funding during a Women in Transportation Seminar luncheon on Wednesday. She said that the budget submitted by the Administration on February 6 provided a broad framework of the cuts the Administration hopes to achieve next fiscal year. She added that specific figures as to how transportation funding would be affected have not been made available.

Garvey stated that the President would submit a detailed budget proposal on March 18, and that representatives from the FHWA would be appearing before the House Transportation Appropriations Subcommittee on March 20 to discuss their budget proposal (see related article).

Contending that transportation made out well during FY 1996, Garvey predicted that future funding levels will fall dramatically short of previous years' levels. All discretionary funding categories are expected to take a hit in FY 1997, Garvey stated, and infrastructure spending will have to compete with other priorities. She added that an 18 percent reduction in transportation spending between FY 1997 and FY 2002 is expected, from $38.9 billion in FY 1996 to $32 billion in 2002.

To address this situation, Garvey stated that it was essential for federal, state and local transportation organizations to convey how important the nation's transportation system is to the welfare of the economy and its citizens. In addition, states and localities must be able to maximize what funding is made available to them to the greatest extend possible, according to Garvey.

U.S. SENATE,
Washington, DC, February 14, 1996.

DEAR COLLEAGUE: Soon after the Senate returns from the President's Day recess, I will introduce legislation to substantially reduce the federal role in transportation and return the primary program responsibility and taxing authority to the states. At a time when Governors and Congressional leaders are talking about providing greater freedom for states, it just does not make sense to continue the current system.

States do no want to receive transportation funding with federal strings attached. They do not want restrictions on how transportation funding can be spent and have funding withheld for noncompliance with mandates. Moreover, Governors are rightly concerned over the prospect of seeing more of their transportation funding diverted to other spending programs. Congress' record in this regard is abysmal and is unlikely to improve as other priorities compete for budget dollars in the future.

The legislation I plan to introduce will leave in place those portions of the gas tax set aside for deficit reduction as well as a few additional cents to sponsor a modest federal program. This federal program will be comprised of the Interstate Maintenance, Interstate Bridges, Federal Lands and Emergency Disaster programs.

The remainder of the tax will be repealed after DOT has met all of its current obligations. DOT has estimated these obligations will be met approximately 15 months after the expiration of the existing authorization. This time delay provides states ample time to take whatever actions may be necessary to implement their own funding measures.

We need to return primary program responsibility and taxing authority for transportation programs to the states. I look forward to having you join me in this effort. If your staff has any questions or comments, please have them contact Patrick Kearney of my staff at 224-3102.

Sincerely,

CONNIE MACK,
U.S. Senator.

U.S. SENATE,
Washington, DC, April 25, 1996.

OFF BUDGET—A SYMPTOM OR THE SOLUTION?

DEAR COLLEAGUE: Last week the House of Representatives voted by a wide margin to remove the transportation trust funds from the Unified Budget. This vote reflected the frustration of the House members, and their respective states, with the manner in which the federal government manages transportation spending. However, in my view the legislation approved by the House is not a solution to the core problem—a federally run transportation program.

Before developing a solution the problem must be defined. And, the problem is much greater than that suggested by the House legislation. It is, in fact, a three part problem consisting of:

Withholding our state's gas tax dollars; Redistributing states' gas tax dollars; and Federal micro-management.

Regrettably, the House-passed legislation only addresses the first of these parts and ignores the other two. It fails to address the redistribution of states' contributions to the trust fund which strikes me as peculiar now that the Interstate system is complete. Additionally, the House legislation doesn't address federal micro-management of this funding which has plagued our states' transportation officials for years. The legacy of a program run through the federal government is one which has provided: funding restrictions on various program areas, mandatory spending requirements with penalties for non-compliance, and redundant administrative requirements.

For these reasons, I ask you to consider a real solution rather than simply alleviating one symptom. Please join me and consider exploring a truly off-budget proposal, one that phases out most of the federal transportation program and returns transportation program responsibility and primary taxing authority to the states.

Sincerely,

CONNIE MACK.

U.S. SENATE,
Washington, DC, July 9, 1996.

"Turning Back" the Highway Trust Fund

DEAR COLLEAGUE: Over the last several months I have written to you on a number of occasions regarding proposed legislation to return primary transportation program responsibility and taxing authority to the states. Attached is a summary of this legislation which I plan to introduce next week.

With the completion of the Interstate System, it is time for us to examine the lessons of the past and explore our options for the future. Although it was initially envisioned as a ten year, $30 billion highway program, the Federal Aid Highway program exploded into one that has lasted 40 years and has cost nearly $300 billion. Additionally, the existing program is plagued by an enormous bureaucracy that inhibits states' flexibility and withholds states' scarce transportation dollars.

Rather than continue the tired and troubled practices of the past, shouldn't we as a Nation look for a better way to address our infrastructure needs? I believe the legislation I am proposing will allow states to better serve the driving public as we head into the 21st Century.

It is my intention to introduce this legislation early in the week of July 15, 1996. Congressman John Kasich (R–OH) will be introducing companion legislation in the House of Representatives. If you wish to be an original cosponsor of this legislation please contact my office by Friday, July 12, 1996. Should your staff have any questions or require additional information please do not hesitate to have them call Patrick Kearney of my staff (x4–3102).

Sincerely,

CONNIE MACK,
U.S. Senator.

TRANSPORTATION EMPOWERMENT ACT—SENATOR CONNIE MACK. REPRESENTATIVE JOHN KASICH

SUMMARY

The Federal government collects about $24 billion in dedicated transportation taxes, skims money off the top for demonstration projects, skims more of the top to fund the Washington highway bureaucracy, runs the remainder through a maze of formulas, and then returns gas taxes of the states. Understandably, states complain that this approach is needlessly complicated and denies them the funding flexibility and stability they deserve.

The Mack/Kasish bill re-empowers states in transportation financing and decision making. Our bill uses a two-year transition period to lower the Federal gas tax, eliminate most highway trust fund programs, relieve states of myriad federal restrictions and regulations, and remove federal roadblocks to infrastructure privatization. Each state would be free to replace the Federal gas tax and keep those dollars within the state.

The Mack/Kasich legislation retains federal oversight of the maintenance of the current interstate system. Federal programs also remain in place for Indian reservation roads, public lands, parkways and park roads, and emergency relief. The Mack/Kasich bill also creates an Infrastructure Special Assistance Fund for critical programs the Congress may elect to fund, including providing transitional assistance.

IMPLEMENTATION

This legislation provides a two year transition. During the transition period of fiscal years 1998 and 1999, this legislation keeps in place the current 14¢ gas tax dedicated to transportation purposes.

7¢ in 1998 and 2¢ in 1999 are dedicated to the remaining downsized federal program, to pay off existing obligations, and to fund the Infrastructure Special Assistance Fund.

The remainder of the gas tax (7¢ in 1998 and 12¢ in 1999) is returned to the states in a block grant based on their contributions to the trust fund. The block grant could be used for transportation purposes without restriction from Washington.

At the beginning of fiscal year 2000, the federal gas tax is reduced to 2¢.

This two-year transition gives states time to prepare to regain control over their highway program and raise their state gas taxes if they choose. Any money collected would stay within the state to be used as the state sees fit without restriction from Washington.

OTHER PROVISIONS

The Mack/Kasich legislation acknowledges that states will need to cooperate on many transportation issues. The bill authorizes states to establish multi-state "compacts" for planning, financing and establishing safety and construction standards.

The legislation will encourage innovative approaches on the part of the states, such as use of infrastructure banks and privatization. The bill repeals the requirement that states repay federal grants associated with transportation infrastructure which is slated for privatization.

This legislation only addresses gas taxes currently dedicated to transportation purposes. it does not address the 4.3¢ currently dedicated to deficit reduction.

Currently, other transportation funding "reform" proposals are being discussed on the Hill. Generally, these proposals seek to reform the highway program by increasing flexibility and revising current formula which returns gas tax dollars to the states. However, because gas taxes would continue to be funneled through Washington, these formulas invite the re-emergence of Washington micro management and changes to the formulas in future authorizing legislation.

The Mack/Kasich bill permanently returns control over America's infrastructure to the states by phasing out much of the Federal program *and* reducing the gas tax. This greatly reduces the risk of Washington micro management in the future.

By Mr. MCCAIN (for himself, Mr. INOUYE and Mr. STEVENS):

S. 1972. A bill to amend the Older Americans Act of 1965 to improve the provisions relating to Indians, and for other purposes; to the Committee on Indian Affairs.

THE OLDER AMERICANS INDIAN TECHNICAL AMENDMENTS ACT

Mr. MCCAIN. Mr. President, I rise today on behalf of myself and Senators INOUYE and STEVENS to introduce legislation to make various technical amendments to the Older Americans Act. This bill provides greater flexibility to the Administration on Aging to assist Indian tribes in providing critically needed nutrition services to older native Americans.

In most native communities, older native Americans are held in the highest esteem because they serve a vital role in the community as the keepers of culture, language, and tradition. native American elder populations are growing rapidly throughout Indian country, representing almost 9 percent of the total native American population. However, older Native Americans also experience levels of poverty at rates significantly higher than the national level, ranging from 29 percent for Indian elders aged 60 and older to 38 percent for rural Indian elders aged 65 and over. Older native Americans still live under some of the most remote and harsh conditions existing in Indian country.

In addition to high levels of poverty, native American elders experience comparatively higher levels of immobility and disability with severely limited self-care options. Native American elders often live alone in remote areas with no access to transportation or telephone services. In some cases, the nearest telephone or grocery store is hundreds of miles away. Many older Native Americans who live in rural areas have not graduated from high school or have no formal schooling. Employment opportunities for older native Americans are extremely limited due to the remoteness of Indian communities and the lack of formal education.

The community-based services provided to native American elders through the Older Americans Act are of great benefit to many Indian communities. Through the act, many older Native Americans can earn incomes by serving their tribal communities through the senior employment programs. The act also authorizes grants to Indian tribes and tribal organizations through title VI to administer important nutritional programs in remote areas such as those serving Alaska Native communities and rural areas on the Navajo Reservation in my home State of Arizona.

However, these programs can be strengthened to ensure that Indian tribes are able to tailor nutritional and supportive programs that are appropriate to the cultural and geographic characteristics of their communities. Often, employment and nutrition programs are difficult to administer in Indian country because of the remoteness of the service area for Indian populations and the unique character of Indian cultures. The legislation I am proposing will ensure that Indian tribes and tribal organizations serving Native American elders will be afforded maximum flexibility in administering employment and nutrition programs to provide critically needed services at the reservation level.

The bill modifies the definition of "reservation" to clarify that Indian tribes in Oklahoma and California, as well as Alaska Native communities, will maintain their eligibility to administer programs under the act. Indian reservations and Alaska Native communities suffer from the highest unemployment rates in the United States and endure the lowest incomes of all Americans. The application of this requirement only serves to frustrate the efforts of older Native Americans to work in their own communities.

The bill will also modify the requirement for certification by the Bureau of Indian Affairs [BIA] in Section 3057e(b) to provide more flexibility to the administration and to tribal applicants by allowing the BIA to certify population statistics for tribal grant applications through a written approval letter. This change is necessary to clarify that the current procedure of obtaining written approval from the BIA is sufficient for tribal applicants to receive a grant award.

Finally, the act will simplify certain requirements that impose unreasonable and overly burdensome application and reporting requirements for tribal applicants. The bill authorizes the Assistant Secretary for Aging to take into consideration the special circumstances facing geographically isolated and small communities that do not have the infrastructure or resources to meet strict and onerous application and reporting requirements. Instead of providing much needed services for small and rural Indian communities, tribal grant recipients often find themselves preoccupied with complying with voluminous paperwork requirements.

Mr. President, the Older Americans Act provides critically needed human and social services to older Native Americans on a daily basis. The bill we are introducing today will simply ensure that older Native Americans will continue to receive the assistance they need to stay in their own homes and communities, and continue to fulfill their vital role as the keepers of culture, language and tradition.

I ask unanimous consent that the full text of this bill and the section-by-section summary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1972

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Older Americans Indian Technical Amendments Act".

SEC. 2. INDIAN EMPLOYMENT; DEFINITION OF INDIAN RESERVATION.

Section 502(b)(1)(B) of such Act (42 U.S.C. 3056(b)(1)(B)) is amended to read as follows:

"(B)(i) will provide employment for eligible individuals in the community in which such individuals reside, or in nearby communities; or

"(ii) if such project is carried out by a tribal organization that enters into an agreement under subsection (b) or receives assistance from a State that enters into such an agreement, will provide employment for such individuals who are Indians residing on an Indian reservation, as the term is defined in section 2601(2) of the Energy Policy Act of 1992 (25 U.S.C. 3501(2)).".

SEC. 3. POPULATION STATISTICS DEVELOPMENT.

Section 614(b) of such Act (42 U.S.C. 3057e(b)) is amended by striking "certification" and inserting "approval".

SEC. 4. REPORTING REQUIREMENTS.

Section 614(c) of such Act (42 U.S.C. 3057e(c)) is amended—

(1) by inserting "(1)" after "(c)"; and

(2) by adding at the end the following new paragraph:

"(2) The Assistant Secretary shall provide waivers and exemptions of the reporting requirements of subsection (a)(3) for applicants that serve Indian populations in geographically isolated areas, or applicants that serve small Indian populations, where the small scale of the project, the nature of the applicant, or other factors make the reporting requirements unreasonable under the circumstances. The Assistant Secretary shall consult with such applicants in establishing appropriate waivers and exemptions.".

SEC. 5. EXPENDITURE OF FUNDS FOR NUTRITION SERVICES.

Section 614(c) of such Act (42 U.S.C. 3057e(c)), as amended by section 4, is further amended by adding at the end the following new paragraph:

"(3) In determining whether an application complies with the requirements of subsection (a)(8), the Assistant Secretary shall provide maximum flexibility to an applicant who seeks to take into account subsistence needs, local customs, and other characteristics that are appropriate to the unique cultural, regional, and geographic needs of the Indian populations to be served.".

SEC. 6. COORDINATION OF SERVICES.

Section 614(c) of such Act (42 U.S.C. 3057e(c)), as amended by section 5, is further amended by adding at the end the following new paragraph:

"(4) In determining whether an application complies with the requirements of subsection (a)(12), the Assistant Secretary shall require only that an applicant provide an appropriate narrative description of the geographical area to be served and an assurance that procedures will be adopted to ensure against duplicate services being provided to the same recipients.".

SECTION-BY-SECTION ANALYSIS OF THE OLDER AMERICANS INDIAN TECHNICAL AMENDMENTS ACT

SECTION 1. SHORT TITLE.

This section cites the short title of the bill, as the "Older Americans Indian Technical Amendments Act."

SEC. 2. INDIAN EMPLOYMENT; DEFINITION OF INDIAN RESERVATION.

This section amends Section 502(b)(1)(B) of the Act (42 U.S.C. 3056(b)(1)(B)) by modifying the definition of "reservation" in the current Act to conform with the definition found in Section 2601(2) of the Energy Policy Act of 1992.

SEC. 3. POPULATION STATISTICS DEVELOPMENT.

This section amends Section 614(b) of the Act (42 U.S.C. 3057e(b)) by striking the word "certification" and inserting the word "approval."

SEC. 4. REPORTING REQUIREMENTS.

This section amends Section 614(c) of the Act (42 U.S.C. 3057e(c)) by adding a new paragraph (2) which authorizes the Assistant Secretary on Aging to waive or exempt the reporting requirements of section (a)(3) for applicants that serve Indian populations in geographically isolated areas or applicants that serve small Indian populations, while still maintaining strict accountability standards.

SEC. 5. EXPENDITURE OF FUNDS FOR NUTRITION SERVICES.

This section amends Section 614(c) of the Act (42 U.S.C. 3057e(c)) by adding a new paragraph (3) which requires the Assistant Secretary on Aging, in determining whether an application complies with the requirements of subsection (a)(8), to take into account the unique cultural and geographical considerations of the Indian populations to be served.

SEC. 6. COORDINATION OF SERVICES.

This section amends Section 614(c) of the Act (42 U.S.C. 3057e(c)) by adding a new paragraph (4) which requires the Assistant Secretary on Aging, in determining whether an application complies with the requirements of subsection (a)(12), to provide flexibility to tribal applicants by requiring only that they submit an appropriate narrative description of the geographical area and population to be served and an appropriate assurance against duplicate services being provided

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By Mr. McCAIN:

S. 1973. A bill to provide for the settlement of the Navajo-Hopi land dispute, and for other purposes; to the Committee on Indian Affairs.

THE NAVAJO-HOPI LAND DISPUTE SETTLEMENT ACT OF 1996

Mr. McCAIN. Mr. President, I introduce legislation to ratify the settlement of four claims of the Hopi Tribe against the United States and to provide the necessary authority to the Hopi Tribe to issue 75-year lease agreements to Navajo families residing on the Hopi Partitioned Land. This legislation will ratify the settlement and accommodation agreements between the Department of Justice, the Hopi Tribe, the Navajo Nation, and the Navajo families residing on the Hopi Partitioned Lands.

This settlement marks an important first step in bringing this longstanding dispute between the Hopi Tribe, the Navajo Nation, and the United States to an orderly and peaceful conclusion. These agreements are the product of many years of negotiation under the auspices of the Ninth Circuit Court of Appeals mediation process. While I understand that there are factions in both the Hopi Tribe and the Navajo Nation who have voiced their opposition to this proposal, I believe that these agreements represent the only realistic way to settle the claims of the Hopi Tribe against the United States and to provide an accommodation for the hundreds of Navajos residing on Hopi Partitioned Lands.

I believe it is imperative that the Congress take steps to bring this longstanding dispute to a final resolution. It has been over 22 years since the Navajo-Hopi Settlement Act was passed to settle the disputes between the Navajo Nation and the Hopi Tribe. Since that time, the Federal Government has spent over $350 million to fund the Navajo-Hopi Relocation Program. The funding for this settlement has exceeded the original cost estimates by more than 900 percent. And yet, there are over 130 appeals still pending, which raises a great deal of uncertainty regarding who is and is not eligible for relocation benefits under the act. I am convinced that future Federal budgetary pressures will require that the Navajo-Hopi Relocation Housing Program be brought to an orderly and certain conclusion. In light of the current atmosphere in Congress, it is highly unlikely that the Federal Government will continue to provide benefits through the Office of Navajo and Hopi Indian Relocation much longer. In order to bring this process to an orderly conclusion, I will introduce separate legislation in the near future that will provide for an orderly phase out of the Navajo-Hopi Relocation Housing Program in 5 years. As an important first step, it is critical that the Congress pass legislation to settle the outstanding claims of the Hopi Tribe against the United States.

The legislation I am introducing today will provide a resolution to these outstanding claims while allowing those Navajo families who are inclined to remain on Hopi Partitioned Land the opportunity to do so for 75 years under an accommodation agreement with the Hopi Tribe. The settlement agreement provides that those eligible Navajo families wishing to receive relocation benefits will have a time certain in which to apply for and receive their benefits. The Agreement also recognizes the Hopi Tribe's right to exercise jurisdiction over the Hopi Partitioned Lands where Navajo families are residing.

The settlement agreement settles four claims by the Hopi Tribe against the United States. The first claim settled by the agreement is Hopi Tribe versus Navajo Tribe, et al., pending in the U.S. District Court in Phoenix, which is a claim for damages due to the failure of the Federal Government to make timely rental value determinations required under 25 U.S.C. 640d-15(a).

The second claim settled by this agreement is Secakuku versus Hale, et al., pending in the U.S. Court of Appeals for the Ninth Circuit, which is a claim for damages against the United States for post-partition damages to the Hopi partitioned lands caused by overgrazing before the lands were partitioned.

The third claim settled by this agreement is Hopi Tribe v. United States, pending in the United States Court of Federal Appeals, which is a claim for damages for the failure of the Federal Government to collect livestock trespass penalties, forage consumed fees, and property damages fees on behalf of the Hopi Tribe.

The last claim settled by the agreement is a claim against the United States for the failure of the Federal Government to give the Hopi Tribe quiet possession of the Hopi lands that are used and occupied by Navajo families.

In exchange for waiving these claims against the United States and for providing an accommodation agreement for the Navajo families residing on the Hopi Partitioned Lands, the United States will pay the Hopi Tribe $50.2 million under a structured settlement which is keyed to the performance of certain activities under the settlement agreement.

The settlement agreement provides that funds shall be paid out in the following manner: First, the Hopi Tribe will receive $2.4 million once the tribe files a motion to dismiss its appeal in the Ninth Circuit in Secakuku versus Hale; second the Hopi Tribe will receive $22.7 million once legislation extending the tribe's leasing authority to 75 years has been enacted and once the tribe's claims in the Court of Claims for damages due to any Federal action which occurred before 1982 are dismissed; third, the Hopi Tribe will receive $10 million once 65 percent of the Navajo families residing on the Hopi reservation have signed the accommodation agreement or request to be relocated and once the Hopi Tribe's claims in the Court of Claims for livestock trespass damages against the United States from 1983 through 1988 are dismissed; fourth the Hopi Tribe will receive $15.1 million once 75 percent of the Navajo families residing on the Hopi reservation have signed the accommodation agreements or request to be relocated and once the Hopi Tribe's claims in the Court of Federal Appeals for livestock trespass damages against the United States from 1989 through and including 1996 are dismissed.

This settlement has the support of the Navajo Nation, Hopi Tribe, the Departments of Justice and Interior, and the State of Arizona. The accommodation agreement for the Navajo families was negotiated and approved by representatives of the Navajo families residing on the Hopi Partitioned Land. While I understand that this legislation ratifying the settlement agreement does not completely resolve the disputes between the Navajo and Hopi Tribes, I believe the agreement represents significant progress toward an overall settlement of these highly contentious and longstanding claims between the two tribes.

Finally, I would like to congratulate all the parties for their dedication and hard work in crafting these historic agreements. I am pleased to note that the parties have been sensitive to the concerns of local government in negotiating this settlement agreement, which enjoys the support of the Governor of the State of Arizona.

Mr. President, I ask unanimous consent that the full text of the bill and the accompanying section by section analysis appear in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1973

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Navajo-Hopi Land Dispute Settlement Act of 1996".

SEC. 2. FINDINGS.

The Congress finds that—

(1) it is in the public interest for the Tribe, Navajos residing on the Hopi Partitioned Lands, and the United States to reach a peaceful resolution of the longstanding disagreements between the parties under the Act commonly known as the "Navajo-Hopi Land Settlement Act of 1974" (Public Law 93–531; 25 U.S.C. 640d et seq.);

(2) it is in the best interest of the Tribe and the United States that there be a fair and final settlement of certain issues remaining in connection with the Navajo-Hopi Land Settlement Act of 1974, including the full and final settlement of the multiple claims that the Tribe has against the United States;

(3) this Act, together with the Settlement Agreement executed on December 14, 1995, and the Accommodation Agreement (as incorporated by the Settlement Agreement), provide the authority for the Tribe to enter agreements with eligible, traditional Navajo families in order for those families to remain residents of the Hopi Partitioned Lands for a period of 75 years, subject to the terms and conditions of the Accommodation Agreement;

(4) the United States acknowledges and respects—

(A) the sincerity of the traditional beliefs of the members of the Tribe and the Navajo families residing on the Hopi Partitioned Lands; and

(B) the importance that the respective traditional beliefs of the members of the Tribe and Navajo families have with respect to the culture and way of life of those members and families;

(5) this Act, the Settlement Agreement, and the Accommodation Agreement provide for the mutual respect and protection of the traditional religious beliefs and practices of the Navajo families residing on the Hopi Partitioned Lands; and

(6) the Tribe is encouraged to work with the Navajo families residing on the Hopi Partitioned Lands to address their concerns regarding the establishment of family or individual burial plots for deceased family members who have resided on the Hopi Partitioned Lands.

SEC. 3. DEFINITIONS.

Except as otherwise provided in this Act, for purposes of this Act, the following definitions shall apply:

(1) ACCOMMODATION.—The term "Accommodation" has the meaning provided the term "Accommodation" under the Settlement Agreement.

(2) HOPI PARTITIONED LANDS.—The term "Hopi Partitioned Lands" means lands located in the Hopi Partitioned Area, as defined in section 168.1(g) of title 25, Code of Federal Regulations (as effect on the date of enactment of this Act).

(3) NAVAJO PARTITIONED LANDS.—The term "Navajo Partitioned Lands" has the meaning provided that term in the proposed regulations issued on November 1, 1995, at 60 Fed. Reg. 55506.

(4) New lands.—The term "New Lands" has the meaning provided that term in section 700.701(b) of title 25, Code of Federal Regulations.

(5) Secretary.—The term "Secretary" means the Secretary of the Interior.

(6) Settlement agreement.—The term "Settlement Agreement" means the agreement between the United States and the Hopi Tribe executed on December 14, 1995.

(7) Tribe.—The term "Tribe" means the Hopi Tribe.

SEC. 4. RATIFICATION OF SETTLEMENT AGREEMENT.

The United States approves, ratifies, and confirms the Settlement Agreement.

SEC. 5. CONDITIONS FOR LANDS TAKEN INTO TRUST.

The Secretary shall take such action as may be necessary to ensure that the following conditions are met prior to taking lands into trust for the benefit of the Tribe pursuant to the Settlement Agreement:

(1) Selection of lands taken into trust.—

(A) Primary area.—In accordance with section 7(a) of the Settlement Agreement, the primary area within which lands may be taken into trust by the Secretary for the benefit of the Tribe under the Settlement Agreement shall be located in northern Arizona.

(B) Requirements for lands taken into trust in the primary area.—Lands taken into trust in the primary area referred to in subparagraph (A) shall be—

(i) land that is used substantially for ranching, agriculture, or another similar use; and

(ii) to the extent feasible, in contiguous parcels.

(2) Acquisition of lands.—Before taking any land into trust for the benefit of the Tribe under this section, the Secretary shall ensure that:

(A) At least 75 percent of the eligible Navajo heads of household (as determined under the Settlement Agreement) have entered into an accommodation or have chosen to relocate and are eligible for relocation assistance (as determined under the Settlement Agreement).

(B) The Tribe has consulted with the State of Arizona concerning the lands proposed to be placed in trust, including consulting the State concerning the impact of placing those lands into trust on the State and political subdivisions thereof resulting from the removal of land from the tax rolls in a manner consistent with the provisions of part 151 of title 25, Code of Federal Regulations.

SEC. 6. ACQUISITION THROUGH CONDEMNATION OF CERTAIN INTERSPERSED LANDS.

(a) In General.—

(1) Action by the secretary.—

(A) In general.—The Secretary shall take action as specified in subparagraph (B), to the extent that the Tribe, in accordance with section 7(b) of the Settlement Agreement—

(i) acquires private lands; and

(ii) requests the Secretary to acquire through condemnation interspersed lands that are owned by the State of Arizona and are located within the exterior boundaries of those private lands in order to have both the private lands and the State lands taken into trust by the Secretary for the benefit of the Tribe.

(B) Acquisition through condemnation.—With respect to a request for an acquisition of lands through condemnation made under subparagraph (A), the Secretary shall, upon the recommendation of the Tribe, take such action as may be necessary to acquire the lands through condemnation and pay the State of Arizona fair market value for those lands in accordance with applicable Federal law, if the conditions described in paragraph (2) are met.

(2) Conditions for acquisition through condemnation.—The Secretary may acquire lands through condemnation under this subsection if—

(A) that acquisition is consistent with the purpose of obtaining not more than 500,000 acres of land to be taken into trust for the Tribe;

(B) the State of Arizona concurs with the United States that the acquisition is consistent with the interests of the State; and

(C) the Tribe pays for the land acquired through condemnation under this subsection.

(b) Disposition of Lands.—If the Secretary acquires lands through condemnation under subsection (a), the Secretary shall take those lands into trust for the Tribe in accordance with this Act and the Settlement Agreement.

(c) Private Lands.—The Secretary may not acquire private lands through condemnation for the purpose specified in subsection (a)(2)(A).

SEC. 7. ACTION TO QUIET TITLE.

If the United States fails to discharge the obligations specified in section 9(c) of the Settlement Agreement with respect to voluntary relocation of Navajos residing on Hopi Partitioned Lands, or section 9(d) of the Settlement Agreement, relating to the implementation of sections 700.137 through 700.139 of title 25, Code of Federal Regulations, on the New Lands, including failure for reason of insufficient funds made available by appropriations or otherwise, the Tribe may bring an action to quiet possession that relates to the use of the Hopi Partitioned Lands after February 1, 2000, by a Navajo family that is eligible for an accommodation, but fails to enter into an accommodation.

SEC. 8. PAYMENTS IN LIEU OF TAXES.

Section 6901(1) of title 31, United States Code, is amended—

(1) by striking "or" at the end of subparagraph (F);

(2) by striking the period at the end of subparagraph (G) and inserting "; and"; and

(3) by inserting at the end the following new subparagraph:

"(H) Fee lands owned by the Hopi Tribe or members of the Hopi Tribe that are taken into trust by the Secretary of the Interior pursuant to the agreement between the United States and the Hopi Tribe executed on December 14, 1995.".

SEC. 9. 75-YEAR LEASING AUTHORITY.

The first section of the Act of August 9, 1955 (69 Stat. 539, chapter 615; 25 U.S.C. 415) is amended—

(1) in subsection (a), by inserting before the period at the end of the second sentence the following: ", and except leases of land by the Hopi Tribe to Navajo Indians on the Hopi Partitioned lands, which may be for a term of years not to exceed seventy-five years"; and

(2) by adding at the end the following new subsection:

"(c) For purposes of this section—

"(1) the term 'Hopi Partitioned Lands' means lands located in the Hopi Partitioned Area, as defined in section 168.1 (g) of title 25, Code of Federal Regulations (as in effect on the date of enactment of this subsection); and

"(2) the term 'Navajo Indians' means members of the Navajo Tribe.".

SEC. 10. REAUTHORIZATION OF THE NAVAJO-HOPI RELOCATION HOUSING PROGRAM.

Section 25(a)(8) of Public Law 93-531 (25 U.S.C. 640d-24(a)(8)) is amended by striking "1996, and 1997" and inserting "1996, 1997, 1998, 1999, and 2000".

Section by Section Analysis of the Navajo-Hopi Land Dispute Settlement Act of 1996

SECTION ONE.—SHORT TITLE

This section cites the short title of the Act as the "Navajo-Hopi Land Dispute Settlement Act of 1996".

SECTION TWO.—FINDINGS

This section sets out the findings of the Congress.

SECTION THREE.—DEFINITIONS

This section sets out the definitions used in the Act.

SECTION FOUR. RATIFICATION OF THE SETTLEMENT AGREEMENT

This section provides that the United States approves, ratifies and confirms the Settlement Agreement between the Hopi tribe and the United States executed on December 14, 1995.

SECTION FIVE.—CONDITIONS FOR LANDS TAKEN INTO TRUST

This section provides that, in accordance with section 7(a) of the Settlement Agreement lands which may be taken into trust by the Secretary of the Interior for the Hopi tribe shall be located in Northern Arizona. It provides that lands selected by the Hopi tribe shall be in contiguous parcels if feasible and shall be lands that were substantially used for ranching and agriculture. It further provides that the Secretary shall ensure that at least 75 percent of the heads of households, as determined by the Settlement Agreement, have entered into an accommodation agreement with the Hopi tribe or have chosen to receive their relocation benefits, prior to placing land into trust for the Hopi tribe pursuant to this settlement. The Secretary must also ensure that the Hopi tribe has consulted with the State of Arizona regarding the lands to be placed in trust consistent with 25 C.F.R. part 151.

SECTION SIX.—ACQUISITION BY CONDEMNATION OF CERTAIN INTERSPERSED LANDS

This section authorizes the Secretary of the Interior, at the request of the Hopi tribe take such action as is necessary to acquire, through condemnation action, lands owned by the State of Arizona that are located within the exterior boundaries of lands owned by the Hopi tribe. It also provides that the Secretary shall pay the State of Arizona fair market value for such lands. It further provides that the Secretary may only acquire such lands if the State of Arizona concurs with the acquisition, the tribe pays for the lands acquired through the condemnation, and the Hopi tribe has not exceeded the 500,000 acre limit in the settlement agreement. Finally, the section provides that the Secretary shall take lands acquired under the section into trust for the benefit of the Hopi Tribe in accordance with the Settlement Agreement.

SECTION SEVEN.—ACTION TO QUIET TITLE

This section provides that if the United States fails to discharge its obligations under section 9 of the settlement agreement, the Hopi Tribe is authorized to bring an action of quiet possession against any Navajo family residing on the Hopi Partitioned Lands after February 1, 2000, that has not entered into an accommodation agreement with the Hopi Tribe.

SECTION EIGHT.—PAYMENTS IN LIEU OF TAXES

This section amends 31 U.S.C. 6901 to authorize payments in lieu of taxes for those lands acquired by the Hopi Tribe and taken into trust by the Secretary of the Interior pursuant to the Settlement Agreement.

SECTION NINE.—75 YEAR LEASING AUTHORITY

This section amends 25 U.S.C. 415 to provide authority to the Hopi tribe to enter into 75 year leases with Navajo Indians residing on the Hopi Partitioned Lands.

SECTION TEN.—REAUTHORIZATION OF THE NAVAJO-HOPI RELOCATION HOUSING PROGRAM

This section extends the authorization of appropriations for the Navajo-Hopi Relocation Housing Program through the year 2000.

ADDITIONAL COSPONSORS

S. 1009

At the request of Mr. D'AMATO, the names of the Senator from Missouri [Mr. BOND] and the Senator from Kansas [Mrs. FRAHM] were added as cosponsors of S. 1009, a bill to prohibit the fraudulent production, sale, transportation, or possession of fictitious items purporting to be valid financial instruments of the United States, foreign governments, States, political subdivisions, or private organizations, to increase the penalties for counterfeiting violations, and for other purposes.

S. 1098

At the request of Mr. HELMS, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 1098, a bill to establish the Midway Islands as a National Memorial, and for other purposes.

S. 1592

At the request of Mr. LAUTENBERG, the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of S. 1592, a bill to strike the prohibition on the transmission of abortion-related matters, and for other purposes.

S. 1799

At the request of Ms. SNOWE, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 1799, a bill to promote greater equity in the delivery of health care services to American women through expanded research on women's health issues and through improved access to health care services, including preventive health services.

S. 1873

At the request of Mr. INHOFE, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 1873, a bill to amend the National Environmental Education Act to extend the programs under the Act, and for other purposes.

S. 1885

At the request of Mr. INHOFE, the name of the Senator from Ohio [Mr. DEWINE] was added as a cosponsor of S. 1885, a bill to limit the liability of certain nonprofit organizations that are providers of prosthetic devices, and for other purposes.

S. 1908

At the request of Mrs. FEINSTEIN, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 1908, a bill to amend title 18, United States Code, to prohibit the sale of personal information about children without their parents' consent, and for other purposes.

S. 1936

At the request of Mr. CRAIG, the names of the Senator from Arizona [Mr. MCCAIN] and the Senator from Wyoming [Mr. SIMPSON] were added as cosponsors of S. 1936, a bill to amend the Nuclear Waste Policy Act of 1982.

S. 1968

At the request of Mr. FAIRCLOTH, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 1968, a bill to reorder United States budget priorities with respect to United States assistance to foreign countries and international organizations.

SENATE RESOLUTION 280—RELATIVE TO THE CRASH OF TWA FLIGHT 800

Mr. SPECTER (for himself, Mr. SANTORUM, Mr. D'AMATO, Mr. MOYNIHAN, and Mr. LAUTENBERG) submitted the following resolution; which was considered and agreed to:

S. RES. 280

Whereas, on July 17, 1996, Trans World Airlines Flight 800 tragically crashed en route from New York to Paris, France, creating a tremendous and tragic loss of life estimated at 229 men, women, and children;

Whereas, according to Daniel L. Chandler, Principal of Montoursville, Pennsylvania High School, among those traveling on board this airplane were 16 members of the Montoursville High School French Club, who were among the very best students of the French language at their school, and their five adult chaperones, who generously devoted their time to making possible this planned three-week French Club trip to visit Paris and the French provinces;

Whereas, the actual cause of the airplane crash is as of yet unknown;

Whereas, the federal government is investigating the cause of this tragedy; Now, therefore, be it

Resolved, That the Senate of the United States—

(1) expresses its condolences to the families, friends and loved ones of those whose lives were taken away by this tragic occurrence; and

(2) expresses its sincere hope that the cause of this tragedy will be determined through a thorough investigation as soon as possible.

SENATE RESOLUTION 281—TO AUTHORIZE REPRESENTATION BY SENATE LEGAL COUNSEL

Mr. DASCHLE submitted the following resolution; which was considered and agreed to:

S. RES. 281

Whereas, in the case of *James Lockhart* v. *United States, et al.*, No. C95-1858Z, pending in the United States District Court for the Western District of Washington, the plaintiff has named Senator Trent Lott and former Senator Robert J. Dole as defendants;

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(1)(1994), the Senate may direct its counsel to defend its Members in civil actions relating to their official responsibilities: Now, therefore, be it

Resolved, That the Senate Legal Counsel is authorized to represent Senator Lott and former Senator Dole in the case of *James Lockhard* v. *United States, et al.*

AMENDMENTS SUBMITTED

THE PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

LOTT AMENDMENT NO. 4894

Mr. LOTT proposed an amendment to the bill (S. 1956) to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 1997; as follows:

On page 663, strike line 9, through page 1027, line 20.

ABRAHAM (AND LIEBERMAN) AMENDMENT NO. 4895

(Ordered to lie on the table.)

Mr. ABRAHAM (for himself and Mr. LIEBERMAN) submitted an amendment intended to be proposed by them to the bill, S. 1956, supra; as follows:

At the appropriate place, insert:

TITLE ___—ENVIRONMENTAL REMEDIATION COSTS

SEC. 00. AMENDMENT OF 1986 CODE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

Subtitle A—In General

SEC. ___01. EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS.

(a) IN GENERAL.—Part II of subchapter V of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

"SEC. 1395. EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS.

"(a) TREATMENT AS EXPENSE.—A taxpayer may elect to treat any environmental remediation cost as an expense which is not chargeable to capital account. Any cost so treated shall be allowable as a deduction for the taxable year in which the cost is paid or incurred.

"(b) ENVIRONMENTAL REMEDIATION COST.—For purposes of this section—

"(1) IN GENERAL.—The term 'environmental remediation cost' means any cost which—

"(A) is chargeable to capital account,

"(B) is paid or incurred in connection with the abatement or control of environmental contaminants at a site located within an empowerment zone or enterprise community, and

"(C) is certified by the applicable Federal or State authority as being required by, and in compliance with, applicable Federal and State laws governing abatement and control of environmental contaminants.

"(2) Exceptions.—Such term shall not include any amount paid or incurred—

"(A) for equipment which is used in the environmental remediation and which is of a character subject to an allowance for depreciation or amortization, or

"(B) in connection with a site which is on the national priorities list under section 105(a)(8)(B) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9605(a)(8)(B).

"(c) Special Rules.—For purposes of this section—

"(1) Limitation based on income from trade or business.—The amount allowed as a deduction under subsection (a) for any taxable year shall not exceed the aggregate amount of taxable income of the taxpayer for such taxable year which is derived from the active conduct by the taxpayer of any trade or business during such taxable year. For purposes of this paragraph, rules similar to the rules of subparagraphs (B) and (C) of section 179(b)(3) shall apply. In the case of a partnership, S corporation, trust or other pass thru entity, this paragraph shall be applied at both the entity and owner levels.

"(2) Recapture rules.—

"(A) Property not used in trade or business.—The Secretary shall, by regulations, provide for recapturing the benefit of any deduction allowable under subsection (a) with respect to any property not used predominantly in a trade or business at any time.

"(B) Treatment of gain as ordinary income.—For purposes of section 1245—

"(i) the deduction allowable under subsection (a) shall be treated as a deduction allowable to the taxpayer for depreciation or amortization; and

"(ii) property (other than section 1245 property) to which the deduction would otherwise have been chargeable shall be treated as section 1245 property solely for purposes of applying section 1245 to such deduction."

(b) Conforming Amendments.—The table of sections for part II of subchapter U of chapter 1 of such Code is amended—

(1) by striking "**TAX-EXEMPT FACILITY BONDS**" in the heading for part II and inserting "**TAX-INCENTIVES**", and

(2) by adding at the end the following new item:

"Sec. 1395. Expensing of environmental remediation costs."

(c) Effective Date.—The amendments made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act.

Subtitle B—Treatment of Individuals Who Expatriate

SEC. ___31. REVISION OF TAX RULES ON EXPATRIATION.

(a) In General.—Subpart A of part II of subchapter N of chapter 1 is amended by inserting after section 877 the following new section:

"SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATION.

"(a) General Rules.—For purposes of this subtitle—

"(1) Mark to market.—Except as provided in subsection (f), all property of a covered expatriate to which this section applies shall be treated as sold on the expatriation date for its fair market value.

"(2) Recognition of gain or loss.—In the case of any sale under paragraph (1)—

"(A) notwithstanding any other provision of this title, any gain arising from such sale shall be taken into account for the taxable year of the sale unless such gain is excluded from gross income under part III of subchapter B, and

"(B) any loss arising from such sale shall be taken into account for the taxable year of the sale to the extent otherwise provided by this title, except that section 1091 shall not apply (and section 1092 shall apply) to any such loss.

"(3) Exclusion for certain gain.—The amount which would (but for this paragraph) be includible in the gross income of any individual by reason of this section shall be reduced (but not below zero) by $600,000. For purposes of this paragraph, allocable expatriation gain taken into account under subsection (f)(2) shall be treated in the same manner as an amount required to be includible in gross income.

"(4) Election to continue to be taxed as United States citizen.—

"(A) In general.—If an expatriate elects the application of this paragraph—

"(i) this section (other than this paragraph) shall not apply to the expatriate, but

"(ii) the expatriate shall be subject to tax under this title, with respect to property to which this section would apply but for such election, in the same manner as if the individual were a United States citizen.

"(B) Limitation on amount of estate, gift, and generation-skipping transfer taxes.—The aggregate amount of taxes imposed under subtitle B with respect to any transfer of property by reason of an election under subparagraph (A) shall not exceed the amount of income tax which would be due if the property were sold for its fair market value immediately before the time of the transfer or death (taking into account the rules of paragraph (2)).

"(C) Requirements.—Subparagraph (A) shall not apply to an individual unless the individual—

"(i) provides security for payment of tax in such form and manner, and in such amount, as the Secretary may require,

"(ii) consents to the waiver of any right of the individual under any treaty of the United States which would preclude assessment or collection of any tax which may be imposed by reason of this paragraph, and

"(iii) complies with such other requirements as the Secretary may prescribe.

"(D) Election.—An election under subparagraph (A) shall apply to all property to which this section would apply but for the election and, once made, shall be irrevocable. Such election shall also apply to property the basis of which is determined in whole or in part by reference to the property with respect to which the election was made.

"(b) Election To Defer Tax.—

"(1) In general.—If the taxpayer elects the application of this subsection with respect to any property—

"(A) no amount shall be required to be included in gross income under subsection (a)(1) with respect to the gain from such property for the taxable year of the sale, but

"(B) the taxpayer's tax for the taxable year in which such property is disposed of shall be increased by the deferred tax amount with respect to the property.

Except to the extent provided in regulations, subparagraph (B) shall apply to a disposition whether or not gain or loss is recognized in whole or in part on the disposition.

"(2) Deferred tax amount.—

"(A) In general.—For purposes of paragraph (1), the term 'deferred tax amount' means, with respect to any property, an amount equal to the sum of—

"(i) the difference between the amount of tax paid for the taxable year described in paragraph (1)(A) and the amount which would have been paid for such taxable year if the election under paragraph (1) had not applied to such property, plus

"(ii) an amount of interest on the amount described in clause (i) determined for the period—

"(I) beginning on the 91st day after the expatriation date, and

"(II) ending on the due date for the taxable year described in paragraph (1)(B),

by using the rates and method applicable under section 6621 for underpayments of tax for such period.

For purposes of clause (ii), the due date is the date prescribed by law (determined without regard to extension) for filing the return of the tax imposed by this chapter for the taxable year.

"(B) Allocation of losses.—For purposes of subparagraph (A), any losses described in subsection (a)(2)(B) shall be allocated ratably among the gains described in subsection (a)(2)(A).

"(3) Security.—

"(A) In general.—No election may be made under paragraph (1) with respect to any property unless adequate security is provided with respect to such property.

"(B) Adequate security.—For purposes of subparagraph (A), security with respect to any property shall be treated as adequate security if—

"(i) it is a bond in an amount equal to the deferred tax amount under paragraph (2)(A) for the property, or

"(ii) the taxpayer otherwise establishes to the satisfaction of the Secretary that the security is adequate.

"(4) Waiver of certain rights.—No election may be made under paragraph (1) unless the taxpayer consents to the waiver of any right under any treaty of the United States which would preclude assessment or collection of any tax imposed by reason of this section.

"(5) Dispositions.—For purposes of this subsection, a taxpayer making an election under this subsection with respect to any property shall be treated as having disposed of such property—

"(A) immediately before death if such property is held at such time, and

"(B) at any time the security provided with respect to the property fails to meet the requirements of paragraph (3) and the taxpayer does not correct such failure within the time specified by the Secretary.

"(6) Elections.—An election under paragraph (1) shall only apply to property described in the election and, once made, is irrevocable. An election may be under paragraph (1) with respect to an interest in a trust with respect to which gain is required to be recognized under subsection (f)(1).

"(c) Covered Expatriate.—For purposes of this section—

"(1) In general.—The term 'covered expatriate' means an expatriate—

"(A) whose average annual net income tax (as defined in section 38(c)(1)) for the period of 5 taxable years ending before the expatriation date is greater than $100,000, or

"(B) whose net worth as of such date is $500,000 or more.

If the expatriation date is after 1996, such $100,000 and $500,000 amounts shall be increased by an amount equal to such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting '1995' for

'1992' in subparagraph (B) thereof. Any increase under the preceding sentence shall be rounded to the nearest multiple of $1,000.

"(2) EXCEPTIONS.—An individual shall not be treated as a covered expatriate if—

"(A) the individual—

"(i) became at birth a citizen of the United States and a citizen of another country and, as of the expatriation date, continues to be a citizen of, and is taxed as a resident of, such other country, and

"(ii) has been a resident of the United States (as defined in section 7701(b)(1)(A)(ii)) for not more than 8 taxable years during the 15-taxable year period ending with the taxable year during which the expatriation date occurs, or

"(B)(i) the individual's relinquishment of United States citizenship occurs before such individual attains age 18½, and

"(ii) the individual has been a resident of the United States (as so defined) for not more than 5 taxable years before the date of relinquishment.

"(d) PROPERTY TO WHICH SECTION APPLIES.—For purposes of this section—

"(1) IN GENERAL.—Except as otherwise provided by the Secretary, this section shall apply to—

"(A) any interest in property held by a covered expatriate on the expatriation date the gain from which would be includible in the gross income of the expatriate if such interest had been sold for its fair market value on such date in a transaction in which gain is recognized in whole or in part, and

"(B) any other interest in a trust to which subsection (f) applies.

"(2) EXCEPTIONS.—This section shall not apply to the following property:

"(A) UNITED STATES REAL PROPERTY INTERESTS.—Any United States real property interest (as defined in section 897(c)(1)), other than stock of a United States real property holding corporation which does not, on the expatriation date, meet the requirements of section 897(c)(2).

"(B) INTEREST IN CERTAIN RETIREMENT PLANS.—

"(i) IN GENERAL.—Any interest in a qualified retirement plan (as defined in section 4974(c)), other than any interest attributable to contributions which are in excess of any limitation or which violate any condition for tax-favored treatment.

"(ii) FOREIGN PENSION PLANS.—

"(I) IN GENERAL.—Under regulations prescribed by the Secretary, interests in foreign pension plans or similar retirement arrangements or programs.

"(II) LIMITATION.—The value of property which is treated as not sold by reason of this subparagraph shall not exceed $500,000.

"(e) DEFINITIONS.—For purposes of this section—

"(1) EXPATRIATE.—The term 'expatriate' means—

"(A) any United States citizen who relinquishes his citizenship, or

"(B) any long-term resident of the United States who—

"(i) ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)), or

"(ii) commences to be treated as a resident of a foreign country under the provisions of a tax treaty between the United States and the foreign country and who does not waive the benefits of such treaty applicable to residents of the foreign country.

"(2) EXPATRIATION DATE.—The term 'expatriation date' means—

"(A) the date an individual relinquishes United States citizenship, or

"(B) in the case of a long-term resident of the United States, the date of the event described in clause (i) or (ii) of paragraph (1)(B).

"(3) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing his United States citizenship on the earliest of—

"(A) the date the individual renounces his United States nationality before a diplomatic or consular officer of the United States pursuant to paragraph (5) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)),

"(B) the date the individual furnishes to the United States Department of State a signed statement of voluntary relinquishment of United States nationality confirming the performance of an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(1)–(4)),

"(C) the date the United States Department of State issues to the individual a certificate of loss of nationality, or

"(D) the date a court of the United States cancels a naturalized citizen's certificate of naturalization.

Subparagraph (A) or (B) shall not apply to any individual unless the renunciation or voluntary relinquishment is subsequently approved by the issuance to the individual of a certificate of loss of nationality by the United States Department of State.

"(4) LONG-TERM RESIDENT.—

"(A) IN GENERAL.—The term 'long-term resident' means any individual (other than a citizen of the United States) who is a lawful permanent resident of the United States in at least 8 taxable years during the period of 15 taxable years ending with the taxable year during which the expatriation date occurs. For purposes of the preceding sentence, an individual shall not be treated as a lawful permanent resident for any taxable year if such individual is treated as a resident of a foreign country for the taxable year under the provisions of a tax treaty between the United States and the foreign country and does not waive the benefits of such treaty applicable to residents of the foreign country.

"(B) SPECIAL RULE.—For purposes of subparagraph (A), there shall not be taken into account—

"(i) any taxable year during which any prior sale is treated under subsection (a)(1) as occurring, or

"(ii) any taxable year prior to the taxable year referred to in clause (i).

"(f) SPECIAL RULES APPLICABLE TO BENEFICIARIES' INTERESTS IN TRUST.—

"(1) IN GENERAL.—Except as provided in paragraph (2), if an individual is determined under paragraph (3) to hold an interest in a trust—

"(A) the individual shall not be treated as having sold such interest,

"(B) such interest shall be treated as a separate share in the trust, and

"(C)(i) such separate share shall be treated as a separate trust consisting of the assets allocable to such share,

"(ii) the separate trust shall be treated as having sold its assets immediately before the expatriation date for their fair market value and as having distributed all of its assets to the individual as of such time, and

"(iii) the individual shall be treated as having recontributed the assets to the separate trust.

Subsection (a)(2) shall apply to any income, gain, or loss of the individual arising from a distribution described in subparagraph (C)(ii).

"(2) SPECIAL RULES FOR INTERESTS IN QUALIFIED TRUSTS.—

"(A) IN GENERAL.—If the trust interest described in paragraph (1) is an interest in a qualified trust—

"(i) paragraph (1) and subsection (a) shall not apply, and

"(ii) in addition to any other tax imposed by this title, there is hereby imposed on each distribution with respect to such interest a tax in the amount determined under subparagraph (B).

"(B) AMOUNT OF TAX.—The amount of tax under subparagraph (A)(ii) shall be equal to the lesser of—

"(i) the highest rate of tax imposed by section 1(e) for the taxable year in which the expatriation date occurs, multiplied by the amount of the distribution, or

"(ii) the balance in the deferred tax account immediately before the distribution determined without regard to any increases under subparagraph (C)(ii) after the 30th day preceding the distribution.

"(C) DEFERRED TAX ACCOUNT.—For purposes of subparagraph (B)(ii)—

"(i) OPENING BALANCE.—The opening balance in a deferred tax account with respect to any trust interest is an amount equal to the tax which would have been imposed on the allocable expatriation gain with respect to the trust interest if such gain had been included in gross income under subsection (a).

"(ii) INCREASE FOR INTEREST.—The balance in the deferred tax account shall be increased by the amount of interest determined (on the balance in the account at the time the interest accrues), for periods after the 90th day after the expatriation date, by using the rates and method applicable under section 6621 for underpayments of tax for such periods.

"(iii) DECREASE FOR TAXES PREVIOUSLY PAID.—The balance in the tax deferred account shall be reduced—

"(I) by the amount of taxes imposed by subparagraph (A) on any distribution to the person holding the trust interest, and

"(II) in the case of a person holding a nonvested interest, to the extent provided in regulations, by the amount of taxes imposed by subparagraph (A) on distributions from the trust with respect to nonvested interests not held by such person.

"(D) ALLOCABLE EXPATRIATION GAIN.—For purposes of this paragraph, the allocable expatriation gain with respect to any beneficiary's interest in a trust is the amount of gain which would be allocable to such beneficiary's vested and nonvested interests in the trust if the beneficiary held directly all assets allocable to such interests.

"(E) TAX DEDUCTED AND WITHHELD.—

"(i) IN GENERAL.—The tax imposed by subparagraph (A)(ii) shall be deducted and withheld by the trustees from the distribution to which it relates.

"(ii) EXCEPTION WHERE FAILURE TO WAIVE TREATY RIGHTS.—If an amount may not be deducted and withheld under clause (i) by reason of the distributee failing to waive any treaty right with respect to such distribution—

"(I) the tax imposed by subparagraph (A)(ii) shall be imposed on the trust and each trustee shall be personally liable for the amount of such tax, and

"(II) any other beneficiary of the trust shall be entitled to recover from the distributee the amount of such tax imposed on the other beneficiary.

"(F) DISPOSITION.—If a trust ceases to be a qualified trust at any time, a covered expatriate disposes of an interest in a qualified trust, or a covered expatriate holding an interest in a qualified trust dies, then, in lieu of the tax imposed by subparagraph (A)(ii), there is hereby imposed a tax equal to the lesser of—

"(i) the tax determined under paragraph (1) as if the expatriation date were the date of such cessation, disposition, or death, whichever is applicable, or

"(ii) the balance in the tax deferred account immediately before such date.

Such tax shall be imposed on the trust and each trustee shall be personally liable for the amount of such tax and any other beneficiary of the trust shall be entitled to recover from the covered expatriate or the estate the amount of such tax imposed on the other beneficiary.

"(G) DEFINITIONS AND SPECIAL RULE.—For purposes of this paragraph—

"(i) QUALIFIED TRUST.—The term 'qualified trust' means a trust—

"(I) which is organized under, and governed by, the laws of the United States or a State, and

"(II) with respect to which the trust instrument requires that at least 1 trustee of the trust be an individual citizen of the United States or a domestic corporation.

"(ii) VESTED INTEREST.—The term 'vested interest' means any interest which, as of the expatriation date, is vested in the beneficiary.

"(iii) NONVESTED INTEREST.—The term 'nonvested interest' means, with respect to any beneficiary, any interest in a trust which is not a vested interest. Such interest shall be determined by assuming the maximum exercise of discretion in favor of the beneficiary and the occurrence of all contingencies in favor of the beneficiary.

"(iv) ADJUSTMENTS.—The Secretary may provide for such adjustments to the bases of assets in a trust or a deferred tax account, and the timing of such adjustments, in order to ensure that gain is taxed only once.

"(3) DETERMINATION OF BENEFICIARIES' INTEREST IN TRUST.—

"(A) DETERMINATIONS UNDER PARAGRAPH (1).—For purposes of paragraph (1), a beneficiary's interest in a trust shall be based upon all relevant facts and circumstances, including the terms of the trust instrument and any letter of wishes or similar document, historical patterns of trust distributions, and the existence of and functions performed by a trust protector or any similar advisor.

"(B) OTHER DETERMINATIONS.—For purposes of this section—

"(i) CONSTRUCTIVE OWNERSHIP.—If a beneficiary of a trust is a corporation, partnership, trust, or estate, the shareholders, partners, or beneficiaries shall be deemed to be the trust beneficiaries for purposes of this section.

"(ii) TAXPAYER RETURN POSITION.—A taxpayer shall clearly indicate on its income tax return—

"(I) the methodology used to determine that taxpayer's trust interest under this section, and

"(II) if the taxpayer knows (or has reason to know) that any other beneficiary of such trust is using a different methodology to determine such beneficiary's trust interest under this section.

"(g) TERMINATION OF DEFERRALS, ETC.—On the date any property held by an individual is treated as sold under subsection (a), notwithstanding any other provision of this title—

"(1) any period during which recognition of income or gain is deferred shall terminate, and

"(2) any extension of time for payment of tax shall cease to apply and the unpaid portion of such tax shall be due and payable at the time and in the manner prescribed by the Secretary.

"(h) IMPOSITION OF TENTATIVE TAX.—

"(1) IN GENERAL.—If an individual is required to include any amount in gross income under subsection (a) for any taxable year, there is hereby imposed, immediately before the expatriation date, a tax in an amount equal to the amount of tax which would be imposed if the taxable year were a short taxable year ending on the expatriation date.

"(2) DUE DATE.—The due date for any tax imposed by paragraph (1) shall be the 90th day after the expatriation date.

"(3) TREATMENT OF TAX.—Any tax paid under paragraph (1) shall be treated as a payment of the tax imposed by this chapter for the taxable year to which subsection (a) applies.

"(4) DEFERRAL OF TAX.—The provisions of subsection (b) shall apply to the tax imposed by this subsection to the extent attributable to gain includible in gross income by reason of this section.

"(i) COORDINATION WITH ESTATE AND GIFT TAXES.—If subsection (a) applies to property held by an individual for any taxable year and—

"(1) such property is includible in the gross estate of such individual solely by reason of section 2107, or

"(2) section 2501 applies to a transfer of such property by such individual solely by reason of section 2501(a)(3),

then there shall be allowed as a credit against the additional tax imposed by section 2101 or 2501, whichever is applicable, solely by reason of section 2107 or 2501(a)(3) an amount equal to the increase in the tax imposed by this chapter for such taxable year by reason of this section.

"(j) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations—

"(1) to prevent double taxation by ensuring that—

"(A) appropriate adjustments are made to basis to reflect gain recognized by reason of subsection (a) and the exclusion provided by subsection (a)(3), and

"(B) any gain by reason of a deemed sale under subsection (a) of an interest in a corporation, partnership, trust, or estate is reduced to reflect that portion of such gain which is attributable to an interest in a trust which a shareholder, partner, or beneficiary is treated as holding directly under subsection (f)(3)(B)(i), and

"(2) which provide for the proper allocation of the exclusion under subsection (a)(3) to property to which this section applies.

"(k) CROSS REFERENCE.—

"For income tax treatment of individuals who terminate United States citizenship, see section 7701(a)(47).".

(b) INCLUSION IN INCOME OF GIFTS AND INHERITANCES FROM COVERED EXPATRIATES.—Section 102 (relating to gifts, etc. not included in gross income) is amended by adding at the end the following new subsection:

"(d) GIFTS AND INHERITANCES FROM COVERED EXPATRIATES.—Subsection (a) shall not exclude from gross income the value of any property acquired by gift, bequest, devise, or inheritance from a covered expatriate after the expatriation date. For purposes of this subsection, any term used in this subsection which is also used in section 877A shall have the same meaning as when used in section 877A.".

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—Section 7701(a) is amended by adding at the end the following new paragraph:

"(47) TERMINATION OF UNITED STATES CITIZENSHIP.—An individual shall not cease to be treated as a United States citizen before the date on which the individual's citizenship is treated as relinquished under section 877A(e)(3).".

(d) COMPARABLE ESTATE AND GIFT TAX TREATMENT.—

(1) ESTATE TAX.—

(A) IN GENERAL.—Subsection (a) of section 2107 is amended to read as follows:

"(a) TREATMENT OF EXPATRIATES.—

"(1) RATE OF TAX.—A tax computed in accordance with the table contained in section 2001 is hereby imposed on the transfer of the taxable estate, determined as provided in section 2106, of every decedent nonresident who is an expatriate if the expatriation date of the decedent is within the 10-year period ending with the date of death, unless such expatriation did not have for 1 of its principal purposes the avoidance of taxes under this subtitle or subtitle A.

"(2) CERTAIN INDIVIDUALS TREATED AS HAVING TAX AVOIDANCE PURPOSE.—For purposes of paragraph (1), an individual shall be treated as having a principal purpose to avoid such taxes if such individual is a covered expatriate.

"(3) DEFINITIONS.—For purposes of this subsection, the terms 'expatriate', 'expatriation date', and 'covered expatriate' have the meanings given such terms by section 877A.".

(B) CREDIT FOR FOREIGN DEATH TAXES.—Subsection (c) of section 2107 is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

"(2) CREDIT FOR FOREIGN DEATH TAXES.—

"(A) IN GENERAL.—The tax imposed by subsection (a) shall be credited with the amount of any estate, inheritance, legacy, or succession taxes actually paid to any foreign country in respect of any property which is included in the gross estate solely by reason of subsection (b).

"(B) LIMITATIONS ON CREDIT.—The credit allowed by subparagraph (A) for such taxes paid to a foreign country shall not exceed the lesser of—

"(i) the amount which bears the same ratio to the amount of such taxes actually paid to such foreign country in respect of property included in the gross estate as the value of the property included in the gross estate solely by reason of subsection (b) bears to the value of all property subjected to such taxes by such foreign country, or

"(ii) such property's proportionate share of the excess of—

"(I) the tax imposed by subsection (a), over

"(II) the tax which would be imposed by section 2101 but for this section.

The amount applicable under clause (i) or (ii) shall be reduced by the amount of any credit allowed under section 877A(i).

"(C) PROPORTIONATE SHARE.—For purposes of subparagraph (B), a property's proportionate share is the percentage of the value of the property which is included in the gross estate solely by reason of subsection (b) bears to the total value of the gross estate.".

(C) EXPANSION OF INCLUSION IN GROSS ESTATE OF STOCK OF FOREIGN CORPORATIONS.—Paragraph (2) of section 2107(b) is amended by striking "more than 50 percent of" and all that follows and inserting "more than 50 percent of—

"(A) the total combined voting power of all classes of stock entitled to vote of such corporation, or

"(B) the total value of the stock of such corporation,".

(2) GIFT TAX.—

(A) IN GENERAL.—Paragraph (3) of section 2501(a) is amended to read as follows:

"(3) EXCEPTION.—

"(A) CERTAIN INDIVIDUALS.—Paragraph (2) shall not apply in the case of a donor who is an expatriate if the expatriation date of the donor is within the 10-year period ending with the date of transfer, unless such expatriation did not have for 1 of its principal purposes the avoidance of taxes under this subtitle or subtitle A.

"(B) CERTAIN INDIVIDUALS TREATED AS HAVING TAX AVOIDANCE PURPOSE.—For purposes of subparagraph (A), an individual shall be treated as having a principal purpose to avoid such taxes if such individual is a covered expatriate.

"(C) CREDIT FOR FOREIGN GIFT TAXES.—The tax imposed by this section solely by reason of this paragraph shall be credited with the amount of any gift tax actually paid to any foreign country in respect of any gift which is taxable under this section solely by reason of this paragraph. The amount of such credit shall be reduced by the amount of the credit allowed under section 877A(i).

"(D) DEFINITIONS.—For purposes of this paragraph, the term 'expatriate', 'expatriation date', and 'covered expatriate' have the meanings given such terms by section 877A.".

(e) CONFORMING AMENDMENTS.—

(1) Section 877 is amended by adding at the end the following new subsection:

"(f) APPLICATION.—This section shall not apply to any individual who relinquishes (within the meaning of section 877A(e)(3)) United States citizenship on or after February 6, 1995.".

(2) Section 2107(c) is amended by adding at the end the following new paragraph:

"(3) CROSS REFERENCE.—For credit against the tax imposed by subsection (a) for expatriation tax, see section 877A(i).".

(3) Section 2501(a)(3) is amended by adding at the end the following new flush sentence: "For credit against the tax imposed under this section by reason of this paragraph, see section 877A(i).".

(4) Paragraph (10) of section 7701(b) is amended by adding at the end the following new sentence: "This paragraph shall not apply to any long-term resident of the United States who is an expatriate (as defined in section 877A(e)(1)).".

(f) CLERICAL AMENDMENT.—The table of sections for subpart A of part II of subchapter N of chapter 1 is amended by inserting after the item relating to section 877 the following new item:

"Sec. 877A. Tax responsibilities of expatriation.".

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to expatriates (within the meaning of section 877A(e) of the Internal Revenue Code of 1986, as added by this section) whose expatriation date (as so defined) occurs on or after February 6, 1995.

(2) GIFTS AND BEQUESTS.—Section 102(d) of the Internal Revenue Code of 1986 (as added by subsection (b)) shall apply to amounts received from expatriates (as so defined) whose expatriation date (as so defined) occurs on and after February 6, 1995.

(3) SPECIAL RULES RELATING TO CERTAIN ACTS OCCURRING BEFORE FEBRUARY 6, 1995.—In the case of an individual who took an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a) (1)–(4)) before February 6, 1995, but whose expatriation date (as so defined) occurs after February 6, 1995—

(A) the amendment made by subsection (c) shall not apply,

(B) the amendment made by subsection (e)(1) shall not apply for any period prior to the expatriation date, and

(C) the other amendments made by this section shall apply as of the expatriation date.

(4) DUE DATE FOR TENTATIVE TAX.—The due date under section 877A(h)(2) of such Code shall in no event occur before the 90th day after the date of the enactment of this Act.

SEC. ___32. INFORMATION ON INDIVIDUALS EXPATRIATING.

(a) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 is amended by inserting after section 6039E the following new section:

"SEC. 6039F. INFORMATION ON INDIVIDUALS EXPATRIATING.

"(a) REQUIREMENT.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, any expatriate (within the meaning of section 877A(e)(1)) shall provide a statement which includes the information described in subsection (b).

"(2) TIMING.—

"(A) CITIZENS.—In the case of an expatriate described in section 877(e)(1)(A), such statement shall be—

"(i) provided not later than the expatriation date (within the meaning of section 877A(e)(2)), and

"(ii) provided to the person or court referred to in section 877A(e)(3).

"(B) NONCITIZENS.—In the case of an expatriate described in section 877A(e)(1)(B), such statement shall be provided to the Secretary with the return of tax imposed by chapter 1 for the taxable year during which the event described in such section occurs.

"(b) INFORMATION TO BE PROVIDED.—Information required under subsection (a) shall include—

"(1) the taxpayer's TIN,

"(2) the mailing address of such individual's principal foreign residence,

"(3) the foreign country in which such individual is residing,

"(4) the foreign country of which such individual is a citizen,

"(5) in the case of an individual having a net worth of at least the dollar amount applicable under section 877A(c)(1)(B), information detailing the assets and liabilities of such individual, and

"(6) such other information as the Secretary may prescribe.

"(c) PENALTY.—Any individual failing to provide a statement required under subsection (a) shall be subject to a penalty for each year during any portion of which such failure continues in an amount equal to the greater of—

"(1) 5 percent of the additional tax required to be paid under section 877A for such year, or

"(2) $1,000,

unless it is shown that such failure is due to reasonable cause and not to willful neglect.

"(d) INFORMATION TO BE PROVIDED TO SECRETARY.—Notwithstanding any other provision of law—

"(1) any Federal agency or court which collects (or is required to collect) the statement under subsection (a) shall provide to the Secretary—

"(A) a copy of any such statement, and

"(B) the name (and any other identifying information) of any individual refusing to comply with the provisions of subsection (a),

"(2) the Secretary of State shall provide to the Secretary a copy of each certificate as to the loss of American nationality under section 358 of the Immigration and Nationality Act which is approved by the Secretary of State, and

"(3) the Federal agency primarily responsible for administering the immigration laws shall provide to the Secretary the name of each lawful permanent resident of the United States (within the meaning of section 7701(b)(6)) whose status as such has been revoked or has been administratively or judicially determined to have been abandoned.

Notwithstanding any other provision of law, not later than 30 days after the close of each calendar quarter, the Secretary shall publish in the Federal Register the name of each individual relinquishing United States citizenship (within the meaning of section 877A(e)(3)) with respect to whom the Secretary receives information under the preceding sentence during such quarter.

"(e) EXEMPTION.—The Secretary may by regulations exempt any class of individuals from the requirements of this section if the Secretary determines that applying this section to such individuals is not necessary to carry out the purposes of this section.".

(b) CLERICAL AMENDMENT.—The table of sections for such subpart A is amended by inserting after the item relating to section 6039E the following new item:

"Sec. 6039F. Information on individuals expatriating.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals to whom section 877A of the Internal Revenue Code of 1986 applies and whose expatriation date (as defined in section 877A(e)(2)) occurs on or after February 6, 1995, except that no statement shall be required by such amendments before the 90th day after the date of the enactment of this Act.

HELMS (AND FAIRCLOTH) AMENDMENT NO. 4896

(Ordered to lie on the table.)

Mr. HELMS (for himself and Mr. FAIRCLOTH) submitted an amendment intended to be proposed by them to the bill S. 1956, supra; as follows:

Strike section 1134 and insert the following:

SEC. 1134. WORK REQUIREMENT.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1133, is amended by adding at the end the following:

"(o) WORK REQUIREMENT.—

"(1) DEFINITION OF WORK PROGRAM.—In this subsection, the term 'work program' means—

"(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

"(C) a program of employment or training operated or supervised by a State or political subdivision of a State that meets standards approved by the Governor of the State, including a program under subsection (d)(4), other than a job search program or a job search training program.

"(2) WORK REQUIREMENT.—Subject to paragraph (3), no individual shall be eligible to participate in the food stamp program as a member of any household if the individual did not—

"(A) work 20 hours or more per week, averaged monthly;

"(B) participate in and comply with the requirements of a work program for at least 20 hours or more per week, as determine by the State agency; or

"(C) participate in and comply with the requirements of a program under section 20 or a comparable program established by a State or political subdivision of a State.

"(3) Exemptions.—Paragraph (1) shall not apply to an individual if the individual is—

"(A) a parent resident with a dependent child under 18 years of age;

"(B) mentally or physically unfit;

"(C) under 18 years of age;

"(D) 50 years of age or older; or

"(E) a pregnant woman.".

DASCHLE (AND OTHERS) AMENDMENT NO. 4897

Mr. DASCHLE (for himself, Mr. Breaux, Ms. Mikulski, Mr. Ford, Mr. Rockefeller, Mr. Reid, Mr. Kerrey, and Mr. Harkin) proposed an amendment to the bill, S. 1956, supra; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Work First Act of 1996".

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Amendment of the Social Security Act.

TITLE I—TEMPORARY EMPLOYMENT ASSISTANCE

Sec. 101. State plan.

TITLE II—WORK FIRST EMPLOYMENT BLOCK GRANT

Sec. 201. Work first employment block grant.
Sec. 202. Consolidation and streamlining of services.
Sec. 203. Job creation.
Sec. 204. Community Steering Committees Demonstration Projects.

TITLE III—SUPPORTING WORK

Sec. 301. Eligibility for medicaid benefits.
Sec. 302. Consolidated child care development block grant.

TITLE IV—ENDING THE CYCLE OF INTERGENERATIONAL DEPENDENCY

Sec. 401. Supervised living arrangements for minors.
Sec. 402. Reinforcing families.
Sec. 403. Required completion of high school or other training for teenage parents.
Sec. 404. Drug treatment and counseling as part of the Work First program.
Sec. 405. Targeting youth at risk of teenage pregnancy.
Sec. 406. National Clearinghouse on Teenage Pregnancy.
Sec. 407. Effective dates.

TITLE V—INTERSTATE CHILD SUPPORT RESPONSIBILITY

Subtitle A—Eligibility for Services; Distribution of Payments

Sec. 501. State obligation to provide child support enforcement services.
Sec. 502. Distribution of child support collections.
Sec. 503. Privacy safeguards.
Sec. 504. Rights to notification of hearings.

Subtitle B—Locate and Case Tracking

Sec. 511. State case registry.
Sec. 512. Collection and disbursement of support payments.
Sec. 513. State directory of new hires.
Sec. 514. Amendments concerning income withholding.
Sec. 515. Locator information from interstate networks.
Sec. 516. Expansion of the Federal parent locator service.
Sec. 517. Collection and use of social security numbers for use in child support enforcement.

Subtitle C—Streamlining and Uniformity of Procedures

Sec. 521. Adoption of uniform State laws.
Sec. 522. Improvements to full faith and credit for child support orders.
Sec. 523. Administrative enforcement in interstate cases.
Sec. 524. Use of forms in interstate enforcement.
Sec. 525. State laws providing expedited procedures.

Subtitle D—Paternity Establishment

Sec. 531. State laws concerning paternity establishment.
Sec. 532. Outreach for voluntary paternity establishment.
Sec. 533. Cooperation by applicants for and recipients of part A assistance.

Subtitle E—Program Administration and Funding

Sec. 541. Performance-based incentives and penalties.
Sec. 542. Federal and State reviews and audits.
Sec. 543. Required reporting procedures.
Sec. 544. Automated data processing requirements.
Sec. 545. Technical assistance.
Sec. 546. Reports and data collection by the Secretary.

Subtitle F—Establishment and Modification of Support Orders

Sec. 551. Simplified process for review and adjustment of child support orders.
Sec. 552. Furnishing consumer reports for certain purposes relating to child support.
Sec. 553. Nonliability for financial institutions providing financial records to State child support enforcement agencies in child support cases.

Subtitle G—Enforcement of Support Orders

Sec. 561. Internal Revenue Service collection of arrearages.
Sec. 562. Authority to collect support from Federal employees.
Sec. 563. Enforcement of child support obligations of members of the armed forces.
Sec. 564. Voiding of fraudulent transfers.
Sec. 565. Work requirement for persons owing past-due child support.
Sec. 566. Definition of support order.
Sec. 567. Reporting arrearages to credit bureaus.
Sec. 568. Liens.
Sec. 569. State law authorizing suspension of licenses.
Sec. 570. Denial of passports for nonpayment of child support.
Sec. 571. International support enforcement.
Sec. 572. Financial institution data matches.
Sec. 573. Enforcement of orders against paternal or maternal grandparents in cases of minor parents.
Sec. 574. Nondischargeability in bankruptcy of certain debts for the support of a child.

Subtitle H—Medical Support

Sec. 581. Correction to ERISA definition of medical child support order.
Sec. 582. Enforcement of orders for health care coverage.

Subtitle I—Enhancing Responsibility and Opportunity for Non-Residential Parents

Sec. 591. Grants to States for access and visitation programs.

Subtitle J—Effective Dates and Conforming Amendments

Sec. 595. Effective dates and conforming amendments.

TITLE VI—SUPPLEMENTAL SECURITY INCOME REFORM

Subtitle A—Eligibility Restrictions

Sec. 601. Denial of SSI benefits for 10 years to individuals found to have fraudulently misrepresented residence in order to obtain benefits simultaneously in 2 or more States.
Sec. 602. Denial of SSI benefits for fugitive felons and probation and parole violators.
Sec. 603. Treatment of prisoners.
Sec. 604. Effective date of application for benefits.

Subtitle B—Benefits for Disabled Children

Sec. 611. Definition and eligibility rules.
Sec. 612. Continuing disability reviews.
Sec. 613. Additional accountability requirements.
Sec. 614. Reduction in cash benefits payable to institutionalized children whose medical costs are covered by private insurance.
Sec. 615. Modification respecting parental income deemed to disabled children.

Subtitle C—Enforcement Provisions

Sec. 621. Installment payment of large past-due supplemental security income benefits.

Subtitle D—Study of Disability Determination Process

Sec. 631. Annual report on the supplemental security income program.
Sec. 632. Improvements to disability evaluation.
Sec. 633. Study of disability determination process.
Sec. 634. Study by general accounting office.

Subtitle E—National Commission on the Future of Disability

Sec. 641. Establishment.
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SEC. 3. AMENDMENT OF THE SOCIAL SECURITY ACT.

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Social Security Act.

TITLE I—TEMPORARY EMPLOYMENT ASSISTANCE

SEC. 101. STATE PLAN.

(a) IN GENERAL.—Title IV (42 U.S.C. 601 et seq.) is amended by striking part A and inserting the following:

"PART A—TEMPORARY EMPLOYMENT ASSISTANCE

"SEC. 400. APPROPRIATION.

"For the purpose of providing assistance to families with needy children and assisting parents of children in such families to obtain and retain private sector work to the extent possible, and public sector or volunteer work if necessary, through the Work First Employment Block Grant program (hereafter in this title referred to as the 'Work First program'), there is hereby authorized to be appropriated, and is hereby appropriated, for each fiscal year a sum sufficient to carry out the purposes of this part. The sums made available under this section shall be used for making payments to States which have approved State plans for temporary employment assistance.

"Subpart 1—State Plans for Temporary Employment Assistance

"SEC. 401. ELEMENTS OF STATE PLANS.

"A State plan for temporary employment assistance shall provide a description of the State program which carries out the purpose described in section 400 and shall meet the requirements of the following sections of this subpart.

"SEC. 402. FAMILY ELIGIBILITY FOR TEMPORARY EMPLOYMENT ASSISTANCE.

"(a) IN GENERAL.—The State plan shall provide that any family—

"(1) with 1 or more children (or any expectant family, at the option of the State), defined as needy by the State; and

"(2) which fulfills the conditions set forth in subsection (b),

shall be eligible for cash assistance under the plan, except as otherwise provided under this part.

"(b) Parent Empowerment Contract.—The State plan shall provide that not later than 10 days after the approval of the application for temporary employment assistance, a parent qualifying for assistance shall execute a parent empowerment contract as described in section 403. If a child otherwise eligible for assistance under this part is residing with a relative other than a parent, the State plan may require the relative to execute such an empowerment contract as a condition of the family receiving such assistance.

"(c) Limitations on Eligibility.—

"(1) No assistance for more than 5 years.—

"(A) In general.—Except as provided in subparagraphs (B) and (C), the State plan shall provide that the family of an individual who has received assistance under the plan for the lesser of—

"(i) the period of time established at the option of the State; or

"(ii) 60 months (whether or not consecutive),

shall no longer be eligible for cash assistance under the plan.

"(B) Minor child exception.—In determining the number of months for which an individual who is a parent or pregnant has received assistance under the State plan, the State shall disregard any month for which such assistance was provided with respect to the individual and during which the individual was—

"(i) a minor child; and

"(ii) not the head of a household or married to the head of a household.

"(C) Hardship exception.—

"(i) In general.—The State may exempt a family from the application of subparagraph (A) by reason of hardship or if the family includes an individual who has been battered or subjected to extreme cruelty.

"(ii) Limitation.—The number of families with respect to which an exemption made by a State under clause (i) is in effect for a fiscal year shall not exceed 20 percent of the average monthly number of families to which assistance is provided under the State plan.

"(iii) Battered or subject to extreme cruelty defined.—For purposes of clause (i), an individual has been battered or subjected to extreme cruelty if the individual has been subjected to—

"(I) physical acts that resulted in, or threatened to result in, physical injury to the individual;

"(II) sexual abuse;

"(III) sexual activity involving a dependent child;

"(IV) being forced as the caretaker relative of a dependent child to engage in nonconsensual sexual acts or activities;

"(V) threats of, or attempts at, physical or sexual abuse;

"(VI) mental abuse, including threats, intimidation, acts designed to induce terror, or restraints of liberty; or

"(VII) neglect or deprivation of medical care.

"(2) Effects of denial of cash assistance.—

"(A) Provision of safety net assistance.—In the event that a family is denied cash assistance because of a time limit imposed under paragraph (1), a State shall provide safety net assistance for any child in the family, in accordance with subparagraph (C).

"(B) Other assistance.—The—

"(i) eligibility of a family that receives safety net assistance under subparagraph (A) for any other Federal or federally assisted program based on need, shall be determined without regard to such assistance; and

"(ii) such a family shall be considered to be receiving cash assistance in the amount of the safety net assistance provided for purposes of determining the amount of any assistance provided to the family under any other such program.

"(C) Safety net assistance requirements.—Safety net assistance provided for a child in a family under subparagraph (A) shall be based on a State's assessment of the needs of such child and shall be provided through a voucher that is—

"(i) with respect to the amount of the voucher, determined on the same basis as the State would provide assistance under the State plan to such a family with 1 less individual;

"(ii) designed appropriately to pay third parties for shelter, goods, and services received by the child; and

"(iii) payable directly to such third parties.

"(3) Treatment of interstate migrants.—The State plan may apply to a category of families the rules for such category under a plan of another State approved under this part, if a family in such category has moved to the State from the other State and has resided in the State for less than 12 months.

"(4) Individuals on old-age assistance or SSI ineligible for temporary employment assistance.—The State plan shall provide that no assistance shall be furnished any individual under the plan with respect to any period with respect to which such individual is receiving old-age assistance under the State plan approved under section 102 of title I or supplemental security income under title XVI, and such individual's assistance or income shall be disregarded in determining the eligibility of the family of such individual for temporary employment assistance.

"(5) Children for whom Federal, State, or local foster care maintenance or adoption assistance payments are made.—A child with respect to whom foster care maintenance payments or adoption assistance payments are made under part E or under State or local law shall not, for the period for which such payments are made, be regarded as a needy child under this part, and such child's income and resources shall be disregarded in determining the eligibility of the family of such child for temporary employment assistance.

"(6) Denial of assistance for 10 years to a person found to have fraudulently misrepresented residence in order to obtain assistance in 2 or more States.—The State plan shall provide that no assistance will be furnished any individual under the plan during the 10-year period that begins on the date the individual is convicted in Federal or State court of having made, a fraudulent statement or representation with respect to the place of residence of the individual in order to receive benefits or services simultaneously from 2 or more States under programs that are funded under this part, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.

"(7) Denial of assistance for fugitive felons and probation and parole violators.—

"(A) In general.—The State plan shall provide that no assistance will be furnished any individual under the plan for any period if during such period such individual is—

"(i) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(ii) violating a condition of probation or parole imposed under Federal or State law.

"(B) Exchange of information with law enforcement agencies.—Notwithstanding any other provision of law, the State plan shall provide that the State shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of assistance under the plan, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(i) such recipient—

"(I) is described in clause (i) or (ii) of subparagraph (A); or

"(II) has information that is necessary for the officer to conduct the officer's official duties; and

"(ii) the location or apprehension of the recipient is within such officer's official duties.

"(d) Determination of Eligibility.—

"(1) Determination of need.—The State plan shall provide that the State agency take into consideration any income and resources of any individual the State determines should be considered in determining the need of the child or relative claiming temporary employment assistance.

"(2) Resource and income determination.—In determining the total resources and income of the family of any needy child, the State plan shall provide the following:

"(A) Resources.—The State's resource limit, including a description of the policy determined by the State regarding any exclusion allowed for vehicles owned by family members, resources set aside for future needs of a child, individual development accounts, or other policies established by the State to encourage savings.

"(B) Family income.—The extent to which earned or unearned income is disregarded in determining eligibility for, and amount of, assistance.

"(C) Child support.—The State's policy, if any, for determining the extent to which child support received in excess of $50 per month on behalf of a member of the family is disregarded in determining eligibility for, and the amount of, assistance.

"(D) Child's earnings.—The treatment of earnings of a child living in the home.

"(E) Earned income tax credit.—The State agency shall disregard any refund of Federal income taxes made to a family receiving temporary employment assistance by reason of section 32 of the Internal Revenue Code of 1986 (relating to earned income tax credit) and any payment made to such a family by an employer under section 3507 of such Code (relating to advance payment of earned income credit).

"(F) Attribution of sponsor's income and resources for alien recipients.—The State agency shall determine the eligibility of an alien in accordance with the provisions of section 721 of the Work First Act of 1996.

"(3) VERIFICATION SYSTEM.—The State plan shall provide that information is requested and exchanged for purposes of income and eligibility verification in accordance with a State system which meets the requirements of section 1137.

"(e) PROVISIONS RELATING TO VICTIMS OF DOMESTIC VIOLENCE.—The State plan shall—

"(1) provide that the State has in effect provisions for victims of domestic violence receiving temporary employment assistance; and

"(2) provide that the State agency administering the plan approved under this part shall be responsible for assuring that—

"(A) adequate mechanisms are in place for screening and identifying recipients of such assistance who have been victims of domestic violence;

"(B) procedures are in place to refer such recipients to legal counseling and supportive services;

"(C) the time limit for receipt of such assistance imposed under subsection (c)(1) is tolled for recipients of such assistance who are seriously affected by domestic violence; and

"(D) other requirements imposed under the State plan such as residency requirements and child support cooperation requirements will be waived in any case where imposing such requirements would make it more difficult for a recipient of temporary employment assistance to escape domestic violence or would unfairly sanction a recipient victimized by, or at risk of, domestic violence.

"SEC. 403. PARENT EMPOWERMENT CONTRACT.

"(a) ASSESSMENT.—The State plan shall provide that the State agency, through a case manager, shall make an initial assessment of the skills, prior work experience, and employability of each parent who is applying for temporary employment assistance under the plan, along with an assessment of the history of domestic violence (if any) of such parent.

"(b) PARENT EMPOWERMENT CONTRACTS.—On the basis of the assessment made under subsection (a) with respect to each parent, the case manager, in consultation with the parent or parents of a family (hereafter in this title referred to as the 'client'), shall develop a parent empowerment contract for the client, which meets the following requirements:

"(1) Sets forth the obligations of the client, including 1 or more of the following:

"(A) Search for a job.

"(B) Engage in work-related activities to help the client become and remain employed in the private sector.

"(C) Attend school, if necessary, and maintain certain grades and attendance.

"(D) Participate in counseling, safety-related, and legal activities, and supportive services related to the client's experience of domestic violence.

"(E) Keep school age children of the client in school.

"(F) Immunize children of the client.

"(G) Attend parenting and money management classes.

"(H) Any other appropriate activity, at the option of the State.

"(2) To the greatest extent possible, is designed to move the client as quickly as possible into whatever type and amount of work as the client is capable of handling, and to increase the responsibility and amount of work over time until the client is able to work full-time.

"(3) Provides for participation by the client in job search activities for the first 2 months after the application for temporary employment assistance under the State plan, unless the client is already working at least 20 hours per week.

"(4) If necessary to provide the client with support and skills necessary to obtain and keep employment in the private sector, provides for job counseling or other services, and, if additionally necessary, education or training through the Work First program under part F.

"(5) Provides that the client shall accept any bona fide offer of unsubsidized full-time employment, unless the client has good cause for not doing so.

"(6) At the option of the State, provides that the client undergo appropriate substance abuse treatment.

"(7) Provides that the client—

"(A) assign to the State any rights to support from any other person the client may have in such client's own behalf or in behalf of any other family member for whom the client is applying for or receiving assistance; and

"(B) cooperate with the State—

"(i) in establishing the paternity of a child born out of wedlock with respect to whom assistance is claimed, and

"(ii) in obtaining support payments for such client and for a child with respect to whom such assistance is claimed, or in obtaining any other payments or property due such client or such child, unless (in either case) such client is found to have good cause for refusing to cooperate as determined by the State agency in accordance with standards prescribed by the Secretary. Such standards shall take into consideration the best interests of the child on whose behalf assistance is claimed, and shall provide that good cause shall include the reasonable fear of a recipient for her own safety or the safety of a family member where the putative child support obligee has committed domestic violence against the recipient or a family member in the past.

"(c) PENALTIES FOR NONCOMPLIANCE WITH PARENT EMPOWERMENT CONTRACT.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the following penalties shall apply:

"(A) PROGRESSIVE REDUCTIONS IN ASSISTANCE FOR 1ST AND 2ND ACTS OF NONCOMPLIANCE.—

"(i) IN GENERAL.—The State plan shall provide that the amount of temporary employment assistance otherwise payable under the plan to a family that includes a client who, with respect to a parent empowerment contract signed by the client, commits an act of noncompliance without good cause, shall be reduced by—

"(I) 33 percent for the 1st such act of noncompliance; or

"(II) 66 percent for the 2nd such act of noncompliance.

"(ii) GOOD CAUSE.—Good cause for noncompliance of a parent empowerment contract shall include a determination that a recipient fears for her own safety or the safety of a family member where the recipient or family member has been the victim of domestic violence and reasonably believes that acceptance of employment would put her or her family at future risk, and is temporarily unable to fulfill her employment obligations due to legal and court obligations associated with seeking remedies for domestic violence.

"(B) DENIAL OF ASSISTANCE FOR 3RD AND SUBSEQUENT ACTS OF NONCOMPLIANCE.—The State plan shall provide that in the case of the 3rd or subsequent such act of noncompliance, the family of which the client is a member shall not thereafter be eligible for temporary employment assistance under the State plan.

"(C) LENGTH OF PENALTIES.—The penalty for an act of noncompliance shall not exceed the greater of—

"(i) in the case of—

"(I) the 1st act of noncompliance, 1 month,

"(II) the 2nd act of noncompliance, 3 months, or

"(III) the 3rd or subsequent act of noncompliance, 6 months; or

"(ii) the period ending with the cessation of such act of noncompliance.

"(D) DENIAL OF TEMPORARY EMPLOYMENT ASSISTANCE TO ADULTS REFUSING TO ACCEPT A BONA FIDE OFFER OF EMPLOYMENT.—The State plan shall provide that if an unemployed individual who has attained 18 years of age refuses to accept a bona fide offer of employment without good cause, such act of noncompliance shall be considered a 3rd or subsequent act of noncompliance.

"(2) EXCEPTION.—Notwithstanding paragraph (1), a State may not reduce or terminate assistance under the State plan based on a refusal of an adult to work if the adult is a single custodial parent caring for a child who has not attained 6 years of age, and the adult proves that the adult has a demonstrated inability (as determined by the State) to obtain needed child care, for 1 or more of the following reasons:

"(A) Unavailability of appropriate child care within a reasonable distance from the individual's home or work site.

"(B) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

"(C) Unavailability of appropriate and affordable formal child care arrangements.

"(3) STATE FLEXIBILITY.—The State plan may provide for different penalties than those specified in paragraph (1).

"SEC. 404. PAYMENT OF ASSISTANCE.

"(a) STANDARDS OF ASSISTANCE.—The State plan shall specify standards of assistance, including—

"(1) the composition of the unit for which assistance will be provided;

"(2) a standard, expressed in money amounts, to be used in determining the need of applicants and recipients;

"(3) a standard, expressed in money amounts, to be used in determining the amount of the assistance payment; and

"(4) the methodology to be used in determining the payment amount received by assistance units.

"(b) LEVEL OF ASSISTANCE.—The State plan shall provide that the determination of need and the amount of assistance for all applicants and recipients shall be made on an objective and equitable basis.

"(c) STATE OPTION TO DENY ADDITIONAL CASH ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—

"(1) GENERAL RULE.—At the option of a State, the State plan may provide that no additional cash assistance be provided for a minor child who is born to—

"(A) a recipient of temporary employment assistance under the plan; or

"(B) an individual who received such assistance at any time during the 10-month period ending with the birth of the child.

"(2) EXCEPTION FOR VOUCHERS.—If a State exercises the option under paragraph (1), the State may provide vouchers, in lieu of the cash assistance not provided, to be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved.

"(3) EXCEPTION FOR RAPE OR INCEST.—Paragraph (1) shall not apply with respect to a child who is born as a result of rape or incest.

"(d) CORRECTION OF PAYMENTS.—The State plan shall provide that the State agency will promptly take all necessary steps to correct any overpayment or underpayment of assistance under such plan, including the request for Federal tax refund intercepts as provided under section 417.

"SEC. 405. PROVISION OF PROGRAM AND EMPLOYMENT INFORMATION AND CHILD CARE.

"(a) INFORMATION.—The State plan shall provide for the dissemination of information to all applicants for and recipients of temporary employment assistance under the plan about all available services under the State plan for which such applicants and recipients are eligible.

"(b) CHILD CARE DURING JOB SEARCH, WORK, OR PARTICIPATION IN WORK FIRST.—The State plan shall provide that the State agency shall guarantee child care assistance for each family that is receiving temporary employment assistance and that has a needy child requiring such care, to the extent that such care is determined by the State agency to be necessary for an individual in the family to participate in job search activities, to work, or to participate in the Work First program.

"SEC. 406. OTHER PROGRAMS.

"(a) WORK FIRST.—The State plan shall provide that the State has in effect and operation a Work First program that meets the requirements of part F.

"(b) STATE CHILD SUPPORT AGENCY.—The State plan shall—

"(1) provide that the State has in effect a plan approved under part D and operates a child support program in substantial compliance with such plan;

"(2) provide that the State agency administering the plan approved under this part shall be responsible for assuring that—

"(A) the benefits and services provided under plans approved under this part and part D are furnished in an integrated manner, including coordination of intake procedures with the agency administering the plan approved under part D;

"(B) all applicants for, and recipients of, temporary employment assistance are encouraged, assisted, and required (as provided under section 403(b)(7)(B)) to cooperate in the establishment and enforcement of paternity and child support obligations and are notified about the services available under the State plan approved under part D (consistent with the good cause exception for noncooperation under such section in a case involving a recipient with a reasonable fear of domestic violence); and

"(C) procedures require referral of paternity and child support enforcement cases to the agency administering the plan approved under part D not later than 10 days after the application for temporary employment assistance; and

"(3) provide for prompt notice (including the transmittal of all relevant information) to the State child support collection agency established pursuant to part D of the furnishing of temporary employment assistance with respect to a child who has been deserted or abandoned by a parent (including a child born out-of-wedlock without regard to whether the paternity of such child has been established).

"(c) CHILD WELFARE SERVICES AND FOSTER CARE AND ADOPTION ASSISTANCE.—The State plan shall provide that the State has in effect—

"(1) a State plan for child welfare services approved under part B; and

"(2) a State plan for foster care and adoption assistance approved under part E,

and operates such plans in substantial compliance with the requirements of such parts.

"(d) REPORT OF CHILD ABUSE, ETC.—The State plan shall provide that the State agency will—

"(1) report to an appropriate agency or official, known or suspected instances of physical or mental injury, sexual abuse or exploitation, or negligent treatment or maltreatment of a child receiving assistance under the State plan under circumstances which indicate that the child's health or welfare is threatened thereby; and

"(2) provide such information with respect to a situation described in paragraph (1) as the State agency may have.

"(e) OUT-OF-WEDLOCK AND TEEN PREGNANCY PROGRAMS.—The State plan shall provide for the development of a program—

"(1) to reduce the incidence of out-of-wedlock pregnancies, which may include providing unmarried mothers and unmarried fathers with services which will help them—

"(A) avoid subsequent pregnancies, and

"(B) provide adequate care to their children; and

"(2) to reduce teenage pregnancy, which may include, at the option of the State, providing education and counseling to male and female teenagers.

"(f) AVAILABILITY OF ASSISTANCE IN RURAL AREAS OF STATE.—The State plan shall consider and address the needs of rural areas in the State to ensure that families in such areas receive assistance to become self-sufficient.

"(g) FAMILY PRESERVATION.—

"(1) IN GENERAL.—The State plan shall describe the efforts by the State to promote family preservation and stability, including efforts—

"(A) to encourage fathers to stay home and be a part of the family;

"(B) to keep families together to the extent possible; and

"(C) except to the extent provided in paragraph (2), to treat 2-parent families and 1-parent families equally with respect to eligibility for assistance.

"(2) MAINTENANCE OF TREATMENT.—The State may impose eligibility limitations relating specifically to 2-parent families to the extent such limitations are no more restrictive than such limitations in effect in the State plan in fiscal year 1995.

"SEC. 407. ADMINISTRATIVE REQUIREMENTS FOR STATE PLAN.

"(a) STATEWIDE PLAN.—The State plan shall be in effect in all political subdivisions of the State, and, if administered by the subdivisions, be mandatory upon such subdivisions. If such plan is not administered uniformly throughout the State, the plan shall describe the administrative variations.

"(b) SINGLE ADMINISTRATING AGENCY.—The State plan shall provide for the establishment or designation of a single State agency to administer the plan or supervise the administration of the plan.

"(c) FINANCIAL PARTICIPATION.—The State plan shall provide for financial participation by the State in the same manner and amount as such State participates under title XIX, except that with respect to the sums expended for the administration of the State plan, the percentage shall be 50 percent.

"(d) REASONABLE PROMPTNESS.—The State plan shall provide that all individuals wishing to make application for temporary employment assistance shall have opportunity to do so, and that such assistance be furnished with reasonable promptness to all eligible individuals.

"(e) FAIR HEARING.—The State plan shall provide for granting an opportunity for a fair hearing before the State agency to any individual—

"(1) whose claim for temporary employment assistance is denied or is not acted upon with reasonable promptness; or

"(2) whose assistance is reduced or terminated.

"(f) AUTOMATED DATA PROCESSING SYSTEM.—The State plan shall, at the option of the State, provide for the establishment and operation of an automated statewide management information system designed effectively and efficiently, to assist management in the administration of the State plan approved under this part, so as—

"(1) to control and account for—

"(A) all the factors in the total eligibility determination process under such plan for assistance, and

"(B) the costs, quality, and delivery of payments and services furnished to applicants for and recipients of assistance; and

"(2) to notify the appropriate officials for child support, food stamp, and social service programs, and the medical assistance program approved under title XIX, whenever a recipient becomes ineligible for such assistance or the amount of assistance provided to a recipient under the State plan is changed.

"(g) DISCLOSURE OF INFORMATION.—The State plan shall provide for safeguards which restrict the use or disclosure of information concerning applicants or recipients.

"(h) DETECTION OF FRAUD.—The State plan shall provide, in accordance with regulations issued by the Secretary, for appropriate measures to detect fraudulent applications for temporary employment assistance before the establishment of eligibility for such assistance.

"Subpart 2—Administrative Provisions

"SEC. 411. APPROVAL OF PLAN.

"(a) IN GENERAL.—The Secretary shall approve a State plan which fulfills the requirements under subpart 1 within 120 days of the submission of the plan by the State to the Secretary.

"(b) DEEMED APPROVAL.—If a State plan has not been rejected by the Secretary during the period specified in subsection (a), the plan shall be deemed to have been approved.

"SEC. 412. COMPLIANCE.

"In the case of any State plan for temporary employment assistance which has been approved under section 411, if the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds that in the administration of the plan there is a failure to comply substantially with any provision required by subpart 1 to be included in the plan, the Secretary shall notify such State agency that further payments will not be made to the State (or in the Secretary's discretion, that payments will be limited to categories under or parts of the State plan not affected by such failure) until the Secretary is satisfied that such prohibited requirement is no longer so imposed, and that there is no longer any such failure to comply. Until the Secretary is so satisfied the Secretary shall make no further payments to such State (or shall limit payments to categories under or parts of the State plan not affected by such failure).

"SEC. 413. PAYMENTS TO STATES.

"(a) COMPUTATION OF AMOUNT.—Subject to section 412, from the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for temporary employment assistance, for each quarter, beginning with the quarter commencing October 1, 1996, an amount equal to the Federal medical assistance percentage (as defined in section 1905(b)) of the expenditures by the State under such plan.

"(b) METHOD OF COMPUTATION AND PAYMENT.—The method of computing and paying such amounts shall be as follows:

"(1) The Secretary shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a), such estimate to be based on—

"(A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived;

"(B) records showing the number of needy children in the State; and

"(C) such other information as the Secretary may find necessary.

"(2) The Secretary of Health and Human Services shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary of Health and Human Services—

"(A) reduced or increased, as the case may be, by any sum by which the Secretary of Health and Human Services finds that the estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter;

"(B) reduced by a sum equivalent to the pro rata share to which the Federal Government is equitably entitled, as determined by the Secretary of Health and Human Services, of the net amount recovered during any prior quarter by the State or any political subdivision thereof with respect to temporary employment assistance furnished under the State plan; and

"(C) reduced by such amount as is necessary to provide the appropriate reimbursement to the Federal Government that the State is required to make under section 457 out of that portion of child support collections retained by the State pursuant to such section,

except that such increases or reductions shall not be made to the extent that such sums have been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary of Health and Human Services for such prior quarter.

"(c) METHOD OF PAYMENT.—The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Department of the Treasury and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

"SEC. 414. QUALITY ASSURANCE, DATA COLLECTION, AND REPORTING SYSTEM.

"(a) QUALITY ASSURANCE.—

"(1) IN GENERAL.—Under the State plan, a quality assurance system shall be developed based upon a collaborative effort involving the Secretary, the State, the political subdivisions of the State, and assistance recipients, and shall include quantifiable program outcomes related to self sufficiency in the categories of welfare-to-work, payment accuracy, and child support.

"(2) MODIFICATIONS TO SYSTEM.—As deemed necessary, but not more often than every 2 years, the Secretary, in consultation with the State, the political subdivisions of the State, and assistance recipients, shall make appropriate changes in the design and administration of the quality assurance system, including changes in benchmarks, measures, and data collection or sampling procedures.

"(b) DATA COLLECTION AND REPORTING.—

"(1) IN GENERAL.—The State plan shall provide for a quarterly report to the Secretary regarding the data described in paragraphs (2) and (3) and such additional data needed for the quality assurance system. The data collection and reporting system under this subsection shall promote accountability, continuous improvement, and integrity in the State plans for temporary employment assistance and Work First.

"(2) DISAGGREGATED DATA.—The State shall collect the following data items on a monthly basis from disaggregated case records of applicants for and recipients of temporary employment assistance from the previous month:

"(A) The age of adults and children (including pregnant women).

"(B) Marital or familial status of cases: married (2-parent family), widowed, divorced, separated, or never married; or child living with other adult relative.

"(C) The gender, race, educational attainment, work experience, disability status (whether the individual is seriously ill, incapacitated, or caring for a disabled or incapacitated child) of adults.

"(D) The amount of cash assistance and the amount and reason for any reduction in such assistance. Any other data necessary to determine the timeliness and accuracy of benefits and welfare diversions.

"(E) Whether any member of the family receives benefits under any of the following:

"(i) Any housing program.

"(ii) The food stamp program under the Food Stamp Act of 1977.

"(iii) The Head Start programs carried out under the Head Start Act.

"(iv) Any job training program.

"(F) The number of months since the most recent application for assistance under the plan.

"(G) The total number of months for which assistance has been provided to the families under the plan.

"(H) The employment status, hours worked, and earnings of individuals while receiving assistance, whether the case was closed due to employment, and other data needed to meet the work performance rate.

"(I) Status in Work First and workfare, including the number of hours an individual participated and the component in which the individual participated.

"(J) The number of persons in the assistance unit and their relationship to the youngest child. Nonrecipients in the household and their relationship to the youngest child.

"(K) Citizenship status.

"(L) Shelter arrangement.

"(M) Unearned income (not including temporary employment assistance), such as child support, and assets.

"(N) The number of children who have a parent who is deceased, incapacitated, or unemployed.

"(O) Geographic location.

"(P) The number of adults and children receiving assistance who are current or past victims of domestic violence, and the number of recipients participating in programs addressing the effects of domestic violence.

"(3) AGGREGATED DATA.—The State shall collect the following data items on a monthly basis from aggregated case records of applicants for and recipients of temporary employment assistance from the previous month:

"(A) The number of adults receiving assistance.

"(B) The number of children receiving assistance.

"(C) The number of families receiving assistance.

"(D) The number of assistance units who had their grants reduced or terminated and the reason for the reduction or termination, including sanction, employment, and meeting the time limit for assistance).

"(E) The number of applications for assistance; the number approved and the number denied and the reason for denial.

"(4) LONGITUDINAL STUDIES.—The State shall submit selected data items for a cohort of individuals who are tracked over time. This longitudinal sample shall be used for selected data items described in paragraphs (2) and (3), as determined appropriate by the Secretary.

"(c) ADDITIONAL DATA.—The report required by subsection (b) for a fiscal year quarter shall also include the following:

"(1) REPORT ON USE OF FEDERAL FUNDS TO COVER ADMINISTRATIVE COSTS AND OVERHEAD.—A statement of—

"(A) the percentage of the Federal funds paid to the State under this part for the fiscal year quarter that are used to cover administrative costs or overhead; and

"(B) the total amount of State funds that are used to cover such costs or overhead.

"(2) REPORT ON STATE EXPENDITURES ON PROGRAMS FOR NEEDY FAMILIES.—A statement of the total amount expended by the State during the fiscal year quarter on programs for needy families, with the amount spent on the program under this part, and the purposes for which such amount was spent, separately stated.

"(3) REPORT ON NONCUSTODIAL PARENTS PARTICIPATING IN WORK ACTIVITIES.—The number of noncustodial parents in the State who participated in work activities during the fiscal year quarter.

"(4) REPORT ON CHILD SUPPORT COLLECTED.—The total amount of child support collected by the State agency administering the State plan under part D on behalf of a family receiving assistance under this part.

"(5) REPORT ON CHILD CARE.—The total amount expended by the State for child care under this part, along with a description of the types of child care provided, such as child care provided in the case of a family that has ceased to receive assistance under this part because of increased hours of, or increased income from, employment, or in the case of a family that is not receiving assistance under this part but would be at risk of becoming eligible for such assistance if child care was not provided.

"(6) REPORT ON TRANSITIONAL SERVICES.—The total amount expended by the State for providing transitional services to a family that has ceased to receive assistance under this part because of increased hours of, or increased income from, employment, along with a description of such services.

"(d) COLLECTION PROCEDURES.—The Secretary shall provide case sampling plans and data collection procedures as deemed necessary to make statistically valid estimates of plan performance.

"(e) VERIFICATION.—The Secretary shall develop and implement procedures for verifying the quality of the data submitted by the State, and shall provide technical assistance, funded by the compliance penalties imposed under section 412, if such data quality falls below acceptable standards.

"SEC. 415. COMPILATION AND REPORTING OF DATA.

"(a) CURRENT PROGRAMS.—The Secretary shall, on the basis of the Secretary's review of the reports received from the States under section 414, compile such data as the Secretary believes necessary, and from time to time, publish the findings as to the effectiveness of the programs developed and administered by the States under this part. The Secretary shall annually report to the Congress on the programs developed and administered by each State under this part.

"(b) RESEARCH, DEMONSTRATION AND EVALUATION.—Of the amount specified under section 413(a), an amount equal to .25 percent is authorized to be expended by the Secretary to support the following types of research, demonstrations, and evaluations:

"(1) STATE-INITIATED RESEARCH.—States may apply for grants to cover 90 percent of the costs of self-evaluations of programs under State plans approved under this part.

"(2) DEMONSTRATIONS.—

"(A) IN GENERAL.—The Secretary may implement and evaluate demonstrations of innovative and promising strategies to—

"(i) improve child well-being through reductions in illegitimacy, teen pregnancy, welfare dependency, homelessness, and poverty;

"(ii) test promising strategies by nonprofit and for-profit institutions to increase employment, earning, child support payments, and self-sufficiency with respect to temporary employment assistance clients under State plans; and

"(iii) foster the development of child care.

"(B) ADDITIONAL PARAMETERS.—Demonstrations implemented under this paragraph—

"(i) may provide one-time capital funds to establish, expand, or replicate programs;

"(ii) may test performance-based grant to loan financing in which programs meeting performance targets receive grants while programs not meeting such targets repay funding on a pro-rated basis; and

"(iii) should test strategies in multiple States and types of communities.

"(3) FEDERAL EVALUATIONS.—

"(A) IN GENERAL.—The Secretary shall conduct research on the effects, benefits, and costs of different approaches to operating welfare programs, including an implementation study based on a representative sample of States and localities, documenting what policies were adopted, how such policies were implemented, the types and mix of services provided, and other such factors as the Secretary deems appropriate.

"(B) RESEARCH ON RELATED ISSUES.—The Secretary shall also conduct research on issues related to the purposes of this part, such as strategies for moving welfare recipients into the workforce quickly, reducing teen pregnancies and out-of-wedlock births, and providing adequate child care.

"(C) STATE REIMBURSEMENT.—The Secretary may reimburse a State for any research-related costs incurred pursuant to research conducted under this paragraph.

"(D) USE OF RANDOM ASSIGNMENT.—Evaluations authorized under this paragraph should use random assignment to the maximum extent feasible and appropriate.

"(4) REGIONAL INFORMATION CENTERS.—

"(A) IN GENERAL.—The Secretary shall establish not less than 5, nor more than 7 regional information centers located at major research universities or consortiums of universities to ensure the effective implementation of welfare reform and the efficient dissemination of information about innovations, evaluation outcomes, and training initiatives.

"(B) CENTER RESPONSIBILITIES.—The Centers shall have the following functions:

"(i) Disseminate information about effective income support and related programs, along with suggestions for the replication of such programs.

"(ii) Research the factors that cause and sustain welfare dependency and poverty in the regions served by the respective centers.

"(iii) Assist the States in the region formulate and implement innovative programs and improvements in existing programs that help clients move off welfare and become productive citizens.

"(iv) Provide training as appropriate to staff of State agencies to enhance the ability of the agencies to successfully place Work First clients in productive employment or self-employment.

"(C) CENTER ELIGIBILITY TO PERFORM EVALUATIONS.—The Centers may compete for demonstration and evaluation contracts developed under this section.

"SEC. 416. COLLECTION OF OVERPAYMENTS FROM FEDERAL TAX REFUNDS.

"(a) IN GENERAL.—Upon receiving notice from a State agency administering a plan approved under this part that a named individual has been overpaid under the State plan approved under this part, the Secretary of the Treasury shall determine whether any amounts as refunds of Federal taxes paid are payable to such individual, regardless of whether such individual filed a tax return as a married or unmarried individual. If the Secretary of the Treasury finds that any such amount is payable, the Secretary shall withhold from such refunds an amount equal to the overpayment sought to be collected by the State and pay such amount to the State agency.

"(b) REGULATIONS.—The Secretary of the Treasury shall issue regulations, approved by the Secretary of Health and Human Services, that provide—

"(1) that a State may only submit under subsection (a) requests for collection of overpayments with respect to individuals—

"(A) who are no longer receiving temporary employment assistance under the State plan approved under this part,

"(B) with respect to whom the State has already taken appropriate action under State law against the income or resources of the individuals or families involved; and

"(C) to whom the State agency has given notice of its intent to request withholding by the Secretary of the Treasury from the income tax refunds of such individuals;

"(2) that the Secretary of the Treasury will give a timely and appropriate notice to any other person filing a joint return with the individual whose refund is subject to withholding under subsection (a); and

"(3) the procedures that the State and the Secretary of the Treasury will follow in carrying out this section which, to the maximum extent feasible and consistent with the specific provisions of this section, will be the same as those issued pursuant to section 464(b) applicable to collection of past-due child support.".

(b) PAYMENTS TO PUERTO RICO.—Section 1108(a)(1) (42 U.S.C. 1308(a)(1)) is amended—

(1) in subparagraph (F), by striking "or"; and

(2) by striking subparagraph (G) and inserting the following:

"(G) $82,000,000 with respect to each of fiscal years 1989 through 1995, or

"(H) $102,500,000 with respect to the fiscal year 1996 and each fiscal year thereafter;".

(c) CONFORMING AMENDMENTS RELATING TO COLLECTION OF OVERPAYMENTS.—

(1) Section 6402 of the Internal Revenue Code of 1986 (relating to authority to make credits or refunds), as amended by section 561(a), is amended—

(A) in subsection (a), by striking "(c) and (d)" and inserting "(c), (d), and (e)";

(B) by redesignating subsections (e) through (i) as subsections (f) through (j), respectively; and

(C) by inserting after subsection (d) the following:

"(g) COLLECTION OF OVERPAYMENTS UNDER TITLE IV–A OF THE SOCIAL SECURITY ACT.—The amount of any overpayment to be refunded to the person making the overpayment shall be reduced (after reductions pursuant to subsections (c) and (d), but before a credit against future liability for an internal revenue tax) in accordance with section 417 of the Social Security Act (concerning recovery of overpayments to individuals under State plans approved under part A of title IV of such Act).".

(2) Section 552a(a)(8)(B)(iv)(III) of title 5, United States Code, is amended by striking "section 464 or 1137 of the Social Security Act" and inserting "section 417, 464, or 1137 of the Social Security Act."

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall be effective with respect to calendar quarters beginning on or after October 1, 1996.

(2) SPECIAL RULE.—In the case of a State that the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order to meet the requirements imposed by the amendment made by subsection (a), the State shall not be regarded as failing to comply with the requirements of such amendment before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of this paragraph, in the case of a State that has a 2-year legislative session, each year of the session shall be treated as a separate regular session of the State legislature.

(3) LIMITATION ON OBLIGATION AUTHORITY UNDER OLD PROGRAM.—The Secretary of Health and Human Services is not authorized to enter into any obligation with any State under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) (as in effect on the day before the date of the enactment of this Act) for expenses incurred under such a State plan under such part (as so in effect) on or after October 1, 1996.

TITLE II—WORK FIRST EMPLOYMENT BLOCK GRANT

SEC. 201. WORK FIRST EMPLOYMENT BLOCK GRANT.

(a) IN GENERAL.—Title IV (42 U.S.C. 601 et seq.) is amended by striking part F and inserting the following:

"Part F—Work First Employment Block Grant Program

"Subpart 1—Establishment and Operation of State Programs

"SEC. 481. GOALS OF THE WORK FIRST PROGRAM.

"The goals of a Work First program are as follows:

"(1) OBJECTIVE.—The objective of the program is for each adult receiving temporary employment assistance to find and hold full-time unsubsidized paid employment, and for this objective to be achieved in a cost-effective fashion.

"(2) STRATEGY.—The strategy of the program is to connect clients of temporary employment assistance with the private sector labor market as soon as possible and offer such clients the support and skills necessary to remain in the labor market. Each component of the program should emphasize employment and the understanding that minimum wage jobs are a stepping stone to more highly paid employment.

"(3) JOB CREATION.—The creation of jobs, with an emphasis on private sector jobs, through the options available under subpart 2, shall be a component of the block grant program and shall be a priority for each State office with responsibilities under the program.

"(4) FORMS OF ASSISTANCE.—The State shall provide assistance to clients in the program through a range of components, which may include job placement services (including vouchers for job placement services), work supplementation programs, temporary subsidized job creation, assistance in establishing microenterprises, job counseling services, or other work-related activities, to provide individuals with the support and skills necessary to obtain and keep employment in the private sector (including education and training, if necessary).

"SEC. 482. REQUIREMENT THAT RECIPIENTS ENTER THE WORK FIRST PROGRAM.

"(a) IN GENERAL.—Except as provided in subsection (b), the State may place in the Work First program—

"(1) clients of temporary employment assistance pursuant to the State plan approved under part A who have signed a parent empowerment contract as described in section 403(b); and

"(2) absent parents who are unemployed, on the condition that, once employed, such parents meet their child support obligations.

"(b) EXCEPTION.—A State may, at its option, not require an individual who is a single, custodial parent caring for a child under age 1 to engage in work.

"(c) NONDISPLACEMENT.—

"(1) IN GENERAL.—No funds provided under this Act shall be used in a manner that would result in—

"(A) the displacement of any currently employed worker (including partial displacement, such as a reduction in wages, hours of nonovertime work, or employment benefits), or the impairment of existing contracts for services or collective bargaining agreements; or

"(B) the employment or assignment of a client to fill a position when—

"(i) any other person is on layoff from the same or a substantially equivalent position; or

"(ii) the employer has terminated the employment of any other employee or otherwise reduced the employer's workforce in order to fill the vacancy so created with a client.

"(2) ENFORCING ANTI-DISPLACEMENT PROTECTIONS.—

"(A) GRIEVANCE PROCEDURE.—The State shall establish and maintain (pursuant to regulations issued by the Secretary of Labor) a grievance procedure for resolving complaints alleging violations of any of the prohibitions or requirements of paragraph (1). Such procedure shall include an opportunity for a hearing and shall be completed not later than 90 days from the date of the complaint, by which time the complainant shall be provided a written decision by the State. A decision of the State under such procedure, or a failure of a State to issue a decision not later than 90 days from such date, may be appealed to the Secretary of Labor, who shall investigate the allegations contained in the complaint and make a determination not later than 60 days from the date of the appeal as to whether a violation of such prohibitions or requirements has occurred. Remedies shall include termination or suspension of payments, prohibition of the placement of the client, reinstatement of an employee, and other relief to make an aggrieved employee whole.

"(B) OTHER LAWS OR CONTRACTS.—Nothing in subparagraph (A) shall be construed to prohibit a complainant from pursuing a remedy authorized under another Federal, State, or local law or a contract or collective bargaining agreement for a violation of any of the prohibitions or requirements of paragraph (1).

"Subpart 2—Program Performance

"SEC. 485. WORK PERFORMANCE RATES; PERFORMANCE-BASED BONUSES.

"(a) WORK PERFORMANCE RATES.—

"(1) REQUIREMENT.—A State that operates a program under this part shall achieve a work performance rate for the following fiscal years of not less than the following percentages:

"(A) 20 percent for fiscal year 1997.

"(B) 25 percent for fiscal year 1998.

"(C) 30 percent for fiscal year 1999.

"(D) 35 percent for fiscal year 2000.

"(E) 40 percent for fiscal year 2001.

"(F) 50 percent for fiscal year 2002 or thereafter.

"(2) WORK PERFORMANCE RATE DEFINED.—

"(A) IN GENERAL.—As used in this subsection, the term 'work performance rate' means, with respect to a State and a fiscal year, an amount equal to—

"(i) the sum of the average monthly number of individuals eligible for temporary employment assistance under the State plan approved under part A who, during the fiscal year—

"(I) obtain employment in an unsubsidized job and cease to receive such temporary employment assistance to the extent allowed under subparagraph (B);

"(II) work 20 or more hours per week (or 30 hours, at the option of the State) in an unsubsidized job while still receiving such temporary employment assistance;

"(III) work 20 or more hours per week (or 30 hours, at the option of the State) in a subsidized job through the Work First program (other than through workfare or community service under section 493); or

"(IV) are parents under the age of 18 years (or 19 years, at the option of the State) in school and regularly attending classes obtaining the basic skills needed for work; divided by

"(ii) the average monthly number of families with parents eligible for such temporary employment assistance who, during the fiscal year, are not described in section 482(b).

"(B) SPECIAL RULES.—

"(i) INDIVIDUALS IN UNSUBSIDIZED JOBS.—For purposes of subparagraph (A)(i)(I), an individual shall be considered to be participating under a State plan approved under part A for each of the 1st 12 months (without regard to fiscal year) after an individual ceases to receive temporary employment assistance under such plan as the result of employment in an unsubsidized job and during which such individual does not reapply for such assistance.

"(ii) INDIVIDUALS IN WORK FIRST SUBSIDIZED JOBS.—For purposes of subparagraph (A)(i)(III), individuals in workfare or community service (as defined in section 493) may be counted if such individuals reside in areas—

"(I) with an unemployment rate exceeding 8 percent; or

"(II) with other circumstances deemed sufficient by the Secretary.

"(iii) DEEMED COMPLIANCE.—A State shall be deemed to have met the requirement in paragraph (1) if its work performance rate in a given fiscal year exceeds that of the prior fiscal year by 10 percentage points.

"(3) EFFECT OF FAILURE TO MEET WORK PERFORMANCE RATES.—If a State fails to achieve the work performance rate required by paragraph (1) for any fiscal year—

"(A) in the case of the 1st failure, the Secretary shall make recommendations for changes in the State Work First program to achieve future required work performance rates; and

"(B) in the case of the 2nd or subsequent failure—

"(i) the Secretary shall reduce by 10 percentage points (or less, at the discretion of the Secretary based on the degree of failure) the rate of Federal payments for the administrative expenses for the State plan approved under part A for the subsequent fiscal year;

"(ii) the Secretary shall make further recommendations for changes in the State Work First program to achieve future required work performance rates which the State may elect to follow; and

"(iii) the State shall demonstrate to the Secretary how the State shall achieve the required work performance rate for the subsequent fiscal year.

"(b) PERFORMANCE-BASED BONUSES.—

"(1) IN GENERAL.—In addition to any other payment under section 495, each State, beginning in fiscal year 1998, which has achieved its work performance rate for the fiscal year (as determined under subsection (a)) shall be entitled to receive a bonus in the subsequent fiscal year for each individual eligible for temporary employment assistance under the State plan approved under part A who is described in subsection (a)(2)(A)(i) in excess of the number of such individuals necessary to meet such work performance rate, but the aggregate of such bonuses for any fiscal year in the case of any State may not exceed the limitation determined under paragraph (3) with respect to the State.

"(2) USE OF PAYMENTS.—Bonus payments under this subsection—

"(A) may be used to supplement, not supplant, State funding of Work First or child care activities; and

"(B) shall be used in a manner which rewards job retention.

"(3) LIMITATION.—

"(A) IN GENERAL.—The limitation determined under this paragraph with respect to a State for any fiscal year is the amount that bears the same ratio to the amount specified in subparagraph (B) for such fiscal year as the average monthly number of adult recipients (as defined in section 495(a)(6)) in the State in the preceding fiscal year bears to the average monthly number of such recipients in all the States for such preceding year.

"(B) AMOUNT SPECIFIED.—The amount specified in this subparagraph is—

"(i) $200,000,000 for fiscal year 1998 rates payable in fiscal year 1999;

"(ii) $200,000,000 for fiscal year 1999 rates payable in fiscal year 2000;

"(iii) $200,000,000 for fiscal year 2000 rates payable in fiscal year 2001; and

"(iv) $200,000,000 for fiscal year 2001 rates payable in fiscal year 2002.

"Subpart 3—Program Components

"SEC. 486. PROGRAM COMPONENTS.

"(a) IN GENERAL.—Under the Work First program the State shall have the option to provide a wide variety of work-related activities to clients in the temporary employment assistance program under the State plan approved under part A, including job placement services (including vouchers for job placement services), work supplementation programs, temporary subsidized job creation, assistance in establishing microenterprises, and job counseling services described in this subpart.

"(b) JOB SEARCH ACTIVITIES.—Each client, who is not exempt from work requirements, shall begin Work First by participating in job search activities designed by the State for 2 months.

"(c) WORKFARE.—If, after 2 years, a client (who is not exempt from work requirements) who has signed a parent empowerment contract is not working at least 20 hours a week (within the meaning of section 485(a)(2)), or engaged in community service, then the State shall offer that client a workfare position, with minimum hours per week and tasks to be determined by the State.

"(d) COMMUNITY SERVICE.—Not later than 2 years after the date of the enactment of the Work First Act of 1996, each State should (and not later than 7 years after such date, each State shall) require a client who, after receiving assistance for 3 months—

"(1) is not exempt from work requirements; and

"(2) is not either—

"(A) working at least 20 hours a week (within the meaning of section 485(a)(2)); nor

"(B) engaged in an education or training program;

to participate in community service, with minimum hours per week and tasks to be determined by the State.

"SEC. 487. JOB PLACEMENT; USE OF PLACEMENT COMPANIES.

"(a) IN GENERAL.—The State through the Work First program may operate its own job placement assistance program or may establish a job placement voucher program under subsection (b).

"(b) JOB PLACEMENT VOUCHER PROGRAM.—A job placement voucher program established by a State under this subsection shall include the following requirements:

"(1) LIST OF ORGANIZATIONS MAINTAINED.—The State shall identify, maintain, and make available to a client a list of State-approved job placement organizations that offer services in the area where the client resides and a description of the job placement and support services each such organization provides. Such organizations may be publicly or privately owned and operated.

"(2) EXECUTION OF CONTRACT.—A client shall, at the time the client becomes eligible for temporary employment assistance—

"(A) receive the list and description described in paragraph (1);

"(B) agree, in exchange for job placement and support services, to—

"(i) execute, within a period of time permitted by the State, a contract with a State-approved job placement organization which provides that the organization shall attempt to find employment for the client; and

"(ii) comply with the terms of the contract; and

"(C) receive a job placement voucher (in an amount to be determined by the State) for payment to a State-approved job placement organization.

"(3) USE OF VOUCHER.—At the time a client executes a contract with a State-approved job placement organization, the client shall provide the organization with the job placement voucher that the client received pursuant to paragraph (2)(C).

"(4) REDEMPTION.—A State-approved job placement organization may redeem for payment from the State not more than 25 percent of the value of a job placement voucher upon the initial receipt of the voucher for payment of costs incurred in finding and placing a client in an employment position. The remaining value of such voucher shall not be redeemed for payment from the State until the State-approved job placement organization—

"(A) finds an employment position (as determined by the State) for the client who provided the voucher; and

"(B) certifies to the State that the client remains employed with the employer that the organization originally placed the client with for the greater of—

"(i) 6 continuous months; or

"(ii) a period determined by the State.

"(5) PERFORMANCE-BASED STANDARDS.—

"(A) IN GENERAL.—The State shall establish performance-based standards to evaluate the success of the State job placement voucher program operated under this subsection in achieving employment for clients participating in such voucher program. Such standards shall take into account the economic conditions of the State in determining the rate of success.

"(B) ANNUAL EVALUATION.—The State shall, not less than once a fiscal year, evaluate the job placement voucher program operated under this subsection in accordance with the performance-based standards established under subparagraph (A).

"(C) ANNUAL REPORT.—The State shall submit a report containing the results of an evaluation conducted under subparagraph (B) to the Secretary and a description of the performance-based standards used to conduct the evaluation in such form and under such conditions as the Secretary shall require. The Secretary shall review each report submitted under this subparagraph and may require the State to revise the performance-based standards if the Secretary determines that the State is not achieving an adequate rate of success for such State.

"SEC. 488. REVAMPED JOBS PROGRAM.

"The State through the Work First program may operate a program similar to the program known as the 'GAIN Program' that has been operated by Riverside County, California, under Federal law as in effect immediately before the effective date of this subpart.

"SEC. 489. TEMPORARY SUBSIDIZED JOB CREATION.

"The State through the Work First program may establish a program similar to the program known as 'JOBS Plus' that has been operated by the State of Oregon under Federal law as in effect immediately before the effective date of this subpart.

"SEC. 490. FAMILY INVESTMENT PROGRAM.

"The State through the Work First program may establish a program similar to the program known as the 'Family Investment Program' that has been operated by the State of Iowa to move families off of welfare and into self-sufficient employment.

"SEC. 491. MICROENTERPRISE.

"(a) GRANTS AND LOANS TO NONPROFIT ORGANIZATIONS FOR THE PROVISION OF TECHNICAL ASSISTANCE, TRAINING, AND CREDIT TO LOW INCOME ENTREPRENEURS.—The State through the Work First program may make grants and loans to nonprofit organizations to provide technical assistance, training, and credit to low income entrepreneurs for the purpose of establishing microenterprises.

"(b) MICROENTERPRISE DEFINED.—For purposes of this section, the term 'microenterprise' means a commercial enterprise which has 5 or fewer employees, 1 or more of whom owns the enterprise.

"SEC. 492. WORK SUPPLEMENTATION PROGRAM.

"(a) IN GENERAL.—The State through the Work First program may institute a work supplementation program under which the State, to the extent it considers appropriate, may reserve the sums that would otherwise be payable to clients in the temporary employment assistance program under the State plan approved under part A and use the sums instead for the purpose of providing and subsidizing jobs for clients as an alternative to the temporary employment assistance that would otherwise be so payable to the clients.

"(b) SAMPLING METHODOLOGY PERMITTED.—In determining the amounts to be reserved and used for providing and subsidizing jobs under this section as described in subsection (a), the State may use a sampling methodology.

"(c) SUPPLEMENTED JOB.—For purposes of this section, a supplemented job is—

"(1) a job provided to an eligible client by the State or local agency administering the State plan under part A; or

"(2) a job provided to an eligible client by any other employer for which at least part of the wages are paid by the State or local agency.

A State may provide or subsidize under the program any job which the State determines to be appropriate.

"(d) COST LIMITATION.—The amount of the Federal payment to a State under section 413 for expenditures incurred in making payments to clients and employers under a work supplementation program under this section shall not exceed an amount equal to the amount which would otherwise be payable under such section 413 if the family of each client employed in the program established in the State under this section had received the maximum amount of temporary employment assistance payable under the State plan approved under part A to such a family with no income for the number of months in which the client was employed in the program.

"(e) WAGES ARE CONSIDERED EARNED INCOME.—Wages paid under a work supplementation program shall be considered to be earned income for purposes of any provision of law.

"(f) PRESERVATION OF MEDICAID ELIGIBILITY.—Any State that chooses to operate a work supplementation program under this section shall provide that any client who participates in the program, and any child or relative of the client (or other individual living in the same household as the client) who would be eligible for temporary employment assistance under the State plan approved under part A if the State did not have a work supplementation program, shall be considered individuals receiving temporary employment assistance under the State plan approved under part A for purposes of eligibility for medical assistance under the State plan approved under title XIX.

"SEC. 493. WORKFARE AND COMMUNITY SERVICE.

"(a) IN GENERAL.—A State through the Work First program may establish and carry out—

"(1) a workfare program in accordance with section 486(c); and

"(2) a community service program in accordance with section 486(d),

that meets the requirements of this section.

"(b) WORKFARE DEFINED.—For purposes of this section, the term 'workfare' means a job provided to a client by the State administering the State plan under part A with respect to which the client works in return for assistance under such plan and receives no wages.

"(c) COMMUNITY SERVICE DEFINED.—For purposes of this section, the term 'community service' means work of benefit to the community, such as volunteer work in schools and community organizations.

"(d) ASSISTANCE NOT CONSIDERED EARNED INCOME.—Assistance paid under a workfare program shall not be considered to be earned income for purposes of any provision of law.

"(e) USE OF PLACEMENT COMPANIES.—A State that establishes a workfare or community service program under this section may enter into contracts with private companies (whether operated for profit or not for profit) for the placement of clients in the program in positions of full-time employment, preferably in the private sector, for wages sufficient to eliminate the need of such clients for temporary employment assistance.

"Subpart 4—Funding

"SEC. 495. FUNDING.

"(a) FUNDING FOR WORK FIRST.—

"(1) IN GENERAL.—Each State that is operating a program in accordance with this part shall be entitled to payments under subsection (b) for any fiscal year in an amount equal to the sum of the applicable percentages (specified in such subsection) of its expenditures to carry out such program (subject to limitations prescribed by or pursuant to this part or this section on expenditures that may be included for purposes of determining payments under subsection (b)), but such payments for any fiscal year in the case of any State may not exceed the limitation determined under paragraph (2) with respect to the State.

"(2) LIMITATION.—The limitation determined under this paragraph with respect to a State for any fiscal year is the amount that bears the same ratio to the amount specified in paragraph (3) for such fiscal year as the average monthly number of adult recipients (as defined in paragraph (6)) in the State in the preceding fiscal year bears to the average monthly number of such recipients in all the States for such preceding year.

"(3) AMOUNT SPECIFIED.—Subject to paragraphs (4) and (5), the amount specified in this paragraph is—

"(A) $1,010,000,000 for fiscal year 1997;

"(B) $1,100,000,000 for fiscal year 1998;

"(C) $1,330,000,000 for fiscal year 1999;

"(D) $1,520,000,000 for fiscal year 2000;

"(E) $1,870,000,000 for fiscal year 2001; and

"(F) $2,720,000,000 for fiscal year 2002.

"(4) INDIAN TRIBAL GOVERNMENTS.—

"(A) APPLICATION.—

"(i) IN GENERAL.—An Indian tribe or Alaska Native organization may apply at any time to the Secretary (in such manner as the Secretary prescribes) to conduct a Work First program.

"(ii) PARTICIPATION.—If a tribe or organization chooses to apply and the application is approved, such tribe or organization shall be entitled to a direct payment in the amount determined in accordance with the provisions of subparagraph (B) for each fiscal year beginning after such approval.

"(iii) NO PARTICIPATION.—If a tribe or organization chooses not to apply, the amount that would otherwise be available to such tribe or organization for the fiscal year shall be payable to the State in which that tribe or organization is located. Such amount shall be used by that State to provide Work First program services to the recipients living within that tribe or organization's jurisdiction.

"(iv) NO MATCH REQUIRED.—Indian tribes and Alaska Native organizations shall not be required to submit a monetary match to receive a payment under this paragraph.

"(B) PAYMENT AMOUNT.—

"(i) IN GENERAL.—The Secretary shall pay directly to each Indian tribe or Alaska Native organization conducting a Work First program for a fiscal year an amount which bears the same ratio to 3 percent of the amount specified under paragraph (3) for such fiscal year as the adult Indian or Alaska Native population receiving temporary employment assistance residing within the area to be served by the tribe or organization bears to the total of such adults receiving such assistance residing within all areas which any such tribe or organization could serve.

"(ii) ADJUSTMENTS.—The Secretary shall from time to time review the components of the ratios established in clause (i) to determine whether the individual payments under this paragraph continue to reflect accurately the distribution of population among the grantees, and shall make adjustments necessary to maintain the correct distribution of funding.

"(C) USE IN SUCCEEDING FISCAL YEAR.—A grantee under this paragraph may use not to exceed 20 percent of the amount for the fiscal year under subparagraph (B) to carry out the Work First program in the succeeding fiscal year.

"(D) VOLUNTARY TERMINATION.—An Indian tribe or Alaska Native organization may voluntarily terminate its Work First program. The amount under subparagraph (B) with respect to such program for the fiscal year shall be payable to the State in which that tribe or organization is located. Such amount shall be used by that State to provide Work First program services to the recipients living within that tribe or organization's jurisdiction. If a voluntary termination of a Work First program occurs under this subparagraph, the tribe or organization shall not be eligible to submit an application under this paragraph before the 6th year following such termination.

"(E) JOINT PROGRAMS.—An Indian tribe or Alaska Native organization may also apply to the Secretary jointly with 1 or more such tribes or organizations to administer a Work First program as a consortium. The Secretary shall establish such terms and conditions for such consortium as are necessary.

"(5) JOB CREATION.—Of the amount specified under paragraph (3), 5 percent shall be set aside by the Secretary for the program described in section 203(b) of the Work First Act of 1996.

"(6) DEFINITION.—For purposes of this subsection, the term 'adult recipient' in the case of any State means an individual other than a needy child (unless such child is the custodial parent of another needy child) whose needs are met (in whole or in part) with payments of temporary employment assistance.

"(b) STATE ALLOCATIONS.—

"(1) IN GENERAL.—The Secretary shall pay to each State that is operating a program in accordance with part F, with respect to expenditures by the State to carry out such program (including expenditures for child care under section 405(b), but only with respect to a State to which section 1108 applies), an amount equal to—

"(A) with respect to so much of such expenditures in a fiscal year as do not exceed the State's expenditures in the fiscal year 1987 with respect to which payments were made to such State from its allotment for such fiscal year pursuant to part C of this title as then in effect, 90 percent; and

"(B) with respect to so much of such expenditures in a fiscal year as exceed the amount described in subparagraph (A)—

"(i) 50 percent, in the case of expenditures for administrative costs (including costs of emergency assistance) made by a State in operating such program for such fiscal year (other than the costs of transportation and the personnel costs for case management staff employed full-time in the operation of such program); and

"(ii) the Federal medical assistance percentage (as defined in section 1905(b)), in the case of expenditures made by a State in operating such program for such fiscal year (other than for costs described in clause (i)).

"(2) FORM OF PAYMENT.—With respect to the amount for which payment is made to a State under paragraph (1)(A), the State's expenditures for the costs of operating such program may be in cash or in kind, fairly evaluated.

"(3) USE OF FUNDS.—A State may use amounts allocated under this subsection for all costs deemed necessary to assist program clients obtain and retain jobs, including emergency day care assistance or sick day care assistance, uniforms, eyeglasses, transportation, wage subsidies, and other employment-related special needs, as defined by the State. Such assistance may be provided through contract with community-based family resource programs under title II of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116 et seq.).".

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendment made by subsection (a) shall be effective with respect to calendar quarters beginning on or after October 1, 1996.

(2) SPECIAL RULE.—In the case of a State that the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order to meet the requirements imposed by the amendment made by subsection (a), the State shall not be regarded as failing to comply with the requirements of such amendment before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of this paragraph, in the case of a State that has a 2-year legislative session, each year of the session shall be treated as a separate regular session of the State legislature.

(3) STATE OPTION TO ACCELERATE APPLICABILITY.—If a State formally notifies the Secretary of Health and Human Services that the State desires to accelerate the applicability to the State of the amendment made by subsection (a), the amendment shall apply to the State on and after such earlier date as the State may select.

(4) AUTHORITY OF THE SECRETARY OF HEALTH AND HUMAN SERVICES TO DELAY APPLICABILITY TO A STATE.—Subject to the funding limitation described in paragraph (5), if a State formally notifies the Secretary of Health and Human Services that the State desires to delay the applicability to the State of the amendment made by subsection (a), the amendment (other than section 495 of such

amendment) shall apply to the State on and after any later date agreed upon by the Secretary and the State.

(5) LIMITATION ON OBLIGATION AUTHORITY UNDER OLD PROGRAM.—The Secretary of Health and Human Services is not authorized to enter into any obligation with any State under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.) (as in effect on the day before the date of the enactment of this Act) for expenses incurred under such a State plan under such part (as so in effect) on or after October 1, 1996.

SEC. 202. CONSOLIDATION AND STREAMLINING OF SERVICES.

(a) IN GENERAL.—Section 407, as added by section 101(a), is amended by adding at the end the following new subsections:

"(i) CHANGING THE WELFARE BUREAUCRACY.—

"(1) IN GENERAL.—The State plan may describe the State's efforts to streamline and consolidate activities to simplify the process of applying for a range of Federal and State assistance programs, including the use of—

"(A) 'one-stop offices' to coordinate the application process for individuals and families with low-incomes or limited resources and to ensure that applicants and recipients receive the information they need with regard to such range of programs; and

"(B) forms which are easy to read and understand or easily explained by State agency employees.

"(2) USE OF INCENTIVES.—The State plan may require the use of incentives (including Work First program funds) to change the culture of each State agency office with responsibilities under the State plan, to improve the performance of employees, and to ensure that the objective of each employee of each such State office is to find unsubsidized paid employment for each program client as efficiently and as quickly as possible.

"(3) CASEWORKER TRAINING AND RETRAINING.—The State plan may provide such training to caseworkers and related personnel as may be necessary to ensure successful job placements that result in full-time public or private employment (outside the State agencies with responsibilities under part A) for program clients.

"(j) COORDINATION OF SERVICES.—The State plan shall provide that the State agency may—

"(1) establish convenient locations in each community at which individuals and families with low-incomes or limited resources may apply for and (if appropriate) receive, directly or through referral to the appropriate provider, in appropriate languages and in a culturally sensitive manner—

"(A) temporary employment assistance under the State plan;

"(B) employment and education counseling;

"(C) job placement;

"(D) child care;

"(E) health care;

"(F) transportation assistance;

"(G) housing assistance;

"(H) child support services;

"(I) assistance under the National and Community Service Act of 1990 and the Domestic Volunteer Service Act of 1973;

"(J) unemployment insurance;

"(K) assistance under the Carl D. Perkins Vocational and Applied Technology Education Act;

"(L) assistance under the School-to-Work Opportunities Act of 1994;

"(M) assistance under Federal student loan programs;

"(N) assistance under the Job Training Partnership Act; and

"(O) other types of counseling and support services; and

"(2) assign to each recipient of assistance under the State plan, and to each applicant for such assistance, a case manager who—

"(A) is knowledgeable about community resources;

"(B) is qualified to refer the applicant or recipient to appropriate employment programs or education and training programs, or both, and needed health and social services; and

"(C) is required to coordinate the provision of benefits and services by the State to the applicant or recipient, until the applicant or recipient is no longer eligible for—

"(i) assistance under the State plan;

"(ii) child care guaranteed by the State in accordance with section 405(b); and

"(iii) medical assistance under the State plan approved under title XIX.".

(b) TECHNICAL ASSISTANCE.—The Secretary of Health and Human Services shall provide technical assistance and training to States to assist the States in implementing effective management practices and strategies in order to make the operation of State offices described in section 407(i) of the Social Security Act (as added by subsection (a)) efficient and effective.

SEC. 203. JOB CREATION.

(a) GRANTS TO COMMUNITY-BASED ORGANIZATIONS.—

(1) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the "Secretary") may make grants in accordance with this subsection using funds described in paragraph (2), and, to the extent allowed by the States, Work First funds under part F of title IV of the Social Security Act, to community-based organizations that move clients of temporary employment assistance under a State plan approved under part A of title IV of the Social Security Act or under other public assistance programs into private sector work.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $25,000,000 for fiscal year 1996 and $50,000,000 for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002.

(3) ELIGIBLE ORGANIZATIONS.—The Secretary shall award grants to community-based organizations that—

(A) may receive at least 5 percent of their funding from local government sources; and

(B) move clients referred to in paragraph (1) in the direction of unsubsidized private employment by integrating and co-locating at least 5 of the following services—

(i) case management;

(ii) job training;

(iii) child care;

(iv) housing;

(v) health care services;

(vi) nutrition programs;

(vii) life skills training; and

(viii) parenting skills.

(4) AWARDING OF GRANTS.—

(A) IN GENERAL.—The Secretary shall award grants based on the quality of applications, subject to subparagraphs (B) and (C).

(B) PREFERENCE IN AWARDING GRANTS.—In awarding grants under this subsection, the Secretary shall give preference to organizations which receive more than 50 percent of their funding from State government, local government or private sources.

(C) DISTRIBUTION OF GRANT.—The Secretary shall award at least 1 grant to each State from which the Secretary received an application.

(D) LIMITATION ON SIZE OF GRANT.—The Secretary shall not award any grants under this subsection of more than $1,000,000.

(5) ISSUANCE OF REGULATIONS.—Not less than 6 months after the date of the enactment of this subsection, the Secretary shall prescribe such regulations as may be necessary to implement this subsection.

(b) GRANTS TO EXPAND THE NUMBER OF JOB OPPORTUNITIES AVAILABLE TO CERTAIN LOW-INCOME INDIVIDUALS.—

(1) IN GENERAL.—The Secretary shall enter into agreements with nonprofit organizations (including community development corporations) submitting applications under this subsection for the purpose of conducting projects in accordance with paragraph (2) and funded under section 495(a)(5) to create employment opportunities for certain low-income individuals.

(2) NATURE OF PROJECT.—

(A) IN GENERAL.—Each nonprofit organization conducting a project under this subsection shall provide technical and financial assistance to private employers in the community to assist such employers in creating employment and business opportunities for those individuals eligible to participate in the projects as described in this paragraph.

(B) NONPROFIT ORGANIZATIONS.—For purposes of this subsection, a nonprofit organization is any organization (including a community development corporation) exempt from taxation under section 501(a) of the Internal Revenue Code of 1986 by reason of paragraph (3) or (4) of section 501(c) of such Code.

(C) ELIGIBLE LOW-INCOME INDIVIDUALS.—For purposes of this subsection, a low-income individual eligible to participate in a project conducted under this subsection is any individual eligible to receive temporary employment assistance under part A of title IV of the Social Security Act (as added by section 101 of this Act) and any other individual whose income level does not exceed 100 percent of the poverty line (as such term is defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section).

(3) CONTENT OF APPLICATIONS; SELECTION PRIORITY.—

(A) CONTENT OF APPLICATIONS.—Each nonprofit organization submitting an application under this subsection shall, as part of such application, describe—

(i) the technical and financial assistance that will be made available under the project conducted under this subsection;

(ii) the geographic area to be served by the project;

(iii) the percentage of low-income individuals (as described in paragraph (2)(C)) and individuals receiving temporary employment assistance under title IV of the Social Security Act (as so added) in the area to be served by the project; and

(iv) unemployment rates in the geographic areas to be served and (to the extent practicable) the jobs available and skills necessary to fill those vacancies in such areas.

(B) SELECTION PRIORITY.—In approving applications under this subsection, the Secretary shall give priority to applications proposing to serve those areas containing the highest percentage of individuals receiving temporary employment assistance under title IV of such Act (as so added).

(4) ADMINISTRATION.—Each nonprofit organization participating in a project conducted under this subsection shall provide assurances in its agreement with the Secretary

that the organization has or will have a cooperative relationship with the agency responsible for administering the Work First program (as provided for under part F of title IV of the Social Security Act, as added by section 201 of this Act) in the area served by the project.

SEC. 204. COMMUNITY STEERING COMMITTEES DEMONSTRATION PROJECTS.

(a) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the "Secretary") shall enter into agreements with not more than 5 States that submit an application under this section, in such form and such manner as the Secretary may specify, for the purpose of conducting a demonstration project described in subsection (b).

(b) DESCRIPTION OF PROJECT.—

(1) COMMUNITY STEERING COMMITTEES.—

(A) ESTABLISHMENT.—A demonstration project conducted under this section shall establish within a State in each participating county a Community Steering Committee that shall be designed to help recipients of temporary employment assistance who are parents move into the non-subsidized workforce and to develop a holistic approach to the development needs of such recipient's family.

(B) MEMBERSHIP.—A Community Steering Committee shall consist of local educators, business representatives, and social service providers.

(C) GOALS AND DUTIES.—

(i) GOALS.—The goals of a Community Steering Committee are—

(I) to ensure that recipients of temporary employment assistance who are parents obtain and retain unsubsidized employment; and

(II) to reduce the incidence of intergenerational receipt of welfare assistance by addressing the needs of children of recipients of temporary employment assistance.

(ii) DUTIES.—A Community Steering Committee shall—

(I) identify and create unsubsidized employment positions for recipients of temporary employment assistance;

(II) propose and implement solutions to barriers to unsubsidized employment of recipients of temporary employment assistance;

(III) assess the needs of children of recipients of temporary employment assistance; and

(IV) provide services that are designed to ensure that children of recipients of temporary employment assistance enter school ready to learn and that, once enrolled, such children stay in school.

(iii) PRIMARY RESPONSIBILITY.—A primary responsibility of a Community Steering Committee shall be to work on an ongoing basis with parents who are recipients of temporary employment assistance and who have obtained nonsubsidized employment in order to ensure that such recipients retain their employment. Activities to carry out this responsibility may include—

(I) counseling;

(II) emergency day care;

(III) sick day care;

(IV) transportation;

(V) provision of clothing;

(VI) housing assistance; or

(VII) any other assistance that may be necessary on an emergency and temporary basis to ensure that such parents can manage the responsibility of being employed and the demands of having a family.

(iv) FOLLOW-UP SERVICES FOR CHILDREN.—A Community Steering Committee may provide special follow-up services for children of recipients of temporary employment assistance that are designed to ensure that the children reach their fullest potential and do not, as they mature, receive welfare assistance as the head of their own household.

(2) FUNDING.—Notwithstanding the provisions of section 495(b)(1)(B)(i), a State county that has a Community Steering Committee shall receive reimbursement under such section for expenditures of the Committee in an amount equal to the Federal medical assistance percentage (as defined in section 1905(b)) for such State, plus 10 percentage points.

(c) REPORT.—Not later than October 1, 2001, the Secretary shall submit a report to the Congress on the results of the demonstration projects conducted under this section.

TITLE III—SUPPORTING WORK

SEC. 301. ELIGIBILITY FOR MEDICAID BENEFITS.

(a) TRANSITIONAL ELIGIBILITY FOR CERTAIN CHILDREN.—

(1) IN GENERAL.—Part A of title IV, as added by section 101(a) is amended by adding at the end the following new section:

"SEC. 417. TRANSITIONAL ELIGIBILITY FOR MEDICAID.

"Each needy child, and each relative with whom such a child is living (including the spouse of such relative), who becomes ineligible for temporary employment assistance as a result (wholly or partly) of the collection or increased collection of child or spousal support under part D of this title, and who has received such assistance in at least 3 of the 6 months immediately preceding the month in which such ineligibility begins, shall be deemed to be a recipient of temporary employment assistance for purposes of title XIX for an additional 4 calendar months beginning with the month in which such ineligibility begins.".

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendment made by this section shall apply to calendar quarters beginning on or after October 1, 1996, without regard to whether final regulations to carry out such amendments have been promulgated by such date.

(B) WHEN STATE LEGISLATION IS REQUIRED.—In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(b) CONTINUED APPLICATION OF CURRENT STANDARDS UNDER THE MEDICAID PROGRAM.—

(1) IN GENERAL.—Title XIX of the Social Security Act is amended—

(A) by redesignating section 1931 as section 1932; and

(B) by inserting after section 1930 the following new section:

"CONTINUED APPLICATION OF CERTAIN METHODOLOGY AND STANDARDS

"SEC. 1931. (a) APPLICATION TO THIS TITLE.—

"(1) IN GENERAL.—For purposes of applying this title on and after October 1, 1996, notwithstanding any other provision of this Act but subject to subsection (b), with respect to a State—

"(A) except as provided in subparagraphs (B) and (C), any reference in this title (or any other provision of law in relation to the operation of this title) to a provision of part A of title IV, or a State plan under such part, shall be considered a reference to such provision or plan as in effect as of May 1, 1996;

"(B) individuals shall be deemed to be receiving aid or assistance under a State plan approved under part A of title IV if they meet—

"(i) the income and resource standards, and the methodology for determining eligibility for assistance applicable under such plan, as of May 1, 1996; and

"(ii) the eligibility requirements of such State plan that correspond to the requirements of subsections (a), (b), and (c) of section 406, section 402(a)(42), and section 407 of part A of title IV, as such sections were in effect as of May 1, 1996; and

"(C) any reference in section 1902(a)(5) or 1925 to a State plan approved under part A of title IV shall be deemed to be a reference to a State program funded under such part, as in effect on and after October 1, 1996.

"(2) STATE OPTION FOR LOWER STANDARDS.—In applying clause (i) of paragraph (1)(B), a State may lower the income and resource standards applicable under the State plan under part A of title IV so long as such standards are not less than the standards in effect under the State plan under such part of such title on May 1, 1988. A State may elect to use less restrictive income and resource standards or methodologies under such State plan.

"(3) STATE OPTION REGARDING SEPARATE MEDICAID APPLICATION FOR TEA RECIPIENTS.—In the case of an individual who is determined to be eligible for temporary employment assistance under a State plan under part A of title IV, as in effect on and after October 1, 1996, a State may, at its option, use such individual's application for temporary employment assistance to determine such individual's eligibility for medical assistance under the State plan under this title.

"(b) APPLICATION TO WAIVERS.—In the case of a waiver of a provision of part A of title IV in effect with respect to a State as of May 1, 1996, if the waiver affects eligibility of individuals for medical assistance under this title, such waiver may (but need not) continue to be applied, at the option of the State, in relation to this title after the date the waiver would otherwise expire. If a State elects not to continue to apply such a waiver, then, after the date of the expiration of the waiver, subsection (a) shall be applied as if any provisions so waived had not been waived.".

(2) PLAN AMENDMENT.—Section 1902(a) of such Act (42 U.S.C. 1396a(a)) is amended—

(A) by striking "and" at the end of paragraph (61),

(B) by striking the period at the end of paragraph (62) and inserting "; and", and

(C) by inserting after paragraph (62) the following new paragraph:

"(63) provide for administration and determinations of eligibility with respect to individuals who are (or seek to be) eligible for medical assistance based on the application of section 1931.".

(c) REPEAL OF SUNSET ON TRANSITIONAL WORK PROVISIONS.—Subsection (f) of section 1925 of such Act (42 U.S.C. 1396r-6(f)) is repealed.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance furnished for calendar quarters beginning on or after October 1, 1996.

SEC. 302. CONSOLIDATED CHILD CARE DEVELOPMENT BLOCK GRANT.

(a) PURPOSE.—It is the purpose of this section to—

(1) eliminate program fragmentation and create a seamless system of high quality child care that allows for continuity of care for children as parents move from welfare to work;

(2) provide for parental choice among high quality child care programs; and

(3) increase the availability of high quality affordable child care in order to promote self sufficiency and support working families.

(b) AMENDMENTS TO CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.—

(1) APPROPRIATIONS.—Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended to read as follows:

"SEC. 658B. APPROPRIATION.

"(a) AUTHORIZATION OF APPROPRIATIONS OF BLOCK GRANT FUNDS.—For the purpose of providing child care services for eligible children through the awarding of grants to States under this subchapter (other than the grants awarded under subsection (b)) by the Secretary, there are authorized to be appropriated, $1,000,000,000 for each of the fiscal years 1996 through 2002.

"(b) APPROPRIATIONS OF FEDERAL MATCHING FUNDS.—For the purpose of providing child care services for eligible children through the awarding of matching grants to States under section 658J(d) by the Secretary, there are authorized to be appropriated and are hereby appropriated, $2,000,000,000 for fiscal year 1997, $2,250,000,000 for fiscal year 1998, $2,500,000,000 for fiscal year 1999, $2,800,000,000 for fiscal year 2000, $3,150,000,000 for fiscal year 2001, and $3,300,000,000 for fiscal year 2002.".

(2) USE OF FUNDS.—Section 658E(c)(3)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(3)(B)) is amended—

(A) in clause (i), by striking "with very low family incomes (taking into consideration family size)" and inserting "described in clause (ii) (in the order so described)";

(B) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and realigning the margins accordingly;

(C) by striking "Subject" and inserting the following:

"(i) IN GENERAL.—Subject"; and

(D) by adding at the end the following new clause:

"(ii) FAMILIES DESCRIBED.—The families described in this clause are the following:

"(I) Families containing an individual receiving temporary employment assistance under a State plan approved under part A of title IV of the Social Security Act and participating in job search, work, or Work First.

"(II) Families containing an individual who—

"(aa) no longer qualifies for child care assistance under section 405(b) of the Social Security Act because such individual has ceased to receive assistance under the temporary employment assistance program under part A of title IV of the Social Security Act as a result of increased hours of, or increased income from, employment; and

"(bb) the State determines requires such child care assistance in order to continue such employment (but only for the 1-year period beginning on the date that the individual no longer qualifies for child care assistance under section 405(b) of such Act, and, at the option of the State, for the additional 1-year period beginning after the conclusion of the first 1-year period).

"(III) Families containing an individual who—

"(aa) is not described in subclause (I) or (II); and

"(bb) has an annual income for a fiscal year below the poverty line.

For purposes of item (bb), a State may opt to provide child care services to families at or above the poverty line and below 75 percent of the State median income but only with respect to 10 percent of the State's grant under this subchapter or a greater percentage of the State's grant if such increased amount is necessary to provide child care to families who were receiving such care on the day before the date of the enactment of the Work First Act of 1995.

(3) SET-ASIDES FOR QUALITY AND EXPANSION.—Section 658E(c)(3) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(3))—

(A) in subparagraph (C), by striking "25 percent" and inserting "10 percent"; and

(B) by adding at the end the following new subparagraph:

"(D) EXPANSION OF CHILD CARE.—The State shall reserve not less than 10 percent of the amount provided to the State and available for providing services under this subchapter, to provide for the expansion of child care facilities available to support working families residing in the State.".

(4) SLIDING FEE SCALE.—Section 658E(c)(5) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(5)) is amended by inserting "described in subclauses (II) and (III) of paragraph (3)(B)(ii)" after "families".

(5) MATCHING REQUIREMENT FOR NEW FUNDS.—

(A) IN GENERAL.—Section 658J of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858h) is amended by adding at the end the following new subsections:

"(d) MATCHING REQUIREMENT FOR CERTAIN NEW FUNDS.—

"(1) AMOUNT OF FEDERAL PAYMENT.—Subject to paragraph (2), the Secretary shall make quarterly payments to each State that has an application approved under section 658E(d) in an amount equal to the Federal medical assistance percentage (as defined in section 1905(b)) of the total amount expended during the quarter under the State plan in excess of the State's quarterly allotment under section 658O.

"(2) LIMITATION.—

"(A) IN GENERAL.—Payments under this subsection to a State for any fiscal year may not exceed the limitation determined under subparagraph (B) with respect to the State.

"(B) LIMITATION DETERMINED.—The limitation determined under this subparagraph with respect to a State for any fiscal year is the amount that bears the same ratio to the amount specified in subparagraph (C) as the amount allotted to the State under 658O bears to the amount allotted to all States (after reserving the amount for Indian tribes required under section 658O(a)(2)).

"(C) AMOUNT SPECIFIED.—The amount specified in this subparagraph is the amount appropriated for such fiscal year under section 658B(b) reduced by the amount reserved for Indian tribes under subsection (e).

"(D) LIMITATION RAISED.—If the limitation determined under subparagraph (A) with respect to a State for a fiscal year exceeds the amount paid to the State under this subsection for the fiscal year, the limitation determined under this paragraph with respect to the State for the immediately succeeding fiscal year shall be increased by the amount of such excess.

"(3) FORM OF PAYMENT.—With respect to the amount for which payment is made to a State under paragraph (1), the State's expenditures for the costs of operating such programs may be in cash or in kind, fairly evaluated.

"(4) METHOD OF COMPUTATION AND PAYMENT.—The method of computing and paying amounts under paragraph (1) shall be as follows:

"(A) AMOUNT BASED ON ESTIMATE.—The Secretary shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under paragraph (1), such estimate to be based on—

"(i) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such paragraph and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived; and

"(ii) such other information as the Secretary may find necessary.

"(B) REDUCTION OR INCREASE.—The Secretary shall reduce or increase the amount to be paid, as the case may be, by any sum by which the Secretary finds that the estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter, except that such increases or reductions shall not be made to the extent that such sums have been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary for such prior quarter.

"(e) AMOUNTS RESERVED FOR INDIAN TRIBES.—The Secretary shall reserve not more than 3 percent of the amount appropriated under section 658B(b) in each fiscal year for payments to Indian tribes and tribal organizations with applications approved under section 658O(c). The amounts reserved under the prior sentence shall be available to make grants to or enter into contracts with Indian tribes or tribal organizations consistent with section 658O(c) without a requirement of matching funds by the Indian tribes or tribal organizations.

"(f) SAME TREATMENT AS ALLOTMENTS.—Amounts paid to a State or Indian tribe under subsections (d) and (e) shall be subject to the same requirements under this subchapter as amounts paid from the allotment under section 658O.".

(B) CONFORMING AMENDMENTS.—Section 658O of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858m) is amended—

(i) in subsection (a)—

(I) in paragraph (1), by striking "this subchapter" and inserting section 658B(a); and

(II) in paragraph (2), by striking "section 658B" and inserting "section 658B(a); and

(ii) in subsection (b)(1), by striking "section 658B" and inserting "section 658B(a)".

(6) IMPROVING QUALITY.—

(A) INCREASE IN REQUIRED FUNDING.—Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended by striking "not less than 20 percent" and inserting "50 percent".

(B) QUALITY IMPROVEMENT INCENTIVE INITIATIVE.—Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended—

(i) by striking "A State" and inserting "(a) IN GENERAL.—A State"; and

(ii) by adding at the end the following new subsection:

"(b) QUALITY IMPROVEMENT INCENTIVE INITIATIVE.—

"(1) IN GENERAL.—The Secretary shall establish a child care quality improvement incentive initiative to make funds available to States that demonstrate progress in the implementation of—

"(A) innovative teacher training programs such as the Department of Defense staff development and compensation program for child care personnel; or

"(B) enhanced child care quality standards and licensing and monitoring procedures.

"(2) FUNDING.—From the amounts made available for each fiscal year under subsection (a), the Secretary shall reserve not to exceed $50,000,000 in each such fiscal year to carry out this subsection.".

(7) PAYMENTS.—Section 658J(a) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858h) is amended by striking "Subject to the availability of appropriation, a" and inserting "A".

(8) DEFINITION OF ELIGIBLE CHILD.—Section 658P(4)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n(4)(B)) is amended to read as follows:

"(B) who is a member of a family described in section 658E(c)(3)(B)(ii); and".

(9) DEFINITION OF POVERTY LINE.—Section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n) is amended—

(A) by redesignating paragraphs (10) through (14) as paragraphs (11) through (15), respectively; and

(B) by inserting after paragraph (9), the following new paragraph:

"(10) POVERTY LINE.—The term 'poverty line' means the poverty line (as such term is defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section) that—

"(A) in the case of a family of less than 4 individuals, is applicable to a family of the size involved; and

"(B) in the case of a family of 4 or more individuals, is applicable to a family of 4 individuals.".

(c) PROGRAM REPEALS.—

(1) STATE DEPENDENT CARE GRANTS.—Subchapter E of chapter 8 of subtitle A of title VI of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9871 et seq.) is repealed.

(2) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE ACT.—The Child Development Associate Scholarship Assistance Act of 1985 (42 U.S.C. 10901 et seq.) is repealed.

TITLE IV—ENDING THE CYCLE OF INTERGENERATIONAL DEPENDENCY

SEC. 401. SUPERVISED LIVING ARRANGEMENTS FOR MINORS.

Section 402(c), as added by section 101(a), is amended by adding at the end the following new paragraph:

"(8) SUPERVISED LIVING ARRANGEMENTS FOR MINORS.—The State plan shall provide that—

"(A) except as provided in subparagraph (B), in the case of any individual who is under age 18 and has never married, and who has a needy child in his or her care (or is pregnant and is eligible for temporary employment assistance under the State plan)—

"(i) such individual may receive such assistance for the individual and such child (or for herself in the case of a pregnant woman) only if such individual and child (or such pregnant woman) reside in a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home; and

"(ii) such assistance (where possible) shall be provided to the parent, legal guardian, or other adult relative on behalf of such individual and child; and

"(B)(i) in the case of an individual described in clause (ii)—

"(I) the State agency shall assist such individual in locating an appropriate adult-supervised supportive living arrangement taking into consideration the needs and concerns of the individual, unless the State agency determines that the individual's current living arrangement is appropriate, and thereafter shall require that the individual (and child, if any) reside in such living arrangement as a condition of the continued receipt of assistance under the plan (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate), or

"(II) if the State agency is unable, after making diligent efforts, to locate any such appropriate living arrangement, the State agency shall provide for comprehensive case management, monitoring, and other social services consistent with the best interests of the individual (and child) while living independently (as determined by the State agency); and

"(ii) for purposes of clause (i), an individual is described in this clause if—

"(I) such individual has no parent or legal guardian of his or her own who is living and whose whereabouts are known;

"(II) no living parent or legal guardian of such individual allows the individual to live in the home of such parent or guardian;

"(III) the State agency determines that the physical or emotional health of such individual or any needy child of the individual would be jeopardized if such individual and such needy child lived in the same residence with such individual's own parent or legal guardian; or

"(IV) the State agency otherwise determines (in accordance with regulations issued by the Secretary) that it is in the best interest of the needy child to waive the requirement of subparagraph (A) with respect to such individual.".

SEC. 402. REINFORCING FAMILIES.

(a) IN GENERAL.—Title XX (42 U.S.C. 1397–1397e) is amended by adding at the end the following new section:

"SEC. 2008. ADULT-SUPERVISED GROUP HOMES.

"(a) ENTITLEMENT.—

"(1) IN GENERAL.—In addition to any payment under sections 2002 and 2007, beginning with fiscal year 1996, each State shall be entitled to funds under this section for each fiscal year for the establishment, operation, and support of adult-supervised group homes for custodial parents under age 18 (or age 19, at the option of the State) and their children.

"(2) PAYMENT TO STATES.—

"(A) IN GENERAL.—Each State shall be entitled to payment under this section for each fiscal year in an amount equal to its allotment (determined in accordance with subsection (b)) for such fiscal year, to be used by such State for the purposes set forth in paragraph (1).

"(B) TRANSFERS OF FUNDS.—The Secretary shall make payments in accordance with section 6503 of title 31, United States Code, to each State from its allotment for use under this title.

"(C) USE.—Payments to a State from its allotment for any fiscal year must be expended by the State in such fiscal year or in the succeeding fiscal year.

"(D) TECHNICAL ASSISTANCE.—A State may use a portion of the amounts described in subparagraph (A) for the purpose of purchasing technical assistance from public or private entities if the State determines that such assistance is required in developing, implementing, or administering the program funded under this section.

"(3) ADULT-SUPERVISED GROUP HOME.—For purposes of this section, the term 'adult-supervised group home' means an entity that provides custodial parents under age 18 (or age 19, at the option of the State) and their children with a supportive and supervised living arrangement in which such parents are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children. An adult-supervised group home may also serve as a network center for other supportive services that are available in the community.

"(b) ALLOTMENT.—

"(1) CERTAIN JURISDICTIONS.—The allotment for any fiscal year to each of the jurisdictions of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands shall be an amount which bears the same ratio to the amount specified under paragraph (3) as the allotment that the jurisdiction receives under section 2003(a) for the fiscal year bears to the total amount specified for such fiscal year under section 2003(c).

"(2) OTHER STATES.—The allotment for any fiscal year for each State other than the jurisdictions of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands shall be an amount which bears the same ratio to—

"(A) the amount specified under paragraph (3), reduced by

"(B) the total amount allotted to those jurisdictions for that fiscal year under paragraph (1),

as the allotment that the State receives under section 2003(b) for the fiscal year bears to the total amount specified for such fiscal year under section 2003(c).

"(3) AMOUNT SPECIFIED.—The amount specified for purposes of paragraphs (1) and (2) shall be $30,000,000 for fiscal year 1997 and each subsequent fiscal year.

"(c) LOCAL INVOLVEMENT.—Each State shall seek local involvement from the community in any area in which an adult-supervised group home receiving funds pursuant to this section is to be established. In determining criteria for targeting funds received under this section, each State shall evaluate the community's commitment to the establishment and planning of the home.

"(d) LIMITATIONS ON THE USE OF FUNDS.—

"(1) CONSTRUCTION.—Except as provided in paragraph (2), funds made available under this section may not be used by the State, or any other person with which the State makes arrangements to carry out the purposes of this section, for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than minor remodeling) of any building or other facility.

"(2) WAIVER.—The Secretary may waive the limitation contained in paragraph (1) upon the State's request for such a waiver if the Secretary finds that the request describes extraordinary circumstances to justify the waiver and that permitting the waiver will contribute to the State's ability to carry out the purposes of this section.

"(e) TREATMENT OF INDIAN TRIBES.—

"(1) IN GENERAL.—An Indian tribe may apply to the Secretary to establish, operate, and support adult-supervised group homes for custodial parents under age 18 (or age 19, at the option of the State) and their children in accordance with an application procedure to be determined by the Secretary. Except as otherwise provided in this subsection, the provisions of this section shall apply to Indian tribes receiving funds under this subsection in the same manner and to the same extent as the other provisions of this section apply to States.

"(2) ALLOTMENT.—If the Secretary approves an Indian tribe's application, the Secretary shall allot to such tribe for a fiscal year an amount which the Secretary determines is the Indian tribe's fair and equitable share of the amount specified under paragraph (3) for all Indian tribes with applications approved under this subsection (based on allotment factors to be determined by the Secretary). The Secretary shall determine a minimum allotment amount for all Indian tribes with applications approved under this subsection. Each Indian tribe with an application approved under this subsection shall be entitled to such minimum allotment.

"(3) AMOUNT SPECIFIED.—The amount specified under this paragraph for all Indian tribes with applications approved under this subsection is $3,000,000 for fiscal year 1997 and each subsequent fiscal year.

"(4) INDIAN TRIBE DEFINED.—For purposes of this section, the term 'Indian tribe' means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native entity which is recognized as eligible for the special programs and services provided by the United States to Indian tribes because of their status as Indians.".

(b) RECEIPT OF PAYMENTS BY ADULT-SUPERVISED GROUP HOMES.—Section 402(c)(8)(A)(ii), as added by section 401(a), is amended by striking "or other adult relative" and inserting "other adult relative, or adult-supervised group home receiving funds under section 2008".

(c) RECOMMENDATIONS ON USE OF GOVERNMENT SURPLUS PROPERTY.—Not later than 6 months after the date of the enactment of this Act, after consultation with the Secretary of Defense, the Secretary of Housing and Urban Development, and the Administrator of the General Services Administration, the Secretary of Health and Human Services shall submit recommendations to the Congress on the extent to which surplus properties of the United States Government may be used for the establishment of adult-supervised group homes receiving funds under section 2008 of the Social Security Act, as added by this section.

SEC. 403. REQUIRED COMPLETION OF HIGH SCHOOL OR OTHER TRAINING FOR TEENAGE PARENTS.

(a) IN GENERAL.—Section 403(b)(4), as added by section 101(a), is amended—

(1) by inserting "(A)" after "(4)"; and

(2) by inserting at the end the following new subparagraph:

"(B) In the case of a client who is a custodial parent who is under age 18 (or age 19, at the option of the State), has not successfully completed a high-school education (or its equivalent), and is required to participate in the Work First program (including an individual who would otherwise be exempt from participation in the program), provides that—

"(i) such parent participate in—

"(I) educational activities directed toward the attainment of a high school diploma or its equivalent on a full-time (as defined by the educational provider) basis; or

"(II) an alternative educational or training program on a full-time (as defined by the provider) basis; and

"(ii) child care be provided in accordance with section 405(b) with respect to the family.".

(b) STATE OPTION TO PROVIDE ADDITIONAL INCENTIVES AND PENALTIES TO ENCOURAGE TEEN PARENTS TO COMPLETE HIGH SCHOOL AND PARTICIPATE IN PARENTING ACTIVITIES.—

(1) STATE PLAN.—Section 403(b)(4), as amended by subsection (a), is amended by inserting after subparagraph (B) the following new subparagraph:

"(C) At the option of the State, provides that the client who is a custodial parent or pregnant woman who is under age 19 (or age 21, at the option of the State) participate in a program of monetary incentives and penalties which—

"(i) may, at the option of the State, require full-time participation by such custodial parent or pregnant woman in secondary school or equivalent educational activities, or participation in a course or program leading to a skills certificate found appropriate by the State agency or parenting education activities (or any combination of such activities and secondary education);

"(ii) shall require that the needs of such custodial parent or pregnant woman be reviewed and the program assure that, either in the initial development or revision of such individual's parent empowerment contract, there will be included a description of the services that will be provided to the client and the way in which the program and service providers will coordinate with the educational or skills training activities in which the client is participating;

"(iii) shall provide monetary incentives (to be treated as assistance under the State plan) for more than minimally acceptable performance of required educational activities;

"(iv) shall provide penalties (which may be those required by subsection (c) or, with the approval of the Secretary, other monetary penalties that the State finds will better achieve the objectives of the program) for less than minimally acceptable performance of required activities;

"(v) shall provide that when a monetary incentive is payable because of the more than minimally acceptable performance of required educational activities by a custodial parent, the incentive be paid directly to such parent, regardless of whether the State agency makes payment of assistance under the State plan directly to such parent; and

"(vi) for purposes of any other Federal or federally-assisted program based on need, shall not consider any monetary incentive paid under this subsection as income in determining a family's eligibility for or amount of benefits under such program, and if assistance is reduced by reason of a penalty under this subparagraph, such other program shall treat the family involved as if no such penalty has been applied.".

SEC. 404. DRUG TREATMENT AND COUNSELING AS PART OF THE WORK FIRST PROGRAM.

Section 403(b)(6), as added by section 101(a), is amended—

(1) by inserting "(A)" after "(6)"; and

(2) by inserting at the end the following new subparagraph:

"(B) In the case of a client who is a custodial parent and who is under age 18 (or age 19, at the option of the State) (including an individual who would otherwise be exempt from participation in the program), whose contract reflects the need for treatment for substance abuse, requires such individual to participate in substance abuse treatment if appropriate treatment is available.".

SEC. 405. TARGETING YOUTH AT RISK OF TEENAGE PREGNANCY.

(a) IN GENERAL.—Section 406(e), as added by section 101(a), is amended to read as follows:

"(e) OUT-OF-WEDLOCK AND TEEN PREGNANCY PROGRAMS.—

"(1) OUT-OF-WEDLOCK PREGNANCIES.—The State plan shall provide for the development of a program to reduce the incidence of out-of-wedlock pregnancies, which may include providing unmarried mothers and unmarried fathers with services which will help them—

"(A) avoid subsequent pregnancies, and

"(B) provide adequate care to their children.

"(2) TEEN PREGNANCIES.—

"(A) IN GENERAL.—The State plan shall provide that the State agency may, to the extent it determines resources are available, provide for the operation of projects to reduce teenage pregnancy. Such projects shall be operated by eligible entities that have submitted applications described in subparagraph (C) that have been approved in accordance with subparagraph (D).

"(B) ELIGIBLE ENTITIES.—For purposes of this paragraph, the term 'eligible entity' includes State agencies, local agencies, publicly supported organizations, private nonprofit organizations, and consortia of such entities.

"(C) APPLICATIONS.—An application described in this subparagraph shall—

"(i) describe the project;

"(ii) include an endorsement of the project by the chief elected official of the jurisdiction in which the project is to be located;

"(iii) demonstrate strong local commitment and local involvement in the planning and implementation of the project; and

"(iv) be submitted in such manner and containing such information as the Secretary may require.

"(D) APPROVAL.—

"(i) IN GENERAL.—Subject to clause (ii), the chief executive officer of a State may approve an application under this subparagraph based on selection criteria (to be determined by the chief executive officer).

"(ii) PREFERENCES.—Preference in approving a project shall be accorded to be projects that target—

"(I) both young men and women;

"(II) areas with high teenage pregnancy rates; or

"(III) areas with a high incidence of individuals receiving temporary employment assistance.

"(E) INDIAN TRIBES.—

"(i) IN GENERAL.—An Indian tribe may apply to the Secretary to provide for the operation of projects to reduce teenage pregnancy in accordance with an application procedure to be determined by the Secretary. Except as otherwise provided in this subparagraph, the provisions of this paragraph shall apply to Indian tribes receiving funds under this paragraph in the same manner and to the same extent as the other provisions of this paragraph apply to States.

"(ii) LIMITATION.—The Secretary shall limit the number of applications approved under this subparagraph to ensure that payments under section 413(d) to Indian tribes with approved applications would not result in payments of less than a minimum payment amount (to be determined by the Secretary).

"(iii) INDIAN TRIBE DEFINED.—For purposes of this subparagraph, the term 'Indian tribe' means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native entity which is recognized as eligible for the special programs and services provided by the United States to Indian tribes because of their status as Indians.

"(F) PROJECT LENGTH.—A project conducted under this paragraph shall be conducted for not less than 3 years.

"(G) STUDY.—

"(i) IN GENERAL.—The Secretary shall conduct a study in accordance with clause (ii) to determine the relative effectiveness of the different approaches for preventing teenage pregnancy utilized in the projects conducted under this paragraph.

"(ii) REQUIREMENTS.—The study required under clause (i) shall—

"(I) be based on data gathered from projects conducted in 5 States chosen by the Secretary from among the States in which projects under this paragraph are operated;

"(II) use specific outcome measures (determined by the Secretary) to test the effectiveness of the projects;

"(III) use experimental and control groups (to the extent possible) that are composed of a random sample of participants in the projects; and

"(IV) be conducted in accordance with an experimental design determined by the Secretary to result in a comparable design among all projects.

"(iii) INTERIM DATA.—Each eligible entity conducting a project under this paragraph shall provide to the Secretary in such form and with such frequency as the Secretary requires interim data from the projects conducted under this paragraph. The Secretary shall report to the Congress annually on the progress of such projects and shall, not later than January 1, 2003, submit to the Congress a final report on the study required under clause (i).

"(iv) AUTHORIZATION.—There are authorized to be appropriated $500,000 for each of fiscal years 1997 through 2002 for the purpose of conducting the study required under clause (i).".

(b) PAYMENT.—Section 413, as added by section 101(a), is amended by adding at the end the following new subsection:

"(d) FUNDING FOR TEEN PREGNANCY PROJECTS.—

"(1) IN GENERAL.—In addition to any payment under subsection (a), each State shall be entitled to payment from the Secretary for each of fiscal years 1996 through 2002 of an amount equal to the lesser of—

"(A) 75 percent of the expenditures by the State in providing for the operation of the projects under section 406(e)(2), and in administering the projects under such section; or

"(B) the limitation determined under paragraph (2) with respect to the State for the fiscal year.

"(2) LIMITATION.—

"(A) IN GENERAL.—The limitation determined under this paragraph with respect to a State for any fiscal year is the amount that bears the same ratio to $30,000,000 as the population with an income below the poverty line (as such term is defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section) in the State in the second preceding fiscal year bears to such population residing in the United States in the second preceding fiscal year.

"(B) ADJUSTMENT.—If the limitation determined under subparagraph (A) with respect to a State for a fiscal year exceeds the amount paid to the State under this subsection for the fiscal year, the limitation determined under this paragraph with respect to the State for the immediately succeeding fiscal year shall be increased by the amount of such excess.

"(3) INDIAN TRIBES.—

"(A) IN GENERAL.—Notwithstanding any other provision of this title, for purposes of this subsection, an Indian tribe with an application approved under section 406(e)(2)(E) shall be entitled to payment from the Secretary for each of fiscal years 1997 through 2002 of an amount equal to the lesser of—

"(i) 75 percent of the expenditures by the Indian tribe in providing for the operation of the projects under section 406(e)(2)(E), and in administering the projects under such section; or

"(ii) the limitation determined under subparagraph (B) with respect to the Indian tribe for the fiscal year.

"(B) LIMITATION.—

"(i) IN GENERAL.—The limitation determined under this subparagraph with respect to an Indian tribe for any fiscal year is the amount that bears the same ratio to $2,000,000 as the population with an income below the poverty line (as such term is defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section) in the Indian tribe in the second preceding fiscal year bears to such population of all Indian tribes with applications approved under section 406(e)(2)(E) in the second preceding fiscal year.

"(ii) ADJUSTMENT.—If the limitation determined under clause (i) with respect to an Indian tribe for a fiscal year exceeds the amount paid to the Indian tribe under this paragraph for the fiscal year, the limitation determined under this subparagraph with respect to the Indian tribe for the immediately succeeding fiscal year shall be increased by the amount of such excess.

"(4) USE OF APPROPRIATIONS.—Amounts appropriated for a fiscal year to carry out this part shall be made available for payments under this subsection for such fiscal year.".

SEC. 406. NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.

(a) ESTABLISHMENT.—The Secretary of Education, the Secretary of Health and Human Services, and the Chief Executive Officer of the Corporation for National and Community Service shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the "National Clearinghouse on Teenage Pregnancy Prevention Programs".

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

SEC. 407. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this title shall be effective with respect to calendar quarters beginning on or after October 1, 1996.

(b) SPECIAL RULE.—In the case of a State that the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order to meet the additional requirements imposed by the amendments made by this title, the State shall not be regarded as failing to comply with the requirements of such amendments before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of this subsection, in the case of a State that has a 2-year legislative session, each year of the session shall be treated as a separate regular session of the State legislature.

TITLE V—INTERSTATE CHILD SUPPORT RESPONSIBILITY

SECTION 500. SHORT TITLE.

This title may be cited as the "Child Support Improvement Act of 1996".

Subtitle A—Eligibility for Services; Distribution of Payments

SEC. 501. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES.

(a) STATE PLAN REQUIREMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking paragraph (4) and inserting the following new paragraph:

"(4) provide that the State will—

"(A) provide services relating to the establishment of paternity or the establishment, modification, or enforcement of child support obligations, as appropriate, under the plan with respect to—

"(i) each child for whom (I) assistance is provided under the State program funded under part A of this title, (II) benefits or services for foster care maintenance are provided under the State program funded under part E of this title, or (III) medical assistance is provided under the State plan approved under title XIX, unless, in accordance with paragraph (29), good cause and other exceptions exist;

"(ii) any other child, if an individual applies for such services with respect to the child; and

"(B) enforce any support obligation established with respect to—

"(i) a child with respect to whom the State provides services under the plan; or

"(ii) the custodial parent of such a child."; and

(2) in paragraph (6)—

(A) by striking "provide that" and inserting "provide that—";

(B) by striking subparagraph (A) and inserting the following new subparagraph:

"(A) services under the plan shall be made available to residents of other States on the same terms as to residents of the State submitting the plan;";

(C) in subparagraph (B), by inserting "on individuals not receiving assistance under any State program funded under part A" after "such services shall be imposed";

(D) in each of subparagraphs (B), (C), (D), and (E)—

(i) by indenting the subparagraph in the same manner as, and aligning the left margin of the subparagraph with the left margin of, the matter inserted by subparagraph (B) of this paragraph; and

(ii) by striking the final comma and inserting a semicolon; and

(E) in subparagraph (E), by indenting each of clauses (i) and (ii) 2 additional ems.

(b) CONTINUATION OF SERVICES FOR FAMILIES CEASING TO RECEIVE ASSISTANCE UNDER THE STATE PROGRAM FUNDED UNDER PART A.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking "and" at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting "; and"; and

(3) by adding after paragraph (24) the following new paragraph:

"(25) provide that if a family with respect to which services are provided under the plan ceases to receive assistance under the State program funded under part A, the State shall provide appropriate notice to the family and continue to provide such services, subject to the same conditions and on the same basis as in the case of other individuals to whom services are furnished under the plan, except that an application or other request to continue services shall not be required of such a family and paragraph (6)(B) shall not apply to the family.".

(c) CONFORMING AMENDMENTS.—

(1) Section 452(b) (42 U.S.C. 652(b)) is amended by striking "454(6)" and inserting "454(4)".

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking "454(6)" each place it appears and inserting "454(4)(A)(ii)".

(3) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "in the case of overdue support which a State has agreed to collect under section 454(6)" and inserting "in any other case".

(4) Section 466(e) (42 U.S.C. 666(e)) is amended by striking "paragraph (4) or (6) of section 454" and inserting "section 454(4)".

SEC. 502. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.

(a) IN GENERAL.—Section 457 (42 U.S.C. 657) is amended to read as follows:

"SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.

"(a) IN GENERAL.—Subject to subsection (e), an amount collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

"(1) FAMILIES RECEIVING ASSISTANCE.—In the case of a family receiving assistance from the State, the State shall—

"(A) pay to the Federal Government the Federal share of the amount so collected; and

"(B) retain, or distribute to the family, the State share of the amount so collected.

"(2) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.—In the case of a family that formerly received assistance from the State:

"(A) CURRENT SUPPORT PAYMENTS.—To the extent that the amount so collected does not exceed the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected to the family.

"(B) PAYMENTS OF ARREARAGES.—To the extent that the amount so collected exceeds the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected as follows:

"(i) DISTRIBUTION OF ARREARAGES THAT ACCRUED AFTER THE FAMILY CEASED TO RECEIVE ASSISTANCE.—

"(I) PRE-OCTOBER 1997.—Except as provided in subclause (II), the provisions of this section (other than subsection (b)(1)) as in effect and applied on the day before the date of the enactment of section 502 of the Child Support Improvement Act of 1996 shall apply with respect to the distribution of support arrearages that—

"(aa) accrued after the family ceased to receive assistance, and

"(bb) are collected before October 1, 1997.

"(II) POST-SEPTEMBER 1997.—With respect to the amount so collected on or after October 1, 1997 (or before such date, at the option of the State)—

"(aa) IN GENERAL.—The State shall first distribute the amount so collected (other than any amount described in clause (iv)) to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued after the family ceased to receive assistance from the State.

"(bb) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—After the application of division (aa) and clause (ii)(II)(aa) with respect to the amount so collected, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share (as defined in subsection (c)(2)) of the amount so collected, but only to the extent necessary to reimburse amounts paid to the family as assistance by the State.

"(cc) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither division (aa) nor division (bb) applies to the amount so collected, the State shall distribute the amount to the family.

"(ii) DISTRIBUTION OF ARREARAGES THAT ACCRUED BEFORE THE FAMILY RECEIVED ASSISTANCE.—

"(I) PRE-OCTOBER 2000.—Except as provided in subclause (II), the provisions of this section (other than subsection (b)(1)) as in effect and applied on the day before the date of the enactment of section 502 of the Child Support Improvement Act of 1996 shall apply with respect to the distribution of support arrearages that—

"(aa) accrued before the family received assistance, and

"(bb) are collected before October 1, 2000.

"(II) POST-SEPTEMBER 2000.—Unless, based on the report required by paragraph (4), the Congress determines otherwise, with respect to the amount so collected on or after October 1, 2000 (or before such date, at the option of the State)—

"(aa) IN GENERAL.—The State shall first distribute the amount so collected (other than any amount described in clause (iv)) to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued before the family received assistance from the State.

"(bb) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—After the application of clause (i)(II)(aa) and division (aa) with respect to the amount so collected, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share (as defined in subsection (c)(2)) of the amount so collected, but only to the extent necessary to reimburse amounts paid to the family as assistance by the State.

"(cc) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither division (aa) nor division (bb) applies to the amount so collected, the State shall distribute the amount to the family.

"(iii) DISTRIBUTION OF ARREARAGES THAT ACCRUED WHILE THE FAMILY RECEIVED ASSISTANCE.—In the case of a family described in this subparagraph, the provisions of paragraph (1) shall apply with respect to the distribution of support arrearages that accrued while the family received assistance.

"(iv) AMOUNTS COLLECTED PURSUANT TO SECTION 464.—Notwithstanding any other provision of this section, any amount of support collected pursuant to section 464 shall be retained by the State to the extent past-due support has been assigned to the State as a condition of receiving assistance from the State, up to the amount necessary to reimburse the State for amounts paid to the family as assistance by the State. The State shall pay to the Federal Government the Federal share of the amounts so retained. To the extent the amount collected pursuant to section 464 exceeds the amount so retained, the State shall distribute the excess to the family.

"(v) ORDERING RULES FOR DISTRIBUTIONS.—For purposes of this subparagraph, unless an earlier effective date is required by this section, effective October 1, 2000, the State shall treat any support arrearages collected as accruing in the following order:

"(I) To the period after the family ceased to receive assistance.

"(II) To the period before the family received assistance.

"(III) To the period while the family was receiving assistance.

"(3) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall distribute the amount so collected to the family.

"(4) STUDY AND REPORT.—Not later than October 1, 1998, the Secretary shall report to the Congress the Secretary's findings with respect to—

"(A) whether the distribution of post-assistance arrearages to families has been effective in moving people off of welfare and keeping them off of welfare;

"(B) whether early implementation of a pre-assistance arrearage program by some States has been effective in moving people off of welfare and keeping them off of welfare;

"(C) what the overall impact has been of the amendments made by the Child Support Improvement Act of 1996 with respect to child support enforcement in moving people off of welfare and keeping them off of welfare; and

"(D) based on the information and data the Secretary has obtained, what changes, if any, should be made in the policies related to the distribution of child support arrearages.

"(b) CONTINUATION OF ASSIGNMENTS.—Any rights to support obligations, which were assigned to a State as a condition of receiving assistance from the State under part A and which were in effect on the day before the date of the enactment of the Child Support Improvement Act of 1996, shall remain assigned after such date.

"(c) DEFINITIONS.—As used in subsection (a):

"(1) ASSISTANCE.—The term 'assistance from the State' means—

"(A) assistance under the State program funded under part A or under the State plan approved under part A of this title (as in effect on the day before the date of the enactment of the Child Support Improvement Act of 1996); or

"(B) benefits under the State plan approved under part E of this title (as in effect on the day before the date of the enactment of the Child Support Improvement Act of 1996).

"(2) FEDERAL SHARE.—The term 'Federal share' means that portion of the amount collected resulting from the application of the Federal medical assistance percentage in effect for the fiscal year in which the amount is collected.

"(3) FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—The term 'Federal medical assistance percentage' means—

"(A) the Federal medical assistance percentage (as defined in section 1118), in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa; or

"(B) the Federal medical assistance percentage (as defined in section 1905(b)) in the case of any other State.

"(4) STATE SHARE.—The term 'State share' means 100 percent minus the Federal share.

"(d) HOLD HARMLESS PROVISION.—If the amounts collected which could be retained by the State in the fiscal year (to the extent necessary to reimburse the State for amounts paid to families as assistance by the State) are less than the State share of the amounts collected in fiscal year 1995 (determined in accordance with section 457 as in effect on the day before the date of the enactment of the Child Support Improvement Act of 1996), the State share for the fiscal year shall be an amount equal to the State share in fiscal year 1995.

"(e) GAP PAYMENTS NOT SUBJECT TO DISTRIBUTION UNDER THIS SECTION.—This section shall not apply to any amount collected on behalf of a family as support by a State pursuant to a plan approved under this part if such amount would have been distributed to the family by the State under section 402(a)(28), as in effect and applied on the day before the date of the enactment of section 522 of the Child Support Improvement Act of 1996.".

(b) CONFORMING AMENDMENTS.—

(1) Section 464(a)(1) (42 U.S.C. 664(a)(1)) is amended by striking "section 457(b)(4) or (d)(3)" and inserting "section 457".

(2) Section 454 (42 U.S.C. 654) is amended—

(A) in paragraph (11)—

(i) by striking "(11)" and inserting "(11)(A)"; and

(ii) by inserting after the semicolon "and"; and

(B) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall be effective on July 1, 1996, or earlier at the State's option.

(2) CONFORMING AMENDMENTS.—The amendments made by subsection (b)(2) shall become effective on the date of the enactment of this title.

SEC. 503. PRIVACY SAFEGUARDS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by section 501(b) of this title, is amended—

(1) by striking "and" at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting "; and"; and

(3) by adding after paragraph (25) the following new paragraph:

"(26) will have in effect safeguards, applicable to all confidential information handled by the State agency, that are designed to protect the privacy rights of the parties, including—

"(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

"(B) prohibitions against the release of information on the whereabouts of 1 party to another party against whom a protective order with respect to the former party has been entered; and

"(C) prohibitions against the release of information on the whereabouts of 1 party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

SEC. 504. RIGHTS TO NOTIFICATION OF HEARINGS.

(a) IN GENERAL.—Section 454 (42 U.S.C. 654), as amended by section 502(b)(2) of this title, is amended by inserting after paragraph (11) the following new paragraph:

"(12) provide for the establishment of procedures to require the State to provide individuals who are applying for or receiving services under the State plan, or who are parties to cases in which services are being provided under the State plan—

"(A) with notice of all proceedings in which support obligations might be established or modified; and

"(B) with a copy of any order establishing or modifying a child support obligation, or (in the case of a petition for modification) a notice of determination that there should be no change in the amount of the child support award, within 14 days after issuance of such order or determination;".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

Subtitle B—Locate and Case Tracking

SEC. 511. STATE CASE REGISTRY.

Section 454A, as added by section 544(a)(2) of this title, is amended by adding at the end the following new subsections:

"(e) STATE CASE REGISTRY.—

"(1) CONTENTS.—The automated system required by this section shall include a registry (which shall be known as the 'State case registry') that contains records with respect to—

"(A) each case in which services are being provided by the State agency under the State plan approved under this part; and

"(B) each support order established or modified in the State on or after October 1, 1998.

"(2) LINKING OF LOCAL REGISTRIES.—The State case registry may be established by linking local case registries of support orders through an automated information network, subject to this section.

"(3) USE OF STANDARDIZED DATA ELEMENTS.—Such records shall use standardized data elements for both parents (such as names, social security numbers and other uniform identification numbers, dates of birth, and case identification numbers), and contain such other information (such as on case status) as the Secretary may require.

"(4) PAYMENT RECORDS.—Each case record in the State case registry with respect to which services are being provided under the State plan approved under this part and with respect to which a support order has been established shall include a record of—

"(A) the amount of monthly (or other periodic) support owed under the order, and other amounts (including arrearages, interest or late payment penalties, and fees) due or overdue under the order;

"(B) any amount described in subparagraph (A) that has been collected;

"(C) the distribution of such collected amounts;

"(D) the birth date of any child for whom the order requires the provision of support; and

"(E) the amount of any lien imposed with respect to the order pursuant to section 466(a)(4).

"(5) UPDATING AND MONITORING.—The State agency operating the automated system required by this section shall promptly establish and update, maintain, and regularly monitor, case records in the State case registry with respect to which services are being provided under the State plan approved under this part, on the basis of—

"(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

"(B) information obtained from comparison with Federal, State, or local sources of information;

"(C) information on support collections and distributions; and

"(D) any other relevant information.

"(f) INFORMATION COMPARISONS AND OTHER DISCLOSURES OF INFORMATION.—The State shall use the automated system required by this section to extract information from (at such times, and in such standardized format or formats, as may be required by the Secretary), to share and compare information with, and to receive information from, other data bases and information comparison services, in order to obtain (or provide) information necessary to enable the State agency (or the Secretary or other State or Federal agencies) to carry out this part, subject to section 6103 of the Internal Revenue Code of 1986. Such information comparison activities shall include the following:

"(1) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—Furnishing to the Federal Case Registry of Child Support Orders established under section 453(h) (and update as necessary, with information including notice of expiration of orders) the minimum amount of information on child support cases recorded in the State case registry that is necessary to operate the registry (as specified by the Secretary in regulations).

"(2) FEDERAL PARENT LOCATOR SERVICE.—Exchanging information with the Federal Parent Locator Service for the purposes specified in section 453.

"(3) TEMPORARY FAMILY ASSISTANCE AND MEDICAID AGENCIES.—Exchanging information with State agencies (of the State and of other States) administering programs funded under part A, programs operated under State plans approved under title XIX, and other programs designated by the Secretary, as necessary to perform State agency responsibilities under this part and under such programs.

"(4) INTRASTATE AND INTERSTATE INFORMATION COMPARISONS.—Exchanging information with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part.".

SEC. 512. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) State Plan Requirement.—Section 454 (42 U.S.C. 654), as amended by sections 501(b) and 503(a) of this title, is amended—

(1) by striking "and" at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting "; and"; and

(3) by adding after paragraph (26) the following new paragraph:

"(27) provide that, on and after October 1, 1998, the State agency will—

"(A) operate a State disbursement unit in accordance with section 454B; and

"(B) have sufficient State staff (consisting of State employees) and (at State option) contractors reporting directly to the State agency to—

"(i) monitor and enforce support collections through the unit in cases being enforced by the State pursuant to section 454(4) (including carrying out the automated data processing responsibilities described in section 454A(g)); and

"(ii) take the actions described in section 466(c)(1) in appropriate cases.".

(b) Establishment of State Disbursement Unit.—Part D of title IV (42 U.S.C. 651-669), as amended by section 544(a)(2) of this title, is amended by inserting after section 454A the following new section:

"SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

"(a) State Disbursement Unit.—

"(1) In general.—In order for a State to meet the requirements of this section, the State agency must establish and operate a unit (which shall be known as the 'State disbursement unit') for the collection and disbursement of payments under support orders—

"(A) in all cases being enforced by the State pursuant to section 454(4); and

"(B) in all cases not being enforced by the State under this part in which the support order is initially issued in the State on or after January 1, 1994, and in which the wages of the noncustodial parent are subject to withholding pursuant to section 466(a)(8)(B).

"(2) Operation.—The State disbursement unit shall be operated—

"(A) directly by the State agency (or 2 or more State agencies under a regional cooperative agreement), or (to the extent appropriate) by a contractor responsible directly to the State agency; and

"(B) except in cases described in paragraph (1)(B), in coordination with the automated system established by the State pursuant to section 454A.

"(3) Linking of local disbursement units.—The State disbursement unit may be established by linking local disbursement units through an automated information network, subject to this section, if the Secretary agrees that the system will not cost more nor take more time to establish or operate than a centralized system. In addition, employers shall be given 1 location to which income withholding is sent.

"(b) Required Procedures.—The State disbursement unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

"(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the agencies of other States;

"(2) for accurate identification of payments;

"(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

"(4) to furnish to any parent, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

"(c) Timing of Disbursements.—

"(1) In general.—Except as provided in paragraph (2), the State disbursement unit shall distribute all amounts payable under section 457(a) within 2 business days after receipt from the employer or other source of periodic income, if sufficient information identifying the payee is provided.

"(2) Permissive retention of arrearages.—The State disbursement unit may delay the distribution of collections toward arrearages until the resolution of any timely appeal with respect to such arrearages.

"(d) Business Day Defined.—As used in this section, the term 'business day' means a day on which State offices are open for regular business.".

(c) Use of Automated System.—Section 454A, as added by section 544(a)(2) and as amended by section 511 of this title, is amended by adding at the end the following new subsection:

"(g) Collection and Distribution of Support Payments.—

"(1) In general.—The State shall use the automated system required by this section, to the maximum extent feasible, to assist and facilitate the collection and disbursement of support payments through the State disbursement unit operated under section 454B, through the performance of functions, including, at a minimum—

"(A) transmission of orders and notices to employers (and other debtors) for the withholding of wages and other income—

"(i) within 2 business days after receipt of notice of, and the income source subject to, such withholding from a court, another State, an employer, the Federal Parent Locator Service, or another source recognized by the State; and

"(ii) using uniform formats prescribed by the Secretary;

"(B) ongoing monitoring to promptly identify failures to make timely payment of support; and

"(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 466(c)) if payments are not timely made.

"(2) Business day defined.—As used in paragraph (1), the term 'business day' means a day on which State offices are open for regular business.".

(d) Effective Dates.—

(1) In general.—Except as provided in paragraph (2), the amendments made by this section shall become effective on October 1, 1998.

(2) Limited exception to unit handling payments.—Notwithstanding section 454B(b)(1) of the Social Security Act, as added by this section, any State which, as of the date of the enactment of this title, processes the receipt of child support payments through local courts, and, as of March 21, 1996, such courts were not funded under part D of title IV of the Social Security Act, may, at the option of the State, continue to process through September 30, 1999, such payments through such courts as processed such payments on or before such date of enactment.

SEC. 513. STATE DIRECTORY OF NEW HIRES.

(a) State Plan Requirement.—Section 454 (42 U.S.C. 654), as amended by sections 501(b), 503(a) and 512(a) of this title, is amended—

(1) by striking "and" at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting "; and"; and

(3) by adding after paragraph (27) the following new paragraph:

"(28) provide that, on and after October 1, 1997, the State will operate a State Directory of New Hires in accordance with section 453A.".

(b) State Directory of New Hires.—Part D of title IV (42 U.S.C. 651-669) is amended by inserting after section 453 the following new section:

"SEC. 453A. STATE DIRECTORY OF NEW HIRES.

"(a) Establishment.—

"(1) In general.—

"(A) Requirement for states that have no directory.—Except as provided in subparagraph (B), not later than October 1, 1997, each State shall establish an automated directory (to be known as the 'State Directory of New Hires') which shall contain information supplied in accordance with subsection (b) by employers on each newly hired employee.

"(B) States with new hire reporting in existence.—A State which has a new hire reporting law in existence on the date of the enactment of this section may continue to operate under the State law, but the State must meet the requirements of subsection (g)(2) not later than October 1, 1997, and the requirements of this section (other than subsection (g)(2)) not later than October 1, 1998.

"(2) Definitions.—As used in this section:

"(A) Employee.—The term 'employee'—

"(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and

"(ii) does not include an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting pursuant to paragraph (1) with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

"(B) Employer.—

"(i) In general.—The term 'employer' has the meaning given such term in section 3401(d) of the Internal Revenue Code of 1986 and includes any governmental entity and any labor organization.

"(ii) Labor organization.—The term 'labor organization' shall have the meaning given such term in section 2(5) of the National Labor Relations Act, and includes any entity (also known as a 'hiring hall') which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.

"(b) Employer Information.—

"(1) Reporting requirement.—

"(A) In general.—Except as provided in subparagraphs (B) and (C), each employer shall furnish to the Directory of New Hires of the State in which a newly hired employee works, a report that contains the name, address, and social security number of the employee, and the name and address of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(B) Multistate employers.—An employer that has employees who are employed in 2 or more States and that transmits reports magnetically or electronically may comply with subparagraph (A) by designating 1 State in which such employer has employees to which the employer will transmit the report described in subparagraph (A), and transmitting such report to such State. Any employer that transmits reports pursuant to this subparagraph shall notify the Secretary in writing as to which State such employer designates for the purpose of sending reports.

"(C) FEDERAL GOVERNMENT EMPLOYERS.—Any department, agency, or instrumentality of the United States shall comply with subparagraph (A) by transmitting the report described in subparagraph (A) to the National Directory of New Hires established pursuant to section 453.

"(2) TIMING OF REPORT.—Each State may provide the time within which the report required by paragraph (1) shall be made with respect to an employee, but such report shall be made—

"(A) not later than 20 days after the date the employer hires the employee; or

"(B) in the case of an employer transmitting reports magnetically or electronically, by 2 monthly transmissions (if necessary) not less than 12 days nor more than 16 days apart.

"(c) REPORTING FORMAT AND METHOD.—Each report required by subsection (b) shall be made on a W–4 form or, at the option of the employer, an equivalent form, and may be transmitted by 1st class mail, magnetically, or electronically.

"(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—The State shall have the option to set a State civil money penalty which shall be less than—

"(1) $25; or

"(2) $500 if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.

"(e) ENTRY OF EMPLOYER INFORMATION.—Information shall be entered into the data base maintained by the State Directory of New Hires within 5 business days of receipt from an employer pursuant to subsection (b).

"(f) INFORMATION COMPARISONS.—

"(1) IN GENERAL.—Not later than May 1, 1998, an agency designated by the State shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

"(2) NOTICE OF MATCH.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name and address of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(g) TRANSMISSION OF INFORMATION.—

"(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the wages of the employee an amount equal to the monthly (or other periodic) child support obligation (including any past due support obligation) of the employee, unless the employee's wages are not subject to withholding pursuant to section 466(b)(3).

"(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—

"(A) NEW HIRE INFORMATION.—Within 3 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

"(B) WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of Health and Human Services shall specify in regulations.

"(3) BUSINESS DAY DEFINED.—As used in this subsection, the term 'business day' means a day on which State offices are open for regular business.

"(h) OTHER USES OF NEW HIRE INFORMATION.—

"(1) LOCATION OF CHILD SUPPORT OBLIGORS.—The agency administering the State plan approved under this part shall use information received pursuant to subsection (f)(2) to locate individuals for purposes of establishing paternity and establishing, modifying, and enforcing child support obligations.

"(2) VERIFICATION OF ELIGIBILITY FOR CERTAIN PROGRAMS.—A State agency responsible for administering a program specified in section 1137(b) shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for the program.

"(3) ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS' COMPENSATION.—State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) for the purposes of administering such programs.".

(c) QUARTERLY WAGE REPORTING.—Section 1137(a)(3) (42 U.S.C. 1320b–7(a)(3)) is amended—

(1) by inserting "(including State and local governmental entities and labor organizations (as defined in section 453A(a)(2)(B)(iii))" after "employers"; and

(2) by inserting ", and except that no report shall be filed with respect to an employee of a State or local agency performing intelligence or counterintelligence functions, if the head of such agency has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission" after "paragraph (2)".

SEC. 514. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—

(1) IN GENERAL.—Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

"(1)(A) Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

"(B) Procedures under which the wages of a person with a support obligation imposed by a support order issued (or modified) in the State before October 1, 1996, if not otherwise subject to withholding under subsection (b), shall become subject to withholding as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.".

(2) CONFORMING AMENDMENTS.—

(A) Section 466(b) (42 U.S.C. 666(b)) is amended in the matter preceding paragraph (1), by striking "subsection (a)(1)" and inserting "subsection (a)(1)(A)".

(B) Section 466(b)(4) (42 U.S.C. 666(b)(4)) is amended to read as follows:

"(4)(A) Such withholding must be carried out in full compliance with all procedural due process requirements of the State, and the State must send notice to each noncustodial parent to whom paragraph (1) applies—

"(i) that the withholding has commenced; and

"(ii) of the procedures to follow if the noncustodial parent desires to contest such withholding on the grounds that the withholding or the amount withheld is improper due to a mistake of fact.

"(B) The notice under subparagraph (A) of this paragraph shall include the information provided to the employer under paragraph (6)(A).".

(C) Section 466(b)(5) (42 U.S.C. 666(b)(5)) is amended by striking all that follows "administered by" and inserting "the State through the State disbursement unit established pursuant to section 454B, in accordance with the requirements of section 454B.".

(D) Section 466(b)(6)(A) (42 U.S.C. 666(b)(6)(A)) is amended—

(i) in clause (i), by striking "to the appropriate agency" and all that follows and inserting "to the State disbursement unit within 5 business days after the date the amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part. The employer shall comply with the procedural rules relating to income withholding of the State in which the employee works, regardless of the State where the notice originates.".

(ii) in clause (ii), by inserting "be in a standard format prescribed by the Secretary, and" after "shall"; and

(iii) by adding at the end the following new clause:

"(iii) As used in this subparagraph, the term 'business day' means a day on which State offices are open for regular business.".

(E) Section 466(b)(6)(D) (42 U.S.C. 666(b)(6)(D)) is amended by striking "any employer" and all that follows and inserting "any employer who—

"(i) discharges from employment, refuses to employ, or takes disciplinary action against any noncustodial parent subject to wage withholding required by this subsection because of the existence of such withholding and the obligations or additional obligations which it imposes upon the employer; or

"(ii) fails to withhold support from wages or to pay such amounts to the State disbursement unit in accordance with this subsection.".

(F) Section 466(b) (42 U.S.C. 666(b)) is amended by adding at the end the following new paragraph:

"(11) Procedures under which the agency administering the State plan approved under this part may execute a withholding order without advance notice to the obligor, including issuing the withholding order through electronic means.".

(b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

SEC. 515. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)) is amended by adding at the end the following new paragraph:

"(12) LOCATOR INFORMATION FROM INTERSTATE NETWORKS.—Procedures to ensure that all Federal and State agencies conducting activities under this part have access to any system used by the State to locate an individual for purposes relating to motor vehicles or law enforcement.".

SEC. 516. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows "subsection (c))" and inserting ", for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations, or enforcing child custody or visitation orders—

"(1) information on, or facilitating the discovery of, the location of any individual—

"(A) who is under an obligation to pay child support or provide child custody or visitation rights;

"(B) against whom such an obligation is sought;

"(C) to whom such an obligation is owed, including the individual's social security number (or numbers), most recent address, and the name, address, and employer identification number of the individual's employer;

"(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage); and

"(3) information on the type, status, location, and amount of any assets of, or debts owed by or to, any such individual."; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "social security" and all that follows through "absent parent" and inserting "information described in subsection (a)"; and

(B) in the flush paragraph at the end, by adding the following: "No information shall be disclosed to any person if the State has notified the Secretary that the State has reasonable evidence of domestic violence or child abuse and the disclosure of such information could be harmful to the custodial parent or the child of such parent. Information received or transmitted pursuant to this section shall be subject to the safeguard provisions contained in section 454(26).".

(b) AUTHORIZED PERSON FOR INFORMATION REGARDING VISITATION RIGHTS.—Section 453(c) (42 U.S.C. 653(c)) is amended—

(1) in paragraph (1), by striking "support" and inserting "support or to seek to enforce orders providing child custody or visitation rights"; and

(2) in paragraph (2), by striking ", or any agent of such court; and" and inserting "or to issue an order against a resident parent for child custody or visitation rights, or any agent of such court;".

(c) REIMBURSEMENT FOR INFORMATION FROM FEDERAL AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the 4th sentence by inserting "in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information)" before the period.

(d) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following new subsection:

"(g) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—The Secretary may reimburse Federal and State agencies for the costs incurred by such entities in furnishing information requested by the Secretary under this section in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information).".

(e) CONFORMING AMENDMENTS.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), 663(e), and 663(f)) are each amended by inserting "Federal" before "Parent" each place such term appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding "FEDERAL" before "PARENT".

(f) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as amended by subsection (d) of this section, is amended by adding at the end the following new subsections:

"(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—

"(1) IN GENERAL.—Not later than October 1, 1998, in order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry (which shall be known as the 'Federal Case Registry of Child Support Orders'), which shall contain abstracts of support orders and other information described in paragraph (2) with respect to each case in each State case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

"(2) CASE INFORMATION.—The information referred to in paragraph (1) with respect to a case shall be such information as the Secretary may specify in regulations (including the names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have the case.

"(i) NATIONAL DIRECTORY OF NEW HIRES.—

"(1) IN GENERAL.—In order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall, not later than October 1, 1997, establish and maintain in the Federal Parent Locator Service an automated directory to be known as the National Directory of New Hires, which shall contain the information supplied pursuant to section 453A(g)(2).

"(2) ENTRY OF DATA.—Information shall be entered into the data base maintained by the National Directory of New Hires within 2 business days of receipt pursuant to section 453A(g)(2).

"(3) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have access to the information in the National Directory of New Hires for purposes of administering section 32 of the Internal Revenue Code of 1986, or the advance payment of the earned income tax credit under section 3507 of such Code, and verifying a claim with respect to employment in a tax return.

"(4) LIST OF MULTISTATE EMPLOYERS.—The Secretary shall maintain within the National Directory of New Hires a list of multistate employers that report information regarding newly hired employees pursuant to section 453A(b)(1)(B), and the State which each such employer has designated to receive such information.

"(j) INFORMATION COMPARISONS AND OTHER DISCLOSURES.—

"(1) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION.—

"(A) IN GENERAL.—The Secretary shall transmit information on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

"(B) VERIFICATION BY SSA.—The Social Security Administration shall verify the accuracy of, correct, or supply to the extent possible, and report to the Secretary, the following information supplied by the Secretary pursuant to subparagraph (A):

"(i) The name, social security number, and birth date of each such individual.

"(ii) The employer identification number of each such employer.

"(2) INFORMATION COMPARISONS.—For the purpose of locating individuals in a paternity establishment case or a case involving the establishment, modification, or enforcement of a support order, the Secretary shall—

"(A) compare information in the National Directory of New Hires against information in the support case abstracts in the Federal Case Registry of Child Support Orders not less often than every 2 business days; and

"(B) within 2 business days after such a comparison reveals a match with respect to an individual, report the information to the State agency responsible for the case.

"(3) INFORMATION COMPARISONS AND DISCLOSURES OF INFORMATION IN ALL REGISTRIES FOR TITLE IV PROGRAM PURPOSES.—To the extent and with the frequency that the Secretary determines to be effective in assisting States to carry out their responsibilities under programs operated under this part and programs funded under part A, the Secretary shall—

"(A) compare the information in each component of the Federal Parent Locator Service maintained under this section against the information in each other such component (other than the comparison required by paragraph (2)), and report instances in which such a comparison reveals a match with respect to an individual to State agencies operating such programs; and

"(B) disclose information in such registries to such State agencies.

"(4) PROVISION OF NEW HIRE INFORMATION TO THE SOCIAL SECURITY ADMINISTRATION.—The National Directory of New Hires shall provide the Commissioner of Social Security with all information in the National Directory.

"(5) RESEARCH.—The Secretary may provide access to information reported by employers pursuant to section 453A(b) for research purposes found by the Secretary to be likely to contribute to achieving the purposes of part A or this part, but without personal identifiers.

"(k) FEES.—

"(1) FOR SSA VERIFICATION.—The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, for the costs incurred by the Commissioner in performing the verification services described in subsection (j).

"(2) FOR INFORMATION FROM STATE DIRECTORIES OF NEW HIRES.—The Secretary shall reimburse costs incurred by State directories of new hires in furnishing information as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such information).

"(3) FOR INFORMATION FURNISHED TO STATE AND FEDERAL AGENCIES.—A State or Federal agency that receives information from the Secretary pursuant to this section shall reimburse the Secretary for costs incurred by the Secretary in furnishing the information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and comparing the information).

"(l) RESTRICTION ON DISCLOSURE AND USE.—Information in the Federal Parent Locator Service, and information resulting from comparisons using such information, shall not be used or disclosed except as expressly provided in this section, subject to section 6103 of the Internal Revenue Code of 1986.

"(m) INFORMATION INTEGRITY AND SECURITY.—The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

"(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

"(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.

"(n) FEDERAL GOVERNMENT REPORTING.—Each department, agency, and instrumentality of the United States shall on a quarterly basis report to the Federal Parent Locator Service the name and social security number of each employee and the wages paid to the employee during the previous quarter, except that such a report shall not be filed with respect to an employee of a department, agency, or instrumentality performing intelligence or counterintelligence functions, if the head of such department, agency, or instrumentality has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.".

(g) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—

(A) Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

"(B) the Federal Parent Locator Service established under section 453;".

(B) Section 454(13) (42 U.S.C.654(13)) is amended by inserting "and provide that information requests by parents who are residents of other States be treated with the same priority as requests by parents who are residents of the State submitting the plan" before the semicolon.

(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(a)(16) of the Internal Revenue Code of 1986 is amended—

(A) by striking "Secretary of Health, Education, and Welfare" each place such term appears and inserting "Secretary of Health and Human Services";

(B) in subparagraph (B), by striking "such information" and all that follows and inserting "information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;";

(C) by striking "and" at the end of subparagraph (A);

(D) by redesignating subparagraph (B) as subparagraph (C); and

(E) by inserting after subparagraph (A) the following new subparagraph:

"(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453(i) of the Social Security Act, and".

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Subsection (h) of section 303 (42 U.S.C. 503) is amended to read as follows:

"(h)(1) The State agency charged with the administration of the State law shall, on a reimbursable basis—

"(A) disclose quarterly, to the Secretary of Health and Human Services, wage and claim information, as required pursuant to section 453(i)(1), contained in the records of such agency;

"(B) ensure that information provided pursuant to subparagraph (A) meets such standards relating to correctness and verification as the Secretary of Health and Human Services, with the concurrence of the Secretary of Labor, may find necessary; and

"(C) establish such safeguards as the Secretary of Labor determines are necessary to insure that information disclosed under subparagraph (A) is used only for purposes of section 453(i)(1) in carrying out the child support enforcement program under title IV.

"(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until the Secretary of Labor is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, the Secretary shall make no future certification to the Secretary of the Treasury with respect to the State.

"(3) For purposes of this subsection—

"(A) the term 'wage information' means information regarding wages paid to an individual, the social security account number of such individual, and the name, address, State, and the Federal employer identification number of the employer paying such wages to such individual; and

"(B) the term 'claim information' means information regarding whether an individual is receiving, has received, or has made application for, unemployment compensation, the amount of any such compensation being received (or to be received by such individual), and the individual's current (or most recent) home address.".

(4) DISCLOSURE OF CERTAIN INFORMATION TO AGENTS OF CHILD SUPPORT ENFORCEMENT AGENCIES.—

(A) IN GENERAL.—Paragraph (6) of section 6103(l) of the Internal Revenue Code of 1986 (relating to disclosure of return information to Federal, State, and local child support enforcement agencies) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

"(B) DISCLOSURE TO CERTAIN AGENTS.—The following information disclosed to any child support enforcement agency under subparagraph (A) with respect to any individual with respect to whom child support obligations are sought to be established or enforced may be disclosed by such agency to any agent of such agency which is under contract with such agency to carry out the purposes described in subparagraph (C):

"(i) The address and social security account number (or numbers) of such individual.

"(ii) The amount of any reduction under section 6402(c) (relating to offset of past-due support against overpayments) in any overpayment otherwise payable to such individual."

(B) CONFORMING AMENDMENTS.—

(i) Paragraph (3) of section 6103(a) of such Code is amended by striking "(l)(12)" and inserting "paragraph (6) or (12) of subsection (l)".

(ii) Subparagraph (C) of section 6103(l)(6) of such Code, as redesignated by subsection (a), is amended to read as follows:

"(C) RESTRICTION ON DISCLOSURE.—Information may be disclosed under this paragraph only for purposes of, and to the extent necessary in, establishing and collecting child support obligations from, and locating, individuals owing such obligations."

(iii) The material following subparagraph (F) of section 6103(p)(4) of such Code is amended by striking "subsection (l)(12)(B)" and inserting "paragraph (6)(A) or (12)(B) of subsection (l)".

(h) REQUIREMENT FOR COOPERATION.—The Secretary of Labor and the Secretary of Health and Human Services shall work jointly to develop cost-effective and efficient methods of accessing the information in the various State directories of new hires and the National Directory of New Hires as established pursuant to the amendments made by this title. In developing these methods the Secretaries shall take into account the impact, including costs, on the States, and shall also consider the need to insure the proper and authorized use of wage record information.

SEC. 517. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 515 of this title, is amended by adding at the end the following new paragraph:

"(13) RECORDING OF SOCIAL SECURITY NUMBERS IN CERTAIN FAMILY MATTERS.—Procedures requiring that the social security number of—

"(A) any applicant for a professional license, commercial driver's license, occupational license, or marriage license be recorded on the application;

"(B) any individual who is subject to a divorce decree, support order, or paternity determination or acknowledgment be placed in the records relating to the matter; and

"(C) any individual who has died be placed in the records relating to the death and be recorded on the death certificate.

For purposes of subparagraph (A), if a State allows the use of a number other than the social security number, the State shall so advise any applicants.".

(b) CONFORMING AMENDMENTS.—Section 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by section 321(a)(9) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(1) in clause (i), by striking "may require" and inserting "shall require";

(2) in clause (ii), by inserting after the 1st sentence the following: "In the administration of any law involving the issuance of a marriage certificate or license, each State shall require each party named in the certificate or license to furnish to the State (or political subdivision thereof), or any State agency having administrative responsibility for the law involved, the social security number of the party.";

(3) in clause (ii), by inserting "or marriage certificate" after "Such numbers shall not be recorded on the birth certificate";

(4) in clause (vi), by striking "may" and inserting "shall"; and

(5) by adding at the end the following new clauses:

"(x) An agency of a State (or a political subdivision thereof) charged with the administration of any law concerning the issuance or renewal of a license, certificate, permit, or other authorization to engage in a profession, an occupation, or a commercial activity shall require all applicants for issuance or renewal of the license, certificate, permit, or other authorization to provide the applicant's social security number to the agency for the purpose of administering such laws, and for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.

"(xi) All divorce decrees, support orders, and paternity determinations issued, and all paternity acknowledgments made, in each State shall include the social security number of each party to the decree, order, determination, or acknowledgment in the records relating to the matter, for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.".

Subtitle C—Streamlining and Uniformity of Procedures

SEC. 521. ADOPTION OF UNIFORM STATE LAWS.

Section 466 (42 U.S.C. 666) is amended by adding at the end the following new subsection:

"(f) UNIFORM INTERSTATE FAMILY SUPPORT ACT.—

"(1) ENACTMENT AND USE.—In order to satisfy section 454(20)(A), on and after January 1, 1998, each State must have in effect the Uniform Interstate Family Support Act, as approved by the American Bar Association on February 9, 1993, together with any amendments officially adopted before January 1, 1998, by the National Conference of Commissioners on Uniform State Laws.

"(2) EMPLOYERS TO FOLLOW PROCEDURAL RULES OF STATE WHERE EMPLOYEE WORKS.—The State law enacted pursuant to paragraph (1) shall provide that an employer that receives an income withholding order or notice pursuant to section 501 of the Uniform Interstate Family Support Act follow the procedural rules that apply with respect to such order or notice under the laws of the State in which the obligor works.

SEC. 522. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking "subsection (e)" and inserting "subsections (e), (f), and (i)";

(2) in subsection (b), by inserting after the 2nd undesignated paragraph the following:

" 'child's home State' means the State in which a child lived with a parent or a person acting as parent for at least 6 consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than 6 months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the 6-month period.";

(3) in subsection (c), by inserting "by a court of a State" before "is made";

(4) in subsection (c)(1), by inserting "and subsections (e), (f), and (g)" after "located";

(5) in subsection (d)—

(A) by inserting "individual" before "contestant"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(6) in subsection (e), by striking "make a modification of a child support order with respect to a child that is made" and inserting "modify a child support order issued";

(7) in subsection (e)(1), by inserting "pursuant to subsection (i)" before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting "individual" before "contestant" each place such term appears; and

(B) by striking "to that court's making the modification and assuming" and inserting "with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume";

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following new subsection:

"(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If 1 or more child support orders have been issued with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

"(1) If only 1 court has issued a child support order, the order of that court must be recognized.

"(2) If 2 or more courts have issued child support orders for the same obligor and child, and only 1 of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

"(3) If 2 or more courts have issued child support orders for the same obligor and child, and more than 1 of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

"(4) If 2 or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

"(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.";

(11) in subsection (g) (as so redesignated)—

(A) by striking "PRIOR" and inserting "MODIFIED"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting "including the duration of current payments and other obligations of support" before the comma; and

(B) in paragraph (3), by inserting "arrears under" after "enforce"; and

(13) by adding at the end the following new subsection:

"(i) REGISTRATION FOR MODIFICATION.—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification.".

SEC. 523. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 515 and 517(a) of this title, is amended by adding at the end the following new paragraph:

"(14) ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.—Procedures under which—

"(A)(i) the State shall respond within 5 business days to a request made by another State to enforce a support order; and

"(ii) the term 'business day' means a day on which State offices are open for regular business;

"(B) the State may, by electronic or other means, transmit to another State a request for assistance in a case involving the enforcement of a support order, which request—

"(i) shall include such information as will enable the State to which the request is transmitted to compare the information about the case to the information in the data bases of the State; and

"(ii) shall constitute a certification by the requesting State—

"(I) of the amount of support under the order the payment of which is in arrears; and

"(II) that the requesting State has complied with all procedural due process requirements applicable to the case;

"(C) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the case to be transferred to the caseload of such other State; and

"(D) the State shall maintain records of—

"(i) the number of such requests for assistance received by the State;

"(ii) the number of cases for which the State collected support in response to such a request; and

"(iii) the amount of such collected support.".

SEC. 524. USE OF FORMS IN INTERSTATE ENFORCEMENT.

(a) PROMULGATION.—Section 452(a) (42 U.S.C. 652(a)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(11) not later than October 1, 1996, after consulting with the State directors of programs under this part, promulgate forms to be used by States in interstate cases for—

"(A) collection of child support through income withholding;

"(B) imposition of liens; and

"(C) administrative subpoenas.".

(b) USE BY STATES.—Section 454(9) (42 U.S.C. 654(9)) is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by inserting "and" at the end of subparagraph (D); and

(3) by adding at the end the following new subparagraph:

"(E) not later than March 1, 1997, in using the forms promulgated pursuant to section 452(a)(11) for income withholding, imposition of liens, and issuance of administrative subpoenas in interstate child support cases;".

SEC. 525. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as amended by section 514 of this title, is amended—

(1) in subsection (a)(2), by striking the first sentence and inserting the following: "Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations."; and

(2) by inserting after subsection (b) the following new subsection:

"(c) EXPEDITED PROCEDURES.—The procedures specified in this subsection are the following:

"(1) ADMINISTRATIVE ACTION BY STATE AGENCY.—Procedures which give the State agency the authority to take the following actions relating to establishment of paternity or to establishment, modification, or enforcement of support orders, without the necessity of obtaining an order from any other judicial or administrative tribunal, and to recognize and enforce the authority of State agencies of other States) to take the following actions:

"(A) GENETIC TESTING.—To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

"(B) FINANCIAL OR OTHER INFORMATION.—To subpoena any financial or other information needed to establish, modify, or enforce a support order, and to impose penalties for failure to respond to such a subpoena.

"(C) RESPONSE TO STATE AGENCY REQUEST.—To require all entities in the State (including for-profit, nonprofit, and governmental employers) to provide promptly, in response to a request by the State agency of that or any other State administering a program under this part, information on the employment, compensation, and benefits of any individual employed by such entity as an employee or contractor, and to sanction failure to respond to any such request.

"(D) ACCESS TO CERTAIN RECORDS.—To obtain access, subject to safeguards on privacy and information security, to the following records (including automated access, in the case of records maintained in automated data bases):

"(i) Records of other State and local government agencies, including—

"(I) vital statistics (including records of marriage, birth, and divorce);

"(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

"(III) records concerning real and titled personal property;

"(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

"(V) employment security records;

"(VI) records of agencies administering public assistance programs;

"(VII) records of the motor vehicle department; and

"(VIII) corrections records.

"(ii) Certain records held by private entities with respect to individuals who owe or are owed support (or against or with respect to whom a support obligation is sought), consisting of—

"(I) the names and addresses of such individuals and the names and addresses of the employers of such individuals, as appearing in customer records of public utilities and cable television companies; and

"(II) information (including information on assets and liabilities) on such individuals held by financial institutions,

subject to the nonliability of such entities arising from affording such access under this subparagraph.

"(E) CHANGE IN PAYEE.—In cases in which support is subject to an assignment in order to comply with a requirement imposed pursuant to part A or section 1912, or to a requirement to pay through the State disbursement unit established pursuant to section 454B, upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

"(F) INCOME WITHHOLDING.—To order income withholding in accordance with subsections (a)(1) and (b) of section 466.

"(G) SECURING ASSETS.—In cases in which there is a support arrearage, to secure assets to satisfy the arrearage by—

"(i) intercepting or seizing periodic or lump-sum payments from—

"(I) a State or local agency, including unemployment compensation, workers' compensation, and other benefits; and

"(II) judgments, settlements, and lotteries;

"(ii) attaching and seizing assets of the obligor held in financial institutions;

"(iii) attaching public and private retirement funds; and

"(iv) imposing liens in accordance with subsection (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

"(H) INCREASE MONTHLY PAYMENTS.—For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages, subject to such conditions or limitations as the State may provide.

Such procedures shall be subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal.

"(2) SUBSTANTIVE AND PROCEDURAL RULES.—The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

"(A) LOCATOR INFORMATION; PRESUMPTIONS CONCERNING NOTICE.—Procedures under which—

"(i) each party to any paternity or child support proceeding is required (subject to privacy safeguards) to file with the tribunal and the State case registry upon entry of an order, and to update as appropriate, information on location and identity of the party, including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and telephone number of employer; and

"(ii) in any subsequent child support enforcement action between the parties, upon sufficient showing that diligent effort has been made to ascertain the location of such a party, the tribunal may deem State due process requirements for notice and service of process to be met with respect to the party, upon delivery of written notice to the most recent residential or employer address filed with the tribunal pursuant to clause (i).

"(B) STATEWIDE JURISDICTION.—Procedures under which—

"(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties; and

"(ii) in a State in which orders are issued by courts or administrative tribunals, a case may be transferred between local jurisdictions in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.

"(3) COORDINATION WITH ERISA.—Notwithstanding subsection (d) of section 514 of the Employee Retirement Income Security Act of 1974 (relating to effect on other laws), nothing in this subsection shall be construed to alter, amend, modify, invalidate, impair, or supersede subsections (a), (b), and (c) of such section 514 as it applies with respect to any procedure referred to in paragraph (1) and any expedited procedure referred to in paragraph (2), except to the extent that such procedure would be consistent with the requirements of section 206(d)(3) of such Act (relating to qualified domestic relations orders) or the requirements of section 609(a) of such Act (relating to qualified medical child support orders) if the reference in such section 206(d)(3) to a domestic relations order and the reference in such section 609(a) to a medical child support order were a reference to a support order referred to in paragraphs (1) and (2) relating to the same matters, respectively.".

(b) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 544(a)(2) and as amended by sections 511 and 512(c) of this title, is amended by adding at the end the following new subsection:

"(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required by this section shall be used, to the maximum extent feasible, to implement the expedited administrative procedures required by section 466(c).".

Subtitle D—Paternity Establishment

SEC. 531. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended to read as follows:

"(5) PROCEDURES CONCERNING PATERNITY ESTABLISHMENT.—

"(A) ESTABLISHMENT PROCESS AVAILABLE FROM BIRTH UNTIL AGE 18.—

"(i) Procedures which permit the establishment of the paternity of a child at any time before the child attains 18 years of age.

"(ii) As of August 16, 1984, clause (i) shall also apply to a child for whom paternity has not been established or for whom a paternity action was brought but dismissed because a statute of limitations of less than 18 years was then in effect in the State.

"(B) PROCEDURES CONCERNING GENETIC TESTING.—

"(i) GENETIC TESTING REQUIRED IN CERTAIN CONTESTED CASES.—Procedures under which the State is required, in a contested paternity case (unless otherwise barred by State law) to require the child and all other parties (other than individuals found under section 454(29) to have good cause and other exceptions for refusing to cooperate) to submit to genetic tests upon the request of any such party, if the request is supported by a sworn statement by the party—

"(I) alleging paternity, and setting forth facts establishing a reasonable possibility of the requisite sexual contact between the parties; or

"(II) denying paternity, and setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact between the parties.

"(ii) OTHER REQUIREMENTS.—Procedures which require the State agency, in any case in which the agency orders genetic testing—

"(I) to pay costs of such tests, subject to recoupment (if the State so elects) from the alleged father if paternity is established; and

"(II) to obtain additional testing in any case if an original test result is contested, upon request and advance payment by the contestant.

"(C) VOLUNTARY PATERNITY ACKNOWLEDGMENT.—

"(i) SIMPLE CIVIL PROCESS.—Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the mother and the putative father must be given notice, orally and in writing, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

"(ii) HOSPITAL-BASED PROGRAM.—Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child, unless good cause and other exceptions exist which—

"(I) shall be defined, taking into account the best interests of the child, and

"(II) shall be applied in each case,

by, at the option of the State, the State agency administering the State program under part A, this part, or title XIX.

"(iii) PATERNITY ESTABLISHMENT SERVICES.—

"(I) STATE-OFFERED SERVICES.—Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

"(II) REGULATIONS.—

"(aa) SERVICES OFFERED BY HOSPITALS AND BIRTH RECORD AGENCIES.—The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies.

"(bb) SERVICES OFFERED BY OTHER ENTITIES.—The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, use the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as the provision of such services is evaluated by, voluntary paternity establishment programs of hospitals and birth record agencies.

"(iv) USE OF PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such procedures must require the State to develop and use an affidavit for the voluntary acknowledgment of paternity which includes the minimum requirements of the affidavit specified by the Secretary under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State according to its procedures.

"(D) STATUS OF SIGNED PATERNITY ACKNOWLEDGMENT.—

"(i) INCLUSION IN BIRTH RECORDS.—Procedures under which the name of the father shall be included on the record of birth of the child of unmarried parents only if—

"(I) the father and mother have signed a voluntary acknowledgment of paternity; or

"(II) a court or an administrative agency of competent jurisdiction has issued an adjudication of paternity.

Nothing in this clause shall preclude a State agency from obtaining an admission of paternity from the father for submission in a judicial or administrative proceeding, or prohibit the issuance of an order in a judicial or administrative proceeding which bases a legal finding of paternity on an admission of paternity by the father and any other additional showing required by State law.

"(ii) LEGAL FINDING OF PATERNITY.—Procedures under which a signed voluntary acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within the earlier of—

"(I) 60 days; or

"(II) the date of an administrative or judicial proceeding relating to the child (including a proceeding to establish a support order) in which the signatory is a party.

"(iii) CONTEST.—Procedures under which, after the 60-day period referred to in clause (ii), a signed voluntary acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown.

"(E) BAR ON ACKNOWLEDGMENT RATIFICATION PROCEEDINGS.—Procedures under which judicial or administrative proceedings are not required or permitted to ratify an unchallenged acknowledgment of paternity.

"(F) ADMISSIBILITY OF GENETIC TESTING RESULTS.—Procedures—

"(i) requiring the admission into evidence, for purposes of establishing paternity, of the results of any genetic test that is—

"(I) of a type generally acknowledged as reliable by accreditation bodies designated by the Secretary; and

"(II) performed by a laboratory approved by such an accreditation body;

"(ii) requiring an objection to genetic testing results to be made in writing not later than a specified number of days before any hearing at which the results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of the results); and

"(iii) making the test results admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy, unless objection is made.

"(G) PRESUMPTION OF PATERNITY IN CERTAIN CASES.—Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability that the alleged father is the father of the child.

"(H) DEFAULT ORDERS.—Procedures requiring a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

"(I) NO RIGHT TO JURY TRIAL.—Procedures providing that the parties to an action to establish paternity are not entitled to a trial by jury.

"(J) TEMPORARY SUPPORT ORDER BASED ON PROBABLE PATERNITY IN CONTESTED CASES.—Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, if there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

"(K) PROOF OF CERTAIN SUPPORT AND PATERNITY ESTABLISHMENT COSTS.—Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services or for testing on behalf of the child.

"(L) STANDING OF PUTATIVE FATHERS.—Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.

"(M) FILING OF ACKNOWLEDGMENTS AND ADJUDICATIONS IN STATE REGISTRY OF BIRTH RECORDS.—Procedures under which voluntary acknowledgments and adjudications of paternity by judicial or administrative processes are filed with the State registry of birth records for comparison with information in the State case registry.".

(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting ", and specify the minimum requirements of an affidavit to be used for the voluntary acknowledgment of paternity which shall include the social security number of each parent and, after consultation with the States, other common elements as determined by such designee" before the semicolon.

(c) CONFORMING AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking "a simple civil process for voluntarily acknowledging paternity and".

SEC. 532. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

Section 454(23) (42 U.S.C. 654(23)) is amended by inserting "and will publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support by means the State deems appropriate" before the semicolon.

SEC. 533. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF PART A ASSISTANCE.

Section 454 (42 U.S.C. 654), as amended by sections 501(b), 503(a), 512(a), and 513(a) of this title, is amended—

(1) by striking "and" at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting "; and"; and

(3) by inserting after paragraph (28) the following new paragraph:

"(29) provide that the State agency responsible for administering the State plan—

"(A) shall make the determination (and redetermination at appropriate intervals) as to whether an individual who has applied for or is receiving assistance under the State program funded under part A or the State program under title XIX is cooperating in good faith with the State in establishing the paternity of, or in establishing, modifying, or enforcing a support order for, any child of the individual by providing the State agency with the name of, and such other information as the State agency may require with respect to, the noncustodial parent of the child, subject to good cause and other exceptions which—

"(i) shall be defined, taking into account the best interests of the child, and

"(ii) shall be applied in each case,

by, at the option of the State, the State agency administering the State program under part A, this part, or title XIX;

"(B) shall require the individual to supply additional necessary information and appear at interviews, hearings, and legal proceedings;

"(C) shall require the individual and the child to submit to genetic tests pursuant to judicial or administrative order;

"(D) may request that the individual sign a voluntary acknowledgment of paternity, after notice of the rights and consequences of such an acknowledgment, but may not require the individual to sign an acknowledgment or otherwise relinquish the right to genetic tests as a condition of cooperation and eligibility for assistance under the State program funded under part A or the State program under title XIX; and

"(E) shall promptly notify the individual and the State agency administering the State program funded under part A and the State agency administering the State program under title XIX of each such determination, and if noncooperation is determined, the basis therefore.".

Subtitle E—Program Administration and Funding

SEC. 541. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) DEVELOPMENT OF NEW SYSTEM.—The Secretary of Health and Human Services, in consultation with State directors of programs under part D of title IV of the Social Security Act, shall develop a new incentive system to replace, in a revenue neutral manner, the system under section 458 of such Act. The new system shall provide additional payments to any State based on such State's performance under such a program. Not later than November 1, 1996, the Secretary shall report on the new system to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(b) CONFORMING AMENDMENTS TO PRESENT SYSTEM.—Section 458 (42 U.S.C. 658) is amended—

(1) in subsection (a), by striking "aid to families with dependent children under a State plan approved under part A of this title" and inserting "assistance under a program funded under part A";

(2) in subsection (b)(1)(A), by striking "section 402(a)(26)" and inserting "section 408(a)(4)";

(3) in subsections (b) and (c)—

(A) by striking "AFDC collections" each place it appears and inserting "title IV-A collections", and

(B) by striking "non-AFDC collections" each place it appears and inserting "non-title IV-A collections"; and

(4) in subsection (c), by striking "combined AFDC/non-AFDC administrative costs" both places it appears and inserting "combined title IV-A/non-title IV-A administrative costs".

(c) CALCULATION OF PATERNITY ESTABLISHMENT PERCENTAGE.—

(1) Section 452(g)(1)(A) (42 U.S.C. 652(g)(1)(A)) is amended by striking "75" and inserting "90".

(2) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended—

(A) by redesignating subparagraphs (B) through (E) as subparagraphs (C) through (F), respectively, and by inserting after subparagraph (A) the following new subparagraph:

"(B) for a State with a paternity establishment percentage of not less than 75 percent but less than 90 percent for such fiscal year, the paternity establishment percentage of the State for the immediately preceding fiscal year plus 2 percentage points;"; and

(B) by adding at the end the following new flush sentence:

"In determining compliance under this section, a State may use as its paternity establishment percentage either the State's IV-D paternity establishment percentage (as defined in paragraph (2)(A)) or the State's statewide paternity establishment percentage (as defined in paragraph (2)(B)).".

(3) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i)—

(I) by striking "paternity establishment percentage" and inserting "IV-D paternity establishment percentage"; and

(II) by striking "(or all States, as the case may be)";

(ii) by striking "and" at the end thereof;

(B) by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

"(B) the term 'statewide paternity establishment percentage' means, with respect to a State for a fiscal year, the ratio (expressed as a percentage) that the total number of minor children—

"(i) who have been born out of wedlock, and

"(ii) the paternity of whom has been established or acknowledged during the fiscal year,

bears to the total number of children born out of wedlock during the preceding fiscal year; and"; and

(iii) in the matter following subparagraph (C) (as so redesignated), by striking "to have good cause for refusing to cooperate" and inserting "to qualify for a good cause or other exception to cooperation".

(4) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively; and

(B) in subparagraph (A) (as so redesignated), by striking "the percentage of children born out-of-wedlock in a State" and inserting "the percentage of children in a State who are born out of wedlock or for whom support has not been established".

(d) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—

(A) IN GENERAL.—The system developed under subsection (a) and the amendments made by subsection (b) shall become effective on October 1, 1997, except to the extent provided in subparagraph (B).

(B) APPLICATION OF SECTION 458.—Section 458 of the Social Security Act, as in effect on the day before the date of the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years before fiscal year 1999.

(2) PENALTY REDUCTIONS.—The amendments made by subsection (c) shall become effective with respect to calendar quarters beginning on or after the date of the enactment of this title.

SEC. 542. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) STATE AGENCY ACTIVITIES.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (14), by striking "(14)" and inserting "(14)(A)";

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the following new paragraph:

"(15) provide for—

"(A) a process for annual reviews of and reports to the Secretary on the State program operated under the State plan approved under this part, including such information as may be necessary to measure State compliance with Federal requirements for expedited procedures, using such standards and procedures as are required by the Secretary, under which the State agency will determine the extent to which the program is operated in compliance with this part; and

"(B) a process of extracting from the automated data processing system required by paragraph (16) and transmitting to the Secretary data and calculations concerning the levels of accomplishment (and rates of improvement) with respect to applicable performance indicators (including paternity establishment percentages) to the extent necessary for purposes of sections 452(g) and 458.".

(b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended to read as follows:

"(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of subsection (g) of this section and section 458;

"(B) review annual reports submitted pursuant to section 454(15)(A) and, as appropriate, provide to the State comments, recommendations for additional or alternative corrective actions, and technical assistance; and

"(C) conduct audits, in accordance with the Government auditing standards of the Comptroller General of the United States—

"(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet the requirements of this part concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data and the accuracy of the reporting systems used in calculating performance indicators under subsection (g) of this section and section 458;

"(ii) of the adequacy of financial management of the State program operated under the State plan approved under this part, including assessments of—

"(I) whether Federal and other funds made available to carry out the State program are being appropriately expended, and are properly and fully accounted for; and

"(II) whether collections and disbursements of support payments are carried out correctly and are fully accounted for; and

"(iii) for such other purposes as the Secretary may find necessary;".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning 12 months or more after the date of the enactment of this title.

SEC. 543. REQUIRED REPORTING PROCEDURES.

(a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting ", and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes) to be applied in following such procedures" before the semicolon.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 501(b), 503(a), 512(a), 513(a), and 533 of this title, is amended—

(1) by striking "and" at the end of paragraph (28);

(2) by striking the period at the end of paragraph (29) and inserting "; and"; and

(3) by adding after paragraph (29) the following new paragraph:

"(30) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.".

SEC. 544. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

(1) IN GENERAL.—Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking ", at the option of the State,";

(B) by inserting "and operation by the State agency" after "for the establishment";

(C) by inserting "meeting the requirements of section 454A" after "information retrieval system";

(D) by striking "in the State and localities thereof, so as (A)" and inserting "so as";

(E) by striking "(i)"; and

(F) by striking "(including" and all that follows and inserting a semicolon.

(2) AUTOMATED DATA PROCESSING.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 454 the following new section:

"SEC. 454A. AUTOMATED DATA PROCESSING.

"(a) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency administering the State program under this part shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section with the frequency and in the manner required by or under this part.

"(b) PROGRAM MANAGEMENT.—The automated system required by this section shall perform such functions as the Secretary may specify relating to management of the State program under this part, including—

"(1) controlling and accounting for use of Federal, State, and local funds in carrying out the program; and

"(2) maintaining the data necessary to meet Federal reporting requirements under this part on a timely basis.

"(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive payments and penalty adjustments required by sections 452(g) and 458, the State agency shall—

"(1) use the automated system—

"(A) to maintain the requisite data on State performance with respect to paternity establishment and child support enforcement in the State; and

"(B) to calculate the paternity establishment percentage for the State for each fiscal year; and

"(2) have in place systems controls to ensure the completeness and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

"(d) INFORMATION INTEGRITY AND SECURITY.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required by this section, which shall include the following (in addition to such other safeguards as the Secretary may specify in regulations):

"(1) POLICIES RESTRICTING ACCESS.—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

"(A) permit access to and use of data only to the extent necessary to carry out the State program under this part; and

"(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data.

"(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies described in paragraph (1).

"(3) MONITORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

"(4) TRAINING AND INFORMATION.—Procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use confidential program data are informed of applicable requirements and penalties (including those in section 6103 of the Internal Revenue Code of 1986), and are adequately trained in security procedures.

"(5) PENALTIES.—Administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.".

(3) REGULATIONS.—The Secretary of Health and Human Services shall prescribe final regulations for implementation of section 454A of the Social Security Act not later than 2 years after the date of the enactment of this title.

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by section 503(a)(1) of this title, is amended to read as follows:

"(24) provide that the State will have in effect an automated data processing and information retrieval system—

"(A) by October 1, 1997, which meets all requirements of this part which were enacted on or before the date of enactment of the Family Support Act of 1988, and

"(B) by October 1, 1999, which meets all requirements of this part enacted on or before the date of the enactment of the Child Support Improvement Act of 1996, except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 544(a)(3) of the Child Support Improvement Act of 1996;".

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—

(1) IN GENERAL.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(A) in paragraph (1)(B)—

(i) by striking "90 percent" and inserting "the percent specified in paragraph (3)";

(ii) by striking "so much of"; and

(iii) by striking "which the Secretary" and all that follows and inserting ", and"; and

(B) by adding at the end the following new paragraph:

"(3)(A) The Secretary shall pay to each State, for each quarter in fiscal years 1996 and 1997, 90 percent of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16) (as in effect on September 30, 1995) but limited to the amount approved for States in the advance planning documents of such States submitted on or before September 30, 1995.

"(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1996 through 2001, the percentage specified in clause (ii) of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements of sections 454(16) and 454A.

"(ii) The percentage specified in this clause is 80 percent.".

(2) TEMPORARY LIMITATION ON PAYMENTS UNDER SPECIAL FEDERAL MATCHING RATE.—

(A) IN GENERAL.—The Secretary of Health and Human Services may not pay more than $400,000,000 in the aggregate under section 455(a)(3)(B) of the Social Security Act for fiscal years 1996 through 2001.

(B) ALLOCATION OF LIMITATION AMONG STATES.—The total amount payable to a State under section 455(a)(3)(B) of such Act for fiscal years 1996 through 2001 shall not exceed the limitation determined for the State by the Secretary of Health and Human Services in regulations.

(C) ALLOCATION FORMULA.—The regulations referred to in subparagraph (B) shall prescribe a formula for allocating the amount specified in subparagraph (A) among States with plans approved under part D of title IV of the Social Security Act, which shall take into account—

(i) the relative size of State caseloads under such part; and

(ii) the level of automation needed to meet the automated data processing requirements of such part.

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100-485) is repealed.

SEC. 545. TECHNICAL ASSISTANCE.

(a) FOR TRAINING OF FEDERAL AND STATE STAFF, RESEARCH AND DEMONSTRATION PROGRAMS, AND SPECIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following new subsection:

"(j) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 1 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for—

"(1) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs under this part (including technical assistance concerning State automated systems required by this part); and

"(2) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part.

The amount appropriated under this subsection shall remain available until expended.".

(b) OPERATION OF FEDERAL PARENT LOCATOR SERVICE.—Section 453 (42 U.S.C. 653), as amended by section 516 of this title, is amended by adding at the end the following new subsection:

"(o) RECOVERY OF COSTS.—Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 2 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for operation of the Federal Parent Locator Service under this section, to the extent such costs are not recovered through user fees.".

SEC. 546. REPORTS AND DATA COLLECTION BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—

(1) Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking "this part;" and inserting "this part, including—"; and

(B) by adding at the end the following new clauses:

"(i) the total amount of child support payments collected as a result of services furnished during the fiscal year to individuals receiving services under this part;

"(ii) the cost to the States and to the Federal Government of so furnishing the services; and

"(iii) the number of cases involving families—

"(I) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year; and

"(II) with respect to whom a child support payment was received in the month;".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i)—

(i) by striking "with the data required under each clause being separately stated for cases" and inserting "separately stated for (1) cases";

(ii) by striking "cases where the child was formerly receiving" and inserting "or formerly received";

(iii) by inserting "or 1912" after "471(a)(17)"; and

(iv) by inserting "(2)" before "all other";

(B) in each of clauses (i) and (ii), by striking ", and the total amount of such obligations";

(C) in clause (iii), by striking "described in" and all that follows and inserting "in which support was collected during the fiscal year;";

(D) by striking clause (iv); and

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following new clauses:

"(iv) the total amount of support collected during such fiscal year and distributed as current support;

"(v) the total amount of support collected during such fiscal year and distributed as arrearages;

"(vi) the total amount of support due and unpaid for all fiscal years; and".

(3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking "on the use of Federal courts and".

(4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended—

(A) in subparagraph (H), by striking "and";

(B) in subparagraph (I), by striking the period and inserting "; and"; and

(C) by inserting after subparagraph (I) the following new subparagraph:

"(J) compliance, by State, with the standards established pursuant to subsections (h) and (i).".

(5) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (J), as added by paragraph (4).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to fiscal year 1997 and succeeding fiscal years.

Subtitle F—Establishment and Modification of Support Orders

SEC. 551. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

"(10) REVIEW AND ADJUSTMENT OF SUPPORT ORDERS UPON REQUEST.—Procedures under which the State may review and adjust each support order being enforced under this part if there is an assignment under part A, or shall review and adjust each support order being enforced under this part upon the request of either parent. Such procedures shall provide the following:

"(A) IN GENERAL.—

"(i) 3-YEAR CYCLE.—Except as provided in subparagraphs (B) and (C), the State shall review and, as appropriate, adjust the support order every 3 years, taking into account the best interests of the child involved.

"(ii) METHODS OF ADJUSTMENT.—The State may elect to review and, if appropriate, adjust an order pursuant to clause (i) by—

"(I) reviewing and, if appropriate, adjusting the order in accordance with the guidelines established pursuant to section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with the guidelines; or

"(II) applying a cost-of-living adjustment to the order in accordance with a formula developed by the State and permit either party to contest the adjustment, within 30 days after the date of the notice of the adjustment, by making a request for review and, if appropriate, adjustment of the order in accordance with the child support guidelines established pursuant to section 467(a).

"(iii) NO PROOF OF CHANGE IN CIRCUMSTANCES NECESSARY.—Any adjustment under this subparagraph (A) shall be made without a requirement for proof or showing of a change in circumstances.

"(B) AUTOMATED METHOD.—The State may use automated methods (including automated comparisons with wage or State income tax data) to identify orders eligible for review, conduct the review, identify orders eligible for adjustment, and apply the appropriate adjustment to the orders eligible for adjustment under the threshold established by the State.

"(C) REQUEST UPON SUBSTANTIAL CHANGE IN CIRCUMSTANCES.—The State shall, at the request of either parent subject to such an order or of any State child support enforcement agency, review and, if appropriate, adjust the order in accordance with the guidelines established pursuant to section 467(a) based upon a substantial change in the circumstances of either parent.

"(D) NOTICE OF RIGHT TO REVIEW.—The State shall provide notice not less than once every 3 years to the parents subject to such an order informing them of their right to request the State to review and, if appropriate, adjust the order pursuant to this paragraph. The notice may be included in the order.".

SEC. 552. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT.

Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended by adding at the end the following new paragraphs:

"(4) In response to a request by the head of a State or local child support enforcement agency (or a State or local government official authorized by the head of such an agency), if the person making the request certifies to the consumer reporting agency that—

"(A) the consumer report is needed for the purpose of establishing an individual's capacity to make child support payments or determining the appropriate level of such payments;

"(B) the paternity of the consumer for the child to which the obligation relates has been established or acknowledged by the consumer in accordance with State laws under which the obligation arises (if required by those laws);

"(C) the person has provided at least 10 days' prior notice to the consumer whose report is requested, by certified or registered mail to the last known address of the consumer, that the report will be requested; and

"(D) the consumer report will be kept confidential, will be used solely for a purpose described in subparagraph (A), and will not be used in connection with any other civil, administrative, or criminal proceeding, or for any other purpose.

"(5) To an agency administering a State plan under section 454 of the Social Security Act (42 U.S.C. 654) for use to set an initial or modified child support award.".

SEC. 553. NONLIABILITY FOR FINANCIAL INSTITUTIONS PROVIDING FINANCIAL RECORDS TO STATE CHILD SUPPORT ENFORCEMENT AGENCIES IN CHILD SUPPORT CASES.

Part D of title IV (42 U.S.C. 651–669) is amended by adding at the end the following:

"SEC. 469A. NONLIABILITY FOR FINANCIAL INSTITUTIONS PROVIDING FINANCIAL RECORDS TO STATE CHILD SUPPORT ENFORCEMENT AGENCIES IN CHILD SUPPORT CASES.

"(a) IN GENERAL.—Notwithstanding any other provision of Federal or State law, a financial institution shall not be liable under any Federal or State law to any person for disclosing any financial record of an individual to a State child support enforcement agency attempting to establish, modify, or enforce a child support obligation of such individual.

"(b) PROHIBITION OF DISCLOSURE OF FINANCIAL RECORD OBTAINED BY STATE CHILD SUPPORT ENFORCEMENT AGENCY.—A State child support enforcement agency which obtains a financial record of an individual from a financial institution pursuant to subsection (a) may disclose such financial record only for the purpose of, and to the extent necessary in, establishing, modifying, or enforcing a child support obligation of such individual.

"(c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLOSURE.—

"(1) DISCLOSURE BY STATE OFFICER OR EMPLOYEE.—If any person knowingly, or by reason of negligence, discloses a financial record of an individual in violation of subsection (b), such individual may bring a civil action for damages against such person in a district court of the United States.

"(2) NO LIABILITY FOR GOOD FAITH BUT ERRONEOUS INTERPRETATION.—No liability shall arise under this subsection with respect to any disclosure which results from a good faith, but erroneous, interpretation of subsection (b).

"(3) DAMAGES.—In any action brought under paragraph (1), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the sum of—

"(A) the greater of—

"(i) $1,000 for each act of unauthorized disclosure of a financial record with respect to which such defendant is found liable; or

"(ii) the sum of—

"(I) the actual damages sustained by the plaintiff as a result of such unauthorized disclosure; plus

"(II) in the case of a willful disclosure or a disclosure which is the result of gross negligence, punitive damages; plus

"(B) the costs (including attorney's fees) of the action.

"(d) DEFINITIONS.—For purposes of this section—

"(1) FINANCIAL INSTITUTION.—The term 'financial institution' means—

"(A) a depository institution, as defined in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c));

"(B) an institution-affiliated party, as defined in section 3(u) of such Act (12 U.S.C. 1813(u));

"(C) any Federal credit union or State credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752), including an institution-affiliated party of such a credit union, as defined in section 206(r) of such Act (12 U.S.C. 1786(r)); and

"(D) any benefit association, insurance company, safe deposit company, money-market mutual fund, or similar entity authorized to do business in the State.

"(2) FINANCIAL RECORD.—The term "financial record" has the meaning given such term in section 1101 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401).".

Subtitle G—Enforcement of Support Orders

SEC. 561. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES.

(a) COLLECTION OF FEES.—Section 6305(a) of the Internal Revenue Code of 1986 (relating to collection of certain liability) is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting ", and";

(3) by adding at the end the following new paragraph:

"(5) no additional fee may be assessed for adjustments to an amount previously certified pursuant to such section 452(b) with respect to the same obligor."; and

(4) by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Secretary of Health and Human Services".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1997.

SEC. 562. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—Section 459 (42 U.S.C. 659) is amended to read as follows:

"SEC. 459. CONSENT BY THE UNITED STATES TO INCOME WITHHOLDING, GARNISHMENT, AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS.

"(a) CONSENT TO SUPPORT ENFORCEMENT.—Notwithstanding any other provision of law (including section 207 of this Act and section 5301 of title 38, United States Code), effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States or the District of Columbia (including any agency, subdivision, or instrumentality thereof) to any individual, including members of the Armed Forces of the United States, shall be subject, in like manner and to the same extent as if the United States or the District of Columbia were a private person, to withholding in accordance with State law enacted pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary under such subsections, and to any other legal process brought, by a State agency administering a program under a State plan approved under this part or by an individual obligee, to enforce the legal obligation of the individual to provide child support or alimony.

"(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE PERSON.—With respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or any other order or process to enforce support obligations against an individual (if the order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), each governmental entity specified in subsection (a) shall be subject to the same requirements as would apply if the entity were a private person, except as otherwise provided in this section.

"(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS—

"(1) DESIGNATION OF AGENT.—The head of each agency subject to this section shall—

"(A) designate an agent or agents to receive orders and accept service of process in matters relating to child support or alimony; and

"(B) annually publish in the Federal Register the designation of the agent or agents, identified by title or position, mailing address, and telephone number.

"(2) RESPONSE TO NOTICE OR PROCESS.—If an agent designated pursuant to paragraph (1) of this subsection receives notice pursuant to State procedures in effect pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatory, with respect to an individual's child support or alimony payment obligations, the agent shall—

"(A) as soon as possible (but not later than 15 days) thereafter, send written notice of the notice or service (together with a copy of the notice or service) to the individual at the duty station or last-known home address of the individual;

"(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to such State procedures, comply with all applicable provisions of section 466; and

"(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatory, respond to the order, process, or interrogatory.

"(d) PRIORITY OF CLAIMS.—If a governmental entity specified in subsection (a) receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than 1 person—

"(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

"(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by section 466(b) and the regulations prescribed under such section; and

"(3) such moneys as remain after compliance with paragraphs (1) and (2) shall be available to satisfy any other such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.

"(e) NO REQUIREMENT TO VARY PAY CYCLES.—A governmental entity that is affected by legal process served for the enforcement of an individual's child support or alimony payment obligations shall not be required to vary its normal pay and disbursement cycle in order to comply with the legal process.

"(f) RELIEF FROM LIABILITY.—

"(1) Neither the United States, nor the government of the District of Columbia, nor any disbursing officer shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if the payment is made in accordance with this section and the regulations issued to carry out this section.

"(2) No Federal employee whose duties include taking actions necessary to comply with the requirements of subsection (a) with regard to any individual shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by the employee in connection with the carrying out of such actions.

"(g) REGULATIONS.—Authority to promulgate regulations for the implementation of this section shall, insofar as this section applies to moneys due from (or payable by)—

"(1) the United States (other than the legislative or judicial branches of the Federal Government) or the government of the District of Columbia, be vested in the President (or the designee of the President);

"(2) the legislative branch of the Federal Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

"(3) the judicial branch of the Federal Government, be vested in the Chief Justice of the United States (or the designee of the Chief Justice).

"(h) MONEYS SUBJECT TO PROCESS.—

"(1) IN GENERAL.—Subject to paragraph (2), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

"(A) consist of—

"(i) compensation paid or payable for personal services of the individual, whether the compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

"(ii) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

"(I) under the insurance system established by title II;

"(II) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

"(III) as compensation for death under any Federal program;

"(IV) under any Federal program established to provide 'black lung' benefits; or

"(V) by the Secretary of Veterans Affairs as compensation for a service-connected disability paid by the Secretary to a former member of the Armed Forces who is in receipt of retired or retainer pay if the former member has waived a portion of the retired or retainer pay in order to receive such compensation; and

"(iii) worker's compensation benefits paid under Federal or State law but

"(B) do not include any payment—

"(i) by way of reimbursement or otherwise, to defray expenses incurred by the individual in carrying out duties associated with the employment of the individual; or

"(ii) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.

"(2) CERTAIN AMOUNTS EXCLUDED.—In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

"(A) are owed by the individual to the United States;

"(B) are required by law to be, and are, deducted from the remuneration or other payment involved, including Federal employment taxes, and fines and forfeitures ordered by court-martial;

"(C) are properly withheld for Federal, State, or local income tax purposes, if the withholding of the amounts is authorized or required by law and if amounts withheld are not greater than would be the case if the individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1986 may be permitted only when the individual presents evidence of a tax obligation which supports the additional withholding);

"(D) are deducted as health insurance premiums;

"(E) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

"(F) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

"(i) DEFINITIONS.—For purposes of this section—

"(1) UNITED STATES.—The term 'United States' includes any department, agency, or instrumentality of the legislative, judicial, or executive branch of the Federal Government, the United States Postal Service, the Postal Rate Commission, any Federal corporation created by an Act of Congress that is wholly owned by the Federal Government, and the governments of the territories and possessions of the United States.

"(2) CHILD SUPPORT.—The term 'child support', when used in reference to the legal obligations of an individual to provide such support, means amounts required to be paid under a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages or reimbursement, and which may include other related costs and fees, interest and penalties, income withholding, attorney's fees, and other relief.

"(3) ALIMONY.—

"(A) IN GENERAL.—The term 'alimony', when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of the individual, and (subject to and in accordance with State law) includes separate maintenance, alimony pendente lite, maintenance, and spousal support, and includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

"(B) EXCEPTIONS.—Such term does not include—

"(i) any child support; or

"(ii) any payment or transfer of property or its value by an individual to the spouse or a former spouse of the individual in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

"(4) PRIVATE PERSON.—The term 'private person' means a person who does not have sovereign or other special immunity or privilege which causes the person not to be subject to legal process.

"(5) LEGAL PROCESS.—The term 'legal process' means any writ, order, summons, or other similar process in the nature of garnishment—

"(A) which is issued by—

"(i) a court or an administrative agency of competent jurisdiction in any State, territory, or possession of the United States;

"(ii) a court or an administrative agency of competent jurisdiction in any foreign country with which the United States has entered into an agreement which requires the United States to honor the process; or

"(iii) an authorized official pursuant to an order of such a court or an administrative agency of competent jurisdiction or pursuant to State or local law; and

"(B) which is directed to, and the purpose of which is to compel, a governmental entity which holds moneys which are otherwise payable to an individual to make a payment from the moneys to another party in order to satisfy a legal obligation of the individual to provide child support or make alimony payments.".

(b) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661 and 662) are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking "sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)" and inserting "section 459 of the Social Security Act (42 U.S.C. 659)".

(c) MILITARY RETIRED AND RETAINER PAY.—

(1) DEFINITION OF COURT.—Section 1408(a)(1) of title 10, United States Code, is amended—

(A) by striking "and" at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(C) by adding after subparagraph (C) the following new subparagraph:

"(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a program under a State plan approved under part D of title IV of the Social Security Act), and, for purposes of this subparagraph, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.".

(2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of such title is amended—

(A) by inserting "or a support order, as defined in section 453(p) of the Social Security Act (42 U.S.C. 653(p))," before "which—";

(B) in subparagraph (B)(i), by striking "(as defined in section 462(b) of the Social Security Act (42 U.S.C. 662(b)))" and inserting "(as defined in section 459(i)(2) of the Social Security Act (42 U.S.C. 659(i)(2)))"; and

(C) in subparagraph (B)(ii), by striking "(as defined in section 462(c) of the Social Security Act (42 U.S.C. 662(c)))" and inserting "(as defined in section 459(i)(3) of the Social Security Act (42 U.S.C. 659(i)(3)))".

(3) PUBLIC PAYEE.—Section 1408(d) of such title is amended—

(A) in the heading, by inserting "(OR FOR BENEFIT OF)" before "SPOUSE OR"; and

(B) in paragraph (1), in the 1st sentence, by inserting "(or for the benefit of such spouse or former spouse to a State disbursement unit established pursuant to section 454B of the Social Security Act or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)" before "in an amount sufficient".

(4) RELATIONSHIP TO PART D OF TITLE IV.—Section 1408 of such title is amended by adding at the end the following new subsection:

"(j) RELATIONSHIP TO OTHER LAWS.—In any case involving an order providing for payment of child support (as defined in section 459(i)(2) of the Social Security Act) by a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of such Act.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this title.

SEC. 563. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) AVAILABILITY OF LOCATOR INFORMATION.—

(1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) TYPE OF ADDRESS.—

(A) RESIDENTIAL ADDRESS.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be disclosed due to national security or safety concerns.

(3) UPDATING OF LOCATOR INFORMATION.—Within 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service established under section 453 of the Social Security Act.

(b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT HEARINGS.—

(1) REGULATIONS.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted.

(2) COVERED HEARINGS.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

(3) DEFINITIONS.—For purposes of this subsection—

(A) The term "court" has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term "child support" has the meaning given such term in section 459(i) of the Social Security Act (42 U.S.C. 659(i)).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—

(1) DATE OF CERTIFICATION OF COURT ORDER.—Section 1408 of title 10, United States Code, as amended by section 562(c)(4) of this title, is amended—

(A) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively; and

(B) by inserting after subsection (h) the following new subsection:

"(i) CERTIFICATION DATE.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary.".

(2) PAYMENTS CONSISTENT WITH ASSIGNMENTS OF RIGHTS TO STATES.—Section 1408(d)(1) of such title is amended by inserting after the 1st sentence the following new sentence: "In the case of a spouse or former

spouse who, pursuant to section 408(a)(4) of the Social Security Act (42 U.S.C. 608(a)(4)), assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights.".

(3) ARREARAGES OWED BY MEMBERS OF THE UNIFORMED SERVICES.—Section 1408(d) of such title is amended by adding at the end the following new paragraph:

"(6) In the case of a court order for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which provides for payments from the disposable retired pay of a member to satisfy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisfy the amount of child support set forth in a court order shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.".

(4) PAYROLL DEDUCTIONS.—The Secretary of Defense shall begin payroll deductions within 30 days after receiving notice of withholding, or for the 1st pay period that begins after such 30-day period.

SEC. 564. VOIDING OF FRAUDULENT TRANSFERS.

Section 466 (42 U.S.C. 666), as amended by section 521 of this title, is amended by adding at the end the following new subsection:

"(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In order to satisfy section 454(20)(A), each State must have in effect—

"(1)(A) the Uniform Fraudulent Conveyance Act of 1981;

"(B) the Uniform Fraudulent Transfer Act of 1984; or

"(C) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

"(2) procedures under which, in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

"(A) seek to void such transfer; or

"(B) obtain a settlement in the best interests of the child support creditor.".

SEC. 565. WORK REQUIREMENT FOR PERSONS OWING PAST-DUE CHILD SUPPORT.

(a) IN GENERAL.—Section 466(a) (42 U.S.C. 666(a)), as amended by sections 515, 517(a), and 523 of this title, is amended by adding at the end the following new paragraph:

"(15) PROCEDURES TO ENSURE THAT PERSONS OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN FOR PAYMENT OF SUCH SUPPORT.—

"(A) IN GENERAL.—Procedures under which the State has the authority, in any case in which an individual owes past-due support with respect to a child receiving assistance under a State program funded under part A, to issue an order or to request that a court or an administrative process established pursuant to State law issue an order that requires the individual to—

"(i) pay such support in accordance with a plan approved by the court, or, at the option of the State, a plan approved by the State agency administering the State program under this part; or

"(ii) if the individual is subject to such a plan and is not incapacitated, participate in such work activities (as defined in section 407(d)) as the court, or, at the option of the State, the State agency administering the State program under this part, deems appropriate.

"(B) PAST-DUE SUPPORT DEFINED.—For purposes of subparagraph (A), the term 'past-due support' means the amount of a delinquency, determined under a court order, or an order of an administrative process established under State law, for support and maintenance of a child, or of a child and the parent with whom the child is living.".

(b) CONFORMING AMENDMENT.—The flush paragraph at the end of section 466(a) (42 U.S.C.666(a)) is amended by striking "and (7)" and inserting "(7), and (15)".

SEC. 566. DEFINITION OF SUPPORT ORDER.

Section 453 (42 U.S.C. 653) as amended by sections 516 and 515(b) of this title, is amended by adding at the end the following new subsection:

"(p) SUPPORT ORDER DEFINED.—As used in this part, the term 'support order' means a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages, or reimbursement, and which may include related costs and fees, interest and penalties, income withholding, attorneys' fees, and other relief.".

SEC. 567. REPORTING ARREARAGES TO CREDIT BUREAUS.

Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read as follows:

"(7) REPORTING ARREARAGES TO CREDIT BUREAUS.—

"(A) IN GENERAL.—Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any noncustodial parent who is delinquent in the payment of support, and the amount of overdue support owed by such parent.

"(B) SAFEGUARDS.—Procedures ensuring that, in carrying out subparagraph (A), information with respect to a noncustodial parent is reported—

"(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

"(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency (as so defined).".

SEC. 568. LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended to read as follows:

"(4) LIENS.—Procedures under which—

"(A) liens arise by operation of law against real and personal property for amounts of overdue support owed by a noncustodial parent who resides or owns property in the State; and

"(B) the State accords full faith and credit to liens described in subparagraph (A) arising in another State, when the State agency, party, or other entity seeking to enforce such a lien complies with the procedural rules relating to recording or serving liens that arise within the State, except that such rules may not require judicial notice or hearing prior to the enforcement of such a lien.".

SEC. 569. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 515, 517(a), 523, and 565 of this title, is amended by adding at the end the following:

"(16) AUTHORITY TO WITHHOLD OR SUSPEND LICENSES.—Procedures under which the State has (and uses in appropriate cases) authority to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.".

SEC. 570. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.

(a) HHS CERTIFICATION PROCEDURE.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652), as amended by section 545 of this title, is amended by adding at the end the following new subsection:

"(k)(1) If the Secretary receives a certification by a State agency in accordance with the requirements of section 454(31) that an individual owes arrearages of child support in an amount exceeding $5,000, the Secretary shall transmit such certification to the Secretary of State for action (with respect to denial, revocation, or limitation of passports) pursuant paragraph (2).

"(2) The Secretary of State shall, upon certification by the Secretary transmitted under paragraph (1), refuse to issue a passport to such individual, and may revoke, restrict, or limit a passport issued previously to such individual.

"(3) The Secretary and the Secretary of State shall not be liable to an individual for any action with respect to a certification by a State agency under this section.".

(2) STATE AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by sections 501(b), 503(a), 512(b), 513(a), 533, and 543(b) of this title, is amended—

(A) by striking "and" at the end of paragraph (29);

(B) by striking the period at the end of paragraph (30) and inserting "; and"; and

(C) by adding after paragraph (30) the following new paragraph:

"(31) provide that the State agency will have in effect a procedure for certifying to the Secretary, for purposes of the procedure under section 452(k), determinations that individuals owe arrearages of child support in an amount exceeding $5,000, under which procedure—

"(A) each individual concerned is afforded notice of such determination and the consequences thereof, and an opportunity to contest the determination; and

"(B) the certification by the State agency is furnished to the Secretary in such format, and accompanied by such supporting documentation, as the Secretary may require.".

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective October 1, 1997.

SEC. 571. INTERNATIONAL SUPPORT ENFORCEMENT.

(a) AUTHORITY FOR INTERNATIONAL AGREEMENTS.—Part D of title IV, as amended by section 562(a) of this title, is amended by adding after section 459 the following new section:

"SEC. 459A. INTERNATIONAL SUPPORT ENFORCEMENT.

"(a) AUTHORITY FOR DECLARATIONS.—

"(1) DECLARATION.—The Secretary of State, with the concurrence of the Secretary of Health and Human Services, is authorized to declare any foreign country (or a political subdivision thereof) to be a foreign reciprocating country if the foreign country has established, or undertakes to establish, procedures for the establishment and enforcement of duties of support owed to obligees who are residents of the United States, and such procedures are substantially in conformity with the standards prescribed under subsection (b).

"(2) REVOCATION.—A declaration with respect to a foreign country made pursuant to paragraph (1) may be revoked if the Secretaries of State and Health and Human Services determine that—

"(A) the procedures established by the foreign country regarding the establishment and enforcement of duties of support have been so changed, or the foreign country's implementation of such procedures is so unsatisfactory, that such procedures do not meet the criteria for such a declaration; or

"(B) continued operation of the declaration is not consistent with the purposes of this part.

"(3) FORM OF DECLARATION.—A declaration under paragraph (1) may be made in the form of an international agreement, in connection with an international agreement or corresponding foreign declaration, or on a unilateral basis.

"(b) STANDARDS FOR FOREIGN SUPPORT ENFORCEMENT PROCEDURES.—

"(1) MANDATORY ELEMENTS.—Support enforcement procedures of a foreign country which may be the subject of a declaration pursuant to subsection (a)(1) shall include the following elements:

"(A) The foreign country (or political subdivision thereof) has in effect procedures, available to residents of the United States—

"(i) for establishment of paternity, and for establishment of orders of support for children and custodial parents; and

"(ii) for enforcement of orders to provide support to children and custodial parents, including procedures for collection and appropriate distribution of child support payments under such orders.

"(B) The procedures described in subparagraph (A), including legal and administrative assistance, are provided to residents of the United States at no cost.

"(C) An agency of the foreign country is designated as a Central Authority responsible for—

"(i) facilitating support enforcement in cases involving residents of the foreign country and residents of the United States; and

"(ii) ensuring compliance with the standards established pursuant to this subsection.

"(2) ADDITIONAL ELEMENTS.—The Secretary of Health and Human Services and the Secretary of State, in consultation with the States, may establish such additional standards as may be considered necessary to further the purposes of this section.

"(c) DESIGNATION OF UNITED STATES CENTRAL AUTHORITY.—It shall be the responsibility of the Secretary of Health and Human Services to facilitate support enforcement in cases involving residents of the United States and residents of foreign countries that are the subject of a declaration under this section, by activities including—

"(1) development of uniform forms and procedures for use in such cases;

"(2) notification of foreign reciprocating countries of the State of residence of individuals sought for support enforcement purposes, on the basis of information provided by the Federal Parent Locator Service; and

"(3) such other oversight, assistance, and coordination activities as the Secretary may find necessary and appropriate.

"(d) EFFECT ON OTHER LAWS.—States may enter into reciprocal arrangements for the establishment and enforcement of support obligations with foreign countries that are not the subject of a declaration pursuant to subsection (a), to the extent consistent with Federal law.".

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 501(b), 503(a), 512(b), 513(a), 533, 543(b), and 570(a)(2) of this title, is amended—

(1) by striking "and" at the end of paragraph (30);

(2) by striking the period at the end of paragraph (31) and inserting "; and"; and

(3) by adding after paragraph (31) the following new paragraph:

"(32)(A) provide that any request for services under this part by a foreign reciprocating country or a foreign country with which the State has an arrangement described in section 459A(d)(2) shall be treated as a request by a State;

"(B) provide, at State option, notwithstanding paragraph (4) or any other provision of this part, for services under the plan for enforcement of a spousal support order not described in paragraph (4)(B) entered by such a country (or subdivision); and

"(C) provide that no applications will be required from, and no costs will be assessed for such services against, the foreign reciprocating country or foreign obligee (but costs may at State option be assessed against the obligor).".

SEC. 572. FINANCIAL INSTITUTION DATA MATCHES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 515, 517(a), 523, 565, and 569 of this title, is amended by adding at the end the following new paragraph:

"(17) FINANCIAL INSTITUTION DATA MATCHES.—

"(A) IN GENERAL.—Procedures under which the State agency shall enter into agreements with financial institutions doing business in the State—

"(i) to develop and operate, in coordination with such financial institutions, a data match system, using automated data exchanges to the maximum extent feasible, in which each such financial institution is required to provide for each calendar quarter the name, record address, social security number or other taxpayer identification number, and other identifying information for each noncustodial parent who maintains an account at such institution and who owes past-due support, as identified by the State by name and social security number or other taxpayer identification number; and

"(ii) in response to a notice of lien or levy, encumber or surrender, as the case may be, assets held by such institution on behalf of any noncustodial parent who is subject to a child support lien pursuant to paragraph (4).

"(B) REASONABLE FEES.—The State agency may pay a reasonable fee to a financial institution for conducting the data match provided for in subparagraph (A)(i), not to exceed the actual costs incurred by such financial institution.

"(C) LIABILITY.—A financial institution shall not be liable under any Federal or State law to any person—

"(i) for any disclosure of information to the State agency under subparagraph (A)(i);

"(ii) for encumbering or surrendering any assets held by such financial institution in response to a notice of lien or levy issued by the State agency as provided for in subparagraph (A)(ii); or

"(iii) for any other action taken in good faith to comply with the requirements of subparagraph (A).

"(D) DEFINITIONS.—For purposes of this paragraph—

"(i) FINANCIAL INSTITUTION.—The term 'financial institution' has the meaning given to such term by section 469A(d)(1).

"(ii) ACCOUNT.—The term 'account' means a demand deposit account, checking or negotiable withdrawal order account, savings account, time deposit account, or money-market mutual fund account.".

SEC. 573. ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS IN CASES OF MINOR PARENTS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 515, 517(a), 523, 565, 569, and 572 of this title, is amended by adding at the end the following new paragraph:

"(18) ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS.—Procedures under which, at the State's option, any child support order enforced under this part with respect to a child of minor parents, if the custodial parent of such child is receiving assistance under the State program under part A, shall be enforceable, jointly and severally, against the parents of the noncustodial parent of such child.".

SEC. 574. NONDISCHARGEABILITY IN BANKRUPTCY OF CERTAIN DEBTS FOR THE SUPPORT OF A CHILD.

(a) AMENDMENT TO TITLE 11 OF THE UNITED STATES CODE.—Section 523(a) of title 11, United States Code, is amended—

(1) in paragraph (16) by striking the period at the end and inserting "; or",

(2) by adding at the end the following:

"(17) owed under State law to a State or municipality that is—

"(A) in the nature of support, and

"(B) enforceable under part D of title IV of the Social Security Act (42 U.S.C. 601 et seq.).", and

(3) in paragraph (5), by striking "section 402(a)(26)" and inserting "section 408(a)(4)".

(b) AMENDMENT TO THE SOCIAL SECURITY ACT.—Section 456(b) (42 U.S.C. 656(b)) is amended to read as follows:

"(b) NONDISCHARGEABILITY.—A debt (as defined in section 101 of title 11 of the United States Code) owed under State law to a State (as defined in such section) or municipality (as defined in such section) that is in the nature of support and that is enforceable under this part is not released by a discharge in bankruptcy under title 11 of the United States Code.".

(c) APPLICATION OF AMENDMENTS.—The amendments made by this section shall apply only with respect to cases commenced under title 11 of the United States Code after the date of the enactment of this title.

Subtitle H—Medical Support

SEC. 581. CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking "issued by a court of competent jurisdiction";

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following:

"if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued through an administrative process established under State law and has the force and effect of law under applicable State law.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this title.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1997.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the 1st plan year beginning on or after January 1, 1997, if—

(A) during the period after the date before the date of the enactment of this title and before such 1st plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(B) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such 1st plan year.

A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

SEC. 582. ENFORCEMENT OF ORDERS FOR HEALTH CARE COVERAGE.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 515, 517(a), 523, 565, 569, 572, and 573 of this title, is amended by adding at the end the following new paragraph:

"(19) Health Care Coverage.—Procedures under which all child support orders enforced pursuant to this part shall include a provision for the health care coverage of the child, and in the case in which a noncustodial parent provides such coverage and changes employment, and the new employer provides health care coverage, the State agency shall transfer notice of the provision to the employer, which notice shall operate to enroll the child in the noncustodial parent's health plan, unless the noncustodial parent contests the notice.".

Subtitle I—Enhancing Responsibility and Opportunity for Non-Residential Parents

SEC. 591. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

Part D of title IV (42 U.S.C. 651–669), as amended by section 553, is amended by adding at the end the following new section:

"SEC. 469B. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

"(a) In General.—The Administration for Children and Families shall make grants under this section to enable States to establish and administer programs to support and facilitate noncustodial parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pickup), and development of guidelines for visitation and alternative custody arrangements.

"(b) Amount of Grant.—The amount of the grant to be made to a State under this section for a fiscal year shall be an amount equal to the lesser of—

"(1) 90 percent of State expenditures during the fiscal year for activities described in subsection (a); or

"(2) the allotment of the State under subsection (c) for the fiscal year.

"(c) Allotments to States.—

"(1) In general.—The allotment of a State for a fiscal year is the amount that bears the same ratio to the amount appropriated for grants under this section for the fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

"(2) Minimum allotment.—The Administration for Children and Families shall adjust allotments to States under paragraph (1) as necessary to ensure that no State is allotted less than—

"(A) $50,000 for fiscal year 1997 or 1998; or

"(B) $100,000 for any succeeding fiscal year.

"(d) No Supplantation of State Expenditures for Similar Activities.—A State to which a grant is made under this section may not use the grant to supplant expenditures by the State for activities specified in subsection (a), but shall use the grant to supplement such expenditures at a level at least equal to the level of such expenditures for fiscal year 1995.

"(e) State Administration.—Each State to which a grant is made under this section—

"(1) may administer State programs funded with the grant, directly or through grants to or contracts with courts, local public agencies, or non-profit private entities;

"(2) shall not be required to operate such programs on a statewide basis; and

"(3) shall monitor, evaluate, and report on such programs in accordance with regulations prescribed by the Secretary.".

Subtitle J—Effective Dates and Conforming Amendments

SEC. 595. EFFECTIVE DATES AND CONFORMING AMENDMENTS.

(a) In General.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) the provisions of this title requiring the enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this title shall become effective upon the date of the enactment of this Act.

(b) Grace Period for State Law Changes.—The provisions of this title shall become effective with respect to a State on the later of—

(1) the date specified in this title, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions,

but in no event later than the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) Grace Period for State Constitutional Amendment.—A State shall not be found out of compliance with any requirement enacted by this title if the State is unable to so comply without amending the State constitution until the earlier of—

(1) 1 year after the effective date of the necessary State constitutional amendment; or

(2) 5 years after the date of the enactment of this Act.

(d) Conforming Amendments.—

(1) The following provisions are amended by striking "absent" each place it appears and inserting "noncustodial":

(A) Section 451 (42 U.S.C. 651).

(B) Subsections (a)(1), (a)(8), (a)(10)(E), (a)(10)(F), (f), and (h) of section 452 (42 U.S.C. 652).

(C) Subsections (a) and (f) of section 453 (42 U.S.C. 653).

(D) Paragraphs (8), (13), and (21)(A) of section 454 (42 U.S.C. 654).

(E) Section 455(e)(1) (42 U.S.C. 655(e)(1)).

(F) Section 458(a) (42 U.S.C. 658(a)).

(G) Subsections (a), (b), and (c) of section 463 (42 U.S.C. 663).

(H) Subsections (a)(3)(A), (a)(3)(C), (a)(6), and (a)(8)(B)(ii), the last sentence of subsection (a), and subsections (b)(1), (b)(3)(B), (b)(3)(B)(i), (b)(6)(A)(i), (b)(8), (b)(9), and (e) of section 466 (42 U.S.C. 666).

(2) The following provisions are amended by striking "an absent" each place it appears and inserting "a noncustodial":

(A) Paragraphs (2) and (3) of section 453(c) (42 U.S.C. 653(c)).

(B) Subparagraphs (B) and (C) of section 454(9) (42 U.S.C. 654(9)).

(C) Section 456(a)(3) (42 U.S.C. 656(a)(3)).

(D) Subsections (a)(3)(A), (a)(6), (a)(8)(B)(i), (b)(3)(A), and (b)(3)(B) of section 466 (42 U.S.C. 666).

(E) Paragraphs (2) and (4) of section 469 (42 U.S.C. 669).

TITLE VI—SUPPLEMENTAL SECURITY INCOME REFORM

Subtitle A—Eligibility Restrictions

SEC. 601. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

(a) In General.—Section 1614(a) (42 U.S.C. 1382c(a)) is amended by adding at the end the following:

"(5) An individual shall not be considered an eligible individual for purposes of this title during the 10-year period beginning on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive benefits simultaneously from 2 or more States under programs that are funded under part A of title IV, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.".

(b) Effective Date.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 602. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) In General.—Section 1611(e) (42 U.S.C. 1382(e)) is amended by inserting after paragraph (2) the following new paragraph:

"(3) A person shall not be an eligible individual or eligible spouse for purposes of this title with respect to any month if during such month the person is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law.".

(b) Exchange of Information with Law Enforcement Agencies.—Section 1631(e) (42 U.S.C. 1383(e)) is amended by inserting after paragraph (3) the following new paragraph:

"(4) Notwithstanding any other provision of law, the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address, social security number, and photograph (if applicable) of any recipient of benefits under this title, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(A) the recipient—

"(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State;

"(ii) is violating a condition of probation or parole imposed under Federal or State law; or "(iii) has information that is necessary for the officer to conduct the officer's official duties; and

"(B) the location or apprehension of the recipient is within the officer's official duties.".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective on and after the date of the enactment of this Act.

SEC. 603. TREATMENT OF PRISONERS.

(a) IMPLEMENTATION OF PROHIBITION AGAINST PAYMENT OF BENEFITS TO PRISONERS.—Section 1611(e)(1) (42 U.S.C. 1382(e)(1)) is amended by adding at the end the following new subparagraph:

"(I)(i) The Commissioner shall enter into a contract, with any interested State or local institution referred to in subparagraph (A), under which—

"(I) the institution shall provide to the Commissioner, on a monthly basis, the names, social security account numbers, dates of birth, and such other identifying information concerning the inmates of the institution as the Commissioner may require for the purpose of carrying out paragraph (1); and

"(II) the Commissioner shall pay to any such institution, with respect to each inmate of the institution who is eligible for a benefit under this title for the month preceding the first month throughout which such inmate is in such institution and becomes ineligible for such benefit (or becomes eligible only for a benefit payable at a reduced rate) as a result of the application of this paragraph, an amount not to exceed $400 if the institution furnishes the information described in subclause (I) to the Commissioner within 30 days after such individual becomes an inmate of such institution, or an amount not to exceed $200 if the institution furnishes such information after 30 days after such date but within 90 days after such date.

"(ii) The provisions of section 552a of title 5, United States Code, shall not apply to any contract entered into under clause (i) or to information exchanged pursuant to such contract.

"(iii) Payments to institutions required by clause (i)(II) shall be made from funds otherwise available for the payment of benefits under this title and shall be treated as direct spending for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.".

(b) DENIAL OF SSI BENEFITS FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY OBTAINED SSI BENEFITS WHILE IN PRISON.—

(1) IN GENERAL.—Section 1611(e)(1) (42 U.S.C. 1382(e)(1)), as amended by subsection (a)(1), is amended by adding at the end the following new subparagraph:

"(J) In any case in which the Commissioner of Social Security finds that a person has made a fraudulent statement or representation in order to obtain or to continue to receive benefits under this title while being an inmate in a penal institution, such person shall not be considered an eligible individual or eligible spouse for any month ending during the 10-year period beginning on the date on which such person ceases being such an inmate.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply with respect to statements or representations made on or after the date of the enactment of this Act.

(d) STUDY OF OTHER POTENTIAL IMPROVEMENTS IN THE COLLECTION OF INFORMATION RESPECTING PUBLIC INMATES.—

(1) STUDY.—The Commissioner of Social Security shall conduct a study of the desirability, feasibility, and cost of—

(A) establishing a system under which Federal, State, and local courts would furnish to the Commissioner such information respecting court orders by which individuals are confined in jails, prisons, or other public penal, correctional, or medical facilities as the Commissioner may require for the purpose of carrying out sections 202(x) and 1611(e)(1) of the Social Security Act; and

(B) requiring that State and local jails, prisons, and other institutions that enter into contracts with the Commissioner under section 202(x)(3)(B) or 1611(e)(1)(I) of the Social Security Act furnish the information required by such contracts to the Commissioner by means of an electronic or other sophisticated data exchange system.

(2) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall submit a report on the results of the study conducted pursuant to this subsection to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

SEC. 604. EFFECTIVE DATE OF APPLICATION FOR BENEFITS.

(a) IN GENERAL.—Subparagraphs (A) and (B) of section 1611(c)(7) (42 U.S.C. 1382(c)(7)) are amended to read as follows:

"(A) the first day of the month following the date such application is filed, or

"(B) the first day of the month following the date such individual becomes eligible for such benefits with respect to such application.".

(b) CONFORMING AMENDMENTS.—

(1) Section 1614(b) (42 U.S.C. 1382c(b)) is amended by striking "at the time the application or request is filed" and inserting "on the first day of the month following the date the application or request is filed".

(2) Section 1631(g)(3) (42 U.S.C. 1382j(g)(3)) is amended by inserting "following the month" after "beginning with the month".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to applications for benefits under title XVI of the Social Security Act filed on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) BENEFITS UNDER TITLE XVI.—For purposes of this subsection, the term "benefits under title XVI of the Social Security Act" includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93-66.

Subtitle B—Benefits for Disabled Children

SEC. 611. DEFINITION AND ELIGIBILITY RULES.

(a) DEFINITION OF CHILDHOOD DISABILITY.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended—

(1) in subparagraph (A), by striking "An individual" and inserting "Except as provided in subparagraph (C), an individual";

(2) in subparagraph (A), by striking "(or, in the case of an individual under the age of 18, if he suffers from any medically determinable physical or mental impairment of comparable severity)";

(3) by redesignating subparagraphs (C) through (I) as subparagraphs (D) through (J), respectively;

(4) by inserting after subparagraph (B) the following new subparagraph:

"(C) An individual under the age of 18 shall be considered disabled for the purposes of this title if that individual has a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months."; and

(5) in subparagraph (F), as redesignated by paragraph (3), by striking "(D)" and inserting "(E)".

(b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

(1) MODIFICATION TO MEDICAL CRITERIA FOR EVALUATION OF MENTAL AND EMOTIONAL DISORDERS.—The Commissioner of Social Security shall modify sections 112.00C.2. and 112.02B.2.c.(2) of appendix 1 to subpart P of part 404 of title 20, Code of Federal Regulations, to eliminate references to maladaptive behavior in the domain of personal/behavorial function.

(2) DISCONTINUANCE OF INDIVIDUALIZED FUNCTIONAL ASSESSMENT.—The Commissioner of Social Security shall discontinue the individualized functional assessment for children set forth in sections 416.924d and 416.924e of title 20, Code of Federal Regulations.

(c) EFFECTIVE DATE; MISCELLANEOUS PROVISIONS.—

(1) IN GENERAL.—The provisions of, and amendments made by, subsections (a) and (b) shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such provisions and amendments.

(2) REGULATIONS.—The Commissioner of Social Security shall issue such regulations as the Commissioner determines to be necessary to implement the provisions of, and amendments made by, subsections (a) and (b) not later than 60 days after the date of the enactment of this Act.

(3) APPLICATION TO CURRENT RECIPIENTS.—

(A) ELIGIBILITY DETERMINATIONS.—During the period beginning on January 1, 1997, and ending not later than December 31, 1997, the Commissioner of Social Security shall redetermine the eligibility of any individual under age 18 who is receiving supplemental security income benefits based on a disability under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of, and amendments made by, subsection (a) or (b). With respect to any redetermination under this subparagraph—

(i) section 1614(a)(4) of the Social Security Act (42 U.S.C. 1382c(a)(4)) shall not apply;

(ii) the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under title XVI of such Act;

(iii) the Commissioner shall give such redetermination priority over all continuing eligibility reviews and other reviews under such title; and

(iv) such redetermination shall be counted as a review or redetermination otherwise required to be made under section 208 of the Social Security Independence and Program Improvements Act of 1994 or any other provision of title XVI of the Social Security Act.

(B) GRANDFATHER PROVISION.—The amendments made by subsections (a) and (b), and the redetermination under subparagraph (A), shall only apply with respect to the benefits of an individual described in subparagraph (A) for months beginning on or after January 1, 1998.

(C) NOTICE.—Not later than January 1, 1997, the Commissioner of Social Security shall notify an individual described in subparagraph (A) of the provisions of this paragraph.

(4) APPROPRIATIONS.—

(A) IN GENERAL.—Out of any money in the Treasury not otherwise appropriated, there are authorized to be appropriated and are hereby appropriated, to remain available without fiscal year limitation, $200,000,000 for fiscal year 1996, $75,000,000 for fiscal year 1997, and $25,000,000 for fiscal year 1998, for the Commissioner of Social Security to utilize only for continuing disability reviews and redeterminations under title XVI of the Social Security Act, with reviews and redeterminations for individuals affected by the provisions of subsection (b) given highest priority.

(B) ADDITIONAL FUNDS.—Amounts appropriated under subparagraph (A) shall be in addition to any funds otherwise appropriated for continuing disability reviews and redeterminations under title XVI of the Social Security Act.

(5) BENEFITS UNDER TITLE XVI.—For purposes of this subsection, the term "benefits under title XVI of the Social Security Act" includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

SEC. 612. ELIGIBILITY REDETERMINATIONS AND CONTINUING DISABILITY REVIEWS.

(a) CONTINUING DISABILITY REVIEWS RELATING TO CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as redesignated by section 611(a)(3), is amended—

(1) by inserting "(i)" after "(H)"; and

(2) by adding at the end the following new clause:

"(ii)(I) Not less frequently than once every 3 years, the Commissioner shall review in accordance with paragraph (4) the continued eligibility for benefits under this title of each individual who has not attained 18 years of age and is eligible for such benefits by reason of an impairment (or combination of impairments) which may improve (or, which is unlikely to improve, at the option of the Commissioner).

"(II) A parent or guardian of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.".

(b) DISABILITY ELIGIBILITY REDETERMINATIONS REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS OF AGE.—

(1) IN GENERAL.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsection (a), is amended by adding at the end the following new clause:

"(iii) If an individual is eligible for benefits under this title by reason of disability for the month preceding the month in which the individual attains the age of 18 years, the Commissioner shall redetermine such eligibility—

"(I) during the 1-year period beginning on the individual's 18th birthday; and

"(II) by applying the criteria used in determining the initial eligibility for applicants who have attained the age of 18 years.

With respect to a redetermination under this clause, paragraph (4) shall not apply and such redetermination shall be considered a substitute for a review or redetermination otherwise required under any other provision of this subparagraph during that 1-year period.".

(2) CONFORMING REPEAL.—Section 207 of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby repealed.

(c) CONTINUING DISABILITY REVIEW REQUIRED FOR LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsections (a) and (b), is amended by adding at the end the following new clause:

"(iv)(I) Not later than 12 months after the birth of an individual, the Commissioner shall review in accordance with paragraph (4) the continuing eligibility for benefits under this title by reason of disability of such individual whose low birth weight is a contributing factor material to the Commissioner's determination that the individual is disabled.

"(II) A review under subclause (I) shall be considered a substitute for a review otherwise required under any other provision of this subparagraph during that 12-month period.

"(III) A parent or guardian of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

SEC. 613. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.

(a) TIGHTENING OF REPRESENTATIVE PAYEE REQUIREMENTS.—

(1) CLARIFICATION OF ROLE.—Section 1631(a)(2)(B)(ii) (42 U.S.C. 1383(a)(2)(B)(ii)) is amended by striking "and" at the end of subclause (II), by striking the period at the end of subclause (IV) and inserting "; and", and by adding after subclause (IV) the following new subclause:

"(V) advise such person through the notice of award of benefits, and at such other times as the Commissioner of Social Security deems appropriate, of specific examples of appropriate expenditures of benefits under this title and the proper role of a representative payee.".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to benefits paid after the date of the enactment of this Act.

(b) DEDICATED SAVINGS ACCOUNTS.—

(1) IN GENERAL.—Section 1631(a)(2)(B) (42 U.S.C. 1383(a)(2)(B)) is amended by adding at the end the following new clause:

"(xiv)(I) Notwithstanding clause (x), the Commissioner of Social Security may, at the request of the representative payee, pay any lump sum payment for the benefit of a child into a dedicated savings account that could only be used to purchase for such child—

"(aa) education and job skills training;

"(bb) special equipment or housing modifications or both specifically related to, and required by the nature of, the child's disability; and

"(cc) appropriate therapy and rehabilitation.

"(II) The knowing and willful misuse of funds from an account established under subclause (I) by a representative payee for any purpose not authorized by subclause (I) shall constitute fraud and shall be subject to penalties under section 1632.".

(2) DISREGARD OF TRUST FUNDS.—Section 1613(a) (42 U.S.C. 1382b) is amended—

(A) by striking "and" at the end of paragraph (9),

(B) by striking the period at the end of paragraph (10) the first place it appears and inserting a semicolon,

(C) by redesignating paragraph (10) the second place it appears as paragraph (11) and striking the period at the end of such paragraph and inserting "; and", and

(D) by inserting after paragraph (11), as so redesignated, the following new paragraph:

"(12) all amounts deposited in, or interest credited to, a dedicated savings account described in section 1631(a)(2)(B)(xiv).".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to payments made after the date of the enactment of this Act.

SEC. 614. REDUCTION IN CASH BENEFITS PAYABLE TO INSTITUTIONALIZED CHILDREN WHOSE MEDICAL COSTS ARE COVERED BY PRIVATE INSURANCE.

(a) IN GENERAL.—Section 1611(e)(1)(B) (42 U.S.C. 1382(e)(1)(B)) is amended—

(1) by striking "or" after "XIX,"; and

(2) by inserting "or, in the case of an eligible individual under the age of 18 receiving payments (with respect to such individual) under any health insurance policy issued by a private provider of such insurance" after "section 1614(f)(2)(B),".

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits for months beginning 90 days after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

SEC. 615. MODIFICATION RESPECTING PARENTAL INCOME DEEMED TO DISABLED CHILDREN.

(a) IN GENERAL.—Section 1614(f)(2) (42 U.S.C. 1382c(f)(2)) is amended—

(1) by adding at the end of subparagraph (A) the following: "For purposes of the preceding sentence, the income of such parent or spouse of such parent shall be reduced by—

"(A) the allocation for basic needs described in subparagraph (C)(i); and

"(B) the earned income disregard described in subparagraph (C)(ii)."; and

(2) by adding at the end the following:

"(C)(i) The allocation for basic needs described by this clause is—

"(I) in the case of an individual who does not have a spouse, an amount equal to 50 percent of the maximum monthly benefit payable under this title to an eligible individual who does not have an eligible spouse; or

"(II) in the case of an individual who has a spouse, an amount equal to 50 percent of the maximum monthly benefit payable under this title to an eligible individual who has an eligible spouse.

"(ii) The earned income disregard described by this clause is an amount determined by deducting the first $780 per year (or proportionally smaller amounts for shorter periods) plus 64 percent of the remainder from the earned income (determined in accordance with section 1612(a)(1)) of the parent (and spouse, if any).".

(b) PRESERVATION OF MEDICAID ELIGIBILITY.—Section 1634 (42 U.S.C. 1383c) is amended by adding at the end the following:

"(f) Any child who has not attained 18 years of age and who would be eligible for a payment under this title but for the amendment made by section 615(a) of the Work First Act of 1996 shall be deemed to be receiving such payment for purposes of eligibility of the child for medical assistance under a State plan approved under title XIX of this Act.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to months after 1996.

Subtitle C—Enforcement Provisions

SEC. 621. INSTALLMENT PAYMENT OF LARGE PAST-DUE SUPPLEMENTAL SECURITY INCOME BENEFITS.

(a) IN GENERAL.—Section 1631(a) (42 U.S.C. 1383) is amended by adding at the end the following new paragraph:

"(10)(A) If an individual is eligible for past-due monthly benefits under this title in an amount that (after any withholding for reimbursement to a State for interim assistance under subsection (g)) equals or exceeds the product of—

"(i) 12, and

"(ii) the maximum monthly benefit payable under this title to an eligible individual (or, if appropriate, to an eligible individual and eligible spouse),

then the payment of such past-due benefits (after any such reimbursement to a State) shall be made in installments as provided in subparagraph (B).

"(B)(i) The payment of past-due benefits subject to this subparagraph shall be made in not to exceed 3 installments that are made at 6-month intervals.

"(ii) Except as provided in clause (iii), the amount of each of the first and second installments may not exceed an amount equal to the product of clauses (i) and (ii) of subparagraph (A).

"(iii) In the case of an individual who has—

"(I) outstanding debt attributable to—

"(aa) food,

"(bb) clothing,

"(cc) shelter, or

"(dd) medically necessary services, supplies or equipment, or medicine; or

"(II) current expenses or expenses anticipated in the near term attributable to—

"(aa) medically necessary services, supplies or equipment, or medicine, or

"(bb) the purchase of a home, and

such debt or expenses are not subject to reimbursement by a public assistance program, the Secretary under title XVIII, a State plan approved under title XIX, or any private entity legally liable to provide payment pursuant to an insurance policy, pre-paid plan, or other arrangement, the limitation specified in clause (ii) may be exceeded by an amount equal to the total of such debt and expenses.

"(C) This paragraph shall not apply to any individual who, at the time of the Commissioner's determination that such individual is eligible for the payment of past-due monthly benefits under this title—

"(i) is afflicted with a medically determinable impairment that is expected to result in death within 12 months; or

"(ii) is ineligible for benefits under this title and the Commissioner determines that such individual is likely to remain ineligible for the next 12 months.

"(D) For purposes of this paragraph, the term 'benefits under this title' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a), and payments pursuant to an agreement entered into under section 212(b) of Public Law 93-66.".

(b) CONFORMING AMENDMENT.—Section 1631(a)(1) (42 U.S.C. 1383(a)(1)) is amended by inserting "(subject to paragraph (10))" immediately before "in such installments".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section are effective with respect to past-due benefits payable under title XVI of the Social Security Act after the third month following the month in which this Act is enacted.

(2) BENEFITS PAYABLE UNDER TITLE XVI.—For purposes of this subsection, the term "benefits payable under title XVI of the Social Security Act" includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93-66.

Subtitle D—Studies Regarding Supplemental Security Income Program

SEC. 631. ANNUAL REPORT ON THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

Title XVI is amended by adding at the end the following new section:

"SEC. 1636. ANNUAL REPORT ON PROGRAM.

"(a) DESCRIPTION OF REPORT.—Not later than May 30 of each year, the Commissioner of Social Security shall prepare and deliver a report annually to the President and the Congress regarding the program under this title, including—

"(1) a comprehensive description of the program;

"(2) historical and current data on allowances and denials, including number of applications and allowance rates at initial determinations, reconsiderations, administrative law judge hearings, council of appeals hearings, and Federal court appeal hearings;

"(3) historical and current data on characteristics of recipients and program costs, by recipient group (aged, blind, work disabled adults, and children);

"(4) projections of future number of recipients and program costs, through at least 25 years;

"(5) number of redeterminations and continuing disability reviews, and the outcomes of such redeterminations and reviews;

"(6) data on the utilization of work incentives;

"(7) detailed information on administrative and other program operation costs;

"(8) summaries of relevant research undertaken by the Social Security Administration, or by other researchers;

"(9) State supplementation program operations;

"(10) a historical summary of statutory changes to this title; and

"(11) such other information as the Commissioner deems useful.

"(b) VIEWS OF MEMBERS OF THE SOCIAL SECURITY ADVISORY COUNCIL.—Each member of the Social Security Advisory Council shall be permitted to provide an individual report, or a joint report if agreed, of views of the program under this title, to be included in the annual report under this section.".

SEC. 632. IMPROVEMENTS TO DISABILITY EVALUATION.

(a) REQUEST FOR COMMENTS.—

(1) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Commissioner of Social Security shall issue a request for comments in the Federal Register regarding improvements to the disability evaluation and determination procedures for individuals under age 18 to ensure the comprehensive assessment of such individuals, including—

(A) additions to conditions which should be presumptively disabling at birth or ages 0 through 3 years;

(B) specific changes in individual listings in the Listing of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations;

(C) improvements in regulations regarding determinations based on regulations providing for medical and functional equivalence to such Listing of Impairments, and consideration of multiple impairments; and

(D) any other changes to the disability determination procedures.

(2) REVIEW AND REGULATORY ACTION.—The Commissioner of Social Security shall promptly review such comments and issue any regulations implementing any necessary changes not later than 18 months after the date of the enactment of this Act.

SEC. 633. STUDY OF DISABILITY DETERMINATION PROCESS.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, and from funds otherwise appropriated, the Commissioner of Social Security shall make arrangements with the National Academy of Sciences, or other independent entity, to conduct a study of the disability determination process under titles II and XVI of the Social Security Act. This study shall be undertaken in consultation with professionals representing appropriate disciplines.

(b) STUDY COMPONENTS.—The study described in subsection (a) shall include—

(1) an initial phase examining the appropriateness of, and making recommendations regarding—

(A) the definitions of disability in effect on the date of the enactment of this Act and the advantages and disadvantages of alternative definitions; and

(B) the operation of the disability determination process, including the appropriate method of performing comprehensive assessments of individuals under age 18 with physical and mental impairments;

(2) a second phase, which may be concurrent with the initial phase, examining the validity, reliability, and consistency with current scientific knowledge of the standards and individual listings in the Listing of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations, and of related evaluation procedures as promulgated by the Commissioner of Social Security; and

(3) such other issues as the applicable entity considers appropriate.

(c) REPORTS AND REGULATIONS.—

(1) REPORTS.—The Commissioner of Social Security shall request the applicable entity, to submit an interim report and a final report of the findings and recommendations resulting from the study described in this section to the President and the Congress not later than 18 months and 24 months, respectively, from the date of the contract for such study, and such additional reports as the Commissioner deems appropriate after consultation with the applicable entity.

(2) REGULATIONS.—The Commissioner of Social Security shall review both the interim and final reports, and shall issue regulations implementing any necessary changes following each report.

SEC. 634. STUDY BY GENERAL ACCOUNTING OFFICE.

Not later than January 1, 1998, the Comptroller General of the United States shall study and report on the impact of the amendments made by, and the provisions of, this title on the supplemental security income program under title XVI of the Social Security Act.

Subtitle E—National Commission on the Future of Disability

SEC. 641. ESTABLISHMENT.

There is established a commission to be known as the National Commission on the Future of Disability (referred to in this subtitle as the "Commission"), the expenses of which shall be paid from funds otherwise appropriated for the Social Security Administration.

SEC. 642. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—The Commission shall develop and carry out a comprehensive study of all matters related to the nature, purpose, and adequacy of all Federal programs serving individuals with disabilities. In particular, the Commission shall study the disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such Act.

(b) MATTERS STUDIED.—The Commission shall prepare an inventory of Federal programs serving individuals with disabilities, and shall examine—

(1) trends and projections regarding the size and characteristics of the population of individuals with disabilities, and the implications of such analyses for program planning;

(2) the feasibility and design of performance standards for the Nation's disability programs;

(3) the adequacy of Federal efforts in rehabilitation research and training, and opportunities to improve the lives of individuals with disabilities through all manners of scientific and engineering research; and

(4) the adequacy of policy research available to the Federal Government, and what actions might be undertaken to improve the quality and scope of such research.

(c) RECOMMENDATIONS.—The Commission shall submit to the appropriate committees of the Congress and to the President recommendations and, as appropriate, proposals for legislation, regarding—

(1) which (if any) Federal disability programs should be eliminated or augmented;

(2) what new Federal disability programs (if any) should be established;

(3) the suitability of the organization and location of disability programs within the Federal Government;

(4) other actions the Federal Government should take to prevent disabilities and disadvantages associated with disabilities; and

(5) such other matters as the Commission considers appropriate.

SEC. 643. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—

(1) IN GENERAL.—The Commission shall be composed of 15 members, of whom—

(A) five shall be appointed by the President, of whom not more than 3 shall be of the same major political party;

(B) three shall be appointed by the Majority Leader of the Senate;

(C) two shall be appointed by the Minority Leader of the Senate;

(D) three shall be appointed by the Speaker of the House of Representatives; and

(E) two shall be appointed by the Minority Leader of the House of Representatives.

(2) REPRESENTATION.—The Commission members shall be chosen based on their education, training, or experience. In appointing individuals as members of the Commission, the President and the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives shall seek to ensure that the membership of the Commission reflects the diversity of individuals with disabilities in the United States.

(b) COMPTROLLER GENERAL.—The Comptroller General shall serve on the Commission as an ex officio member of the Commission to advise and oversee the methodology and approach of the study of the Commission.

(c) PROHIBITION AGAINST OFFICER OR EMPLOYEE.—No officer or employee of any government shall be appointed under subsection (a).

(d) DEADLINE FOR APPOINTMENT; TERM OF APPOINTMENT.—Members of the Commission shall be appointed not later than 60 days after the date of the enactment of this Act. The members shall serve on the Commission for the life of the Commission.

(e) MEETINGS.—The Commission shall locate its headquarters in the District of Columbia, and shall meet at the call of the Chairperson, but not less than 4 times each year during the life of the Commission.

(f) QUORUM.—Ten members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(g) CHAIRPERSON AND VICE CHAIRPERSON.—Not later than 15 days after the members of the Commission are appointed, such members shall designate a Chairperson and Vice Chairperson from among the members of the Commission.

(h) CONTINUATION OF MEMBERSHIP.—If a member of the Commission becomes an officer or employee of any government after appointment to the Commission, the individual may continue as a member until a successor member is appointed.

(i) VACANCIES.—A vacancy on the Commission shall be filled in the manner in which the original appointment was made not later than 30 days after the Commission is given notice of the vacancy.

(j) COMPENSATION.—Members of the Commission shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(k) TRAVEL EXPENSES.—Each member of the Commission shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

SEC. 644. STAFF AND SUPPORT SERVICES.

(a) DIRECTOR.—

(1) APPOINTMENT.—Upon consultation with the members of the Commission, the Chairperson shall appoint a Director of the Commission.

(2) COMPENSATION.—The Director shall be paid the rate of basic pay for level V of the Executive Schedule.

(b) STAFF.—With the approval of the Commission, the Director may appoint such personnel as the Director considers appropriate.

(c) APPLICABILITY OF CIVIL SERVICE LAWS.—The staff of the Commission shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) EXPERTS AND CONSULTANTS.—With the approval of the Commission, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(e) STAFF OF FEDERAL AGENCIES.—Upon the request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist in carrying out the duties of the Commission under this subtitle.

(f) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, statistical data, and other information from the Library of Congress and agencies and elected representatives of the executive and legislative branches of the Federal Government. The Chairperson of the Commission shall make requests for such access in writing when necessary.

(g) PHYSICAL FACILITIES.—The Administrator of the General Services Administration shall locate suitable office space for the operation of the Commission. The facilities shall serve as the headquarters of the Commission and shall include all necessary equipment and incidentals required for proper functioning of the Commission.

SEC. 645. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may conduct public hearings or forums at the discretion of the Commission, at any time and place the Commission is able to secure facilities and witnesses, for the purpose of carrying out the duties of the Commission under this subtitle.

(b) DELEGATION OF AUTHORITY.—Any member or agent of the Commission may, if authorized by the Commission, take any action the Commission is authorized to take by this section.

(c) INFORMATION.—The Commission may secure directly from any Federal agency information necessary to enable the Commission to carry out its duties under this subtitle. Upon request of the Chairperson or Vice Chairperson of the Commission, the head of a Federal agency shall furnish the information to the Commission to the extent permitted by law.

(d) GIFTS, BEQUESTS, AND DEVISES.—The Commission may accept, use, and dispose of gifts, bequests, or devices of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Commission. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devices shall be deposited in the Treasury and shall be available for disbursement upon order of the Commission.

(e) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

SEC. 646. REPORTS.

(a) INTERIM REPORT.—Not later than 1 year prior to the date on which the Commission terminates pursuant to section 647, the Commission shall submit an interim report to the President and to the Congress. The interim report shall contain a detailed statement of the findings and conclusions of the Commission, together with the Commission's recommendations for legislative and administrative action, based on the activities of the Commission.

(b) FINAL REPORT.—Not later than the date on which the Commission terminates, the Commission shall submit to the Congress and to the President a final report containing—

(1) a detailed statement of final findings, conclusions, and recommendations; and

(2) an assessment of the extent to which recommendations of the Commission included in the interim report under subsection (a) have been implemented.

(c) PRINTING AND PUBLIC DISTRIBUTION.—Upon receipt of each report of the Commission under this section, the President shall—

(1) order the report to be printed; and

(2) make the report available to the public upon request.

SEC. 647. TERMINATION.

The Commission shall terminate on the date that is 2 years after the date on which the members of the Commission have met and designated a Chairperson and Vice Chairperson.

TITLE VII—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

SEC. 700. STATEMENTS OF NATIONAL POLICY CONCERNING WELFARE AND IMMIGRATION.

The Congress makes the following statements concerning national policy with respect to welfare and immigration:

(1) Self-sufficiency has been a basic principle of United States immigration law since this country's earliest immigration statutes.

(2) It continues to be the immigration policy of the United States that—

(A) aliens within the nation's borders not depend on public resources to meet their needs, but rather rely on their own capabilities and the resources of their families, their sponsors, and private organizations, and

(B) the availability of public benefits not constitute an incentive for immigration to the United States.

(3) Despite the principle of self-sufficiency, aliens have been applying for and receiving public benefits from Federal, State, and local governments at increasing rates.

(4) Current eligibility rules for public assistance and unenforceable financial support agreements have proved wholly incapable of ensuring that individual aliens not burden the public benefits system.

(5) It is a compelling government interest to enact new rules for eligibility and sponsorship agreements in order to ensure that aliens be self-reliant in accordance with national immigration policy.

(6) It is a compelling government interest to remove the incentive for illegal immigration provided by the availability of public benefits.

(7) With respect to the State authority to make determinations concerning the eligibility of qualified aliens for public benefits in this title, a State that chooses to follow the Federal classification in determining the eligibility of such aliens for public assistance shall be considered to have chosen the least restrictive means available for achieving the compelling governmental interest of ensuring that aliens be self-reliant in accordance with national immigration policy.

Subtitle A—Eligibility for Federal Benefits

SEC. 701. ALIENS WHO ARE NOT QUALIFIED ALIENS INELIGIBLE FOR FEDERAL PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is not a qualified alien (as defined in section 731(b)) is not eligible for any Federal public benefit (as defined in subsection (c)).

(b) EXCEPTIONS.—

(1) CERTAIN FEDERAL PUBLIC BENEFITS.—Subsection (a) shall not apply with respect to the following Federal public benefits:

(A) Care and services for the treatment of an emergency medical condition, as defined in section 1903(v)(3) of the Social Security Act, provided under a State plan approved under title XIX of such Act.

(B) Short-term, non-cash, in-kind emergency relief.

(C)(i) Public health assistance for immunizations.

(ii) Public health assistance for testing and treatment of symptoms of communicable diseases, whether or not such symptoms are actually caused by a communicable disease, and assistance for treatment of communicable diseases.

(D) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which—

(i) deliver in-kind services at the community level, including through public or private nonprofit agencies;

(ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and

(iii) are necessary for the protection of life, safety, or public health.

(E) Programs for housing or community development assistance or financial assistance administered by the Secretary of Housing and Urban Development, any program under title V of the Housing Act of 1949, or any assistance under section 306C of the Consolidated Farm and Rural Development Act, to the extent that the alien is receiving such a benefit on the date of the enactment of this Act.

(F) Assistance or benefits under—

(i) the National School Lunch Act (42 U.S.C. 1751 et seq.);

(ii) the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

(iii) section 4 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86; 7 U.S.C. 612c note);

(iv) the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note);

(v) section 110 of the Hunger Prevention Act of 1988 (Public Law 100-435; 7 U.S.C. 612c note); or

(vi) the food distribution program on Indian reservations established under section 4(b) of Public Law 88-525 (7 U.S.C. 2013(b)).

(G) The provision of any services or benefits directly related to—

(i) assisting the victims of domestic violence; or

(ii) protecting or assisting abused or neglected children.

(H) Services provided under the Head Start Act (42 U.S.C. 9831 et seq.).

(I) Services provided by a—

(i) migrant or community health center under section 329 or 330 of the Public Health Service Act; or

(ii) school-based health clinic.

(J) Payments for foster care and adoption assistance under part E of title IV of the Social Security Act.

(K) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965 and programs under titles III, VII, and VIII of the Public Health Service Act.

(L) Means-tested programs under the Elementary and Secondary Education Act of 1965.

(2) BATTERED OR ABUSED INDIVIDUALS.—Subsection (a) shall not apply—

(A) for up to 48 months if the alien can demonstrate—

(i) that—

(I) the alien has been battered or subject to extreme cruelty in the United States by a spouse, parent, or child, or by a member of the spouse's, parent's, or child's family residing in the same household as the alien and the spouse, parent, or child consented or acquiesced to such battery or cruelty; or

(II) the alien's child has been battered or subject to extreme cruelty in the United States by a spouse or parent of the alien (without the active participation of the alien in the battery or extreme cruelty), or by a member of the spouse or parent's family residing in the same household as the alien when the spouse or parent consented or acquiesced to and the alien did not actively participate in such battery or cruelty; and

(ii) that the need for the public benefits applied for has a substantial connection to the battery or cruelty described in subclause (I) or (II) of clause (i); and

(B) for more than 48 months if the alien can demonstrate that any battery or cruelty under subparagraph (A) is ongoing, has led to the issuance of an order of a judge or an administrative law judge or a prior determination of the Service, and that the need for such benefits has a substantial connection to such battery or cruelty.

(c) FEDERAL PUBLIC BENEFIT DEFINED.—

(1) IN GENERAL.—Except as provided in paragraph (2), for purposes of this title the term "Federal public benefit" means—

(A) any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United States; and

(B) any retirement, welfare, health, disability, public or assisted housing, post-secondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of the United States or by appropriated funds of the United States.

(2) EXCEPTIONS.—The term "Federal public benefit" shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Attorney General, after consultation with the Secretary of State.

SEC. 702. LIMITED ELIGIBILITY OF CERTAIN QUALIFIED ALIENS FOR SSI BENEFITS.

(a) LIMITED ELIGIBILITY FOR SSI BENEFITS.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is a qualified alien (as defined in section 731(b)) is not eligible for the supplemental security income program under title XVI of the Social Security Act, including supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act and payments pursuant to an agreement entered into under section 212(b) of Public Law 93-66.

(b) EXCEPTIONS.—

(1) EXCEPTION FOR REFUGEES AND ASYLEES.—Subsection (a) shall not apply to—

(A) an alien who has been admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

(B) an alien who has been granted asylum under section 208 of such Act; or

(C) an alien whose deportation has been withheld under section 243(h) of such Act.

(2) CERTAIN PERMANENT RESIDENT ALIENS.—Subsection (a) shall not apply to an alien—

(A) who is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(B)(i) has had paid with respect to the self-employment income or employment of the alien, or of a parent or spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 40 different calendar quarters, and (ii) did not receive any Federal means-tested public benefit (as defined in section 703(c)) during any such quarter.

(3) VETERAN AND ACTIVE DUTY EXCEPTION.—Subsection (a) shall not apply to an alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage;

(B) on active duty (other than active duty for training) in the Armed Forces of the United States; or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(4) Exception for battered individuals and children.—Subsection (a) shall not apply in the case of an exception described in section 701(b)(2).

(5) Disability exception.—Subparagraph (a) shall not apply to an alien who has been lawfully admitted to the United States for permanent residence, and who since the date of such lawful admission, has become blind or disabled, as those terms are defined in section 1614 of the Social Security Act (42 U.S.C. 1382c).

(c) Transition for Aliens Currently Receiving Benefits.—

(1) Application after January 1, 1998.—Subsection (a) shall apply to the eligibility of an alien for the benefits described in such subsection for months beginning on or after January 1, 1998, if, on the date of the enactment of this Act, the alien is lawfully residing in any State and is receiving such benefits on the date of the enactment of this Act.

(2) Redetermination of benefits.—During the period beginning on the date of the enactment of this Act and ending on the date which is 1 year after such date, the Commissioner of Social Security shall redetermine the eligibility of any individual who is receiving benefits under the supplemental security income program under title XVI of the Social Security Act, including supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act and payments pursuant to an agreement entered into under section 212(b) of Public Law 93-66, as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of this section.

(3) Redetermination criteria.— With respect to any redetermination under paragraph (2), the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under the program and agreements described in such paragraph.

(4) Notice.—Not later than January 1, 1997, the Commissioner of Social Security shall notify an individual described in paragraph (2) of the provisions of this section.

SEC. 703. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.

(a) In General.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is a qualified alien (as defined in section 731(b)) and who enters the United States on or after the date of the enactment of this Act is not eligible for any Federal means-tested public benefit (as defined in subsection (c)) for a period of 5 years beginning on the date of the alien's entry into the United States with a status within the meaning of the term "qualified alien".

(b) Exceptions.—The limitation under subsection (a) shall not apply to the any alien described in section 702(b).

(c) Federal Means-Tested Public Benefit Defined.—

(1) In general.—Except as provided in paragraph (2), for purposes of this title, the term "Federal means-tested public benefit" means a public benefit (including cash, medical, housing, and food assistance and social services) of the Federal Government in which the eligibility of an individual, household, or family eligibility unit for benefits, or the amount of such benefits, or both, are determined on the basis of income, resources, or financial need of the individual, household, or unit.

(2) Exception.—Such term does not include any Federal public benefit described in section 701(b)(1).

SEC. 704. NOTIFICATION AND INFORMATION REPORTING.

Each Federal agency that administers a program to which section 701, 702, or 703 applies shall, directly or through the States, post information and provide general notification to the public and to program recipients of the changes regarding eligibility for any such program pursuant to this title.

Subtitle B—Eligibility for State and Local Public Benefits Programs

SEC. 711. ALIENS WHO ARE NOT QUALIFIED ALIENS OR NONIMMIGRANTS INELIGIBLE FOR STATE AND LOCAL PUBLIC BENEFITS.

(a) In General.—Notwithstanding any other provision of law and except as provided in subsections (b) and (d), an alien who is not described under one of the following paragraphs of this subsection is not eligible for any State or local public benefit (as defined in subsection (c)):

(1) A qualified alien (as defined in section 731(b)).

(2) A nonimmigrant, as determined under the Immigration and Nationality Act.

(3) An alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(4) An alien described in section 701(b)(2).

(b) Exceptions.—Subsection (a) shall not apply with respect to the following State or local public benefits:

(1) Care and services for the treatment of an emergency medical condition, as defined in section 1903(v)(3) of the Social Security Act.

(2) Short-term, noncash, in-kind emergency relief.

(3)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of symptoms of communicable diseases, whether or not such symptoms are actually caused by a communicable disease, and assistance for treatment of communicable diseases.

(4) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the appropriate State official which—

(A) deliver in-kind services at the community level, including through public or private nonprofit agencies;

(B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and

(C) are necessary for the protection of life, safety, or public health.

(5) Family violence services.

(6) Benefits or services to protect abused or neglected children.

(7) School meals and child nutrition services.

(8) Prenatal health care services.

(c) State or Local Public Benefit Defined.—

(1) In general.—Except as provided in paragraph (2), for purposes of this section the term "State or local public benefit" means—

(A) any grant, contract, loan, professional license, or commercial license provided by an agency of a State or local government or by appropriated funds of a State or local government; and

(B) any retirement, welfare, health, disability, public or assisted housing, post-secondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of a State or local government or by appropriated funds of a State or local government.

(2) Exceptions.—The term "State or local public benefit" shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who, as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act, qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Secretary of State, after consultation with the Attorney General.

(d) State Authority To Provide For Eligibility of Illegal Aliens for State and Local Public Benefits.—A State may provide that an alien who is not lawfully present in the United States is eligible for any State or local public benefit for which such alien would otherwise be ineligible under the provisions of subsection (a).

(e) Rule of Construction.—Nothing in this section shall be construed to limit the option of a State to provide preventative health care to an alien who would otherwise be ineligible for such health care under the provisions of this section.

Subtitle C—Attribution of Income and Affidavits of Support

SEC. 721. FEDERAL ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO ALIEN FOR PURPOSES OF MEDICAID, FOOD STAMPS, AND TEA ELIGIBILITY.

(a) Attribution of Sponsor's Income and Resources.—

(1) In General.—Notwithstanding any other provision of law, in determining the eligibility and the amount of benefits of an alien for the program of medical assistance under title XIX of the Social Security Act, the Food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, and the temporary employment assistance program funded under part A of title IV of the Social Security Act, the income and resources of the alien shall be deemed to include the following:

(A) The income and resources of any person who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 723) on behalf of such alien.

(B) The income and resources of the spouse (if any) of such affiant.

(2) Determination of income and resources.—

(A) Income.—For each program referred to in paragraph (1), the amount of income which shall be deemed to an alien under this section shall be determined by calculating the countable yearly income received by the sponsor and the sponsor's spouse according to the regulations for determining income eligibility applicable to the program involved, and deducting therefrom an amount equal to the poverty line, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2), (including any revision required by such section) applicable to a family of the same size as such sponsor's and such spouse's family.

(B) Resources.—For each program referred to in paragraph (1), the amount of resources which shall be deemed to be the resources of an alien under this section shall be determined by calculating the total value of countable resources owned by and available to the sponsor and the sponsor's spouse. Such amount shall not include the sponsor's personal property, primary place of residence, property used to generate income, or such other resources as are designated by the agency charged with administering the affected program.

(b) Application.—

(1) In general.—Subsection (a) shall apply with respect to an alien until such time as the alien—

(A) achieves United States citizenship through naturalization pursuant to the Immigration and Nationality Act; or

(B)(i) pays, or has paid, with respect to the self-employment income or employment of the alien, or of a parent or spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 40 different calendar quarters, and (ii) did not receive any Federal means-tested public benefit (as defined in section 703(c)) during any such quarter.

(2) Credit for spouses and children.—An alien not meeting the requirements of paragraph (1)(B)(i) shall be treated as meeting such requirements if—

(A) the spouse of such alien has met such requirements and the alien and spouse filed a joint income tax returns covering the 40 calendar quarters referred to in such paragraph; or

(B) the individual who claimed such alien as a dependent on an income tax return covering such quarters met such requirements for such quarters.

(3) Exceptions.—Subsection (a) shall not apply to—

(A) any alien described in—

(i) section 701(b)(2); or

(ii) section 702(b); or

(B) any alien woman who is pregnant.

(c) Review of Income and Resources of Alien Upon Reapplication.—Whenever an alien is required to reapply for benefits under any of the programs described in section 721(a)(1), the State agency administering such plan shall review the income and resources attributed to the alien under subsection (a).

(d) Other Members of the Alien's Household.—The deemed income and resources of a sponsored alien shall not affect the eligibility or amount of benefits of any other individuals who are members of such alien's family or household.

SEC. 722. AUTHORITY FOR STATES TO PROVIDE FOR ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO THE ALIEN WITH RESPECT TO STATE PROGRAMS.

(a) Optional Application to State Programs.—

(1) In general.—Except as provided in subsection (b), in determining the eligibility and the amount of benefits of an alien for any State or local public benefits (as defined in section 712(c)) that are means-tested, the State or political subdivision that offers the benefits may provide that the income and resources of the alien shall be deemed to include—

(A) the income and resources of any individual who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 723) on behalf of such alien; and

(B) the income and resources of the spouse (if any) of the affiant.

(2) Determination of income and resources.—The maximum amount of a sponsor's income and resources that a State may attribute to an alien applying for State public benefits (as defined in section 712(c)) that are means-tested under this section shall be determined in accordance with the provisions of section 721(a)(2).

(b) Exceptions.—Subsection (a) shall not apply with respect to the following State public benefits:

(1) Emergency medical services.

(2) Short-term, noncash, in-kind emergency relief.

(3) Programs comparable to assistance or benefits under the National School Lunch Act.

(4) Programs comparable to assistance or benefits under the Child Nutrition Act of 1966.

(5)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of symptoms of communicable diseases, whether or not such symptoms are actually caused by a communicable disease, and assistance for treatment of communicable diseases.

(6) Payments for foster care and adoption assistance.

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the appropriate State official which—

(A) deliver in-kind services at the community level, including through public or private nonprofit agencies;

(B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and

(C) are necessary for the protection of life, safety, or public health.

(8) Prenatal health care services.

(9) Services and benefits provided to an alien who is described in section 702(b)(5).

SEC. 723. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.

(a) In General.—Title II of the Immigration and Nationality Act is amended by inserting after section 213 the following new section:

"REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

"Sec. 213A. (a) Enforceability.—

"(1) In general.—No affidavit of support may be accepted by the Attorney General or by any consular officer to establish that an alien is not excludable as a public charge under section 212(a)(4) unless such affidavit is executed as a contract—

"(A) which is legally enforceable against the sponsor by the sponsored alien, the Federal Government, and by any State (or any political subdivision of such State) which provides any means-tested public benefits program, but not later than 10 years after the alien last receives any such benefit;

"(B) in which the sponsor agrees to financially support the alien, so that the alien will not become a public charge; and

"(C) in which the sponsor agrees to submit to the jurisdiction of any Federal or State court for the purpose of actions brought under subsection (e)(2).

"(2) Enforcement period.—A contract under paragraph (1) shall be enforceable with respect to benefits provided to the alien until such time as the alien achieves United States citizenship through naturalization pursuant to chapter 2 of title III.

"(b) Forms.—Not later than 90 days after the date of enactment of this section, the Attorney General, in consultation with the Secretary of State and the Secretary of Health and Human Services, shall formulate an affidavit of support consistent with the provisions of this section.

"(c) Remedies.—Remedies available to enforce an affidavit of support under this section include any or all of the remedies described in sections 3201, 3203, 3204, or 3205 of title 28, United States Code, as well as an order for specific performance and payment of legal fees and other costs of collection, and include corresponding remedies available under State law. A Federal agency may seek to collect amounts owed under this section in accordance with the provisions of subchapter II of chapter 37 of title 31, United States Code.

"(d) Notification of Change of Address.—

"(1) In general.—The sponsor shall notify the Attorney General and the State in which the sponsored alien is currently resident within 30 days of any change of address of the sponsor during the period specified in subsection (a)(2).

"(2) Penalty.—Any person subject to the requirement of paragraph (1) who fails to satisfy such requirement shall be subject to a civil penalty of—

"(A) not less than $250 or more than $2,000; or

"(B) if such failure occurs with knowledge that the alien has received any means-tested public benefit, not less than $2,000 or more than $5,000.

"(e) Reimbursement of Government Expenses.—

"(1) Procedure for reimbursement.—

"(A) Request from sponsor.—Upon notification that a sponsored alien has received any benefit under any means-tested public benefits program, the appropriate Federal, State, or local official shall request reimbursement by the sponsor in the amount of such assistance.

"(B) Regulations.—The Attorney General, in consultation with the Secretary of Health and Human Services, shall prescribe such regulations as may be necessary to carry out subparagraph (A).

"(2) Causes of action.—

"(A) In general.—If within 45 days after requesting reimbursement, the appropriate Federal, State, or local agency has not received a response from the sponsor indicating a willingness to commence payments, an action may be brought against the sponsor pursuant to the affidavit of support.

"(B) Upon failure to abide by terms of repayment.—If the sponsor fails to abide by the repayment terms established by such agency, the agency may, within 60 days of such failure, bring an action against the sponsor pursuant to the affidavit of support.

"(3) Limitation.—No cause of action may be brought under this subsection later than 10 years after the alien last received any benefit under any means-tested public benefits program.

"(4) Authority to contract.—If, pursuant to the terms of this subsection, a Federal, State, or local agency requests reimbursement from the sponsor in the amount of assistance provided, or brings an action against the sponsor pursuant to the affidavit of support, the appropriate agency may appoint or hire an individual or other person to act on behalf of such agency acting under the authority of law for purposes of collecting any moneys owed. Nothing in this subsection shall preclude any appropriate Federal, State, or local agency from directly requesting reimbursement from a sponsor for the amount of assistance provided, or from bringing an action against a sponsor pursuant to an affidavit of support.

"(f) Definitions.—For the purposes of this section—

"(1) Sponsor.—The term 'sponsor' means an individual who—

"(A) is a citizen or national of the United States or an alien who is lawfully admitted to the United States for permanent residence;

"(B) has attained the age of 18 years; and

"(C) is domiciled in the United States or in any territory or possession thereof.

"(2) MEANS-TESTED PUBLIC BENEFITS PROGRAM.—The term 'means-tested public benefits program' means a program of public benefits (including cash, medical, housing, and food assistance and social services) of the Federal Government or of a State or political subdivision of a State in which the eligibility of an individual, household, or family eligibility unit for benefits under the program, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.".

(b) CLERICAL AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 213 the following:

"Sec. 213A. Requirements for sponsor's affidavit of support.".

(c) EFFECTIVE DATE.—Subsection (a) of section 213A of the Immigration and Nationality Act (as inserted by subsection (a) of this section) shall apply to affidavits of support executed on or after a date specified by the Attorney General, which date shall not be earlier than 60 days (and not later than 90 days) after the date the Attorney General formulates the form for such affidavits under subsection (b) of section 213A of such Act (as so inserted).

(d) BENEFITS NOT SUBJECT TO REIMBURSEMENT.—Requirements for reimbursement by a sponsor for benefits provided to a sponsored alien pursuant to an affidavit of support under section 213A of the Immigration and Nationality Act shall not apply with respect to—

(1) any alien described in—

(A) section 701(b)(2); or

(B) section 702(b);

(2) any alien woman who is pregnant; or

(3) any of the following benefits:

(A) Care and services for the treatment of an emergency medical condition, as defined in section 1903(v)(3) of the Social Security Act, provided under a State plan approved under title XIX of such Act, and prenatal services provided under a State plan approved under such title.

(B) Short-term, noncash, in-kind emergency relief.

(C) Assistance or benefits under the National School Lunch Act.

(D) Assistance or benefits under the Child Nutrition Act of 1966.

(E)(i) Public health assistance for immunizations.

(ii) Public health assistance for testing and treatment of symptoms of communicable diseases, whether or not such symptoms are actually caused by a communicable disease, and assistance for treatment of communicable diseases.

(F) Payments for foster care and adoption assistance under part E of title IV of the Social Security Act for a child.

(G) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which—

(i) deliver in-kind services at the community level, including through public or private nonprofit agencies;

(ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and

(iii) are necessary for the protection of life, safety, or public health.

(H) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965 and programs under titles III, VII, and VIII of the Public Health Service Act.

(I) Benefits or services provided by a migrant or community health center under section 329 or 330 of the Public Health Service Act.

(J) Family violence services.

Subtitle D—General Provisions

SEC. 731. DEFINITIONS.

(a) IN GENERAL.—Except as otherwise provided in this title, the terms used in this title have the same meaning given such terms in section 101(a) of the Immigration and Nationality Act.

(b) QUALIFIED ALIEN.—

(1) IN GENERAL.—For purposes of this title, the term "qualified alien" means an alien who, at the time the alien applies for, receives, or attempts to receive a Federal public benefit, is lawfully present in the United States.

(2) REGULATIONS.—The determination of whether an alien is lawfully present in the United States shall be made in accordance with regulations of the Attorney General. An alien shall not be considered to be lawfully present in the United States for the purposes of this title merely because the alien may be considered to be permanently residing in the United States under color of law for purposes of any particular program.

SEC. 732. STATUTORY CONSTRUCTION.

(a) LIMITATION.—

(1) IN GENERAL.—Nothing in this title shall be construed as an entitlement or as a determination of an individual's eligibility or fulfillment of the requisite requirements for any Federal, State, or local governmental program, assistance, or benefits. For purposes of this title, eligibility relates only to the general issue of eligibility or ineligibility on the basis of alienage.

(2) NO EFFECT ON ELIGIBILITY FOR EDUCATION.—Nothing in this title may be construed as addressing alien eligibility for a basic public education as determined by the Supreme Court of the United States under Plyler v. Doe (457 U.S. 202)(1982).

(b) NOT APPLICABLE TO FOREIGN ASSISTANCE.—This title does not apply to any Federal, State, or local governmental program, assistance, or benefits provided to an alien under any program of foreign assistance as determined by the Secretary of State in consultation with the Attorney General.

(c) SEVERABILITY.—If any provision of this title or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this title and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 733. TITLE INAPPLICABLE TO PROGRAMS SPECIFIED BY ATTORNEY GENERAL.

Notwithstanding any other provision of this title, this title or any provision of this title shall not apply to programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which—

(1) deliver services at the community level, including through public or private nonprofit agencies;

(2) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and

(3) are necessary for the protection of life, safety or the public health.

SEC. 734. TITLE INAPPLICABLE TO PROGRAMS OF NONPROFIT CHARITABLE ORGANIZATIONS.

(a) IN GENERAL.—Nothing in this Act shall be construed as requiring a nonprofit charitable organization operating any program of assistance provided or funded, in whole or in part, by the Federal Government or by the government of any State or political subdivision of a State to—

(1) determine, verify, or otherwise require proof of the eligibility, as determined under this title, of any applicant for benefits or assistance under such program; or

(2) deem that the income or assets of any applicant for benefits or assistance under such program include the income or assets of an individual described in subparagraph (A) or (B) of section 721(a)(1).

(b) NO EFFECT ON FEDERAL AUTHORITY TO DETERMINE COMPLIANCE.—Nothing in this section shall be construed as prohibiting the Federal Government from determining the eligibility of any individual for any Federal public benefit as defined section 701(c)), or for any State or local public benefits (as defined in section 711(c)).

Subtitle E—Conforming Amendments

SEC. 741. CONFORMING AMENDMENTS RELATING TO ASSISTED HOUSING.

(a) LIMITATIONS ON ASSISTANCE.—Section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) is amended—

(1) by striking "Secretary of Housing and Urban Development" each place it appears and inserting "applicable Secretary";

(2) in subsection (b), by inserting after "National Housing Act," the following: "the direct loan program under section 502 of the Housing Act of 1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or 542 of such Act, subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act,";

(3) in paragraphs (2) through (6) of subsection (d), by striking "Secretary" each place it appears and inserting "applicable Secretary";

(4) in subsection (d), in the matter following paragraph (6), by striking "the term 'Secretary'" and inserting "the term 'applicable Secretary'"; and

(5) by adding at the end the following new subsection:

"(h) For purposes of this section, the term 'applicable Secretary' means—

"(1) the Secretary of Housing and Urban Development, with respect to financial assistance administered by such Secretary and financial assistance under subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act; and

"(2) the Secretary of Agriculture, with respect to financial assistance administered by such Secretary.".

(b) CONFORMING AMENDMENTS.—Section 501(h) of the Housing Act of 1949 (42 U.S.C. 1471(h)) is amended—

(1) by striking "(1)";

(2) by striking "by the Secretary of Housing and Urban Development"; and

(3) by striking paragraph (2).

TITLE VIII—FOOD ASSISTANCE

Subtitle A—Food Stamp Program

SEC. 801. DEFINITION OF CERTIFICATION PERIOD.

Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by striking "Except as provided" and all that follows and inserting the following: "The certification period shall not exceed 12 months, except that the certification period may be up to 24 months if all adult household members are elderly or disabled. A State agency shall have at least 1 contact with each certified household every 12 months.".

SEC. 802. DEFINITION OF COUPON.

Section 3(d) of the Food Stamp Act of 1977 (7 U.S.C. 2012(d)) is amended by striking "or type of certificate" and inserting "type of certificate, authorization card, cash or check issued in lieu of a coupon, or access device, including an electronic benefit transfer card or personal identification number,".

SEC. 803. TREATMENT OF CHILDREN LIVING AT HOME.

The second sentence of section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by striking "(who are not themselves parents living with their children or married and living with their spouses)".

SEC. 804. ADJUSTMENT OF THE THRIFTY FOOD PLAN.

The second sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

(1) by striking "and (11) on" and inserting "(11) on";

(2) in paragraph (11), by inserting after "October 1 thereafter" the following: "through the last day of the first month following the month of enactment of the Work First Act of 1996"; and

(3) by striking the period at the end and inserting the following: ", and (12) on the first day of the second month following the month of enactment of the Work First Act of 1996, and each October 1 thereafter, adjust the cost of the diet to reflect the cost of the diet in the preceding June, and round the result to the nearest lower dollar increment for each household size, except that on the first day of the second month after the month of enactment of the Work First Act of 1996, the Secretary may not reduce the cost of the diet in effect on September 30, 1995.".

SEC. 805. DEFINITION OF HOMELESS INDIVIDUAL.

Section 3(s)(2)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2012(s)(2)(C)) is amended by inserting "for not more than 90 days" after "temporary accommodation".

SEC. 806. STATE OPTION FOR ELIGIBILITY STANDARDS.

Section 5(b) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended by striking "(b) The Secretary" and inserting the following:

"(b) Eligibility Standards.—Except as otherwise provided in this Act, the Secretary".

SEC. 807. EARNINGS OF STUDENTS.

Section 5(d)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(7)) is amended by striking "is 21 years of age or younger" and inserting "has not reached the age of 18".

SEC. 808. ENERGY ASSISTANCE.

(a) Counting Governmental Energy Assistance as Income.—Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by striking paragraph (11); and

(2) by redesignating paragraphs (12) through (16) as paragraphs (11) through (15), respectively.

(b) Standard Utility Allowance.—Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking "If a State agency elects" and all that follows through "season for which it was provided.".

(c) Conforming Amendments.—

(1) Section 5(k) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)) is amended—

(A) in paragraph (1)(B), by striking ", not including energy or utility-cost assistance,";

(B) in paragraph (2)—

(i) by striking subparagraph (C); and

(ii) by redesignating subparagraphs (D) through (H) as subparagraphs (C) through (G), respectively; and

(C) by adding at the end the following:

"(4) Third party energy assistance payments.—

"(A) Energy assistance payments.—For purposes of subsection (d)(1), a payment made under a Federal or State law to provide energy assistance to a household shall be considered money payable directly to the household.

"(B) Energy assistance expenses.—For purposes of subsection (e), an expense paid on behalf of a household under a Federal or State law to provide energy assistance shall be considered an out-of-pocket expense incurred and paid by the household.".

(2) Section 2605(f) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)) is amended—

(A) by striking "(f)(1) Notwithstanding any other provision of law" and inserting "(f) Notwithstanding any other provision of law except the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.),";

(B) in paragraph (1), by striking "food stamps,"; and

(C) by striking paragraph (2).

SEC. 809. REDUCTION IN THE STANDARD DEDUCTION.

Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking "(e) In computing" and all that follows through "June 30. All households" and inserting the following:

"(1) Standard deduction.—

"(A) In general.—The Secretary shall allow a standard deduction for each household in the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States of—

"(i) for fiscal year 1996, $130, $222, $183, $260, and $114, respectively; and

"(ii) for fiscal years 1997 through 2000, $122, $208, $171, $244, and $106, respectively.

"(B) Adjustment for inflation.—On October 1, 2000, and each October 1 thereafter, the Secretary shall adjust the standard deduction to the nearest lower dollar increment to reflect changes in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics, for items other than food, for the 12-month period ending the preceding June 30.

"(2) Other deductions.—All households".

SEC. 810. MANDATORY USE OF A STANDARD UTILITY ALLOWANCE.

Section 5(e)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(2)) (as amended by section 809) is amended by inserting after "only for excess utility costs." the following: "A State agency may make the use of a standard utility allowance mandatory for all households with qualifying utility costs if the State agency has developed 1 or more standards that include the cost of heating and cooling and 1 or more standards that do not include the cost of heating and cooling and the Secretary finds that the standards will not result in increased program costs.".

SEC. 811. VEHICLE ASSET LIMITATION.

The first sentence of section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended by striking "through September 30, 1995" and all that follows through "such date and on" and inserting "and shall be adjusted on October 1, 1996, and".

SEC. 812. VENDOR PAYMENTS FOR TRANSITIONAL HOUSING COUNTED AS INCOME.

Section 5(k)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)(2)) (as amended by section 808(c)(1)) is amended—

(1) by striking subparagraph (E); and

(2) by redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively.

SEC. 813. DOUBLED PENALTIES FOR VIOLATING FOOD STAMP PROGRAM REQUIREMENTS.

Section 6(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)) is amended—

(1) in clause (i), by striking "six months" and inserting "1 year"; and

(2) in clause (ii), by striking "1 year" and inserting "2 years".

SEC. 814. DISQUALIFICATION OF CONVICTED INDIVIDUALS.

Section 6(b)(1)(iii) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)(iii)) is amended—

(1) in subclause (II), by striking "or" at the end;

(2) in subclause (III), by striking the period at the end and inserting "; or"; and

(3) by inserting after subclause (III) the following:

"(IV) a conviction of an offense under subsection (b) or (c) of section 15 involving an item covered by subsection (b) or (c) of section 15 having a value of $500 or more.".

SEC. 815. DISQUALIFICATION.

(a) In General.—Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended by striking "(d)(1) Unless otherwise exempted by the provisions" and all that follows through the end of paragraph (1) and inserting the following:

"(d) Conditions of Participation.—

"(1) Work requirements.—

"(A) In general.—No physically and mentally fit individual over the age of 15 and under the age of 60 shall be eligible to participate in the food stamp program if the individual—

"(i) refuses, at the time of application and every 12 months thereafter, to register for employment in a manner prescribed by the Secretary;

"(ii) refuses without good cause to participate in an employment and training program under paragraph (4), to the extent required by the State agency;

"(iii) refuses without good cause to accept an offer of employment, at a site or plant not subject to a strike or lockout at the time of the refusal, at a wage not less than the higher of—

"(I) the applicable Federal or State minimum wage; or

"(II) 80 percent of the wage that would have governed had the minimum hourly rate under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) been applicable to the offer of employment;

"(iv) refuses without good cause to provide a State agency with sufficient information to allow the State agency to determine the employment status or the job availability of the individual;

"(v) voluntarily and without good cause—

"(I) quits a job; or

"(II) reduces work effort and, after the reduction, the individual is working less than 30 hours per week; or

"(vi) fails to comply with section 20.

"(B) Household ineligibility.—If an individual who is the head of a household becomes ineligible to participate in the food stamp program under subparagraph (A), the household shall, at the option of the State agency, become ineligible to participate in the food stamp program for a period, determined by the State agency, that does not exceed the lesser of—

"(i) the duration of the ineligibility of the individual determined under subparagraph (C); or

"(ii) 180 days.

"(C) DURATION OF INELIGIBILITY.—

"(i) FIRST VIOLATION.—The first time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 1 month after the date the individual became ineligible; or

"(III) a date determined by the State agency that is not later than 3 months after the date the individual became ineligible.

"(ii) SECOND VIOLATION.—The second time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 3 months after the date the individual became ineligible; or

"(III) a date determined by the State agency that is not later than 6 months after the date the individual became ineligible.

"(iii) THIRD OR SUBSEQUENT VIOLATION.—The third or subsequent time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 6 months after the date the individual became ineligible;

"(III) a date determined by the State agency; or

"(IV) at the option of the State agency, permanently.

"(D) ADMINISTRATION.—

"(i) GOOD CAUSE.—The Secretary shall determine the meaning of good cause for the purpose of this paragraph.

"(ii) VOLUNTARY QUIT.—The Secretary shall determine the meaning of voluntarily quitting and reducing work effort for the purpose of this paragraph.

"(iii) DETERMINATION BY STATE AGENCY.—

"(I) IN GENERAL.—Subject to subclause (II) and clauses (i) and (ii), a State agency shall determine—

"(aa) the meaning of any term in subparagraph (A);

"(bb) the procedures for determining whether an individual is in compliance with a requirement under subparagraph (A); and

"(cc) whether an individual is in compliance with a requirement under subparagraph (A).

"(II) NOT LESS RESTRICTIVE.—A State agency may not determine a meaning, procedure, or determination under subclause (I) to be less restrictive than a comparable meaning, procedure, or determination under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(iv) STRIKE AGAINST THE GOVERNMENT.—For the purpose of subparagraph (A)(v), an employee of the Federal Government, a State, or a political subdivision of a State, who is dismissed for participating in a strike against the Federal Government, the State, or the political subdivision of the State shall be considered to have voluntarily quit without good cause.

"(v) SELECTING A HEAD OF HOUSEHOLD.—

"(I) IN GENERAL.—For the purpose of this paragraph, the State agency shall allow the household to select any adult parent of a child in the household as the head of the household if all adult household members making application under the food stamp program agree to the selection.

"(II) TIME FOR MAKING DESIGNATION.—A household may designate the head of the household under subclause (I) each time the household is certified for participation in the food stamp program, but may not change the designation during a certification period unless there is a change in the composition of the household.

"(vi) CHANGE IN HEAD OF HOUSEHOLD.—If the head of a household leaves the household during a period in which the household is ineligible to participate in the food stamp program under subparagraph (B)—

"(I) the household shall, if otherwise eligible, become eligible to participate in the food stamp program; and

"(II) if the head of the household becomes the head of another household, the household that becomes headed by the individual shall become ineligible to participate in the food stamp program for the remaining period of ineligibility.".

(b) CONFORMING AMENDMENT.—

(1) The second sentence of section 17(b)(2) of the Act (7 U.S.C. 2026(b)(2)) is amended by striking "6(d)(1)(i)" and inserting "6(d)(1)(A)(i)".

(2) Section 20 of the Act (7 U.S.C. 2029) is amended by striking subsection (f) and inserting the following:

"(f) DISQUALIFICATION.—An individual or a household may become ineligible under section 6(d)(1) to participate in the food stamp program for failing to comply with this section.".

SEC. 816. EMPLOYMENT AND TRAINING.

(a) IN GENERAL.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended—

(1) in subparagraph (A)—

(A) by striking "Not later than April 1, 1987, each" and inserting "Each"; and

(B) by inserting "work," after "skills, training,";

(2) in subparagraph (B)—

(A) in the matter preceding clause (i), by striking the colon at the end and inserting the following: ", except that the State agency shall retain the option to apply employment requirements prescribed under this subparagraph to a program applicant at the time of application:";

(B) in clause (i), by striking "with terms and conditions" and all that follows through "time of application"; and

(C) in clause (iv)—

(i) by striking subclauses (I) and (II); and

(ii) by redesignating subclauses (III) and (IV) as subclauses (I) and (II), respectively;

(3) in subparagraph (D)—

(A) in clause (i), by striking "to which the application" and all that follows through "30 days or less";

(B) in clause (ii), by striking "but with respect" and all that follows through "child care"; and

(C) in clause (iii), by striking ", on the basis of" and all that follows through "clause (ii)" and inserting "the exemption continues to be valid";

(4) in subparagraph (E), by striking the third sentence;

(5) in subparagraph (G)—

(A) by striking "(G)(i) The State" and inserting "(G) The State"; and

(B) by striking clause (ii);

(6) in subparagraph (H), by striking "(H)(i) The Secretary" and all that follows through "(ii) Federal funds" and inserting "(H) Federal funds";

(7) in subparagraph (I)(i)(II), by striking ", or was in operation," and all that follows through "Social Security Act" and inserting the following: "), except that the payment or reimbursement shall not exceed the applicable local market rate";

(8)(A) by striking subparagraphs (K) and (L) and inserting the following:

"(K) LIMITATION ON FUNDING.—Notwithstanding any other provision of this paragraph, the amount of funds a State agency uses to carry out this paragraph (including under subparagraph (I)) for participants who are receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall not exceed the amount of funds the State agency used in fiscal year 1995 to carry out this paragraph for participants who were receiving benefits in fiscal year 1995 under a State program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.)."; and

(B) by redesignating subparagraphs (M) and (N) as subparagraphs (L) and (M), respectively; and

(9) in subparagraph (L) (as redesignated by paragraph (8)(B))—

(A) by striking "(L)(i) The Secretary" and inserting "(L) The Secretary"; and

(B) by striking clause (ii).

(b) FUNDING.—Section 16(h) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)) is amended by striking "(h)(1)(A) The Secretary" and all that follows through the end of paragraph (1) and inserting the following:

"(h) FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.—

"(1) IN GENERAL.—

"(A) AMOUNTS.—To carry out employment and training programs, the Secretary shall reserve for allocation to State agencies from funds made available for each fiscal year under section 18(a)(1) the amount of—

"(i) for fiscal year 1996, $75,000,000;

"(ii) for fiscal year 1997, $85,000,000;

"(iii) for fiscal year 1998, $95,000,000; and

"(iv) for fiscal years 1999 through 2002, $100,000,000.

"(B) ALLOCATION.—The Secretary shall allocate the amounts reserved under subparagraph (A) among the State agencies using a reasonable formula (as determined by the Secretary).

"(C) REALLOCATION.—

"(i) NOTIFICATION.—A State agency shall promptly notify the Secretary if the State agency determines that the State agency will not expend all of the funds allocated to the State agency under subparagraph (B).

"(ii) REALLOCATION.—On notification under clause (i), the Secretary shall reallocate the funds that the State agency will not expend as the Secretary considers appropriate and equitable.

"(D) MINIMUM ALLOCATION.—Notwithstanding subparagraphs (A) through (C), the Secretary shall ensure that each State agency operating an employment and training program shall receive not less than $50,000 in each fiscal year.".

(c) ADDITIONAL MATCHING FUNDS.—Section 16(h)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(2)) is amended by inserting before the period at the end the following: ", including the costs for case management and casework to facilitate the transition from economic dependency to self-sufficiency through work".

(d) Reports.—Section 16(h) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)) is amended—

(1) in paragraph (5)—

(A) by striking "(5)(A) The Secretary" and inserting "(5) The Secretary"; and

(B) by striking subparagraph (B); and

(2) by striking paragraph (6).

SEC. 817. COMPARABLE TREATMENT FOR DISQUALIFICATION.

(a) In General.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following:

"(i) Comparable Treatment for Disqualification.—

"(1) In general.—If a disqualification is imposed on a member of a household for a failure of the member to perform an action required under a Federal, State, or local law relating to a means-tested public assistance program, the State agency may impose the same disqualification on the member of the household under the food stamp program.

"(2) Rules and procedures.—If a disqualification is imposed under paragraph (1) for a failure of an individual to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of the Act to impose the same disqualification under the food stamp program.

"(3) Application after disqualification period.—A member of a household disqualified under paragraph (1) may, after the disqualification period has expired, apply for benefits under this Act and shall be treated as a new applicant, except that a prior disqualification under subsection (d) shall be considered in determining eligibility.".

(b) State Plan Provisions.—Section 11(e) of the Act (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24), by striking "and" at the end;

(2) in paragraph (25), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(26) the guidelines the State agency uses in carrying out section 6(i); and".

(c) Conforming Amendment.—Section 6(d)(2)(A) of the Act (7 U.S.C. 2015(d)(2)(A)) is amended by striking "that is comparable to a requirement of paragraph (1)".

SEC. 818. DISQUALIFICATION OF FLEEING FELONS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 817) is amended by adding at the end the following:

"(j) Disqualification of Fleeing Felons.—No member of a household who is otherwise eligible to participate in the food stamp program shall be eligible to participate in the program as a member of that or any other household during any period during which the individual is—

"(1) fleeing to avoid prosecution, or custody or confinement after conviction, under the law of the place from which the individual is fleeing, for a crime, or attempt to commit a crime, that is a felony under the law of the place from which the individual is fleeing or that, in the case of New Jersey, is a high misdemeanor under the law of New Jersey; or

"(2) violating a condition of probation or parole imposed under a Federal or State law.".

SEC. 819. COOPERATION WITH CHILD SUPPORT AGENCIES.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 818) is amended by adding at the end the following:

"(k) Custodial Parent's Cooperation With Child Support Agencies.—

"(1) In general.—At the option of a State agency, subject to paragraphs (2) and (3), no natural or adoptive parent or other individual (collectively referred to in this subsection as 'the individual') who is living with and exercising parental control over a child under the age of 18 who has an absent parent shall be eligible to participate in the food stamp program unless the individual cooperates with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

"(A) in establishing the paternity of the child (if the child is born out of wedlock); and

"(B) in obtaining support for—

"(i) the child; or

"(ii) the individual and the child.

"(2) Good cause for noncooperation.—Paragraph (1) shall not apply to the individual if good cause is found for refusing to cooperate.

"(3) Fees.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

"(l) Noncustodial Parent's Cooperation With Child Support Agencies.—At the option of a State agency, no individual who fails to make legally obligated child support payments shall be eligible to participate in the food stamp program unless the individual is unemployed or establishes that the child support award is inconsistent with applicable guidelines.".

SEC. 820. WORK REQUIREMENT.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 819) is amended by adding at the end the following:

"(m) Work Requirement.—

"(1) Definition of work program.—In this subsection, the term 'work program' means—

"(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

"(C) a program of employment or training operated or supervised by a State or political subdivision of a State that meets standards approved by the Governor of the State, including a program under section 6(d)(4).

"(2) Work requirement.—No individual shall be eligible to participate in the food stamp program as a member of any household if, during the preceding 12-month period, the individual received food stamp benefits for not less than 6 months during which the individual did not—

"(A) work 20 hours or more per week, averaged monthly; or

"(B) participate in and comply with a workfare program under section 20 or a comparable State or local workfare program;

"(C) participate in and comply with the requirements of an approved employment and training program under subsection (d)(4); or

"(D) participate in and comply with the requirements of a work program for 20 hours or more per week, as determined by the State agency.

"(3) Exception.—Paragraph (2) shall not apply to an individual if the individual is—

"(A) under 18 or over 50 years of age;

"(B) medically certified as physically or mentally unfit for employment;

"(C) a parent or other member of a household with a dependent child under 18 years of age;

"(D) a pregnant woman;

"(E) unable to participate in an employment and training program because the State in which the individual resides does not provide sufficient opportunities for participation in such a program; or

"(F) otherwise exempt under section 6(d)(2).

"(4) Waiver.—

"(A) In general.—The Secretary may waive the applicability of paragraph (2) to any group of individuals in the State if the Secretary makes a determination that the area in which the individuals reside—

"(i) has an unemployment rate of over 8 percent; or

"(ii) does not have a sufficient number of jobs to provide employment for the individuals.

"(B) Report.—The Secretary shall report the basis for a waiver under subparagraph (A) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.".

SEC. 821. ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 7(i) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)) is amended—

(1) by striking paragraph (1) and inserting the following:

"(1) Electronic benefit transfers.—

"(A) Implementation.—Not later than October 1, 2002, each State agency shall implement an electronic benefit transfer system under which household benefits determined under section 8(a) are issued from and stored in a central databank, unless the Secretary provides a waiver for a State agency that faces unusual barriers to implementing an electronic benefit transfer system.

"(B) State flexibility.—Subject to paragraph (2), a State agency may procure and implement an electronic benefit transfer system under the terms, conditions, and design that the State agency considers appropriate.

"(C) Operation.—An electronic benefit transfer system should take into account generally accepted standard operating rules based on—

"(i) commercial electronic funds transfer technology;

"(ii) the need to permit interstate operation and law enforcement monitoring; and

"(iii) the need to permit monitoring and investigations by authorized law enforcement agencies."; and

(2) by adding at the end the following:

"(7) Replacement card fee.—A State agency may collect a charge for replacement of an electronic benefit transfer card by reducing the monthly allotment of the household receiving the replacement card.

"(8) Optional photographic identification.—

"(A) In general.—A State agency may require that an electronic benefit card contain a photograph of 1 or more members of a household.

"(B) Other authorized users.—If a State agency requires a photograph on an electronic benefit card under subparagraph (A), the State agency shall establish procedures to ensure that any other appropriate member of the household or any authorized representative of the household may utilize the card.".

SEC. 822. MINIMUM BENEFIT ADJUSTMENTS.

The proviso of section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking ", and shall be adjusted" and all that follows through "$5".

SEC. 823. PRORATED BENEFITS ON RECERTIFICATION.

Section 8(c)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(2)(B)) is amended by striking "of more than one month".

SEC. 824. OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.

Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended by striking paragraph (3) and inserting the following:

"(3) OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.—A State agency may provide to an eligible household applying after the 15th day of a month, in lieu of the initial allotment of the household and the regular allotment of the household for the following month, an allotment that is equal to the total amount of the initial allotment and the first regular allotment. The allotment shall be provided in accordance with section 11(e)(3) in the case of a household that is not entitled to expedited service and in accordance with paragraphs (3) and (9) of section 11(e) in the case of a household that is entitled to expedited service.".

SEC. 825. FAILURE TO COMPLY WITH OTHER WELFARE OR PUBLIC ASSISTANCE PROGRAMS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by striking subsection (d) and inserting the following:

"(d) FAILURE TO COMPLY WITH OTHER WELFARE OR PUBLIC ASSISTANCE PROGRAMS.—If the benefits of a household are reduced under a Federal, State, or local law relating to a welfare or public assistance program because of a penalty or for the failure of a member of the household to perform an action required under the law or program, for the duration of the reduction, the household may not receive an increased allotment as a result of a decrease in the income of the household to the extent that the decrease is the result of the reduction.".

SEC. 826. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

"(f) ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.—

"(1) IN GENERAL.—In the case of an individual who resides in a center for the purpose of a drug or alcoholic treatment program described in the last sentence of section 3(i), a State agency may provide an allotment for the individual to—

"(A) the center as an authorized representative of the individual for a period that is less than 1 month; and

"(B) the individual, if the individual leaves the center.

"(2) DIRECT PAYMENT.—A State agency may require an individual referred to in paragraph (1) to designate the center in which the individual resides as the authorized representative of the individual for the purpose of receiving an allotment.".

SEC. 827. INCOME, ELIGIBILITY, AND IMMIGRATION STATUS VERIFICATION SYSTEMS.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended—

(1) in subsection (e)—

(A) in paragraph (3)—

(i) by striking "agency shall—" and all that follows through "(E) process applications" and inserting "agency shall process applications"; and

(ii) by striking "verified under this Act," and all that follows through "and that the State" and inserting "verified under this Act, and that the State"; and

(B) in paragraph (19)—

(i) by striking "that information is" and inserting "at the option of the State agency, that information may be"; and

(ii) by striking "shall be requested" and inserting "may be requested"; and

(2) by adding at the end the following:

"(p) STATE VERIFICATION OPTION.—Notwithstanding any other provision of law, in carrying out the food stamp program, a State agency shall not be required to use an income and eligibility or an immigration status verification system established under section 1137 of the Social Security Act (42 U.S.C. 1320b–7).".

SEC. 828. EXCHANGE OF LAW ENFORCEMENT INFORMATION.

Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended—

(1) by striking "that (A) such" and inserting the following: "that—

"(A) the";

(2) by striking "law, (B) notwithstanding" and inserting the following: "law;

"(B) notwithstanding";

(3) by striking "Act, and (C) such" and inserting the following: "Act;

"(C) the"; and

(4) by adding at the end the following:

"(D) notwithstanding any other provision of law, the address, social security number, and, if available, photograph of any member of a household shall be made available, on request, to any Federal, State, or local law enforcement officer if the officer furnishes the State agency with the name of the member and notifies the agency that—

"(i) the member—

"(I) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime (or attempt to commit a crime) that, under the law of the place the member is fleeing, is a felony (or, in the case of New Jersey, a high misdemeanor), or is violating a condition of probation or parole imposed under Federal or State law; or

"(II) has information that is necessary for the officer to conduct an official duty related to subclause (I);

"(ii) locating or apprehending the member is an official duty; and

"(iii) the request is being made in the proper exercise of an official duty; and

"(E) the safeguards shall not prevent compliance with paragraph (17);".

SEC. 829. EXPEDITED COUPON SERVICE.

Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is amended—

(1) in subparagraph (A)—

(A) by striking "five days" and inserting "7 days"; and

(B) by inserting "and" at the end;

(2) by striking subparagraphs (B) and (C);

(3) by redesignating subparagraph (D) as subparagraph (B); and

(4) in subparagraph (B) (as redesignated by paragraph (3)), by striking ", (B), or (C)".

SEC. 830. WITHDRAWING FAIR HEARING REQUESTS.

Section 11(e)(10) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(10)) is amended by inserting before the semicolon at the end a period and the following: "At the option of a State, at any time prior to a fair hearing determination under this paragraph, a household may withdraw, orally or in writing, a request by the household for the fair hearing. If the withdrawal request is an oral request, the State agency shall provide a written notice to the household confirming the withdrawal request and providing the household with an opportunity to request a hearing".

SEC. 831. COLLECTION OF OVERISSUANCES.

(a) COLLECTION OF OVERISSUANCES.—Section 13 of the Food Stamp Act of 1977 (7 U.S.C. 2022) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) COLLECTION OF OVERISSUANCES.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, a State agency shall collect any overissuance of coupons issued to a household by—

"(A) reducing the allotment of the household; or

"(B) any other means of collection.

"(2) ALTERNATIVE MEANS OF REPAYMENT.—At the option of a State agency, a household may be given notice permitting the household to elect another means of repayment and giving the household 10 days to make the election before the State agency commences action to reduce the household's monthly allotment.

"(3) MAXIMUM REDUCTION.—A State agency may not reduce the monthly allotment of the household under paragraph (1)(A) by an amount in excess of the greater of—

"(A) 10 percent of the monthly allotment of the household; or

"(B) $10.

"(4) HARDSHIP.—A State agency may waive the use of an allotment reduction under paragraph (1)(A) as a means of collecting a claim arising from an error of the State agency if the collection would cause a hardship (as defined by the State agency) on the household. The State agency shall continue to pursue all other lawful means of collection under paragraph (1)(B)."; and

(2) in subsection (d), by inserting before the period at the end the following: "or a Federal income tax refund as authorized by section 3720A of title 31, United States Code".

(b) CONFORMING AMENDMENT.—Section 11(e)(8)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)(C)), as amended by section 828, is amended by inserting after "Code" the following: "or a Federal income tax refund as authorized by section 3720A of title 31, United States Code".

(c) RETENTION RATE.—Section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended by striking "25 percent during the period beginning October 1, 1990" and all that follows through "error of a State agency" and inserting "25 percent of the overissuances collected by the State agency under section 13, except those overissuances arising from an error of the State agency".

(d) STATE AGENCY COLLECTION OF FEDERAL TAX REFUNDS.—Section 6402(d) of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (1), by inserting after "any Federal agency" the following: "(or any State agency that has the responsibility for the administration of the food stamp program operated under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.))"; and

(2) in the second sentence of paragraph (2), by inserting after "a Federal agency" the following: "(or a State agency that has the responsibility for the administration of the food stamp program operated under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.))".

SEC. 832. RESPONSE TO WAIVERS.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)) is amended by adding at the end the following:

"(C) RESPONSE TO WAIVERS.—

"(i) RESPONSE.—Not later than 60 days after the date of receiving a request for a waiver under subparagraph (A), the Secretary shall provide a response that—

"(I) approves the waiver request;

"(II) denies the waiver request and explains any modification needed for approval of the waiver request;

"(III) denies the waiver request and explains the grounds for the denial; or

"(IV) requests clarification of the waiver request.

"(ii) FAILURE TO RESPOND.—If the Secretary does not provide a response in accordance with clause (i), the waiver shall be considered approved, unless the approval is specifically prohibited by this Act.

"(iii) NOTICE OF DENIAL.—On denial of a waiver request under clause (i)(III), the Secretary shall provide a copy of the waiver request and a description of the reasons for the denial to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.".

SEC. 833. SIMPLIFIED FOOD STAMP PROGRAM.

(a) IN GENERAL.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

"SEC. 26. SIMPLIFIED FOOD STAMP PROGRAM.

"(a) DEFINITION OF FEDERAL COSTS.—In this section, the term 'Federal costs' does not include any Federal costs incurred under section 17.

"(b) ELECTION.—Subject to subsection (d), a State may elect to carry out a Simplified Food Stamp Program (referred to in this section as a 'Program'), statewide or in a political subdivision of the State, in accordance with this section.

"(c) OPERATION OF PROGRAM.—If a State elects to carry out a Program, within the State or a political subdivision of the State—

"(1) a household in which all members receive assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall automatically be eligible to participate in the Program; and

"(2) subject to subsection (f), benefits under the Program shall be determined under rules and procedures established by the State under—

"(A) a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

"(B) the food stamp program; or

"(C) a combination of a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and the food stamp program.

"(d) APPROVAL OF PROGRAM.—

"(1) STATE PLAN.—A State agency may not operate a Program unless the Secretary approves a State plan for the operation of the Program under paragraph (2).

"(2) APPROVAL OF PLAN.—The Secretary shall approve any State plan to carry out a Program if the Secretary determines that the plan—

"(A) simplifies administration of State programs while furthering the goal of allowing low-income households to obtain a more nutritious diet;

"(B) complies with this section;

"(C) contains sufficient documentation that the plan will not increase Federal costs for any fiscal year; and

"(D) will not substantially alter, as determined by the Secretary, the appropriate distribution of benefits according to household need.

"(e) INCREASED FEDERAL COSTS.—

"(1) DETERMINATION.—During each fiscal year and not later than 90 days after the end of each fiscal year, the Secretary shall determine whether a Program being carried out by a State agency is increasing Federal costs under this Act above the Federal costs incurred under the food stamp program in operation in the State or political subdivision of the State for the fiscal year prior to the implementation of the Program, adjusted for any changes in—

"(A) participation;

"(B) the income of participants in the food stamp program that is not attributable to public assistance; and

"(C) the thrifty food plan under section 3(o).

"(2) NOTIFICATION.—If the Secretary determines that the Program has increased Federal costs under this Act for any fiscal year or any portion of any fiscal year, the Secretary shall notify the State not later than 30 days after the Secretary makes the determination under paragraph (1).

"(3) ENFORCEMENT.—

"(A) CORRECTIVE ACTION.—Not later than 90 days after the date of a notification under paragraph (2), the State shall submit a plan for approval by the Secretary for prompt corrective action that is designed to prevent the Program from increasing Federal costs under this Act.

"(B) TERMINATION.—If the State does not submit a plan under subparagraph (A) or carry out a plan approved by the Secretary, the Secretary shall terminate the approval of the State agency operating the Program and the State agency shall be ineligible to operate a future Program.

"(f) RULES AND PROCEDURES.—

"(1) IN GENERAL.—In operating a Program, a State or political subdivision of a State may follow the rules and procedures established by the State or political subdivision under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under the food stamp program.

"(2) REQUIREMENTS.—In operating a Program, a State or political subdivision shall comply with the requirements of—

"(A) subsections (a) through (g) of section 7;

"(B) section 8(a) (except that the income of a household may be determined under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.));

"(C) subsection (b) and (d) of section 8;

"(D) subsections (a), (c), (d), and (n) of section 11;

"(E) paragraphs (8), (9), (15), (17), (19), (23), and (24) of section 11(e);

"(F) section 11(e)(10) (or a comparable requirement established by the State under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)); and

"(G) section 16.

"(4) LIMITATION ON ELIGIBILITY.—Notwithstanding any other provision of this section, a household may not receive benefits under this section as a result of the eligibility of the household under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), unless the Secretary determines that any household with income above 130 percent of the poverty guidelines is not eligible for the program.".

(b) STATE PLAN PROVISIONS.—Section 11(e) of the Act (7 U.S.C. 2020(e)) is amended by adding at the end the following:

"(26) if a State elects to carry out a Simplified Food Stamp Program under section 26, the plans of the State agency for operating the program, including—

"(A) the rules and procedures to be followed by the State agency to determine food stamp benefits; and

"(B) a description of the method by which the State agency will carry out a quality control system under section 16(c).".

(c) CONFORMING AMENDMENTS.—

(1) Section 8 of the Act (7 U.S.C. 2017) (as amended by section 827) is amended—

(A) by striking subsection (e); and

(B) by redesignating subsection (f) as subsection (e).

(2) Section 17 of the Act (7 U.S.C. 2026) is amended—

(A) by striking subsection (i); and

(B) by redesignating subsections (j) through (l) as subsections (i) through (k), respectively.

SEC. 834. AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS.

Section 9(a) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)) is amended by adding at the end the following:

"(3) AUTHORIZATION PERIODS.—The Secretary is authorized to issue regulations establishing specific time periods during which authorization to accept and redeem coupons under the food stamp program shall be valid.".

SEC. 835. SPECIFIC PERIOD FOR PROHIBITING PARTICIPATION OF STORES BASED ON LACK OF BUSINESS INTEGRITY.

Section 9(a) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)), as amended by section 834, is amended by adding at the end the following:

"(4) PERIODS FOR PARTICIPATION OF STORES AND CONCERNS.—The Secretary may issue regulations establishing specific time periods during which a retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied or that has an approval withdrawn on the basis of business integrity and reputation cannot submit a new application for approval. The periods shall reflect the severity of business integrity infractions that are the basis of the denials or withdrawals.".

SEC. 836. INFORMATION FOR VERIFYING ELIGIBILITY FOR AUTHORIZATION.

Section 9(c) of the Food Stamp Act of 1977 (7 U.S.C. 2018(c)) is amended—

(1) in the first sentence, by inserting ", which may include relevant income and sales tax filing documents," after "submit information"; and

(2) by inserting after the first sentence the following: "The regulations may require retail food stores and wholesale food concerns to provide written authorization for the Secretary to verify all relevant tax filings with appropriate agencies and to obtain corroborating documentation from other sources so that the accuracy of information provided by the stores and concerns may be verified.".

SEC. 837. WAITING PERIOD FOR STORES THAT INITIALLY FAIL TO MEET AUTHORIZATION CRITERIA.

Section 9(d) of the Food Stamp Act of 1977 (7 U.S.C. 2018(d)) is amended by adding at the end the following: "A retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied because the store or concern does not meet criteria for approval established by the Secretary by regulation may not submit a new application for 6 months from the date of the denial.".

SEC. 838. MANDATORY CLAIMS COLLECTION METHODS.

Section 13(d) of the Food Stamp Act of 1977 (7 U.S.C. 2022(d)) is amended—

(1) by striking "may be recovered" and inserting "shall be recovered"; and

(2) by inserting before the period at the end the following: "or a refund of Federal taxes under section 3720A of title 31, United States Code.".

SEC. 839. BASES FOR SUSPENSIONS AND DISQUALIFICATIONS.

Section 12(a) of the Food Stamp Act of 1977 (7 U.S.C. 2021(a)) is amended by adding at the end the following: "Regulations issued pursuant to this Act shall provide criteria for the finding of a violation, and the suspension or disqualification of a retail food store or wholesale food concern, on the basis of evidence that may include facts established through on-site investigations, inconsistent redemption data, or evidence obtained through transaction reports under electronic benefits transfer systems.''.

SEC. 840. DISQUALIFICATION OF STORES PENDING JUDICIAL AND ADMINISTRATIVE REVIEW.

(a) AUTHORITY.—Section 12(a) of the Food Stamp Act of 1977 (7 U.S.C. 2021(a)), as amended by section 839, is amended by adding at the end the following: ''The regulations may establish criteria under which the authorization of a retail food store or wholesale food concern to accept and redeem coupons may be suspended at the time the store or concern is initially found to have committed a violation of a requirement of the food stamp program. The suspension may coincide with the period of a review under section 14. The Secretary shall not be liable for the value of any sales lost during a suspension or disqualification period.''.

(b) REVIEW.—Section 14(a) of the Act (7 U.S.C. 2023(a)) is amended—

(1) in the first sentence, by striking ''disqualified or subjected'' and inserting ''suspended, disqualified, or subjected'';

(2) in the fifth sentence, by inserting before the period at the end the following: '', except that, in the case of the suspension of a retail food store or wholesale food concern under section 12(a), the suspension shall remain in effect pending any judicial or administrative review of the proposed disqualification action, and the period of suspension shall be considered a part of any period of disqualification that is imposed''; and

(3) by striking the last sentence.

SEC. 841. DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended by adding at the end the following:

''(g)(1) The Secretary shall issue regulations providing criteria for the disqualification of an approved retail food store and a wholesale food concern that is disqualified from accepting benefits under the special supplemental nutrition program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (7 U.S.C. 1786).

''(2) A disqualification under paragraph (1)—

''(A) shall be for the same period as the disqualification from the program referred to in paragraph (1);

''(B) may begin at a later date than the disqualification from the program referred to in paragraph (1); and

''(C) notwithstanding section 14, shall not be subject to judicial or administrative review.''.

SEC. 842. PERMANENT DEBARMENT OF RETAILERS WHO INTENTIONALLY SUBMIT FALSIFIED APPLICATIONS.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021), as amended by section 841, is amended by adding at the end the following:

''(h)(1) The Secretary shall issue regulations providing for the permanent disqualification of a retail food store, or wholesale food concern, that knowingly submits an application for approval to accept and redeem coupons that contains false information about a substantive matter that was a basis for approving the application.

''(2) A disqualification under paragraph (1) shall be subject to judicial and administrative review under section 14, except that the disqualification shall remain in effect pending the review.''.

SEC. 843. CRIMINAL FORFEITURE.

Section 15 of the Food Stamp Act of 1977 (7 U.S.C. 2024) is amended by adding at the end the following:

''(h)(1) Any person convicted of violating subsection (b) or (c) involving food stamp benefits having an aggregate value of not less than $5,000, shall forfeit to the United States—

''(A) any food stamp benefits and any property constituting, or derived from, or traceable to any proceeds the person obtained directly or indirectly as a result of the violation; and

''(B) any food stamp benefits and any property of the person used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of the violation.

''(2) In imposing a sentence on a person under paragraph (1), a court shall order that the person forfeit to the United States all property described in this subsection.

''(3) Any food stamp benefits or property subject to forfeiture under this subsection, any seizure or disposition of the benefits or property, and any administrative or judicial proceeding relating to the benefits or property, shall be governed by subsections (b), (c), (e), and (g) through (p) of section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853), if not inconsistent with this subsection.

''(4) This subsection shall not apply to property referred to in subsection (g).''.

SEC. 844. EFFECTIVE DATE.

Except as otherwise provided in this subtitle, this subtitle and the amendments made by this subtitle shall become effective on the first day of the second month following the month of the enactment of this Act.

Subtitle B—Child Nutrition Programs

SEC. 851. REIMBURSEMENT RATE ADJUSTMENTS.

(a) IN GENERAL.—

(1) COMMODITY RATE.—Section 6(e)(1)(B) of the National School Lunch Act (42 U.S.C. 1755(e)(1)(B)) is amended by striking ''¼ cent'' and inserting ''lower cent increment''.

(2) LUNCH, BREAKFAST, AND SUPPLEMENT RATES.—The last sentence of section 11(a)(3)(B) of the National School Lunch Act (42 U.S.C. 1759a(a)(3)(B)) is amended by striking ''one-fourth cent'' and inserting ''lower cent increment''.

(3) SUMMER PROGRAM RATES.—The first proviso of section 13(b)(1) of the National School Lunch Act (42 U.S.C. 1761(b)(1)) is amended by striking ''one-fourth cent'' and inserting ''lower cent increment''.

(4) FAMILY DAY CARE RATES.—The last sentence of section 17(f)(3)(A) of the National School Lunch Act (42 U.S.C. 1766(f)(3)(A)) is amended by striking ''one-fourth cent'' and inserting ''lower cent increment''.

(5) SPECIAL MILK PROGRAM RATES.—Section 3(a)(8) of the Child Nutrition Act of 1966 (42 U.S.C. 1772(a)(8)) is amended by striking ''one-fourth cent'' and inserting ''lower cent increment''.

(6) SEVERE NEED RATES.—Section 4(b)(2)(B)(ii) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(2)(B)(ii) is amended by striking ''one-fourth cent'' and inserting ''lower cent increment''.

(b) EFFECTIVE DATES.—The amendments made by subsection (a) shall become effective on July 1, 1996.

SEC. 852. DIRECT FEDERAL EXPENDITURES.

Section 6(g)(1) of the National School Lunch Act (42 U.S.C. 1755(g)(1)) is amended by striking ''12 percent'' and inserting ''8 percent''.

SEC. 853. IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.

(a) RESTRUCTURED DAY CARE HOME REIMBURSEMENTS.—Section 17(f)(3) of the National School Lunch Act (42 U.S.C. 1766(f)(3)) is amended by striking ''(3)(A) Institutions'' and all that follows through the end of subparagraph (A) and inserting the following:

''(3) REIMBURSEMENT OF FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

''(A) REIMBURSEMENT FACTOR.—

''(i) IN GENERAL.—An institution that participates in the program under this section as a family or group day care home sponsoring organization shall be provided, for payment to a home sponsored by the organization, reimbursement factors in accordance with this subparagraph for the cost of obtaining and preparing food and prescribed labor costs involved in providing meals under this section.

''(ii) TIER I FAMILY OR GROUP DAY CARE HOMES.—

''(I) DEFINITION.—In this paragraph, the term 'tier I family or group day care home' means—

''(aa) a family or group day care home that is located in a geographic area, as defined by the Secretary based on census data, in which at least 50 percent of the children residing in the area are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9;

''(bb) a family or group day care home that is located in an area served by a school enrolling elementary students in which at least 50 percent of the total number of children enrolled are certified eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); or

''(cc) a family or group day care home that is operated by a provider whose household meets the eligibility requirements for free or reduced price meals under section 9 and whose eligibility is verified by the sponsoring organization of the home under regulations established by the Secretary.

''(II) REIMBURSEMENT.—Except as provided in subclause (III), a tier I family or group day care home shall be provided reimbursement factors under this clause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the eligibility requirements for free or reduced price meals under section 9.

''(III) FACTORS.—Except as provided in subclause (IV), the reimbursement factors applied to a home referred to in subclause (II) shall be the factors in effect on the date of enactment of this subclause.

''(IV) ADJUSTMENTS.—The reimbursement factors under this subparagraph shall be adjusted on October 1, 1996, July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this subparagraph shall be rounded to the nearest lower cent increment and based on the unrounded adjustment in effect on June 30 of the preceding school year.

''(iii) TIER II FAMILY OR GROUP DAY CARE HOMES.—

''(I) IN GENERAL.—

''(aa) FACTORS.—Except as provided in subclause (II), with respect to meals or supplements served under this clause by a family or group day care home that does not meet the criteria set forth in clause (ii)(I), the reimbursement factors shall be $1 for lunches and suppers, 30 cents for breakfasts, and 15 cents for supplements.

"(bb) ADJUSTMENTS.—The factors shall be adjusted on July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this item shall be rounded down to the nearest lower cent increment and based on the unrounded adjustment for the preceding 12-month period.

"(cc) REIMBURSEMENT.—A family or group day care home shall be provided reimbursement factors under this subclause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the eligibility requirements for free or reduced price meals under section 9.

"(II) OTHER FACTORS.—A family or group day care home that does not meet the criteria set forth in clause (ii)(I) may elect to be provided reimbursement factors determined in accordance with the following requirements:

"(aa) CHILDREN ELIGIBLE FOR FREE OR REDUCED PRICE MEALS.—In the case of meals or supplements served under this subsection to children who meet the eligibility requirements for free or reduced price meals under section 9, the family or group day care home shall be provided reimbursement factors set by the Secretary in accordance with clause (ii)(III).

"(bb) INELIGIBLE CHILDREN.—In the case of meals or supplements served under this subsection to children who do not meet the eligibility requirements for free or reduced priced meals under section 9, the family or group day care home shall be provided reimbursement factors in accordance with subclause (I).

"(III) INFORMATION AND DETERMINATIONS.—

"(aa) IN GENERAL.—If a family or group day care home elects to claim the factors described in subclause (II), the family or group day care home sponsoring organization serving the home shall collect the necessary eligibility information, as determined by the Secretary, from any parent or other caretaker to make the determinations specified in subclause (II) and shall make the determinations in accordance with rules prescribed by the Secretary.

"(bb) CATEGORICAL ELIGIBILITY.—In making a determination under item (aa), a family or group day care home sponsoring organization may consider a child participating in or subsidized under, or a child with a parent participating in or subsidized under, a federally or State supported child care or other benefit program with an income eligibility limit that does not exceed the income eligibility guidelines for free or reduced price meals under section 9 to be a child who is eligible for free or reduced price meals under section 9.

"(cc) FACTORS FOR CHILDREN ONLY.—A family or group day care home may elect to receive the reimbursement factors prescribed under clause (ii)(III) solely for the children participating in a program referred to in item (bb) if the home elects not to have eligibility information collected from parents or other caretakers.".

(b) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of the National School Lunch Act (42 U.S.C. 1766(f)(3)) is amended by adding at the end the following:

"(D) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—

"(i) IN GENERAL.—

"(I) RESERVATION.—The Secretary shall reserve $5,000,000 of the amount made available to carry out this section for fiscal year 1996.

"(II) PURPOSE.—The Secretary shall use the funds reserved under subclause (I) to provide grants to States for the purpose of providing assistance, including grants, to family or group day care home sponsoring organizations and other appropriate organizations, in securing and providing training, materials, automated data processing assistance, and other assistance for the staff of the sponsoring organizations.

"(ii) ALLOCATION.—The Secretary shall allocate from the funds reserved under clause (i)(I)—

"(I) $30,000 in base funding to each State; and

"(II) any remaining amount among the States, based on the number of family or group day care homes participating in the program in a State during fiscal year 1994 as a percentage of the number of all family or group day care homes participating in the program during fiscal year 1994.

"(iii) RETENTION OF FUNDS.—Of the amount of funds made available to a State for fiscal year 1996 under clause (i), the State may retain not to exceed 30 percent of the amount to carry out this subparagraph.

"(iv) ADDITIONAL PAYMENTS.—Any payments received under this subparagraph shall be in addition to payments that a State receives under subparagraph (A).".

(c) PROVISION OF DATA.—Section 17(f)(3) of the National School Lunch Act (42 U.S.C. 1766(f)(3)) (as amended by subsection (b)) is amended by adding at the end the following:

"(E) PROVISION OF DATA TO FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(i) CENSUS DATA.—The Secretary shall provide to each State agency administering a child and adult care food program under this section data from the most recent decennial census survey or other appropriate census survey for which the data are available showing which areas in the State meet the requirements of subparagraph (A)(ii)(I)(aa). The State agency shall provide the data to family or group day care home sponsoring organizations located in the State.

"(ii) SCHOOL DATA.—

"(I) IN GENERAL.—A State agency administering the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall provide data for each elementary school in the State, or shall direct each school within the State to provide data for the school, to approved family or group day care home sponsoring organizations that request the data, on the percentage of enrolled children who are certified eligible for free or reduced price meals.

"(II) USE OF DATA FROM PRECEDING SCHOOL YEAR.—In determining for a fiscal year or other annual period whether a home qualifies as a tier I family or group day care home under subparagraph (A)(ii)(I), the State agency administering the program under this section, and a family or group day care home sponsoring organization, shall use the most current available data at the time of the determination.

"(iii) DURATION OF DETERMINATION.—For purposes of this section, a determination that a family or group day care home is located in an area that qualifies the home as a tier I family or group day care home (as the term is defined in subparagraph (A)(ii)(I)), shall be in effect for 3 years (unless the determination is made on the basis of census data, in which case the determination shall remain in effect until more recent census data are available) unless the State agency determines that the area in which the home is located no longer qualifies the home as a tier I family or group day care home.".

(d) CONFORMING AMENDMENT.—Section 17(c) of the National School Lunch Act (42 U.S.C. 1766(c)) is amended by inserting "except as provided in subsection (f)(3)," after "For purposes of this section," each place it appears in paragraphs (1), (2), and (3).

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall become effective on the date of enactment of this section.

(2) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—The amendments made by subsections (a), (c), and (d) shall become effective on August 1, 1996.

SEC. 854. ELIMINATION OF STARTUP AND EXPANSION GRANTS.

(a) IN GENERAL.—Section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) is amended by striking subsection (g).

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1996.

SEC. 855. AUTHORIZATION OF APPROPRIATIONS.

Section 19(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(i)) is amended—

(1) in the first sentence of paragraph (2)(A), by striking "and each succeeding fiscal year";

(2) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(3) by inserting after paragraph (2) the following:

"(3) FISCAL YEARS 1997 THROUGH 2002.—

"(A) IN GENERAL.—There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 1997 through 2002.

"(B) GRANTS.—

"(i) IN GENERAL.—Grants to each State from the amounts made available under subparagraph (A) shall be based on a rate of 50 cents for each child enrolled in schools or institutions in the State, except that no State shall receive an amount that is less than $75,000 per fiscal year.

"(ii) INSUFFICIENT FUNDS.—If an amount made available for any fiscal year is insufficient to pay the amount to which each State is entitled under clause (i), the amount of each grant shall be ratably reduced.".

TITLE IX—SOCIAL SERVICES BLOCK GRANT; EITC; CHILD ABUSE PREVENTION AND TREATMENT

Subtitle A—Reduction in Block Grants to States for Social Services

SEC. 901. REDUCTION IN BLOCK GRANTS TO STATES FOR SOCIAL SERVICES.

Section 2003(c) of the Social Security Act (42 U.S.C. 1397b(c)) is amended—

(1) by striking "and" at the end of paragraph (4); and

(2) by striking paragraph (5) and inserting the following:

"(5) $2,800,000,000 for each of the fiscal years 1990 through 1996 and for each fiscal year after fiscal year 2002; and

"(6) $2,520,000,000 for each of the fiscal years 1997 through 2002.".

Subtitle B—Reform of Earned Income Credit

SEC. 911. EARNED INCOME CREDIT AND OTHER TAX BENEFITS DENIED TO INDIVIDUALS FAILING TO PROVIDE TAXPAYER IDENTIFICATION NUMBERS.

(a) EARNED INCOME CREDIT.—

(1) IN GENERAL.—Section 32(c)(1) of the Internal Revenue Code of 1986 (relating to individuals eligible to claim the earned income credit) is amended by adding at the end the following new subparagraph:

"(F) IDENTIFICATION NUMBER REQUIREMENT.—The term 'eligible individual' does not include any individual who does not include on the return of tax for the taxable year—

"(i) such individual's taxpayer identification number, and

"(ii) if the individual is married (within the meaning of section 7703), the taxpayer identification number of such individual's spouse."

(2) SPECIAL IDENTIFICATION NUMBER.—Section 32 of such Code is amended by adding at the end the following new subsection:

"(l) IDENTIFICATION NUMBERS.—Solely for purposes of subsections (c)(1)(F) and (c)(3)(D), a taxpayer identification number means a social security number issued to an individual by the Social Security Administration (other than a social security number issued pursuant to clause (II) (or that portion of clause (III) that relates to clause (II)) of section 205(c)(2)(B)(i) of the Social Security Act)."

(b) PERSONAL EXEMPTION.—

(1) IN GENERAL.—Section 151 of such Code (relating to allowance of deductions for personal exemptions) is amended by adding at the end the following new subsection:

"(e) IDENTIFYING INFORMATION REQUIRED.—No exemption shall be allowed under this section with respect to any individual unless the TIN of such individual is included on the return claiming the exemption."

(2) CONFORMING AMENDMENTS.—

(A) Subsection (e) of section 6109 of such Code is repealed.

(B) Section 6724(d)(3) of such Code is amended by adding "and" at the end of subparagraph (C), by striking subparagraph (D), and by redesignating subparagraph (E) as subparagraph (D).

(c) DEPENDENT CARE CREDIT.—Subsection (e) of section 21 of such Code (relating to expenses for household and dependent care services necessary for gainful employment) is amended by adding at the end the following new paragraph:

"(10) IDENTIFYING INFORMATION REQUIRED WITH RESPECT TO QUALIFYING INDIVIDUALS.—No credit shall be allowed under this section with respect to any qualifying individual unless the TIN of such individual is included on the return claiming the credit."

(d) EXTENSION OF PROCEDURES APPLICABLE TO MATHEMATICAL OR CLERICAL ERRORS.—Section 6213(g)(2) of such Code (relating to the definition of mathematical or clerical errors) is amended by striking "and" at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting a comma, and by adding after subparagraph (E) the following new subparagraphs:

"(F) an omission of a correct TIN required under section 21 (relating to expenses for household and dependent care services necessary for gainful employment), section 32 (relating to the earned income credit), or section 151 (relating to allowance of deductions for personal exemptions) to be included on a return, and

"(G) an entry on a return claiming the credit under section 32 with respect to net earnings from self-employment described in section 32(c)(2)(A) to the extent the tax imposed by section 1401 (relating to self-employment tax) on such net earnings has not been paid."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to returns the due date for which (without regard to extensions) is more than 30 days after the date of the enactment of this Act.

SEC. 912. RULES RELATING TO DENIAL OF EARNED INCOME CREDIT ON BASIS OF DISQUALIFIED INCOME.

(a) REDUCTION IN DISQUALIFIED INCOME THRESHOLD.—

(1) IN GENERAL.—Section 32(i)(1) of the Internal Revenue Code of 1986 (relating to denial of credit for individuals having excessive investment income) is amended by striking "$2,350" and inserting "$2,200".

(2) ADJUSTMENT FOR INFLATION.—Section 32(j) of such Code is amended to read as follows:

"(j) INFLATION ADJUSTMENTS.—

"(1) IN GENERAL.—In the case of any taxable year beginning after the applicable calendar year, each dollar amount referred to in paragraph (2)(B) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, except that subparagraph (B) thereof shall be applied by reference to the CPI for the calendar year preceding the applicable calendar year rather than the CPI for calendar year 1992.

"(2) DEFINITIONS, ETC.—For purposes of paragraph (1)—

"(A) APPLICABLE CALENDAR YEAR.—The term 'applicable calendar year' means—

"(i) 1994 in the case of the dollar amounts referred to in clause (i) of subparagraph (B), and

"(ii) 1996 in the case of the dollar amount referred to in clause (ii) of subparagraph (B).

"(B) DOLLAR AMOUNTS.—The dollar amounts referred to in this subparagraph are—

"(i) the dollar amounts contained in subsection (b)(2)(A), and

"(ii) the dollar amount contained in subsection (i)(1).

"(3) ROUNDING.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), if any dollar amount after being increased under paragraph (1) is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10 (or, if such dollar amount is a multiple of $5, such dollar amount shall be increased to the next higher multiple of $10).

"(B) DISQUALIFIED INCOME THRESHOLD AMOUNT.—If the dollar amount referred to in paragraph (2)(B)(ii) after being increased under paragraph (1) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50."

(b) DEFINITION OF DISQUALIFIED INCOME.—Paragraph (2) of section 32(i) of such Code (defining disqualified income) is amended by striking "and" at the end of subparagraph (B), by striking the period at the end of subparagraph (C), and by adding at the end the following new subparagraphs:

"(D) the capital gain net income (as defined in section 1222) of the taxpayer for such taxable year, and

"(E) the excess (if any) of—

"(i) the aggregate income from all passive activities for the taxable year (determined without regard to any amount included in earned income under subsection (c)(2) or described in a preceding subparagraph), over

"(ii) the aggregate losses from all passive activities for the taxable year (as so determined).

For purposes of subparagraph (E), the term 'passive activity' has the meaning given such term by section 469."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 913. MODIFICATION OF ADJUSTED GROSS INCOME DEFINITION FOR EARNED INCOME CREDIT.

(a) IN GENERAL.—Subsections (a)(2), (c)(1)(C), and (f)(2)(B) of section 32 of the Internal Revenue Code of 1986 are each amended by striking "adjusted gross income" and inserting "modified adjusted gross income".

(b) MODIFIED ADJUSTED GROSS INCOME DEFINED.—Section 32(c) of such Code (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

"(5) MODIFIED ADJUSTED GROSS INCOME.—

"(A) IN GENERAL.—The term 'modified adjusted gross income' means adjusted gross income determined without regard to the amounts described in subparagraph (B).

"(B) CERTAIN AMOUNTS DISREGARDED.—An amount is described in this subparagraph if it is—

"(i) the amount of losses from sales or exchanges of capital assets in excess of gains from such sales or exchanges to the extent such amount does not exceed the amount under section 1211(b)(1),

"(ii) the net loss from estates and trusts,

"(iii) the excess (if any) of amounts described in subsection (i)(2)(C)(ii) over the amounts described in subsection (i)(2)(C)(i) (relating to nonbusiness rents and royalties), and

"(iv) 50 percent of the net loss from the carrying on of trades or businesses, computed separately with respect to—

"(I) trades or businesses (other than farming) conducted as sole proprietorships,

"(II) trades or businesses of farming conducted as sole proprietorships, and

"(III) other trades or businesses.

For purposes of clause (iv), there shall not be taken into account items which are attributable to a trade or business which consists of the performance of services by the taxpayer as an employee."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

Subtitle C—Child Abuse Prevention and Treatment

SEC. 921. SHORT TITLE.

This subtitle may be cited as the "Child Abuse Prevention and Treatment Act Amendments of 1996".

SEC. 922. REFERENCE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.).

SEC. 923. FINDINGS.

Section 2 (42 U.S.C. 5101 note) is amended—

(1) in paragraph (1), the read as follows:

"(1) each year, close to 1,000,000 American children are victims of abuse and neglect;";

(2) in paragraph (3)(C), by inserting "assessment," after "prevention,";

(3) in paragraph (4)—

(A) by striking "tens of"; and

(B) by striking "direct" and all that follows through the semicolon and inserting "tangible expenditures, as well as significant intangible costs;";

(4) in paragraph (7), by striking "remedy the causes of" and inserting "prevent";

(5) in paragraph (8), by inserting "safety," after "fosters the health,";

(6) in paragraph (10)—

(A) by striking "ensure that every community in the United States has" and inserting "assist States and communities with"; and

(B) by inserting "and family" after "comprehensive child"; and

(7) in paragraph (11)—

(A) by striking "child protection" each place that such appears and inserting "child and family protection"; and

(B) in subparagraph (D), by striking "sufficient".

SEC. 924. OFFICE OF CHILD ABUSE AND NEGLECT.

Section 101 (42 U.S.C.5101) is amended to read as follows:

"SEC. 101. OFFICE OF CHILD ABUSE AND NEGLECT.

"(a) ESTABLISHMENT.—The Secretary of Health and Human Services may establish an office to be known as the Office on Child Abuse and Neglect.

"(b) PURPOSE.—The purpose of the Office established under subsection (a) shall be to execute and coordinate the functions and activities of this Act. In the event that such functions and activities are performed by another entity or entities within the Department of Health and Human Services, the Secretary shall ensure that such functions and activities are executed with the necessary expertise and in a fully coordinated manner involving regular intradepartmental and interdepartmental consultation with all agencies involved in child abuse and neglect activities.".

SEC. 925. ADVISORY BOARD ON CHILD ABUSE AND NEGLECT.

Section 102 (42 U.S.C.5102) is amended to read as follows:

"SEC. 102. ADVISORY BOARD ON CHILD ABUSE AND NEGLECT.

"(a) APPOINTMENT.—The Secretary may appoint an advisory board to make recommendations to the Secretary and to the appropriate committees of Congress concerning specific issues relating to child abuse and neglect.

"(b) SOLICITATION OF NOMINATIONS.—The Secretary shall publish a notice in the Federal Register soliciting nominations for the appointment of members of the advisory board under subsection (a).

"(c) COMPOSITION.—In establishing the board under subsection (a), the Secretary shall appoint members from the general public who are individuals knowledgeable in child abuse and neglect prevention, intervention, treatment, or research, and with due consideration to representation of ethnic or racial minorities and diverse geographic areas, and who represent—

"(1) law (including the judiciary);

"(2) psychology (including child development);

"(3) social services (including child protective services);

"(4) medicine (including pediatrics);

"(5) State and local government;

"(6) organizations providing services to disabled persons;

"(7) organizations providing services to adolescents;

"(8) teachers;

"(9) parent self-help organizations;

"(10) parents' groups;

"(11) voluntary groups;

"(12) family rights groups; and

"(13) children's rights advocates.

"(d) VACANCIES.—Any vacancy in the membership of the board shall be filled in the same manner in which the original appointment was made.

"(e) ELECTION OF OFFICERS.—The board shall elect a chairperson and vice-chairperson at its first meeting from among the members of the board.

"(f) DUTIES.—Not later than 1 year after the establishment of the board under subsection (a), the board shall submit to the Secretary and the appropriate committees of Congress a report, or interim report, containing—

"(1) recommendations on coordinating Federal, State, and local child abuse and neglect activities with similar activities at the Federal, State, and local level pertaining to family violence prevention;

"(2) specific modifications needed in Federal and State laws and programs to reduce the number of unfounded or unsubstantiated reports of child abuse or neglect while enhancing the ability to identify and substantiate legitimate cases of abuse or neglect which place a child in danger; and

"(3) recommendations for modifications needed to facilitate coordinated national data collection with respect to child protection and child welfare.".

SEC. 926. REPEAL OF INTERAGENCY TASK FORCE.

Section 103 (42 U.S.C.5103) is repealed.

SEC. 927. NATIONAL CLEARINGHOUSE FOR INFORMATION RELATING TO CHILD ABUSE.

Section 104 (42 U.S.C.5104) is amended—

(1) in subsection (a), to read as follows:

"(a) ESTABLISHMENT.—The Secretary shall through the Department, or by one or more contracts of not less than 3 years duration let through a competition, establish a national clearinghouse for information relating to child abuse.";

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "Director" and inserting "Secretary";

(B) in paragraph (1)—

(i) by inserting "assessment," after "prevention,"; and

(ii) by striking ", including" and all that follows through "105(b)" and inserting "and";

(C) in paragraph (2)—

(i) in subparagraph (A), by striking "general population" and inserting "United States";

(ii) in subparagraph (B), by adding "and" at the end thereof;

(iii) in subparagraph (C), by striking "; and" at the end thereof and inserting a period; and

(iv) by striking subparagraph (D); and

(D) by striking paragraph (3); and

(3) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "Director" and inserting "Secretary";

(B) in paragraph (2), by striking "that is represented on the task force" and inserting "involved with child abuse and neglect and mechanisms for the sharing of such information among other Federal agencies and clearinghouses";

(C) in paragraph (3), by striking "State, regional" and all that follows and inserting the following: "Federal, State, regional, and local child welfare data systems which shall include:

"(A) standardized data on false, unfounded, unsubstantiated, and substantiated reports; and

"(B) information on the number of deaths due to child abuse and neglect;";

(D) by redesignating paragraph (4) as paragraph (6); and

(E) by inserting after paragraph (3), the following new paragraphs:

"(4) through a national data collection and analysis program and in consultation with appropriate State and local agencies and experts in the field, collect, compile, and make available State child abuse and neglect reporting information which, to the extent practical, shall be universal and case specific, and integrated with other case-based foster care and adoption data collected by the Secretary;

"(5) compile, analyze, and publish a summary of the research conducted under section 105(a); and".

SEC. 928. RESEARCH, EVALUATION AND ASSISTANCE ACTIVITIES.

(a) RESEARCH.—Section 105(a) (42 (42 U.S.C. 5105(a)) is amended—

(1) in the section heading, by striking "OF THE NATIONAL CENTER ON CHILD ABUSE AND NEGLECT";

(2) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking ", through the Center, conduct research on" and inserting ", in consultation with other Federal agencies and recognized experts in the field, carry out a continuing interdisciplinary program of research that is designed to provide information needed to better protect children from abuse or neglect and to improve the well-being of abused or neglected children, with at least a portion of such research being field initiated. Such research program may focus on";

(B) by redesignating subparagraphs (A) through (C) as subparagraph (B) through (D), respectively;

(C) by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:

"(A) the nature and scope of child abuse and neglect;";

(D) in subparagraph (B) (as so redesignated), to read as follows:

"(B) causes, prevention, assessment, identification, treatment, cultural and socio-economic distinctions, and the consequences of child abuse and neglect;";

(E) in subparagraph (D) (as so redesignated)—

(i) by striking clause (ii); and

(ii) in clause (iii), to read as follows:

"(ii) the incidence of substantiated and unsubstantiated reported child abuse cases;

"(iii) the number of substantiated cases that result in a judicial finding of child abuse or neglect or related criminal court convictions;

"(iv) the extent to which the number of unsubstantiated, unfounded and false reported cases of child abuse or neglect have contributed to the inability of a State to respond effectively to serious cases of child abuse or neglect;

"(v) the extent to which the lack of adequate resources and the lack of adequate training of reporters have contributed to the inability of a State to respond effectively to serious cases of child abuse and neglect;

"(vi) the number of unsubstantiated, false, or unfounded reports that have resulted in a child being placed in substitute care, and the duration of such placement;

"(vii) the extent to which unsubstantiated reports return as more serious cases of child abuse or neglect;

"(viii) the incidence and prevalence of physical, sexual, and emotional abuse and physical and emotional neglect in substitute care; and "(ix) the incidence and outcomes of abuse allegations reported within the context of divorce, custody, or other family court proceedings, and the interaction between this venue and the child protective services system."; and

(3) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking "and demonstrations"; and

(ii) by striking "paragraph (1)(A) and activities under section 106" and inserting "paragraph (1)"; and

(B) in subparagraph (B), by striking "and demonstration".

(b) REPEAL.—Subsection (b) of section 105 (42 U.S.C. 5105(b)) is repealed.

(c) TECHNICAL ASSISTANCE.—Section 105(c) (42 U.S.C. 5105(c)) is amended—

(1) by striking "The Secretary" and inserting:

"(1) IN GENERAL.—The Secretary";

(2) by striking ", through the Center,";

(3) by inserting "State and local" before "public and nonprofit";

(4) by inserting "assessment," before "identification"; and

(5) by adding at the end thereof the following new paragraphs:

"(2) EVALUATION.—Such technical assistance may include an evaluation or identification of—

"(A) various methods and procedures for the investigation, assessment, and prosecution of child physical and sexual abuse cases;

"(B) ways to mitigate psychological trauma to the child victim; and

"(C) effective programs carried out by the States under titles I and II.

"(3) DISSEMINATION.—The Secretary may provide for and disseminate information relating to various training resources available at the State and local level to—

"(A) individuals who are engaged, or who intend to engage, in the prevention, identification, and treatment of child abuse and neglect; and

"(B) appropriate State and local officials to assist in training law enforcement, legal, judicial, medical, mental health, education, and child welfare personnel in appropriate methods of interacting during investigative, administrative, and judicial proceedings with children who have been subjected to abuse.".

(d) GRANTS AND CONTRACTS.—Section 105(d)(2) (42 U.S.C. 5105(d)(2)) is amended by striking the second sentence.

(e) PEER REVIEW.—Section 105(e) (42 U.S.C. 5105(e)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking "establish a formal" and inserting ", in consultation with experts in the field and other federal agencies, establish a formal, rigorous, and meritorious";

(ii) by striking "and contracts"; and

(iii) by adding at the end thereof the following new sentence: "The purpose of this process is to enhance the quality and usefulness of research in the field of child abuse and neglect."; and

(B) in subparagraph (B)—

(i) by striking "Office of Human Development" and inserting "Administration for Children and Families"; and

(ii) by adding at the end thereof the following new sentence: "The Secretary shall ensure that the peer review panel utilizes scientifically valid review criteria and scoring guidelines for review committees."; and

(2) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking ", contract, or other financial assistance"; and

(B) by adding at the end thereof the following flush sentence:

"The Secretary shall award grants under this section on the basis of competitive review.".

SEC. 929. GRANTS FOR DEMONSTRATION PROGRAMS.

Section 106 (42 U.S.C. 5106) is amended—

(1) in the section heading, by striking "OR SERVICE";

(2) in subsection (a), to read as follows:

"(a) DEMONSTRATION PROGRAMS AND PROJECTS.—The Secretary may make grants to, and enter into contracts with, public agencies or nonprofit private agencies or organizations (or combinations of such agencies or organizations) for time limited, demonstration programs and projects for the following purposes:

"(1) TRAINING PROGRAMS.—The Secretary may award grants to public or private nonprofit organizations under this section—

"(A) for the training of professional and paraprofessional personnel in the fields of medicine, law, education, social work, and other relevant fields who are engaged in, or intend to work in, the field of prevention, identification, and treatment of child abuse and neglect, including the links between domestic violence and child abuse;

"(B) to provide culturally specific instruction in methods of protecting children from child abuse and neglect to children and to persons responsible for the welfare of children, including parents of and persons who work with children with disabilities;

"(C) to improve the recruitment, selection, and training of volunteers serving in private and public nonprofit children, youth and family service organizations in order to prevent child abuse and neglect through collaborative analysis of current recruitment, selection, and training programs and development of model programs for dissemination and replication nationally; and

"(D) for the establishment of resource centers for the purpose of providing information and training to professionals working in the field of child abuse and neglect.

"(2) MUTUAL SUPPORT PROGRAMS.—The Secretary may award grants to private nonprofit organizations (such as Parents Anonymous) to establish or maintain a national network of mutual support and self-help programs as a means of strengthening families in partnership with their communities.

"(3) OTHER INNOVATIVE PROGRAMS AND PROJECTS.—

"(A) IN GENERAL.—The Secretary may award grants to public agencies that demonstrate innovation in responding to reports of child abuse and neglect including programs of collaborative partnerships between the State child protective service agency, community social service agencies and family support programs, schools, churches and synagogues, and other community agencies to allow for the establishment of a triage system that—

"(i) accepts, screens and assesses reports received to determine which such reports require an intensive intervention and which require voluntary referral to another agency, program or project;

"(ii) provides, either directly or through referral, a variety of community-linked services to assist families in preventing child abuse and neglect; and

"(iii) provides further investigation and intensive intervention where the child's safety is in jeopardy.

"(B) KINSHIP CARE.—The Secretary may award grants to public entities to assist such entities in developing or implementing procedures using adult relatives as the preferred placement for children removed from their home, where such relatives are determined to be capable of providing a safe nurturing environment for the child or where such relatives comply with the State child protection standards.

"(C) VISITATION CENTERS.—The Secretary may award grants to public or private nonprofit entities to assist such entities in the establishment or operation of supervised visitation centers where there is documented, highly suspected, or elevated risk of child sexual, physical, or emotional abuse where, due to domestic violence, there is an ongoing risk of harm to a parent or child.";

(3) in subsection (c), by striking paragraphs (1) and (2); and

(4) by adding at the end thereof the following new subsection:

"(d) EVALUATION.—In making grants for demonstration projects under this section, the Secretary shall require all such projects to be evaluated for their effectiveness. Funding for such evaluations shall be provided either as a stated percentage of a demonstration grant or as a separate grant entered into by the Secretary for the purpose of evaluating a particular demonstration project or group of projects.".

SEC. 930. STATE GRANTS FOR PREVENTION AND TREATMENT PROGRAMS.

Section 107 (42 U.S.C. 5106a) is amended to read as follows:

"SEC. 107. GRANTS TO STATES FOR CHILD ABUSE AND NEGLECT PREVENTION AND TREATMENT PROGRAMS.

"(a) DEVELOPMENT AND OPERATION GRANTS.—The Secretary shall make grants to the States, based on the population of children under the age of 18 in each State that applies for a grant under this section, for purposes of assisting the States in improving the child protective service system of each such State in—

"(1) the intake, assessment, screening, and investigation of reports of abuse and neglect;

"(2)(A) creating and improving the use of multidisciplinary teams and interagency protocols to enhance investigations; and

"(B) improving legal preparation and representation, including—

"(i) procedures for appealing and responding to appeals of substantiated reports of abuse and neglect; and

"(ii) provisions for the appointment of a guardian ad litem.

"(3) case management and delivery of services provided to children and their families;

"(4) enhancing the general child protective system by improving risk and safety assessment tools and protocols, automation systems that support the program and track reports of child abuse and neglect from intake through final disposition and information referral systems;

"(5) developing, strengthening, and facilitating training opportunities and requirements for individuals overseeing and providing services to children and their families through the child protection system;

"(6) developing and facilitating training protocols for individuals mandated to report child abuse or neglect;

"(7) developing, strengthening, and supporting child abuse and neglect prevention, treatment, and research programs in the public and private sectors;

"(8) developing, implementing, or operating—

"(A) information and education programs or training programs designed to improve the provision of services to disabled infants with life-threatening conditions for—

"(i) professional and paraprofessional personnel concerned with the welfare of disabled infants with life-threatening conditions, including personnel employed in child protective services programs and health-care facilities; and

"(ii) the parents of such infants; and

"(B) programs to assist in obtaining or coordinating necessary services for families of disabled infants with life-threatening conditions, including—

"(i) existing social and health services;

"(ii) financial assistance; and

"(iii) services necessary to facilitate adoptive placement of any such infants who have been relinquished for adoption; or

"(9) developing and enhancing the capacity of community-based programs to integrate shared leadership strategies between parents and professionals to prevent and treat child abuse and neglect at the neighborhood level.

"(b) ELIGIBILITY REQUIREMENTS.—In order for a State to qualify for a grant under subsection (a), such State shall provide an assurance or certification, signed by the chief executive officer of the State, that the State—

"(1) has in effect and operation a State law or Statewide program relating to child abuse and neglect which ensures—

"(A) provisions or procedures for the reporting of known and suspected instances of child abuse and neglect;

"(B) procedures for the immediate screening, safety assessment, and prompt investigation of such reports;

"(C) procedures for immediate steps to be taken to ensure and protect the safety of the abused or neglected child and of any other child under the same care who may also be in danger of abuse or neglect;

"(D) provisions for immunity from prosecution under State and local laws and regulations for individuals making good faith reports of suspected or known instances of child abuse or neglect;

"(E) methods to preserve the confidentiality of all records in order to protect the rights of the child and of the child's parents or guardians, including methods to ensure that disclosure (and redisclosure) of information concerning child abuse or neglect involving specific individuals is made only to persons or entities that the State determines have a need for such information directly related to the purposes of this Act;

"(F) requirements for the prompt disclosure of all relevant information to any Federal, State, or local governmental entity, or any agent of such entity, with a need for such information in order to carry out its responsibilities under law to protect children from abuse and neglect;

"(G) the cooperation of State law enforcement officials, court of competent jurisdiction, and appropriate State agencies providing human services;

"(H) provisions requiring, and procedures in place that facilitate the prompt expungement of any records that are accessible to the general public or are used for purposes of employment or other background checks in cases determined to be unsubstantiated or false, except that nothing in this section shall prevent State child protective service agencies from keeping information on unsubstantiated reports in their casework files to assist in future risk and safety assessment; and

"(I) provisions and procedures requiring that in every case involving an abused or neglected child which results in a judicial proceeding, a guardian ad litem shall be appointed to represent the child in such proceedings; and

"(2) has in place procedures for responding to the reporting of medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions), procedures or programs, or both (within the State child protective services system), to provide for—

"(A) coordination and consultation with individuals designated by and within appropriate health-care facilities;

"(B) prompt notification by individuals designated by and within appropriate health-care facilities of cases of suspected medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions); and

"(C) authority, under State law, for the State child protective service system to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, as may be necessary to prevent the withholding of medically indicated treatment from disabled infants with life threatening conditions.

"(c) ADDITIONAL REQUIREMENT.—Not later than 2 years after the date of enactment of this section, the State shall provide an assurance or certification that the State has in place provisions, procedures, and mechanisms by which individuals who disagree with an official finding of abuse or neglect can appeal such finding.

"(d) STATE PROGRAM PLAN.—To be eligible to receive a grant under this section, a State shall submit every 5 years a plan to the Secretary that specifies the child protective service system area or areas described in subsection (a) that the State intends to address with funds received under the grant. Such plan shall, to the maximum extent practicable, be coordinated with the plan of the State for child welfare services and family preservation and family support services under part B of title IV of the Social Security Act and shall contain an outline of the activities that the State intends to carry out using amounts provided under the grant to achieve the purposes of this Act, including the procedures to be used for—

"(1) receiving and assessing reports of child abuse or neglect;

"(2) investigating such reports;

"(3) protecting children by removing them from dangerous settings and ensuring their placement in a safe environment;

"(4) providing services or referral for services for families and children where the child is not in danger of harm;

"(5) providing services to individuals, families, or communities, either directly or through referral, aimed at preventing the occurrence of child abuse and neglect;

"(6) providing training to support direct line and supervisory personnel in report-taking, screening, assessment, decision-making, and referral for investigation; and

"(7) providing training for individuals mandated to report suspected cases of child abuse or neglect.

"(e) RESTRICTIONS RELATING TO CHILD WELFARE SERVICES.—Programs or projects relating to child abuse and neglect assisted under part B of title IV of the Social Security Act shall comply with the requirements set forth in paragraphs (1) (A) and (B), and (2) of subsection (b).

"(f) ANNUAL STATE DATA REPORTS.—Each State to which a grant is made under this part shall annually work with the Secretary to provide, to the maximum extent practicable, a report that includes the following:

"(1) The number of children who were reported to the State during the year as abused or neglected.

"(2) Of the number of children described in paragraph (1), the number with respect to whom such reports were—

"(A) substantiated;

"(B) unsubstantiated; and

"(C) determined to be false.

"(3) Of the number of children described in paragraph (2)—

"(A) the number that did not receive services during the year under the State program funded under this part or an equivalent State program;

"(B) the number that received services during the year under the State program funded under this part or an equivalent State program; and

"(C) the number that were removed from their families during the year by disposition of the case.

"(4) The number of families that received preventive services from the State during the year.

"(5) The number of deaths in the State during the year resulting from child abuse or neglect.

"(6) Of the number of children described in paragraph (5), the number of such children who were in foster care.

"(7) The number of child protective service workers responsible for the intake and screening of reports filed in the previous year.

"(8) The agency response time with respect to each such report with respect to initial investigation of reports of child abuse or neglect.

"(9) The response time with respect to the provision of services to families and children where an allegation of abuse or neglect has been made.

"(10) The number of child protective service workers responsible for intake, assessment, and investigation of child abuse and neglect reports relative to the number of reports investigated in the previous year.

"(g) ANNUAL REPORT BY THE SECRETARY.—Within 6 months after receiving the State reports under subsection (f), the Secretary shall prepare a report based on information provided by the States for the fiscal year under such subsection and shall make the report and such information available to the Congress and the national clearinghouse for information relating to child abuse.".

SEC. 931. REPEAL.

Section 108 (42 U.S.C. 5106b) is repealed.

SEC. 932. MISCELLANEOUS REQUIREMENTS.

Section 110 (42 U.S.C. 5106d) is amended by striking subsection (c).

SEC. 933. DEFINITIONS.

Section 113 (42 U.S.C. 5106h) is amended—

(1) by striking paragraphs (1) and (2);

(2) by redesignating paragraphs (3) through (10) as paragraphs (1) through (8), respectively; and

(3) in paragraph (2) (as so redesignated), to read as follows:

"(2) the term 'child abuse and neglect' means, at a minimum, any recent act or failure to act on the part of a parent or caretaker, which results in death, serious physical or emotional harm, sexual abuse or exploitation, or an act or failure to act which presents an imminent risk of serious harm;".

SEC. 934. AUTHORIZATION OF APPROPRIATIONS.

Section 114(a) (42 U.S.C. 5106h(a)) is amended to read as follows:

"(a) IN GENERAL.—

"(1) GENERAL AUTHORIZATION.—There are authorized to be appropriated to carry out this title, $100,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000.

"(2) DISCRETIONARY ACTIVITIES.—

"(A) IN GENERAL.—Of the amounts appropriated for a fiscal year under paragraph (1), the Secretary shall make available 33⅓ percent of such amounts to fund discretionary activities under this title.

"(B) DEMONSTRATION PROJECTS.—Of the amounts made available for a fiscal year under subparagraph (A), the Secretary make available not more than 40 percent of such amounts to carry out section 106.".

SEC. 935. RULE OF CONSTRUCTION.

Title I (42 U.S.C. 5101 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 115. RULE OF CONSTRUCTION.

"(a) IN GENERAL.—Nothing in this Act shall be construed—

"(1) as establishing a Federal requirement that a parent or legal guardian provide a child any medical service or treatment against the religious beliefs of the parent or legal guardian; and

"(2) to require that a State find, or to prohibit a State from finding, abuse or neglect in cases in which a parent or legal guardian relies solely or partially upon spiritual means rather than medical treatment, in accordance with the religious beliefs of the parent or legal guardian.

"(b) STATE REQUIREMENT.—Notwithstanding subsection (a), a State shall, at a minimum, have in place authority under State law to permit the child protective service system of the State to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, to provide medical care or treatment for a child when such care or treatment is necessary to prevent or remedy serious harm to the child, or to prevent the withholding of medically indicated treatment from children with life threatening conditions. Case by case determinations concerning the exercise of the authority of this subsection shall be within the sole discretion of the State.".

SEC. 936. TECHNICAL AMENDMENT.

Section 1404A of the Victims of Crime Act of 1984 (42 U.S.C. 10603a) is amended—

(1) by striking "1402(d)(2)(D) and (d)(3)" and inserting "1402(d)(2)"; and

(2) by striking "section 4(d)" and inserting "section 109".

Subtitle D—Community-Based Child Abuse and Neglect Prevention Grants

SEC. 941. ESTABLISHMENT OF PROGRAM.

Title II of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116 et seq) is amended to read as follows:

"TITLE II—COMMUNITY-BASED FAMILY RESOURCE AND SUPPORT GRANTS

"SEC. 201. PURPOSE AND AUTHORITY.

"(a) PURPOSE.—It is the purpose of this Act to support State efforts to develop, operate, expand and enhance a network of community-based, prevention-focused, family resource and support programs that are culturally competent and that coordinate resources among existing education, vocational rehabilitation, disability, respite, health, mental health, job readiness, self-sufficiency, child and family development, community action, Head Start, child care, child abuse and neglect prevention, juvenile justice, domestic violence prevention and intervention, housing, and other human service organizations within the State.

"(b) AUTHORITY.—The Secretary shall make grants under this title on a formula basis to the entity designated by the State as the lead entity (hereafter referred to in this title as the 'lead entity') for the purpose of—

"(1) developing, operating, expanding and enhancing Statewide networks of community-based, prevention-focused, family resource and support programs that—

"(A) offer sustained assistance to families;

"(B) provide early, comprehensive, and holistic support for all parents;

"(C) promote the development of parental competencies and capacities, especially in young parents and parents with very young children;

"(D) increase family stability;

"(E) improve family access to other formal and informal resources and opportunities for assistance available within communities;

"(F) support the additional needs of families with children with disabilities; and

"(G) decrease the risk of homelessness;

"(2) fostering the development of a continuum of preventive services for children and families through State and community-based collaborations and partnerships both public and private;

"(3) financing the start-up, maintenance, expansion, or redesign of specific family resource and support program services (such as respite services, child abuse and neglect prevention activities, disability services, mental health services, housing services, transportation, adult education, home visiting and other similar services) identified by the inventory and description of current services required under section 205(a)(3) as an unmet need, and integrated with the network of community-based family resource and support program to the extent practicable given funding levels and community priorities;

"(4) maximizing funding for the financing, planning, community mobilization, collaboration, assessment, information and referral, startup, training and technical assistance, information management, reporting and evaluation costs for establishing, operating, or expanding a Statewide network of community-based, prevention-focused, family resource and support program; and

"(5) financing public information activities that focus on the healthy and positive development of parents and children and the promotion of child abuse and neglect prevention activities.

"SEC. 202. ELIGIBILITY.

"A State shall be eligible for a grant under this title for a fiscal year if—

"(1)(A) the chief executive officer of the State has designated an entity to administer funds under this title for the purposes identified under the authority of this title, including to develop, implement, operate, enhance or expand a Statewide network of community-based, prevention-focused, family resource and support programs, child abuse and neglect prevention activities and access to respite services integrated with the Statewide network;

"(B) in determining which entity to designate under subparagraph (A), the chief executive officer should give priority consideration to the trust fund advisory board of the State or an existing entity that leverages Federal, State, and private funds for a broad range of child abuse and neglect prevention activities and family resource programs, and that is directed by an interdisciplinary, public-private structure, including participants from communities; and

"(C) such lead entity is an existing public, quasi-public, or nonprofit private entity with a demonstrated ability to work with other State and community-based agencies to provide training and technical assistance, and that has the capacity and commitment to ensure the meaningful involvement of parents who are consumers and who can provide leadership in the planning, implementation, and evaluation of programs and policy decisions of the applicant agency in accomplishing the desired outcomes for such efforts;

"(2) the chief executive officer of the State provides assurances that the lead entity will provide or will be responsible for providing—

"(A) a network of community-based family resource and support programs composed of local, collaborative, public-private partnerships directed by interdisciplinary structures with balanced representation from private and public sector members, parents, and public and private nonprofit service providers and individuals and organizations experienced in working in partnership with families with children with disabilities;

"(B) direction to the network through an interdisciplinary, collaborative, public-private structure with balanced representation from private and public sector members, parents, and public sector and private nonprofit sector service providers; and

"(C) direction and oversight to the network through identified goals and objectives, clear lines of communication and accountability, the provision of leveraged or combined funding from Federal, State and private sources, centralized assessment and planning activities, the provision of training and technical assistance, and reporting and evaluation functions; and

"(3) the chief executive officer of the State provides assurances that the lead entity—

"(A) has a demonstrated commitment to parental participation in the development, operation, and oversight of the Statewide network of community-based, prevention-focused, family resource and support programs;

"(B) has a demonstrated ability to work with State and community-based public and private nonprofit organizations to develop a continuum of preventive, family centered, holistic services for children and families through the Statewide network of community-based, prevention-focused, family resource and support programs;

"(C) has the capacity to provide operational support (both financial and programmatic) and training and technical assistance, to the Statewide network of community-based, prevention-focused, family resource and support programs, through innovative, interagency funding and interdisciplinary service delivery mechanisms; and

"(D) will integrate its efforts with individuals and organizations experienced in working in partnership with families with children with disabilities and with the child abuse and neglect prevention activities of the State, and demonstrate a financial commitment to those activities.

"SEC. 203. AMOUNT OF GRANT.

"(a) RESERVATION.—The Secretary shall reserve 1 percent of the amount appropriated under section 210 for a fiscal year to make allotments to Indian tribes and tribal organizations and migrant programs.

"(b) ALLOTMENT.—

"(1) IN GENERAL.—Of the amounts appropriated for a fiscal year under section 210 and remaining after the reservation under subsection (a), the Secretary shall allot to each State lead entity an amount equal to—

"(A) the State minor child amount for such State as determined under paragraph (2); and

"(B) the State matchable amount for such State as determined under paragraph (3).

"(2) STATE MINOR CHILD AMOUNT.—The amount determined under this paragraph for a fiscal year for a State shall be equal to an amount that bears the same relationship to 50 percent of the amounts appropriated and remaining under paragraph (1) for such fiscal year as the number of children under 18 residing in the State bears to the total number of children under 18 residing in all States, except that no State shall receive less than $250,000.

"(3) STATE MATCHABLE AMOUNT.—The amount determined under this paragraph for a fiscal year for a State shall be equal to—

"(A)(i) 50 percent of the amounts appropriated and remaining under paragraph (1) for such fiscal year; divided by

"(ii) 50 percent of the total amount that all States have directed through the respective lead agencies to the purposes identified under the authority of this title for the fiscal year, including foundation, corporate, and other private funding, State revenues, and Federal funds, as determined by the Secretary; multiplied by

"(B) 50 percent of the total amount that the State has directed through the lead agency to the purposes identified under the authority of this title for such fiscal year, including foundation, corporate, and other private funding, State revenues, and Federal funds.

"(c) ALLOCATION.—Funds allotted to a State under this section shall be awarded on a formula basis for a 3-year period. Payment under such allotments shall be made by the Secretary annually on the basis described in subsection (a).

"SEC. 204. EXISTING AND CONTINUATION GRANTS.

"(a) EXISTING GRANTS.—Notwithstanding the enactment of this title, a State or entity that has a grant, contract, or cooperative agreement in effect, on the date of enactment of this title, under the Family Resource and Support Program, the Community-Based Family Resource Program, the Family Support Center Program, the Emergency Child Abuse Prevention Grant Program, or the Temporary Child Care for Children with Disabilities and Crisis Nurseries Programs shall continue to receive funds under such programs, subject to the original terms under which such funds were granted, through the end of the applicable grant cycle.

"(b) CONTINUATION GRANTS.—The Secretary may continue grants for Family Resource and Support Program grantees, and those programs otherwise funded under this Act, on a noncompetitive basis, subject to the availability of appropriations, satisfactory performance by the grantee, and receipt of reports required under this Act, until such time as the grantee no longer meets the original purposes of this Act.

"SEC. 205. APPLICATION.

"(a) IN GENERAL.—A grant may not be made to a State under this title unless an application therefore is submitted by the State to the Secretary and such application contains the types of information specified by the Secretary as essential to carrying out the provisions of section 202, including—

"(1) a description of the lead entity that will be responsible for the administration of funds provided under this title and the oversight of programs funded through the Statewide network of community-based, prevention-focused, family resource and support programs which meets the requirements of section 202;

"(2) a description of how the network of community-based, prevention-focused, family resource and support programs will operate and how family resource and support services provided by public and private, nonprofit organizations, including those funded by programs consolidated under this Act, will be integrated into a developing continuum of family centered, holistic, preventive services for children and families;

"(3) an assurance that an inventory of current family resource programs, respite, child abuse and neglect prevention activities, and other family resource services operating in the State, and a description of current unmet needs, will be provided;

"(4) a budget for the development, operation and expansion of the State's network of community-based, prevention-focused, family resource and support programs that verifies that the State will expend an amount equal to not less than 20 percent of the amount received under this title (in cash, not in-kind) for activities under this title;

"(5) an assurance that funds received under this title will supplement, not supplant, other State and local public funds designated for the Statewide network of community-based, prevention-focused, family resource and support programs;

"(6) an assurance that the State network of community-based, prevention-focused, family resource and support programs will maintain cultural diversity, and be culturally competent and socially sensitive and responsive to the needs of families with children with disabilities;

"(7) an assurance that the State has the capacity to ensure the meaningful involvement of parents who are consumers and who can provide leadership in the planning, implementation, and evaluation of the programs and policy decisions of the applicant agency in accomplishing the desired outcomes for such efforts;

"(8) a description of the criteria that the entity will use to develop, or select and fund, individual community-based, prevention-focused, family resource and support programs as part of network development, expansion or enhancement;

"(9) a description of outreach activities that the entity and the community-based, prevention-focused, family resource and support programs will undertake to maximize the participation of racial and ethnic minorities, new immigrant populations, children and adults with disabilities, homeless families and those at risk of homelessness, and members of other underserved or underrepresented groups;

"(10) a plan for providing operational support, training and technical assistance to community-based, prevention-focused, family resource and support programs for development, operation, expansion and enhancement activities;

"(11) a description of how the applicant entity's activities and those of the network and its members will be evaluated;

"(12) a description of that actions that the applicant entity will take to advocate changes in State policies, practices, procedures and regulations to improve the delivery of prevention-focused, family resource and support program services to all children and families; and

"(13) an assurance that the applicant entity will provide the Secretary with reports at such time and containing such information as the Secretary may require.

"SEC. 206. LOCAL PROGRAM REQUIREMENTS.

"(a) IN GENERAL.—Grants made under this title shall be used to develop, implement, operate, expand and enhance community-based, prevention-focused, family resource and support programs that—

"(1) assess community assets and needs through a planning process that involves parents and local public agencies, local nonprofit organizations, and private sector representatives;

"(2) develop a strategy to provide, over time, a continuum of preventive, holistic, family centered services to children and families, especially to young parents and parents with young children, through public-private partnerships;

"(3) provide—

"(A) core family resource and support services such as—

"(i) parent education, mutual support and self help, and leadership services;

"(ii) early developmental screening of children;

"(iii) outreach services;

"(iv) community and social service referrals; and

"(v) follow-up services;

"(B) other core services, which must be provided or arranged for through contracts or agreements with other local agencies, including all forms of respite services to the extent practicable; and

"(C) access to optional services, including—

"(i) child care, early childhood development and intervention services;

"(ii) services and supports to meet the additional needs of families with children with disabilities;

"(iii) job readiness services;

"(iv) educational services, such as scholastic tutoring, literacy training, and General Educational Degree services;

"(v) self-sufficiency and life management skills training;

"(vi) community referral services; and

"(vii) peer counseling;

"(4) develop leadership roles for the meaningful involvement of parents in the development, operation, evaluation, and oversight of the programs and services;

"(5) provide leadership in mobilizing local public and private resources to support the provision of needed family resource and support program services; and

"(6) participate with other community-based, prevention-focused, family resource and support program grantees in the development, operation and expansion of the Statewide network.

"(b) PRIORITY.—In awarding local grants under this title, a lead entity shall give priority to community-based programs serving low income communities and those serving young parents or parents with young children, and to community-based family resource and support programs previously funded under the programs consolidated under the Child Abuse Prevention and Treatment Act Amendments of 1996, so long as such programs meet local program requirements.

"SEC. 207. PERFORMANCE MEASURES.

"A State receiving a grant under this title, through reports provided to the Secretary, shall—

"(1) demonstrate the effective development, operation and expansion of a Statewide network of community-based, prevention-focused, family resource and support programs that meets the requirements of this title;

"(2) supply an inventory and description of the services provided to families by local programs that meet identified community needs, including core and optional services as described in section 202;

"(3) demonstrate the establishment of new respite and other specific new family resources services, and the expansion of existing services, to address unmet needs identified by the inventory and description of current services required under section 205(a)(3);

"(4) describe the number of families served, including families with children with disabilities, and the involvement of a diverse representation of families in the design, operation, and evaluation of the Statewide network of community-based, prevention-focused, family resource and support programs, and in the design, operation and evaluation of the individual community-based family resource and support programs that are part of the Statewide network funded under this title;

"(5) demonstrate a high level of satisfaction among families who have used the services of the community-based, prevention-focused, family resource and support programs;

"(6) demonstrate the establishment or maintenance of innovative funding mechanisms, at the State or community level, that blend Federal, State, local and private funds, and innovative, interdisciplinary service delivery mechanisms, for the development, operation, expansion and enhancement of the Statewide network of community-based, prevention-focused, family resource and support programs;

"(7) describe the results of a peer review process conducted under the State program; and

"(8) demonstrate an implementation plan to ensure the continued leadership of parents in the on-going planning, implementation, and evaluation of such community based, prevention-focused, family resource and support programs.

"SEC. 208. NATIONAL NETWORK FOR COMMUNITY-BASED FAMILY RESOURCE PROGRAMS.

"The Secretary may allocate such sums as may be necessary from the amount provided under the State allotment to support the activities of the lead entity in the State—

"(1) to create, operate and maintain a peer review process;

"(2) to create, operate and maintain an information clearinghouse;

"(3) to fund a yearly symposium on State system change efforts that result from the operation of the Statewide networks of community-based, prevention-focused, family resource and support programs;

"(4) to create, operate and maintain a computerized communication system between lead entities; and

"(5) to fund State-to-State technical assistance through bi-annual conferences.

"SEC. 209. DEFINITIONS.

"For purposes of this title:

"(1) CHILDREN WITH DISABILITIES.—The term 'children with disabilities' has the same meaning given such term in section 602(a)(2) of the Individuals with Disabilities Education Act.

"(2) COMMUNITY REFERRAL SERVICES.—The term 'community referral services' means services provided under contract or through interagency agreements to assist families in obtaining needed information, mutual support and community resources, including respite services, health and mental health services, employability development and job training, and other social services through help lines or other methods.

"(3) CULTURALLY COMPETENT.—The term 'culturally competent' means services, support, or other assistance that is conducted or provided in a manner that—

"(A) is responsive to the beliefs, interpersonal styles, attitudes, languages, and behaviors of those individuals and families receiving services; and

"(B) has the greatest likelihood of ensuring maximum participation of such individuals and families.

"(4) FAMILY RESOURCE AND SUPPORT PROGRAM.—The term 'family resource and support program' means a community-based, prevention-focused entity that—

"(A) provides, through direct service, the core services required under this title, including—

"(i) parent education, support and leadership services, together with services characterized by relationships between parents and professionals that are based on equality and respect, and designed to assist parents in acquiring parenting skills, learning about child development, and responding appropriately to the behavior of their children;

"(ii) services to facilitate the ability of parents to serve as resources to one another (such as through mutual support and parent self-help groups);

"(iii) early developmental screening of children to assess any needs of children, and to identify types of support that may be provided;

"(iv) outreach services provided through voluntary home visits and other methods to assist parents in becoming aware of and able to participate in family resources and support program activities;

"(v) community and social services to assist families in obtaining community resources; and

"(vi) follow-up services;

"(B) provides, or arranges for the provision of, other core services through contracts or agreements with other local agencies, including all forms of respite services; and

"(C) provides access to optional services, directly or by contract, purchase of service, or interagency agreement, including—

"(i) child care, early childhood development and early intervention services;

"(ii) self-sufficiency and life management skills training;

"(iii) education services, such as scholastic tutoring, literacy training, and General Educational Degree services;

"(iv) job readiness skills;

"(v) child abuse and neglect prevention activities;

"(vi) services that families with children with disabilities or special needs may require;

"(vii) community and social service referral;

"(viii) peer counseling;

"(ix) referral for substance abuse counseling and treatment; and

"(x) help line services.

"(5) NATIONAL NETWORK FOR COMMUNITY-BASED FAMILY RESOURCE PROGRAMS.—The term 'network for community-based family resource program' means the organization of State designated entities who receive grants under this title, and includes the entire membership of the Children's Trust Fund Alliance and the National Respite Network.

"(6) OUTREACH SERVICES.—The term 'outreach services' means services provided to assist consumers, through voluntary home visits or other methods, in accessing and participating in family resource and support program activities.

"(7) RESPITE SERVICES.—The term 'respite services' means short term care services provided in the temporary absence of the regular caregiver (parent, other relative, foster parent, adoptive parent, or guardian) to children who—

"(A) are in danger of abuse or neglect;

"(B) have experienced abuse or neglect; or

"(C) have disabilities, chronic, or terminal illnesses.

Such services shall be provided within or outside the home of the child, be short-term care (ranging from a few hours to a few weeks of time, per year), and be intended to enable the family to stay together and to keep the child living in the home and community of the child.

"SEC. 210. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title, $108,000,000 for each of the fiscal years 1996 through 2000.".

SEC. 942. REPEALS.

(a) TEMPORARY CHILD CARE FOR CHILDREN WITH DISABILITIES AND CRISIS NURSERIES ACT.—The Temporary Child Care for Children with Disabilities and Crisis Nurseries Act of 1986 (42 U.S.C. 5117 et seq.) is repealed.

(b) FAMILY SUPPORT CENTERS.—Subtitle F of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11481 et seq.) is repealed.

Subtitle E—Family Violence Prevention and Services

SEC. 951. REFERENCE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.).

SEC. 952. STATE DEMONSTRATION GRANTS.

Section 303(e) (42 U.S.C. 10420(e)) is amended—

(1) by striking "following local share" and inserting "following non-Federal matching local share"; and

(2) by striking "20 percent" and all that follows through "private sources." and inserting "with respect to an entity operating an existing program under this title, not less than 20 percent, and with respect to an entity intending to operate a new program under this title, not less than 35 percent.".

SEC. 953. ALLOTMENTS.

Section 304(a)(1) (42 U.S.C. 10403(a)(1)) is amended by striking "$200,000" and inserting "$400,000".

SEC. 954. AUTHORIZATION OF APPROPRIATIONS.

Section 310 (42 U.S.C. 10409) is amended—

(1) in subsection (b), by striking "80" and inserting "70"; and

(2) by adding at the end thereof the following new subsections:

"(d) GRANTS FOR STATE COALITIONS.—Of the amounts appropriated under subsection (a) for each fiscal year, not less than 10 percent of such amounts shall be used by the Secretary for making grants under section 311.

"(e) NON-SUPPLANTING REQUIREMENT.—Federal funds made available to a State under this title shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide services and activities that promote the purposes of this title.".

Subtitle F—Adoption Opportunities

SEC. 961. REFERENCE.

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5111 et seq.).

SEC. 962. FINDINGS AND PURPOSE.

Section 201 (42 U.S.C. 5111) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking "50 percent between 1985 and 1990" and inserting "61 percent between 1986 and 1994"; and

(ii) by striking "400,000 children at the end of June, 1990" and inserting "452,000 as of June, 1994"; and

(B) in paragraph (5), by striking "local" and inserting "legal"; and

(C) in paragraph (7), to read as follows:

"(7)(A) currently, 40,000 children are free for adoption and awaiting placement;

"(B) such children are typically school aged, in sibling groups, have experienced neglect or abuse, or have a physical, mental, or emotional disability; and

"(C) while the children are of all races, children of color and older children (over the age of 10) are over represented in such group;"; and

(2) in subsection (b)—

(A) by striking "conditions, by—" and all that follows through "providing a mechanism" and inserting "conditions, by providing a mechanism"; and

(B) by redesignating subparagraphs (A) through (C), as paragraphs (1) through (3), respectively and by realigning the margins of such paragraphs accordingly.

SEC. 963. INFORMATION AND SERVICES.

Section 203 (42 U.S.C. 5113) is amended—

(1) in subsection (a), by striking the last sentence;

(2) in subsection (b)—

(A) in paragraph (6), to read as follows:

"(6) study the nature, scope, and effects of the placement of children in kinship care arrangements, pre-adoptive, or adoptive homes;";

(B) by redesignating paragraphs (7) through (9) as paragraphs (8) through (10), respectively; and

(C) by inserting after paragraph (6), the following new paragraph:

"(7) study the efficacy of States contracting with public or private nonprofit agencies (including community-based and other organizations), or sectarian institutions for the recruitment of potential adoptive and foster families and to provide assistance in the placement of children for adoption;"; and

(3) in subsection (d)—

(A) in paragraph (2)—

(i) by striking "Each" and inserting "(A) Each";

(ii) by striking "for each fiscal year" and inserting "that describes the manner in which the State will use funds during the 3-fiscal years subsequent to the date of the application to accomplish the purposes of this section. Such application shall be"; and

(iii) by adding at the end thereof the following new subparagraph:

"(B) The Secretary shall provide, directly or by grant to or contract with public or private nonprofit agencies or organizations—

"(i) technical assistance and resource and referral information to assist State or local governments with termination of parental rights issues, in recruiting and retaining adoptive families, in the successful placement of children with special needs, and in the provision of pre- and post-placement services, including post-legal adoption services; and

"(ii) other assistance to help State and local governments replicate successful adoption-related projects from other areas in the United States.".

SEC. 964. AUTHORIZATION OF APPROPRIATIONS.

Section 205 (42 U.S.C. 5115) is amended—

(1) in subsection (a), by striking "$10,000,000," and all that follows through "203(c)(1)" and inserting "$20,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000 to carry out programs and activities authorized";

(2) by striking subsection (b); and

(3) by redesignating subsection (c) as subsection (b).

Subtitle G—Abandoned Infants Assistance Act of 1986

SEC. 971. REAUTHORIZATION.

Section 104(a)(1) of the Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is amended by striking "$20,000,000" and all that follows through the end thereof and inserting "$35,000,000 for each of the fiscal years 1996 and 1997, and such sums as may be necessary for each of the fiscal years 1998 through 2000".

Subtitle H—Reauthorization of Various Programs

SEC. 981. MISSING CHILDREN'S ASSISTANCE ACT.

Section 408 of the Missing Children's Assistance Act (42 U.S.C. 5777) is amended—

(1) by striking "To" and inserting "(a) IN GENERAL.—"

(2) by striking "and 1996" and inserting "1996, and 1997"; and

(3) by adding at the end thereof the following new subsection:

"(b) EVALUATION.—The Administrator shall use not more than 5 percent of the amount appropriated for a fiscal year under subsection (a) to conduct an evaluation of the effectiveness of the programs and activities established and operated under this title.".

SEC. 982. VICTIMS OF CHILD ABUSE ACT OF 1990.

Section 214B of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13004) is amended—

(1) in subsection (a)(2), by striking "and 1996" and inserting "1996, and 1997"; and

(2) in subsection (b)(2), by striking "and 1996" and inserting "1996 and 1997".

TITLE X—EFFECTIVE DATE; MISCELLANEOUS PROVISIONS

SEC. 1001. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect on October 1, 1996.

(b) ONE YEAR EXTENSION OF JOBS PROGRAM.—The authorization for the JOBS program under part F of title IV of the Social Security Act, as in effect on the date of the enactment of this Act shall be extended through fiscal year 1997 for $1,000,000,000 and allocated to the States in the same manner as under section 495 of the Social Security Act, as added by section 201 of this Act, except that the participation rate under clause (vi) of section 403(l)(3)(A) of such Act, as so in effect, shall be applied by substituting "25 percent" for "20 percent".

SEC. 1002. TREATMENT OF EXISTING WAIVERS.

(a) IN GENERAL.—If any waiver granted to a State under section 1115 of the Social Security Act (42 U.S.C. 1315) or otherwise which relates to the provision of assistance under a State plan approved under title IV of the such Act (42 U.S.C. 601 et seq.), is in effect or approved by the Secretary of Health and Human Services as of the date of the enactment of this Act, the amendments made by this Act, at the option of the State, shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver.

(b) FUNDING.—If the State elects the treatment described in subsection (a), the State—

(1) may use so much of the remainder of the Federal funds available for such waiver project as determined by the Secretary of Health and Human Services based on an evaluation of the budget of such waiver project; and

(2) may have any costs in excess of the cost neutrality requirements forgiven by the Secretary from funds not described in section 414(a)(2).

(c) REPORTS.—If the State does not elect the treatment described in subsection (a), and unless the Secretary of Health and Human Services determines that the waiver project is not of sufficient duration, the State shall submit a report on the operation and results of the waiver project, including any effects on employment and welfare receipt.

SEC. 1003. EXPEDITED WAIVER PROCESS.

Notwithstanding any other provision of law, the Secretary of Health and Human Services shall approve or disapprove a waiver submitted under section 1115 of the Social Security Act (42 U.S.C. 1315) not later than 90 days after the date the completed application is received. In considering such an application, there shall be the presumption for approval in the case of a request for a waiver that is similar in substance and scale to a previously approved waiver.

SEC. 1004. COUNTY WELFARE DEMONSTRATION PROJECT.

(a) IN GENERAL.—The Secretary of Health and Human Services and the Secretary of Agriculture may jointly enter into negotiations with any county having a population greater than 500,000 for the purpose of establishing appropriate rules to govern the establishment and operation of a 5-year welfare demonstration project. Under the demonstration project—

(1) the county shall have the authority and duty to administer the operation within the county of 1 or more of the programs established under title I or II of this Act as if the county were considered a State for purposes of such programs; and

(2) the State in which the county is located shall pass through directly to the county 100 percent of a proportion of the Federal funds received by the State under each of the programs described in paragraph (1) that is administered by the county under such paragraph, which proportion shall be separately calculated for each such program based (to the extent feasible and appropriate) on the formula used by the Federal government to allocate payments to the States under the program. Additionally, any State financial participation in these programs shall be no different for counties participating in the demonstration projects authorized by this section than for other counties within the State.

(b) COMMENCEMENT OF PROJECT.—After the conclusion of the negotiations described in subsection (a), the Secretary of Health and Human Services and the Secretary of Agriculture may authorize the county to conduct the demonstration project described in such subsection in accordance with the rules established under such subsection.

(c) REPORT.—The Secretary of Agriculture and the Secretary of Health and Human Services shall submit to the Congress a joint report on any demonstration project conducted under this section not later than 6 months after the termination of the project. Such report shall, at a minimum, describe the project, the rules negotiated with respect to the project under subsection (a), and the innovations (if any) that the county was able to initiate under the project.

SEC. 1005. WORK REQUIREMENTS FOR STATE OF HAWAII.

Section 485(a)(2)(B) of the Social Security Act, as added by section 201(a), is amended by redesignating clause (iii) as clause (iv), and by inserting after clause (ii) the following new clause:

"(iii) DEEMED HOURS OF WORK.—For purposes of subclauses (II) and (III) of subparagraph (A)(i), '19 hours' shall be substituted for '20 hours' in determining the State of Hawaii's work performance rate.".

SEC. 1006. REQUIREMENT THAT DATA RELATING TO THE INCIDENCE OF POVERTY IN THE UNITED STATES BE PUBLISHED AT LEAST EVERY 2 YEARS.

(a) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the "Secretary") shall, to the extent feasible, produce and publish for each State, county, and local unit of general purpose government for which data have been compiled in the most recent census of population under section 141(a) of title 13, United States Code, and for each school district, data relating to the incidence of poverty. Such data may be produced by means of sampling, estimation, or any other method that the Secretary determines will produce current, comprehensive, and reliable data.

(b) CONTENT; FREQUENCY.—Data under this section—

(1) shall include—

(A) for each school district, the number of children age 5 to 17, inclusive, in families below the poverty level; and

(B) for each State and county referred to in subsection (a), the number of individuals age 65 or older below the poverty level; and

(2) shall be published—

(A) for each State, county, and local unit of general purpose government referred to in subsection (a), in 1997 and at least every 2nd year thereafter; and

(B) for each school district, in 1999 and at least every 2nd year thereafter.

(c) AUTHORITY TO AGGREGATE.—

(1) IN GENERAL.—If reliable data could not otherwise be produced, the Secretary may, for purposes of subsection (b)(1)(A), aggregate school districts, but only to the extent necessary to achieve reliability.

(2) INFORMATION RELATING TO USE OF AUTHORITY.—Any data produced under this subsection shall be appropriately identified and shall be accompanied by a detailed explanation as to how and why aggregation was used (including the measures taken to minimize any such aggregation).

(d) REPORT TO BE SUBMITTED WHENEVER DATA IS NOT TIMELY PUBLISHED.—If the Secretary is unable to produce and publish the data required under this section for any State, county, local unit of general purpose government, or school district in any year specified in subsection (b)(2), a report shall be submitted by the Secretary to the President of the Senate and the Speaker of the House of Representatives, not later than 90 days before the start of the following year, enumerating each government or school district excluded and giving the reasons for the exclusion.

(e) CRITERIA RELATING TO POVERTY.—In carrying out this section, the Secretary shall use the same criteria relating to poverty as were used in the most recent census of population under section 141(a) of title 13, United States Code (subject to such periodic adjustments as may be necessary to compensate for inflation and other similar factors).

(f) CONSULTATION.—The Secretary shall consult with the Secretary of Education in carrying out the requirements of this section relating to school districts.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $1,500,000 for each of fiscal years 1997 through 2001.

SEC. 1007. STUDY BY THE CENSUS BUREAU.

(a) IN GENERAL.—The Bureau of the Census shall expand the Survey of Income and Program Participation as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by title I of the Work First Act of 1996 on a random national sample of recipients of assistance under State programs funded under part A of title IV of the Social Security Act and (as appropriate) other low income families, and in doing so, shall pay particular attention to the issues of out-of-wedlock birth, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

(b) AUTHORIZATION OF APPROPRIATIONS.—Out of any money in the Treasury of the United States not otherwise appropriated, the Secretary of the Treasury shall pay to the Bureau of the Census $10,000,000 for each of fiscal years 1997, 1998, 1999, 2000, and 2001 to carry out subsection (a).

SEC. 1008. SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL FOR TECHNICAL AND CONFORMING AMENDMENTS.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit to the appropriate committees of the Congress a legislative proposal providing for such technical and conforming amendments in the law as are required by the provisions of this Act.

McCAIN AMENDMENT NO. 4898

(Ordered to lie on the table.)

Mr. McCAIN submitted an amendment intended to be proposed by him to the bill, S. 1956, supra; as follows:

On page 411, between lines 2 and 3, insert the following:

"(4) FAMILIES UNDER CERTAIN AGREEMENTS.—In the case of a family receiving assistance from an Indian tribe, distribute the amount so collected pursuant to an agreement entered into pursuant to a State plan under section 454(33).

On page 411, line 3, strike "(3)" and insert "(4)".

On page 554, between lines 7 and 8, insert the following:

SEC. 2375. CHILD SUPPORT ENFORCEMENT FOR INDIAN TRIBES.

(a) CHILD SUPPORT ENFORCEMENT AGREEMENT.—Section 454 (42 U.S.C. 654), as amended by sections 2301(b), 2303(a), 2312(b), 2313(a), 2333, 2343(b), 2370(a)(2), and 2371(b) of this Act is amended—

(1) by striking "and" at the end of paragraph (31);

(2) by striking the period at the end of paragraph (32) and inserting "; and";

(3) by adding after paragraph (32) the following new paragraph:

"(33) provide that a State that receives funding pursuant to section 428 and that has within its borders Indian country (as defined in section 1151 of title 18, United States Code) may enter into cooperative agreements with an Indian tribe or tribal organization (as defined in subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), if the Indian tribe or tribal organization demonstrates that such tribe or organization has an established tribal court system or a Court of Indian Offenses with the authority to establish paternity, establish, modify, and enforce support orders, and to enter support orders in accordance with child support guidelines established by such tribe or organization, under which the State and tribe or organization shall provide for the cooperative delivery of child support enforcement services in Indian country and for the forwarding of all funding collected pursuant to the functions performed by the tribe or organization to the State agency, or conversely, by the State agency to the tribe or organization, which shall distribute such funding in accordance with such agreement; and

(4) by adding at the end the following new sentence: "Nothing in paragraph (33) shall void any provision of any cooperative agreement entered into before the date of the enactment of such paragraph, nor shall such paragraph deprive any State of jurisdiction over Indian country (as so defined) that is lawfully exercised under section 402 of the Act entitled 'An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes', approved April 11, 1968 (25 U.S.C. 1322).".

(b) DIRECT FEDERAL FUNDING TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—Section 455 (42 U.S.C. 655) is amended by adding at the end the following new subsection:

"(b) The Secretary may, in appropriate cases, make direct payments under this part to an Indian tribe or tribal organization which has an approved child support enforcement plan under this title. In determining whether such payments are appropriate, the Secretary shall, at a minimum, consider whether services are being provided to eligible Indian recipients by the State agency through an agreement entered into pursuant to section 454(33).".

(c) COOPERATIVE ENFORCEMENT AGREEMENTS.—Paragraph (7) of section 454 (42 U.S.C. 654) is amended by inserting "and Indian tribes or tribal organizations (as defined in subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b))" after "law enforcement officials".

(d) CONFORMING AMENDMENTS.—Subsection (c) of section 428 (42 U.S.C. 628) is amended to read as follows:

"(c) For purposes of this section, the terms 'Indian tribe' and 'tribal organization' shall have the meanings given such terms by subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), respectively.".

LIEBERMAN AMENDMENTS NOS. 4899–4900

(Ordered to lie on the table.)

Mr. LIEBERMAN submitted two amendments intended to be proposed by him to the bill, S. 1956, supra; as follows:

AMENDMENT NO. 4899

Section 2903 is amended—

(1) by inserting "(a) IN GENERAL.—" before "Section"; and

(2) by adding at the end the following:

(b) DEDICATION OF BLOCK GRANT SHARE.—Section 2001 of the Social Security Act (42 U.S.C. 1397) is amended—

(1) in the matter preceding paragraph (1), by inserting "(a)" before "For"; and

(2) by adding at the end the following:

"(b) For any fiscal year in which a State receives an allotment under section 2003, such State shall dedicate an amount equal to 3 percent of such allotment to fund programs and services that teach minors to—

"(1) avoid out-of-wedlock pregnancies;."

AMENDMENT No. 4900

Section 2101 is amended—

(1) by redesignating paragraphs (7) through (9) as paragraphs 8 through (10), respectively;

(2) in paragraph (10), as so redesignated, by inserting ", and protection of teenage girls from pregnancy as well as predatory sexual behavior" after "birth"; and

(3) by inserting after paragraph (6), the following:

(7) An effective strategy to combat teenage pregnancy must address the issue of male responsibility, including statutory rape culpability and prevention. The increase of teenage pregnancies among the youngest girls is particularly severe and is linked to predatory sexual practices by men who are significantly older.

(A) It is estimated that in the late 1980's, the rate for girls age 14 and under giving birth increased 26 percent.

(B) Data indicates that at least half of the children born to teenage mothers are fathered by adult men. Available data suggests that almost 70 percent of births to teenage girls are fathered by men over age 20.

(C) Surveys of teen mothers have revealed that a majority of such mothers have histories of sexual and physical abuse, primarily with older adult men.

Section 402(a)(1)(A) of the Social Security Act, as added by section 2103(a)(1), is amended—

(1) by redesignating clauses (vi) and (vii) as clauses (vii) and (viii), respectively; and

(2) by inserting after clause (v), the following:

"(vi) Conduct a program, designed to reach State and local law enforcement officials; the education system, and relevant counseling services, that provides education and training on the problem of statutory rape so that teenage pregnancy prevention programs may be expanded in scope to include men.

Section 2908 is amended—

(1) by inserting "(a) SENSE OF THE SENATE.—" before "It"; and

(2) by adding at the end the following:

(b) JUSTICE DEPARTMENT PROGRAM ON STATUTORY RAPE.—

(1) ESTABLISHMENT.—Not later than January 1, 1997, the Attorney General shall establish and implement a program that—

(A) studies the linkage between statutory rape and teenage pregnancy, particularly by predatory older men committing repeat offensives; and

(B) educates State and local criminal law enforcement officials on the prevention and prosecution of statutory rape, focusing in particular on the commission of statutory rape by predatory older men committing repeat offensives, and any links to teenage pregnancy.

(2) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to the Attorney General to carry out the provisions of paragraph (1), $1,000,000 for each of fiscal years 1997, 1998, 1999, 2000, 2001, and 2002.

(c) VIOLENCE AGAINST WOMEN INITIATIVE.—The Attorney General shall ensure that the Department of Justice's Violence Against Women initiative addresses the issue of statutory rape, particularly the commission of statutory rape by predatory older men committing repeat offensives.

ASHCROFT (AND NICKLES) AMENDMENT NO. 4901

Mr. ASHCROFT (for himself and Mr. NICKLES) proposed an amendment to the bill, S. 1956, supra; as follows:

Strike existing Section 2902, and replace with the following:

"SEC. 2902. SANCTIONING WELFARE RECIPIENTS FOR TESTING POSITIVE FOR THE USE OF CONTROLLED SUBSTANCES.

Notwithstanding any other provision of law, States shall randomly test welfare recipients, including recipients of assistance under the temporary assistance for needy families program under part A of title IV of the Social Security Act and individuals receiving food stamps under the program defined in section 3(h) of the Food Stamp Act of 1977, for the use of controlled substances and shall sanction welfare recipients who test positive for the use of such illegal drugs.

DODD (AND OTHERS) AMENDMENT NO. 4902

Mr. DODD (for himself, Mr. COATS, Mr. KENNEDY, Mrs. KASSEBAUM, Ms. SNOWE, Ms. MIKULSKI, Mr. HARKIN, Mr. KOHL, Mr. KERRY, Mrs. MURRAY, Mr. KERREY, Mr. COHEN, Mr. REID, Mr. LEAHY, Mrs. BOXER, Mr. EXON, Mr. WELLSTONE, and Mr. HATCH) proposed an amendment to the bill, S. 1956, supra; as follows:

On page 628, strike clauses (vi) and (vii) of section 2805(2)(A).

MURRAY AMENDMENT NO. 4903

Mrs. MURRAY proposed an amendment to the bill, S 1956, supra; as follows:

Strike section 1206.

THE OCEAN SHIPPING ACT OF 1996

PRESSLER (AND OTHERS) AMENDMENT NO. 4904

(Ordered referred to the Committee on Commerce, Science, and Transportation.)

Mr. PRESSLER (for himself, Mr. LOTT, Mr. GORTON, Mrs. HUTCHISON, Mr. EXON, Mr. INOUYE, and Mr. BREAUX) submitted an amendment intended to be proposed by them to the bill (S. 1356) to amend the Shipping Act of 1984 to provide for ocean shipping reform, and for other purposes; as follows:

Strike out all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "International Ocean Shipping Act of 1996".

SEC. 2. EFFECTIVE DATE.

Except as otherwise expressly provided in this Act, this Act and the amendments made by this Act take effect on October 1, 1997.

TITLE I AMENDMENTS TO THE SHIPPING ACT OF 1984

SEC. 101. PURPOSE.

Section 1 of the Shipping Act of 1984 (46 U.S.C. App. 1701) is amended by—

(1) striking "and" after the semicolon in paragraph (2);

(2) striking "needs." in paragraph (3) and inserting "needs; and"; and

(3) adding at the end thereof the following:

"(4) to promote the growth and development of United States exports through competitive and efficient ocean transportation and by placing a greater reliance on the marketplace.".

SEC. 102. DEFINITIONS.

Section 3 of the Shipping Act of 1984 (46 U.S.C. App. 1702) is amended by—

(1) striking paragraph (5) and redesignating paragraph (4) as paragraph (5);

(2) inserting after paragraph (3) the following:

"(4) 'Board' means the Intermodal Transportation Board.";

(3) adding at the end of paragraph (7) the following: "a conference agreement does not result in the formation of a single commercial identity, and members of the conference retain their identity as individual carriers in the trade.";

(4) striking "the government under whose registry the vessels of the carrier operate" in paragraph (8) and inserting "a government";

(5) striking "in an unfinished or semi-finished state that require special handling moving in lot sizes too large for a container" in paragraph (11);

(6) striking "paper board in rolls, and paper in rolls." in paragraph (11) and inserting "paper and paper board in rolls or in pallet or skid-sized sheets.";

(7) striking paragraph (17) and redesignating paragraphs (18) through (27) as paragraphs (17) through (26), respectively;

(8) striking paragraph (18), as designated, and inserting the following:

"(18) 'ocean freight forwarder' means a person that—

"(A)(i) in the United States, dispatches shipments from the United States via a common carrier and books or otherwise arranges space for those shipments on behalf of shippers; and

"(ii) processes the documentation or performs related activities incident to those shipments; or

"(B) acts as a common carrier that does not operate the vessels by which the ocean transportation is provided, and is a shipper in its relationship with an ocean common carrier.";

(9) striking paragraph (20) as redesignated and inserting the following:

"(20) 'service contract' means a written contract, other than a bill of lading or a receipt, between one or more shippers and one or more ocean common carriers or a conference in which the shipper or shippers makes a commitment to provide a certain volume or portion of cargo over a fixed time period, and the ocean common carrier or carriers or a conference commits to a certain rate or rate scheduled and a defined service level such as, assured space, transit time, port rotation, or similar service features; the contract may also specify provisions in the event of nonperformance on the part of any party.";

(10) striking "made." in paragraph (22), as redesignated, and inserting "made, a shippers' association, or an ocean freight forwarder described in paragraph (18)(B) of this section.".

SEC. 103. AGREEMENTS WITHIN THE SCOPE OF THE ACT.

Section 4(a) of the Shipping Act of 1984 (46 U.S.C. App. 1703(a)) is amended by—

(1) striking "operators or non-vessel operating common carriers;" in paragraph (5) and inserting "operators;"; and

(2) striking paragraph (7) and inserting the following:

"(7) discuss and agree upon any matter related to service contracts, and enter service contracts and agreements related to those contracts.".

SEC. 104. AGREEMENTS.

(a) IN GENERAL.—Section 5 of the Shipping Act of 1984 (46 U.S.C. App. 1704) is amended by—

(1) striking subsection (b)(8) and inserting the following:

"(8) provide that any member of the conference may take independent action on any rate or service item in a tariff upon not more than 5 calendar days' notice to the conference and that, except for exempt commodities not published in the conference tariff, the conference will include the new rate or service item in its tariff for use by that member, effective no later than 5 calendar days after receipt of the notice, and by any other member that notifies the conference that it elects to adopt the independent rate or service item on or after its effective date, in lieu of the existing conference tariff provision for that rate or service item."; and

(2) striking "this Act, the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933" in subsection (d) and inserting "this Act and the Shipping Act, 1916".

(d) SPECIAL EFFECTIVE DATE.—The amendment made by subsection (a)(2) shall take effect on September 30, 1996.

SEC. 105. EXEMPTION FROM ANTITRUST LAWS.

Section 7(a) of the Shipping Act of 1984 (46 U.S.C. App. 1706(a)) is amended by—

(1) inserting "or publication" in paragraph (2) after "filing"; and

(2) inserting "Federal Maritime" before "Commission" in paragraph (6).

SEC. 106. TARIFFS.

Section 8 of Shipping Act of 1984 (46 U.S.C. App. 1707) is amended by—

(1) inserting "new assembled motor vehicles," after "scrap," in subsection (a)(1);

(2) striking "file with the Commission, and" in subsection (a)(1);

(3) striking "inspection," in subsection (a)(1) and inserting "inspection in an automated tariff system approved by the Board,";

(4) striking "tariff filings" in subsection (a)(1) and inserting "tariffs";

(5) striking "loyalty contract," in subsection (a)(1)(E);

(6) striking paragraph (2) of subsection (a) and inserting the following:

"(2) Tariffs shall be made available electronically to any person, without time, quantity, or other limitation, through appropriate access from remote terminals, and a reasonable charge may be assessed for such access. No charge may be assessed for access by a Federal agency.

(7) striking subsection (c) and inserting the following:

(c) "SERVICE CONTRACTS—

"(1) IN GENERAL.—One or more ocean common carriers or conferences may enter into a service contract with one or more shippers subject to the requirements of this Act. The exclusive remedy for a breach of a contract entered into under this subsection shall be an action in an appropriate court, unless the parties otherwise agree.

"(2) AGREEMENT SERVICE CONTRACTS.—Except for service contracts dealing with bulk cargo, forest products, recycled metal scrap, new assembled motor vehicles, waste paper, or paper waste, each contract entered into under this subsection by an agreement of 2 or more ocean common carriers shall be filed with the Board, and at the same time, a concise statement of its essential terms shall be filed with the Board and made available to the general public in tariff format, and those essential terms shall be available to all shippers similarly situated. The essential terms shall include—

"(A) the origin and destination port ranges in the case of port-to-port movements, and the origin and destination geographic areas in the case of through intermodal movements;

"(B) the commodity or commodities involved;

"(C) the minimum volume;

"(D) the line-haul rate;

"(E) the duration;

"(F) service commitments; and

"(G) the liquidated damages for nonperformance, if any.

"(3) INDIVIDUAL SERVICE CONTRACTS.—Service contracts entered into under this subsection between one or more shippers and an individual ocean common carrier may be made on a confidential basis. Service contracts entered into under this subsection shall be retained by the parties of the contract for 3 years subsequent to the expiration of the contract.

"(4) AGREEMENT SERVICE CONTRACT PROVISIONS.—Any agreement among ocean common carriers that is filed under section 5(a) of this Act may—

"(A) not prohibit the members of the agreement from negotiating and entering into individual service contracts under this subsection;

"(B) establish voluntary rules or requirements affecting the rates, terms, and conditions included in individual service contracts under this subsection; and

"(C) require a member of the agreement to disclose the existence of an existing individual service contract under this subsection or negotiation on a service contract under this subsection when the agreement enters into negotiations with or has an existing contract with the same shipper.";

(8) striking "30 days after filing with the Commission" in the first sentence of subsection (d) and inserting "7 calendar days after publication";

(9) striking "30" in the second sentence of subsection (d) and inserting "7"; and

(10) striking "and filing with the Commission" in the last sentence of subsection (d);

(11) striking subsection (e) and inserting the following:

"(e) MARINE TERMINAL OPERATOR SCHEDULES.—A marine terminal operator may make available to the public a schedule of rates, regulations, and practices, including limitations of liability (other than for negligence), pertaining to receiving, delivering, handling, or storing property at its marine terminal. Any such schedule made available to the public shall be enforceable as an implied contract, without proof of actual knowledge of its provisions."; and

(12) striking subsection (f) and inserting the following:

"(f) REGULATIONS.—The Board shall by regulation prescribe the requirements for automated tariff systems established under this section and shall approve any automated tariff system that complies with those requirements. The Board shall disapprove or, after periodic review, cancel any automated tariff system that fails to meet the requirements established under this section. The Board shall by regulation prescribe the form and manner in which marine terminal operator schedules authorized by this section shall be published.".

SEC. 107. AUTOMATED TARIFF FILING AND INFORMATION SYSTEM.

Section 502 of the High Seas Driftnet Fisheries Enforcement Act (46 U.S.C. App. 1707a) is repealed.

SEC. 108. CONTROLLED CARRIERS.

Section 9 of the Shipping Act of 1984 (46 U.S.C. App. 1708) is amended by—

(1) striking "filed with the Commission" in the first sentence of subsection (a) and inserting a comma and "or charge or assess rates";

(2) striking "or maintain" in the first sentence of subsection (a) and inserting "maintain, or enforce";

(3) striking "disapprove" in the third sentence of subsection (a) and inserting "prohibit the publication or use of"; and

(4) striking "filed by a controlled carrier that have been rejected, suspended, or disapproved by the Commission" in the last sentence of subsection (a) and inserting "that have been suspended or prohibited by the Board";

(5) striking "may take into account appropriate factors including, but not limited to, whether—" in subsection (b) and inserting "shall take into account whether";

(6) striking "(1)" in paragraph (1) of subsection (b) and resetting the text of paragraph (1) as a full measure continuation of the matter preceding it;

(7) striking "filed" each place it appears in subsection (b) and inserting "published or assessed";

(8) striking "similar trade;" in subsection (b) and inserting "similar trade. The Board may also take into account other appropriate factors, including, but not limited to, whether—";

(9) redesignating paragraphs (2), (3), and (4) of subsection (b) as paragraphs (1), (2), and (3), respectively; and

(10) striking "filing with the Commission" in subsection (c) and inserting "publication";

(11) striking "DISAPPROVAL.—" in subsection (d) and inserting "PROHIBITION OF RATES.—Within 120 days after the receipt of information requested by the Board under this section, the Board shall determine whether the rates, charges, classifications, rules, or regulations of a controlled carrier may be unjust and unreasonable.";

(12) striking "filed" in subsection (d) and inserting "published or assessed";

(13) striking "may" in the second sentence of subsection (d), as amended by paragraph (11) of this section, and inserting "shall";

(14) striking "disapproved" in such sentence and inserting "prohibited";

(15) striking "60" in subsection (d) and inserting "30";

(16) inserting "controlled" after "affected" in subsection (d);

(17) striking "file" in subsection (d) and inserting "publish".

(18) striking "disapproval" in subsection (e) and inserting "prohibition";

(19) inserting "or" after the semicolon in subsection (f)(1);

(20) striking paragraphs (2), (3), and (4) of subsection (f); and

(21) redesignating paragraph (5) of subsection (f) as paragraph (2).

SEC. 109. PROHIBITED ACTS.

(a) Section 10(b) of the Shipping Act of 1984 (46 U.S.C. App. 1709(b)) is amended by—

(1) striking paragraphs (1) through (3);

(2) redesignating paragraph (4) as paragraph (1);

(3) inserting after paragraph (1), as redesignated, the following:

"(2) provide service in the liner trade that—

"(A) is not in accordance with the rates contained in a tariff published or a service contract entered into under section 8 of this Act;

"(B) is not under an arrangement authorized by an exemption under section 16 of this Act; or

"(C) is under a tariff or service contract which has been suspended or prohibited by the Board;";

(4) redesignating paragraphs (5) through (16) as paragraphs (3) through (14);

(5) inserting "against a person, place, port, class or type of shipper, or ocean freight forwarder" after "practice" in paragraph (3), as redesignated;

(6) in paragraph (5), as redesignated, inserting "or engage in a pattern of unjust or unreasonable below-market pricing which causes meaningful harm to another carrier in the same trade" after "fighting ship";

(7) in paragraph (8), as redesignated, inserting "except for service contracts," before "demand,";

(8) in paragraph (10), as redesignated, inserting "except for service contracts," after "deal or,";

(9) striking "a non-vessel-operating common carrier" each place it appears in paragraph (12) and paragraph (13), as redesignated, and inserting "an ocean freight forwarder";

(10) striking "and 23" in paragraph (12) and paragraph (13), as redesignated, and inserting "and 19";

(11) striking "paragraph (16)" in the matter appearing after paragraph (14), as redesignated, and inserting "paragraph (14)"; and

(12) inserting "the Board," after "United States," in such matter.

(b) Section 10(d)(3) of the Shipping Act of 1984 (46 U.S.C. App. 1709(d)(3)) is amended by striking "subsection (b)(11), (12), and (16) of this section" and inserting "subsection (b)(9), (10), and (14) of this section".

SEC. 110. COMPLAINTS, INVESTIGATIONS, REPORTS, AND REPARATIONS.

Section 11 of the Shipping Act of 1984 (46 U.S.C. App. 1710) is amended by—

(1) striking "section 6(g)," in subsection (a) and inserting "section 6(g) or section 10(b)(5),"

(2) striking "10(b)(5) or (7)" in subsection (g) and inserting "10(b)(3)"; and

(3) striking "10(b)(6)(A) or (B)" in subsection (g) and inserting "10(b)(4).".

SEC. 111. DEFINITIONS.

Section 10002 of the Foreign Shipping Practices Act of 1988 (46 U.S.C. App. 1710a) is amended by—

(1) striking "non-vessel-operating common carrier," in subsection (a)(1) and inserting "ocean freight forwarder,";

(2) striking "non-vessel-operating common carrier operations," in subsection (a)(4);

(3) striking "filed with the Commission," in subsection (e)(1)(B) and inserting "and service contracts,";

(4) inserting "and service contracts" after "tariffs" the second place it appears in subsection (e)(1)(B); and

(5) striking "13(b)(5) of the Shipping Act of 1984 (46 App. U.S.C. 1712(b)(5))" in subsection (h) and inserting "13(b)(3) of the Shipping Act of 1984 (46 U.S.C. App. 1712(b)(3))".

SEC. 112. AMENDMENTS TO FOREIGN SHIPPING PRACTICES ACT.

Section 10002 of the Foreign Shipping Practices Act of 1988 (46 U.S.C. App. 1710a) is amended by—

(1) striking "non-vessel-operating common carrier" in subsection (a)(1) and inserting "ocean freight forwarder"; and

(2) striking "non-vessel-operating common carrier operations," in subsection (a)(4);

(3) striking "filed with the Commission," in subsection (e)(1)(B) and inserting "and service contracts,"; and

(4) inserting "and service contracts" after "tariffs" the second place it appears; and

(5) striking "13(b)(5) of the Shipping Act of 1984 (46 U.S.C. App. 1712(b)(5))" in subsection (h) and inserting "13(b)(3) of the Shipping Act of 1984 (46 U.S.C. 1712(b)(3))".

SEC. 113. PENALTIES.

(a) Section 13(a) of the shipping Act of 1984 (46 U.S.C. App. 1712(a)) is amended by adding at the end thereof the following: "The amount of any penalty imposed upon a common carrier under this subsection shall constitute a lien upon the vessels of the common carrier and any such vessel may be libeled therefor in the district court of the United States for the district in which is may be found.".

(b) Section 13(b) of the Shipping Act of 1984 (46 U.S.C./ App. 1712(b)) is amended by—

(1) striking paragraphs (1) through (3) and redesignating paragraphs (4) through (6) as paragraphs (2) through (4);

(2) inserting before paragraph (2), as redesignated, the following:

"(1) If the board finds, after notice and an opportunity for a hearing, that a common carrier has failed to supply information ordered to be produced or compelled by subpoena under section 12 of this Act, the Board may request that the Secretary of the Treasury refuse or revoke any clearance required for a vessel operated by that common carrier. Upon request by the board, the Secretary of the Treasury shall, with respect to the vessel concerned, refuse or revoke any clearance required by section 4197 of the Revised Statutes of the United States (46 U.S.C. App. 91)"; and

(3) striking "paragraphs (1), (2), and (3) of this subsection." in paragraph (3), as redesignated, and inserting "paragraph (1) of this subsection.".

(c) Section 13(f)(1) of the Shipping Act of 1984 (46 U.S.C. App. 1712(f)(1)) is amended by striking "section 10(a)(1), (b)(1), or (b)(4)" and inserting "section 10(a)(1) or 10(b)(1).".

SEC. 114. REPORTS AND CERTIFICATES.

Section 15 of the Shipping Act of 1984 (46 U.S.C. App. 1714) is amended by—

(1) striking "and certificates" in the section heading;

(2) striking "(a) REPORTS.—" in the subsection heading; and

(3) striking subsection (b).

SEC. 115. EXEMPTIONS.

Section 16 of the Shipping Act of 1984 (46 U.S.C. App. 1715) is amended by striking "substantially impair effective regulation by the Commission, be unjustly discriminatory, result in substantial reduction in competition, or be detrimental to commerce." and inserting "result in substantial reduction in competition or be detrimental to commerce.".

SEC. 116. AGENCY REPORTS AND ADVISORY COMMISSION.

Section 18 of the Shipping Act of 1984 (46 U.S.C. App. 1717) is repealed.

SEC. 117. OCEAN FREIGHT FORWARDERS.

Section 19 of the Shipping Act of 1984 (46 U.S.C. App. 1718) is amended—

(1) striking subsection (a) and inserting the following:

"(a) LICENSE.—No person may act as an ocean freight forwarder unless that person holds a license issued by the Board. The Board shall issue a forwarder's license to any person that the Board determines to be qualified by experience and character to act as an ocean freight forwarder.";

(2) redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively;

(3) inserting after subsection (a) the following:

"(b) FINANCIAL RESPONSIBILITY.—

"(1) No person may act as a ocean freight forwarder unless that person furnishes a bond, proof of insurance, or other surety in a form and amount determined by the Board to insure financial responsibility that is issued by a surety company found acceptable by the Secretary of the Treasury.

"(2) A bond, insurance, or other surety obtained pursuant to this section—

"(A) shall be available to pay any judgment for damages against an ocean freight forwarder arising from its transportation-related activities under section 3(18) of this Act, or any order for reparation issued pursuant to section 11 or 14 of this Act, or any penalty assessed pursuant to section 13 of this Act; and

"(B) may be available to pay any claim deemed valid by the surety company against an ocean freight forwarder arising from its transportation-related activities under section 3(18) of this Act.

"(3) An ocean freight forwarder not domiciled in the United States shall designate a resident agent in the United States for receipt of service of judicial and administrative process, including subpoenas.";

(4) striking "a bond in accordance with subsection (a)(2)" in subsection (c), as redesignated, and inserting "a bond, proof of insurance, or other surety in accordance with subsection (b)(1)";

(5) striking paragraph (3) of subsection (e), as redesignated, and redesignating paragraph (4) as paragraph (3); and

(6) adding at the end of subsection (e), as redesignated, the following:

"(4) No conference or group of 2 or more ocean common carriers in the foreign commerce of the United States that is authorized to agree upon the level of compensation paid to an ocean freight forwarder, as defined in section 3(18)(A) of this Act, may—

"(A) deny to any member of the conference or group the right, upon notice of not more than 5 calendar days, to take independent action on any level of compensation paid to an ocean freight forwarder; or

"(B) agree to limit the payment of compensation to an ocean freight forwarder, as defined in section 3(18)(A) of this Act, to less than 1.25 percent of the aggregate of all rates and charges which are applicable under a tariff and which are assessed against the cargo on which the forwarding services are provided.".

SEC. 118. CONTRACTS, AGREEMENTS, AND LICENSES PRIOR TO SHIPPING LEGISLATION.

Section 20 of the Shipping Act of 1984 (46 U.S.C. App. 1719) is amended by—

(1) striking subsection (d) and inserting the following:

"(d) EFFECTS ON CERTAIN AGREEMENTS AND CONTRACTS.—All agreements, contracts, modifications, and exemptions previously issued, approved, or effective under the Shipping Act, 1916, or the Shipping Act of 1984 shall continue in force and effect as if issued or effective under this Act, as amended by the International Ocean Shipping Act of 1996, and all new agreements, contracts, and modifications to existing, pending, or new contracts or agreements shall be considered under this Act, as amended by the International Ocean Shipping Act of 1996.";

(2) inserting the following at the end of subsection (e):

"(3) The International Ocean Shipping Act of 1996 shall not affect any suit—

"(A) filed before the effective date of that Act, or

"(B) with respect to claims arising out of conduct engaged in before the effective date of that Act filed within 1 year after the effective date of that Act.

"(4) Regulations issued by the Federal Maritime Commission shall remain in force and effect where not inconsistent with this Act, as amended by the International Ocean Shipping Act of 1996.".

SEC. 119. SURETY FOR NON-VESSEL-OPERATING COMMON CARRIERS.

Section 23 of the Shipping Act of 1984 (46 U.S.C. App. 1721) is repealed.

SEC. 120. REPLACEMENT OF FEDERAL MARITIME COMMISSION WITH INTERMODAL TRANSPORTATION BOARD.

The Shipping Act of 1984 (46 U.S.C. App. 1701 et seq.) is amended by—

(1) striking "Federal Maritime Commission" each place it appears, except in section 20, and inserting "Intermodal Transportation Board";

(2) striking "Commission" each place it appears (including chapter and section headings), except in sections 7(a)(6) and 20, and inserting "Board"; and

(3) striking "Commission's" each place it appears and inserting "Board's".

TITLE II TRANSFER OF FUNCTIONS OF THE FEDERAL MARITIME COMMISSION TO THE INTERMODAL TRANSPORTATION BOARD

SEC. 201. TRANSFER TO THE INTERMODAL TRANSPORTATION BOARD.

(a) CHANGE OF NAME OF SURFACE TRANSPORTATION BOARD TO INTERMODAL TRANSPORTATION BOARD.—The ICC Termination Act of 1955 (Pub. L. 104-88) is amended by striking "Surface Transportation Board" each place it appears and inserting "Intermodal Transportation Board".

(b) FUNCTIONS OF THE FEDERAL MARITIME COMMISSION.—All functions, powers and duties vested in the Federal Maritime Commission shall be administered by the Intermodal Transportation Board.

(c) REGULATIONS.—No later than July 1, 1997, the Federal Maritime Commission, in consultation with the Surface Transportation Board, shall prescribe final regulations to implement the changes made by this Act.

(d) AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1997.—There is authorized to be appropriated to the Federal Maritime Commission, $19,000,000 for fiscal year 1997.

(e) COMMISSIONERS OF THE FEDERAL MARITIME COMMISSION.—Subject to the political party restrictions of section 701(b) of title 49, United States Code, the 2 Commissioners of the Federal Maritime Commission whose terms have the latest expiration dates shall become members of the Intermodal Transportation Board first appointed under this subsection, the one with the first expiring term (as a member of the Federal Maritime Commission) shall serve for a term ending December 31, 1997, and the other shall serve for a term ending December 31, 2000.

(f) MEMBERSHIP OF THE INTERMODAL TRANSPORTATION BOARD.—

(1) NUMBER OF MEMBERS.—Section 701(b)(1) of title 49, United States Code, is amended by—

(A) striking "3 members" and inserting "5 members"; and

(B) striking "2 members" and inserting "3 members".

(2) QUALIFICATIONS.—Section 701(b)(2) of title 49, United States Code, is amended by inserting after "sector." the following: "Effective October 1, 1997, at least 2 members shall be individuals with—

"(A) professional standing and demonstrated knowledge in the field of maritime transportation or its regulation; or

"(B) professional or business experience in the maritime transportation private sector, including marine terminal or public port operation.".

TITLE III AMENDMENTS TO OTHER SHIPPING AND MARITIME LAWS

SEC. 301. AMENDMENTS TO SECTION 19 OF THE MERCHANT MARINE ACT, 1920

Section 19 of the Merchant Marine Act, 1920 (46 U.S.C. App. 876) is amended by—

(1) striking "Federal Maritime Commission" each place it appears and inserting "Intermodal Transportation Board";

(2) inserting "ocean freight" after "solicitations," in subsection (1)(b);

(3) striking "non-vessel-operating common carrier operations," in subsection (1)(b);

(4) striking "methods or practices" and inserting "methods, pricing practices, or other practices" in subsection (1)(b);

(5) striking "filed with the Commission" in subsection (9)(b); and

(7) striking "Commission" each place it appears (including the heading) and inserting "Board".

SEC. 302. TECHNICAL CORRECTIONS.

(a) PUBLIC LAW 89-777.—

(1) The Act of November 6, 1966, (Pub. L. 89-777; 80 Stat. 1356 46 U.S.C. App. 817 et seq.) is amended by—

(A) striking "Shipping Act, 1916" in section 2(d) and inserting "Shipping Act of 1984";

(B) striking "Shipping Act, 1916" in section 3(d) and inserting "Shipping Act of 1984";

(C) striking "Federal Maritime Commission" each place it appears and inserting "Intermodal Transportation Board"; and

(D) striking "Commission" each place it appears and inserting "Board".

(2) The amendments made by subparagraphs (A) and (B) of paragraph (1) take effect on September 30, 1996.

(b) SHIPPING ACT, 1916.—The Shipping Act, 1916 (46 U.S.C. App. 801 et seq.) is amended by—

(1) striking "Federal Maritime Commission" each place it appears and inserting "Intermodal Transportation Board"; and

(2) striking "Commission" each place it appears and inserting "Board".

(c) TITLE 28, UNITED STATES CODE, AND CROSS REFERENCE.—

(1) Section 2341 of title 28, United States Code, is amended by—

(A) striking "Commission, the Federal Maritime Commission," in paragraph (3)(A); and

(B) striking "Surface" in paragraph (3)(E) and inserting "Intermodal".

(2) Section 2342 of such title is amended by—

(A) striking paragraph (3) and inserting the following:

"(3) all rules, regulations, or final orders of the Secretary of Transportation issued pursuant to section 2, 9, 37, 41, or 43 of the Shipping Act, 1916 (46 U.S.C. App. 802, 803, 808, 835, 839, or 841a) or pursuant to part B or C of subtitle IV of title 49 (49 U.S.C. 15101 et seq.);"; and

(B) striking paragraph (5) and inserting the following:

"(5) all rules, regulations, or final orders of the Intermodal Transportation Board—

"(A) made reviewable by section 2321 of this title; or

"(B) pursuant to—

"(i) section 19 of the Merchant Marine Act, 1920 (46 U.S.C. App. 876);

"(ii) section 14 or 17 of the Shipping Act of 1984 (46 U.S.C. App. 1713 or 1716); or

"(iii) section 2(d) or 3(d) of the Act of November 6, 1966 (46 U.S.C. App. 817d(d) or 817e(d));".

(3) Section 10002(i) of the Foreign Shipping Practices Act of 1988 (46 U.S.C. 1710a(i)) is amended by striking "2342(3)(B)" and inserting "2342(5)(B)".

Mr. PRESSLER. Mr. President, I rise today to take another step in my overall maritime reform agenda, the International Ocean Shipping Act of 1996.

Last October, I introduced S. 1356, a companion bill to H.R. 2149. I did so to begin Senate discussion of this important reform proposal. In November, I chaired a Committee on Commerce, Science, and Transportation hearing on the bill. The hearing revealed numerous issues affecting all segments of the liner ocean shipping industry that required further consideration.

Today, I am submitting an amendment (No. 4904) to S. 1356. By so doing, I am putting out for public comment a proposed refined version of the bill which would institute comprehensive reforms in how the Federal Government regulates the liner trade in the foreign commerce of the United States. This amendment addresses the concerns raised in the November hearing.

I am pleased to be joined by Senators GORTON, LOTT, HUTCHISON, INOUYE, EXON, and BREAUX as cosponsors in this amendment. This bipartisan approach demonstrates just how serious we are about achieving meaningful reform.

The House has passed its version of ocean shipping reform legislation. The Senate does not have much time left in this Congress to make its mark on this issue. I intend to hold a hearing on this legislation in the near future. With the support of my fellow Commerce Committee members and other Senators, we can pass ocean shipping reform legislation this year.

Mr. President, 95 percent of U.S. foreign commerce is transported via ocean shipping. Approximately half of this amount is shipped in bulk form, e.g., oil, grain, chemicals, etc., on an unregulated vessel charter basis. The remainder is shipped by container on liner vessels—regularly scheduled service—under the Shipping Act of 1984, as regulated by the Federal Maritime Commission [FMC]. As the international liner shipping trade has evolved since 1984, many industry segments have requested changes in the Shipping Act of 1984 to keep pace with this evolution.

My amendment, the International Ocean Shipping Act of 1996, would improve the Shipping Act of 1984 in several key areas.

First, it would eliminate the filing of common carrier tariffs with the Federal Government. Instead of requiring Government approval, tariffs would become effective upon publication through private systems. My amendment also would increase tariff rate flexibility by easing restrictions on tariff rate changes and independent action by conference carriers.

Second, it would allow for greater flexibility in service contracting by shippers and ocean common carriers. The amendment would allow individual ocean common carriers and shippers to negotiate confidential service contracts. It also would allow shippers' associations and ocean freight forwarders to negotiate service contracts as shippers.

Third, responsibility for enforcing U.S. ocean shipping laws would be shifted to the Surface Transportation Board, which would be renamed the Intermodal Transportation Board. The Federal Maritime Commission would be terminated at the end of fiscal year 1997. A single independent agency would then administer domestic surface, rail, and water transportation and international ocean transportation regulations. The Government would catch up to the carriers and shippers, who are already thinking intermodally.

Finally, the Intermodal Transportation Board would be given new tools to address predatory pricing ocean common carriers while ensuring increased competition in the industry.

THE PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

FAIRCLOTH AMENDMENT NO. 4905

Mr. FAIRCLOTH proposed an amendment to the bill, S. 1956, supra; as follows:

On page 399, between lines 10 and 11, insert the following:

Subchapter F—Other Provisions

SEC. 2241. PROHIBITION OF RECRUITMENT ACTIVITIES.

(a) IN GENERAL.—Section 1631 (42 U.S.C. 1383) is amended by adding at the end the following new subsection:

"PROHIBITION OF RECRUITMENT ACTIVITIES

"Nothing in this title shall be construed to authorize recruitment activities under this title, including with respect to any outreach programs or demonstration projects.".

JEFFORDS AMENDMENT NO. 4906

Mr. ROTH (for Mr. JEFFORDS) proposed an amendment to the bill, S. 1956, supra; as follows:

Beginning on page 1–5, strike line 18 and all that follows through page. 1–7, line 12, and insert the following:

(a) IN GENERAL.—Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended by striking paragraph (11) and inserting the following: "(11)(A) any payments or allowances made for the purpose of providing energy assistance under any Federal law, or (B) a 1-time payment or allowance made under a Federal or State law for the costs of weatherization or emergency repair or replacement of an unsafe or inoperative furnace or other heating or cooling device,".

(b) CONFORMING AMENDMENTS.—Section 5(k) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking "plan for aid to families with dependent children approved" and inserting "program funded"; and

(B) in subparagraph (B), by striking ", not including energy or utility-cost assistance,";

(2) in paragraph (2), by striking subparagraph (C) and inserting the following:

"(C) a payment or allowance described in subsection (d)(11);"; and

(3) by adding at the end the following:

"(4) THIRD PARTY ENERGY ASSISTANCE PAYMENTS.—

"(A) ENERGY ASSISTANCE PAYMENTS.—For purposes of subsection (d)(1), a payment made under a State law to provide energy assistance to a household shall be considered money payable directly to the household.

"(B) ENERGY ASSISTANCE EXPENSES.—For purposes of subsection (e)(7), an expense paid on behalf of a household under a State law to provide energy assistance shall be considered an out-of-packet expense incurred and paid by the household.".

CRAIG AMENDMENT NO. 4907

Mr. ROTH (for Mr. CRAIG) proposed an amendment to the bill, S. 1956, supra; as follows:

Beginning on page 467, line 22, strike all through page 469, line 18, and insert the following:

"(D) ACCESS TO INFORMATION CONTAINED IN CERTAIN RECORDS.—To obtain access, subject to safeguards on privacy and information security, and subject to the nonliability of entities that afford such access under this subparagraph, to information contained in the following records (including automated access, in the case of records maintained in automated data bases):

"(i) Records of other State and local government agencies, including—

"(I) vital statistics (including records of marriage, birth, and divorce);

"(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

"(III) records concerning real and titled personal property;

"(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

"(V) employment security records;

"(VI) records of agencies administering public assistance programs;

"(VII) records of the motor vehicle department; and

"(VIII) corrections records.

"(ii) Certain records held by private entities with respect to individuals who owe or are owed support (or against or with respect to whom a support obligation is sought), consisting of—

"(I) the names and addresses of such individuals and the names and addresses of the employers of such individuals, as appearing in customer records of public utilities and cable television companies, pursuant to an administrative subpoena authorized by subparagraph (B); and

"(II) information (including information on assets and liabilities) on such individuals held by financial institutions.

McCAIN AMENDMENT NO. 4908

Mr. ROTH (for Mr. McCAIN) proposed an amendment to the bill, S. 1956, supra; as follows:

On page 411, between lines 2 and 3, insert the following:

"(4) FAMILIES UNDER CERTAIN AGREEMENTS.—In the case of a family receiving assistance from an Indian tribe, distribute the amount so collected pursuant to an agreement entered into pursuant to a State plan under section 454(33).

On page 411, line 3, strike "(3)" and insert "(4)".

On page 554, between lines 7 and 8, insert the following:

SEC. 2375. CHILD SUPPORT ENFORCEMENT FOR INDIAN TRIBES.

(a) CHILD SUPPORT ENFORCEMENT AGREEMENTS.—Section 454 (42 U.S.C. 654), as amended by sections 2301(b), 2303(a), 2312(b), 2313(a), 2333, 2343(b), 2370(a)(2), and 2371(b) of this Act is amended—

(1) by striking "and" at the end of paragraph (31);

(2) by striking the period at the end of paragraph (32) and inserting "; and";

(3) by adding after paragraph (32) the following new paragraph:

"(33) provide that a State that receives funding pursuant to section 428 and that has within its borders Indian country (as defined in section 1151 of title 18, United States Code) may enter into cooperative agreements with an Indian tribe or tribal organization (as defined in subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), if the Indian tribe or tribal organization demonstrates that such tribe or organization has an established tribal court system or a Court of Indian Offenses with the authority to establish paternity, establish, modify, and enforce support orders, and to enter support orders in accordance with child support guidelines established by such tribe or organization, under which the State and tribe or organization shall provide for the cooperative delivery of child support enforcement services in Indian country and for the forwarding of all funding collected pursuant to the functions performed by the tribe or organization to the State agency, or conversely, by the State agency to the tribe or organization, which shall distribute such funding in accordance with such agreement; and

(4) by adding at the end the following new sentence: "Nothing in paragraph (33) shall void any provision of any cooperative agreement entered into before the date of the enactment of such paragraph, nor shall such paragraph deprive any State of jurisdiction over Indian country (as so defined) that is lawfully exercised under section 402 of the Act entitled 'An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes', approved April 11, 1968 (25 U.S.C. 1322).".

(b) DIRECT FEDERAL FUNDING TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—Section 455 (42 U.S.C. 655) is amended by adding at the end the following new subsection:

"(b) The Secretary may, in appropriate cases, make direct payments under this part to an Indian tribe or tribal organization which has an approved child support enforcement plan under this title. In determining whether such payments are appropriate, the Secretary shall, at a minimum, consider whether services are being provided to eligible Indian recipients by the State agency through an agreement entered into pursuant to section 454(33).".

(c) COOPERATIVE ENFORCEMENT AGREEMENTS.—Paragraph (7) of section 454 (42 U.S.C. 654) is amended by inserting "and Indian tribes or tribal organizations (as defined in subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b))" after "law enforcement officials".

(d) CONFORMING AMENDMENT.—Subsection (c) of section 428 (42 U.S.C. 628) is amended to read as follows:

"(c) For purposes of this section, the terms 'Indian tribe' and 'tribal organization' shall have the meanings given such terms by subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), respectively.".

COATS (AND WYDEN) AMENDMENT NO. 4909

Mr. ROTH (for Mr. COATS, for himself and Mr. WYDEN) proposed an amendment to the bill, S. 1956, supra; as follows:

At the end of chapter 7, of subtitle A, of title II, add the following:

SEC. . KINSHIP CARE.

Section 471(a) of the Social Security Act (42 U.S.C. 671(a)) is amended—

(1) by striking "and" at the end of paragraph (16);

(2) by striking the period at the end of paragraph (17) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(18) provides that States shall give preference to an adult relative over a non-related caregiver when determining a placement for a child, provided that the relative caregiver meets all relevant State child protection standards.".

BREAUX AMENDMENT NO. 4910

Mr. BREAUX proposed an amendment to the bill, S. 1956, supra; as follows:

Section 408(a)(8) of the Social Security Act, as added by section 2103(a)(1), is amended by adding at the end the following:

"(E) EFFECTS OF DENIAL OF CASH ASSISTANCE.—

"(i) PROVISION OF VOUCHERS.—In the event that a family is denied cash assistance because of a time limit imposed under this paragraph—

"(I) in the event that a family is denied cash assistance because of a time limit imposed at the option of a State that is less than 60 months, a State shall provide vouchers to the family in accordance with clause (iii); and

"(II) in the event that a family is denied cash assistance because of the 60 month time limit imposed pursuant to this paragraph, a State may provide vouchers to the family in accordance with such clause.

"(ii) OTHER ASSISTANCE.—The—

"(I) eligibility of a family that receives a voucher under clause (i) for any other Federal or federally assisted program based on need, shall be determined without regard to the voucher; and

"(II) such a family shall be considered to be receiving cash assistance in the amount of the assistance provided in the voucher for purposes of determining the amount of any assistance provided to the family under any other such program.

"(iii) VOUCHER REQUIREMENTS.—A voucher provided to a family under clause (i) shall be based on a State's assessment of the needs of a child of the family and shall be—

"(I) determined based on the basic subsistence needs of the child;

"(II) designed appropriately to pay third parties for shelter, goods, and services received by the child; and

"(III) payable directly to such third parties.

FAIRCLOTH AMENDMENT NO. 4911

Mr. FAIRCLOTH proposed an amendment to the bill, S. 1956, supra; as follows:

On page 245, line 22, insert "and subparagraph (C)," after "(B)".

On page 249, between lines 14 and 15, insert the following:

"(C) REQUIREMENT THAT ADULT RELATIVE OR GUARDIAN NOT HAVE A HISTORY OF ASSISTANCE.—A State shall not use any part of the grant paid under section 403 to provide cash assistance to an individual described in subparagraph (B)(ii) if such individual resides with a parent, guardian, or other adult relative who is receiving assistance under a State program funded under this part and has been receiving this assistance for a 3-year period.

BIDEN (AND SPECTER) AMENDMENT NO. 4912

Mr. BIDEN (for himself and Mr. SPECTER) proposed an amendment to the bill, S. 1956, supra; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bipartisan Welfare Reform Act of 1996".

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Sec. 101. Findings.
Sec. 102. Reference to Social Security Act.
Sec. 103. Block grants to States.
Sec. 104. Services provided by charitable, religious, or private organizations.
Sec. 105. Census data on grandparents as primary caregivers for their grandchildren.
Sec. 106. Report on data processing.
Sec. 107. Study on alternative outcomes measures.
Sec. 108. Conforming amendments to the Social Security Act.
Sec. 109. Conforming amendments to the Food Stamp Act of 1977 and related provisions.
Sec. 110. Conforming amendments to other laws.
Sec. 111. Development of prototype of counterfeit-resistant social security card required.
Sec. 112. Disclosure of receipt of Federal funds.
Sec. 113. Modifications to the job opportunities for certain low-income individuals program.
Sec. 114. Secretarial submission of legislative proposal for technical and conforming amendments.
Sec. 115. Application of current AFDC standards under medicaid program.
Sec. 116. Effective date; transition rule.

TITLE II—SUPPLEMENTAL SECURITY INCOME

Sec. 200. Reference to Social Security Act.

Subtitle A—Eligibility Restrictions

Sec. 201. Denial of SSI benefits for 10 years to individuals found to have fraudulently misrepresented residence in order to obtain benefits simultaneously in 2 or more States.
Sec. 202. Denial of SSI benefits for fugitive felons and probation and parole violators.
Sec. 203. Verification of eligibility for certain SSI disability benefits.
Sec. 204. Treatment of prisoners.
Sec. 205. Effective date of application for benefits.
Sec. 206. Installment payment of large past-due supplemental security income benefits.
Sec. 207. Recovery of supplemental security income overpayments from social security benefits.

Subtitle B—Benefits for Disabled Children

Sec. 211. Definition and eligibility rules.
Sec. 212. Eligibility redeterminations and continuing disability reviews.
Sec. 213. Additional accountability requirements.
Sec. 214. Reduction in cash benefits payable to institutionalized individuals whose medical costs are covered by private insurance.
Sec. 215. Modification respecting parental income deemed to disabled children.
Sec. 216. Graduated benefits for additional children.

Subtitle C—State Supplementation Programs

Sec. 221. Repeal of maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.

Subtitle D—Studies Regarding Supplemental Security Income Program

Sec. 231. Annual report on the supplemental security income program.
Sec. 232. Study of disability determination process.
Sec. 233. Study by General Accounting Office.

Subtitle E—National Commission on the Future of Disability

Sec. 241. Establishment.
Sec. 242. Duties of the Commission.
Sec. 243. Membership.
Sec. 244. Staff and support services.
Sec. 245. Powers of Commission.
Sec. 246. Reports.
Sec. 247. Termination.
Sec. 248. Authorization of appropriations.

TITLE III—CHILD SUPPORT

Sec. 300. Reference to Social Security Act.

Subtitle A—Eligibility for Services; Distribution of Payments

Sec. 301. State obligation to provide child support enforcement services.
Sec. 302. Distribution of child support collections.
Sec. 303. Privacy safeguards.
Sec. 304. Rights to notification and hearings.

Subtitle B—Locate and Case Tracking

Sec. 311. State case registry.
Sec. 312. Collection and disbursement of support payments.
Sec. 313. State directory of new hires.
Sec. 314. Amendments concerning income withholding.
Sec. 315. Locator information from interstate networks.
Sec. 316. Expansion of the Federal parent locator service.
Sec. 317. Collection and use of social security numbers for use in child support enforcement.

Subtitle C—Streamlining and Uniformity of Procedures

Sec. 321. Adoption of uniform State laws.
Sec. 322. Improvements to full faith and credit for child support orders.
Sec. 323. Administrative enforcement in interstate cases.

Sec. 324. Use of forms in interstate enforcement.
Sec. 325. State laws providing expedited procedures.

Subtitle D—Paternity Establishment

Sec. 331. State laws concerning paternity establishment.
Sec. 332. Outreach for voluntary paternity establishment.
Sec. 333. Cooperation by applicants for and recipients of temporary family assistance.

Subtitle E—Program Administration and Funding

Sec. 341. Performance-based incentives and penalties.
Sec. 342. Federal and State reviews and audits.
Sec. 343. Required reporting procedures.
Sec. 344. Automated data processing requirements.
Sec. 345. Technical assistance.
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Subtitle F—Establishment and Modification of Support Orders

Sec. 351. Simplified process for review and adjustment of child support orders.
Sec. 352. Furnishing consumer reports for certain purposes relating to child support.
Sec. 353. Nonliability for financial institutions providing financial records to State child support enforcement agencies in child support cases.

Subtitle G—Enforcement of Support Orders

Sec. 361. Internal Revenue Service collection of arrearages.
Sec. 362. Authority to collect support from Federal employees.
Sec. 363. Enforcement of child support obligations of members of the Armed Forces.
Sec. 364. Voiding of fraudulent transfers.
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Sec. 366. Definition of support order.
Sec. 367. Reporting arrearages to credit bureaus.
Sec. 368. Liens.
Sec. 369. State law authorizing suspension of licenses.
Sec. 370. Denial of passports for nonpayment of child support.
Sec. 371. International child support enforcement.
Sec. 372. Financial institution data matches.
Sec. 373. Enforcement of orders against paternal or maternal grandparents in cases of minor parents.
Sec. 374. Nondischargeability in bankruptcy of certain debts for the support of a child.

Subtitle H—Medical Support

Sec. 376. Correction to ERISA definition of medical child support order.
Sec. 377. Enforcement of orders for health care coverage.

Subtitle I—Enhancing Responsibility and Opportunity for Non-Residential Parents

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TITLE IV—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

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Subtitle A—Eligibility for Federal Benefits

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Sec. 402. Limited eligibility of certain qualified aliens for certain Federal programs.
Sec. 403. Five-year limited eligibility of qualified aliens for Federal means-tested public benefit.
Sec. 404. Notification and information reporting.

Subtitle B—Eligibility for State and Local Public Benefits Programs

Sec. 411. Aliens who are not qualified aliens or nonimmigrants ineligible for State and local public benefits.
Sec. 412. State authority to limit eligibility of qualified aliens for State public benefits.

Subtitle C—Attribution of Income and Affidavits of Support

Sec. 421. Federal attribution of sponsor's income and resources to alien for purposes of medicaid eligibility.
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Subtitle D—General Provisions

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Sec. 502. Reductions in Federal bureaucracy.
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TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

SEC. 101. FINDINGS.

The Congress makes the following findings:

(1) Marriage is the foundation of a successful society.

(2) Marriage is an essential institution of a successful society which promotes the interests of children.

(3) Promotion of responsible fatherhood and motherhood is integral to successful child rearing and the well-being of children.

(4) In 1992, only 54 percent of single-parent families with children had a child support order established and, of that 54 percent, only about one-half received the full amount due. Of the cases enforced through the public child support enforcement system, only 18 percent of the caseload has a collection.

(5) The number of individuals receiving aid to families with dependent children (in this section referred to as "AFDC") has more than tripled since 1965. More than two-thirds of these recipients are children. Eighty-nine percent of children receiving AFDC benefits now live in homes in which no father is present.

(A)(i) The average monthly number of children receiving AFDC benefits—

(I) was 3,300,000 in 1965;

(II) was 6,200,000 in 1970;

(III) was 7,400,000 in 1980; and

(IV) was 9,300,000 in 1992.

(ii) While the number of children receiving AFDC benefits increased nearly threefold between 1965 and 1992, the total number of children in the United States aged 0 to 18 has declined by 5.5 percent.

(B) The Department of Health and Human Services has estimated that 12,000,000 children will receive AFDC benefits within 10 years.

(C) The increase in the number of children receiving public assistance is closely related to the increase in births to unmarried women. Between 1970 and 1991, the percentage of live births to unmarried women increased nearly threefold, from 10.7 percent to 29.5 percent.

(6) The increase of out-of-wedlock pregnancies and births is well documented as follows:

(A) It is estimated that the rate of nonmarital teen pregnancy rose 23 percent from 54 pregnancies per 1,000 unmarried teenagers in 1976 to 66.7 pregnancies in 1991. The overall rate of nonmarital pregnancy rose 14 percent from 90.8 pregnancies per 1,000 unmarried women in 1980 to 103 in both 1991 and 1992. In contrast, the overall pregnancy rate for married couples decreased 7.3 percent between 1980 and 1991, from 126.9 pregnancies per 1,000 married women in 1980 to 117.6 pregnancies in 1991.

(B) The total of all out-of-wedlock births between 1970 and 1991 has risen from 10.7 percent to 29.5 percent and if the current trend continues, 50 percent of all births by the year 2015 will be out-of-wedlock.

(7) The negative consequences of an out-of-wedlock birth on the mother, the child, the family, and society are well documented as follows:

(A) Young women 17 and under who give birth outside of marriage are more likely to go on public assistance and to spend more years on welfare once enrolled. These combined effects of "younger and longer" increase total AFDC costs per household by 25 percent to 30 percent for 17-year olds.

(B) Children born out-of-wedlock have a substantially higher risk of being born at a very low or moderately low birth weight.

(C) Children born out-of-wedlock are more likely to experience low verbal cognitive attainment, as well as more child abuse, and neglect.

(D) Children born out-of-wedlock were more likely to have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

(E) Being born out-of-wedlock significantly reduces the chances of the child growing up to have an intact marriage.

(F) Children born out-of-wedlock are 3 times more likely to be on welfare when they grow up.

(8) Currently 35 percent of children in single-parent homes were born out-of-wedlock, nearly the same percentage as that of children in single-parent homes whose parents are divorced (37 percent). While many parents find themselves, through divorce or tragic circumstances beyond their control, facing the difficult task of raising children alone, nevertheless, the negative consequences of raising children in single-parent homes are well documented as follows:

(A) Only 9 percent of married-couple families with children under 18 years of age have income below the national poverty level. In contrast, 46 percent of female-headed households with children under 18 years of age are below the national poverty level.

(B) Among single-parent families, nearly ½ of the mothers who never married received AFDC while only ⅕ of divorced mothers received AFDC.

(C) Children born into families receiving welfare assistance are 3 times more likely to be on welfare when they reach adulthood than children not born into families receiving welfare.

(D) Mothers under 20 years of age are at the greatest risk of bearing low-birth-weight babies.

(E) The younger the single parent mother, the less likely she is to finish high school.

(F) Young women who have children before finishing high school are more likely to receive welfare assistance for a longer period of time.

(G) Between 1985 and 1990, the public cost of births to teenage mothers under the aid to families with dependent children program, the food stamp program, and the medicaid program has been estimated at $120,000,000,000.

(H) The absence of a father in the life of a child has a negative effect on school performance and peer adjustment.

(I) Children of teenage single parents have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

(J) Children of single-parent homes are 3 times more likely to fail and repeat a year in grade school than are children from intact 2-parent families.

(K) Children from single-parent homes are almost 4 times more likely to be expelled or suspended from school.

(L) Neighborhoods with larger percentages of youth aged 12 through 20 and areas with higher percentages of single-parent households have higher rates of violent crime.

(M) Of those youth held for criminal offenses within the State juvenile justice system, only 29.8 percent lived primarily in a home with both parents. In contrast to these incarcerated youth, 73.9 percent of the 62,800,000 children in the Nation's resident population were living with both parents.

(9) Therefore, in light of this demonstration of the crisis in our Nation, it is the sense of the Congress that prevention of out-of-wedlock pregnancy and reduction in out-of-wedlock birth are very important Government interests and the policy contained in part A of title IV of the Social Security Act (as amended by section 103 of this Act) is intended to address the crisis.

SEC. 102. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

SEC. 103. BLOCK GRANTS TO STATES.

Part A of title IV (42 U.S.C. 601 et seq.) is amended to read as follows:

"PART A—BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

"SEC. 401. PURPOSE.

"(a) IN GENERAL.—The purpose of this part is to increase the flexibility of States in operating a program designed to—

"(1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;

"(2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;

"(3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and

"(4) encourage the formation and maintenance of two-parent families.

"(b) NO INDIVIDUAL ENTITLEMENT.—This part shall not be interpreted to entitle any individual or family to assistance under any State program funded under this part.

"SEC. 402. ELIGIBLE STATES; STATE PLAN.

"(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that, during the 2-year period immediately preceding the fiscal year, has submitted to the Secretary a plan that meets the requirements of subsection (b) and has been approved by the Secretary with respect to the fiscal year.

"(b) CONTENTS OF STATE PLANS.—A plan meets the requirements of this subsection if the plan includes the following:

"(1) OUTLINE OF FAMILY ASSISTANCE PROGRAM.—

"(A) GENERAL PROVISIONS.—A written document that outlines how the State will do the following:

"(i) Conduct a program, designed to serve all political subdivisions in the State, that provides assistance to needy families with (or expecting) children and provides parents with job preparation, work, and support services to enable them to leave the program and become self-sufficient.

"(ii) Determine, on an objective and equitable basis, the needs of and the amount of assistance to be provided to needy families, and treat families of similar needs and circumstances similarly, subject to subparagraph (B).

"(iii) Require a parent or caretaker receiving assistance under the program to engage in work (as defined by the State) once the State determines the parent or caretaker is ready to engage in work, or once the parent or caretaker has received assistance under the program for 24 months (whether or not consecutive), whichever is earlier.

"(iv) Ensure that parents and caretakers receiving assistance under the program engage in work activities in accordance with section 407.

"(v) Grant an opportunity for a fair hearing before the State agency to any individual to whom assistance under the program is denied, reduced, or terminated, or whose request for such assistance is not acted on with reasonable promptness.

"(vi) Take such reasonable steps as the State deems necessary to restrict the use and disclosure of information about individuals and families receiving assistance under the program attributable to funds provided by the Federal Government.

"(vii) Establish goals and take action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies, and establish numerical goals for reducing the illegitimacy ratio of the State (as defined in section 403(a)(2)(B)) for calendar years 1996 through 2005.

"(B) SPECIAL PROVISIONS.—

"(i) The plan shall indicate whether the State intends to treat families moving into the State from another State differently than other families under the program, and if so, how the State intends to treat such families under the program.

"(ii) The plan shall indicate whether the State intends to provide assistance under the program to individuals who are not citizens of the United States, and if so, shall include an overview of such assistance.

"(iii) The plan shall contain an estimate of the number of individuals (if any) who will become ineligible for medical assistance under the State plan approved under title XIX as a result of changes in the rules governing eligibility for the State program funded under this part, and shall indicate the extent (if any) to which the State will provide medical assistance to such individuals, and the scope of such medical assistance.

"(2) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.—The plan shall include a certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child support enforcement program under the State plan approved under part D.

"(3) CERTIFICATION THAT THE STATE WILL NOT OPERATE A SEPARATE FINANCIAL SUPPORT PROGRAM WITH STATE FUNDS TARGETED AT CERTAIN CHILD SUPPORT RECIPIENTS.—The plan shall include a certification by the chief executive officer of the State that, during the fiscal year, the State will not operate a separate financial support program with State funds targeted at child support recipients who would be eligible for assistance under the program funded under this part were it not for payments from the State-funded financial assistance program.

"(4) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD PROTECTION PROGRAM.—The plan shall include a certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child protection program under the State plan approved under part B.

"(5) CERTIFICATION OF THE ADMINISTRATION OF THE PROGRAM.—The plan shall include a certification by the chief executive officer of the State specifying which State agency or agencies will administer and supervise the program referred to in paragraph (1) for the fiscal year, which shall include assurances that local governments and private sector organizations—

"(A) have been working jointly with the State in all phases of the plan and design of welfare services in the State so that services are provided in a manner appropriate to local populations;

"(B) have had at least 60 days to submit comments on the final plan and the design of such services; and

"(C) will not have unfunded mandates imposed on them under such plan.

Such certification shall also include assurance that when local elected officials are currently responsible for the administration of welfare services, the local elected officials will be able to plan, design, and administer for their jurisdictions the programs established pursuant to this Act.

"(6) CERTIFICATION THAT THE STATE WILL PROVIDE INDIANS WITH EQUITABLE ACCESS TO ASSISTANCE.—The plan shall include a certification by the chief executive officer of the State that, during the fiscal year, the State will provide each Indian who is a member of an Indian tribe in the State that does not have a tribal family assistance plan approved under section 412 with equitable access to assistance under the State program funded under this part attributable to funds provided by the Federal Government.

"(7) CERTIFICATION OF NONDISPLACEMENT AND NONREPLACEMENT OF EMPLOYEES.—The plan shall include a certification that the implementation of the plan will not result in—

"(A) the displacement of a currently employed worker or position by an individual to whom assistance is provided under the State program funded under this part;

"(B) the replacement of an employee who has been terminated with an individual to whom assistance is provided under the State program funded under this part; or

"(C) the replacement of an employee who is on layoff from the same position filled by an individual to whom assistance is provided under the State program funded under this part or any equivalent position.

"(c) APPROVAL OF STATE PLANS.—The Secretary shall approve any State plan that meets the requirements of subsection (b) if the Secretary determines that operating a State program pursuant to the plan will contribute to achieving the purposes of this part.

"(d) PUBLIC AVAILABILITY OF STATE PLAN SUMMARY.—The State shall make available to the public a summary of any plan submitted by the State under this section.

"SEC. 403. GRANTS TO STATES.

"(a) GRANTS.—

"(1) FAMILY ASSISTANCE GRANT.—

"(A) IN GENERAL.—Each eligible State shall be entitled to receive from the Secretary, for each of fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 a grant in an amount equal to the State family assistance grant.

"(B) STATE FAMILY ASSISTANCE GRANT DEFINED.—As used in this part, the term 'State family assistance grant' means the greatest of—

"(i) ⅓ of the total amount required to be paid to the State under former section 403 (as in effect on September 30, 1995) for fiscal years 1992, 1993, and 1994 (other than with respect to amounts expended by the State for child care under subsection (g) or (i) of former section 402 (as so in effect));

"(ii)(I) the total amount required to be paid to the State under former section 403 for fiscal year 1994 (other than with respect to amounts expended by the State for child care under subsection (g) or (i) of former section 402 (as so in effect)); plus

"(II) an amount equal to 85 percent of the amount (if any) by which the total amount required to be paid to the State under former section 403(a)(5) for emergency assistance for fiscal year 1995 exceeds the total amount required to be paid to the State under former section 403(a)(5) for fiscal year 1994, if, during fiscal year 1994, the Secretary approved under former section 402 an amendment to the former State plan with respect to the provision of emergency assistance in the context of family preservation; or

"(iii) the amount required to be paid to the State under former section 403 (as in effect on September 30, 1995) for fiscal year 1995 (other than with respect to amounts expended by the State under the State plan approved under part F (as so in effect) or for child care under subsection (g) or (i) of former section 402 (as so in effect)), plus the total amount required to be paid to the State for fiscal year 1995 under former section 403(l) (as so in effect).

"(C) TOTAL AMOUNT REQUIRED TO BE PAID TO THE STATE UNDER FORMER SECTION 403 DEFINED.—As used in this part, the term 'total amount required to be paid to the State under former section 403' means, with respect to a fiscal year—

"(i) in the case of a State to which section 1108 does not apply, the sum of—

"(I) the Federal share of maintenance assistance expenditures for the fiscal year, before reduction pursuant to subparagraph (B) or (C) of section 403(b)(2) (as in effect on September 30, 1995), as reported by the State on ACF Form 231;

"(II) the Federal share of administrative expenditures (including administrative expenditures for the development of management information systems) for the fiscal year, as reported by the State on ACF Form 231;

"(III) the Federal share of emergency assistance expenditures for the fiscal year, as reported by the State on ACF Form 231;

"(IV) the Federal share of expenditures for the fiscal year with respect to child care pursuant to subsections (g) and (i) of former section 402 (as in effect on September 30, 1995), as reported by the State on ACF Form 231; and

"(V) the aggregate amount required to be paid to the State for the fiscal year with respect to the State program operated under part F (as in effect on September 30, 1995), as determined by the Secretary, including additional obligations or reductions in obligations made after the close of the fiscal year; and

"(ii) in the case of a State to which section 1108 applies, the lesser of—

"(I) the sum described in clause (i); or

"(II) the total amount certified by the Secretary under former section 403 (as in effect during the fiscal year) with respect to the territory.

"(D) INFORMATION TO BE USED IN DETERMINING AMOUNTS.—

"(i) FOR FISCAL YEARS 1992 AND 1993.—

"(I) In determining the amount described in subclauses (I) through (IV) of subparagraph (C)(i) for any State for each of fiscal years 1992 and 1993, the Secretary shall use information available as of April 28, 1995.

"(II) In determining the amount described in subparagraph (C)(i)(V) for any State for each of fiscal years 1992 and 1993, the Secretary shall use information available as of January 6, 1995.

"(ii) FOR FISCAL YEAR 1994.—In determining the amounts described in subparagraph (C)(i) for any State for fiscal year 1994, the Secretary shall use information available as of April 28, 1995.

"(iii) FOR FISCAL YEAR 1995.—

"(I) In determining the amount described in subparagraph (B)(ii)(II) for any State for fiscal year 1995, the Secretary shall use the information which was reported by the States and estimates made by the States with respect to emergency assistance expenditures and was available as of August 11, 1995.

"(II) In determining the amounts described in subclauses (I) through (IV) of subparagraph (C)(i) for any State for fiscal year 1995, the Secretary shall use information available as of October 2, 1995.

"(III) In determining the amount described in subparagraph (C)(i)(V) for any State for fiscal year 1995, the Secretary shall use information available as of October 5, 1995.

"(E) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 such sums as are necessary for grants under this paragraph.

"(2) GRANT TO REWARD STATES THAT REDUCE OUT-OF-WEDLOCK BIRTHS.—

"(A) IN GENERAL.—In addition to any grant under paragraph (1), each eligible State shall be entitled to receive from the Secretary for fiscal year 1998 or any succeeding fiscal year, a grant in an amount equal to the State family assistance grant multiplied by—

"(i) 5 percent if—

"(I) the illegitimacy ratio of the State for the fiscal year is at least 1 percentage point lower than the illegitimacy ratio of the State for fiscal year 1995; and

"(II) the rate of induced pregnancy terminations in the State for the fiscal year is less than the rate of induced pregnancy terminations in the State for fiscal year 1995; or

"(ii) 10 percent if—

"(I) the illegitimacy ratio of the State for the fiscal year is at least 2 percentage points lower than the illegitimacy ratio of the State for fiscal year 1995; and

"(II) the rate of induced pregnancy terminations in the State for the fiscal year is less than the rate of induced pregnancy terminations in the State for fiscal year 1995.

"(B) ILLEGITIMACY RATIO.—As used in this paragraph, the term 'illegitimacy ratio' means, with respect to a State and a fiscal year—

"(i) the number of out-of-wedlock births that occurred in the State during the most recent fiscal year for which such information is available; divided by

"(ii) the number of births that occurred in the State during the most recent fiscal year for which such information is available.

"(C) DISREGARD OF CHANGES IN DATA DUE TO CHANGED REPORTING METHODS.—For purposes of subparagraph (A), the Secretary shall disregard—

"(i) any difference between the illegitimacy ratio of a State for a fiscal year and the illegitimacy ratio of the State for fiscal year 1995 which is attributable to a change in State methods of reporting data used to calculate the illegitimacy ratio; and

"(ii) any difference between the rate of induced pregnancy terminations in a State for a fiscal year and such rate for fiscal year 1995 which is attributable to a change in State methods of reporting data used to calculate such rate.

"(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal year 1998 and for each succeeding fiscal year such sums as are necessary for grants under this paragraph.

"(3) SUPPLEMENTAL GRANT FOR POPULATION INCREASES IN CERTAIN STATES.—

"(A) IN GENERAL.—Each qualifying State shall, subject to subparagraph (F), be entitled to receive from the Secretary—

"(i) for fiscal year 1997 a grant in an amount equal to 2.5 percent of the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

"(ii) for each of fiscal years 1998, 1999, and 2000, a grant in an amount equal to the sum of—

"(I) the amount (if any) required to be paid to the State under this paragraph for the immediately preceding fiscal year; and

"(II) 2.5 percent of the sum of—

"(aa) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

"(bb) the amount (if any) required to be paid to the State under this paragraph for the fiscal year preceding the fiscal year for which the grant is to be made.

"(B) PRESERVATION OF GRANT WITHOUT INCREASES FOR STATES FAILING TO REMAIN QUALIFYING STATES.—Each State that is not a qualifying State for a fiscal year specified in subparagraph (A)(ii) but was a qualifying State for a prior fiscal year shall, subject to subparagraph (F), be entitled to receive from the Secretary for the specified fiscal year, a grant in an amount equal to the amount required to be paid to the State under this paragraph for the most recent fiscal year for which the State was a qualifying State.

"(C) QUALIFYING STATE.—

"(i) IN GENERAL.—For purposes of this paragraph, a State is a qualifying State for a fiscal year if—

"(I) the level of welfare spending per poor person by the State for the immediately preceding fiscal year is less than the national average level of State welfare spending per poor person for such preceding fiscal year; and

"(II) the population growth rate of the State (as determined by the Bureau of the Census for the most recent fiscal year for which information is available) exceeds the average population growth rate for all States (as so determined) for such most recent fiscal year.

"(ii) STATE MUST QUALIFY IN FISCAL YEAR 1997.—Notwithstanding clause (i), a State shall not be a qualifying State for any fiscal year after 1997 by reason of clause (i) if the State is not a qualifying State for fiscal year 1997 by reason of clause (i).

"(iii) CERTAIN STATES DEEMED QUALIFYING STATES.—For purposes of this paragraph, a State is deemed to be a qualifying State for fiscal years 1997, 1998, 1999, and 2000 if—

"(I) the level of welfare spending per poor person by the State for fiscal year 1996 is less than 35 percent of the national average level of State welfare spending per poor person for fiscal year 1996; or

"(II) the population of the State increased by more than 10 percent from April 1, 1990, to July 1, 1994, as determined by the Bureau of the Census.

"(D) DEFINITIONS.—As used in this paragraph:

"(i) LEVEL OF WELFARE SPENDING PER POOR PERSON.—The term 'level of State welfare spending per poor person' means, with respect to a State and a fiscal year—

"(I) the sum of—

"(aa) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

"(bb) the amount (if any) paid to the State under this paragraph for the immediately preceding fiscal year; divided by

"(II) the number of individuals, according to the 1990 decennial census, who were residents of the State and whose income was below the poverty line.

"(ii) NATIONAL AVERAGE LEVEL OF STATE WELFARE SPENDING PER POOR PERSON.—The term 'national average level of State welfare spending per poor person' means, with respect to a fiscal year, an amount equal to—

"(I) the total amount required to be paid to the States under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; divided by

"(II) the number of individuals, according to the 1990 decennial census, who were residents of any State and whose income was below the poverty line.

"(iii) STATE.—The term 'State' means each of the 50 States of the United States and the District of Columbia.

"(E) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1997, 1998, 1999, and 2000 such sums as are necessary for grants under this paragraph, in a total amount not to exceed $800,000,000.

"(F) GRANTS REDUCED PRO RATA IF INSUFFICIENT APPROPRIATIONS.—If the amount appropriated pursuant to this paragraph for a fiscal year is less than the total amount of payments otherwise required to be made under this paragraph for the fiscal year, then the amount otherwise payable to any State for the fiscal year under this paragraph shall be reduced by a percentage equal to the amount so appropriated divided by such total amount.

"(G) BUDGET SCORING.—Notwithstanding section 257(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, the baseline shall assume that no grant shall be made under this paragraph after fiscal year 2000.

"(4) SUPPLEMENTAL GRANT FOR OPERATION OF WORK PROGRAM.—

"(A) APPLICATION REQUIREMENTS.—An eligible State may submit to the Secretary an application for additional funds to meet the requirements of section 407 with respect to a fiscal year if the Secretary determines that—

"(i) the total expenditures of the State to meet such requirements for the fiscal year exceed the total expenditures of the State during fiscal year 1994 to carry out part F (as in effect on September 30, 1994);

"(ii) the work programs of the State under section 407 are coordinated with the job training programs established by title II of the Job Training Partnership Act, or (if such title is repealed by the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act) the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act; and

"(iii) the State needs additional funds to meet such requirements or certifies that it intends to exceed such requirements.

"(B) GRANTS.—The Secretary may make a grant to any eligible State which submits an application in accordance with subparagraph (A) of this paragraph for a fiscal year in an amount equal to the Federal medical assistance percentage of the amount (if any) by which the total expenditures of the State to meet or exceed the requirements of section 407 for the fiscal year exceeds the total expenditures of the State during fiscal year 1994 to carry out part F (as in effect on September 30, 1994).

"(C) REGULATIONS.—The Secretary shall issue regulations providing for the equitable distribution of funds under this paragraph.

"(D) APPROPRIATIONS.—

"(i) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to the Secretary for grants under this paragraph—

"(I) $150,000,000 for fiscal year 1999;

"(II) $850,000,000 for fiscal year 2000;

"(III) $900,000,000 for fiscal year 2001; and

"(IV) $1,100,000,000 for fiscal year 2002 and for each succeeding fiscal year.

"(ii) AVAILABILITY.—Amounts appropriated pursuant to clause (i) shall remain available until expended.

"(b) CONTINGENCY FUND.—

"(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a fund which shall be known as the 'Contingency Fund for State Welfare Programs' (in this section referred to as the 'Fund').

"(2) DEPOSITS INTO FUND.—

"(A) Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1997, 1998, 1999, 2000, 2001 and 2002 such sums as are necessary for payment to the Fund in a total amount not to exceed $2,000,000,000, except as provided in subparagraphs (B) and (C).

"(B) If—

"(i) the average rate of total unemployment in the United States for the most recent 3 months for which data for all States are available is not less than 7 percent; and

"(ii) there are insufficient amounts in the Fund to pay all State claims under paragraph (4) for a quarter in that fiscal year; then

there are appropriated for that fiscal year, in addition to amounts appropriated under paragraph (2)(A), such sums as equal the difference between the amount needed to pay all State claims for that quarter and the amount remaining in the Fund.

"(C) If—

"(i)(I)(aa) the average rate of total unemployment in a State (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States are published is not less than 9 percent; or

"(bb) the average rate of total unemployment in such State (seasonally adjusted) for the 3-month period is not less than 120 percent of such average rate for either of the prior 2 years; or

"(II) the average number of persons in the State receiving assistance under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, for the most recent 3-month period for which data are available is not less than 120 percent of such average monthly number for fiscal year 1994 or for fiscal year 1995; and

"(ii) there are insufficient amounts in the Fund to pay all State claims under paragraph (4) for a quarter in that fiscal year; then

there are appropriated for payment to the Fund for that fiscal year, in addition to amounts appropriated pursuant to paragraph (2)(A), for payments to States described in this subparagraph, the amount by which payments to such States under paragraph (4) would otherwise be reduced under paragraph (8).

"(3) PAYMENTS TO STATES.—The method of computing and paying amounts to States from the Fund under this subsection shall be as follows:

"(A) The Secretary shall, before each quarter, estimate the amount to be paid to each State for the quarter from the Fund, such estimate to be based on—

"(i) a report filed by the State containing an estimate by the State of qualifying State expenditures for the quarter; and

"(ii) such other information as the Secretary may find relevant and reliable.

"(B) The Secretary shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary.

"(C) The Secretary of the Treasury shall thereupon pay to the State, at the time or times fixed by the Secretary, the amount so certified.

"(4) GRANTS.—From amounts appropriated pursuant to paragraph (2), the Secretary of the Treasury shall pay to each eligible State for a fiscal year an amount equal to the lesser of—

"(A) the Federal medical assistance percentage for the State for the fiscal year (as defined in section 1905(b), as in effect on September 30, 1995) of the amount, if any, by which the expenditures of the State in the fiscal year under the State program funded under this part and expenditures on cash assistance under other State programs with respect to eligible families (as defined in section 409(a)(5)(B)(i)(III)) exceed historic State expenditures (as defined in section 409(a)(5)(B)(iii)); or

"(B) the number of percentage points (if any) by which 40 percent of the State family assistance grant for the fiscal year exceeds any payment to the State for the fiscal year under section 403(a)(3).

"(5) ANNUAL RECONCILIATION.—At the end of each fiscal year, each State shall remit to the Secretary an amount equal to the amount (if any) by which the total amount paid to the State under paragraph (4) during the fiscal year exceeds the lesser of—

"(A) the Federal medical assistance percentage for the State for the fiscal year (as defined in section 1905(b), as in effect on September 30, 1995) of the amount (if any) by which the expenditures of the State in the fiscal year under the State program funded under this part and expenditures on cash assistance under other State programs with respect to eligible families (as defined in section 409(a)(5)(B)(i)(III)) exceed historic State expenditures (as defined in section 409(a)(5)(B)(iii)); or

"(B) the amount (if any) by which 40 percent of the State family assistance grant for the fiscal year exceeds any payment to the State for the fiscal year under section 403(a)(3).

"(6) ELIGIBLE STATE.—For purposes of this subsection, a State is an eligible State for a fiscal year, if—

"(A)(i) the average rate of total unemployment in such State (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States are published is not less than 6.5 percent; and

"(ii) the average rate of total unemployment in such State (seasonally adjusted) for the 3-month period is not less than 110 percent of such average rate for either 1994 or 1995; or

"(B)(i) the average number of persons in the State receiving assistance under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, for the most recent 3-month period for which data are available is not less than 110 percent of the product of—

"(I) such average monthly number for either fiscal year 1994 or fiscal year 1995; and

"(II) the number of percentage points (if any) by which 100 percent exceeds the percentage by which the Bipartisan Welfare Reform Act of 1996, had it been in effect, would have reduced such average monthly number in such State in such fiscal year, as most recently estimated by the Secretary of Agriculture before the date of the enactment of such Act; and

"(ii) the State is not participating in the program established under section 23(b) of the Food Stamp Act of 1977.

"(7) STATE.—As used in this subsection, the term 'State' means each of the 50 States of the United States and the District of Columbia.

"(8) PAYMENT PRIORITY.—Claims by States for payment from the Fund shall be filed quarterly. If the total amount of claims for any quarter exceeds the amount available for payment from the fund, claims shall be paid on a pro rata basis in a manner to be determined by the Secretary, except in the case of a State described in paragraph (2)(C).

"(9) ANNUAL REPORTS.—The Secretary of the Treasury shall annually report to Congress on the status of the Fund.

"SEC. 404. USE OF GRANTS.

"(a) GENERAL RULES.—Subject to this part, a State to which a grant is made under section 403 may use the grant—

"(1) in any manner that is reasonably calculated to accomplish the purpose of this part, including to provide low income households with assistance in meeting home heating and cooling costs; or

"(2) in any manner that the State was authorized to use amounts received under part A or F, as such parts were in effect on September 30, 1995.

"(b) LIMITATION ON USE OF GRANT FOR ADMINISTRATIVE PURPOSES.—

"(1) LIMITATION.—A State to which a grant is made under section 403 shall not expend more than 15 percent of the grant for administrative purposes.

"(2) EXCEPTION.—Paragraph (1) shall not apply to the use of a grant for information technology and computerization needed for tracking or monitoring required by or under this part.

"(c) AUTHORITY TO TREAT INTERSTATE IMMIGRANTS UNDER RULES OF FORMER STATE.—A State operating a program funded under this part may apply to a family the rules (including benefit amounts) of the program funded under this part of another State if the family has moved to the State from the other State and has resided in the State for less than 12 months.

"(d) AUTHORITY TO USE PORTION OF GRANT FOR OTHER PURPOSES.—

"(1) IN GENERAL.—A State may use not more than 20 percent of the amount of the grant made to the State under section 403 for a fiscal year to carry out a State program pursuant to the Child Care and Development Block Grant Act of 1990.

"(2) APPLICABLE RULES.—Any amount paid to the State under this part that is used to carry out a State program pursuant to the Child Care and Development Block Grant Act of 1990 shall not be subject to the requirements of this part, but shall be subject to the requirements that apply to Federal funds provided directly under such Act to carry out the program.

"(e) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR ASSISTANCE.—A State may reserve amounts paid to the State under this part for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the State program funded under this part.

"(f) AUTHORITY TO OPERATE EMPLOYMENT PLACEMENT PROGRAM.—A State to which a grant is made under section 403 may use the grant to make payments (or provide job placement vouchers) to State-approved public and private job placement agencies that provide employment placement services to individuals who receive assistance under the State program funded under this part.

"(g) IMPLEMENTATION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—A State to which a grant is made under section 403 is encouraged to implement an electronic benefit transfer system for providing assistance under the State program funded under this part, and may use the grant for such purpose.

"SEC. 405. ADMINISTRATIVE PROVISIONS.

"(a) QUARTERLY.—The Secretary shall pay each grant payable to a State under section 403 in quarterly installments.

"(b) NOTIFICATION.—Not later than 3 months before the payment of any such quarterly installment to a State, the Secretary shall notify the State of the amount of any reduction determined under section 412(a)(1)(B) with respect to the State.

"(c) COMPUTATION AND CERTIFICATION OF PAYMENTS TO STATES.—

"(1) COMPUTATION.—The Secretary shall estimate the amount to be paid to each eligible State for each quarter under this part, such estimate to be based on a report filed by the State containing an estimate by the State of the total sum to be expended by the State in the quarter under the State program funded under this part and such other information as the Secretary may find necessary.

"(2) CERTIFICATION.—The Secretary of Health and Human Services shall certify to the Secretary of the Treasury the amount estimated under paragraph (1) with respect to a State, reduced or increased to the extent of any overpayment or underpayment which the Secretary of Health and Human Services determines was made under this part to the State for any prior quarter and with respect to which adjustment has not been made under this paragraph.

"(d) PAYMENT METHOD.—Upon receipt of a certification under subsection (c)(2) with respect to a State, the Secretary of the Treasury shall, through the Fiscal Service of the Department of the Treasury and before audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

"(e) COLLECTION OF STATE OVERPAYMENTS TO FAMILIES FROM FEDERAL TAX REFUNDS.—

"(1) IN GENERAL.—Upon receiving notice from the Secretary of Health and Human Services that a State agency administering a program funded under this part has notified the Secretary that a named individual has been overpaid under the State program funded under this part, the Secretary of the Treasury shall determine whether any amounts as refunds of Federal taxes paid are payable to such individual, regardless of whether the individual filed a tax return as a married or unmarried individual. If the Secretary of the Treasury finds that any such amount is so payable, the Secretary shall withhold from such refunds an amount equal to the overpayment sought to be collected by the State and pay such amount to the State agency.

"(2) REGULATIONS.—The Secretary of the Treasury shall issue regulations, after review by the Secretary of Health and Human Services, that provide—

"(A) that a State may only submit under paragraph (1) requests for collection of overpayments with respect to individuals—

"(i) who are no longer receiving assistance under the State program funded under this part;

"(ii) with respect to whom the State has already taken appropriate action under State law against the income or resources of the individuals or families involved to collect the past-due legally enforceable debt; and

"(iii) to whom the State agency has given notice of its intent to request withholding by the Secretary of the Treasury from the income tax refunds of such individuals;

"(B) that the Secretary of the Treasury will give a timely and appropriate notice to any other person filing a joint return with the individual whose refund is subject to withholding under paragraph (1); and

"(C) the procedures that the State and the Secretary of the Treasury will follow in carrying out this subsection which, to the maximum extent feasible and consistent with the provisions of this subsection, will be the same as those issued pursuant to section 464(b) applicable to collection of past-due child support.

"SEC. 406. FEDERAL LOANS FOR STATE WELFARE PROGRAMS.

"(a) LOAN AUTHORITY.—

"(1) IN GENERAL.—The Secretary shall make loans to any loan-eligible State, for a period to maturity of not more than 3 years.

"(2) LOAN-ELIGIBLE STATE.—As used in paragraph (1), the term 'loan-eligible State' means a State against which a penalty has not been imposed under section 409(e).

"(b) RATE OF INTEREST.—The Secretary shall charge and collect interest on any loan made under this section at a rate equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the period to maturity of the loan.

"(c) USE OF LOAN.—A State shall use a loan made to the State under this section only for any purpose for which grant amounts received by the State under section 403(a) may be used, including—

"(1) welfare anti-fraud activities; and

"(2) the provision of assistance under the State program to Indian families that have moved from the service area of an Indian tribe with a tribal family assistance plan approved under section 412.

"(d) LIMITATION ON TOTAL AMOUNT OF LOANS TO A STATE.—The cumulative dollar amount of all loans made to a State under this section during fiscal years 1997 through 2001 shall not exceed 10 percent of the State family assistance grant.

"(e) Limitation on Total Amount of Outstanding Loans.—The total dollar amount of loans outstanding under this section may not exceed $1,700,000,000.

"(f) Appropriation.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated such sums as may be necessary for the cost of loans under this section.

"SEC. 407. MANDATORY WORK REQUIREMENTS; INDIVIDUAL RESPONSIBILITY PLANS.

"(a) Participation Rate Requirements.—

"(1) All families.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to all families receiving assistance under the State program funded under this part:

"If the fiscal year is:	The minimum participation rate is:
1997	20
1998	25
1999	30
2000	35
2001	40
2002 or thereafter	50.

"(2) 2-parent families.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to 2-parent families receiving assistance under the State program funded under this part:

"If the fiscal year is:	The minimum participation rate is:
1997	75
1998	75
1999 or thereafter	90.

"(b) Calculation of Participation Rates.—

"(1) All families.—

"(A) Average monthly rate.—For purposes of subsection (a)(1), the participation rate for all families of a State for a fiscal year is the average of the participation rates for all families of the State for each month in the fiscal year.

"(B) Monthly participation rates.—The participation rate of a State for all families of the State for a month, expressed as a percentage, is—

"(i) the number of families receiving assistance under the State program funded under this part that include an adult who is engaged in work for the month; divided by

"(ii) the amount by which—

"(I) the number of families receiving such assistance during the month that include an adult receiving such assistance; exceeds

"(II) the number of families receiving such assistance that are subject in such month to a penalty described in subsection (e)(1) but have not been subject to such penalty for more than 3 months within the preceding 12-month period (whether or not consecutive).

"(C) Special rule.—An individual shall be considered to be engaged in work and to be an adult recipient of assistance under a State program funded under this part for purposes of subparagraph (B) for the first 6 months (whether or not consecutive) after the first cessation of assistance to an individual under the program during which the individual is employed for an average of more than 25 hours per week in an unsubsidized job in the private sector.

"(2) 2-parent families.—

"(A) Average monthly rate.—For purposes of subsection (a)(2), the participation rate for 2-parent families of a State for a fiscal year is the average of the participation rates for 2-parent families of the State for each month in the fiscal year.

"(B) Monthly participation rates.—The participation rate of a State for 2-parent families of the State for a month shall be calculated by use of the formula set forth in paragraph (1)(B), except that in the formula the term 'number of 2-parent families' shall be substituted for the term 'number of families' each place such latter term appears.

"(3) Pro rata reduction of participation rate due to caseload reductions not required by Federal law.—

"(A) In general.—The Secretary shall prescribe regulations for reducing the minimum participation rate otherwise required by this section for a fiscal year by the number of percentage points equal to the number of percentage points (if any) by which—

"(i) the number of families receiving assistance during the fiscal year under the State program funded under this part is less than

"(ii) the number of families that received aid under the State plan approved under part A (as in effect on September 30, 1995) during fiscal year 1994 or 1995, whichever is the greater.

The minimum participation rate shall not be reduced to the extent that the Secretary determines that the reduction in the number of families receiving such assistance is required by Federal law.

"(B) Eligibility changes not counted.—The regulations described in subparagraph (A) shall not take into account families that are diverted from a State program funded under this part as a result of differences in eligibility criteria under a State program funded under this part and eligibility criteria under the State program operated under the State plan approved under part A (as such plan and such part were in effect on September 30, 1995). Such regulations shall place the burden on the Secretary to prove that such families were diverted as a direct result of differences in such eligibility criteria.

"(4) State option to include individuals receiving assistance under a tribal family assistance plan.—For purposes of paragraphs (1)(B) and (2)(B), a State may, at its option, include families receiving assistance under a tribal family assistance plan approved under section 412.

"(5) State option for participation requirement exemptions.—For any fiscal year, a State may, at its option, not require an individual who is a single custodial parent caring for a child who has not attained 12 months of age to engage in work and may disregard such an individual in determining the participation rates under subsection (a).

"(c) Engaged in Work.—

"(1) All families.—For purposes of subsection (b)(1)(B)(i), a recipient is engaged in work for a month in a fiscal year if the recipient is participating in such activities for at least the minimum average number of hours per week specified in the following table during the month, not fewer than 20 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (7), or (8) of subsection (d) (or, if the participation of the recipient in an activity described in subsection (d)(6) has been taken into account for purposes of paragraph (1) or (2) of subsection (b) for fewer than 4 weeks in the fiscal year, an activity described in subsection (d)(6)):

"If the month is in fiscal year:	The minimum average number of hours per week is:
1996	20
1997	20
1998	20
1999 or thereafter	25.

"(2) 2-parent families.—For purposes of subsection (b)(2)(B)(i), an adult is engaged in work for a month in a fiscal year if the adult is making progress in such activities for at least 25 hours per week during the month, not fewer than 20 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (7), or (8) of subsection (d) (or, if the participation of the recipient in an activity described in subsection (d)(6) has been taken into account for purposes of paragraph (1) or (2) of subsection (b) for fewer than 8 weeks (no more than 4 of which may be consecutive) in the fiscal year, an activity described in subsection (d)(6)).

"(3) Limitation on vocational education activities counted as work.—For purposes of determining monthly participation rates under paragraphs (1)(B)(i) and (2)(B)(i) of subsection (b), not more than 20 percent of adults in all families and in 2-parent families determined to be engaged in work in the State for a month may meet the work activity requirement through participation in vocational educational training.

"(4) Option to reduce number of hours of work required of single parents with a child under age 6.—Notwithstanding paragraph (1), a State may reduce to 20 the number of hours per week during which a single custodial parent is required pursuant to this section to engage in work activities if the family of the parent includes an individual who has not attained 6 years of age.

"(d) Work Activities Defined.—As used in this section, the term 'work activities' means—

"(1) unsubsidized employment;

"(2) subsidized private sector employment;

"(3) subsidized public sector employment;

"(4) work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available;

"(5) on-the-job training;

"(6) job search and job readiness assistance;

"(7) community service programs;

"(8) vocational educational training (not to exceed 12 months with respect to any individual);

"(9) job skills training directly related to employment;

"(10) education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency; and

"(11) satisfactory attendance at secondary school, in the case of a recipient who—

"(A) has not completed secondary school; and

"(B) is a dependent child, or a head of household who has not attained 20 years of age.

"(e) Penalties Against Individuals.—

"(1) In general.—Except as provided in paragraph (2), if an adult in a family receiving assistance under the State program funded under this part refuses to engage in work required in accordance with this section, the State shall—

"(A) reduce the amount of assistance otherwise payable to the family pro rata (or more, at the option of the State) with respect to any period during a month in which the adult so refuses; or

"(B) terminate such assistance,

subject to such good cause and other exceptions as the State may establish.

"(2) EXCEPTION.—Notwithstanding paragraph (1), a State may not reduce or terminate assistance under the State program funded under this part based on a refusal of an adult to work if the adult is a single custodial parent caring for a child who has not attained 11 years of age, and the adult proves that the adult has a demonstrated inability (as determined by the State) to obtain needed child care, for 1 or more of the following reasons:

"(A) Unavailability of appropriate child care within a reasonable distance from the individual's home or work site.

"(B) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

"(C) Unavailability of appropriate and affordable formal child care arrangements.

"(f) NONDISPLACEMENT IN WORK ACTIVITIES.—

"(1) IN GENERAL.—Subject to paragraph (2), an adult in a family receiving assistance under a State program funded under this part attributable to funds provided by the Federal Government may fill a vacant employment position in order to engage in a work activity described in subsection (d).

"(2) NO FILLING OF CERTAIN VACANCIES.—No adult in a work activity described in subsection (d) which is funded, in whole or in part, by funds provided by the Federal Government shall be employed or assigned—

"(A) when any other individual is on layoff from the same or any substantially equivalent job; or

"(B) if the employer has terminated the employment of any regular employee or otherwise caused an involuntary reduction of its workforce in order to fill the vacancy so created with an adult described in paragraph (1).

"(3) NO PREEMPTION.—Nothing in this subsection shall preempt or supersede any provision of State or local law that provides greater protection for employees from displacement.

"(g) INDIVIDUAL RESPONSIBILITY PLANS.—

"(1) ASSESSMENT.—The State agency responsible for administering the State program funded under this part shall make an initial assessment of the skills, prior work experience, and employability of each applicant for, or recipient of, assistance under the program who—

"(A) has attained 18 years of age; or

"(B) has not completed high school or obtained a certificate of high school equivalency, and is not attending secondary school.

"(2) CONTENTS OF PLANS.—

"(A) IN GENERAL.—On the basis of the assessment made under paragraph (1) with respect to an individual, the State agency, in consultation with the individual, shall develop an individual responsibility plan for the individual, which—

"(i) shall provide that participation by the individual in job search activities shall be a condition of eligibility for assistance under the State program funded under this part, except during any period for which the individual is employed full-time in an unsubsidized job in the private sector;

"(ii) sets forth an employment goal for the individual and a plan for moving the individual immediately into private sector employment;

"(iii) sets forth the obligations of the individual, which may include a requirement that the individual attend school, maintain certain grades and attendance, keep school age children of the individual in school, immunize children, attend parenting and money management classes, or do other things that will help the individual become and remain employed in the private sector;

"(iv) to the greatest extent possible shall be designed to move the individual into whatever private sector employment the individual is capable of handling as quickly as possible, and to increase the responsibility and amount of work the individual is to handle over time;

"(v) shall describe the services the State will provide the individual so that the individual will be able to obtain and keep employment in the private sector, and describe the job counseling and other services that will be provided by the State; and

"(vi) at the option of the State, may require the individual to undergo appropriate substance abuse treatment.

"(B) TIMING.—The State agency shall comply with subparagraph (A) with respect to an individual—

"(i) within 90 days (or, at the option of the State, 180 days) after the effective date of this part, in the case of an individual who, as of such effective date, is a recipient of aid under the State plan approved under part A (as in effect immediately before such effective date); or

"(ii) within 30 days (or, at the option of the State, 90 days) after the individual is determined to be eligible for such assistance, in the case of any other individual.

"(3) PROVISION OF PROGRAM AND EMPLOYMENT INFORMATION.—The State shall inform all applicants for and recipients of assistance under the State program funded under this part of all available services under the program for which they are eligible.

"(4) PENALTY FOR NONCOMPLIANCE BY INDIVIDUAL.—The State shall reduce, by such amount as the State considers appropriate, the amount of assistance otherwise payable under the State program funded under this part to a family that includes an individual who fails without good cause to comply with an individual responsibility plan signed by the individual.

"(h) SENSE OF THE CONGRESS.—It is the sense of the Congress that in complying with this section, each State that operates a program funded under this part is encouraged to assign the highest priority to requiring adults in 2-parent families and adults in single-parent families that include older preschool or school-age children to be engaged in work activities.

"(i) SENSE OF THE CONGRESS THAT STATES SHOULD IMPOSE CERTAIN REQUIREMENTS ON NONCUSTODIAL, NONSUPPORTING MINOR PARENTS.—It is the sense of the Congress that the States should require noncustodial, nonsupporting parents who have not attained 18 years of age to fulfill community work obligations and attend appropriate parenting or money management classes after school.

"SEC. 408. PROHIBITIONS; REQUIREMENTS.

"(a) IN GENERAL.—

"(1) NO ASSISTANCE FOR FAMILIES WITHOUT A MINOR CHILD.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to a family, unless the family includes—

"(A) a minor child who resides with a custodial parent or other adult caretaker relative of the child; or

"(B) a pregnant individual.

"(2) NO ADDITIONAL CASH ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—

"(A) GENERAL RULE.—A State to which a grant is made under section 403 shall not use any part of the grant to provide cash benefits for a minor child who is born to—

"(i) a recipient of assistance under the program operated under this part; or

"(ii) a person who received such assistance at any time during the 10-month period ending with the birth of the child.

"(B) EXCEPTION FOR CHILDREN BORN INTO FAMILIES WITH NO OTHER CHILDREN.—Subparagraph (A) shall not apply to a minor child who is born into a family that does not include any other children.

"(C) EXCEPTION FOR VOUCHERS.—Subparagraph (A) shall not apply to vouchers which are provided in lieu of cash benefits and which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved.

"(D) EXCEPTION FOR RAPE OR INCEST.—Subparagraph (A) shall not apply with respect to a child who is born as a result of rape or incest.

"(E) STATE ELECTION TO OPT OUT.—Subparagraph (A) shall not apply to a State if State law specifically exempts the State program funded under this part from the application of subparagraph (A).

"(F) SUBSTITUTION OF FAMILY CAPS IN EFFECT UNDER WAIVERS.—Subparagraph (A) shall not apply to a State—

"(i) if, as of the date of the enactment of this part, there is in effect a waiver approved by the Secretary under section 1115 which permits the State to deny aid under the State plan approved under part A of this title (as in effect without regard to the amendments made by title I of the Bipartisan Welfare Reform Act of 1996) to a family by reason of the birth of a child to a family member otherwise eligible for such aid; and

"(ii) for so long as the State continues to implement such policy under the State program funded under this part, under rules prescribed by the State.

"(3) REDUCTION OR ELIMINATION OF ASSISTANCE FOR NONCOOPERATION IN CHILD SUPPORT.—If the agency responsible for administering the State plan approved under part D determines that an individual is not cooperating with the State in establishing, modifying, or enforcing a support order with respect to a child of the individual, then the State—

"(A) shall deduct from the assistance that would otherwise be provided to the family of the individual under the State program funded under this part the share of such assistance attributable to the individual; and

"(B) may deny the family any assistance under the State program.

"(4) NO ASSISTANCE FOR FAMILIES NOT ASSIGNING CERTAIN SUPPORT RIGHTS TO THE STATE.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 shall require, as a condition of providing assistance to a family under the State program funded under this part, that a member of the family assign to the State any rights the family member may have (on behalf of the family member or of any other person for whom the family member has applied for or is receiving such assistance) to support from any other person, not exceeding the total amount of assistance so provided to the family, which accrue (or have accrued) before the date the family leaves the program, which assignment, on and after the date the family leaves the program, shall not apply with respect to any support (other than support collected pursuant to section 464) which accrued before the family received such assistance and which the State has not collected by—

"(i) September 30, 2000, if the assignment is executed on or after October 1, 1997, and before October 1, 2000; or "(ii) the date the family leaves the program, if the assignment is executed on or after October 1, 2000.

"(B) LIMITATION.—A State to which a grant is made under section 403 shall not require, as a condition of providing assistance to any family under the State program funded under this part, that a member of the family assign to the State any rights to support described in subparagraph (A) which accrue after the date the family leaves the program, except to the extent necessary to enable the State to comply with section 457.

"(5) NO ASSISTANCE FOR TEENAGE PARENTS WHO DO NOT ATTEND HIGH SCHOOL OR OTHER EQUIVALENT TRAINING PROGRAM.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to an individual who has not attained 18 years of age, is not married, has a minor child at least 12 weeks of age in his or her care, and has not successfully completed a high-school education (or its equivalent), if the individual does not participate in—

"(A) educational activities directed toward the attainment of a high school diploma or its equivalent; or

"(B) an alternative educational or training program that has been approved by the State.

"(6) NO ASSISTANCE FOR TEENAGE PARENTS NOT LIVING IN ADULT-SUPERVISED SETTINGS.—

"(A) IN GENERAL.—

"(i) REQUIREMENT.—Except as provided in subparagraph (B), a State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to an individual described in clause (ii) of this subparagraph if the individual and the minor child referred to in clause (ii)(II) do not reside in a place of residence maintained by a parent, legal guardian, or other adult relative of the individual as such parent's, guardian's, or adult relative's own home.

"(ii) INDIVIDUAL DESCRIBED.—For purposes of clause (i), an individual described in this clause is an individual who—

"(I) has not attained 18 years of age; and

"(II) is not married, and has a minor child in his or her care.

"(B) EXCEPTION.—

"(i) PROVISION OF, OR ASSISTANCE IN LOCATING, ADULT-SUPERVISED LIVING ARRANGEMENT.—In the case of an individual who is described in clause (ii), the State agency referred to in section 402(a)(4) shall provide, or assist the individual in locating, a second chance home, maternity home, or other appropriate adult-supervised supportive living arrangement, taking into consideration the needs and concerns of the individual, unless the State agency determines that the individual's current living arrangement is appropriate, and thereafter shall require that the individual and the minor child referred to in subparagraph (A)(ii)(II) reside in such living arrangement as a condition of the continued receipt of assistance under the State program funded under this part attributable to funds provided by the Federal Government (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate).

"(ii) INDIVIDUAL DESCRIBED.—For purposes of clause (i), an individual is described in this clause if the individual is described in subparagraph (A)(ii), and—

"(I) the individual has no parent, legal guardian or other appropriate adult relative described in subclause (II) of his or her own who is living or whose whereabouts are known;

"(II) no living parent, legal guardian, or other appropriate adult relative, who would otherwise meet applicable State criteria to act as the individual's legal guardian, of such individual allows the individual to live in the home of such parent, guardian, or relative;

"(III) the State agency determines that—

"(aa) the individual or the minor child referred to in subparagraph (A)(ii)(II) is being or has been subjected to serious physical or emotional harm, sexual abuse, or exploitation in the residence of the individual's own parent or legal guardian; or

"(bb) substantial evidence exists of an act or failure to act that presents an imminent or serious harm if the individual and the minor child lived in the same residence with the individual's own parent or legal guardian; or

"(IV) the State agency otherwise determines that it is in the best interest of the minor child to waive the requirement of subparagraph (A) with respect to the individual or the minor child.

"(iii) SECOND-CHANCE HOME.—For purposes of this subparagraph, the term 'second-chance home' means an entity that provides individuals described in clause (ii) with a supportive and supervised living arrangement in which such individuals are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children.

"(7) NO MEDICAL SERVICES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), a State to which a grant is made under section 403 shall not use any part of the grant to provide medical services.

"(B) EXCEPTION FOR FAMILY PLANNING SERVICES.—As used in subparagraph (A), the term 'medical services' does not include family planning services.

"(8) NO ASSISTANCE FOR MORE THAN 5 YEARS.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), a State to which a grant is made under section 403 shall not use any part of the grant to provide cash assistance to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government, for 60 months (whether or not consecutive) after the date the State program funded under this part commences.

"(B) MINOR CHILD EXCEPTION.—In determining the number of months for which an individual who is a parent or pregnant has received assistance under the State program funded under this part, the State shall disregard any month for which such assistance was provided with respect to the individual and during which the individual was—

"(i) a minor child; and

"(ii) not the head of a household or married to the head of a household.

"(C) HARDSHIP EXCEPTION.—

"(i) IN GENERAL.—The State may exempt a family from the application of subparagraph (A) by reason of hardship or if the family includes an individual who has been battered or subjected to extreme cruelty.

"(ii) LIMITATION.—The number of families with respect to which an exemption made by a State under clause (i) is in effect for a fiscal year shall not exceed 20 percent of the average monthly number of families to which assistance is provided under the State program funded under this part.

"(iii) BATTERED OR SUBJECT TO EXTREME CRUELTY DEFINED.—For purposes of clause (i), an individual has been battered or subjected to extreme cruelty if the individual has been subjected to—

"(I) physical acts that resulted in, or threatened to result in, physical injury to the individual;

"(II) sexual abuse;

"(III) sexual activity involving a dependent child;

"(IV) being forced as the caretaker relative of a dependent child to engage in nonconsensual sexual acts or activities;

"(V) threats of, or attempts at, physical or sexual abuse;

"(VI) mental abuse; or

"(VII) neglect or deprivation of medical care.

"(D) RULE OF INTERPRETATION.—Subparagraph (A) shall not be interpreted to require any State to provide assistance to any individual for any period of time under the State program funded under this part.

"(9) DENIAL OF ASSISTANCE FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN ASSISTANCE IN 2 OR MORE STATES.—A State to which a grant is made under section 403 shall not use any part of the grant to provide cash assistance to an individual during the 10-year period that begins on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under this title, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.

"(10) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to any individual who is—

"(i) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(ii) violating a condition of probation or parole imposed under Federal or State law.

"(B) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—If a State to which a grant is made under section 403 establishes safeguards against the use or disclosure of information about applicants or recipients of assistance under the State program funded under this part, the safeguards shall not prevent the State agency administering the program from furnishing a Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(i) the recipient—

"(I) is described in subparagraph (A); or

"(II) has information that is necessary for the officer to conduct the official duties of the officer; and

"(ii) the location or apprehension of the recipient is within such official duties.

"(11) DENIAL OF ASSISTANCE FOR MINOR CHILDREN WHO ARE ABSENT FROM THE HOME FOR A SIGNIFICANT PERIOD.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance for a minor child who has been, or is expected by a parent (or other caretaker relative) of the child to be, absent from the home for a period of 45 consecutive days or, at the option of the State, such period of not less than 30 and not more than 90 consecutive days as the State may provide for in the State plan submitted pursuant to section 402.

"(B) STATE AUTHORITY TO ESTABLISH GOOD CAUSE EXCEPTIONS.—The State may establish such good cause exceptions to subparagraph (A) as the State considers appropriate if such exceptions are provided for in the State plan submitted pursuant to section 402.

"(C) DENIAL OF ASSISTANCE FOR RELATIVE WHO FAILS TO NOTIFY STATE AGENCY OF ABSENCE OF CHILD.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance for an individual who is a parent (or other caretaker relative) of a minor child and who fails to notify the agency administering the State program funded under this part of the absence of the minor child from the home for the period specified in or provided for pursuant to subparagraph (A), by the end of the 5-day period that begins with the date that it becomes clear to the parent (or relative) that the minor child will be absent for such period so specified or provided for.

"(12) INCOME SECURITY PAYMENTS NOT TO BE DISREGARDED IN DETERMINING THE AMOUNT OF ASSISTANCE TO BE PROVIDED TO A FAMILY.—If a State to which a grant is made under section 403 uses any part of the grant to provide assistance for any individual who is receiving a payment under a State plan for old-age assistance approved under section 2, a State program funded under part B that provides cash payments for foster care, or the supplemental security income program under title XVI, then the State shall not disregard the payment in determining the amount of assistance to be provided under the State program funded under this part, from funds provided by the Federal Government, to the family of which the individual is a member.

"(13) PROVISION OF VOUCHERS TO FAMILIES DENIED CASH ASSISTANCE DUE TO STATE-IMPOSED TIME LIMITS.—

"(A) REQUIREMENT.—If a family is denied assistance under the State program funded under this part by reason of a time limit imposed by the State other than pursuant to paragraph (8), the State shall provide vouchers to the family in accordance with subparagraph (B).

"(B) CHARACTERISTICS OF VOUCHERS.—The vouchers referred to in subparagraph (A) shall be—

"(i) in an amount equal to the amount determined by the State to meet the needs of only the child or children in the family, which shall be determined in the same manner as the State would otherwise determines the needs of the child or children under the program;

"(ii) designed appropriately to pay a third party for goods and services to be provided by the third party to the child or children in the family; and

"(iii) redeemable by a third party described in clause (ii) for a dollar amount equal to the amount of the voucher.

"(b) ALIENS.—For special rules relating to the treatment of aliens, see section 402 of the Bipartisan Welfare Reform Act of 1996.

"SEC. 409. PENALTIES.

"(a) IN GENERAL.—Subject to this section:

"(1) FAILURE TO SUBMIT REQUIRED REPORT.—

"(A) IN GENERAL.—If the Secretary determines that a State has not, within 1 month after the end of a fiscal quarter, submitted the report required by section 411(a) for the quarter, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 4 percent of the State family assistance grant.

"(B) RESCISSION OF PENALTY.—The Secretary shall rescind a penalty imposed on a State under subparagraph (A) with respect to a report for a fiscal quarter if the State submits the report before the end of the immediately succeeding fiscal quarter.

"(2) FAILURE TO PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—If the Secretary determines that a State program funded under this part is not participating during a fiscal year in the income and eligibility verification system required by section 1137, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to not more than 2 percent of the State family assistance grant.

"(3) FAILURE TO COMPLY WITH PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT REQUIREMENTS UNDER PART D.—Notwithstanding any other provision of this Act, if the Secretary determines that the State agency that administers a program funded under this part does not enforce the penalties requested by the agency administering part D against recipients of assistance under the State program who fail to cooperate in establishing paternity in accordance with such part, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year (without regard to this section) by not more than 5 percent.

"(4) FAILURE TO TIMELY REPAY A FEDERAL LOAN FUND FOR STATE WELFARE PROGRAMS.—If the Secretary determines that a State has failed to repay any amount borrowed from the Federal Loan Fund for State Welfare Programs established under section 406 within the period of maturity applicable to the loan, plus any interest owed on the loan, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year quarter (without regard to this section) by the outstanding loan amount, plus the interest owed on the outstanding amount. The Secretary shall not forgive any outstanding loan amount or interest owed on the outstanding amount.

"(5) FAILURE OF ANY STATE TO MAINTAIN CERTAIN LEVEL OF HISTORIC EFFORT.—

"(A) IN GENERAL.—The Secretary shall reduce the grant payable to the State under section 403(a)(1) for fiscal year 1997, 1998, 1999, 2000, 2001, or 2002 by the amount (if any) by which qualified State expenditures for the then immediately preceding fiscal year is less than the applicable percentage of historic State expenditures with respect to the fiscal year.

"(B) DEFINITIONS.—As used in this paragraph:

"(i) QUALIFIED STATE EXPENDITURES.—

"(I) IN GENERAL.—The term 'qualified State expenditures' means, with respect to a State and a fiscal year, the total expenditures by the State during the fiscal year, under all State programs, for any of the following with respect to eligible families:

"(aa) Cash assistance.

"(bb) Child care assistance.

"(cc) Educational activities designed to increase self-sufficiency, job training, and work, excluding any expenditure for public education in the State except expenditures which involve the provision of services or assistance to a member of an eligible family which is not generally available to persons who are not members of eligible families.

"(dd) Administrative costs in connection with the matters described in items (aa), (bb), (cc), and (ee), but only to the extent that such costs do not exceed 15 percent of the total amount of qualified State expenditures for the fiscal year.

"(ee) Any other use of funds allowable under section 404(a)(1).

"(II) EXCLUSION OF TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—Such term does not include expenditures under any State or local program during a fiscal year, except to the extent that—

"(aa) such expenditures exceed the amount expended under the State or local program in the fiscal year most recently ending before the date of the enactment of this part; or

"(bb) the State is entitled to a payment under former section 403 (as in effect immediately before such date of enactment) with respect to such expenditures.

"(III) ELIGIBLE FAMILIES.—As used in subclause (I), the term 'eligible families' means families eligible for assistance under the State program funded under this part, and families who would be eligible for such assistance but for the application of paragraph (2) or (8) of section 408(a) of this Act or section 402 of the Bipartisan Welfare Reform Act of 1996.

"(ii) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means—

"(I) for fiscal year 1996, 85 percent; and

"(II) for fiscal years 1997, 1998, 1999, 2000, and 2001, 85 percent adjusted (if appropriate) in accordance with subparagraph (C).

"(iii) HISTORIC STATE EXPENDITURES.—The term 'historic State expenditures' means, with respect to a State and a fiscal year specified in subparagraph (A), the lesser of—

"(I) the expenditures by the State under parts A and F (as in effect during fiscal year 1994) for fiscal year 1994; or

"(II) the amount which bears the same ratio to the amount described in subclause (I) as—

"(aa) the State family assistance grant for the fiscal year immediately preceding the fiscal year specified in subparagraph (A), plus the total amount required to be paid to the State under former section 403 for fiscal year 1994 with respect to amounts expended by the State for child care under subsection (g) or (i) of section 402 (as in effect during fiscal year 1994); bears to

"(bb) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994.

Such term does not include any expenditures under the State plan approved under part A (as so in effect) on behalf of individuals covered by a tribal family assistance plan approved under section 412, as determined by the Secretary.

"(iv) EXPENDITURES BY THE STATE.—The term 'expenditures by the State' does not include—

"(I) any expenditures from amounts made available by the Federal Government;

"(II) State funds expended for the medicaid program under title XIX; or

"(III) any State funds which are used to match Federal funds or are expended as a condition of receiving Federal funds under Federal programs other than under this part.

"(C) PERFORMANCE-BASED ADJUSTMENTS TO APPLICABLE PERCENTAGE.—

"(i) INCREASE IN MAINTENANCE OF EFFORT THRESHOLD FOR FAILURE TO MEET PARTICIPATION RATES.—If the Secretary determines that a State has failed to achieve the participation rate required by section 407 for a fiscal year, the Secretary shall increase the applicable percentage for the State for the immediately succeeding fiscal year by not more than 5 percentage points. In determining the amount of any such increase, the Secretary shall take into account any increase in the number of persons served by the State program and any increase in the unemployment rate of the State, in accordance with regulations which the Secretary shall prescribe.

"(ii) REDUCTION IN MAINTENANCE OF EFFORT THRESHOLD FOR HIGH PERFORMANCE STATES.—

"(I) CRITERIA.—The Secretary shall, by regulation, establish measures of the effectiveness of the State program funded under this part in moving recipients of assistance under the program into full-time unsubsidized employment. In developing the regulations, the Secretary shall take into account the length of time former recipients of assistance under the program remain employed, the earnings of such former recipients who obtain private sector employment, the total State caseload under the program, and the rate of unemployment in the State.

"(II) REDUCTION OF THRESHOLD.—The Secretary shall reduce the applicable percentage for a State for a fiscal year by not more than 5 percentage points if the Secretary determines that the State achieved the participation rate required by section 407 for the immediately preceding fiscal year and exceeded such performance threshold as the Secretary may establish under subclause (I) of this clause.

"(6) SUBSTANTIAL NONCOMPLIANCE OF STATE CHILD SUPPORT ENFORCEMENT PROGRAM WITH REQUIREMENTS OF PART D.—

"(A) IN GENERAL.—If a State program operated under part D is found as a result of a review conducted under section 452(a)(4) not to have complied substantially with the requirements of such part for any quarter, and the Secretary determines that the program is not complying substantially with such requirements at the time the finding is made, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the quarter and each subsequent quarter that ends before the 1st quarter throughout which the program is found to be in substantial compliance with such requirements by—

"(i) not less than 1 nor more than 2 percent;

"(ii) not less than 2 nor more than 3 percent, if the finding is the 2nd consecutive such finding made as a result of such a review; or

"(iii) not less than 3 nor more than 5 percent, if the finding is the 3rd or a subsequent consecutive such finding made as a result of such a review.

"(B) DISREGARD OF NONCOMPLIANCE WHICH IS OF A TECHNICAL NATURE.—For purposes of subparagraph (A) of this paragraph and section 452(a)(4), a State which is not in full compliance with the requirements of this part shall be determined to be in substantial compliance with such requirements only if the Secretary determines that any noncompliance with such requirements is of a technical nature which does not adversely affect the performance of the State's program operated under part D.

"(7) FAILURE OF STATE RECEIVING AMOUNTS FROM CONTINGENCY FUND TO MAINTAIN 100 PERCENT OF HISTORIC EFFORT.—If, at the end of any fiscal year during which amounts from the Contingency Fund for State Welfare Programs have been paid to a State, the Secretary finds that the State has failed, during the fiscal year, to expend under the State program funded under this part an amount equal to at least 100 percent of the level of historic State expenditures (as defined in paragraph (7)(B)(iii) of this subsection) with respect to the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by the total of the amounts so paid to the State.

"(8) FAILURE TO EXPEND ADDITIONAL STATE FUNDS TO REPLACE GRANT REDUCTIONS.—If the grant payable to a State under section 403(a)(1) for a fiscal year is reduced by reason of this subsection, the State shall, during the immediately succeeding fiscal year, expend under the State program funded under this part an amount equal to the total amount of such reductions.

"(9) FAILURE TO PROVIDE VOUCHER ASSISTANCE.—If the Secretary determines that a State program funded under this part has failed to comply with section 408(a)(13) during a fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to the difference between the amount the State would have expended on voucher assistance pursuant to section 408(a)(13) during the fiscal year in the absence of such noncompliance and the amount the State expended on such voucher assistance during the fiscal year.

"(10) FAILURE TO PROVIDE TRANSITIONAL MEDICAL ASSISTANCE.—If the Secretary determines that a State has not complied with section 408(a)(15) during a quarter, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding quarter by an amount equal to 5 percent of the portion of the State family assistance grant that is payable to the State for such succeeding quarter.

"(b) REASONABLE CAUSE EXCEPTION.—

"(1) IN GENERAL.—The Secretary may not impose a penalty on a State under subsection (a) with respect to a requirement if the Secretary determines that the State has reasonable cause for failing to comply with the requirement.

"(2) EXCEPTION.—Paragraph (1) of this subsection shall not apply to any penalty under subsection (a)(5).

"(c) CORRECTIVE COMPLIANCE PLAN.—

"(1) IN GENERAL.—

"(A) NOTIFICATION OF VIOLATION.—Before imposing a penalty against a State under subsection (a) with respect to a violation of this part, the Secretary shall notify the State of the violation and allow the State the opportunity to enter into a corrective compliance plan in accordance with this subsection which outlines how the State will correct the violation and how the State will insure continuing compliance with this part.

"(B) 60-DAY PERIOD TO PROPOSE A CORRECTIVE COMPLIANCE PLAN.—During the 60-day period that begins on the date the State receives a notice provided under subparagraph (A) with respect to a violation, the State may submit to the Federal Government a corrective compliance plan to correct the violation.

"(C) CONSULTATION ABOUT MODIFICATIONS.—During the 60-day period that begins with the date the Secretary receives a corrective compliance plan submitted by a State in accordance with subparagraph (B), the Secretary may consult with the State on modifications to the plan.

"(D) ACCEPTANCE OF PLAN.— A corrective compliance plan submitted by a State in accordance with subparagraph (B) is deemed to be accepted by the Secretary if the Secretary does not accept or reject the plan during 60-day period that begins on the date the plan is submitted.

"(2) EFFECT OF CORRECTING VIOLATION.—The Secretary may not impose any penalty under subsection (a) with respect to any violation covered by a State corrective compliance plan accepted by the Secretary if the State corrects the violation pursuant to the plan.

"(3) EFFECT OF FAILING TO CORRECT VIOLATION.—The Secretary shall assess some or all of a penalty imposed on a State under subsection (a) with respect to a violation if the State does not, in a timely manner, correct the violation pursuant to a State corrective compliance plan accepted by the Secretary.

"(d) LIMITATION ON AMOUNT OF PENALTY.—

"(1) IN GENERAL.—In imposing the penalties described in subsection (a), the Secretary shall not reduce any quarterly payment to a State by more than 25 percent.

"(2) CARRYFORWARD OF UNRECOVERED PENALTIES.—To the extent that paragraph (1) of this subsection prevents the Secretary from recovering during a fiscal year the full amount of penalties imposed on a State under subsection (a) of this section for a prior fiscal year, the Secretary shall apply any remaining amount of such penalties to the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year.

"(e) OTHER PENALTIES.—If, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of a State program funded under this part, the Secretary finds that the State has failed to comply substantially with any provision of this part or of the State plan approved under section 402, the Secretary shall, if subsection (a) does not apply to the failure, notify the State agency that further payments will not be made to the State under this part (or, in the Secretary's discretion, that the payments will be reduced or limited to categories under, or parts of, the State program not affected by the failure) until the Secretary is satisfied that there is no longer any such failure to comply. Until the Secretary is so satisfied, the Secretary shall make no further payments to the State (or shall reduce or limit payments to categories under or parts of the State program not affected by the failure).

"SEC. 410. APPEAL OF ADVERSE DECISION.

"(a) IN GENERAL.—Within 5 days after the date the Secretary takes any adverse action under this part with respect to a State, the Secretary shall notify the chief executive officer of the State of the adverse action, including any action with respect to the State plan submitted under section 402 or the imposition of a penalty under section 409.

"(b) ADMINISTRATIVE REVIEW.—

"(1) IN GENERAL.—Within 60 days after the date a State receives notice under subsection (a) of an adverse action, the State may appeal the action, in whole or in part, to the Departmental Appeals Board established in the Department of Health and Human Services (in this section referred to as the 'Board') by filing an appeal with the Board.

"(2) PROCEDURAL RULES.—The Board shall consider an appeal filed by a State under paragraph (1) on the basis of such documentation as the State may submit and as the Board may require to support the final decision of the Board. In deciding whether to uphold an adverse action or any portion of such an action, the Board shall conduct a thorough review of the issues and take into account all relevant evidence. The Board shall make a final determination with respect to an appeal filed under paragraph (1) not less than 60 days after the date the appeal is filed.

"(c) JUDICIAL REVIEW OF ADVERSE DECISION.—

"(1) IN GENERAL.—Within 90 days after the date of a final decision by the Board under this section with respect to an adverse action taken against a State, the State may obtain judicial review of the final decision (and the findings incorporated into the final decision) by filing an action in—

"(A) the district court of the United States for the judicial district in which the principal or headquarters office of the State agency is located; or

"(B) the United States District Court for the District of Columbia.

"(2) PROCEDURAL RULES.—The district court in which an action is filed under paragraph (1) shall review the final decision of the Board on the record established in the administrative proceeding, in accordance with the standards of review prescribed by subparagraphs (A) through (E) of section 706(2) of title 5, United States Code. The review shall be on the basis of the documents and supporting data submitted to the Board.

"SEC. 411. DATA COLLECTION AND REPORTING.

"(a) QUARTERLY REPORTS BY STATES.—

"(1) GENERAL REPORTING REQUIREMENT.—

"(A) CONTENTS OF REPORT.—Beginning July 1, 1996, each State shall collect on a monthly basis, and report to the Secretary on a quarterly basis, the following disaggregated case record information on the families receiving assistance under the State program funded under this part:

"(i) The county of residence of the family.

"(ii) Whether a child receiving such assistance or an adult in the family is disabled.

"(iii) The ages of the members of such families.

"(iv) The number of individuals in the family, and the relation of each family member to the youngest child in the family.

"(v) The employment status and earnings of the employed adult in the family.

"(vi) The marital status of the adults in the family, including whether such adults have never married, are widowed, or are divorced.

"(vii) The race and educational status of each adult in the family.

"(viii) The race and educational status of each child in the family.

"(ix) Whether the family received subsidized housing, medical assistance under the State plan approved under title XIX, food stamps, or subsidized child care, and if the latter 2, the amount received.

"(x) The number of months that the family has received each type of assistance under the program.

"(xi) If the adults participated in, and the number of hours per week of participation in, the following activities:

"(I) Education.

"(II) Subsidized private sector employment.

"(III) Unsubsidized employment.

"(IV) Public sector employment, work experience, or community service.

"(V) Job search.

"(VI) Job skills training or on-the-job training.

"(VII) Vocational education.

"(xii) Information necessary to calculate participation rates under section 407.

"(xiii) The type and amount of assistance received under the program, including the amount of and reason for any reduction of assistance (including sanctions).

"(xiv) From a sample of closed cases, whether the family left the program, and if so, whether the family left due to—

"(I) employment;

"(II) marriage;

"(III) the prohibition set forth in section 408(a)(8);

"(IV) sanction; or

"(V) State policy.

"(xv) Any amount of unearned income received by any member of the family.

"(xvi) The citizenship of the members of the family.

"(B) USE OF ESTIMATES.—

"(i) AUTHORITY.—A State may comply with subparagraph (A) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods approved by the Secretary.

"(ii) SAMPLING AND OTHER METHODS.—The Secretary shall provide the States with such case sampling plans and data collection procedures as the Secretary deems necessary to produce statistically valid estimates of the performance of State programs funded under this part. The Secretary may develop and implement procedures for verifying the quality of data submitted by the States.

"(2) REPORT ON USE OF FEDERAL FUNDS TO COVER ADMINISTRATIVE COSTS AND OVERHEAD.—The report required by paragraph (1) for a fiscal quarter shall include a statement of the percentage of the funds paid to the State under this part for the quarter that are used to cover administrative costs or overhead.

"(3) REPORT ON STATE EXPENDITURES ON PROGRAMS FOR NEEDY FAMILIES.—The report required by paragraph (1) for a fiscal quarter shall include a statement of the total amount expended by the State during the quarter on programs for needy families.

"(4) REPORT ON NONCUSTODIAL PARENTS PARTICIPATING IN WORK ACTIVITIES.—The report required by paragraph (1) for a fiscal quarter shall include the number of noncustodial parents in the State who participated in work activities (as defined in section 407(d)) during the quarter.

"(5) REPORT ON TRANSITIONAL SERVICES.—The report required by paragraph (1) for a fiscal quarter shall include the total amount expended by the State during the quarter to provide transitional services to a family that has ceased to receive assistance under this part because of employment, along with a description of such services.

"(6) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to define the data elements with respect to which reports are required by this subsection.

"(b) ANNUAL REPORTS TO THE CONGRESS BY THE SECRETARY.—Not later than 6 months after the end of fiscal year 1997, and each fiscal year thereafter, the Secretary shall transmit to the Congress a report describing—

"(1) whether the States are meeting—

"(A) the participation rates described in section 407(a); and

"(B) the objectives of—

"(i) increasing employment and earnings of needy families, and child support collections; and

"(ii) decreasing out-of-wedlock pregnancies and child poverty;

"(2) the demographic and financial characteristics of families applying for assistance, families receiving assistance, and families that become ineligible to receive assistance;

"(3) the characteristics of each State program funded under this part; and

"(4) the trends in employment and earnings of needy families with minor children living at home.

"SEC. 412. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.

"(a) GRANTS FOR INDIAN TRIBES.—

"(1) TRIBAL FAMILY ASSISTANCE GRANT.—

"(A) IN GENERAL.—For each of fiscal years 1997, 1998, 1999, and 2000, the Secretary shall pay to each Indian tribe that has an approved tribal family assistance plan a tribal family assistance grant for the fiscal year in an amount equal to the amount determined under subparagraph (B), and shall reduce the grant payable under section 403(a)(1) to any State in which lies the service area or areas of the Indian tribe by that portion of the amount so determined that is attributable to expenditures by the State.

"(B) AMOUNT DETERMINED.—

"(i) IN GENERAL.—The amount determined under this subparagraph is an amount equal to the total amount of the Federal payments to a State or States under section 403 (as in effect during such fiscal year) for fiscal year 1994 attributable to expenditures (other than child care expenditures) by the State or States under parts A and F (as so in effect) for fiscal year 1994 for Indian families residing in the service area or areas identified by the Indian tribe pursuant to subsection (b)(1)(C) of this section.

"(ii) USE OF STATE SUBMITTED DATA.—

"(I) IN GENERAL.—The Secretary shall use State submitted data to make each determination under clause (i).

"(II) DISAGREEMENT WITH DETERMINATION.—If an Indian tribe or tribal organization disagrees with State submitted data described under subclause (I), the Indian tribe or tribal organization may submit to the Secretary such additional information as may be relevant to making the determination under clause (i) and the Secretary may consider such information before making such determination.

"(2) GRANTS FOR INDIAN TRIBES THAT RECEIVED JOBS FUNDS.—

"(A) IN GENERAL.—The Secretary shall pay to each eligible Indian tribe for each of fiscal years 1996, 1997, 1998, 1999, and 2000 a grant in an amount equal to the amount received by the Indian tribe in fiscal year 1994 under section 482(i) (as in effect during fiscal year 1994).

"(B) ELIGIBLE INDIAN TRIBE.—For purposes of subparagraph (A), the term 'eligible Indian tribe' means an Indian tribe or Alaska Native organization that conducted a job opportunities and basic skills training program in fiscal year 1995 under section 482(i) (as in effect during fiscal year 1995).

"(C) USE OF GRANT.—Each Indian tribe to which a grant is made under this paragraph shall use the grant for the purpose of operating a program to make work activities available to members of the Indian tribe.

"(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $7,638,474 for each fiscal year specified in subparagraph (A) for grants under subparagraph (A).

"(b) 3-YEAR TRIBAL FAMILY ASSISTANCE PLAN.—

"(1) IN GENERAL.—Any Indian tribe that desires to receive a tribal family assistance grant shall submit to the Secretary a 3-year tribal family assistance plan that—

"(A) outlines the Indian tribe's approach to providing welfare-related services for the 3-year period, consistent with this section;

"(B) specifies whether the welfare-related services provided under the plan will be provided by the Indian tribe or through agreements, contracts, or compacts with intertribal consortia, States, or other entities;

"(C) identifies the population and service area or areas to be served by such plan;

"(D) provides that a family receiving assistance under the plan may not receive duplicative assistance from other State or tribal programs funded under this part;

"(E) identifies the employment opportunities in or near the service area or areas of the Indian tribe and the manner in which the Indian tribe will cooperate and participate in enhancing such opportunities for recipients of assistance under the plan consistent with any applicable State standards; and

"(F) applies the fiscal accountability provisions of section 5(f)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c(f)(1)), relating to the submission of a single-agency audit report required by chapter 75 of title 31, United States Code.

"(2) APPROVAL.—The Secretary shall approve each tribal family assistance plan submitted in accordance with paragraph (1).

"(3) CONSORTIUM OF TRIBES.—Nothing in this section shall preclude the development and submission of a single tribal family assistance plan by the participating Indian tribes of an intertribal consortium.

"(c) MINIMUM WORK PARTICIPATION REQUIREMENTS AND TIME LIMITS.—The Secretary, with the participation of Indian tribes, shall establish for each Indian tribe receiving a grant under this section minimum work participation requirements, appropriate time limits for receipt of welfare-related services under the grant, and penalties against individuals—

"(1) consistent with the purposes of this section;

"(2) consistent with the economic conditions and resources available to each tribe; and

"(3) similar to comparable provisions in section 407(d).

"(d) EMERGENCY ASSISTANCE.—Nothing in this section shall preclude an Indian tribe from seeking emergency assistance from any Federal loan program or emergency fund.

"(e) ACCOUNTABILITY.—Nothing in this section shall be construed to limit the ability of the Secretary to maintain program funding accountability consistent with—

"(1) generally accepted accounting principles; and

"(2) the requirements of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

"(f) PENALTIES.—Subsections (a)(4), (b), and (e) of section 409 shall apply to an Indian tribe with an approved tribal assistance plan in the same manner as such subsections apply to a State.

"(g) DATA COLLECTION AND REPORTING.—Section 411 shall apply to an Indian tribe with an approved tribal family assistance plan.

"(h) SPECIAL RULE FOR INDIAN TRIBES IN ALASKA.—

"(1) IN GENERAL.—Notwithstanding any other provision of this section, and except as provided in paragraph (2), an Indian tribe in the State of Alaska that receives a tribal family assistance grant under this section shall use the grant to operate a program in accordance with requirements comparable to the requirements applicable to the program of the State of Alaska funded under this part. Comparability of programs shall be established on the basis of program criteria developed by the Secretary in consultation with the State of Alaska and such Indian tribes.

"(2) WAIVER.—An Indian tribe described in paragraph (1) may apply to the appropriate State authority to receive a waiver of the requirement of paragraph (1).

"SEC. 413. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

"(a) RESEARCH.—The Secretary shall conduct research on the benefits, effects, and costs of operating different State programs funded under this part, including time limits relating to eligibility for assistance. The research shall include studies on the effects of different programs and the operation of such programs on welfare dependency, illegitimacy, teen pregnancy, employment rates, child well-being, and any other area the Secretary deems appropriate. The Secretary shall also conduct research on the costs and benefits of State activities under section 409.

"(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO REDUCING WELFARE DEPENDENCY AND INCREASING CHILD WELL-BEING.—

"(1) IN GENERAL.—The Secretary may assist States in developing, and shall evaluate, innovative approaches for reducing welfare dependency and increasing the well-being of minor children living at home with respect to recipients of assistance under programs funded under this part. The Secretary may provide funds for training and technical assistance to carry out the approaches developed pursuant to this paragraph.

"(2) EVALUATIONS.—In performing the evaluations under paragraph (1), the Secretary shall, to the maximum extent feasible, use random assignment as an evaluation methodology.

"(c) DISSEMINATION OF INFORMATION.—The Secretary shall develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this section, including the facilitation of the sharing of information and best practices among States and localities through the use of computers and other technologies.

"(d) ANNUAL RANKING OF STATES AND REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—

"(1) ANNUAL RANKING OF STATES.—The Secretary shall rank annually the States to which grants are paid under section 403 in the order of their success in placing recipients of assistance under the State program funded under this part into long-term private sector jobs, reducing the overall welfare caseload, and, when a practicable method for calculating this information becomes available, diverting individuals from formally applying to the State program and receiving assistance. In ranking States under this subsection, the Secretary shall take into account the average number of minor children living at home in families in the State that have incomes below the poverty line and the amount of funding provided each State for such families.

"(2) ANNUAL REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—The Secretary shall review the programs of the 3 States most recently ranked highest under paragraph (1) and the 3 States most recently ranked lowest under paragraph (1) that provide parents with work experience, assistance in finding employment, and other work preparation activities and support services to enable the families of such parents to leave the program and become self-sufficient.

"(e) ANNUAL RANKING OF STATES AND REVIEW OF ISSUES RELATING TO OUT-OF-WEDLOCK BIRTHS.—

"(1) ANNUAL RANKING OF STATES.—

"(A) IN GENERAL.—The Secretary shall annually rank States to which grants are made under section 403 based on the following ranking factors:

"(i) ABSOLUTE OUT-OF-WEDLOCK RATIOS.—The ratio represented by—

"(I) the total number of out-of-wedlock births in families receiving assistance under the State program under this part in the State for the most recent fiscal year for which information is available; over

"(II) the total number of births in families receiving assistance under the State program under this part in the State for such year.

"(ii) NET CHANGES IN THE OUT-OF-WEDLOCK RATIO.—The difference between the ratio described in subparagraph (A)(i) with respect to a State for the most recent fiscal year for which such information is available and the ratio with respect to the State for the immediately preceding year.

"(2) ANNUAL REVIEW.—The Secretary shall review the programs of the 5 States most recently ranked highest under paragraph (1) and the 5 States most recently ranked the lowest under paragraph (1).

"(f) STATE-INITIATED EVALUATIONS.—A State shall be eligible to receive funding to evaluate the State program funded under this part if—

"(1) the State submits a proposal to the Secretary for the evaluation;

"(2) the Secretary determines that the design and approach of the evaluation is rigorous and is likely to yield information that is credible and will be useful to other States; and

"(3) unless otherwise waived by the Secretary, the State contributes to the cost of the evaluation, from non-Federal sources, an amount equal to at least 10 percent of the cost of the evaluation.

"(g) FUNDING OF STUDIES AND DEMONSTRATIONS.—

"(1) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $15,000,000 for each fiscal year specified in section 403(a)(1) for the purpose of paying—

"(A) the cost of conducting the research described in subsection (a);

"(B) the cost of developing and evaluating innovative approaches for reducing welfare dependency and increasing the well-being of minor children under subsection (b);

"(C) the Federal share of any State-initiated study approved under subsection (f); and

"(D) an amount determined by the Secretary to be necessary to operate and evaluate demonstration projects, relating to this part, that are in effect or approved under section 1115 as of September 30, 1995, and are continued after such date.

"(2) ALLOCATION.—Of the amount appropriated under paragraph (1) for a fiscal year—

"(A) 50 percent shall be allocated for the purposes described in subparagraphs (A) and (B) of paragraph (1), and

"(B) 50 percent shall be allocated for the purposes described in subparagraphs (C) and (D) of paragraph (1).

"SEC. 414. STUDY BY THE CENSUS BUREAU.

"(a) IN GENERAL.—The Bureau of the Census shall expand the Survey of Income and Program Participation as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by title I of the Bipartisan Welfare Reform Act of 1996 on a random national sample of recipients of assistance under State programs funded under this part and (as appropriate) other low income families, and in doing so, shall pay particular attention to the issues of out-of-wedlock birth, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

"(b) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $10,000,000 for each of fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002 for payment to the Bureau of the Census to carry out subsection (a).

"SEC. 415. WAIVERS.

"(a) CONTINUATION OF WAIVERS.—

"(1) WAIVERS IN EFFECT ON DATE OF ENACTMENT OF WELFARE REFORM.—Except as provided in paragraph (3), if any waiver granted to a State under section 1115 or otherwise which relates to the provision of assistance under a State plan under this part (as in effect on September 30, 1995) is in effect as of the date of the enactment of the Bipartisan Welfare Reform Act of 1996, the amendments made by such Act shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent such amendments are inconsistent with the waiver.

"(2) WAIVERS GRANTED SUBSEQUENTLY.—Except as provided in paragraph (3), if any waiver granted to a State under section 1115 or otherwise which relates to the provision of assistance under a State plan under this part (as in effect on September 30, 1995) is submitted to the Secretary before the date of the enactment of the Bipartisan Welfare Reform Act of 1996 and approved by the Secretary before the effective date of this title, and the State demonstrates to the satisfaction of the Secretary that the waiver will not result in Federal expenditures under title IV of this Act (as in effect without regard to the amendments made by the Bipartisan Welfare Reform Act of 1996) that are greater than would occur in the absence of the waiver, such amendments shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent such amendments are inconsistent with the waiver.

"(3) FINANCING LIMITATION.—Notwithstanding any other provision of law, beginning with fiscal year 1996, a State operating under a waiver described in paragraph (1) shall be entitled to payment under section 403 for the fiscal year, in lieu of any other payment provided for in the waiver.

"(b) STATE OPTION TO TERMINATE WAIVER.—

"(1) IN GENERAL.—A State may terminate a waiver described in subsection (a) before the expiration of the waiver.

"(2) REPORT.—A State which terminates a waiver under paragraph (1) shall submit a report to the Secretary summarizing the waiver and any available information concerning the result or effect of the waiver.

"(3) HOLD HARMLESS PROVISION.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, a State that, not later than the date described in subparagraph (B), submits a written request to terminate a waiver described in subsection (a) shall be held harmless for accrued cost neutrality liabilities incurred under the waiver.

"(B) DATE DESCRIBED.—The date described in this subparagraph is the later of—

"(i) January 1, 1996; or

"(ii) 90 days following the adjournment of the first regular session of the State legislature that begins after the date of the enactment of the Bipartisan Welfare Reform Act of 1996.

"(c) SECRETARIAL ENCOURAGEMENT OF CURRENT WAIVERS.—The Secretary shall encourage any State operating a waiver described in subsection (a) to continue the waiver and to evaluate, using random sampling and other characteristics of accepted scientific evaluations, the result or effect of the waiver.

"(d) CONTINUATION OF INDIVIDUAL WAIVERS.—A State may elect to continue 1 or more individual waivers described in subsection (a).

"SEC. 416. ASSISTANT SECRETARY FOR FAMILY SUPPORT.

"The programs under this part and part D shall be administered by an Assistant Secretary for Family Support within the Department of Health and Human Services, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be in addition to any other Assistant Secretary of Health and Human Services provided for by law.

"SEC. 417. DEFINITIONS.

"As used in this part:

"(1) ADULT.—The term 'adult' means an individual who is not a minor child.

"(2) MINOR CHILD.—The term 'minor child' means an individual who—

"(A) has not attained 18 years of age; or

"(B) has not attained 19 years of age and is a full-time student in a secondary school (or in the equivalent level of vocational or technical training).

"(3) FISCAL YEAR.—The term 'fiscal year' means any 12-month period ending on September 30 of a calendar year.

"(4) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the terms 'Indian', 'Indian tribe', and 'tribal organization' have the meaning given such terms by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(B) SPECIAL RULE FOR INDIAN TRIBES IN ALASKA.—The term 'Indian tribe' means, with respect to the State of Alaska, only the Metlakatla Indian Community of the Annette Islands Reserve and the following Alaska Native regional nonprofit corporations:

"(i) Arctic Slope Native Association.

"(ii) Kawerak, Inc.

"(iii) Maniilaq Association.

"(iv) Association of Village Council Presidents.

"(v) Tanana Chiefs Conference.

"(vi) Cook Inlet Tribal Council.

"(vii) Bristol Bay Native Association.

"(viii) Aleutian and Pribilof Island Association.

"(ix) Chugachmuit.

"(x) Tlingit Haida Central Council.

"(xi) Kodiak Area Native Association.

"(xii) Copper River Native Association.

"(5) STATE.—Except as otherwise specifically provided, the term 'State' means the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.".

SEC. 104. SERVICES PROVIDED BY CHARITABLE, RELIGIOUS, OR PRIVATE ORGANIZATIONS.

(a) IN GENERAL.—

(1) STATE OPTIONS.—A State may—

(A) administer and provide services under the programs described in subparagraphs (A) and (B)(i) of paragraph (2) through contracts with charitable, religious, or private organizations; and

(B) provide beneficiaries of assistance under the programs described in subparagraphs (A) and (B)(ii) of paragraph (2) with certificates, vouchers, or other forms of disbursement which are redeemable with such organizations.

(2) PROGRAMS DESCRIBED.—The programs described in this paragraph are the following programs:

(A) A State program funded under part A of title IV of the Social Security Act (as amended by section 103 of this Act).

(B) Any other program established or modified under title I, II, or VI of this Act, that—

(i) permits contracts with organizations; or

(ii) permits certificates, vouchers, or other forms of disbursement to be provided to beneficiaries, as a means of providing assistance.

(b) RELIGIOUS ORGANIZATIONS.—The purpose of this section is to allow States to contract with religious organizations, or to allow religious organizations to accept certificates, vouchers, or other forms of disbursement under any program described in subsection (a)(2), on the same basis as any other nongovernmental provider without impairing the religious character of such organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under such program.

(c) NONDISCRIMINATION AGAINST RELIGIOUS ORGANIZATIONS.—In the event a State exercises its authority under subsection (a), religious organizations are eligible, on the same basis as any other private organization, as contractors to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, under any program described in subsection (a)(2) so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution. Except as provided in subsection (k), neither the Federal Government nor a State receiving funds under such programs shall discriminate against an organization which is or applies to be a contractor to provide assistance, or which accepts certificates, vouchers, or other forms of disbursement, on the basis that the organization has a religious character.

(d) RELIGIOUS CHARACTER AND FREEDOM.—

(1) RELIGIOUS ORGANIZATIONS.—A religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), shall retain its independence from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State shall require a religious organization to—

(A) alter its form of internal governance; or

(B) remove religious art, icons, scripture, or other symbols;

in order to be eligible to contract to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, funded under a program described in subsection (a)(2).

(e) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

(1) IN GENERAL.—If an individual described in paragraph (2) has an objection to the religious character of the organization or institution from which the individual receives, or would receive, assistance funded under any program described in subsection (a)(2), the State in which the individual resides shall provide such individual (if otherwise eligible for such assistance) within a reasonable period of time after the date of such objection with assistance from an alternative provider that is accessible to the individual and the value of which is not less than the value of the assistance which the individual would have received from such organization.

(2) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual

who receives, applies for, or requests to apply for, assistance under a program described in subsection (a)(2).

(f) EMPLOYMENT PRACTICES.—A religious organization's exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–1a) regarding employment practices shall not be affected by its participation in, or receipt of funds from, programs described in subsection (a)(2).

(g) NONDISCRIMINATION AGAINST BENEFICIARIES.—Except as otherwise provided in law, a religious organization shall not discriminate against an individual in regard to rendering assistance funded under any program described in subsection (a)(2) on the basis of religion, a religious belief, or refusal to actively participate in a religious practice.

(h) FISCAL ACCOUNTABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), any religious organization contracting to provide assistance funded under any program described in subsection (a)(2) shall be subject to the same regulations as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under such programs.

(2) LIMITED AUDIT.—If such organization segregates Federal funds provided under such programs into separate accounts, then only the financial assistance provided with such funds shall be subject to audit.

(i) COMPLIANCE.—Any party which seeks to enforce its rights under this section may assert a civil action for injunctive relief exclusively in an appropriate State court against the entity or agency that allegedly commits such violation.

(j) LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.—No funds provided directly to institutions or organizations to provide services and administer programs under subsection (a)(1)(A) shall be expended for sectarian worship, instruction, or proselytization.

(k) PREEMPTION.—Nothing in this section shall be construed to preempt any provision of a State constitution or State statute that prohibits or restricts the expenditure of State funds in or by religious organizations.

SEC. 105. CENSUS DATA ON GRANDPARENTS AS PRIMARY CAREGIVERS FOR THEIR GRANDCHILDREN.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Commerce, in carrying out section 141 of title 13, United States Code, shall expand the data collection efforts of the Bureau of the Census (in this section referred to as the "Bureau") to enable the Bureau to collect statistically significant data, in connection with its decennial census and its mid-decade census, concerning the growing trend of grandparents who are the primary caregivers for their grandchildren.

(b) EXPANDED CENSUS QUESTION.—In carrying out subsection (a), the Secretary of Commerce shall expand the Bureau's census question that details households which include both grandparents and their grandchildren. The expanded question shall be formulated to distinguish between the following households:

(1) A household in which a grandparent temporarily provides a home for a grandchild for a period of weeks or months during periods of parental distress.

(2) A household in which a grandparent provides a home for a grandchild and serves as the primary caregiver for the grandchild.

SEC. 106. REPORT ON DATA PROCESSING.

(a) IN GENERAL.—Within 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Congress a report on—

(1) the status of the automated data processing systems operated by the States to assist management in the administration of State programs under part A of title IV of the Social Security Act (whether in effect before or after October 1, 1995); and

(2) what would be required to establish a system capable of—

(A) tracking participants in public programs over time; and

(B) checking case records of the States to determine whether individuals are participating in public programs of 2 or more States.

(b) PREFERRED CONTENTS.—The report required by subsection (a) should include—

(1) a plan for building on the automated data processing systems of the States to establish a system with the capabilities described in subsection (a)(2); and

(2) an estimate of the amount of time required to establish such a system and of the cost of establishing such a system.

SEC. 107. STUDY ON ALTERNATIVE OUTCOMES MEASURES.

(a) STUDY.—The Secretary shall, in cooperation with the States, study and analyze outcomes measures for evaluating the success of the States in moving individuals out of the welfare system through employment as an alternative to the minimum participation rates described in section 407 of the Social Security Act. The study shall include a determination as to whether such alternative outcomes measures should be applied on a national or a State-by-State basis and a preliminary assessment of the effects of section 409(a)(5)(C) of such Act.

(b) REPORT.—Not later than September 30, 1998, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report containing the findings of the study required by subsection (a).

SEC. 108. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT.

(a) AMENDMENTS TO TITLE II.—

(1) Section 205(c)(2)(C)(vi) (42 U.S.C. 405(c)(2)(C)(vi)), as so redesignated by section 321(a)(9)(B) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(A) by inserting "an agency administering a program funded under part A of title IV or" before "an agency operating"; and

(B) by striking "A or D of title IV of this Act" and inserting "D of such title".

(2) Section 228(d)(1) (42 U.S.C. 428(d)(1)) is amended by inserting "under a State program funded under" before "part A of title IV".

(b) AMENDMENT TO PART B OF TITLE IV.—Section 422(b)(2) (42 U.S.C. 622(b)(2)) is amended by striking "under the State plan approved" and inserting "under the State program funded.".

(c) AMENDMENTS TO PART D OF TITLE IV.—

(1) Section 451 (42 U.S.C. 651) is amended by striking "aid" and inserting "assistance under a State program funded".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A";

(B) by striking "such aid" and inserting "such assistance"; and

(C) by striking "under section 402(a)(26) or" and inserting "pursuant to section 408(a)(4) or under section".

(3) Section 452(a)(10)(F) (42 U.S.C. 652(a)(10)(F)) is amended—

(A) by striking "aid under a State plan approved" and inserting "assistance under a State program funded"; and

(B) by striking "in accordance with the standards referred to in section 402(a)(26)(B)(ii)" and inserting "by the State".

(4) Section 452(b) (42 U.S.C. 652(b)) is amended in the first sentence by striking "aid under the State plan approved under part A" and inserting "assistance under the State program funded under part A".

(5) Section 452(d)(3)(B)(i) (42 U.S.C. 652(d)(3)(B)(i)) is amended by striking "1115(c)" and inserting "1115(b)".

(6) Section 452(g)(2)(A)(ii)(I) (42 U.S.C. 652(g)(2)(A)(ii)(I)) is amended by striking "aid is being paid under the State's plan approved under part A or E" and inserting "assistance is being provided under the State program funded under part A".

(7) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter following clause (iii) by striking "aid was being paid under the State's plan approved under part A or E" and inserting "assistance was being provided under the State program funded under part A".

(8) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended in the matter following subparagraph (B)—

(A) by striking "who is a dependent child" and inserting "with respect to whom assistance is being provided under the State program funded under part A";

(B) by inserting "by the State agency administering the State plan approved under this part" after "found"; and

(C) by striking "under section 402(a)(26)" and inserting "with the State in establishing paternity".

(9) Section 452(h) (42 U.S.C. 652(h)) is amended by striking "under section 402(a)(26)" and inserting "pursuant to section 408(a)(4)".

(10) Section 453(c)(3) (42 U.S.C. 653(c)(3)) is amended by striking "aid under part A of this title" and inserting "assistance under a State program funded under part A".

(11) Section 454(5)(A) (42 U.S.C. 654(5)(A)) is amended—

(A) by striking "under section 402(a)(26)" and inserting "pursuant to section 408(a)(4)"; and

(B) by striking "; except that this paragraph shall not apply to such payments for any month following the first month in which the amount collected is sufficient to make such family ineligible for assistance under the State plan approved under part A;" and inserting a comma.

(12) Section 454(6)(D) (42 U.S.C. 654(6)(D)) is amended by striking "aid under a State plan approved" and inserting "assistance under a State program funded".

(13) Section 456(a)(1) (42 U.S.C. 656(a)(1)) is amended by striking "under section 402(a)(26)".

(14) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "402(a)(26)" and inserting "408(a)(4)".

(15) Section 466(b)(2) (42 U.S.C. 666(b)(2)) is amended by striking "aid" and inserting "assistance under a State program funded".

(16) Section 469(a) (42 U.S.C. 669(a)) is amended—

(A) by striking "aid under plans approved" and inserting "assistance under State programs funded"; and

(B) by striking "such aid" and inserting "such assistance".

(d) AMENDMENTS TO PART E OF TITLE IV.—

(1) Section 470 (42 U.S.C. 670) is amended—

(A) by striking "would be" and inserting "would have been"; and

(B) by inserting "(as such plan was in effect on March 1, 1996)" after "part A".

(2) Section 471(17) (42 U.S.C. 671(17)) is amended by striking "plans approved under parts A and D" and inserting "program funded under part A and plan approved under part D".

(3) Section 472(a) (42 U.S.C. 672(a)) is amended—

(A) in the matter preceding paragraph (1)—

(i) by striking "would meet" and inserting "would have met";

(ii) by inserting "(as such sections were in effect on June 1, 1995)" after "407"; and

(iii) by inserting "(as so in effect)" after "406(a)"; and

(B) in paragraph (4)—

(i) in subparagraph (A)—

(I) by inserting "would have" after "(A)"; and

(II) by inserting "(as in effect on June 1, 1995)" after "section 402"; and

(ii) in subparagraph (B)(ii), by inserting "(as in effect on June 1, 1995)" after "406(a)".

(4) Section 472(h) (42 U.S.C. 672(h)) is amended to read as follows:

"(h)(1) For purposes of title XIX, any child with respect to whom foster care maintenance payments are made under this section shall be deemed to be a dependent child as defined in section 406 (as in effect as of June 1, 1995) and shall be deemed to be a recipient of aid to families with dependent children under part A of this title (as so in effect). For purposes of title XX, any child with respect to whom foster care maintenance payments are made under this section shall be deemed to be a minor child in a needy family under a State program funded under part A and shall be deemed to be a recipient of assistance under such part.

"(2) For purposes of paragraph (1), a child whose costs in a foster family home or child care institution are covered by the foster care maintenance payments being made with respect to the child's minor parent, as provided in section 475(4)(B), shall be considered a child with respect to whom foster care maintenance payments are made under this section.".

(5) Section 473(a)(2) (42 U.S.C. 673(a)(2)) is amended—

(A) in subparagraph (A)(i)—

(i) by inserting "(as such sections were in effect on June 1, 1995)" after "407";

(ii) by inserting "(as so in effect)" after "specified in section 406(a)"; and

(iii) by inserting "(as such section was in effect on June 1, 1995)" after "403";

(B) in subparagraph (B)(i)—

(i) by inserting "would have" after "(B)(i)"; and

(ii) by inserting "(as in effect on June 1, 1995)" after "section 402"; and

(C) in subparagraph (B)(ii)(II), by inserting "(as in effect on June 1, 1995)" after "406(a)".

(6) Section 473(b) (42 U.S.C. 673(b)) is amended to read as follows:

"(b)(1) For purposes of title XIX, any child who is described in paragraph (3) shall be deemed to be a dependent child as defined in section 406 (as in effect as of June 1, 1995) and shall be deemed to be a recipient of aid to families with dependent children under part A of this title (as so in effect) in the State where such child resides.

"(2) For purposes of title XX, any child who is described in paragraph (3) shall be deemed to be a minor child in a needy family under a State program funded under part A and shall be deemed to be a recipient of assistance under such part.

"(3) A child described in this paragraph is any child—

"(A)(i) who is a child described in subsection (a)(2), and

"(ii) with respect to whom an adoption assistance agreement is in effect under this section (whether or nor adoption assistance payments are provided under the agreement or are being made under this section), including any such child who has been placed for adoption in accordance with applicable State and local law (whether or not an interlocutory or other judicial decree of adoption has been issued), or

"(B) with respect to whom foster care maintenance payments are being made under section 472.

"(4) For purposes of paragraphs (1) and (2), a child whose costs in a foster family home or child-care institution are covered by the foster care maintenance payments being made with respect to the child's minor parent, as provided in section 475(4)(B), shall be considered a child with respect to whom foster care maintenance payments are being made under section 472.".

(e) REPEAL OF PART F OF TITLE IV.—Part F of title IV (42 U.S.C. 681–687) is repealed.

(f) AMENDMENT TO TITLE X.—Section 1002(a)(7) (42 U.S.C. 1202(a)(7)) is amended by striking "aid to families with dependent children under the State plan approved under section 402 of this Act" and inserting "assistance under a State program funded under part A of title IV".

(g) AMENDMENTS TO TITLE XI.—

(1) Section 1108 (42 U.S.C. 1308) is amended—

(A) by redesignating subsection (c) as subsection (g);

(B) by striking all that precedes subsection (c) and inserting the following:

"SEC. 1108. ADDITIONAL GRANTS TO PUERTO RICO, THE VIRGIN ISLANDS, GUAM, AND AMERICAN SAMOA; LIMITATION ON TOTAL PAYMENTS.

"(a) LIMITATION ON TOTAL PAYMENTS TO EACH TERRITORY.—Notwithstanding any other provision of this Act, the total amount certified by the Secretary of Health and Human Services under titles I, X, XIV, and XVI, under parts A and B of title IV, and under subsection (b) of this section, for payment to any territory for a fiscal year shall not exceed the ceiling amount for the territory for the fiscal year.

"(b) ENTITLEMENT TO MATCHING GRANT.—

"(1) IN GENERAL.—Each territory shall be entitled to receive from the Secretary for each fiscal year a grant in an amount equal to 75 percent of the amount (if any) by which—

"(A) the total expenditures of the territory during the fiscal year under the territory programs funded under parts A and B of title IV; exceeds

"(B) the sum of—

"(i) the total amount required to be paid to the territory (other than with respect to child care) under former section 403 (as in effect on September 30, 1995) for fiscal year 1995, which shall be determined by applying subparagraphs (C) and (D) of section 403(a)(1) to the territory;

"(ii) the total amount required to be paid to the territory under former section 434 (as so in effect) for fiscal year 1995; and

"(iii) the total amount expended by the territory during fiscal year 1995 pursuant to parts A, B, and F of title IV (as so in effect), other than for child care.

"(2) USE OF GRANT.—Any territory to which a grant is made under paragraph (1) may expend the amount under any program operated or funded under any provision of law specified in subsection (a).

"(c) DEFINITIONS.—As used in this section:

"(1) TERRITORY.—The term 'territory' means Puerto Rico, the Virgin Islands, Guam, and American Samoa.

"(2) CEILING AMOUNT.—The term 'ceiling amount' means, with respect to a territory and a fiscal year, the mandatory ceiling amount with respect to the territory plus the discretionary ceiling amount with respect to the territory, reduced for the fiscal year in accordance with subsection (f).

"(3) MANDATORY CEILING AMOUNT.—The term 'mandatory ceiling amount' means—

"(A) $105,538,000 with respect to Puerto Rico;

"(B) $4,902,000 with respect to Guam;

"(C) $3,742,000 with respect to the Virgin Islands; and

"(D) $1,122,000 with respect to American Samoa.

"(4) DISCRETIONARY CEILING AMOUNT.—The term 'discretionary ceiling amount' means, with respect to a territory and a fiscal year, the total amount appropriated pursuant to subsection (d)(3) for the fiscal year for payment to the territory.

"(5) TOTAL AMOUNT EXPENDED BY THE TERRITORY.—The term 'total amount expended by the territory'—

"(A) does not include expenditures during the fiscal year from amounts made available by the Federal Government; and

"(B) when used with respect to fiscal year 1995, also does not include—

"(i) expenditures during fiscal year 1995 under subsection (g) or (i) of section 402 (as in effect on September 30, 1995); or

"(ii) any expenditures during fiscal year 1995 for which the territory (but for section 1108, as in effect on September 30, 1995) would have received reimbursement from the Federal Government.

"(d) DISCRETIONARY GRANTS.—

"(1) IN GENERAL.—The Secretary shall make a grant to each territory for any fiscal year in the amount appropriated pursuant to paragraph (3) for the fiscal year for payment to the territory.

"(2) USE OF GRANT.—Any territory to which a grant is made under paragraph (1) may expend the amount under any program operated or funded under any provision of law specified in subsection (a).

"(3) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—For grants under paragraph (1), there are authorized to be appropriated to the Secretary for each fiscal year—

"(A) $7,951,000 for payment to Puerto Rico;

"(B) $345,000 for payment to Guam;

"(C) $275,000 for payment to the Virgin Islands; and

"(D) $190,000 for payment to American Samoa.

"(e) AUTHORITY TO TRANSFER FUNDS AMONG PROGRAMS.—Notwithstanding any other provision of this Act, any territory to which an amount is paid under any provision of law specified in subsection (a) may use part or all of the amount to carry out any program operated by the territory, or funded, under any other such provision of law.

"(f) MAINTENANCE OF EFFORT.—The ceiling amount with respect to a territory shall be reduced for a fiscal year by an amount equal to the amount (if any) by which—

"(1) the total amount expended by the territory under all programs of the territory operated pursuant to the provisions of law specified in subsection (a) (as such provisions were in effect for fiscal year 1995) for fiscal year 1995; exceeds

"(2) the total amount expended by the territory under all programs of the territory that are funded under the provisions of law specified in subsection (a) for the fiscal year that immediately precedes the fiscal year referred to in the matter preceding paragraph (1)."; and

(C) by striking subsections (d) and (e).

(2) Section 1109 (42 U.S.C. 1309) is amended by striking "or part A of title IV,".

(3) Section 1115 (42 U.S.C. 1315) is amended—

(A) in subsection (a)(2)—

(i) by inserting "(A)" after "(2)";

(ii) by striking "403,";

(iii) by striking the period at the end and inserting ", and"; and

(iv) by adding at the end the following new subparagraph:

"(B) costs of such project which would not otherwise be a permissible use of funds under part A of title IV and which are not included as part of the costs of projects under section 1110, shall to the extent and for the period prescribed by the Secretary, be regarded as a permissible use of funds under such part."; and

(B) in subsection (c)(3), by striking "under the program of aid to families with dependent children" and inserting "part A of such title".

(4) Section 1116 (42 U.S.C. 1316) is amended—

(A) in each of subsections (a)(1), (b), and (d), by striking "or part A of title IV,"; and

(B) in subsection (a)(3), by striking "404,".

(5) Section 1118 (42 U.S.C. 1318) is amended—

(A) by striking "403(a),";

(B) by striking "and part A of title IV,"; and

(C) by striking ", and shall, in the case of American Samoa, mean 75 per centum with respect to part A of title IV".

(6) Section 1119 (42 U.S.C. 1319) is amended—

(A) by striking "or part A of title IV"; and

(B) by striking "403(a),".

(7) Section 1133(a) (42 U.S.C. 1320b–3(a)) is amended by striking "or part A of title IV,".

(8) Section 1136 (42 U.S.C. 1320b–6) is repealed.

(9) Section 1137 (42 U.S.C. 1320b–7) is amended—

(A) in subsection (b), by striking paragraph (1) and inserting the following:

"(1) any State program funded under part A of title IV of this Act;"; and

(B) in subsection (d)(1)(B)—

(i) by striking "In this subsection—" and all that follows through "(ii) in" and inserting "In this subsection, in";

(ii) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii); and

(iii) by moving such redesignated material 2 ems to the left.

(h) AMENDMENT TO TITLE XIV.—Section 1402(a)(7) (42 U.S.C. 1352(a)(7)) is amended by striking "aid to families with dependent children under the State plan approved under section 402 of this Act" and inserting "assistance under a State program funded under part A of title IV".

(i) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE TERRITORIES.—Section 1602(a)(11), as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972 (42 U.S.C. 1382 note), is amended by striking "aid under the State plan approved" and inserting "assistance under a State program funded".

(j) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE STATES.—Section 1611(c)(5)(A) (42 U.S.C. 1382(c)(5)(A)) is amended to read as follows: "(A) a State program funded under part A of title IV,".

(k) AMENDMENT TO TITLE XIX.—Section 1902(j) (42 U.S.C. 1396a(j)) is amended by striking "1108(c)" and inserting "1108(g)".

SEC. 109. CONFORMING AMENDMENTS TO THE FOOD STAMP ACT OF 1977 AND RELATED PROVISIONS.

(a) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in the second sentence of subsection (a), by striking "plan approved" and all that follows through "title IV of the Social Security Act" and inserting "program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)";

(2) in subsection (d)—

(A) in paragraph (5), by striking "assistance to families with dependent children" and inserting "assistance under a State program funded"; and

(B) by striking paragraph (13) and redesignating paragraphs (14), (15), and (16) as paragraphs (13), (14), and (15), respectively;

(3) in subsection (j), by striking "plan approved under part A of title IV of such Act (42 U.S.C. 601 et seq.)" and inserting "program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.)"; and

(4) by striking subsection (m).

(b) Section 6 of such Act (7 U.S.C. 2015) is amended—

(1) in subsection (c)(5), by striking "the State plan approved" and inserting "the State program funded"; and

(2) in subsection (e)(6), by striking "aid to families with dependent children" and inserting "benefits under a State program funded".

(c) Section 16(g)(4) of such Act (7 U.S.C. 2025(g)(4)) is amended by striking "State plans under the Aid to Families with Dependent Children Program under" and inserting "State programs funded under part A of".

(d) Section 17 of such Act (7 U.S.C. 2026) is amended—

(1) in the first sentence of subsection (b)(1)(A), by striking "to aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "or are receiving assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)"; and

(2) in subsection (b)(3), by adding at the end the following new subparagraph:

"(I) The Secretary may not grant a waiver under this paragraph on or after October 1, 1995. Any reference in this paragraph to a provision of title IV of the Social Security Act shall be deemed to be a reference to such provision as in effect on September 30, 1995.";

(e) Section 20 of such Act (7 U.S.C. 2029) is amended—

(1) in subsection (a)(2)(B) by striking "operating—" and all that follows through "(ii) any other" and inserting "operating any"; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking "(b)(1) A household" and inserting "(b) A household"; and

(ii) in subparagraph (B), by striking "training program" and inserting "activity";

(B) by striking paragraph (2); and

(C) by redesignating subparagraphs (A) through (F) as paragraphs (1) through (6), respectively.

(f) Section 5(h)(1) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–186; 7 U.S.C. 612c note) is amended by striking "the program for aid to families with dependent children" and inserting "the State program funded".

(g) Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended—

(1) in subsection (b)—

(A) in paragraph (2)(C)(ii)(II)—

(i) by striking "program for aid to families with dependent children" and inserting "State program funded"; and

(ii) by inserting before the period at the end the following: "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on March 1, 1996"; and

(B) in paragraph (6)—

(i) in subparagraph (A)(ii)—

(I) by striking "an AFDC assistance unit (under the aid to families with dependent children program authorized" and inserting "a family (under the State program funded"; and

(II) by striking ", in a State" and all that follows through "9902(2)))" and inserting "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on March 1, 1996"; and

(ii) in subparagraph (B), by striking "aid to families with dependent children" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on March 1, 1996"; and

(2) in subsection (d)(2)(C)—

(A) by striking "program for aid to families with dependent children" and inserting "State program funded"; and

(B) by inserting before the period at the end the following: "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995".

(h) Section 17(d)(2)(A)(ii)(II) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(A)(ii)(II)) is amended—

(1) by striking "program for aid to families with dependent children established" and inserting "State program funded"; and

(2) by inserting before the semicolon the following: "that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995".

SEC. 110. CONFORMING AMENDMENTS TO OTHER LAWS.

(a) Subsection (b) of section 508 of the Unemployment Compensation Amendments of 1976 (42 U.S.C. 603a; Public Law 94–566; 90 Stat. 2689) is amended to read as follows:

"(b) PROVISION FOR REIMBURSEMENT OF EXPENSES.—For purposes of section 455 of the Social Security Act, expenses incurred to reimburse State employment offices for furnishing information requested of such offices—

"(1) pursuant to the third sentence of section 3(a) of the Act entitled 'An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes', approved June 6, 1933 (29 U.S.C. 49b(a)), or

"(2) by a State or local agency charged with the duty of carrying a State plan for child support approved under part D of title IV of the Social Security Act, shall be considered to constitute expenses incurred in the administration of such State plan.".

(b) Section 9121 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(c) Section 9122 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(d) Section 221 of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 602 note), relating to treatment under AFDC of certain rental payments for federally assisted housing, is repealed.

(e) Section 159 of the Tax Equity and Fiscal Responsibility Act of 1982 (42 U.S.C. 602 note) is repealed.

(f) Section 202(d) of the Social Security Amendments of 1967 (81 Stat. 882; 42 U.S.C. 602 note) is repealed.

(g) Section 903 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 11381 note), relating to demonstration projects to reduce number of AFDC families in welfare hotels, is amended—

(1) in subsection (a), by striking "aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded"; and

(2) in subsection (c), by striking "aid to families with dependent children in the State under a State plan approved" and inserting "assistance in the State under a State program funded".

(h) The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

(1) in section 404C(c)(3) (20 U.S.C. 1070a–23(c)(3)), by striking "(Aid to Families with Dependent Children)"; and

(2) in section 480(b)(2) (20 U.S.C. 1087vv(b)(2)), by striking "aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded".

(i) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) is amended—

(1) in section 231(d)(3)(A)(ii) (20 U.S.C. 2341(d)(3)(A)(ii)), by striking "the program for aid to dependent children" and inserting "the State program funded";

(2) in section 232(b)(2)(B) (20 U.S.C. 2341a(b)(2)(B)), by striking "the program for aid to families with dependent children" and inserting "the State program funded"; and

(3) in section 521(14)(B)(iii) (20 U.S.C. 2471(14)(B)(iii)), by striking "the program for aid to families with dependent children" and inserting "the State program funded".

(j) The Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.) is amended—

(1) in section 1113(a)(5) (20 U.S.C. 6313(a)(5)), by striking "Aid to Families with Dependent Children Program" and inserting "State program funded under part A of title IV of the Social Security Act";

(2) in section 1124(c)(5) (20 U.S.C. 6333(c)(5)), by striking "the program of aid to families with dependent children under a State plan approved under" and inserting "a State program funded under part A of"; and

(3) in section 5203(b)(2) (20 U.S.C. 7233(b)(2))—

(A) in subparagraph (A)(xi), by striking "Aid to Families with Dependent Children benefits" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act"; and

(B) in subparagraph (B)(viii), by striking "Aid to Families with Dependent Children" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act".

(k) Chapter VII of title I of Public Law 99–88 (25 U.S.C. 13d–1) is amended to read as follows: "*Provided further*, That general assistance payments made by the Bureau of Indian Affairs shall be made—

"(1) after April 29, 1985, and before October 1, 1995, on the basis of Aid to Families with Dependent Children (AFDC) standards of need; and

"(2) on and after October 1, 1995, on the basis of standards of need established under the State program funded under part A of title IV of the Social Security Act,

except that where a State ratably reduces its AFDC or State program payments, the Bureau shall reduce general assistance payments in such State by the same percentage as the State has reduced the AFDC or State program payment.".

(l) The Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.) is amended—

(1) in section 51(d)(9) (26 U.S.C. 51(d)(9)), by striking all that follows "agency as" and inserting "being eligible for financial assistance under part A of title IV of the Social Security Act and as having continually received such financial assistance during the 90-day period which immediately precedes the date on which such individual is hired by the employer.";

(2) in section 3304(a)(16) (26 U.S.C. 3304(a)(16)), by striking "eligibility for aid or services," and all that follows through "children approved" and inserting "eligibility for assistance, or the amount of such assistance, under a State program funded";

(3) in section 6103(l)(7)(D)(i) (26 U.S.C. 6103(l)(7)(D)(i)), by striking "aid to families with dependent children provided under a State plan approved" and inserting "a State program funded";

(4) in section 6103(l)(10) (26 U.S.C. 6103(l)(10))—

(A) by striking "(c) or (d)" each place it appears and inserting "(c), (d), or (e)"; and

(B) by adding at the end of subparagraph (B) the following new sentence: "Any return information disclosed with respect to section 6402(e) shall only be disclosed to officers and employees of the State agency requesting such information.";

(5) in section 6103(p)(4) (26 U.S.C. 6103(p)(4)), in the matter preceding subparagraph (A)—

(A) by striking "(5), (10)" and inserting "(5)"; and

(B) by striking "(9), or (12)" and inserting "(9), (10), or (12)";

(6) in section 6334(a)(11)(A) (26 U.S.C. 6334(a)(11)(A)), by striking "(relating to aid to families with dependent children)";

(7) in section 6402 (26 U.S.C. 6402)—

(A) in subsection (a), by striking "(c) and (d)" and inserting "(c), (d), and (e)";

(B) by redesignating subsections (e) through (i) as subsections (f) through (j), respectively; and

(C) by inserting after subsection (d) the following:

"(e) COLLECTION OF OVERPAYMENTS UNDER TITLE IV–A OF THE SOCIAL SECURITY ACT.—The amount of any overpayment to be refunded to the person making the overpayment shall be reduced (after reductions pursuant to subsections (c) and (d), but before a credit against future liability for an internal revenue tax) in accordance with section 405(e) of the Social Security Act (concerning recovery of overpayments to individuals under State plans approved under part A of title IV of such Act)."; and

(8) in section 7523(b)(3)(C) (26 U.S.C. 7523(b)(3)(C)), by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act".

(m) Section 3(b) of the Wagner-Peyser Act (29 U.S.C. 49b(b)) is amended by striking "State plan approved under part A of title IV" and inserting "State program funded under part A of title IV".

(n) The Job Training Partnership Act (29 U.S.C. 1501 et seq.) is amended—

(1) in section 4(29)(A)(i) (29 U.S.C. 1503(29)(A)(i)), by striking "(42 U.S.C. 601 et seq.)";

(2) in section 106(b)(6)(C) (29 U.S.C. 1516(b)(6)(C)), by striking "State aid to families with dependent children records," and inserting "records collected under the State program funded under part A of title IV of the Social Security Act,";

(3) in section 121(b)(2) (29 U.S.C. 1531(b)(2))—

(A) by striking "the JOBS program" and inserting "the work activities required under title IV of the Social Security Act"; and

(B) by striking the second sentence;

(4) in section 123(c) (29 U.S.C. 1533(c))—

(A) in paragraph (1)(E), by repealing clause (vi); and

(B) in paragraph (2)(D), by repealing clause (v);

(5) in section 203(b)(3) (29 U.S.C. 1603(b)(3)), by striking ", including recipients under the JOBS program";

(6) in subparagraphs (A) and (B) of section 204(a)(1) (29 U.S.C. 1604(a)(1) (A) and (B)), by striking "(such as the JOBS program)" each place it appears;

(7) in section 205(a) (29 U.S.C. 1605(a)), by striking paragraph (4) and inserting the following:

"(4) the portions of title IV of the Social Security Act relating to work activities;";

(8) in section 253 (29 U.S.C. 1632)—

(A) in subsection (b)(2), by repealing subparagraph (C); and

(B) in paragraphs (1)(B) and (2)(B) of subsection (c), by striking "the JOBS program or" each place it appears;

(9) in section 264 (29 U.S.C. 1644)—

(A) in subparagraphs (A) and (B) of subsection (b)(1), by striking "(such as the JOBS program)" each place it appears; and

(B) in subparagraphs (A) and (B) of subsection (d)(3), by striking "and the JOBS program" each place it appears;

(10) in section 265(b) (29 U.S.C. 1645(b)), by striking paragraph (6) and inserting the following:

"(6) the portion of title IV of the Social Security Act relating to work activities;";

(11) in the second sentence of section 429(e) (29 U.S.C. 1699(e)), by striking "and shall be in an amount that does not exceed the maximum amount that may be provided by the State pursuant to section 402(g)(1)(C) of the Social Security Act (42 U.S.C. 602(g)(1)(C))";

(12) in section 454(c) (29 U.S.C. 1734(c)), by striking "JOBS and";

(13) in section 455(b) (29 U.S.C. 1735(b)), by striking "the JOBS program,";

(14) in section 501(1) (29 U.S.C. 1791(1)), by striking "aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act";

(15) in section 506(1)(A) (29 U.S.C. 1791e(1)(A)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded";

(16) in section 508(a)(2)(A) (29 U.S.C. 1791g(a)(2)(A)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded"; and

(17) in section 701(b)(2)(A) (29 U.S.C. 1792(b)(2)(A))—

(A) in clause (v), by striking the semicolon and inserting "; and"; and

(B) by striking clause (vi).

(o) Section 3803(c)(2)(C)(iv) of title 31, United States Code, is amended to read as follows:

"(iv) assistance under a State program funded under part A of title IV of the Social Security Act".

(p) Section 2605(b)(2)(A)(i) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(b)(2)(A)(i)) is amended to read as follows:

"(i) assistance under the State program funded under part A of title IV of the Social Security Act;".

(q) Section 303(f)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note) is amended—

(1) by striking "(A)"; and

(2) by striking subparagraphs (B) and (C).

(r) The Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.) is amended—

(1) in the first section 255(h) (2 U.S.C. 905(h)), by striking "Aid to families with dependent children (75–0412–0–1–609);" and inserting "Block grants to States for temporary assistance for needy families;"; and

(2) in section 256 (2 U.S.C. 906)—

(A) by striking subsection (k); and

(B) by redesignating subsection (l) as subsection (k).

(s) The Immigration and Nationality Act (8 U.S.C. 1101 et seq.) is amended—

(1) in section 210(f) (8 U.S.C. 1160(f)), by striking "aid under a State plan approved under" each place it appears and inserting "assistance under a State program funded under";

(2) in section 245A(h) (8 U.S.C. 1255a(h))—

(A) in paragraph (1)(A)(i), by striking "program of aid to families with dependent children" and inserting "State program of assistance"; and

(B) in paragraph (2)(B), by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act"; and

(3) in section 412(e)(4) (8 U.S.C. 1522(e)(4)), by striking "State plan approved" and inserting "State program funded".

(t) Section 640(a)(4)(B)(i) of the Head Start Act (42 U.S.C. 9835(a)(4)(B)(i)) is amended by striking "program of aid to families with dependent children under a State plan approved" and inserting "State program of assistance funded".

(u) Section 9 of the Act of April 19, 1950 (64 Stat. 47, chapter 92; 25 U.S.C. 639) is repealed.

(v) Subparagraph (E) of section 213(d)(6) of the School-To-Work Opportunities Act of 1994 (20 U.S.C. 6143(d)(6)) is amended to read as follows:

"(E) part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) relating to work activities;".

(w) Section 552a(a)(8)(B)(iv)(III) of title 5, United States Code, is amended by striking "section 464 or 1137 of the Social Security Act" and inserting "section 404(e), 464, or 1137 of the Social Security Act.".

SEC. 111. DEVELOPMENT OF PROTOTYPE OF COUNTERFEIT-RESISTANT SOCIAL SECURITY CARD REQUIRED.

(a) DEVELOPMENT.—

(1) IN GENERAL.—The Commissioner of Social Security (in this section referred to as the "Commissioner") shall, in accordance with this section, develop a prototype of a counterfeit-resistant social security card. Such prototype card shall—

(A) be made of a durable, tamper-resistant material such as plastic or polyester,

(B) employ technologies that provide security features, such as magnetic stripes, holograms, and integrated circuits, and

(C) be developed so as to provide individuals with reliable proof of citizenship or legal resident alien status.

(2) ASSISTANCE BY ATTORNEY GENERAL.—The Attorney General of the United States shall provide such information and assistance as the Commissioner deems necessary to enable the Commissioner to comply with this section.

(b) STUDY AND REPORT.—

(1) IN GENERAL.—The Commissioner shall conduct a study and issue a report to Congress which examines different methods of improving the social security card application process.

(2) ELEMENTS OF STUDY.—The study shall include an evaluation of the cost and work load implications of issuing a counterfeit-resistant social security card for all individuals over a 3-, 5-, and 10-year period. The study shall also evaluate the feasibility and cost implications of imposing a user fee for replacement cards and cards issued to individuals who apply for such a card prior to the scheduled 3-, 5-, and 10-year phase-in options.

(3) DISTRIBUTION OF REPORT.—The Commissioner shall submit copies of the report described in this subsection along with a facsimile of the prototype card as described in subsection (a) to the Committees on Ways and Means and Judiciary of the House of Representatives and the Committees on Finance and Judiciary of the Senate within 1 year after the date of the enactment of this Act.

SEC. 112. DISCLOSURE OF RECEIPT OF FEDERAL FUNDS.

(a) IN GENERAL.—Whenever an organization that accepts Federal funds under this Act or the amendments made by this Act makes any communication that in any way intends to promote public support or opposition to any policy of a Federal, State, or local government through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public advertising, such communication shall state the following: "This was prepared and paid for by an organization that accepts taxpayer dollars.".

(b) FAILURE TO COMPLY.—If an organization makes any communication described in subsection (a) and fails to provide the statement required by that subsection, such organization shall be ineligible to receive Federal funds under this Act or the amendments made by this Act.

(c) DEFINITION.—For purposes of this section, the term "organization" means an organization described in section 501(c) of the Internal Revenue Code of 1986.

(d) EFFECTIVE DATES.—This section shall take effect—

(1) with respect to printed communications 1 year after the date of enactment of this Act; and

(2) with respect to any other communication on the date of enactment of this Act.

SEC. 113. MODIFICATIONS TO THE JOB OPPORTUNITIES FOR CERTAIN LOW-INCOME INDIVIDUALS PROGRAM.

Section 505 of the Family Support Act of 1988 (42 U.S.C. 1315 note) is amended—

(1) in the heading, by striking "**DEMONSTRATION**";

(2) by striking "demonstration" each place such term appears;

(3) in subsection (a), by striking "in each of fiscal years" and all that follows through "10" and inserting "shall enter into agreements with";

(4) in subsection (b)(3), by striking "aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "assistance under the program funded part A of title IV of the Social Security Act of the State in which the individual resides";

(5) in subsection (c)—

(A) in paragraph (1)(C), by striking "aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "assistance under a State program funded part A of title IV of the Social Security Act";

(B) in paragraph (2), by striking "aid to families with dependent children under title IV of such Act" and inserting "assistance under a State program funded part A of title IV of the Social Security Act";

(6) in subsection (d), by striking "job opportunities and basic skills training program (as provided for under title IV of the Social Security Act)" and inserting "the State program funded under part A of title IV of the Social Security Act"; and

(7) by striking subsections (e) through (g) and inserting the following:

"(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of conducting projects under this section, there is authorized to be appropriated an amount not to exceed $25,000,000 for any fiscal year.".

SEC. 114. SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL FOR TECHNICAL AND CONFORMING AMENDMENTS.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Health and Human Services and the Commissioner of Social Security, in consultation, as appropriate, with the heads of other Federal agencies, shall submit to the appropriate committees of Congress a legislative proposal proposing such technical and conforming amendments as are necessary to bring the law into conformity with the policy embodied in this title.

SEC. 115. APPLICATION OF CURRENT AFDC STANDARDS UNDER MEDICAID PROGRAM.

(a) IN GENERAL.—Title XIX is amended—

(1) by redesignating section 1931 as section 1932; and

(2) by inserting after section 1930 the following new section:

"APPLICATION OF AFDC STANDARDS AND METHODOLOGY

"SEC. 1931. (a)(1) Subject to the succeeding provisions of this section, with respect to a State any reference in this title (or other provision of law in relation to the operation of this title) to a provision of part A of title IV, or a State plan under such part (or a provision of such a plan), including standards and methodologies for determining income and resources under such part or plan, shall be considered a reference to such a provision or plan as in effect as of July 1, 1996, with respect to the State.

"(2) In applying section 1925(a)(1), the reference to 'section 402(a)(8)(B)(ii)(II)' is deemed a reference to a corresponding earning disregard rule (if any) established under a State program funded under part A of title IV (as in effect on and after October 1, 1996).

"(3) The provisions of section 406(h) (as in effect on July 1, 1996) shall apply, in relation to this title, with respect to individuals who receive assistance under a State program funded under part A of title IV (as in effect on and after October 1, 1996) and are eligible for medical assistance under this title or who are described in subsection (b)(1) in the same manner as they apply before such date with respect to individuals who become ineligible for aid to families with dependent children as a result (wholly or partly) of the collection or increased collection of child or spousal support under part D of title IV.

"(4) With respect to the reference in section 1902(a)(5) to a State plan approved under part A of title IV, a State may treat such reference as a reference either to a State program funded under such part (as in effect on and after October 1, 1996) or to the State plan under this title.

"(b)(1) For purposes of this title, subject to paragraph (2), in determining eligibility for medical assistance, an individual shall be deemed to be receiving aid or assistance under a State plan approved under part A of title IV (and shall be treated as meeting the income and resource standards under such part) only if the individual meets—

"(A) the income and resource standards under such plan, and

"(B) the eligibility requirements of such plan under subsections (a) through (c) of section 406 and section 407(a),

as in effect as of July 1, 1996. Subject to paragraph (2)(B), the income and resource methodologies under such plan as of such date shall be used in the determination of whether any individual meets income and resource standards under such plan.

"(2) For purposes of applying this section, a State may—

"(A) lower its income standards applicable with respect to part A of title IV, but not below the income standards applicable under its State plan under such part on May 1, 1988; and

"(B) use income and resource standards or methodologies that are less restrictive than the standards or methodologies used under the State plan under such part as of July 1, 1996.

"(3) For purposes of applying this section, a State may, subject to paragraph (4), treat all individuals (or reasonable categories of individuals) receiving assistance under the State program funded under part A of title IV (as in effect on or after October 1, 1996) as individuals who are receiving aid or assistance under a State plan approved under part A of title IV (and thereby eligible for medical assistance under this title).

"(4) For purposes of section 1925, an individual who is receiving assistance under the State program funded under part A of title IV (as in effect on or after October 1, 1996) and is eligible for medical assistance under this title shall be treated as an individual receiving aid or assistance pursuant to a plan of the State approved under part A of title IV (as in effect as of July 1, 1996) (and thereby eligible for continuation of medical assistance under such section).

"(c) In the case of a waiver of a provision of part A of title IV in effect with respect to a State as of July 1, 1996, if the waiver affects eligibility of individuals for medical assistance under this title, such waiver may (but need not) continue to be applied, at the option of the State, in relation to this title after the date the waiver would otherwise expire. If a State elects not to continue to apply such a waiver, then, after the date of the expiration of the waiver, subsection (a) shall be applied as if any provisions so waived had not been waived.

"(d) Nothing in this section, or part A of title IV, shall be construed as preventing a State from providing for the same application form for assistance under a State program funded under part A of title IV (on or after October 1, 1996) and for medical assistance under this title.

"(e) The provisions of this section shall apply notwithstanding any other provision of this title.".

(b) PLAN AMENDMENT.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) by striking "and" at the end of paragraph (61),

(2) by striking the period at the end of paragraph (62) and inserting "; and", and

(3) by inserting after paragraph (62) the following new paragraph:

"(63) provide for administration and determinations of eligibility with respect to individuals who are (or seek to be) eligible for medical assistance based on the application of section 1931.".

(c) ELIMINATION OF REQUIREMENT OF MINIMUM AFDC PAYMENT LEVELS.—(1) Section 1902(c) (42 U.S.C. 1396a(c)) is amended by striking "if—" and all that follows and inserting the following: "if the State requires individuals described in subsection (l)(1) to apply for assistance under the State program funded under part A of title IV as a condition of applying for or receiving medical assistance under this title.".

(2) Section 1903(i) (42 U.S.C. 1396b(i)) is amended by striking paragraph (9).

SEC. 116. EFFECTIVE DATE; TRANSITION RULE.

(a) IN GENERAL.—Except as otherwise provided in this title, this title and the amendments made by this title shall take effect on October 1, 1996.

(b) TRANSITION RULES.—

(1) STATE OPTION TO ACCELERATE EFFECTIVE DATE.—

(A) IN GENERAL.—If, within 3 months after the date of the enactment of this Act, the Secretary of Health and Human Services receives from a State, a plan described in section 402(a) of the Social Security Act (as added by the amendment made by section 103 of this Act), this title and the amendments made by this title (except section 409(a)(5) of the Social Security Act, as added by the amendment made by such section 103) shall also apply with respect to the State during the period that begins on the date the Secretary approves the plan and ends on September 30, 1996, except that the State shall be considered an eligible State for fiscal year 1996 for purposes of part A of title IV of the Social Security Act (as in effect pursuant to the amendment made by such section 103).

(B) LIMITATIONS ON FEDERAL OBLIGATIONS.—

(i) UNDER AFDC PROGRAM.—If the Secretary receives from a State the plan referred to in subparagraph (A), the total obligations of the Federal Government to the State under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to expenditures by the State after the date of the enactment of this Act shall not exceed an amount equal to—

(I) the State family assistance grant (as defined in section 403(a)(1)(B) of the Social Security Act (as in effect pursuant to the amendment made by section 103 of this Act)); minus

(II) any obligations of the Federal Government to the State under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to expenditures by the State during the period that begins on October 1, 1995, and ends on the day before the date of the enactment of this Act.

(ii) UNDER TEMPORARY FAMILY ASSISTANCE PROGRAM.—Notwithstanding section 403(a)(1) of the Social Security Act (as in effect pursuant to the amendment made by section 103 of this Act), the total obligations of the Federal Government to a State under such section 403(a)(1) for fiscal year 1996 after the termination of the State AFDC program shall not exceed an amount equal to—

(I) the amount described in clause (i)(I) of this subparagraph; minus

(II) any obligations of the Federal Government to the State under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to expenditures by the State on or after October 1, 1995.

(iii) CHILD CARE OBLIGATIONS EXCLUDED IN DETERMINING FEDERAL AFDC OBLIGATIONS.—As used in this subparagraph, the term "obligations of the Federal Government to the State under part A of title IV of the Social Security Act" does not include any obligation of the Federal Government with respect to child care expenditures by the State.

(C) SUBMISSION OF STATE PLAN FOR FISCAL YEAR 1996 DEEMED ACCEPTANCE OF GRANT LIMITATIONS AND FORMULA.—The submission of a plan by a State pursuant to subparagraph (A) is deemed to constitute the State's acceptance of the grant reductions under subparagraph (B)(ii) (including the formula for computing the amount of the reduction).

(D) DEFINITIONS.—As used in this paragraph:

(i) STATE AFDC PROGRAM.—The term "State AFDC program" means the State program under parts A and F of title IV of the Social Security Act (as in effect on September 30, 1995).

(ii) STATE.—The term "State" means the 50 States and the District of Columbia.

(2) CLAIMS, ACTIONS, AND PROCEEDINGS.—The amendments made by this title shall not apply with respect to—

(A) powers, duties, functions, rights, claims, penalties, or obligations applicable to aid, assistance, or services provided before the effective date of this title under the provisions amended; and

(B) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

(3) CLOSING OUT ACCOUNT FOR THOSE PROGRAMS TERMINATED OR SUBSTANTIALLY MODIFIED BY THIS TITLE.—In closing out accounts, Federal and State officials may use scientifically acceptable statistical sampling techniques. Claims made with respect to State expenditures under a State plan approved under part A of title IV of the Social Security Act (as in effect before the effective date of this Act) with respect to assistance or services provided on or before September 30, 1995, shall be treated as claims with respect to expenditures during fiscal year 1995 for purposes of reimbursement even if payment was made by a State on or after October 1, 1995. Each State shall complete the filing of all claims under the State plan (as so in effect) no later than September 30, 1997. The head of each Federal department shall—

(A) use the single audit procedure to review and resolve any claims in connection with the close out of programs under such State plans; and

(B) reimburse States for any payments made for assistance or services provided during a prior fiscal year from funds for fiscal year 1995, rather than from funds authorized by this title.

(4) CONTINUANCE IN OFFICE OF ASSISTANT SECRETARY FOR FAMILY SUPPORT.—The individual who, on the day before the effective date of this title, is serving as Assistant Secretary for Family Support within the Department of Health and Human Services shall, until a successor is appointed to such position—

(A) continue to serve in such position; and

(B) except as otherwise provided by law—

(i) continue to perform the functions of the Assistant Secretary for Family Support under section 417 of the Social Security Act (as in effect before such effective date); and

(ii) have the powers and duties of the Assistant Secretary for Family Support under section 416 of the Social Security Act (as in effect pursuant to the amendment made by section 103 of this Act).

TITLE II—SUPPLEMENTAL SECURITY INCOME

SEC. 200. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

Subtitle A—Eligibility Restrictions

SEC. 201. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

(a) IN GENERAL.—Section 1614(a) (42 U.S.C. 1382c(a)) is amended by adding at the end the following new paragraph:

"(5) An individual shall not be considered an eligible individual for the purposes of this title during the 10-year period that begins on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under title IV, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under this title.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 202. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)) is amended by inserting after paragraph (3) the following new paragraph:

"(4) A person shall not be considered an eligible individual or eligible spouse for purposes of this title with respect to any month if during such month the person is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law.".

(b) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Section 1611(e) (42 U.S.C. 1382(e)), as amended by subsection (a), is amended by inserting after paragraph (4) the following new paragraph:

"(5) Notwithstanding any other provision of law, the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address, Social Security number, and photograph (if applicable) of any recipient of benefits under this title, if the officer furnishes the Commissioner with the name of the recipient and notifies the Commissioner that—

"(A) the recipient—

"(i) is described in subparagraph (A) or (B) of paragraph (4); or

"(ii) has information that is necessary for the officer to conduct the officer's official duties; and

"(B) the location or apprehension of the recipient is within the officer's official duties.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 203. VERIFICATION OF ELIGIBILITY FOR CERTAIN SSI DISABILITY BENEFITS.

Section 1631 (42 U.S.C. 1383) is amended by adding at the end the following new subsection:

"(o)(1) Notwithstanding any other provision of law, if the Commissioner of Social Security determines that an individual, who is 18 years of age or older, is eligible to receive benefits pursuant to section 1614(a)(3), the Commissioner shall, at the time of the determination, either exempt the individual from an eligibility review or establish a schedule for reviewing the individual's continuing eligibility in accordance with paragraph (2).

"(2)(A) The Commissioner shall establish a periodic review with respect to the continuing eligibility of an individual to receive benefits, unless the individual is exempt from review under subparagraph (C) or is subject to a scheduled review under subparagraph (B). A periodic review under this subparagraph shall be initiated by the Commissioner not later than 30 months after the date a determination is made that the individual is eligible for benefits and every 30 months thereafter, unless a waiver is granted under section 221(i)(2). However, the Commissioner shall not postpone the initiation of a periodic review for more than 12 months in any case in which such waiver has been granted unless exigent circumstances require such postponement.

"(B)(i) In the case of an individual, other than an individual who is exempt from review under subparagraph (C) or with respect to whom subparagraph (A) applies, the Commissioner shall schedule a review regarding the individual's continuing eligibility to receive benefits at any time the Commissioner determines, based on the evidence available, that there is a significant possibility that the individual may cease to be entitled to such benefits.

"(ii) The Commissioner may establish classifications of individuals for whom a review of continuing eligibility is scheduled based on the impairments that are the basis for such individuals' eligibility for benefits. A review of an individual covered by a classification shall be scheduled in accordance with the applicable classification, unless the Commissioner determines that applying such schedule is inconsistent with the purpose of this Act or the integrity of the supplemental security income program.

"(C)(i) The Commissioner may exempt an individual from review under this subsection, if the individual's eligibility for benefits is based on a condition that, as a practical matter, has no substantial likelihood of improving to a point where the individual will be able to perform substantial gainful activity.

"(ii) The Commissioner may establish classifications of individuals who are exempt from review under this subsection based on the impairments that are the basis for such individuals' eligibility for benefits. Notwithstanding any such classification, the Commissioner may, at the time of determining an individual's eligibility, schedule a review of such individual's continuing eligibility if the Commissioner determines that a review is necessary to preserve the integrity of the supplemental security income program.

"(3) The Commissioner may revise a determination made under paragraph (1) and schedule a review under paragraph (2)(B), if the Commissioner obtains credible evidence that an individual may no longer be eligible for benefits or the Commissioner determines that a review is necessary to maintain the integrity of the supplemental security income program. Information obtained under section 1137 may be used as the basis to schedule a review.

"(4)(A) The requirements of sections 1614(a)(4) and 1633 shall apply to reviews conducted under this subsection.

"(B) Such reviews may be conducted by the applicable State agency or the Commissioner, whichever is appropriate.

"(5) Not later than 3 months after the date of the enactment of this subsection, the Commissioner shall establish a schedule for reviewing the continuing eligibility of each individual who is receiving benefits pursuant to section 1614(a)(3) on such date of enactment and who has attained 18 years of age, unless such individual is exempt under paragraph (2)(C). Such review shall be scheduled under the procedures prescribed by or under paragraph (2), except that the reviews shall be scheduled so that the eligibility of ⅓ of all such nonexempt individuals is reviewed within 1 year after such date of enactment, the eligibility of ⅓ of such nonexempt individuals is reviewed within 1 year after such date of enactment, and all remaining nonexempt individuals who continue receiving benefits shall have their eligibility reviewed within 3 years after such date of enactment. Each individual determined eligible to continue receiving benefits in a review scheduled under this paragraph shall, at the time of the determination, be subject to paragraph (2).".

SEC. 204. TREATMENT OF PRISONERS.

(a) IMPLEMENTATION OF PROHIBITION AGAINST PAYMENT OF BENEFITS TO PRISONERS.—

(1) IN GENERAL.—Section 1611(e)(1) (42 U.S.C. 1382(e)(1)) is amended by adding at the end the following new subparagraph:

"(I)(i) The Commissioner shall enter into a contract, with any interested State or local institution referred to in subparagraph (A), under which—

"(I) the institution shall provide to the Commissioner, on a monthly basis, the names, social security account numbers, dates of birth, and such other identifying information concerning the inmates of the institution as the Commissioner may require for the purpose of carrying out paragraph (1); and

"(II) the Commissioner shall pay to any such institution, with respect to each inmate of the institution who is eligible for a benefit under this title for the month preceding the first month throughout which such inmate is in such institution and becomes ineligible for such benefit (or becomes eligible only for a benefit payable at a reduced rate) as a result of the application of this paragraph, an amount not to exceed $400 if the institution furnishes the information described in subclause (I) to the Commissioner within 30 days after such individual becomes an inmate of such institution, or an amount not to exceed $200 if the institution furnishes such information after 30 days after such date but within 90 days after such date.

"(ii) The provisions of section 552a of title 5, United States Code, shall not apply to any contract entered into under clause (i) or to information exchanged pursuant to such contract.".

(2) CONFORMING OASDI AMENDMENTS.—Section 202(x)(3) (42 U.S.C. 402(x)(3)) is amended—

(A) by inserting "(A)" after "(3)"; and

(B) by adding at the end the following new subparagraph:

"(B)(i) The Commissioner shall enter into a contract, with any interested State or local institution described in clause (i) or (ii) of paragraph (1)(A) the primary purpose of which is to confine individuals as described in paragraph (1)(A), under which—

"(I) the institution shall provide to the Commissioner, on a monthly basis, the names, social security account numbers, dates of birth, and such other identifying information concerning the individuals confined in the institution as the Commissioner may require for the purpose of carrying out paragraph (1); and

"(II) the Commissioner shall pay to any such institution, with respect to each individual who is entitled to a benefit under this title for the month preceding the first month throughout which such individual is confined in such institution as described in paragraph (1)(A), an amount not to exceed $400 if the institution furnishes the information described in subclause (I) to the Commissioner within 30 days after the date such individual's confinement in such institution begins, or an amount not to exceed $200 if the institution furnishes such information after 30 days after such date but within 90 days after such date.

"(ii) The provisions of section 552a of title 5, United States Code, shall not apply to any contract entered into under clause (i) or to information exchanged pursuant to such contract.".

(b) DENIAL OF SSI BENEFITS FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY OBTAINED SSI BENEFITS WHILE IN PRISON.—

(1) IN GENERAL.—Section 1611(e)(1) (42 U.S.C. 1382(e)(1)), as amended by subsection (a)(1), is amended by adding at the end the following new subparagraph:

"(J) In any case in which the Commissioner of Social Security finds that a person has made a fraudulent statement or representation in order to obtain or to continue to receive benefits under this title while being an inmate in a penal institution, such person shall not be considered an eligible individual or eligible spouse for any month ending during the 10-year period beginning on the date on which such person ceases being such an inmate.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply with respect to statements or representations made on or after the date of the enactment of this Act.

(c) ELIMINATION OF OASDI REQUIREMENT THAT CONFINEMENT STEM FROM CRIME PUNISHABLE BY IMPRISONMENT FOR MORE THAN 1 YEAR.—

(1) IN GENERAL.—Section 202(x)(1)(A) (42 U.S.C. 402(x)(1)(A)) is amended—

(A) in the matter preceding clause (i), by striking "during" and inserting "throughout";

(B) in clause (i), by striking "pursuant" and all that follows through "imposed"; and

(C) in clause (ii)(I), by striking "an offense punishable by imprisonment for more than 1 year" and inserting "a criminal offense".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall be effective with respect to benefits payable for months beginning more than 180 days after the date of the enactment of this Act.

(d) STUDY OF OTHER POTENTIAL IMPROVEMENTS IN THE COLLECTION OF INFORMATION RESPECTING PUBLIC INMATES.—

(1) STUDY.—The Commissioner of Social Security shall conduct a study of the desirability, feasibility, and cost of—

(A) establishing a system under which Federal, State, and local courts would furnish to the Commissioner such information respecting court orders by which individuals are confined in jails, prisons, or other public penal, correctional, or medical facilities as the Commissioner may require for the purpose of carrying out sections 202(x) and 1611(e)(1) of the Social Security Act; and

(B) requiring that State and local jails, prisons, and other institutions that enter into contracts with the Commissioner under section 202(x)(3)(B) or 1611(e)(1)(I) of the Social Security Act furnish the information required by such contracts to the Commissioner by means of an electronic or other sophisticated data exchange system.

(2) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall submit a report on the results of the study conducted pursuant to this subsection to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

SEC. 205. EFFECTIVE DATE OF APPLICATION FOR BENEFITS.

(a) IN GENERAL.—Subparagraphs (A) and (B) of section 1611(c)(7) (42 U.S.C. 1382(c)(7)) are amended to read as follows:

"(A) the first day of the month following the date such application is filed, or

"(B) the first day of the month following the date such individual becomes eligible for such benefits with respect to such application.".

(b) SPECIAL RULE RELATING TO EMERGENCY ADVANCE PAYMENTS.—Section 1631(a)(4)(A) (42 U.S.C. 1383(a)(4)(A)) is amended—

(1) by inserting "for the month following the date the application is filed" after "is presumptively eligible for such benefits"; and

(2) by inserting ", which shall be repaid through proportionate reductions in such benefits over a period of not more than 6 months" before the semicolon.

(c) CONFORMING AMENDMENTS.—

(1) Section 1614(b) (42 U.S.C. 1382c(b)) is amended by striking "at the time the application or request is filed" and inserting "on the first day of the month following the date the application or request is filed".

(2) Section 1631(g)(3) (42 U.S.C. 1382j(g)(3)) is amended by inserting "following the month" after "beginning with the month".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to applications for benefits under title XVI of the Social Security Act filed on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) BENEFITS UNDER TITLE XVI.—For purposes of this subsection, the term "benefits under title XVI of the Social Security Act" includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

SEC. 206. INSTALLMENT PAYMENT OF LARGE PAST-DUE SUPPLEMENTAL SECURITY INCOME BENEFITS.

(a) IN GENERAL.—Section 1631(a) (42 U.S.C. 1383) is amended by adding at the end the following new paragraph:

"(10)(A) If an individual is eligible for past-due monthly benefits under this title in an amount that (after any withholding for reimbursement to a State for interim assistance under subsection (g)) equals or exceeds the product of—

"(i) 12, and

"(ii) the maximum monthly benefit payable under this title to an eligible individual (or, if appropriate, to an eligible individual and eligible spouse),

then the payment of such past-due benefits (after any such reimbursement to a State) shall be made in installments as provided in subparagraph (B).

"(B)(i) The payment of past-due benefits subject to this subparagraph shall be made in not to exceed 3 installments that are made at 6-month intervals.

"(ii) Except as provided in clause (iii), the amount of each of the first and second installments may not exceed an amount equal to the product of clauses (i) and (ii) of subparagraph (A).

"(iii) In the case of an individual who has—

"(I) outstanding debt attributable to—

"(aa) food,

"(bb) clothing,

"(cc) shelter, or

"(dd) medically necessary services, supplies or equipment, or medicine; or

"(II) current expenses or expenses anticipated in the near term attributable to—

"(aa) medically necessary services, supplies or equipment, or medicine, or

"(bb) the purchase of a home, and

such debt or expenses are not subject to reimbursement by a public assistance program, the Secretary under title XVIII, a State plan approved under title XV or XIX, or any private entity legally liable to provide payment pursuant to an insurance policy, pre-paid plan, or other arrangement, the limitation specified in clause (ii) may be exceeded by an amount equal to the total of such debt and expenses.

"(C) This paragraph shall not apply to any individual who, at the time of the Commissioner's determination that such individual is eligible for the payment of past-due monthly benefits under this title—

"(i) is afflicted with a medically determinable impairment that is expected to result in death within 12 months; or

"(ii) is ineligible for benefits under this title and the Commissioner determines that such individual is likely to remain ineligible for the next 12 months.

"(D) For purposes of this paragraph, the term 'benefits under this title' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a), and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.".

(b) CONFORMING AMENDMENT.—Section 1631(a)(1) (42 U.S.C. 1383(a)(1)) is amended by inserting "(subject to paragraph (10))" immediately before "in such installments".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section are effective with respect to past-due benefits payable under title XVI of the Social Security Act after the third month following the month in which this Act is enacted.

(2) BENEFITS PAYABLE UNDER TITLE XVI.—For purposes of this subsection, the term "benefits payable under title XVI of the Social Security Act" includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

SEC. 207. RECOVERY OF SUPPLEMENTAL SECURITY INCOME OVERPAYMENTS FROM SOCIAL SECURITY BENEFITS.

(a) IN GENERAL.—Part A of title XI is amended by adding at the end the following new section:

"RECOVERY OF SSI OVERPAYMENTS FROM SOCIAL SECURITY BENEFITS

"SEC. 1146. (a) IN GENERAL.—Whenever the Commissioner of Social Security determines that more than the correct amount of any payment has been made to any person under the supplemental security income program authorized by title XVI, and the Commissioner is unable to make proper adjustment or recovery of the amount so incorrectly paid as provided in section 1631(b), the Commissioner (notwithstanding section 207) may recover the amount incorrectly paid by decreasing any amount which is payable under the Federal Old-Age and Survivors Insurance program or the Federal Disability Insurance program authorized by title II to that person or that person's estate.

"(b) NO EFFECT ON SSI BENEFIT ELIGIBILITY OR AMOUNT.—Notwithstanding subsections (a) and (b) of section 1611, in any case in which the Commissioner takes action in accordance with subsection (a) to recover an overpayment from any person, neither that person, nor any individual whose eligibility or benefit amount is determined by considering any part of that person's income, shall, as a result of such action—

"(1) become eligible under the program of supplemental security income benefits under title XVI, or

"(2) if such person or individual is already so eligible, become eligible for increased benefits thereunder.

"(c) PROGRAM UNDER TITLE XVI.—For purposes of this section, the term 'supplemental security income program authorized by title XVI' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a), and payments pursuant to an agreement entered into under section 212(b) of Public Law 93-66.".

(b) CONFORMING AMENDMENTS.—

(1) Section 204 (42 U.S.C. 404) is amended by adding at the end the following new subsection:

"(g) For payments which are adjusted or withheld to recover an overpayment of supplemental security income benefits paid under title XVI (including State supplementary payments which were paid under an agreement pursuant to section 1616(a) or section 212(b) of Public Law 93-66), see section 1146.".

(2) Section 1631(b) is amended by adding at the end the following new paragraph:

"(5) For the recovery of overpayments of benefits under this title from benefits payable under title II, see section 1146.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply to overpayments outstanding on or after such date.

Subtitle B—Benefits for Disabled Children

SEC. 211. DEFINITION AND ELIGIBILITY RULES.

(a) DEFINITION OF CHILDHOOD DISABILITY.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended—

(1) in subparagraph (A), by striking "An individual" and inserting "Except as provided in subparagraph (C), an individual";

(2) in subparagraph (A), by striking "(or, in the case of an individual under the age of 18, if he suffers from any medically determinable physical or mental impairment of comparable severity)";

(3) by redesignating subparagraphs (C) through (H) as subparagraphs (D) through (I), respectively;

(4) by inserting after subparagraph (B) the following new subparagraph:

"(C) An individual under the age of 18 shall be considered disabled for the purposes of this title if that individual has a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months."; and

(5) in subparagraph (F), as so redesignated by paragraph (3) of this subsection, by striking "(D)" and inserting "(E)".

(b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

(1) MODIFICATION TO MEDICAL CRITERIA FOR EVALUATION OF MENTAL AND EMOTIONAL DISORDERS.—The Commissioner of Social Security shall modify sections 112.00C.2. and 112.02B.2.c.(2) of appendix 1 to subpart P of part 404 of title 20, Code of Federal Regulations, to eliminate references to maladaptive behavior in the domain of personal/behavorial function.

(2) DISCONTINUANCE OF INDIVIDUALIZED FUNCTIONAL ASSESSMENT.—The Commissioner of Social Security shall discontinue the individualized functional assessment for children set forth in sections 416.924d and 416.924e of title 20, Code of Federal Regulations.

(c) EFFECTIVE DATE; REGULATIONS; APPLICATION TO CURRENT RECIPIENTS.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) REGULATIONS.—The Commissioner of Social Security shall issue such regulations as the Commissioner determines to be necessary to implement the amendments made by subsections (a) and (b) not later than 60 days after the date of the enactment of this Act.

(3) APPLICATION TO CURRENT RECIPIENTS.—

(A) ELIGIBILITY DETERMINATIONS.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall redetermine the eligibility of any individual under age 18 who is receiving supplemental security income benefits based on a disability under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the amendments made by subsection (a) or (b). With respect to any redetermination under this subparagraph—

(i) section 1614(a)(4) of the Social Security Act (42 U.S.C. 1382c(a)(4)) shall not apply;

(ii) the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under title XVI of such Act;

(iii) the Commissioner shall give such redetermination priority over all continuing eligibility reviews and other reviews under such title; and

(iv) such redetermination shall be counted as a review or redetermination otherwise required to be made under section 208 of the Social Security Independence and Program Improvements Act of 1994 or any other provision of title XVI of the Social Security Act.

(B) GRANDFATHER PROVISION.—The amendments made by subsections (a) and (b), and the redetermination under subparagraph (A), shall only apply with respect to the benefits of an individual described in subparagraph (A) for months beginning on or after the date of redetermination with respect to the individual.

(C) NOTICE.—Not later than 90 days after the date of the enactment of this Act, the Commissioner of Social Security shall notify an individual described in subparagraph (A) of the provisions of this paragraph.

SEC. 212. ELIGIBILITY REDETERMINATIONS AND CONTINUING DISABILITY REVIEWS.

(a) CONTINUING DISABILITY REVIEWS RELATING TO CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as so redesignated by section 211(a)(3) of this Act, is amended—

(1) by inserting "(i)" after "(H)"; and

(2) by adding at the end the following new clause:

"(ii)(I) Not less frequently than once every 3 years, the Commissioner shall review in accordance with paragraph (4) the continued eligibility for benefits under this title of each individual who has not attained 18 years of age and is eligible for such benefits by reason of an impairment (or combination of impairments) which may improve (or, which is unlikely to improve, at the option of the Commissioner).

"(II) A parent or guardian of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.".

(b) DISABILITY ELIGIBILITY REDETERMINATIONS REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS OF AGE.—

(1) IN GENERAL.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as so redesignated by section 211(a)(3) of this Act and as amended by subsection (a) of this section, is amended by adding at the end the following new clause:

"(iii) If an individual is eligible for benefits under this title by reason of disability for the month preceding the month in which the individual attains the age of 18 years, the Commissioner shall redetermine such eligibility—

"(I) during the 1-year period beginning on the individual's 18th birthday; and

"(II) by applying the criteria used in determining the initial eligibility for applicants who have attained the age of 18 years.

With respect to a redetermination under this clause, paragraph (4) shall not apply and such redetermination shall be considered a substitute for a review or redetermination otherwise required under any other provision of this subparagraph during that 1-year period.".

(2) CONFORMING REPEAL.—Section 207 of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby repealed.

(c) CONTINUING DISABILITY REVIEW REQUIRED FOR LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as so redesignated by section 211(a)(3) of this Act and as amended by subsections (a) and (b) of this section, is amended by adding at the end the following new clause:

"(iv)(I) Not later than 12 months after the birth of an individual, the Commissioner shall review in accordance with paragraph (4) the continuing eligibility for benefits under this title by reason of disability of such individual whose low birth weight is a contributing factor material to the Commissioner's determination that the individual is disabled.

"(II) A review under subclause (I) shall be considered a substitute for a review otherwise required under any other provision of this subparagraph during that 12-month period.

"(III) A parent or guardian of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(e) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to the Secretary of Health and Human Services for the conduct of continuing disability reviews pursuant to the amendments made by this section—

(1) $200,000,000 for fiscal year 1997;

(2) $75,000,000 for fiscal year 1998; and

(3) $25,000,000 for fiscal year 1999.

SEC. 213. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.

(a) TIGHTENING OF REPRESENTATIVE PAYEE REQUIREMENTS.—

(1) CLARIFICATION OF ROLE.—Section 1631(a)(2)(B)(ii) (42 U.S.C. 1383(a)(2)(B)(ii)) is amended by striking "and" at the end of subclause (II), by striking the period at the end of subclause (IV) and inserting "; and", and by adding after subclause (IV) the following new subclause:

"(V) advise such person through the notice of award of benefits, and at such other times as the Commissioner of Social Security deems appropriate, of specific examples of appropriate expenditures of benefits under this title and the proper role of a representative payee.".

(2) DOCUMENTATION OF EXPENDITURES REQUIRED.—

(A) IN GENERAL.—Subparagraph (C)(i) of section 1631(a)(2) (42 U.S.C. 1383(a)(2)) is amended to read as follows:

"(C)(i) In any case where payment is made to a representative payee of an individual or spouse, the Commissioner of Social Security shall—

"(I) require such representative payee to document expenditures and keep contemporaneous records of transactions made using such payment; and

"(II) implement statistically valid procedures for reviewing a sample of such contemporaneous records in order to identify instances in which such representative payee is not properly using such payment.".

(B) CONFORMING AMENDMENT WITH RESPECT TO PARENT PAYEES.—Clause (ii) of section 1631(a)(2)(C) (42 U.S.C. 1383(a)(2)(C)) is amended by striking "Clause (i)" and inserting "Subclauses (II) and (III) of clause (i)".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to benefits paid after the date of the enactment of this Act.

(b) DEDICATED SAVINGS ACCOUNTS.—

(1) IN GENERAL.—Section 1631(a)(2)(B) (42 U.S.C. 1383(a)(2)(B)) is amended by adding at the end the following:

"(xiv) Notwithstanding clause (x), the Commissioner of Social Security may, at the request of the representative payee, pay any lump sum payment for the benefit of a child into a dedicated savings account that could only be used to purchase for such child—

"(I) education and job skills training;

"(II) special equipment or housing modifications or both specifically related to, and required by the nature of, the child's disability; and

"(III) appropriate therapy and rehabilitation.".

(2) DISREGARD OF TRUST FUNDS.—Section 1613(a) (42 U.S.C. 1382b(a)) is amended—

(A) by striking "and" at the end of paragraph (10),

(B) by striking the period at the end of paragraph (11) and inserting "; and", and

(C) by inserting after paragraph (11) the following:

"(12) all amounts deposited in, or interest credited to, a dedicated savings account described in section 1631(a)(2)(B)(xiv).".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to payments made after the date of the enactment of this Act.

SEC. 214. REDUCTION IN CASH BENEFITS PAYABLE TO INSTITUTIONALIZED INDIVIDUALS WHOSE MEDICAL COSTS ARE COVERED BY PRIVATE INSURANCE.

(a) IN GENERAL.—Section 1611(e)(1)(B) (42 U.S.C. 1382(e)(1)(B)) is amended—

(1) by striking "title XIX, or" and inserting "title XIX,"; and

(2) by inserting "or, in the case of an eligible individual under the age of 18 receiving payments (with respect to such individual) under any health insurance policy issued by a private provider of such insurance" after "section 1614(f)(2)(B),".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to benefits for months beginning 90 or more days after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

SEC. 215. MODIFICATION RESPECTING PARENTAL INCOME DEEMED TO DISABLED CHILDREN.

(a) IN GENERAL.—Section 1614(f)(2) (42 U.S.C. 1382c(f)(2)) is amended—

(1) by adding at the end of subparagraph (A) the following: "For purposes of the preceding sentence, the income of such parent or spouse of such parent shall be reduced by—

"(A) the allocation for basic needs described in subparagraph (C)(i); and

"(B) the earned income disregard described in subparagraph (C)(ii)."; and

(2) by adding at the end the following:

"(C)(i) The allocation for basic needs described by this clause is—

"(I) in the case of an individual who does not have a spouse, an amount equal to 50 percent of the maximum monthly benefit payable under this title to an eligible individual who does not have an eligible spouse; or

"(II) in the case of an individual who has a spouse, an amount equal to 50 percent of the maximum monthly benefit payable under this title to an eligible individual who has an eligible spouse.

"(ii) The earned income disregard described by this clause is an amount determined by deducting the first $780 per year (or proportionally smaller amounts for shorter periods) plus 64 percent of the remainder from the earned income (determined in accordance with section 1612(a)(1)) of the parent (and spouse, if any).".

(b) PRESERVATION OF MEDICAID ELIGIBILITY.—Section 1634 (42 U.S.C. 1383c) is amended by adding at the end the following:

"(f) Any child who has not attained 18 years of age and who would be eligible for a payment under this title but for the amendment made by section 215(a) of the Peronsal Responsibility and Work Opportunity Act of 1996 shall be deemed to be receiving such payment for purposes of eligibility of the child for medical assistance under a State plan approved under title XIX of this Act.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to months after 1996.

SEC. 216. GRADUATED BENEFITS FOR ADDITIONAL CHILDREN.

(a) IN GENERAL.—Section 1611(b) (42 U.S.C. 1382(b)) is amended by adding at the end the following:

"(3)(A) The benefit under this title for each eligible blind or disabled individual as determined pursuant to section 1611(a)(1) who—

"(i) is a child under the age of 18,

"(ii) lives in the same household as 1 or more persons who are also eligible blind or disabled children under the age of 18, and

"(iii) does not live in a group or foster home,

shall be equal to the applicable percentage of the amount in section 1611(b)(1), reduced by the amount of any income of such child, including income deemed to such child under section 1614(f)(2).

"(B) For purposes of this paragraph, the applicable percentage shall be determined under the following table:

"If the household has:	The applicable percentage for each eligible child is:
1 eligible child	100 percent
2 eligible children	81.2 percent
3 eligible children	71.8 percent
4 eligible children	65.9 percent
5 eligible children	61.8 percent
6 eligible children	58.5 percent
7 eligible children	55.9 percent
8 eligible children	53.5 percent
9 eligible children	51.7 percent
10 eligible children	50.2 percent
11 eligible children	48.7 percent
12 eligible children or more.	47.4 percent.".

"(C) For purposes of this paragraph, the applicable household size shall be determined by the number of eligible blind and disabled children under the age of 18 in such household whose countable income and resources do not exceed the limits specified in section 1611(a)(1).".

(b) PRESERVATION OF MEDICAID ELIGIBILITY.—Section 1634 (42 U.S.C. 1383c), as amended by section 215(b) of this Act, is amended by adding at the end the following:

"(g) Any child who has not attained 18 years of age and would be eligible for a payment under this title but for the limitation on payment amount imposed by section 1611(b)(3) shall be deemed to be receiving such benefit for purposes of establishing such child's eligibility for medical assistance under a State plan approved under title XIX.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect—

(1) on the date of the enactment of this Act, with respect to payments made on the basis of determinations of eligibility made on or after such date, and

(2) on January 1, 1998, with respect to payments made for months beginning after such date on the basis of determinations of eligibility made before the date of the enactment of this Act.

Subtitle C—State Supplementation Programs

SEC. 221. REPEAL OF MAINTENANCE OF EFFORT REQUIREMENTS APPLICABLE TO OPTIONAL STATE PROGRAMS FOR SUPPLEMENTATION OF SSI BENEFITS.

Section 1618 (42 U.S.C. 1382g) is hereby repealed.

Subtitle D—Studies Regarding Supplemental Security Income Program

SEC. 231. ANNUAL REPORT ON THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

Title XVI (42 U.S.C. 1381 et seq.), as amended by section 201(c) of this Act, is amended by adding at the end the following new section:

"ANNUAL REPORT ON PROGRAM

"SEC. 1637. (a) Not later than May 30 of each year, the Commissioner of Social Security shall prepare and deliver a report annually to the President and the Congress regarding the program under this title, including—

"(1) a comprehensive description of the program;

"(2) historical and current data on allowances and denials, including number of applications and allowance rates at initial determinations, reconsiderations, administrative law judge hearings, council of appeals hearings, and Federal court appeal hearings;

"(3) historical and current data on characteristics of recipients and program costs, by recipient group (aged, blind, work disabled adults, and children);

"(4) projections of future number of recipients and program costs, through at least 25 years;

"(5) number of redeterminations and continuing disability reviews, and the outcomes of such redeterminations and reviews;

"(6) data on the utilization of work incentives;

"(7) detailed information on administrative and other program operation costs;

"(8) summaries of relevant research undertaken by the Social Security Administration, or by other researchers;

"(9) State supplementation program operations;

"(10) a historical summary of statutory changes to this title; and

"(11) such other information as the Commissioner deems useful.

"(b) Each member of the Social Security Advisory Board shall be permitted to provide an individual report, or a joint report if agreed, of views of the program under this title, to be included in the annual report under this section.".

SEC. 232. STUDY OF DISABILITY DETERMINATION PROCESS.

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, and from funds otherwise appropriated, the Commissioner of Social Security shall make arrangements with the National Academy of Sciences, or other independent entity, to conduct a study of the disability determination process under titles II and XVI of the Social Security Act. This study shall be undertaken in consultation with professionals representing appropriate disciplines.

(b) STUDY COMPONENTS.—The study described in subsection (a) shall include—

(1) an initial phase examining the appropriateness of, and making recommendations regarding—

(A) the definitions of disability in effect on the date of the enactment of this Act and the advantages and disadvantages of alternative definitions; and

(B) the operation of the disability determination process, including the appropriate method of performing comprehensive assessments of individuals under age 18 with physical and mental impairments;

(2) a second phase, which may be concurrent with the initial phase, examining the validity, reliability, and consistency with current scientific knowledge of the standards and individual listings in the Listing of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations, and of related evaluation procedures as promulgated by the Commissioner of Social Security; and

(3) such other issues as the applicable entity considers appropriate.

(c) REPORTS AND REGULATIONS.—

(1) REPORTS.—The Commissioner of Social Security shall request the applicable entity, to submit an interim report and a final report of the findings and recommendations resulting from the study described in this section to the President and the Congress not later than 18 months and 24 months, respectively, from the date of the contract for such study, and such additional reports as the Commissioner deems appropriate after consultation with the applicable entity.

(2) REGULATIONS.—The Commissioner of Social Security shall review both the interim and final reports, and shall issue regulations implementing any necessary changes following each report.

SEC. 233. STUDY BY GENERAL ACCOUNTING OFFICE.

Not later than January 1, 1998, the Comptroller General of the United States shall study and report on—

(1) the impact of the amendments made by, and the provisions of, this title on the supplemental security income program under title XVI of the Social Security Act; and

(2) extra expenses incurred by families of children receiving benefits under such title that are not covered by other Federal, State, or local programs.

Subtitle E—National Commission on the Future of Disability

SEC. 241. ESTABLISHMENT.

There is established a commission to be known as the National Commission on the Future of Disability (referred to in this subtitle as the "Commission").

SEC. 242. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—The Commission shall develop and carry out a comprehensive study of all matters related to the nature, purpose, and adequacy of all Federal programs serving individuals with disabilities. In particular, the Commission shall study the disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such Act.

(b) MATTERS STUDIED.—The Commission shall prepare an inventory of Federal programs serving individuals with disabilities, and shall examine—

(1) trends and projections regarding the size and characteristics of the population of individuals with disabilities, and the implications of such analyses for program planning;

(2) the feasibility and design of performance standards for the Nation's disability programs;

(3) the adequacy of Federal efforts in rehabilitation research and training, and opportunities to improve the lives of individuals with disabilities through all manners of scientific and engineering research; and

(4) the adequacy of policy research available to the Federal Government, and what actions might be undertaken to improve the quality and scope of such research.

(c) RECOMMENDATIONS.—The Commission shall submit to the appropriate committees of the Congress and to the President recommendations and, as appropriate, proposals for legislation, regarding—

(1) which (if any) Federal disability programs should be eliminated or augmented;

(2) what new Federal disability programs (if any) should be established;

(3) the suitability of the organization and location of disability programs within the Federal Government;

(4) other actions the Federal Government should take to prevent disabilities and disadvantages associated with disabilities; and

(5) such other matters as the Commission considers appropriate.

SEC. 243. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—

(1) IN GENERAL.—The Commission shall be composed of 15 members, of whom—

(A) five shall be appointed by the President, of whom not more than 3 shall be of the same major political party;

(B) three shall be appointed by the Majority Leader of the Senate;

(C) two shall be appointed by the Minority Leader of the Senate;

(D) three shall be appointed by the Speaker of the House of Representatives; and

(E) two shall be appointed by the Minority Leader of the House of Representatives.

(2) REPRESENTATION.—The Commission members shall be chosen based on their education, training, or experience. In appointing individuals as members of the Commission, the President and the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives shall seek to ensure that the membership of the Commission reflects the general interests of the business and taxpaying community and the diversity of individuals with disabilities in the United States.

(b) COMPTROLLER GENERAL.—The Comptroller General of the United States shall advise the Commission on the methodology and approach of the study of the Commission.

(c) TERM OF APPOINTMENT.—The members shall serve on the Commission for the life of the Commission.

(d) MEETINGS.—The Commission shall locate its headquarters in the District of Columbia, and shall meet at the call of the Chairperson, but not less than 4 times each year during the life of the Commission.

(e) QUORUM.—Ten members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(f) CHAIRPERSON AND VICE CHAIRPERSON.—Not later than 15 days after the members of the Commission are appointed, such members shall designate a Chairperson and Vice Chairperson from among the members of the Commission.

(g) CONTINUATION OF MEMBERSHIP.—If a member of the Commission becomes an officer or employee of any government after appointment to the Commission, the individual may continue as a member until a successor member is appointed.

(h) VACANCIES.—A vacancy on the Commission shall be filled in the manner in which the original appointment was made not later than 30 days after the Commission is given notice of the vacancy.

(i) COMPENSATION.—Members of the Commission shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(j) TRAVEL EXPENSES.—Each member of the Commission shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

SEC. 244. STAFF AND SUPPORT SERVICES.

(a) DIRECTOR.—

(1) APPOINTMENT.—Upon consultation with the members of the Commission, the Chairperson shall appoint a Director of the Commission.

(2) COMPENSATION.—The Director shall be paid the rate of basic pay for level V of the Executive Schedule.

(b) STAFF.—With the approval of the Commission, the Director may appoint such personnel as the Director considers appropriate.

(c) APPLICABILITY OF CIVIL SERVICE LAWS.—The staff of the Commission shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) Experts and Consultants.—With the approval of the Commission, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(e) Staff of Federal Agencies.—Upon the request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist in carrying out the duties of the Commission under this subtitle.

(f) Other Resources.—The Commission shall have reasonable access to materials, resources, statistical data, and other information from the Library of Congress and agencies and elected representatives of the executive and legislative branches of the Federal Government. The Chairperson of the Commission shall make requests for such access in writing when necessary.

(g) Physical Facilities.—The Administrator of the General Services Administration shall locate suitable office space for the operation of the Commission. The facilities shall serve as the headquarters of the Commission and shall include all necessary equipment and incidentals required for proper functioning of the Commission.

SEC. 245. POWERS OF COMMISSION.

(a) Hearings.—The Commission may conduct public hearings or forums at the discretion of the Commission, at any time and place the Commission is able to secure facilities and witnesses, for the purpose of carrying out the duties of the Commission under this subtitle.

(b) Delegation of Authority.—Any member or agent of the Commission may, if authorized by the Commission, take any action the Commission is authorized to take by this section.

(c) Information.—The Commission may secure directly from any Federal agency information necessary to enable the Commission to carry out its duties under this subtitle. Upon request of the Chairperson or Vice Chairperson of the Commission, the head of a Federal agency shall furnish the information to the Commission to the extent permitted by law.

(d) Gifts, Bequests, and Devises.—The Commission may accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Commission. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Commission.

(e) Mails.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

SEC. 246. REPORTS.

(a) Interim Report.—Not later than 1 year prior to the date on which the Commission terminates pursuant to section 247, the Commission shall submit an interim report to the President and to the Congress. The interim report shall contain a detailed statement of the findings and conclusions of the Commission, together with the Commission's recommendations for legislative and administrative action, based on the activities of the Commission.

(b) Final Report.—Not later than the date on which the Commission terminates, the Commission shall submit to the Congress and to the President a final report containing—

(1) a detailed statement of final findings, conclusions, and recommendations; and

(2) an assessment of the extent to which recommendations of the Commission included in the interim report under subsection (a) have been implemented.

(c) Printing and Public Distribution.—Upon receipt of each report of the Commission under this section, the President shall—

(1) order the report to be printed; and

(2) make the report available to the public upon request.

SEC. 247. TERMINATION.

The Commission shall terminate on the date that is 2 years after the date on which the members of the Commission have met and designated a Chairperson and Vice Chairperson.

SEC. 248. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to carry out the purposes of the Commission.

TITLE III—CHILD SUPPORT

SEC. 300. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, where ever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

Subtitle A—Eligibility for Services; Distribution of Payments

SEC. 301. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES.

(a) State Plan Requirements.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking paragraph (4) and inserting the following new paragraph:

"(4) provide that the State will—

"(A) provide services relating to the establishment of paternity or the establishment, modification, or enforcement of child support obligations, as appropriate, under the plan with respect to—

"(i) each child for whom (I) assistance is provided under the State program funded under part A of this title, (II) benefits or services for foster care maintenance and adoption assistance are provided under the State program funded under part B of this title, or (III) medical assistance is provided under the State plan approved under title XIX, unless the State agency administering the plan determines (in accordance with paragraph (29)) that it is against the best interests of the child to do so; and

"(ii) any other child, if an individual applies for such services with respect to the child; and

"(B) enforce any support obligation established with respect to—

"(i) a child with respect to whom the State provides services under the plan; or

"(ii) the custodial parent of such a child."; and

(2) in paragraph (6)—

(A) by striking "provide that" and inserting "provide that—";

(B) by striking subparagraph (A) and inserting the following new subparagraph:

"(A) services under the plan shall be made available to residents of other States on the same terms as to residents of the State submitting the plan;";

(C) in subparagraph (B), by inserting "on individuals not receiving assistance under any State program funded under part A" after "such services shall be imposed";

(D) in each of subparagraphs (B), (C), (D), and (E)—

(i) by indenting the subparagraph in the same manner as, and aligning the left margin of the subparagraph with the left margin of, the matter inserted by subparagraph (B) of this paragraph; and

(ii) by striking the final comma and inserting a semicolon; and

(E) in subparagraph (E), by indenting each of clauses (i) and (ii) 2 additional ems.

(b) Continuation of Services for Families Ceasing To Receive Assistance Under the State Program Funded Under Part A.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking "and" at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting "; and"; and

(3) by adding after paragraph (24) the following new paragraph:

"(25) provide that if a family with respect to which services are provided under the plan ceases to receive assistance under the State program funded under part A, the State shall provide appropriate notice to the family and continue to provide such services, subject to the same conditions and on the same basis as in the case of other individuals to whom services are furnished under the plan, except that an application or other request to continue services shall not be required of such a family and paragraph (6)(B) shall not apply to the family.".

(c) Conforming Amendments.—

(1) Section 452(b) (42 U.S.C. 652(b)) is amended by striking "454(6)" and inserting "454(4)".

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking "454(6)" each place it appears and inserting "454(4)(A)(ii)".

(3) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "in the case of overdue support which a State has agreed to collect under section 454(6)" and inserting "in any other case".

(4) Section 466(e) (42 U.S.C. 666(e)) is amended by striking "paragraph (4) or (6) of section 454" and inserting "section 454(4)".

SEC. 302. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.

(a) In General.—Section 457 (42 U.S.C. 657) is amended to read as follows:

"SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.

"(a) In General.—An amount collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

"(1) Families Receiving Assistance.—In the case of a family receiving assistance from the State, the State shall—

"(A) pay to the Federal Government the Federal share of the amount so collected; and

"(B) retain, or distribute to the family, the State share of the amount so collected.

"(2) Families That Formerly Received Assistance.—In the case of a family that formerly received assistance from the State:

"(A) Current Support Payments.—To the extent that the amount so collected does not exceed the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected to the family.

"(B) Payments of Arrearages.—To the extent that the amount so collected exceeds the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected as follows:

"(i) DISTRIBUTION OF ARREARAGES THAT ACCRUED AFTER THE FAMILY CEASED TO RECEIVE ASSISTANCE.—

"(I) PRE-OCTOBER 1997.—The provisions of this section (other than subsection (b)(1)) as in effect and applied on the day before the date of the enactment of section 302 of the Bipartisan Welfare Reform Act of 1996 shall apply with respect to the distribution of support arrearages that—

"(aa) accrued after the family ceased to receive assistance, and

"(bb) are collected before October 1, 1997.

"(II) POST-SEPTEMBER 1997.—With respect the amount so collected on or after October 1, 1997, or before such date, at the option of the State—

"(aa) IN GENERAL.—The State shall first distribute the amount so collected (other than any amount described in clause (iv)) to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued after the family ceased to receive assistance from the State.

"(bb) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—After the application of division (aa) and clause (ii)(II)(aa) with respect to the amount so collected, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share (as defined in subsection (c)(2)(A)) of the amount so collected, but only to the extent necessary to reimburse amounts paid to the family as assistance by the State.

"(cc) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither division (aa) nor division (bb) applies to the amount so collected, the State shall distribute the amount to the family.

"(ii) DISTRIBUTION OF ARREARAGES THAT ACCRUED BEFORE THE FAMILY RECEIVED ASSISTANCE.—

"(I) PRE-OCTOBER 2000.—The provisions of this section (other than subsection (b)(1)) as in effect and applied on the day before the date of the enactment of section 302 of the Bipartisan Welfare Reform Act of 1996 shall apply with respect to the distribution of support arrearages that—

"(aa) accrued before the family received assistance, and

"(bb) are collected before October 1, 2000.

"(II) POST-SEPTEMBER 2000.—Unless, based on the report required by paragraph (4), the Congress determines otherwise, with respect to the amount so collected on or after October 1, 2000, or before such date, at the option of the State—

"(aa) IN GENERAL.—The State shall first distribute the amount so collected (other than any amount described in clause (iv)) to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued before the family received assistance from the State.

"(bb) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—After the application of clause (i)(II)(aa) and division (aa) with respect to the amount so collected, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share (as defined in subsection (c)(2)) of the amount so collected, but only to the extent necessary to reimburse of the amounts paid to the family as assistance by the State.

"(cc) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither division (aa) nor division (bb) applies to the amount so collected, the State shall distribute the amount to the family.

"(iii) DISTRIBUTION OF ARREARAGES THAT ACCRUED WHILE THE FAMILY RECEIVED ASSISTANCE.—In the case of a family described in this subparagraph, the provisions of paragraph (1) shall apply with respect to the distribution of support arrearages that accrued while the family received assistance.

"(iv) AMOUNTS COLLECTED PURSUANT TO SECTION 464.—Notwithstanding any other provision of this section, any amount of support collected pursuant to section 464 shall be retained by the State to the extent necessary to reimburse amounts paid to the family as assistance by the State. The State shall pay to the Federal Government the Federal share of the amounts so retained. To the extent the amount collected pursuant to section 464 exceeds the amount so retained, the State shall distribute the excess to the family.

"(v) ORDERING RULES FOR DISTRIBUTIONS.—For purposes of this subparagraph, the State shall treat any support arrearages collected as accruing in the following order:

"(I) to the period after the family ceased to receive assistance;

"(II) to the period before the family received assistance; and

"(III) to the period while the family was receiving assistance.

"(3) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall distribute the amount so collected to the family.

"(4) STUDY AND REPORT.—Not later than October 1, 1998, the Secretary shall report to the Congress the Secretary's findings with respect to—

"(A) whether the distribution of post-assistance arrearages to families has been effective in moving people off of welfare and keeping them off of welfare;

"(B) whether early implementation of a pre-assistance arrearage program by some States has been effective in moving people off of welfare and keeping them off of welfare;

"(C) what the overall impact has been of the amendments made by the Bipartisan Welfare Reform Act of 1996 with respect to child support enforcement in moving people off of welfare and keeping them off of welfare; and

"(D) based on the information and data the Secretary has obtained, what changes, if any, should be made in the policies related to the distribution of child support arrearages.

"(b) CONTINUATION OF ASSIGNMENTS.—Any rights to support obligations, which were assigned to a State as a condition of receiving assistance from the State under part A and which were in effect on the day before the date of the enactment of the Bipartisan Welfare Reform Act of 1996, shall remain assigned after such date.

"(c) DEFINITIONS.—As used in subsection (a):

"(1) ASSISTANCE.—The term 'assistance from the State' means—

"(A) assistance under the State program funded under part A or under the State plan approved under part A of this title (as in effect on the day before the date of the enactment of the Bipartisan Welfare Reform Act of 1996); or

"(B) benefits under the State plan approved under part E of this title (as in effect on the day before the date of the enactment of the Bipartisan Welfare Reform Act of 1996).

"(2) FEDERAL SHARE.—The term 'Federal share' means that portion of the amount collected resulting from the application of the Federal medical percentage in effect for the fiscal year in which the amount is collected.

"(3) FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—The term 'Federal medical assistance percentage' means—

"(A) the Federal medical assistance percentage (as defined in section 1118), in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa; or

"(B) the Federal medical assistance percentage (as defined in section 1905(b)) in the case of any other State.

"(4) STATE SHARE.—The term 'State share' means 100 percent minus the Federal share.

"(d) HOLD HARMLESS PROVISION.—If the amounts collected which could be retained by the State in the fiscal year (to the extent necessary to reimburse the State for amounts paid to families as assistance by the State) are less than the State share of the amounts collected in fiscal year 1995 (determined in accordance with section 457 as in effect on the day before the date of the enactment of the Bipartisan Welfare Reform Act of 1996), the State share for the fiscal year shall be an amount equal to the State share in fiscal year 1995.".

(b) CONFORMING AMENDMENTS.—

(1) Section 464(a)(1) (42 U.S.C. 664(a)(1)) is amended by striking "section 457(b)(4) or (d)(3)" and inserting "section 457".

(2) Section 454 (42 U.S.C. 654) is amended—

(A) in paragraph (11)—

(i) by striking "(11)" and inserting "(11)(A)"; and

(ii) by inserting after the semicolon "and"; and

(B) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall be effective on October 1, 1996, or earlier at the State's option.

(2) CONFORMING AMENDMENTS.—The amendments made by subsection (b)(2) shall become effective on the date of the enactment of this Act.

SEC. 303. PRIVACY SAFEGUARDS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by section 301(b) of this Act, is amended—

(1) by striking "and" at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting "; and"; and

(3) by adding after paragraph (25) the following new paragraph:

"(26) will have in effect safeguards, applicable to all confidential information handled by the State agency, that are designed to protect the privacy rights of the parties, including—

"(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

"(B) prohibitions against the release of information on the whereabouts of 1 party to another party against whom a protective order with respect to the former party has been entered; and

"(C) prohibitions against the release of information on the whereabouts of 1 party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

SEC. 304. RIGHTS TO NOTIFICATION AND HEARINGS.

(a) IN GENERAL.—Section 454 (42 U.S.C. 654), as amended by section 302(b)(2) of this Act, is amended by inserting after paragraph (11) the following new paragraph:

"(12) provide for the establishment of procedures to require the State to provide individuals who are applying for or receiving services under the State plan, or who are parties to cases in which services are being provided under the State plan—

"(A) with notice of all proceedings in which support obligations might be established or modified; and

"(B) with a copy of any order establishing or modifying a child support obligation, or (in the case of a petition for modification) a notice of determination that there should be no change in the amount of the child support award, within 14 days after issuance of such order or determination;".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

Subtitle B—Locate and Case Tracking

SEC. 311. STATE CASE REGISTRY.

Section 454A, as added by section 344(a)(2) of this Act, is amended by adding at the end the following new subsections:

"(e) STATE CASE REGISTRY.—

"(1) CONTENTS.—The automated system required by this section shall include a registry (which shall be known as the 'State case registry') that contains records with respect to—

"(A) each case in which services are being provided by the State agency under the State plan approved under this part; and

"(B) each support order established or modified in the State on or after October 1, 1998.

"(2) LINKING OF LOCAL REGISTRIES.—The State case registry may be established by linking local case registries of support orders through an automated information network, subject to this section.

"(3) USE OF STANDARDIZED DATA ELEMENTS.—Such records shall use standardized data elements for both parents (such as names, social security numbers and other uniform identification numbers, dates of birth, and case identification numbers), and contain such other information (such as on-case status) as the Secretary may require.

"(4) PAYMENT RECORDS.—Each case record in the State case registry with respect to which services are being provided under the State plan approved under this part and with respect to which a support order has been established shall include a record of—

"(A) the amount of monthly (or other periodic) support owed under the order, and other amounts (including arrearages, interest or late payment penalties, and fees) due or overdue under the order;

"(B) any amount described in subparagraph (A) that has been collected;

"(C) the distribution of such collected amounts;

"(D) the birth date of any child for whom the order requires the provision of support; and

"(E) the amount of any lien imposed with respect to the order pursuant to section 466(a)(4).

"(5) UPDATING AND MONITORING.—The State agency operating the automated system required by this section shall promptly establish and maintain, and regularly monitor, case records in the State case registry with respect to which services are being provided under the State plan approved under this part, on the basis of—

"(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

"(B) information obtained from comparison with Federal, State, or local sources of information;

"(C) information on support collections and distributions; and

"(D) any other relevant information.

"(f) INFORMATION COMPARISONS AND OTHER DISCLOSURES OF INFORMATION.—The State shall use the automated system required by this section to extract information from (at such times, and in such standardized format or formats, as may be required by the Secretary), to share and compare information with, and to receive information from, other data bases and information comparison services, in order to obtain (or provide) information necessary to enable the State agency (or the Secretary or other State or Federal agencies) to carry out this part, subject to section 6103 of the Internal Revenue Code of 1986. Such information comparison activities shall include the following:

"(1) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—Furnishing to the Federal Case Registry of Child Support Orders established under section 453(h) (and update as necessary, with information including notice of expiration of orders) the minimum amount of information on child support cases recorded in the State case registry that is necessary to operate the registry (as specified by the Secretary in regulations).

"(2) FEDERAL PARENT LOCATOR SERVICE.—Exchanging information with the Federal Parent Locator Service for the purposes specified in section 453.

"(3) TEMPORARY FAMILY ASSISTANCE AND MEDICAID AGENCIES.—Exchanging information with State agencies (of the State and of other States) administering programs funded under part A, programs operated under State plans under title XIX, and other programs designated by the Secretary, as necessary to perform State agency responsibilities under this part and under such programs.

"(4) INTRASTATE AND INTERSTATE INFORMATION COMPARISONS.—Exchanging information with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part.".

SEC. 312. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 301(b) and 303(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting "; and"; and

(3) by adding after paragraph (26) the following new paragraph:

"(27) provide that, on and after October 1, 1998, the State agency will—

"(A) operate a State disbursement unit in accordance with section 454B; and

"(B) have sufficient State staff (consisting of State employees) and (at State option) contractors reporting directly to the State agency to—

"(i) monitor and enforce support collections through the unit in cases being enforced by the State pursuant to section 454(4) (including carrying out the automated data processing responsibilities described in section 454A(g)); and

"(ii) take the actions described in section 466(c)(1) in appropriate cases.".

(b) ESTABLISHMENT OF STATE DISBURSEMENT UNIT.—Part D of title IV (42 U.S.C. 651-669), as amended by section 344(a)(2) of this Act, is amended by inserting after section 454A the following new section:

"SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

"(a) STATE DISBURSEMENT UNIT.—

"(1) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency must establish and operate a unit (which shall be known as the 'State disbursement unit') for the collection and disbursement of payments under support orders—

"(A) in all cases being enforced by the State pursuant to section 454(4); and

"(B) in all cases not being enforced by the State under this part in which the support order is initially issued in the State on or after January 1, 1994, and in which the wages of the absent parent are subject to withholding pursuant to section 466(a)(8)(B).

"(2) OPERATION.—The State disbursement unit shall be operated—

"(A) directly by the State agency (or 2 or more State agencies under a regional cooperative agreement), or (to the extent appropriate) by a contractor responsible directly to the State agency; and

"(B) except in cases described in paragraph (1)(B), in coordination with the automated system established by the State pursuant to section 454A.

"(3) LINKING OF LOCAL DISBURSEMENT UNITS.—The State disbursement unit may be established by linking local disbursement units through an automated information network, subject to this section, if the Secretary agrees that the system will not cost more nor take more time to establish or operate than a centralized system. In addition, employers shall be given 1 location to which income withholding is sent.

"(b) REQUIRED PROCEDURES.—The State disbursement unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

"(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the agencies of other States;

"(2) for accurate identification of payments;

"(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

"(4) to furnish to any parent, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

"(c) TIMING OF DISBURSEMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the State disbursement unit shall distribute all amounts payable under section 457(a) within 2 business days after receipt from the employer or other source of periodic income, if sufficient information identifying the payee is provided.

"(2) PERMISSIVE RETENTION OF ARREARAGES.—The State disbursement unit may delay the distribution of collections toward arrearages until the resolution of any timely appeal with respect to such arrearages.

"(d) BUSINESS DAY DEFINED.—As used in this section, the term 'business day' means a day on which State offices are open for regular business.".

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 344(a)(2) and as amended by section 311 of this Act, is amended by adding at the end the following new subsection:

"(g) COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—

"(1) IN GENERAL.—The State shall use the automated system required by this section, to the maximum extent feasible, to assist and facilitate the collection and disbursement of support payments through the State disbursement unit operated under section 454B, through the performance of functions, including, at a minimum—

"(A) transmission of orders and notices to employers (and other debtors) for the withholding of wages and other income—

"(i) within 2 business days after receipt from a court, another State, an employer, the Federal Parent Locator Service, or another source recognized by the State of notice of, and the income source subject to, such withholding; and

"(ii) using uniform formats prescribed by the Secretary;

"(B) ongoing monitoring to promptly identify failures to make timely payment of support; and

"(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 466(c)) if payments are not timely made.

"(2) BUSINESS DAY DEFINED.—As used in paragraph (1), the term 'business day' means a day on which State offices are open for regular business.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1998.

SEC. 313. STATE DIRECTORY OF NEW HIRES.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a) and 312(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting "; and"; and

(3) by adding after paragraph (27) the following new paragraph:

"(28) provide that, on and after October 1, 1997, the State will operate a State Directory of New Hires in accordance with section 453A.".

(b) STATE DIRECTORY OF NEW HIRES.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 453 the following new section:

"SEC. 453A. STATE DIRECTORY OF NEW HIRES.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—

"(A) REQUIREMENT FOR STATES THAT HAVE NO DIRECTORY.—Except as provided in subparagraph (B), not later than October 1, 1997, each State shall establish an automated directory (to be known as the 'State Directory of New Hires') which shall contain information supplied in accordance with subsection (b) by employers on each newly hired employee.

"(B) STATES WITH NEW HIRE REPORTING IN EXISTENCE.—A State which has a new hire reporting law in existence on the date of the enactment of this section may continue to operate under the State law, but the State must meet the requirements of this section (other than subsection (f)) not later than October 1, 1997.

"(2) DEFINITIONS.—As used in this section:

"(A) EMPLOYEE.—The term 'employee'—

"(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and

"(ii) does not include an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting pursuant to paragraph (1) with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

"(B) EMPLOYER.—

"(i) IN GENERAL.—The term 'employer' has the meaning given such term in section 3401(d) of the Internal Revenue Code of 1996 and includes any governmental entity and any labor organization.

"(ii) LABOR ORGANIZATION.—The term 'labor organization' shall have the meaning given such term in section 2(5) of the National Labor Relations Act, and includes any entity (also known as a 'hiring hall') which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.

"(b) EMPLOYER INFORMATION.—

"(1) REPORTING REQUIREMENT.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), each employer shall furnish to the Directory of New Hires of the State in which a newly hired employee works, a report that contains the name, address, and social security number of the employee, and the name and address of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(B) MULTISTATE EMPLOYERS.—An employer that has employees who are employed in 2 or more States and that transmits reports magnetically or electronically may comply with subparagraph (A) by designating 1 State in which such employer has employees to which the employer will transmit the report described in subparagraph (A), and transmitting such report to such State. Any employer that transmits reports pursuant to this subparagraph shall notify the Secretary in writing as to which State such employer designates for the purpose of sending reports.

"(C) FEDERAL GOVERNMENT EMPLOYERS.—Any department, agency, or instrumentality of the United States shall comply with subparagraph (A) by transmitting the report described in subparagraph (A) to the National Directory of New Hires established pursuant to section 453.

"(2) TIMING OF REPORT.—Each State may provide the time within which the report required by paragraph (1) shall be made with respect to an employee, but such report shall be made—

"(A) not later than 20 days after the date the employer hires the employee; or

"(B) in the case of an employer transmitting reports magnetically or electronically, by 2 monthly transmissions (if necessary) not less than 12 days nor more than 16 days apart.

"(c) REPORTING FORMAT AND METHOD.—Each report required by subsection (b) shall be made on a W–4 form or, at the option of the employer, an equivalent form, and may be transmitted by 1st class mail, magnetically, or electronically.

"(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—The State shall have the option to set a State civil money penalty which shall be less than—

"(1) $25; or

"(2) $500 if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.

"(e) ENTRY OF EMPLOYER INFORMATION.—Information shall be entered into the data base maintained by the State Directory of New Hires within 5 business days of receipt from an employer pursuant to subsection (b).

"(f) INFORMATION COMPARISONS.—

"(1) IN GENERAL.—Not later than May 1, 1998, an agency designated by the State shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

"(2) NOTICE OF MATCH.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to the employer.

"(g) TRANSMISSION OF INFORMATION.—

"(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the wages of the employee an amount equal to the monthly (or other periodic) child support obligation (including any past due support obligation) of the employee, unless the employee's wages are not subject to withholding pursuant to section 466(b)(3).

"(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—

"(A) NEW HIRE INFORMATION.—Within 3 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

"(B) WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of Health and Human Services shall specify in regulations.

"(3) BUSINESS DAY DEFINED.—As used in this subsection, the term 'business day' means a day on which State offices are open for regular business.

"(h) OTHER USES OF NEW HIRE INFORMATION.—

"(1) LOCATION OF CHILD SUPPORT OBLIGORS.—The agency administering the State plan approved under this part shall use information received pursuant to subsection (f)(2) to locate individuals for purposes of establishing paternity and establishing, modifying, and enforcing child support obligations.

"(2) VERIFICATION OF ELIGIBILITY FOR CERTAIN PROGRAMS.—A State agency responsible for administering a program specified in section 1137(b) shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for the program.

"(3) ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS' COMPENSATION.—State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) for the purposes of administering such programs.".

(c) QUARTERLY WAGE REPORTING.—Section 1137(a)(3) (42 U.S.C. 1320b–7(a)(3)) is amended—

(1) by inserting "(including State and local governmental entities and labor organizations (as defined in section 453A(a)(2)(B)(iii))" after "employers"; and

(2) by inserting ", and except that no report shall be filed with respect to an employee of a State or local agency performing intelligence or counterintelligence functions, if the head of such agency has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission" after "paragraph (2)".

SEC. 314. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—

(1) IN GENERAL.—Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

"(1)(A) Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

"(B) Procedures under which the wages of a person with a support obligation imposed by a support order issued (or modified) in the State before October 1, 1996, if not otherwise subject to withholding under subsection (b), shall become subject to withholding as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.".

(2) CONFORMING AMENDMENTS.—

(A) Section 466(b) (42 U.S.C. 666(b)) is amended in the matter preceding paragraph (1), by striking "subsection (a)(1)" and inserting "subsection (a)(1)(A)".

(B) Section 466(b)(4) (42 U.S.C. 666(b)(4)) is amended to read as follows:

"(4)(A) Such withholding must be carried out in full compliance with all procedural due process requirements of the State, and the State must send notice to each noncustodial parent to whom paragraph (1) applies—

"(i) that the withholding has commenced; and

"(ii) of the procedures to follow if the noncustodial parent desires to contest such withholding on the grounds that the withholding or the amount withheld is improper due to a mistake of fact.

"(B) The notice under subparagraph (A) of this paragraph shall include the information provided to the employer under paragraph (6)(A).".

(C) Section 466(b)(5) (42 U.S.C. 666(b)(5)) is amended by striking all that follows "administered by" and inserting "the State through the State disbursement unit established pursuant to section 454B, in accordance with the requirements of section 454B.".

(D) Section 466(b)(6)(A) (42 U.S.C. 666(b)(6)(A)) is amended—

(i) in clause (i), by striking "to the appropriate agency" and all that follows and inserting "to the State disbursement unit within 2 business days after the date the amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part. The employer shall comply with the procedural rules relating to income withholding of the State in which the employee works, regardless of the State where the notice originates.".

(ii) in clause (ii), by inserting "be in a standard format prescribed by the Secretary, and" after "shall"; and

(iii) by adding at the end the following new clause:

"(iii) As used in this subparagraph, the term 'business day' means a day on which State offices are open for regular business.".

(E) Section 466(b)(6)(D) (42 U.S.C. 666(b)(6)(D)) is amended by striking "any employer" and all that follows and inserting "any employer who—

"(i) discharges from employment, refuses to employ, or takes disciplinary action against any noncustodial parent subject to wage withholding required by this subsection because of the existence of such withholding and the obligations or additional obligations which it imposes upon the employer; or

"(ii) fails to withhold support from wages, or to pay such amounts to the State disbursement unit in accordance with this subsection.".

(F) Section 466(b) (42 U.S.C. 666(b)) is amended by adding at the end the following new paragraph:

"(11) Procedures under which the agency administering the State plan approved under this part may execute a withholding order without advance notice to the obligor, including issuing the withholding order through electronic means.".

(b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

SEC. 315. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)) is amended by adding at the end the following new paragraph:

"(12) LOCATOR INFORMATION FROM INTERSTATE NETWORKS.—Procedures to ensure that all Federal and State agencies conducting activities under this part have access to any system used by the State to locate an individual for purposes relating to motor vehicles or law enforcement.".

SEC. 316. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows "subsection (c))" and inserting ", for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations, or enforcing child custody or visitation orders—

"(1) information on, or facilitating the discovery of, the location of any individual—

"(A) who is under an obligation to pay child support or provide child custody or visitation rights;

"(B) against whom such an obligation is sought;

"(C) to whom such an obligation is owed, including the individual's social security number (or numbers), most recent address, and the name, address, and employer identification number of the individual's employer;

"(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage); and

"(3) information on the type, status, location, and amount of any assets of, or debts owed by or to, any such individual."; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "social security" and all that follows through "absent parent" and inserting "information described in subsection (a)"; and

(B) in the flush paragraph at the end, by adding the following: "No information shall be disclosed to any person if the State has notified the Secretary that the State has reasonable evidence of domestic violence or child abuse and the disclosure of such information could be harmful to the custodial parent or the child of such parent. Information received or transmitted pursuant to this section shall be subject to the safeguard provisions contained in section 454(26).".

(b) AUTHORIZED PERSON FOR INFORMATION REGARDING VISITATION RIGHTS.—Section 453(c) (42 U.S.C. 653(c)) is amended—

(1) in paragraph (1), by striking "support" and inserting "support or to seek to enforce orders providing child custody or visitation rights"; and

(2) in paragraph (2), by striking ", or any agent of such court; and" and inserting "or to issue an order against a resident parent for child custody or visitation rights, or any agent of such court;".

(c) REIMBURSEMENT FOR INFORMATION FROM FEDERAL AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the 4th sentence by inserting "in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information)" before the period.

(d) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following new subsection:

"(g) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—The Secretary may reimburse Federal and State agencies for the costs incurred by such entities in furnishing information requested by the Secretary under this section in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information).".

(e) CONFORMING AMENDMENTS.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), 663(e), and 663(f)) are each amended by inserting "Federal" before "Parent" each place such term appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding "FEDERAL" before "PARENT".

(f) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as amended by subsection (d) of this section, is amended by adding at the end the following new subsections:

"(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—

"(1) IN GENERAL.—Not later than October 1, 1998, in order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry (which shall be known as the 'Federal Case Registry of Child Support Orders'), which shall contain abstracts of support orders and other information described in paragraph (2) with respect to each case in each State case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

"(2) CASE INFORMATION.—The information referred to in paragraph (1) with respect to a case shall be such information as the Secretary may specify in regulations (including the names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have the case.

"(i) NATIONAL DIRECTORY OF NEW HIRES.—

"(1) IN GENERAL.—In order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall, not later than October 1, 1996, establish and maintain in the Federal Parent Locator Service an automated directory to be known as the National Directory of New Hires, which shall contain the information supplied pursuant to section 453A(g)(2).

"(2) ENTRY OF DATA.—Information shall be entered into the data base maintained by the National Directory of New Hires within 2 business days of receipt pursuant to section 453A(g)(2).

"(3) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have access to the information in the National Directory of New Hires for purposes of administering section 32 of the Internal Revenue Code of 1986, or the advance payment of the earned income tax credit under section 3507 of such Code, and verifying a claim with respect to employment in a tax return.

"(4) LIST OF MULTISTATE EMPLOYERS.—The Secretary shall maintain within the National Directory of New Hires a list of multistate employers that report information regarding newly hired employees pursuant to section 453A(b)(1)(B), and the State which each such employer has designated to receive such information.

"(j) INFORMATION COMPARISONS AND OTHER DISCLOSURES.—

"(1) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION.—

"(A) IN GENERAL.—The Secretary shall transmit information on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

"(B) VERIFICATION BY SSA.—The Social Security Administration shall verify the accuracy of, correct, or supply to the extent possible, and report to the Secretary, the following information supplied by the Secretary pursuant to subparagraph (A):

"(i) The name, social security number, and birth date of each such individual.

"(ii) The employer identification number of each such employer.

"(2) INFORMATION COMPARISONS.—For the purpose of locating individuals in a paternity establishment case or a case involving the establishment, modification, or enforcement of a support order, the Secretary shall—

"(A) compare information in the National Directory of New Hires against information in the support case abstracts in the Federal Case Registry of Child Support Orders not less often than every 2 business days; and

"(B) within 2 such days after such a comparison reveals a match with respect to an individual, report the information to the State agency responsible for the case.

"(3) INFORMATION COMPARISONS AND DISCLOSURES OF INFORMATION IN ALL REGISTRIES FOR TITLE IV PROGRAM PURPOSES.—To the extent and with the frequency that the Secretary determines to be effective in assisting States to carry out their responsibilities under programs operated under this part and programs funded under part A, the Secretary shall—

"(A) compare the information in each component of the Federal Parent Locator Service maintained under this section against the information in each other such component (other than the comparison required by paragraph (2)), and report instances in which such a comparison reveals a match with respect to an individual to State agencies operating such programs; and

"(B) disclose information in such registries to such State agencies.

"(4) PROVISION OF NEW HIRE INFORMATION TO THE SOCIAL SECURITY ADMINISTRATION.—The National Directory of New Hires shall provide the Commissioner of Social Security with all information in the National Directory, which shall be used to determine the accuracy of payments under the supplemental security income program under title XVI and in connection with benefits under title II.

"(5) RESEARCH.—The Secretary may provide access to information reported by employers pursuant to section 453A(b) for research purposes found by the Secretary to be likely to contribute to achieving the purposes of part A or this part, but without personal identifiers.

"(k) FEES.—

"(1) FOR SSA VERIFICATION.—The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, for the costs incurred by the Commissioner in performing the verification services described in subsection (j).

"(2) FOR INFORMATION FROM STATE DIRECTORIES OF NEW HIRES.—The Secretary shall reimburse costs incurred by State directories of new hires in furnishing information as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such information).

"(3) FOR INFORMATION FURNISHED TO STATE AND FEDERAL AGENCIES.—A State or Federal agency that receives information from the Secretary pursuant to this section shall reimburse the Secretary for costs incurred by the Secretary in furnishing the information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and comparing the information).

"(l) RESTRICTION ON DISCLOSURE AND USE.—Information in the Federal Parent Locator Service, and information resulting from comparisons using such information, shall not be used or disclosed except as expressly provided in this section, subject to section 6103 of the Internal Revenue Code of 1986.

"(m) INFORMATION INTEGRITY AND SECURITY.—The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

"(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

"(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.

"(n) FEDERAL GOVERNMENT REPORTING.—Each department, agency, and instrumentality of the United States shall on a quarterly basis report to the Federal Parent Locator Service the name and social security number of each employee and the wages paid to the employee during the previous quarter, except that such a report shall not be filed with respect to an employee of a department, agency, or instrumentality performing intelligence or counterintelligence functions, if the head of such department, agency, or instrumentality has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.".

(g) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—

(A) Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

"(B) the Federal Parent Locator Service established under section 453;".

(B) Section 454(13) (42 U.S.C.654(13)) is amended by inserting "and provide that information requests by parents who are residents of other States be treated with the same priority as requests by parents who are residents of the State submitting the plan" before the semicolon.

(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(a)(16) of the Internal Revenue Code of 1986 is amended—

(A) by striking "Secretary of Health, Education, and Welfare" each place such term appears and inserting "Secretary of Health and Human Services";

(B) in subparagraph (B), by striking "such information" and all that follows and inserting "information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;";

(C) by striking "and" at the end of subparagraph (A);

(D) by redesignating subparagraph (B) as subparagraph (C); and

(E) by inserting after subparagraph (A) the following new subparagraph:

"(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453(i) of the Social Security Act, and".

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Subsection (h) of section 303 (42 U.S.C. 503) is amended to read as follows:

"(h)(1) The State agency charged with the administration of the State law shall, on a reimbursable basis—

"(A) disclose quarterly, to the Secretary of Health and Human Services, wage and claim information, as required pursuant to section 453(i)(1), contained in the records of such agency;

"(B) ensure that information provided pursuant to subparagraph (A) meets such standards relating to correctness and verification as the Secretary of Health and Human Services, with the concurrence of the Secretary of Labor, may find necessary; and

"(C) establish such safeguards as the Secretary of Labor determines are necessary to insure that information disclosed under subparagraph (A) is used only for purposes of section 453(i)(1) in carrying out the child support enforcement program under title IV.

"(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until the Secretary of Labor is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, the Secretary shall make no future certification to the Secretary of the Treasury with respect to the State.

"(3) For purposes of this subsection—

"(A) the term 'wage information' means information regarding wages paid to an individual, the social security account number of such individual, and the name, address, State, and the Federal employer identification number of the employer paying such wages to such individual; and

"(B) the term 'claim information' means information regarding whether an individual is receiving, has received, or has made application for, unemployment compensation, the amount of any such compensation being received (or to be received by such individual), and the individual's current (or most recent) home address.".

(4) DISCLOSURE OF CERTAIN INFORMATION TO AGENTS OF CHILD SUPPORT ENFORCEMENT AGENCIES.—

(A) IN GENERAL.—Paragraph (6) of section 6103(l) of the Internal Revenue Code of 1986 (relating to disclosure of return information to Federal, State, and local child support enforcement agencies) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

"(B) DISCLOSURE TO CERTAIN AGENTS.—The following information disclosed to any child support enforcement agency under subparagraph (A) with respect to any individual with respect to whom child support obligations are sought to be established or enforced may be disclosed by such agency to any agent of such agency which is under contract with such agency to carry out the purposes described in subparagraph (C):

"(i) The address and social security account number (or numbers) of such individual.

"(ii) The amount of any reduction under section 6402(c) (relating to offset of past-due support against overpayments) in any overpayment otherwise payable to such individual."

(B) CONFORMING AMENDMENTS.—

(i) Paragraph (3) of section 6103(a) of such Code is amended by striking "(l)(12)" and inserting "paragraph (6) or (12) of subsection (l)".

(ii) Subparagraph (C) of section 6103(l)(6) of such Code, as redesignated by subsection (a), is amended to read as follows:

"(C) RESTRICTION ON DISCLOSURE.—Information may be disclosed under this paragraph only for purposes of, and to the extent necessary in, establishing and collecting child support obligations from, and locating, individuals owing such obligations."

(iii) The material following subparagraph (F) of section 6103(p)(4) of such Code is amended by striking "subsection (l)(12)(B)" and inserting "paragraph (6)(A) or (12)(B) of subsection (l)".

SEC. 317. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 315 of this Act, is amended by adding at the end the following new paragraph:

"(13) RECORDING OF SOCIAL SECURITY NUMBERS IN CERTAIN FAMILY MATTERS.—Procedures requiring that the social security number of—

"(A) any applicant for a professional license, commercial driver's license, occupational license, or marriage license be recorded on the application;

"(B) any individual who is subject to a divorce decree, support order, or paternity determination or acknowledgment be placed in the records relating to the matter; and

"(C) any individual who has died be placed in the records relating to the death and be recorded on the death certificate.

For purposes of subparagraph (A), if a State allows the use of a number other than the social security number, the State shall so advise any applicants.".

(b) CONFORMING AMENDMENTS.—Section 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by section 321(a)(9) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(1) in clause (i), by striking "may require" and inserting "shall require";

(2) in clause (ii), by inserting after the 1st sentence the following: "In the administration of any law involving the issuance of a marriage certificate or license, each State shall require each party named in the certificate or license to furnish to the State (or political subdivision thereof), or any State agency having administrative responsibility for the law involved, the social security number of the party.";

(3) in clause (ii), by inserting "or marriage certificate" after "Such numbers shall not be recorded on the birth certificate".

(4) in clause (vi), by striking "may" and inserting "shall"; and

(5) by adding at the end the following new clauses:

"(x) An agency of a State (or a political subdivision thereof) charged with the administration of any law concerning the issuance or renewal of a license, certificate, permit, or other authorization to engage in a profession, an occupation, or a commercial activity shall require all applicants for issuance or renewal of the license, certificate, permit, or other authorization to provide the applicant's social security number to the agency for the purpose of administering such laws, and for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.

"(xi) All divorce decrees, support orders, and paternity determinations issued, and all paternity acknowledgments made, in each State shall include the social security number of each party to the decree, order, determination, or acknowledgment in the records relating to the matter, for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.".

Subtitle C—Streamlining and Uniformity of Procedures

SEC. 321. ADOPTION OF UNIFORM STATE LAWS.

Section 466 (42 U.S.C. 666) is amended by adding at the end the following new subsection:

"(f) UNIFORM INTERSTATE FAMILY SUPPORT ACT.—

"(1) ENACTMENT AND USE.—In order to satisfy section 454(20)(A), on and after January 1, 1998, each State must have in effect the Uniform Interstate Family Support Act, as approved by the American Bar Association on February 9, 1993, together with any amendments officially adopted before January 1, 1998, by the National Conference of Commissioners on Uniform State Laws.

"(2) EMPLOYERS TO FOLLOW PROCEDURAL RULES OF STATE WHERE EMPLOYEE WORKS.—The State law enacted pursuant to paragraph (1) shall provide that an employer that receives an income withholding order or notice pursuant to section 501 of the Uniform Interstate Family Support Act follow the procedural rules that apply with respect to such order or notice under the laws of the State in which the obligor works.".

SEC. 322. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking "subsection (e)" and inserting "subsections (e), (f), and (i)";

(2) in subsection (b), by inserting after the 2d undesignated paragraph the following:

"'child's home State' means the State in which a child lived with a parent or a person acting as parent for at least 6 consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than 6 months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the 6-month period.";

(3) in subsection (c), by inserting "by a court of a State" before "is made";

(4) in subsection (c)(1), by inserting "and subsections (e), (f), and (g)" after "located";

(5) in subsection (d)—

(A) by inserting "individual" before "contestant"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(6) in subsection (e), by striking "make a modification of a child support order with respect to a child that is made" and inserting "modify a child support order issued";

(7) in subsection (e)(1), by inserting "pursuant to subsection (i)" before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting "individual" before "contestant" each place such term appears; and

(B) by striking "to that court's making the modification and assuming" and inserting "with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume";

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following new subsection:

"(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If 1 or more child support orders have been issued in this or another State with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

"(1) If only 1 court has issued a child support order, the order of that court must be recognized.

"(2) If 2 or more courts have issued child support orders for the same obligor and child, and only 1 of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

"(3) If 2 or more courts have issued child support orders for the same obligor and child, and more than 1 of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

"(4) If 2 or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

"(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.";

(11) in subsection (g) (as so redesignated)—

(A) by striking "PRIOR" and inserting "MODIFIED"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting "including the duration of current payments and other obligations of support" before the comma; and

(B) in paragraph (3), by inserting "arrears under" after "enforce"; and

(13) by adding at the end the following new subsection:

"(i) REGISTRATION FOR MODIFICATION.—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification.".

SEC. 323. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315 and 317(a) of this Act, is amended by adding at the end the following new paragraph:

"(14) ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.—Procedures under which—

"(A)(i) the State shall respond within 5 business days to a request made by another State to enforce a support order; and

"(ii) the term 'business day' means a day on which State offices are open for regular business;

"(B) the State may, by electronic or other means, transmit to another State a request for assistance in a case involving the enforcement of a support order, which request—

"(i) shall include such information as will enable the State to which the request is transmitted to compare the information about the case to the information in the data bases of the State; and

"(ii) shall constitute a certification by the requesting State—

"(I) of the amount of support under the order the payment of which is in arrears; and

"(II) that the requesting State has complied with all procedural due process requirements applicable to the case;

"(C) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the case to be transferred to the caseload of such other State; and

"(D) the State shall maintain records of—

"(i) the number of such requests for assistance received by the State;

"(ii) the number of cases for which the State collected support in response to such a request; and

"(iii) the amount of such collected support.".

SEC. 324. USE OF FORMS IN INTERSTATE ENFORCEMENT.

(a) PROMULGATION.—Section 452(a) (42 U.S.C. 652(a)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(11) not later than June 30, 1996, after consulting with the State directors of programs under this part, promulgate forms to be used by States in interstate cases for—

"(A) collection of child support through income withholding;

"(B) imposition of liens; and

"(C) administrative subpoenas.".

(b) USE BY STATES.—Section 454(9) (42 U.S.C. 654(9)) is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by inserting "and" at the end of subparagraph (D); and

(3) by adding at the end the following new subparagraph:

"(E) no later than October 1, 1996, in using the forms promulgated pursuant to section 452(a)(11) for income withholding, imposition of liens, and issuance of administrative subpoenas in interstate child support cases;".

SEC. 325. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as amended by section 314 of this Act, is amended—

(1) in subsection (a)(2), by striking the first sentence and inserting the following: "Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations."; and

(2) by inserting after subsection (b) the following new subsection:

"(c) EXPEDITED PROCEDURES.—The procedures specified in this subsection are the following:

"(1) ADMINISTRATIVE ACTION BY STATE AGENCY.—Procedures which give the State agency the authority to take the following actions relating to establishment or enforcement of support orders, without the necessity of obtaining an order from any other judicial or administrative tribunal, and to recognize and enforce the authority of State agencies of other States) to take the following actions:

"(A) GENETIC TESTING.—To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

"(B) FINANCIAL OR OTHER INFORMATION.—To subpoena any financial or other information needed to establish, modify, or enforce a support order, and to impose penalties for failure to respond to such a subpoena.

"(C) RESPONSE TO STATE AGENCY REQUEST.—To require all entities in the State (including for-profit, nonprofit, and governmental employers) to provide promptly, in response to a request by the State agency of that or any other State administering a program under this part, information on the employment, compensation, and benefits of any individual employed by such entity as an employee or contractor, and to sanction failure to respond to any such request.

"(D) ACCESS TO CERTAIN RECORDS.—To obtain access, subject to safeguards on privacy and information security, to the following records (including automated access, in the case of records maintained in automated data bases):

"(i) Records of other State and local government agencies, including—

"(I) vital statistics (including records of marriage, birth, and divorce);

"(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

"(III) records concerning real and titled personal property;

"(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

"(V) employment security records;

"(VI) records of agencies administering public assistance programs;

"(VII) records of the motor vehicle department; and

"(VIII) corrections records.

"(ii) Certain records held by private entities, including—

"(I) customer records of public utilities and cable television companies; and

"(II) information (including information on assets and liabilities) on individuals who owe or are owed support (or against or with respect to whom a support obligation is sought) held by financial institutions (subject to limitations on liability of such entities arising from affording such access), as provided pursuant to agreements described in subsection (a)(18).

"(E) CHANGE IN PAYEE.—In cases in which support is subject to an assignment in order to comply with a requirement imposed pursuant to part A or section 1912, or to a requirement to pay through the State disbursement unit established pursuant to section 454B, upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

"(F) INCOME WITHHOLDING.—To order income withholding in accordance with subsections (a)(1) and (b) of section 466.

"(G) SECURING ASSETS.—In cases in which there is a support arrearage, to secure assets to satisfy the arrearage by—

"(i) intercepting or seizing periodic or lump-sum payments from—

"(I) a State or local agency, including unemployment compensation, workers' compensation, and other benefits; and

"(II) judgments, settlements, and lotteries;

"(ii) attaching and seizing assets of the obligor held in financial institutions;

"(iii) attaching public and private retirement funds; and

"(iv) imposing liens in accordance with subsection (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

"(H) INCREASE MONTHLY PAYMENTS.—For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages, subject to such conditions or limitations as the State may provide.

Such procedures shall be subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal.

"(2) SUBSTANTIVE AND PROCEDURAL RULES.—The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

"(A) LOCATOR INFORMATION; PRESUMPTIONS CONCERNING NOTICE.—Procedures under which—

"(i) each party to any paternity or child support proceeding is required (subject to privacy safeguards) to file with the tribunal and the State case registry upon entry of an order, and to update as appropriate, information on location and identity of the party, including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and name and telephone number of employer; and

"(ii) in any subsequent child support enforcement action between the parties, upon sufficient showing that diligent effort has been made to ascertain the location of such a party, the tribunal may deem State due process requirements for notice and service of process to be met with respect to the party, upon delivery of written notice to the most recent residential or employer address filed with the tribunal pursuant to clause (i).

"(B) STATEWIDE JURISDICTION.—Procedures under which—

"(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties; and

"(ii) in a State in which orders are issued by courts or administrative tribunals, a case may be transferred between local jurisdictions in the State without need for for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.

"(3) COORDINATION WITH ERISA.—Notwithstanding subsection (d) of section 514 of the Employee Retirement Income Security Act of 1974 (relating to effect on other laws), nothing in this subsection shall be construed to alter, amend, modify, invalidate, impair, or supersede subsections (a), (b), and (c) of such section 514 as it applies with respect to any procedure referred to in paragraph (1) and any expedited procedure referred to in paragraph (2), except to the extent that such procedure would be consistent with the requirements of section 206(d)(3) of such Act (relating to qualified domestic relations orders) or the requirements of section 609(a) of such Act (relating to qualified medical child support orders) if the reference in such section 206(d)(3) to a domestic relations order and the reference in such section 609(a) to a medical child support order were a reference to a support order referred to in paragraphs (1) and (2) relating to the same matters, respectively.".

(b) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 344(a)(2) and as amended by sections 311 and 312(c) of this Act, is amended by adding at the end the following new subsection:

"(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required by this section shall be used, to the maximum extent feasible, to implement the expedited administrative procedures required by section 466(c).".

Subtitle D—Paternity Establishment

SEC. 331. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended to read as follows:

"(5) PROCEDURES CONCERNING PATERNITY ESTABLISHMENT.—

"(A) ESTABLISHMENT PROCESS AVAILABLE FROM BIRTH UNTIL AGE 18.—

"(i) Procedures which permit the establishment of the paternity of a child at any time before the child attains 18 years of age.

"(ii) As of August 16, 1984, clause (i) shall also apply to a child for whom paternity has not been established or for whom a paternity action was brought but dismissed because a statute of limitations of less than 18 years was then in effect in the State.

"(B) PROCEDURES CONCERNING GENETIC TESTING.—

"(i) GENETIC TESTING REQUIRED IN CERTAIN CONTESTED CASES.—Procedures under which the State is required, in a contested paternity case (unless otherwise barred by State law) to require the child and all other parties (other than individuals found under section 454(29) to have good cause for refusing to cooperate) to submit to genetic tests upon the request of any such party, if the request is supported by a sworn statement by the party—

"(I) alleging paternity, and setting forth facts establishing a reasonable possibility of the requisite sexual contact between the parties; or

"(II) denying paternity, and setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact between the parties.

"(ii) OTHER REQUIREMENTS.—Procedures which require the State agency, in any case in which the agency orders genetic testing—

"(I) to pay costs of such tests, subject to recoupment (if the State so elects) from the alleged father if paternity is established; and

"(II) to obtain additional testing in any case if an original test result is contested, upon request and advance payment by the contestant.

"(C) VOLUNTARY PATERNITY ACKNOWLEDGMENT.—

"(i) SIMPLE CIVIL PROCESS.—Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the mother and the putative father must be given notice, orally and in writing, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

"(ii) HOSPITAL-BASED PROGRAM.—Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child, subject to such good cause exceptions, taking into account the best interests of the child, as the State may establish.

"(iii) PATERNITY ESTABLISHMENT SERVICES.—

"(I) STATE-OFFERED SERVICES.—Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

"(II) REGULATIONS.—

"(aa) SERVICES OFFERED BY HOSPITALS AND BIRTH RECORD AGENCIES.—The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies.

"(bb) SERVICES OFFERED BY OTHER ENTITIES.—The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, use the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as the provision of such services is evaluated by, voluntary paternity establishment programs of hospitals and birth record agencies.

"(iv) USE OF PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such procedures must require the State to develop and use an affidavit for the voluntary acknowledgment of paternity which includes the minimum requirements of the affidavit developed by the Secretary under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State according to its procedures.

"(D) STATUS OF SIGNED PATERNITY ACKNOWLEDGMENT.—

"(i) INCLUSION IN BIRTH RECORDS.—Procedures under which the name of the father shall be included on the record of birth of the child of unmarried parents only if—

"(I) the father and mother have signed a voluntary acknowledgment of paternity; or

"(II) a court or an administrative agency of competent jurisdiction has issued an adjudication of paternity.

Nothing in this clause shall preclude a State agency from obtaining an admission of paternity from the father for submission in a judicial or administrative proceeding, or prohibit the issuance of an order in a judicial or administrative proceeding which bases a legal finding of paternity on an admission of paternity by the father and any other additional showing required by State law.

"(ii) LEGAL FINDING OF PATERNITY.—Procedures under which a signed voluntary acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within the earlier of—

"(I) 60 days; or

"(II) the date of an administrative or judicial proceeding relating to the child (including a proceeding to establish a support order) in which the signatory is a party.

"(iii) CONTEST.—Procedures under which, after the 60-day period referred to in clause (ii), a signed voluntary acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown.

"(E) BAR ON ACKNOWLEDGMENT RATIFICATION PROCEEDINGS.—Procedures under which judicial or administrative proceedings are not required or permitted to ratify an unchallenged acknowledgment of paternity.

"(F) ADMISSIBILITY OF GENETIC TESTING RESULTS.—Procedures—

"(i) requiring the admission into evidence, for purposes of establishing paternity, of the results of any genetic test that is—

"(I) of a type generally acknowledged as reliable by accreditation bodies designated by the Secretary; and

"(II) performed by a laboratory approved by such an accreditation body;

"(ii) requiring an objection to genetic testing results to be made in writing not later than a specified number of days before any hearing at which the results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of the results); and

"(iii) making the test results admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy, unless objection is made.

"(G) PRESUMPTION OF PATERNITY IN CERTAIN CASES.—Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability that the alleged father is the father of the child.

"(H) DEFAULT ORDERS.—Procedures requiring a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

"(I) NO RIGHT TO JURY TRIAL.—Procedures providing that the parties to an action to establish paternity are not entitled to a trial by jury.

"(J) TEMPORARY SUPPORT ORDER BASED ON PROBABLE PATERNITY IN CONTESTED CASES.—Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, if there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

"(K) PROOF OF CERTAIN SUPPORT AND PATERNITY ESTABLISHMENT COSTS.—Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services or for testing on behalf of the child.

"(L) Standing of putative fathers.—Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.

"(M) Filing of acknowledgments and adjudications in state registry of birth records.—Procedures under which voluntary acknowledgments and adjudications of paternity by judicial or administrative processes are filed with the State registry of birth records for comparison with information in the State case registry.".

(b) National Paternity Acknowledgment Affidavit.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting ", and develop an affidavit to be used for the voluntary acknowledgment of paternity which shall include the social security number of each parent and, after consultation with the States, other common elements as determined by such designee" before the semicolon.

(c) Conforming Amendment.—Section 468 (42 U.S.C. 668) is amended by striking "a simple civil process for voluntarily acknowledging paternity and".

SEC. 332. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

Section 454(23) (42 U.S.C. 654(23)) is amended by inserting "and will publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support by means the State deems appropriate" before the semicolon.

SEC. 333. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF TEMPORARY FAMILY ASSISTANCE.

Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a), 312(a), and 313(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting "; and"; and

(3) by inserting after paragraph (28) the following new paragraph:

"(29) provide that the State agency responsible for administering the State plan—

"(A) shall make the determination (and redetermination at appropriate intervals) as to whether an individual who has applied for or is receiving assistance under the State program funded under part A or the State program under title XIX is cooperating in good faith with the State in establishing the paternity of, or in establishing, modifying, or enforcing a support order for, any child of the individual by providing the State agency with the name of, and such other information as the State agency may require with respect to, the noncustodial parent of the child, subject to such good cause exceptions, taking into account the best interests of the child, as the State may establish through the State agency, or at the option of the State, through the State agencies administering the State programs funded under part A and title XIX;

"(B) shall require the individual to supply additional necessary information and appear at interviews, hearings, and legal proceedings;

"(C) shall require the individual and the child to submit to genetic tests pursuant to judicial or administrative order;

"(D) may request that the individual sign a voluntary acknowledgment of paternity, after notice of the rights and consequences of such an acknowledgment, but may not require the individual to sign an acknowledgment or otherwise relinquish the right to genetic tests as a condition of cooperation and eligibility for assistance under the State program funded under part A or the State program under title XIX; and

"(E) shall promptly notify the individual and the State agency administering the State program funded under part A and the State agency administering the State program under title XIX of each such determination, and if noncooperation is determined, the basis therefore.".

Subtitle E—Program Administration and Funding

SEC. 341. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) Development of New System.—The Secretary of Health and Human Services, in consultation with State directors of programs under part D of title IV of the Social Security Act, shall develop a new incentive system to replace, in a revenue neutral manner, the system under section 458 of such Act. The new system shall provide additional payments to any State based on such State's performance under such a program. Not later than June 1, 1996, the Secretary shall report on the new system to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(b) Conforming Amendments to Present System.—Section 458 (42 U.S.C. 658) is amended—

(1) in subsection (a), by striking "aid to families with dependent children under a State plan approved under part A of this title" and inserting "assistance under a program funded under part A";

(2) in subsection (b)(1)(A), by striking "section 402(a)(26)" and inserting "section 408(a)(4)";

(3) in subsections (b) and (c)—

(A) by striking "AFDC collections" each place it appears and inserting "title IV–A collections", and

(B) by striking "non-AFDC collections" each place it appears and inserting "non-title IV–A collections"; and

(4) in subsection (c), by striking "combined AFDC/non-AFDC administrative costs" both places it appears and inserting "combined title IV–A/non-title IV–A administrative costs".

(c) Calculation of IV–D Paternity Establishment Percentage.—

(1) Section 452(g)(1)(A) (42 U.S.C. 652(g)(1)(A)) is amended by striking "75" and inserting "90".

(2) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended by redesignating subparagraphs (B) through (E) as subparagraphs (C) through (F), respectively, and by inserting after subparagraph (A) the following new subparagraph:

"(B) for a State with a paternity establishment percentage of not less than 75 percent but less than 90 percent for such fiscal year, the paternity establishment percentage of the State for the immediately preceding fiscal year plus 2 percentage points;".

(3) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter preceding clause (i)—

(A) by striking "paternity establishment percentage" and inserting "IV–D paternity establishment percentage"; and

(B) by striking "(or all States, as the case may be)".

(4) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended by adding at the end the following new sentence: "In meeting the 90 percent paternity establishment requirement, a State may calculate either the paternity establishment rate of cases in the program funded under this part or the paternity establishment rate of all out-of-wedlock births in the State.".

(5) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(B) in subparagraph (A) (as so redesignated), by striking "the percentage of children born out-of-wedlock in a State" and inserting "the percentage of children in a State who are born out of wedlock or for whom support has not been established"; and

(C) in subparagraph (B) (as so redesignated) by inserting "and securing support" before the period.

(d) Effective Dates.—

(1) Incentive adjustments.—

(A) In general.—The system developed under subsection (a) and the amendments made by subsection (b) shall become effective on October 1, 1997, except to the extent provided in subparagraph (B).

(B) Application of section 458.—Section 458 of the Social Security Act, as in effect on the day before the date of the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years before fiscal year 1999.

(2) Penalty reductions.—The amendments made by subsection (c) shall become effective with respect to calendar quarters beginning on or after the date of the enactment of this Act.

SEC. 342. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) State Agency Activities.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (14), by striking "(14)" and inserting "(14)(A)";

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the following new paragraph:

"(15) provide for—

"(A) a process for annual reviews of and reports to the Secretary on the State program operated under the State plan approved under this part, including such information as may be necessary to measure State compliance with Federal requirements for expedited procedures, using such standards and procedures as are required by the Secretary, under which the State agency will determine the extent to which the program is operated in compliance with this part; and

"(B) a process of extracting from the automated data processing system required by paragraph (16) and transmitting to the Secretary data and calculations concerning the levels of accomplishment (and rates of improvement) with respect to applicable performance indicators (including IV–D paternity establishment percentages to the extent necessary for purposes of sections 452(g) and 458.".

(b) Federal Activities.—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended to read as follows:

"(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of subsection (g) of this section and section 458;

"(B) review annual reports submitted pursuant to section 454(15)(A) and, as appropriate, provide to the State comments, recommendations for additional or alternative corrective actions, and technical assistance; and

"(C) conduct audits, in accordance with the Government auditing standards of the Comptroller General of the United States—

"(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet the requirements of this part concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data, and the accuracy of the reporting systems, used in calculating performance indicators under subsection (g) of this section and section 458;

"(ii) of the adequacy of financial management of the State program operated under the State plan approved under this part, including assessments of—

"(I) whether Federal and other funds made available to carry out the State program are being appropriately expended, and are properly and fully accounted for; and

"(II) whether collections and disbursements of support payments are carried out correctly and are fully accounted for; and

"(iii) for such other purposes as the Secretary may find necessary;".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning 12 months or more after the date of the enactment of this Act.

SEC. 343. REQUIRED REPORTING PROCEDURES.

(a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting ", and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes) to be applied in following such procedures" before the semicolon.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a), 312(a), 313(a), and 333 of this Act, is amended—

(1) by striking "and" at the end of paragraph (28);

(2) by striking the period at the end of paragraph (29) and inserting "; and"; and

(3) by adding after paragraph (29) the following new paragraph:

"(30) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.".

SEC. 344. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

(1) IN GENERAL.—Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking ", at the option of the State,";

(B) by inserting "and operation by the State agency" after "for the establishment";

(C) by inserting "meeting the requirements of section 454A" after "information retrieval system";

(D) by striking "in the State and localities thereof, so as (A)" and inserting "so as";

(E) by striking "(i)"; and

(F) by striking "(including" and all that follows and inserting a semicolon.

(2) AUTOMATED DATA PROCESSING.—Part D of title IV (42 U.S.C. 651-669) is amended by inserting after section 454 the following new section:

"SEC. 454A. AUTOMATED DATA PROCESSING.

"(a) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency administering the State program under this part shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section with the frequency and in the manner required by or under this part.

"(b) PROGRAM MANAGEMENT.—The automated system required by this section shall perform such functions as the Secretary may specify relating to management of the State program under this part, including—

"(1) controlling and accounting for use of Federal, State, and local funds in carrying out the program; and

"(2) maintaining the data necessary to meet Federal reporting requirements under this part on a timely basis.

"(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive payments and penalty adjustments required by sections 452(g) and 458, the State agency shall—

"(1) use the automated system—

"(A) to maintain the requisite data on State performance with respect to paternity establishment and child support enforcement in the State; and

"(B) to calculate the IV-D paternity establishment percentage for the State for each fiscal year; and

"(2) have in place systems controls to ensure the completeness and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

"(d) INFORMATION INTEGRITY AND SECURITY.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required by this section, which shall include the following (in addition to such other safeguards as the Secretary may specify in regulations):

"(1) POLICIES RESTRICTING ACCESS.—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

"(A) permit access to and use of data only to the extent necessary to carry out the State program under this part; and

"(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data.

"(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies described in paragraph (1).

"(3) MONITORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

"(4) TRAINING AND INFORMATION.—Procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use confidential program data are informed of applicable requirements and penalties (including those in section 6103 of the Internal Revenue Code of 1986), and are adequately trained in security procedures.

"(5) PENALTIES.—Administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.".

(3) REGULATIONS.—The Secretary of Health and Human Services shall prescribe final regulations for implementation of section 454A of the Social Security Act not later than 2 years after the date of the enactment of this Act.

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by section 303(a)(1) of this Act, is amended to read as follows:

"(24) provide that the State will have in effect an automated data processing and information retrieval system—

"(A) by October 1, 1997, which meets all requirements of this part which were enacted on or before the date of enactment of the Family Support Act of 1988, and

"(B) by October 1, 1999, which meets all requirements of this part enacted on or before the date of the enactment of the Bipartisan Welfare Reform Act of 1996, except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 344(a)(3) of the Bipartisan Welfare Reform Act of 1996;".

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—

(1) IN GENERAL.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(A) in paragraph (1)(B)—

(i) by striking "90 percent" and inserting "the percent specified in paragraph (3)";

(ii) by striking "so much of"; and

(iii) by striking "which the Secretary" and all that follows and inserting ", and"; and

(B) by adding at the end the following new paragraph:

"(3)(A) The Secretary shall pay to each State, for each quarter in fiscal years 1996 and 1997, 90 percent of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16) (as in effect on September 30, 1995) but limited to the amount approved for States in the advance planning documents of such States submitted on or before May 1, 1995.

"(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1996 through 2001, the percentage specified in clause (ii) of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements of sections 454(16) and 454A.

"(ii) The percentage specified in this clause is 80 percent.".

(2) TEMPORARY LIMITATION ON PAYMENTS UNDER SPECIAL FEDERAL MATCHING RATE.—

(A) IN GENERAL.—The Secretary of Health and Human Services may not pay more than $400,000,000 in the aggregate under section 455(a)(3)(B) of the Social Security Act for fiscal years 1996 through 2001.

(B) ALLOCATION OF LIMITATION AMONG STATES.—The total amount payable to a State under section 455(a)(3)(B) of such Act for fiscal years 1996 through 2001 shall not exceed the limitation determined for the State by the Secretary of Health and Human Services in regulations.

(C) ALLOCATION FORMULA.—The regulations referred to in subparagraph (B) shall prescribe a formula for allocating the amount specified in subparagraph (A) among States with plans approved under part D of title IV of the Social Security Act, which shall take into account—

(i) the relative size of State caseloads under such part; and

(ii) the level of automation needed to meet the automated data processing requirements of such part.

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100-485) is repealed.

SEC. 345. TECHNICAL ASSISTANCE.

(a) FOR TRAINING OF FEDERAL AND STATE STAFF, RESEARCH AND DEMONSTRATION PROGRAMS, AND SPECIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following new subsection:

"(j) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 1 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for—

"(1) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs under this part (including technical assistance concerning State automated systems required by this part); and

"(2) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part.

The amount appropriated under this subsection shall remain available until expended.".

(b) OPERATION OF FEDERAL PARENT LOCATOR SERVICE.—Section 453 (42 U.S.C. 653), as amended by section 316 of this Act, is amended by adding at the end the following new subsection:

"(o) RECOVERY OF COSTS.—Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 2 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for operation of the Federal Parent Locator Service under this section, to the extent such costs are not recovered through user fees.".

SEC. 346. REPORTS AND DATA COLLECTION BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—

(1) Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking "this part;" and inserting "this part, including—"; and

(B) by adding at the end the following new clauses:

"(i) the total amount of child support payments collected as a result of services furnished during the fiscal year to individuals receiving services under this part;

"(ii) the cost to the States and to the Federal Government of so furnishing the services; and

"(iii) the number of cases involving families—

"(I) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year; and

"(II) with respect to whom a child support payment was received in the month;".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i)—

(i) by striking "with the data required under each clause being separately stated for cases" and inserting "separately stated for (1) cases";

(ii) by striking "cases where the child was formerly receiving" and inserting "or formerly received";

(iii) by inserting "or 1912" after "471(a)(17)"; and

(iv) by inserting "(2)" before "all other";

(B) in each of clauses (i) and (ii), by striking ", and the total amount of such obligations";

(C) in clause (iii), by striking "described in" and all that follows and inserting "in which support was collected during the fiscal year;";

(D) by striking clause (iv); and

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following new clauses:

"(iv) the total amount of support collected during such fiscal year and distributed as current support;

"(v) the total amount of support collected during such fiscal year and distributed as arrearages;

"(vi) the total amount of support due and unpaid for all fiscal years; and".

(3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking "on the use of Federal courts and".

(4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended—

(A) in subparagraph (H), by striking "and";

(B) in subparagraph (I), by striking the period and inserting "; and"; and

(C) by inserting after subparagraph (I) the following new subparagraph:

"(J) compliance, by State, with the standards established pursuant to subsections (h) and (i).".

(5) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (J), as added by paragraph (4).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to fiscal year 1996 and succeeding fiscal years.

Subtitle F—Establishment and Modification of Support Orders

SEC. 351. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

"(10) REVIEW AND ADJUSTMENT OF SUPPORT ORDERS UPON REQUEST.—Procedures under which the State shall review and adjust each support order being enforced under this part upon the request of either parent or the State if there is an assignment. Such procedures shall provide the following:

"(A) IN GENERAL.—

"(i) 3-YEAR CYCLE.—Except as provided in subparagraphs (B) and (C), the State shall review and, as appropriate, adjust the support order every 3 years, taking into account the best interests of the child involved.

"(ii) METHODS OF ADJUSTMENT.—The State may elect to review and, if appropriate, adjust an order pursuant to clause (i) by—

"(I) reviewing and, if appropriate, adjusting the order in accordance with the guidelines established pursuant to section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with the guidelines; or

"(II) applying a cost-of-living adjustment to the order in accordance with a formula developed by the State and permit either party to contest the adjustment, within 30 days after the date of the notice of the adjustment, by making a request for review and, if appropriate, adjustment of the order in accordance with the child support guidelines established pursuant to section 467(a).

"(iii) NO PROOF OF CHANGE IN CIRCUMSTANCES NECESSARY.—Any adjustment under this subparagraph (A) shall be made without a requirement for proof or showing of a change in circumstances.

"(B) AUTOMATED METHOD.—The State may use automated methods (including automated comparisons with wage or State income tax data) to identify orders eligible for review, conduct the review, identify orders eligible for adjustment, and apply the appropriate adjustment to the orders eligible for adjustment under the threshold established by the State.

"(C) REQUEST UPON SUBSTANTIAL CHANGE IN CIRCUMSTANCES.—The State shall, at the request of either parent subject to such an order or of any State child support enforcement agency, review and, if appropriate, adjust the order in accordance with the guidelines established pursuant to section 467(a) based upon a substantial change in the circumstances of either parent.

"(D) NOTICE OF RIGHT TO REVIEW.—The State shall provide notice not less than once every 3 years to the parents subject to such an order informing them of their right to request the State to review and, if appropriate, adjust the order pursuant to this paragraph. The notice may be included in the order.".

SEC. 352. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT.

Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended by adding at the end the following new paragraphs:

"(4) In response to a request by the head of a State or local child support enforcement agency (or a State or local government official authorized by the head of such an agency), if the person making the request certifies to the consumer reporting agency that—

"(A) the consumer report is needed for the purpose of establishing an individual's capacity to make child support payments or determining the appropriate level of such payments;

"(B) the paternity of the consumer for the child to which the obligation relates has been established or acknowledged by the consumer in accordance with State laws under which the obligation arises (if required by those laws);

"(C) the person has provided at least 10 days' prior notice to the consumer whose report is requested, by certified or registered mail to the last known address of the consumer, that the report will be requested; and

"(D) the consumer report will be kept confidential, will be used solely for a purpose described in subparagraph (A), and will not be used in connection with any other civil, administrative, or criminal proceeding, or for any other purpose.

"(5) To an agency administering a State plan under section 454 of the Social Security Act (42 U.S.C. 654) for use to set an initial or modified child support award.".

SEC. 353. NONLIABILITY FOR FINANCIAL INSTITUTIONS PROVIDING FINANCIAL RECORDS TO STATE CHILD SUPPORT ENFORCEMENT AGENCIES IN CHILD SUPPORT CASES.

(a) IN GENERAL.—Notwithstanding any other provision of Federal or State law, a financial institution shall not be liable under any Federal or State law to any person for disclosing any financial record of an individual to a State child support enforcement agency attempting to establish, modify, or enforce a child support obligation of such individual.

(b) PROHIBITION OF DISCLOSURE OF FINANCIAL RECORD OBTAINED BY STATE CHILD SUPPORT ENFORCEMENT AGENCY.—A State child support enforcement agency which obtains a financial record of an individual from a financial institution pursuant to subsection (a) may disclose such financial record only for the purpose of, and to the extent necessary in, establishing, modifying, or enforcing a child support obligation of such individual.

(c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLOSURE.—

(1) DISCLOSURE BY STATE OFFICER OR EMPLOYEE.—If any person knowingly, or by reason of negligence, discloses a financial record of an individual in violation of subsection (b), such individual may bring a civil action for damages against such person in a district court of the United States.

(2) NO LIABILITY FOR GOOD FAITH BUT ERRONEOUS INTERPRETATION.—No liability shall arise under this subsection with respect to any disclosure which results from a good faith, but erroneous, interpretation of subsection (b).

(3) DAMAGES.—In any action brought under paragraph (1), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the sum of—

(A) the greater of—

(i) $1,000 for each act of unauthorized disclosure of a financial record with respect to which such defendant is found liable; or

(ii) the sum of—

(I) the actual damages sustained by the plaintiff as a result of such unauthorized disclosure; plus

(II) in the case of a willful disclosure or a disclosure which is the result of gross negligence, punitive damages; plus

(B) the costs (including attorney's fees) of the action.

(d) DEFINITIONS.—For purposes of this section—

(1) FINANCIAL INSTITUTION.—The term "financial institution" means—

(A) a depository institution, as defined in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c));

(B) an institution-affiliated party, as defined in section 3(u) of such Act (12 U.S.C. 1813(v));

(C) any Federal credit union or State credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752), including an institution-affiliated party of such a credit union, as defined in section 206(r) of such Act (12 U.S.C. 1786(r)); and

(D) any benefit association, insurance company, safe deposit company, money-market mutual fund, or similar entity authorized to do business in the State.

(2) FINANCIAL RECORD.—The term "financial record" has the meaning given such term in section 1101 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401).

(3) STATE CHILD SUPPORT ENFORCEMENT AGENCY.—The term "State child support enforcement agency" means a State agency which administers a State program for establishing and enforcing child support obligations.

Subtitle G—Enforcement of Support Orders

SEC. 361. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES.

(a) COLLECTION OF FEES.—Section 6305(a) of the Internal Revenue Code of 1986 (relating to collection of certain liability) is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting ", and";

(3) by adding at the end the following new paragraph:

"(5) no additional fee may be assessed for adjustments to an amount previously certified pursuant to such section 452(b) with respect to the same obligor."; and

(4) by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Secretary of Health and Human Services".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1997.

SEC. 362. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—Section 459 (42 U.S.C. 659) is amended to read as follows:

"SEC. 459. CONSENT BY THE UNITED STATES TO INCOME WITHHOLDING, GARNISHMENT, AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS.

"(a) CONSENT TO SUPPORT ENFORCEMENT.—Notwithstanding any other provision of law (including section 207 of this Act and section 5301 of title 38, United States Code), effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States or the District of Columbia (including any agency, subdivision, or instrumentality thereof) to any individual, including members of the Armed Forces of the United States, shall be subject, in like manner and to the same extent as if the United States or the District of Columbia were a private person, to withholding in accordance with State law enacted pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary under such subsections, and to any other legal process brought, by a State agency administering a program under a State plan approved under this part or by an individual obligee, to enforce the legal obligation of the individual to provide child support or alimony.

"(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE PERSON.—With respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or any other order or process to enforce support obligations against an individual (if the order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), each governmental entity specified in subsection (a) shall be subject to the same requirements as would apply if the entity were a private person, except as otherwise provided in this section.

"(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS—

"(1) DESIGNATION OF AGENT.—The head of each agency subject to this section shall—

"(A) designate an agent or agents to receive orders and accept service of process in matters relating to child support or alimony; and

"(B) annually publish in the Federal Register the designation of the agent or agents, identified by title or position, mailing address, and telephone number.

"(2) RESPONSE TO NOTICE OR PROCESS.—If an agent designated pursuant to paragraph (1) of this subsection receives notice pursuant to State procedures in effect pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatory, with respect to an individual's child support or alimony payment obligations, the agent shall—

"(A) as soon as possible (but not later than 15 days) thereafter, send written notice of the notice or service (together with a copy of the notice or service) to the individual at the duty station or last-known home address of the individual;

"(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to such State procedures, comply with all applicable provisions of section 466; and

"(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatory, respond to the order, process, or interrogatory.

"(d) PRIORITY OF CLAIMS.—If a governmental entity specified in subsection (a) receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than 1 person—

"(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

"(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by section 466(b) and the regulations prescribed under such section; and

"(3) such moneys as remain after compliance with paragraphs (1) and (2) shall be available to satisfy any other such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.

"(e) NO REQUIREMENT TO VARY PAY CYCLES.—A governmental entity that is affected by legal process served for the enforcement of an individual's child support or alimony payment obligations shall not be required to vary its normal pay and disbursement cycle in order to comply with the legal process.

"(f) RELIEF FROM LIABILITY.—

"(1) Neither the United States, nor the government of the District of Columbia, nor any disbursing officer shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if the payment is made in accordance with this section and the regulations issued to carry out this section.

"(2) No Federal employee whose duties include taking actions necessary to comply with the requirements of subsection (a) with regard to any individual shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by the employee in connection with the carrying out of such actions.

"(g) REGULATIONS.—Authority to promulgate regulations for the implementation of this section shall, insofar as this section applies to moneys due from (or payable by)—

"(1) the United States (other than the legislative or judicial branches of the Federal Government) or the government of the District of Columbia, be vested in the President (or the designee of the President);

"(2) the legislative branch of the Federal Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

"(3) the judicial branch of the Federal Government, be vested in the Chief Justice of the United States (or the designee of the Chief Justice).

"(h) MONEYS SUBJECT TO PROCESS.—

"(1) IN GENERAL.—Subject to paragraph (2), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

"(A) consist of—

"(i) compensation paid or payable for personal services of the individual, whether the compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

"(ii) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

"(I) under the insurance system established by title II;

"(II) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

"(III) as compensation for death under any Federal program;

"(IV) under any Federal program established to provide 'black lung' benefits; or

"(V) by the Secretary of Veterans Affairs as compensation for a service-connected disability paid by the Secretary to a former member of the Armed Forces who is in receipt of retired or retainer pay if the former member has waived a portion of the retired or retainer pay in order to receive such compensation; and

"(iii) worker's compensation benefits paid under Federal or State law but

"(B) do not include any payment—

"(i) by way of reimbursement or otherwise, to defray expenses incurred by the individual in carrying out duties associated with the employment of the individual; or

"(ii) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.

"(2) CERTAIN AMOUNTS EXCLUDED.—In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

"(A) are owed by the individual to the United States;

"(B) are required by law to be, and are, deducted from the remuneration or other payment involved, including Federal employment taxes, and fines and forfeitures ordered by court-martial;

"(C) are properly withheld for Federal, State, or local income tax purposes, if the withholding of the amounts is authorized or required by law and if amounts withheld are not greater than would be the case if the individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1986 may be permitted only when the individual presents evidence of a tax obligation which supports the additional withholding);

"(D) are deducted as health insurance premiums;

"(E) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

"(F) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

"(i) DEFINITIONS.—For purposes of this section—

"(1) UNITED STATES.—The term 'United States' includes any department, agency, or instrumentality of the legislative, judicial, or executive branch of the Federal Government, the United States Postal Service, the Postal Rate Commission, any Federal corporation created by an Act of Congress that is wholly owned by the Federal Government, and the governments of the territories and possessions of the United States.

"(2) CHILD SUPPORT.—The term 'child support', when used in reference to the legal obligations of an individual to provide such support, means amounts required to be paid under a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages or reimbursement, and which may include other related costs and fees, interest and penalties, income withholding, attorney's fees, and other relief.

"(3) ALIMONY.—

"(A) IN GENERAL.—The term 'alimony', when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of the individual, and (subject to and in accordance with State law) includes separate maintenance, alimony pendente lite, maintenance, and spousal support, and includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

"(B) EXCEPTIONS.—Such term does not include—

"(i) any child support; or

"(ii) any payment or transfer of property or its value by an individual to the spouse or a former spouse of the individual in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

"(4) PRIVATE PERSON.—The term 'private person' means a person who does not have sovereign or other special immunity or privilege which causes the person not to be subject to legal process.

"(5) LEGAL PROCESS.—The term 'legal process' means any writ, order, summons, or other similar process in the nature of garnishment—

"(A) which is issued by—

"(i) a court or an administrative agency of competent jurisdiction in any State, territory, or possession of the United States;

"(ii) a court or an administrative agency of competent jurisdiction in any foreign country with which the United States has entered into an agreement which requires the United States to honor the process; or

"(iii) an authorized official pursuant to an order of such a court or an administrative agency of competent jurisdiction or pursuant to State or local law; and

"(B) which is directed to, and the purpose of which is to compel, a governmental entity which holds moneys which are otherwise payable to an individual to make a payment from the moneys to another party in order to satisfy a legal obligation of the individual to provide child support or make alimony payments.".

(b) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661 and 662) are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking "sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)" and inserting "section 459 of the Social Security Act (42 U.S.C. 659)".

(c) MILITARY RETIRED AND RETAINER PAY.—

(1) DEFINITION OF COURT.—Section 1408(a)(1) of title 10, United States Code, is amended—

(A) by striking "and" at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(C) by adding after subparagraph (C) the following: new subparagraph:

"(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a program under a State plan approved under part D of title IV of the Social Security Act), and, for purposes of this subparagraph, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.".

(2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of such title is amended—

(A) by inserting "or a support order, as defined in section 453(p) of the Social Security Act (42 U.S.C. 653(p))," before "which—";

(B) in subparagraph (B)(i), by striking "(as defined in section 462(b) of the Social Security Act (42 U.S.C. 662(b)))" and inserting "(as defined in section 459(i)(2) of the Social Security Act (42 U.S.C. 662(i)(2)))"; and

(C) in subparagraph (B)(ii), by striking "(as defined in section 462(c) of the Social Security Act (42 U.S.C. 662(c)))" and inserting "(as defined in section 459(i)(3) of the Social Security Act (42 U.S.C. 662(i)(3)))".

(3) PUBLIC PAYEE.—Section 1408(d) of such title is amended—

(A) in the heading, by inserting "(OR FOR BENEFIT OF)" before "SPOUSE OR"; and

(B) in paragraph (1), in the 1st sentence, by inserting "(or for the benefit of such spouse or former spouse to a State disbursement unit established pursuant to section 454B of the Social Security Act or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)" before "in an amount sufficient".

(4) RELATIONSHIP TO PART D OF TITLE IV.—Section 1408 of such title is amended by adding at the end the following new subsection:

"(j) RELATIONSHIP TO OTHER LAWS.—In any case involving an order providing for payment of child support (as defined in section 459(i)(2) of the Social Security Act) by a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of such Act.".

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 363. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) AVAILABILITY OF LOCATOR INFORMATION.—

(1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) TYPE OF ADDRESS.—

(A) RESIDENTIAL ADDRESS.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be disclosed due to national security or safety concerns.

(3) UPDATING OF LOCATOR INFORMATION.—Within 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service established under section 453 of the Social Security Act.

(b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT HEARINGS.—

(1) REGULATIONS.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted.

(2) COVERED HEARINGS.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

(3) DEFINITIONS.—For purposes of this subsection—

(A) The term "court" has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term "child support" has the meaning given such term in section 459(i) of the Social Security Act (42 U.S.C. 659(i)).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—

(1) DATE OF CERTIFICATION OF COURT ORDER.—Section 1408 of title 10, United States Code, as amended by section 362(c)(4) of this Act, is amended—

(A) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively; and

(B) by inserting after subsection (h) the following new subsection:

"(i) CERTIFICATION DATE.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary.".

(2) PAYMENTS CONSISTENT WITH ASSIGNMENTS OF RIGHTS TO STATES.—Section 1408(d)(1) of such title is amended by inserting after the 1st sentence the following new sentence: "In the case of a spouse or former spouse who, pursuant to section 408(a)(4) of the Social Security Act, assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights.".

(3) ARREARAGES OWED BY MEMBERS OF THE UNIFORMED SERVICES.—Section 1408(d) of such title is amended by adding at the end the following new paragraph:

"(6) In the case of a court order for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which provides for payments from the disposable retired pay of a member to satisfy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisfy the amount of child support set forth in a court order shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.".

(4) PAYROLL DEDUCTIONS.—The Secretary of Defense shall begin payroll deductions within 30 days after receiving notice of withholding, or for the 1st pay period that begins after such 30-day period.

SEC. 364. VOIDING OF FRAUDULENT TRANSFERS.

Section 466 (42 U.S.C. 666), as amended by section 321 of this Act, is amended by adding at the end the following new subsection:

"(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In order to satisfy section 454(20)(A), each State must have in effect—

"(1)(A) the Uniform Fraudulent Conveyance Act of 1981;

"(B) the Uniform Fraudulent Transfer Act of 1984; or

"(C) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

"(2) procedures under which, in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

"(A) seek to void such transfer; or

"(B) obtain a settlement in the best interests of the child support creditor.".

SEC. 365. WORK REQUIREMENT FOR PERSONS OWING PAST-DUE CHILD SUPPORT.

(a) IN GENERAL.—Section 466(a) of the Social Security Act (42 U.S.C. 666(a)), as amended by sections 315, 317(a), and 323 of this Act, is amended by adding at the end the following new paragraph:

"(15) PROCEDURES TO ENSURE THAT PERSONS OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN FOR PAYMENT OF SUCH SUPPORT.—

"(A) IN GENERAL.—Procedures under which the State has the authority, in any case in which an individual owes past-due support with respect to a child receiving assistance under a State program funded under part A, to seek a court order that requires the individual to—

"(i) pay such support in accordance with a plan approved by the court, or, at the option of the State, a plan approved by the State agency administering the State program under this part; or

"(ii) if the individual is subject to such a plan and is not incapacitated, participate in such work activities (as defined in section 407(d)) as the court, or, at the option of the State, the State agency administering the State program under this part, deems appropriate.

"(B) PAST-DUE SUPPORT DEFINED.—For purposes of subparagraph (A), the term 'past-due support' means the amount of a delinquency, determined under a court order, or an order of an administrative process established under State law, for support and maintenance of a child, or of a child and the parent with whom the child is living.".

(b) CONFORMING AMENDMENT.—The flush paragraph at the end of section 466(a) (42 U.S.C.666(a)) is amended by striking "and (7)" and inserting "(7), and (15)".

SEC. 366. DEFINITION OF SUPPORT ORDER.

Section 453 (42 U.S.C. 653) as amended by sections 316 and 345(b) of this Act, is amended by adding at the end the following new subsection:

"(p) SUPPORT ORDER DEFINED.—As used in this part, the term 'support order' means a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages, or reimbursement, and which may include related costs and fees, interest and penalties, income withholding, attorneys' fees, and other relief.".

SEC. 367. REPORTING ARREARAGES TO CREDIT BUREAUS.

Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read as follows:

"(7) REPORTING ARREARAGES TO CREDIT BUREAUS.—

"(A) IN GENERAL.—Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any noncustodial parent who is delinquent in the payment of support, and the amount of overdue support owed by such parent.

"(B) SAFEGUARDS.—Procedures ensuring that, in carrying out subaragraph (A), information with respect to a noncustodial parent is reported—

"(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

"(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency (as so defined).".

SEC. 368. LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended to read as follows:

"(4) LIENS.—Procedures under which—

"(A) liens arise by operation of law against real and personal property for amounts of overdue support owed by a noncustodial parent who resides or owns property in the State; and

"(B) the State accords full faith and credit to liens described in subparagraph (A) arising in another State, without registration of the underlying order.".

SEC. 369. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315, 317(a), 323, and 365 of this Act, is amended by adding at the end the following:

"(16) Authority to withhold or suspend licenses.—Procedures under which the State has (and uses in appropriate cases) authority to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.".

SEC. 370. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.

(a) HHS Certification Procedure.—

(1) Secretarial responsibility.—Section 452 (42 U.S.C. 652), as amended by section 345 of this Act, is amended by adding at the end the following new subsection:

"(k)(1) If the Secretary receives a certification by a State agency in accordance with the requirements of section 454(31) that an individual owes arrearages of child support in an amount exceeding $5,000, the Secretary shall transmit such certification to the Secretary of State for action (with respect to denial, revocation, or limitation of passports) pursuant to section 370(b) of the Bipartisan Welfare Reform Act of 1996.

"(2) The Secretary shall not be liable to an individual for any action with respect to a certification by a State agency under this section.".

(2) State case agency responsibility.—Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a), 312(b), 313(a), 333, and 343(b) of this Act, is amended—

(A) by striking "and" at the end of paragraph (29);

(B) by striking the period at the end of paragraph (30) and inserting "; and"; and

(C) by adding after paragraph (30) the following new paragraph:

"(31) provide that the State agency will have in effect a procedure for certifying to the Secretary, for purposes of the procedure under section 452(k), determinations that individuals owe arrearages of child support in an amount exceeding $5,000, under which procedure—

"(A) each individual concerned is afforded notice of such determination and the consequences thereof, and an opportunity to contest the determination; and

"(B) the certification by the State agency is furnished to the Secretary in such format, and accompanied by such supporting documentation, as the Secretary may require.".

(b) State Department Procedure for Denial of Passports.—

(1) In general.—The Secretary of State shall, upon certification by the Secretary of Health and Human Services transmitted under section 452(k) of the Social Security Act, refuse to issue a passport to such individual, and may revoke, restrict, or limit a passport issued previously to such individual.

(2) Limit on liability.—The Secretary of State shall not be liable to an individual for any action with respect to a certification by a State agency under this section.

(c) Effective Date.—This section and the amendments made by this section shall become effective October 1, 1996.

SEC. 371. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.

(a) Authority for International Agreements.—Part D of title IV, as amended by section 362(a) of this Act, is amended by adding after section 459 the following new section:

"SEC. 459A. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.

"(a) Authority for Declarations.—

"(1) Declaration.—The Secretary of State, with the concurrence of the Secretary of Health and Human Services, is authorized to declare any foreign country (or a political subdivision thereof) to be a foreign reciprocating country if the foreign country has established, or undertakes to establish, procedures for the establishment and enforcement of duties of support owed to obligees who are residents of the United States, and such procedures are substantially in conformity with the standards prescribed under subsection (b).

"(2) Revocation.—A declaration with respect to a foreign country made pursuant to paragraph (1) may be revoked if the Secretaries of State and Health and Human Services determine that—

"(A) the procedures established by the foreign nation regarding the establishment and enforcement of duties of support have been so changed, or the foreign nation's implementation of such procedures is so unsatisfactory, that such procedures do not meet the criteria for such a declaration; or

"(B) continued operation of the declaration is not consistent with the purposes of this part.

"(3) Form of declaration.—A declaration under paragraph (1) may be made in the form of an international agreement, in connection with an international agreement or corresponding foreign declaration, or on a unilateral basis.

"(b) Standards for Foreign Support Enforcement Procedures.—

"(1) Mandatory elements.—Child support enforcement procedures of a foreign country which may be the subject of a declaration pursuant to subsection (a)(1) shall include the following elements:

"(A) The foreign country (or political subdivision thereof) has in effect procedures, available to residents of the United States—

"(i) for establishment of paternity, and for establishment of orders of support for children and custodial parents; and

"(ii) for enforcement of orders to provide support to children and custodial parents, including procedures for collection and appropriate distribution of support payments under such orders.

"(B) The procedures described in subparagraph (A), including legal and administrative assistance, are provided to residents of the United States at no cost.

"(C) An agency of the foreign country is designated as a Central Authority responsible for—

"(i) facilitating child support enforcement in cases involving residents of the foreign nation and residents of the United States; and

"(ii) ensuring compliance with the standards established pursuant to this subsection.

"(2) Additional elements.—The Secretary of Health and Human Services and the Secretary of State, in consultation with the States, may establish such additional standards as may be considered necessary to further the purposes of this section.

"(c) Designation of United States Central Authority.—It shall be the responsibility of the Secretary of Health and Human Services to facilitate child support enforcement in cases involving residents of the United States and residents of foreign nations that are the subject of a declaration under this section, by activities including—

"(1) development of uniform forms and procedures for use in such cases;

"(2) notification of foreign reciprocating countries of the State of residence of individuals sought for support enforcement purposes, on the basis of information provided by the Federal Parent Locator Service; and

"(3) such other oversight, assistance, and coordination activities as the Secretary may find necessary and appropriate.

"(d) Effect on Other Laws.—States may enter into reciprocal arrangements for the establishment and enforcement of child support obligations with foreign countries that are not the subject of a declaration pursuant to subsection (a), to the extent consistent with Federal law.".

(b) State Plan Requirement.—Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a), 312(b), 313(a), 333, 343(b), and 370(a)(2) of this Act, is amended—

(1) by striking "and" at the end of paragraph (30);

(2) by striking the period at the end of paragraph (31) and inserting "; and"; and

(3) by adding after paragraph (31) the following new paragraph:

"(32)(A) provide that any request for services under this part by a foreign reciprocating country or a foreign country with which the State has an arrangement described in section 459A(d)(2) shall be treated as a request by a State;

"(B) provide, at State option, notwithstanding paragraph (4) or any other provision of this part, for services under the plan for enforcement of a spousal support order not described in paragraph (4)(B) entered by such a country (or subdivision); and

"(C) provide that no applications will be required from, and no costs will be assessed for such services against, the foreign reciprocating country or foreign obligee (but costs may at State option be assessed against the obligor).".

SEC. 372. FINANCIAL INSTITUTION DATA MATCHES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315, 317(a), 323, 365, and 369 of this Act, is amended by adding at the end the following new paragraph:

"(17) Financial institution data matches.—

"(A) In general.—Procedures under which the State agency shall enter into agreements with financial institutions doing business in the State—

"(i) to develop and operate, in coordination with such financial institutions, a data match system, using automated data exchanges to the maximum extent feasible, in which each such financial institution is required to provide for each calendar quarter the name, record address, social security number or other taxpayer identification number, and other identifying information for each noncustodial parent who maintains an account at such institution and who owes past-due support, as identified by the State by name and social security number or other taxpayer identification number; and

"(ii) in response to a notice of lien or levy, encumber or surrender, as the case may be, assets held by such institution on behalf of any noncustodial parent who is subject to a child support lien pursuant to paragraph (4).

"(B) Reasonable fees.—The State agency may pay a reasonable fee to a financial institution for conducting the data match provided for in subparagraph (A)(i), not to exceed the actual costs incurred by such financial institution.

"(C) Liability.—A financial institution shall not be liable under any Federal or State law to any person—

"(i) for any disclosure of information to the State agency under subparagraph (A)(i);

"(ii) for encumbering or surrendering any assets held by such financial institution in response to a notice of lien or levy issued by the State agency as provided for in subparagraph (A)(ii); or "(iii) for any other action taken in good faith to comply with the requirements of subparagraph (A).

"(D) DEFINITIONS.—For purposes of this paragraph—

"(i) FINANCIAL INSTITUTION.—The term 'financial institution' means any Federal or State commercial savings bank, including savings association or cooperative bank, Federal- or State-chartered credit union, benefit association, insurance company, safe deposit company, money-market mutual fund, or any similar entity authorized to do business in the State; and

"(ii) ACCOUNT.—The term 'account' means a demand deposit account, checking or negotiable withdrawal order account, savings account, time deposit account, or money-market mutual fund account.".

SEC. 373. ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS IN CASES OF MINOR PARENTS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315, 317(a), 323, 365, 369, and 372 of this Act, is amended by adding at the end the following new paragraph:

"(18) ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS.—Procedures under which, at the State's option, any child support order enforced under this part with respect to a child of minor parents, if the custodial parents of such child is receiving assistance under the State program under part A, shall be enforceable, jointly and severally, against the parents of the noncustodial parents of such child.".

SEC. 374. NONDISCHARGEABILITY IN BANKRUPTCY OF CERTAIN DEBTS FOR THE SUPPORT OF A CHILD.

(a) AMENDMENT TO TITLE 11 OF THE UNITED STATES CODE.—Section 523(a) of title 11, United States Code, is amended—

(1) in paragraph (16) by striking the period at the end and inserting "; or",

(2) by adding at the end the following:

"(17) to a State or municipality for assistance provided by such State or municipality under a State program funded under section 403 of the Social Security Act to the extent that such assistance is provided for the support of a child of the debtor.", and

(3) in paragraph (5), by inserting " or section 408" after "section 402(a)(21).

(b) AMENDMENT TO THE SOCIAL SECURITY ACT.—Section 456(b) of the Social Security Act (42 U.S.C. 656(b)) is amended to read as follows:

"(b) NONDISCHARGEABILITY.—A debt (as defined in section 101 of title 11 of the United States Code) to a State (as defined in such section) or municipality (as defined in such section) for assistance provided by such State or municipality under a State program funded under section 403 is not dischargeable under section 727, 1141, 1218(a), 1218(b), or 1328(b) of title 11 of the United States Code to the extent that such assistance is provided for the support of a child of the debtor (as defined in such section).".

(c) APPLICATION OF AMENDMENTS.—The amendments made by this section shall apply only with respect to cases commenced under title 11 of the United States Code after the effective date of this section.

Subtitle H—Medical Support

SEC. 376. CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking "issued by a court of competent jurisdiction";

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following:

"if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued through an administrative process established under State law and has the force and effect of law under applicable State law.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1997.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the 1st plan year beginning on or after January 1, 1997, if—

(A) during the period after the date before the date of the enactment of this Act and before such 1st plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(B) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such 1st plan year.

A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

SEC. 377. ENFORCEMENT OF ORDERS FOR HEALTH CARE COVERAGE.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315, 317(a), 323, 365, 369, 372, and 373 of this Act, is amended by adding at the end the following new paragraph:

"(19) HEALTH CARE COVERAGE.—Procedures under which all child support orders enforced pursuant to this part shall include a provision for the health care coverage of the child, and in the case in which a noncustodial parent provides such coverage and changes employment, and the new employer provides health care coverage, the State agency shall transfer notice of the provision to the employer, which notice shall operate to enroll the child in the noncustodial parent's health plan, unless the noncustodial parent contests the notice.".

Subtitle I—Enhancing Responsibility and Opportunity for Non-Residential Parents

SEC. 381. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

Part D of title IV (42 U.S.C. 651–669) is amended by adding at the end the following:

"SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

"(a) IN GENERAL.—The Administration for Children and Families shall make grants under this section to enable States to establish and administer programs to support and facilitate noncustodial parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pickup), and development of guidelines for visitation and alternative custody arrangements.

"(b) AMOUNT OF GRANT.—The amount of the grant to be made to a State under this section for a fiscal year shall be an amount equal to the lesser of—

"(1) 90 percent of State expenditures during the fiscal year for activities described in subsection (a); or

"(2) the allotment of the State under subsection (c) for the fiscal year.

"(c) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—The allotment of a State for a fiscal year is the amount that bears the same ratio to the amount appropriated for grants under this section for the fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

"(2) MINIMUM ALLOTMENT.—The Administration for Children and Families shall adjust allotments to States under paragraph (1) as necessary to ensure that no State is allotted less than—

"(A) $50,000 for fiscal year 1996 or 1997; or

"(B) $100,000 for any succeeding fiscal year.

"(d) NO SUPPLANTATION OF STATE EXPENDITURES FOR SIMILAR ACTIVITIES.—A State to which a grant is made under this section may not use the grant to supplant expenditures by the State for activities specified in subsection (a), but shall use the grant to supplement such expenditures at a level at least equal to the level of such expenditures for fiscal year 1995.

"(e) STATE ADMINISTRATION.—Each State to which a grant is made under this section—

"(1) may administer State programs funded with the grant, directly or through grants to or contracts with courts, local public agencies, or non-profit private entities;

"(2) shall not be required to operate such programs on a statewide basis; and

"(3) shall monitor, evaluate, and report on such programs in accordance with regulations prescribed by the Secretary.".

Subtitle J—Effect of Enactment

SEC. 391. EFFECTIVE DATES.

(a) IN GENERAL.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) the provisions of this title requiring the enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this title shall become effective upon the date of the enactment of this Act.

(b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this title shall become effective with respect to a State on the later of—

(1) the date specified in this title, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions,

but in no event later than the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT.—A State shall not be found out of compliance with any requirement enacted by this title if the State is unable to so comply without amending the State constitution until the earlier of—

(1) 1 year after the effective date of the necessary State constitutional amendment; or

(2) 5 years after the date of the enactment of this Act.

TITLE IV—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

SEC. 400. STATEMENTS OF NATIONAL POLICY CONCERNING WELFARE AND IMMIGRATION.

The Congress makes the following statements concerning national policy with respect to welfare and immigration:

(1) Self-sufficiency has been a basic principle of United States immigration law since this country's earliest immigration statutes.

(2) It continues to be the immigration policy of the United States that—

(A) aliens within the nation's borders not depend on public resources to meet their needs, but rather rely on their own capabilities and the resources of their families, their sponsors, and private organizations, and

(B) the availability of public benefits not constitute an incentive for immigration to the United States.

(3) Despite the principle of self-sufficiency, aliens have been applying for and receiving public benefits from Federal, State, and local governments at increasing rates.

(4) Current eligibility rules for public assistance and unenforceable financial support agreements have proved wholly incapable of assuring that individual aliens not burden the public benefits system.

(5) It is a compelling government interest to enact new rules for eligibility and sponsorship agreements in order to assure that aliens be self-reliant in accordance with national immigration policy.

(6) It is a compelling government interest to remove the incentive for illegal immigration provided by the availability of public benefits.

(7) With respect to the State authority to make determinations concerning the eligibility of qualified aliens for public benefits in this title, a State that chooses to follow the Federal classification in determining the eligibility of such aliens for public assistance shall be considered to have chosen the least restrictive means available for achieving the compelling governmental interest of assuring that aliens be self-reliant in accordance with national immigration policy.

Subtitle A—Eligibility for Federal Benefits

SEC. 401. ALIENS WHO ARE NOT QUALIFIED ALIENS INELIGIBLE FOR FEDERAL PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is not a qualified alien (as defined in section 431) is not eligible for any Federal public benefit (as defined in subsection (c)).

(b) EXCEPTIONS.—

(1) Subsection (a) shall not apply with respect to the following Federal public benefits:

(A) Emergency medical services under title XIX or XXI of the Social Security Act.

(B) Short-term, non-cash, in-kind emergency disaster relief.

(C)(i) Public health assistance for immunizations.

(ii) Public health assistance for testing and treatment of a serious communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(D) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) deliver in-kind services at the community level, including through public or private nonprofit agencies; (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life or safety.

(E) Programs for housing or community development assistance or financial assistance administered by the Secretary of Housing and Urban Development, any program under title V of the Housing Act of 1949, or any assistance under section 306C of the Consolidated Farm and Rural Development Act, to the extent that the alien is receiving such a benefit on the date of the enactment of this Act.

(F) Assistance or benefits under the National School Lunch Act or the Child Nutrition Act of 1966.

(2) Subsection (a) shall not apply to any benefit payable under title II of the Social Security Act to an alien who is lawfully present in the United States as determined by the Attorney General, to any benefit if nonpayment of such benefit would contravene an international agreement described in section 233 of the Social Security Act, to any benefit if nonpayment would be contrary to section 212(t) of the Social Security Act, or to any benefit payable under title II of the Social Security Act to which entitlement is based on an application filed in or before the month in which this Act becomes law.

(3) Subsection (a) shall not apply—

(A) for up to 48 months if the alien can demonstrate that (i) the alien has been battered or subject to extreme cruelty in the United States by a spouse or parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, or (ii) the alien's child has been battered or subject to extreme cruelty in the United States by a spouse or parent of the alien (without the active participation of the alien in the battery or extreme cruelty), or by a member of the spouse or parent's family residing in the same household as the alien when the spouse or parent consented or acquiesced to and the alien did not actively participate in such battery or cruelty, and (iii) the need for the public benefits applied for has a substantial connection to the battery or cruelty described in subclause (I) or (II); and

(B) for more than 48 months if the alien can demonstrate that any battery or cruelty under subparagraph (A) is ongoing, has led to the issuance of an order of a judge or an administrative law judge or a prior determination of the Service, and that the need for such benefits has a substantial connection to such battery or cruelty.

(c) FEDERAL PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this title the term "Federal public benefit" means—

(A) any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United States; and

(B) any retirement, welfare, health, disability, public or assisted housing, post-secondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of the United States or by appropriated funds of the United States.

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Attorney General, after consultation with the Secretary of State.

SEC. 402. LIMITED ELIGIBILITY OF CERTAIN QUALIFIED ALIENS FOR CERTAIN FEDERAL PROGRAMS.

(a) LIMITED ELIGIBILITY FOR SPECIFIED FEDERAL PROGRAMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in paragraph (2), an alien who is a qualified alien (as defined in section 431) is not eligible for any specified Federal program (as defined in paragraph (3)).

(2) EXCEPTIONS.—

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—Paragraph (1) shall not apply to an alien until 5 years after the date—

(i) an alien is admitted to the United States as a refugee under section 217 of the Immigration and Nationality Act;

(ii) an alien is granted asylum under section 218 of such Act; or

(iii) an alien's deportation is withheld under section 213(h) of such Act.

(B) CERTAIN PERMANENT RESIDENT ALIENS.—Paragraph (1) shall not apply to an alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii)(I) has worked 21 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 435, and (II) did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter.

(C) VETERAN AND ACTIVE DUTY EXCEPTION.—Paragraph (1) shall not apply to an alien who is lawfully residing in any State and is—

(i) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii).

(D) TRANSITION FOR ALIENS CURRENTLY RECEIVING BENEFITS.—

(i) SSI.—

(I) IN GENERAL.—With respect to the specified Federal program described in paragraph (3)(A), during the period beginning on the date of the enactment of this Act and ending on the date which is 1 year after such date of enactment, the Commissioner of Social Security shall redetermine the eligibility of any individual who is receiving benefits under such program as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of this subsection.

(II) REDETERMINATION CRITERIA.— With respect to any redetermination under subclause (I), the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under such program.

(III) GRANDFATHER PROVISION.—The provisions of this subsection and the redetermination under subclause (I), shall only apply with respect to the benefits of an individual described in subclause (I) for months beginning on or after the date of the redetermination with respect to such individual.

(IV) NOTICE.—Not later than January 1, 1997, the Commissioner of Social Security shall notify an individual described in subclause (I) of the provisions of this clause.

(ii) FOOD STAMPS.—

(I) IN GENERAL.—With respect to the specified Federal program described in paragraph (3)(B), during the period beginning on the date of enactment of this Act and ending on the date which is 1 year after the date of enactment, the State agency shall, at the time of the recertification, recertify the eligibility of any individual who is receiving benefits under such program as of the date of enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of this subsection.

(II) RECERTIFICATION CRITERIA.—With respect to any recertification under subclause (I), the State agency shall apply the eligibility criteria for applicants for benefits under such program.

(III) GRANDFATHER PROVISION.—The provisions of this subsection and the recertification under subclause (I) shall only apply with respect to the eligibility of an alien for a program for months beginning on or after the date of recertification, if on the date of enactment of this Act the alien is lawfully residing in any State and is receiving benefits under such program on such date of enactment.

(E) FICA EXCEPTION.—Paragraph (1) shall not apply to an alien if there has been paid with respect to the self-employment income or employment of the alien, or of a parent or spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 21 different calendar quarters.

(F) EXCEPTION FOR BATTERED WOMEN AND CHILDREN.—Paragraph (1) shall not apply—

(i) for up to 48 months if the alien can demonstrate that (I) the alien has been battered or subject to extreme cruelty in the United States by a spouse or parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, or (II) the alien's child has been battered or subject to extreme cruelty in the United States by a spouse or parent of the alien (without the active participation of the alien in the battery or extreme cruelty), or by a member of the spouse or parent's family residing in the same household as the alien when the spouse or parent consented or acquiesced to and the alien did not actively participate in such battery or cruelty, and (III) the need for the public benefits applied for has a substantial connection to the battery or cruelty described in this clause; and

(ii) for more than 48 months if the alien can demonstrate that any battery or cruelty under clause (i) is ongoing, has led to the issuance of an order of a judge or an administrative law judge or a prior determination of the Service, and that need for such benefits has a substantial connection to such battery or cruelty.

(G) SSI DISABILITY EXCEPTION.—Paragraph (1) shall not apply to an alien who has not attained 18 years of age and is eligible by reason of disability for supplemental security income benefits under title XVI of the Social Security Act.

(H) FOOD STAMP EXCEPTION FOR CHILDREN.—Paragraph (1) shall not apply to the eligibility of an alien who has not attained 18 years of age for the food stamp program under paragraph (3)(B).

(3) SPECIFIED FEDERAL PROGRAM DEFINED.—For purposes of this title, the term "specified Federal program" means any of the following:

(A) SSI.—The supplemental security income program under title XVI of the Social Security Act.

(B) FOOD STAMPS.—The food stamp program as defined in section 3(h) of the Food Stamp Act of 1977.

(b) LIMITED ELIGIBILITY FOR DESIGNATED FEDERAL PROGRAMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in section 403 and paragraph (2), a State is authorized to determine the eligibility of an alien who is a qualified alien (as defined in section 431) for any designated Federal program (as defined in paragraph (3)).

(2) EXCEPTIONS.—Qualified aliens under this paragraph shall be eligible for any designated Federal program.

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(i) An alien who is admitted to the United States as a refugee under section 217 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(ii) An alien who is granted asylum under section 218 of such Act until 5 years after the date of such grant of asylum.

(iii) An alien whose deportation is being withheld under section 213(h) of such Act until 5 years after such withholding.

(B) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii)(I) has worked 21 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 435, and (II) did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter.

(C) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(i) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii).

(D) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits under such program on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(E) FICA EXCEPTION.—Paragraph (1) shall not apply to an alien if there has been paid with respect to the self-employment income or employment of the alien, or of a parent or spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 21 different calendar quarters.

(F) TIME-LIMITED EXCEPTION FOR BATTERED WOMEN AND CHILDREN.—Paragraph (1) shall not apply—

(i) for up to 48 months if the alien can demonstrate that (I) the alien has been battered or subject to extreme cruelty in the United States by a spouse or parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, or (II) the alien's child has been battered or subject to extreme cruelty in the United States by a spouse or parent of the alien (without the active participation of the alien in the battery or extreme cruelty), or by a member of the spouse or parent's family residing in the same household as the alien when the spouse or parent consented or acquiesced to and the alien did not actively participate in such battery or cruelty, and (III) the need for the public benefits applied for has a substantial connection to the battery or cruelty described in subclause (I) or (II); and

(ii) for more than 48 months if the alien can demonstrate that any battery or cruelty under clause (i) is ongoing, has led to the issuance of an order of a judge or an administrative law judge or a prior determination of the Service, and that the need for such benefits has a substantial connection to such battery or cruelty.

(G) SSI DISABILITY EXCEPTION.—Paragraph (1) shall not apply to an alien who has not attained 18 years of age and is eligible by reason of disability for supplemental security income benefits under title XVI of the Social Security Act.

(3) DESIGNATED FEDERAL PROGRAM DEFINED.—For purposes of this title, the term "designated Federal program" means any of the following:

(A) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—The program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.

(B) SOCIAL SERVICES BLOCK GRANT.—The program of block grants to States for social services under title XX of the Social Security Act.

SEC. 403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is a qualified alien (as defined in section 431) and who enters the United States on or after the date of the enactment of this Act is not eligible for any Federal means-tested public benefit (as defined in subsection (c)) for a period of five years beginning on the date of the alien's entry into the United States with a status within the meaning of the term "qualified alien".

(b) EXCEPTIONS.—The limitation under subsection (a) shall not apply to the following aliens:

(1) EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 217 of the Immigration and Nationality Act.

(B) An alien who is granted asylum under section 218 of such Act.

(C) An alien whose deportation is being withheld under section 213(h) of such Act.

(2) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(3) FICA EXCEPTION.—An alien if there has been paid with respect to the self-employment income or employment of the alien, or of a parent or spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 21 different calendar quarters.

(4) EXCEPTION FOR BATTERED WOMEN AND CHILDREN.—An alien—

(A) for up to 48 months if the alien can demonstrate that (i) the alien has been battered or subject to extreme cruelty in the United States by a spouse or parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, or (ii) the alien's child has been battered or subject to extreme cruelty in the United States by a spouse or parent of the alien (without the active participation of the alien in the battery or extreme cruelty), or by a member of the spouse or parent's family residing in the same household as the alien when the spouse or parent consented or acquiesced to and the alien did not actively participate in such battery or cruelty, and (iii) the need for the public benefits applied for has a substantial connection to the battery or cruelty described in clause (i) or (ii); and

(B) for more than 48 months if the alien can demonstrate that any battery or cruelty under subparagraph (A) is ongoing, has led to the issuance of an order of a judge or an administrative law judge or a prior determination of the Service, and that need for such benefits has a substantial connection to such battery or cruelty.

(5) SSI DISABILITY EXCEPTION.—An alien who has not attained 18 years of age and is eligible by reason of disability for supplemental security income benefits under title XVI of the Social Security Act.

(6) FOOD STAMP EXCEPTION FOR CHILDREN.—An alien who has not attained 18 years of age only for purposes of eligibility for the food stamp program as defined in section 3(h) of the Food Stamp Act of 1977.

(c) FEDERAL MEANS-TESTED PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this title, the term "Federal means-tested public benefit" means a public benefit (including cash, medical, housing, and food assistance and social services) of the Federal Government in which the eligibility of an individual, household, or family eligibility unit for benefits, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.

(2) Such term does not include the following:

(A) Emergency medical services under title XIX or XXI of the Social Security Act.

(B) Short-term, non-cash, in-kind emergency disaster relief.

(C) Assistance or benefits under the National School Lunch Act.

(D) Assistance or benefits under the Child Nutrition Act of 1966.

(E)(i) Public health assistance for immunizations.

(ii) Public health assistance for testing and treatment of a serious communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(F) Payments for foster care and adoption assistance under part B of title IV of the Social Security Act for a child who would, in the absence of subsection (a), be eligible to have such payments made on the child's behalf under such part, but only if the foster or adoptive parent or parents of such child are not described under subsection (a).

(G) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) deliver in-kind services at the community level, including through public or private nonprofit agencies; (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life or safety.

(H) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965.

(I) Means-tested programs under the Elementary and Secondary Education Act of 1965.

(J) The program of medical assistance under title XIX and title XXI of the Social Security Act.

SEC. 404. NOTIFICATION AND INFORMATION REPORTING.

(a) NOTIFICATION.—Each Federal agency that administers a program to which section 401, 402, or 403 applies shall, directly or through the States, post information and provide general notification to the public and to program recipients of the changes regarding eligibility for any such program pursuant to this title.

(b) INFORMATION REPORTING UNDER TITLE IV OF THE SOCIAL SECURITY ACT.—Part A of title IV of the Social Security Act is amended by inserting the following new section after section 411:

"SEC. 411A. STATE REQUIRED TO PROVIDE CERTAIN INFORMATION.

"Each State to which a grant is made under section 403 of the Social Security Act shall, at least 4 times annually and upon request of the Immigration and Naturalization Service, furnish the Immigration and Naturalization Service with the name and address of, and other identifying information on, any individual who the State knows is unlawfully in the United States.".

(c) SSI.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended—

(1) by redesignating paragraphs (6) and (7) inserted by sections 216(d)(2) and 216(f)(1) of the Social Security Independence and Programs Improvement Act of 1994 (Public Law 103–296; 108 Stat. 1514, 1515) as paragraphs (7) and (8), respectively; and

(2) by adding at the end the following new paragraph:

"(9) Notwithstanding any other provision of law, the Commissioner shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this paragraph referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Commissioner knows is unlawfully in the United States, and shall ensure that each agreement entered into under section 1616(a) with a State provides that the State shall furnish such information at such times with respect to any individual who the State knows is unlawfully in the United States.".

(d) INFORMATION REPORTING FOR HOUSING PROGRAMS.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

"SEC. 28. PROVISION OF INFORMATION TO LAW ENFORCEMENT AND OTHER AGENCIES.

"Notwithstanding any other provision of law, the Secretary shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this section referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Secretary knows is unlawfully in the United States, and shall ensure that each contract for assistance entered into under section 6 or 8 of this Act with a public housing agency provides that the public housing agency shall furnish such information at such times with respect to any individual who the public housing agency knows is unlawfully in the United States.".

Subtitle B—Eligibility for State and Local Public Benefits Programs

SEC. 411. ALIENS WHO ARE NOT QUALIFIED ALIENS OR NONIMMIGRANTS INELIGIBLE FOR STATE AND LOCAL PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsections (b) and (d), an alien who is not described under a paragraph of this subsection is not eligible for any State or local public benefit (as defined in subsection (c)):

(1) A qualified alien (as defined in section 431).

(2) A nonimmigrant under the Immigration and Nationality Act.

(3) An alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(4) An alien—

(A) for up to 48 months if the alien can demonstrate that (i) the alien has been battered or subject to extreme cruelty in the United States by a spouse or parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, or (ii) the alien's child has been battered or subject to extreme cruelty in the United States by a spouse or parent of the alien (without the active participation of the alien in the battery or extreme cruelty), or by a member of the spouse or parent's family residing in the same household as the alien when the spouse or parent consented or acquiesced to and the alien did not actively participate in such battery or cruelty, and (iii) the need for the public benefits applied for has a substantial connection to the battery or cruelty described in clause (i) or (ii), and

(B) for more than 48 months if the alien can demonstrate that any battery or cruelty under subparagraph (A) is ongoing, has led to the issuance of an order of a judge or an administrative law judge or a prior determination of the Service, and that the need for such benefits has a substantial connection to such battery or cruelty.

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following State or local public benefits:

(1) Emergency medical services under title XIX or XXI of the Social Security Act.

(2) Short-term, noncash, in-kind emergency disaster relief.

(3)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a serious communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(4) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(c) STATE OR LOCAL PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this subtitle the term "State or local public benefit" means—

(A) any grant, contract, loan, professional license, or commercial license provided by an agency of a State or local government or by appropriated funds of a State or local government; and

(B) any retirement, welfare, health, disability, public or assisted housing, post-secondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of a State or local government or by appropriated funds of a State or local government.

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Secretary of State, after consultation with the Attorney General.

(d) State Authority To Provide For Eligibility of Illegal Aliens for State and Local Public Benefits.—A State may provide that an alien who is not lawfully present in the United States is eligible for any State or local public benefit for which such alien would otherwise be ineligible under subsection (a) only through the enactment of a State law after the date of the enactment of this Act which affirmatively provides for such eligibility.

SEC. 412. STATE AUTHORITY TO LIMIT ELIGIBILITY OF QUALIFIED ALIENS FOR STATE PUBLIC BENEFITS.

(a) In General.—Notwithstanding any other provision of law and except as provided in subsection (b), a State is authorized to determine the eligibility for any State public benefits (as defined in subsection (c) of an alien who is a qualified alien (as defined in section 431), a nonimmigrant under the Immigration and Nationality Act, or an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(b) Exceptions.—Qualified aliens under this subsection shall be eligible for any State public benefits.

(1) Time-limited exception for refugees and asylees.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(B) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.

(C) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.

(2) Certain permanent resident aliens.—An alien who—

(A) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(B)(i) has worked 20 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 435, and (ii) did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter.

(3) Veteran and active duty exception.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(4) Transition for those currently receiving benefits.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(5) Exception for battered women and children.—An alien—

(A) for up to 48 months if the alien can demonstrate that (i) the alien has been battered or subject to extreme cruelty in the United States by a spouse or parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, or (ii) the alien's child has been battered or subject to extreme cruelty in the United States by a spouse or parent of the alien (without the active participation of the alien in the battery or extreme cruelty), or by a member of the spouse or parent's family residing in the same household as the alien when the spouse or parent consented or acquiesced to and the alien did not actively participate in such battery or cruelty, and (iii) the need for the public benefits applied for has a substantial connection to the battery or cruelty described in clause (i) or (ii); and

(B) for more than 48 months if the alien can demonstrate that any battery or cruelty under subparagraph (A) is ongoing, has led to the issuance of an order of a judge or an administrative law judge or a prior determination of the Service, and that the need for such benefits has a substantial connection to such battery or cruelty.

(c) State Public Benefits Defined.—The term "State public benefits" means any means-tested public benefit of a State or political subdivision of a State under which the State or political subdivision specifies the standards for eligibility, and does not include any Federal public benefit.

Subtitle C—Attribution of Income and Affidavits of Support

SEC. 421. FEDERAL ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO ALIEN FOR PURPOSES OF MEDICAID ELIGIBILITY.

(a) In General.—Notwithstanding any other provision of law, in determining the eligibility and the amount of benefits of an alien (other than an alien who has not attained 18 years of age or an alien who is pregnant) for the program of medical assistance under title XIX and title XXI of the Social Security Act, the income and resources of the alien shall be deemed to include the following:

(1) The income and resources of any person who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 423) on behalf of such alien.

(2) The income and resources of the spouse (if any) of the person.

(b) Application.—Subsection (a) shall apply with respect to an alien (other than an alien who has not attained 18 years of age or an alien who is pregnant) until such time as the alien—

(1) achieves United States citizenship through naturalization pursuant to chapter 2 of title III of the Immigration and Nationality Act; or

(2)(A) has worked 20 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 435, and (B) did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter.

(c) Review of Income and Resources of Alien Upon Reapplication.—Whenever an alien (other than an alien who has not attained 18 years of age or an alien who is pregnant) is required to reapply for benefits under any Federal means-tested public benefits program, the applicable agency shall review the income and resources attributed to the alien under subsection (a).

SEC. 422. AUTHORITY FOR STATES TO PROVIDE FOR ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO THE ALIEN WITH RESPECT TO STATE PROGRAMS.

(a) Optional Application to State Programs.—Except as provided in subsection (b), in determining the eligibility and the amount of benefits of an alien for any State public benefits (as defined in section 412(c)), the State or political subdivision that offers the benefits is authorized to provide that the income and resources of the alien shall be deemed to include—

(1) the income and resources of any individual who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 423) on behalf of such alien, and

(2) the income and resources of the spouse (if any) of the individual.

(b) Exceptions.—Subsection (a) shall not apply with respect to the following State public benefits:

(1) Emergency medical services.

(2) Short-term, noncash, in-kind emergency disaster relief.

(3) Programs comparable to assistance or benefits under the National School Lunch Act.

(4) Programs comparable to assistance or benefits under the Child Nutrition Act of 1966.

(5)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a serious communicable disease if the appropriate chief State health official determines that it is necessary to prevent the spread of such disease.

(6) Payments for foster care and adoption assistance.

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General of a State, after consultation with appropriate agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

SEC. 423. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.

(a) In General.—Title II of the Immigration and Nationality Act is amended by inserting after section 213 the following new section:

"REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

"Sec. 213A. (a) Enforceability.—(1) No affidavit of support may be accepted by the

Attorney General or by any consular officer to establish that an alien is not excludable as a public charge under section 212(a)(4) unless such affidavit is executed as a contract—

"(A) which is legally enforceable against the sponsor by the sponsored alien, the Federal Government, and by any State (or any political subdivision of such State) which provides any means-tested public benefits program, but not later than 10 years after the alien last receives any such benefit;

"(B) in which the sponsor agrees to financially support the alien, so that the alien will not become a public charge; and

"(C) in which the sponsor agrees to submit to the jurisdiction of any Federal or State court for the purpose of actions brought under subsection (e)(2).

"(2) A contract under paragraph (1) shall be enforceable with respect to benefits provided to the alien until such time as the alien achieves United States citizenship through naturalization pursuant to chapter 2 of title III.

"(b) FORMS.—Not later than 90 days after the date of enactment of this section, the Attorney General, in consultation with the Secretary of State and the Secretary of Health and Human Services, shall formulate an affidavit of support consistent with the provisions of this section.

"(c) REMEDIES.—Remedies available to enforce an affidavit of support under this section include any or all of the remedies described in sections 3201, 3203, 3204, or 3205 of title 28, United States Code, as well as an order for specific performance and payment of legal fees and other costs of collection, and include corresponding remedies available under State law. A Federal agency may seek to collect amounts owed under this section in accordance with the provisions of subchapter II of chapter 37 of title 31, United States Code.

"(d) NOTIFICATION OF CHANGE OF ADDRESS.—

"(1) IN GENERAL.—The sponsor shall notify the Attorney General and the State in which the sponsored alien is currently resident within 30 days of any change of address of the sponsor during the period specified in subsection (a)(2).

"(2) PENALTY.—Any person subject to the requirement of paragraph (1) who fails to satisfy such requirement shall be subject to a civil penalty of—

"(A) not less than $250 or more than $2,000, or

"(B) if such failure occurs with knowledge that the alien has received any means-tested public benefit, not less than $2,000 or more than $5,000.

"(e) REIMBURSEMENT OF GOVERNMENT EXPENSES.—(1)(A) Upon notification that a sponsored alien has received any benefit under any means-tested public benefits program, the appropriate Federal, State, or local official shall request reimbursement by the sponsor in the amount of such assistance.

"(B) The Attorney General, in consultation with the Secretary of Health and Human Services, shall prescribe such regulations as may be necessary to carry out subparagraph (A).

"(2) If within 45 days after requesting reimbursement, the appropriate Federal, State, or local agency has not received a response from the sponsor indicating a willingness to commence payments, an action may be brought against the sponsor pursuant to the affidavit of support.

"(3) If the sponsor fails to abide by the repayment terms established by such agency, the agency may, within 60 days of such failure, bring an action against the sponsor pursuant to the affidavit of support.

"(4) No cause of action may be brought under this subsection later than 10 years after the alien last received any benefit under any means-tested public benefits program.

"(5) If, pursuant to the terms of this subsection, a Federal, State, or local agency requests reimbursement from the sponsor in the amount of assistance provided, or brings an action against the sponsor pursuant to the affidavit of support, the appropriate agency may appoint or hire an individual or other person to act on behalf of such agency acting under the authority of law for purposes of collecting any moneys owed. Nothing in this subsection shall preclude any appropriate Federal, State, or local agency from directly requesting reimbursement from a sponsor for the amount of assistance provided, or from bringing an action against a sponsor pursuant to an affidavit of support.

"(f) DEFINITIONS.—For the purposes of this section—

"(1) SPONSOR.—The term 'sponsor' means an individual who—

"(A) is a citizen or national of the United States or an alien who is lawfully admitted to the United States for permanent residence;

"(B) has attained the age of 18 years;

"(C) is domiciled in any of the 50 States or the District of Columbia; and

"(D) is the person petitioning for the admission of the alien under section 204.

"(2) MEANS-TESTED PUBLIC BENEFITS PROGRAM.—The term 'means-tested public benefits program' means a program of public benefits (including cash, medical, housing, and food assistance and social services) of the Federal Government or of a State or political subdivision of a State in which the eligibility of an individual, household, or family eligibility unit for benefits under the program, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.".

(b) CLERICAL AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 213 the following:

"Sec. 213A. Requirements for sponsor's affidavit of support.".

(c) EFFECTIVE DATE.—Subsection (a) of section 213A of the Immigration and Nationality Act, as inserted by subsection (a) of this section, shall apply to affidavits of support executed on or after a date specified by the Attorney General, which date shall not be earlier than 60 days (and not later than 90 days) after the date the Attorney General formulates the form for such affidavits under subsection (b) of such section.

(d) BENEFITS NOT SUBJECT TO REIMBURSEMENT.—Requirements for reimbursement by a sponsor for benefits provided to a sponsored alien pursuant to an affidavit of support under section 213A of the Immigration and Nationality Act shall not apply with respect to the following:

(1) Emergency medical services under title XIX or XXI of the Social Security Act.

(2) Short-term, noncash, in-kind emergency disaster relief.

(3) Assistance or benefits under the National School Lunch Act.

(4) Assistance or benefits under the Child Nutrition Act of 1966.

(5)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a serious communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(6) Payments for foster care and adoption assistance under part B of title IV of the Social Security Act for a child, but only if the foster or adoptive parent or parents of such child are not otherwise ineligible pursuant to section 403 of this Act.

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(8) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965.

SEC. 424. COSIGNATURE OF ALIEN STUDENT LOANS.

Section 484(b) of the Higher Education Act of 1965 (20 U.S.C. 1091(b)) is amended by adding at the end the following new paragraph:

"(6) Notwithstanding sections 427(a)(2)(A), 428B(a), 428C(b)(4)(A), and 464(c)(1)(E), or any other provision of this title, a student who is an alien lawfully admitted for permanent residence under the Immigration and Nationality Act shall not be eligible for a loan under this title unless the loan is endorsed and cosigned by the alien's sponsor under section 213A of the Immigration and Nationality Act or by another creditworthy individual who is a United States citizen.".

Subtitle D—General Provisions

SEC. 431. DEFINITIONS.

(a) IN GENERAL.—Except as otherwise provided in this title, the terms used in this title have the same meaning given such terms in section 101(a) of the Immigration and Nationality Act.

(b) QUALIFIED ALIEN.—For purposes of this title, the term "qualified alien" means an alien who, at the time the alien applies for, receives, or attempts to receive a Federal public benefit, is—

(1) an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act,

(2) an alien who is granted asylum under section 208 of such Act,

(3) a refugee who is admitted to the United States under section 207 of such Act,

(4) an alien who is paroled into the United States under section 212(d)(5) of such Act for a period of at least 1 year,

(5) an alien whose deportation is being withheld under section 243(h) of such Act, or

(6) an alien who is granted conditional entry pursuant to section 203(a)(7) of such Act as in effect prior to April 1, 1980.

SEC. 432. VERIFICATION OF ELIGIBILITY FOR FEDERAL PUBLIC BENEFITS.

(a) IN GENERAL.—Not later than 18 months after the date of the enactment of this Act, the Attorney General of the United States, after consultation with the Secretary of Health and Human Services, shall promulgate regulations requiring verification that a person applying for a Federal public benefit (as defined in section 401(c)), to which the limitation under section 401 applies, is a qualified alien and is eligible to receive such benefit. Such regulations shall, to the extent feasible, require that information requested and exchanged be similar in form and manner to information requested and exchanged under section 1137 of the Social Security Act.

(b) STATE COMPLIANCE.—Not later than 24 months after the date the regulations described in subsection (a) are adopted, a State that administers a program that provides a Federal public benefit shall have in effect a verification system that complies with the regulations.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purpose of this section.

SEC. 433. STATUTORY CONSTRUCTION.

(a) LIMITATION.—

(1) Nothing in this title may be construed as an entitlement or a determination of an individual's eligibility or fulfillment of the requisite requirements for any Federal, State, or local governmental program, assistance, or benefits. For purposes of this title, eligibility relates only to the general issue of eligibility or ineligibility on the basis of alienage.

(2) Nothing in this title may be construed as addressing alien eligibility for a basic public education as determined by the Supreme Court of the United States under Plyler v. Doe (457 U.S. 202)(1982).

(b) NOT APPLICABLE TO FOREIGN ASSISTANCE.—This title does not apply to any Federal, State, or local governmental program, assistance, or benefits provided to an alien under any program of foreign assistance as determined by the Secretary of State in consultation with the Attorney General.

(c) SEVERABILITY.—If any provision of this title or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this title and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 434. COMMUNICATION BETWEEN STATE AND LOCAL GOVERNMENT AGENCIES AND THE IMMIGRATION AND NATURALIZATION SERVICE.

Notwithstanding any other provision of Federal, State, or local law, no State or local government entity may be prohibited, or in any way restricted, from sending to or receiving from the Immigration and Naturalization Service information regarding the immigration status, lawful or unlawful, of an alien in the United States.

SEC. 435. QUALIFYING QUARTERS.

For purposes of this title, in determining the number of qualifying quarters of coverage under title II of the Social Security Act an alien shall be credited with—

(1) all of the qualifying quarters of coverage as defined under title II of the Social Security Act worked by a parent of such alien while the alien was under age 18 if the parent did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter, and

(2) all of the qualifying quarters worked by a spouse of such alien during their marriage if the spouse did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter and the alien remains married to such spouse or such spouse is deceased.

SEC. 436. TITLE INAPPLICABLE TO PROGRAMS SPECIFIED BY ATTORNEY GENERAL.

Notwithstanding any other provision of this title, this title or any provision of this title shall not apply to programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (1) deliver services at the community level, including through public or private nonprofit agencies; (2) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (3) are necessary for the protection of life, safety or the public health.

SEC. 437. TITLE INAPPLICABLE TO PROGRAMS OF NONPROFIT CHARITABLE ORGANIZATIONS.

Notwithstanding any other provision of this title, this title or any provision of this title shall not apply to programs, services, or assistance of a nonprofit charitable organization, regardless of whether such programs, services, or assistance are funded, in whole or in part, by the Federal Government or the government of any State or political subdivision of a State.

Subtitle E—Conforming Amendments

SEC. 441. CONFORMING AMENDMENTS RELATING TO ASSISTED HOUSING.

(a) LIMITATIONS ON ASSISTANCE.—Section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) is amended—

(1) by striking "Secretary of Housing and Urban Development" each place it appears and inserting "applicable Secretary";

(2) in subsection (b), by inserting after "National Housing Act," the following: "the direct loan program under section 502 of the Housing Act of 1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or 542 of such Act, subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act,";

(3) in paragraphs (2) through (6) of subsection (d), by striking "Secretary" each place it appears and inserting "applicable Secretary";

(4) in subsection (d), in the matter following paragraph (6), by striking "the term 'Secretary'" and inserting "the term 'applicable Secretary'"; and

(5) by adding at the end the following new subsection:

"(h) For purposes of this section, the term 'applicable Secretary' means—

"(1) the Secretary of Housing and Urban Development, with respect to financial assistance administered by such Secretary and financial assistance under subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act; and

"(2) the Secretary of Agriculture, with respect to financial assistance administered by such Secretary.".

(b) CONFORMING AMENDMENTS.—Section 501(h) of the Housing Act of 1949 (42 U.S.C. 1471(h)) is amended—

(1) by striking "(1)";

(2) by striking "by the Secretary of Housing and Urban Development"; and

(3) by striking paragraph (2).

TITLE V—REDUCTIONS IN FEDERAL GOVERNMENT POSITIONS

SEC. 501. REDUCTIONS.

(a) DEFINITIONS.—As used in this section:

(1) APPROPRIATE EFFECTIVE DATE.—The term "appropriate effective date", used with respect to a Department referred to in this section, means the date on which all provisions of this Act (other than title II) that the Department is required to carry out, and amendments and repeals made by such Act to provisions of Federal law that the Department is required to carry out, are effective.

(2) COVERED ACTIVITY.—The term "covered activity", used with respect to a Department referred to in this section, means an activity that the Department is required to carry out under—

(A) a provision of this Act (other than title II); or

(B) a provision of Federal law that is amended or repealed by this Act (other than title II).

(b) REPORTS.—

(1) CONTENTS.—Not later than December 31, 1995, each Secretary referred to in paragraph (2) shall prepare and submit to the relevant committees described in paragraph (3) a report containing—

(A) the determinations described in subsection (c);

(B) appropriate documentation in support of such determinations; and

(C) a description of the methodology used in making such determinations.

(2) SECRETARY.—The Secretaries referred to in this paragraph are—

(A) the Secretary of Agriculture;

(B) the Secretary of Education;

(C) the Secretary of Labor;

(D) the Secretary of Housing and Urban Development; and

(E) the Secretary of Health and Human Services.

(3) RELEVANT COMMITTEES.—The relevant Committees described in this paragraph are the following:

(A) With respect to each Secretary described in paragraph (2), the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate.

(B) With respect to the Secretary of Agriculture, the Committee on Agriculture and the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(C) With respect to the Secretary of Education, the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

(D) With respect to the Secretary of Labor, the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

(E) With respect to the Secretary of Housing and Urban Development, the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(F) With respect to the Secretary of Health and Human Services, the Committee on Economic and Educational Opportunities of the House of Representatives, the Committee on Labor and Human Resources of the Senate, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate.

(4) REPORT ON CHANGES.—Not later than December 31, 1996, and each December 31 thereafter, each Secretary referred to in paragraph (2) shall prepare and submit to the relevant Committees described in paragraph (3), a report concerning any changes with respect to the determinations made under subsection (c) for the year in which the report is being submitted.

(c) DETERMINATIONS.—Not later than October 1, 1996, each Secretary referred to in subsection (b)(2) shall determine—

(1) the number of full-time equivalent positions required by the Department headed

by such Secretary to carry out the covered activities of the Department, as of the day before the date of enactment of this Act;

(2) the number of such positions required by the Department to carry out the activities, as of the appropriate effective date for the Department; and

(3) the difference obtained by subtracting the number referred to in paragraph (2) from the number referred to in paragraph (1).

(d) ACTIONS.—Each Secretary referred to in subsection (b)(2) shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the number of positions of personnel of the Department—

(1) not later than 30 days after the appropriate effective date for the Department involved, by at least 50 percent of the difference referred to in subsection (c)(3); and

(2) not later than 13 months after such appropriate effective date, by at least the remainder of such difference (after the application of paragraph (1)).

(e) CONSISTENCY.—

(1) EDUCATION.—The Secretary of Education shall carry out this section in a manner that enables the Secretary to meet the requirements of this section.

(2) LABOR.—The Secretary of Labor shall carry out this section in a manner that enables the Secretary to meet the requirements of this section.

(3) HEALTH AND HUMAN SERVICES.—The Secretary of Health and Human Services shall carry out this section in a manner that enables the Secretary to meet the requirements of this section and sections 502 and 503.

(f) CALCULATION.—In determining, under subsection (c), the number of full-time equivalent positions required by a Department to carry out a covered activity, a Secretary referred to in subsection (b)(2) shall include the number of such positions occupied by personnel carrying out program functions or other functions (including budgetary, legislative, administrative, planning, evaluation, and legal functions) related to the activity.

(g) GENERAL ACCOUNTING OFFICE REPORT.—Not later than July 1, 1996, the Comptroller General of the United States shall prepare and submit to the committees described in subsection (b)(3), a report concerning the determinations made by each Secretary under subsection (c). Such report shall contain an analysis of the determinations made by each Secretary under subsection (c) and a determination as to whether further reductions in full-time equivalent positions are appropriate.

SEC. 502. REDUCTIONS IN FEDERAL BUREAUCRACY.

(a) IN GENERAL.—The Secretary of Health and Human Services shall reduce the Federal workforce within the Department of Health and Human Services by an amount equal to the sum of—

(1) 75 percent of the full-time equivalent positions at such Department that relate to any direct spending program, or any program funded through discretionary spending, that has been converted into a block grant program under this Act and the amendments made by this Act; and

(2) an amount equal to 75 percent of that portion of the total full-time equivalent departmental management positions at such Department that bears the same relationship to the amount appropriated for the programs referred to in paragraph (1) as such amount relates to the total amount appropriated for use by such Department.

(b) REDUCTIONS IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Notwithstanding any other provision of this Act, the Secretary of Health and Human Services shall take such actions as may be necessary, including reductions in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the full-time equivalent positions within the Department of Health and Human Services—

(1) by 245 full-time equivalent positions related to the program converted into a block grant under the amendment made by section 103; and

(2) by 60 full-time equivalent managerial positions in the Department.

SEC. 503. REDUCING PERSONNEL IN WASHINGTON, D.C. AREA.

In making reductions in full-time equivalent positions, the Secretary of Health and Human Services is encouraged to reduce personnel in the Washington, D.C., area office (agency headquarters) before reducing field personnel.

TITLE VI—REFORM OF PUBLIC HOUSING

SEC. 601. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

"SEC. 27. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

"(a) IN GENERAL.—If the benefits of a family are reduced under a Federal, State, or local law relating to welfare or a public assistance program for the failure of any member of the family to perform an action required under the law or program, the family may not, for the duration of the reduction, receive any increased assistance under this Act as the result of a decrease in the income of the family to the extent that the decrease in income is the result of the benefits reduction.

"(b) EXCEPTION.—Subsection (a) shall not apply in any case in which the benefits of a family are reduced because the welfare or public assistance program to which the Federal, State, or local law relates limits the period during which benefits may be provided under the program.".

SEC. 602. FRAUD UNDER MEANS-TESTED WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

(a) IN GENERAL.—If an individual's benefits under a Federal, State, or local law relating to a means-tested welfare or a public assistance program are reduced because of an act of fraud by the individual under the law or program, the individual may not, for the duration of the reduction, receive an increased benefit under any other means-tested welfare or public assistance program for which Federal funds are appropriated as a result of a decrease in the income of the individual (determined under the applicable program) attributable to such reduction.

(b) WELFARE OR PUBLIC ASSISTANCE PROGRAMS FOR WHICH FEDERAL FUNDS ARE APPROPRIATED.—For purposes of subsection (a), the term "means-tested welfare or public assistance program for which Federal funds are appropriated" includes the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), any program of public or assisted housing under title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), and State programs funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

SEC. 603. ANNUAL ADJUSTMENT FACTORS FOR OPERATING COSTS ONLY; RESTRAINT ON RENT INCREASES.

(a) ANNUAL ADJUSTMENT FACTORS FOR OPERATING COSTS ONLY.—Section 8(c)(2)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)(2)(A)) is amended—

(1) by striking "(2)(A)" and inserting "(2)(A)(i)";

(2) by striking the second sentence and all that follows through the end of the subparagraph; and

(3) by adding at the end the following new clause:

"(ii) Each assistance contract under this section shall provide that—

"(I) if the maximum monthly rent for a unit in a new construction or substantial rehabilitation project to be adjusted using an annual adjustment factor exceeds 100 percent of the fair market rent for an existing dwelling unit in the market area, the Secretary shall adjust the rent using an operating costs factor that increases the rent to reflect increases in operating costs in the market area; and

"(II) if the owner of a unit in a project described in subclause (I) demonstrates that the adjusted rent determined under subclause (I) would not exceed the rent for an unassisted unit of similar quality, type, and age in the same market area, as determined by the Secretary, the Secretary shall use the otherwise applicable annual adjustment factor.".

(b) RESTRAINT ON SECTION 8 RENT INCREASES.—Section 8(c)(2)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)(2)(A)), as amended by subsection (a), is amended by adding at the end the following new clause:

"(iii)(I) Subject to subclause (II), with respect to any unit assisted under this section that is occupied by the same family at the time of the most recent annual rental adjustment, if the assistance contract provides for the adjustment of the maximum monthly rent by applying an annual adjustment factor, and if the rent for the unit is otherwise eligible for an adjustment based on the full amount of the annual adjustment factor, 0.01 shall be subtracted from the amount of the annual adjustment factor, except that the annual adjustment factor shall not be reduced to less than 1.0.

"(II) With respect to any unit described in subclause (I) that is assisted under the certificate program, the adjusted rent shall not exceed the rent for a comparable unassisted unit of similar quality, type, and age in the market area in which the unit is located.".

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1996.

SEC. 604. EFFECTIVE DATE.

This title and the amendment made by this title shall become effective on the date of enactment of this Act.

TITLE VII—CHILD CARE

SEC. 701. SHORT TITLE AND REFERENCES.

(a) SHORT TITLE.—This title may be cited as the "Child Care and Development Block Grant Amendments of 1995".

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

SEC. 702. GOALS.

(a) GOALS.—Section 658A (42 U.S.C. 9801 note) is amended—

(1) in the section heading by inserting “AND GOALS” after “TITLE”;

(2) by inserting “(a) SHORT TITLE.—” before “This”; and

(3) by adding at the end the following:

“(b) GOALS.—The goals of this subchapter are—

“(1) to allow each State maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within such State;

“(2) to promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs;

“(3) to encourage States to provide consumer education information to help parents make informed choices about child care;

“(4) to assist States to provide child care to parents trying to achieve independence from public assistance; and

“(5) to assist States in implementing the health, safety, licensing, and registration standards established in State regulations.”.

SEC. 803. AUTHORIZATION OF APPROPRIATIONS AND ENTITLEMENT AUTHORITY.

(a) IN GENERAL.—Section 658B (42 U.S.C. 9858) is amended to read as follows:

“SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.

“There is authorized to be appropriated to carry out this subchapter $1,000,000,000 for each of the fiscal years 1996 through 2002.”.

(b) SOCIAL SECURITY ACT.—Part A of title IV of the Social Security Act (as amended by section 103 of this Act) is amended by redesignating section 417 as section 418 and inserting after section 416 the following:

“SEC. 417. FUNDING FOR CHILD CARE.

“(a) GENERAL CHILD CARE ENTITLEMENT.—

“(1) GENERAL ENTITLEMENT.—Subject to the amount appropriated under paragraph (3), each State shall, for the purpose of providing child care assistance, be entitled to payments under a grant under this subsection for a fiscal year in an amount equal to the greatest of—

“(A) the sum of—

“(i) the total amount required to be paid to the State under former section 403 for fiscal year 1994 with respect to amounts expended for child care under section 402(g) of this Act (as such section was in effect before October 1, 1995); and

“(ii) such total amount with respect to amounts expended for child care under section 403(i) of this Act (as so in effect); or

“(B) the sum described in subparagraph (A) for fiscal year 1995; or

“(C) the average of the total amounts required to be paid to the State for fiscal years 1992 through 1994 under the sections referred to in subparagraph (A).

“(2) REMAINDER.—

“(A) GRANTS.—The Secretary shall use any amounts appropriated for a fiscal year under paragraph (3), and remaining after the reservation described in paragraph (5) and after grants are awarded under paragraph (1), to make grants to States under this paragraph.

“(B) AMOUNT.—Subject to subparagraph (C), the amount of a grant awarded to a State for a fiscal year under this paragraph shall be based on the formula used for determining the amount of Federal payments to the State under section 403(n) (as such section was in effect before October 1, 1995).

“(C) MATCHING REQUIREMENT.—The Secretary shall pay to each eligible State in a fiscal year an amount, under a grant under subparagraph (A), equal to the Federal medical assistance percentage for such State for fiscal year 1995 (as defined in section 1905(b)) of so much of the expenditures by the State for child care in such year as exceed the State set-aside for such State under subsection (a)(1) for such year and the amount of State expenditures in fiscal year 1995 that equal the non-Federal share for the programs described in subparagraphs (A), (B) and (C) of paragraph (1).

“(3) APPROPRIATION.—There are authorized to be appropriated, and there are appropriated, to carry out this section—

“(A) $1,967,000,000 for fiscal year 1997;

“(B) $2,067,000,000 for fiscal year 1998;

“(C) $2,167,000,000 for fiscal year 1999;

“(D) $2,367,000,000 for fiscal year 2000;

“(E) $2,567,000,000 for fiscal year 2001; and

“(F) $2,767,000,000 for fiscal year 2002.

“(4) REDISTRIBUTION.—With respect to any fiscal year, if the Secretary determines that amounts under any grant awarded to a State under this subsection for such fiscal year will not be used by such State for carrying out the purpose for which the grant is made, the Secretary shall make such amounts available for carrying out such purpose to 1 or more other States which apply for such funds to the extent the Secretary determines that such other States will be able to use such additional amounts for carrying out such purpose. Such available amounts shall be redistributed to a State pursuant to section 402(i) (as such section was in effect before October 1, 1995) by substituting ‘the number of children residing in all States applying for such funds’ for ‘the number of children residing in the United States in the second preceding fiscal year’. Any amount made available to a State from an appropriation for a fiscal year in accordance with the preceding sentence shall, for purposes of this part, be regarded as part of such State's payment (as determined under this subsection) for such year.

“(5) INDIAN TRIBES.—The Secretary shall reserve not more than 1 percent of the aggregate amount appropriated to carry out this section in each fiscal year for payments to Indian tribes and tribal organizations.

“(b) USE OF FUNDS.—

“(1) IN GENERAL.—Amounts received by a State under this section shall only be used to provide child care assistance.

“(2) USE FOR CERTAIN POPULATIONS.—A State shall ensure that not less than 70 percent of the total amount of funds received by the State in a fiscal year under this section are used to provide child care assistance to families who are receiving assistance under a State program under this part, families who are attempting through work activities to transition off of such assistance program, and families who are at risk of becoming dependent on such assistance program.

“(c) APPLICATION OF CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT of 1990.—Notwithstanding any other provision of law, amounts provided to a State under this section shall be transferred to the lead agency under the Child Care and Development Block Grant Act of 1990, integrated by the State into the programs established by the State under such Act, and be subject to requirements and limitations of such Act.

“(d) DEFINITION.—As used in this section, the term ‘State’ means each of the 50 States or the District of Columbia.”.

SEC. 704. LEAD AGENCY.

Section 658D(b) (42 U.S.C. 9858b(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking “State” the first place that such appears and inserting “governmental or nongovernmental”; and

(B) in subparagraph (C), by inserting “with sufficient time and Statewide distribution of the notice of such hearing,” after “hearing in the State”; and

(2) in paragraph (2), by striking the second sentence.

SEC. 705. APPLICATION AND PLAN.

Section 658E (42 U.S.C. 9858c) is amended—

(1) in subsection (b)—

(A) by striking “implemented—” and all that follows through “(2)” and inserting “implemented”; and

(B) by striking “for subsequent State plans”;

(2) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (i) by striking “, other than through assistance provided under paragraph (3)(C),”; and

(II) by striking “except” and all that follows through “1992”, and inserting “and provide a detailed description of the procedures the State will implement to carry out the requirements of this subparagraph”;

(ii) in subparagraph (B)—

(I) by striking “Provide assurances” and inserting “Certify”; and

(II) by inserting before the period at the end “and provide a detailed description of such procedures”;

(iii) in subparagraph (C)—

(I) by striking “Provide assurances” and inserting “Certify”; and

(II) by inserting before the period at the end “and provide a detailed description of how such record is maintained and is made available”;

(iv) by amending subparagraph (D) to read as follows:

“(D) CONSUMER EDUCATION INFORMATION.—Certify that the State will collect and disseminate to parents of eligible children and the general public, consumer education information that will promote informed child care choices.”;

(v) in subparagraph (E), to read as follows:

“(E) COMPLIANCE WITH STATE LICENSING REQUIREMENTS.—

“(i) IN GENERAL.—Certify that the State has in effect licensing requirements applicable to child care services provided within the State, and provide a detailed description of such requirements and of how such requirements are effectively enforced. Nothing in the preceding sentence shall be construed to require that licensing requirements be applied to specific types of providers of child care services.

“(ii) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—In lieu of any licensing and regulatory requirements applicable under State and local law, the Secretary, in consultation with Indian tribes and tribal organizations, shall develop minimum child care standards (that appropriately reflect tribal needs and available resources) that shall be applicable to Indian tribes and tribal organizations receiving assistance under this subchapter.”;

(vi) by striking “Provide assurances” and inserting “Certify”; and

(vii) by striking subparagraphs (H), (I), and (J) and inserting the following:

“(G) MEETING THE NEEDS OF CERTAIN POPULATIONS.—Demonstrate the manner in which the State will meet the specific child care needs of families who are receiving assistance under a State program under part A of title IV of the Social Security Act, families who are attempting through work activities to transition off of such assistance program, and families who are at risk of becoming dependent on such assistance program.

"(H) PRESERVING PARENTAL CHOICE.—Certify that the State will not implement any policy or practice which has the effect of significantly restricting parental choice by—

"(i) expressly or effectively excluding any category of care or type of provider within a category of care;

"(ii) limiting parental access to or choices from among various categories of care or types of providers; or

"(iii) excluding a significant number of providers in any category of care.

"(I) INFORMING PARENTS OF OPTIONS.—Provides assurances that parents will be informed regarding their options under this section, including the option to receive a child care certificate or voucher.";

(B) in paragraph (3)—

(i) in subparagraph (A), by striking "(B) and (C)" and inserting "(B) through (D)";

(ii) in subparagraph (B)—

(I) by striking ".—Subject to the reservation contained in subparagraph (C), the" and inserting "AND RELATED ACTIVITIES.—The";

(II) in clause (i) by striking "; and" at the end and inserting a period;

(III) by striking "for—" and all that follows through "section 658E(c)(2)(A)" and inserting "for child care services on sliding fee scale basis, activities that improve the quality or availability of such services, and any other activity that the State deems appropriate to realize any of the goals specified in paragraphs (2) through (5) of section 658A(b)"; and

(IV) by striking clause (ii);

(iii) by amending subparagraph (C) to read as follows:

"(C) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 5 percent of the aggregate amount of funds available to the State to carry out this subchapter by a State in each fiscal year may be expended for administrative costs incurred by such State to carry out all of its functions and duties under this subchapter. As used in the preceding sentence, the term 'administrative costs' shall not include the costs of providing direct services."; and

(iv) by adding at the end thereof the following:

"(D) ASSISTANCE FOR CERTAIN FAMILIES.—A State shall ensure that a substantial portion of the amounts available (after the State has complied with the requirement of section 417(b)(2) of the Social Security Act with respect to each of the fiscal years 1997 through 2002) to the State to carry out activities this subchapter in each fiscal year is used to provide assistance to low-income working families other than families described in paragraph (2)(F)."; and

(C) in paragraph (4)(A)—

(i) by striking "provide assurances" and inserting "certify";

(ii) in the first sentence by inserting "and shall provide a summary of the facts relied on by the State to determine that such rates are sufficient to ensure such access" before the period; and

(iii) by striking the last sentence.

SEC. 706. LIMITATION ON STATE ALLOTMENTS.

Section 658F(b) (42 U.S.C. 9858d(b)) is amended—

(1) in paragraph (1), by striking "No" and inserting "Except as provided for in section 658O(c)(6), no"; and

(2) in paragraph (2), by striking "referred to in section 658E(c)(2)(F)".

SEC. 707. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

Section 658G (42 U.S.C. 9858e) is amended to read as follows:

"SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

"A State that receives funds to carry out this subchapter for a fiscal year, shall use not less than 4 percent of the amount of such funds for activities that are designed to provide comprehensive consumer education to parents and the public, activities that increase parental choice, and activities designed to improve the quality and availability of child care (such as resource and referral services).".

SEC. 708. REPEAL OF EARLY CHILDHOOD DEVELOPMENT AND BEFORE- AND AFTER-SCHOOL CARE REQUIREMENT.

Section 658H (42 U.S.C. 9858f) is repealed.

SEC. 709. ADMINISTRATION AND ENFORCEMENT.

Section 658I(b) (42 U.S.C. 9858g(b)) is amended—

(1) in paragraph (1), by striking ", and shall have" and all that follows through "(2)"; and

(2) in the matter following clause (ii) of paragraph (2)(A), by striking "finding and that" and all that follows through the period and inserting "finding and shall require that the State reimburse the Secretary for any funds that were improperly expended for purposes prohibited or not authorized by this subchapter, that the Secretary deduct from the administrative portion of the State allotment for the following fiscal year an amount that is less than or equal to any improperly expended funds, or a combination of such options.".

SEC. 710. PAYMENTS.

Section 658J(c) (42 U.S.C. 9858h(c)) is amended by striking "expended" and inserting "obligated".

SEC. 711. ANNUAL REPORT AND AUDITS.

Section 658K (42 U.S.C. 9858i) is amended—

(1) in the section heading by striking "ANNUAL REPORT" and inserting "REPORTS";

(2) in subsection (a), to read as follows:

"(a) REPORTS.—

"(1) COLLECTION OF INFORMATION BY STATES.—

"(A) IN GENERAL.—A State that receives funds to carry out this subchapter shall collect the information described in subparagraph (B) on a monthly basis.

"(B) REQUIRED INFORMATION.—The information required under this subparagraph shall include, with respect to a family unit receiving assistance under this subchapter information concerning—

"(i) family income;

"(ii) county of residence;

"(iii) the gender, race, and age of children receiving such assistance;

"(iv) whether the family includes only 1 parent;

"(v) the sources of family income, including the amount obtained from (and separately identified)—

"(I) employment, including self-employment;

"(II) cash or other assistance under part A of title IV of the Social Security Act;

"(III) housing assistance;

"(IV) assistance under the Food Stamp Act of 1977; and

"(V) other assistance programs;

"(vi) the number of months the family has received benefits;

"(vii) the type of child care in which the child was enrolled (such as family child care, home care, or center-based child care);

"(viii) whether the child care provider involved was a relative;

"(ix) the cost of child care for such families; and

"(x) the average hours per week of such care;

during the period for which such information is required to be submitted.

"(C) SUBMISSION TO SECRETARY.—A State described in subparagraph (A) shall, on a quarterly basis, submit the information required to be collected under subparagraph (B) to the Secretary.

"(D) SAMPLING.—The Secretary may disapprove the information collected by a State under this paragraph if the State uses sampling methods to collect such information.

"(2) BIANNUAL REPORTS.—Not later than December 31, 1997, and every 6 months thereafter, a State described in paragraph (1)(A) shall prepare and submit to the Secretary a report that includes aggregate data concerning—

"(A) the number of child care providers that received funding under this subchapter as separately identified based on the types of providers listed in section 658P(5);

"(B) the monthly cost of child care services, and the portion of such cost that is paid for with assistance provided under this subchapter, listed by the type of child care services provided;

"(C) the number of payments made by the State through vouchers, contracts, cash, and disregards under public benefit programs, listed by the type of child care services provided;

"(D) the manner in which consumer education information was provided to parents and the number of parents to whom such information was provided; and

"(E) the total number (without duplication) of children and families served under this subchapter;

during the period for which such report is required to be submitted."; and

(2) in subsection (b)—

(A) in paragraph (1) by striking "a application" and inserting "an application";

(B) in paragraph (2) by striking "any agency administering activities that receive" and inserting "the State that receives"; and

(C) in paragraph (4) by striking "entitles" and inserting "entitled".

SEC. 712. REPORT BY THE SECRETARY.

Section 658L (42 U.S.C. 9858j) is amended—

(1) by striking "1993" and inserting "1997";

(2) by striking "annually" and inserting "biennially"; and

(3) by striking "Education and Labor" and inserting "Economic and Educational Opportunities".

SEC. 713. ALLOTMENTS.

Section 658O (42 U.S.C. 9858m) is amended—

(1) in subsection (a)—

(A) in paragraph (1)

(i) by striking "POSSESSIONS" and inserting "POSSESSIONS";

(ii) by inserting "and" after "States,"; and

(iii) by striking ", and the Trust Territory of the Pacific Islands"; and

(B) in paragraph (2), by striking "3 percent" and inserting "1 percent";

(2) in subsection (c)—

(A) in paragraph (5) by striking "our" and inserting "out"; and

(B) by adding at the end thereof the following new paragraph:

"(6) CONSTRUCTION OR RENOVATION OF FACILITIES.—

"(A) REQUEST FOR USE OF FUNDS.—An Indian tribe or tribal organization may submit to the Secretary a request to use amounts provided under this subsection for construction or renovation purposes.

"(B) DETERMINATION.—With respect to a request submitted under subparagraph (A), and except as provided in subparagraph (C), upon a determination by the Secretary that adequate facilities are not otherwise available to an Indian tribe or tribal organization to enable such tribe or organization to carry out child care programs in accordance with this subchapter, and that the lack of such facilities will inhibit the operation of such programs in the future, the Secretary may permit the tribe or organization to use assistance provided under this subsection to make payments for the construction or renovation of facilities that will be used to carry out such programs.

"(C) LIMITATION.—The Secretary may not permit an Indian tribe or tribal organization to use amounts provided under this subsection for construction or renovation if such use will result in a decrease in the level of child care services provided by the tribe or organization as compared to the level of such services provided by the tribe or organization in the fiscal year preceding the year for which the determination under subparagraph (A) is being made.

"(D) UNIFORM PROCEDURES.—The Secretary shall develop and implement uniform procedures for the solicitation and consideration of requests under this paragraph."; and

(3) in subsection (e), by adding at the end thereof the following new paragraph:

"(4) INDIAN TRIBES OR TRIBAL ORGANIZATIONS.—Any portion of a grant or contract made to an Indian tribe or tribal organization under subsection (c) that the Secretary determines is not being used in a manner consistent with the provision of this subchapter in the period for which the grant or contract is made available, shall be allotted by the Secretary to other tribes or organizations that have submitted applications under subsection (c) in accordance with their respective needs.".

SEC. 714. DEFINITIONS.

Section 658P (42 U.S.C. 9858n) is amended—

(1) in paragraph (2), in the first sentence by inserting "or as a deposit for child care services if such a deposit is required of other children being cared for by the provider" after "child care services"; and

(2) by striking paragraph (3);

(3) in paragraph (4)(B), by striking "75 percent" and inserting "85 percent";

(4) in paragraph (5)(B)—

(A) by inserting "great grandchild, sibling (if such provider lives in a separate residence)," after "grandchild,";

(B) by striking "is registered and"; and

(C) by striking "State" and inserting "applicable".

(5) by striking paragraph (10);

(6) in paragraph (13)—

(A) by inserting "or" after "Samoa,"; and

(B) by striking ", and the Trust Territory of the Pacific Islands";

(7) in paragraph (14)—

(A) by striking "The term" and inserting the following:

"(A) IN GENERAL.—The term"; and

(B) by adding at the end thereof the following new subparagraph:

"(B) OTHER ORGANIZATIONS.—Such term includes a Native Hawaiian Organization, as defined in section 4009(4) of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (20 U.S.C. 4909(4)) and a private nonprofit organization established for the purpose of serving youth who are Indians or Native Hawaiians.".

SEC. 715. REPEALS.

(a) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE ACT OF 1985.—Title VI of the Human Services Reauthorization Act of 1986 (42 U.S.C. 10901–10905) is repealed.

(b) STATE DEPENDENT CARE DEVELOPMENT GRANTS ACT.—Subchapter E of chapter 8 of subtitle A of title VI of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9871–9877) is repealed.

(c) PROGRAMS OF NATIONAL SIGNIFICANCE.—Title X of the Elementary and Secondary Education Act of 1965, as amended by Public Law 103–382 (108 Stat. 3809 et seq.), is amended—

(1) in section 10413(a) by striking paragraph (4),

(2) in section 10963(b)(2) by striking subparagraph (G), and

(3) in section 10974(a)(6) by striking subparagraph (G).

(d) NATIVE HAWAIIAN FAMILY-BASED EDUCATION CENTERS.—Section 9205 of the Native Hawaiian Education Act (Public Law 103–382; 108 Stat. 3794) is repealed.

SEC. 716. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this title and the amendments made by this title shall take effect on October 1, 1996.

(b) EXCEPTION.—The amendment made by section 803(a) shall take effect on the date of enactment of this Act.

TITLE VIII—CHILD NUTRITION PROGRAMS

Subtitle A—National School Lunch Act

SEC. 801. VALUE OF FOOD ASSISTANCE.

(a) IN GENERAL.—Section 6(e)(1) of the National School Lunch Act (42 U.S.C. 1755(e)(1)) is amended by striking subparagraph (B) and inserting the following:

"(B) ADJUSTMENTS.—

"(i) IN GENERAL.—The value of food assistance for each meal shall be adjusted each July 1 by the annual percentage change in a 3-month average value of the Price Index for Foods Used in Schools and Institutions for March, April, and May each year.

"(ii) ADJUSTMENTS.—Except as otherwise provided in this subparagraph, in the case of each school year, the Secretary shall—

"(I) base the adjustment made under clause (i) on the amount of the unrounded adjustment for the preceding school year;

"(II) adjust the resulting amount in accordance with clause (i); and

"(III) round the result to the nearest lower cent increment.

"(iii) ADJUSTMENT FOR 24-MONTH PERIOD BEGINNING JULY 1, 1996.—In the case of the 24-month period beginning July 1, 1996, the value of food assistance shall be the same as the value of food assistance in effect on June 30, 1996.

"(iv) ADJUSTMENT FOR SCHOOL YEAR BEGINNING JULY 1, 1998.—In the case of the school year beginning July 1, 1998, the Secretary shall—

"(I) base the adjustment made under clause (i) on the amount of the unrounded adjustment for the value of food assistance for the school year beginning July 1, 1995;

"(II) adjust the resulting amount to reflect the annual percentage change in a 3-month average value of the Price Index for Foods Used in Schools and Institutions for March, April, and May for the most recent 12-month period for which the data are available; and

"(III) round the result to the nearest lower cent increment.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on July 1, 1996.

SEC. 802. COMMODITY ASSISTANCE.

(a) IN GENERAL.—Section 6(g) of the National School Lunch Act (42 U.S.C. 1755(g)) is amended by striking "12 percent" and inserting "8 percent".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on July 1, 1996.

SEC. 803. STATE DISBURSEMENT TO SCHOOLS.

(a) IN GENERAL.—Section 8 of the National School Lunch Act (42 U.S.C. 1757) is amended—

(1) in the third sentence, by striking "Nothing" and all that follows through "educational agency to" and inserting "The State educational agency may";

(2) by striking the fourth, fifth, and eighth sentences;

(3) by redesignating the first through sixth sentences, as amended by paragraph (1), as subsections (a) through (f), respectively;

(4) in subsection (b), as redesignated by paragraph (3), by striking "the preceding sentence" and inserting "subsection (a)"; and

(5) in subsection (d), as redesignated by paragraph (3), by striking "Such food costs" and inserting "Use of funds paid to States".

(b) DEFINITION OF CHILD.—Section 12(d) of the Act (42 U.S.C. 1760(d)) is amended by adding at the end the following:

"(9) 'child' includes an individual, regardless of age, who—

"(A) is determined by a State educational agency, in accordance with regulations prescribed by the Secretary, to have 1 or more mental or physical disabilities; and

"(B) is attending any institution, as defined in section 17(a), or any nonresidential public or nonprofit private school of high school grade or under, for the purpose of participating in a school program established for individuals with mental or physical disabilities.

No institution that is not otherwise eligible to participate in the program under section 17 shall be considered eligible because of this paragraph.".

SEC. 804. NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS.

(a) NUTRITIONAL STANDARDS.—Section 9(a) of the National School Lunch Act (42 U.S.C. 1758(a)) is amended—

(1) in paragraph (2)—

(A) by striking "(2)(A) Lunches" and inserting "(2) Lunches";

(B) by striking subparagraph (B); and

(C) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively;

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

(b) ELIGIBILITY GUIDELINES.—Section 9(b) of the Act is amended—

(1) in paragraph (2)—

(A) by striking subparagraph (A); and

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(2) in paragraph (5), by striking the third sentence; and

(3) in paragraph (6), by striking "paragraph (2)(C)" and inserting "paragraph (2)(B)".

(c) UTILIZATION OF AGRICULTURAL COMMODITIES.—Section 9(c) of the Act is amended by striking the second, fourth, and sixth sentences.

(d) CONFORMING AMENDMENT.—The last sentence of section 9(d)(1) of the Act is amended by striking "subsection (b)(2)(C)" and inserting "subsection (b)(2)(B)".

(e) NUTRITIONAL INFORMATION.—Section 9(f) of the Act is amended—

(1) by striking paragraph (1);

(2) by striking "(2)";

(3) by redesignating subparagraphs (A) through (D) as paragraphs (1) through (4), respectively;

(4) by striking paragraph (1), as redesignated by paragraph (3), and inserting the following:

"(1) NUTRITIONAL REQUIREMENTS.—Except as provided in paragraph (2), not later than the first day of the 1996–1997 school year, schools that are participating in the school lunch or school breakfast program shall serve lunches and breakfasts under the program that—

"(A) are consistent with the goals of the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341); and

"(B) provide, on the average over each week, at least—

"(i) with respect to school lunches, ⅓ of the daily recommended dietary allowance established by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences; and

"(ii) with respect to school breakfasts, ¼ of the daily recommended dietary allowance established by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences.";

(5) in paragraph (3), as redesignated by paragraph (3)—

(A) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively; and

(B) in subparagraph (A), as so redesignated, by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively; and

(6) in paragraph (4), as redesignated by paragraph (3), by striking the first sentence and inserting the following: "Schools may use any reasonable approach to meet the requirements of this paragraph, including any approach described in paragraph (3).".

(f) USE OF RESOURCES.—Section 9 of the Act is amended by striking subsection (h).

SEC. 805. FREE AND REDUCED PRICE POLICY STATEMENT.

Section 9(b)(2) of the National School Lunch Act (42 U.S.C. 1758(b)(2)), as amended by section 802(b)(1), is further amended by adding at the end the following:

"(C) FREE AND REDUCED PRICE POLICY STATEMENT.—After the initial submission, a school shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school. A routine change in the policy of a school, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the school to submit a policy statement.".

SEC. 806. SPECIAL ASSISTANCE.

(a) REIMBURSEMENT RATES FOR LUNCHES, BREAKFASTS, AND SUPPLEMENTS.—

(1) IN GENERAL.—Section 11(a)(3)(B) of the National School Lunch Act (42 U.S.C. 1759a(a)(3)(B)) is amended—

(A) by designating the second and third sentences as subparagraphs (C) and (D), respectively; and

(B) by striking subparagraph (D) (as so designated) and inserting the following:

"(D) ROUNDING.—Except as otherwise provided in this paragraph, in the case of each school year, the Secretary shall—

"(i) base the adjustment made under this paragraph on the amount of the unrounded adjustment for the preceding school year;

"(ii) adjust the resulting amount in accordance with subparagraphs (B) and (C); and

"(iii) round the result to the nearest lower cent increment.

"(E) ADJUSTMENT FOR 12-MONTH PERIOD BEGINNING JULY 1, 1996.—In the case of the 12-month period beginning July 1, 1996, the national average payment rates for paid lunches, paid breakfasts, and paid supplements shall be the same as the national average payment rate for paid lunches, paid breakfasts, and paid supplements, respectively, for the school year beginning July 1, 1995, rounded to the nearest lower cent increment.

"(F) ADJUSTMENT FOR SCHOOL YEAR BEGINNING JULY 1, 1997.—In the case of the school year beginning July 1, 1997, the Secretary shall—

"(i) base the adjustments made under this paragraph for—

"(I) paid lunches and paid breakfasts on the amount of the unrounded adjustment for paid lunches for the school year beginning July 1, 1996; and

"(II) paid supplements on the amount of the unrounded adjustment for paid supplements for the school year beginning July 1, 1996;

"(ii) adjust each resulting amount in accordance with subparagraph (C); and

"(iii) round each result to the nearest lower cent increment.".

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall become effective on July 1, 1996.

(b) FINANCING BASED ON NEED.—Section 11(b) of the Act is amended—

(1) in the second sentence, by striking ", within" and all that follows through "all States,"; and

(2) by striking the third sentence.

(c) APPLICABILITY OF OTHER PROVISIONS.—Section 11 of the Act is amended—

(1) by striking subsection (d);

(2) in subsection (e)(2)—

(A) by striking "The" and inserting "On request of the Secretary, the"; and

(B) by striking "each month"; and

(3) by redesignating subsections (e) and (f), as so amended, as subsections (d) and (e), respectively.

SEC. 807. MISCELLANEOUS PROVISIONS AND DEFINITIONS.

(a) ACCOUNTS AND RECORDS.—Section 12(a) of the National School Lunch Act (42 U.S.C. 1760(a)) is amended by striking "at all times be available" and inserting "be available at any reasonable time".

(b) RESTRICTION ON REQUIREMENTS.—Section 12(c) of the Act is amended by striking "neither the Secretary nor the State shall" and inserting "the Secretary shall not".

(c) DEFINITIONS.—Section 12(d) of the Act, as amended by section 801(b), is further amended—

(1) in paragraph (1), by striking "the Trust Territory of the Pacific Islands" and inserting "the Commonwealth of the Northern Mariana Islands";

(2) by striking paragraphs (3) and (4); and

(3) by redesignating paragraphs (1), (2), and (5) through (9) as paragraphs (6), (7), (3), (4), (2), (5), and (1), respectively, and rearranging the paragraphs so as to appear in numerical order.

(d) ADJUSTMENTS TO NATIONAL AVERAGE PAYMENT RATES.—Section 12(f) of the Act is amended by striking "the Trust Territory of the Pacific Islands,".

(e) EXPEDITED RULEMAKING.—Section 12(k) of the Act is amended—

(1) by striking paragraphs (1), (2), and (5); and

(2) by redesignating paragraphs (3) and (4) as paragraphs (1) and (2), respectively.

(f) WAIVER.—Section 12(l) of the Act is amended—

(1) in paragraph (1)(A)(i), by inserting after "program" the following: "and would not have the effect of transferring funds or commodities from the support of meals for children with incomes below the income criteria for free or reduced price meals, as provided in section 9(b)";

(2) in paragraph (2)—

(A) by striking "(A)";

(B) in clause (iii), by adding "and" at the end;

(C) in clause (iv), by striking the semicolon at the end and inserting a period;

(D) by striking clauses (v) through (vii);

(E) by striking subparagraph (B); and

(F) by redesignating clauses (i) through (iv), as so amended, as subparagraphs (A) through (D), respectively;

(3) in paragraph (3)—

(A) by striking "(A)"; and

(B) by striking subparagraphs (B) through (D);

(4) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by striking "of any requirement relating" and inserting "that increases Federal costs or that relates";

(B) by striking subparagraphs (B), (D), (F), (H), (J), (K), and (L);

(C) by redesignating subparagraphs (C), (E), (G), (I), (M), and (N) as subparagraphs (B) through (G), respectively; and

(D) in subparagraph (F), as redesignated by subparagraph (C), by striking "and" at the end and inserting "or"; and

(5) in paragraph (6)—

(A) by striking "(A)(i)" and all that follows through "(B)"; and

(B) by redesignating clauses (i) through (iv) as subparagraphs (A) through (D), respectively.

(g) FOOD AND NUTRITION PROJECTS.—Section 12 of the Act is amended by striking subsection (m).

SEC. 808. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

(a) ESTABLISHMENT OF PROGRAM.—Section 13(a) of the National School Lunch Act (42 U.S.C. 1761(a)) is amended—

(1) in paragraph (1)—

(A) in the first sentence, by striking "initiate, maintain, and expand" and insert "initiate and maintain"; and

(B) in subparagraph (E) of the second sentence, by striking "the Trust Territory of the Pacific Islands,"; and

(2) in paragraph (7)(A), by striking "Except as provided in subparagraph (C), private" and inserting "Private".

(b) SERVICE INSTITUTIONS.—Section 13(b) of the Act is amended by striking "(b)(1)" and all that follows through the end of paragraph (1) and inserting the following:

"(b) SERVICE INSTITUTIONS.—

"(1) PAYMENTS.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, payments to service institutions shall equal the full cost of food service operations (which cost shall include the costs of obtaining, preparing, and serving food, but shall not include administrative costs).

"(B) MAXIMUM AMOUNTS.—Subject to subparagraph (C), payments to any institution under subparagraph (A) shall not exceed—

"(i) $2.00 for each lunch and supper served;

"(ii) $1.20 for each breakfast served; and

"(iii) 50 cents for each meal supplement served.

"(C) ADJUSTMENTS.—Amounts specified in subparagraph (B) shall be adjusted each January 1 to the nearest lower cent increment in accordance with the changes for the 12-month period ending the preceding November 30 in the series for food away from home of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor. Each adjustment shall be based on the unrounded adjustment for the prior 12-month period.".

(c) ADMINISTRATION OF SERVICE INSTITUTIONS.—Section 13(b)(2) of the Act is amended—

(1) in the first sentence, by striking "four meals" and inserting "3 meals, or 2 meals and 1 supplement,"; and

(2) by striking the second sentence.

(d) REIMBURSEMENTS.—Section 13(c)(2) of the Act is amended—

(1) by striking subparagraph (A);

(2) in subparagraph (B)—

(A) in the first sentence—

(i) by striking ", and such higher education institutions,"; and

(ii) by striking "without application" and inserting "upon showing residence in areas in which poor economic conditions exist or on the basis of income eligibility statements for children enrolled in the program"; and

(B) by adding at the end the following: "The higher education institutions referred to in the preceding sentence shall be eligible to participate in the program under this paragraph without application.";

(3) in subparagraph (C)(ii), by striking "severe need"; and

(4) by redesignating subparagraphs (B) through (E), as so amended, as subparagraphs (A) through (D), respectively.

(e) ADVANCE PROGRAM PAYMENTS.—Section 13(e)(1) of the Act is amended—

(1) by striking "institution: *Provided*, That (A) the" and inserting "institution. The";

(2) by inserting "(excluding a school)" after "any service institution"; and

(3) by striking "responsibilities, and (B) no" and inserting "responsibilities. No".

(f) FOOD REQUIREMENTS.—Section 13(f) of the Act is amended—

(1) by redesignating the first through seventh sentences as paragraphs (1) through (7), respectively;

(2) by striking paragraph (3), as redesignated by paragraph (1);

(3) in paragraph (4), as redesignated by paragraph (1), by striking "the first sentence" and inserting "paragraph (1)";

(4) in paragraph (6), as redesignated by paragraph (1), by striking "that bacteria levels" and all that follows through the period at the end and inserting "conformance with standards set by local health authorities."; and

(5) by redesignating paragraphs (4) through (7), as redesignated by paragraph (1), as paragraphs (3) through (6), respectively.

(g) PERMITTING OFFER VERSUS SERVE.—Section 13(f) of the Act, as amended by subsection (f), is further amended by adding at the end the following:

"(7) OFFER VERSUS SERVE.—A school food authority participating as a service institution may permit a child attending a site on school premises operated directly by the authority to refuse not more than 1 item of a meal that the child does not intend to consume. A refusal of an offered food item shall not affect the amount of payments made under this section to a school for the meal.".

(h) HEALTH DEPARTMENT INSPECTIONS.—Section 13(k) of the Act is amended by striking paragraph (3).

(i) FOOD SERVICE MANAGEMENT COMPANIES.—Section 13(l) of the Act is amended—

(1) by striking paragraph (4);

(2) in paragraph (5), by striking the first sentence; and

(3) by redesignating paragraph (5), as so amended, as paragraph (4).

(j) RECORDS.—The second sentence of section 13(m) of the Act is amended by striking "at all times be available" and inserting "be available at any reasonable time".

(k) REMOVING MANDATORY NOTICE TO INSTITUTIONS.—Section 13(n)(2) of the Act is amended by striking ", and its plans and schedule for informing service institutions of the availability of the program".

(l) PLAN.—Section 13(n) of the Act is amended—

(1) in paragraph (2), by striking "including the State's methods of assessing need";

(2) by striking paragraph (3);

(3) in paragraph (4), by striking "and schedule"; and

(4) by redesignating paragraphs (4) through (7), as so amended, as paragraphs (3) through (6), respectively.

(m) MONITORING AND TRAINING.—Section 13(q) of the Act is amended—

(1) by striking paragraphs (2) and (4);

(2) in paragraph (3), by striking "paragraphs (1) and (2) of this subsection" and inserting "paragraph (1)"; and

(3) by redesignating paragraph (3), as so amended, as paragraph (2).

(n) EXPIRED PROGRAM.—Section 13 of the Act is amended—

(1) by striking subsection (p); and

(2) by redesignating subsections (q) and (r), as so amended, as subsections (p) and (q), respectively.

(o) EFFECTIVE DATE.—The amendments made by subsection (b) shall become effective on January 1, 1996.

SEC. 809. COMMODITY DISTRIBUTION.

(a) CEREAL AND SHORTENING IN COMMODITY DONATIONS.—Section 14(b) of the National School Lunch Act (42 U.S.C. 1762a(b)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(b) IMPACT STUDY AND PURCHASING PROCEDURES.—Section 14(d) of the Act is amended by striking the second and third sentences.

(c) CASH COMPENSATION FOR PILOT PROJECT SCHOOLS.—Section 14(g) of the Act is amended by striking paragraph (3).

(d) STATE ADVISORY COUNCIL.—Section 14 is amended—

(1) by striking subsection (e); and

(2) by redesignating subsections (f) and (g), as so amended, as subsections (e) and (f), respectively.

SEC. 810. CHILD CARE FOOD PROGRAM.

(a) ESTABLISHMENT OF PROGRAM.—Section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended—

(1) in the section heading, by striking "AND ADULT"; and

(2) in the first sentence of subsection (a), by striking "initiate, maintain, and expand" and inserting "initiate and maintain".

(b) INSTITUTIONS PROVIDING CHILD CARE.—Section 17(a) of the Act (42 U.S.C. 1766(a)) is amended—

(1) in the second sentence—

(A) by inserting "the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) or" after "from amounts granted to the States under"; and

(B) by striking "(but only if" and all that follows and inserting a period; and

(2) in the fourth sentence, by striking "Reimbursement" and inserting "Notwithstanding the type of institution providing the meal or supplement, reimbursement".

(c) PAYMENTS TO SPONSOR EMPLOYEES.—Paragraph (2) of the last sentence of section 17(a) of the Act (42 U.S.C. 1766(a)) is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(3) by adding at the end the following:

"(D) in the case of a family or group day care home sponsoring organization that employs more than 1 employee, the organization does not base payments to an employee of the organization on the number of family or group day care homes recruited.".

(d) TECHNICAL ASSISTANCE.—The last sentence of section 17(d)(1) of the Act is amended by striking ", and shall provide technical assistance" and all that follows through "its application".

(e) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—

(1) RESTRUCTURED DAY CARE HOME REIMBURSEMENTS.—Section 17(f)(3) of the Act is amended by striking "(3)(A) Institutions" and all that follows through the end of subparagraph (A) and inserting the following:

"(3) REIMBURSEMENT OF FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(A) REIMBURSEMENT FACTOR.—

"(i) IN GENERAL.—An institution that participates in the program under this section as a family or group day care home sponsoring organization shall be provided, for payment to a home sponsored by the organization, reimbursement factors in accordance with this subparagraph for the cost of obtaining and preparing food and prescribed labor costs involved in providing meals under this section.

"(ii) TIER I FAMILY OR GROUP DAY CARE HOMES.—

"(I) DEFINITION.—In this paragraph, the term 'tier I family or group day care home' means—

"(aa) a family or group day care home that is located in a geographic area, as defined by the Secretary based on census data, in which at least 50 percent of the children residing in the area are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9;

"(bb) a family or group day care home that is located in an area served by a school enrolling elementary students in which at least 50 percent of the total number of children enrolled are certified eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); or

"(cc) a family or group day care home that is operated by a provider whose household meets the income eligibility guidelines for free or reduced price meals under section 9 and whose income is verified by the sponsoring or organization of the home under regulations established by the Secretary.

"(II) REIMBURSEMENT.—Except as provided in subclause (III), a tier I family or group day care home shall be provided reimbursement factors under this clause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the income eligibility guidelines for free or reduced price meals under section 9.

"(III) FACTORS.—Except as provided in subclause (IV), the reimbursement factors applied to a home referred to in subclause (II) shall be the factors in effect on the date of enactment of this subclause.

"(IV) ADJUSTMENTS.—The reimbursement factors under this subparagraph shall be adjusted on August 1, 1996, July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this subparagraph shall be rounded to the nearest lower cent increment and based on the unrounded adjustment in effect on June 30 of the preceding school year.

"(iii) TIER II FAMILY OR GROUP DAY CARE HOMES.—

"(I) IN GENERAL.—

"(aa) FACTORS.—Except as provided in subclause (II), with respect to meals or supplements served under this clause by a family or group day care home that does not meet the criteria set forth in clause (ii)(I), the reimbursement factors shall be $1.00 for lunches and suppers, 30 cents for breakfasts, and 15 cents for supplements.

"(bb) ADJUSTMENTS.—The factors shall be adjusted on July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this item shall be rounded down to the nearest lower cent increment and based on the unrounded adjustment for the preceding 12-month period.

"(cc) REIMBURSEMENT.—A family or group day care home shall be provided reimbursement factors under this subclause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the income eligibility guidelines for free or reduced price meals under section 9.

"(II) OTHER FACTORS.—A family or group day care home that does not meet the criteria set forth in clause (ii)(I) may elect to be provided reimbursement factors determined in accordance with the following requirements:

"(aa) CHILDREN ELIGIBLE FOR FREE OR REDUCED PRICE MEALS.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9, the family or group day care home shall be provided reimbursement factors set by the Secretary in accordance with clause (ii)(III).

"(bb) INELIGIBLE CHILDREN.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes do not meet the income eligibility guidelines, the family or group day care home shall be provided reimbursement factors in accordance with subclause (I).

"(III) INFORMATION AND DETERMINATIONS.—

"(aa) IN GENERAL.—If a family or group day care home elects to claim the factors described in subclause (II), the family or group day care home sponsoring organization serving the home shall collect the necessary income information, as determined by the Secretary, from any parent or other caretaker to make the determinations specified in subclause (II) and shall make the determinations in accordance with rules prescribed by the Secretary.

"(bb) CATEGORICAL ELIGIBILITY.—In making a determination under item (aa), a family or group day care home sponsoring organization may consider a child participating in or subsidized under, or a child with a parent participating in or subsidized under, a federally or State supported child care or other benefit program with an income eligibility limit that does not exceed the eligibility standard for free or reduced price meals under section 9 to be a child who is a member of a household whose income meets the income eligibility guidelines under section 9.

"(cc) FACTORS FOR CHILDREN ONLY.—A family or group day care home may elect to receive the reimbursement factors prescribed under clause (ii)(III) solely for the children participating in a program referred to in item (bb) if the home elects not to have income statements collected from parents or other caretakers.

"(IV) SIMPLIFIED MEAL COUNTING AND REPORTING PROCEDURES.—The Secretary shall prescribe simplified meal counting and reporting procedures for use by a family or group day care home that elects to claim the factors under subclause (II) and by a family or group day care home sponsoring organization that sponsors the home. The procedures the Secretary prescribes may include 1 or more of the following:

"(aa) Setting an annual percentage for each home of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under clause (ii)(III) and an annual percentage of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under subclause (I), based on the family income of children enrolled in the home in a specified month or other period.

"(bb) Placing a home into 1 of 2 or more reimbursement categories annually based on the percentage of children in the home whose households have incomes that meet the income eligibility guidelines under section 9, with each such reimbursement category carrying a set of reimbursement factors such as the factors prescribed under clause (ii)(III) or subclause (I) or factors established within the range of factors prescribed under clause (ii)(III) and subclause (I).

"(cc) Such other simplified procedures as the Secretary may prescribe.

"(V) MINIMUM VERIFICATION REQUIREMENTS.—The Secretary may establish any necessary minimum verification requirements.".

(2) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of the Act is amended by adding at the end the following:

"(D) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—

"(i) IN GENERAL.—

"(I) RESERVATION.—From amounts made available to carry out this section, the Secretary shall reserve $5,000,000 of the amount made available for fiscal year 1996.

"(II) PURPOSE.—The Secretary shall use the funds made available under subclause (I) to provide grants to States for the purpose of providing—

"(aa) assistance, including grants, to family and day care home sponsoring organizations and other appropriate organizations, in securing and providing training, materials, automated data processing assistance, and other assistance for the staff of the sponsoring organizations; and

"(bb) training and other assistance to family and group day care homes in the implementation of the amendment to subparagraph (A) made by section 808(d)(1) of the Personal Responsibility and Work Opportunity Act of 1996.

"(ii) ALLOCATION.—The Secretary shall allocate from the funds reserved under clause (i)(I)—

"(I) $30,000 in base funding to each State; and

"(II) any remaining amount among the States, based on the number of family day care homes participating in the program in a State during fiscal year 1994 as a percentage of the number of all family day care homes participating in the program during fiscal year 1994.

"(iii) RETENTION OF FUNDS.—Of the amount of funds made available to a State for fiscal year 1996 under clause (i), the State may retain not to exceed 30 percent of the amount to carry out this subparagraph.

"(iv) ADDITIONAL PAYMENTS.—Any payments received under this subparagraph shall be in addition to payments that a State receives under subparagraph (A).".

(3) PROVISION OF DATA.—Section 17(f)(3) of the Act, as amended by paragraph (2), is further amended by adding at the end the following:

"(E) PROVISION OF DATA TO FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(i) CENSUS DATA.—The Secretary shall provide to each State agency administering a child care food program under this section data from the most recent decennial census survey or other appropriate census survey for which the data are available showing which areas in the State meet the requirements of subparagraph (A)(ii)(I)(aa). The State agency shall provide the data to family or group day care home sponsoring organizations located in the State.

"(ii) SCHOOL DATA.—

"(I) IN GENERAL.—A State agency administering the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall provide to approved family or group day care home sponsoring organizations a list of schools serving elementary school children in the State in which not less than ½ of the children enrolled are certified to receive free or reduced price meals. The State agency shall collect the data necessary to create the list annually and provide the list on a timely basis to any approved family or group day care home sponsoring organization that requests the list.

"(II) USE OF DATA FROM PRECEDING SCHOOL YEAR.—In determining for a fiscal year or other annual period whether a home qualifies as a tier I family or group day care home under subparagraph (A)(ii)(I), the State agency administering the program under this section, and a family or group day care home sponsoring organization, shall use the most current available data at the time of the determination.

"(iii) DURATION OF DETERMINATION.—For purposes of this section, a determination that a family or group day care home is located in an area that qualifies the home as a tier I family or group day care home (as the term is defined in subparagraph (A)(ii)(I)), shall be in effect for 3 years (unless the determination is made on the basis of census data, in which case the determination shall remain in effect until more recent census data are available) unless the State agency determines that the area in which the home is located no longer qualifies the home as a tier I family or group day care home.".

(4) CONFORMING AMENDMENTS.—Section 17(c) of the Act is amended by inserting "except as provided in subsection (f)(3)," after "For purposes of this section," each place it appears in paragraphs (1), (2), and (3).

(f) REIMBURSEMENT.—Section 17(f) of the Act is amended—

(1) in paragraph (3)—

(A) in subparagraph (B), by striking the third and fourth sentences; and

(B) in subparagraph (C)—

(i) in clause (i)—

(I) by striking "(i)";

(II) in the first sentence, by striking "and expansion funds" and all that follows through "rural areas";

(III) by striking the second sentence; and

(IV) by striking "and expansion funds" each place it appears; and

(ii) by striking clause (ii); and

(2) by striking paragraph (4).

(g) NUTRITIONAL REQUIREMENTS.—Section 17(g)(1) of the Act is amended—

(1) in subparagraph (A), by striking the second sentence; and

(2) in subparagraph (B), by striking the second sentence.

(h) ELIMINATION OF STATE PAPERWORK AND OUTREACH BURDEN.—Section 17 of the Act is amended by striking subsection (k) and inserting the following:

"(k) TRAINING AND TECHNICAL ASSISTANCE.—A State participating in the program established under this section shall provide sufficient training, technical assistance, and monitoring to facilitate effective operation of the program. The Secretary shall assist the State in developing plans to fulfill the requirements of this subsection.".

(i) RECORDS.—The second sentence of section 17(m) of the Act is amended by striking "at all times" and inserting "at any reasonable time".

(j) MODIFICATION OF ADULT CARE FOOD PROGRAM.—Section 17(o) of the Act is amended—

(1) in the first sentence of paragraph (1)—

(A) by striking "adult day care centers" and inserting "day care centers for chronically impaired disabled persons"; and

(B) by striking "to persons 60 years of age or older or"; and

(2) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking "adult day care center" and inserting "day care center for chronically impaired disabled persons"; and

(ii) in clause (i)—

(I) by striking "adult";

(II) by striking "adults" and inserting "persons"; and

(III) by striking "or persons 60 years of age or older"; and

(B) in subparagraph (B), by striking "adult day care services" and inserting "day care services for chronically impaired disabled persons".

(k) UNNEEDED PROVISION.—Section 17 of the Act is amended by striking subsection (q).

(l) CONFORMING AMENDMENTS.—

(1) Section 17B(f) of the Act (42 U.S.C. 1766b(f)) is amended—

(A) in the subsection heading, by striking "AND ADULT"; and

(B) in paragraph (1), by striking "and adult".

(2) Section 18(e)(3)(B) of the Act (42 U.S.C. 1769(e)(3)(B)) is amended by striking "and adult".

(3) Section 25(b)(1)(C) of the Act (42 U.S.C. 1769f(b)(1)(C)) is amended by striking "and adult".

(4) Section 3(1) of the Healthy Meals for Healthy Americans Act of 1994 (Public Law 103-448) is amended by striking "and adult".

(m) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall become effective on the date of enactment of this Act.

(2) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—The amendments made by paragraphs (1), (3), and (4) of subsection (f) shall become effective on August 1, 1996.

(3) REGULATIONS.—

(A) INTERIM REGULATIONS.—Not later than February 1, 1996, the Secretary shall issue interim regulations to implement—

(i) the amendments made by paragraphs (1), (3), and (4) of subsection (f); and

(ii) section 17(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766(f)(3)(C)).

(B) FINAL REGULATIONS.—Not later than August 1, 1996, the Secretary shall issue final regulations to implement the provisions of law referred to in subparagraph (A).

(n) STUDY OF IMPACT OF AMENDMENTS ON PROGRAM PARTICIPATION AND FAMILY DAY CARE LICENSING.—

(1) IN GENERAL.—The Secretary of Agriculture, in conjunction with the Secretary of Health and Human Services, shall study the impact of the amendments made by this section on—

(A) the number of family day care homes participating in the child care food program established under section 17 of the National School Lunch Act (42 U.S.C. 1766);

(B) the number of day care home sponsoring organizations participating in the program;

(C) the number of day care homes that are licensed, certified, registered, or approved by each State in accordance with regulations issued by the Secretary;

(D) the rate of growth of the numbers referred to in subparagraphs (A) through (C);

(E) the nutritional adequacy and quality of meals served in family day care homes that—

(i) received reimbursement under the program prior to the amendments made by this section but do not receive reimbursement after the amendments made by this section; or

(ii) received full reimbursement under the program prior to the amendments made by this section but do not receive full reimbursement after the amendments made by this section; and

(F) the proportion of low-income children participating in the program prior to the amendments made by this section and the proportion of low-income children participating in the program after the amendments made by this section.

(2) REQUIRED DATA.—Each State agency participating in the child care food program under section 17 of the National School Lunch Act (42 U.S.C. 1766) shall submit to the Secretary data on—

(A) the number of family day care homes participating in the program on July 31, 1996, and July 31, 1997;

(B) the number of family day care homes licensed, certified, registered, or approved for service on July 31, 1996, and July 31, 1997; and

(C) such other data as the Secretary may require to carry out this subsection.

(3) SUBMISSION OF REPORT.—Not later than 2 years after the effective date of this section, the Secretary shall submit the study required under this subsection to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 811. PILOT PROJECTS.

(a) UNIVERSAL FREE PILOT.—Section 18(d) of the National School Lunch Act (42 U.S.C. 1769(d)) is amended—

(1) by striking paragraph (3); and

(2) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(b) DEMO PROJECT OUTSIDE SCHOOL HOURS.—Section 18(e) of the Act is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking "(A)"; and

(ii) by striking "shall" and inserting "may"; and

(B) by striking subparagraph (B); and

(2) by striking paragraph (5) and inserting the following:

"(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as are necessary for each of fiscal years 1997 and 1998.".

(c) ELIMINATING PROJECTS.—Section 18 of the Act is amended—

(1) by striking subsections (a) and (g) through (i); and

(2) by redesignating subsections (b) through (f), as so amended, as subsections (a) through (e), respectively.

(d) CONFORMING AMENDMENT.—Section 17B(d)(1)(A) of the Act (42 U.S.C. 1766b(d)(1)(A)) is amended by striking "18(c)" and inserting "18(b)".

SEC. 812. REDUCTION OF PAPERWORK.

Section 19 of the National School Lunch Act (42 U.S.C. 1769a) is repealed.

SEC. 813. INFORMATION ON INCOME ELIGIBILITY.

Section 23 of the National School Lunch Act (42 U.S.C. 1769d) is repealed.

SEC. 814. NUTRITION GUIDANCE FOR CHILD NUTRITION PROGRAMS.

Section 24 of the National School Lunch Act (42 U.S.C. 1769e) is repealed.

SEC. 815. INFORMATION CLEARINGHOUSE.

Section 26 of the National School Lunch Act (42 U.S.C. 1769g) is repealed.

Subtitle B—Child Nutrition Act of 1966

SEC. 821. SPECIAL MILK PROGRAM.

(a) DEFINITION.—Section 3(a)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1772(a)(3)) is amended by striking "the Trust Territory of the Pacific Islands" and inserting "the Commonwealth of the Northern Mariana Islands".

(b) ADJUSTMENTS TO REIMBURSEMENTS.—

(1) IN GENERAL.—Section 3(a) of the Act is amended by striking paragraph (8) and inserting the following:

"(8) ADJUSTMENTS.—

"(A) IN GENERAL.—Except as otherwise provided in this paragraph, in the case of each school year, the Secretary shall—

"(i) base the adjustment made under paragraph (7) on the amount of the unrounded adjustment for the preceding school year;

"(ii) adjust the resulting amount in accordance with paragraph (7); and

"(iii) round the result to the nearest lower cent increment.

"(B) ADJUSTMENT FOR 12-MONTH PERIOD BEGINNING JULY 1, 1996.—In the case of the 12-month period beginning July 1, 1996, the minimum rate shall be the same as the minimum rate in effect on June 30, 1996, rounded to the nearest lower cent increment.

"(C) ADJUSTMENT FOR SCHOOL YEAR BEGINNING JULY 1, 1997.—In the case of the school year beginning July 1, 1997, the Secretary shall—

"(i) base the adjustment made under paragraph (7) on the amount of the unrounded adjustment for the minimum rate for the school year beginning July 1, 1996;

"(ii) adjust the resulting amount to reflect changes in the Producer Price Index for Fresh Processed Milk published by the Bureau of Labor Statistics of the Department of Labor for the most recent 12-month period for which the data are available; and

"(iii) round the result to the nearest lower cent increment.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall become effective on July 1, 1996.

SEC. 822. REIMBURSEMENT RATES FOR FREE AND REDUCED PRICE BREAKFASTS.

(a) IN GENERAL.—Section 4(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)) is amended—

(1) in paragraph (1)(B)—

(A) in the first sentence, by striking "section 11(a)" and inserting "subparagraphs (B) through (D) of section 11(a)(3)"; and

(B) in the second sentence, by striking ", adjusted to the nearest one-fourth cent" and inserting "(as adjusted pursuant to subparagraphs (B) through (D) of section 11(a)(3) of the National School Lunch Act (42 U.S.C. 1759a(a)(3)))"; and

(2) in paragraph (2)(B)(ii)—

(A) by striking "nearest one-fourth cent" and inserting "nearest lower cent increment for the applicable school year"; and

(B) by inserting before the period at the end the following: ", and the adjustment required by this clause shall be based on the unrounded adjustment for the preceding school year".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective on July 1, 1996.

SEC. 823. FREE AND REDUCED PRICE POLICY STATEMENT.

Section 4(b)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1)) is amended by adding at the end the following:

"(E) FREE AND REDUCED PRICE POLICY STATEMENT.—After the initial submission, a school shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school. A routine change in the policy of a school, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the school to submit a policy statement.".

SEC. 824. SCHOOL BREAKFAST PROGRAM AUTHORIZATION.

(a) TRAINING AND TECHNICAL ASSISTANCE IN FOOD PREPARATION.—Section 4(e)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(e)(1)) is amended—

(1) in subparagraph (A), by striking "(A)"; and

(2) by striking subparagraph (B).

(b) EXPANSION OF PROGRAM; STARTUP AND EXPANSION COSTS.—

(1) IN GENERAL.—Section 4 of the Act is amended by striking subsections (f) and (g).

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall become effective on October 1, 1996.

SEC. 825. STATE ADMINISTRATIVE EXPENSES.

(a) USE OF FUNDS FOR COMMODITY DISTRIBUTION ADMINISTRATION; STUDIES.—Section 7 of the Child Nutrition Act of 1966 (42 U.S.C. 1776) is amended—

(1) by striking subsections (e) and (h); and

(2) by redesignating subsections (f), (g), and (i) as subsections (e), (f), and (g), respectively.

(b) APPROVAL OF CHANGES.—Section 7(e) of the Act, as so redesignated, is amended—

(1) by striking "each year an annual plan" and inserting "the initial fiscal year a plan"; and

(2) by adding at the end the following: "After submitting the initial plan, a State shall only be required to submit to the Secretary for approval a substantive change in the plan.".

SEC. 826. REGULATIONS.

Section 10 of the Child Nutrition Act of 1966 (42 U.S.C. 1779) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking "(1)"; and

(B) by striking paragraphs (2) through (4); and

(2) in subsection (c)—

(A) by striking "may" and inserting "shall";

(B) by inserting ", except the program authorized under section 17," after "under this Act"; and

(C) by adding at the end the following: "Such regulations shall prohibit the transfer of funds that are used to support meals served to children with incomes below the income eligibility criteria for free or reduced price meals, as provided in section 9(b) of the National School Lunch Act.".

SEC. 827. PROHIBITIONS.

Section 11(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1780(a)) is amended by striking "neither the Secretary nor the State shall" and inserting "the Secretary shall not".

SEC. 828. MISCELLANEOUS PROVISIONS AND DEFINITIONS.

Section 15 of the Child Nutrition Act of 1966 (42 U.S.C. 1784) is amended—

(1) in paragraph (1), by striking "the Trust Territory of the Pacific Islands" and inserting "the Commonwealth of the Northern Mariana Islands"; and

(2) in the first sentence of paragraph (3)—

(A) in subparagraph (A), by inserting "and" at the end; and

(B) by striking ", and (C)" and all that follows through "Governor of Puerto Rico".

SEC. 829. ACCOUNTS AND RECORDS.

The second sentence of section 16(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1785(a)) is amended by striking "at all times be available" and inserting "be available at any reasonable time".

SEC. 830. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

(a) DEFINITIONS.—Section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) is amended—

(1) in paragraph (15)(B)(iii), by inserting "of not more than 90 days" after "accommodation"; and

(2) in paragraph (16)—

(A) in subparagraph (A), by adding "and" at the end; and

(B) in subparagraph (B), by striking "; and" and inserting a period; and

(C) by striking subparagraph (C).

(b) SECRETARY'S PROMOTION OF WIC.—Section 17(c) of the Act is amended by striking paragraph (5).

(c) ELIGIBLE PARTICIPANTS.—Section 17(d) of the Act is amended by striking paragraph (4).

(d) NUTRITION EDUCATION AND DRUG ABUSE EDUCATION.—Section 17(e) of the Act is amended—

(1) in the first sentence of paragraph (1), by striking "shall ensure" and all that follows through "is provided" and inserting "shall provide nutrition education and may provide drug abuse education";

(2) in paragraph (2), by striking the third sentence;

(3) by striking paragraph (4) and inserting the following:

"(4) INFORMATION.—The State agency may provide a local agency with materials describing other programs for which participants in the program may be eligible.";

(4) in paragraph (5), by striking "The State" and all that follows through "local agency shall" and inserting "A local agency may"; and

(5) by striking paragraph (6).

(e) STATE PLAN.—Section 17(f) of the Act is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking "annually to the Secretary, by a date specified by the Secretary, a" and inserting "to the Secretary, by a date specified by the Secretary, an initial"; and

(ii) by adding at the end the following: "After submitting the initial plan, a State shall only be required to submit to the Secretary for approval a substantive change in the plan.";

(B) in subparagraph (C)—

(i) by striking clause (iii) and inserting the following:

"(iii) a plan to coordinate operations under the program with other services or programs that may benefit participants in, and applicants for, the program;";

(ii) in clause (vi), by inserting after "in the State" the following: "(including a plan to improve access to the program for participants and prospective applicants who are employed, or who reside in rural areas)";

(iii) by striking clauses (vii), (ix), (x), and (xii);

(iv) in clause (xiii), by striking "may require" and inserting "may reasonably require"; and

(v) by redesignating clauses (viii), (xi), and (xiii), as so amended, as clauses (vii), (viii), and (ix), respectively;

(C) by striking subparagraph (D); and

(D) by redesignating subparagraph (E) as subparagraph (D);

(2) by striking paragraphs (2), (6), (8), (20), (22), and (24);

(3) in the second sentence of paragraph (5), by striking "at all times be available" and inserting "be available at any reasonable time";

(4) in paragraph (9)(B), by striking the second sentence;

(5) in the first sentence of paragraph (11), by striking ", including standards that will ensure sufficient State agency staff";

(6) in paragraph (12), by striking the third sentence;

(7) in paragraph (14), by striking "shall" and inserting "may";

(8) in paragraph (17), by striking "and to accommodate" and all that follows through "facilities";

(9) in paragraph (19), by striking "shall" and inserting "may"; and

(10) by redesignating paragraphs (3), (4), (5), (7), (9) through (19), (21), and (23), as so amended, as paragraphs (2), (3), (4), (5), (6) through (16), (17), and (18), respectively.

(f) INFORMATION.—Section 17(g) of the Act is amended—

(1) in paragraph (5), by striking "the report required under subsection (d)(4)" and inserting "reports on program participant characteristics"; and

(2) by striking paragraph (6).

(g) PROCUREMENT OF INFANT FORMULA.—

(1) IN GENERAL.—Section 17(h) of the Act is amended—

(A) in paragraph (4)(E), by striking "and, on" and all that follows through "(d)(4)";

(B) in paragraph (8)—

(i) by striking subparagraphs (A), (C), and (M);

(ii) in subparagraph (G)—

(I) in clause (i), by striking "(i)"; and

(II) by striking clauses (ii) through (ix);

(iii) in subparagraph (I), by striking "Secretary—" and all that follows through "(v) may" and inserting "Secretary may";

(iv) by redesignating subparagraphs (B) and (D) through (L) as subparagraphs (A) and (B) through (J), respectively;

(v) in subparagraph (A)(i), as so redesignated, by striking "subparagraphs (C), (D), and (E)(iii), in carrying out subparagraph (A)," and inserting "subparagraphs (B) and (C)(iii),";

(vi) in subparagraph (B)(i), as so redesignated, by striking "subparagraph (B)" each place it appears and inserting "subparagraph (A)"; and

(vii) in subparagraph (C)(iii), as so redesignated, by striking "subparagraph (B)" and inserting "subparagraph (A)"; and

(C) in paragraph (10)(A), by striking "shall" and inserting "may".

(2) APPLICATION.—The amendments made by paragraph (1) shall not apply to a contract for the procurement of infant formula under section 17(h)(8) of the Act that is in effect on the effective date of this subsection.

(h) NATIONAL ADVISORY COUNCIL ON MATERNAL, INFANT, AND FETAL NUTRITION.—Section 17(k)(3) of the Act is amended by striking "Secretary shall designate" and inserting "Council shall elect".

(i) COMPLETED STUDY; COMMUNITY COLLEGE DEMONSTRATION; GRANTS FOR INFORMATION AND DATA SYSTEM.—Section 17 of the Act is amended by striking subsections (n), (o), and (p).

(j) DISQUALIFICATION OF VENDORS WHO ARE DISQUALIFIED UNDER THE FOOD STAMP PROGRAM.—Section 17 of the Act, as so amended, is further amended by adding at the end the following:

"(n) DISQUALIFICATION OF VENDORS WHO ARE DISQUALIFIED UNDER THE FOOD STAMP PROGRAM.—

"(1) IN GENERAL.—The Secretary shall issue regulations providing criteria for the disqualification under this section of an approved vendor that is disqualified from accepting benefits under the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

"(2) TERMS.—A disqualification under paragraph (1)—

"(A) shall be for the same period as the disqualification from the program referred to in paragraph (1);

"(B) may begin at a later date than the disqualification from the program referred to in paragraph (1); and

"(C) shall not be subject to judicial or administrative review.".

SEC. 831. CASH GRANTS FOR NUTRITION EDUCATION.

Section 18 of the Child Nutrition Act of 1966 (42 U.S.C. 1787) is repealed.

SEC. 832. NUTRITION EDUCATION AND TRAINING.

(a) FINDINGS.—Section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1788) is amended—

(1) in subsection (a), by striking "that—" and all that follows through the period at the end and inserting "that effective dissemination of scientifically valid information to children participating or eligible to participate in the school lunch and related child nutrition programs should be encouraged."; and

(2) in subsection (b), by striking "encourage" and all that follows through "establishing" and inserting "establish".

(b) USE OF FUNDS.—Section 19(f) of the Act is amended—

(1) in paragraph (1)—

(A) by striking subparagraph (B); and

(B) in subparagraph (A)—

(i) by striking "(A)";

(ii) by striking clauses (ix) through (xix);

(iii) by redesignating clauses (i) through (viii) and (xx) as subparagraphs (A) through (H) and (I), respectively; and

(iv) in subparagraph (H), as so redesignated, by inserting "and" at the end;

(2) by striking paragraphs (2) and (4); and

(3) by redesignating paragraph (3) as paragraph (2).

(c) ACCOUNTS, RECORDS, AND REPORTS.—The second sentence of section 19(g)(1) of the Act is amended by striking "at all times be available" and inserting "be available at any reasonable time".

(d) STATE COORDINATORS FOR NUTRITION; STATE PLAN.—Section 19(h) of the Act is amended—

(1) in the second sentence of paragraph (1)—

(A) by striking "as provided in paragraph (2) of this subsection"; and

(B) by striking "as provided in paragraph (3) of this subsection";

(2) in paragraph (2), by striking the second and third sentences; and

(3) by striking paragraph (3).

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 19(i) of the Act is amended—

(1) in the first sentence of paragraph (2)(A), by striking "and each succeeding fiscal year";

(2) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(3) by inserting after paragraph (2) the following:

"(3) FISCAL YEARS 1997 THROUGH 2002.—

"(A) IN GENERAL.—There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 1997 through 2002.

"(B) GRANTS.—

"(i) IN GENERAL.—Grants to each State from the amounts made available under subparagraph (A) shall be based on a rate of 50 cents for each child enrolled in schools or institutions within the State, except that no State shall receive an amount less than $75,000 per fiscal year.

"(ii) INSUFFICIENT FUNDS.—If the amount made available for any fiscal year is insufficient to pay the amount to which each State is entitled under clause (i), the amount of each grant shall be ratably reduced.".

(f) ASSESSMENT.—Section 19 of the Act is amended by striking subsection (j).

(g) EFFECTIVE DATE.—The amendments made by subsection (e) shall become effective on October 1, 1996.

SEC. 833. BREASTFEEDING PROMOTION PROGRAM.

Section 21 of the Child Nutrition Act of 1966 (42 U.S.C. 1790) is repealed.

TITLE IX—FOOD STAMP PROGRAM AND RELATED PROGRAMS

SEC. 901. DEFINITION OF CERTIFICATION PERIOD.

Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by striking "Except as provided" and all that follows and inserting the following: "The certification period shall not exceed 12 months, except that the certification period may be up to 24 months if all adult household members are elderly or disabled. A State agency shall have at least 1 contact with each certified household every 12 months.".

SEC. 902. EXPANDED DEFINITION OF "COUPON".

Section 3(d) of the Food Stamp Act of 1977 (7 U.S.C. 2012(d)) is amended by striking "or type of certificate" and inserting "type of certificate, authorization cards, cash or checks issued in lieu of coupons or access devices, including, but not limited to, electronic benefit transfer cards and personal identification numbers".

SEC. 903. TREATMENT OF CHILDREN LIVING AT HOME.

The second sentence of section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by striking "(who are not themselves parents living with their children or married and living with their spouses)".

SEC. 904. ADJUSTMENT OF THRIFTY FOOD PLAN.

The second sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

(1) by striking "shall (1) make" and inserting the following:

"shall—

"(1) make";

(2) by striking "scale, (2) make" and inserting the following:

"scale;

"(2) make";

(3) by striking "Alaska, (3) make" and inserting the following:

"Alaska;

"(3) make"; and

(4) by striking "Columbia, (4) through" and all that follows through the end of the subsection and inserting the following:

"Columbia; and

"(4) on October 1, 1996, and each October 1 thereafter, adjust the cost of the diet to reflect the cost of the diet, in the preceding June, and round the result to the nearest lower dollar increment for each household size, except that on October 1, 1996, the Secretary may not reduce the cost of the diet in effect on September 30, 1996.".

SEC. 905. DEFINITION OF HOMELESS INDIVIDUAL.

Section 3(s)(2)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2012(s)(2)(C)) is amended by inserting "for not more than 90 days" after "temporary accommodation".

SEC. 906. INCOME EXCLUSIONS.

(a) EXCLUSION OF CERTAIN JTPA INCOME.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (d)—

(A) by striking "and (16)" and inserting "(16)"; and

(B) by inserting before the period at the end the following: ", and (17) income received under the Job Training Partnership Act (29 U.S.C. 1501 et seq.) by a household member who is less than 19 years of age"; and

(2) in subsection (*l*), by striking "under section 204(b)(1)(C)" and all that follows and inserting "shall be considered earned income for purposes of the food stamp program.".

(b) EXCLUSION OF LIFE INSURANCE POLICIES.—Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by adding at the end the following:

"(6) The Secretary shall exclude from financial resources the cash value of any life insurance policy owned by a member of a household.".

(c) IN-TANDEM EXCLUSIONS FROM INCOME.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by adding at the end the following:

"(n) Whenever a Federal statute enacted after the date of the enactment of this Act excludes funds from income for purposes of determining eligibility, benefit levels, or both under State plans approved under part A of title IV of the Social Security Act, then such funds shall be excluded from income for purposes of determining eligibility, benefit levels, or both, respectively, under the food stamp program of households all of whose members receive benefits under a State plan approved under part A of title IV of the Social Security Act.".

SEC. 907. DEDUCTIONS FROM INCOME.

Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended—

(1) in the 1st sentence—

(A) by striking "$85" and inserting "$134";

(B) by striking "$145, $120, $170, and $75, respectively" and inserting the following:

"$229, $189, $269, and $118, respectively, for fiscal year 1996; and a standard deduction of $120 a month for each household, except that households in Alaska, Hawaii, Guam, and the Virgin Islands of the United States shall be allowed a standard deduction of $200, $165, $234, and $103, respectively, for fiscal years thereafter, adjusted in accordance with this subsection";

(2) in the 2nd sentence by striking "Such" and all that follows through "each October 1 thereafter," and inserting "On October 1, 2001, and on each October 1 thereafter, such standard deductions shall be adjusted";

(3) by striking the 14th sentence; and

(4) by inserting after the 9th sentence the following:

"A State agency may make use of a standard utility allowance mandatory for all households with qualifying utility costs if the State agency has developed 1 or more standards that include the cost of heating and cooling and 1 or more standards that do not include the cost of heating and cooling, and if the Secretary finds that the standards will not result in an increased cost to the Secretary. A State agency that has not made the use of a standard utility allowance mandatory shall allow a household to switch, at the end of a certification period, between the standard utility allowance and a deduction based on the actual utility costs of the household.".

SEC. 908. VEHICLE ALLOWANCE.

Section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended to read as follows:

"(2) INCLUDED ASSETS.—

"(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary shall, in prescribing inclusions in, and exclusions from, financial resources, follow the regulations in force as of June 1, 1982 (other than those relating to licensed vehicles and inaccessible resources).

"(B) ADDITIONAL INCLUDED ASSETS.—The Secretary shall include in financial resources—

"(i) any boat, snowmobile, or airplane used for recreational purposes;

"(ii) any vacation home;

"(iii) any mobile home used primarily for vacation purposes;

"(iv) subject to subparagraph (C), any licensed vehicle that is used for household transportation or to obtain or continue employment to the extent that the fair market value of the vehicle exceeds a level set by the Secretary, which shall be $4,600 beginning October 1, 1995, and adjusted on each October 1 thereafter to reflect changes in the new car component of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics for the 12-month period ending on June 30 preceding the date of such adjustment and rounded to the nearest $50; and

"(v) any savings or retirement account (including an individual account), regardless of whether there is a penalty for early withdrawal.

"(C) EXCLUDED VEHICLES.—A vehicle (and any other property, real or personal, to the extent the property is directly related to the maintenance or use of the vehicle) shall not be included in financial resources under this paragraph if the vehicle is—

"(i) used to produce earned income;

"(ii) necessary for the transportation of a physically disabled household member; or

"(iii) depended on by a household to carry fuel for heating or water for home use and provides the primary source of fuel or water, respectively, for the household.".

SEC. 909. VENDOR PAYMENTS FOR TRANSITIONAL HOUSING COUNTED AS INCOME.

Section 5(k)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)(2)) is amended—

(1) by striking subparagraph (F); and

(2) by redesignating subparagraphs (G) and (H) as subparagraphs (F) and (G), respectively.

SEC. 910. INCREASED PENALTIES FOR VIOLATING FOOD STAMP PROGRAM REQUIREMENTS.

Section 6(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)) is amended—

(1) in clause (i)—

(A) by striking "six months" and inserting "1 year"; and

(B) by adding "and" at the end; and

(2) striking clauses (ii) and (iii) and inserting the following:

"(ii) permanently upon—

"(I) the second occasion of any such determination; or

"(II) the first occasion of a finding by a Federal, State, or local court of the trading of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)), firearms, ammunition, or explosives for coupons.".

SEC. 911. DISQUALIFICATION OF CONVICTED INDIVIDUALS.

Section 6(b)(1)(ii) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)(iii)), as amended by section 910, is amended—

(1) in subclause (I), by striking "or" at the end;

(2) in subclause (II), by striking the period at the end and inserting "; or"; and

(3) by inserting after subclause (II) the following:

"(IV) a conviction of an offense under subsection (b) or (c) of section 15 involving an item covered by subsection (b) or (c) of section 15 having a value of $500 or more.".

SEC. 912. DISQUALIFICATION.

(a) IN GENERAL.—Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended by striking "(d)(1) Unless otherwise exempted by the provisions" and all that follows through paragraph (1) and inserting the following:

"(d) CONDITIONS OF PARTICIPATION.—

"(1) WORK REQUIREMENTS.—

"(A) IN GENERAL.—No physically and mentally fit individual over the age of 15 and under the age of 60 shall be eligible to participate in the food stamp program if the individual—

"(i) refuses, at the time of application and every 12 months thereafter, to register for employment in a manner prescribed by the Secretary;

"(ii) refuses without good cause to participate in an employment and training program under paragraph (4), to the extent required by the State agency;

"(iii) refuses without good cause to accept an offer of employment, at a site or plant not subject to a strike or lockout at the time of the refusal, at a wage not less than the higher of—

"(I) the applicable Federal or State minimum wage; or

"(II) 80 percent of the wage that would have governed had the minimum hourly rate under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) been applicable to the offer of employment;

"(iv) refuses without good cause to provide a State agency with sufficient information to allow the State agency to determine the employment status or the job availability of the individual;

"(v) voluntarily and without good cause—

"(I) quits a job; or

"(II) reduces work effort and, after the reduction, the individual is working less than 30 hours per week; or

"(vi) fails to comply with section 20.

"(B) HOUSEHOLD INELIGIBILITY.—If an individual who is the head of a household becomes ineligible to participate in the food stamp program under subparagraph (A), the household shall, at the option of the State agency, become ineligible to participate in the food stamp program for a period, determined by the State agency, that does not exceed the lesser of—

"(i) the duration of the ineligibility of the individual determined under subparagraph (C); or

"(ii) 180 days.

"(C) DURATION OF INELIGIBILITY.—

"(i) FIRST VIOLATION.—The first time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 1 month after the date the individual became ineligible; or

"(III) a date determined by the State agency that is not later than 3 months after the date the individual became ineligible.

"(ii) SECOND VIOLATION.—The second time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 3 months after the date the individual became ineligible; or

"(III) a date determined by the State agency that is not later than 6 months after the date the individual became ineligible.

"(iii) THIRD OR SUBSEQUENT VIOLATION.—The third or subsequent time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 6 months after the date the individual became ineligible;

"(III) a date determined by the State agency; or

"(IV) at the option of the State agency, permanently.

"(D) ADMINISTRATION.—

"(i) GOOD CAUSE.—The Secretary shall determine the meaning of good cause for the purpose of this paragraph.

"(ii) VOLUNTARY QUIT.—The Secretary shall determine the meaning of voluntarily quitting and reducing work effort for the purpose of this paragraph.

"(iii) DETERMINATION BY STATE AGENCY.—

"(I) IN GENERAL.—Subject to subclause (II) and clauses (i) and (ii), a State agency shall determine—

"(aa) the meaning of any term in subparagraph (A);

"(bb) the procedures for determining whether an individual is in compliance with a requirement under subparagraph (A); and

"(cc) whether an individual is in compliance with a requirement under subparagraph (A).

"(II) NOT LESS RESTRICTIVE.—A State agency may not determine a meaning, procedure, or determination under subclause (I) to be less restrictive than a comparable meaning, procedure, or determination under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(iv) STRIKE AGAINST THE GOVERNMENT.—For the purpose of subparagraph (A)(v), an employee of the Federal Government, a State, or a political subdivision of a State, who is dismissed for participating in a strike against the Federal Government, the State, or the political subdivision of the State shall be considered to have voluntarily quit without good cause.

"(v) SELECTING A HEAD OF HOUSEHOLD.—

"(I) IN GENERAL.—For the purpose of this paragraph, the State agency shall allow the household to select any adult parent of a child in the household as the head of the household if all adult household members making application under the food stamp program agree to the selection.

"(II) TIME FOR MAKING DESIGNATION.—A household may designate the head of the household under subclause (I) each time the household is certified for participation in the food stamp program, but may not change the designation during a certification period unless there is a change in the composition of the household.

"(vi) CHANGE IN HEAD OF HOUSEHOLD.—If the head of a household leaves the household during a period in which the household is ineligible to participate in the food stamp program under subparagraph (B)—

"(I) the household shall, if otherwise eligible, become eligible to participate in the food stamp program; and

"(II) if the head of the household becomes the head of another household, the household that becomes headed by the individual shall become ineligible to participate in the food stamp program for the remaining period of ineligibility.".

(b) CONFORMING AMENDMENT.—

(1) The second sentence of section 17(b)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(2)) is amended by striking "6(d)(1)(i)" and inserting "6(d)(1)(A)(i)".

(2) Section 20(f) of the Food Stamp Act of 1977 (7 U.S.C. 2029(f)) is amended to read as follows:

"(f) DISQUALIFICATION.—An individual or a household may become ineligible under section 6(d)(1) to participate in the food stamp program for failing to comply with this section.".

SEC. 913. CARETAKER EXEMPTION.

Section 6(d)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(2)(B)) is amended to read as follows: "(B) a parent or other member of a household with responsibility for the care of (i) a dependent child under the age of 6 or any lower age designated by the State agency that is not under the age of 1, or (ii) an incapacitated person;".

SEC. 914. EMPLOYMENT AND TRAINING.

(a) IN GENERAL.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended—

(1) in subparagraph (D)—

(A) in clause (i), by striking "to which the application" and all that follows through "30 days or less";

(B) in clause (ii), by striking "but with respect" and all that follows through "child care"; and

(C) in clause (iii), by striking ", on the basis of" and all that follows through "clause (ii)" and inserting "the exemption continues to be valid";

(2) in subparagraph (E), by striking the third sentence; AND

(3) by adding at the end the following:

"(O) Notwithstanding any other provision of this paragraph, the amount of Federal funds a State agency uses in any fiscal year after fiscal year 1996 to carry out this paragraph with respect to individuals who receive benefits under a State plan approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall not exceed the amount of Federal funds the State agency used in fiscal year 1995 to carry out this paragraph with respect to individuals who received benefits under such plan.".

(b) FUNDING.—Section 16(h) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)) is amended by striking "(h)(1)(A) The Secretary" and all that follows through the end of paragraph (1) and inserting the following:

"(h) FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.—

"(1) IN GENERAL.—

"(A) AMOUNTS.—To carry out employment and training programs, the Secretary shall reserve for allocation to State agencies from funds made available for each fiscal year under section 18(a)(1) the amount of $150,000,000 for each of the fiscal years 1996 through 2002.

"(B) ALLOCATION.—The Secretary shall allocate the amounts reserved under subparagraph (A) among the State agencies using a reasonable formula (as determined by the Secretary) that gives consideration to the population in each State affected by section 6(o).

"(C) REALLOCATION.—

"(i) NOTIFICATION.—A State agency shall promptly notify the Secretary if the State agency determines that the State agency will not expend all of the funds allocated to the State agency under subparagraph (B).

"(ii) REALLOCATION.—On notification under clause (i), the Secretary shall reallocate the funds that the State agency will not expend as the Secretary considers appropriate and equitable.

"(D) MINIMUM ALLOCATION.—Notwithstanding subparagraphs (A) through (C), the Secretary shall ensure that each State agency operating an employment and training program shall receive not less than $50,000 in each fiscal year.".

(d) REPORTS.—Section 16(h) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)) is amended—

(1) in paragraph (5)—

(A) by striking "(5)(A) The Secretary" and inserting "(5) The Secretary"; and

(B) by striking subparagraph (B); and

(2) by striking paragraph (6).

SEC. 915. COMPARABLE TREATMENT FOR DISQUALIFICATION.

(a) IN GENERAL.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following:

"(i) COMPARABLE TREATMENT FOR DISQUALIFICATION.—

"(1) IN GENERAL.—If a disqualification is imposed on a member of a household for a failure of the member to perform an action required under a Federal, State, or local law relating to a means-tested public assistance program, the State agency may impose the same disqualification on the member of the household under the food stamp program.

"(2) RULES AND PROCEDURES.—If a disqualification is imposed under paragraph (1) for a failure of an individual to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of such Act to impose the same disqualification under the food stamp program.

"(3) APPLICATION AFTER DISQUALIFICATION PERIOD.—A member of a household disqualified under paragraph (1) may, after the disqualification period has expired, apply for benefits under this Act and shall be treated as a new applicant, except that a prior disqualification under subsection (d) shall be considered in determining eligibility.".

(b) STATE PLAN PROVISIONS.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24), by striking "and" at the end;

(2) in paragraph (25), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(26) the guidelines the State agency uses in carrying out section 6(i); and".

(c) CONFORMING AMENDMENT.—Section 6(d)(2)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(2)(A)) is amended by striking "that is comparable to a requirement of paragraph (1)".

SEC. 916. DISQUALIFICATION FOR RECEIPT OF MULTIPLE FOOD STAMP BENEFITS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 915, is amended by adding at the end the following:

"(j) DISQUALIFICATION FOR RECEIPT OF MULTIPLE FOOD STAMP BENEFITS.—An individual shall be ineligible to participate in the food stamp program as a member of any household for a 10-year period if the individual is found by a State agency to have made, or is convicted in a Federal or State court of having made, a fraudulent statement or representation with respect to the identity or place of residence of the individual in order to receive multiple benefits simultaneously under the food stamp program.".

SEC. 917. DISQUALIFICATION OF FLEEING FELONS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by sections 915 and 916, is amended by adding at the end the following:

"(k) DISQUALIFICATION OF FLEEING FELONS.—No member of a household who is otherwise eligible to participate in the food stamp program shall be eligible to participate in the program as a member of that or any other household during any period during which the individual is—

"(1) fleeing to avoid prosecution, or custody or confinement after conviction, under the law of the place from which the individual is fleeing, for a crime, or attempt to commit a crime, that is a felony under the law of the place from which the individual is fleeing or that, in the case of New Jersey, is a high misdemeanor under the law of New Jersey; or

"(2) violating a condition of probation or parole imposed under a Federal or State law.".

SEC. 918. COOPERATION WITH CHILD SUPPORT AGENCIES.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by sections 915, 916, and 917, is amended by adding at the end the following:

"(*l*) CUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—

"(1) IN GENERAL.—At the option of a State agency, subject to paragraphs (2) and (3), no natural or adoptive parent or other individual (collectively referred to in this subsection as 'the individual') who is living with and exercising parental control over a child under the age of 18 who has an absent parent shall be eligible to participate in the food stamp program unless the individual cooperates with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

"(A) in establishing the paternity of the child (if the child is born out of wedlock); and

"(B) in obtaining support for—

"(i) the child; or

"(ii) the individual and the child.

"(2) GOOD CAUSE FOR NONCOOPERATION.—Paragraph (1) shall not apply to the individual if good cause is found for refusing to cooperate, as determined by the State agency in accordance with standards prescribed by the Secretary in consultation with the Secretary of Health and Human Services. The standards shall take into consideration circumstances under which cooperation may be against the best interests of the child.

"(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

"(m) NONCUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—

"(1) IN GENERAL.—At the option of a State agency, subject to paragraphs (2) and (3), a putative or identified noncustodial parent of a child under the age of 18 (referred to in this subsection as 'the individual') shall not be eligible to participate in the food stamp program if the individual refuses to cooperate with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

"(A) in establishing the paternity of the child (if the child is born out of wedlock); and

"(B) in providing support for the child.

"(2) REFUSAL TO COOPERATE.—

"(A) GUIDELINES.—The Secretary, in consultation with the Secretary of Health and Human Services, shall develop guidelines on what constitutes a refusal to cooperate under paragraph (1).

"(B) PROCEDURES.—The State agency shall develop procedures, using guidelines developed under subparagraph (A), for determining whether an individual is refusing to cooperate under paragraph (1).

"(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

"(4) PRIVACY.—The State agency shall provide safeguards to restrict the use of information collected by a State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to purposes for which the information is collected.".

SEC. 919. DISQUALIFICATION RELATING TO CHILD SUPPORT ARREARS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by sections 915, 916, 917 and 918, is amended by adding at the end the following:

"(o) DISQUALIFICATION FOR CHILD SUPPORT ARREARS.—

"(1) IN GENERAL.—At the option of a State agency, except as provided in paragraph (2), no individual shall be eligible to participate in the food stamp program as a member of any household during any month that the individual is delinquent in any payment due under a court order for the support of a child of the individual.

"(2) EXCEPTIONS.—Paragraph (1) shall not apply if—

"(A) a court is allowing the individual to delay payment; or

"(B) the individual is complying with a payment plan approved by a court or the State agency designated under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to provide support for the child of the individual.".

SEC. 920. WORK REQUIREMENT FOR ABLE-BODIED RECIPIENTS.

(a) IN GENERAL.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by sections 915, 916, 917, 918, and 919, is amended by adding at the end the following:

"(p) WORK REQUIREMENT.—

"(1) DEFINITION OF WORK PROGRAM.—In this subsection, the term 'work program' means—

"(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

"(C) a program of employment or training operated or supervised by a State or local government, as determined appropriate by the Secretary.

"(2) WORK REQUIREMENT.—No individual shall be eligible to participate in the food stamp program as a member of any household if, during the preceding 12 months, the individual received food stamp benefits for not less than 6 months during which the individual did not—

"(A) work 20 hours or more per week, averaged monthly;

"(B) participate in a workfare program under section 20 or a comparable State or local workfare program;

"(C) participate in and comply with the requirements of an approved employment and training program under subsection (d)(4); or

"(D) participate in and comply with the requirements of a work program for 20 hours or more per week.

"(3) EXCEPTION.—Paragraph (2) shall not apply to an individual if the individual is—

"(A) under 18 or over 50 years of age;

"(B) medically certified as physically or mentally unfit for employment;

"(C) a parent or other member of a household with a dependent child under 18 years of age; or

"(D) otherwise exempt under subsection (d)(2).

"(4) WAIVER.—

"(A) IN GENERAL.—The Secretary may waive the applicability of paragraph (2) to any group of individuals in the State if the Secretary makes a determination that the area in which the individuals reside—

"(i) has an unemployment rate of over 8 percent; or

"(ii) does not have a sufficient number of jobs to provide employment for the individuals.

"(B) REPORT.—The Secretary shall report the basis for a waiver under subparagraph (A) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.".

(b) WORK AND TRAINING PROGRAMS.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended by adding at the end the following:

"(O) REQUIRED PARTICIPATION IN WORK AND TRAINING PROGRAMS.—A State agency shall provide an opportunity to participate in the employment and training program under this paragraph to any individual who would otherwise become subject to disqualification under subsection (p).

"(P) COORDINATING WORK REQUIREMENTS.—

"(i) IN GENERAL.—Notwithstanding any other provision of this paragraph, a State agency that meets the participation requirements of clause (ii) may operate the employment and training program of the State for individuals who are members of households receiving allotments under this Act as part of a program operated by the State under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.), subject to the requirements of such Act.

"(ii) PARTICIPATION REQUIREMENTS.—A State agency may exercise the option under clause (i) if the State agency provides an opportunity to participate in an approved employment and training program to an individual who is—

"(I) subject to subsection (p);

"(II) not employed at least an average of 20 hours per week;

"(III) not participating in a workfare program under section 20 (or a comparable State or local program); and

"(IV) not subject to a waiver under subsection (i)(4).".

SEC. 921. ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.

(a) IN GENERAL.—Section 7(i) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) ELECTRONIC BENEFIT TRANSFERS.—

"(A) IMPLEMENTATION.—Each State agency shall implement an electronic benefit transfer system in which household benefits determined under section 8(a) or 24 are issued from and stored in a central databank before October 1, 2002, unless the Secretary provides a waiver for a State agency that faces unusual barriers to implementing an electronic benefit transfer system.

"(B) TIMELY IMPLEMENTATION.—State agencies are encouraged to implement an electronic benefit transfer system under subparagraph (A) as soon as practicable.

"(C) STATE FLEXIBILITY.—Subject to paragraph (2), a State agency may procure and implement an electronic benefit transfer system under the terms, conditions, and design that the State agency considers appropriate.

"(D) OPERATION.—An electronic benefit transfer system should take into account generally accepted standard operating rules based on—

"(i) commercial electronic funds transfer technology;

"(ii) the need to permit interstate operation and law enforcement monitoring; and

"(iii) the need to permit monitoring and investigations by authorized law enforcement agencies.";

(2) in paragraph (2)—

(A) by striking "effective no later than April 1, 1992,";

(B) in subparagraph (A)—

(i) by striking ", in any 1 year,"; and

(ii) by striking "on-line";

(F) by adding at the end the following:

"(I) procurement standards."; and

(3) by adding at the end the following:

"(7) REPLACEMENT OF BENEFITS.—Regulations issued by the Secretary regarding the replacement of benefits and liability for replacement of benefits under an electronic benefit transfer system shall be similar to the regulations in effect for a paper food stamp issuance system.".

(b) SENSE OF CONGRESS.—It is the sense of Congress that a State that operates an electronic benefit transfer system under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) should operate the system in a manner that is compatible with electronic benefit transfer systems operated by other States.

SEC. 922. VALUE OF MINIMUM ALLOTMENT.

The proviso in section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking ", and shall be adjusted" and all that follows through "$5".

SEC. 923. BENEFITS ON RECERTIFICATION.

Section 8(c)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(2)(B)) is amended by striking "of more than one month".

SEC. 924. OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.

Section 8(c)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(3)) is amended to read as follows:

"(3) OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.—A State agency may provide to an eligible household applying after the 15th day of a month, in lieu of the initial allotment of the household and the regular allotment of the household for the following month, an allotment that is equal to the total amount of the initial allotment and the first regular allotment. The allotment shall be provided in accordance with section 11(e)(3) in the case of a household that is not entitled to expedited service and in accordance with paragraphs (3) and (9) of section 11(e) in the case of a household that is entitled to expedited service.".

SEC. 925. FAILURE TO COMPLY WITH OTHER MEANS-TESTED PUBLIC ASSISTANCE PROGRAMS.

Section 8(d) of the Food Stamp Act of 1977 (7 U.S.C. 2017(d)) is amended to read as follows:

"(d) REDUCTION OF PUBLIC ASSISTANCE BENEFITS.—

"(1) IN GENERAL.—If the benefits of a household are reduced under a Federal, State, or local law relating to a means-tested public assistance program for the failure of a member of the household to perform an action required under the law or program, for the duration of the reduction—

"(A) the household may not receive an increased allotment as the result of a decrease in the income of the household to the extent that the decrease is the result of the reduction; and

"(B) the State agency may reduce the allotment of the household by not more than 25 percent.

"(2) RULES AND PROCEDURES.—If the allotment of a household is reduced under this subsection for a failure to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of such Act to reduce the allotment under the food stamp program.".

SEC. 926. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

"(f) ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.—

"(1) IN GENERAL.—In the case of an individual who resides in a center for the purpose of a drug or alcoholic treatment program described in the last sentence of section 3(i), a State agency may provide an allotment for the individual to—

"(A) the center as an authorized representative of the individual for a period that is less than 1 month; and

"(B) the individual, if the individual leaves the center.

"(2) DIRECT PAYMENT.—A State agency may require an individual referred to in paragraph (1) to designate the center in which the individual resides as the authorized representative of the individual for the purpose of receiving an allotment.".

SEC. 927. AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS.

Section 9(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)(1)) is amended by adding at the end the following:

"The Secretary is authorized to issue regulations establishing specific time periods during which authorization to accept and redeem coupons under the food stamp program shall be valid.".

SEC. 928. SPECIFIC PERIOD FOR PROHIBITING PARTICIPATION OF STORES BASED ON LACK OF BUSINESS INTEGRITY.

Section 9(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)(1)), as amended by section 927, is amended by adding at the end the following:

"The Secretary is authorized to issue regulations establishing specific time periods during which a retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied or that has such an approval withdrawn on the basis of business integrity and reputation cannot submit a new application for approval. Such periods shall reflect the severity of business integrity infractions that are the basis of such denials or withdrawals.".

SEC. 929. INFORMATION FOR VERIFYING ELIGIBILITY FOR AUTHORIZATION.

Section 9(c) of the Food Stamp Act of 1977 (7 U.S.C. 2018(c)) is amended—

(1) in the 1st sentence by inserting ", which may include relevant income and sales tax filing documents," after "submit information" ; and

(2) by inserting after the 1st sentence the following:

"The regulations may require retail food stores and wholesale food concerns to provide written authorization for the Secretary to verify all relevant tax filings with appropriate agencies and to obtain corroborating documentation from other sources in order that the accuracy of information provided by such stores and concerns may be verified.".

SEC. 930. WAITING PERIOD FOR STORES THAT INITIALLY FAIL TO MEET AUTHORIZATION CRITERIA.

Section 9(d) of the Food Stamp Act of 1977 (7 U.S.C. 2018(d)) is amended by adding at the end the following:

"Regulations issued pursuant to this Act shall prohibit a retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied because it does not meet criteria for approval established by the Secretary in regulations from submitting a new application for six months from the date of such denial.".

SEC. 931. OPERATION OF FOOD STAMP OFFICES.

Section 11(e)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(2)) is amended to read as follows:

"(2)(A) that the State agency shall establish procedures governing the operation of food stamp offices that the State agency determines best serve households in the State, including households with special needs, such as households with elderly or disabled members, households in rural areas with low-income members, homeless individuals, households residing on reservations, and households in areas in which a substantial number of members of low-income households speak a language other than English.

"(B) In carrying out subparagraph (A), a State agency—

"(i) shall provide timely, accurate, and fair service to applicants for, and participants in, the food stamp program;

"(ii) shall develop an application containing the information necessary to comply with this Act;

"(iii) shall permit an applicant household to apply to participate in the program on the same day that the household first contacts a food stamp office in person during office hours;

"(iv) shall consider an application that contains the name, address, and signature of the applicant to be filed on the date the applicant submits the application;

"(v) shall require that an adult representative of each applicant household certify in writing, under penalty of perjury, that—

"(I) the information contained in the application is true; and

"(II) all members of the household are citizens or are aliens eligible to receive food stamps under section 6(f);

"(vi) shall provide a method of certifying and issuing coupons to eligible homeless individuals, to ensure that participation in the food stamp program is limited to eligible households; and

"(vii) may establish operating procedures that vary for local food stamp offices to reflect regional and local differences within the State.

"(C) Nothing in this Act shall prohibit the use of signatures provided and maintained electronically, storage of records using automated retrieval systems only, or any other feature of a State agency's application system that does not rely exclusively on the collection and retention of paper applications or other records.

"(D) The signature of any adult under this paragraph shall be considered sufficient to comply with any provision of Federal law requiring a household member to sign an application or statement.";

(2) in the last sentence of subsection (i) by striking "No" and inserting "Other than in a case of disqualification as a penalty for failure to comply with a public assistance program rule or regulation, no".

SEC. 932. MANDATORY CLAIMS COLLECTION METHODS.

(a) ADMINISTRATION.—Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended by inserting "or refunds of Federal taxes as authorized pursuant to section 3720A of title 31 of the United States Code" before the semicolon at the end.

(b) COLLECTION OF CLAIMS.—Section 13(d) of the Food Stamp Act of 1977 (7 U.S.C. 2022(d)) is amended—

(1) by striking "may" and inserting "shall"; and

(2) by inserting "or refunds of Federal taxes as authorized pursuant to section 3720A of title 31 of the United States Code" before the period at the end.

(c) RELATED AMENDMENTS.—Section 6103(1) of the Internal Revenue Code (26 U.S.C. 6103(1)) is amended—

(1) by striking "officers and employees" in paragraph (10)(A) and inserting "officers, employees or agents, including State agencies"; and

(2) by striking "officers and employees" in paragraph (10)(B) and inserting "officers, employees or agents, including State agencies".

SEC. 933. EXCHANGE OF LAW ENFORCEMENT INFORMATION.

Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended—

(1) by striking "that (A) such" and inserting the following:

"that—

"(A) the";

(2) by striking "law, (B) notwithstanding" and inserting the following:

"law;

"(B) notwithstanding";

(3) by striking "Act, and (C) such" and inserting the following:

"Act;

"(C) the"; and

(4) by adding at the end the following:

"(D) notwithstanding any other provision of law, the address, social security number, and, if available, photograph of any member of a household shall be made available, on request, to any Federal, State, or local law enforcement officer if the officer furnishes the State agency with the name of the member and notifies the agency that—

"(i) the member—

"(I) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime (or attempt to commit a crime) that, under the law of the place the member is fleeing, is a felony (or, in the case of New Jersey, a high misdemeanor), or is violating a condition of probation or parole imposed under Federal or State law; or

"(II) has information that is necessary for the officer to conduct an official duty related to subclause (I);

"(ii) locating or apprehending the member is an official duty; and

"(iii) the request is being made in the proper exercise of an official duty; and

"(E) the safeguards shall not prevent compliance with paragraph (16);".

SEC. 934. EXPEDITED COUPON SERVICE.

Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is amended—

(1) in subparagraph (A)—

(A) by striking "five days" and inserting "7 days"; and

(B) by inserting "and" at the end;

(2) by striking subparagraph (B);

(3) in subparagraph (D) by striking ", (B), or (C)" and inserting "or (B)"; and

(4) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

SEC. 935. WITHDRAWING FAIR HEARING REQUESTS.

Section 11(e)(10) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(10)) is amended by inserting before the semicolon at the end a period and the following: "At the option of a State, at any time prior to a fair hearing determination under this paragraph, a household may withdraw, orally or in writing, a request by the household for the fair hearing. If the withdrawal request is an oral request, the State agency shall provide a written notice to the household confirming the withdrawal request and providing the household with an opportunity to request a hearing".

SEC. 936. INCOME, ELIGIBILITY, AND IMMIGRATION STATUS VERIFICATION SYSTEMS.

Section 11(e)(19) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(19)) is amended by striking "that information is" and inserting "at the option of the State agency, that information may be".

SEC. 937. BASES FOR SUSPENSIONS AND DISQUALIFICATIONS.

Section 12(a) of the Food Stamp Act of 1977 (7 U.S.C. 2021(a)) is amended by adding at the end the following:

"Regulations issued pursuant to this Act shall provide criteria for the finding of violations and the suspension or disqualification of a retail food store or wholesale food concern on the basis of evidence which may include, but is not limited to, facts established through on-site investigations, inconsistent redemption data, or evidence obtained through transaction reports under electronic benefit transfer systems.".

SEC. 938. AUTHORITY TO SUSPEND STORES VIOLATING PROGRAM REQUIREMENTS PENDING ADMINISTRATIVE AND JUDICIAL REVIEW.

(a) SUSPENSION AUTHORITY.—Section 12(a) of the Food Stamp Act of 1977 (7 U.S.C. 2021(a)), as amended by section 937, is amended by adding at the end the following:

"Such regulations may establish criteria under which the authorization of a retail food store or wholesale food concern to accept and redeem coupons may be suspended at the time such store or concern is initially found to have committed violations of program requirements. Such suspension may coincide with the period of a review as provided in section 14. The Secretary shall not be liable for the value of any sales lost during any suspension or disqualification period.".

(b) CONFORMING AMENDMENT.—Section 14(a) of the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amended—

(1) in the 1st sentence by inserting "suspended," before "disqualified or subjected";

(2) in the 5th sentence by inserting before the period at the end the following:

", except that in the case of the suspension of a retail food store or wholesale food concern pursuant to section 12(a), such suspension shall remain in effect pending any administrative or judicial review of the proposed disqualification action, and the period of suspension shall be deemed a part of any period of disqualification which is imposed."; and

(3) by striking the last sentence.

SEC. 939. DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED FROM THE WIC PROGRAM.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended by adding at the end the following:

"(g) The Secretary shall issue regulations providing criteria for the disqualification of approved retail food stores and wholesale food concerns that are otherwise disqualified from accepting benefits under the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) authorized under section 17 of the Child Nutrition Act of 1966. Such disqualification—

"(1) shall be for the same period as the disqualification from the WIC Program;

"(2) may begin at a later date; and

"(3) notwithstanding section 14 of this Act, shall not be subject to administrative or judicial review.".

SEC. 940. PERMANENT DEBARMENT OF RETAILERS WHO INTENTIONALLY SUBMIT FALSIFIED APPLICATIONS.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021), as amended by section 939, is amended by adding at the end the following:

"(h) The Secretary shall issue regulations providing for the permanent disqualification of a retail food store or wholesale food concern that is determined to have knowingly submitted an application for approval to accept and redeem coupons which contains false information about one or more substantive matters which were the basis for providing approval. Any disqualification imposed under this subsection shall be subject to administrative and judicial review pursuant to section 14, but such disqualification shall remain in effect pending such review.".

SEC. 941. EXPANDED CIVIL AND CRIMINAL FORFEITURE FOR VIOLATIONS OF THE FOOD STAMP ACT.

(a) FORFEITURE OF ITEMS EXCHANGED IN FOOD STAMP TRAFFICKING.—Section 15(g) of the Food Stamp Act of 1977 (7 U.S.C. 2024(g)) is amended by striking "or intended to be furnished".

(b) CIVIL AND CRIMINAL FORFEITURE.—Section 15 of the Food Stamp Act of 1977 (7 U.S.C. 2024)) is amended by adding at the end the following:

"(h)(1) CIVIL FORFEITURE FOR FOOD STAMP BENEFIT VIOLATIONS.—

"(A) Any food stamp benefits and any property, real or personal—

"(i) constituting, derived from, or traceable to any proceeds obtained directly or indirectly from, or

"(ii) used, or intended to be used, to commit, or to facilitate,

the commission of a violation of subsection (b) or subsection (c) involving food stamp benefits having an aggregate value of not less than $5,000, shall be subject to forfeiture to the United States.

"(B) The provisions of chapter 46 of title 18, United States Code, relating to civil forfeitures shall extend to a seizure or forfeiture under this subsection, insofar as applicable and not inconsistent with the provisions of this subsection.

"(2) CRIMINAL FORFEITURE FOR FOOD STAMP BENEFIT VIOLATIONS.—

"(A)(i) Any person convicted of violating subsection (b) or subsection (c) involving food stamp benefits having an aggregate value of not less than $5,000, shall forfeit to the United States, irrespective of any State law—

"(I) any food stamp benefits and any property constituting, or derived from, or traceable to any proceeds such person obtained directly or indirectly as a result of such violation; and

"(II) any food stamp benefits and any of such person's property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of such violation.

"(ii) In imposing sentence on such person, the court shall order that the person forfeit to the United States all property described in this subsection.

"(B) All food stamp benefits and any property subject to forfeiture under this subsection, any seizure and disposition thereof, and any administrative or judicial proceeding relating thereto, shall be governed by subsections (b), (c), (e), and (g) through (p) of section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853), insofar as applicable and not inconsistent with the provisions of this subsection.

"(3) APPLICABILITY.—This subsection shall not apply to property specified in subsection (g) of this section.

"(4) RULES.—The Secretary may prescribe such rules and regulations as may be necessary to carry out this subsection.".

SEC. 942. EXPANDED AUTHORITY FOR SHARING INFORMATION PROVIDED BY RETAILERS.

(a) AMENDMENT TO SOCIAL SECURITY ACT.—Section 205(c)(2)(C)(iii) of the Social Security Act (42 U.S.C. 405(c)(2)(C)(iii)), as amended by section 316(a) of the Social Security Administrative Reform Act of 1994 (Public Law 103–296; 108 Stat. 1464), is amended—

(1) by inserting in the 1st sentence of subclause (II) after "instrumentality of the United States" the following: ", or State government officers and employees with law enforcement or investigative responsibilities, or State agencies that have the responsibility for administering the Special Supplemental Nutrition Program for Women, Infants and Children (WIC)";

(2) by inserting in the last sentence of subclause (II) immediately after "other Federal" the words "or State"; and

(3) by inserting "or a State" in subclause (III) immediately after "United States".

(b) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Section 6109(f)(2) of the Internal

Revenue Code of 1986 (26 U.S.C. 6109(f)(2)) (as added by section 316(b) of the Social Security Administrative Reform Act of 1994 (Public Law 103-296; 108 Stat. 1464)) is amended—

(1) by inserting in subparagraph (A) after "instrumentality of the United States" the following: ", or State government officers and employees with law enforcement or investigative responsibilities, or State agencies that have the responsibility for administering the Special Supplemental Nutrition Program for Women, Infants and Children (WIC)";

(2) in the last sentence of subparagraph (A) by inserting "or State" after "other Federal"; and

(3) in subparagraph (B) by inserting "or a State" after "United States".

SEC. 943. LIMITATION OF FEDERAL MATCH.

Section 16(a)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)(4)) is amended by inserting after the comma at the end the following: "but not including recruitment activities,".

SEC. 944. COLLECTION OF OVERISSUANCES.

Section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended by striking "25 percent during the period beginning October 1, 1990" and all that follows through "error of a State agency" and inserting the following: "25 percent of the overissuances collected by the State agency under section 13, except those overissuances arising from an error of the State agency".

SEC. 945. STANDARDS FOR ADMINISTRATION.

(a) IN GENERAL.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by striking subsection (b).

(b) CONFORMING AMENDMENTS.—

(1) The 1st sentence of section 11(g) of the Food Stamp Act of 1977 (7 U.S.C. 2020(g)) is amended by striking "the Secretary's standards for the efficient and effective administration of the program established under section 16(b)(1) or".

(2) Section 16(c)(1)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)(1)(B)) is amended by striking "pursuant to subsection (b)".

SEC. 946. RESPONSE TO WAIVERS.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)) is amended by adding at the end the following:

"(C) RESPONSE TO WAIVERS.—

"(i) RESPONSE.—Not later than 60 days after the date of receiving a request for a waiver under subparagraph (A), the Secretary shall provide a response that—

"(I) approves the waiver request;

"(II) denies the waiver request and explains any modification needed for approval of the waiver request;

"(III) denies the waiver request and explains the grounds for the denial; or

"(IV) requests clarification of the waiver request.

"(ii) FAILURE TO RESPOND.—If the Secretary does not provide a response in accordance with clause (i), the waiver shall be considered approved, unless the approval is specifically prohibited by this Act.

"(iii) NOTICE OF DENIAL.—On denial of a waiver request under clause (i)(III), the Secretary shall provide a copy of the waiver request and a description of the reasons for the denial to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.".

SEC. 947. AUTHORIZATION OF APPROPRIATIONS.

The 1st sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking "1991 through 1997" and inserting "1996 through 2002".

SEC. 948. AUTHORIZE STATES TO OPERATE SIMPLIFIED FOOD STAMP PROGRAMS.

(a) AUTHORITY FOR PROGRAM.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

"SEC. 24. SIMPLIFIED FOOD STAMP PROGRAM.

"(a) DEFINITION.—In this section, the term 'Federal costs' does not include any Federal costs incurred under section 17.

"(b) STATE OPTION.—Subject to subsection (d), a State may elect to carry out a simplified food stamp program for households described in subsection (c)(1), statewide or in a political subdivision of the State, in accordance with this section.

"(c) PROGRAM REQUIREMENTS.—If a State elects to carry out such simplified food stamp program, within the State or a political subdivision of the State—

"(1) only households in which all members receive assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall receive benefits under this section. Such households shall be automatically eligible to participate in such simplified food stamp program; and

"(2) subject to subsection (f), benefits under such simplified food stamp program shall be determined under rules and procedures established by the State under—

"(A) a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

"(B) the food stamp program; or

"(C) a combination of a State program funded under part A of title IV of the Social Security Act (42 US..C. 601 et seq.) and the food stamp program.

"(d) STATE PLAN.—(1) A State may not operate such simplified food stamp program unless the Secretary approves a State plan for the operation of such simplified food stamp program under paragraph (2).

"(2) The Secretary is authorized to approve any State plan to carry out such simplified food stamp program if the Secretary determines that the plan—

"(A) simplifies program administration while fulfilling the goals of the food stamp program to permit low-income households to obtain a more nutritious diet;

"(B) complies with this section;

"(C) would not increase Federal costs for any fiscal year; and

"(D) would not substantially alter, as determined by the Secretary, the appropriate distribution of benefits according to household need.

"(e) COST DETERMINATION.—(1) During each fiscal year and not later than 90 days after the end of each fiscal year, the Secretary shall determine using data provided by the State deemed appropriate by the Secretary whether such simplified food stamp program being carried out by a State is increasing Federal costs under this Act above what the costs would have been for the same population had they been subject to the rules of the food stamp program.

"(2) If the Secretary determines that such simplified food stamp program has increased Federal costs under this Act for any fiscal year or any portion of any fiscal year, the Secretary shall notify the State not later than 30 days after the Secretary makes the determination under paragraph (1).

"(3)(A) Not later than 90 days after the date of a notification under paragraph (2), the State shall submit a plan for approval by the Secretary for prompt corrective action that is designed to prevent such simplified food stamp program from increasing Federal costs under this Act.

"(B) If the State does not submit a plan under subparagraph (A) or carry out a plan approved by the Secretary, the Secretary shall terminate the approval of the State operating such simplified food stamp program and the State shall be ineligible to operate a future Simplified Program.

"(f) RULES AND PROCEDURES.—(1) In operating such simplified food stamp program, a State or political subdivision of a State may follow the rules and procedures established by the State or political subdivision under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under the food stamp program.

"(2) In operating such simplified food stamp program, a State or political subdivision shall comply with the requirements of—

"(A) section 5(e) to the extent that it requires an excess shelter expense deduction;

"(B) subsections (a) through (g) of section 7;

"(C) section 8(a) (except that the income of a household may be determined under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.));

"(D) subsections (b) and (d) of section 8;

"(E) subsections (a), (c), (d), and (n) of section 11;

"(F) paragraphs (8), (9), (12), (18), (20), (24), and (25) of section 11(e);

"(G) section 11(e)(2), to the extent that it requires the State agency to provide an application to households on the 1st day they contact a food stamp office in person during office hours to make what may reasonably be interpreted as an oral or written request for food stamp assistance and to allow those households to file such application on the same day;

"(H) section 11(e)(3), to the extent that it requires the State agency to complete certification of an eligible household and provide an allotment retroactive to the period of application to an eligible household not later than 30 days following the filing of an application;

"(I) section 11(e)(10) (or a comparable requirement established by the State under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)); and

"(J) section 16.

"(3) Notwithstanding any other provision of this section, a household may not receive benefits under this section as a result of the eligibility of the household under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), unless the Secretary determines that any household with income above 130 percent of the poverty guidelines is not eligible for such simplified food stamp program.".

(b) REPEALER.—Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by striking subsection (e).

(c) REQUIREMENTS.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24) by striking "and" at the end;

(2) in paragraph (25) by striking the period at the end; and

(3) by adding at the end the following:

"(26) if a State elects to carry out a simplified food stamp program under section 24, the plan of the State agency for operating such simplified food stamp program, including—

"(A) the rules and procedures to be followed by the State to determine food stamp benefits; and

"(B) a description of the method by which the State will carry out a quality control system under section 16(c).".

(d) REPEAL OF DEMONSTRATION PROJECTS.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by—

(1) by striking subsection (i); and

(2) redesignating subsections (j) through (l) as subsections (i) through (k), respectively.

SEC. 949. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) DEFINITIONS.—Section 201A of the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) is amended to read as follows:

"SEC. 201A. DEFINITIONS.

"In this Act:

"(1) ADDITIONAL COMMODITIES.—The term 'additional commodities' means commodities made available under section 214 in addition to the commodities made available under sections 202 and 203D.

"(2) AVERAGE MONTHLY NUMBER OF UNEMPLOYED PERSONS.—The term 'average monthly number of unemployed persons' means the average monthly number of unemployed persons in each State in the most recent fiscal year for which information concerning the number of unemployed persons is available, as determined by the Bureau of Labor Statistics of the Department of Labor.

"(3) ELIGIBLE RECIPIENT AGENCY.—The term 'eligible recipient agency' means a public or nonprofit organization—

"(A) that administers—

"(i) an emergency feeding organization;

"(ii) a charitable institution (including a hospital and a retirement home, but excluding a penal institution) to the extent that the institution serves needy persons;

"(iii) a summer camp for children, or a child nutrition program providing food service;

"(iv) a nutrition project operating under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.), including a project that operates a congregate nutrition site and a project that provides home-delivered meals; or

"(v) a disaster relief program;

"(B) that has been designated by the appropriate State agency, or by the Secretary; and

"(C) that has been approved by the Secretary for participation in the program established under this Act.

"(4) EMERGENCY FEEDING ORGANIZATION.—The term 'emergency feeding organization' means a public or nonprofit organization that administers activities and projects (including the activities and projects of a charitable institution, a food bank, a food pantry, a hunger relief center, a soup kitchen, or a similar public or private nonprofit eligible recipient agency) providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons.

"(5) FOOD BANK.—The term 'food bank' means a public or charitable institution that maintains an established operation involving the provision of food or edible commodities, or the products of food or edible commodities, to food pantries, soup kitchens, hunger relief centers, or other food or feeding centers that, as an integral part of their normal activities, provide meals or food to feed needy persons on a regular basis.

"(6) FOOD PANTRY.—The term 'food pantry' means a public or private nonprofit organization that distributes food to low-income and unemployed households, including food from sources other than the Department of Agriculture, to relieve situations of emergency and distress.

"(7) POVERTY LINE.—The term 'poverty line' has the same meaning given the term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

"(8) SOUP KITCHEN.—The term 'soup kitchen' means a public or charitable institution that, as an integral part of the normal activities of the institution, maintains an established feeding operation to provide food to needy homeless persons on a regular basis.

"(9) TOTAL VALUE OF ADDITIONAL COMMODITIES.—The term 'total value of additional commodities' means the actual cost of all additional commodities made available under section 214 that are paid by the Secretary (including the distribution and processing costs incurred by the Secretary).

"(10) VALUE OF ADDITIONAL COMMODITIES ALLOCATED TO EACH STATE.—The term 'value of additional commodities allocated to each State' means the actual cost of additional commodities made available under section 214 and allocated to each State that are paid by the Secretary (including the distribution and processing costs incurred by the Secretary).".

(b) STATE PLAN.—Section 202A of the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) (7 U.S.C. 612c note) is amended to read as follows:

"SEC. 202A. STATE PLAN.

"(a) IN GENERAL.—To receive commodities under this Act, a State shall submit a plan of operation and administration every 4 years to the Secretary for approval. The plan may be amended at any time, with the approval of the Secretary.

"(b) REQUIREMENTS.—Each plan shall—

"(1) designate the State agency responsible for distributing the commodities received under this Act;

"(2) set forth a plan of operation and administration to expeditiously distribute commodities under this Act;

"(3) set forth the standards of eligibility for recipient agencies; and

"(4) set forth the standards of eligibility for individual or household recipients of commodities, which shall require—

"(A) individuals or households to be comprised of needy persons; and

"(B) individual or household members to be residing in the geographic location served by the distributing agency at the time of applying for assistance.

"(c) STATE ADVISORY BOARD.—The Secretary shall encourage each State receiving commodities under this Act to establish a State advisory board consisting of representatives of all interested entities, both public and private, in the distribution of commodities received under this Act in the State.".

(c) AUTHORIZATION OF APPROPRIATIONS FOR ADMINISTRATIVE FUNDS.—Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) (7 U.S.C. 612c note) is amended—

(1) in the 1st sentence—

(A) by striking "1991 through 1995" and inserting "1996 through 2002"; and

(B) by striking "for State and local" and all that follows through "under this title" and inserting "to pay for the direct and indirect administrative costs of the State related to the processing, transporting, and distributing to eligible recipient agencies of commodities provided by the Secretary under this Act and commodities secured from other sources"; and

(2) by striking the fourth sentence.

(d) TECHNICAL AMENDMENTS.—The Emergency Food Assistance Act of 1983 (Public Law 98-8; 7 U.S.C. 612c note) (7 U.S.C. 612c note) is amended—

(1) in the 1st sentence of section 203B(a), by striking "203 and 203A of this Act" and inserting "203A";

(2) in section 204(a), by striking "title" each place it appears and inserting "Act"; and

(3) by striking section 212.

(e) REPORT ON EFAP.—Section 1571 of the Food Security Act of 1985 (Public Law 99-198; 7 U.S.C. 612c note) is repealed.

SEC. 950. FOOD BANK DEMONSTRATION PROJECT.

Section 3 of the Charitable Assistance and Food Bank Act of 1987 (Public Law 100-232; 7 U.S.C. 612c note) is repealed.

SEC. 951. REPORT ON ENTITLEMENT COMMODITY PROCESSING.

Section 1773 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101-624; 7 U.S.C. 612c note) is amended by striking subsection (f).

TITLE X—MISCELLANEOUS

SEC. 1001. EXPENDITURE OF FEDERAL FUNDS IN ACCORDANCE WITH LAWS AND PROCEDURES APPLICABLE TO EXPENDITURE OF STATE FUNDS.

(a) IN GENERAL.—Notwithstanding any other provision of law, any funds received by a State under the provisions of law specified in subsection (b) shall be expended only in accordance with the laws and procedures applicable to expenditures of the State's own revenues, including appropriation by the State legislature, consistent with the terms and conditions required under such provisions of law.

(b) PROVISIONS OF LAW.—The provisions of law specified in this subsection are the following:

(1) Part A of title IV of the Social Security Act (relating to block grants for temporary assistance for needy families).

(2) Section 25 of the Food Stamp Act of 1977 (relating to the optional State food assistance block grant).

(3) The Child Care and Development Block Grant Act of 1990 (relating to block grants for child care).

SEC. 1002. ELIMINATION OF HOUSING ASSISTANCE WITH RESPECT TO FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) ELIGIBILITY FOR ASSISTANCE.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) in section 6(l)—

(A) in paragraph (5), by striking "and" at the end;

(B) in paragraph (6), by striking the period at the end and inserting "; and"; and

(C) by inserting immediately after paragraph (6) the following new paragraph:

"(7) provide that it shall be cause for immediate termination of the tenancy of a public housing tenant if such tenant—

"(A) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(2) is violating a condition of probation or parole imposed under Federal or State law."; and

(2) in section 8(d)(1)(B)—

(A) in clause (iii), by striking "and" at the end;

(B) in clause (iv), by striking the period at the end and inserting "; and"; and

(C) by adding after clause (iv) the following new clause:

"(v) it shall be cause for termination of the tenancy of a tenant if such tenant—

"(I) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(II) is violating a condition of probation or parole imposed under Federal or State law;".

(b) PROVISION OF INFORMATION TO LAW ENFORCEMENT AGENCIES.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by section 601 of this Act, is amended by adding at the end the following:

"SEC. 28. EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.

"Notwithstanding any other provision of law, each public housing agency that enters into a contract for assistance under section 6 or 8 of this Act with the Secretary shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address, Social Security number, and photograph (if applicable) of any recipient of assistance under this Act, if the officer—

"(1) furnishes the public housing agency with the name of the recipient; and

"(2) notifies the agency that—

"(A) such recipient—

"(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(ii) is violating a condition of probation or parole imposed under Federal or State law; or

"(iii) has information that is necessary for the officer to conduct the officer's official duties;

"(B) the location or apprehension of the recipient is within such officer's official duties; and

"(C) the request is made in the proper exercise of the officer's official duties.".

SEC. 1003. SENSE OF THE SENATE REGARDING ENTERPRISE ZONES.

(a) FINDINGS.—The Senate finds that:

(1) Many of the Nation's urban centers are places with high levels of poverty, high rates of welfare dependency, high crime rates, poor schools, and joblessness;

(2) Federal tax incentives and regulatory reforms can encourage economic growth, job creation and small business formation in many urban centers;

(3) Encouraging private sector investment in America's economically distressed urban and rural areas is essential to breaking the cycle of poverty and the related ills of crime, drug abuse, illiteracy, welfare dependency, and unemployment;

(4) The empowerment zones enacted in 1993 should be enhanced by providing incentives to increase entrepreneurial growth, capital formation, job creation, educational opportunities, and home ownership in the designated communities and zones.

(b) SENSE OF THE SENATE.—Therefore, it is the Sense of the Senate that the Congress should adopt enterprise zone legislation in the One Hundred Fourth Congress, and that such enterprise zone legislation provide the following incentives and provisions:

(1) Federal tax incentives that expand access to capital, increase the formation and expansion of small businesses, and promote commercial revitalization;

(2) Regulatory reforms that allow localities to petition Federal agencies, subject to the relevant agencies' approval, for waivers or modifications of regulations to improve job creation, small business formation and expansion, community development, or economic revitalization objectives of the enterprise zones;

(3) Home ownership incentives and grants to encourage resident management of public housing and home ownership of public housing;

(4) School reform pilot projects in certain designated enterprise zones to provide low-income parents with new and expanded educational options for their children's elementary and secondary schooling.

SEC. 1004. SENSE OF THE SENATE REGARDING THE INABILITY OF THE NONCUSTODIAL PARENT TO PAY CHILD SUPPORT.

It is the sense of the Senate that—

(a) States should diligently continue their efforts to enforce child support payments by the noncustodial parent to the custodial parent, regardless of the employment status or location of the noncustodial parent; and

(b) States are encouraged to pursue pilot programs in which the parents of a nonadult, noncustodial parent who refuses to or is unable to pay child support must—

(1) pay or contribute to the child support owed by the noncustodial parent; or

(2) otherwise fulfill all financial obligations and meet all conditions imposed on the non÷custodial parent, such as participation in a work program or other related activity.

SEC. 1005. FOOD STAMP ELIGIBILITY.

Section 6(f) of the Food Stamp Act of 1977 (7 U.S.C. 2015(f)) is amended by striking the third sentence and inserting the following: "The State agency shall, at its option, consider either all income and financial resources of the individual rendered ineligible to participate in the food stamp program under this subsection, or such income, less a pro rata share, and the financial resources of the ineligible individual, to determine the eligibility and the value of the allotment of the household of which such individual is a member.".

SEC. 1006. ESTABLISHING NATIONAL GOALS TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) preventing out-of-wedlock teenage pregnancies, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

SEC. 1007. SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

SEC. 1008. SANCTIONING FOR TESTING POSITIVE FOR CONTROLLED SUBSTANCES.

Notwithstanding any other provision of law, States shall not be prohibited by the Federal Government from sanctioning welfare recipients who test positive for use of controlled substances.

SEC. 1009. ABSTINENCE EDUCATION.

Title V of the Social Security Act (42 U.S.C. 701–709) is amended by adding at the end the following new section:

"ABSTINENCE EDUCATION

"SEC. 510. (a) There are authorized to be appropriated $75,000,000 for the purposes of enabling the Secretary, through grants, contracts, or otherwise to provide for abstinence education, and at the option of the State, where appropriate, mentoring, counseling, and adult supervision to promote abstinence from sexual activity, with a focus on those groups which are most liekly to bear children out of wedlock.

"(b) For purposes of this section, the term 'abstinence education' means an educational or motivational program which—

"(1) has as its exclusive purpose, teaching the social, psychological, and health gains to be realized by abstaining from sexual activity;

"(2) teaches abstinence from sexual activity outside marriage as the expected standard for all school age children;

"(3) teaches that abstinence from sexual activity is the only certain way to avoid out-of-wedlock pregnancy, sexually transmitted diseases, and other associated health problems;

"(4) teaches that a mutually faithful monogamous relationship in context of marriage is the expected standard of human sexual activity;

"(5) teaches that sexual activity outside of the context of marriage is likely to have harmful psychological and physical effects;

"(6) teaches that bearing children out-of-wedlock is likely to have harmful consequences for the child, the child's parents, and society;

"(7) teaches young people how to reject sexual advances and how alcohol and drug use increases vulnerability to sexual advances; and

"(8) teaches the importance of attaining self-sufficiency before engaging in sexual activity.".

SEC. 1010. PROVISIONS TO ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1693b) is amended—

(1) by striking "(d) In the event" and inserting "(d) APPLICABILITY TO SERVICE PROVIDERS OTHER THAN CERTAIN FINANCIAL INSTITUTIONS.—

"(1) IN GENERAL.—In the event"; and

(2) by adding at the end the following new paragraph:

"(2) STATE AND LOCAL GOVERNMENT ELECTRONIC BENEFIT TRANSFER PROGRAMS.—

"(A) EXEMPTION GENERALLY.—The disclosures, protections, responsibilities, and remedies established under this title, and any regulation prescribed or order issued by the Board in accordance with this title, shall not apply to any electronic benefit transfer program established under State or local law or administered by a State or local government.

"(B) EXCEPTION FOR DIRECT DEPOSIT INTO RECIPIENT'S ACCOUNT.—Subparagraph (A) shall not apply with respect to any electronic funds transfer under an electronic benefit transfer program for deposits directly into a consumer account held by the recipient of the benefit.

"(C) RULE OF CONSTRUCTION.—No provision of this paragraph may be construed as—

"(i) affecting or altering the protections otherwise applicable with respect to benefits established by Federal, State, or local law; or

"(ii) otherwise superseding the application of any State or local law.

"(D) ELECTRONIC BENEFIT TRANSFER PROGRAM DEFINED.—For purposes of this paragraph, the term 'electronic benefit transfer program'—

"(i) means a program under which a government agency distributes needs-tested benefits by establishing accounts to be accessed by recipients electronically, such as through automated teller machines, or point-of-sale terminals; and

"(ii) does not include employment-related payments, including salaries and pension, retirement, or unemployment benefits established by Federal, State, or local governments.".

SEC. 1011. REDUCTION IN BLOCK GRANTS TO STATES FOR SOCIAL SERVICES.

Section 2003(c) of the Social Security Act (42 U.S.C. 1397b(c)) is amended—

(1) by striking "and" at the end of paragraph (4); and

(2) by striking paragraph (5) and inserting the following:

"(5) $2,800,000,000 for each of the fiscal years 1990 through 1996 and for each fiscal year after fiscal year 2002; and

"(6) $2,520,000,000 for each of the fiscal years 1997 through 2002.".

SEC. 1012. EFFICIENT USE OF FEDERAL TRANSPORTATION FUNDS.

The Secretary of Health and Human Services is encouraged to work in coordination with State agencies to ensure that Federal transportation funds that may be used for the benefit of persons receiving public assistance pursuant to this Act and the amendments made by this Act are most efficiently used for such purpose. The Secretary shall work with the individual States to develop criteria and measurements to report back to the Congress, within 3 years after the date of the enactment of this Act, the following:

(1) The use of competitive contracting or other market-oriented strategies to achieve efficiencies.

(2) The efficient use of all related transportation funds to support persons receiving assistance pursuant to this Act and the amendments made by this Act.

(3) The actual value derived from transportation services to achieve such purposes.

(4) The application of such analyses to other support services to achieve such purposes.

SEC. 1013. ENHANCED FEDERAL MATCH FOR CHILD WELFARE AUTOMATION EXPENSES.

(a) IN GENERAL.—Section 474(a)(3)(C) of the Social Security Act (42 U.S.C. 674(a)(3)(C)) is amended to read as follows:

"(C) 50 percent (or, if the quarter is in fiscal year 1997, 75 percent) of so much of such expenditures as are for the planning, design, development, or installation of statewide mechanized data collection and information retrieval systems (including 50 percent (or, if the quarter is in fiscal year 1997, 75 percent) of the full amount of expenditures for hardware components for such systems) but only to the extent that such systems—

"(i) meet the requirements imposed by regulations;

"(ii) to the extent practicable, are capable of interfacing with the State data collection system that collects information relating to child abuse and neglect;

"(iii) to the extent practicable, have the capability of interfacing with, and retrieving information from, the State data collection system that collects information relating to the eligibility of individuals under part A (for the purposes of facilitating verification of eligibility of foster children); and

"(iv) are determined by the Secretary to be likely to provide more efficient, economical, and effective administration of the programs carried out under a State plan approved under this part;".

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective on and after October 1, 1996.

Subtitle B—Earned Income Tax Credit

SEC. 1021. EARNED INCOME CREDIT AND OTHER TAX BENEFITS DENIED TO INDIVIDUALS FAILING TO PROVIDE TAXPAYER IDENTIFICATION NUMBERS.

(a) EARNED INCOME CREDIT.—

(1) IN GENERAL.—Section 32(c)(1) of the Internal Revenue Code of 1986 (relating to individuals eligible to claim the earned income credit) is amended by adding at the end the following new subparagraph:

"(F) IDENTIFICATION NUMBER REQUIREMENT.—The term 'eligible individual' does not include any individual who does not include on the return of tax for the taxable year—

"(i) such individual's taxpayer identification number, and

"(ii) if the individual is married (within the meaning of section 7703), the taxpayer identification number of such individual's spouse."

(2) SPECIAL IDENTIFICATION NUMBER.—Section 32 of such Code is amended by adding at the end the following new subsection:

"(l) IDENTIFICATION NUMBERS.—Solely for purposes of subsections (c)(1)(F) and (c)(3)(D), a taxpayer identification number means a social security number issued to an individual by the Social Security Administration (other than a social security number issued pursuant to subclause (II) (or that portion of subclause (III) that relates to subclause (II)) of section 205(c)(2)(B)(i) of the Social Security Act)."

(b) PERSONAL EXEMPTION.—

(1) IN GENERAL.—Section 151 of such Code (relating to allowance of deductions for personal exemptions) is amended by adding at the end the following new subsection:

"(e) INDENTIFYING INFORMATION REQUIRED.—No exemption shall be allowed under this section with respect to any individual unless the taxpayer identification number of such individual is included on the return claiming the exemption."

(2) CONFORMING AMENDMENTS.—

(A) Subsection (e) of section 6109 of such Code is repealed.

(B) Section 6724(d)(3) of such Code is amended by adding "and" at the end of subparagraph (C), by striking subparagraph (D), and by redesignating subparagraph (E) as subparagraph (D).

(c) DEPENDENT CARE CREDIT.—Subsection (e) of section 21 of such Code (relating to expenses for household and dependent care services necessary for gainful employment) is amended by adding at the end the following new paragraph:

"(10) IDENTIFYING INFORMATION REQUIRED WITH RESPECT TO QUALIFYING INDIVIDUALS.—No credit shall be allowed under this section with respect to any qualifying individual unless the taxpayer identification number of such individual is included on the return claiming the credit."

(d) EXTENSION OF PROCEDURES APPLICABLE TO MATHEMATICAL OR CLERICAL ERRORS.—Section 6213(g)(2) of such Code (relating to the definition of mathematical or clerical errors) is amended—

(1) by striking "and" at the end of subparagraph (D), and

(2) by striking the period at the end of subparagraph (E) and inserting a comma, and

(3) by adding at the end the following new subparagraphs:

"(F) an omission of a correct taxpayer identification number required under section 21 (relating to expenses for household and dependent care services necessary for gainful employment), section 32 (relating to the earned income credit) to be included on a return, or section 151 (relating to allowance of deductions for personal exemptions), and

"(G) an entry on a return claiming the credit under section 32 with respect to net earnings from self-employment described in section 32(c)(2)(A) to the extent the tax imposed by section 1401 (relating to self-employment tax) on such net earnings has not been paid."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to returns the due date for which (without regard to extensions) is more than 30 days after the date of the enactment of this Act.

SEC. 1022. RULES RELATING TO DENIAL OF EARNED INCOME CREDIT ON BASIS OF DISQUALIFIED INCOME.

(a) REDUCTION IN DISQUALIFIED INCOME THRESHOLD.—

(1) IN GENERAL.—Section 32(i)(1) of the Internal Revenue Code of 1986 (relating to denial of credit for individuals having excessive investment income) is amended by striking "$2,350" and inserting "$2,200".

(2) ADJUSTMENT FOR INFLATION.—Section 32(j) of such Code is amended to read as follows:

"(j) INFLATION ADJUSTMENTS.—

"(1) IN GENERAL.—In the case of any taxable year beginning after the applicable calendar year, each dollar amount referred to in paragraph (2)(B) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, except that subparagraph (B) thereof shall be applied by reference to the CPI for the calendar year preceding the applicable calendar year rather than the CPI for calendar year 1992.

"(2) DEFINITIONS, ETC.—For purposes of paragraph (1)—

"(A) APPLICABLE CALENDAR YEAR.—The term 'applicable calendar year' means—

"(i) 1994 in the case of the dollar amounts referred to in clause (i) of subparagraph (B), and

"(ii) 1996 in the case of the dollar amount referred to in clause (ii) of subparagraph (B).

"(B) DOLLAR AMOUNTS.—The dollar amounts referred to in this subparagraph are—

"(i) the dollar amounts contained in subsection (b)(2)(A), and

"(ii) the dollar amount contained in subsection (i)(1).

"(3) ROUNDING.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), if any dollar amount after being increased under paragraph (1) is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10 (or, if such dollar amount is a multiple of $5, such dollar amount shall be increased to the next higher multiple of $10).

"(B) DISQUALIFIED INCOME THRESHOLD AMOUNT.—If the dollar amount referred to in paragraph (2)(B)(ii) after being increased under paragraph (1) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50."

(b) DEFINITION OF DISQUALIFIED INCOME.—Paragraph (2) of section 32(i) of such Code (defining disqualified income) is amended by striking "and" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting a comma, and by adding at the end the following new subparagraphs:

"(D) the capital gain net income (as defined in section 1222) of the taxpayer for such taxable year, and

"(E) the excess (if any) of—

"(i) the aggregate income from all passive activities for the taxable year (determined without regard to any amount included in earned income under subsection (c)(2) or described in a preceding subparagraph), over

"(ii) the aggregate losses from all passive activities for the taxable year (as so determined).

For purposes of subparagraph (E), the term 'passive activity' has the meaning given such term by section 469."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 1023. MODIFICATION OF ADJUSTED GROSS INCOME DEFINITION FOR EARNED INCOME CREDIT.

(a) IN GENERAL.—Subsections (a)(2), (c)(1)(C), and (f)(2)(B) of section 32 of the Internal Revenue Code of 1986 are each amended by striking "adjusted gross income" and inserting "modified adjusted gross income".

(b) MODIFIED ADJUSTED GROSS INCOME DEFINED.—Section 32(c) of such Code (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

"(5) MODIFIED ADJUSTED GROSS INCOME.—

"(A) IN GENERAL.—The term 'modified adjusted gross income' means adjusted gross income—

"(i) determined without regard to the amounts described in subparagraph (B), and

"(ii) increased by

"(I) the amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax, and

"(II) amounts received as a pension or annuity, and any distributions or payments received from an individual retirement plan, by the taxpayer during the taxable year to the extent not included in gross income.

Clause (ii)(II) shall not include any amount which is not includible in gross income by reason of section 402(c), 403(a)(4), 403(b)(8), 408(d) (3), (4), or (5), or 457(e)(10).

"(B) CERTAIN AMOUNTS DISREGARDED.—An amount is described in this subparagraph if it is—

"(i) the amount of losses from sales or exchanges of capital assets in excess of gains from such sales or exchanges to the extent such amount does not exceed the amount under section 1211(b)(1),

"(ii) the net loss from estates and trusts,

"(iii) the excess (if any) of amounts described in subsection (i)(2)(C)(ii) over the amounts described in subsection (i)(2)(C)(i) (relating to nonbusiness rents and royalties), and

"(iv) the net loss from the carrying on of trades or businesses, computed separately with respect to—

"(I) trades or businesses (other than farming) conducted as sole proprietorships,

"(II) trades or businesses of farming conducted as sole proprietorships, and

"(III) other trades or businesses.

For purposes of clause (iv), there shall not be taken into account items which are attributable to a trade or business which consists of the performance of services by the taxpayer as an employee."

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

SEC. 1024. NOTICE OF AVAILABILITY REQUIRED TO BE PROVIDED TO APPLICANTS AND FORMER RECIPIENTS OF TEMPORARY ASSISTANCE FOR NEEDY FAMILIES, FOOD STAMPS, AND MEDICAID.

(a) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—Section 408(a), as added by section 103 of this Act, is amended by adding at the end the following:

"(16) NOTICE OF EITC AVAILABILITY.—A State to which a grant is made under section 403 shall provide written notice of the existence and availability of the earned income credit under section 32 of the Internal Revenue Code of 1986 to—

"(A) any individual who applies for assistance under the State program funded under this part, upon receipt of the application; and

"(B) any individual whose assistance under the State program is terminated, in the notice of termination of such assistance.".

(b) FOOD STAMPS.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24) by striking "and" at the end;

(2) in paragraph (25) by striking the period at the end and inserting "; and"; and

(3) by inserting after paragraph (25) the following:

"(26) that whenever a household applies for food stamp benefits, and whenever such benefits are terminated with respect to a household, the State agency shall provide to each member of such household notice of—

"(A) the existence of the earned income tax credit under section 32 of the Internal Revenue Code of 1986; and

"(B) the fact that such credit may be applicable to such member.".

(c) MEDICAID.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) by striking "and" at the end of paragraph (61);

(2) by striking the period at the end of paragraph (62) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(63) provide that the State shall provide notice of the existence and availability of the earned income tax credit under section 32 of the Internal Revenue Code of 1986 to each individual applying for medical assistance under the State plan and to each individual whose eligibility for medical assistance under the State plan is terminated.".

SEC. 1025. NOTICE OF AVAILABILITY OF EARNED INCOME TAX CREDIT AND DEPENDENT CARE TAX CREDIT TO BE INCLUDED ON W–4 FORM.

Section 11114 of the Omnibus Budget Reconciliation Act of 1990 (26 U.S.C. 21 note), relating to program to increase public awareness, is amended by adding at the end the following new sentence: "Such means shall include printing a notice of the availability of such credits on the forms used by employees to determine the proper number of withholding exemptions under chapter 24 of the Internal Revenue Code of 1986.".

SEC. 1026. ADVANCE PAYMENT OF EARNED INCOME TAX CREDIT THROUGH STATE DEMONSTRATION PROGRAMS.

(a) IN GENERAL.—Section 3507 of the Internal Revenue Code of 1986 (relating to the advance payment of the earned income tax credit) is amended by adding at the end the following:

"(g) STATE DEMONSTRATIONS.—

"(1) IN GENERAL.—In lieu of receiving earned income advance amounts from an employer under subsection (a), a participating resident shall receive advance earned income payments from a responsible State agency pursuant to a State Advance Payment Program that is designated pursuant to paragraph (2).

"(2) DESIGNATIONS.—

"(A) IN GENERAL.—From among the States submitting proposals satisfying the requirements of subsection (g)(3), the Secretary (in consultation with the Secretary of Health and Human Services) may designate not more than 4 State Advance Payment Demonstrations. States selected for the demonstrations may have, in the aggregate, no more than 5 percent of the total number of household participating in the program under the Food Stamp program in the immediately preceding fiscal year, Administrative costs of a State in conducting a demonstration under this section may be included for matching under section 403(a) of the Social Security Act and section 16(a) of the Food Stamp Act of 1977.

"(B) WHEN DESIGNATION MAY BE MADE.—Any designation under this paragraph shall be made no later than December 31, 1995.

"(C) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

"(i) IN GENERAL.—Designations made under this paragraph shall be effective for advance earned income payments made after December 31, 1995, and before January 1, 1999.

"(ii) SPECIAL RULES.—

"(I) REVOCATION OF DESIGNATIONS.—The Secretary may revoke the designation under this paragraph if the Secretary determines that the State is not complying substantially with the proposal described in paragraph (3) submitted by the State.

"(II) AUTOMATIC TERMINATION OF DESIGNATIONS.—Any failure by a State to comply with the reporting requirements described in paragraphs (3)(F) and (3)(G) has the effect of immediately terminating the designation under this paragraph (2) and rendering paragraph (5)(A)(ii) inapplicable to subsequent payments.

"(3) PROPOSALS.—No State may be designated under subsection (g)(2) unless the State's proposal for such designation—

"(A) identifies the responsible State agency,

"(B) describes how and when the advance earned income payments will be made by that agency, including a description of any other State or Federal benefits with which such payments will be coordinated,

"(C) describes how the State will obtain the information on which the amount of advance earned income payments made to each participating resident will be determined in accordance with paragraph (4),

"(D) describes how State residents who will be eligible to receive advance earned income payments will be selected, notified of the opportunity to receive advance earned income payments from the responsible State agency, and given the opportunity to elect to participate in the program,

"(E) describes how the State will verify, in addition to receiving the certifications and statement described in paragraph (7)(D)(iv), the eligibility of participating residents for the earned tax credit,

"(F) commits the State to furnishing to each participating resident and to the Secretary by January 31 of each year a written statement showing—

"(i) the name and taxpayer identification number of the participating resident, and

"(ii) the total amount of advance earned income payments made to the participating resident during the prior calendar year, "(G) commits the State to furnishing to the Secretary by December 1 of each year a written statement showing the name and taxpayer identification number of each participating resident,

"(H) commits the State to treat the advanced earned income payments as described in subsection (g)(5) and any repayments of excessive advance earned income payments as described in subsection (g)(6),

"(I) commits the State to assess the development and implementation of its State Advance Payment Program, including an agreement to share its findings and lessons with other interested States in a manner to be described by the Secretary, and

"(J) is submitted to the Secretary on or before June 30, 1995.

"(4) AMOUNT AND TIMING OF ADVANCE EARNED INCOME PAYMENTS.—

"(A) AMOUNT.—

"(i) IN GENERAL.—The method for determining the amount of advance earned income payments made to each participating resident is to conform to the full extent possible with the provisions of subsection (c).

"(ii) SPECIAL RULE.—A State may, at its election, apply the rules of subsection (c)(2)(B) by substituting 'between 60 percent and 75 percent of the credit percentage in effect under section 32(b)(1) for an individual with the corresponding number of qualifying children' for '60 percent of the credit percentage in effect under section 32(b)(1) for such an eligible individual with 1 qualifying child' in clause (i) and 'the same percentage (as applied in clause (i))' for '60 percent' in clause (ii).

"(B) TIMING.—The frequency of advance earned income payments may be made on the basis of the payroll periods of participating residents, on a single statewide schedule, or on any other reasonable basis prescribed by the State in its proposal; however, in no event may advance earned income payments be made to any participating resident less frequently than on a calendar-quarter basis.

"(5) PAYMENTS TO BE TREATED AS PAYMENTS OF WITHHOLDING AND FICA TAXES.—

"(A) IN GENERAL.—For purposes of this title, advance earned income payments during any calendar quarter—

"(i) shall neither be treated as a payment of compensation nor be included in gross income, and

"(ii) shall be treated as made out of—

"(I) amounts required to be deducted by the State and withheld for the calendar quarter by the State under section 3401 (relating to wage withholding), and

"(II) amounts required to be deducted for the calendar quarter under section 3102 (relating to FICA employee taxes), and

"(III) amounts of the taxes imposed on the State for the calendar quarter under section 3111 (relating to FICA employer taxes),

as if the State had paid to the Secretary, on the day on which payments are made to participating residents, an amount equal to such payments.

"(B) ADVANCE PAYMENTS EXCEED TAXES DUE.—If for any calendar quarter the aggregate amount of advance earned income payments made by the responsible State agency under a State Advance Payment Program exceeds the sum of the amounts referred to in subparagraph (A)(ii) (without regard to paragraph (6)(A)), each such advance earned income payment shall be reduced by an amount which bears the same ratio to such excess as such advance earned income payment bears to the aggregate amount of all such advance earned income payments.

"(6) STATE REPAYMENT OF EXCESSIVE ADVANCE EARNED INCOME PAYMENTS.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, in the case of an excessive advance earned income payment a State shall be treated as having deducted and withheld under section 3401 (relating to wage withholding), and therefore is required to pay to the United States, the repayment amount during the repayment calendar quarter.

"(B) EXCESSIVE ADVANCE EARNED INCOME PAYMENT.—For purposes of this section, an excessive advance income payment is that portion of any advance earned income payment that, when combined with other advance earned income payments previously made to the same participating resident during the same calendar year, exceeds the amount of earned income tax credit to which that participating resident is entitled under section 32 for that year.

"(C) REPAYMENT AMOUNT.—The repayment amount is equal to 50 percent of the excess of—

"(i) excessive advance earned income payments made by a State during a particular calendar year, over

"(ii) the sum of—

"(I) 4 percent of all advance earned income payments made by the State during that calendar year, and

"(II) the excessive advance earned income payments made by the State during that calendar year that have been collected from participating residents by the Secretary.

"(D) REPAYMENT CALENDAR QUARTER.—The repayment calendar quarter is the second calendar quarter of the third calendar year after the calendar year in which an excessive earned income payment is made.

"(7) DEFINITIONS.—For purposes of this section—

"(A) STATE ADVANCE PAYMENT PROGRAM.—The term 'State Advance Payment Program' means the program described in a proposal submitted for designation under paragraph (1) and designated by the Secretary under paragraph (2).

"(B) RESPONSIBLE STATE AGENCY.—The term 'responsible State agency' means the single State agency that will be making the advance earned income payments to residents of the State who elect to participate in a State Advance Payment Program.

"(C) ADVANCE EARNED INCOME PAYMENTS.—The term 'advance earned income payments' means an amount paid by a responsible State agency to residents of the State pursuant to a State Advance Payment Program.

"(D) PARTICIPATING RESIDENT.—The term 'participating resident' means an individual who—

"(i) is a resident of a State that has in effect a designated State Advance Payment Program,

"(ii) makes the election described in paragraph (3)(C) pursuant to guidelines prescribed by the State,

"(iii) certifies to the State the number of qualifying children the individual has, and

"(iv) provides to the State the certifications and statement set forth in subsections (b)(1), (b)(2), (b)(3), and (b)(4) (except that for purposes of this clause (iv), the term 'any employer' shall be substituted for 'another employer' in subsection (b)(3)), along with any other information required by the State.".

(b) TECHNICAL ASSISTANCE.—The Secretaries of Treasury and Health and Human Services shall jointly ensure that technical assistance is provided to State Advance Payment Programs and that these programs are rigorously evaluated.

(c) ANNUAL REPORTS.—The Secretary shall issue annual reports detailing the extent to which—

(1) residents participate in the State Advance Payment Programs,

(2) participating residents file Federal and State tax returns,

(3) participating residents report accurately the amount of the advance earned income payments made to them by the responsible State agency during the year, and

(4) recipients of excessive advance earned income payments repaid those amounts.

The report shall also contain an estimate of the amount of advance earned income payments made by each responsible State agency but not reported on the tax returns of a participating resident and the amount of excessive advance earned income payments.

(d) AUTHORIZATION OF APPROPRIATIONS.—For purposes of providing technical assistance described in subsection (b), preparing the reports described in subsection (c), and providing grants to States in support of designated State Advance Payment Programs, there are authorized to be appropriated in advance to the Secretary of the Treasury and the Secretary of Health and Human Services a total of $1,400,000 for fiscal years 1996 through 1999.

KERRY AMENDMENT NO. 4913

(Ordered to lie on the table.)

Mr. KERRY submitted an amendment intended to be proposed by him to the bill, S. 1956, supra; as follows:

Section 413 of the Social Security Act, as added by section 2103, is amended by adding at the end thereof the following new subsection:

"(h) CHILD POVERTY RATES.—

"(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this part, and annually thereafter, the chief executive officer of a State shall submit to the Secretary a statement of the child poverty rate in the State as of such date of enactment or the date of such subsequent statements. Such subsequent statements shall include the change in such rate from the previous statement, if any.

"(2) INCREASE IN RATE.—

"(A) IN GENERAL.—With respect to a State that submits a statement under paragraph (1) that indicates an increase of 5 percent or more in the child poverty rate of the State from the previous statement the State shall, not later than 90 days after the date of such statement, prepare and submit to the Secretary a corrective action plan in accordance with paragraph (3).

"(3) CORRECTIVE ACTION PLAN.—

"(A) IN GENERAL.—A corrective action plan submitted under paragraph (2) shall outline that manner in which the State will reduce the child poverty rate within the State. The plan shall include a description of the actions to be taken by the State under such plan.

"(B) CONSULTATION ABOUT MODIFICATIONS.—During the 60-day period that begins with the date the Secretary receives the corrective action plan of a State under subparagraph (A), the Secretary may consult with the State on modifications to the plan.

"(C) ACCEPTANCE OF PLAN.—A corrective action plan submitted by a State in accordance with subparagraph (A) is deemed to be accepted by the Secretary if the Secretary does not accept or reject the plan during 60-day period that begins on the date the plan is submitted.

"(4) COMPLIANCE WITH PLAN.—

"(A) IN GENERAL.—A State that submits a corrective action plan under this subsection shall continue to implement such plan until such time as the Secretary makes the determination described in subparagraph (B).

"(B) DETERMINATION.—A determination described in this subparagraph is a determination that the child poverty rate for the State involved has fallen to, and not exceeded for a period of 2-consecutive years, a rate that is not greater than the rate contained in the most recent statement submitted by the State under paragraph (1) which did not trigger the application of paragraph (2).

"(C) LABOR SURPLUS AREA.—With respect to a State that submits a corrective action plan under paragraph (2)(B), such plan shall continue to be implemented until the area involved is no longer designated as a Labor Surplus Area.

"(5) METHODOLOGY.—The Secretary shall promulgate regulations establishing the methodology by which a State shall determine the child poverty rate within such State. Such methodology shall, with respect to a State, take into account factors including the number of children who receive free or reduced-price lunches, the number of food stamp households, and the county by county estimates of children in poverty as determined by the Census Bureau.

FRIST (AND OTHERS) AMENDMENT NO. 4914

Mr. FRIST (for himself, Mr. ABRAHAM, Mr. SANTORUM, Mrs. HUTCHISON, Mr. BOND, and Mr. THOMPSON) proposed an amendment to the bill, S. 1956, supra; as follows:

At the appropriate place, add the following new section:

SEC. . SENSE OF CONGRESS.

(a) FINDINGS.—Congress finds that—

(1) the Secretary of Health and Human Services has not approved in a timely manner, State waiver requests for programs carried out under part A of title IV of the Social Security Act or other Federal law providing needs-based or income-based benefits (referred to in this resolution as "welfare reform programs");

(2) valuable time is running out for these states which need to obtain the waivers in order to implement the changes as planned;

(3) across the country there are 16 States, with 22 waiver requests for welfare reform programs, awaiting approval of the requests by the Secretary of Health and Human Services;

(4) on July 21, 1995, in Burlington, Vermont, President Clinton promised the Governors that the Secretary of Health and Human Services would approve their waiver requests within 30 days; and

(5) despite the President's promise, the average delay in approving such a waiver request is currently 210 days and some of the waiver requests have been pending since 1994.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the President should ensure that the Secretary of Health and Human Services approves the following waiver requests for Georgia—Jobs First Project, submitted 7/5/94; Georgia—Fraud Detection Project, submitted 7/1/96; Indiana—Impacting Families Welfare Reform Demonstration, submitted 12/14/95; Kansas—Actively Creating Tomorrow for Families Demonstration, submitted 7/26/94; Michigan—To Strengthen Michigan Families, submitted 6/27/96; Minnesota—Work First Program, submitted 4/4/96; Minnesota—AFDC Barrier Removal Project, submitted 4/4/96; New York—Learnfare Program, submitted 5/31/96; New York—Intentional Program Violation Demonstration, submitted 5/31/96; Oklahoma—Welfare Self-Sufficiency Initiative, submitted 10/27/95; Pennsylvania—School Attendance Improvement Program, submitted 9/12/94; Pennsylvania—Savings for Education Program, submitted 12/29/94; Tennessee—Families First, submitted 4/30/96; Utah—Single Parent Employment Demonstration, submitted 7/2/96; Virginia—Virginia Independence Program, submitted 5/24/96; Wisconsin—Work Not Welfare and Pay for Performance, submitted 5/29/96; And Wyoming—New Opportunities and New Responsibilities—Phase II, submitted 5/13/96.

HARKIN (AND COATS) AMENDMENT NO. 4915

Mr. HARKIN (for himself and Mr. COATS) proposed an amendment to the bill, S. 1956, supra; as follows:

Section 408 of the Social Security Act, as added by section 2103, is amended by adding at the end thereof the following new subsection:

"(d) STATE REQUIRED TO ENTER INTO A PERSONAL RESPONSIBILITY AGREEMENT WITH EACH FAMILY RECEIVING ASSISTANCE.—

"(1) IN GENERAL.—Each State to which a grant is made under section 403 shall require each family receiving assistance under the State program funded under this part to enter into a personal responsibility agreement (as developed by the State) with the State.

"(2) PERSONAL RESPONSIBILITY AGREEMENT.—For purposes of this subsection, the term 'personal responsibility agreement' means a binding contract between the State and each family receiving assistance under the State program funded under this part that—

"(A) contains a statement that public assistance is not intended to be a way of life, but is intended as temporary assistance to help the family achieve self-sufficiency and personal independence;

"(B) outlines the steps each family and the State will take to get the family off of welfare and to become self-sufficient, including an employment goal for the individual and a plan for promptly moving the individual into paid employment;

"(C) specifies a negotiated time-limited period of eligibility for receipt of assistance that is consistent with unique family circumstances and is based on a reasonable plan to facilitate the transition of the family to self-sufficiency;

"(D) provides for the imposition of sanctions if the individual refuses to sign the agreement or does not comply with the terms of the agreement, which may include loss or reduction of cash benefits;

"(E) provides that the contract shall be invalid if the State agency fails to comply with the contract; and

"(F) provides that the individual agrees not to abuse illegal drugs or other substances that would interfere with the ability of the individual to become self-sufficient, or provide for a referral for substance abuse treatment if necessary to increase the employability of the individual.

"(3) ASSESSMENT.—The State agency shall provide, through a case manager, an initial and thorough assessment of the skills, prior work experience, and employability of each parent for use in developing and negotiating a personal responsibility contract.

"(4) DISPUTE RESOLUTION.—The State agency shall establish a dispute resolution procedure for disputes related to participation in the personal responsibility contract that provides the opportunity for a hearing.

HARKIN AMENDMENT NO. 4916

Mr. HARKIN proposed an amendment to the bill, S. 1956, supra; as follows:

Strike section 1253.

ASHCROFT AMENDMENT NO. 4917

Mr. SANTORUM (for Mr. ASHCROFT) proposed an amendment to the bill, S. 1956, supra; as follows:

At the appropriate place in chapter 9 of subtitle A, insert the following:

SEC. ___. SANCTIONS FOR FAILING TO ENSURE THAT MINOR CHILDREN ARE IMMUNIZED.

(a) TANF.—

(1) IN GENERAL.—Notwithstanding any other provision of law, a State shall not be prohibited by the Federal Government from sanctioning a recipient of assistance under a State program funded under part A of title IV of the Social Security Act for failing to provide verification that such recipient's minor children have received appropriate immunizations against contagious diseases as required by the law of such State.

(2) EXCEPTION.—In the event that a State requires verification of immunizations, paragraph (1) shall not apply to a caretaker described in such paragraph who relies solely or partially upon spiritual means rather than medical treatment, in accordance with the religious beliefs of such caretaker.

(b) FOOD STAMPS.—

(1) IN GENERAL.—A caretaker recipient of assistance or benefits under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, shall provide verification that any dependent minor child residing in such recipient's household has received appropriate immunizations against contagious diseases as required by the law of the State in which the recipient resides.

(2) EXCEPTION.—Paragraph (1) shall not apply to a caretaker described in such paragraph who relies solely or partially upon spiritual means rather than medical treatment, in accordance with the religious beliefs of such caretaker.

(3) INDIVIDUAL PENALTIES.—The failure of a caretaker described in paragraph (1) to comply with the requirement of such paragraph within the 6-month period beginning with the month that includes the date that the caretaker first receives benefits under the food stamp program shall result in a 20 percent reduction in the monthly amount of benefits paid under such program to such caretaker for each month beginning after such period, until the caretaker complies with the requirement of paragraph (1).

(c) SSI.—

(1) IN GENERAL.—A caretaker of a minor child who receives, on their own behalf or on behalf of such child, payments under the supplemental security income program under title XVI of the Social Security Act (42 U.S.C. 1681 et seq.) shall provide verification that the child has received appropriate immunizations against contagious diseases as required by the law of the State in which the child resides.

(2) EXCEPTION.—Paragraph (1) shall not apply to a caretaker described in such paragraph who relies solely or partially upon spiritual means rather than medical treatment, in accordance with the religious beliefs of such caretaker.

(3) INDIVIDUAL PENALTIES.—The failure of a caretaker described in paragraph (1) to comply with the requirement of such paragraph within the 6-month period beginning with the month that includes the date that the caretaker first receives, on their own behalf or own behalf of such child, payments under the supplemental security income program shall result in a 20 percent reduction in the monthly amount of each payment made under such program on behalf of the caretaker or such child for each month beginning after such period, until the caretaker complies with the requirement of paragraph (1).

WELLSTONE (AND SIMON) AMENDMENT NO. 4918

Mr. WELLSTONE (for himself and Mr. SIMON) proposed an amendment to the bill, S. 1956, supra; as follows:

At the appropriate place insert the following:

"IMPOVERISHED CHILDREN PROVISION.—

"(A) REPORT BY THE SECRETARY, ACCOMPANIED BY LEGISLATIVE PROPOSAL.—The Secretary of Health and Human Services shall develop data and, by January 30, 1999, shall report to Congress with respect to whether the National child poverty rate for Fiscal Year 1998 is higher than it would have been had this Act not been implemented. If the Secretary determines that this rate has increased and that such increase is attributable to the implementation of provisions of this Act, then such report shall contain the Secretary's recommendations for legislation to halt this increase. The Secretary's report shall be made public and shall be accompanied by a legislative proposal in the form of a bill reflecting said recommendations.

"(B) CONGRESSIONAL ACTION.—

"(1) The bill described in (A) shall be introduced in each House of Congress by the Majority Leader or his designee upon submission and shall be referred to the committee or committees with jurisdiction in each House.

"(2) DISCHARGE.—If any committee to which is referred a bill described in paragraph (1) has not reported such bill at the end of 20 calendar days after referral, such committee shall be discharged from further consideration of such bill, and such bill shall be placed on the appropriate calendar of the House involved.

"(3) FLOOR CONSIDERATION.—Any bill described in paragraph (1) placed on the calendar as a result of a committee's report or the provisions of paragraph (2) shall become the pending business of the House involved within 60 days after it has been placed on the calendar of such House, unless such House shall otherwise determine."

WELLSTONE (AND MURRAY) AMENDMENT NO. 4919

Mr. WELLSTONE (for himself and Mrs. MURRAY) proposed an amendment to the bill, S. 1956, supra; as follows:

At the end of section 402(a) of the Social Security Act, as added by section 2103(a)(1), add the following:

"(7) CERTIFICATION OF STANDARDS AND PROCEDURES TO ENSURE THAT THE STATE WILL SCREEN FOR AND IDENTIFY DOMESTIC VIOLENCE.—

"(A) IN GENERAL.—A certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to—

"(i) screen and identify individuals receiving assistance under this part with a history of domestic violence while maintaining the confidentiality of such individuals;

"(ii) refer such individuals to counseling and supportive services; and

"(iii) waive, pursuant to a determination of good cause, other program requirements such as time limits (for so long as necessary) for individuals receiving assistance, residency requirements, child support cooperation requirements, and family cap provisions, in cases where compliance with such requirements would make it more difficult for individuals receiving assistance under this part to escape domestic violence or unfairly penalize such individuals who are or have been victimized by such violence, or individuals who are at risk of further domestic violence.

"(B) DOMESTIC VIOLENCE DEFINED.—For purposes of this paragraph, the term 'domestic violence' has the same meaning as the term 'battered or subjected to extreme cruelty', as defined in section 408(a)(8)(C)(iii).

"(8) CERTIFICATION REGARDING ELIGIBILITY OF INDIVIDUAL WHO HAS BEEN BATTERED OR SUBJECTED TO EXTREME CRUELTY.—A certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to ensure that in the case of an individual who has been battered or subjected to extreme cruelty, as determined under section 408(a)(8)(C)(iii), the State will determine the eligibility of such individual for assistance under this part based solely on such individual's income.

DEWINE AMENDMENT NO. 4920

Mr. DEWINE proposed an amendment to the bill, S. 1956, supra; as follows:

At the end of chapter 7 of subtitle A of title II, add the following:

SECTION 2703. CLARIFICATION OF REASONABLE EFFORTS REQUIREMENT BEFORE PLACEMENT IN FOSTER CARE.

(a) IN GENERAL.—Section 471(a)(15) of the Social Security Act (42 U.S.C. 671(a)(15)) is amended to read as follows:

"(15) provides that, in each case—

"(A) reasonable efforts will be made—

"(i) prior to the placement of the child in foster care, to prevent or eliminate the need for removing the child from the child's home; and

"(ii) to make it possible for the child to return home; and

"(B) in determining reasonable efforts, the best interests of the child, including the child's health and safety, shall be of primary concern;".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by subsection (a) shall be effective on the date of the enactment of this Act.

(2) EXCEPTION.—In the case of a State plan for foster care and adoption assistance under part E of title IV of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirement imposed by the amendment made by subsection (a), such plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet this additional requirement before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

GRAHAM (AND OTHERS) AMENDMENT NO. 4921

Mr. GRAHAM (for himself, Mrs. FEINSTEIN, Mr. SIMON, Mrs. MURRAY, and Mrs. BOXER) proposed an amendment to the bill, S. 1956, supra; as follows:

Beginning on page 562 strike line 5 through the end of line 23 on page 567.

Beginning on page 567 strike line 14 through the end of page 582 line 2.

Beginning on page 585 line 13 strike an through the end of line 25 on page 587.

DODD (AND OTHERS) AMENDMENT NO. 4922

Mr. DODD (for himself, Ms. SNOWE, Mr. KENNEDY, Ms. MIKULSKI, Mr. HARKIN, Mr. KOHL Mr. KERRY, Mrs. MURRAY, Mr. KERREY, Mr. COHEN, Mr. REID, and Mr. LEAHY) proposed an amendment to the bill, S. 1956, supra; as follows:

In the amendment made by section 2807, strike "3" and insert "4".

FAIRCLOTH AMENDMENT NO. 4923

Mr. ROTH (for Mr. FAIRCLOTH) proposed an amendment to the bill, S. 1956, supra; as follows:

On page 239, between lines 21 and 22, insert the following:

"(i) ENCOURAGEMENT TO PROVIDE CHILD CARE SERVICES.—An individual participating in a State community service program may be treated as being engaged in work under subsection (c) if such individual provides child care services to other individuals participating in the community service program in the manner, and for the period of time each week, determined appropriate by the State.

COATS AMENDMENT NO. 4924

Mr. ROTH (for Mr. COATS) proposed an amendment to the bill, S. 1956, supra; as follows:

On page 221, between lines 20 and 21, insert the following new subsection:

"(h) USE OF FUNDS FOR INDIVIDUAL DEVELOPMENT ACCOUNTS.—

"(1) IN GENERAL.—A State operating a program funded under this part may use amounts received under a grant under section 403 to carry out a program to fund individual development accounts (as defined in paragraph (2)) established by individuals eligible for assistance under the State program under this part.

"(2) INDIVIDUAL DEVELOPMENT ACCOUNTS.—

"(A) ESTABLISHMENT.—Under a State program carried out under paragraph (1), an individual development account may be established by or on behalf of an individual eligible for assistance under the State program operated under this part for the purpose of enabling the individual to accumulate funds for a qualified purpose described in subparagraph (B).

"(B) QUALIFIED PURPOSE.—A qualified purpose described in this subparagraph is 1 or more of the following, as provided by the qualified entity providing assistance to the individual under this subsection:

"(i) POSTSECONDARY EDUCATIONAL EXPENSES.—Postsecondary educational expenses paid from an individual development account directly to an eligible educational institution.

"(ii) FIRST-HOME PURCHASE.—Qualified acquisition costs with respect to a qualified principal residence for a qualified first-time homebuyer, if paid from an individual development account directly to the persons to whom the amounts are due.

"(iii) BUSINESS CAPITALIZATION.—Amounts paid from an individual development account directly to a business capitalization account which is established in a federally insured financial institution and is restricted to use solely for qualified business capitalization expenses.

"(C) CONTRIBUTIONS TO BE FROM EARNED INCOME.—An individual may only contribute to an individual development account such amounts as are derived from earned income, as defined in section 911(d)(2) of the Internal Revenue Code of 1986.

"(D) WITHDRAWAL OF FUNDS.—The Secretary shall establish such regulations as may be necessary to ensure that funds held in an individual development account are not withdrawn except for 1 or more of the qualified purposes described in subparagraph (B).

"(3) REQUIREMENTS.—

"(A) IN GENERAL.—An individual development account established under this subsection shall be a trust created or organized in the United States and funded through periodic contributions by the establishing individual and matched by or through a qualified entity for a qualified purpose (as described in paragraph (2)(B)).

"(B) QUALIFIED ENTITY.—For purposes of this subsection, the term 'qualified entity' means either—

"(i) a not-for-profit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; or

"(ii) a State or local government agency acting in cooperation with an organization described in clause (i).

"(4) NO REDUCTION IN BENEFITS.—Notwithstanding any other provision of Federal law (other than the Internal Revenue Code of 1986) that requires consideration of 1 or more financial circumstances of an individual, for the purpose of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such law to be provided to or for the benefit of such individual, funds (including interest accruing) in an individual development account under this subsection shall be disregarded for such purpose with respect to any period during which such individual maintains or makes contributions into such an account.

"(5) DEFINITIONS.—For purposes of this subsection—

"(A) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means the following:

"(i) An institution described in section 481(a)(1) or 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)(1) or 1141(a)), as such sections are in effect on the date of the enactment of this subsection.

"(ii) An area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this subsection.

"(B) POST-SECONDARY EDUCATIONAL EXPENSES.—The term 'post-secondary educational expenses' means—

"(i) tuition and fees required for the enrollment or attendance of a student at an eligible educational institution, and

"(ii) fees, books, supplies, and equipment required for courses of instruction at an eligible educational institution.

"(C) QUALIFIED ACQUISITION COSTS.—The term 'qualified acquisition costs' means the costs of acquiring, constructing, or reconstructing a residence. The term includes any usual or reasonable settlement, financing, or other closing costs.

"(D) QUALIFIED BUSINESS.—The term 'qualified business' means any business that does not contravene any law or public policy (as determined by the Secretary).

"(E) QUALIFIED BUSINESS CAPITALIZATION EXPENSES.—The term 'qualified business capitalization expenses' means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

"(F) QUALIFIED EXPENDITURES.—The term 'qualified expenditures' means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

"(G) QUALIFIED FIRST-TIME HOMEBUYER.—

"(i) IN GENERAL.—The term 'qualified first-time homebuyer' means a taxpayer (and, if married, the taxpayer's spouse) who has no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence to which this subsection applies.

"(ii) DATE OF ACQUISITION.—The term 'date of acquisition' means the date on which a binding contract to acquire, construct, or reconstruct the principal residence to which this subparagraph applies is entered into.

"(H) QUALIFIED PLAN.—The term 'qualified plan' means a business plan which—

"(i) is approved by a financial institution, or by a nonprofit loan fund having demonstrated fiduciary integrity,

"(ii) includes a description of services or goods to be sold, a marketing plan, and projected financial statements, and

"(iii) may require the eligible individual to obtain the assistance of an experienced entrepreneurial advisor.

"(I) QUALIFIED PRINCIPAL RESIDENCE.—The term 'qualified principal residence' means a principal residence (within the meaning of section 1034 of the Internal Revenue Code of 1986), the qualified acquisition costs of which do not exceed 100 percent of the average area purchase price applicable to such residence (determined in accordance with paragraphs (2) and (3) of section 143(e) of such Code).

ABRAHAM AMENDMENT NO. 4925

Mr. ROTH (for Mr. ABRAHAM) proposed an amendment to the bill, S. 1956, supra; as follows:

Beginning on page 202, line 20, strike "a grant" and all that follows through line 13 on page 203, and insert the following: "an illegitimacy reduction bonus if—

"(i) the State demonstrates that the number of out-of-wedlock births that occurred in the State during the most recent 2-year period for which such information is available decreased as compared to the number of such births that occurred during the previous 2-year period; and

"(ii) the rate of induced pregnancy terminations in the State for the fiscal year is less than the rate of induced pregnancy terminations in the State for fiscal year 1995.

"(B) PARTICIPATION IN ILLEGITIMACY BONUS.—A State that demonstrates a decrease under subparagraph (A)(i) shall be eligible for a grant under paragraph (5).

On page 203, line 19, strike "(B)" and insert "(C)".

On page 204, line 7, strike "(C)" and insert "(D)".

On page 204, lines 13 and 14, strike "for fiscal year 1995" and insert "the preceding 2 fiscal years".

On page 214, between lines 10 and 11, insert the following:

"(5) BONUS TO REWARD DECREASE IN ILLEGITIMACY.—

"(A) IN GENERAL.—The Secretary shall make a grant pursuant to this paragraph to each State determined eligible under paragraph (2)(B) for each bonus year for which the State demonstrates a net decrease in out-of-wedlock births.

"(B) AMOUNT OF GRANT.—

"(i) IN GENERAL.—Subject to this subparagraph, the Secretary shall determine the amount of the grant payable under this paragraph to a low illegitimacy State for a bonus year.

"(ii) TOP FIVE STATES.—With respect to States determined eligible under paragraph (2)(B) for a fiscal year, the Secretary shall determine which five of such States demonstrated the greatest decrease in out-of-wedlock births under such paragraph for the period involved. Each of such five States shall receive a grant of equal amount under this paragraph for such fiscal year but such amount shall not exceed $20,000,000 for any single State.

"(iii) LESS THAN FIVE STATES.—With respect to a fiscal year, if the Secretary determines that there are less than five States eligible under paragraph (2)(B) for a fiscal year, the grants under this paragraph shall be awarded to each such State in an equal amount but such amount shall not exceed $25,000,000 for any single State.

"(C) BONUS YEAR.—The term 'bonus year' means fiscal years 1999, 2000, 2001, 2002, and 2003.

"(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1999 through 2003, such sums as are necessary for grants under this paragraph.

THE CHILD ABUSE PREVENTION AND TREATMENT ACT AMENDMENTS OF 1996

COATS AMENDMENT NO. 4926

Mr. ROTH (for Mr. COATS) proposed an amendment to the bill (S. 919) to modify and reauthorize the Child Abuse Prevention and Treatment Act, and for other purposes; as follows:

Beginning on page 83, strike line 6 and all that follows through line 10 on page 86, and insert the following:

"(b) ELIGIBILITY REQUIREMENTS.—

"(1) IN GENERAL.—In order for a State to qualify for a grant under subsection (a), such State shall provide an assurance or certification, signed by the chief executive officer of the State, that the State—

"(A) has in effect and operation a State law or Statewide program relating to child abuse and neglect which ensures—

"(i) provisions or procedures for the reporting of known and suspected instances of child abuse and neglect;

"(ii) procedures for the immediate screening, safety assessment, and prompt investigation of such reports;

"(iii) procedures for immediate steps to be taken to ensure and protect the safety of the abused or neglected child and of any other child under the same care who may also be in danger of abuse or neglect;

"(iv) provisions for immunity from prosecution under State and local laws and regulations for individuals making good faith reports of suspected or known instances of child abuse or neglect;

"(v) methods to preserve the confidentiality of all records in order to protect the rights of the child and of the child's parents or guardians, including requirements ensuring that reports and records made and maintained pursuant to the purposes of this Act shall only be made available to—

"(I) individuals who are the subject of the report;

"(II) Federal, State, or local government entities, or any agent of such entities, having a need for such information in order to carry out its responsibilities under law to protect children from abuse and neglect;

"(III) child abuse citizen review panels;

"(IV) child fatality review panels;

"(V) a grant jury or court, upon a finding that information in the record is necessary for the determination of an issue before the court or grant jury; and

"(VI) other entities or classes of individuals statutorily authorized by the State to receive such information pursuant to a legitimate State purpose;

"(vi) provisions which allow for public disclosure of the findings or information about the case of child abuse or neglect which has resulted in a child fatality or near fatality;

"(vii) the cooperation of State law enforcement officials, court of competent jurisdiction, and appropriate State agencies providing human services;

"(viii) provisions requiring, and procedures in place that facilitate the prompt expungement of any records that are accessible to the general public or are used for purposes of employment or other background checks in cases determined to be unsubstantiated or false, except that nothing in this section shall prevent State child protective service agencies from keeping information on unsubstantiated reports in their casework files to assist in future risk and safety assessment; and

"(ix) provisions and procedures requiring that in every case involving an abused or neglected child which results in a judicial proceeding, a guardian ad litem shall be appointed to represent the child in such proceedings; and

"(B) has in place procedures for responding to the reporting of medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions), procedures or programs, or both (within the State child protective services system), to provide for—

"(i) coordination and consultation with individuals designated by and within appropriate health-care facilities;

"(ii) prompt notification by individuals designated by and within appropriate health-care facilities of cases of suspected medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions); and

"(iii) authority, under State law, for the State child protective service system to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, as may be necessary to prevent the withholding of medically indicated treatment from disabled infants with life threatening conditions.

"(2) LIMITATION.—With regard to clauses (v) and (vi) of paragraph (1)(A), nothing in this section shall be construed as restricting the ability of a State to refuse to disclose identifying information concerning the individual initiating a report or complaint alleging suspected instances of child abuse or neglect, except that the State may not refuse such a disclosure where a court orders such disclosure after such court has reviewed, in camera, the record of the State related to the report or complaint and has found it has reason to believe that the reporter knowingly made a false report.

"(3) DEFINITION.—For purposes of this subsection, the term 'near fatality' means an act that, as certified by a physician, places the child in serious or critical condition.

On page 91, strike lines 1 and 2, and insert the following: ", serious physical or emotional harm, sexual abuse or exploitation, or an act of failure to act which presents an imminent risk of serious harm;'.".

On page 91, strike lines 9 through 11, and insert the following: "$100,000,000 for fiscal year 1997, and such sums as may be necessary for each of the fiscal years 1998 through 2001.".

On page 92, line 23, strike "Case" and insert "Except with respect to the withholding of medically indicated treatments from disabled infants with life threatening conditions, case".

On page 114, lines 19 and 20, strike "1996 through 2000" and insert "1997 through 2001".

On page 120, line 10, strike"2000" and insert "2001".

On page 120, line 22, strike "and 1996" and insert "through 1997".

On page 120, line 23, strike "1997 through 2000" and insert "1998 through 2001".

On page 121, lines 8 and 9, strike "1996, and 1997" and insert "1996, and 1997 through 2001".

On page 121, line 23, strike "2000" and insert "2001".

NOTICES OF HEARINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. McCAIN. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will meet during the session of the Senate on Wednesday, July 23, 1996 beginning at 9:30 a.m. to conduct a markup and hearing on the following: Committee markup of S. 199, the Trading with Indian Act, Repeal; H.R. 3068, to revoke the Charter of the Prairie Island Indian Community; S. 1962, the Indian Child Welfare Act Amendments of 1996, H.R. 2464, Utah Schools and Land Improvement Act, Amendment, and S. 1893, the Torres-Martinez Desert Cahuilla Indians Claims Settlement Act; S. 1970, the National Museum of the American Indian Act Amendments of 1996; S. 1973, the Navajo/Hopi Land Dispute Settlement Act of 1996; and S. 1972, the Older American Indian Technical Amendments Act. The markup will be held in room 485 of the Russell Senate Office Building.

Those wishing additional information should contact the Committee on Indian Affairs at 224–2251.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that S. 1737, a bill to protect Yellowstone National Park, the Clarks Fork of the Yellowstone National Wild and Scenic River and the Absaroka-Beartooth National Wilderness Area, has been re-referred to the Full Committee and will not be considered at the hearing scheduled before the Subcommittee on Parks, Historic Preservation, and Recreation on July 25, 1996 at 9:30 a.m.

For further information, please call Jim O'Toole at 202–224–5161.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, July 18, 1996, to conduct a hearing on the Oversight on the Monetary Policy Report to Congress Pursuant to the Full Employment and Balanced Growth Act of 1978.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. PRESSLER. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Thursday, July 18, 1996 session of the Senate for the purpose of conducting a hearing on S. 1043, the Natural Disaster Protection and Insurance Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 18, 1996, at 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. DOMENICI. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Thursday, July 18, at 10 a.m. for a hearing on Section 1121 of S. 1745, "Pilot Programs for Defense Employees Converted to Contractor Employees, due to privatization at closed military installations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet during the session of the Senate on Thursday, July 18, 1996 to conduct a markup and hearing beginning at 9:30 a.m. in Room 485 of the Russell Senate Office Building on the following: Committee Markup of S. 1264, the Crow

Creek Sioux Tribe Infrastructure Development Trust Fund Act of 1995; S. 1834, the Indian Environmental General Assistance Program Act of 1992, Reauthorization; S. 1869, the Indian Health Care Improvement Technical Corrections Act of 1996; and S. , the Indian Child Welfare Act Amendments of 1996, to be followed immediately by a hearing on H.R. 2464, Utah School and Land Improvement Act, Amendment, and S. 1893, the Torres-Martinez Desert Cahuilla Indians Claims Settlement Act. The markup/hearing will be held in Room 485 of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, July 18, 1996, at 10 a.m. to hold a hearing on White House Access to FBI Background Summaries.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CHILDREN AND FAMILIES

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources Subcommittee on Children and Families be authorized to meet for a hearing on Youth Violence during the session of the Senate on Thursday, July 18, 1996, at 1:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PARKS, HISTORIC PRESERVATION AND RECREATION

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Subcommittee on Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, July 18, 1996, for purposes of conducting a subcommittee hearing which is scheduled to begin at 9:30 a.m. The purpose of this hearing is to consider S. 988, a bill to direct the Secretary of the Interior to transfer administrative jurisdiction over certain land to the Secretary of the Army to facilitate construction of a jetty and sand transfer system; and S. 1805, a bill to provide for the management of Voyageurs National Park.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

GAMBLING STUDY COMMISSION

• Mr. FAIRCLOTH. Mr. President, yesterday the Senate approved S. 704, a bill to create a National Gambling Impact Study Commission. I strongly support this bill.

Legalized gambling of all kinds, casino gambling as well as State lotteries has often been touched as a way for States and localities to make money for various good causes. In my own State of North Carolina, support for a State lottery has always been offered as a means of supplementing the State education budget.

The North Carolina General Assembly has so far defeated several attempts to establish a State lottery.

Lotteries in particular, are held up as a means of filling State coffers, a way of financing Government projects, not as a boon to individual citizens. Mr. President, I for one am somewhat skeptical of any project which seeks to grow Government, for whatever purpose. Government—at the State, local, and Federal level—has been growing by leaps and bounds in recent years, reaching into areas of our lives it was never intended for. The ever-increasing burden of taxes and regulation has placed tremendous strain on families and small businesses. It seems to me we need to concentrate on restraining government, not expanding it.

It is becoming increasingly evident that gambling may not be the economic boon it is held out to be. The North Carolina Department of Commerce commissioned a study of the potential economic and social impact of gambling in western North Carolina. The study's conclusions were dramatic: Casino gambling would likely create more problems than it solved for western North Carolina. Among them, congested roads, rising crime rates and the crowding out of traditional tourist business and the families who patronize them.

In addition, the human toll of gambling is just beginning to be assessed adequately. Compulsive gambling can lead to alcoholism, bankruptcy, and can lead to the destruction of individuals and families.

If legalized gambling is the great economic boon its supporters make it out to be, they should not fear the results of this study. If it is not, it deserves a closer look.•

FISCAL YEAR 1997 LEGISLATIVE BRANCH APPROPRIATIONS ACT

Mrs. MURRAY. Mr. President, I rise to discuss briefly the fiscal year 1997 Legislative Branch Appropriations Act. This afternoon, the Committee on Appropriations reported the bill unanimously, and I expect it to reach the floor prior to the August recess.

Mr. President, I would like to commend the chairman, Senator MACK, for putting together a solid bill. His leadership on legislative branch issues has been terrific, and I have been excited to work with him on a bipartisan basis to manage the operations of Congress in a responsive—and responsible—way. He was bold last year, and it paid off. We have been able to reduce our spending by over $200 million—about 10 percent—in the past year.

This year, we continue the effort to streamline by reducing our internal budget by nearly $20 million in fiscal year 1997. We have taken testimony from legislative branch agencies affirming that they, under the funding levels in the bill, can maintain a high level of quality services to Members. Senators in turn should be able to provide responsive, high quality service to their constituents.

I would like to highlight one provision in the bill for Members of the Senate. With the enthusiastic support of Chairman MACK, I have included language that will enable the Sergeant at Arms to transfer excess or surplus computer equipment to schools.

In the past, the Senate sold its computers to employees at bargain prices. Fortunately, this practice has been terminated, and I commend the Sergeant at Arms for doing so. For the past couple years, our computers have simply been transferred to GSA for disposal through the normal surplus process.

I think Senators should be aware that the Senate disposes of over 1,500 computers every year. Over the past 3 years, nearly 5,000 computers have been let go. For the most part, these are IBM-compatible, 386, 16-megahertz machines. They are a generation old, but they could be very useful to schools, especially in rural areas, that may not have a big budget to buy fancy new computers.

I am fortunate to represent Washington State, which is very aggressive in trying to put computers in the classroom. Our companies have been generous in donating software and hardware, and people are excited about giving kids skills that will help them get an edge in life.

But not every school district is moving aggressively on computers. Many don't even know how to go about it, and cannot afford it. I am certain that every Senator is aware of how fast technology is evolving in our economy. I really believe that, in the future, a child's ability to compete in the work force will be measured in part by his or her familiarity with computers. In my view, the earlier they start, the better.

The Senate will debate the broad role of Government in education technology, and I look forward to having that debate. For now there is a small, and I think constructive, role for the Senate to play. We can use the bully pulpit. We can lead by example. We can help children by giving our computers to schools that want or need them. By doing this, we can help some kids, and we can show the country we think bringing technology to the classroom is a high priority.

Here is how it will work: the Sergeant at Arms will make sure that any excess or surplus computers are in good working order. Then he will make them available to interested schools at the lowest possible cost to both the

Senate and the schools. Most likely, he will transfer these computers to the General Services Administration. GSA, in turn, will provide information to schools through its regional offices about available inventory. The equipment eligible for transfer will include computers, keyboards, monitors, printers, modems, and other peripheral hardware as described in the bill.

I envision schools being able to obtain this equipment on a first-come, first-served basis, for the cost of shipping and handling from GSA regional offices. The language provides the Sergeant at Arms with flexibility to determine the best way to complete the transfers.

Earlier this year, President Clinton issued an executive order stating that the GSA should document surplus computers in Federal agencies. And in May, I offered a sense-of-the-Senate resolution expressing the view that the Senate should also inventory its computers and create a process of getting Government computers into schools and other educational organizations. The language in the bill before us sets out a specific process so the Senate can play a role in this important effort.

Mr. President, I think this is a useful change in policy. I am grateful the committee has acted today in a manner consistent with my amendment as adopted last May. And, I welcome the support of Senator LEAHY, who has taken an active and enthusiastic interest in this issue. He has been a big help. Again, I appreciate the help of Chairman MACK on this, and I look forward to working with him and the Sergeant at Arms to make this work.●

● Mr. LEAHY. I rise in strong support of Senator MURRAY's language in the legislative appropriations bill. This language would require the Senate to streamline the transfer of excess and surplus computer equipment to our Nation's classrooms. It would require the Senate to follow the same guidelines that the Federal agencies must follow in accordance with the President's Federal Executive Order.

President Clinton has set forth an ambitious goal to bring computers to every school in America. Congress should lead the way. Thanks to Senator MURRAY's efforts, the Senate will be participating in this initiative.

Recently, I wrote several letters to the Sergeant at Arms to find out what our official Senate policy is concerning disposal of excess surplus computer equipment. I was surprised to hear that the Senate does not have an official policy. In the past the Senate has sold excess computer equipment or transferred it over to GSA for later sale. Since 1993, the Senate disposed of 4,400 pieces of computer equipment. Of that total 2,600 have been sold, 1,400 have been transferred to GSA, and 400 have been retained for parts. These computers would have been a wonderful resource to our Nation's schools.

I encourage my colleagues to join our efforts in creating a partnership with our nation's schools and bring computers to every classroom in America so that all students may have the benefits of our new educational technology.●

CBO ESTIMATE ON S. 1730, THE OIL SPILL PREVENTION AND RESPONSE IMPROVEMENT ACT

● Mr. CHAFEE. Mr. President, I ask to have printed in the RECORD supplemental budgetary estimates on Calendar Number 466, S. 1730, the Oil Spill Prevention and Response Improvement Act of 1996. Section 403 of the Congressional Budget and Impoundment Act requires that a statement of the cost of a reported bill be included in the report. When the Committee on Environment and Public Works filed the report to S. 1730 on June 26, 1996, we included only a portion of the estimated impact of the bill. CBO had not completed the estimated impact at the time of filing. I am pleased to report that the cost statements to be included in today's RECORD complete the CBO estimate for S. 1730.

The estimates follow:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 17, 1996.

Hon. JOHN H. CHAFEE,
Chairman, Committee on Environment and Public Works, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed mandate cost statements for S. 1730, the Oil Spill Prevention and Response Improvement Act, as reported by the Senate Committee on Environment and Public Works on June 26, 1996. CBO transmitted its estimate of the impact of S. 1730 on the federal budget on June 26, 1996.

Enactment of S. 1730 would impose both intergovernmental and private-sector mandates as defined by the Unfunded Mandates Reform Act of 1995 (Public Law 104-4). The costs of the mandates would not exceed the respective $50 million and $100 million annual thresholds.

If you wish further details on these estimates, we will be pleased to provide them.

Sincerely,

JAMES L. BLUM
(For June E. O'Neill).

CONGRESSIONAL BUDGET OFFICE ESTIMATED COST OF INTERGOVERNMENTAL MANDATES, JULY 17, 1996

1. Bill number: S. 1730.

2. Bill title: The Oil Spill Prevention and Response Improvement Act.

3. Bill status: As reported by the Senate Committee on Environment and Public Works on June 26, 1996.

4. Bill purpose: The bill would amend federal law dealing with oil pollution by: imposing new operational, structural, and safety requirements on tanker and towing vessels; allowing more funds to be spent out of the emergency fund of the Oil Spill Liability Trust Fund; and limiting the liability of certain tanker vessels that have double hulls and are responsible for oil spills.

5. Intergovernmental mandates contained in bill:

Vessel Requirements. The bill would require the Secretary of Transportation to incorporate additional measures in three sets of rules being proposed by the Coast Guard. The rules deal with navigational equipment for towing vessels and operational and structural requirements for tanker vessels that have a single hull and weigh more than 5,000 gross tons. These requirements are intergovernmental mandates because a small fraction of these vessels, less than 2 percent, are owned by state, local, and tribal governments.

Under-Keel Clearance. S.1730 would preempt the authority of captains of ports to establish minimum under-keel clearances in their ports by requiring the Secretary of Transportation to establish minimum under-keel clearances for each port. This preemption constitutes an intergovernmental mandate because ports are owned by state and local governments or their subsidiaries. However, this preemption might occur under current law. The Coast Guard is about to issue a final rule regarding structural and operational measures for tanker vessels that have a single hull and weigh more than 5,000 gross tons. The Coast Guard's proposed rule would prohibit vessels with an under-keel clearance of less than 0.5 meters from entering or exiting a port without the approval of the captain of the port.

6. Estimated direct costs of mandates to State, local, and tribal governments:

(a) Is the $50 Million Threshold Exceeded? No.

(b) Total Direct Costs of Mandates: The new requirements on tanker and towing vessels owned by state, local, or tribal governments would have a negligible effect on their budgets. Preempting the authority of port captains to establish a minimum under-keel clearance for their ports would have no direct impact on the budgets of ports.

(c) Estimate of Necessary Budget Authority: Not applicable.

7. Basis of estimate:

Vessel Requirements. S. 1730 would modify three rulemakings that the Coast Guard is currently carrying out. If the final rules are not in place by the dates specified in the bill (all of which are in the next six months), S. 1730 would require that the proposed rules be in effect until the final rules are put in place.

Based on information provided by the Coast Guard, CBO expects that all the final rules will be in place by the deadlines specified in the bill or by October 1, 1996, the assumed enactment date of the bill. Enactment of S. 1730 should therefore not result in the rules being imposed earlier than they would otherwise be imposed under current law. If the Coast Guard does not meet the deadlines, however, the shipping industry would face about $15 million per month in additional costs because it would have to comply with the proposed rules at an earlier date than would occur under current law. Vessels owned by state, local, and tribal governments would bear a small fraction of these costs.

The bill would also require the Coast Guard to add additional requirements to its final rules, such as fire suppression equipment on towing vessels and safety measures for single-hull barges. CBO estimates that the up-front costs for the shipping industry as a whole would be no more than $18 million and annual operational costs would be minimal. Because less than 2 percent of these vessels are owned by state, local, and tribal governments, the cost of these intergovernmental mandates would be negligible.

Under-Keel Clearance. Preempting the authority of port captains to establish a minimum under-keel clearance for their ports would have no direct impact on the budgets of ports. Ports could experience indirect costs, however; these costs are discussed below in the section titled "Other Impacts On State, Local, and Tribal Governments."

8. Appropriation or other federal financial assistance provided in bill to cover mandate costs: None.

9. Other impacts on State, local, and tribal governments:

Under-Keel Clearance. The current proposed rule for tanker vessels includes a minimum under-keel clearance that would apply uniformly to all ports. Because the shipping industry and port authorities have objected to a national standard, it is unclear whether the final rule will set a minimum under-keel clearance. The bill would settle the dispute by requiring the Secretary of Transportation to establish a separate minimum clearance for each port. CBO has no basis for predicting whether these standards would be more or less stringent than the standards that would be established under current law.

If the clearance requirements are less stringent than the requirement under current law, ports would not incur additional costs. If the clearance requirements are more stringent, ports could choose to increase their under-keel clearance and could face additional costs for activities such as dredging in order to avoid losing business to deeper ports. Because the enforceable duty would be imposed on operators of vessels, not on ports, such costs would be considered an indirect effect of a mandate.

Spending from the Oil Spill Liability Trust Fund (OSLTF). CBO estimates that federal direct spending from the emergency fund of the Oil Spill Liability Trust Fund (OSLTF) would increase by $40 million (from $20 million to $60 million) in fiscal year 1997 and by $45 million (from $15 million to $60 million) annually thereafter.

These increases would result from broadening how the funds can be used and by increasing the overall cap on direct spending from $50 million to $60 million. (Even though the current annual cap is $50 million, we expect that spending from the emergency fund will be between $15 million and $20 million annually under current law.) CBO expects that some of these additional funds would go to the states.

States currently have the legal and operational responsibility to cap idle oil wells. This bill would allow emergency funds from the OSLTF to pay for some of these costs, but the states would have to pay at least half. In addition, some of the costs associated with oil spills that are often paid for by states, including the full cost of assessing damages to natural resources and mitigating ecological injuries, would now be an eligible use of OSLTF emergency funds.

Limit on Oil Spill Liability. Current law caps the liability of parties who are responsible for oil spills. However, the cap does not apply to cases where federal safety, construction, or operating regulations are violated. S. 1730 would extend the liability cap to these cases if the tanker involved has a double hull. State, local, and tribal governments are often the recipients of awards from liability claims. Because the bill would expand the cases to which the liability cap applies, state, local, and tribal governments may receive smaller awards in future liability cases.

10. Previous CBO estimate: None.

11. Estimate prepared by: John Patterson.

12. Estimate approved by: Robert A. Sunshine, for Paul N. Van de Water, Assistant Director for Budget Analysis.

CONGRESSIONAL BUDGET OFFICE ESTIMATE OF COSTS OF PRIVATE SECTOR MANDATES, JULY 17, 1996

1. Bill number: S. 1730.

2. Bill title: The Oil Spill Prevention and Response Improvement Act.

3. Bill status: As reported by the Senate Committee on Environment and Public Works on June 26, 1996.

4. Bill purpose: The bill would amend provisions of the Oil Pollution Act of 1990 (OPA) that address oil spill prevention and safety measures.

5. Private sector mandates contained in bill:

S. 1730 would require the Secretary of Transportation to incorporate additional mandates in the operational, structural, and navigational rules currently proposed by the U.S. Coast Guard. In addition, the bill would put into effect the Coast Guard's current proposed rules by specified dates (all of which occur within the next six months) if the Coast Guard's final rules are not effective by deadlines specified under current law. The rules address navigational and safety equipment for towing vessels and operational and structural requirements for tanker vessels that have a single hull and weight more than 5,000 gross tons.

Based on information provided by the U.S. Coast Guard, CBO assumes that the final rules will be effective by the specified deadlines or by October 1, 1996, the assumed enactment date of the bill. CBO also assumes that the Coast Guard's final operational, structural, and navigational rules will reflect the respective currently proposed rules. If the Coast Guard does not meet the specified deadlines, the shipping industry would incur additional costs because the industry would have to comply with interim rules sooner than under current law. In addition, S. 1730 would require the final operational rule to include specific safety requirements to prevent the grounding of single-hull barges and the establishment of a minimum under-keel clearance for those vessels. The final navigational rule would have to include a requirement that towing vessels have fire-suppression systems. Further, advertisements that currently indicate the designation and procedures by which claims may be presented would also have to announce that claimants may present interim claims for short-term damages.

6. Estimated direct cost to the private sector:

S. 1730 would impose private-sector mandates that would most likely fall below the annual threshold as defined in Public Law 104-4. In the unlikely event that the Coast Guard's operational rule is delayed seven months after S. 1730 is enacted, costs could exceed the $100 million threshold in the first year.

Interim Rules. If S. 1730 were to be enacted before the Coast Guard's final operational rule is effective, the bill would impose interim private-sector mandates for operational activities. The interim operational rule would be identical to the proposed operational rule published by the Coast Guard in the Supplemental Notice of proposed Rulemaking (60 Fed. Reg. 55,904 (1995)), and would be in effect until the Coast Guard's final rule is effective. Based on information contained in the proposed rule, CBO estimates that the mandates imposed by the interim rule would cost the private sector approximately $15 million per month during the first year the interim rule is in effect. After the first year, the annual costs would decline. The costs imposed by the interim operational rule would not exceed the $100 million threshold unless the Coast Guard's final operational rule is still not effective seven months after S. 1730 is enacted.

S. 1730 also would impose an interim rule on vessel structure that would be identical to the proposed rule published by the Coast Guard in the Notice of Proposed Rulemaking (58 Fed. Reg. 54,870 (1993)) if the final structural rule is not effective by December 18, 1996. In the event that the final structural rule is not effective before the deadline, compliance with the proposed structural rule would not be required for three years. Therefore, the private sector would not likely make structural changes during the interim.

Similarly, the bill would impose an interim navigational rule if the Coast Guard's final rule on safety equipment for towing vessel does not become effective by September 30, 1996. The interim navigational rule would be identical to the proposed rule published by the Coast Guard in the Notice Proposed Rulemaking (58 Fed. Reg. 54,870 (1993)). In the event that the final navigational rule is not effective before the deadline, the private sector would not likely make any significant changes during the interim since compliance with some of the provisions would not be required for one to five years.

New Rulemaking Requirements. Under section 101 of the bill, the final rule on operational requirements must include a provision requiring all single-hull barges over 5,000 gross tons operating in open ocean or coastal waters to have at least one of the following: (1) a crew member on board and an operable anchor, (2) an emergency system on board the vessel towing the barge, or (3) any other measure that provides similar protection. Based on discussions with industry representatives, CBO estimates that the incremental cost of complying with this provision would be less than $1 million over five years.

Section 101 of the bill would require that the final operation rule include a provision requiring the establishment of a minimum under-keel clearance for each port in which a single-hull vessel operates. It is unclear if this provision would result in more or less stringent requirements than the 0.5 meter uniform under-keel clearance in the Coast Guard's proposed rule. The effect of this requirement would be to impose operational restrictions on such vessels not meeting the port's established under-keel clearance when entering or departing from the port and when operating in an inland or coastal waterway. If the effect of the under-keel clearance provision in the bill is to provide greater flexibility than the 0.5 meter uniform under-keel clearance in the proposed rule, then this provision of the bill would result in lower private-sector costs compared to the costs associated with the current proposed operational rule. However, if the bill leads to more stringent under-keel clearance requirements relative to current practice, this provision would result in increased costs to the private sector since vessels would have to lighter cargo or use alternative ports.

Section 103 would require that the final navigational rule include a provision requiring a towing vessel to have a fire-suppression system or other equipment to suppress an onboard fire. Based on information provided by the Coast Guard and the private sector, CBO estimates that this provision would result in costs to the private sector between $6 million and $18 million during the first year for installation and a minimal amount for operating costs thereafter.

Advertising Requirements. S. 1730 would impose an additional mandate concerning the advertising requirements in the Oil Pollution Act of 1990. Currently, the responsible party or guarantor of an incident must advertise the designation and the procedures by which claims may be presented. Section 201 would require that such advertisements must also announce that claimants may present interim claims for short-term damages. CBO estimates that the additional advertising requirement would impose minimal costs on the private sector.

7. Previous CBO estimate: None.
8. Estimate prepared by: Amy Downs (226-2940)
9. Estimate approved by: Jan Acton, Assistant Director for Natural Resources and Commerce.•

"CAN DOLE ESCAPE SENATE LEADERS' POOR PRESIDENTIAL RECORD?

Mr. LEAHY. Mr. President, Prof. Garrison Nelson is one of our country's foremost experts on Congress and the Presidency, and Vermont has been lucky to call him our own during his tenure at the University of Vermont. He recently wrote an interesting column for Roll Call about the historical record of Senate leaders who run for president. It is an entertaining and informative analysis that I hope other Senators will have a chance to read.

I ask that an article entitled "Can Dole Escape Senate Leaders' Poor Presidential Record?" be printed in the RECORD.

The article follows:

CAN DOLE ESCAPE SENATE LEADERS' POOR PRESIDENTIAL RECORD?

Senate Majority Leader Bob Dole's (R-Kan) decision to resign from office in the midst of his presidential campaign isn't so surprising when you take into account the history of Republican Senate leaders in presidential contests.

That's because, almost without exception, a Congressional leadership post has been the kiss of death for White House aspirants.

Dole is the latest of several Congressional leaders throughout the nation's history who have sought the presidency. Whether he, by abandoning his post, will have more success than others did remains to be seen.

In a recent assessment, I found some 112 broadly defined "blips" made by Congressional leaders on the presidential radar screen from 1856 through 1966. These "blips" represent instances of Congressional leaders who appeared anywhere on the presidential (or vice presidential) charts—whether in delegate votes at the nominating conventions, or popular votes during the presidential primaries, or in discernible mentions in public opinion speculations about candidacies.

Some of these "blips" were trivial: "favorite son" votes at the convention or passing mentions in the opinion polls. But others had real meaning.

Prior to the passage in 1912 of the 17th Amendment, which instituted direct election of Senators, House leaders had a clear edge over Senate counterparts in the presidential calculus of the party kingmakers who put tickets together. This was particularly true to Republican conventions, which gave House leaders 20 considerations to only six for Senate leaders during the selections made in some 15 conventions.

While the Democratic conventions in the 1856–1912 era may have divided their presidential and vice presidential considerations for Congressional leaders between the two chambers equally—11 to 11—the point was relatively moot because Republican nominees won 11 of the 15 presidential contests.

Not until 1964 was a Democratic Congressional leader nominated for president: Lyndon Johnson (Texas), who had begun his executive service as vice president and was already seated as president at the time of the convention.

Republican Congressional leaders have been more successful at gaining the presidential brass ring. The first Republican Congressional leader to be nominated for the top executive post was House Speaker Schuyler Colfax (Ind), who was nominated and elected as Ulysses S. Grant's first vice president in 1868.

Four times in the 20 years between 1880 and 1900, past and present House floor leaders were nominated for president by Republican conventions.

Since then, almost a century has passed, and only one House Republican leader has been nominated for either post and that was Gerald Ford's 1976 selection as president. But Ford was already president at the time, albeit unelected, and had not made it onto the presidential screen at any time during his nine-year stint as House Republican floor leader.

Senate leaders have been slow to develop as nominees. While two sitting Senators were nominated and elected—Ohio's Warren Harding in 1920 and Massachusetts's John Kennedy in 1960—it is important to remember that neither held a leadership post.

It was not until 1928 that the nominating conventions took serious note of sitting Senate floor leaders. That year, both parties chose their respective Senate floor leaders as vice presidential candidates. Republican Charles Curtis of Kansas ran with Commerce Secretary Herbert Hoover while Democrat Joseph Robinson of Arkansas ran with New York Gov. Al Smith.

House Democrats were the least likely to be nominated, with their 18 considerations generating only two vice presidential nominations—both for Speaker "Cactus" Jack Garner of Texas in 1932 and 1936. But both nominations were successful. Running with FDR made the cantankerous former Speaker electable.

House Republicans picked off six nominations for their 26 considerations—double the rate of the House Democrats. But only one occurred in the past 90 years.

Senate Democratic leaders garnered the most considerations (41), as well as the most presidential and vice presidential nominations (seven). All four of their victories came after World War II. Among them were: Majority Leader Alben Barkley (Ky.) for vice president in 1948; Majority Leader Johnson for vice president in 1960 and president in 1964; and Whip Hubert Humphrey for vice president in 1964.

But it is Senate Republican leaders who seem to have encountered the most difficulty. They received 27 considerations, but only five nominations—only one of which was for president (Dole, this year, which has yet to be officially confirmed).

Their four vice presidential nominations produced only one victory—Curtis in 1928. So the 26 considerations which the Senate Republican leaders received prior to 1996 produced one vice presidential victory—a success rate of 4 percent, the lowest for any of the four Congressional leadership categories.

Even though it was a fellow Kansan who earned the lone victory by a Senate Republican leader, clearly Dole made the right move in getting out of the Senate. He has escaped the Temple of Presidential Doom.

Now if he can just convince voters that he never held a leadership post there, he might be able to move up in the polls and avoid the kiss of death that those posts seem to be in presidential politics.•

TRIBUTE TO TIMOTHY MARQUIS, JOANNE MILLETTE, SYMA MIRZA, AND KENNETH JOHNSON ON BEING SELECTED AS PRESIDENTIAL SCHOLARS FROM NEW HAMPSHIRE

• Mr. SMITH. Mr. President, I rise today to pay tribute to Timothy Marquis, Joanne Millette, Syma Myrza, and Kenneth Johnson and congratulate them on being named White House Presidential Scholars. These students were among the 141 students chosen for this prestigious award from more than 2,600 high school seniors. Last month, these New Hampshire students were in Washington to participate in special events highlighting Presidential Scholars National Recognition Week.

The Presidential Scholars Program was created by President Lyndon B. Johnson in 1964 to honor our Nation's most outstanding students. In 1979, the program was expanded to include accomplished students from the visual, creative, and performing arts. This year, the General Motors and Saturn companies sponsored the Presidential Scholars Program and the events in Washington.

Timothy, Joanne, Syma, and Kenneth are four outstanding New Hampshire students who have worked very hard to achieve academic excellence. Their dedication deserves this special recognition. They were selected as Presidential scholars on the basis of academic success, essays, school recommendations, leadership, character, and commitment to high ideals. One of the primary goals of this program is to help young people recognize the value of their accomplishments. In addition to receiving this award, each student was asked to name the teacher who most influenced them during their high school career. These teachers are named as a National Distinguished Teacher and are invited to participate in the National Recognition Week.

These students have worked hard to achieve excellence and this award honors their hard work and perseverance. These students are remarkable because they have achieved not only academic excellence, but are also leaders in their schools and dedicated to community service. Each student has given back to the community that nurtured them. I am proud to recognize these four outstanding young people as New Hampshire's finest and congratulate them on the receipt of the White House Presidential Scholars Award.•

HENRY PESTKA

• Mr. LEVIN. Mr. President, I rise today to honor a man who has overcome great adversity to become a pillar of his community, Henry Pestka of Grand Rapids, MI.

Henry Pestka was born in Poland on July 29, 1922, the son of Saul and Marie Pestka. Saul Pestka was a builder and developer who taught his son his craft. After the Nazi occupation of Poland, Henry was interned in a number of concentration camps, including the notorious Auschwitz Death Camp.

In 1944, Pestka and two other prisoners escaped during a forced death march, and were found by members of the Free French Army. Henry joined the Polish Battalion of the Free French Army. He has the unique distinction of being not only one of the few survivors of Auschwitz Death Camp, but also a decorated combat veteran of the Allied cause in the Second World War. Tragically, both his parents and siblings perished. Henry was the only survivor.

In 1946, at the urging of his only living relatives, Henry immigrated to the United States and settled in Grand Rapids, MI. When Henry arrived, he could not speak English. He enrolled in night classes at Union High School and was given employment by a friend of his father's from Poland. In short, Henry came to the United States without money, with a very limited family, and unable to speak English.

In December 1948, Henry married Beatrice Bergman. Prior to the marriage, Henry had started working at Bergman Auto Supplies, selling auto parts and installing seat covers. In the late 1950's, Henry and his partner, Herman Bergman, began purchasing and developing property using the lessons gleaned from his father as a boy in Poland. For the past 40 years, Henry has developed shopping centers, office buildings, restaurants, apartment complexes, and industrial buildings. He has worked with major companies, both in the Grand Rapids area and across the United States.

Henry's proudest achievement was his tenure as building chairman for Congregation Ahavas Israel. He devoted a year of his life to this project and served without fee. Ultimately, in 1971, the beautiful structure was completed. At the time, Henry was honored by the Grand Rapids mayor, Bob Boelens, and by the entire congregation. In the foyer of the synagogue is an affecting mural depicting the 6 million innocent victims of Nazi genocide. In his own way, Henry has contributed not only to the memory of those who perished, but also built an institution to serve future generations including his own grandchildren.

Henry's philanthropy is legendary, particularly toward those institutions fighting bigotry or helping the sick and disabled. Among the organizations which he has consistently supported are the Anti-Defamation League, the Southern Poverty Law Center, the U.S. Holocaust Museum, the American Cancer Society, the American Heart Association, the Arthritis Foundation, St. Jude's Children's Hospital, and the Salvation Army. On a local level, Henry has supported Hope Network, Project Rehab, and many, many others.

His life has been a testament to overcoming horrific adversity and prevailing. He has built a uniquely American life, for which he can be forever proud. I know that my Senate colleague will join me in honoring Henry Pestka.•

CALIFORNIA CITIES FIGHT JUNK GUNS

Mrs. BOXER. Mr. President, earlier this year, I introduced legislation to prohibit the sale and manufacture of Junk Guns, or as they are also called, Saturday Night Specials. The importation of these cheap, easily concealable, and unsafe weapons has been prohibited since 1968, but their domestic production continues to soar.

In 1995, eight of the ten firearms most frequently traced at crime scenes were junk guns. These guns are the criminals' choice, and we must act now to get them out of our schools and our communities. Nationwide, gun violence is now the second leading cause of death of among children. In California, gun violence is number one. For the sake of our children, we must pass the Junk Gun Violence Protection Act.

My bill has received strong support from California's law enforcement leaders. The California Police Chiefs Association has endorsed my bill along with more than two dozen individual police chiefs and sheriffs representing some of California's largest cities and counties.

Today, I want to report on an extraordinary event that occurred last week in Oakland. On July 8, the mayors of 15 cities in California's East Bay joined together and pledged to get junk guns off the streets of their communities. These mayors said that they were frustrated by the 104th Congress' unwillingness to enact the common sense reforms that my bill would make. Although they acknowledge that Federal legislation would be more effective than local ordinances, they have decided not to wait until Washington gets the message that these guns must be taken off our streets.

The cities of West Hollywood, San Francisco, Oakland, and Alameda have already passed ordinances to ban the sales of junk guns. More than a dozen municipalities in Alameda and Contra Costa counties are expected to follow soon. When junk guns are banned in these East Bay communities, it will create the largest junk gun-free zone in the country.

The courageous actions taken by these East Bay mayors provides real momentum to the movement to ban junk guns nationwide. I commend these communities for their leadership, and once again, I urge my colleagues to support S. 1654, the Junk Gun Violence Protection Act.

I ask that the following articles be printed in the RECORD.

The articles follow:

[From the Oakland Tribune, July 18, 1996]

ALAMEDA JOINS EAST BAY CITIES IN SHOOTING DOWN JUNK GUNS

(By Kathleen Kirkwood)

ALAMEDA.—The City Council has joined other East Bay cities in approving an ordinance banning the sale of junk guns; the so-called Saturday night specials.

The ordinance is patterned after a similar law in West Hollywood, now facing a court challenge on the grounds it is preempted by state regulations.

Several gun owners appealed to the Alameda council Tuesday to reject the law, saying it was a sham and couldn't be enforced because of overriding state law. Even if it were imposed, it couldn't stem the tide of gun-related crimes anyway, Herb Leong of San Francisco said.

"I don't believe this is a law that's worth your effort," Leong said. "What we need to do is change people. We can't change what they do by taking away a tool."

Local gun dealer James Figone said he doesn't sell junk guns, which are usually cheap and unreliable. But he said the city would be infringing on constitutional rights to bear arms.

"The whole point of these laws is to take guns out of the public's hands," Figone said.

Figone and others also criticized the ordinance's lack of a specific list of which guns would be targeted.

Instead, it states that the police chief will issue a list of firearms, at a future date, that meets the description of guns to be banned.

Generally, they're defined as cheap, poorly-manufactured, short-barreled handguns, Police Chief Barry Matthews said.

Matthews passed around five junk guns to council members that had been confiscated by Alameda police, calling them "garbage" weapons and "messengers of death."

He said it was hard to tell what effect the junk gun ban would have if imposed in Alameda.

"There will be a difference—to what degree I can't say," Matthews said.

In 1993, he said, junk handguns accounted for 8 out of 10 firearms most frequently confiscated by police in California. An estimated 90 percent of such guns available in the United States are manufactured in California. Import of such guns into the United States is already banned.

The mayors and police chiefs of 21 cities in the East Bay are backing the ordinance, hoping to send a signal to legislators.

"Maybe it won't stop smuggling or crime," Mayor Ralph Appezzato said. "Symbolic? Maybe, maybe not. But we've got to try."

Alameda was among seven cities along the I–880 corridor to approve or at least study the junk gun ordinance ban in the first reading of the law this week.

Oakland and Berkeley have given the ban approval on a second reading, which is required for final passage.

REGION TAKES THE LEAD TO CORRAL 'JUNK GUNS'

The new push by Bay Area civic leader's to take "junk guns" out of circulation probably won't take the weapons off the streets altogether. But it is likely to have some success. And it stands as a powerful statement by those who lead our local governments: We've had enough, and we're going to work together, as a region, to solve this problem.

"We are standing together, and sending a message that no matter where you live, in what city or county, violence is there and we need to do something about it," said Berkeley Mayor Shidey Dean, chairwoman of the East Bay Public Safety Corridor Partnership.

The partnership, the largest regional approach to fighting junk guns in the nation, encompasses Fremont, Newark, Union City, Hayward, San Leandro, Alameda, Berkeley, Oakland, Piedmont, Albany, Emeryville, El Cerrito, Richmond, San Pablo and Pinole. Dean wants other cities to join.

San Francisco and Alameda County have already outlawed the weapons, and San Jose is considering a ban.

The regional approach is being taken up by Bay Area politicians who have given up on the federal and state governments. "Politicians on the state and federal level, quite frankly, are afraid of the gun lobby," said Oakland Mayor Elihu Harris.

Junk guns, also known as Saturday night specials, are, generally speaking, poorly constructed and therefore less safe. They also are less expensive to buy. More technical definitions will be refined by those who write the local ordinances banning them. Suffice it to say, junk guns are easy to get and dangerous to use. They are used by gangs and considered status symbols.

BAY AREA HOMICIDES

People are dropping like flies in the Bay Area because of the availability of guns. Between 1991 and 1993, six out of every eight homicides in Alameda County involved a firearm, according to the Alameda County Injury Prevention program. Homicide rates were highest for those between 20 and 24.

If this push is going to succeed, other cities are going to have to climb on board. Several are considering gun bans. We urge them to follow through.

At least one East Bay civic leader, Dublin Mayor Guy Houston, wants no part of the regional gun ban. Using rhetoric that sounds as though it were written for him by the National Rifle Association, Houston eschews a ban on murderous weapons and says tougher penalties are the solution to the gun problem. The "Three Strikes, You're Out" law is taking care of the problem, Houston says.

Tougher penalties are fine, but by themselves they have not done the job. More is needed. At least Houston didn't utter the old NRA line, "Guns don't kill people; people kill people." That's true; people do kill people—with guns. Fewer guns, fewer deaths.•

AUTHORIZING SENATE LEGAL COUNSEL REPRESENTATION

Mr. DODD. Mr. President, on behalf of the Democratic leader, I send to the desk a resolution to authorize representation by the Senate counsel, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 281) to authorize representation by Senate legal counsel.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DASCHLE. Mr. President, the plaintiff in Lockhart versus United States brought a civil action in May 1996 in Federal District Court in the Western District of Washington. The suit is against the United States and a number of legislative, executive, and judicial branch officials, including Senator LOTT and then-Senator Dole, as well as various members of President Clinton's Cabinet. The plaintiff seeks damages for a variety of injuries that he alleges the defendants inflicted upon him. The complaint's only connection with the majority leader and former Senator Dole consists of vague references to statutes that Congress has passed or repealed.

The complaint fails to establish any legitimate grievance with Senator LOTT or Senator Dole. This resolution authorizes the Senate Legal Counsel to represent these Members in this action.

Mr. DODD. I ask unanimous consent the resolution be agreed to, the motion to reconsider be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 281) was considered and agreed to as follows:

S. RES. 281

Whereas, in the case of *James Lockhart* v. *United States, et al.*, No. C95-1858Z, pending in the United States District Court for the Western District of Washington, the plaintiff has named Senator Trent Lott and former Senator Robert J. Dole as defenders;

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a) (1) (1994), the Senate may direct its counsel to defend its Members in civil actions relating to their official responsibilities: Now, therefore, be it

Resolved, That the Senate Legal Counsel is authorized to represent Senator Lott and former Senator Dole in the case of *James Lockhart* v. *United States, et al.*

CHILD ABUSE PREVENTION AND TREATMENT ACT AMENDMENTS OF 1995

Mr. ROTH. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 149, S. 919.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 919) to modify and reauthorize the Child Abuse Prevention and Treatment Act, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Comittee on Labor and Human Resources, with an amendment to strike out all after the enacting clause and inserting in lieu therefore the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Child Abuse Prevention and Treatment Act Amendments of 1995".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—GENERAL PROGRAM

Sec. 101. Reference.
Sec. 102. Findings.
Sec. 103. Office of Child Abuse and Neglect.
Sec. 104. Advisory Board on Child Abuse and Neglect.
Sec. 105. Repeal of Interagency Task Force.
Sec. 106. National Clearinghouse for Information Relating to Child Abuse.
Sec. 107. Research and assistance activities.
Sec. 108. Grants for demonstration programs.
Sec. 109. State grants for prevention and treatment programs.
Sec. 110. Repeal.
Sec. 111. Miscellaneous requirements.
Sec. 112. Definitions.
Sec. 113. Authorization of appropriations.
Sec. 114. Rule of construction.
Sec. 115. Technical amendment.

TITLE II—COMMUNITY-BASED CHILD ABUSE AND NEGLECT PREVENTION GRANTS

Sec. 201. Establishment of program.
Sec. 202. Repeals.

TITLE III—FAMILY VIOLENCE PREVENTION AND SERVICES

Sec. 301. Reference.
Sec. 302. State demonstration grants.
Sec. 303. Allotments.
Sec. 304. Authorization of appropriations.

TITLE IV—ADOPTION OPPORTUNITIES

Sec. 401. Reference.
Sec. 402. Findings and purpose.
Sec. 403. Information and services.
Sec. 404. Authorization of appropriations.

TITLE V—ABANDONED INFANTS ASSISTANCE ACT OF 1986

Sec. 501. Reauthorization.

TITLE VI—REAUTHORIZATION OF VARIOUS PROGRAMS

Sec. 601. Missing Children's Assistance Act.
Sec. 602. Victims of Child Abuse Act of 1990.

TITLE I—GENERAL PROGRAM

SEC. 101. REFERENCE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.).

SEC. 102. FINDINGS.

Section 2 (42 U.S.C. 5101 note) is amended—

(1) in paragraph (1), the read as follows:

"(1) each year, close to 1,000,000 American children are victims of abuse and neglect;";

(2) in paragraph (3)(C), by inserting "assessment," after "prevention,";

(3) in paragraph (4)—

(A) by striking "tens of"; and

(B) by striking "direct" and all that follows through the semicolon and inserting "tangible expenditures, as well as significant intangible costs;";

(4) in paragraph (7), by striking "remedy the causes of" and inserting "prevent";

(5) in paragraph (8), by inserting "safety," after "fosters the health,";

(6) in paragraph (10)—

(A) by striking "ensure that every community in the United States has" and inserting "assist States and communities with"; and

(B) by inserting "and family" after "comprehensive child"; and

(7) in paragraph (11)—

(A) by striking "child protection" each place that such appears and inserting "child and family protection"; and

(B) in subparagraph (D), by striking "sufficient".

SEC. 103. OFFICE OF CHILD ABUSE AND NEGLECT.

Section 101 (42 U.S.C.5101) is amended to read as follows:

"SEC. 101. OFFICE OF CHILD ABUSE AND NEGLECT.

"(a) ESTABLISHMENT.—The Secretary of Health and Human Services may establish an office to be known as the Office on Child Abuse and Neglect.

"(b) PURPOSE.—The purpose of the Office established under subsection (a) shall be to execute and coordinate the functions and activities of this Act. In the event that such functions and activities are performed by another entity or entities within the Department of Health and Human Services, the Secretary shall ensure that such functions and activities are executed with the necessary expertise and in a fully coordinated manner involving regular intradepartmental and interdepartmental consultation with all agencies involved in child abuse and neglect activities.".

SEC. 104. ADVISORY BOARD ON CHILD ABUSE AND NEGLECT.

Section 102 (42 U.S.C.5102) is amended to read as follows:

"SEC. 102. ADVISORY BOARD ON CHILD ABUSE AND NEGLECT.

"(a) APPOINTMENT.—The Secretary may appoint an advisory board to make recommendations to the Secretary and to the appropriate committees of Congress concerning specific issues relating to child abuse and neglect.

"(b) SOLICITATION OF NOMINATIONS.—The Secretary shall publish a notice in the Federal Register soliciting nominations for the appointment of members of the advisory board under subsection (a).

"(c) COMPOSITION.—In establishing the board under subsection (a), the Secretary shall appoint members from the general public who are individuals knowledgeable in child abuse and neglect prevention, intervention, treatment, or research, and with due consideration to representation of ethnic or racial minorities and diverse geographic areas, and who represent—

"(1) law (including the judiciary);

"(2) psychology (including child development);

"(3) social services (including child protective services);

"(4) medicine (including pediatrics);

"(5) State and local government;

"(6) organizations providing services to disabled persons;

"(7) organizations providing services to adolescents;

"(8) teachers;

"(9) parent self-help organizations;

"(10) parents' groups;

"(11) voluntary groups;

"(12) family rights groups; and

"(13) children's rights advocates.

"(d) VACANCIES.—Any vacancy in the membership of the board shall be filled in the same manner in which the original appointment was made.

"(e) ELECTION OF OFFICERS.—The board shall elect a chairperson and vice-chairperson at its first meeting from among the members of the board.

"(f) DUTIES.—Not later than 1 year after the establishment of the board under subsection (a), the board shall submit to the Secretary and the appropriate committees of Congress a report, or interim report, containing—

"(1) recommendations on coordinating Federal, State, and local child abuse and neglect activities with similar activities at the Federal, State, and local level pertaining to family violence prevention;

"(2) specific modifications needed in Federal and State laws and programs to reduce the number of unfounded or unsubstantiated reports of child abuse or neglect while enhancing the ability to identify and substantiate legitimate cases of abuse or neglect which place a child in danger; and

"(3) recommendations for modifications needed to facilitate coordinated national data collection with respect to child protection and child welfare.".

SEC. 105. REPEAL OF INTERAGENCY TASK FORCE.

Section 103 (42 U.S.C.5103) is repealed.

SEC. 106. NATIONAL CLEARINGHOUSE FOR INFORMATION RELATING TO CHILD ABUSE.

Section 104 (42 U.S.C.5104) is amended—

(1) in subsection (a), to read as follows:

"(a) ESTABLISHMENT.—The Secretary shall through the Department, or by one or more contracts of not less than 3 years duration let through a competition, establish a national clearinghouse for information relating to child abuse.";

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "Director" and inserting "Secretary";

(B) in paragraph (1)—

(i) by inserting "assessment," after "prevention,"; and

(ii) by striking ", including" and all that follows through "105(b)" and inserting "and";

(C) in paragraph (2)—

(i) in subparagraph (A), by striking "general population" and inserting "United States";

(ii) in subparagraph (B), by adding "and" at the end thereof;

(iii) in subparagraph (C), by striking "; and" at the end thereof and inserting a period; and

(iv) by striking subparagraph (D); and

(D) by striking paragraph (3); and

(3) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "Director" and inserting "Secretary";

(B) in paragraph (2), by striking "that is represented on the task force" and inserting "involved with child abuse and neglect and mechanisms for the sharing of such information among other Federal agencies and clearinghouses";

(C) in paragraph (3), by striking "State, regional" and all that follows and inserting the following: "Federal, State, regional, and local child welfare data systems which shall include:

"(A) standardized data on false, unfounded, unsubstantiated, and substantiated reports; and

"(B) information on the number of deaths due to child abuse and neglect;";

(D) by redesignating paragraph (4) as paragraph (6); and

(E) by inserting after paragraph (3), the following new paragraphs:

"(4) through a national data collection and analysis program and in consultation with appropriate State and local agencies and experts in the field, collect, compile, and make available State child abuse and neglect reporting information which, to the extent practical, shall be universal and case specific, and integrated with other case-based foster care and adoption data collected by the Secretary;

"(5) compile, analyze, and publish a summary of the research conducted under section 105(a); and".

SEC. 107. RESEARCH, EVALUATION AND ASSISTANCE ACTIVITIES.

(a) RESEARCH.—Section 105(a) (42 (42 U.S.C. 5105(a)) is amended—

(1) in the section heading, by striking "OF THE NATIONAL CENTER ON CHILD ABUSE AND NEGLECT";

(2) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking ", through the Center, conduct research on" and inserting ", in consultation with other Federal agencies and recognized experts in the field, carry out a continuing interdisciplinary program of research that is designed to provide information needed to better protect children from abuse or neglect and to improve the well-being of abused or neglected children, with at least a portion of such research being field initiated. Such research program may focus on";

(B) by redesignating subparagraphs (A) through (C) as subparagraph (B) through (D), respectively;

(C) by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:

"(A) the nature and scope of child abuse and neglect;";

(D) in subparagraph (B) (as so redesignated), to read as follows:

"(B) causes, prevention, assessment, identification, treatment, cultural and socio-economic distinctions, and the consequences of child abuse and neglect;";

(E) in subparagraph (D) (as so redesignated)—

(i) by striking clause (ii); and

(ii) in clause (iii), to read as follows:

"(ii) the incidence of substantiated and unsubstantiated reported child abuse cases;

"(iii) the number of substantiated cases that result in a judicial finding of child abuse or neglect or related criminal court convictions;

"(iv) the extent to which the number of unsubstantiated, unfounded and false reported cases of child abuse or neglect have contributed to the inability of a State to respond effectively to serious cases of child abuse or neglect;

"(v) the extent to which the lack of adequate resources and the lack of adequate training of reporters have contributed to the inability of a State to respond effectively to serious cases of child abuse and neglect;

"(vi) the number of unsubstantiated, false, or unfounded reports that have resulted in a child being placed in substitute care, and the duration of such placement;

"(vii) the extent to which unsubstantiated reports return as more serious cases of child abuse or neglect;

"(viii) the incidence and prevalence of physical, sexual, and emotional abuse and physical and emotional neglect in substitute care; and

"(ix) the incidence and outcomes of abuse allegations reported within the context of divorce, custody, or other family court proceedings, and the interaction between this venue and the child protective services system."; and

(3) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking "and demonstrations"; and

(ii) by striking "paragraph (1)(A) and activities under section 106" and inserting "paragraph (1)"; and

(B) in subparagraph (B), by striking "and demonstration".

(b) REPEAL.—Subsection (b) of section 105 (42 U.S.C. 5105(b)) is repealed.

(c) TECHNICAL ASSISTANCE.—Section 105(c) (42 U.S.C. 5105(c)) is amended—

(1) by striking "The Secretary" and inserting: "(1) IN GENERAL.—The Secretary";

(2) by striking ", through the Center,";

(3) by inserting "State and local" before "public and nonprofit";

(4) by inserting "assessment," before "identification"; and

(5) by adding at the end thereof the following new paragraphs:

"(2) EVALUATION.—Such technical assistance may include an evaluation or identification of—

"(A) various methods and procedures for the investigation, assessment, and prosecution of child physical and sexual abuse cases;

"(B) ways to mitigate psychological trauma to the child victim; and

"(C) effective programs carried out by the States under titles I and II.

"(3) DISSEMINATION.—The Secretary may provide for and disseminate information relating to various training resources available at the State and local level to—

"(A) individuals who are engaged, or who intend to engage, in the prevention, identification, and treatment of child abuse and neglect; and

"(B) appropriate State and local officials to assist in training law enforcement, legal, judicial, medical, mental health, education, and child welfare personnel in appropriate methods of interacting during investigative, administrative, and judicial proceedings with children who have been subjected to abuse.".

(d) GRANTS AND CONTRACTS.—Section 105(d)(2) (42 U.S.C. 5105(d)(2)) is amended by striking the second sentence.

(e) PEER REVIEW.—Section 105(e) (42 U.S.C. 5105(e)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking "establish a formal" and inserting ", in consultation with experts in the field and other federal agencies, establish a formal, rigorous, and meritorious";

(ii) by striking "and contracts"; and

(iii) by adding at the end thereof the following new sentence: "The purpose of this process is to enhance the quality and usefulness of research in the field of child abuse and neglect."; and

(B) in subparagraph (B)—

(i) by striking "Office of Human Development" and inserting "Administration on Children and Families"; and

(ii) by adding at the end thereof the following new sentence: "The Secretary shall ensure that the peer review panel utilizes scientifically valid review criteria and scoring guidelines for review committees."; and

(2) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking ", contract, or other financial assistance"; and

(B) by adding at the end thereof the following flush sentence:

"The Secretary shall award grants under this section on the basis of competitive review.".

SEC. 108. GRANTS FOR DEMONSTRATION PROGRAMS.

Section 106 (42 U.S.C. 5106) is amended—

(1) in the section heading, by striking "OR SERVICE";

(2) in subsection (a), to read as follows:

"(a) DEMONSTRATION PROGRAMS AND PROJECTS.—The Secretary may make grants to, and enter into contracts with, public agencies or nonprofit private agencies or organizations (or combinations of such agencies or organizations) for time limited, demonstration programs and projects for the following purposes:

"(1) TRAINING PROGRAMS.—The Secretary may award grants to public or private non-profit organizations under this section—

"(A) for the training of professional and paraprofessional personnel in the fields of medicine, law, education, social work, and other relevant fields who are engaged in, or intend to work in, the field of prevention, identification, and treatment of child abuse and neglect, including the links between domestic violence and child abuse;

"(B) to provide culturally specific instruction in methods of protecting children from child abuse and neglect to children and to persons responsible for the welfare of children, including parents of and persons who work with children with disabilities;

"(C) to improve the recruitment, selection, and training of volunteers serving in private and public nonprofit children, youth and family service organizations in order to prevent child abuse and neglect through collaborative analysis of current recruitment, selection, and training programs and development of model programs for dissemination and replication nationally; and

"(D) for the establishment of resource centers for the purpose of providing information and training to professionals working in the field of child abuse and neglect.

"(2) MUTUAL SUPPORT PROGRAMS.—The Secretary may award grants to private non-profit organizations (such as Parents Anonymous) to establish or maintain a national network of mutual support and self-help programs as a means of strengthening families in partnership with their communities.

"(3) OTHER INNOVATIVE PROGRAMS AND PROJECTS.—

"(A) IN GENERAL.—The Secretary may award grants to public agencies that demonstrate innovation in responding to reports of child abuse and neglect including programs of collaborative partnerships between the State child protective service agency, community social service agencies and family support programs, schools, churches and synagogues, and other community agencies to allow for the establishment of a triage system that—

"(i) accepts, screens and assesses reports received to determine which such reports require an intensive intervention and which require voluntary referral to another agency, program or project;

"(ii) provides, either directly or through referral, a variety of community-linked services to assist families in preventing child abuse and neglect; and

"(iii) provides further investigation and intensive intervention where the child's safety is in jeopardy.

"(B) KINSHIP CARE.—The Secretary may award grants to public entities to assist such entities in developing or implementing procedures using adult relatives as the preferred placement for children removed from their home, where such relatives are determined to be capable of providing a safe nurturing environment for the child or where such relatives comply with the State child protection standards.

"(C) VISITATION CENTERS.—The Secretary may award grants to public or private nonprofit entities to assist such entities in the establishment or operation of supervised visitation centers where there is documented, highly suspected, or elevated risk of child sexual, physical, or emotional abuse where, due to domestic violence, there is an ongoing risk of harm to a parent or child.";

(3) in subsection (c), by striking paragraphs (1) and (2); and

(4) by adding at the end thereof the following new subsection:

"(d) EVALUATION.—In making grants for demonstration projects under this section, the Secretary shall require all such projects to be evaluated for their effectiveness. Funding for such evaluations shall be provided either as a stated percentage of a demonstration grant or as a separate grant entered into by the Secretary for the purpose of evaluating a particular demonstration project or group of projects.".

SEC. 109. STATE GRANTS FOR PREVENTION AND TREATMENT PROGRAMS.

Section 107 (42 U.S.C. 5106a) is amended to read as follows:

"SEC. 107. GRANTS TO STATES FOR CHILD ABUSE AND NEGLECT PREVENTION AND TREATMENT PROGRAMS.

"(a) DEVELOPMENT AND OPERATION GRANTS.—The Secretary shall make grants to the States, based on the population of children under the age of 18 in each State that applies for a grant under this section, for purposes of assisting the States in improving the child protective service system of each such State in—

"(1) the intake, assessment, screening, and investigation of reports of abuse and neglect;

"(2)(A) creating and improving the use of multidisciplinary teams and interagency protocols to enhance investigations; and

"(B) improving legal preparation and representation, including—

"(i) procedures for appealing and responding to appeals of substantiated reports of abuse and neglect; and

"(ii) provisions for the appointment of a guardian ad litem.

"(3) case management and delivery of services provided to children and their families;

"(4) enhancing the general child protective system by improving risk and safety assessment tools and protocols, automation systems that support the program and track reports of child abuse and neglect from intake through final disposition and information referral systems;

"(5) developing, strengthening, and facilitating training opportunities and requirements for individuals overseeing and providing services to children and their families through the child protection system;

"(6) developing and facilitating training protocols for individuals mandated to report child abuse or neglect;

"(7) developing, strengthening, and supporting child abuse and neglect prevention, treatment, and research programs in the public and private sectors;

"(8) developing, implementing, or operating—

"(A) information and education programs or training programs designed to improve the provision of services to disabled infants with life-threatening conditions for—

"(i) professional and paraprofessional personnel concerned with the welfare of disabled infants with life-threatening conditions, including personnel employed in child protective services programs and health-care facilities; and

"(ii) the parents of such infants; and

"(B) programs to assist in obtaining or coordinating necessary services for families of disabled infants with life-threatening conditions, including—

"(i) existing social and health services;

"(ii) financial assistance; and

"(iii) services necessary to facilitate adoptive placement of any such infants who have been relinquished for adoption; or

"(9) developing and enhancing the capacity of community-based programs to integrate shared leadership strategies between parents and professionals to prevent and treat child abuse and neglect at the neighborhood level.

"(b) ELIGIBILITY REQUIREMENTS.—In order for a State to qualify for a grant under subsection (a), such State shall provide an assurance or certification, signed by the chief executive officer of the State, that the State—

"(1) has in effect and operation a State law or Statewide program relating to child abuse and neglect which ensures—

"(A) provisions or procedures for the reporting of known and suspected instances of child abuse and neglect;

"(B) procedures for the immediate screening, safety assessment, and prompt investigation of such reports;

"(C) procedures for immediate steps to be taken to ensure and protect the safety of the abused or neglected child and of any other child under the same care who may also be in danger of abuse or neglect;

"(D) provisions for immunity from prosecution under State and local laws and regulations for individuals making good faith reports of suspected or known instances of child abuse or neglect;

"(E) methods to preserve the confidentiality of all records in order to protect the rights of the child and of the child's parents or guardians, including methods to ensure that disclosure (and redisclosure) of information concerning child abuse or neglect involving specific individuals is made only to persons or entities that the State determines have a need for such information directly related to the purposes of this Act;

"(F) requirements for the prompt disclosure of all relevant information to any Federal, State, or local governmental entity, or any agent of such entity, with a need for such information in order to carry out its responsibilities under law to protect children from abuse and neglect;

"(G) the cooperation of State law enforcement officials, court of competent jurisdiction, and appropriate State agencies providing human services;

"(H) provisions requiring, and procedures in place that facilitate the prompt expungement of any records that are accessible to the general public or are used for purposes of employment or other background checks in cases determined to be unsubstantiated or false, except that nothing in this section shall prevent State child protective service agencies from keeping information on unsubstantiated reports in their casework files to assist in future risk and safety assessment; and

"(I) provisions and procedures requiring that in every case involving an abused or neglected child which results in a judicial proceeding, a guardian ad litem shall be appointed to represent the child in such proceedings; and

"(2) has in place procedures for responding to the reporting of medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions), procedures or programs, or both (within the State child protective services system), to provide for—

"(A) coordination and consultation with individuals designated by and within appropriate health-care facilities;

"(B) prompt notification by individuals designated by and within appropriate health-care facilities of cases of suspected medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions); and

"(C) authority, under State law, for the State child protective service system to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, as may be necessary to prevent the withholding of medically indicated treatment from disabled infants with life threatening conditions.

"(c) ADDITIONAL REQUIREMENT.—Not later than 2 years after the date of enactment of this section, the State shall provide an assurance or certification that the State has in place provisions, procedures, and mechanisms by which individuals who disagree with an official finding of abuse or neglect can appeal such finding.

"(d) STATE PROGRAM PLAN.—To be eligible to receive a grant under this section, a State shall submit every 5 years a plan to the Secretary that specifies the child protective service system area or areas described in subsection (a) that the State intends to address with funds received under the grant. Such plan shall, to the maximum extent practicable, be coordinated with the plan of the State for child welfare services and family preservation and family support services under part B of title IV of the Social Security Act and shall contain an outline of the activities that the State intends to carry out using amounts provided under the grant to achieve the purposes of this Act, including the procedures to be used for—

"(1) receiving and assessing reports of child abuse or neglect;

"(2) investigating such reports;

"(3) protecting children by removing them from dangerous settings and ensuring their placement in a safe environment;

"(4) providing services or referral for services for families and children where the child is not in danger of harm;

"(5) providing services to individuals, families, or communities, either directly or through referral, aimed at preventing the occurrence of child abuse and neglect;

"(6) providing training to support direct line and supervisory personnel in report-taking, screening, assessment, decision-making, and referral for investigation; and

"(7) providing training for individuals mandated to report suspected cases of child abuse or neglect.

"(e) RESTRICTIONS RELATING TO CHILD WELFARE SERVICES.—Programs or projects relating to child abuse and neglect assisted under part B of title IV of the Social Security Act shall comply with the requirements set forth in paragraphs (1) (A) and (B), and (2) of subsection (b).

"(f) ANNUAL STATE DATA REPORTS.—Each State to which a grant is made under this part shall annually work with the Secretary to provide, to the maximum extent practicable, a report that includes the following:

"(1) The number of children who were reported to the State during the year as abused or neglected.

"(2) Of the number of children described in paragraph (1), the number with respect to whom such reports were—

"(A) substantiated;

"(B) unsubstantiated; and

"(C) determined to be false.

"(3) Of the number of children described in paragraph (2)—

"(A) the number that did not receive services during the year under the State program funded under this part or an equivalent State program;

"(B) the number that received services during the year under the State program funded under this part or an equivalent State program; and

"(C) the number that were removed from their families during the year by disposition of the case.

"(4) The number of families that received preventive services from the State during the year.

"(5) The number of deaths in the State during the year resulting from child abuse or neglect.

"(6) Of the number of children described in paragraph (5), the number of such children who were in foster care.

"(7) The number of child protective service workers responsible for the intake and screening of reports filed in the previous year.

"(8) The agency response time with respect to each such report with respect to initial investigation of reports of child abuse or neglect.

"(9) The response time with respect to the provision of services to families and children where an allegation of abuse or neglect has been made.

"(10) The number of child protective service workers responsible for intake, assessment, and investigation of child abuse and neglect reports relative to the number of reports investigated in the previous year.

"(g) ANNUAL REPORT BY THE SECRETARY.—Within 6 months after receiving the State reports under subsection (f), the Secretary shall prepare a report based on information provided by the States for the fiscal year under such subsection and shall make the report and such information available to the Congress and the national clearinghouse for information relating to child abuse.".

SEC. 110. REPEAL.

Section 108 (42 U.S.C. 5106b) is repealed.

SEC. 111. MISCELLANEOUS REQUIREMENTS.

Section 110 (42 U.S.C. 5106d) is amended by striking subsections (c) and (d).

SEC. 112. DEFINITIONS.

Section 113 (42 U.S.C. 5106h) is amended—

(1) by striking paragraphs (1) and (2);

(2) by redesignating paragraphs (3) through (10) as paragraphs (1) through (8), respectively; and

(3) in paragraph (2) (as so redesignated), to read as follows:

"(2) the term 'child abuse and neglect' means, at a minimum, any recent act or failure to act on the part of a parent or caretaker, which results in death or serious physical, sexual, or emotional harm, or presents an imminent risk of serious harm;".

SEC. 113. AUTHORIZATION OF APPROPRIATIONS.

Section 114(a) (42 U.S.C. 5106h(a)) is amended to read as follows:

"(a) IN GENERAL.—

"(1) GENERAL AUTHORIZATION.—There are authorized to be appropriated to carry out this title, $100,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000.

"(2) DISCRETIONARY ACTIVITIES.—

"(A) IN GENERAL.—Of the amounts appropriated for a fiscal year under paragraph (1), the Secretary shall make available 33⅓ percent of such amounts to fund discretionary activities under this title.

"(B) DEMONSTRATION PROJECTS.—Of the amounts made available for a fiscal year under subparagraph (A), the Secretary make available not more than 40 percent of such amounts to carry out section 106.".

SEC. 114. RULE OF CONSTRUCTION.

Title I (42 U.S.C. 5101 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 115. RULE OF CONSTRUCTION.

"(a) IN GENERAL.—Nothing in this Act shall be construed—

"(1) as establishing a Federal requirement that a parent or legal guardian provide a child any medical service or treatment against the religious beliefs of the parent or legal guardian; and

"(2) to require that a State find, or to prohibit a State from finding, abuse or neglect in cases in which a parent or legal guardian relies solely or partially upon spiritual means rather than medical treatment, in accordance with the religious beliefs of the parent or legal guardian.

"(b) STATE REQUIREMENT.—Notwithstanding subsection (a), a State shall, at a minimum, have in place authority under State law to permit the child protective service system of the State to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, to provide medical care or treatment for a child when such care or treatment is necessary to prevent or remedy serious harm to the child, or to prevent the withholding of medically indicated treatment from children with life threatening conditions. Case by case determinations concerning the exercise of the authority of this subsection shall be within the sole discretion of the State.".

SEC. 115. TECHNICAL AMENDMENT.

Section 1404A of the Victims of Crime Act of 1984 (42 U.S.C. 10603a) is amended—

(1) by striking "1402(d)(2)(D) and (d)(3)" and inserting "1402(d)(2)"; and

(2) by striking "section 4(d)" and inserting "section 109".

TITLE II—COMMUNITY-BASED CHILD ABUSE AND NEGLECT PREVENTION GRANTS

SEC. 201. ESTABLISHMENT OF PROGRAM.

Title II of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116 et seq) is amended to read as follows:

"TITLE II—COMMUNITY-BASED FAMILY RESOURCE AND SUPPORT GRANTS

"SEC. 201. PURPOSE AND AUTHORITY.

"(a) PURPOSE.—It is the purpose of this Act to support State efforts to develop, operate, expand and enhance a network of community-based, prevention-focused, family resource and support programs that are culturally competent and that coordinate resources among existing education, vocational rehabilitation, disability, respite, health, mental health, job readiness, self-sufficiency, child and family development, community action, Head Start, child care, child abuse and neglect prevention, juvenile justice, domestic violence prevention and intervention, housing, and other human service organizations within the State.

"(b) AUTHORITY.—The Secretary shall make grants under this title on a formula basis to the entity designated by the State as the lead entity (hereafter referred to in this title as the 'lead entity') for the purpose of—

"(1) developing, operating, expanding and enhancing Statewide networks of community-based, prevention-focused, family resource and support programs that—

"(A) offer sustained assistance to families;

"(B) provide early, comprehensive, and holistic support for all parents;

"(C) promote the development of parental competencies and capacities, especially in young parents and parents with very young children;

"(D) increase family stability;

"(E) improve family access to other formal and informal resources and opportunities for assistance available within communities;

"(F) support the additional needs of families with children with disabilities; and

"(G) decrease the risk of homelessness;

"(2) fostering the development of a continuum of preventive services for children and families through State and community-based collaborations and partnerships both public and private;

"(3) financing the start-up, maintenance, expansion, or redesign of specific family resource and support program services (such as respite services, child abuse and neglect prevention activities, disability services, mental health services, housing services, transportation, adult education, home visiting and other similar services) identified by the inventory and description of current services required under section 205(a)(3) as an unmet need, and integrated with the network of community-based family resource and support program to the extent practicable given funding levels and community priorities;

"(4) maximizing funding for the financing, planning, community mobilization, collaboration, assessment, information and referral, startup, training and technical assistance, information management, reporting and evaluation costs for establishing, operating, or expanding a Statewide network of community-based, prevention-focused, family resource and support program; and

"(5) financing public information activities that focus on the healthy and positive development of parents and children and the promotion of child abuse and neglect prevention activities.

"SEC. 202. ELIGIBILITY.

"A State shall be eligible for a grant under this title for a fiscal year if—

"(1)(A) the chief executive officer of the State has designated an entity to administer funds under this title for the purposes identified under the authority of this title, including to develop, implement, operate, enhance or expand a Statewide network of community-based, prevention-focused, family resource and support programs, child abuse and neglect prevention activities and access to respite services integrated with the Statewide network;

"(B) in determining which entity to designate under subparagraph (A), the chief executive officer should give priority consideration to the trust fund advisory board of the State or an existing entity that leverages Federal, State, and private funds for a broad range of child abuse and neglect prevention activities and family resource programs, and that is directed by an interdisciplinary, public-private structure, including participants from communities; and

"(C) such lead entity is an existing public, quasi-public, or nonprofit private entity with a demonstrated ability to work with other State and community-based agencies to provide training and technical assistance, and that has the capacity and commitment to ensure the meaningful involvement of parents who are consumers and who can provide leadership in the planning, implementation, and evaluation of programs and policy decisions of the applicant agency in accomplishing the desired outcomes for such efforts;

"(2) the chief executive officer of the State provides assurances that the lead entity will provide or will be responsible for providing—

"(A) a network of community-based family resource and support programs composed of local, collaborative, public-private partnerships directed by interdisciplinary structures with balanced representation from private and public sector members, parents, and public and private nonprofit service providers and individuals and organizations experienced in working in partnership with families with children with disabilities;

"(B) direction to the network through an interdisciplinary, collaborative, public-private structure with balanced representation from private and public sector members, parents, and public sector and private nonprofit sector service providers; and

"(C) direction and oversight to the network through identified goals and objectives, clear lines of communication and accountability, the provision of leveraged or combined funding from Federal, State and private sources, centralized assessment and planning activities, the provision of training and technical assistance, and reporting and evaluation functions; and

"(3) the chief executive officer of the State provides assurances that the lead entity—

"(A) has a demonstrated commitment to parental participation in the development, operation, and oversight of the Statewide network of community-based, prevention-focused, family resource and support programs;

"(B) has a demonstrated ability to work with State and community-based public and private nonprofit organizations to develop a continuum of preventive, family centered, holistic services for children and families through the Statewide network of community-based, prevention-focused, family resource and support programs;

"(C) has the capacity to provide operational support (both financial and programmatic) and training and technical assistance, to the Statewide network of community-based, prevention-focused, family resource and support programs, through innovative, interagency funding and interdisciplinary service delivery mechanisms; and

"(D) will integrate its efforts with individuals and organizations experienced in working in partnership with families with children with disabilities and with the child abuse and neglect prevention activities of the State, and demonstrate a financial commitment to those activities.

"SEC. 203. AMOUNT OF GRANT.

"(a) RESERVATION.—The Secretary shall reserve 1 percent of the amount appropriated under section 210 for a fiscal year to make allotments to Indian tribes and tribal organizations and migrant programs.

"(b) IN GENERAL.—Of the amounts appropriated for a fiscal year under section 210 and remaining after the reservation under subsection (a), The Secretary shall allot to each State lead entity an amount so that—

"(1) 50 percent of the total amount allotted to the State under this section is based on the number of children under 18 residing in the State as compared to the number of such children residing in all States, except that no State shall receive less than $250,000; and

"(2) each State receives, from the amounts remaining from the total amount appropriated, an amount equal to 50 percent of the amount that each such State has directed through the lead agency to the purposes identified under the authority of this title, including foundation, corporate, and other private funding, State revenues, and Federal funds.

"(c) ALLOCATION.—Funds allotted to a State under this section shall be awarded on a formula basis for a 3-year period. Payment under such allotments shall be made by the Secretary annually on the basis described in subsection (a).

"SEC. 204. EXISTING AND CONTINUATION GRANTS.

"(a) EXISTING GRANTS.—Notwithstanding the enactment of this title, a State or entity that has a grant, contract, or cooperative agreement in effect, on the date of enactment of this title, under the Family Resource and Support Program, the Community-Based Family Resource Program, the Family Support Center Program, the Emergency Child Abuse Prevention Grant Program, or the Temporary Child Care for Children with Disabilities and Crisis Nurseries Programs shall continue to receive funds under such programs, subject to the original terms under which such funds were granted, through the end of the applicable grant cycle.

"(b) CONTINUATION GRANTS.—The Secretary may continue grants for Family Resource and Support Program grantees, and those programs otherwise funded under this Act, on a noncompetitive basis, subject to the availability of appropriations, satisfactory performance by the grantee, and receipt of reports required under this Act, until such time as the grantee no longer meets the original purposes of this Act.

"SEC. 205. APPLICATION.

"(a) IN GENERAL.—A grant may not be made to a State under this title unless an application therefore is submitted by the State to the Secretary and such application contains the types of information specified by the Secretary as essential to carrying out the provisions of section 202, including—

"(1) a description of the lead entity that will be responsible for the administration of funds provided under this title and the oversight of programs funded through the Statewide network of community-based, prevention-focused, family resource and support programs which meets the requirements of section 202;

"(2) a description of how the network of community-based, prevention-focused, family resource and support programs will operate and how family resource and support services provided by public and private, nonprofit organizations, including those funded by programs consolidated under this Act, will be integrated into a developing continuum of family centered, holistic, preventive services for children and families;

"(3) an assurance that an inventory of current family resource programs, respite, child abuse and neglect prevention activities, and other family resource services operating in the State, and a description of current unmet needs, will be provided;

"(4) a budget for the development, operation and expansion of the State's network of community-based, prevention-focused, family resource and support programs that verifies that the State will expend an amount equal to not less

than 20 percent of the amount received under this title (in cash, not in-kind) for activities under this title;

"(5) an assurance that funds received under this title will supplement, not supplant, other State and local public funds designated for the Statewide network of community-based, prevention-focused, family resource and support programs;

"(6) an assurance that the State network of community-based, prevention-focused, family resource and support programs will maintain cultural diversity, and be culturally competent and socially sensitive and responsive to the needs of families with children with disabilities;

"(7) an assurance that the State has the capacity to ensure the meaningful involvement of parents who are consumers and who can provide leadership in the planning, implementation, and evaluation of the programs and policy decisions of the applicant agency in accomplishing the desired outcomes for such efforts;

"(8) a description of the criteria that the entity will use to develop, or select and fund, individual community-based, prevention-focused, family resource and support programs as part of network development, expansion or enhancement;

"(9) a description of outreach activities that the entity and the community-based, prevention-focused, family resource and support programs will undertake to maximize the participation of racial and ethnic minorities, new immigrant populations, children and adults with disabilities, homeless families and those at risk of homelessness, and members of other underserved or underrepresented groups;

"(10) a plan for providing operational support, training and technical assistance to community-based, prevention-focused, family resource and support programs for development, operation, expansion and enhancement activities;

"(11) a description of how the applicant entity's activities and those of the network and its members will be evaluated;

"(12) a description of that actions that the applicant entity will take to advocate changes in State policies, practices, procedures and regulations to improve the delivery of prevention-focused, family resource and support program services to all children and families; and

"(13) an assurance that the applicant entity will provide the Secretary with reports at such time and containing such information as the Secretary may require.

"SEC. 206. LOCAL PROGRAM REQUIREMENTS.

"(a) IN GENERAL.—Grants made under this title shall be used to develop, implement, operate, expand and enhance community-based, prevention-focused, family resource and support programs that—

"(1) assess community assets and needs through a planning process that involves parents and local public agencies, local nonprofit organizations, and private sector representatives;

"(2) develop a strategy to provide, over time, a continuum of preventive, holistic, family centered services to children and families, especially to young parents and parents with young children, through public-private partnerships;

"(3) provide—

"(A) core family resource and support services such as—

"(i) parent education, mutual support and self help, and leadership services;

"(ii) early developmental screening of children;

"(iii) outreach services;

"(iv) community and social service referrals; and

"(v) follow-up services;

"(B) other core services, which must be provided or arranged for through contracts or agreements with other local agencies, including all forms of respite services to the extent practicable; and

"(C) access to optional services, including—

"(i) child care, early childhood development and intervention services;

"(ii) services and supports to meet the additional needs of families with children with disabilities;

"(iii) job readiness services;

"(iv) educational services, such as scholastic tutoring, literacy training, and General Educational Degree services;

"(v) self-sufficiency and life management skills training;

"(vi) community referral services; and

"(vii) peer counseling;

"(4) develop leadership roles for the meaningful involvement of parents in the development, operation, evaluation, and oversight of the programs and services;

"(5) provide leadership in mobilizing local public and private resources to support the provision of needed family resource and support program services; and

"(6) participate with other community-based, prevention-focused, family resource and support program grantees in the development, operation and expansion of the Statewide network.

"(b) PRIORITY.—In awarding local grants under this title, a lead entity shall give priority to community-based programs serving low income communities and those serving young parents or parents with young children, and to community-based family resource and support programs previously funded under the programs consolidated under the Child Abuse Prevention and Treatment Act Amendments of 1995, so long as such programs meet local program requirements.

"SEC. 207. PERFORMANCE MEASURES.

"A State receiving a grant under this title, through reports provided to the Secretary, shall—

"(1) demonstrate the effective development, operation and expansion of a Statewide network of community-based, prevention-focused, family resource and support programs that meets the requirements of this title;

"(2) supply an inventory and description of the services provided to families by local programs that meet identified community needs, including core and optional services as described in section 202;

"(3) demonstrate the establishment of new respite and other specific new family resources services, and the expansion of existing services, to address unmet needs identified by the inventory and description of current services required under section 205(a)(3);

"(4) describe the number of families served, including families with children with disabilities, and the involvement of a diverse representation of families in the design, operation, and evaluation of the Statewide network of community-based, prevention-focused, family resource and support programs, and in the design, operation and evaluation of the individual community-based family resource and support programs that are part of the Statewide network funded under this title;

"(5) demonstrate a high level of satisfaction among families who have used the services of the community-based, prevention-focused, family resource and support programs;

"(6) demonstrate the establishment or maintenance of innovative funding mechanisms, at the State or community level, that blend Federal, State, local and private funds, and innovative, interdisciplinary service delivery mechanisms, for the development, operation, expansion and enhancement of the Statewide network of community-based, prevention-focused, family resource and support programs;

"(7) describe the results of a peer review process conducted under the State program; and

"(8) demonstrate an implementation plan to ensure the continued leadership of parents in the on-going planning, implementation, and evaluation of such community based, prevention-focused, family resource and support programs.

"SEC. 208. NATIONAL NETWORK FOR COMMUNITY-BASED FAMILY RESOURCE PROGRAMS.

"The Secretary may allocate such sums as may be necessary from the amount provided under the State allotment to support the activities of the lead entity in the State—

"(1) to create, operate and maintain a peer review process;

"(2) to create, operate and maintain an information clearinghouse;

"(3) to fund a yearly symposium on State system change efforts that result from the operation of the Statewide networks of community-based, prevention-focused, family resource and support programs;

"(4) to create, operate and maintain a computerized communication system between lead entities; and

"(5) to fund State-to-State technical assistance through bi-annual conferences.

"SEC. 209. DEFINITIONS.

"For purposes of this title:

"(1) CHILDREN WITH DISABILITIES.—The term 'children with disabilities' has the same meaning given such term in section 602(a)(2) of the Individuals with Disabilities Education Act.

"(2) COMMUNITY REFERRAL SERVICES.—The term 'community referral services' means services provided under contract or through interagency agreements to assist families in obtaining needed information, mutual support and community resources, including respite services, health and mental health services, employability development and job training, and other social services through help lines or other methods.

"(3) CULTURALLY COMPETENT.—The term 'culturally competent' means services, support, or other assistance that is conducted or provided in a manner that—

"(A) is responsive to the beliefs, interpersonal styles, attitudes, languages, and behaviors of those individuals and families receiving services; and

"(B) has the greatest likelihood of ensuring maximum participation of such individuals and families.

"(4) FAMILY RESOURCE AND SUPPORT PROGRAM.—The term 'family resource and support program' means a community-based, prevention-focused entity that—

"(A) provides, through direct service, the core services required under this title, including—

"(i) parent education, support and leadership services, together with services characterized by relationships between parents and professionals that are based on equality and respect, and designed to assist parents in acquiring parenting skills, learning about child development, and responding appropriately to the behavior of their children;

"(ii) services to facilitate the ability of parents to serve as resources to one another other (such as through mutual support and parent self-help groups);

"(iii) early developmental screening of children to assess any needs of children, and to identify types of support that may be provided;

"(iv) outreach services provided through voluntary home visits and other methods to assist parents in becoming aware of and able to participate in family resources and support program activities;

"(v) community and social services to assist families in obtaining community resources; and

"(vi) follow-up services;

"(B) provides, or arranges for the provision of, other core services through contracts or agreements with other local agencies, including all forms of respite services; and

"(C) provides access to optional services, directly or by contract, purchase of service, or interagency agreement, including—

"(i) child care, early childhood development and early intervention services;

"(ii) self-sufficiency and life management skills training;

"(iii) education services, such as scholastic tutoring, literacy training, and General Educational Degree services;

"(iv) job readiness skills;

"(v) child abuse and neglect prevention activities;

"(vi) services that families with children with disabilities or special needs may require;

"(vii) community and social service referral;

"(viii) peer counseling;

"(ix) referral for substance abuse counseling and treatment; and

"(x) help line services.

"(5) NATIONAL NETWORK FOR COMMUNITY-BASED FAMILY RESOURCE PROGRAMS.—The term 'network for community-based family resource program' means the organization of State designated entities who receive grants under this title, and includes the entire membership of the Children's Trust Fund Alliance and the National Respite Network.

"(6) OUTREACH SERVICES.—The term 'outreach services' means services provided to assist consumers, through voluntary home visits or other methods, in accessing and participating in family resource and support program activities.

"(7) RESPITE SERVICES.—The term 'respite services' means short term care services provided in the temporary absence of the regular caregiver (parent, other relative, foster parent, adoptive parent, or guardian) to children who—

"(A) are in danger of abuse or neglect;

"(B) have experienced abuse or neglect; or

"(C) have disabilities, chronic, or terminal illnesses.

Such services shall be provided within or outside the home of the child, be short-term care (ranging from a few hours to a few weeks of time, per year), and be intended to enable the family to stay together and to keep the child living in the home and community of the child.

"SEC. 210. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title, $108,000,000 for each of the fiscal years 1996 through 2000.".

SEC. 202. REPEALS.

(a) TEMPORARY CHILD CARE FOR CHILDREN WITH DISABILITIES AND CRISIS NURSERIES ACT.—The Temporary Child Care for Children with Disabilities and Crisis Nurseries Act of 1986 (42 U.S.C. 5117 et seq.) is repealed.

(b) FAMILY SUPPORT CENTERS.—Subtitle F of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11481 et seq.) is repealed.

TITLE III—FAMILY VIOLENCE PREVENTION AND SERVICES

SEC. 301. REFERENCE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.).

SEC. 302. STATE DEMONSTRATION GRANTS.

Section 303(e) (42 U.S.C. 10420(e)) is amended—

(1) by striking "following local share" and inserting "following non-Federal matching local share"; and

(2) by striking "20 percent" and all that follows through "private sources." and inserting "with respect to an entity operating an existing program under this title, not less than 20 percent, and with respect to an entity intending to operate a new program under this title, not less than 35 percent.".

SEC. 303. ALLOTMENTS.

Section 304(a)(1) (42 U.S.C. 10403(a)(1)) is amended by striking "$200,000" and inserting "$400,000".

SEC. 304. AUTHORIZATION OF APPROPRIATIONS.

Section 310 (42 U.S.C. 10409) is amended—

(1) in subsection (b), by striking "80" and inserting "70"; and

(2) by adding at the end thereof the following new subsections:

"(d) GRANTS FOR STATE COALITIONS.—Of the amounts appropriated under subsection (a) for each fiscal year, not less than 10 percent of such amounts shall be used by the Secretary for making grants under section 311.

"(e) NON-SUPPLANTING REQUIREMENT.—Federal funds made available to a State under this title shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide services and activities that promote the purposes of this title.".

TITLE IV—ADOPTION OPPORTUNITIES

SEC. 401. REFERENCE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5111 et seq.).

SEC. 402. FINDINGS AND PURPOSE.

Section 201 (42 U.S.C. 5111) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking "50 percent between 1985 and 1990" and inserting "61 percent between 1986 and 1994"; and

(ii) by striking "400,000 children at the end of June, 1990" and inserting "452,000 as of June, 1994"; and

(B) in paragraph (5), by striking "local" and inserting "legal"; and

(C) in paragraph (7), to read as follows:

"(7)(A) currently, 40,000 children are free for adoption and awaiting placement;

"(B) such children are typically school aged, in sibling groups, have experienced neglect or abuse, or have a physical, mental, or emotional disability; and

"(C) while the children are of all races, children of color and older children (over the age of 10) are over represented in such group;"; and

(2) in subsection (b)—

(A) by striking "conditions, by—" and all that follows through "providing a mechanism" and inserting "conditions, by providing a mechanism"; and

(B) by redesignating subparagraphs (A) through (C), as paragraphs (1) through (3), respectively and by realigning the margins of such paragraphs accordingly.

SEC. 403. INFORMATION AND SERVICES.

Section 203 (42 U.S.C. 5113) is amended—

(1) in subsection (a), by striking the last sentence;

(2) in subsection (b)—

(A) in paragraph (6), to read as follows:

"(6) study the nature, scope, and effects of the placement of children in kinship care arrangements, pre-adoptive, or adoptive homes;";

(B) by redesignating paragraphs (7) through (9) as paragraphs (8) through (10), respectively; and

(C) by inserting after paragraph (6), the following new paragraph:

"(7) study the efficacy of States contracting with public or private nonprofit agencies (including community-based and other organizations), or sectarian institutions for the recruitment of potential adoptive and foster families and to provide assistance in the placement of children for adoption;"; and

(3) in subsection (d)—

(A) in paragraph (2)—

(i) by striking "Each" and inserting "(A) Each";

(ii) by striking "for each fiscal year" and inserting "that describes the manner in which the State will use funds during the 3-fiscal years subsequent to the date of the application to accomplish the purposes of this section. Such application shall be"; and

(iii) by adding at the end thereof the following new subparagraph:

"(B) The Secretary shall provide, directly or by grant to or contract with public or private nonprofit agencies or organizations—

"(i) technical assistance and resource and referral information to assist State or local governments with termination of parental rights issues, in recruiting and retaining adoptive families, in the successful placement of children with special needs, and in the provision of pre- and post-placement services, including post-legal adoption services; and

"(ii) other assistance to help State and local governments replicate successful adoption-related projects from other areas in the United States.".

SEC. 404. AUTHORIZATION OF APPROPRIATIONS.

Section 205 (42 U.S.C. 5115) is amended—

(1) in subsection (a), by striking "$10,000,000," and all that follows through "203(c)(1)" and inserting "$20,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000 to carry out programs and activities authorized";

(2) by striking subsection (b); and

(3) by redesignating subsection (c) as subsection (b).

TITLE V—ABANDONED INFANTS ASSISTANCE ACT OF 1986

SEC. 501. REAUTHORIZATION.

Section 104(a)(1) of the Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is amended by striking "$20,000,000" and all that follows through the end thereof and inserting "$35,000,000 for each of the fiscal years 1995 and 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000".

TITLE VI—REAUTHORIZATION OF VARIOUS PROGRAMS

SEC. 601. MISSING CHILDREN'S ASSISTANCE ACT.

Section 408 of the Missing Children's Assistance Act (42 U.S.C. 5777) is amended—

(1) by striking "To" and inserting "(a) IN GENERAL.—"

(2) by striking "and 1996" and inserting "1996, and 1997"; and

(3) by adding at the end thereof the following new subsection:

"(b) EVALUATION.—The Administrator shall use not more than 5 percent of the amount appropriated for a fiscal year under subsection (a) to conduct an evaluation of the effectiveness of the programs and activities established and operated under this title.".

SEC. 602. VICTIMS OF CHILD ABUSE ACT OF 1990.

Section 214B of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13004) is amended—

(1) in subsection (a)(2), by striking "and 1996" and inserting "1996, and 1997"; and

(2) in subsection (b)(2), by striking "and 1996" and inserting "1996, through 2000".

AMENDMENT NO. 4926

Mr. ROTH. Mr. President, I understand there is an amendment at the desk offered by Senator COATS.

I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH], for Mr. COATS, proposes an amendment numbered 4926.

Beginning on page 83, strike line 6 and all that follows through line 10 on page 86, and insert the following:

"(b) ELIGIBILITY REQUIREMENTS.—

"(1) IN GENERAL.—In order for a State to qualify for a grant under subsection (a), such State shall provide an assurance or certification, signed by the chief executive officer of the State, that the State—

"(A) has in effect and operation a State law or Statewide program relating to child abuse and neglect which ensures—

"(i) provisions or procedures for the reporting of known and suspected instances of child abuse and neglect;

"(ii) procedures for the immediate screening, safety assessment, and prompt investigation of such reports;

"(iii) procedures for immediate steps to be taken to ensure and protect the safety of the abused or neglected child and of any other child under the same care who may also be in danger of abuse or neglect;

"(iv) provisions for immunity from prosecution under State and local laws and regulations for individuals making good faith reports of suspected or known instances of child abuse or neglect;

"(v) methods to preserve the confidentiality of all records in order to protect the rights of the child and of the child's parents or guardians, including requirements ensuring that reports and records made and maintained pursuant to the purposes of this Act shall only be made available to—

"(I) individuals who are the subject of the report;

"(II) Federal, State, or local government entities, or any agent of such entities, having a need for such information in order to carry out its responsibilities under law to protect children from abuse and neglect;

"(III) child abuse citizen review panels;

"(IV) child fatality review panels;

"(V) a grant jury or court, upon a finding that information in the record is necessary for the determination of an issue before the court or grant jury; and

"(VI) other entities or classes of individuals statutorily authorized by the State to receive such information pursuant to a legitimate State purpose;

"(vi) provisions which allow for public disclosure of the findings or information about the case of child abuse or neglect which has resulted in a child fatality or near fatality;

"(vii) the cooperation of State law enforcement officials, court of competent jurisdiction, and appropriate State agencies providing human services;

"(viii) provisions requiring, and procedures in place that facilitate the prompt expungement of any records that are accessible to the general public or are used for purposes of employment or other background checks in cases determined to be unsubstantiated or false, except that nothing in this section shall prevent State child protective service agencies from keeping information on unsubstantiated reports in their casework files to assist in future risk and safety assessment; and

"(ix) provisions and procedures requiring that in every case involving an abused or neglected child which results in a judicial proceeding, a guardian ad litem shall be appointed to represent the child in such proceedings; and

"(B) has in place procedures for responding to the reporting of medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions), procedures or programs, or both (within the State child protective services system), to provide for—

"(i) coordination and consultation with individuals designated by and within appropriate health-care facilities;

"(ii) prompt notification by individuals designated by and within appropriate health-care facilities of cases of suspected medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions); and

"(iii) authority, under State law, for the State child protective service system to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, as may be necessary to prevent the withholding of medically indicated treatment from disabled infants with life threatening conditions.

"(2) LIMITATION.—With regard to clauses (v) and (vi) of paragraph (1)(A), nothing in this section shall be construed as restricting the ability of a State to refuse to disclose identifying information concerning the individual initiating a report or complaint alleging suspected instances of child abuse or neglect, except that the State may not refuse such a disclosure where a court orders such disclosure after such court has reviewed, in camera, the record of the State related to the report or complaint and has found it has reason to believe that the reporter knowingly made a false report.

"(3) DEFINITION.—For purposes of this subsection, the term 'near fatality' means an act that, as certified by a physician, places the child in serious or critical condition.

On page 91, strike lines 1 and 2, and insert the following: ", serious physical or emotional harm, sexual abuse or exploitation, or an act of failure to act which presents an imminent risk of serious harm;'.".

On page 91, strike lines 9 through 11, and insert the following: "$100,000,000 for fiscal year 1997, and such sums as may be necessary for each of the fiscal years 1998 through 2001.".

On page 92, line 23, strike "Case" and insert "Except with respect to the withholding of medically indicated treatments from disabled infants with life threatening conditions, case".

On page 114, lines 19 and 20, strike "1996 through 2000" and insert "1997 through 2001".

On page 120, line 10, strike"2000" and insert "2001".

On page 120, line 22, strike "and 1996" and insert "through 1997".

On page 120, line 23, strike "1997 through 2000" and insert "1998 through 2001".

On page 121, lines 8 and 9, strike "1996, and 1997" and insert "1996, and 1997 through 2001".

On page 121, line 23, strike "2000" and insert "2001".

Mr. COATS. Mr. President, child abuse is a critical issue facing our Nation. Each year, close to 1 million children are abused or neglected and as a result, in need of assistance and out of home care. CAPTA is a small but vital link in the provision of these services.

S. 919, which was unanimously reported by the Senate Labor Committee nearly 1-year ago, streamlines State plan and reporting requirements; eliminates unnecessary research and technical assistance activities; and encourages local innovation through a restructured demonstration program.

Additionally, we have consolidated the Child Abuse Community Based Prevention Grants, Family Resource Centers, Family Support Centers into the Community and Family Resource and Support Grants.

Finally, S. 919 repeals the Temporary Child Care for Children with Disabilities and Crisis Nurseries Act, Title VII (F) of the McKinney Homeless Assistance Act, and the Emergency Child Abuse Prevention Grants.

Mr. President, each day, hundreds of children and families come into contact with, and are affected by, our nation's child protective system. For many, it is a frightening experience. For others—for those on the front lines, it is sometimes an opportunity to rescue children from horrific circumstances.

Unfortunately, the issues facing this overburdened system are seldom easily resolved. Too often—overworked, under paid, untrained, and sometimes overzealous caseworkers have a tremendous and devastating impact on families.

Decisions are routinely made to remove children and place them in foster care—into situations that are sometimes more dangerous than the one they were removed from. Other times, because of mounting paperwork and case files, a serious case goes uninvestigated—or a decision to return a child to an unsafe home is made because there are no more out of home placements available. These are all difficult circumstances that require balance, training, and resources.

Since 1974, CAPTA, through a relatively small program, has assisted states in meeting child protection needs. It is a small, but important program, because it mandates have radically changed how we view child protection.

Unfortunately, not all of these changes have been helpful. CAPTA has, until now, been viewed as a very prescriptive program, with States judged, not on how well they protect children, but on how close they come to mirroring Federal requirements.

The 1995 CAPTA Amendments are an important first step toward addressing some of the problems in CAPTA while at the same time, building upon its strengths. Most experts agree that what CAPTA can do, and do best, is provide guidance to states; assist States with training and technical assistance; and promote better research and dissemination of information while allowing for maximum flexibility in approach and response. With that in mind, S. 919:

Eliminates unnecessary bureaucracy by repealing mandates for a National Center on Child Abuse and Neglect, the

U.S. Advisory Board, and the Interagency Task force on Child Abuse. Instead, the Secretary may use discretion in deciding whether or not they are an essential function.

Restructures and consolidates various research functions into one coordinated effort.

Places a significant emphasis on local experimentation by expanding Demonstration Grants to encourage local innovation and experimentation. One of these areas involves a triage system approach which we heard very exciting reports about during a Subcommittee on Children and Families hearing. Others include training for mandatory reporters, families, service providers, and communities and a demonstration program for kinship care as an alternative to foster care placements.

Reforms the Basic State Grant by allowing greater flexibility to the States in determining the circumstances and intensity of intervention that is required, while encouraging them to look to other preventative services that can be provided to families, where intensive intervention is not called for.

Determining the appropriate level of intervention is a very important consideration. We have studied closely the numbers of abuse and neglect reports that have been filed. Of the close to 3 million reports that have been filed, only one-third are eventually substantiated. This means that over 2 million are either unsubstantiated or false. And while I know that these numbers and their interpretation are the source of some disagreement, the fact remains that for whatever reason, over 2 million investigations at some level, are occurring, and possibly resulting in inappropriate interventions—including removal of the child from the home.

Members of the Labor Committee may recall the testimony of Jim Wade who spoke of his three year ordeal, in which his daughter was wrongfully removed from his home. I have received many such reports and complaints, and while we should be mindful not to legislate by anecdote, these stories involve real people and are chilling.

With the State grant, we have worked to find ways to improve reporting so that caseworkers are able to assess and effectively respond to cases of abuse and neglect with an appropriate response. S. 919 stresses the importance of case workers using risk assessment procedures to ensure that priority attention is given to those children who are at great risk of harm. I think particularly of the tragic case of Elisa Izquierdo of Brooklyn, the 6 year-old girl brutally murdered by her mother on the day before Thanksgiving this past year. Elisa was well known to the overburdened case workers who were assigned to monitor her, however it appears that they simply didn't have enough time to keep a close watch on Elisa, nor maybe enough training to realize the tremendous seriousness of her situation. S. 919's focus on better training and the use of risk assessment procedures should help to improve the safety of children.

We have also ensured that persons who maliciously file reports of abuse or neglect will not longer be protected by CAPTA's immunity for reporting. Only good faith reports will be protected.

Finally, we have clarified the definition of child abuse or neglect to provide additional guidance and clarification to states as they endeavor to protect children from abuse and neglect.

Let me briefly mention the other programs authorized in the 1995 CAPTA Amendments: the Community and Family Resource Grants is the result of nearly a full year's effort to consolidate the Community Based Prevention Grant, Respite Care Program, and Family Resource Programs; the Family Violence Prevention and Services Act which provides assistance to States primarily for shelters; the Adoption Opportunities Act which supports aggressive efforts to strengthen the capacity of States to find permanent homes for children with special needs; the Abandoned Infants Assistance Act which provides for the needs of children who are abandoned, especially those with AIDS; the Children's Justice Act; and the Missing Children's Assistance Act and Section 214 of the Victims of Child Abuse Act.

Mr. President, I would like to thank the Members for their attention. These are important programs and they will affect many children and families. I urge the adoption of the 1995 CAPTA Amendments.

Mr. ROTH. Mr. President, I ask unanimous consent that the amendment be considered as read, and agreed to, the committee amendment be agreed to, the bill be deemed read a third time, passed, as amended, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4926) was agreed to.

The bill (S. 919), as amended, was deemed read a third time, and passed.

(The text of the bill will be printed in a future Edition of the RECORD.)

SAFE DRINKING WATER ACT AMENDMENTS OF 1996

Mr. ROTH. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S 1316, a bill to reauthorize and amend title XIV of the Public Health Service Act, commonly known as the Safe Drinking Water Act, and for other purposes.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1316) entitled "An Act to reauthorize and amend title XIV of the Public Health Service Act (commonly known as the "Safe Drinking Water Act"), and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause, and insert:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Safe Drinking Water Act Amendments of 1996".

(b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents.

Sec. 2. References; effective date; disclaimer.

TITLE I—PUBLIC WATER SYSTEMS

Subtitle A—Promulgation of National Primary Drinking Water Regulations

Sec. 101. Selection of additional contaminants.

Sec. 102. Disinfectants and disinfection byproducts.

Sec. 103. Limited alternative to filtration.

Sec. 104. Standard-setting.

Sec. 105. Ground water disinfection.

Sec. 106. Effective date for regulations.

Sec. 107. Risk assessment, management, and communication.

Sec. 108. Radon, arsenic, and sulfate.

Sec. 109. Urgent threats to public health.

Sec. 110. Recycling of filter backwash.

Sec. 111. Treatment technologies for small systems.

Subtitle B—State Primary Enforcement Responsibility for Public Water Systems

Sec. 121. State primacy.

Subtitle C—Notification and Enforcement

Sec. 131. Public notification.

Sec. 132. Enforcement.

Sec. 133. Judicial review

Subtitle D—Exemptions and Variances

Sec. 141. Exemptions.

Sec. 142. Variances.

Subtitle E—Lead Plumbing and Pipes

Sec. 151. Lead plumbing and pipes.

Subtitle F—Capacity Development

Sec. 161. Capacity development.

TITLE II—AMENDMENTS TO PART C

Sec. 201. Source water quality assessment.

Sec. 202. Federal facilities.

TITLE III—GENERAL PROVISIONS REGARDING SAFE DRINKING WATER ACT

Sec. 301. Operator certification.

Sec. 302. Technical assistance.

Sec. 303. Public water system supervision program.

Sec. 304. Monitoring and information gathering.

Sec. 305. Occurrence data base.

Sec. 306. Citizens suits.

Sec. 307. Whistle blower.

Sec. 308. State revolving funds.

Sec. 309. Water conservation plan.

TITLE IV—MISCELLANEOUS

Sec. 401. Definitions.

Sec. 402. Authorization of appropriations.

Sec. 403. New York City watershed protection program.

Sec. 404. Estrogenic substances screening program.

Sec. 405. Reports on programs administered directly by Environmental Protection Agency.

Sec. 406. Return flows.

Sec. 407. Emergency powers.

Sec. 408. Waterborne disease occurrence study.

Sec. 409. Drinking water studies.

Sec. 410. Bottled drinking water standards.

Sec. 411. Clerical amendments.

TITLE V—ADDITIONAL ASSISTANCE FOR WATER INFRASTRUCTURE AND WATERSHEDS

Sec. 501. General program.
Sec. 502. New York City Watershed, New York.
Sec. 503. Rural and Native villages, Alaska.
Sec. 504. Acquisition of lands.
Sec. 505. Federal share.
Sec. 506. Condition on authorizations of appropriations.
Sec. 507. Definitions.

TITLE VI—DRINKING WATER RESEARCH AUTHORIZATION

Sec. 601. Drinking water research authorization.
Sec. 602. Scientific research review.

SEC. 2. REFERENCES; EFFECTIVE DATE; DISCLAIMER.

(a) REFERENCES TO SAFE DRINKING WATER ACT.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to that section or other provision of title XIV of the Public Health Service Act (commonly known as the Safe Drinking Water Act, 42 U.S.C. 300f et seq.).

(b) EFFECTIVE DATE.—Except as otherwise specified in this Act or in the amendments made by this Act, this Act and the amendments made by this Act shall take effect on the date of enactment of this Act.

(c) DISCLAIMER.—Nothing in this Act or in any amendments made by this Act to title XIV of the Public Health Service Act (commonly known as the Safe Drinking Water Act) or any other law shall be construed by the Administrator of the Environmental Protection Agency or the courts as affecting, modifying, expanding, changing, or altering—

(1) the provisions of the Federal Water Pollution Control Act;

(2) the duties and responsibilities of the Administrator under that Act; or

(3) the regulation or control of point or nonpoint sources of pollution discharged into waters covered by that Act.

The Administrator shall identify in the agency's annual budget all funding and full-time equivalents administering such title XIV separately from funding and staffing for the Federal Water Pollution Control Act.

TITLE I—PUBLIC WATER SYSTEMS

Subtitle A—Promulgation of National Primary Drinking Water Regulations

SEC. 101. SELECTION OF ADDITIONAL CONTAMINANTS.

(a) IN GENERAL.—Section 1412(b)(3) (42 U.S.C. 300g–1(b)(3)) is amended to read as follows:

"(3) REGULATION OF UNREGULATED CONTAMINANTS.—

"(A) LISTING OF CONTAMINANTS FOR CONSIDERATION.—(i) Not later than 18 months after the date of the enactment of the Safe Drinking Water Act Amendments of 1996 and every 5 years thereafter, the Administrator, after consultation with the scientific community, including the Science Advisory Board, after notice and opportunity for public comment, and after considering the occurrence data base established under section 1445(g), shall publish a list of contaminants which, at the time of publication, are not subject to any proposed or promulgated national primary drinking water regulation, which are known or anticipated to occur in public water systems, and which may require regulation under this title.

"(ii) The unregulated contaminants considered under clause (i) shall include, but not be limited to, substances referred to in section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and substances registered as pesticides under the Federal Insecticide, Fungicide, and Rodenticide Act.

"(iii) The Administrator's decision whether or not to select an unregulated contaminant for a list under this subparagraph shall not be subject to judicial review.

"(B) DETERMINATION TO REGULATE.—(i) Not later than 5 years after the date of the enactment of the Safe Drinking Water Act Amendments of 1996, and every 5 years thereafter, the Administrator shall, by rule, for not fewer than 5 contaminants included on the list published under subparagraph (A), make determinations of whether or not to regulate such contaminants.

"(ii) A determination to regulate a contaminant shall be based on findings that—

"(I) the contaminant is known to occur or there is a substantial likelihood that the contaminant will occur in public water systems with a frequency and at a level of public health concern; and

"(II) regulation of such contaminant presents a meaningful opportunity for public health risk reduction for persons served by public water systems.

Such findings shall be based on the best available public health information, including the occurrence data base established under section 1445(g).

"(iii) The Administrator may make a determination to regulate a contaminant that does not appear on a list under subparagraph (A) if the determination to regulate is made pursuant to clause (ii).

"(iv) A determination under this subparagraph not to regulate a contaminant shall be considered final agency action and subject to judicial review.

"(C) PRIORITIES.—In selecting unregulated contaminants for consideration under subparagraph (B), the Administrator shall select contaminants that present the greatest public health concern. The Administrator, in making such selection, shall take into consideration, among other factors of public health concern, the effect of such contaminants upon subgroups that comprise a meaningful portion of the general population (such as infants, children, pregnant women, the elderly, individuals with a history of serious illness, or other subpopulations) that are identifiable as being at greater risk of adverse health effects due to exposure to contaminants in drinking water than the general population.

"(D) REGULATION.—For each contaminant that the Administrator determines to regulate under subparagraph (B), the Administrator shall promulgate, by rule, maximum contaminant level goals and national primary drinking water regulations under this subsection. The Administrator shall propose the maximum contaminant level goal and national primary drinking water regulation not later than 24 months after the determination to regulate under subparagraph (B), and may publish such proposed regulation concurrent with the determination to regulate. The Administrator shall promulgate a maximum contaminant level goal and national primary drinking water regulation within 18 months after the proposal thereof. The Administrator, by notice in the Federal Register, may extend the deadline for such promulgation for up to 9 months.

"(E) HEALTH ADVISORIES AND OTHER ACTIONS.—The Administrator may publish health advisories (which are not regulations) or take other appropriate actions for contaminants not subject to any national primary drinking water regulation.".

(b) APPLICABILITY OF PRIOR REQUIREMENTS.—The requirements of subparagraphs (C) and (D) of section 1412(b)(3) of title XIV of the Public Health Service Act (commonly known as the Safe Drinking Water Act) as in effect before the enactment of this Act, and any obligation to promulgate regulations pursuant to such subparagraphs not promulgated as of the date of enactment of this Act, are superseded by the amendments made by subsection (a) to such subparagraphs (C) and (D).

SEC. 102. DISINFECTANTS AND DISINFECTION BYPRODUCTS.

Section 1412(b)(3) (42 U.S.C. 300g–1(b)(3)) is amended by adding at the end the following subparagraph:

"(F) DISINFECTANTS AND DISINFECTION BYPRODUCTS.—

"(i) INFORMATION COLLECTION RULE.—Not later than December 31, 1996, the Administrator shall, after notice and opportunity for public comment, promulgate an information collection rule to obtain information that will facilitate further revisions to the national primary drinking water regulation for disinfectants and disinfection byproducts, including information on microbial contaminants such as cryptosporidium. The Administrator may extend the December 31, 1996, deadline under this clause for up to 180 days if the Administrator determines that progress toward approval of an appropriate analytical method to screen for cryptosporidium is sufficiently advanced and approval is likely to be completed within the additional time period.

"(ii) ADDITIONAL DEADLINES.—The time intervals between promulgation of a final information collection rule, an Interim Enhanced Surface Water Treatment Rule, a Final Enhanced Surface Water Treatment Rule, a Stage I Disinfectants and Disinfection Byproducts Rule, and a Stage II Disinfectants and Disinfection Byproducts Rule shall be in accordance with the schedule published in volume 59, Federal Register, page 6361 (February 10, 1994), in table III.13 of the proposed Information Collection Rule. If a delay occurs with respect to the promulgation of any rule in the timetable established by this subparagraph, all subsequent rules shall be completed as expeditiously as practicable but no later than a revised date that reflects the interval or intervals for the rules in the timetable.".

SEC. 103. LIMITED ALTERNATIVE TO FILTRATION.

Section 1412(b)(7)(C) is amended by adding the following after clause (iv):

"(v) As an additional alternative to the regulations promulgated pursuant to clauses (i) and (iii), including the criteria for avoiding filtration contained in CFR 141.71, a State exercising primary enforcement responsibility for public water systems may, on a case-by-case basis, and after notice and opportunity for public comment, establish treatment requirements as an alternative to filtration in the case of systems having uninhabited, undeveloped watersheds in consolidated ownership, and having control over access to, and activities in, those watersheds, if the State determines (and the Administrator concurs) that the quality of the source water and the alternative treatment requirements established by the State ensure greater removal or inactivation efficiencies of pathogenic organisms for which national primary drinking water regulations have been promulgated or that are of public health concern than would be achieved by the combination of filtration and chlorine disinfection (in compliance with paragraph (8)).".

SEC. 104. STANDARD-SETTING.

(a) IN GENERAL.—Section 1412(b) (42 U.S.C. 300g–1(b)) is amended as follows:

(1) In paragraph (4)—

(A) by striking "(4) Each" and inserting the following:

"(4) GOALS AND STANDARDS.—

"(A) MAXIMUM CONTAMINANT LEVEL GOALS.—Each";

(B) in the last sentence—

(i) by striking "Each national" and inserting the following:

"(B) MAXIMUM CONTAMINANT LEVELS.— Except as provided in paragraphs (5) and (6), each national"; and

(ii) by striking "maximum level" and inserting "maximum contaminant level"; and

(C) by adding at the end the following:

"(C) DETERMINATION.—At the time the Administrator proposes a national primary drinking water regulation under this paragraph, the Administrator shall publish a determination as to whether the benefits of the maximum contaminant level justify, or do not justify, the costs based on the analysis conducted under paragraph (12)(C).".

(2) By striking "(5) For the" and inserting the following:

"(D) DEFINITION OF FEASIBLE.—For the".

(3) In the second sentence of paragraph (4)(D) (as so designated), by striking "paragraph (4)" and inserting "this paragraph".

(4) By striking "(6) Each national" and inserting the following:

"(E) FEASIBLE TECHNOLOGIES.—

"(i) Each national".

(5) In paragraph (4)(E)(i) (as so designated), by striking "this paragraph" and inserting "this subsection".

(6) By inserting after paragraph (4) (as so amended) the following:

"(5) ADDITIONAL HEALTH RISK CONSIDERATIONS.—

"(A) IN GENERAL.—Notwithstanding paragraph (4), the Administrator may establish a maximum contaminant level for a contaminant at a level other than the feasible level, if the technology, treatment techniques, and other means used to determine the feasible level would result in an increase in the health risk from drinking water by—

"(i) increasing the concentration of other contaminants in drinking water; or

"(ii) interfering with the efficacy of drinking water treatment techniques or processes that are used to comply with other national primary drinking water regulations.

"(B) ESTABLISHMENT OF LEVEL.—If the Administrator establishes a maximum contaminant level or levels or requires the use of treatment techniques for any contaminant or contaminants pursuant to the authority of this paragraph—

"(i) the level or levels or treatment techniques shall minimize the overall risk of adverse health effects by balancing the risk from the contaminant and the risk from other contaminants the concentrations of which may be affected by the use of a treatment technique or process that would be employed to attain the maximum contaminant level or levels; and

"(ii) the combination of technology, treatment techniques, or other means required to meet the level or levels shall not be more stringent than is feasible (as defined in paragraph (4)(D)).

"(6) ADDITIONAL HEALTH RISK REDUCTION AND COST CONSIDERATIONS.—

"(A) IN GENERAL.—Notwithstanding paragraph (4), if the Administrator determines based on an analysis conducted under paragraph (12)(C) that the benefits of a maximum contaminant level promulgated in accordance with paragraph (4) would not justify the costs of complying with the level, the Administrator may, after notice and opportunity for public comment, promulgate a maximum contaminant level for the contaminant that maximizes health risk reduction benefits at a cost that is justified by the benefits.

"(B) EXCEPTION.—The Administrator shall not use the authority of this paragraph to promulgate a maximum contaminant level for a contaminant, if the benefits of compliance with a national primary drinking water regulation for the contaminant that would be promulgated in accordance with paragraph (4) experienced by—

"(i) persons served by large public water systems; and

"(ii) persons served by such other systems as are unlikely, based on information provided by the States, to receive a variance under section 1415(e) (relating to small system assistance program);

would justify the costs to the systems of complying with the regulation. This subparagraph shall not apply if the contaminant is found almost exclusively in small systems (as defined in section 1415(e), relating to small system assistance program).

"(C) DISINFECTANTS AND DISINFECTION BYPRODUCTS.—The Administrator may not use the authority of this paragraph to establish a maximum contaminant level in a Stage I or Stage II national primary drinking water regulation for contaminants that are disinfectants or disinfection byproducts (as described in paragraph (3)(F)), or to establish a maximum contaminant level or treatment technique requirement for the control of cryptosporidium. The authority of this paragraph may be used to establish regulations for the use of disinfection by systems relying on ground water sources as required by paragraph (8).

"(D) JUDICIAL REVIEW.—A determination by the Administrator that the benefits of a maximum contaminant level or treatment requirement justify or do not justify the costs of complying with the level shall be reviewed by the court pursuant to section 1448 only as part of a review of a final national primary drinking water regulation that has been promulgated based on the determination and shall not be set aside by the court under that section unless the court finds that the determination is arbitrary and capricious.".

(b) DISINFECTANTS AND DISINFECTION BYPRODUCTS.—The Administrator of the Environmental Protection Agency may use the authority of section 1412(b)(5) of the Public Health Service Act (as amended by this Act) to promulgate the Stage I and Stage II rules for disinfectants and disinfection byproducts as proposed in volume 59, Federal Register, page 38668 (July 29, 1994). The considerations used in the development of the July 29, 1994, proposed national primary drinking water regulation on Disinfection and Disinfection Byproducts shall be treated as consistent with such section 1412(b)(5) for purposes of such Stage I and Stage II rules.

(c) REVIEW OF STANDARDS.—Section 1412(b)(9) (42 U.S.C. 300g–1(b)) is amended to read as follows:

"(9) REVIEW AND REVISION.—The Administrator shall, not less often than every 6 years, review and revise, as appropriate, each national primary drinking water regulation promulgated under this title. Any revision of a national primary drinking water regulation shall be promulgated in accordance with this section, except that each revision shall maintain, or provide for greater, protection of the health of persons.".

SEC. 105. GROUND WATER DISINFECTION.

Section 1412(b)(8) (42 U.S.C. 300g–1(b)(8)) is amended by striking the first sentence and inserting the following: "At any time after the end of the 3-year period that begins on the date of enactment of the Safe Drinking Water Act Amendments of 1996, but not later than the date on which the Administrator promulgates a Stage II rulemaking for disinfectants and disinfection byproducts (as described in paragraph (3)(F)(ii)), the Administrator shall also promulgate national primary drinking water regulations requiring disinfection as a treatment technique for all public water systems, including surface water systems and, as necessary, ground water systems. After consultation with the States, the Administrator shall (as part of the regulations) promulgate criteria that the Administrator, or a State that has primary enforcement responsibility under section 1413, shall apply to determine whether disinfection shall be required as a treatment technique for any public water system served by ground water. A State that has primary enforcement authority shall develop a plan through which ground water disinfection determinations are made. The plan shall be based on the Administrator's criteria and shall be submitted to the Administrator for approval.".

SEC. 106. EFFECTIVE DATE FOR REGULATIONS.

Section 1412(b)(10) (42 U.S.C. 300g–1(b)(10)) is amended to read as follows:

"(10) EFFECTIVE DATE.—A national primary drinking water regulation promulgated under this section (and any amendment thereto) shall take effect on the date that is 3 years after the date on which the regulation is promulgated unless the Administrator determines that an earlier date is practicable, except that the Administrator, or a State (in the case of an individual system), may allow up to 2 additional years to comply with a maximum contaminant level or treatment technique if the Administrator or State (in the case of an individual system) determines that additional time is necessary for capital improvements.".

SEC. 107. RISK ASSESSMENT, MANAGEMENT, AND COMMUNICATION.

Section 1412(b) (42 U.S.C. 300g–1(b)) is amended by inserting after paragraph (11) the following:

"(12) RISK ASSESSMENT, MANAGEMENT AND COMMUNICATION.—

"(A) USE OF SCIENCE IN DECISIONMAKING.—In carrying out this section, and, to the degree that an Agency action is based on science, the Administrator shall use—

"(i) the best available, peer-reviewed science and supporting studies conducted in accordance with sound and objective scientific practices; and

"(ii) data collected by accepted methods or best available methods (if the reliability of the method and the nature of the decision justifies use of the data).

"(B) PUBLIC INFORMATION.—In carrying out this section, the Administrator shall ensure that the presentation of information on public health effects is comprehensive, informative and understandable. The Administrator shall, in a document made available to the public in support of a regulation promulgated under this section, specify, to the extent practicable—

"(i) each population addressed by any estimate of public health effects;

"(ii) the expected risk or central estimate of risk for the specific populations;

"(iii) each appropriate upper-bound or lower-bound estimate of risk;

"(iv) each significant uncertainty identified in the process of the assessment of public health effects and studies that would assist in resolving the uncertainty; and

"(v) peer-reviewed studies known to the Administrator that support, are directly relevant to, or fail to support any estimate of public health effects and the methodology used to reconcile inconsistencies in the scientific data.

"(C) HEALTH RISK REDUCTION AND COST ANALYSIS.—

"(i) MAXIMUM CONTAMINANT LEVELS.—When proposing any national primary drinking water regulation that includes a maximum contaminant level, the Administrator shall, with respect to a maximum contaminant level that is being considered in accordance with paragraph (4) and each alternative maximum contaminant level that is being considered pursuant to paragraph (5) or (6)(A), publish, seek public comment on, and use for the purposes of paragraphs (4), (5), and (6) an analysis of:

"(I) Quantifiable and nonquantifiable health risk reduction benefits for which there is a factual basis in the rulemaking record to conclude that such benefits are likely to occur as the result of treatment to comply with each level.

"(II) Quantifiable and nonquantifiable health risk reduction benefits for which there is a factual basis in the rulemaking record to conclude that such benefits are likely to occur from reductions in co-occurring contaminants that may be attributed solely to compliance with the maximum contaminant level, excluding benefits resulting from compliance with other proposed or promulgated regulations.

"(III) Quantifiable and nonquantifiable costs for which there is a factual basis in the rulemaking record to conclude that such costs are likely to occur solely as a result of compliance with the maximum contaminant level, including monitoring, treatment, and other costs and excluding costs resulting from compliance with other proposed or promulgated regulations.

"(IV) The incremental costs and benefits associated with each alternative maximum contaminant level considered.

"(V) The effects of the contaminant on the general population and on groups within the general population such as infants, children, pregnant women, the elderly, individuals with a history of serious illness, or other subpopulations that are identified as likely to be at greater risk of adverse health effects due to exposure to contaminants in drinking water than the general population.

"(VI) Any increased health risk that may occur as the result of compliance, including risks associated with co-occurring contaminants.

"(VII) Other relevant factors, including the quality and extent of the information, the uncertainties in the analysis supporting subclauses (I) through (VI), and factors with respect to the degree and nature of the risk.

"(ii) TREATMENT TECHNIQUES.—When proposing a national primary drinking water regulation that includes a treatment technique in accordance with paragraph (7)(A), the Administrator shall publish and seek public comment on an analysis of the health risk reduction benefits and costs likely to be experienced as the result of compliance with the treatment technique and alternative treatment techniques that are being considered, taking into account, as appropriate, the factors described in clause (i).

"(iii) APPROACHES TO MEASURE AND VALUE BENEFITS.—The Administrator may identify valid approaches for the measurement and valuation of benefits under this subparagraph, including approaches to identify consumer willingness to pay for reductions in health risks from drinking water contaminants.

"(iv) AUTHORIZATION.—There are authorized to be appropriated to the Administrator, acting through the Office of Ground Water and Drinking Water, to conduct studies, assessments, and analyses in support of regulations or the development of methods, $35,000,000 for each of fiscal years 1996 through 2003.".

SEC. 108. RADON, ARSENIC, AND SULFATE.

Section 1412(b) is amended by inserting after paragraph (12) the following:

"(13) CERTAIN CONTAMINANTS.—

"(A) RADON.—Any proposal published by the Administrator before the enactment of the Safe Drinking Water Act Amendments of 1996 to establish a national primary drinking water standard for radon shall be withdrawn by the Administrator. Notwithstanding any provision of any law enacted prior to the enactment of the Safe Drinking Water Act Amendments of 1996, within 3 years of such date of enactment, the Administrator shall propose and promulgate a national primary drinking water regulation for radon under this section, as amended by the Safe Drinking Water Act Amendments of 1996. In undertaking any risk analysis and benefit cost analysis in connection with the promulgation of such standard, the Administrator shall take into account the costs and benefits of control programs for radon from other sources.

"(B) ARSENIC.—(i) Notwithstanding the deadlines set forth in paragraph (1), the Administrator shall promulgate a national primary drinking water regulation for arsenic pursuant to this subsection, in accordance with the schedule established by this paragraph.

"(ii) Not later than 180 days after the date of enactment of this paragraph, the Administrator shall develop a comprehensive plan for study in support of drinking water rulemaking to reduce the uncertainty in assessing health risks associated with exposure to low levels of arsenic. In conducting such study, the Administrator shall consult with the National Academy of Sciences, other Federal agencies, and interested public and private entities.

"(iii) In carrying out the study plan, the Administrator may enter into cooperative agreements with other Federal agencies, State and local governments, and other interested public and private entities.

"(iv) The Administrator shall propose a national primary drinking water regulation for arsenic not later than January 1, 2000.

"(v) Not later than January 1, 2001, after notice and opportunity for public comment, the Administrator shall promulgate a national primary drinking water regulation for arsenic.

"(vi) There are authorized to be appropriated $2,000,000 for each of fiscal years 1997 through 2001 for the studies required by this paragraph.

"(C) SULFATE.—

"(i) ADDITIONAL STUDY.—Prior to promulgating a national primary drinking water regulation for sulfate, the Administrator and the Director of the Centers for Disease Control and Prevention shall jointly conduct an additional study to establish a reliable dose-response relationship for the adverse human health effects that may result from exposure to sulfate in drinking water, including the health effects that may be experienced by groups within the general population (including infants and travelers) that are potentially at greater risk of adverse health effects as the result of such exposure. The study shall be conducted in consultation with interested States, shall be based on the best available, peer-reviewed science and supporting studies conducted in accordance with sound and objective scientific practices.

"(ii) PROPOSED AND FINAL RULE.—Notwithstanding the deadlines set forth in paragraph (1), the Administrator may, pursuant to the authorities of this subsection and after notice and opportunity for public comment, promulgate a final national primary drinking water regulation for sulfate. Any such regulation shall include requirements for public notification and options for the provision of alternative water supplies to populations at risk as a means of complying with the regulation in lieu of a best available treatment technology or other means.".

SEC. 109. URGENT THREATS TO PUBLIC HEALTH.

Section 1412(b) is amended by inserting the following after paragraph (13):

"(14) URGENT THREATS TO PUBLIC HEALTH.—The Administrator may promulgate an interim national primary drinking water regulation for a contaminant without making a determination for the contaminant under paragraph (4)(C) or completing the analysis under paragraph (12)(C) to address an urgent threat to public health as determined by the Administrator after consultation with and written response to any comments provided by the Secretary of Health and Human Services, acting through the director of the Centers for Disease Control and Prevention or the director of the National Institutes of Health. A determination for any contaminant in accordance with paragraph (4)(C) subject to an interim regulation under this subparagraph shall be issued, and a completed analysis meeting the requirements of paragraph (12)(C) shall be published, not later than 3 years after the date on which the regulation is promulgated and the regulation shall be repromulgated, or revised if appropriate, not later than 5 years after that date.".

SEC. 110. RECYCLING OF FILTER BACKWASH.

Section 1412(b) is amended by adding the following new paragraph after paragraph (14):

"(15) RECYCLING OF FILTER BACKWASH.—The Administrator shall promulgate a regulation to govern the recycling of filter backwash water within the treatment process of a public water system. The Administrator shall promulgate such regulation not later than 4 years after the date of the enactment of the Safe Drinking Water Act Amendments of 1996 unless such recycling has been addressed by the Administrator's 'enhanced surface water treatment rule' prior to such date.".

SEC. 111. TREATMENT TECHNOLOGIES FOR SMALL SYSTEMS.

(a) LIST OF TECHNOLOGIES FOR SMALL SYSTEMS.—Section 1412(b)(4)(E) (42 U.S.C. 300g-1(b)(4)(E)), is amended by adding at the end the following:

"(ii) The Administrator shall include in the list any technology, treatment technique, or other means that is affordable for small public water systems serving—

"(I) a population of 10,000 or fewer but more than 3,300;

"(II) a population of 3,300 or fewer but more than 500; and

"(III) a population of 500 or fewer but more than 25;

and that achieves compliance with the maximum contaminant level or treatment technique, including packaged or modular systems and point-of-entry or point-of-use treatment units. Point-of-entry and point-of-use treatment units shall be owned, controlled and maintained by the public water system or by a person under contract with the public water system to ensure proper operation and maintenance and compliance with the maximum contaminant level or treatment technique and equipped with mechanical warnings to ensure that customers are automatically notified of operational problems. If the American National Standards Institute has issued product standards applicable to a specific type of point-of-entry or point-of-use treatment unit, individual units of that type shall not be accepted for compliance with a maximum contaminant level or treatment technique requirement unless they are independently certified in accordance with such standards.

"(iii) Except as provided in clause (v), not later than 2 years after the date of the enactment of this clause and after consultation with the States, the Administrator shall issue a list of technologies that achieve compliance with the maximum contaminant level or treatment technique for each category of public water systems described in subclauses (I), (II), and (III) of clause (ii) for each national primary drinking water regulation promulgated prior to the date of the enactment of this paragraph.

"(iv) The Administrator may, at any time after a national primary drinking water regulation has been promulgated, supplement the list of technologies describing additional or new or innovative treatment technologies that meet the requirements of this paragraph for categories of small public water systems described in subclauses (I), (II) and (III) of clause (ii) that are subject to the regulation.

"(v) Within one year after the enactment of this clause, the Administrator shall list technologies that meet the surface water treatment

rules for each category of public water systems described in subclauses (I), (II), and (III) of clause (ii).".

(b) AVAILABILITY OF INFORMATION ON SMALL SYSTEM TECHNOLOGIES.—Section 1445 (42 U.S.C. 300j–4) is amended by adding after subsection (g):

"(h) AVAILABILITY OF INFORMATION ON SMALL SYSTEM TECHNOLOGIES.—For purposes of sections 1412(b)(4)(E) and 1415(e) (relating to small system assistance program), the Administrator may request information on the characteristics of commercially available treatment systems and technologies, including the effectiveness and performance of the systems and technologies under various operating conditions. The Administrator may specify the form, content, and submission date of information to be submitted by manufacturers, States, and other interested persons for the purpose of considering the systems and technologies in the development of regulations or guidance under sections 1412(b)(4)(E) and 1415(e).".

Subtitle B—State Primary Enforcement Responsibility for Public Water Systems

SEC. 121. STATE PRIMACY.

(a) STATE PRIMARY ENFORCEMENT RESPONSIBILITY.—Section 1413 (42 U.S.C. 300g–2) is amended as follows:

(1) In subsection (a), by amending paragraph (1) to read as follows:

"(1) has adopted drinking water regulations that are no less stringent than the national primary drinking water regulations promulgated by the Administrator under subsections (a) and (b) of section 1412 not later than 2 years after the date on which the regulations are promulgated by the Administrator, except that the Administrator may provide for an extension of not more than 2 years if, after submission and review of appropriate, adequate documentation from the State, the Administrator determines that the extension is necessary and justified;".

(2) By adding at the end the following subsection:

"(c) INTERIM PRIMARY ENFORCEMENT AUTHORITY.—A State that has primary enforcement authority under this section with respect to each existing national primary drinking water regulation shall be considered to have primary enforcement authority with respect to each new or revised national primary drinking water regulation during the period beginning on the effective date of a regulation adopted and submitted by the State with respect to the new or revised national primary drinking water regulation in accordance with subsection (b)(1) and ending at such time as the Administrator makes a determination under subsection (b)(2)(B) with respect to the regulation.".

(b) EMERGENCY PLANS.—Section 1413(a)(5) is amended by inserting after "emergency circumstances" the following: "including earthquakes, floods, hurricanes, and other natural disasters, as appropriate".

Subtitle C—Notification and Enforcement

SEC. 131. PUBLIC NOTIFICATION.

Section 1414(c) (42 U.S.C. 300g–3(c)) is amended to read as follows:

"(c) NOTICE TO PERSONS SERVED.—

"(1) IN GENERAL.—Each owner or operator of a public water system shall give notice of each of the following to the persons served by the system:

"(A) Notice of any failure on the part of the public water system to—

"(i) comply with an applicable maximum contaminant level or treatment technique requirement of, or a testing procedure prescribed by, a national primary drinking water regulation; or

"(ii) perform monitoring required by section 1445(a).

"(B) If the public water system is subject to a variance granted under subsection (a)(1)(A), (a)(2), or (e) of section 1415 for an inability to meet a maximum contaminant level requirement or is subject to an exemption granted under section 1416, notice of—

"(i) the existence of the variance or exemption; and

"(ii) any failure to comply with the requirements of any schedule prescribed pursuant to the variance or exemption.

"(C) Notice of the concentration level of any unregulated contaminant for which the Administrator has required public notice pursuant to paragraph (2)(E).

"(2) FORM, MANNER, AND FREQUENCY OF NOTICE.—

"(A) IN GENERAL.—The Administrator shall, by regulation, and after consultation with the States, prescribe the manner, frequency, form, and content for giving notice under this subsection. The regulations shall—

"(i) provide for different frequencies of notice based on the differences between violations that are intermittent or infrequent and violations that are continuous or frequent; and

"(ii) take into account the seriousness of any potential adverse health effects that may be involved.

"(B) STATE REQUIREMENTS.—

"(i) IN GENERAL.—A State may, by rule, establish alternative notification requirements—

"(I) with respect to the form and content of notice given under and in a manner in accordance with subparagraph (C); and

"(II) with respect to the form and content of notice given under subparagraph (D).

"(ii) CONTENTS.—The alternative requirements shall provide the same type and amount of information as required pursuant to this subsection and regulations issued under subparagraph (A).

"(iii) RELATIONSHIP TO SECTION 1413.—Nothing in this subparagraph shall be construed or applied to modify the requirements of section 1413.

"(C) VIOLATIONS WITH POTENTIAL TO HAVE SERIOUS ADVERSE EFFECTS ON HUMAN HEALTH.—Regulations issued under subparagraph (A) shall specify notification procedures for each violation by a public water system that has the potential to have serious adverse effects on human health as a result of short-term exposure. Each notice of violation provided under this subparagraph shall—

"(i) be distributed as soon as practicable after the occurrence of the violation, but not later than 24 hours after the occurrence of the violation;

"(ii) provide a clear and readily understandable explanation of—

"(I) the violation;

"(II) the potential adverse effects on human health;

"(III) the steps that the public water system is taking to correct the violation; and

"(IV) the necessity of seeking alternative water supplies until the violation is corrected;

"(iii) be provided to the Administrator or the head of the State agency that has primary enforcement responsibility under section 1413 as soon as practicable, but not later than 24 hours after the occurrence of the violation; and

"(iv) as required by the State agency in general regulations of the State agency, or on a case-by-case basis after the consultation referred to in clause (iii), considering the health risks involved—

"(I) be provided to appropriate broadcast media;

"(II) be prominently published in a newspaper of general circulation serving the area not later than 1 day after distribution of a notice pursuant to clause (i) or the date of publication of the next issue of the newspaper; or

"(III) be provided by posting or door-to-door notification in lieu of notification by means of broadcast media or newspaper.

"(D) WRITTEN NOTICE.—

"(i) IN GENERAL.—Regulations issued under subparagraph (A) shall specify notification procedures for violations other than the violations covered by subparagraph (C). The procedures shall specify that a public water system shall provide written notice to each person served by the system by notice (I) in the first bill (if any) prepared after the date of occurrence of the violation, (II) in an annual report issued not later than 1 year after the date of occurrence of the violation, or (III) by mail or direct delivery as soon as practicable, but not later than 1 year after the date of occurrence of the violation.

"(ii) FORM AND MANNER OF NOTICE.—The Administrator shall prescribe the form and manner of the notice to provide a clear and readily understandable explanation of the violation, any potential adverse health effects, and the steps that the system is taking to seek alternative water supplies, if any, until the violation is corrected.

"(E) UNREGULATED CONTAMINANTS.—The Administrator may require the owner or operator of a public water system to give notice to the persons served by the system of the concentration levels of an unregulated contaminant required to be monitored under section 1445(a).

"(3) REPORTS.—

"(A) ANNUAL REPORT BY STATE.—

"(i) IN GENERAL.—Not later than January 1, 1998, and annually thereafter, each State that has primary enforcement responsibility under section 1413 shall prepare, make readily available to the public, and submit to the Administrator an annual report on violations of national primary drinking water regulations by public water systems in the State, including violations with respect to (I) maximum contaminant levels, (II) treatment requirements, (III) variances and exemptions, and (IV) monitoring requirements determined to be significant by the Administrator after consultation with the States.

"(ii) DISTRIBUTION.—The State shall publish and distribute summaries of the report and indicate where the full report is available for review.

"(B) ANNUAL REPORT BY ADMINISTRATOR.—Not later than July 1, 1998, and annually thereafter, the Administrator shall prepare and make available to the public an annual report summarizing and evaluating reports submitted by States pursuant to subparagraph (A) and notices submitted by public water systems serving Indian Tribes provided to the Administrator pursuant to subparagraph (C) or (D) of paragraph (2) and making recommendations concerning the resources needed to improve compliance with this title. The report shall include information about public water system compliance on Indian reservations and about enforcement activities undertaken and financial assistance provided by the Administrator on Indian reservations, and shall make specific recommendations concerning the resources needed to improve compliance with this title on Indian reservations.

"(4) CONSUMER CONFIDENCE REPORTS BY COMMUNITY WATER SYSTEMS.—

"(A) ANNUAL REPORTS TO CONSUMERS.—The Administrator, in consultation with public water systems, environmental groups, public interest groups, risk communication experts, and the States, and other interested parties, shall issue regulations within 24 months after the date of the enactment of this paragraph to require each community water system to mail to each customer of the system at least once annually a report on the level of contaminants in the drinking water purveyed by that system (hereinafter in this paragraph referred to as a 'consumer confidence report'). Such regulations shall provide a brief and plainly worded definition of the terms 'maximum contaminant level

goal' and 'maximum contaminant level' and brief statements in plain language regarding the health concerns that resulted in regulation of each regulated contaminant. The regulations shall also provide for an Environmental Protection Agency toll-free hot-line that consumers can call for more information and explanation.

"(B) CONTENTS OF REPORT.—The consumer confidence reports under this paragraph shall include, but not be limited to, each of the following:

"(i) Information on the source of the water purveyed.

"(ii) A brief and plainly worded definition of the terms 'maximum contaminant level goal' and 'maximum contaminant level', as provided in the regulations of the Administrator.

"(iii) If any regulated contaminant is detected in the water purveyed by the public water system, a statement setting forth (I) the maximum contaminant level goal, (II) the maximum contaminant level, (III) the level of such contaminant in such water system, and (IV) for any regulated contaminant for which there has been a violation of the maximum contaminant level during the year concerned, the brief statement in plain language regarding the health concerns that resulted in regulation of such contaminant, as provided by the Administrator in regulations under subparagraph (A).

"(iv) Information on compliance with national primary drinking water regulations.

"(v) Information on the levels of unregulated contaminants for which monitoring is required under section 1445(a)(2) (including levels of cryptosporidium and radon where States determine they may be found).

"(vi) A statement that more information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency hot line.

A public water system may include such additional information as it deems appropriate for public education. The Administrator may, for not more than 3 regulated contaminants other than those referred to in subclause (IV) of clause (iii), require a consumer confidence report under this paragraph to include the brief statement in plain language regarding the health concerns that resulted in regulation of the contaminant or contaminants concerned, as provided by the Administrator in regulations under subparagraph (A).

"(C) COVERAGE.—The Governor of a State may determine not to apply the mailing requirement of subparagraph (A) to a community water system serving fewer than 10,000 persons. Any such system shall—

"(i) inform its customers that the system will not be complying with subparagraph (A),

"(ii) make information available upon request to the public regarding the quality of the water supplied by such system, and

"(iii) publish the report referred to in subparagraph (A) annually in one or more local newspapers serving the area in which customers of the system are located.

"(D) ALTERNATIVE FORM AND CONTENT.—A State exercising primary enforcement responsibility may establish, by rule, after notice and public comment, alternative requirements with respect to the form and content of consumer confidence reports under this paragraph.".

SEC. 132. ENFORCEMENT.

(a) IN GENERAL.—Section 1414 (42 U.S.C. 300g-3) is amended as follows:

(1) In subsection (a):

(A) In paragraph (1)(A)(i), by striking "any national primary drinking water regulation in effect under section 1412" and inserting "any applicable requirement", and by striking "with such regulation or requirement" in the matter following clause (ii) and inserting "with the requirement".

(B) In paragraph (1)(B), by striking "regulation or" and inserting "applicable".

(C) By amending paragraph (2) to read as follows:

"(2) ENFORCEMENT IN NONPRIMACY STATES.—

"(A) IN GENERAL.—If, on the basis of information available to the Administrator, the Administrator finds, with respect to a period in which a State does not have primary enforcement responsibility for public water systems, that a public water system in the State—

"(i) for which a variance under section 1415 or an exemption under section 1416 is not in effect, does not comply with any applicable requirement; or

"(ii) for which a variance under section 1415 or an exemption under section 1416 is in effect, does not comply with any schedule or other requirement imposed pursuant to the variance or exemption;

the Administrator shall issue an order under subsection (g) requiring the public water system to comply with the requirement, or commence a civil action under subsection (b).

"(B) NOTICE.—If the Administrator takes any action pursuant to this paragraph, the Administrator shall notify an appropriate local elected official, if any, with jurisdiction over the public water system of the action prior to the time that the action is taken.".

(2) In subsection (b), in the first sentence, by striking "a national primary drinking water regulation" and inserting "any applicable requirement".

(3) In subsection (g):

(A) In paragraph (1), by striking "regulation, schedule, or other" each place it appears and inserting "applicable".

(B) In paragraph (2), by striking "effect until after notice and opportunity for public hearing and," and inserting "effect,", and by striking "proposed order" and inserting "order", in the first sentence and in the second sentence, by striking "proposed to be".

(C) In paragraph (3), by striking subparagraph (B) and inserting the following:

"(B) In a case in which a civil penalty sought by the Administrator under this paragraph does not exceed $5,000, the penalty shall be assessed by the Administrator after notice and opportunity for a public hearing (unless the person against whom the penalty is assessed requests a hearing on the record in accordance with section 554 of title 5, United States Code). In a case in which a civil penalty sought by the Administrator under this paragraph exceeds $5,000, but does not exceed $25,000, the penalty shall be assessed by the Administrator after notice and opportunity for a hearing on the record in accordance with section 554 of title 5, United States Code.".

(D) In paragraph (3)(C), by striking "paragraph exceeds $5,000" and inserting "subsection for a violation of an applicable requirement exceeds $25,000".

(4) By adding at the end the following subsections:

"(h) RELIEF.—

"(1) IN GENERAL.—An owner or operator of a public water system may submit to the State in which the system is located (if the State has primary enforcement responsibility under section 1413) or to the Administrator (if the State does not have primary enforcement responsibility) a plan (including specific measures and schedules) for—

"(A) the physical consolidation of the system with 1 or more other systems;

"(B) the consolidation of significant management and administrative functions of the system with 1 or more other systems; or

"(C) the transfer of ownership of the system that may reasonably be expected to improve drinking water quality.

"(2) CONSEQUENCES OF APPROVAL.—If the State or the Administrator approves a plan pursuant to paragraph (1), no enforcement action shall be taken pursuant to this part with respect to a specific violation identified in the approved plan prior to the date that is the earlier of the date on which consolidation is completed according to the plan or the date that is 2 years after the plan is approved.

"(i) DEFINITION OF APPLICABLE REQUIREMENT.—In this section, the term 'applicable requirement' means—

"(1) a requirement of section 1412, 1414, 1415, 1416, 1417, 1441, or 1445;

"(2) a regulation promulgated pursuant to a section referred to in paragraph (1);

"(3) a schedule or requirement imposed pursuant to a section referred to in paragraph (1); and

"(4) a requirement of, or permit issued under, an applicable State program for which the Administrator has made a determination that the requirements of section 1413 have been satisfied, or an applicable State program approved pursuant to this part.".

(b) STATE AUTHORITY FOR ADMINISTRATIVE PENALTIES.—Section 1413(a) (42 U.S.C. 300g-2(a)) is amended as follows:

(1) In paragraph (4), by striking "and" at the end thereof.

(2) In paragraph (5), by striking the period at the end and inserting "; and".

(3) By adding at the end the following:

"(6) has adopted authority for administrative penalties (unless the constitution of the State prohibits the adoption of the authority) in a maximum amount—

"(A) in the case of a system serving a population of more than 10,000, that is not less than $1,000 per day per violation; and

"(B) in the case of any other system, that is adequate to ensure compliance (as determined by the State);

except that a State may establish a maximum limitation on the total amount of administrative penalties that may be imposed on a public water system per violation.".

SEC. 133. JUDICIAL REVIEW.

Section 1448(a) (42 U.S.C. 300j-7(a)) is amended as follows:

(1) In paragraph (2), in the first sentence, by inserting "final" after "any other".

(2) In the matter after and below paragraph (2):

(A) By striking "or issuance of the order" and inserting "or any other final Agency action".

(B) By adding at the end the following: "In any petition concerning the assessment of a civil penalty pursuant to section 1414(g)(3)(B), the petitioner shall simultaneously send a copy of the complaint by certified mail to the Administrator and the Attorney General. The court shall set aside and remand the penalty order if the court finds that there is not substantial evidence in the record to support the finding of a violation or that the assessment of the penalty by the Administrator constitutes an abuse of discretion.".

Subtitle D—Exemptions and Variances

SEC. 141. EXEMPTIONS.

(a) SYSTEMS SERVING FEWER THAN 3,300 PERSONS.—Section 1416 is amended by adding the following at the end thereof:

"(h) SMALL SYSTEMS.—(1) For public water systems serving fewer than 3,300 persons, the maximum exemption period shall be 4 years if the State is exercising primary enforcement responsibility for public water systems and determines that—

"(A) the public water system cannot meet the maximum contaminant level or install Best Available Affordable Technology ('BAAT') due in either case to compelling economic circumstances (taking into consideration the availability of financial assistance under section

1452, relating to State Revolving Funds) or other compelling circumstances;

"(B) the public water system could not comply with the maximum contaminant level through the use of alternate water supplies;

"(C) the granting of the exemption will provide a drinking water supply that protects public health given the duration of exemption; and

"(D) the State has met the requirements of paragraph (2).

"(2)(A) Before issuing an exemption under this section or an extension thereof for a small public water system described in paragraph (1), the State shall—

"(i) examine the public water system's technical, financial, and managerial capability (taking into consideration any available financial assistance) to operate in and maintain compliance with this title, and

"(ii) determine if management or restructuring changes (or both) can reasonably be made that will result in compliance with this title or, if compliance cannot be achieved, improve the quality of the drinking water.

"(B) Management changes referred to in subparagraph (A) may include rate increases, accounting changes, the hiring of consultants, the appointment of a technician with expertise in operating such systems, contractual arrangements for a more efficient and capable system for joint operation, or other reasonable strategies to improve capacity.

"(C) Restructuring changes referred to in subparagraph (A) may include ownership change, physical consolidation with another system, or other measures to otherwise improve customer base and gain economies of scale.

"(D) If the State determines that management or restructuring changes referred to in subparagraph (A) can reasonably be made, it shall require such changes and a schedule therefore as a condition of the exemption. If the State determines to the contrary, the State may still grant the exemption. The decision of the State under this subparagraph shall not be subject to review by the Administrator, except as provided in subsection (d).

"(3) Paragraphs (1) and (3) of subsection (a) shall not apply to an exemption issued under this subsection. Subparagraph (B) of subsection (b)(2) shall not apply to an exemption issued under this subsection, but any exemption granted to such a system may be renewed for additional 4-year periods upon application of the public water system and after a determination that the criteria of paragraphs (1) and (2) of this subsection continue to be met.

"(4) No exemption may be issued under this section for microbiological contaminants.".

(b) LIMITED ADDITIONAL COMPLIANCE PERIOD.—At the end of section 1416(h) insert:

"(5)(A) Notwithstanding this subsection, the State of New York, on a case-by-case basis and after notice and an opportunity of at least 60 days for public comment, may allow an additional period for compliance with the Surface Water Treatment Rule established pursuant to section 1412(b)(7)(C) in the case of unfiltered systems in Essex, Columbia, Greene, Dutchess, Rennsselaer, Schoharie, Saratoga, Washington, and Warren Counties serving a population of less than 5,000, which meet appropriate disinfection requirements and have adequate watershed protections, so long as the State determines that the public health will be protected during the duration of the additional compliance period and the system agrees to implement appropriate control measures as determined by the State.

"(B) The additional compliance period referred to in subparagraph (A) shall expire on the earlier of the date 3 years after the date on which the Administrator identifies appropriate control technology for the Surface Water Treatment Rule for public water systems in the category that includes such system pursuant to section 1412(b)(4)(E) or 5 years after the enactment of the Safe Drinking Water Act Amendments of 1996.".

(c) TECHNICAL AND CONFORMING AMENDMENTS.—(1) Section 1416(b)(1) is amended by striking "prescribed by a State pursuant to this subsection" and inserting "prescribed by a State pursuant to this subsection or subsection (h)".

(2) Section 1416(c) is amended by striking "under subsection (a)" and inserting "under this section" and by inserting after "(a)(3)" in the second sentence "or the determination under subsection (h)(1)(C)".

(3) Section 1416(d)(1) is amended by striking "3-year" and inserting "4-year" and by amending the first sentence to read as follows: "Not later than 4 years after the date of enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall complete a comprehensive review of the exemptions granted (and schedules prescribed pursuant thereto) by the States during the 4-year period beginning on such date.".

(4) Section 1416(b)(2)(C) is repealed.

(d) SYSTEMS SERVING MORE THAN 3,300 PERSONS.—Section 1416(b)(2)(A)(ii) is amended by striking "12 months" and inserting "4 years" and section 1416(b)(2)(B) is amended by striking "3 years after the date of the issuance of the exemption" and inserting "4 years after the expiration of the initial exemption".

SEC. 142. VARIANCES.

(a) BAAT VARIANCE.—Section 1415 (42 U.S.C. 300g–4) is amended by adding the following at the end thereof:

"(e) SMALL SYSTEM ASSISTANCE PROGRAM.—

"(1) BAAT VARIANCES.—In the case of public water systems serving 3,300 persons or fewer, a variance under this section shall be granted by a State which has primary enforcement responsibility for public water systems allowing the use of Best Available Affordable Technology in lieu of best technology or other means where—

"(A) no best technology or other means is listed under section 1412(b)(4)(E) for the applicable category of public water systems;

"(B) the Administrator has identified BAAT for that contaminant pursuant to paragraph (3); and

"(C) the State finds that the conditions in paragraph (4) are met.

"(2) DEFINITION OF BAAT.—The term 'Best Available Affordable Technology' or 'BAAT' means the most effective technology or other means for the control of a drinking water contaminant or contaminants that is available and affordable to systems serving fewer than 3,300 persons.

"(3) IDENTIFICATION OF BAAT.—(A) As part of each national primary drinking water regulation proposed and promulgated after the enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall identify BAAT in any case where no 'best technology or other means' is listed for a category of public water systems listed under section 1412(b)(4)(E). No such identified BAAT shall require a technology from a specific manufacturer or brand. BAAT need not be adequate to achieve the applicable maximum contaminant level or treatment technique, but shall bring the public water system as close to achievement of such maximum contaminant level as practical or as close to the level of health protection provided by such treatment technique as practical, as the case may be. Any technology or other means identified as BAAT must be determined by the Administrator to be protective of public health. Simultaneously with identification of BAAT, the Administrator shall list any assumptions underlying the public health determination referred to in the preceding sentence, where such assumptions concern the public water system to which the technology may be applied, or its source waters. The Administrator shall provide the assumptions used in determining affordability, taking into consideration the number of persons served by such systems. Such listing shall provide as much reliable information as practicable on performance, effectiveness, limitations, costs, and other relevant factors in support of such listing, including the applicability of BAAT to surface and underground waters or both.

"(B) To the greatest extent possible, within 36 months after the date of the enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall identify BAAT for all national primary drinking water regulations promulgated prior to such date of enactment where no best technology or other means is listed for a category of public water systems under section 1412(b)(4)(E), and where compliance by such small systems is not practical. In identifying BAAT for such national primary drinking water regulations, the Administrator shall give priority to evaluation of atrazine, asbestos, selenium, pentachlorophenol, antimony, and nickel.

"(4) CONDITIONS FOR BAAT VARIANCE.—To grant a variance under this subsection, the State must determine that—

"(A) the public water system cannot install 'best technology or other means' because of the system's small size;

"(B) the public water system could not comply with the maximum contaminant level through use of alternate water supplies or through management changes or restructuring;

"(C) the public water system has the capacity to operate and maintain BAAT; and

"(D) the circumstances of the public water system are consistent with the public health assumptions identified by the Administrator under paragraph (3).

"(5) SCHEDULES.—Any variance granted by a State under this subsection shall establish a schedule for the installation and operation of BAAT within a period not to exceed 2 years after the issuance of the variance, except that the State may grant an extension of 1 additional year upon application by the system. The application shall include a showing of financial or technical need. Variances under this subsection shall be for a term not to exceed 5 years (including the period allowed for installation and operation of BAAT), but may be renewed for such additional 5-year periods by the State upon a finding that the criteria in paragraph (1) continue to be met.

"(6) REVIEW.—Any review by the Administrator under paragraphs (4) and (5) shall be pursuant to subsection (a)(1)(G)(i).

"(7) INELIGIBILITY FOR VARIANCES.—A variance shall not be available under this subsection for—

"(A) any maximum contaminant level or treatment technique for a contaminant with respect to which a national primary drinking water regulation was promulgated prior to January 1, 1986; or

"(B) a national primary drinking water regulation for a microbial contaminant (including a bacterium, virus, or other organism) or an indicator or treatment technique for a microbial contaminant.".

(b) TECHNICAL AND CONFORMING CHANGES.—

Section 1415 (42 U.S.C. 300g–4) is amended as follows:

(1) By striking "best technology, treatment techniques, or other means" and "best available technology, treatment techniques or other means" each place such terms appear and inserting in lieu thereof "best technology or other means".

(2) By striking the third sentence and by striking "Before a schedule prescribed by a State pursuant to this subparagraph may take effect" and all that follows down to the beginning of the last sentence in subsection (a)(1)(A).

(3) By amending the first sentence of subsection (a)(1)(C) to read as follows: "Before a variance is issued and a schedule is prescribed pursuant to this subsection or subsection (e) by a State, the State shall provide notice and an opportunity for a public hearing on the proposed variance and schedule.".

(4) By inserting "under this section" before the period at the end of the third sentence of subsection (a)(1)(C).

(5) By striking "under subparagraph (A)" and inserting "under this section" in subsection (a)(1)(D).

(6) By striking "that subparagraph" in each place it appears and insert in each such place "this section" in subsection (a)(1)(D).

(7) By striking the last sentence of subsection (a)(1)(D).

(8) By striking "3-year" and inserting "5-year" in subsection (a)(1)(F) and by amending the first sentence of such subsection (a)(1)(F) to read as follows: "Not later than 5 years after the enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall complete a review of the variances granted under this section (and the schedules prescribed in connection with such variances).".

(9) By striking "subparagraph (A) or (B)" and inserting "this section" in subsection (a)(1)(G)(i).

(10) By striking "paragraph (1)(B) or (2) of subsection (a)" and inserting "this section" in subsection (b).

(11) By striking "subsection (a)" and inserting "this section" in subsection (c).

(12) By repealing subsection (d).

Subtitle E—Lead Plumbing and Pipes

SEC. 151. LEAD PLUMBING AND PIPES.

Section 1417 (42 U.S.C. 300g–6) is amended as follows:

(1) In subsection (a)—

(A) by striking paragraph (1) and inserting the following:

"(1) PROHIBITIONS.—

"(A) IN GENERAL.—No person may use any pipe, any pipe or plumbing fitting or fixture, any solder, or any flux, after June 19, 1986, in the installation or repair of—

"(i) any public water system; or

"(ii) any plumbing in a residential or nonresidential facility providing water for human consumption,

that is not lead free (within the meaning of subsection (d)).

"(B) LEADED JOINTS.—Subparagraph (A) shall not apply to leaded joints necessary for the repair of cast iron pipes.".

(2) In subsection (a)(2)(A), by inserting "owner or operator of a" after "Each".

(3) By adding at the end of subsection (a) the following:

"(3) UNLAWFUL ACTS.—Effective 2 years after the date of enactment of this paragraph, it shall be unlawful—

"(A) for any person to introduce into commerce any pipe, or any pipe or plumbing fitting or fixture, that is not lead free, except for a pipe that is used in manufacturing or industrial processing;

"(B) for any person engaged in the business of selling plumbing supplies, except manufacturers, to sell solder or flux that is not lead free; or

"(C) for any person to introduce into commerce any solder or flux that is not lead free unless the solder or flux bears a prominent label stating that it is illegal to use the solder or flux in the installation or repair of any plumbing providing water for human consumption.".

(4) In subsection (d)—

(A) by striking "lead, and" in paragraph (1) and inserting "lead;";

(B) by striking "lead." in paragraph (2) and inserting "lead; and"; and

(C) by adding at the end the following:

"(3) when used with respect to plumbing fittings and fixtures, refers to plumbing fittings and fixtures in compliance with standards established in accordance with subsection (e).".

(5) By adding at the end the following:

"(e) PLUMBING FITTINGS AND FIXTURES.—

"(1) IN GENERAL.—The Administrator shall provide accurate and timely technical information and assistance to qualified third-party certifiers in the development of voluntary standards and testing protocols for the leaching of lead from new plumbing fittings and fixtures that are intended by the manufacturer to dispense water for human ingestion.

"(2) STANDARDS.—

"(A) IN GENERAL.—If a voluntary standard for the leaching of lead is not established by the date that is 1 year after the date of enactment of this subsection, the Administrator shall, not later than 2 years after the date of enactment of this subsection, promulgate regulations setting a health-effects-based performance standard establishing maximum leaching levels from new plumbing fittings and fixtures that are intended by the manufacturer to dispense water for human ingestion. The standard shall become effective on the date that is 5 years after the date of promulgation of the standard.

"(B) ALTERNATIVE REQUIREMENT.—If regulations are required to be promulgated under subparagraph (A) and have not been promulgated by the date that is 5 years after the date of enactment of this subsection, no person may import, manufacture, process, or distribute in commerce a new plumbing fitting or fixture, intended by the manufacturer to dispense water for human ingestion, that contains more than 4 percent lead by dry weight.".

Subtitle F—Capacity Development

SEC. 161. CAPACITY DEVELOPMENT.

Part B (42 U.S.C. 300g et seq.) is amended by adding at the end the following:

"SEC. 1419. CAPACITY DEVELOPMENT.

"(a) STATE AUTHORITY FOR NEW SYSTEMS.—Each State shall obtain the legal authority or other means to ensure that all new community water systems and new nontransient, noncommunity water systems commencing operation after October 1, 1999, demonstrate technical, managerial, and financial capacity with respect to each national primary drinking water regulation in effect, or likely to be in effect, on the date of commencement of operations.

"(b) SYSTEMS IN SIGNIFICANT NONCOMPLIANCE.—

"(1) LIST.—Beginning not later than 1 year after the date of enactment of this section, each State shall prepare, periodically update, and submit to the Administrator a list of community water systems and nontransient, noncommunity water systems that have a history of significant noncompliance with this title (as defined in guidelines issued prior to the date of enactment of this section or any revisions of the guidelines that have been made in consultation with the States) and, to the extent practicable, the reasons for noncompliance.

"(2) REPORT.—Not later than 5 years after the date of enactment of this section and as part of the capacity development strategy of the State, each State shall report to the Administrator on the success of enforcement mechanisms and initial capacity development efforts in assisting the public water systems listed under paragraph (1) to improve technical, managerial, and financial capacity.

"(c) CAPACITY DEVELOPMENT STRATEGY.—

"(1) IN GENERAL.—Not later than 4 years after the date of enactment of this section, each State shall develop and implement a strategy to assist public water systems in acquiring and maintaining technical, managerial, and financial capacity.

"(2) CONTENT.—In preparing the capacity development strategy, the State shall consider, solicit public comment on, and include as appropriate—

"(A) the methods or criteria that the State will use to identify and prioritize the public water systems most in need of improving technical, managerial, and financial capacity;

"(B) a description of the institutional, regulatory, financial, tax, or legal factors at the Federal, State, or local level that encourage or impair capacity development;

"(C) a description of how the State will use the authorities and resources of this title or other means to—

"(i) assist public water systems in complying with national primary drinking water regulations;

"(ii) encourage the development of partnerships between public water systems to enhance the technical, managerial, and financial capacity of the systems; and

"(iii) assist public water systems in the training and certification of operators;

"(D) a description of how the State will establish a baseline and measure improvements in capacity with respect to national primary drinking water regulations and State drinking water law; and

"(E) an identification of the persons that have an interest in and are involved in the development and implementation of the capacity development strategy (including all appropriate agencies of Federal, State, and local governments, private and nonprofit public water systems, and public water system customers).

"(3) REPORT.—Not later than 2 years after the date on which a State first adopts a capacity development strategy under this subsection, and every 3 years thereafter, the head of the State agency that has primary responsibility to carry out this title in the State shall submit to the Governor a report that shall also be available to the public on the efficacy of the strategy and progress made toward improving the technical, managerial, and financial capacity of public water systems in the State.

"(4) REVIEW.—The decisions of the State under this section regarding any particular public water system are not subject to review by the Administrator and may not serve as the basis for withholding funds under section 1452(a)(1)(H)(i).

"(d) FEDERAL ASSISTANCE.—

"(1) IN GENERAL.—The Administrator shall support the States in developing capacity development strategies.

"(2) INFORMATIONAL ASSISTANCE.—

"(A) IN GENERAL.—Not later than 180 days after the date of enactment of this section, the Administrator shall—

"(i) conduct a review of State capacity development efforts in existence on the date of enactment of this section and publish information to assist States and public water systems in capacity development efforts; and

"(ii) initiate a partnership with States, public water systems, and the public to develop information for States on recommended operator certification requirements.

"(B) PUBLICATION OF INFORMATION.—The Administrator shall publish the information developed through the partnership under subparagraph (A)(ii) not later than 18 months after the date of enactment of this section.

"(3) PROMULGATION OF DRINKING WATER REGULATIONS.—In promulgating a national primary drinking water regulation, the Administrator shall include an analysis of the likely effect of compliance with the regulation on the technical, financial, and managerial capacity of public water systems.

"(4) GUIDANCE FOR NEW SYSTEMS.—Not later than 2 years after the date of enactment of this section, the Administrator shall publish guidance developed in consultation with the States *describing legal authorities and other means to ensure that all new community water systems and new nontransient, noncommunity water systems demonstrate technical, managerial, and financial capacity with respect to national primary drinking water regulations.”.*

TITLE II—AMENDMENTS TO PART C

SEC. 201. SOURCE WATER QUALITY ASSESSMENT.

(a) GUIDELINES AND PROGRAMS.—Section 1428 is amended by adding “and source water” after “wellhead” in the section heading and by adding at the end thereof the following:

“(l) SOURCE WATER ASSESSMENT.—

“(1) GUIDANCE.—Within 12 months after enactment of the Safe Drinking Water Act Amendments of 1996, after notice and comment, the Administrator shall publish guidance for States exercising primary enforcement responsibility for public water systems to carry out directly or through delegation (for the protection and benefit of public water systems and for the support of monitoring flexibility) a source water assessment program within the State's boundaries.

“(2) PROGRAM REQUIREMENTS.—A source water assessment program under this subsection shall—

“(A) delineate the boundaries of the assessment areas in such State from which one or more public water systems in the State receive supplies of drinking water, using all reasonably available hydrogeologic information on the sources of the supply of drinking water in the State and the water flow, recharge, and discharge and any other reliable information as the State deems necessary to adequately determine such areas; and

“(B) identify for contaminants regulated under this title for which monitoring is required under this title (or any unregulated contaminants selected by the State in its discretion which the State, for the purposes of this subsection, has determined may present a threat to public health), to the extent practical, the origins within each delineated area of such contaminants to determine the susceptibility of the public water systems in the delineated area to such contaminants.

“(3) APPROVAL, IMPLEMENTATION, AND MONITORING RELIEF.—A State source water assessment program under this subsection shall be submitted to the Administrator within 18 months after the Administrator's guidance is issued under this subsection and shall be deemed approved 9 months after the date of such submittal unless the Administrator disapproves the program as provided in subsection (c). States shall begin implementation of the program immediately after its approval. The Administrator's approval of a State program under this subsection shall include a timetable, established in consultation with the State, allowing not more than 2 years for completion after approval of the program. Public water systems seeking monitoring relief in addition to the interim relief provided under section 1418(a) shall be eligible for monitoring relief, consistent with section 1418(b), upon completion of the assessment in the delineated source water assessment area or areas concerned.

“(4) TIMETABLE.—The timetable referred to in paragraph (3) shall take into consideration the availability to the State of funds under section 1452 (relating to State Revolving Funds) for assessments and other relevant factors. The Administrator may extend any timetable included in a State program approved under paragraph (3) to extend the period for completion by an additional 18 months. Compliance with subsection (g) shall not affect any State permanent monitoring flexibility program approved under section 1418(b).

“(5) DEMONSTRATION PROJECT.—The Administrator shall, as soon as practicable, conduct a demonstration project, in consultation with other Federal agencies, to demonstrate the most effective and protective means of assessing and protecting source waters serving large metropolitan areas and located on Federal lands.

“(6) USE OF OTHER PROGRAMS.—To avoid duplication and to encourage efficiency, the program under this section shall, to the extent practicable, be coordinated with other existing programs and mechanisms, and may make use of any of the following:

“(A) Vulnerability assessments, sanitary surveys, and monitoring programs.

“(B) Delineations or assessments of ground water sources under a State wellhead protection program developed pursuant to this section.

“(C) Delineations or assessments of surface or ground water sources under a State pesticide management plan developed pursuant to the Pesticide and Ground Water State Management Plan Regulation (subparts I and J of part 152 of title 40, Code of Federal Regulations), promulgated under section 3(d) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(d)).

“(D) Delineations or assessments of surface water sources under a State watershed initiative or to satisfy the watershed criterion for determining if filtration is required under the Surface Water Treatment Rule (section 141.70 of title 40, Code of Federal Regulations).

“(7) PUBLIC AVAILABILITY.—The State shall make the results of the source water assessments conducted under this subsection available to the public.”.

(b) APPROVAL AND DISAPPROVAL OF STATE PROGRAMS.—Section 1428 is amended as follows:

(1) Amend the first sentence of subsection (c)(1) to read as follows: “If, in the judgment of the Administrator, a State program or portion thereof under subsection (a) is not adequate to protect public water systems as required by subsection (a) or a State program under subsection (l) or section 1418(b) does not meet the applicable requirements of subsection (l) or section 1418(b), the Administrator shall disapprove such program or portion thereof.”.

(2) Add after the second sentence of subsection (c)(1) the following: “A State program developed pursuant to subsection (l) or section 1418(b) shall be deemed to meet the applicable requirements of subsection (l) or section 1418(b) unless the Administrator determines within 9 months of the receipt of the program that such program (or portion thereof) does not meet such requirements.”.

(3) In the third sentence of subsection (c)(1) and in subsection (c)(2) strike “is inadequate” and insert “is disapproved”.

(4) In subsection (b), add the following before the period at the end of the first sentence: “and source water assessment programs under subsection (l)”.

(5) In subsection (g)—

(A) insert after “under this section” the following: “and the State source water assessment programs under subsection (l) for which the State uses grants under section 1452 (relating to State Revolving Funds)”; and

(B) strike “Such” in the last sentence and inserting “In the case of wellhead protection programs, such”.

SEC. 202. FEDERAL FACILITIES.

(a) IN GENERAL.—Part C (42 U.S.C. 300h et seq.) is amended by adding at the end thereof the following new section:

“SEC. 1429. FEDERAL FACILITIES.

“(a) IN GENERAL.—Each department, agency, and instrumentality of the executive, legislative, and judicial branches of the Federal Government—

“(1) owning or operating any facility in a wellhead protection area,

“(2) engaged in any activity at such facility resulting, or which may result, in the contamination of water supplies in any such area, or

“(3) owning or operating any public water system,

shall be subject to, and comply with, all Federal, State, interstate, and local requirements, both substantive and procedural (including any requirement for permits or reporting or any provisions for injunctive relief and such sanctions as may be imposed by a court to enforce such relief), respecting the protection of such wellhead areas and respecting such public water systems in the same manner and to the same extent as any person is subject to such requirements, including the payment of reasonable service charges. The Federal, State, interstate, and local substantive and procedural requirements referred to in this subsection include, but are not limited to, all administrative orders and all civil and administrative penalties and fines, regardless of whether such penalties or fines are punitive or coercive in nature or are imposed for isolated, intermittent, or continuing violations. The United States hereby expressly waives any immunity otherwise applicable to the United States with respect to any such substantive or procedural requirement (including, but not limited to, any injunctive relief, administrative order or civil or administrative penalty or fine referred to in the preceding sentence, or reasonable service charge). The reasonable service charges referred to in this subsection include, but are not limited to, fees or charges assessed in connection with the processing and issuance of permits, renewal of permits, amendments to permits, review of plans, studies, and other documents, and inspection and monitoring of facilities, as well as any other nondiscriminatory charges that are assessed in connection with a Federal, State, interstate, or local regulatory program respecting the protection of wellhead areas or public water systems. Neither the United States, nor any agent, employee, or officer thereof, shall be immune or exempt from any process or sanction of any State or Federal Court with respect to the enforcement of any such injunctive relief. No agent, employee, or officer of the United States shall be personally liable for any civil penalty under any Federal, State, interstate, or local law concerning the protection of wellhead areas or public water systems with respect to any act or omission within the scope of the official duties of the agent, employee, or officer. An agent, employee, or officer of the United States shall be subject to any criminal sanction (including, but not limited to, any fine or imprisonment) under any Federal or State requirement adopted pursuant to this title, but no department, agency, or instrumentality of the executive, legislative, or judicial branch of the Federal Government shall be subject to any such sanction. The President may exempt any facility of any department, agency, or instrumentality in the executive branch from compliance with such a requirement if he determines it to be in the paramount interest of the United States to do so. No such exemption shall be granted due to lack of appropriation unless the President shall have specifically requested such appropriation as a part of the budgetary process and the Congress shall have failed to make available such requested appropriation. Any exemption shall be for a period not in excess of 1 year, but additional exemptions may be granted for periods not to exceed 1 year upon the President's making a new determination. The President shall report each January to the Congress all exemptions from the requirements of this section granted during the preceding calendar year, together with his reason for granting each such exemption.

“(b) ADMINISTRATIVE PENALTY ORDERS.—

“(1) IN GENERAL.—If the Administrator finds that a Federal agency has violated an applicable requirement under this title, the Administrator may issue a penalty order assessing a penalty against the Federal agency.

"(2) PENALTIES.—The Administrator may, after notice to the agency, assess a civil penalty against the agency in an amount not to exceed $25,000 per day per violation.

"(3) PROCEDURE.—Before an administrative penalty order issued under this subsection becomes final, the Administrator shall provide the agency an opportunity to confer with the Administrator and shall provide the agency notice and an opportunity for a hearing on the record in accordance with chapters 5 and 7 of title 5, United States Code.

"(4) PUBLIC REVIEW.—

"(A) IN GENERAL.—Any interested person may obtain review of an administrative penalty order issued under this subsection. The review may be obtained in the United States District Court for the District of Columbia or in the United States District Court for the district in which the violation is alleged to have occurred by the filing of a complaint with the court within the 30-day period beginning on the date the penalty order becomes final. The person filing the complaint shall simultaneously send a copy of the complaint by certified mail to the Administrator and the Attorney General.

"(B) RECORD.—The Administrator shall promptly file in the court a certified copy of the record on which the order was issued.

"(C) STANDARD OF REVIEW.—The court shall not set aside or remand the order unless the court finds that there is not substantial evidence in the record, taken as a whole, to support the finding of a violation or that the assessment of the penalty by the Administrator constitutes an abuse of discretion.

"(D) PROHIBITION ON ADDITIONAL PENALTIES.—The court may not impose an additional civil penalty for a violation that is subject to the order unless the court finds that the assessment constitutes an abuse of discretion by the Administrator.

"(c) LIMITATION ON STATE USE OF FUNDS COLLECTED FROM FEDERAL GOVERNMENT.—Unless a State law in effect on the date of the enactment of the Safe Drinking Water Act Amendments of 1996 or a State constitution requires the funds to be used in a different manner, all funds collected by a State from the Federal Government from penalties and fines imposed for violation of any substantive or procedural requirement referred to in subsection (a) shall be used by the State only for projects designed to improve or protect the environment or to defray the costs of environmental protection or enforcement.".

(b) CITIZEN ENFORCEMENT.—(1) The first sentence of section 1449(a) (42 U.S.C. 300j–8(a)) is amended—

(A) in paragraph (1), by striking ", or" and inserting a semicolon;

(B) in paragraph (2), by striking the period at the end and inserting "; or"; and

(C) by adding at the end the following:

"(3) for the collection of a penalty by the United States Government (and associated costs and interest) against any Federal agency that fails, by the date that is 18 months after the effective date of a final order to pay a penalty assessed by the Administrator under section 1429(b), to pay the penalty.".

(2) Subsection (b) of section 1449 (42 U.S.C. 300j–8(b)) is amended, by striking the period at the end of paragraph (2) and inserting "; or" and by adding the following new paragraph after paragraph (2):

"(3) under subsection (a)(3) prior to 60 days after the plaintiff has given notice of such action to the Attorney General and to the Federal agency.".

(c) CONFORMING AMENDMENTS.—Section 1447 (42 U.S.C. 300j–6) is amended as follows:

(1) In subsection (a):

(A) In the first sentence, by striking "(1) having jurisdiction over any federally owned or maintained public water system or (2)".

(B) In the first sentence, by striking out "respecting the provision of safe drinking water and".

(C) In the second sentence, by striking "(A)", "(B)", and "(C)" and inserting "(1)", "(2)", and "(3)", respectively.

(2) In subsection (c), by striking "the Safe Drinking Water Amendments of 1977" and inserting "this title" and by striking "this Act" and inserting "this title".

TITLE III—GENERAL PROVISIONS REGARDING SAFE DRINKING WATER ACT

SEC. 301. OPERATOR CERTIFICATION.

Section 1442 is amended by adding the following after subsection (e):

"(f) MINIMUM STANDARDS.—(1) Not later than 30 months after the date of enactment of the Safe Drinking Water Act Amendments of 1996 and after consultation with States exercising primary enforcement responsibility for public water systems, the Administrator shall promulgate regulations specifying minimum standards for certification (and recertification) of the operators of community and nontransient noncommunity public water systems. Such regulations shall take into account existing State programs, the complexity of the system and other factors aimed at providing an effective program at reasonable cost to States and public water systems, taking into account the size of the system.

"(2) Any State exercising primary enforcement responsibility for public water systems shall adopt and implement, within 2 years after the promulgation of regulations pursuant to paragraph (1), requirements for the certification of operators of community and nontransient noncommunity public water systems.

"(3) For any State exercising primary enforcement responsibility for public water systems which has an operator certification program in effect on the date of the enactment of the Safe Drinking Water Act Amendments of 1996, the regulations under paragraph (1) shall allow the State to enforce such program in lieu of the regulations under paragraph (1) if the State submits the program to the Administrator within 18 months after the promulgation of such regulations unless the Administrator determines (within 9 months after the State submits the program to the Administrator) that such program is not substantially equivalent to such regulations. In making this determination, such existing State programs shall be presumed to be substantially equivalent to the regulations, notwithstanding program differences, based on the size of systems or the quality of source water, providing State programs meet overall public health objectives of the regulations. If disapproved the program may be resubmitted within 6 months after receipt of notice of disapproval.".

SEC. 302. TECHNICAL ASSISTANCE.

Section 1442(e) (42 U.S.C. 300j–1(e)), relating to technical assistance for small systems, is amended to read as follows:

"(e) TECHNICAL ASSISTANCE.—The Administrator may provide technical assistance to small public water systems to enable such systems to achieve and maintain compliance with applicable national primary drinking water regulations. Such assistance may include circuit-rider programs, training, and preliminary engineering evaluations. There is authorized to be appropriated to the Administrator to be used for such technical assistance $15,000,000 for fiscal years 1997 through 2003. No portion of any State revolving fund established under section 1452 (relating to State revolving funds) and no portion of any funds made available under this subsection may be used either directly or indirectly for lobbying expenses. Of the total amount appropriated under this subsection, 3 percent shall be used for technical assistance to public water systems owned or operated by Indian tribes.".

SEC. 303. PUBLIC WATER SYSTEM SUPERVISION PROGRAM.

Section 1443(a) (42 U.S.C. 300j–2(a)) is amended as follows:

(1) Paragraph (7) is amended to read as follows:

"(7) AUTHORIZATION.—FOR THE PURPOSE of making grants under paragraph (1), there are authorized to be appropriated $100,000,000 for each of fiscal years 1997 through 2003.".

(2) By adding at the end the following:

"(8) RESERVATION OF FUNDS BY THE ADMINISTRATOR.—If the Administrator assumes the primary enforcement responsibility of a State public water system supervision program, the Administrator may reserve from funds made available pursuant to this subsection, an amount equal to the amount that would otherwise have been provided to the State pursuant to this subsection. The Administrator shall use the funds reserved pursuant to this paragraph to ensure the full and effective administration of a public water system supervision program in the State.

"(9) STATE LOAN FUNDS.—For any fiscal year for which the amount made available to the Administrator by appropriations to carry out this subsection is less than the amount that the Administrator determines is necessary to supplement funds made available pursuant to paragraph (8) to ensure the full and effective administration of a public water system supervision program in a State, the Administrator may reserve from the funds made available to the State under section 1452 (relating to State revolving funds) an amount that is equal to the amount of the shortfall. This paragraph shall not apply to any State not exercising primary enforcement responsibility for public water systems as of the date of enactment of the Safe Drinking Water Amendments of 1996.".

SEC. 304. MONITORING AND INFORMATION GATHERING.

(a) REVIEW OF EXISTING REQUIREMENTS.—Paragraph (1) of section 1445(a) (42 U.S.C. 300j–4(a)(1)) is amended to read as follows:

"(1)(A) Every person who is subject to any requirement of this title or who is a grantee, shall establish and maintain such records, make such reports, conduct such monitoring, and provide such information as the Administrator may reasonably require by regulation to assist the Administrator in establishing regulations under this title, in determining whether such person has acted or is acting in compliance with this title, in administering any program of financial assistance under this title, in evaluating the health risks of unregulated contaminants, or in advising the public of such risks. In requiring a public water system to monitor under this subsection, the Administrator may take into consideration the system size and the contaminants likely to be found in the system's drinking water.

"(B) Every person who is subject to a national primary drinking water regulation under section 1412 shall provide such information as the Administrator may reasonably require, after consultation with the State in which such person is located if such State has primary enforcement responsibility for public water systems, on a case-by-case basis, to determine whether such person has acted or is acting in compliance with this title.

"(C) Every person who is subject to a national primary drinking water regulation under section 1412 shall provide such information as the Administrator may reasonably require to assist the Administrator in establishing regulations under section 1412 of this title, after consultation with States and suppliers of water. The Administrator may not require under this subparagraph the installation of treatment equipment or process changes, the testing of treatment technology, or the analysis or processing of monitoring samples, except where the Administrator provides

the funding for such activities. Before exercising this authority, the Administrator shall first seek to obtain the information by voluntary submission.

"(D) The Administrator shall not later than 2 years after the date of enactment of this sentence, after consultation with public health experts, representatives of the general public, and officials of State and local governments, review the monitoring requirements for not fewer than 12 contaminants identified by the Administrator, and promulgate any necessary modifications.".

(b) MONITORING RELIEF.—Part B is amended by adding the following new section after section 1417:

"SEC. 1418. MONITORING OF CONTAMINANTS.

"(a) INTERIM MONITORING RELIEF AUTHORITY.—(1) A State exercising primary enforcement responsibility for public water systems may modify the monitoring requirements for any regulated or unregulated contaminants for which monitoring is required other than microbial contaminants (or indicators thereof), disinfectants and disinfection byproducts or corrosion byproducts for an interim period to provide that any public water system serving 10,000 persons or fewer shall not be required to conduct additional quarterly monitoring during an interim relief period for such contaminants if—

"(A) monitoring, conducted at the beginning of the period for the contaminant concerned and certified to the State by the public water system, fails to detect the presence of the contaminant in the ground or surface water supplying the public water system, and

"(B) the State, (considering the hydrogeology of the area and other relevant factors), determines in writing that the contaminant is unlikely to be detected by further monitoring during such period.

"(2) The interim relief period referred to in paragraph (1) shall terminate when permanent monitoring relief is adopted and approved for such State, or at the end of 36 months after the enactment of the Safe Drinking Water Act Amendments of 1996, whichever comes first. In order to serve as a basis for interim relief, the monitoring conducted at the beginning of the period must occur at the time determined by the State to be the time of the public water system's greatest vulnerability to the contaminant concerned in the relevant ground or surface water, taking into account in the case of pesticides the time of application of the pesticide for the source water area and the travel time for the pesticide to reach such waters and taking into account, in the case of other contaminants, seasonality of precipitation and contaminant travel time.

"(b) PERMANENT MONITORING RELIEF AUTHORITY.—(1) Each State exercising primary enforcement responsibility for public water systems under this title and having an approved wellhead protection program and a source water assessment program may adopt, in accordance with guidance published by the Administrator, and submit to the Administrator as provided in section 1428(c), tailored alternative monitoring requirements for public water systems in such State (as an alternative to the monitoring requirements for chemical contaminants set forth in the applicable national primary drinking water regulations) where the State concludes that (based on data available at the time of adoption concerning susceptibility, use, occurrence, wellhead protection, or from the State's drinking water source water assessment program) such alternative monitoring would provide assurance that it complies with the Administrator's guidelines. The State program must be adequate to assure compliance with, and enforcement of, applicable national primary drinking water regulations. Alternative monitoring shall not apply to regulated microbiological contaminants (or indicators thereof), disinfectants and disinfection by-products, or corrosion by-products. The preceding sentence is not intended to limit other authority of the Administrator under other provisions of this title to grant monitoring flexibility.

"(2)(A) The Administrator shall issue, after notice and comment and at the same time as guidelines are issued for source water assessment under section 1428(l), guidelines for States to follow in proposing alternative monitoring requirements under paragraph (1) of this subsection for chemical contaminants. The Administrator shall publish such guidelines in the Federal Register. The guidelines shall assure that the public health will be protected from drinking water contamination. The guidelines shall require that a State alternative monitoring program apply on a contaminant-by-contaminant basis and that, to be eligible for such alternative monitoring program, a public water system must show the State that the contaminant is not present in the drinking water supply or, if present, it is reliably and consistently below the maximum contaminant level.

"(B) For purposes of subparagraph (A), the phrase 'reliably and consistently below the maximum contaminant level' means that, although contaminants have been detected in a water supply, the State has sufficient knowledge of the contamination source and extent of contamination to predict that the maximum contaminant level will not be exceeded. In determining that a contaminant is reliably and consistently below the maximum contaminant level, States shall consider the quality and completeness of data, the length of time covered and the volatility or stability of monitoring results during that time, and the proximity of such results to the maximum contaminant level. Wide variations in the analytical results, or analytical results close to the maximum contaminant level, shall not be considered to be reliably and consistently below the maximum contaminant level.

"(3) The guidelines issued by the Administrator under paragraph (2) shall require that if, after the monitoring program is in effect and operating, a contaminant covered by the alternative monitoring program is detected at levels at or above the maximum contaminant level or is no longer reliably or consistently below the maximum contaminant level, the public water system must either—

"(A) demonstrate that the contamination source has been removed or that other action has been taken to eliminate the contamination problem, or

"(B) test for the detected contaminant pursuant to the applicable national primary drinking water regulation.

"(c) TREATMENT AS NPDWR.—All monitoring relief granted by a State to a public water system for a regulated contaminant under subsection (a) or (b) shall be treated as part of the national primary drinking water regulation for that contaminant.

"(d) OTHER MONITORING RELIEF.—Nothing in this section shall be construed to affect the authority of the States under applicable national primary drinking water regulations to alter monitoring requirements through waivers or other existing authorities. The Administrator shall periodically review and, as appropriate, revise such authorities.".

(c) UNREGULATED CONTAMINANTS.—Section 1445(a) (42 U.S.C. 300j–4(a)) is amended by striking paragraphs (2) through (8) and inserting the following:

"(2) MONITORING PROGRAM FOR UNREGULATED CONTAMINANTS.—

"(A) ESTABLISHMENT.—The Administrator shall promulgate regulations establishing the criteria for a monitoring program for unregulated contaminants. The regulations shall require monitoring of drinking water supplied by public water systems and shall vary the frequency and schedule for monitoring requirements for systems based on the number of persons served by the system, the source of supply, and the contaminants likely to be found.

"(B) MONITORING PROGRAM FOR CERTAIN UNREGULATED CONTAMINANTS.—

"(i) INITIAL LIST.—Not later than 3 years after the date of enactment of the Safe Drinking Water Amendments of 1996 and every 5 years thereafter, the Administrator shall issue a list pursuant to subparagraph (A) of not more than 40 unregulated contaminants to be monitored by public water systems and to be included in the national drinking water occurrence data base maintained pursuant to subsection (g).

"(ii) GOVERNORS' PETITION.—The Administrator shall include among the list of contaminants for which monitoring is required under this paragraph each contaminant recommended in a petition signed by the Governor of each of 7 or more States, unless the Administrator determines that the action would prevent the listing of other contaminants of a higher public health concern.

"(C) MONITORING PLAN FOR SMALL AND MEDIUM SYSTEMS.—

"(i) IN GENERAL.—Based on the regulations promulgated by the Administrator, each State shall develop a representative monitoring plan to assess the occurrence of unregulated contaminants in public water systems that serve a population of 10,000 or fewer. The plan shall require monitoring for systems representative of different sizes, types, and geographic locations in the State.

"(ii) GRANTS FOR SMALL SYSTEM COSTS.—From funds appropriated under subparagraph (H), the Administrator shall pay the reasonable cost of such testing and laboratory analysis as are necessary to carry out monitoring under the plan.

"(D) MONITORING RESULTS.—Each public water system that conducts monitoring of unregulated contaminants pursuant to this paragraph shall provide the results of the monitoring to the primary enforcement authority for the system.

"(E) NOTIFICATION.—Notification of the availability of the results of monitoring programs required under paragraph (2)(A) shall be given to the persons served by the system and the Administrator.

"(F) WAIVER OF MONITORING REQUIREMENT.—The Administrator shall waive the requirement for monitoring for a contaminant under this paragraph in a State, if the State demonstrates that the criteria for listing the contaminant do not apply in that State.

"(G) ANALYTICAL METHODS.—The State may use screening methods approved by the Administrator under subsection (i) in lieu of monitoring for particular contaminants under this paragraph.

"(H) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this paragraph $10,000,000 for each of the fiscal years 1997 through 2003.".

(d) SCREENING METHODS.—Section 1445 (42 U.S.C. 300j–4) is amended by adding the following after subsection (h):

"(i) SCREENING METHODS.—The Administrator shall review new analytical methods to screen for regulated contaminants and may approve such methods as are more accurate or cost-effective than established reference methods for use in compliance monitoring.".

SEC. 305. OCCURRENCE DATA BASE.

Section 1445 is amended by adding the following new subsection after subsection (f):

"(g) NATIONAL DRINKING WATER OCCURRENCE DATA BASE.—

"(1) IN GENERAL.—Not later than 3 years after the date of enactment of the Safe Drinking

Water Act Amendments of 1996, the Administrator shall assemble and maintain a national drinking water occurrence data base, using information on the occurrence of both regulated and unregulated contaminants in public water systems obtained under subsection (a)(1)(A) or subsection (a)(2) and reliable information from other public and private sources.

''(2) PUBLIC INPUT.—In establishing the occurrence data base, the Administrator shall solicit recommendations from the Science Advisory Board, the States, and other interested parties concerning the development and maintenance of a national drinking water occurrence data base, including such issues as the structure and design of the data base, data input parameters and requirements, and the use and interpretation of data.

''(3) USE.—The data shall be used by the Administrator in making determinations under section 1412(b)(3) with respect to the occurrence of a contaminant in drinking water at a level of public health concern.

''(4) PUBLIC RECOMMENDATIONS.—The Administrator shall periodically solicit recommendations from the appropriate officials of the National Academy of Sciences and the States, and any person may submit recommendations to the Administrator, with respect to contaminants that should be included in the national drinking water occurrence data base, including recommendations with respect to additional unregulated contaminants that should be listed under subsection (a)(2). Any recommendation submitted under this clause shall be accompanied by reasonable documentation that—

''(A) the contaminant occurs or is likely to occur in drinking water; and

''(B) the contaminant poses a risk to public health.

''(5) PUBLIC AVAILABILITY.—The information from the data base shall be available to the public in readily accessible form.

''(6) REGULATED CONTAMINANTS.—With respect to each contaminant for which a national primary drinking water regulation has been established, the data base shall include information on the detection of the contaminant at a quantifiable level in public water systems (including detection of the contaminant at levels not constituting a violation of the maximum contaminant level for the contaminant).

''(7) UNREGULATED CONTAMINANTS.—With respect to contaminants for which a national primary drinking water regulation has not been established, the data base shall include—

''(A) monitoring information collected by public water systems that serve a population of more than 3,300, as required by the Administrator under subsection (a);

''(B) monitoring information collected by the States from a representative sampling of public water systems that serve a population of 3,300 or fewer; and

''(C) other reliable and appropriate monitoring information on the occurrence of the contaminants in public water systems that is available to the Administrator.''.

SEC. 306. CITIZENS SUITS.

Section 1449 (42 U.S.C. 300j-8) is amended by inserting '', or a State'' after ''prosecuting a civil action in a court of the United States'' in subsection (b)(1)(B).

SEC. 307. WHISTLE BLOWER.

(a) WHISTLE BLOWER.—Section 1450(i) is amended as follows:

(1) Amend paragraph (2)(A) by striking ''30 days'' and inserting ''180 days'' and by inserting before the period at the end ''and the Environmental Protection Agency''.

(2) Amend paragraph (2)(B)(i) by inserting before the last sentence the following: ''Upon conclusion of such hearing and the issuance of a recommended decision that the complaint has merit, the Secretary shall issue a preliminary order providing the relief prescribed in clause (ii), but may not order compensatory damages pending a final order.''.

(3) Amend paragraph (2)(B)(ii) by inserting ''and'' before ''(III)'' and by striking ''compensatory damages, and (IV) where appropriate, exemplary damages'' and inserting ''and the Secretary may order such person to provide compensatory damages to the complainant''.

(4) Redesignate paragraphs (3), (4), (5), and (6) as paragraphs (4), (5), (6), and (7), respectively, and insert after paragraph (2) the following:

''(3)(A) The Secretary shall dismiss a complaint filed under paragraph (1), and shall not conduct the investigation required under paragraph (2), unless the complainant has made a prima facie showing that any behavior described in subparagraphs (A) through (C) of paragraph (1) was a contributing factor in the unfavorable personnel action alleged in the complaint.

''(B) Notwithstanding a finding by the Secretary that the complaint has made the showing required by paragraph (1)(A), no investigation required under paragraph (2) shall be conducted if the employer demonstrates, by clear and convincing evidence, that it would have taken the same unfavorable personnel action in the absence of such behavior.

''(C) The Secretary may determine that a violation of paragraph (1) has occurred only if the complainant has demonstrated that any behavior described in subparagraphs (A) through (C) of paragraph (1) was a contributing factor in the unfavorable personnel action alleged in the complaint.

''(D) Relief may not be ordered under paragraph (2) if the employer demonstrates clear and convincing evidence that it would have taken the same unfavorable personnel action in the absence of such behavior.''.

(5) Add at the end the following:

''(8) This subsection may not be construed to expand, diminish, or otherwise affect any right otherwise available to an employee under Federal or State law to reduce the employee's discharge or other discriminatory action taken by the employer against the employee. The provisions of this subsection shall be prominently posted in any place of employment to which this subsection applies.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to claims filed under section 1450(i) of the Public Health Service Act on or after the date of the enactment of this Act.

SEC. 308. STATE REVOLVING FUNDS.

Part E (42 U.S.C. 300j et seq.) is amended by adding the following new section after section 1451:

"SEC. 1452. STATE REVOLVING FUNDS.

''(a) GENERAL AUTHORITY.—

''(1) GRANTS TO STATES TO ESTABLISH REVOLVING FUNDS.—(A) The Administrator shall enter into agreements with eligible States to make capitalization grants, including letters of credit, to the States under this subsection solely to further the health protection objectives of this title, promote the efficient use of fund resources, and for such other purposes as are specified in this title.

''(B) To be eligible to receive a capitalization grant under this section, a State shall establish a drinking water treatment revolving loan fund and comply with the other requirements of this section.

''(C) Such a grant to a State shall be deposited in the drinking water treatment revolving fund established by the State, except as otherwise provided in this section and in other provisions of this title. No funds authorized by other provisions of this title to be used for other purposes specified in this title shall be deposited in any State revolving fund.

''(D) Such a grant to a State shall be available to the State for obligation during the fiscal year for which the funds are authorized and during the following fiscal year, except that grants made available from funds provided in Public Law 103–327, Public Law 103–124, and Public Law 104–134 shall be available for obligation during each of the fiscal years 1997 and 1998.

''(E) Except as otherwise provided in this section, funds made available to carry out this part shall be allotted to States that have entered into an agreement pursuant to this section in accordance with—

''(i) for each of fiscal years 1995 through 1997, a formula that is the same as the formula used to distribute public water system supervision grant funds under section 1443 in fiscal year 1995, except that the minimum proportionate share established in the formula shall be 1 percent of available funds and the formula shall be adjusted to include a minimum proportionate share for the State of Wyoming; and

''(ii) for fiscal year 1998 and each subsequent fiscal year, a formula that allocates to each State the proportional share of the State needs identified in the most recent survey conducted pursuant to section 1452(h), except that the minimum proportionate share provided to each State shall be the same as the minimum proportionate share provided under clause (i).

''(F) Such grants not obligated by the last day of the period for which the grants are available shall be reallotted according to the appropriate criteria set forth in subparagraph (E).

''(G) The State allotment for a State not exercising primary enforcement responsibility for public water systems shall not be deposited in any such fund but shall be allotted by the Administrator as follows: 20 percent of such allotment shall be available to the Administrator as needed to exercise primary enforcement responsibility under this title in such State and the remainder shall be reallotted to States exercising primary enforcement responsibility for public water systems for deposit in such funds. Whenever the Administrator makes a final determination pursuant to section 1413(b) that the requirements of section 1413(a) are no longer being met by a State, additional grants for such State under this title shall be immediately terminated by the Administrator. This subparagraph shall not apply to any State not exercising primary enforcement responsibility for public water systems as of the date of enactment of the Safe Drinking Water Act Amendments of 1996.

''(H)(i) Beginning in fiscal year 1999, the Administrator shall withhold 20 percent of each capitalization grant made pursuant to this section to a State if the State has not met the requirements of section 1419 (relating to capacity development).

''(ii) The Administrator shall withhold 20 percent of each capitalization grant made pursuant to this section if the State has not met the requirements of subsection (f) of section 1442 (relating to operator certification).

''(iii) All funds withheld by the Administrator pursuant to clause (i) shall be reallotted by the Administrator on the basis of the same ratio as is applicable to funds allotted under subparagraph (E). None of the funds reallotted by the Administrator pursuant to this paragraph shall be allotted to a State unless the State has met the requirements of section 1419 (relating to capacity development).

''(iv) All funds withheld by the Administrator pursuant to clause (ii) shall be reallotted by the Administrator on the basis of the same ratio as applicable to funds allotted under subparagraph (E). None of the funds reallotted by the Administrator pursuant to this paragraph shall be allotted to a State unless the State has met the requirements of subsection (f) of section 1442 (relating to operator certification).

"(2) USE OF FUNDS.—Except as otherwise authorized by this title, amounts deposited in such revolving funds, including loan repayments and interest earned on such amounts, shall be used only for providing loans, loan guarantees, or as a source of reserve and security for leveraged loans, the proceeds of which are deposited in a State revolving fund established under paragraph (1), or other financial assistance authorized under this section to community water systems and nonprofit noncommunity water systems, other than systems owned by Federal agencies. Such financial assistance may be used by a public water system only for expenditures (not including monitoring, operation, and maintenance expenditures) of a type or category which the Administrator has determined, through guidance, will facilitate compliance with national primary drinking water regulations applicable to such system under section 1412 or otherwise significantly further the health protection objectives of this title. Such funds may also be used to provide loans to a system referred to in section 1401(4)(B) for the purpose of providing the treatment described in section 1401(4)(B)(i)(III). Such funds shall not be used for the acquisition of real property or interests therein, unless such acquisition is integral to a project authorized by this paragraph and the purchase is from a willing seller. Of the amount credited to any revolving fund established under this section in any fiscal year, 15 percent shall be available solely for providing loan assistance to public water systems which regularly serve fewer than 10,000 persons.

"(3) LIMITATION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), no assistance under this part shall be provided to a public water system that—

"(i) does not have the technical, managerial, and financial capability to ensure compliance with the requirements of this title; or

"(ii) is in significant noncompliance with any requirement of a national primary drinking water regulation or variance.

"(B) RESTRUCTURING.—A public water system described in subparagraph (A) may receive assistance under this part if—

"(i) the owner or operator of the system agrees to undertake feasible and appropriate changes in operations (including ownership, management, accounting, rates, maintenance, consolidation, alternative water supply, or other procedures) if the State determines that such measures are necessary to ensure that the system has the technical, managerial, and financial capability to comply with the requirements of this title over the long term; and

"(ii) the use of the assistance will ensure compliance.

"(b) INTENDED USE PLANS.—

"(1) IN GENERAL.—After providing for public review and comment, each State that has entered into a capitalization agreement pursuant to this part shall annually prepare a plan that identifies the intended uses of the amounts available to the State loan fund of the State.

"(2) CONTENTS.—An intended use plan shall include—

"(A) a list of the projects to be assisted in the first fiscal year that begins after the date of the plan, including a description of the project, the expected terms of financial assistance, and the size of the community served;

"(B) the criteria and methods established for the distribution of funds; and

"(C) a description of the financial status of the State loan fund and the short-term and long-term goals of the State loan fund.

"(3) USE OF FUNDS.—

"(A) IN GENERAL.—An intended use plan shall provide, to the maximum extent practicable, that priority for the use of funds be given to projects that—

"(i) address the most serious risk to human health;

"(ii) are necessary to ensure compliance with the requirements of this title (including requirements for filtration); and

"(iii) assist systems most in need on a per household basis according to State affordability criteria.

"(B) LIST OF PROJECTS.—Each State shall, after notice and opportunity for public comment, publish and periodically update a list of projects in the State that are eligible for assistance under this part, including the priority assigned to each project and, to the extent known, the expected funding schedule for each project.

"(c) FUND MANAGEMENT.—Each State revolving fund under this section shall be established, maintained, and credited with repayments and interest. The fund corpus shall be available in perpetuity for providing financial assistance under this section. To the extent amounts in each such fund are not required for current obligation or expenditure, such amounts shall be invested in interest bearing obligations.

"(d) ASSISTANCE FOR DISADVANTAGED COMMUNITIES.—

"(1) LOAN SUBSIDY.—Notwithstanding any other provision of this section, in any case in which the State makes a loan pursuant to subsection (a)(2) to a disadvantaged community or to a community that the State expects to become a disadvantaged community as the result of a proposed project, the State may provide additional subsidization (including forgiveness of principal).

"(2) TOTAL AMOUNT OF SUBSIDIES.—For each fiscal year, the total amount of loan subsidies made by a State pursuant to paragraph (1) may not exceed 30 percent of the amount of the capitalization grant received by the State for the year.

"(3) DEFINITION OF DISADVANTAGED COMMUNITY.—In this subsection, the term 'disadvantaged community' means the service area of a public water system that meets affordability criteria established after public review and comment by the State in which the public water system is located. The Administrator may publish information to assist States in establishing affordability criteria.

"(e) STATE CONTRIBUTION.—Each agreement under subsection (a) shall require that the State deposit in the State revolving fund from State moneys an amount equal to at least 20 percent of the total amount of the grant to be made to the State on or before the date on which the grant payment is made to the State, except that a State shall not be required to deposit such amount into the fund prior to the date on which each grant payment is made for fiscal years 1994, 1995, 1996, and 1997 if such State deposits the State contribution amount into the State fund prior to September 30, 1998.

"(f) COMBINED FINANCIAL ADMINISTRATION.—Notwithstanding subsection (c), a State may (as a convenience and to avoid unnecessary administrative costs) combine, in accordance with State law, the financial administration of a revolving fund established under this section with the financial administration of any other revolving fund established by the State if otherwise not prohibited by the law under which such revolving fund was established and if the Administrator determines that—

"(1) the grants under this section, together with loan repayments and interest, will be separately accounted for and used solely for the purposes specified in this section; and

"(2) the authority to establish assistance priorities and carry out oversight and related activities (other than financial administration) with respect to such assistance remains with the State agency having primary responsibility for administration of the State program under section 1413.

"(g) ADMINISTRATION.—(1) Each State may annually use up to 4 percent of the funds allotted to the State under this section to cover the reasonable costs of administration of the programs under this section, including the recovery of reasonable costs expended to establish such a fund which are incurred after the date of enactment of this section, and to provide technical assistance to public water systems within the State. For fiscal year 1995 and each fiscal year thereafter, each State with primary enforcement responsibility for public water systems within that State may use up to an additional 10 percent of the funds allotted to the State under this section—

"(A) for public water system supervision programs which receive grants under section 1443(a);

"(B) to administer or provide technical assistance through source water protection programs;

"(C) to develop and implement a capacity development strategy under section 1419(c); and

"(D) for an operator certification program for purposes of meeting the requirements of section 1442(f),

if the State matches such expenditures with at least an equal amount of State funds. At least half of such match must be additional to the amount expended by the State for public water supervision in fiscal year 1993. An additional 1 percent of the funds annually allotted to the State under this section shall be used by each State to provide technical assistance to public water systems in such State. Funds utilized under section 1452(g)(1)(B) shall not be used for enforcement actions or for purposes which do not facilitate compliance with national primary drinking water regulations or otherwise significantly further the health protection objectives of this title.

"(2) The Administrator shall publish such guidance and promulgate such regulations as may be necessary to carry out the provisions of this section, including—

"(A) provisions to ensure that each State commits and expends funds allotted to the State under this section as efficiently as possible in accordance with this title and applicable State laws,

"(B) guidance to prevent waste, fraud, and abuse, and

"(C) guidance to avoid the use of funds made available under this section to finance the expansion of any public water system in anticipation of future population growth.

Such guidance and regulations shall also insure that the States, and public water systems receiving assistance under this section, use accounting, audit, and fiscal procedures that conform to generally accepted accounting standards.

"(3) Each State administering a revolving fund and assistance program under this subsection shall publish and submit to the Administrator a report every 2 years on its activities under this subsection, including the findings of the most recent audit of the fund and the entire State allotment. The Administrator shall periodically audit all revolving funds established by, and all other amounts allotted to, the States pursuant to this subsection in accordance with procedures established by the Comptroller General.

"(h) NEEDS SURVEY.—The Administrator shall conduct an assessment of water system capital improvements needs of all eligible public water systems in the United States and submit a report to the Congress containing the results of such assessment within 180 days after the date of the enactment of the Safe Drinking Water Act Amendments of 1996 and every 4 years thereafter.

"(i) INDIAN TRIBES.—1½ percent of the amounts appropriated annually to carry out this section may be used by the Administrator to

make grants to Indian Tribes and Alaskan Native Villages which are not otherwise eligible to receive either grants from the Administrator under this section or assistance from State revolving funds established under this section. Such grants may only be used for expenditures by such tribes and villages for public water system expenditures referred to in subsection (a)(2).

"(j) OTHER AREAS.—Of the funds annually available under this section for grants to States, the Administrator shall make allotments in accordance with section 1443(a)(4) for the District of Columbia, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, and the Republic of Palau. The grants allotted as provided in this subsection may be provided by the Administrator to the governments of such areas, to public water systems in such areas, or to both, to be used for the public water system expenditures referred to in subsection (a)(2). Such grants shall not be deposited in revolving funds. The total allotment of grants under this section for all areas described in this paragraph in any fiscal year shall not exceed 1 percent of the aggregate amount made available to carry out this section in that fiscal year.

"(k) SET-ASIDES.—

"(1) IN GENERAL.—Notwithstanding subsection (a)(2), a State may take each of the following actions:

"(A) Provide assistance, only in the form of a loan to one or both of the following:

"(i) Any public water system described in subsection (a)(2) to acquire land or a conservation easement from a willing seller or grantor, if the purpose of the acquisition is to protect the source water of the system from contamination and to ensure compliance with national primary drinking water regulations.

"(ii) Any community water system to implement local, voluntary source water protection measures to protect source water in areas delineated pursuant to section 1428(l), in order to facilitate compliance with national primary drinking water regulations applicable to such system under section 1412 or otherwise significantly further the health protection objectives of this title. Funds authorized under this clause may be used to fund only voluntary, incentive-based mechanisms.

"(B) Provide assistance, including technical and financial assistance, to any public water system as part of a capacity development strategy developed and implemented in accordance with section 1419(c).

"(C) Make expenditures from the capitalization grant of the State for fiscal years 1996 and 1997 to delineate and assess source water protection areas in accordance with section 1428(l), except that funds set aside for such expenditure shall be obligated within 4 fiscal years.

"(D) Make expenditures from the fund for the establishment and implementation of wellhead protection programs under section 1428.

"(2) LIMITATION.—For each fiscal year, the total amount of assistance provided and expenditures made by a State under this subsection may not exceed 15 percent of the amount of the capitalization grant received by the State for that year and may not exceed 10 percent of that amount for any one of the following activities:

"(A) To acquire land or conservation easements pursuant to paragraph (1)(A)(i).

"(B) To provide funding to implement voluntary, incentive-based source water quality protection measures pursuant to paragraph (1)(A)(ii).

"(C) To provide assistance through a capacity development strategy pursuant to paragraph (1)(B).

"(D) To make expenditures to delineate or assess source water protection areas pursuant to paragraph (1)(C).

"(E) To make expenditures to establish and implement wellhead protection programs pursuant to paragraph (1)(D).

"(3) STATUTORY CONSTRUCTION.—Nothing in this section creates or conveys any new authority to a State, political subdivision of a State, or community water system for any new regulatory measure, or limits any authority of a State, political subdivision of a State or community water system.

"(l) SAVINGS.—The failure or inability of any public water system to receive funds under this section or any other loan or grant program, or any delay in obtaining the funds, shall not alter the obligation of the system to comply in a timely manner with all applicable drinking water standards and requirements of this title.

"(m) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the purposes of this section $599,000,000 for the fiscal year 1994 and $1,000,000,000 for each of the fiscal years 1995 through 2003. Sums shall remain available until expended.

"(n) HEALTH EFFECTS STUDIES.—From funds appropriated pursuant to this section for each fiscal year, the Administrator shall reserve $10,000,000 for health effects studies on drinking water contaminants authorized by the Safe Drinking Water Act Amendments of 1996. In allocating funds made available under this subsection, the Administrator shall give priority to studies concerning the health effects of cryptosporidium, disinfection byproducts, and arsenic, and the implementation of a plan for studies of subpopulations at greater risk of adverse effects.

"(o) DEMONSTRATION PROJECT FOR STATE OF VIRGINIA.—Notwithstanding the other provisions of this subsection limiting the use of funds deposited in a State revolving fund from any State allotment, the State of Virginia may, as a single demonstration and with the approval of the Virginia General Assembly and the Administrator, conduct a program to demonstrate alternative approaches to intergovernmental coordination to assist in the financing of new drinking water facilities in the following rural communities in southwestern Virginia where none exists on the date of the enactment of the Safe Drinking Water Act Amendments of 1996 and where such communities are experiencing economic hardship: Lee County, Wise County, Scott County, Dickenson County, Russell County, Buchanan County, Tazewell County, and the city of Norton, Virginia. The funds allotted to that State and deposited in the State revolving fund may be loaned to a regional endowment fund for the purpose set forth in this paragraph under a plan to be approved by the Administrator. The plan may include an advisory group that includes representatives of such counties.

"(p) SMALL SYSTEM TECHNICAL ASSISTANCE.—The Administrator may reserve up to 2 percent of the total funds appropriated pursuant to subsection (m) for each of the fiscal years 1997 through 2003 to carry out the provisions of section 1442(e), relating to technical assistance for small systems.".

SEC. 309. WATER CONSERVATION PLAN.

Part E is amended by adding at the end the following:

"SEC. 1453. WATER CONSERVATION PLAN.

"(a) GUIDELINES.—Not later than 2 years after the date of the enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall publish in the Federal Register guidelines for water conservation plans for public water systems serving fewer than 3,300 persons, public water systems serving between 3,300 and 10,000 persons, and public water systems serving more than 10,000 persons, taking into consideration such factors as water availability and climate.

"(b) SRF LOANS OR GRANTS.—Within 1 year after publication of the guidelines under subsection (a), a State exercising primary enforcement responsibility for public water systems may require a public water system, as a condition of receiving a loan or grant from a State revolving fund under section 1452, to submit with its application for such loan or grant a water conservation plan consistent with such guidelines.".

TITLE IV—MISCELLANEOUS

SEC. 401. DEFINITIONS.

(a) ALTERNATIVE QUALITY CONTROL AND TESTING PROCEDURES.—Section 1401(1)(D) (42 U.S.C. 300f(1)(D)) is amended by adding the following at the end thereof: "At any time after promulgation of a regulation referred to in this paragraph, the Administrator may add equally effective quality control and testing procedures by guidance published in the Federal Register. Such procedures shall be treated as an alternative for public water systems to the quality control and testing procedures listed in the regulation.".

(b) PUBLIC WATER SYSTEM.—

(1) IN GENERAL.—Section 1401(4) (42 U.S.C. 300f(4)) is amended—

(A) in the first sentence, by striking "piped water for human consumption" and inserting "water for human consumption through pipes or other constructed conveyances";

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(C) by striking "(4) The" and inserting the following:

"(4) PUBLIC WATER SYSTEM.—

"(A) IN GENERAL.—The"; and

(D) by adding at the end the following:

"(B) CONNECTIONS.—

"(i) IN GENERAL.—For purposes of subparagraph (A), a connection to a system that delivers water by a constructed conveyance other than a pipe shall not be considered a connection, if—

"(I) the water is used exclusively for purposes other than residential uses (consisting of drinking, bathing, and cooking, or other similar uses);

"(II) the Administrator or the State (in the case of a State exercising primary enforcement responsibility for public water systems) determines that alternative water to achieve the equivalent level of public health protection provided by the applicable national primary drinking water regulation is provided for residential or similar uses for drinking, cooking, and bathing; or

"(III) the Administrator or the State (in the case of a State exercising primary enforcement responsibility for public water systems) determines that the water provided for residential or similar uses for drinking, cooking, and bathing is centrally treated or treated at the point of entry by the provider, a pass-through entity, or the user to achieve the equivalent level of protection provided by the applicable national primary drinking water regulations.

"(ii) IRRIGATION DISTRICTS.—An irrigation district in existence prior to May 18, 1994, that provides primarily agricultural service through a piped water system with only incidental residential or similar use shall not be considered to be a public water system if the system or the residential or similar users of the system comply with subclause (II) or (III) of clause (i).

"(C) TRANSITION PERIOD.—A water supplier that would be a public water system only as a result of modifications made to this paragraph by the Safe Drinking Water Act Amendments of 1996 shall not be considered a public water system for purposes of the Act until the date that is two years after the date of enactment of this subparagraph. If a water supplier does not serve 15 service connections (as defined in subparagraphs (A) and (B)) or 25 people at any time

after the conclusion of the two-year period, the water supplier shall not be considered a public water system.".

(2) GAO STUDY.—The Comptroller General of the United States shall undertake a study to—

(A) ascertain the numbers and locations of individuals and households relying for their residential water needs, including drinking, bathing, and cooking (or other similar uses) on irrigation water systems, mining water systems, industrial water systems or other water systems covered by section 1401(4)(B) of the Safe Drinking Water Act that are not public water systems subject to the Safe Drinking Water Act;

(B) determine the sources and costs and affordability (to users and systems) of water used by such populations for their residential water needs; and

(C) review State and water system compliance with the exclusion provisions of section 1401(4)(B) of such Act.

The Comptroller General shall submit a report to the Congress within 3 years after the enactment of this Act containing the results of such study.

SEC. 402. AUTHORIZATION OF APPROPRIATIONS.

(a) GENERAL.—Part A (42 U.S.C. 300f) is amended by adding the following new section after section 1401:

"SEC. 1402. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title for the first 7 fiscal years following the enactment of the Safe Drinking Water Act Amendments of 1996. With the exception of biomedical research, nothing in this Act shall affect or modify any authorization for research and development under this Act or any other provision of law.".

(b) CRITICAL AQUIFER PROTECTION.—Section 1427 (42 U.S.C. 300h–6) is amended as follows:

(1) Subsection (b)(1) is amended by striking "not later than 24 months after the enactment of the Safe Drinking Water Act Amendments of 1986".

(2) The table in subsection (m) is amended by adding at the end the following:

"1992–2003 .... 15,000,000.".

(c) WELLHEAD PROTECTION AREAS.—The table in section 1428(k) (42 U.S.C. 300h–7(k)) is amended by adding at the end the following:

"1992–2003 .... 30,000,000.".

(d) UNDERGROUND INJECTION CONTROL GRANT.—The table in section 1443(b)(5) (42 U.S.C. 300j–2(b)(5)) is amended by adding at the end the following:

"1992–2003 .... 15,000,000.".

SEC. 403. NEW YORK CITY WATERSHED PROTECTION PROGRAM.

Section 1443 (42 U.S.C. 300j–2) is amended by adding at the end the following:

"(d) NEW YORK CITY WATERSHED PROTECTION PROGRAM.—

"(1) IN GENERAL.—The Administrator is authorized to provide financial assistance to the State of New York for demonstration projects implemented as part of the watershed program for the protection and enhancement of the quality of source waters of the New York City water supply system, including projects necessary to comply with the criteria for avoiding filtration contained in 40 CFR 141.71. Demonstration projects which shall be eligible for financial assistance shall be certified to the Administrator by the State of New York as satisfying the purposes of this subsection. In certifying projects to the Administrator, the State of New York shall give priority to monitoring projects that have undergone peer review.

"(2) REPORT.—Not later than 5 years after the date on which the Administrator first provides assistance pursuant to this paragraph, the Governor of the State of New York shall submit a report to the Administrator on the results of projects assisted.

"(3) MATCHING REQUIREMENTS.—Federal assistance provided under this subsection shall not exceed 35 percent of the total cost of the protection program being carried out for any particular watershed or ground water recharge area.

"(4) AUTHORIZATION.—There are authorized to be appropriated to the Administrator to carry out this subsection for each of fiscal years 1997 through 2003 $8,000,000 for each of such fiscal years for the purpose of providing assistance to the State of New York to carry out paragraph (1).".

SEC. 404. ESTROGENIC SUBSTANCES SCREENING PROGRAM.

Part F is amended by adding the following at the end thereof:

"SEC. 1466. ESTROGENIC SUBSTANCES SCREENING PROGRAM.

"(a) DEVELOPMENT.—Not later than 2 years after the date of enactment of this section, the Administrator shall develop a screening program, using appropriate validated test systems and other scientifically relevant information, to determine whether certain substances may have an effect in humans that is similar to an effect produced by a naturally occurring estrogen, or such other endocrine effect as the Administrator may designate.

"(b) IMPLEMENTATION.—Not later than 3 years after the date of enactment of this section, after obtaining public comment and review of the screening program described in subsection (a) by the scientific advisory panel established under section 25(d) of the Act of June 25, 1947 (chapter 125) or the Science Advisory Board established by section 8 of the Environmental Research, Development, and Demonstration Act of 1978 (42 U.S.C. 4365), the Administrator shall implement the program.

"(c) SUBSTANCES.—In carrying out the screening program described in subsection (a), the Administrator—

"(1) shall provide for the testing of all active and inert ingredients used in products described in section 103(e) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9603(e)) that may be found in sources of drinking water, and

"(2) may provide for the testing of any other substance that may be found in sources of drinking water if the Administrator determines that a substantial population may be exposed to such substance.

"(d) EXEMPTION.—Notwithstanding subsection (c), the Administrator may, by order, exempt from the requirements of this section a biologic substance or other substance if the Administrator determines that the substance is anticipated not to produce any effect in humans similar to an effect produced by a naturally occurring estrogen.

"(e) COLLECTION OF INFORMATION.—

"(1) IN GENERAL.—The Administrator shall issue an order to a person that registers, manufactures, or imports a substance for which testing is required under this subsection to conduct testing in accordance with the screening program described in subsection (a), and submit information obtained from the testing to the Administrator, within a reasonable time period that the Administrator determines is sufficient for the generation of the information.

"(2) PROCEDURES.—To the extent practicable the Administrator shall minimize duplicative testing of the same substance for the same endocrine effect, develop, as appropriate, procedures for fair and equitable sharing of test costs, and develop, as necessary, procedures for handling of confidential business information.

"(3) FAILURE OF REGISTRANTS TO SUBMIT INFORMATION.—

"(A) SUSPENSION.—If a person required to register a substance referred to in subsection (c)(1) fails to comply with an order under paragraph (1) of this subsection, the Administrator shall issue a notice of intent to suspend the sale or distribution of the substance by the person. Any suspension proposed under this paragraph shall become final at the end of the 30-day period beginning on the date that the person receives the notice of intent to suspend, unless during that period a person adversely affected by the notice requests a hearing or the Administrator determines that the person referred to in paragraph (1) has complied fully with this subsection.

"(B) HEARING.—If a person requests a hearing under subparagraph (A), the hearing shall be conducted in accordance with section 554 of title 5, United States Code. The only matter for resolution at the hearing shall be whether the person has failed to comply with an order under paragraph (1) of this subsection. A decision by the Administrator after completion of a hearing shall be considered to be a final agency action.

"(C) TERMINATION OF SUSPENSIONS.—The Administrator shall terminate a suspension under this paragraph issued with respect to a person if the Administrator determines that the person has complied fully with this subsection.

"(4) NONCOMPLIANCE BY OTHER PERSONS.—Any person (other than a person referred to in paragraph (3)) who fails to comply with an order under paragraph (1) shall be liable for the same penalties and sanctions as are provided under section 16 of the Toxic Substances Control Act (15 U.S.C. 2601 and following) in the case of a violation referred to in that section. Such penalties and sanctions shall be assessed and imposed in the same manner as provided in such section 16.

"(f) AGENCY ACTION.—In the case of any substance that is found, as a result of testing and evaluation under this section, to have an endocrine effect on humans, the Administrator shall, as appropriate, take action under such statutory authority as is available to the Administrator, including consideration under other sections of this Act, as is necessary to ensure the protection of public health.

"(g) REPORT TO CONGRESS.—Not later than 4 years after the date of enactment of this section, the Administrator shall prepare and submit to Congress a report containing—

"(1) the findings of the Administrator resulting from the screening program described in subsection (a);

"(2) recommendations for further testing needed to evaluate the impact on human health of the substances tested under the screening program; and

"(3) recommendations for any further actions (including any action described in subsection (f)) that the Administrator determines are appropriate based on the findings.

"(h) SAVINGS CLAUSE.—Nothing in this section shall be construed to amend or modify the provisions of the Toxic Substances Control Act or the Federal Insecticide, Fungicide, and Rodenticide Act.".

SEC. 405. REPORTS ON PROGRAMS ADMINISTERED DIRECTLY BY ENVIRONMENTAL PROTECTION AGENCY.

For States and Indian Tribes in which the Administrator of the Environmental Protection Agency has revoked primary enforcement responsibility under part B of title XIV of the Public Health Service Act (which title is commonly known as the Safe Drinking Water Act) or is otherwise administering such title, the Administrator shall provide every 2 years, a report to Congress on the implementation by the Administrator of all applicable requirements of that title in such States.

SEC. 406. RETURN FLOWS.

Section 3013 of Public Law 102–486 (42 U.S.C. 13551) shall not apply to drinking water supplied by a public water system regulated under title XIV of the Public Health Service Act (the Safe Drinking Water Act).

SEC. 407. EMERGENCY POWERS.

Section 1431(b) is amended by striking out "$5,000" and inserting in lieu thereof "$15,000".

SEC. 408. WATERBORNE DISEASE OCCURRENCE STUDY.

(a) System.—The Director of the Centers for Disease Control and Prevention, and the Administrator of the Environmental Protection Agency, shall jointly establish—

(1) within 2 years after the date of enactment of this Act, pilot waterborne disease occurrence studies for at least 5 major United States communities or public water systems; and

(2) within 5 years after the date of enactment of this Act, a report on the findings of the pilot studies, and a national estimate of waterborne disease occurrence.

(b) Training and Education.—The Director and Administrator shall jointly establish a national health care provider training and public education campaign to inform both the professional health care provider community and the general public about waterborne disease and the symptoms that may be caused by infectious agents, including microbial contaminants. In developing such a campaign, they shall seek comment from interested groups and individuals, including scientists, physicians, State and local governments, environmental groups, public water systems, and vulnerable populations.

(c) Funding.—There are authorized to be appropriated for each of the fiscal years 1997 through 2001, $3,000,000 to carry out this section. To the extent funds under this section are not fully appropriated, the Administrator may use not more than $2,000,000 of the funds from amounts reserved under section 1452(n) for health effects studies for purposes of this section. The Administrator may transfer a portion of such funds to the Centers for Disease Control and Prevention for such purposes.

SEC. 409. DRINKING WATER STUDIES.

(a) Subpopulations at Greater Risk.—The Administrator of the Environmental Protection Agency shall conduct a continuing program of studies to identify groups within the general population that are at greater risk than the general population of adverse health effects from exposure to contaminants in drinking water. The study shall examine whether and to what degree infants, children, pregnant women, the elderly, individuals with a history of serious illness, or other subpopulations that can be identified and characterized are likely to experience elevated health risks, including risks of cancer, from contaminants in drinking water.

(b) Biological Mechanisms.—The Administrator shall conduct studies to—

(1) understand the biomedical mechanisms by which chemical contaminants are absorbed, distributed, metabolized, and eliminated from the human body, so as to develop more accurate physiologically based models of the phenomena;

(2) understand the effects of contaminants and the biomedical mechanisms by which the contaminants cause adverse effects (especially noncancer and infectious effects) and the variations in the effects among humans, especially subpopulations at greater risk of adverse effects, and between test animals and humans; and

(3) develop new approaches to the study of complex mixtures, such as mixtures found in drinking water, especially to determine the prospects for synergistic or antagonistic interactions that may affect the shape of the dose-response relationship of the individual chemicals and microbes, and to examine noncancer endpoints and infectious diseases, and susceptible individuals and subpopulations.

(c) Studies on Harmful Substances in Drinking Water.—

(1) Development of studies.—The Administrator shall, after consultation with the Secretary of Health and Human Services, the Secretary of Agriculture, and, as appropriate, the heads of other Federal agencies, conduct the studies described in paragraph (2) to support the development and implementation of the most current version of each of the following:

(A) Enhanced surface water treatment rule (59 Fed. Reg. 38832 (July 29, 1994)).

(B) Disinfectant and disinfection byproducts rule (59 Fed. Reg. 38668 (July 29, 1994)).

(C) Ground water disinfection rule (availability of draft summary announced at (57 Fed. Reg. 33960; July 31, 1992)).

(2) Contents of studies.—The studies required by paragraph (1) shall include, at a minimum, each of the following:

(A) Toxicological studies and, if warranted, epidemiological studies to determine what levels of exposure from disinfectants and disinfection byproducts, if any, may be associated with developmental and birth defects and other potential toxic end points.

(B) Toxicological studies and, if warranted, epidemiological studies to quantify the carcinogenic potential from exposure to disinfection byproducts resulting from different disinfectants.

(C) The development of dose-response curves for pathogens, including cryptosporidium and the Norwalk virus.

(3) Authorization of appropriations.—There are authorized to be appropriated to carry out this subsection $12,500,000 for each of fiscal years 1997 through 2003.

SEC. 410. BOTTLED DRINKING WATER STANDARDS.

Section 410 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 349) is amended as follows:

(1) By striking "Whenever" and inserting "(a) Except as provided in subsection (b), whenever".

(2) By adding at the end thereof the following new subsection:

"(b)(1) Not later than 180 days before the effective date of a national primary drinking water regulation promulgated by the Administrator of the Environmental Protection Agency for a contaminant under section 1412 of the Public Health Service Act (42 U.S.C. 300g–1), the Secretary shall promulgate a standard of quality regulation under this subsection for that contaminant in bottled water or make a finding that such a regulation is not necessary to protect the public health because the contaminant is contained in water in public water systems (as defined under section 1401(4) of such Act (42 U.S.C. 300f(4))) but not in water used for bottled drinking water. The effective date for any such standard of quality regulation shall be the same as the effective date for such national primary drinking water regulation, except for any standard of quality of regulation promulgated by the Secretary before the date of enactment of the Safe Drinking Water Act Amendments of 1996 for which (as of such date of enactment) an effective date had not been established. In the case of a standard of quality regulation to which such exception applies, the Secretary shall promulgate monitoring requirements for the contaminants covered by the regulation not later than 2 years after such date of enactment. Such monitoring requirements shall become effective not later than 180 days after the date on which the monitoring requirements are promulgated.

"(2) A regulation issued by the Secretary as provided in this subsection shall include any monitoring requirements that the Secretary determines appropriate for bottled water.

"(3) A regulation issued by the Secretary as provided in this subsection shall require the following:

"(A) In the case of contaminants for which a maximum contaminant level is established in a national primary drinking water regulation under section 1412 of the Public Health Service Act, the regulation under this subsection shall establish a maximum contaminant level for the contaminant in bottled water which is no less stringent than the maximum contaminant level provided in the national primary drinking water regulation.

"(B) In the case of contaminants for which a treatment technique is established in a national primary drinking water regulation under section 1412 of the Public Health Service Act, the regulation under this subsection shall require that bottled water be subject to requirements no less protective of the public health than those applicable to water provided by public water systems using the treatment technique required by the national primary drinking water regulation.

"(4)(A) If the Secretary does not promulgate a regulation under this subsection within the period described in paragraph (1), the national primary drinking water regulation referred to in paragraph (1) shall be considered, as of the date on which the Secretary is required to establish a regulation under paragraph (1), as the regulation applicable under this subsection to bottled water.

"(B) In the case of a national primary drinking water regulation that pursuant to subparagraph (A) is considered to be a standard of quality regulation, the Secretary shall, not later than the applicable date referred to in such subparagraph, publish in the Federal Register a notice—

"(i) specifying the contents of such regulation, including monitoring requirements, and

"(ii) providing that for purposes of this paragraph the effective date for such regulation is the same as the effective date for the regulation for purposes of title XIV of the Public Health Service Act (or, if the exception under paragraph (1) applies to the regulation, that the effective date for the regulation is not later than 2 years and 180 days after the date of the enactment of the Safe Drinking Water Act Amendments of 1996).".

SEC. 411. CLERICAL AMENDMENTS.

(a) Part B.—Part B (42 U.S.C. 300g and following) is amended as follows:

(1) In section 1412(b)(2)(C) by striking "paragraph (3)(a)" and inserting "paragraph (3)(A)".

(2) In section 1412(b)(8) strike "1442(g)" and insert "1442(e)".

(3) In section 1415(a)(1)(A) by inserting "the" before "time the variance is granted".

(b) Part C.—Part C (42 U.S.C. 300h and following) is amended as follows:

(1) In section 1421(b)(3)(B)(i) by striking "number or States" and inserting "number of States".

(2) In section 1427(k) by striking "this subsection" and inserting "this section".

(c) Part E.—Section 1441(f) (42 U.S.C. 300j(f)) is amended by inserting a period at the end.

(d) Section 1465(b).—Section 1465(b) (42 U.S.C. 300j–25) is amended by striking "as by" and inserting "by".

(e) Short Title.—Section 1 of Public Law 93–523 (88 Stat. 1600) is amended by inserting "of 1974" after "Act" the second place it appears and title XIV of the Public Health Service Act is amended by inserting the following immediately before part A:

"SEC. 1400. SHORT TITLE AND TABLE OF CONTENTS.

"(a) Short Title.—This title may be cited as the 'Safe Drinking Water Act'.

"(b) Table of Contents.—

"TITLE XIV—SAFETY OF PUBLIC WATER SYSTEMS

"Sec. 1400. Short title and table of contents.

"PART A—DEFINITIONS

"Sec. 1401. Definitions.
"Sec. 1402. Authorization of appropriations.

"PART B—PUBLIC WATER SYSTEMS

"Sec. 1411. Coverage.
"Sec. 1412. National drinking water regulations.
"Sec. 1413. State primary enforcement responsibility.
"Sec. 1414. Enforcement of drinking water regulations.
"Sec. 1415. Variances
"Sec. 1416. Exemptions.
"Sec. 1417. Prohibition on use of lead pipes, solder, and flux.
"Sec. 1418. Monitoring of contaminants.
"Sec. 1419. Capacity development.

"PART C—PROTECTION OF UNDERGROUND SOURCES OF DRINKING WATER

"Sec. 1421. Regulations for State programs.
"Sec. 1422. State primary enforcement responsibility.
"Sec. 1423. Enforcement of program.
"Sec. 1424. Interim regulation of underground injections.
"Sec. 1425. Optional demonstration by States relating to oil or natural gas.
"Sec. 1426. Regulation of State programs.
"Sec. 1427. Sole source aquifer demonstration program.
"Sec. 1428. State programs to establish wellhead and source water protection areas.
"Sec. 1429. Federal facilities.

"PART D—EMERGENCY POWERS

"Sec. 1431. Emergency powers.
"Sec. 1432. Tampering with public water systems.

"PART E—GENERAL PROVISIONS

"Sec. 1441. Assurance of availability of adequate supplies of chemicals necessary for treatment of water.
"Sec. 1442. Research, technical assistance, information, training of personnel.
"Sec. 1443. Grants for State programs.
"Sec. 1444. Special study and demonstration project grants; guaranteed loans.
"Sec. 1445. Records and inspections.
"Sec. 1446. National Drinking Water Advisory Council.
"Sec. 1447. Federal agencies.
"Sec. 1448. Judicial review.
"Sec. 1449. Citizen's civil action.
"Sec. 1450. General provisions.
"Sec. 1451. Indian tribes.
"Sec. 1452. State revolving funds.
"Sec. 1453. Water conservation plan.

"PART F—ADDITIONAL REQUIREMENTS TO REGULATE THE SAFETY OF DRINKING WATER

"Sec. 1461. Definitions.
"Sec. 1462. Recall of drinking water coolers with lead-lined tanks.
"Sec. 1463. Drinking water coolers containing lead.
"Sec. 1464. Lead contamination in school drinking water.
"Sec. 1465. Federal assistance for State programs regarding lead contamination in school drinking water.
"Sec. 1466. Estrogenic substances screening program.".

TITLE V—ADDITIONAL ASSISTANCE FOR WATER INFRASTRUCTURE AND WATERSHEDS

SEC. 501. GENERAL PROGRAM.

(a) TECHNICAL AND FINANCIAL ASSISTANCE.—The Administrator may provide technical and financial assistance in the form of grants to States (1) for the construction, rehabilitation, and improvement of water supply systems, and (2) consistent with nonpoint source management programs established under section 319 of the Federal Water Pollution Control Act, for source water quality protection programs to address pollutants in navigable waters for the purpose of making such waters usable by water supply systems.

(b) LIMITATION.—Not more than 30 percent of the amounts appropriated to carry out this section in a fiscal year may be used for source water quality protection programs described in subsection (a)(2).

(c) CONDITION.—As a condition to receiving assistance under this section, a State shall ensure that such assistance is carried out in the most cost-effective manner, as determined by the State.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $50,000,000 for each of fiscal years 1996 through 2003. Such sums shall remain available until expended.

SEC. 502. NEW YORK CITY WATERSHED, NEW YORK.

(a) IN GENERAL.—The Administrator may provide technical and financial assistance in the form of grants for a source water quality protection program described in section 501 for the New York City Watershed in the State of New York.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $8,000,000 for each of fiscal years 1996 through 2003. Such sums shall remain available until expended.

SEC. 503. RURAL AND NATIVE VILLAGES, ALASKA.

(a) IN GENERAL.—The Administrator may provide technical and financial assistance in the form of grants to the State of Alaska for the benefit of rural and Alaska Native villages for the development and construction of water systems to improve conditions in such villages and to provide technical assistance relating to construction and operation of such systems.

(b) CONSULTATION.—The Administrator shall consult the State of Alaska on methods of prioritizing the allocation of grants made to such State under this section.

(c) ADMINISTRATIVE EXPENSES.—The State of Alaska may use not to exceed 4 percent of the amount granted to such State under this section for administrative expenses necessary to carry out the activities for which the grant is made.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $25,000,000. Such sums shall remain available until expended.

SEC. 504. ACQUISITION OF LANDS.

Assistance provided with funds made available under this title may be used for the acquisition of lands and other interests in lands; however, nothing in this title authorizes the acquisition of lands or other interests in lands from other than willing sellers.

SEC. 505. FEDERAL SHARE.

The Federal share of the cost of activities for which grants are made under this title shall be 50 percent.

SEC. 506. CONDITION ON AUTHORIZATIONS OF APPROPRIATIONS.

An authorization of appropriations under this title shall be in effect for a fiscal year only if at least 75 percent of the total amount of funds authorized to be appropriated for such fiscal year by section 308 are appropriated.

SEC. 507. DEFINITIONS.

In this title, the following definitions apply:

(1) ADMINISTRATOR.—The term "Administrator" means the Administrator of the Environmental Protection Agency.

(2) STATE.—The term "State" means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(3) WATER SUPPLY SYSTEM.—The term "water supply system" means a system for the provision to the public of piped water for human consumption if such system has at least 15 service connections or regularly serves at least 25 individuals and a draw and fill system for the provision to the public of water for human consumption. Such term does not include a for-profit system that has fewer than 15 service connections used by year-round residents of the area served by the system or a for-profit system that regularly serves fewer than 25 year-round residents and does not include a system owned by a Federal agency. Such term includes (A) any collection, treatment, storage, and distribution facilities under control of the operator of such system and used primarily in connection with such system, and (B) any collection or pretreatment facilities not under such control that are used primarily in connection with such system.

TITLE VI—DRINKING WATER RESEARCH AUTHORIZATION

SEC. 601. DRINKING WATER RESEARCH AUTHORIZATION.

There are authorized to be appropriated to the Administrator of the Environmental Protection Agency, in addition to—

(1) amounts authorized for research under section 1412(b)(13) of the Safe Drinking Water Act (title XIV of the Public Health Service Act);

(2) amounts authorized for research under section 409 of the Safe Drinking Water Act Amendments of 1996; and

(3) $10,000,000 from funds appropriated pursuant to this section 1452(n) of the Safe Drinking Water Act (title XIV of the Public Health Service Act),

such sums as may be necessary for drinking water research for fiscal years 1997 through 2003. The annual total of the sums referred to in this section shall not exceed $26,593,000.

SEC. 602. SCIENTIFIC RESEARCH REVIEW.

(a) IN GENERAL.—The Administrator shall assign to the Assistant Administrator for Research and Development (in this section referred to as the "Assistant Administrator") the duties of—

(1) developing a strategic plan for drinking water research activities throughout the Environmental Protection Agency (in this section referred to as the "Agency");

(2) integrating that strategic plan into ongoing Agency planning activities; and

(3) reviewing all Agency drinking water research to ensure the research—

(A) is of high quality; and

(B) does not duplicate any other research being conducted by the Agency.

(b) REPORT.—The Assistant Administrator shall transmit annually to the Administrator and to the Committees on Commerce and Science of the House of Representatives and the Committee on Environment and Public Works of the Senate a report detailing—

(1) all Agency drinking water research the Assistant Administrator finds is not of sufficiently high quality; and

(2) all Agency drinking water research the Assistant Administrator finds duplicates other Agency research.

Mr. ROTH. I ask unanimous consent that the Senate disagree with the amendment of the House and agree to the request for a conference, and the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Presiding Officer (Mr. FRIST) appointed Mr. CHAFEE, Mr. KEMPTHORNE, Mr. THOMAS, Mr. WARNER, Mr. BAUCUS, Mr. REID, and Mr. LAUTENBERG conferees on the part of the Senate.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. ROTH. Mr. President, I ask unanimous consent that, as in executive session, the Senate immediately proceed to the consideration of the following Executive Calendar nominations, No. 513, James Jones; No. 576, Donald Molloy.

I further ask unanimous consent that the nominations be confirmed, en bloc, the motions to reconsider be laid upon the table, en bloc, and the President be immediately notified of the Senate's action; that any statements relating to any of the nominations appear at the appropriate place in the RECORD, and the Senate then immediately return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations were considered and confirmed, en bloc, as follows:

THE JUDICIARY

James P. Jones, of Virginia, to be U.S. District Judge for the Western District of Virginia.

Donald W. Molloy, of Montana, to be U.S. District Judge for the District of Montana.

NOMINATION OF JAMES P. JONES

Mr. ROBB. Mr. President, one characteristic shared by most top-notch judges is patience. It is an attribute which James P. Jones, the President's nominee to be United States District Judge for the Western District of Virginia, has in abundance. This is fortunate, because he has waited a very long time for this day. Jim was first nominated to be a Federal district judge over 16 years ago, but his nomination became entangled in presidential politics and never came to the Senate floor for consideration. That was 1980. He was recommended for this position again last summer, renominated last December, favorably reported unanimously by the Judiciary Committee in March, and has been pending on the Executive Calendar ever since. I know he's relieved to have finally completed this torturous journey, and I'm pleased that he will finally be able to demonstrate what those of us acquainted with him have known for years—that he will make an exemplary judge.

I have known Jim Jones for over 20 years. His experience will help him discharge the responsibilities which will be placed upon him. He's been a litigator in private practice for almost 28 years. He has served as a state senator, assistant attorney general for the Commonwealth, and law clerk in the Fourth Circuit Court of Appeals.

In addition to his keen intellect and superior legal skills, Jim has the character and even disposition crucial for a successful jurist. Not only is Jim well-suited for the position, he has dedicated much of his life outside his legal practice to public service. He has been involved in many community and bar-related activities, and he has recently served as president of the Virginia Board of Education.

I was pleased to be given the opportunity to recommend Jim Jones to the President for this nomination, and I am confident that Jim will serve with distinction as a Federal district court judge in the western district of Virginia. I'm glad he will finally have a chance to serve.

With that Mr. President, I thank my colleagues for supporting this nomination and I yield the floor.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

ORDERS FOR FRIDAY, JULY 19, 1996

Mr. ROTH. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9 a.m. on Friday, July 19; further, that immediately following the prayer the Journal of proceedings be deemed approved to date, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day; and that the Senate immediately resume consideration of the reconciliation bill under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROTH. For the information of all Senators, tomorrow morning there will be a series of rollcall votes beginning at 9 o'clock a.m. on or in relation to amendments to the reconciliation bill, and following that series of votes the Senate will continue to debate amendments to the bill.

However, no further votes will occur during Friday's session of the Senate or during Monday's session of the Senate. Any votes ordered on those amendments will occur at 9:30 a.m. on Tuesday.

Also, it is the majority leader's intention to turn to the agricultural appropriations bill at 2 p.m. on Monday. Again, Senators intending to offer amendments or raise points of order with respect to the reconciliation bill must do so either tomorrow or Monday.

ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ROTH. If there is no further business to come before the Senate, I ask unanimous consent that the Senate now stand in adjournment under the previous order.

There being no objection, the Senate, at 11:30 p.m., adjourned until Friday, July 19, 1996, at 9 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 18, 1996:

THE JUDICIARY

JAMES P. JONES, OF VIRGINIA, TO BE U.S. DISTRICT JUDGE FOR THE WESTERN DISTRICT OF VIRGINIA.

DONALD W. MOLLOY, OF MONTANA, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF MONTANA.

EXTENSIONS OF REMARKS

CHILD CARE CONSOLIDATION AND INVESTMENT ACT OF 1996

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Ms. WOOLSEY. Mr. Speaker, I rise to introduce the Child Care Consolidation and Investment Act of 1996. I am pleased that my colleague, Senator DODD, has introduced the companion to this bill in the Senate.

The Child Care Consolidation and Investment Act of 1996 consolidates all the major child care programs, including the Child Care and Development Block Grant, into a seamless system of child care for working parents. It invests in child care by increasing funding for the Child Care and Development Block Grant. Funds are increased to $2.8 for fiscal year 1997, and each year thereafter. By fiscal year 2001, my bill provides $4.7 billion for child care.

My bill creates a seamless web of support for families, all the way from welfare to work. Everyone is talking about welfare reform these days, and they should be. The current welfare system is broken. It's not working for the taxpayers and it's not working for the recipients. As cochair of the Democratic Congressional Task Force on Welfare Reform, I helped produce a proposal that reforms our ineffective welfare system by investing in education, training, and support services, including child care, to get families off welfare permanently.

Now, the House of Representatives has passed a bill that purports to move people off of welfare. However, it fails to remove one of the biggest barriers that keep even trained individuals from work: lack of available, safe, affordable child care. The bill that I am introducing today removes that barrier by ensuring that children have a safe place to go while their parents get job training and move into jobs. This bill ensures that single, custodial parents of young children will not be required to undertake education, job training, job search or employment unless appropriate child care is made available.

The Child Care Consolidation and Investment Act of 1996 doesn't stop there. It also directs States to reserve funds to carry out child care activities to support low-income working families, and before and after school care.

There is no question that working families need more child care. But, it is not enough to fund more facilities. Children must have a safe, clean environment that is both stimulating and nurturing if they are going to grow into adults that this country can rely on.

The Child Care Consolidation and Investment Act of 1996 expands access to affordable child care while improving the quality of child care. It does this by providing States with set-aside funds for quality improvements to child care. It also establishes a quality improvement incentive initiative that will make additional funds available to States that show progress in implementing innovative teacher training programs and improved child care quality standards, licensing, and monitoring procedures.

Mr. Speaker, child care has traditionally been a bipartisan issue in the House of Representatives, so I hope that my colleagues from both sides of the aisle will join with me to ensure that no children in this country will be left alone, at home, in a car, or on the streets because their parents are doing their best to support their family. Let's move forward with welfare reform, but let's not leave our kids behind.

PHILMONT FIRE COMPANY CELEBRATES 100 YEARS OF COMMUNITY SERVICE

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. SOLOMON. Mr. Speaker, anyone who visits my office cannot help but notice the display of fire helmets that dominates my reception area. They are there for two reasons. First, I had the privilege of being a volunteer fireman in my hometown of Queensbury for more than 20 years, which helps explain the second reason, the tremendous respect that experience gave me for those who provide fire protection in our rural areas.

In a rural area like the 22d District of New York, fire protection is often solely in the hands of these volunteer companies. In New York State alone they save countless lives and billions of dollars worth of property. That is why the efforts of people like those fire fighters in the Philmont Fire Department is so critical.

Mr. Speaker, I have always been partial to the charm and character of small towns and small town people. The town of Philmont in Columbia County is certainly no exception. The traits which make me most fond of such communities is the undeniable camaraderie which exists among neighbors. Looking out for one another and the needs of the community makes places like Philmont great places to live. This concept of community service is exemplified by the devoted service of the members of their volunteer fire department. For 100 years now, this organization has provided critical services for their neighbors on a volunteer basis.

Mr. Speaker, it has become all to seldom that you see fellow citizens put themselves in harms way for the sake of another. While almost all things have changed over the years, thankfully for the residents in Philmont, the members of their fire department have selflessly performed their duty, without remiss, since the formation of this organization one century ago. On Saturday, July 27, 1996, the fire company will be holding a parade to commemorate this milestone. Not only will this offer the residents around Philmont a chance to enjoy themselves at the planned festivities, but it will provide the perfect opportunity for them to extend their gratitude to this organization and its members, both past and present.

Mr. Speaker, I have always been one to judge people by how much they give back to their community. On that scale, the members of the Philmont Fire Company are great Americans. I am truly proud of this organization because it typifies the spirit of voluntarism which has been such a central part of American life. To that end, it is with a sense of pride, Mr. Speaker, that I ask all Members of the House to join me in paying tribute to the Philmont Fire Company on the occasion of their 100th anniversary.

CONGRATULATIONS TO THREE DISTINGUISHED EAGLE SCOUTS

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. VISCLOSKY. Mr. Speaker, I rise today to congratulate three distinguished young men for attaining the rank of Eagle Scout of the Boy Scouts of America [BSA]. Joseph Rybarczyk, Adam Summers, and Anthony Paul Pagorek are all members of the Boy Scout Troop No. 542, sponsored by St. Thomas More Catholic Church Holy Name Society of Munster. They will receive this honor at an Eagle Scout Court of Honor on Sunday, July 21, 1996, at the Munster Community Social Center located in Munster, IN.

An elite group of 2.5 percent of all Boy Scouts attain the Eagle Scout ranking, which is the highest of seven rankings in the Boy Scouts organization. In order to become an Eagle Scout, one must complete the following three tasks; earn 21 merit badges; complete a service project; and demonstrate strong leadership skills within the troop.

According to Stephen Kennedy, Troop Scout Master of BSA Troop No. 542, all three young men are longstanding members of Troop No. 542, as well as outstanding students. Joe, a student at Munster High School and a member of their school band, did an angel tree with the Salvation Army. This project provided Christmas gifts for the Salvation Army to distribute throughout the holiday. Joe was also a senior patrol leader, which is the highest position in the troop. Adam, also a member of Munster High School and their school band, took part in park improvements for the town of Munster. Specifically, he helped to restore several park benches. Anthony, an outstanding student and athlete at

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Andrean High School, improved landscaping around St. Thomas More Catholic Church. Anthony also attended the National Scout Preserve in Philmont, NM. This preserve is a high adventure camp with a rugged terrain.

The fact that a boy is an Eagle Scout always has carried with it special significance, not only in scouting, but also as he enters higher education, a career, or community service. Mr. Speaker, I ask you and my other distinguished colleagues to join me in congratulating Adam Summers, Anthony Paul Pagorek, and Joseph Rybarczyk for their commendable efforts in society. It takes a great deal of tenacity and devotion to achieve such an illustrious ranking. These three young men have established promising futures, while at the same time improving the quality of life in Indiana's First Congressional District.

CONGRATULATIONS TO ATLANTIC ELECTRIC

HON. FRANK A. LoBIONDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. LoBIONDO. Mr. Speaker, Atlantic Electric, a utility serving residents in the Second District, sponsors an outstanding program to assist teenagers in Cumberland County. For its role in this effort—called the Peer Group Connection program—Atlantic Electric was honored with a Special Distinction Award for Educational Partnerships from the Edison Electric Institute [EEI]. Ms. Fern Mills, manager of community relations for Atlantic Electric, was recently in Washington to receive the award from EEI president Thomas R. Kuhn.

The Peer Group Connection program is a partnership effort between Atlantic Electric, Cumberland Regional High School, and community members of Cumberland County. It seeks to address difficulties in transition between elementary and secondary school through effective use of peer influence. The program seeks to build safe, responsive communities in which ethnic, racial, and cultural differences are respected.

In making the presentation during a Capitol Hill ceremony, Mr. Kuhn said:

> Recognizing that helping teenagers helps society, Atlantic Electric joined other leading Cumberland County, New Jersey businesses in starting the Peer Group Connection, as a support group for high school students coping with the pressures of growing up. Results show higher grades, fewer absences, and a more positive attitude toward school.

To Atlantic Electric and others involved in the educational partnerships, I say congratulations—keep up the good work.

PERUVIAN INDEPENDENCE DAY

HON. WILLIAM J. MARTINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. MARTINI. Mr. Speaker, I rise today in celebration of the 175th anniversary of Peruvian independence. On July 28, 1821, Don Jose de San Martin led rebel troops in freeing Peru from Spanish rule. The victories of this Peruvian national hero in many ways laid the foundation for independence for all of South America.

I am proud to say that in the Eighth Congressional District of New Jersey, this great day is going to be remembered with all the fanfare it deserves. From July 20 to 28, we will celebrate Peruvian Heritage Days. The days will consist of numerous activities to enhance public awareness of Peruvian history and cultural heritage, and the crowning event will be the parade on Sunday, the 28th. I know from personal experience that it will be both interesting and entertaining.

Mr. Speaker, on this most auspicious occasion, I feel compelled to point out that this day should be a special one not only for Peruvians and Peruvian-Americans, but for freedom-loving people everywhere. Neither the United States nor Peru would be the proud countries we know today if people who came before us had not stood up for their rights, and demanded national sovereignty and independence.

Finally, Mr. Speaker, allow me to add that regardless of whether you favor the melting pot or the mixed salad analogy, the underlying truth of the matter remains: We are a nation of immigrants. As the grandson of immigrants, I have seen firsthand how difficult it can be to assimilate into a new society while still remembering your roots. The community of Peruvian-Americans in my district has succeeded in doing just that. For their immeasurable contributions to the richness of our society, I applaud all of the legal immigrants who collectively make up the fabric of these United States. We are all unique individuals, but we truly are also one Nation under God.

AN ADDITIONAL TOOL FOR TRYING TO REFORM CRIMINAL BEHAVIOR

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. THOMAS. Mr. Speaker, recent communications between the Department of Labor and California show we have another problem to correct in restoring power to the States. Bluntly, the Department is saying California has to pay unemployment benefits to certain criminals being released from prison.

Current Federal law requires employers to pay Federal employment [FUTA] taxes on work performed by their employees. This includes prison inmates who work for private companies through innovative work programs established in several States, including California. Today, some 200 people in California prisons are employed in jobs provided under agreements between the State and private businesses. However, FUTA taxes do not have to be paid for work by prisoners employed in prison operations such as the laundry or cabinet shop.

Since FUTA taxes are paid on behalf of some prisoners, the U.S. Department of Labor ruled that these prisoners must be paid unemployment benefits upon their release from their job—essentially, when they are released from prison. Failure to comply is serious: California employers, for example, would lose tax credits worth $1.7 billion for FUTA taxes they pay on other workers if the California program is disqualified.

Why does Labor take this position? The Federal unemployment insurance program only permits denial of employment benefits in three cases: if the worker's income exceeds certain limits; the claim is fraudulent; or the employee was fired for misconduct. Since prisoners lose their jobs when paroled or released from prison, they do not fit the exceptions.

California voters established the Joint Venture Program in 1990, creating a private work program for prison inmates. Criminals' wages are used to compensate victims, offset incarceration costs, and set-aside funds—20 percent—for the inmate's support upon his or her release from prison. In 1996, California voters overwhelmingly passed an initiative (Proposition 194) that denies unemployment benefits to criminals participating in the Joint Venture Program.

The Department of Labor decision would force California either to pay out unemployment benefits to released prisoners or to eliminate a program that has been successful in helping criminals transition back into the work force. Allowing employees to lose $1.7 billion in credits for taxes they pay on the services of ordinary working people is not an option, needless to say.

Legislation I am introducing today would change the law to treat all prison inmates who participate in work programs the same: Their services would be exempt from the FUTA tax. This would effectively deny unemployment benefits to released prisoners and prohibit the Department of Labor from placing such a ridiculous requirement on the States. The bill's enactment would give States an additional tool to use in trying to reform criminal behavior and I hope my colleagues will agree to its adoption in the near future.

TRIBUTE TO IRVING GEORGE LIEBERFARB

HON. ALCEE L. HASTINGS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. HASTINGS of Florida. Mr. Speaker, I rise to pay tribute to Mr. Irving George Lieberfarb, a distinguished American from Lake Worth, FL, who recently passed away.

Mr. Lieberfarb was a worthy and admirable individual whose absence is a tragic loss to his family and his community. He was very active in the B'nai B'rith movement, and his synagogue Petach Tikva Congregation, on behalf of many worthy causes. It was Mr. Lieberfarb who brought to my attention the matter of Varian Fry, an American who had saved thousands of Jewish lives during World War II, but had never been honored. In 1939 Mr. Fry had requested the State Department allow him to secure the passage of Jewish refugees suffering under the Nazi regime. The Government responded by reluctantly offering merely 200 visas, and eventually put an end to his work by forcing him to return to America. When he criticized the U.S. immigration policy, upon his return, the Government shunned him and refused to recognize his noble deeds.

I had read Mr. Lieberfarb's article about Varian Fry and was disturbed that the actions of this man were ignored for so long. Therefore, I introduced H.R. 3352, legislation to award the congressional gold medal of honor to Varian Fry's family in honor of his great accomplishments. Mr. Lieberfarb's efforts for this cause alone exhibits his concern for righteousness and justice. It was an honor to have known him.

For this reason, I also wish to insert in the RECORD the kind words submitted by his family to the New York Times, on Friday, June 28, 1996.

> Irving George Lieberfarb, of Lakewood Florida, died on June 26, 1996, Beloved husband of Irene, father of Jay and Richard. Loving grandfather of Suzanne and Julie. Brother of Mae Zeller, Daniel, and Eddie. Loving uncle of many nephews and nieces. Always thinking how much he could do for his family.
>
> We will never forget your positive influence and always concern for the special interest of the many friends and relations. With love and gratitude, your niece and nephews, Warren, Bonnie, Monte and Jim.

THE 100TH ANNIVERSARY OF DEEP RIVER, CT FIRE DEPARTMENT

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. GEJDENSON. Mr. Speaker, I rise today to recognize the 100th anniversary of the Deep River, CT fire department which serves the community of Deep River with selflessness, energy, and commitment each and every day.

The first organizational meeting of the Deep River fire department was held in March 1896. Since that time, the department has grown to its present size of nearly 40 persons, receives over 200 calls each year, and has at its disposal a fleet of four pumper trucks, one emergency truck, one brush truck, and one fire boat. The Deep River fire department has also expanded to two stations which serve the local community: The fire department headquarters at the center of Deep River and a smaller station in the Winthrop section of town.

The Deep River fire department has served the community faithfully, often demonstrating real ingenuity in its work to keep the community safe. In Deep River, CT, Mr. Speaker, the only fire hydrants are located in town. The department, though, serves not only the town, but many rural areas as well. In those rural areas, using vast amounts of fire hose, the department employs a combination of skill and improvisation to obtain water from nearby streams and ponds, offering rural residents the same level of emergency service as is enjoyed by those who reside in town.

On September 29 of this year, the Deep River fire department will continue the celebration of its 100th anniversary with a community parade. At this parade, the national flag fire truck will make its way to Deep River, a further honor to this most deserving department.

Mr. Speaker, I ask that Members of the House of Representatives join me today in recognizing the accomplishments and achievements of the Deep River fire department on its 100th anniversary, and offering our best wishes for another 100 years of distinguished service and generous sacrifice.

TRIBUTE TO JOYCE EISENBERG-KEEFER AND MEL KEEFER

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. WAXMAN. Mr. Speaker, I ask my colleagues to join me in recognizing Joyce Eisenberg-Keefer and Mel Keefer for their extraordinary charitable activities.

Joyce Eisenberg-Keefer, president and administrator of the Ben B. and Joyce E. Eisenberg Foundation, is a leader in efforts to improve the quality of life of the elderly, youth, and cancer victims.

In 1993, she established the Joyce Eisenberg-Keefer Breast Center at St. John's Hospital and Health Center, a comprehensive center for the study and treatment of breast cancer that sees 10,000 patients each year.

Joyce Eisenberg-Keefer is also a leading contributor to the John Wayne Cancer Institute, Wellness Community, the Weizmann Institute of Science, and the Jewish Homes for the Aging.

Joyce Eisenberg-Keefer's philanthropy does not stop at our national border. She has contributed millions of dollars to Israel Tennis Centers, which allows children develop friendships and learn to work together through play. She built the Eisenberg Kindergarten in Tel Aviv, has denoted mammography equipment to the Shaare Zedek Hospital, and funds a medical fellowship program in cardiothoracic surgery at UCLA for doctors from Hadassah Hospital.

In addition to all of these enormous contributions, Joyce Eisenberg-Keefer actively supports numerous other organizations, including the Anti-Defamation League, United Jewish Fund, Israel Bonds, the Los Angeles Music Center, and the National Diabetes Foundation.

We owe a great debt of gratitude to Joyce Eisenberg-Keefer and Mel Keefer. I ask my colleagues to join me in saluting them for their great achievements and in wishing them happiness and success in all future endeavors.

TRIBUTE TO THE CENTENNIAL OF ST. ANTHONY'S CHURCH, ELMENDORF, TX

HON. FRANK TEJEDA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. TEJEDA. Mr. Speaker, I rise to recognize a special anniversary for a south Texas parish in the district I represent. St. Anthony's Church, situated in the small town of Elmendorf, TX, this month is celebrating the centennial of their first church building. I ask that you join me in expressing pride and joy in this accomplishment.

The parish of St. Anthony's in Elmendorf dates back at least to 1872. At that time, under the pastoral guidance of Father C. Jaillets, Masses and services were celebrated in area homes. The pastor of a neighboring community, Father Emilio Chapolard, led the effort to build the church in Elmendorf in 1896. Responsible for a large area south of San Antonio, Father Chapolard served 40 years in Graytown.

During the past 100 years, St. Anthony's has been home to three churches. The second building was constructed under the direction of Father Matthias J. Justen from 1917 to 1922. Some 50 years later, the third church was built during 1973 and 1974 under the guidance of Father Severiano Fernandez and was blessed by Bishop Patrick Flores, who now serves the entire region as archbishop. Today, the church hosts a new rectory, parish hall, a ccd center, and a religious education center.

The church has been under the spiritual guidance of priests of many backgrounds. During the early years of this century, the Claretian Fathers from San Antonio were charged with the responsibility of the parish. Thereafter, the Mexican Josephite Brothers took over for a number of years until the 1921 arrival of Father Justen, the first Redemptorist to be in charge of the parish. The Redemptorists served at St. Anthony's for more than 40 years, until 1962. At that time, the archbishop invited the Augustinian Fathers to take charge of the parish. The church enjoyed their guidance until 1993, when the present priest, Father William McNamara arrived.

An archdiocesan priest from Ireland, Father McNamara has given greatly to the church and the community. Under his guidance, St. Anthony's is celebrating a Mass of thanksgiving and a parish Mass to mark the centennial of the first church. We appreciate his efforts, and those of the entire parish, to build not only church buildings, but a church community. The foundation stones set in place 100 years ago have endured the test of time, and in that place we now find a vibrant and committed parish looking forward to the next century for St. Anthony's.

TRIBUTE TO THE NEW BALTIMORE HISTORICAL SOCIETY

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. BONIOR. Mr. Speaker, today I rise to pay tribute to the New Baltimore Historical Society which will celebrate its 20th anniversary on Saturday, July 20, 1996. How fortunate we are to have people in our home towns who are willing to give their talents to preserve our community treasures.

First established as a sesquicentennial project, the Historical Society is dedicated to preserving the heritage of the Anchor Bay area. It is indeed a wonderful anniversary for this organization as the culmination of their hard work is achieved. Under the guidance of the New Baltimore Historical Society, the Grand Pacific House, a former hotel built in 1881, was renovated. This last vestige of New Baltimore's hotel era is now a community museum.

The New Baltimore Historical Society purchased the Grand Pacific House in 1985 and began restoration of the building. Through countless hours of volunteer work, fundraisers, and generous donations from civic groups, businesses and individuals the dream has come true. The Museum is home to a variety of local historic artifacts and special theme rooms that have captured a glimpse of the past for future generations.

I commend the New Baltimore Historical Society for its efforts and encourage the members to continue with their good work. The formal dedication of the Grand Pacific House Historical Site plaque is a celebration of their labor of love. Please join me in saluting the New Baltimore Historical Society on the event of their 20th anniversary.

TOWER ONE/TOWER EAST'S 25TH ANNIVERSARY

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Ms. DELAURO. Mr. Speaker, I offer my heartfelt congratulations to Tower One/Tower East on the 25th anniversary of this outstanding multicultural senior housing facility. For a quarter of a century, the New Haven Jewish Federation Housing Corp. has given New Haven area seniors a place to call home in Tower One.

As part of its 25th birthday celebration, Tower One will honor its past presidents at a champagne breakfast. They are: Irving Enson, Jay I. Vlock, Linda Kantor, Alan Schiff, Stanley H. Arffa, Andrew Eder, Joel A. Wasserman, Samuel I. Trotz, Diane Alderman, Tracy Selmon, Henry Stein, Ted Schaffer, and Joseph R. Blumberg. I commend each of them for the work the presidents have done to make Tower One a success.

When we celebrate Tower One's 25th anniversary, we celebrate the values that make families and communities strong—the values that enable Tower One to create a true home for Connecticut's seniors. Not only are residents provided with on-site health services, Kosher meals in the dining room and a wide variety of activities keep those at Tower One community engaged with another and the community. Residents gather for everything from informal sing-alongs and games to live entertainment and organized parties and celebrations. Tower One also provides day trips and outings.

I treasure the yearly opportunity I have to host the holiday party at Tower One because it gives me the chance to share in the holiday celebrations so dear to Tower One's residents. Most important, the seniors at Tower One are able to honor the religious and cultural traditions that keep them close to family and friends. It is truly a place where residents feel at home.

I have been involved with Tower One for many, many years and have watched as the building has been improved and updated to provide residents with the very best services and facilities. I sincerely congratulate all those at Tower One on this proud occasion. I know that Bob Bachman's leadership will enable Tower One to continue its development and growth. I congratulate Tower One on 25 great years and wish it the same success in the future.

GREAT DOMINICAN PARADE AND CARNIVAL OF THE BRONX

HON. JOSÉ E. SERRANO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. SERRANO. Mr. Speaker, I rise to pay tribute to the Great Dominican Parade and Carnival of the Bronx on its sixth year of celebration of the Dominican culture in my south Bronx congressional district.

It gives me great pleasure to once again join the members and friends of the Dominican community who will be marching along the Grand Concourse this Sunday in celebration of Dominican culture and its historic legacy.

This year's parade will honor Juan Pablo Duarte, father of the independence of the Dominican Republic, which was achieved in 1844.

The parade was born in 1990, following the vision of its president and founder Felipe Febles. Mr. Febles saw the need to provide Dominicans with a forum to educate them and to strengthen their sense of identity. In addition, its associated nonprofit institution offers English classes and other services to immigrants.

The Dominican Republic has a long and distinguished history. Christopher Columbus visited in 1492, and named the island Hispaniola. Among other important legacies, Santo Domingo, the nation's capital, is the oldest settlement by Europeans and the location of the most ancient cathedral in the Americas.

Dominicans are proud of their country's history, rich culture, natural resources, agriculture, and other industries. The Great Dominican Parade and Carnival of the Bronx has adopted as its symbol the map of the Dominican Republic containing in its center a portrait of Juan Pablo Duarte, the Dominican flag, and a depiction of the oldest cathedral and the highest mountain in the nation.

Mr. Speaker, I ask my colleagues to join me in recognizing the members and friends of the Great Dominican Parade and Carnival of the Bronx for their 6 years of bringing joy and of strengthening the community.

TRIBUTE TO LYLE AND MARY MAPLES

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. DUNCAN. Mr. Speaker, I rise today to offer my congratulations to Lyle and Mary Maples of Lenoir City, TN, upon the occasion of their golden wedding anniversary on July 27, 1996. In this day and age where family values are much discussed, I can think of no greater testament to life, love, honor, and family values than the commitment of a 50 year marriage.

Lyle and Mary worked until retirement in Oak Ridge, TN. Lyle worked at the Oak Ridge National Laboratory and Mary worked for the Atomic Energy Commission. Their contributions to the "golden days" of Oak Ridge on projects of immense significance are appreciated by all Americans.

Along the way, they built a home and raised a family. They have three children, Mary Ann, Jim and Bob. Mary Ann is a master educator at Lenoir City High School; Jim is a district manager at Goody's Corp. in Knoxville and Bob is a lobbyist in Washington, DC. Lyle and Mary are equally as proud of their grandchildren; three boys—Clay Stewart, Jesse and Joe Maples and two granddaughters—Mary Lee Stewart and Becca Maples. A family raised in Tennessee and working to better their community, State and Nation.

Lyle and Mary are active members of their community and their church, Central United Methodist. Their good deeds and works are appreciated by civic leaders, friends, and neighbors.

Mr. Speaker, I join Lyle and Mary's family, friends, and the Lenoir City community in recognizing this milestone and wish them many more years of life and love.

WOMEN'S ECONOMIC EQUITY ACT

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mrs. MORELLA. Mr. Speaker, as a cochair of the Congressional Caucus for Women's Issues, I am pleased to introduce the Women's Economic Equity Act [EEA]. This package of legislation is designed to increase economic opportunities for American women.

The Economic Equity Act is a comprehensive, forward-looking agenda for improving the economic well-being of American women in the workplace and at home. This legislative package has been introduced by the Women's Caucus in every Congress since 1981.

This year's EEA continues its traditional focus on such issues as pay equity and pension reform, but places new emphasis on the economic impact of domestic violence. The bills included in the EEA would expand professional opportunities for women in science and engineering and expand job benefits for part-time and temporary workers, most of whom are women. One provision would extend IRA deductions to women who choose to stay at home.

Although women are and continue to be the majority of new entrants into the workplace, they continue to be clustered in low-skilled, low-paying jobs. By improving the economic condition of women, we will be helping our Nation face the economic challenges of the 21st century.

Each of the individual provisions included in the EEA have been or will be introduced as separate bills. By bringing each of these 36 bills under a single bill number, the caucus hopes to set out a broad agenda for addressing important women's economic issues.

TRIBUTE TO GIRL SCOUT GOLD AWARD RECIPIENTS

HON. WAYNE ALLARD

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. ALLARD. Mr. Speaker, today I would like to salute several outstanding young women who have been honored with the Girl Scout Gold Award by Girl Scouts-Mountain Prairie Council in Colorado. They are Christine Myers of Troop 61; Tiffany Beck and Denise Johnson of Troop 320; Molly Phelan of Troop 642; and Stephanie Rabourn. They were honored recently for earning the highest achievement award in U.S. Girl Scouting. The Girl Scout Gold Award symbolizes outstanding accomplishments in the areas of leadership, community service, career planning, and personal development. The award can be earned by girls aged 14–17, or in grades 9–12.

Girl Scouts of the U.S.A., an organization serving over 2.5 million girls, has awarded more than 20,000 Girl Scout Gold Awards to senior Girl Scouts since the inception of the program in 1980. To receive the award, a Girl Scout must earn four interest project patches, the Career Exploration Pin, the Senior Girl Scout Leadership Award, and the Senior Girl Scout Challenge, as well as design and implement a Girl Scout Gold Award project. A plan for fulfilling these requirements is created by the Senior Girl Scout and is carried out through close cooperation between the girl and an adult Girl Scout volunteer.

As members of Girl Scouts-Mountain Prairie Council, these young women began working toward the Girl Scout Gold Award in 1995. Christine completed her project in areas of organizing a book drive, Tiffany and Denise completed their projects in areas of planning and running a day camp, Molly completed her project in areas of drinking and driving, and Stephanie completed her project in areas of setting up a program that helps Hispanic children who are having difficulties with their schoolwork. I believe that these young women should receive public recognition due them for their significant service to the community and the country.

PRESIDENT CLINTON IGNORES VICE PRESIDENT GORE'S OWN LEGISLATION

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. SOLOMON. Mr. Speaker, I insert for the record a Reuter's report from July 15 in which the U.S. Commander of the Fifth Fleet, Adm. John Scott Redd, has once again reported that Iran has acquired more C–802 antiship missiles from Communist China.

According to Admiral Redd, these missiles add a new dimension in the regional naval threat. Further, he reports that Iran has tripled the number of missiles deployed on its coast and is fitting up to 20 Huodong patrol boats, also acquired from Communist China, with these missiles.

Mr. Speaker, these weapons transfers should be a sanctionable activity under the law. Indeed, they should be sanctionable under a law written by none other than the Vice-President of the United States, ALBERT GORE. In 1992, then-Senator GORE authored the Iran-Iraq Arms Non Proliferation Act, which was successfully amended to the fiscal year 1993 Defense authorization bill.

Section 1605 of the act calls for mandatory sanctions against any foreign country if the President determines that the country transfers goods or technology so as to contribute knowingly and materially to the efforts by Iran or Iraq to acquire destabilizing numbers and types of advanced conventional weapons. The mandatory sanctions include a suspension of U.S. bilateral assistance, a requirement that the United States oppose multilateral loans to that country, a suspension of codevelopment or coproduction agreements, a suspension of military and dual-use technical exchange agreements, and a ban on exports of products on the U.S. munitions list, all for a period of one year. The legislation does contain a Presidential national security waiver, Mr. Speaker, but the outrageous thing is that the President has not even bothered to issue the waiver. He is simply ignoring the law. So apparently, is the author of the law.

Worse, this administration is ignoring the threat. And the threat comes not only from the rogue nation of Iran, but from its rogue supplier, Communist China. The instances of weapons and dangerous technology transfers by this outlaw nation are too numerous to list, and so is the number of times that the Clinton administration has responded with outright capitulation. This will only beget more of the same Mr. Speaker.

The travesty is that one day young American men and women may find themselves in a fight with any number of nations that have been armed and supplied by Communist China, and we will then have to ask ourselves why we didn't try to stop these dangerous transfers sooner.

IRAN TRIPLES GULF DEPLOYED MISSILES—U.S. NAVY

(By Diana Abdallah)

DUBAI, July 15.—Iran has in the past two years tripled the number of missiles deployed on its Gulf coast and is fitting Chinese-built cruise missiles on up to 20 of its naval boats, a senior U.S. navy commander said on Monday.

Vice Admiral John Scott Redd, Commander of the U.S. Fifth Fleet and Commander, U.S. Naval Forces, Central Command, said Iran's acquisition of Chinese-built radar guided C–802 anti-ship missiles was "a new dimension" in the regional naval threat.

He told Reuters from his headquarters in Bahrain that Iraq and Iran continued to pose a threat to security in the region which produces a third of the world's oil supply.

Redd said there were no indications of threats against U.S. naval forces following two bombs that killed 24 Americans in Saudi Arabia in the past year, but that the navy had taken "prudent measures." He did not elaborate.

"Iraq is the major land threat in the region . . . Because it still has the most capable and largest ground force in the region, while Iran is more of a naval threat," said Redd, who ends his assignment on Wednesday to return to Washington.

He said Iran was expected to have up to 20 patrol boats fitted with anti-ship Chinese-built C–802 cruise missiles.

It already has two Russian Kilo submarines "and they have another one coming we think before the year is out," he said.

"There has been a tripling of shore-based missiles both that shoot at ships and those that are surface-to-air missiles," he said. "The number they have deployed on the Gulf coast and in the Strait (of Hormuz) roughly tripled."

"The newest dimension is that they have Chinese-built C–802 missiles against ships . . . The Houdong patrol craft they got from China came fitted to fire the C–802s and they have now received all 10 of them. Some arrived in the last couple of months."

"They are also taking some of the other patrol craft and modifying them to carry the missiles and the work is in progress. We could be looking at 20 or more patrol ships at sea capable of carrying those surface-to-surface missiles," he said.

Officials in the United States, which accuses Iran of sponsoring terrorism and has imposed sanctions on it, have expressed concern since the 1991 Gulf War about what they say is Iran's growing military capability and aims in the region.

Iran has rejected all these charges.

Redd said U.S. forces were capable of dealing with any Iranian military threat.

Navy spokesman Commander T. McCreary said 34 U.S. vessels, including an aircraft carrier group, cruisers, destroyers—some capable of firing TOMAHAWK cruise missiles—frigates and submarines, were currently deployed in Central Command area, most of them in Gulf waters.

Up to 15,000 sailors and marines are stationed in the area.

LEONARD AND RUBY BASSETT CELEBRATE GOLDEN WEDDING ANNIVERSARY

HON. PETER J. VISCLOSKY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. VISCLOSKY. Mr. Speaker, I am honored to rise today to commemorate Leonard and Ruby Bassett on their golden wedding anniversary. The Bassetts' children, Leonard Jr., Dennis, Leatha, and Oddette, are hosting a joyous celebration honoring their parents' 50 years of love, friendship and devotion. This event will be held this Saturday, July 20, 1996, at the Genesis Convention Center in Gary, IN.

While in their early twenties Leonard Bassett and Ruby Holman met in the spring of 1946 at a dance hall located across from Froebel High School in Gary. Mr. Bassett had just returned from 28 months of service in the U.S. Navy and resolved to attend a dance that was being held for young adults. It was there that they first met. The two knew of each other during their years at Roosevelt High School, but they did not formally meet until this magical night at the dance.

After courting for a couple of months, the two discovered that they shared the same dreams of settling down and starting a family. After a short period of dating, Leonard and Ruby knew that they had found true love and that they were destined to be partners in life. Shortly thereafter, Leonard and Ruby were joined in holy matrimony on July 21, 1946.

During the Bassetts' 50 years of marriage they had 4 children: Leonard, Jr., Dennis, Leatha, and Oddette. The Bassetts are thankful that, following graduation from Roosevelt High School, all four of their children were able to continue on to higher education and establish themselves in their respective careers.

In 1983, Leonard retired from U.S. Steel after devoting 37 years of his life to the steel industry. Leonard retired as a production foreman. When Ruby retired, she was head cook of the Gary Community School Corp. Currently, she is a part-time employee with the Lake County government. Ruby is also a precinct committee person and co-captain of the fifth precinct in Gary.

Mr. Speaker, I ask you and my other colleagues to join me in congratulating the Bassetts as they celebrate 50 years of marriage. In today's world, it is refreshing to see two people who have devoted their lives to creating a successful marriage and happy family. May the Bassetts be a positive role model for today's young couples who are starting families. They are proof that a little dedication and a lot of love can make marriage one of life's most magnificent experiences.

THE CONTINUING STRIKE IN CYPRUS

HON. RODNEY P. FRELINGHUYSEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. FRELINGHUYSEN. Mr. Speaker, today I rise to recall the unprovoked Turkish invasion of Cyprus on July 20, 1974, and the strife that still exists on the island as a result of Turkish aggression.

After Cyprus gained independence from Great Britain in 1960, the island, whose population remains nearly 80 percent Greek, experienced clashes between the Greek and Turkish communities. Despite the overwhelmingly Greek population and culture dating back to ancient times, the Turkish government invaded Cyprus during a transition in political rule. Turkish forces invaded the northern coast of the island and soon amassed 30,000 troops that quickly overwhelmed the unexpecting Greek Cypriot population. Although the U.N. Security Council negotiated peace talks, the Turkish forces controlled 37 percent of Cyprus by August, leaving one-third of the Cypriot population homeless and more than 1,600 persons still unaccounted for to this day—including 5 Americans.

Now, 22 years later, Cyprus remains divided despite repeated attempts at peace talks. Greek Cypriots who lived in towns for generations now stare across a barbed-wire fence that divides them from the Turkish controlled section of their homeland where their homes, property, and churches have been destroyed. This 112-mile border that divides the Greek south from the Turkish-controlled north, is as tense as the old Berlin Wall. U.N. troops still patrol this partition that has existed since the Turkish invasion.

Mr. Speaker, after 22 years of cold war, sharp division, unanswered questions, and tension created by Turkish actions since 1974, there must be a resolution and settlement since this situation is tragic for Greek Cypriots and a real danger to greater European peace and security.

Cyprus should be a free and open state and those responsible for the tragedies and crimes of the past and present should be held accountable and brought to justice.

ALASKANS ARE THE BEST STEWARDS OF ALASKA LANDS AND RESOURCES

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. YOUNG of Alaska. Mr. Speaker, I want to bring the attention of my colleagues to a guest opinion that appeared in the June issue of Resource Review. It is by Jake Adams, an Inupiat Eskimo who is both a whaling captain and president of the Arctic Slope Regional Corp. He makes the important point that Alaskans are the best stewards of Alaska lands and resources, not the political leaders and activists who live here in Washington, DC. The text of his opinion follows my remarks.

Just as Eskimo self-regulation under the Alaska Eskimo Whaling Commission has succeeded in protecting both the Bowhead Whale and the communities that depend on the whale for subsistence, I believe that the resources of the Tongass National Forest will be best managed by the State of Alaska, as I propose in H.R. 2413. Time and time again Alaskans have proven their ability to manage their resources responsibly, an accomplishment, as Mr. Adams points out, that Washington, DC, cannot claim.

I hope that my colleagues will read the wise words of Mr. Adams.

[From the Resource Review, June 1996]

ALASKA—A PLACE THAT WORKS

(By Jacob Adams)

Compared to the rest of the nation, Alaskans enjoy a relatively untouched, pristine environment. This fact has led some people who have mismanaged their own environment and communities to view Alaska as a public museum; a place they want to control and preserve, untouched and suspended in time.

This, of course, does not work well for those of us who live in Alaska, have families to support, communities to nurture and shareholders' economic interests to protect and advance. Yet, many Alaskans often find that they are forced to be major actors in contentious national debates over the use of public lands and resources and, in some cases, even their own private lands and resources.

It is a shame that many political leaders and activists who live and work in the middle of the poverty, crime and hopelessness of Washington, D.C.,—a city that does not work—are determined to second-guess so much of what we Alaskans do and aspire for.

Alaska, after all, is a place that works. We educate our children. We meet our people's needs. We protect our fish and wildlife. We believe in the work ethic. And we take care of our poor and disadvantaged.

Profit is not a dirty word in Alaska. Free enterprise works here. It is part of a proud American tradition that produces income, jobs and tax revenue. It improves the quality of people's lives. But, it can also be a hard task master.

Those of us who live on the North Slope have seen some successes and a fair share of failures. One success story that continues today is the Alaska Eskimo Whaling Commission (AEWC). In the late 1970s, the International Whaling Commission, elements of the federal government and animal rights activists pushed hard to terminate my people's traditional subsistence hunts for the Bowhead Whale. We fought those efforts. We proposed a system of Eskimo "self-regulation" through AEWC. Who better to protect the species and regulate the hunt than the people whose subsistence and culture is at stake?

We were successful. Today, the whales, our people and our culture are thriving. And we did it by ourselves. Self-regulation by the parties who stand to lose or gain is a concept which should be used more by the state and federal governments.

But, we have also seen some failures. ASRC and its shareholders—working with the State, RDC, Arctic Power and our Congressional Delegation, have tried very hard since 1987 to open the small, oil rich Coastal Plain area of ANWR to oil and gas leasing. We own 92,160 acres of Coastal Plain land in the huge 19 million acre Arctic National Wildlife Refuge. But we are denied the benefits of our resources. We are prohibited by federal law from producing and using oil or natural gas on our privately-owned lands in ANWR at the village of Kaktovik. Instead, the federal government's action means that we must import fuel oil to heat village homes and generate electricity. Yet, Kaktovik sits on the nation's best prospect for major new oil and gas reserves.

We have been fighting this issue for nine years. We may have to fight for nine or ten more. Lifting the Alaska oil export ban took 22 years.

We will continue to push to open the Coastal Plain because it is the right thing to do. Alaskans are the best stewards of our land, our environment and our fish and wildlife resources. We should be major participants in discussions about our future. We do not need the failed landlords of Washington to dictate their policies of failure to us and our children.

My people have seen ups and we have seen downs. But we do not dwell on short-term reverses or disappointments. In the long run, rational thought and the laws of economics will prevail. The fundamental changes taking place in Russia, our neighbors to the west, were not conceivable ten years ago.

Alaskans need to have staying power. We are in this for the long run. Jacob Adams is the President of the Arctic Slope Regional Corporation, a member of the North Slope Borough Assembly and a whaling captain in Barrow. Jake also serves on the Board of Directors for RDC.

NEW PAYMENT SYSTEM FOR PPS EXEMPT REHABILITATION HOSPITALS AND UNITS

HON. FRANK A. LoBIONDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. LoBIONDO. Mr. Speaker, I introduce legislation to provide for a Medicare prospective payment system [PPS] for inpatient rehabilitation hospital and rehabilitation unit services.

Prior to 1983, the Medicare Act paid hospitals the reasonable cost of treating Medicare patients. Generally, this meant that the more a hospital spent, the more it was paid from the Medicare Trust Fund. The result was a rapid rate of increase in Medicare spending for hospitalization. In 1983, this system was replaced with a Prospective Payment System under which hospitals were paid fixed rates for various types of diagnostic groups, commonly known as DRG's. Certain providers of care were exempted from this system because a way to appropriately group their patients did not exist. Among these were rehabilitation hospitals and rehabilitation units in general hospitals. These continued to be reimbursed based on costs incurred, but subject to limits on payment per discharge. These limits are imposed under the Tax Equity and Fiscal Responsibility Act of 1982, and commonly known as TEFRA limits.

TEFRA limits were to be a short-term expedient to reduce the rate of increase in hospital payments. TEFRA limits are based on Medicare operating cost of a hospital or unit in an assigned base year divided by the number of Medicare discharges in that year. This value is updated annually by an update factor, which is intended to reflect inflation. A hospital's or unit's ceiling on Medicare reimbursement is the TEFRA limit for a given year times the number of its Medicare discharges in that period, the TEFRA ceiling.

For cost reporting periods beginning on and after October 11, 1991 the Medicare Program reimburses a portion of a provider's cost over its TEFRA ceiling in an amount which is the lower of 50 percent of cost over the ceiling or 10 percent of the ceiling. Provision for such payment was made by the Omnibus Budget Reconciliation Act of 1990 [OBRA 90]. If a provider's costs are less than its TEFRA ceiling, the provider is paid an incentive payment equal to the lower of 50 percent of the difference between its Medicare operating costs and its TEFRA ceiling or 5 percent of that ceiling.

When this system was adopted, it was assumed that it would be in place only a short time and then be replaced with a PPS for excluded hospitals and units. New hospitals and units coming on line after the TEFRA system was in place were in a much better position than older facilities, simply because their more current base years included more contemporary wage rates and other operating costs.

This now very old temporary system is flawed for the following reasons:

Medicare pays widely varying amounts for similar services, producing serious inequities among competing institutions.

New hospitals and units can establish limits based on contemporary wage levels and otherwise achieve much higher limits than older hospitals, putting them at a great advantage.

By treating all rehabilitation discharges as having the same financial value, the TEFRA system provides a strong incentive to admit and treat short-stay, less complex cases and to avoid long-stay, more disabled beneficiaries. This is not a good policy for Medicare to continue to support.

Because any change in services that will increase average length of stay or intensity of services will likely result in cost over a TEFRA limit, the system inhibits the development of new programs. This is also not a good direction and does not encourage implementation of current practices.

The process for administrative adjustment of limits does not provide a remedy because it is not timely. HCFA does not decide cases within the 180-day period required by law and does not recognize many legitimate costs.

The very strong incentive to develop new rehabilitation hospitals and units has resulted in an increase in the number of rehabilitation hospitals and units. PROPAC reports that in 1985 there were 545 such hospitals and units. In 1995 there were 1,019. Between 1990 and 1994 Medicare payments to such facilities increased from $1.9 to $3.7 billion. Some of this increase reflects the lack of needed service capacity in 1983. At the same time, many older facilities had and have to live with very low limits of Medicare reimbursement and were paid less than the cost of operation, while new facilities were being paid much higher cost reimbursement and bonuses as well. It is hard to imagine a worse system.

The clear solution to this situation is to introduce a prospective payment system for rehabilitation facilities under which providers are paid similar amounts for similar services and payments are scaled to the duration and intensity of services required by patients. Such a system has been devised by a research team at the University of Pennsylvania. It is based on the functional abilities of patients receiving rehabilitation services.

It is now being used by the RAND Corp., under contract with the Health Care Financing Administration, to design a payment system. This work is to be completed before the end of 1996.

My bill would require that a PPS for rehabilitation be implemented by the Secretary of HHS for Medicare cost reporting years beginning on and after October 1, 1997. This date would allow adequate time to adopt regulations and administrative procedures. And my bill requires that this payment system is budget neutral.

Enactment of this bill would have multiple benefits. It would benefit patients by removing the implied financial penalty for treating severely disabled patients; it would benefit providers of services by putting all rehabilitation facilities on a level playing field; and it would benefit the Medicare trust fund by eliminating the enormous incentive in present law to duplicate service capacity.

I look forward to support from my colleagues in passing this important legislation.

20TH ANNIVERSARY OF CHERRY VERSUS MATHEWS

HON. SANFORD D. BISHOP, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. BISHOP. Mr. Speaker, July 19 is the 20th anniversary of the U.S. District Court decision known as Cherry versus Mathews, the historic ruling that opened the door to full and equal citizenship for disabled citizens.

The plaintiff, Dr. James L. Cherry, is a Georgian. His landmark suit led to the Department of Health, Education, and Welfare's regulation under section 504 of the 1973 Rehabilitation Act assuring disabled citizens reasonable access to public programs and facilities. This regulation became the model for the Americans with Disability Act, which expanded protection from discrimination to all persons with disabilities. It was also Dr. Cherry who first proposed Georgia's voting accessibility law, on which a similar Federal statute is patterned.

Twenty years ago, many disabled citizens could not use public transportation; or go to most schools and colleges; or have access to many Government parks and buildings and other services; or even have access to voting booths.

This changed following the decision by Judge John Lewis Smith. It changed almost overnight. Suddenly, the country's promise of equal opportunity became a reality for millions of disabled Americans. It was one of the great moments in America's march toward justice and opportunity for all.

As we observe the 20th anniversary of Cherry versus Mathews, I urge all Americans to rededicate themselves to the principle of equality of opportunity which is one of the cornerstones of the country's greatness.

CYPRUS DISPUTE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. HAMILTON. Mr. Speaker, I rise today to join my colleagues in recognizing and marking the 22d anniversary of the Turkish invasion of northern Cyprus.

Since 1974 when one-third of the island of Cyprus was invaded by Turkish troops, the United States and other interested parties around the world have worked tirelessly to try to bring a just and lasting solution to a problem that has threatened the peace and stability of that country and that region. Unfortunately, little progress has occurred.

Mr. Speaker, substantial progress toward a settlement of Cyprus dispute is long overdue. Progress on Cyprus should be a high priority at all levels of our government. Many in the Congress have been committed to reaching a solution over the years, and I commend the efforts on the part of my colleagues.

My colleagues and I have urged the administration to launch a full-scale initiative to move the Cyprus negotiations forward. It is only through high-level and sustained United States attention that the parties on the island will take the steps necessary to resolve this issue.

Mr. Speaker, Turkey remains the key to a solution of the Cyprus problem. While many of us have been frustrated by the lack of progress on the issue, we have reasons today to be hopeful and to encourage all parties to maintain their commitment. The United States, as well as the United Nations, and members of the European Union, all have stepped up efforts to bring the parties together.

I am encouraged by this activity, as well as by the bipartisan support of this Congress for an intensified American effort. It is in the United States national interest as well as that of all parties in the region that we find a just and viable solution for Cyprus.

We should dedicate ourselves to that goal and seek to make 1996 the year we achieved substantial progress toward a settlement of the Cyprus dispute.

EUROPEAN UNION SANCTIONS

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. SOLOMON. Mr. Speaker, the European Union is considering imposing visa requirements for American travelers and even freezing some United States assets in retaliation for our efforts to bring justice to the victims of Fidel Castro's totalitarian regime in Cuba.

Well, while they are at it, why don't they just impose visa requirements on our NATO soldiers stationed across Europe. And our soldiers deployed in Bosnia, too.

Mr. Speaker, if that's the game the Europeans want to play, we'll be glad to bring our troops home and let the Europeans foot the cost of keeping peace on their continent.

Mr. Speaker, the Europeans should know that many Americans are fed up with having to clean up other people's messes in places like Bosnia, and paying for it in American lives and billions of dollars.

Now I take a back seat to no one in desiring to maintain strong relations with our European allies, Mr. Speaker. But enough is enough. If the Europeans want to continue to prop up Fidel Castro and then turn around and thumb their noses at us, they had better know that they can expect a reaction from the American people.

DIOCESE OF GAYLORD SILVER ANNIVERSARY

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. STUPAK. Mr. Speaker, I would like to bring to the attention to this House and the entire Nation the 25th anniversary of the Roman Catholic Diocese of Gaylord, MI. His Holiness, Pope Paul VI, established the Gaylord Diocese on July 20, 1971. On July 21, 1996 a special liturgical celebration will be held at the Cathedral of St. Mary Our Lady of Mount Carmel to commemorate the establishment of this diocese.

The Diocese of Gaylord was created from the separation of territories originally part of the Saginaw and Grand Rapids Dioceses. The new diocese covered 21 of the most beautiful counties in northern Michigan. In 1971 the diocese had a total population of 288,556 and a Roman Catholic population of 66,000. At the age of 43, Edmund Szoka from the Diocese of Marquette became the youngest bishop in the Nation. With 83 parishes under his charge, Bishop Szoka embraced the motto "To Live in Faith." Through many hours of hard work and cooperation with the residing priests and congregations Bishop Szoka was able to bring the separate parishes together in love, prayer and community. Bishop Szoka stayed with the Diocese of Gaylord for 10 years. In 1981 he left the area for new assignments. When asked about the silver anniversary, Edmund Szoka, now a cardinal, said that even though he left 15 years ago "a great part of [his] heart remains and always will remain in the Diocese of Gaylord."

When Cardinal Szoka left the Diocese he was replaced by Bishop Robert Rose. Bishop Rose served the diocese for 8 years before moving south to the Grand Rapids' Diocese. The current bishop, Patrick Cooney, was installed in the Diocese of Gaylord as the third bishop on January 28, 1990. The oldest child of a very religious family, Bishop Cooney has spent his life learning the way of and serving the Lord. Bishop Cooney attended the Sacred Heart Seminary College of Detroit and the Gregorian University in Rome, studying philosophy and theology. After returning to Detroit from Rome Bishop Cooney decided to pursue his love for liturgy and entered the University of Notre Dame to pursue a graduate degree in liturgical research.

Under Bishop Cooney's care, the diocese has grown stronger through the hard work and dedication of the priests, nuns, secretariats, and most importantly, the lay members. We see the formation of the first Diocesan Pastoral Council in 1993 as an example of this dedication. Made up of clergy, religious, lay men and women from all over the Diocese, the council meets with the Bishop several times a year to discuss issues affecting the Church. Today the Diocese of Gaylord has grown to include 87,000 Roman Catholics, 75 priests, and 82 parishes. On October 5, 1996, the Fifth Annual Diocesan Conference will be held with the theme "Remember and Remembering" to discuss ways to strengthen the church by involving members who have slipped away and by introducing the church to new members. Following the conference there will be a youth rally. The goal of the rally, at which 350 teens are expected, is to strengthen the membership of a younger generation to keep the church strong in the future.

On July 21, 1996, the Diocesan Liturgical Celebration will be held at St. Mary Cathedral in Gaylord. Among those attending will be Cardinal Szoka and Bishop Rose, the Apostolic Pro-Nuncio to the United States, Agostino Cacciavillan, Cardinal Adam Maida of the Archdiocese of Detroit, a number of bishops and priests from Michigan and Ohio and nearly 2,000 members from the 82 parishes invited.

Mr. Speaker, the last 25 years have been a time for growth and discovery for the Diocese of Gaylord. The clergy and congregations of the 82 parishes in northern Michigan have come together to make this new diocese a place of prayer, hope, and faith. The diocese has come to be a community in which love and fellowship is witnessed on a daily basis. Mr. Speaker, on behalf of the Catholic community and the entire Nation, I would like to congratulate the Diocese of Gaylord on 25 glorious years.

A TRIBUTE TO WILLIAM STATES LEE

HON. SUE MYRICK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mrs. MYRICK. Mr. Speaker, I rise today to pay tribute to an old friend and outstanding hero of North Carolina who passed away last week. William "Bill" States Lee was a model citizen who continually gave of himself for his country, community, friends, and family.

Bill Lee was the former chairman and chief executive officer of the Duke Power Co. based in Charlotte, NC. A native of Charlotte and the grandson of Duke Power's first engineer, Bill joined Duke Power in 1955 as a junior designer. He worked his way up through the ranks and, in 1982, he became chairman and chief executive officer. In 1989, he was named chairman and president of Duke Power. Upon his retirement in 1994, Bill Lee became Duke Power's first chairman emeritus.

Bill Lee was best known professionally for his work in the field of nuclear power. He was the former chairman of the board of the Institute of Nuclear Power Operations. He was also a catalyst in the founding of the World Association of Nuclear Operators, where he was named its first president in May 1989. The Charlotte Observer referred to Bill as "perhaps the foremost international consultant in, and statesman and diplomat for, the nuclear power industry."

Prior to his service to Duke Power, Bill graduated from Princeton University as Phi Beta Kappa and magna cum laude in civil engineering. He served in the U.S. Navy Civil Engineering Corp from 1951 to 1955, attaining the rank of lieutenant commander. Also, Bill received honorary doctorates from the University of South Carolina, the University of North Carolina at Charlotte, Johnson C. Smith University, Davidson College, and Clemson University.

Despite Bill Lee's many professional accomplishments, he also made a powerful contribution to the Charlotte community. A family man, with his wife Jan and their three children, Bill was an elder at Myers Park Presbyterian Church in Charlotte, where he even found time to teach Sunday school. He also served as a trustee to the Harris Foundation, the North Carolina Blumenthal Performing Arts Center at Charlotte Foundation, the Presbyterian Hospital Foundation, Queens College, and the conference board at the University of North Carolina at Charlotte Foundation.

I would also like to add that I lost a close and dear friend. Bill Lee's humor and charm were contagious to everybody around him. He was also one of the most giving people I have ever met. During my tenure as mayor of Charlotte, he was one of the people who helped our community recover from the disaster of Hurricane Hugo. On behalf of all of the millions of people whose lives are better because of Bill Lee's work, I extend my deepest sympathies to his wife Jan, and his entire family.

Finally, I have taken the liberty of attaching a poem that Bill's daughter, Lisa Lee-Morgan, wrote for her father and read at his funeral. Bill, we will miss you.

STAR-SPANGLED MAN

Star-spangled man, nor mere planet
But a sun, a body fused
By Proteus. Self-generating source of power,
Shining light, hour on hour.
Rush! wind, water, coal and coil,
Quick! Split the atom, fuse the soil,
Don't ever stop, embrace the toil,
Christ-man, His disciple loyal.

Blue eyes blazed like shooting stars
Beneath the lightening brows of Zeus
They let us know we'd his attention,
(For better or worse I'll mention)
Lover, hunter, father, friend,
Bully, preacher, Charlotte's kin.
Forgive us for we know not how
To tread the step he's led til now.

This warrior stood to lead the fight
Against the dying of the light.
The closing mind, the fading hope,
The grasping hand, could find no grope
In Bill Lee's camp, upon the lake
Where children frolic, swim and play.
He was our star, bright gravity
Round whom we danced til God took Lee.

JACK JACQUA, JOE MARSHALL OF OMEGA BOYS CLUB

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Ms. PELOSI. Mr. Speaker, I rise to congratulate Jack Jacqua and Joe Marshall of the Omega Boys Club in San Francisco on their recent award of the National Education Association's Martin Luther King, Jr. Memorial Award.

The unrelenting determination and perseverance and faith of these two extraordinary men have succeeded in building the Omega Boys' Club from 15 members to 500 since the club's inception in 1987.

The Omega Boys' Club motivates at-risk youth to reject violence, succeed academically, gain adminission to college, offers employment and entrepreneurship training, adult and peer counseling, and affords them and important support network to get them off the streets and onto a successful life through higher learning.

One hundred members of the Omega Boys' Club are currently enrolled at institutions of higher learning throughout the country. Omega not only helped them achieve the funding to go to school, it also gave them the tools, the skills and the support network essential to achieve great things.

Jack Jacqua has been described as a surrogate father to many Potrero Hill families. Coming to Potrero Hill Middle School in 1973, he was compelled to challenge the drift afflicting students receiving the least encouragement and attention. "I'd like to see their lives have purpose and direction * * * All they need is for someone to care."

Joe Marshall, co-founder and father of the Omega Boys Club, hosts a weekly radio talk show for at risk youth and tours the country telling the inspirational Omega story. His belief and commitment to young people knows no limits, and at-risk youth have thrived under his care and direction.

These two men are heroes in the tradition of Martin Luther King, Jr.—recognized leaders who utilize outreach, education, and counseling to show young people that there are worthy alternatives to violence in their communities.

Mr. Speaker, I salute Jack and Joe and wish them all the best as they continue their important, award-winning work with youth at the Omega Boys Club. This award is just one of many they greatly deserve for turning the lives of at-risk young people around.

U.S. JUDGE ROBERT E. COYLE: DISTINGUISHED SERVICE RECOGNIZED

HON. GEORGE P. RADANOVICH

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. RADANOVICH. Mr. Speaker, my friend and Government colleague, U.S. District Judge Robert E. Coyle, recently assumed senior status, after distinguished service as chief judge of the Eastern District of California.

Those who know Judge Coyle well from having practiced with him in his earlier law career and later having appeared before him as a Federal judge are unstinting in their praise of his dedication to legal excellence. Indeed, in recognition of those qualities which distinguish Judge Coyle, a group of lawyers from my 19th Congressional District recently sent a letter to me that relates their sentiments.

I take pleasure in making that expression a part of the CONGRESSIONAL RECORD as well as adding my own tribute to Judge Coyle for the splendid service he continues to give his community and our country.

Re Honorable Robert E. Coyle.

DEAR GEORGE: The undersigned are all active members of the California Bar and admitted to practice before the Eastern District of California. Each of us has a significant federal practice.

We know that you are aware that Robert E. Coyle who served as Chief Judge of the Eastern District of California recently accepted senior status.

We believe that Judge Coyle's many years of dedicated public and civic service, his commitment to justice and fairness, his fabulous career as a lawyer and counselor—as well as his zeal for improved courtroom facilities to serve the public—and service to the community, are all deserving of recognition.

As you probably know, Bob Coyle is a native Fresnan. He attended local public schools and graduated from Fresno State University where he was the student body president.

Judge Coyle went on to Hastings College of the Law and from there to the Fresno County District Attorney's Office.

After leaving the D.A.'s Office, Bob joined what became McCormick, Barstow, Sheppard, Coyle & Best (now McCormick, Barstow, Sheppard, Wayte & Carruth) and quickly became a respected counselor of law.

Judge Coyle began his service on the federal bench after President Ronald Reagan nominated him and he was confirmed by the U.S. Senate in 1982. He became Chief Judge in 1990.

Judge Coyle, before whom all of us have appeared on many occasions, is a thoughtful, impartial, insightful and thoroughly prepared judge. Litigants and counsel are treated with respect in his courtroom and are given full opportunity to be heard. Additionally, those appearing before Judge Coyle are also benefitted by his considerable quick wit and sense of humor.

Judge Coyle has presided over many of the most complex and controversial matters presented to the federal courts in our area. His excellence as a legal scholar and adjudicator is well known in our community.

We respectfully request that these considerable accomplishments be made known through the United States by publishing this brief summary of Judge Coyle's career in the Congressional Record so that the citizens of this great land will learn more of the incredible contributions this man has made to our country.

Respectfully yours,

John H. Baker, Val W. Saldana, Donald R. Fischbach, Richard C. Watters, Lawrence E. Wayte, Lowell T. Carruth, Riley C. Walter, Michelle Belanger McNair, Debra J. Kazanjian.

IN MEMORY OF PAM LYNCHNER, VICTIM OF TWA FLIGHT 800

HON. KEN BENTSEN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. BENTSEN. Mr. Speaker, I rise today to recognize one of the victims of TWA flight 800, which crashed last night off Long Island, NY. Pam Lynchner, a Houstonian, was the founder and past president of Justice For All, a victims' rights organization. Mrs. Lynchner founded Justice For all in 1993, and it soon became the largest criminal justice reform organization in the State of Texas.

Mrs. Lynchner was a tireless advocate for the victims of violent crime. As a crime victim herself, Mrs. Lynchner dedicated her life to ensuring that victims' rights were protected and their voices heard. She was particularly adept at helping others work their way through the criminal justice system. Her efforts on behalf of other crime victims earned her numerous awards and a place as a national spokesperson for victims' rights.

Mrs. Lynchner served as a role model for the thousands of victims of violent crime. Her compassion, her dedication, and her enthusiasm will be sorely missed, but we as a society are better off because of what she contributed. Our thoughts and prayers are with Mrs. Lynchner's family, especially her husband Joe at this difficult time.

SECOND ANNIVERSARY OF THE BOMBING OF THE AMIA JEWISH COMMUNITY BUILDING

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. ENGEL. Mr. Speaker, I rise today on the second anniversary of the terrorist bombing of the AMIA Jewish community building in Buenos Aires to pay my respects to the hundreds of victims who perished or were wounded in the attack. My profound condolences go out to their family members whose grief remains unrelieved as all efforts to bring the terrorist perpetrators to justice have been fruitless.

That the second anniversary of this atrocity will pass with the terrorists still at large sends a potent message that this tragic episode demands our immediate and renewed attention. Although there is reason to be encouraged by the recent incarceration of several police officers in relation to the bombing, the case is far from a satisfactory resolution.

Regretfully, new and disturbing news has begun to surface as the investigation proceeds. It has been reported that Argentine Minister of Justice Rodolfo Barra, an official directly responsible for the investigation, was forced to leave his post after it was discovered that he was involved in an extremist, anti-Semitic organization in his youth. Furthermore, authorities in Buenos Aires have denied the families of the victims the right to place a memorial sculpture near the Argentine Supreme Court. All in all, I am concerned that the Argentinean Government is not pursuing the terrorist criminals in the most vigorous fashion.

It should be known that this tragedy has not been forgotten thanks to the efforts of some very special people. I would like to recognize my constituent and friend, Rabbi Avi Weiss and his organization AMCHA, the Coalition for Jewish Concerns, who have worked tirelessly to ensure that justice is carried out. Members of his organization will be participating in vigils simultaneously in New York and Buenos Aires today at 8:53 a.m. in remembrance of this tragedy.

Mr. Speaker, I extend my prayers for the victims of the Buenos Aires bombing and offer heartfelt condolences to their family members who survived them. At the same time, I call upon my colleagues to urge the Government of Argentina to reinvigorate its efforts at seeing the terrorists brought to justice.

INTRODUCTION OF THE ECONOMIC EQUITY ACT OF 1996

HON. ELEANOR HOLMES NORTON

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Ms. NORTON. Mr. Speaker, today, I am pleased to be an original sponsor of the Economic Equity Act of 1996 [EEA]. Three of my bills are included within this omnibus bill.

The first bill, included in title I of the EEA is the Federal Employees Fairness Act (H.R. 2133), will revise and improve the process for Federal employees to file employment discrimination complaints. Employees would have 180 days in which to file a discrimination complaint, and the Equal Opportunity Commission—rather than the accused agency—would be required to investigate the complaint within strict time limits. The bill also encourages sanctions to be levied against employees found guilty of discriminatory behavior.

The Equal Surety Bond Opportunity Act [ESBOA] is included within title II of the EEA, which addresses issues of economic opportunity. This title will help qualified women and minority-owned businesses to compete in the contracting business by helping them obtain adequate surety bonding.

It will create an environment in which small business firms, particularly those owned and controlled by minorities and women, can successfully obtain adequate surety bonding. This legislation will enable us to ferret out continuing biases in the industry. Whatever these prejudices may be, getting rid of them will open up the industry, creating entrepreneurial and employment opportunities and making the industry more competitive. I urge my colleagues to support this bill and help abolish the artificial impediments to the development and survival of emerging small businesses.

The last bill that I introduced this June and which is included in the EEA is the Work and Family Parental Equity Leave Act will ensure that employees who choose to care for a foster child or adopt a child will benefit from the same leave policy as their coworkers who are birth parents. This bill does not mandate that employers provide leave benefits beyond existing law, but rather that if they choose to provide such benefits they do so for all parents equitably.

IN HONOR OF THE MONK FAMILY REUNION

HON. ROSA L. DeLAURO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Ms. DELAURO. Mr. Speaker, This July, the Monk family of New Haven hosts a reunion and weekend of events worthy of this exceptional family. They are celebrating their rich family history and the musical, athletic, and civic contributions of family members to the city of New Haven and the rest of the Nation. On Sunday, July 21, 1996 they will be commemorating their family's numerous achievements with a family parade. The will also be celebrating the 33rd Anniversary of the Monk Singers. I am delighted to rise today to salute and celebrate the Monk family.

The Monk family history is truly extraordinary. Family members have carefully documented the many branches of this extended family tree and have been able to identify a history that spans the continents of Africa, Europe, and North America. Pamela Monk Kelley, carrying on the work so important to her father, the late Conley F. Monk Sr., has painstakingly recorded a detailed history. She has included documentation of the links between the Monk and Cole families and outlined the Black, White, and Native American ancestry. This labor of love is a testament to the Monk family's dedication to preserving their history for future generations.

The Monk family has produced some remarkable individuals. Thelonius Monk, Jr. was born in 1917 and became a famous musician in the early 1940's. He pioneered the genre of music known as bebop, a revolutionary form of jazz. Indeed, his innovations have shaped the direction of jazz music for years. Outstanding talent in the Monk family is not limited to music but extends to athletics as well. Art Monk played for the Washington Redskins for 14 years before moving to the New York Jets. He played in four Super Bowls and broke the National Football League record for receiving passes.

Just as important as the Monk family's contributions to music and sports is their deep commitment to the communities in which they live. Conley F. Monk Sr., and his wife Olivia raised their own 9 children and also cared for over 45 foster children. Their children continue to carry on this tradition of caring for the community. Conley F. Monk, Jr. initiated, developed, and saw to the final completion of the Vietnam Veterans Memorial Monument on Long Wharf in New Haven, CT.

The Monk family teaches us a lesson about the connections between people, about endless family ties that bring us closer together. They embody the idea that the true meaning of family is knowing we are part of something greater, something larger than ourselves. I am proud to join the people of the city of New Haven in honoring this great family.

STANDING UP FOR OUR NATION'S CHILDREN

HON. PATRICK J. KENNEDY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. KENNEDY of Rhode Island. Mr. Speaker, I rise today to urge my colleagues to join me in standing up for those who cannot stand up for themselves—our Nation's children.

Much of this Congress has focused upon strengthening the American family. Family Values have been the centerpoint of much of the legislation that we have considered in these 2 years. Welfare reform should be the opportunity for us to truly demonstrate how much we value our children and our families. Today, as leaders, we can ensure that all children grow up with a roof over their heads, food to eat, and medical care should they become sick. Instead, we are faced with a mean-spirited proposal intent on punishing children for being poor.

The GOP bill does not require work and encourage financial independence; instead it singles out children, the poor, the disabled, the elderly, and legal, taxpaying immigrants and punishes them for needing a helping hand. A recent GAO report expects that at least 1 million children to be forced to live in poverty should this bill pass. Yet we will continue to subsidize wealthy corporations, helping them to grow and prosper while our children will be starving and suffering.

In an era when the richer are getting richer I find it unconscionable that we should support such legislation. In the last decade, the richest 1 percent increased their share of the Nation's wealth to 47.2 percent, while the bottom 90 percent saw their share of pie shrink to 22.7 percent.

The Republican Party's panacea for our budget troubles is known as the block grant. The fact of the matter is, Mr. Speaker, that if you are a small State with a struggling economy, block grants are a death sentence. A block grant does not reward who does the most, it rewards those who do the least. States like Rhode Island will be left to battle for funds to offer the most meager care and services and the casualties will be those in need will be left to fighting over the scraps.

Republican block grants replace and entitlement system with a lottery system. Our rights as American citizens will depend on whether we live in a State with a good economy and a low level of need. There is nothing subtle about what they are really doing when the talk about "block grants" in the same breath as "States' Rights." And our answer should be no different than it has always been, and that is: Justice should not depend on geography.

My State of Rhode Island boasts a myriad of immigrants who work hard every day, struggle to make ends meet and raise their families just like American citizens. And just like our citizens, they stumble upon hard times when a factory closes or the economy slows. By denying these individuals a helping hand in their time of need, simply because they are not American, we are rejecting the very principles this Nation was founded upon—equality, freedom, and opportunity. We are essentially demoting immigrants to second-class citizens by prohibiting them from accepting help from the system to which they contribute to every day.

If we really believe in family values, then let us do a better job of valuing our families. Let us continue the Democratic fight for what families value: job opportunities, health care, child care, and housing for everyone—not just a select few.

GREAT LAKES, GREAT FISHING

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. BARCIA. Mr. Speaker, sportfishing is already an extremely popular activity in Michigan. In 1994, over 884,000 fishing licenses were issued and there were almost 900,000 boaters—the largest number of boaters in any State in the entire country. 1995 was an exciting year for many Michigan sports fishermen because we set three new records. The largest Longnose Gare, Mooneye, Red ear sunfish were all caught in Michigan last year. Furthermore, one new record has already been set for 1996. A 4 pound 2 ounce Gizzard Shad was caught on Lake St. Clair on May 12.

With such a positive experience, it should be no surprise that the In-Fisherman Professional Walleye Trail anglers are holding the Lubrimatic/Stren Eastern Pro-Am tournament today through Saturday on Saginaw Bay and into Lake Huron, with its headquarters in AuGress, in my congressional district. One hundred and thirty professional anglers will be joined by amateurs as they compete over 1,300 square miles to catch the biggest walleyes they can. This is a regional tournament leading to the national championship this September in Bismark, ND.

Sportsmen are among the best environmentalists we will ever find. They know the importance of the maintenance of habitat and good management practices. In fact, in 1979 fishing groups joined with local governments to form a Saginaw Bay Consortium to raise and stock Saginaw Bay. The Saginaw Bay Walleye Club and the National Guard Construction Battalion built points and upgraded abandoned sewage treatment plants. They raised walleyes, having planted more than 1 million in the early to mid 1980's. Later they were joined by Arenac, Huron, and Losco counties in raising more fingerlings, so that now about 750,000 walleyes are stocked every other year, and northern pike are raised in the intervening year.

Many people think of Michigan as the car State. As proud as we are of our auto industry, we are equally proud of the marvelous recreational and tourism opportunities offered throughout our state. In fact, I have more shore line in my congressional district than is contained in most other States, including many coastal States.

Blue skies, blue waters, great scenery, great people, and great fishing. This is what the anglers at the In-Fisherman Professional Walleye Trail are experiencing right now, and this is what is waiting for anyone who visits the Great Lakes State, Michigan. I welcome all of our visitors, and invite many, many more.

SUPPORT A LOAN GUARANTEE FOR THE OLIVENHAIN WATER STORAGE PROJECT

HON. RANDY "DUKE" CUNNINGHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. CUNNINGHAM. Mr. Speaker, I rise today to introduce legislation that will help north San Diego County meet its water needs in the event of an emergency and also encourage the Federal Government to shift its role from that of planner and builder of expensive western water projects to the more cost-effective role of being a facilitator and partner in regional efforts to solve regional problems. My legislation will authorize the Secretary of Interior to provide a Federal loan guarantee to the developer of the Olivenhain Water Storage Project, a project currently being planned by the Olivenhain Municipal Water District in my district of north San Diego County.

The Olivenhain Water Storage Project is a critical part of the effort to increase the independence and economic stability of north San Diego County. Currently, the north county is almost 100 percent dependent on imported water from northern California and the Colorado River to meet its residential, industrial, and agricultural/horticultural needs. Potential drought conditions, environmental needs at the source, and demand elsewhere in the State all contribute to a rapidly rising cost of imported water, the cost of water to north San Diego County has risen 55 percent in the last 5 years. Additionally, an earthquake along any one of the three major faults underlying the pipelines that bring imported water to San Diego County could cut off water supply to the region for up to 2 months. The residents of north county must be assured that water will be available should a natural disaster occur.

The Olivenhain Water Storage Project will provide emergency water supplies for over 1 million people, including those living in the cities of Oceanside, Carlsbad, Solana Beach, Encinitas, and San Marcos, as well as portions of the city of San Diego. The San Diego County Water Authority supports my legislation, as they recognize that the lack of emergency water storage in San Diego County must be addressed immediately. A copy of their letter of endorsement is attached at the end of this statement.

The project is fully permitted after going through more than 10 years of environmental review. Working together with the U.S. Fish and Wildlife Service, a biological resource management plan has been developed that will enhance regional habitat preservation while also providing 17 miles of nature, hiking and bicycle trails to the community.

The proposed loan guarantee program reflects the changing role played by the Federal Government in developing water projects in the West. Rather than having the Federal Government contribute funds, construct the project and control its management, the loan guarantee program allows the Government to leverage its limited funds to allow for cost-effective private financing alternatives and encourages public-private partnerships in the building and operation of the project. This limited Federal participation in the financing of water infrastructure projects allows the project developers to secure private loans at rates that are competitive with municipal tax-exempt financing, while preserving the limited bonding capacity of local governments for other crucial community needs like public safety and schools.

The Olivenhain Municipal Water District is considering the possibility of utilizing a public-private partnership such as I have described for the development of the Olivenhain Water Storage Project. Under this scenario, the district would competitively select a private partner to build and finance the project, which would then be leased back to the district. No Federal taxpayer funds would be involved in the financing of the project, and the local ratepayers will benefit from the cost-efficient construction and management of the project.

The U.S. Environmental Protection Agency estimates that the costs of complying with the Safe Drinking Water Act and the Clean Water Act will be nearly $200 billion in the next 15 years. Neither local governments nor the Federal Government have the unlimited resources necessary to meet these costs. However, through a loan guarantee program such as the one that will be demonstrated under this legislation, limited Federal resources can be the catalyst for the development of private capital to meet these needs.

There have already been congressional hearings on legislation to create a loan guarantee program—April 18, 1996. Opposition to that legislation (H.R. 2781) centered around the potential exposure of the Federal Government to a loan default and the elimination of the existing direct lending program at the Bureau of Reclamation. This new bill addresses those concerns by: First, limiting the loan guarantee authority to the development of one project; second, requiring that project developers secure any loans guaranteed by the Government; and third, allowing the existing loan program to remain unaffected by this new proposal.

The Overseas Private Investment Corporation provides tens of millions of loan guarantees for the private development of water infrastructure in foreign countries. Shouldn't we afford our own communities in the United States with the same opportunities for competitive infrastructure development?

My legislation will demonstrate that loan guarantees provide a cost-effective alternative for Federal assistance in financing water infrastructure development. I urge my colleagues to support this measure. I have attached a letter of support from the San Diego County Water Authority.

SAN DIEGO COUNTY
WATER AUTHORITY,
San Diego, CA, May 20, 1996.

Re support of Government loan guarantee for water storage project in San Diego County.

Hon. RANDY "DUKE" CUNNINGHAM,
Congress of the United States, Cannon House Office Building, Washington, DC.

DEAR CONGRESSMAN CUNNINGHAM: The San Diego County Water Authority has been working diligently to complete an Environmental Impact Report (EIR) under CEQA and Environmental Impact Statement (EIS) under NEPA for emergency storage in San Diego County. Currently four alternatives are under consideration. The Water Authority staff expects the Board of Directors to select a preferred alternative and certify the EIR in July 1996. Certification of the EIS and granting of a 404 Permit by the Corps of Engineers would occur months later.

The Olivenhain Water Storage Project is a component of the Water Authority's emergency storage alternative known as System 25. The Olivenhain water storage and treatment project is needed, whether or not the Water Authority and Corps choose System 25 for the Authority's project. The Water Authority is aware that Olivenhain is pursuing legislation to obtain a government loan guarantee under the Dept. of Interior's Small Projects Act. The Water Authority staff supports the Olivenhain Water District's endeavors to obtain such guarantee and to develop a storage project in northern San Diego County; whether this project is pursued independently or in partnership with the Water Authority or others.

San Diego County, including the North County, has an acute lack of emergency storage. Olivenhain, other member agencies and the Water Authority are working together to improve this situation. If you have any questions on the San Diego County Water Authority's Emergency Storage Project, please contact me or Ken Steele, the Authority's project manager. If you have any additional questions on the Olivenhain Water Storage Project, you may contact David McCollom, General Manager of the Olivenhain Municipal Water District at (619) 753-6466.

Thank you very much for your interest in your projects.

Sincerely,

MAUREEN STAPLETON,
General Manager,
San Diego County Water Authority.

A CELEBRATION OF SUBURBAN LIFE

HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. HORN. Mr. Speaker, when the men and women came home from the Second World War, they moved into the sprawling suburbs that were springing up across America. There, they quickly settled into lives in which they worked hard, raised their children, and played by the rules. Not the kind of lives that make headlines—but precisely the kind that make nations strong. Until now, no one had chronicled the world of these quiet heros.

Author Donald Waldie, who grew up in one of these postwar communities—Lakewood in California's 38th district—has filled that void. Mr. Waldie has made a significant contribution to American literature with the publication of his book "Holy Land," in which he recounts the unique joys and frustrations of American suburban life. Not surprisingly, he reveals that the backbone of America lies in the families who live quietly and unremarkably in these communities.

Lakewood is a proud part of the 38th congressional district. The beautiful tree-lined streets, an attractive civic center in which citizens find a responsive government, a vibrant business and professional community, and marvelous senior and recreational programs which welcome those of all ages—that is Lakewood. People sense the quality of Lakewood when they enter its boundaries and know their judgment was right when they go elsewhere.

I submit the following article from the Los Angeles Times which details Mr. Waldie's achievement.

[From the Los Angeles Times, July 5, 1996]

A LITTLE PIECE OF HEAVEN IN LAKEWOOD

(By Thomas Curwen)

On most Saturday mornings, Donald Waldie is out weeding his frontyard, which he will say desperately needs it, but don't be deceived. The azaleas are a little burned out, but the lawn is green and well-manicured.

Waldie lives in Lakewood, and his home is one of the hundreds of homes that make up the nearly anonymous patchwork of suburbs in southeast Los Angeles County. Little distinguishes Lakewood—unless you recall the brief notoriety of the Spur Posse, the group of teenagers who a few years back made it a cruel sport to have sex with as many girls as possible.

Today Lakewood's tree-lined streets and well-maintained homes are quiet and almost defy attention, unless of course you're interested in the almost mystically simple qualities of everyday life in a classic American suburb. Waldie is, and has lovingly rendered his perceptions in "Holy Land" (Norton), a memoir of growing up—and still living—in one of the largest postwar housing developments in the country.

Beginning in 1950 and continuing for almost three years, Lakewood was a flurry of building. As many as 100 homes were started each day, more than 500 a week, and by the end—33 months later—17,500 had been raised.

When considering this astonishing boom, Waldie breaks ranks with critics who disparage sprawl. He paints instead a picture of a community of simple and practical values that worked 50 years ago and still works today. A recent survey of homeowners in Los Angeles County backs him up. The average Lakewood resident lives here 15.6 years—the longest length of stay of any municipality in the county.

As the public information officer for Lakewood, Waldie, 47, makes his living explaining the city to its residents and the press. That he defends the place might not be surprising, but unlike the boosters who sold homes here in the 1950s on the benefits of a regional shopping center (the Lakewood Center Mall was one of the first and largest in the country) and a garbage disposal in every kitchen, he focuses on the spiritual benefits of life here.

"These are not perfect places, and the people who live in them are not perfect," admits Waldie, a soft-spoken man who picks his words carefully. "But my book is about the possibility of leading a redeemed life in this kind of suburban place—a life that has some value to others and a life in which one gets saved."

Welcome to the first church of the suburb. Let "Holy Land" be your bible.

Comprising more than 300 minichapters, ranging from a single sentence to a page and written much like an extended prose poem, "Holy Land" is the story of Waldie's faith and his notion that a kind of salvation takes place within the context of a suburb like Lakewood. Responsibility and obligation, he will tell you, are the linchpins of this faith, holding neighbors and communities together to make this a real holy land.

If you look carefully behind a scrim of materialism—these homes and these yards—you will see that the simple upkeep of a frontyard is symbolic of a complicated social contract between neighbors.

Waldie—whom Buzz magazine described in its list of 100 notables as having "a passion and eloquence worthy of Joan Didion"—composed the chapters of "Holy Land" during the half-hour it takes him to walk to or from work. Poor eyesight keeps him from driving. He lives alone, almost like a monk, in the house his parents bought in 1946. He attends Catholic church.

The homes in his neighborhood would probably sell in the high $150,000s; most have three bedrooms, one bath and a detached two-car garage. Windows look into neighbors' windows. Cars, trucks and campers are parked in driveways and in the street. Some lawns are scruffy; some are immaculate. It is, in Waldie's words a place for the "not-quite middle class."

These straight-arrow streets and single-family homes are as much a part of the American landscape as shopping malls and 7-Elevens and from here to Levittown, Long Island, have been easy targets. Writer Ron Rosenbaum described his 1956 screenplay for "The Invasion of the Body Snatchers" as "about the horror of being in the 'burbs." In his influential 1964 book "God's Own Junkyard" (Holt, Rinehart & Winston), architect Peter Blake wrote: "The kind of stratified, anesthetized and standardized society being bred in America's present-day Suburbia is not one to look forward to with pleasure."

Nowadays critics are less unkind. Robert Bellah, principal author of "Habits of the Heart: Individualism & Commitment in American Life" (University of California Press), a 1985 diagnosis of what ails American communities, today sees suburbs as "a catastrophe for this country." First, their population density is low, leading to a wasteful use of land; second, they cater to the automobile, which is expensive and polluting; and third, they represent a closed door to what's happening in urban centers.

"People [in Lakewood] may be able to look out for themselves," Bellah says. "But what about the rest of society?"

Waldie is not surprised by the anger and the harsh language the suburban experience can evoke.

"These are furious, vituperative attacks on the kind of suburban space that Lakewood best exemplified," he says. "Willful ignorance about these places is one of the reasons I wrote 'Holy Land.'"

Take a Saturday walk through Jose del Valle Park in Lakewood and you will see what the critics probably didn't take into account. People really seem to enjoy living here.

Children scramble for the playground equipment. Baseball diamonds are packed with players; parents cheer children from the bleachers. Waldie pauses to watch a foul ball fly into a quiet street. He wrote "Holy Land" with the presumption that the ordinary lives of ordinary people have a unique value.

In 1949, Louis Boyar, Mark Taper and Ben Weingart purchased 3,500 acres of farmland to create this landscape. Boyar who had built homes on Long Beach in the 1930s, was responsible for the plan. He used a simple formula—straight streets at right angles and 5,000-square-foot lots—parameters that were surprisingly prescient. Urban planners today, in an attempt to built more friendly communities, are returning to straight-line grids, which seem to be more conducive to neighborliness than curved streets and cul-de-sacs.

But Boyar did more than plot 17,500 homes and a scattering of social amenities, Waldie says. He built a community out of his heart, creating a network for possible social interactions that reinforce common values. Values that make Jose del Valle Park so popular. Values that seem at times forgotten—or at least under-reported—in the country.

Of course, the motives of the developers were not entirely altruistic. By the time they dissolved their corporation, they had made almost $12 million—money that ironically was made from a community that kept Jews, like themselves, as well as blacks and Mexicans from living here.

Filled with sad truths and terrible ironies, "Holy Land" chronicles the distance between 1950 and now. Here was a suburb, after all whose major selling point was a shopping center that could double as a fallout shelter; but rather than ridicule these faces, Waldie writes with a poignant mix of knowing and compassion.

"The critics of suburbs say that you and I live narrow lives," one mini-chapter reads. "I agree. My life is narrow. From one perspective or another, all our lives are narrow. Only when lives are placed side by side do they seem larger."

Waldie will admit, however, that not all lives fit into this side-by-side pattern. "Holy Land" does look at a few disconnected people who live outside the tacit social contracts that connect neighbors. There's the man who filled his yard with dead machinery and used building supplies. There's the woman who believed that the dead from the nearby aircraft plant were secretly buried beneath her house.

Conspicuously absent from the book, however, is mention of the Spur Posse, the 1993 story that yanked Lakewood out of its peaceful anonymity. To a nation worried about its apparent loss of morals, the case of these high school athletes who gave each other "points" for sexual conquests was deplorable, especially coming from such an all-American community like Lakewood.

As Waldie sees it. "The Spur Posse was less about the decline of the suburbs and more a lesson in how charismatic individuals can create evil.

"If you looked at Lakewood in 1993 and projected a straight-line evolution from that point, I can see how you might have imagined a collapse of the social infrastructure, but that has not happened. There is some resiliency here."

Not only does he leave out references to the Spur Posse, but he also glosses over the time he was nearly robbed at gunpoint walking home from work. Snakes may live in the grass here, but you won't find them in Waldie's yard.

Perhaps denial keeps the residents here safe—as it did in the 1950s with regard to the bomb and racism, so too for the 1990s with gangs and neighborhood violence.

When writing about the ever-present Southern California danger of earthquakes—apparently the homes here are built so lightly, they pose relatively little danger to the owners and "might even shelter us"—Waldie concludes that "the burden of our habits do the same."

"I believe that accepting obligations because you're obliged to is probably the saving strength against all that would further erode our social institutions," he explains. And as he turns to weed a yard that barely needs it, Waldie joins the dance that connects residents to the community—past and present.

THE MICROENTERPRISE ACT

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. GILMAN. Mr. Speaker, today I am pleased to introduce H.R. 3846, the Microenterprise Act. The bill is a historic alliance between the administration, microenterprise groups and the Congress behind the cause of microenterprise development to help the poorest of the poor work their way out of poverty.

We have all heard of the Grameen Bank and its success in Bangladesh. Today, the Grameen Bank is one of the largest banks in Bangladesh. It is important to note that the microenterprise movement is not just about Grameen. In Bolivia, BancoSol has become the largest lender in Bolivia, solely relying on small, microenterprise loans. BancoSol is so big, it now borrows funds from the New York market to continue its service to Bolivia's poor. Other microenterprise institutions dot the planet, including some here at home, even in my home State of New York.

This bill breaks new ground. It provides two new tailor-make authorities under the Foreign Assistance Act for microenterprise grants and microenterprise loans. The bill calls on the administration to focus on loans to the poorest of the poor, mainly through private, voluntary organizations, nongovernmental organizations, and other worthy institutions.

I am pleased that the administration supports this bill. I look forward to working with Mr. HAMILTON and other members of my committee and our colleagues in the Senate to seek its enactment before this Congress adjourns.

H.R. 3846

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Microenterprise Act".

SEC. 2. MICRO- AND SMALL ENTERPRISE DEVELOPMENT CREDITS.

Secton 108 of the Foreign Assistance Act of 1961 (22 U.S.C. 2151f) is amended to read as follows:

"SEC. 108. MICRO- AND SMALL ENTERPRISE DEVELOPMENT CREDITS.

"(a) FINDINGS AND POLICY.—The Congress finds and declares that—

"(1) the development of micro- and small enterprise, including cooperatives, is a vital factor in the stable growth of developing countries and in the development and stability of a free, open, and equitable international economic system;

"(2) it is, therefore, in the best interests of the United States to assist the development of the private sector in development countries and to engage the United States private sector in that process;

"(3) the support of private enterprise can be served by programs providing credit, training, and technical assistance for the benefit of micro- and small enterprises; and

"(4) programs that provide credit, training, and technical assistance to private institutions can serve as a valuable complement to grant assistance provided for the purpose of benefiting micro- and small private enterprise.

"(b) PROGRAM.—To carry out the policy set forth in subsection (a), the President is authorized to provide assistance to increase the availability of credit to micro- and small enterprises lacking full access to credit, including through—

"(1) loans and guarantees to credit institutions for the purpose of expanding the availability of credit to micro- and small enterprises;

'(2) training programs for lenders in order to enable them to better meet the credit needs of micro- and small entrepreneurs; and

"(3) training programs for micro- and small entrepreneurs in order to enable them to make better use of credit and to better manage their enterprises.".

SEC. 3. MICROENTERPRISE DEVELOPMENT GRANT ASSISTANCE.

Chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2151 et seq.) is amended by adding at the end the following new section:

SEC. 129. MICROENTERPRISE DEVELOPMENT GRANT ASSISTANCE.

"(a) AUTHIORIZATION.—(1) In carrying out this part, the Administrator of the United States Agency for International Development is authorized to provide grant assistance for programs of credit and other assistance for microenterprises in developing countries.

"(2) Assistance authorized under paragraph (1) shall be provided through organizations that have a capacity to develop and implement microenterprise programs, including particularly—

"(A) United States and indigenous private and voluntary organizations;

"(B) United States and indigenous credit unions and cooperative organizations; or

"(C) other indigenous governmental and nongovernmental organizations.

"(3) Approximately one-half of the credit assistance authorized under paragraph (1) shall be used for poverty lending programs, including the poverty lending portion of mixed programs. Such programs—

"(A) shall meet the needs of the very poor members of society, particularly poor women; and

"(B) should provide loans of $300 or less in 1995 United States dollars to such poor members of society.

"(4) The Administrator should continue support for mechanisms that—

"(A) provide technical support for field missions;

"(B) strengthen the institutional development of the intermediary organizations described in paragraph (2); and

"(C) share information relating to the provision of assistance authorized under paragraph (1) between such field missions and intermediary organizations.

"(b) MONITORING SYSTEM.—In order to maximize the sustainable development impact of the assistance authorized under subsection (a)(1), the Administrator should establish a monitoring system that—

"(1) establishes performance goals for such assistance and expresses such goals in an objective and quantifiable form, to the extent feasible;

"(2) establishes performance indicators to be used in measuring or assessing the achievement of the goals and objectives of such assistance; and

"(3) provides a basis for recommendations for adjustments to such assistance to enhance the sustainable development impact of such assistance, particularly the impact of such assistance on the very poor, particularly poor women.".

SECOND ANNIVERSARY OF THE AMIA JEWISH CENTER BOMBING IN ARGENTINA

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 18, 1996

Mr. LANTOS. Mr. Speaker, I wish to commend my colleagues' attention to the second anniversary of the horrific terrorist attack in Buenos Aires, Argentina, against the Jewish community center. On July 18, 1994, a car bomb was detonated outside of the seven-story building in Buenos Aires that housed the AMIA [Association Mutual Israelita Argentina] and DAIA [Delegacion de Asociaciones Israelitas Argentinas]. That barbaric act took the lives of 86 innocent people and injured more than 300 others. To date, those responsible remain at large.

Mr. Speaker, we in the Congress have repeatedly expressed to the Argentine authorities our firm conviction that they must do everything in their power to solve this case, and the as yet unsolved case of the 1992 bombing of the Israeli embassy in Buenos Aires. While we are encouraged by recent arrests of several Argentine police officers in connection with the ongoing investigation, clearly much more needs to be done.

I commend my colleagues' attention to the following two letters which were sent this day to President Menem of the Republic of Argentina. The first was signed by 42 Members of Congress and expresses the view, held most certainly by all Members, that Argentine authorities must redouble their efforts to find and prosecute the terrorists who committed these heinous crimes. The second letter is from Abraham Foxman, National Director of the Anti-Defamation League of B'nai B'rith. Mr. Foxman cites the recent resignation of the Minister of Justice and applauds the opportunity for President Menem to appoint an individual truly committed to solving these cases.

Mr. Speaker, on this second anniversary of the AMIA bombing, we must restate our determination to fight global terrorism and to support friendly governments who wish to join this struggle. As Argentina continues successfully its evolution to full democracy, we must urge the Argentine Government to stand fast with the United States against the mutual enemy of democracy—global terrorism—and to redouble its efforts to solve these cases of terrorism:

JULY 18, 1996.

His Excellency CARLOS SAUL MENEM,
President of the Republic of Argentina, Buenos Aires, Argentina

DEAR MR. PRESIDENT: We are writing to you on the second anniversary of the bombing of the AMIA Jewish Community Center to express our dismay at the lack of resolution in the ongoing investigation of that bombing and the 1992 Israeli Embassy bombing in Buenos Aires. We fervently hope that the recent arrests of several police officers will yield a long-awaited break in the AMIA case.

Although Members of Congress previously have written to you on this subject, we strongly believe that the anniversary of this tragic event requires us to restate our conviction that Argentine authorities must conduct a reinvigorated effort to find and prosecute those responsible.

We appreciate the Argentine government's desire to successfully complete these investigations and deliver justice to the victims and their families. However, despite cooperation from United States government experts and years of investigation by Argentine authorities, the murderers are still at large. This is an intolerable situation.

No citizens of any country should have to live under the threat of terrorism. Unfortunately, until those responsible for the bombings in Argentina are apprehended, the Jewish community of Argentina will live under the threat of more terrorism, and Argentina will appear to be a haven for terrorists from around the world.

Mr. President, as we have learned from our own horrendous experiences with terrorism, these cases are difficult, but not impossible to solve. With sufficient will and effort, successful prosecution can eventually be achieved. We urge you to redouble your government's efforts in this task.

We look forward to your response to our previous inquiry for information on the status of these investigations and to working with you to bring the guilty to justice.

Cordially,

Tom Lantos, Jon Fox, Ben Gilman, Gary Ackerman, William Martini, Robert Torricelli, Ron Dellums, Stephen Horn, Howard Berman, Martin Frost, Peter King, Robert Menendez, Sander Levin, Jennifer Dunn, Carrie Meek, Charles Schumer, Herb Bateman, Martin Meehan, Michael Doyle, Jerrold Nadler, Sidney Yates, Ken Calvert, Peter Deutsch, Frank Tejeda, Lane Evans, Nita Lowey, John Olver, Rodney Frelinghuysen, Bob Filner, Steve Stockman, Steve Chabot, Zoe Lofgren, Ben Cardin, Peter Blute, Cliff Stearns, Elizabeth Furse, Sherrod Brown, Ilean Ros-Lehtinen, Victor Frazer, Jay Kim, Cynthia McKinney, and Rick Lazio.

ANTI-DEFAMATION LEAGUE,
July 16, 1996.

His Excellency President CARLOS MENEM,
Casa Rosada, Buenos Aires, Argentina.

YOUR EXCELLENCY: July 18 marks the anniversary of one of the most horrible dates in Argentinean history—the bomb attack that destroyed the AMIA headquarters, snuffed out innumerable lives, and shattered the security of the Jewish community. A view of the site leaves an indelible image of the tragedy and reminds many of the 30's and the horrors of Nazi Germany or Stalinist terror.

The world continues to anxiously await a solution to this crime by the democracy that is now Argentina. The occasion of the resignation of the Minister of Justice provides an opportunity for the appointment of an individual truly committed to democracy, and to finding those responsible for the bombing.

At the same time, we are particularly concerned about the recent appointment of Mr. Horacio graga as investigator for the official TV station. Mr. Fraga is an individual with a known racist and anti-Semitic background. This appointment raises serious concern in the Argentinean Jewish community, as well as among Jews throughout the world.

Democracy is a difficult process which requires discipline and vigilance by government and private citizens. The clear actions of your administration in these matters will send a strong signal that democracy and the rights of Argentinean minorities are paramount to your administration. You assured us of these points during the visit of an ADL delegation last year, and we hope that it will become a reality for Argentina and its communities.

Looking forward to your response,

Sincerely,

ABRAHAM H. FOXMAN,
National Director.

SENATE—*Friday, July 19, 1996*

The Senate met at 9 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious Lord, You have placed within each of us a conscience as the voice of our deep inner self. Over the years our consciences have been molded by what we have been taught is true and right. We thank You for a conscience rooted in the Ten Commandments and guided on Your spirit. You are the Potter, our conscience the clay; mold our values after Your way. We ask this not just for our own personal relationships, but also for the responsibilities of leadership You have entrusted to us.

You want to develop the future of this Nation through the leadership of women and men of this Senate and all of us who labor with them. So refine our consciences; purify any dross until You can see Your own nature reflected in the refined gold of Your priorities of righteousness, justice, mercy. Give us Your heart for the poor and those who suffer. Keep us faithful to Your vision for this Nation so clearly revealed to our Founding Fathers and Mothers. Set us ablaze with patriotism and loyalty. Then continue to speak to us through our consciences. May we work out in specifics what You have worked into the fiber of our character. We commit ourselves anew to seek Your guidance and follow it this day. Give us courage to follow the convictions You have developed in our consciences. In the name of Jesus who taught us that we can know the truth and the truth will set us free. Amen.

PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

The PRESIDENT pro tempore. The Senate will now resume consideration of S. 1956, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1956) to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 1997.

The Senate resumed consideration of the bill.

Pending:

Murray amendment No. 4903, to restore funds for the summer food service program for children.

Faircloth amendment No. 4905, to prohibit recruitment activities in SSI outreach programs, demonstration projects, and other administrative activities.

Breaux amendment No. 4910, to ensure needy children receive noncash assistance to provide for basic needs until the Federal 5-year time limit applies.

A motion to waive the Congressional Budget Act with respect to consideration of amendment No. 4910, listed above.

Faircloth amendment No. 4911, to address multigenerational welfare dependency.

Biden-Specter amendment No. 4912, in the nature of a substitute.

A motion to waive the Congressional Budget Act with respect to consideration of amendment No. 4912, listed above.

First modified amendment No. 4914, expressing the sense of the Congress that the President should ensure approval of State waiver requests.

Harkin amendment No. 4916, to strike section 1253, relating to child nutrition requirements.

Santorum (for Ashcroft) amendment No. 4917, to ensure that recipients of caretakers of minor recipients of means-tested benefits programs are held responsible for ensuring that their minor children are up to date on immunizations as a condition for receiving welfare benefits.

Wellstone-Simon amendment No. 4918, to require a report to Congress on the impact of increased numbers of impoverished children and recommendations for legislation to correct the increase.

A motion to waive the Congressional Budget Act with respect to consideration of amendment No. 4918, listed above.

Graham amendment No. 4921, to strike the provisions restricting welfare and public benefits for aliens.

The PRESIDING OFFICER (Mrs. HUTCHISON). The Senate will now proceed to 10 rollcall votes with respect to amendments offered on July 18, 1996, with 2 minutes for explanation equally divided before each vote.

The Senator from New Mexico is recognized.

Mr. DOMENICI. Madam President, this morning the Senate will resume consideration of the reconciliation bill and begin a lengthy series of rollcall votes. There may be from 8 to 10 votes consecutively, in order this morning. Therefore, all Members should be prepared to remain in or around the Senate Chamber to allow these votes to be completed in a timely manner.

Following these votes, the Senate will continue to debate amendments to reconciliation. However, any votes ordered on those amendments will be ordered to begin at 9:30 on Tuesday.

I remind my colleagues, if they still intend to offer their amendments, those that were listed, they must offer them today or Monday.

Madam President, I ask unanimous consent that all votes ordered after the first vote be reduced to 10 minutes in length, and that no second-degree amendments be in order to any of those amendments in the voting sequence that is scheduled for today.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4903

The PRESIDING OFFICER. The pending question is on the Murray amendment. Under the previous order, the question occurs on amendment No. 4903, offered by the Senator from Washington [Mrs. MURRAY].

The yeas and nays have been ordered.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington is recognized.

Mrs. MURRAY. Madam President, since last night when I offered this amendment, I have been contacted by a number of Members from both sides of the aisle who would like to work with me to perhaps come to an agreement on this issue. I ask, therefore, unanimous consent to withdraw the amendment at this time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The amendment is withdrawn.

The amendment (No. 4903) was withdrawn.

Mr. DOMENICI. Madam President, before you call the next amendment, I understand the next scheduled amendment, under the order, would have been a Faircloth amendment.

The PRESIDING OFFICER. That is correct.

Mr. DOMENICI. It is now my understanding that is being worked out and the Senator seeks, and I understand it is all right with the minority, that that amendment be set aside until Tuesday. Then we would proceed to the Breaux amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. So I propose that as a unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Madam President, Senator BREAUX was not aware he would be up first, so I suggest the absence of a quorum for a couple of minutes so he can be advised.

The PRESIDING OFFICER. The clerk will call the roll.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOMENICI. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Senator BREAUX has arrived. I think under our sequencing and the order, we have Senator BREAUX's motion to waive the point of order that is up now, and there are 2 minutes on each side.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

The PRESIDING OFFICER. Equally divided.

Mr. DOMENICI. Two minutes equally divided.

Mr. EXON. May I clarify one point. As I understand it, the Breaux amendment will be the first amendment that will be voted upon; is that right? That will be a 15-minute vote? Have we ordered 10 minute votes thereafter? Is that the order?

The PRESIDING OFFICER. Yes. That is the order.

Mr. EXON. Thank you.

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAUX. I thank the Chair.

MOTION TO WAIVE THE BUDGET ACT—AMENDMENT NO. 4910

Mr. BREAUX. Madam President, my colleagues, what we are trying to do with welfare reform is very simple. I think we can all agree we should be tough on work, we should be good for kids. Everybody knows we should put work first, but in doing that we should not put children last.

I am afraid the Republican bill, without my amendment, does exactly that simply because of this. The Republican plan says that after you take the parent off of AFDC assistance, you forget about the children. You absolutely forbid the State in their own wisdom to determine whether they should give any assistance to the children who are innocent victims of welfare at the sins of the parents. We should not be punishing the children for what their parents have not done correctly.

So let us be as tough as we can on work, make the parent go to work, but when the parent is taken off welfare, for God's sake, can't we as a nation at least allow the States to use their block grant money to provide the things that a child needs in order to survive in this country? That is the issue. Are we going to disregard the children? Or are we going to help the children while we are so tough on the parents? My amendment, I think, should pass.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware has 1 minute.

Mr. ROTH. Madam President, I strongly oppose the Breaux amendment which would seriously undermine the real 5-year time limit on welfare assistance. One of the most important features of welfare reform is that recipients must understand that public assistance is temporary, not a way of life.

Opponents of the 5-year time limit would have the American people believe this bill would abandon children. This is simply not true. Families and children would still be eligible for food stamps, Medicaid, housing assistance, WIC, and dozens of other means-tested programs.

Let me reiterate that S. 1956, the bill before us, is identical to H.R. 4 on this issue when it passed the Senate on a vote of 87 to 12 last September. The Senate rejected amendments to weaken the 5-year time limit then, and it should do so again.

If States want to use vouchers to provide services beyond the time limit, they could do so with State funds or with title XX funds of social services block grants. The State can also exempt 20 percent of the caseload from the limit for those truly hardship cases. I urge the defeat of the amendment.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Madam President, this is a new mandate, extremely costly, a huge new bureaucracy; and nothing in the bill prohibits the States from using their own money to do this.

Mr. GRASSLEY. Madam President, the bill provides for a lifetime limit of 5 years for welfare benefits. This means that there is an actual drop-dead date so that families are held truly accountable for their choices. Knowing that there is a concern for those who are unable to work, the bill allows a 20-percent hardship exemption from the lifetime limit.

Working Americans live in a system where if they don't show up for work, they are not paid and are likely to lose their job. They want welfare recipients to live with that same reality. Taxpaying Americans don't understand why their hard work is subsidizing those who are not working.

According to the mail I receive in my office, working Iowans believe that welfare recipients ought to have to work also. And they believe welfare recipients should not be able to receive benefits forever.

Mr. McCAIN. Madam President, the Personal Responsibility, Work Opportunity, and Medicaid Restructuring Act of 1996 will dramatically improve our welfare system. By requiring able-bodied welfare recipients to work, it will encourage welfare families to move from dependency to self-sufficiency. In addition, adult recipients who refuse to engage in required work will have their benefits reduced, and individuals will be able to receive federally funded benefits for more than 5 years, or fewer at the option of the State. In recognition of the fact that not all families will be able to enter the work force effectively, the States are given a 20-percent hardship exemption to the 5-year limit on benefits.

Today, my colleague, Senator BREAUX, introduced an amendment which would have provided vouchers of those families which were denied cash assistance as a result of these limitations. Because this provision would undermine the important goal of encouraging families to work and move off welfare, and because the most troubled families will be protected by the hardship exemption, I have decided to vote against the amendment. This vote does, however, raise a number of issues which should be addressed by the conference committee, including the impact which ending cash benefits may have on foster care costs in the States, and the impact of the benefits limitation on children.

The PRESIDING OFFICER. The question occurs on agreeing to the motion to waive the Budget Act in relation to the Breaux amendment No. 4910. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Georgia [Mr. NUNN] and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 51, nays 47, as follows:

[Rollcall Vote No. 205 Leg.]

YEAS—51

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Chafee
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Reid
Robb
Rockefeller
Sarbanes
Simon
Snowe
Specter
Warner
Wellstone
Wyden

NAYS—47

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Domenici
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Stevens
Thomas
Thompson
Thurmond

NOT VOTING—2

Nunn
Pryor

The PRESIDING OFFICER. On this vote, the yeas are 51, the nays are 47.

Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls.

AMENDMENT NO. 4911

The PRESIDING OFFICER. Under the previous order, the question occurs on the motion to table amendment No. 4911 offered by the Senator from North Carolina, [Mr. FAIRCLOTH].

The Chair recognizes Senator FAIRCLOTH for 1 minute.

Mr. FAIRCLOTH. Madam President, the welfare bill before us requires that minors must live at home with a parent as a condition of receiving assistance.

The PRESIDING OFFICER. If the Senator will withhold, the Senator cannot be heard. The Senate will come to order.

The Senator from North Carolina.

Mr. FAIRCLOTH. Madam President, this amendment states that if that parent is currently receiving welfare benefits and has been for the last 3 years, then the minor may not receive cash benefits. If the parent is currently receiving welfare, and the minor child is herself alone living at home, then we are requiring that three generations of welfare recipients live under one roof.

My amendment would ensure that when we require three generations of welfare recipients to live under one roof, and there is a clear history of welfare dependency in that household, then we will only send one cash check.

My amendment is not intended to reduce benefits, and it does not prohibit the State from providing assistance in any noncash form—food, whatever. The amendment simply would limit the amount of cash that is given to households with three generations of welfare where there is a clear history of welfare dependency.

The PRESIDING OFFICER. The Senator from California is recognized for 1 minute.

Mrs. BOXER. Thank you, Madam President.

The underlying bill denies assistance to teenage moms who do not live at home. Democrats agree with this. We have this in our bill. But what the Faircloth amendment says is, you will be denied assistance as a teenage mom if you live at home if the home you are living in has received welfare.

I have to say this: This Faircloth amendment sets up two categories of teenage moms, one category that gets aid when they live at home and one category that does not.

I thought we were for family unity. I think that is the question Members must ask themselves: Are we for family unity? If we are, we should vote down the Faircloth amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Carolina. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Georgia [Mr. NUNN], and the Senator from Arkansas [Mr. PRYOR], are necessarily absent.

The PRESIDING OFFICER (Mr. GRAMS). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 21, nays 77, as follows:

[Rollcall Vote No. 206 Leg.]

YEAS—21

Ashcroft
Byrd
Coverdell
Faircloth
Gramm
Grams
Grassley
Helms
Hutchison
Inhofe
Kyl
Lott
Mack
McConnell
Murkowski
Nickles
Pressler
Shelby
Smith
Thompson
Thurmond

NAYS—77

Abraham
Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Feingold
Feinstein
Ford
Frahm
Frist
Glenn
Gorton
Graham
Gregg
Harkin
Hatch
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kassebaum
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
McCain
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Simon
Simpson
Snowe
Specter
Stevens
Thomas
Warner
Wellstone
Wyden

NOT VOTING—2

Nunn
Pryor

The amendment (No. 4911) was rejected.

Mrs. BOXER. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. May we have order, please, Mr. President.

The PRESIDING OFFICER. Can we have order in the Chamber, please.

Mr. DOMENICI. Mr. President, Senators have asked how much longer will we be voting. It looks to me, if we can stay close to the 10 minutes, we will be out of here before noon.

Can I ask, how long did we take on the last vote?

The PRESIDING OFFICER. Approximately 12 minutes.

Mr. DOMENICI. We have six amendments remaining, so if we can stay near the 10 minutes, you can do your own arithmetic. It looks to me like an hour and 30 minutes is what it would take. We never get it done that efficiently, but that is sort of what you ought to be looking at.

Regular order.

MOTION TO WAIVE THE BUDGET ACT—AMENDMENT NO. 4912

The PRESIDING OFFICER. Under the previous order, the question now occurs on agreeing to the motion to waive the Budget Act for the consideration of amendment No. 4912 offered by the Senator from Delaware, [Mr. BIDEN]. There are 2 minutes of debate equally divided.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, may I point out that yesterday 46 Democrats voted for an amendment by our distinguished Democratic leader which had a conditional entitlement. It maintained for a period of 5 years a right of a child to some public support if needed. This measure would abolish that entitlement in title IV of the Social Security Act, an entitlement which is provided for the aged, the unemployed, for the disabled. We would only strip the Social Security Act of the provision for children. I hope Democrats, who put that legislation in place 60 years ago, will not vote to repeal it today. It is not reform. It is repeal.

Thank you, Mr. President.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. What bill are you referring to, I ask the Senator from New York, this bill that is pending or the underlying bill?

Mr. MOYNIHAN. I spoke of Mr. DASCHLE's amendment yesterday, and I spoke to Mr. BIDEN and Mr. SPECTER's amendment today.

Mr. DOMENICI. I see. All right.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. I believe I have 1 minute in support of this legislation. I said yesterday the Biden-Specter bill is a question of, is it better than the underlying bill? The underlying bill does the same thing the Senator just suggested that this bill does. The differences are, we save $53 billion. There is $3 billion in work funds for the States, individual responsibility contracts, no food stamp block grants, as the underlying bill has, and the State option for vouchers, among other things.

I think this is a much preferable bill than the underlying bill, and I would encourage my colleagues to vote for the Biden-Specter amendment, which is better known, quite frankly, as the Castle-Tanner bill.

The PRESIDING OFFICER. All time has elapsed.

Mr. DOMENICI. Wait a minute, Mr. President. I do not believe that our time has elapsed. Nobody authorized the Senator from New York to speak in opposition. He spoke. I did not object. I was, but I saw he was on the right track.

The PRESIDING OFFICER. If that is the case, the Senator from New Mexico has 1 minute.

Mr. DOMENICI. I yield to the distinguished Senator from Delaware [Mr. ROTH].

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I strongly oppose the Specter-Biden substitute. While it does include some of the provisions of S. 1956 such as ending the individual entitlement, it stops far short of the goals of welfare reform. The Specter-Biden substitute is $10 billion short on savings and short on time limits. It has an open-ended contingency fund. It does include, however, a liberalization on Medicaid benefits in which Medicaid could be extended to illegal aliens.

I would like to clarify that our legislation does include transitional Medicaid benefits for 1 year for those families leaving welfare. It also includes emergency Medicaid coverage for illegal aliens which is current law.

Mr. President, I urge defeat of the Specter-Biden amendment. I yield back the remainder of my time.

The PRESIDING OFFICER. All time for debate has elapsed. The question is on the motion to waive the Budget Act for consideration of amendment No. 4912.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Arkansas [Mr. PRYOR] and the Senator from Georgia [Mr. NUNN] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 37, nays 61, as follows:

[Rollcall Vote No. 207 Leg.]

YEAS—37

Akaka
Baucus
Biden
Bingaman
Boxer
Breaux
Bryan
Bumpers
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kerrey
Kerry
Kohl
Lautenberg
Levin
Lieberman
Mikulski
Murray
Pell
Reid
Robb
Rockefeller
Specter
Wyden

NAYS—61

Abraham
Ashcroft
Bennett
Bond
Bradley
Brown
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Domenici
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kennedy
Kyl
Leahy
Lott
Lugar
Mack
McCain
McConnell
Moseley-Braun
Moynihan
Murkowski
Nickles
Pressler
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone

NOT VOTING—2

Nunn
Pryor

The PRESIDING OFFICER. On this vote, there are 37 ayes, 61 nays. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained, and the amendment falls.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. How much time did we use on that amendment?

The PRESIDING OFFICER. We used over 13 minutes.

Mr. DOMENICI. Regular order, Mr. President.

MOTION TO WAIVE THE BUDGET ACT—AMENDMENT NO. 4914, AS MODIFIED

The PRESIDING OFFICER. Under the previous order, the question now occurs on amendment No. 4914 offered by the Senator from Tennessee [Mr. FRIST]. There are 2 minutes for debate equally divided.

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. FRIST. Mr. President, this amendment, submitted on behalf of my colleagues Senators ABRAHAM, BOND, SANTORUM, HUTCHISON, and THOMPSON, simply asks for a sense of the Senate that the President ensure approval of the waiver requests of States such as Tennessee and 14 other States which have waiver requests before the Department of Health and Human Services.

On October 31, 1995, the President assured the Governors on that day that he would take care of these requests within 30 days. Mr. President, it has been 79 days for Tennessee. Others with waiver requests have been waiting as long as 2 years. Tennessee needs action. Michigan needs action.

I urge my colleagues to support this amendment.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut.

Mr. DODD. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. May we please have order in the Chamber so we can conclude these votes? Can we have order in the Chamber?

The Senator from Connecticut.

Mr. DODD. Mr. President, it is with reluctance that I rise in opposition to this amendment, because of my respect and affection for the Senator from Tennessee. But, this amendment would allow for waivers across the board in 16 States without any idea of what is in these waivers.

I point out to my colleagues, that the administration has approved a record 67 waivers in 40 States. We've reduced welfare by 1.3 million people. The food stamp rolls are down. We are heading in the right direction.

Today, however, we are debating a national welfare reform program. That should be our focus. The sense-of-the-Senate resolution that would approve waivers to 16 States without any idea what is in those waivers, I think is wrong, with all due respect. We don't have any idea what sort of impact these waivers will have on children, Mr. President.

Mr. President, I rise in opposition to the amendment offered by my colleague from Tennessee. I am uneasy about this amendment because it would express the sense of the Congress that 16 welfare waivers should be approved, without us knowing what those waivers propose to do.

The President already has approved a record 67 welfare reform waivers in 40 States. That's quite a record. Welfare caseloads are down by 1.3 million people, food stamp rolls are lower, and child support collections are up. So a lot of progress has been made in recent years, States are experimenting, and we're debating a national welfare reform bill. I think we'd all like to see the passage of a bipartisan welfare reform bill that puts people to work and protects children.

But this amendment asks us to give our approval to 16 different welfare plans without the benefit of knowing exactly what they propose to do. In my view, it should make us uneasy to approve 16 plans without knowing what the impact would be on the children in those States.

Mr. President, my understanding is that in one of the State waivers, the State asks to set a 5-year lifetime limit on welfare benefits that would begin in 1987. That's a retroactive time limit. If this is true, a mother who had been off assistance for the last 4 years, but lost her job by no fault of her own, would be told she could have no assistance at all. What would happen to her children? We don't know, because the details of the plan do not accompany the amendment before us today.

I understand that another waiver would terminate food stamp benefits if a mother does not comply with the work program. Now I know my colleagues on the other side of the aisle have argued that kids won't be hurt by welfare reform after the time limit, because food stamps are still there. Not under this sort of waiver as far as I can tell.

So Mr. President, I urge caution on this amendment. I also raise a point of order against the bill under the Byrd rule, section 313(b)(1)(A) of the Congressional Budget Act of 1974.

Mr. FRIST. Mr. President, pursuant to section 904 of the Budget Act, I move to waive the point of order against amendment No. 4914 to the bill. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Congressional Budget Act with respect to amendment No. 4914, as modified. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Georgia [Mr. NUNN] and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 55, nays 43, as follows:

[Rollcall Vote No. 208 Leg.]

YEAS—55

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Domenici
Faircloth
Feinstein
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kohl
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—43

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Ford
Glenn
Graham
Harkin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone
Wyden

NOT VOTING—2

Nunn
Pryor

The PRESIDING OFFICER. On this question, there are 55 yeas, the nays are 43. Three-fifths of the Senators duly sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained, and the amendment falls.

Mr. DOMENICI. Mr. President, I ask unanimous consent the Harkin amendment, which was next in line, be set aside and be reconsidered on Tuesday. He is in the process of negotiating. We did that for a Republican Senator.

The next order of business is Senator ASHCROFT, if this request is granted.

The PRESIDING OFFICER. Without objection, it is so ordered.

MOTION TO WAIVE THE BUDGET ACT—AMENDMENT NO. 4917

The PRESIDING OFFICER. Under the previous order, the question now occurs on amendment No. 4917, offered by the Senators from Pennsylvania and Missouri. There are 2 minutes for debate equally divided.

Mr. ASHCROFT. Mr. President, I rise with an amendment that would allow States to require welfare recipients to bring up to date the immunizations of their minor children. Immunizations in America are free to individuals who are on welfare. Yet we have a number of children who are, every year, afflicted with serious disabling diseases which will persist into disabilities of their adulthood for lack of immunizations.

This amendment would simply provide States the authority, as it relates to programs which States share the cost of, and would require immunizations where the Federal Government funds the entirety of the welfare benefit. If you did not provide your children with the immunizations that were appropriate, you would have a 20-percent decrease until the children were properly immunized. This is in the interest of children.

Mr. DODD. Mr. President, I do not disagree with the thrust of what my colleague is saying, that parents should be responsible for immunizing their children. But I am afraid that we are aiming at the parents, but hurting the child. If the child is not fully immunized, to cut off that child from necessary food, medicine, or other resources is, I think, misguided.

We need to encourage and promote immunizations, but we do not want to simultaneously deny a child—through the fault of the parent who does not get the child fully immunized—the benefit of the necessary nutritional and medical services they would otherwise get. That is the effect of this amendment.

I respect my colleague's thrust, but do not penalize the child. The child would be the one to suffer. In cases where a child is behind in immunizations, that child could lose access to food and SSI for as long as a year while they catch up on their immunization schedule. Immunizations cannot be given all at once, I am told.

Mr. ASHCROFT. Will the Senator yield?

Mr. DODD. I am happy to yield to the Senator.

Mr. ASHCROFT. Is the Senator aware there is a 6-month grace period?

Mr. DODD. I respect that. My colleague knows, as well, that innocent children should not be penalized because their parents may be irresponsible. That is the net effect of this amendment.

Mr. ASHCROFT. Will the Senator yield?

Mr. DODD. I yield to the Senator.

Mr. ASHCROFT. Is the Senator aware this is just a 20-percent decrease in the benefit for the 6-month interval?

Mr. DODD. If it is a 5-percent decrease, why should an innocent child pay for the irresponsibility of a parent? That does not make sense. We ought to encourage immunizations, promote and do what we can. The 6-year-old or 2-year-old child whose parent is irresponsible should not be denied nutrition and adequate medical benefits.

I suggest, as well, the pending amendment is not germane. I rise to make a point of order that it violates section 305(b) of the Congressional Budget Act.

Mr. ASHCROFT. Mr. President, I move the point of order be waived.

The PRESIDING OFFICER. Does the Senator request a rollcall?

Mr. ASHCROFT. I do request a rollcall vote.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act on amendment 4917.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Georgia [Mr. NUNN] and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The yeas and nays resulted—yeas 58, nays 40, as follows:

[Rollcall Vote No. 209 Leg.]

YEAS—58

Abraham
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Brown
Burns
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Domenici
Exon
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hollings
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Robb
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—40

Akaka
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Conrad
Daschle
Dodd
Dorgan
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Reid
Rockefeller
Sarbanes
Simon
Wellstone
Wyden

NOT VOTING—2

Nunn
Pryor

The PRESIDING OFFICER (Mr. KYL). On this vote, the yeas are 58, the nays are 40. Three-fifths of the Senators duly chosen and sworn, not having voted in the affirmative, the motion is rejected. The point of order is sustained, and the amendment falls.

MOTION TO WAIVE THE BUDGET ACT—AMENDMENT NO. 4918

The PRESIDING OFFICER. Under the previous order, the question occurs on the motion to waive the Budget Act for consideration of amendment No. 4918 by the Senator from Minnesota [Mr. WELLSTONE].

The yeas and nays have been ordered.

Mr. WELLSTONE. Mr. President, could I ask for order in the Chamber.

The PRESIDING OFFICER. There are 2 minutes of debate equally divided. The Senator from Minnesota would like to be heard.

Mr. WELLSTONE. Mr. President, I am not going to speak until I have order in the Chamber. I would like for my colleagues to please listen.

The PRESIDING OFFICER. Would the Senators take their conversations to the cloakroom?

Mr. WELLSTONE. Mr. President, I thank the Chair. I am going to wait until we have order.

The PRESIDING OFFICER. I know there are Members anxious to leave. The vote will not occur until the Senate comes to order.

The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, I would like to make a plea to my colleagues. Please err on the side of caution when we are dealing with the lives of poor children in America.

This amendment says that Health and Human Services studies this legislation and if, God forbid, there are provisions in this legislation that create more impoverished children, their report comes back to us at the end of 2 years and we take action—quick action—to modify these provisions so that we can correct the problem.

Democrats and Republicans: This is the right thing to do. We ought to evaluate the action that we are taking in this legislation. And God knows we ought to take the corrective action, if that is necessary, to make sure that we are not creating more poverty among children. This is the right thing to do. It is a fail-safe mechanism. It is a safety net built into the legislation.

I hope—I hope—every Democrat and Republican will support this. We must do this if we are to understand what this legislation means and be able to take corrective action, if necessary, to help poor children in America.

Please support this amendment.

Mr. DOMENICI. Mr. President, I yield time to Senator ROTH.

Mr. ROTH. Mr. President, I oppose the Wellstone amendment. It is wholly unnecessary and unprecedented.

In regard to studying welfare reform, this amendment is wholly unnecessary. The legislation is filled with studies, evaluations and rankings of successful and unsuccessful States.

We absolutely want to know what works in welfare reform. But what is unacceptable and unprecedented is the rules given to the Secretary of HHS in sending recommendations to the Congress which must then be considered under expedited procedures in Congress.

Let me point out that there were about 11.7 million AFDC recipients in 1990. In 1993 the caseload exceeded 14 million for the first time. The caseload was over 14 million again in 1994. Last year HHS told the Congress that, if we do nothing, there will still be more children in poverty. That is under the current welfare system.

Again, we welcome the study. The legislation includes a study. But no Congress should yield its authority to a Cabinet Secretary for this or any other reason.

I urge defeat of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act for consideration of amendment No. 4918. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Colorado [Mr. CAMPBELL] and the Senator from Wyoming [Mr. THOMAS] are necessarily absent.

Mr. FORD. I announce that the Senator from Georgia [Mr. NUNN] and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 46, nays 50, as follows:

[Rollcall Vote No. 210 Leg.]

YEAS—46

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Reid
Robb
Rockefeller
Sarbanes
Simon
Snowe
Wellstone
Wyden

NAYS—50

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Byrd
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Domenici
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Kassebaum
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Specter
Stevens
Thompson
Thurmond
Warner

NOT VOTING—4

Campbell
Nunn
Pryor
Thomas

The PRESIDING OFFICER. If there are no other Senators wishing to vote, the yeas are 46, the nays are 50. Three-fifths of Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained. The amendment falls.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, this next vote on the Graham amendment will be the last vote ordered today, which means there will be no additional rollcall votes. However, we are going to remain in session to take up amendments. If Senators want to offer amendments, they have to offer them either today or Monday. We are going to be here a few hours to take amendments. We are putting a list together, to try to make some sense of this afternoon. If we start on our side and go to your side, we would ask the D'Amato amendment on work be in order. Then you have one immediately following that?

Mr. EXON. I am certainly pleased to respond to my friend.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. At the present time we have three Democratic amendments in this order: Following D'Amato would be Feinstein, then Conrad, and then Graham. There may be some others. I would simply say to my colleagues on this side, at the present time we have seven Republican amendments and three Democratic amendments. This afternoon would be an excellent time to offer your amendment. If you would come to us, any Democrat, we could schedule you right after the Graham amendment.

Mr. DOMENICI. I have some others to put in order, but I will do it after the vote.

AMENDMENT NO. 4921

The PRESIDING OFFICER. Under the previous order, the question occurs on the motion to table amendment No. 4921 offered by the Senator from Florida [Mr. GRAHAM]. The yeas and nays have been ordered. Under the previous order, there will be 2 minutes of discussion equally divided.

The Senate will come to order.

The Chair was in error. The vote is not on the motion to table. This is an up-or-down vote on amendment No. 4921, offered by the Senator from Florida, who will be recognized as soon as the Senate comes to order.

The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, the issue presented by this motion to strike is a simple one. We have already spent weeks debating the issue of the benefits for legal aliens—legal aliens. On May 2, we passed a comprehensive immigration bill which outlined the restraints that we felt were appropriate. We are now coming, today, to essentially trash all of that work that we have done by developing an entirely new set of principles as it relates to the eligibility of legal aliens, a new set of principles that have gone unstudied and unexamined, but represent some very significant policy shifts. It moves away from the principle of restraining benefits by looking to the sponsor to pay for the benefits of the legal alien, and it represents outright bars to legal aliens, from political refugees and asylees, as well as those who came in with a sponsor. It substantially increases the shift of responsibility to local governments.

Mr. President, we have already dealt with this issue. We should let the immigration conference come to closure and not impose a new set of unexamined, duplicative, and I consider inappropriate policies. It should now be rejected.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. DOMENICI. I yield the time we have to Senator SIMPSON.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. SIMPSON. Mr. President, this will cost $16 billion. Our Nation's immigration law is very clear on one point. No one may immigrate to the United States of America if he or she is likely at any time to become a public charge. And the American public expects the newcomers will work and receive any needed support from the relatives who brought them here. Period. That is the law.

There is considerable evidence that this promise of self-sufficiency is not being honored. That is why in the other bill we enforce the affidavit of sponsorship. The welfare reform bill contains provisions which ensure that immigrants are self-sufficient. The bill shifts the welfare costs from the American taxpayers onto those who sponsor their immigrant relatives to the country. The immigration bill is in conference. It is not in peril. We have resolved 150 items of the Senate issues, 120 House issues. We have three significant issues yet to be resolved. But these provisions on immigrant welfare are important. We cannot afford to have these reforms delayed, and the Graham amendment would do just that. The simple premise: Sponsor brings the immigrant, sponsor promises to pay, sponsor pays before the taxpayer pays.

Mr. GRASSLEY. Mr. President, since 1882 Federal law has provided that probability of becoming a public charge is ground for immigrants' exclusion from the United States. Additionally, becoming a public charge which a noncitizen is currently a deportable offense.

According to the Census Bureau, there were 23 million foreign-born persons in the United States in 1994, representing 9 percent of the population. That is the highest level in the last 50 years.

Aliens over 65 are 5 times more likely to be on SSI than citizens over 65, making the program a retirement plan for elderly noncitizens. SSI applications by noncitizens grew 370 percent from 1982 to 1992 versus 39 percent for citizens.

Without reform, over 2 million noncitizens will continue collecting guaranteed cash welfare, health care, and food benefits, costing taxpayers more than $20 billion over 6 years.

In this legislation, sponsors, not taxpayers, are held responsible for supporting noncitizens because sponsor agreements are made legally binding documents. Deeming is expanded to apply to most Federal programs. Both deeming and sponsorship continue until the alien becomes a citizen, unless the noncitizen has worked for at least 10 years.

Most nonncitizens who arrive after the date of enactment would not be eligible for most Federal welfare benefits during their first 5 years in the United States.

Refugees and veterans and their families and emergency medical services are excepted.

Mr. McCAIN. Mr. President, most immigrants are hard working, and committed to self-sufficiency. Unfortunately, others have become dependent on a variety of Government benefits. The Personal Responsibility, Work Opportunity, and Medicaid Restructuring Act of 1996 addresses this issue by limiting the eligibility of qualified aliens for certain Federal benefits, including SSI and food stamps. In addition, the legislation grants State authority to limit the eligibility of qualified aliens to certain State public benefits.

My colleagues, Senator GRAHAM, has offered an amendment which would remove these provisions from the bill. While I cannot support this amendment because it undermines the principle that individuals who immigrate to this Nation should be self-sufficient, I believe that the amendment is important because it draws attention to the plight of those hard-working immigrants who may need assistance as a result of events which are beyond their control. Therefore, I strongly recommend that the conference committee consider the needs of those immigrants who are committed to self-sufficiency but who are in need through no fault of their own.

Mr. DOMENICI. Mr. President, this will cost the taxpayers $16 billion.

I move to table the amendment.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to table amendment No. 4921.

The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Colorado [Mr. CAMPBELL] and the Senator from Wyoming [Mr. THOMAS] are necessarily absent.

Mr. FORD. I announce that the Senator from Georgia [Mr. NUNN] and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The result was announced—yeas 62, nays 34, as follows:

[Rollcall Vote No. 211 Leg.]

YEAS—62

Abraham
Ashcroft
Baucus
Bennett
Bond
Brown
Burns
Byrd
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
DeWine
Domenici
Dorgan
Exon
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Jeffords
Kassebaum
Kempthorne
Kyl
Leahy
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Murkowski
Nickles
Pressler
Robb
Rockefeller
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thompson
Thurmond
Warner

NAYS—34

Akaka
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Chafee
Daschle
Dodd
Feingold
Feinstein
Ford
Glenn
Graham
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Levin
Lieberman
Moseley-Braun
Moynihan
Murray
Pell
Reid
Sarbanes
Simon
Wellstone
Wyden

NOT VOTING—4

Campbell
Nunn
Pryor
Thomas

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, I ask unanimous consent to proceed for 60 seconds as in morning business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

RATIFICATION OF THE INTERNATIONAL RUBBER AGREEMENT

Mr. BROWN. Mr. President, as a Member of the Senate, I have seldom used the opportunity to put holds on bills. It has been a very rare occasion, but I have in the past few weeks put a hold on the ratification of the International Rubber Agreement. It is an outrage to consumers and an outrage to free enterprise.

It is not my practice to have this issue decided by a hold, and I recognize the need for the Senate to have an opportunity for all Members to go on record on that issue. My intention is to try to get comments from the Attorney General with regard to its antitrust implications, and once those comments are back, to allow it to come to the floor for a full vote. If, indeed, the Attorney General does not respond to our inquiries, I will withdraw the hold in any case in early September so that the Senate can work its will on that issue.

PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

The Senate continued with the consideration of the bill.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Thank you very much, Mr. President.

Pursuant to the order, we have not decided how long we will be here, but I think it will work out because of Senators agreeing to take their amendments up today. We will not be here late. Here is what I know to this point. I say to the Senator, we are going to try to go back and forth. Senator D'AMATO's amendment has been agreed to as being the next in order. I ask Senator D'AMATO if he will agree to a time limit?

Mr. D'AMATO. Fifteen minutes, twenty minutes.

Mr. DOMENICI. How about 15 minutes on a side for Senator D'AMATO?

Mr. EXON. I have no instructions on this side.

We will agree to the 15 minutes.

Mr. DOMENICI. Thirty minutes equally divided on Senator D'AMATO's amendment. Senator FEINSTEIN has an immigration amendment. Let me make a unanimous consent request on her behalf. Senator FEINSTEIN had an amendment called "work requirement" on our previous consolidated finite list of amendments. She has asked if she could substitute, for that work requirement, an immigration amendment that has to do with prospective application of the alien law in this bill.

So I ask unanimous consent that it be in order that she substitute that measure for the one that she had previously listed as reserved. That means she will not take up the previously reserved one. It will be gone.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Would the Senator agree to a half-hour equally divided?

Mr. EXON. I talked to Senator FEINSTEIN about this. She wants to reserve the full 1 hour. Hopefully, we can cut that down, but she has others who want to speak. So at least we have agreed to have a half-hour equally divided on D'Amato. We would have to insist on 2 hours equally divided. Maybe that can be cut down on the Feinstein-Boxer amendment.

Mr. DOMENICI. Well, then, just a moment. Does the Senator have an early departure time?

Mrs. FEINSTEIN. The cosponsor of the amendment, Senator BOXER, does.

Mr. DOMENICI. I say to the Senator, we have a number of Senators who would like to go in a short period of time and not take very long. I am wondering if we might try to get a couple of those in at 30 minutes, and then come back to the Senator for the full time.

Mrs. BOXER. Will the Senator yield? I say to my senior Senator, I think we should agree to an hour equally divided. I only need 10 minutes, giving the Senator 20 minutes. I think that Senator DOMENICI has been very gracious to us. I am willing to cut mine back even further to 5 or 6 minutes, if you needed more time than that.

Mrs. FEINSTEIN. Mr. President, if I might address the Chairman, I will do my level best and will agree to the half hour, with the proviso that if there is something I need to respond to, I have an opportunity to do so.

Mr. DOMENICI. We will see if we can do it that way.

Mr. President, an hour equally divided on the Feinstein amendment.

Senator CHAFEE, you are next. How much would you desire?

Mr. CHAFEE. Half hour equally divided.

Mr. DOMENICI. Any objection to a half hour equally divided?

Mr. EXON. No objection here.

Mr. DOMENICI. Following that is a food stamp block grant amendment by Senator CONRAD.

Mr. EXON. We have no instructions on that at the present time. I told him he would be later. I cannot agree to that at this time. We will check with Senator CONRAD in a few moments and let you know.

Mr. DOMENICI. I will move ahead. I have one on behalf of Senator GRAMM. It will take exactly 1 minute on my side. Could you agree to a limited time on that amendment?

Mr. LEAHY. Mr. President, I heard some reference to the Conrad amendment, which I want to speak about for 2 minutes at some point. I will do it at any time.

Mr. EXON. I think we can agree to a shortened time on Gramm, but I will check on that.

Mr. DOMENICI. I think we will waste more time this way than if we just proceed. Let me stop with the Chafee amendment as a request on time limits, and just indicate the order, thereafter, without time agreements.

Mr. EXON. Right.

Mr. DOMENICI. Following Chafee, we agreed that Senator CONRAD's amendment would be the next order of business on food stamps. Following that would be a Gramm amendment—I am supposed to offer that—on drugs. If I am not here, Senator SANTORUM will do that. Following that will be Graham-Bumpers on funding formula. That would be the sixth amendment, if they are looking at when they would come up today. Following that is a Democratic amendment.

Mr. EXON. We do not have anything after Graham-Bumpers at this juncture. It does not mean we may not have more, but we cannot make agreement on something we do not have on the list.

Mr. DOMENICI. After the Graham-Bumpers funding formula, we would put in the order, Helms on food stamps, to be followed by a Democratic amendment, if they come up with one, to be followed by a Shelby amendment, to be followed by a Democratic amendment, if they come up with one, to be followed by an Ashcroft amendment. That is all we have on our side.

I ask that be the order for this afternoon.

Mr. EXON. Have you placed Shelby above Pressler in your list?

Mr. DOMENICI. We are working to clear Pressler.

Mr. EXON. OK. Is it proper to say Pressler, then Shelby?

Mr. DOMENICI. Correct. Then you have one and we have Ashcroft.

If there are no Democratic amendments, the Republican amendments will be taken in that order.

Mr. EXON. I will get back with you on Senators GRAHAM and CONRAD.

The PRESIDING OFFICER. The Chair considers that a proposed order, and there is no unanimous consent request propounded yet.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order announced as agreed upon be the order of business for the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I thank the Chair.

AMENDMENT NO. 4927

(Purpose: To require welfare recipients to participate in gainful community service)

Mr. D'AMATO. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New York [Mr. D'AMATO], for himself, Mr. LEVIN, Mr. SANTORUM, Mr. GRAMM, Mrs. HUTCHISON, Mr. PRESSLER, Mr. FAIRCLOTH, Mr. CRAIG, Mr. STEVENS, Mr. BURNS, Mr. SMITH, Mr. COVERDELL, Mr. GRASSLEY, Mr. ASHCROFT, Mr. BROWN, Mr. THOMPSON, Mr. MCCONNELL, Mr. BOND, Mr. GRAMS, Mr. SHELBY, Mr. JEFFORDS, Mr. MACK, Mr. MURKOWSKI, Mr. BENNETT, Mr. LOTT, and Mr. NICKLES, proposes an amendment numbered 4927.

Mr. D'AMATO. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Section 402(a)(1)(B) of the Social Security Act, as added by section 2103(a)(1), is amended by adding at the end the following:

"(iii) Not later than one year after the date of enactment of this Act, unless the State opts out of this provision by notifying the Secretary, a State shall, consistent with the exception provided in section 407(e)(2), require a parent or caretaker receiving assistance under the program who, after receiving such assistance for two months is not exempt from work requirements and is not engaged in work, as determined under section 407(c), to participate in community service employment, with minimum hours per week and tasks to be determined by the State."

Mr. D'AMATO. Mr. President, I offer this amendment on behalf of myself and 24 other colleagues, 24 Senators, who join with me in saying we should really end welfare as we know it. That is something that President Clinton has spoken about and has been a concern of the American people, a bona fide concern. It is a concern of even welfare recipients themselves, who tell us time and time again in a unifying voice, "Reform this system, change this system; the system entraps us; it does not give us hope; it does not give us opportunities."

What this amendment does, it goes right to the core of one of the great problems. That is, seeing to it that able-bodied recipients who have, in some cases, become trapped in the welfare syndrome be given an opportunity for work experience, to become self-sustaining, so they can feel part of this great country, that they can experience pride in work, so that even those, Mr. President, who do not have a job, under this amendment will have the opportunity to participate and to feel they are earning their way in their community.

What this amendment does, it says a State can require able-bodied recipients to take community service in lieu of a job, where there is no job, where they are not involved in a job-training program. Why should we have to wait 2 years, have a recipient on welfare for 2 years, before we say to them, "You should report to a community service project, work at a hospital, work in the park, work helping to clean the highways"? We are talking about able-bodied recipients.

Let me make clear this in no way will impinge upon that single parent who is the custodian of a child. Understand that. Indeed, there is a specific exemption which indicates that if there is a custodial parent caring for a child under the age of 11, that adult can demonstrate an inability to obtain needed child care, then they are relieved of this burden.

Let me also point out that many, many middle-class Americans, working middle-class families, have single-parent moms who are working. They begin to see, by the way, "Am I a second-class citizen? I go to work. I support one, two, three children." We have millions of Americans today, moms and dads, who leave the house every day, they have children. They go to work.

What we are saying here is really very, very modest. We are saying, "Look, you are on welfare. You are receiving benefits. At the end of 2 months, you take community service. You can participate." If there is no job available in the private sector, let that person help his or her community. Everybody gains self-respect, dignity. I am tired of hearing we want to change the welfare system as we know it and then not do much about it.

Yesterday I spoke about a great American who had more empathy for poor people, immigrants, for people who needed help and opportunity and training, and who did more in establishing hope and opportunities. I speak to my parents, and my dad tells me during the Depression days, what the WPA, the Works Progress Administration, what it meant and how it gave people an opportunity for dignity. Young people had a job and could report to work and help build the highways and schools, et cetera. It was a form of community service. It really was. It gave people that self-fulfillment.

When Franklin Delano Roosevelt, one of the great architects of trying to give people the ability to lift themselves out of poverty, certainly a figure that working poor people looked to for hope during the most terrible times, when he gave us an admonition and warned of the evils of entrapping people in a welfare system, his words should take on meaning. Forget about someone running for office today, a Democrat or Republican, someone in the Congress or someone who wants to get here. Look at someone who said, "If people stay on welfare for a prolonged period of time, it administers a narcotic to their spirit." That is President Roosevelt. "If people stay on welfare for a prolonged period of time," he said, "it administers a narcotic to their spirit."

He went on to say that "this dependence on welfare"—listen to this—"this dependence on welfare undermines their humanity, makes them wards of the State, and takes away their chance at America." How prophetic. How prophetic, because here we are 50 years later, and what have we seen? We have seen the decline of the human spirit—the decline of it. Now we have a system where people figure out how they can beat the system, bring people here, put them on the welfare rolls, and how they feel good about beating the system. By the way, if a State does not want to do this, it can opt out. By gosh, it is about time we said, hey, after 2 months on welfare, if you are able-bodied and if you do not have a job, you are not in job training, you report for community service. If you do not want to do that, you are off the rolls. If you do not want to help yourself and be part of this process of earning one's way and contributing either to your benefit or to the benefit of a community that is helping you because you do not have a job, why, then, that community has no longer a responsibility and obligation. Indeed, we are doing something that President Roosevelt warned us about. We are entrapping those people; we are destroying their dignity, destroying the human spirit, destroying their opportunity of understanding the greatness of a free capital system where people work and are rewarded on the basis of their ability.

This amendment was adopted unanimously last year. It was offered by Senator Dole. I proudly offer it on behalf of Senator Dole again, in the spirit of overcoming adversity and giving people hope and opportunity and ending that dependency that acts as a narcotic and seduces the best in people. That is what it has done for far too long.

So I hope that we can pass this unanimously. Again, I say Senator Dole offered this last year. I am proud to offer it on behalf of my 24 colleagues. I daresay that this should pass unanimously this time. I yield the floor.

Mr. DOMENICI. Mr. President, I ask unanimous consent to be added as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, yesterday, I was on the floor when the Senator gave his speech with reference to the whole problem of welfare. I commend him for it. Today, I commend him for his remarks and for the amendment he has offered. I believe there is a great deal of concern out there about whether there will be enough private sector jobs. I think what we are saying is, you know, it is not just the private sector job we are looking for, we are looking for a change in the behavioral pattern of people on welfare.

This is a very good test. If, after a couple of months on welfare, the State finds or the locality finds community service-type jobs, the point of it is that you have to get up, go to work, sign in, do what you are supposed to do, which is part of getting you ready, it seems to me, if you have had less of an opportunistic life and have not had a chance. I see it as part of the new weave that may very well yield a different kind of tapestry in terms of a life for people who are on welfare. I hope it passes and is retained in conference.

Mr. D'AMATO. Mr. President, I yield back any remaining time on my amendment.

Mr. EXON. We yield back our time.

Mr. D'AMATO. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER (Mr. GORTON). Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The vote on the D'Amato amendment will occur on Tuesday, with 1 minute for debate before the vote.

AMENDMENT NO. 4928

(Purpose: To increase the number of adults and to extend the period of time in which educational training activities may be counted as work)

Mr. EXON. Mr. President, this has been cleared with the chairman of the committee.

Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. SIMON, for himself, Mrs. MURRAY, Mr. KERREY, Mr. SPECTER, and Mr. JEFFORDS, proposes an amendment numbered 4928.

Mr. EXON. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 233, strike line 15, and all that follows through line 13 on page 235, and insert the following:

"(4) LIMITATION ON EDUCATION ACTIVITIES COUNTED AS WORK.—For purposes of determining monthly participation rates under paragraphs (1)(B)(i) and (2)(B)(i) of subsection (b), not more than 30 percent of adults in all families and in 2-parent families determined to be engaged in work in the State for a month may meet the work activity requirement through participation in vocational educational training.

"(5) SINGLE PARENT WITH CHILD UNDER AGE 6 DEEMED TO BE MEETING WORK PARTICIPATION REQUIREMENTS IF PARENT IS ENGAGED IN WORK FOR 20 HOURS PER WEEK.—For purposes of determining monthly participation rates under subsection (b)(1)(B)(i), a recipient in a 1-parent family who is the parent of a child who has not attained 6 years of age is deemed to be engaged in work for a month if the recipient is engaged in work for an average of at least 20 hours per week during the month.

"(6) TEEN HEAD OF HOUSEHOLD WHO MAINTAINS SATISFACTORY SCHOOL ATTENDANCE DEEMED TO BE MEETING WORK PARTICIPATION REQUIREMENTS.—For purposes of determining monthly participation rates under subsection (b)(1)(B)(i), a recipient who is a single head of household and has not attained 20 years of age is deemed to be engaged in work for a month in a fiscal year if the recipient—

"(A) maintains satisfactory attendance at secondary school or the equivalent during the month; or

"(B) participates in education directly related to employment for at least the minimum average number of hours per week specified in the table set forth in paragraph (1).

"(d) WORK ACTIVITIES DEFINED.—As used in this section, the term 'work activities' means—

"(1) unsubsidized employment;

"(2) subsidized private sector employment;

"(3) subsidized public sector employment;

"(4) work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available;

"(5) on-the-job training;

"(6) job search and job readiness assistance;

"(7) community service programs;

"(8) educational training (not to exceed 24 months with respect to any individual;

Mr. EXON. Mr. President, I yield the floor.

Mrs. FEINSTEIN. Mr. President, I would like to thank the chairman of the committee for the opportunity to offer this amendment. This amendment is on behalf of Senators BOXER, GRAHAM, and myself.

AMENDMENT NO. 4929

(Purpose: This amendment provides that the ban on SSI apply to those entering the country on or after the enactment of this bill and exists until citizenship)

Mr. FEINSTEIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from California [Mrs. FEINSTEIN], for herself, Mrs. BOXER, and Mr. GRAHAM, proposes an amendment numbered 4929.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mrs. FEINSTEIN. Mr. President, Senator GRAHAM offered an amendment which deals with the receiving of benefits by people who are newcomers to this country but here in a legal status as legal aliens. This amendment relates to that amendment. It provides that the ban on public benefits for newcomers to this country become effective September 1 of this year and last until they become citizens of this country, which can take place in 5 years. In essence, what we would do is take the provision of the bill which effectively prevents and throws off of any benefit program people in this country legally and we would make that prospective.

I do this as a Californian. This bill and this amendment has an enormous impact on California, and I want to say why.

Presently, in California, are 52.4 percent of all of the legal immigrants in the country on SSI. Fifty-two percent of all the legal immigrants in the country on SSI, aged, blind and disabled, are in the State of California.

This bill is where a good deal of the savings are gathered, whether the savings are $16 or $18 billion, clearly, 52 percent of those savings comes from California. I am here with my colleague, Senator BOXER, to tell you that 1 million people—bigger than the population of many States—on the date this bill becomes effective will be thrown OFF of AFDC, will be thrown off of SSI immediately. This includes in my city, San Francisco, very elderly and very senior Russian immigrants.

I remember watching a woman walk down Grant Avenue, she happened to be Chinese. She was so hunched over, she could barely walk. She is on SSI. She is a legal immigrant to this country. She would be summarily thrown off of SSI.

I happen to agree with something Albert Schweitzer once said: How you treat the least among us is a test of our civilization. Yet, I understand the need to make the changes. The costs have become so great and people are hesitant to pay these costs through their taxes. Therefore, what do you do?

Do you throw people off into the streets without no source of support, or do you send a message to the world and say: henceforth, when you come to this country as a newcomer, know that for the time you are not a citizen, you will not be able receive any of these benefits; know that before you come; know that your children will not be eligible for AFDC; the grandmothers will not be eligible for SSI or health benefits—know that before you come, the term on which you are coming to this country.

I think that is a fair judgment to make, to send that message. But, I think it is an unfair judgment, and possibly a very difficult judgment. It is easy to come up to this Chamber and come up to the desk and cast that aye vote. It is not going to be so easy when you see that crippled woman, whether she be Hispanic, or whether she be Chinese, Russian, African, or any other newcomer, white too, unable to survive, unable to participate in a program like Self-help for the Elderly or Unlock in My City, which deals with Chinese elderly newcomers to a great extent. I think that is a real dilemma in this bill.

Let me talk about what it does in California. It is estimated by the State and by the Department of Health and Human Services that the loss for California is anywhere from $7 billion over the period of this bill to $9 billion. The 20 highest-loss metropolitan areas are: No. 1, Los Angeles and Long Beach; then San Jose, Stockton, Anaheim, Santa Ana, Fresno, Modesto, San Francisco, San Diego, Sacramento, Oxnard, Ventura, Santa Barbara, and Lompoc. Those are the areas that are impacted with the largest numbers.

LOS ANGELES COUNTY

This measure is an unfunded mandate, essentially, on Los Angeles County. Its numbers and costs are a huge transfer of funds. Los Angeles County does not have the right to say "OK, we have canceled SSI and your AFDC, so go home." People will still be there. If they can't walk down the street, if they are senile, if they are blind, if they are totally disabled, they will have no recourse but to fund them.

Let's take a look at how many people are involved in Los Angeles County, and what this transfer of cost is in the largest county in the United States.

This will immediately, in this county alone throw off of SSI 93,000 people who are aged, who are blind and who are disabled. The transfer to the county is $236 million this year and every year. It will throw off of AFDC 190,313 families. On the Medicaid provisions alone, the cost to the county is $100 million. So, the cost to Los Angeles County per year in just basic, preliminary estimates in terms of what would end up being a transfer is $336 million a year. I am told from some this could create a situation of bankruptcy for the county.

Is this really what we want to do? Some say welfare reform is a battle for the soul. Some say it is a battle for the heart. I really think it is a battle for the future. I understand the need to save costs, but I also understand that truly how we treat the least among us is the ultimate test of this Nation.

I would submit to you that, yes, if this amendment passes, we will reduce the savings of the bill. I would also submit to you that unless we do this, in the largest State in the Union, in 2 or 3 years, we are going to see an absolute picture of devastation.

Forty percent of the Federal funding losses over the 6 years come from California. The bill, the way it stands, is estimated to cost $7 billion to $9 billion, nearly a million people are effected in the State of California, and in Los Angeles County alone, the estimate is 400,000 to 500,000 people impacted unless this amendment passes.

My statement to this body is, in essence, "you could establish your principle, your public policy, which is, after all, what this body is all about, without actually harming and hurting people now who are deserving, whose total ability to live and exist in this country depends on their ability to receive SSI, or their ability to receive AFDC, or their ability to receive the medical care that they are covered to get under the law today. In essence, we change the law midstream on the most vulnerable people and are in this country legally.

I have a real problem with that. I would think anybody looking at this bill would have a real problem with that, at least I would hope they would. Come to Chinatown in San Francisco, for example, and stand on a corner for an hour and watch the elderly go by. Take 52 percent of all of them that you see and know that they are SSI, and know that tomorrow or September 1, they won't be. That is what this bill does. It has a very profound implication for California.

That is why Senator BOXER and I stand here today, and why Senator GRAHAM has tried to move the amendment he did and now supports our amendment. I would submit to you that the big States, the growth States, are going to have the biggest impact.

I would submit to you that they will be: California, on a tier all by itself; certainly Florida; certainly Texas; certainly New York; certainly Illinois; and certainly to an extent New Jersey. These are the big States that will be affected by this bill.

I know the votes are here to defeat the amendment.

The ultimate test of a civilization is how we treat the least among us. It is one thing to change the rules ahead, so everybody knows what rules we as a country play by, and both Senator BOXER and I are willing to do that. It is another thing to say, when you have no other means of subsistence, "we are going to change the rules on you today."

I yield 10 minutes of my time to Senator BOXER.

The PRESIDING OFFICER. The Senator from California, Mrs. BOXER.

Mrs. BOXER. I thank the Chair.

I thank the senior Senator from California [Mrs. FEINSTEIN] for her work and the staff work on this excellent amendment. Both Senators from California have been, shall we say, very upset about the impact of this bill on our great, wonderful, and beautiful State. We have been talking for several days about what approach we can take to keep with the principle of welfare reform but to make sure we do not change these rules in the middle of the game so that innocent children, innocent families, even refugees who come here without a sponsor but to escape persecution, are not thrown out on the street.

I was discussing this with a friend of mine who said, "Well, they will be taken care of. Someone is going to take care of them." I said that I used to be a county supervisor, and I know that we have the general assistance program, and we are required to take care of those who are completely destitute. Where are the counties going to get the funds to do this? This friend of mine said, "Well, maybe they will just change the law, and they won't have to do it anymore."

My friends, we need welfare reform. The system does not work. It is broken. The senior Senator and I want to fix it. We want to put work first. We also want to make sure that the most vulnerable, as she has stated, are protected. It is perhaps easy to sit in this beautiful Chamber, in all the luxury of this beautiful Chamber, far away from the problem, and vote to say we are cutting off legal immigrants. It is easy to say it. I understand that. It is politically popular to say it.

I remind my friends that we are talking about people who are here legally, who waited their turn to come here. We are talking about refugees, people who sought asylum. And we are changing the rules. This bill will harm them even if they are blind, even if they are helpless, even if they are children. I think what Senator FEINSTEIN has crafted in her amendment goes a long way to resolving this issue. The amendment would say to those who are here legally, you came knowing the rules and we will keep you under those rules. However, let the word go out across the world that times are changing. America is changing the rules, and if you come here after September of this year, you will no longer have those same benefits. The senior Senator from California and I believe this is eminently fair. It does no damage to the thrust of the underlying bill.

As Senator FEINSTEIN has pointed out, our State of California is going to get hit with a tremendous unfunded mandate. With well over $50 billion of savings in this bill, we know that over a third of those savings come from legal immigrant cutbacks—40 percent of which will come from our great State of California. That simply is not fair. We are talking about a loss of $7 to $9 billion to California alone.

This is an Earth-shattering bill we are considering. This is a bill that will bring much needed change to the welfare system. It is putting work first. It is changing in many ways the social contract in this country. It is putting responsibility on the shoulders of many people in this country.

I think it is a very important bill, and I very much want to support it, but I have to say, how can we be proud to vote for a bill that would take a blind, elderly woman with no other means of support and throw her out on the street? How can we be proud of a bill that takes children and puts them out on the street?

Today, there are an estimated 4 million legal immigrant children in this country. Some of them will be harmed if the Feinstein-Boxer amendment is not adopted. Out of those 4 million legal immigrant children, about 1.5 million live in the State of California. How can we stand here and say that we care about children and yet in the same breath vote for a bill that could cause harm to scores of legal immigrant children? It is hard for me to comprehend that.

Senator FEINSTEIN and I have heard from our counties and cities all over the State. She has listed for you in descending order the cities and counties that would be affected the most. I had an opportunity to speak with one of Los Angeles' County supervisors, Zev Yeroslavsky. He provided me with information which shows what would happen to Los Angeles. This bill could be cataclysmic for that city. Again, it is easy to say let the counties worry about it. But I thought this body decided we would not put unfunded mandates on local governments. And yet that is what we are doing.

I have to say this. Last night, the Senator from Florida and the Senator from Pennsylvania [Mr. SANTORUM], got into a debate about just what happens to legal immigrants in this country. The Senator from Pennsylvania made an eloquent statement that this bill does not adversely impact refugees. He said we are true to the American principle of give us your tired and your poor. If you escape from your country and you come here, we take you in. I was very moved by that eloquence, and then learned, as Senator GRAHAM pointed out, in a copy of the most recent bill, refugees would also be cut off 5 years after they entered.

The Feinstein amendment would say we are going to make these changes, but we are going to make them prospectively, from September of this year forward.

I cannot imagine that we would knowingly hurt the most vulnerable in our society—who are here legally—by immediately changing the rules. By immediately telling the aged, blind, and disabled, with the most severely disabling diseases and conditions, that they are thrown out. And to tell the counties that this is your problem.

I just remember those days when I was a county supervisor, and a little child came before me with her family and looked into my eyes and the eyes of my colleagues. We, two Democrats and three Republicans on that board, would never turn people away.

That would be a violation of every ethic—be it religious, moral, ethical, or governmental. Yet, without the Feinstein-Boxer amendment, which is also supported by Senator GRAHAM, that is exactly what we will do. We will force an unfunded mandate on the local governments. We will hurt the most vulnerable in our society. We are changing the rules in the middle of the game.

If we support this amendment, which I think is a fine amendment, it does no harm at all to the premise of this bill. It just means that we phase-in some of the more restrictive aspects of this bill.

I urge my colleagues—indeed, I implore my colleagues—think about what you are doing. Because if this goes forward and we see the most vulnerable people on the streets of our cities and our counties and we see our counties without the means to handle it, we will be very sorry, indeed, that we went forward. The Feinstein-Boxer-Graham amendment gives us the opportunity to phase-in all of this.

Again, I thank my colleague. I urge support for the amendment, and I yield back the time to my colleague.

The PRESIDING OFFICER. The senior Senator from California.

Mrs. FEINSTEIN. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The senior Senator from California has 7 minutes exactly.

Mrs. FEINSTEIN. Just one thought for this body. Take the most conservative cost for California, $7 billion; 7-year bill, $1 billion a year, most of it coming from Los Angeles County, let us say $500 million a year. California is a proposition 13 State. This all has to come from general assistance. General assistance is locally funded. Los Angeles cannot raise its property tax rate under proposition 13.

How does the county fund it? The county cannot fund it. This will force, if the county is to fund it—this will force the reduction of other county programs. It could be the sheriff, it could be the jail. There is no way around it. The dollars are too big.

The distinguished chairman of the committee indicated that the savings, by taking all legal immigrants off of all benefits, is $18 billion. What we are telling you is we know 52 percent of this comes from California. Therefore, if California is a prop 13 State and it presses the local jurisdictions and they are funded by property taxes and they cannot raise their property taxes and they cannot say "legal immigrants, leave the country and go home," it is a real catch-22 for the local government.

If I might, just quickly, ask unanimous consent to have printed in the RECORD a letter dated July 17 from the Democratic floor leader of the California Assembly and President pro tempore of the California Senate; and a memorandum from the California State Association of Counties.

There being no objection, the material was ordered to be printed in the RECORD as follows:

CALIFORNIA LEGISLATURE,
STATE CAPITOL,
Sacramento, CA, July 17, 1996.

Hon. DIANNE FEINSTEIN,
U.S. Senator, Hart Senate Office Building, Washington, DC.

DEAR SENATOR FEINSTEIN: We write to convey major concerns raised by the most recent proposed welfare reform legislation currently being considered by Congress.

SERVICES FOR AGED AND DISABLED LEGAL IMMIGRANTS

Denying federal benefits to *legal* immigrants disproportionately harms California communities. Over 230,000 non-citizen legal immigrants currently receive SSI in California, excluding refugees. This aid is provided to the aged, blind and disabled, who could not support themselves by going to work if their SSI benefits ended. Under HR 3507, SSI and Food Stamps would be denied to noncitizens already legally residing in California as well as to new legal entrants unlike the immigration reform legislation currently under consideration in Congress, which permits continued benefits for existing legal residents.

The proposed bar on SSI and Food Stamps for all legal immigrants, and the denial of other federal means-tested programs to new legal entrants for their first five years in the country would have a devastating effect on California's counties, which are obligated to be the providers of last resort. It is estimated that these proposed changes would result in costs of $9 billion to California's counties over a seven-year period. At a minimum, the very elderly, those too disabled to become citizens and those who become disabled after they arrive in this country should be exempted from the prohibition on SSI—if for no other reason than to lessen to counties the indefensible cost of shifting care from the federal government to local taxpayers for a needy population admitted under U.S. immigration laws.

PROTECTION FOR CHILDREN

While we agree that welfare dependence should not be encouraged as a way of life, it is essential in setting time limits on aid that adequate protections be provided for children once parents hit these time limits. Some provision must be made for vouchers or some other mechanism by which the essential survival needs of children such as food can be met. The Administration has suggested this sort of approach as a means of ensuring adequate protection for children whose parents hit time limits on aid.

California's child poverty rate was 27 percent for 1992 through 1994, substantially above the national rate of 21 percent. HR 4, which was vetoed by the President, would have caused an additional 1.5 million children to become poor. Though estimates have not been produced for HR 3507, it is likely that it also would result in a significant additional number of children falling below the poverty level.

ADEQUATE FUNDING FOR CHILD CARE

Funds provided for child care are essential to meet the needs of parents entering the work force while on aid and leaving aid as their earnings increase. For California to meet required participation rates, about 400,000 parents would have to enter the work force and an additional 100,000 would have to increase their hours of work. Even if only 15 percent of these parents need a paid, formal child care arrangement, California will need nearly $300 million per year in new child care funds.

Thank you for your consideration of these concerns. If your staff have any questions about these issues, they can contact Tim Gage, at (916) 324-0341.

Sincerely,

BILL LOCKYER,
President pro tempore, California Senate.
RICHARD KATZ,
Democratic Floor Leader, California Assembly.

CALIFORNIA STATE ASSOCIATION
OF COUNTIES,
Sacramento, CA, July 15, 1996.

To: California Congressional Delegation.
From: Mike Nevin, CSAC President.
Re Welfare reform legislation.

I am writing once again to bring to your attention a very important issue involving the impact of the welfare reform bill on local government. As I understand it, the Congress plans to submit a new welfare reform bill to the President that does not contain Medicaid reform. However, the bill will still contain measures which pose serious and substantial cost shifts to local government including drastic health care costs.

The measures, H.R. 3507 and S. 1795, propose to eliminate SSI and food stamps to legal immigrants including those already legally residing in California. In addition, it would eliminate future immigrants from eligibility for 50 to 80 federal programs for five years and disqualifies those same immigrants from these programs until citizenship. The fiscal effect of these provisions would be to drain $23 billion of federal money nationwide from major welfare programs over seven years. California, which is home to the largest number of noncitizen legal immigrants in the country would lose at least $9 billion over seven years.

Once legal immigrants are no longer eligible for federal social service programs, California's 58 counties will still be responsible for providing social services and medical care to them. A recent study issued by the University of California at Los Angeles indicates that an estimated 830,000 immigrants would converge onto county health programs if changes are made at the federal level to exclude them from health coverage. The counties in California are legally and fiscally responsible under state law to provide a "safety net" to indigent persons in the form of cash aid and health care. Currently, local governments are bursting at the seams from the impact of these programs.

Changes of this magnitude at the federal level could cause many counties to meet the same fate as Orange County did two years ago when it declared bankruptcy. Counties are already struggling financially as year after year they have been forced to absorb reductions in payments because of local, state and federal budget difficulties. We cannot now absorb these costs as well. We strongly urge you to consider your vote on these very important pieces of legislation and the long-range impact they will have on local government once the publicity is over. We would request that you do not support these measures should they contain these faulty policies which would merely shift the cost and responsibility to the counties.

There are additional concerns that we have with the proposal and Margaret Peña of my staff is available to discuss them with you. She can be reached at (916) 327-7523. Thank you for your consideration.

NEW CALIFORNIA COALITION,
San Francisco, CA, July 17, 1996.

To: Kathleen Reich, Office of Senator Feinstein.
From: Tanya Broder.
Re Welfare bills pending before the House and Senate floor—the California impact of the immigrant provisions.

Attached, as you requested are:

1. A letter from the California State Association of Counties on this issue.
2. A one-pager prepared by the National Immigration Law Center on the current welfare bills.
3. A 2-pager on the California impact. I put this together, based largely on materials prepared by NILC. It is being refined—let me know if anything is unclear.

Please do not hesitate to call me at 243-8215, extension 319, if you have any questions or need additional information. Please inform us of the Senator's position on any or all of these issues as soon as you can. Thank you for your interest.

Mrs. FEINSTEIN. Mr. President, how much of my time is remaining?

The PRESIDING OFFICER. The Senator has 4 minutes and 46 seconds.

Mrs. FEINSTEIN. I yield 4 minutes to the distinguished Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, this is certainly an issue of dollars. It is certainly an issue of impact on local institutions required to provide services. But it is also fundamentally an issue of fairness, fairness in many dimensions. Let me just mention two.

One of those is the fact that very few of these local communities requested the circumstance in which they find themselves. Immigrants, legal and illegal, come into this country for a variety of reasons but virtually none of them come in because they receive an invitation from a particular community. It is Federal policy that determines who can come legally. It is Federal willingness to allocate resources that will determine whether we can enforce the immigration laws that we have enacted or will we be faced with floodtides of illegal immigration. Unfortunately, my State, as does California, peculiarly has to deal with this issue. We have had hundreds of thousands of immigrants in all categories, from refugees to parolees to asylees to special categories of entrants, come into our State, as well as those who have come through the normal immigration process. All those decisions are made by those of us who are privileged to be Federal officials.

The consequences of those decisions almost always fall at a local level: At a hospital attempting to cope with overwhelming numbers of persons seeking medical assistance; at an educational institution, a school that is overcrowded because of the large surge of immigrant children—the social institutions. My State was so overwhelmed that we went to Federal court with a request, under litigation, that we be compensated for the expenses the State had paid on behalf of those persons who came to the United States as a result of Federal action.

The U.S. Supreme Court ruled on that case just a few weeks ago. Unfortunately for the State of Florida, the ruling was: You may have a good case. You may have a strong moral basis for your litigation. But it is not a justiciable case before the Federal courts. You have to find your relief through the political processes, not through the judicial processes. That is what we are about today. Fundamental fairness in terms of the Federal Government assuming its appropriate responsibility for the financial cost of the immigration decisions that it has made.

There is a second issue of fairness and that is as it relates to the individual affected. These people who came here under the current immigration law did so under a set of standards and expectations that did not include that they were going to have their benefits peremptorily terminated. If this is a good idea to have in effect today, we should have done it 10 or 20 years ago.

I think it is fundamentally unfair to have these people in the country under the rules that have applied—we are dealing, here, with legal aliens, people who pay the same taxes we do and are subject to the same responsibilities; but now, at the last moment, we are going to say you are not going to get the same benefits. I think that is unfair. The amendment that has been offered by the Senators from California would relieve us from that unfairness. I hope it will be adopted.

The PRESIDING OFFICER. The 4 minutes of the Senator has expired. The Senator from California has 26 seconds remaining.

Mrs. FEINSTEIN. I yield to the other side and request I be allowed to reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, this is a debate that is virtually identical to the debate we engaged in last night at a rather late hour with the Senator from Florida on his amendment. His amendment removes all the provisions dealing with legal immigrants from the bill, for current participants in the welfare system and future participants in the welfare system. What the Feinstein amendment does is simply makes the provisions in the bill prospective but grandfathers in everybody who is in the system. The Graham amendment, to my understanding, was going to reduce the savings in the budget by somewhere from $16 to $18 billion. My understanding is the Feinstein amendment reduces the savings in the reconciliation bill from $10 to $12 billion. It is still a dramatic revenue loss. As was in the case of the Graham bill, in the Feinstein bill there are no offsets. This is just a reduction in savings, going to pay for legal immigrants to continue to receive welfare benefits.

Let me, for the benefit of those who were not up at 11:30 last night listening to this debate, go through how the underlying bill works and, in fact, a little bit of the history of the underlying provisions in this act, the underlying bill. What is in this legislation before us are provisions that were passed in H.R. 4 last year and passed both the House and Senate. They were in the Senate bill that passed the Senate last year 87 to 12. They are in the Democratic substitute, which I believe—I might be wrong—the Members who are debating this amendment and advocating this amendment voted for. The Daschle substitute has this identical provision in the bill, the same provision as the Republican bill.

What the Senators from California and Florida are attempting to do is to remove what has passed the Congress once, what has passed this Senate twice, what has been included in both Democratic and Republican bills.

I suggest this has been a fairly well-tested provision. It is clear the vast majority of the Members of this Senate believe that we have been too generous with legal immigrants coming into this country, and I will explain why they feel that way.

In fact, the Graham amendment today was tabled; in other words, defeated, on a motion of 62 to 34. So this is not, frankly, even a partisan issue, as you see. It has very strong bipartisan support.

Let me explain what the underlying bill does, what the Feinstein amendment is attempting to change. What we do in this bill is recognize that there are various classes of immigrants.

For purposes of simplification, we will talk about three major classes of immigrants. One is what are called refugees. These are people who come to this country who are seeking refuge from political persecution or other kinds of persecution in a foreign country, and they come to our shores seeking help and refuge in the United States.

What we say to those people, as the Senator from California referred to earlier, just like the Statue of Liberty says, we are open and we allow those people in, and we do even more. The Statue of Liberty did not say, "Give us your poor, your hungry," and all the other things it says, "and the Government will feed them." It says, come on in here and have a chance at American life, come on in and have a chance at the opportunity of America. Nowhere that I see on the Statue of Liberty does it say anything about the Government having welfare programs for everybody for as long as they are in this country. I do not think that is on there. I can check, but I am pretty sure it is not on there. What is on there is an opportunity that America presents to the people in this country, and we continue that, certainly.

Second, we, in this bill, provide for welfare benefits for refugees for 5 years. They are eligible for every benefit that a citizen of this country is eligible for.

Now, why 5 years? Because after 5 years, they are eligible for citizenship, and if they apply for citizenship and go through the program to get their citizenship and are successful, they are citizens and are eligible for every right with respect to social services as any other American. So that is why we limit it to 5 years.

Some would say, "What you're doing here is sort of coercing people to become citizens." I think that is, frankly, not true. I do not think most refugees come here because they are looking for welfare benefits. I think most people come here because they are looking for the things that are on the Statue of Liberty; they are looking for the opportunity that is America. In fact, the vast majority of those people do not end up on welfare, for the long term, anyway. So what we do is we say, "Look, we have an expectation in this country that people are not coming here for social services," and all we are doing is patterning a law to reflect that expectation.

What I just described with respect to refugees also applies to asylees. Asylees are people like the two players from the Cuban baseball team last week, or the week before, who were in this country and escaped from their hotel and claimed political asylum and were granted that asylum. Those two players are probably not going to be needing any welfare benefits, given their talent level.

But there are people who do claim asylum here and end up on welfare, and they are treated the same as refugees: 5 years until they are eligible for citizenship, and then the expectation is you can either decide to be a citizen of this country and avail yourselves of all the benefits and responsibilities of citizenship, or you take the option you are not going to be a citizen and no longer be eligible for these programs. That is a decision you make. It is not a decision we are forcing on anybody. You make that decision. I think that is a reasonable time. It is 5 years. It is a very generous offer. So that is the one side of the immigrant calculation.

The other side is what is called "sponsored immigrants." Those are the majority of immigrants who come to this country. They are people who come here under what is called a sponsorship agreement wherein most—I would not say all—but in the vast majority of cases, these are family members under the family reunification provisions of the immigration law. They are mothers and fathers of people who live in this country; they are sisters and brothers or children of the people who live in this country. They come into this country under this sponsorship agreement.

What does the sponsorship agreement say? If you are the sponsor, if you are the citizen of the country who is bringing in your mother, then you sign a piece of paper that says, "I will take responsibility for providing for the needs of the person I want to bring to this country. I will provide for them. My income, my assets will be deemed available to them for purposes of determining whether they are eligible for benefits." That is under current law.

What does the immigrant who comes to this country sign? They sign a piece of paper that says, "I am willing and capable, able to work, and I will not be a public charge." They sign a legal document saying they will not be a public charge. You say, "That should take care of it. That is pretty solid. They are contracts." One would think they are legally binding when they sign them. The fact is, they are not legally binding.

Mrs. BOXER. Will the Senator yield on that point for a question?

Mr. SANTORUM. Yes, I will yield.

Mrs. BOXER. I want to make sure the Senator realizes that Senator FEINSTEIN and I, in this amendment, do not change any of the things my friend is talking about. We do not touch anything in the underlying bill.

All the Senator does, and I back her 100 percent, as does the Senator from Florida, is to say that since we are changing the rules that have been in effect for a long time, let's make them apply to people who are coming as of September of this year rather than change the rules for the folks who are here now. But everything the Senator says, Senator FEINSTEIN's amendment does as much for future immigrants. I want to make sure the Senator was clear on that point.

Mr. SANTORUM. For the Senator to suggest the Feinstein amendment does not touch it is not accurate. You say it does not apply to anybody here, so you would remove all the provisions of this act with respect to people in this country.

Mrs. BOXER. It is prospective. Our amendment makes it prospective, but it says to the folks here, "We are not going to change your rules in the middle of the game." All the things my friend is explaining, none of those are touched by the Feinstein-Boxer amendment.

Mr. SANTORUM. They are not touched prospectively. Again, all these provisions I am explaining do apply and will apply to people who are in this country. So, for example, if you have a sponsored immigrant who is in this country receiving welfare benefits, maybe has been receiving them for 20 years, we suggest after 20 years, if you are not a citizen, if you are here receiving welfare benefits, which in many cases—and I was getting to the point with respect to sponsored immigrants, because what has been happening is that we have seen a chronic trend, and the Senator from New Mexico was on the floor yesterday with a chart that illustrates this, what happens with a lot of the sponsored immigrants—and these people are in this country now—is that son and daughter are bringing over mom and dad, and mom and dad come into this country, they sign these documents, they have signed them already, but they are not legally enforceable, No. 1.

No. 2, the welfare departments in the States do not know what the Immigration and Naturalization Service is doing. They do not talk to each other. There is no communication. So mom comes into the country. She is 70 years old. She goes down to the SSI office, and guess what? She is on SSI. By the way, when she qualifies for SSI, she qualifies for Medicaid. When she qualifies for SSI, she qualifies for food stamps, and she qualifies for a whole variety of other programs, all paid for by the taxpayer.

So what we have become in this country, not prospectively, but now, is a retirement home for millions of people all over the world to come here and have you, the taxpayer, pay for their retirement.

Now, I do not think that is right. What the amendment of the Senator from California says is, "Well, they are here, let them stay, and we'll continue to pay for them." If it is wrong, it is wrong. And whether it is prospective or not, it is wrong.

Mrs. FEINSTEIN. Will the Senator yield for a question?

Mr. SANTORUM. I will be happy to yield.

Mrs. FEINSTEIN. Thank you very much for yielding.

Let me make this point. Under present law, affidavits of support are not legally enforceable. In the immigration bill, that is one of the things that is achieved. It is a binding contract, an affidavit, so that in the future these contracts will be legally enforceable. I support that. I agree with you on this point. But the point that we are trying to make is that at present they are not. Therefore, there has been a kind of a change.

The other point that I want to make to you is that this is not the same as the Daschle bill. This bill is not the same as the Daschle bill on this point.

The Daschle bill has certain exemptions. The disabled are exempted. Refugees are exempted. Battered women and children are exempted. Veterans are exempted. That is a point I really appreciate the opportunity to make.

Mr. SANTORUM. With respect to this list, I know in this bill—and I have not read every page of all of this—my belief is veterans are exempted, also. I say to the Senator from California, having worked on this issue for quite some time, I think you may have a legitimate point with respect to a refugee who is 90 years old who is in this country and has been here for a long time as to whether we want to knock them off this system. I suggest to the Senator that, while I will not be a conferee, I would be sympathetic and would communicate my sympathy with respect to some very difficult, isolated cases for the very old or the severely disabled who may be on these programs today. But yours goes well beyond that.

I mean, I think we can look at the hard cases, but I think what your bill does is basically let people who signed a document—it is true that it is not a legally binding document, but I can guarantee you when they set that in front of them, and it is fairly legal looking, when they signed that—I mean, I do not know about you, but when I sign a document, put my name on something saying I am going to do something, I want to live up to that end of the bargain.

We want them to live up to their end of the bargain. What your bill does is let them off the hook. We do not want to let them off the hook. We want people who come to this country who say they are not going be a public charge and people who bring their relatives into this country who say they are going to take care of them to live up to the deal.

What your bill does is say there is no deal, you do whatever you want, and we will pay the charge. I do not think that is what we want to say in this country. I do not think that is what we want to do.

While I understand what your concern is—and the Senator from California is a thoughtful person, and I find myself in agreement with her many times. I think the point you have made with the impact on California, I cannot argue the fact that the impact on California will be disproportionate with respect to this particular provision.

The fact of immigration has, as you know, its pluses and its minuses. You can make the decision, not me, as to whether it is a plus or a minus in California. But what I say is the Congressional Budget Office has said—and I will read from their report that they sent to the Senator from Delaware with respect to unfunded mandates.

Both Senators from California talked extensively about the impact of unfunded mandates as a result of this legislation. Unfunded mandates was a bill that we passed last year that said that we are tired of the Government, the Federal Government, passing bills, imposing mandates on State and local Governments without coming up with the money for these State and local governments to fulfill the mandate, requiring them to do something but not paying them the money to do it.

According to the Congressional Budget Office, this bill does not have unfunded mandates. I will read the section. "On balance"—obviously in every bill there are pluses and minuses. I accept that:

> On balance, spending by State and local governments on federally mandated activities could be reduced by billions of dollars over the next 5 years as a result of the enactment of this bill.

I, again, have some sympathy for the Senator from California because you have a disproportionate impact with respect to legal immigrants. You may be one of those States that is on the minus side while another State is on the plus side. But on balance, in this country, this is not an unfunded mandate. That is the way I think we have to look at things.

Mrs. FEINSTEIN. Will the Senator yield?

Mr. SANTORUM. I will be happy to.

Mrs. FEINSTEIN. Just on that one point, if I may. I appreciate what the Senator is saying. But when you continue to read the report that you were reading from the Congressional Budget Office, it does say:

> While the new mandates imposed by the bill would result in additional costs to some States, the repeal of existing mandates and the additional flexibility provided are likely to reduce spending by more than the additional costs.

That cannot be true for California. In a way, it is a play with words because the numbers are so big in California in terms of 52 percent of the impact of this section of the bill with SSI falling on California. Fifty-two percent of all of the SSI users are in California. That is who you are talking about. Those are the elderly. Those are the blind. Those are the disabled. By this bill, boom, they are off. That is the issue that both of us are trying to bring respectfully to your attention.

What I do not understand is—and I understand the savings. See, the reason this section of the bill has the large amount of savings that it does is because of California, because $7 to $9 billion of it is California. The minute you transfer it and it goes to the county—because California alone is a proposition 13 State and cannot raise its property tax to accommodate the general assistance added burden—you could force some counties—and LA could be one under this; you just have to know this because the numbers are so huge in Los Angeles. It is a very precipitous situation.

Mr. SANTORUM. I suggest a couple things to the Senator from California. No. 1, this is a policy that I think needs to be changed, and, No. 2, the fact of the matter is that there are a lot of people on these programs who can and should be working, as a result of their coming into this country and signing this document, should be working under the law.

What your bill does is take those people off the hook. You can say, well, there is going to be a tremendous impact to these counties. Yeah, well, that may be true. But I guess the point I am making is, we should stand up for what people sign their names on, which is that they were going to not be a public charge and the people who are going to take care of them—I go back to the sponsorship agreement.

Mrs. BOXER. Will the Senator yield?

Mr. SANTORUM. Let me finish my point. I go back to the sponsorship agreement. What you are ignoring here is, you say, well, it is going to fall on the counties. Under what I described, under the system I described of SSI, for example, who should the burden fall on? Clearly, it should fall on the sponsor—not the county.

Sponsors, when they bring people into this country—there is a certain economic criteria to be able to bring someone in with a sponsor. These people have in fact taken a walk. They have said, well, you know, let the Government pick up this cost. I do not want to pick up mom's cost. I want to buy my other Mercedes. Well, let us not buy another Mercedes. Let us pay for mom.

What you are suggesting is that all these people who have three cars in their garage are going to let mom starve or put them on LA County's welfare rolls, which may not exist as you so eloquently state. I am saying that a lot of these people who sponsor people into this country are going to have to start footing the bill. That is what we are pushing here. You make the assumption that everybody who is on SSI is going to fall on to the county or the State. I do not make that assumption. I make the assumption that people who sign legal documents saying they were going to take care of people are going to now have to belly up. They are going to have to pay the bill.

Mrs. BOXER. Will the Senator yield?

Mr. SANTORUM. Yes.

Mrs. BOXER. We do not disagree with you. I want to make it clear. I want to make it clear. The senior Senator from California and I do not disagree with you. We believe that the sponsors who can, should and must pay for people they sponsor to come to the country.

But I want to make a point to my friend. It is worthy to note that approximately 400,000 legal immigrants receive AFDC in California. Out of those, 62 percent are refugees. They do not have a sponsor. This goes back to your debate with the Senator from Florida last night. We also have a situation where many of those on SSI, who are sponsored, something may have happened to their families or their sponsors in the interim.

So, my friend is talking about a principle that we agree with. But yet in the underlying bill there is no recognition of the fact that a lot of these legal immigrants do not have a sponsor to fall back on. A lot of these elderly do not have a sponsor to fall back on.

I think before we pass this sweeping reform, what Senator FEINSTEIN and my amendment does is say, we are willing to say as of September, even though we have some reservations and we know it is tough and we know it will hurt our State, we are willing to go along with it. But please, we say to you, Senator from Pennsylvania, taking a lead in this bill, consider what we are telling you. Rather than just have an argument, maybe there is some room here where we can work together so when we bring this bill out, we will not hurt a lot of kids and a lot of very sick, elderly, and blind people.

Thank you for your generosity.

Mr. SANTORUM. Reclaiming my time to make a couple of points. All the refugees you talk about have a 5-year exemption from the ineligibility for benefits. Anyone that is in this country is eligible for benefits up to the first 5 years they are in this country.

Mrs. BOXER. They are cut off after 5 years.

Mr. SANTORUM. After the fifth year they are no longer eligible. As the Senator from California knows they are eligible, after a 5-year period, to apply for citizenship. Once they apply for citizenship and are accepted, they would again be eligible if, in fact, they need be.

As the Senator from California knows, the hurdle for getting their citizenship in this country is not extraordinary. So if people are, in fact, in such desperate condition as the Senator suggests, I think the answer would be, in fact, to get these people into citizenship programs. I suggest that is a positive thing.

As we all know, those who are noncitizens who do not know the language or cannot, in many cases, successfully interact into the economic mainstream of our country, obviously have a much more difficult time succeeding. So, in fact, forcing or encouraging citizenship would be a positive thing for many of the people that we are talking about here. I think that has to be looked at.

No. 2, we are talking about a 1-year transition. In some cases we will have people who have exhausted their 5 years who now say wait, I will not be eligible for benefits, and I will be brought in for some sort of redetermination here. It will be basically a year process. I suggest during that year process, if they still are concerned or they still are, in fact, disabled or believe they would not be able to work, they can begin to go through the process during that transition year to get their citizenship. I think we provide plenty of avenues for the truly disabled refugees and asylees to be able to stay on these benefits if, in fact, they are truly disabled. It takes some initiative on their part, but my goodness, should we not expect some initiative on the people's part, to create some link between themselves and this country in order to receive benefits?

I remind the Senators from California, I believe, and I can be corrected, but I believe we are the only country in the world who actually provides welfare benefits for their immigrants as soon as they come into this country. We are, in a sense, already very generous. I am not saying we should not be generous to those who are in need. But, at some point, like we are saying to moms who are having children and are on AFDC, there is a contract here. If we are going to limit moms with children on AFDC to 5 years, I think we have every right to limit refugees in this country who come here for 5 years. What we are saying to the refugees, unlike what we are saying to the moms, you get your citizenship in the fifth year, you can get back on the rolls. We do not let moms back on the rolls.

We are being painted as being cruel and knocking all these people off, when in fact what we are being is somewhat principled. I believe it will actually work to the benefit of the refugees who will seek citizenship, which will make them more likely to be successful in their economic life in America.

I think there are a lot of positive things we can say. This is not, as I am sure will be noted in some publications, any kind of immigrant-bashing—nothing like that. We think people who are sponsored immigrants should live up to their contract, and people who are refugees, and immigrants, and asylees should have a period of time in which we will help them, and then at some point they have to help themselves, just like a lot of other people who are going to be dealing with the welfare system with AFDC.

The PRESIDING OFFICER (Mr. KYL). The Senator from Pennsylvania has a minute and a half remaining, and the Senator from California has 1 minute remaining.

Mr. SANTORUM. I yield back the balance of my time.

Mrs. FEINSTEIN. I say, and I think I speak on behalf of my colleague, Senator BOXER, as well, we are not disputing that the time has come to make some changes. We are not even disputing that perhaps there are some who are on SSI or AFDC that can find other ways of support. What we are disputing is that this language is so ironclad that it throws the baby out with the bath water.

I was mayor of San Francisco for 9 years, a member of the board of supervisors for 9, for a total of 18 years. I know these communities. I can tell you that there are several hundred thousand people who do not have another source of support. In Los Angeles, I know, I have seen it with my own eyes. This bill does not allow for any fine tuning.

I think both Senator BOXER and I would be happy to sit down with the other side and try to work out a process of evaluation whereby you could fine tune this bill so people who truly are blind, who truly can barely walk down a street, who truly have no access to three meals a day can have a source of subsistence in this country.

The PRESIDING OFFICER. All time is expired.

Mr. SANTORUM. Mr. President, pursuant to section 310(d)(2), I raise a point of order against the pending amendment because it reduces outlay savings for the Finance Committee below the level provided in the reconciliation instructions, and the amendment would not make compensating outlay reductions or revenue increases.

Mrs. FEINSTEIN. Pursuant to Section 904 of the Congressional Budget Act of 1974, I move to waive the applicable sections of that act. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous order, the Senator from Rhode Island is recognized.

Mr. CHAFEE. I understand I am recognized for 15 minutes.

AMENDMENT NO. 4931

(Purpose: To maintain current eligibility standards for Medicaid and provide additional State flexibility)

Mr. CHAFEE. Mr. President, yesterday we voted not to reform the Medicaid Program. This is a welfare bill we are on, not a Medicaid bill. We put off any Medicaid reforms, if you would, until another day. Because of the link between welfare eligibility and Medicaid eligibility, this bill will repeal the guarantee—the word I am using is "guarantee"—it will repeal the guarantee of Medicaid coverage for 1.5 million children age 13 through 18, and 4 million mothers.

Mr. President, once again, this is not a Medicaid bill, yet we repeal existing Medicaid guarantees.

Under our amendment, the amendment I am presenting, and I send to the desk now on behalf of myself, Senators BREAUX, COHEN, GRAHAM, JEFFORDS, KERREY of Nebraska, HATFIELD, MURRAY, SNOWE, LIEBERMAN, REID, and ROCKEFELLER.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Rhode Island [Mr. CHAFEE], for himself, Mr. BREAUX, Mr. COHEN, Mr. GRAHAM, Mr. JEFFORDS, Mr. KERREY, Mr. HATFIELD, Mrs. MURRAY, Ms. SNOWE, Mr. LIEBERMAN, Mr. REID, and Mr. ROCKEFELLER, proposes an amendment numbered 4931.

Mr. CHAFEE. I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Beginning with page 256, line 20, strike all through page 259, line 4, and insert the following:

"(12) ASSURING MEDICAID COVERAGE FOR LOW-INCOME FAMILIES.—

"(A) IN GENERAL.—Notwithstanding any other provision of this Act, subject to the succeeding provisions of this paragraph, with respect to a State any reference in title XIX (or other provision of law in relation to the operation of such title) to a provision of this part, or a State plan under this part (or a provision of such a plan), including standards and methodologies for determining income and resources under this part or such plan, shall be considered a reference to such a provision or plan as in effect as of July 1, 1996, with respect to the State.

"(B) CONSTRUCTIONS.—

"(i) In applying section 1925(a)(1), the reference to 'section 402(a)(8)(B)(ii)(II)' is deemed a reference to a corresponding earning disregard rule (if any) established under a State program funded under this part (as in effect on or after October 1, 1996).

"(ii) The provisions of former section 406(h) (as in effect on July 1, 1996) shall apply, in relation to title XIX, with respect to individuals who receive assistance under a State program funded under this part (as in effect on or after October 1, 1996) and are eligible for medical assistance under title XIX or who are described in subparagraph (C)(i) in the same manner as they apply as of July 1, 1996, with respect to individuals who become ineligible for aid to families with dependent children as a result (wholly or partly) of the collection or increased collection of child or spousal support under part D of this title.

"(iii) With respect to the reference in section 1902(a)(5) to a State plan approved under this part, a State may treat such reference as a reference either to a State program funded under this part (as in effect on or after October 1, 1996) or to the State plan under title XIX.

"(C) ELIGIBILITY CRITERIA.—

"(i) IN GENERAL.—For purposes of title XIX, subject to clause (ii), in determining eligibility for medical assistance under such title, an individual shall be treated as receiving aid or assistance under a State plan approved under this part (and shall be treated as meeting the income and resource standards under this part) only if the individual meets—

"(I) the income and resource standards for determining eligibility under such plan; and

"(II) the eligibility requirements of such plan under subsections (a) through (c) of former section 406 and former section 407(a), as in effect as of July 1, 1996. Subject to clause (ii)(II), the income and resource methodologies under such plan as of such date shall be used in the determination of whether any individual meets income and resource standards under such plan.

"(ii) STATE OPTION.—For purposes of applying this paragraph, a State may—

"(I) lower its income standards applicable with respect to this part, but not below the income standards applicable under its State plan under this part on May 1, 1988; and

"(II) use income and resource standards or methodologies that are less restrictive than the standards or methodologies used under the State plan under this part as of July 1, 1996.

"(iii) ADDITIONAL STATE OPTION WITH RESPECT OF TANF RECIPIENTS.—For purposes of applying this paragraph to title XIX, a State may, subject to clause (iv), treat all individual (or reasonable categories of individuals) receiving assistance under the State program funded under this part (as in effect on or after October 1, 1996) as individuals who are receiving aid or assistance under a State plan approved under this part (and thereby eligible for medical assistance under title XIX).

"(IV) TRANSITIONAL COVERAGE.—For purposes of section 1925, an individual who is receiving assistance under the State program funded under this part (as in effect on or after October 1, 1996) and is eligible for medical assistance under title XIX shall be treated as an individual receiving aid or assistance pursuant to a State plan approved under this part (as in effect as of July 1, 1996) (and thereby eligible for continuation of medical assistance under such section 1925).

"(D) WAIVERS.—In the case of a waiver of a provision of this part in effect with respect to a State as of July 1, 1996, if the waiver affects eligibility of individuals for medical assistance under title XIX, such waiver may (but need not) continue to be applied, at the option of the State, in relation to such title after the date the waiver would otherwise expire. If a State elects not to continue to apply such a waiver, then, after the date of the expiration of the waiver, subparagraphs (A), (B), and (C) shall be applied as if any provisions so waived had not been waived.

"(E) STATE OPTION TO USE 1 APPLICATION FORM.—Nothing in this paragraph, this part, or title XIX, shall be construed as preventing a State from providing for the same application form for assistance under a State program funded under this part (on or after October 1, 1996) and for medical assistance under title XIX.

"(F) REQUIREMENT FOR RECEIPT OF FUNDS.—A State to which a grant is made under section 302 shall take such action as may be necessary to ensure that the provisions of this paragraph are carried out provided that the State is otherwise participating in title XIX of this Act.

Mr. CHAFEE. Mr. President, under our amendment, we make sure that no low-income mothers and children who are eligible for Medicaid under current law, under the existing law, will lose their health care coverage under Medicaid if the State lowers its eligibility standards for cash assistance or AFDC.

Now, this is not some open-ended lifetime entitlement to Medicaid coverage. I am sure that will be raised, and we are ready for that one. All this amendment does is apply current law income and resource standards and methodologies in determining eligibility for Medicaid. If a family's income increases, if there is no longer a dependent child in the home, these folks will lose Medicaid eligibility under our amendment, just as they would under current law.

Exactly who are we talking about, Mr. President? First, the individuals we are talking about, their incomes, on an average, are about 38 percent of the poverty level. Some will argue that we do not need this amendment because children under 100 percent of poverty are already covered. In other words, we are worried about these children. Some will say, oh, do not worry about them because if they are at 100 percent of poverty or less, they are covered. But that is not true, Mr. President. By 2002, they will all be covered up to the age of 18, but not until then. Thus, children between the ages of 13 and 18 will not be guaranteed coverage. Their mothers, unless they are pregnant, will lose the guarantees as well.

Mr. President, I refer everyone to this chart. Under the bill that we have, pregnant women continue to be covered. Children under 13 are covered. That is under 100 percent of poverty or less. The aged, blind, and disabled are covered. Who loses out? Who is losing out on the guarantees? It is nonpregnant women and children 13 to 18 that are going to fall through the cracks.

So, Mr. President, some will argue that we are backtracking from previous welfare reform measures by removing this guarantee. I want to remind my colleagues that both the House and the Senate-passed versions of H.R. 4, which passed here 87 to 12, had the very provision in it that I am talking about, which I am seeking to obtain. You might say, well, if the House version had it and the Senate version had it, then, obviously, when we came to conference, it was there. But it was dropped in conference, in some type of maneuver. Even though it was in both bills that were passed, it was dropped from the freestanding welfare reform bill that passed.

I also point out, Mr. President, that the welfare reform bill that passed yesterday in the House of Representatives has this same language that I am talking about here and trying to put into our legislation. Mr. President, if we really want this welfare reform proposal to achieve the results of moving women off of welfare and into work, we should not, in one fell swoop, remove their cash assistance and their medical coverage. This is a prescription, I believe, for failure of welfare reform.

Mr. President, I will conclude my section of the remarks before turning it over to the Senator from Louisiana by saying this. In the Finance Committee, we had all kinds of hearings in connection with welfare reform, and two points came clearly through; that, if you want to get individuals off of welfare—and we are particularly talking, in most of these cases, about women—they need support. One of the two things they need in the form of support is child care, adequate child care and the availability of that; second is Medicaid coverage for themselves and for their children.

So, Mr. President, I earnestly hope that this amendment will be adopted. I think it is one that the managers will accept.

I yield 5 minutes to the Senator from Louisiana.

Mr. BREAUX. Mr. President, I thank the distinguished Senator for yielding me some time and for his continued outstanding work in trying to make sure that whatever we do in this body is fair. All of us want to be tough on work. We have said that many times. We also should be fair to children and to pregnant women. We should be fair to those who are the neediest among us.

This legislation makes fundamental changes in the Medicaid Program, and that is not supposed to be what we are doing. Our Republican colleagues have offered an amendment which has taken Medicaid out of the equation. We are working on a welfare bill. But without the Chafee-Breaux amendment and a number of our colleagues, this legislation will still adversely affect those people who are on Medicaid and health care assistance. The question is, why? Very simple. Because under the current law, people who are eligible for AFDC assistance are also eligible for Medicaid. Therefore, under this legislation, the States could be changing all of the eligibility requirements for AFDC and, in doing so, kick off, potentially, 4 million people who are on Medicaid because of their eligibility for AFDC. It sounds complicated, but it is not really. We made a decision in the Congress and the people who run the Medicaid Program that the standards for AFDC would be the standards for Medicaid eligibility. That was a decision that should not now be changed without a careful consideration of whether that is good policy or not.

Nobody is debating Medicaid eligibility on this floor. But when you change the welfare program, you, in fact, will be changing the Medicaid eligibility for millions of Americans. As Senator CHAFEE shows, we are talking about pregnant women, children under 13, people who are the least able to take care of themselves in our country. I think that is just not what we are all about in this country.

It is interesting to note that both the House and the Senate bills that were passed last year contained a provision just like the Chafee amendment. We have already adopted this before. By a vote of 87 to 12, the legislation that contains the Chafee-Breaux amendment was passed by this Senate body. That language in the House bill and in the Senate bill said very clearly that we would continue Medicaid coverage, health care coverage, for poor children and their parents who would have qualified for AFDC assistance under the rules in effect at that time.

Now we have essentially the same bill before the Senate, but it does not have that provision in it anymore. I do not know where it was dropped or how it got dropped. This is almost a technical amendment because we have already adopted this amendment. When the welfare reform bills were previously before the House and the Senate, there was no disagreement in the House and no disagreement in the Senate that the people who are Medicaid-eligible because of AFDC eligibility would continue to have that eligibility. That is what the policy should be. If we want to come back later on and change Medicaid eligibility, let us do it that way. Let us have a fair debate about whether we are going to take the aged, the blind, the disabled, pregnant women, or children, the people least advantaged among us, and kick them off of not only welfare but off of Medicaid, too. At least allow us to have some discussion about it.

With that, Mr. President, I reserve the remainder of the time that was yielded to me from Senator CHAFEE.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. I will soon offer a second-degree amendment to the Chafee-Breaux amendment.

The PRESIDING OFFICER. The amendment would not be in order until the time has expired.

Mr. CHAFEE. Mr. President, I wonder if the Chair would be good enough to point that out again on a second-degree amendment? It cannot be offered until all time has expired?

The PRESIDING OFFICER. That is correct.

Mr. ROTH. Mr. President, let me discuss the purpose of my amendment. The purpose of my amendment to the Chafee-Breaux amendment is to ensure Medicaid coverage to all individuals currently receiving Medicaid benefits because of their eligibility through the current AFDC Program.

By this approach we would ensure that no child or adult currently receiving Medicaid benefits would lose coverage because of welfare reform.

Let me first explain that under our bill as currently written we believe that no child would lose Medicaid coverage because of welfare reform. The Congressional Budget Office has not scored any Medicaid babies because of the change in AFDC. But how can that be?

The overwhelming reason for this is because Medicaid eligibility is no longer tied exclusively to AFDC eligibility. Medicaid eligibility was expanded in the late 1980's and is now tied to the national poverty level as well as to AFDC eligibility. This is an important point. Medicaid eligibility is higher than State AFDC eligibility. We believe that children currently receiving Medicaid would not be affected by the change to the AFDC Program. The minimum Federal standard is that pregnant women, infants, and children, and children under the age of 6, under 133 percent of the Federal poverty level, must be covered by Medicaid. Children age 6 to 13 must be covered if under 100 percent of the poverty level.

Moreover, the General Accounting Office recently reported that 40 States have already expanded Medicaid coverage to pregnant women, infants, or children beyond these Federal mandates. One State has chosen to go as high as 300 percent of the Federal poverty level. Thirty-two States extend coverage to pregnant women and children up to 150 percent of the poverty level. Some States have extended coverage to children up to 19 years of age.

So the overwhelming evidence points to the conclusion that States are expanding Medicaid eligibility, not reducing it.

For 3 years President Clinton has been saying that the key to getting people off welfare is giving child care and Medicaid coverage. Governors already know this, and that is what they are doing. But to be on the cautious side, the bill, as amended, in committee provides for a 1-year transition period for anyone who may lose Medicaid eligibility as States change AFDC into the block grants, if there is still some concern that this is not enough. That is the reason that at the appropriate moment I will offer my amendment to grandfather in those individuals currently receiving Medicaid benefits so long as they are still under the poverty level.

Let me point out, Mr. President, that there is no difference between the Chafee-Breaux amendment and my amendment in the second degree in regard to individuals currently receiving Medicaid. As I have already indicated, those individuals will continue to receive Medicaid, an approach which I think is, indeed, fair and equitable. The difference is that the Chafee-Breaux amendment applies to categories rather than people. That means that someone 5 or 10 years from now may not qualify for Medicaid under a State's new welfare program. Nevertheless, they could claim eligibility under the old program.

It seems to me that this creates serious issues of inequity. I think it also is very burdensome to the State as it would require them to maintain these eligibility standards without end. I know that the Governors are deeply concerned about the Chafee-Breaux approach. They think it is unduly administratively burdensome to have to maintain two sets of systems. It is in contrast with the purpose of this legislation which is to create flexibility as we move forward with welfare reform, Medicaid, and other reforms. What we hope to do is to develop the kind of flexibility that will enable the States to develop approaches to these problems that brings some positive result. But it is hard to see how requiring a State to continue indefinitely an old program as the Chafee-Breaux amendment does. It is, indeed, hard to grasp.

So I hope that my good friends and colleagues, Senator CHAFEE and Senator BREAUX, would look at the amendment which I intend to offer as soon as all time has expired. As I said, it seems to me that this is, indeed, a fair and equitable approach. We are protecting those who are currently receiving Medicaid under AFDC. They will continue indefinitely to be eligible so long as they meet the requirements of AFDC. But I find it hard to see the equity, the fairness, the reason for, or the principle behind that we should continue in effect old programs that are going to be modified.

The basic purpose of welfare reform is to provide flexibility to the States. We think that the Chafee-Breaux amendment is a step in the opposite direction.

Mr. President, I yield the floor.

Mr. CHAFEE. Mr. President, I yield the Senator from West Virginia 2 minutes.

Mr. President, I have how much time?

The PRESIDING OFFICER. Five minutes.

Mr. ROCKEFELLER. Mr. President, I hope Members on both sides of the aisle will vote for this amendment offered by my colleagues from Rhode Island and Louisiana, Senators CHAFEE and BREAUX. It is the kind of amendment that deserves strong support from this body.

There is absolutely no reason for welfare reform to cause innocent children to lose health insurance. We can and we should enact a bill that is very tough and very clear about requiring adults to work or prepare for work if they want to get public assistance. But we do need to pass the Chafee-Breaux amendment to make sure that children who are eligible for Medicaid do not lose their health coverage as we change the welfare system. We need to pass this amendment to make sure that losing health care is not the price of leaving welfare and getting a job.

Mr. President, with this amendment, we are not proposing a new benefit or new spending. We are just trying to protect the way that poor children now can see a doctor when they're sick, get their vaccinations and their checkups, and receive basic medical care. Up to 1.5 million children and 4 million parents are at serious risk of losing their Medicaid coverage unless this amendment prevails.

Mr. President, I truly believe the American people, including West Virginians, want us to adopt this amendment. The public has made it very clear that they expect Congress to make distinctions between responsible reform and reckless change. Americans want all children to have a chance in this country, and they know that health care is where that chance starts and lasts. You have to be healthy to learn, to grow, and to become productive.

As our constituents demand changes in welfare, they are not asking us to abandon children or take health care away from those who need it. In fact, they get pretty upset when they see Congress doing something that will hurt children or health care.

It is counterintuitive, counterproductive, and just plain wrong to push the parents of poor children into the workplace, and then pull health care out from under them. The mothers who succeed in leaving welfare for work are rarely going to start with jobs that offer health insurance for themselves or their families. According to one study, 78 percent of women who worked their way off welfare ended up in jobs that did not offer health insurance. Two-thirds of these women were still not able to get insurance after 18 months.

It is cruel to ask a mother to make the choice between working and holding onto health insurance.

This amendment is the critical way we can make sure parents have every reason to get a job and get off welfare—because Medicaid will be a source of coverage for a limited amount of time, for the transition from welfare to work.

Congress is going to make bold changes in the welfare system. But please, let's not take the country backward in this life-and-death issue of health care for children and their parents as they leave welfare for work. It's our responsibility to deal with this part of the health care system, because unfortunately, the private sector just isn't there. Medicaid has to be there for them, or these families and children join the uninsured and have a much more difficult time getting out of the rut they're trying to escape.

Ask any doctor, hospital, or community—when families don't have health insurance, they end up using the emergency room as their source of health care. That's costly, inefficient, and burdens the health care system.

Mr. President, as we act on welfare reform, I hope we realize it is not just about saving money. We want to promote personal responsibility, the work ethic, and stronger families. The Chafee-Breaux amendment is a very specific way all of us in this body can make sure that poor families are not punished in the cruelest way, by losing their health insurance. All we want to do is to make sure basic health care is still there for these children and families while we get much tougher about the parents getting work and getting off welfare for good. I urge all of my colleagues to support this amendment, which will make it even more possible for low-income parents to join the work force.

Congress decided more than 10 years ago that the Federal Government had an important role in setting minimum standards of health coverage for pregnant women and children. Congress voted for—and two Republican Presidents signed—legislation in 1986, in 1987, in 1988, in 1989, and in 1990 that no matter where they lived, children were guaranteed a decent standard of health coverage.

Texas currently sets its overall eligibility for Medicaid at 18 percent of poverty except for pregnant women and young children because, frankly, Congress forced it and many other States to set higher standards for pregnant women and children. While many of my colleagues do not want to, in any way, impinge on a State's flexibility, there is a time and place for decent minimal standards. Mr. President, this is the time, and this is the place. This is for some of our country's neediest children.

Mr. President, let us not go back in time, and repeal extremely important health care protections for pregnant women and children.

Mr. CHAFEE. Mr. President, I would like to save 2 minutes for the Senator from Florida, who is expected. So I will save that time for him.

The PRESIDING OFFICER. Who seeks recognition?

Who yields time?

The time runs equally if neither side seeks recognition.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 2 minutes and 20 seconds.

Mr. CHAFEE. I will use up the remainder of my time.

Mr. President, the second-degree amendment, as I understand it, by the Senator from Delaware says that all those individuals who are currently eligible for Medicaid would be eligible in the future even though the eligibility standards might be lowered, and thus if a new person came along, they would not be eligible for Medicaid because the cash assistance payments standard would have been lowered.

Mr. President, to me that is a very impractical proposal because what you have to do is get a list of everybody who is currently, I presume, on Medicaid, who meets the eligibility standards, and then I presume that is the permanent list.

If somebody comes along who is at the same level, so you have two women side by side, one who qualifies because of the existing standards and another comes along in the future who does not quite get there by whatever date this bill passes and the AFDC standards or the cash assistance standards have then been dropped, this other woman does not qualify, she and her children. She has dependent children. You might say, "Oh, no, do not worry about those children; they are taken care of under the 100 percent poverty."

No, they are not. That is very clear—100 percent of poverty only covers those under 13. Next year it will be 14 and 15. But a woman who has a 15-year old child comes along, with the same financial situation as her neighbor, who came in time to qualify and gets it, and the second one does not, that is not very fair.

So I hope, Mr. President, when we come to vote on this second-degree amendment, as I understand it and as it has been explained, it will be rejected, and then we can get to the Chafee-Breaux amendment as originally proposed and take care of these individuals who are being knocked off—nonpregnant women and children 13 through 18.

How much time do I have, Mr. President?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROTH. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator has 3 minutes and 59 seconds.

Mr. ROTH. Mr. President, I yield the remainder of my time.

The PRESIDING OFFICER. All time has been yielded or used.

AMENDMENT NO. 4932 TO AMENDMENT NO. 4931

(Purpose: To maintain the eligibility for medicaid for any individual who is receiving medicaid based on their receipt of AFDC, foster care or adoption assistance, and to provide transitional medicaid for families moving from welfare to work)

Mr. ROTH. Mr. President, I now call up my amendment in the second degree.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes an amendment numbered 4932 to amendment No. 4931.

Mr. ROTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted, insert the following:

"(12) CONTINUATION OF MEDICAID FOR CERTAIN LOW-INCOME INDIVIDUALS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this Act, a State to which a grant is made under section 403 shall take such action as may be necessary to ensure that—

"(i) any individual who, as of the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996, is receiving medical assistance under title XIX as a result of such individual's receipt of aid or assistance under a State plan approved under this part (as in effect on July 1, 1996), or under a State plan approved under part E (as so in effect)—

"(I) shall be eligible for medical assistance under the State's plan approved under title XIX, so long as such individual continues to meet the eligibility requirements applicable to such individual under the State's plan approved under this part (as in effect on July 1, 1996); and

"(II) with respect to such individual, any reference in—

"(aa) title XIX;

"(bb) any other provision of law in relation to the operation of such title;

(cc) the State plan under such title of the State in which such individual resides; or

"(dd) any other provision of State law in relation to the operation of such State plan under such title, to a provision of this part, or a State plan under this part (or a provision of such a plan), including standards and methodologies for determining income and resources under this part or such plan, shall be considered a reference to such a provision or plan as in effect as of July 1, 1996; and

"(ii) except as provided in subparagraph (B), if any family becomes ineligible to receive assistance under the State program funded under this part as a result of—

"(I) increased earnings from employment;

"(II) the collection or increased collection of child or spousal support; or

"(III) a combination of the matters described in subclauses (I) and (II), and such family received such assistance in at least 3 of the 6 months immediately preceding the month in which such ineligibility begins, the family shall be eligible for medical assistance under the State's plan approved under title XIX during the immediately succeeding 12-month period for so long as family income (as defined by the State), excluding any refund of Federal income taxes made by reason of section 32 of the Internal Revenue Code of 1986 (relating to earned income tax credit) and any payment made by an employer under section 3507 of such Code (relating to advance payment of earned income credit), is less than the poverty line, and that the family will be appropriately notified of such eligibility.

"(B) EXCEPTION.—No medical assistance may be provided under subparagraph (A) to any family that contains an individual who has had all or part of any assistance provided under this part (as in effect on July 1, 1996, or as in effect, with respect to a State, on and after the effective date of chapter 1 of subtitle A of title II of the Personal Responsibility and Work Opportunity Act of 1996) terminated as a result of the application of—

"(i) a preceding paragraph of this subsection;

"(ii) section 407(e)(1); or

"(iii) in the case of a family that includes an individual described in clause (i) of subparagraph (A), a sanction imposed under the State plan under this part (as in effect on July 1, 1996).

Mr. ROTH. Mr. President, I have, of course, already discussed the purpose of my amendment. As I said, the purpose of my amendment is to ensure Medicaid coverage to all individuals currently receiving Medicaid benefits because of their eligibility through the current AFDC program. As I said, this would ensure no child or adult currently receiving Medicaid benefits would lose coverage because of welfare reform. I believe this is fair. I think it is equitable. I think it just makes common sense.

Yes, there are going to be changes in the future. That is the reason we are providing for welfare reform. Hopefully, at a later stage we will have Medicaid reform. I personally thought it was a mistake to separate the two reforms because they are interrelated. But it makes no sense to me, when we are trying to provide greater flexibility to the Governors, to require that two sets or systems of eligibility be maintained if a State changes the welfare program under TANF.

As far as the administrative burdens are concerned, I would say to my good friend from Rhode Island, that his plan, too, will require the maintenance of two books. The difference is that in time ours will become less important.

But I hope the sponsors of the basic amendment will review and look at my proposal, as I believe it is an approach that does provide for equity in that it guarantees all those who are currently receiving Medicaid benefits under AFDC would continue to do so.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. CHAFEE. Mr. President, do I understand we have 15 minutes on the new amendment? Is that the proposal? I guess there was never any time agreement, was there?

The PRESIDING OFFICER. For the second-degree amendment there is 1 hour equally divided, controlled half an hour on each side.

Mr. CHAFEE. I will just take a couple of minutes.

Mr. President, it seems to me we have to make up our minds around here. Are we dealing with Medicaid reform or are we not? The ground rules were—what we did in the Finance Committee, we dealt with welfare, we dealt with Medicaid. Then we came to the floor and we dropped off the Medicaid provisions.

Now what we are trying to do, it seems to me, in a back-door way, is make very severe changes in Medicaid without us considering it a Medicaid bill. If we are dealing with Medicaid we get into all kind of different things. We get into the Boland amendment and matters we dealt with in the Finance Committee. But that is not the approach.

Yes, it was very clear, we are severing the two: Welfare is here, Medicaid is here; we are dropping Medicaid off and sticking with welfare. Yet in one fell swoop here, because of the eligibility standards of AFDC, or cash assistance, Medicaid goes along with it. And you have to be very, very careful then. When you have dropped the major Medicaid portions of the bill, what are you going to do about this group that loses their Medicaid coverage, the ones I am talking about? It does not do any good to say that is all right, we will take care of those on the list now. What about in the future? Are we going to let a State just drop right down on its cash assistance way below the levels they are not permitted to go now—which is May 1, 1988—and then go right down? OK, that is welfare reform.

We say if they are 38 percent of poverty on May 1, 1988, if they want to go down to 15 percent of poverty, all right. That is welfare reform. But they should not, the individuals should not lose their Medicaid coverage in those changes. That is the problem with the second-degree amendment that was presented here.

We will have a chance to visit more on this, I presume. I do not know what the arrangement is for Tuesday. I suppose we will go right into the votes. Maybe a minute or 2 minutes equally divided and an explanation of some type, as we have done here today. I might say, as you know all, the amendments we voted on today and were debated last evening, all were under an arrangement of no second-degree amendments. Today is different, apparently. So the chairman of the Finance Committee came forward with a second-degree amendment.

Mr. President, I would like, on my time, to ask the chairman of the Finance Committee if I am correct in believing that you could end up with a situation where you have two similar individuals, let us say women on welfare currently. Let us just look ahead a year from now. Under this proposal, you could find one individual currently receiving Medicaid coverage and another individual in exactly the same position—exactly, children the same age, earned income exactly the same, welfare benefits exactly the same. One would be entitled to Medicaid coverage and one would not be, because that second woman is not on the rolls currently? Am I correct in that? I ask the distinguished chairman of the Finance Committee.

Mr. ROTH. Mr. President, I say to the Senator from Rhode Island, that is correct. What we have provided here is a transition rule, trying to ease the change by providing that all women and children who are currently receiving Medicaid benefits because of AFDC programs will continue to do so. But, to answer him directly, yes, that is true for a year from now and it will be true 5 years from now. It would be true 10 years from now.

Mr. CHAFEE. I wonder if I am also correct in suggesting that, under the proposal of the Senator from Delaware, under his second-degree amendment, you could have a situation where the woman is on the rolls now and therefore she is Medicaid eligible. Then suppose she goes off as a result of earnings. Can that individual come back on if her earnings fall below the earnings limitation? Yes, fall below, so she would be eligible once again for cash assistance? Would she get Medicaid?

Mr. ROTH. Once people go off the rolls, their eligibility in the future would depend upon the new program. So they would not go back on the basis of AFDC.

Mr. CHAFEE. So it seems to me that an individual who is locked in under the present system, as suggested by the second-degree amendment, that individual would make a great mistake to get off Medicaid, because, let's say, the eligibility was dropped and they would not currently qualify. So the key thing is to stay on Medicaid, do not get off.

Mr. SANTORUM. Will the Senator yield?

Mr. CHAFEE. Sure.

Mr. SANTORUM. I do not think that would be correct. If the person is no longer eligible for AFDC, what you are suggesting is they should keep working in a low-wage job just for the purposes of keeping Medicaid and not try to get a promotion where you can get benefits and other kinds of things. I am not sure that would be a logical economic move for somebody.

Mr. CHAFEE. I am sorry, did I miss a question?

Mr. SANTORUM. I said, what you are suggesting is that someone who is no longer on AFDC but is Medicaid eligible because of this grandfathering is not going to have an incentive to take a better job, potentially with benefits, potentially with opportunities for greater advancement, because if they come into a situation where they lose that job, they would not be able to get back on Medicaid. I am looking at someone making an economically rational decision. To me that would not be an economically rational decision.

I think the grandfathering does take care of that situation, and if that mother does have a problem and falls back on AFDC, she is then eligible for Medicaid again. I do not think I see the problem that the Senator from Rhode Island has put forward.

Mr. CHAFEE. That is not the testimony that we had before the Finance Committee. The testimony we had was very clear that the Medicaid situation is a big factor, not just for the adult, but for the children likewise. It affects people's behavior.

Mr. SANTORUM. These are people who are not on AFDC anymore. These are people who are working, because if they were on AFDC, they would be included under the new program.

Mr. CHAFEE. What we are talking about here are two different standards. Let's say under current law, somebody is eligible for AFDC. Automatically that individual gets Medicaid. In the welfare reform bill that we have before us, we are saying to the States, "You're not bound by that May 1988 level. You can go below that, if you want."

OK, that is fine, we all agree with that. That is what we voted on. But let's say the May 1988 levels were in the State 50 percent of the poverty level, and the State decides, "We're going to get tougher on welfare eligibility. We're going to make it so you can't get it if you are above 38 percent of the poverty level."

Under the Roth proposal, he is saying, "That is right, you drop it down, but if you are currently receiving Medicaid at the 50 percent level, that is all right, forget the 38 percent, you are taken care of."

What I am saying is that that person who now is covered is going to be very, very reluctant to get off Medicaid and take a job, because that person cannot get back on, according to the information I received from the manager of the bill.

Mr. ROTH. Inherent in what the Senator from Rhode Island is saying is that the Governors, in developing new programs, are inherently going to shortchange those on welfare. The fact is, and as you know, in the Finance Committee, it was clearly shown that much of the spending in welfare, Medicaid and other programs is beyond what is required by the Federal Government. In fact, I think in the case of Medicaid, they were spending more than 50 percent on a voluntary basis.

So I think it is wrong to assume necessarily that the programs that are going to be developed under TANF are going to be less desirable.

Let me say, a family could increase earnings and drop off AFDC but still be eligible for Medicaid if less than 100 percent of poverty. So there are alternatives.

I yield the floor.

Mr. CHAFEE. I am ready to yield my time back, if the manager of the bill is ready to yield his back.

The PRESIDING OFFICER. All time is yielded back.

Under the previous order, the Senator from North Dakota, Mr. CONRAD, will be recognized to offer his amendment.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. I did not say I yielded my time back, I said "ready to yield my time back."

The PRESIDING OFFICER. The Chair misunderstood.

Mr. CHAFEE. So I still have time.

The PRESIDING OFFICER. The Senator has 26 minutes; the other side has 18 minutes.

AMENDMENT NO. 4933 TO AMENDMENT NO. 4931

(Purpose: To maintain current eligibility standards for medicaid and provide additional State flexibility)

Mr. CHAFEE. Mr. President, I do now yield back my time, and send a perfecting amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

> The Senator from Rhode Island [Mr. CHAFEE], for himself, Mr. BREAUX, Mr. COHEN, Mr. GRAHAM, Mr. JEFFORDS, Mr. KERREY, Mr. HATFIELD, Mrs. MURRAY, Ms. SNOWE, Mr. LIEBERMAN, Mr. REID, and Mr. ROCKEFELLER, proposes an amendment numbered 4933 to amendment No. 4931.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER (Mr. JEFFORDS). Without objection, it is so ordered.

The amendment is as follows:

Strike all after the first word and insert the following:

MEDICAID COVERAGE FOR LOW-INCOME FAMILIES.—

"(A) IN GENERAL.—Notwithstanding any other provision of this Act, subject to the succeeding provisions of this paragraph, with respect to a State any reference in title XIX (or other provision of law in relation to the operation of such title) to a provision of this part, or a State plan under this part (or a provision of such a plan), including standards and methodologies for determining income and resources under this part or such plan, shall be considered a reference to such a provision or plan as in effect as of July 1, 1996, with respect to the State.

"(B) CONSTRUCTIONS.—

"(i) In applying section 1925(a)(1), the reference to 'section 402(a)(8)(B)(ii)(II)' is deemed a reference to a corresponding earning disregard rule (if any) established under a State program funded under this part (as in effect on or after October 1, 1996).

"(ii) The provisions of former section 406(h) (as in effect on July 1, 1996) shall apply, in relation to title XIX, with respect to individuals who receive assistance under a State program funded under this part (as in effect on or after October 1, 1996) and are eligible for medical assistance under title XIX or who are described in subparagraph (C)(i) in the same manner as they apply as of July 1, 1996, with respect to individuals who become ineligible for aid to families with dependent children as a result (wholly or partly) of the collection or increased collection of child or spousal support under part D of this title.

"(iii) With respect to the reference in section 1902(a)(5) to a State plan approved under this part, a State may treat such reference as a reference either to a State program funded under this part (as in effect on or after October 1, 1996) or to the State plan under title XIX.

"(C) ELIGIBILITY CRITERIA.—

"(i) IN GENERAL.—For purposes of title XIX, subject to clause (ii), in determining eligibility for medical assistance under such title, an individual shall be treated as receiving aid or assistance under a State plan approved under this part (and shall be treated as meeting the income and resource standards under this part) only if the individual meets—

"(I) the income and resource standards for determining eligibility under such plan; and

"(II) the eligibility requirements of such plan under subsections (a) through (c) of former section 406 and former section 407(a), as in effect as of July 1, 1996. Subject to clause (ii)(II), the income and resource methodologies under such plan as of such date shall be used in the determination of whether any individual meets income and resource standards under such plan.

"(ii) STATE OPTION.—For purposes of applying this paragraph, a State may—

"(I) lower its income standards applicable with respect to this part, but not below the income standards applicable under its State plan under this part on May 1, 1988; and

"(II) use income and resource standards or methodologies that are less restrictive than the standards or methodologies used under the State plan under this part as of July 1, 1996.

"(iv) TRANSITIONAL COVERAGE.—For purposes of section 1925, an individual who is receiving assistance under the State program funded under this part (as in effect on or after October 1, 1996) and is eligible for medical assistance under title XIX shall be treated as an individual receiving aid or assistance pursuant to a State plan approved under this part (as in effect as of July 1, 1996) (and thereby eligible for continuation of medical assistance under such section 1925).

"(D) WAIVERS.—In the case of a waiver of a provision of this part in effect with respect to a State as of July 1, 1996, if the waiver affects eligibility of individuals for medical assistance under title XIX, such waiver may (but need not) continue to be applied, at the option of the State, in relation to such title after the date the waiver would otherwise expire. If a State elects not to continue to apply such a waiver, then, after the date of the expiration of the waiver, subparagraphs (A), (B), and (C) shall be applied as if any provisions so waived had not been waived.

"(E) STATE OPTION TO USE 1 APPLICATION FORM.—Nothing in this paragraph, this part, or title XIX, shall be construed as preventing a State from providing for the same application form for assistance under a State program funded under this part (on or after October 1, 1996) and for medical assistance under title XIX.

"(F) REQUIREMENT FOR RECEIPT OF FUNDS.—A State to which a grant is made under section 403 shall take such action as may be necessary to ensure that the provisions of this paragraph are carried out provided that the state is otherwise participating in title XIX of this Act.

The PRESIDING OFFICER. Under the previous order, there is 1 hour for debate equally divided. Who yields time?

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island is recognized.

Mr. CHAFEE. If I could just have 30 seconds to explain the perfecting amendment. What that does is make sure that that population that I was previously discussing, who now or in the future qualify under the present eligibility rules, will continue to be eligible for Medicaid.

The PRESIDING OFFICER. Who yields time?

Mr. SANTORUM. We yield back the remainder of our time.

Mr. CHAFEE. I yield back my time.

The PRESIDING OFFICER. The Senator yields back the remainder of his time.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

AMENDMENT NO. 4934

(Purpose: To strike the State food assistance block grant)

Mr. CONRAD. Mr. President, I call up my amendment that is at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD], for himself, Mr. JEFFORDS, Mr. KERREY, Mr. LEAHY, Mrs. MURRAY, and Mr. REID, proposes amendment numbered 4934.

Mr. CONRAD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 8, line 24, strike "for fiscal year 1996" and insert "for the period beginning October 1, 1995, and ending November 30, 1996".

On page 9, strike lines 1 through 5 and insert the following:

"(ii) for the period beginning December 1, 1996, and ending September 30, 2001, $120, $206, $170, $242, and $106, respectively;

"(iii) for the period beginning October 1, 2001, and ending August 31, 2002, $113, $193, $159, $227, and $100, respectively; and

"(iv) for the period beginning September 1, 2002, and ending September 30, 2002, $120, $206, $170, $242, and $106, respectively.

Beginning on page 94, strike line 14 and all that follows through page 111, line 6.

Mr. CONRAD. Mr. President, I am proud to be joined by my colleague, Senator JEFFORDS, the distinguished occupant of the Chair, Senators KERREY, LEAHY, MURRAY, and REID in offering an amendment to preserve our Nation's Food Stamp Program by eliminating the food stamp block grant.

This is one of the most important issues in the pending welfare reform legislation. Members in this Chamber and people around the country often talk of the need for a real bipartisan effort to reform our welfare system. Our amendment is a true bipartisan undertaking.

I am hopeful that my colleagues will consider the amendment and the benefits it will provide for our Nation's children and elderly, our cities and our rural areas. Block granting the Food Stamp Program is a mistake for this country. I am confident that if my colleagues give careful consideration to the Food Stamp Program, how it works, who it serves, and how it was developed, that they will vote for our amendment.

I want to make clear to my colleagues and others who are watching what this amendment is about. It is about providing food to hungry people. That is what is at issue. This amendment is about making certain that hungry people are fed. That is the most basic test of the fundamental decency of any society. Are hungry people fed? This amendment provides the answer. It says that in America hungry people will not go without food.

Mr. President, I want to make clear at the outset that the cost of our amendment is fully offset over the 6-year budget period. This amendment reduces the standard deduction in order to provide the revenue necessary to pay for the amendment. With our amendment, the Agriculture Committee will still be in full compliance with its budget reconciliation target.

Mr. President, the Food Stamp Program is the anchor for our Nation's nutritional safety net. The program developed from a decision by Congress that no child, indeed no person, in our wealthy country with its abundant food supply should go hungry.

My colleagues will remember that former Senator Dole, the apparent Republican Presidential nominee, was a leader in this effort. So, too, was former Senator George McGovern, a former Democratic Presidential nominee. In fact, we ought to wish former Senator McGovern a happy birthday because this is Senator McGovern's birthday today.

So we had a fully bipartisan effort that formed the Food Stamp Program. It remains a valid goal for our country and for those of us in this Chamber who share with our colleagues in the House of Representatives and the President of the United States the responsibility for making these decisions.

My colleagues should know that fully 51 percent of food stamp recipients are children, 7 percent are elderly, and 9 percent are disabled.

To further illustrate, I have brought with me this chart indicating the distribution of food stamp benefits to households. And 82 percent of food stamp households are households with children. This chart shows that. Now, 82 percent of the food stamp eligible households in this country are households with children. Only 18 percent are without children.

Mr. President, I want to make clear, we are defending the basic notion of a Food Stamp Program. That does not mean that we are not supportive of changes to reform the Food Stamp Program, to improve its implementation and to save money, because this bill has substantial savings out of the Food Stamp Program, over $20 billion.

We are not affecting those savings. But we are saying, do not block grant the Food Stamp Program. Do not do that. That is a mistake for this country. And it will fundamentally undermine the Food Stamp Program and the nutritional safety net that it provides.

Mr. President, currently every child who needs food is eligible for food stamps. Under a block grant, a State would have no obligation to provide benefits to children—none, no obligation to provide for children. There are no standards whatsoever regarding who should receive benefits or how much in benefits they should receive under the bill we have before us.

Mr. President, block granting the Food Stamp Program would tear a hole in the safety net that makes certain 14 million children do not go to bed hungry at night or do not go to school with hunger pains. This is what preserving our Nation's Food Stamp Program is about. And these are the people we place at risk by block granting the Food Stamp Program and eliminating the food safety net.

The Food Stamp Program, as my colleagues know well, is a carefully crafted program that has a tremendously impressive history of responding to economic fluctuations in our country and changes in child and adult poverty levels. The Food Stamp Program has been successful in fighting hunger because it automatically covers more people when economic downturns or natural disasters push more Americans below the poverty line.

Block granting the Food Stamp Program would eliminate this automatic response to increases in poverty that the current program provides. I have brought two charts which illustrate the Food Stamp Program's responsiveness to fluctuations in poverty.

The first is a chart that shows from 1979 to 1993 how the Food Stamp Program responded directly to changes in the overall poverty rate. My colleagues can see the red line shows the poverty population in this country. The blue line shows food stamp participation. As poverty rates have changed, as the incidence of poverty has changed, one can see that the food stamp participation rate has moved in tandem with it. In other words, responding directly to increases in poverty.

The second chart is perhaps more compelling to those who think the Federal Government should protect kids but are less sympathetic to their parents. This chart illustrates how the Food Stamp Program responds to changes in the child poverty rate. Again, the red line shows increases in the child poverty rate from 1979 through 1993. Again, the food stamp participation rate tracks closely with it. Make no mistake, the Food Stamp Program is the most important part of our arsenal to fight the battle against poverty in America.

This responsiveness, the responsiveness of the Food Stamp Program to economic fluctuations, led the National Governors' Association and the drafters of this welfare bill to improve the AFDC block grant contingency fund trigger by basing it on an increase in food stamp participation.

Mr. President, it does not make sense to turn around and block grant the program and eliminate the program's ability to respond to dramatic changes caused by economic downturns or natural disasters. It makes no sense to take away that automatic stabilizer that is a central feature of the Food Stamp Program.

Again, this does not mean we cannot make changes in the Food Stamp Program. We can. We should. We should achieve additional savings, and we will. This amendment does not affect those changes and those savings.

A block grant with limited funding cannot respond to changes in poverty levels, nor can it respond to a severe economic downturn or to a natural disaster. The need for a State to help its children, elderly, and working families, would come precisely at a time when the State's economy is least able to support increased food assistance expenditures.

Let me just share with my colleagues the example from the State of Florida, because I think it is most instructive. I want to make clear this is not a question of Governors or States being mean-spirited or wanting to limit food stamps in a time of need. We are not questioning here the good faith of our Nation's Governors. We are not questioning the good faith of our Nation's State legislators. This is a question of economic reality. There simply is no way for any State to accurately plan in advance for dramatic increases in food aid required by severe economic downturns or natural disasters.

Governor Chiles of Florida gave testimony at the Senate agriculture hearing on nutrition in May of last year that illustrated this point. He included a chart with his testimony which outlined Florida's food stamp participation benefits from October 1987 to January 1995. I have brought the chart of Governor Chiles because I think it can help Members understand why block granting the Food Stamp Program could have unintended consequences we would all regret.

The way the food stamp block grant is structured in the bill before the Senate, a State is required to decide several months before the beginning of the next fiscal year if it wants to exercise the block grant option. A State would then be bound to its decision for the remainder of the fiscal year. Therein lies the problem, Mr. President.

We will look at the chart from Florida that Governor Chiles presented. From October 1987 to October 1989, we can see the demand for food stamps in Florida was level. No block grant demands were increasing. They were basically stable. So a Governor could have felt confident that his or her State would have been better off with the block grant and would not put anyone at risk of going hungry if they were basing that on the experience of 1987 to 1989.

However, from October 1989 to mid-1992, there was a national recession, and Florida's food stamp caseload exploded. One can see how the food stamp caseload just went up on almost a straight line in the State of Florida. No block grant could have responded to the increase in families that needed food stamps in Florida during this time. No State would be able to predict or prepare for this dramatic growth in demand for food assistance.

That was not the end of the story in Florida because we will recall the testimony of Governor Chiles. Then the big one hit, a natural disaster. The natural disaster was Hurricane Andrew, and its devastating blow was felt all across Florida. The sharp increase in demand for food aid help in September 1992 shows the impact of Hurricane Andrew. A block grant could not have responded to the immediate and massive need for food created by this natural disaster.

Mr. President, this is a central point with respect to this amendment. If we adopt a circumstance in which a State must commit to a flat amount of funding, a flat block grant amount for food stamps, and then that State is hit by either an economic downturn, impossible to predict, or a natural disaster, again, impossible to predict, and the demand for food aid skyrockets as it did in Florida, the need for food for that State's children and for other people could not and would not be met.

Mr. President, Florida is not alone. Natural disasters hit nearly every State in the last year, from a drought in Texas to flooding in Missouri, to earthquakes in California. We all know the litany of natural disasters over the last several years. Are we really going to abandon the children in those States to a flat amount of funding for food stamps with no ability to adjust for an economic downturn or a natural disaster? I think not. I think America is better than that. The National Food Stamp Program should respond to the needs of families that temporarily need food during these times of crisis.

As a matter of fact, using almost exactly the same formula as is in the current welfare proposal, the U.S. Department of Agriculture estimated if a block grant proposal had been enacted in 1990, in 1994 every State would have fallen short of the funding needed to provide food aid for their children. Choose any State and children would have suffered.

Mr. President, the case for this amendment does not end there. The obligation that is in the bill before the Senate could destroy the Food Stamp Program. I believe we have a strong national interest in ensuring that children and other vulnerable members of our society do not go hungry. Others may argue this is a State option, that the decision to take the risk that children go hungry should be left to each State.

It is not that simple, Mr. President. The block grant option contains within it the potential to destroy the National Food Stamp Program. That is because if States opt for the block grant, their representatives no longer have a stake in the Federal program. They could vote for deep cuts in the Food Stamp Program without any adverse impact on their States or districts.

Mr. President, I believe the underlying bill has in it the seeds of the destruction of the Food Stamp Program. Too many of us have labored for too long on a bipartisan basis to make certain that if people are hungry in this country, they have a chance of being fed, to allow that to happen.

I also want to emphasize there is a different rationale for block granting the AFDC Program than the Food Stamp Program. We have heard many calls for block granting the AFDC Program. That has a certain logic to it. Many States have indicated their desire to block grant the AFDC Program in order to make better use of the significant number of State dollars that are spent on the AFDC Program. States may also want block grants for AFDC, in the hope of eventually achieving savings at the State level. These arguments do not apply to the Food Stamp Program because it is a Federal program. Food stamp benefits are fully funded by the Federal Government. There is no State match. There is no State maintenance of effort requirement.

Mr. President, I also want to address the issue of State flexibility. I firmly believe that real welfare reform requires greatly increased State flexibility. I introduced an entire welfare reform package of my own, which provided for a dramatic increase in tax flexibility. That made sense. I have already explained why a block grant approach to food stamps is bad policy and completely undermines the benefits and integrity of the Food Stamp Program.

I know, however, that there are those in this Chamber who support the block grants solely on the basis of supporting anything that increases State flexibility. I will address this issue because it is important. Without the block grant, the welfare bill before us makes the biggest steps to expand State flexibility in operating the Food Stamp Program that the program has experienced in two decades. States will have broad, new authority to simplify food stamp rules and develop their own policies to promote work and responsibility. That is as it should be.

States will have broad, new flexibility to streamline food stamp benefits to coordinate with their application of benefits under the AFDC block grant. They have the option to convert food stamp benefits to wage subsidies, and the option to determine if they want to provide benefits to people who are delinquent in child support payments. States also have almost complete flexibility to structure programs to promote employment and self-sufficiency and to impose strict work requirements.

Federal rules impeding implementation of State electronic benefit transfer systems would be eliminated under the current bill, as would a large number of provisions which micromanage food stamp administration. We do not change any of that, Mr. President. That dramatically increased State flexibility is completely preserved under the amendment we are offering. I understand and support the need for State flexibility. But, as I have already pointed out, this is a Federal program, part of a national commitment to ensure that children and vulnerable Americans do not go hungry. And it works. We here in the Senate have a responsibility to ensure that Federal tax dollars applied to the Food Stamp Program succeed in fulfilling this commitment. We should not use the doctrine of State flexibility to put millions of American children and seniors at risk of going to bed hungry at night. We are a better nation than that. We are a better people than that. We are a better Senate than that.

I hope my colleagues will join me in saying that, in America, the hungry will be fed.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. I thank the Chair. First, let me say, Mr. President, that we have had votes on block grants here in the Senate in the past. We had one on the bill last year. In fact, when it came out of the Agriculture Committee, there was no block grant. The block grant was offered here on the floor of the Senate and was passed in the Senate. It was included in the welfare reform bill that was passed here in the Senate. It was included in the bill that passed originally, as I said before, in the Senate, which passed 87 to 12. The Senator from North Dakota voted for that, as well as other provisions in the bill. The block grant included in the Senate bill——

Mr. CONRAD. If the Senator will yield, I would like to correct the RECORD. The Senator from North Dakota did not vote for the block grant. The Senator from North Dakota voted against the block grant. But when a Senator is presented with the question of supporting the overall bill, that is a different question.

Mr. SANTORUM. It was included in the Senate bill, which passed 87 to 12 here, in the reconciliation bill, and in the welfare bill that was vetoed by the President. In fact, the block grant provision that is in this bill actually has a lot higher hurdles for States to jump over to get a block grant, because in the bill that originally came through here, there was a requirement in the original Senate bill that 85 percent of the money be spent on food.

In this bill, 94 percent of the money has to be spent on food stamp aid. So States have a higher requirement. In this bill, you can get a block grant only if you have EBT, electronic benefits transfer, a computerized way of providing food stamps. In the other bill, there was no such electronic benefits transfer.

In this bill, you have to meet one of these criteria to get in. An error rate of under 6 percent. The national error rate is between 9 and 10 percent. So you have to have a pretty good error rate to be able to qualify for a block grant. There are only a few States who qualify—Massachusetts, Alabama, Kentucky, Arkansas, Louisiana, South Dakota, and the Virgin Islands. Maryland, Texas, and South Carolina qualify for electronic benefits transfer. If you have an error rate above 6 percent, you have to use State dollars to, in fact, pay down the error rate to make up the difference—obviously, an expense of the States.

So we have a much higher standard here of qualifying, and the standard is set for the purpose of making sure that the States that do take a block grant either have a technologically advanced program like electronic benefits transfer, where you get the debit card instead of the stamps, which you then use to purchase your food, or you have a good system which has a low error rate. I think when you consider the fact that only 7 jurisdictions out of the 50-some that we have receiving these programs have such a low error rate, I think we have set the standard pretty high here. So this is not an easy thing that lots of States are going to jump into. Most States will not qualify for these block grants. So we believe we have set an appropriate standard.

The Senator from South Dakota talked about the Florida rate and how it was going along at a nice rate, and then jumped up, and they got caught and they were stuck. Well, as the Senator from North Dakota knows, they are not stuck. Under this bill, as under the previous block grant proposals, the Governor and legislature of Florida can opt in, but they can also opt out. It is a one-time thing. You stay in, or when you go out, you are out forever. If they do not want to swim in the pond and do not like the water temperature, they can get out. They would have to sit on the beach and watch. They had their chance to swim. We think that is fair and that gives an adequate chance for States who run into difficult situations.

This is certainly a safety valve for a State that might find itself in some sort of cataclysmic situation. The other things we allow States to do, which is positive, is to take the money that they have had—I cannot see the exact years on the chart, but say they had 3 or 4 good years, where it was perking along at a low rate, and because we have given them a block grant, they do not have to comply with all the bells and whistles that we require in Washington; they can run their own program. As most Governors told me, they can run it a heck of a lot more efficiently than we make them run it out of Washington. So let us assume—and I do not think it is unreasonable to assume this—if the food stamp rate stays the same and we are giving increases in funding, then they would be able to save money. We allow them to keep up to 10 percent of the total amount that they—I will rephrase that. If they do not spend all of the money that has been allocated to them in the block grant, and they spend, let us say 95 percent of it, well, the 5 percent they do not spend they can put in a fund and carry it over. They can carry over up to 10 percent every year, and up to 30 percent of an annual allocation, which means they can have a rainy day fund here to take care of situations where you have that little spike because of a hurricane or something like that. That is what prudent State planners should do when it comes to these kinds of programs. We provide for that in this bill.

So we think that there are adequate safeguards there for these kinds of spikes in benefits. The Senator also said there is no maintenance of effort provision. Under the current Food Stamp Program, 50 percent of the administrative costs are paid for by the Federal Government, and 50 percent are paid for by the State government.

They said we do not require them to maintain their effort; in other words, require them to pick up 50 percent of the cost. That is true and it is not true. Specifically, do we require them to pick up the effort? No. But what we say, as I referred to earlier, is that now 94 percent of the money they get must go for food stamps; 6 percent is administrative. What is the average administrative cost for the Food Stamp Program today? Coincidentally, 12 percent. What does that mean? That means that 6 percent now is going to be federally funded. That is the 6 percent you can use for administrative costs, and, if they want to continue their spending at a rate of 12 percent for administrative costs, who is going to pick up the other 6 percent? The State with State funds. No, we do not specifically say you have to maintain effort. But we give you only half of the money you would normally use to administer the program. So, if they can do a better job administering the program, if they get from 12 percent down to 10 percent, we say you can keep the savings, and you can use State dollars for the savings.

I do not think that is a bad thing. I think if they can reduce their administrative costs they should get the benefit of reducing those costs.

So we have set up a system that says we want to give you the opportunity, if you think you can run this program better than we can, if you think you can feed more people, if you think you can do it more efficiently, we are going to give you the opportunity. When you do that, you have to submit a plan to HHS. They have to get approval. You have to say in that plan how you are going to serve a specific population. As you know, when we submit plans here, as we had this discussion earlier today about getting waivers approved by the Department of Health and Human Services, that is not an easy thing to do sometimes.

So we put hurdles in place to make sure that these plans are adequate to serve the needs of hungry people in the respective States, and we require them to maintain a quality control program, and, frankly, you know that just makes sense. So we have adequate controls in there to make sure this is a good plan for the people of the State. We give them the option to do it. If they have a bad year, or some doom on the horizon, they can get out. So we give them the flexibility to get out. We give them the opportunity to save money on administrative costs by putting in a better system, and we set standards so they have to either be technologically advanced like an EBT system—that is a much more efficient system to get into this program in the first place—or they have to have lower error rates, which means they have to have a well-run program to get in here.

So, I believe we have come up with a plan here that provides adequate safeguards for the hungry in those respective States, gives States an incentive to be innovative, to be efficient, to provide actually more and better food services to the people in their State, and in the end provide the safety valve for States that might find themselves in the situation which Florida found themselves in with an escape hatch, a one-time escape hatch in the bill.

So, I think what this bill has done is it has taken what was—frankly, no offense to the author—a relatively crude Food Stamp Block Program that was offered here on the floor and has been refined through conference because some of these cases are made in the conference bill, and additionally refined by the Agriculture Committee, which the Senator from North Dakota and I both sit on. As you know, excellent work comes out of that committee. We have refined it, and now we are at the point where I suggest we have a fairly solid, responsible program that is going to be limited in impact because of the limitation of States and their ability to get in here and have adequate safeguards to make sure that not only people who are in this program are fed, but that States that run into problems can get out.

I reserve the remainder of my time.

Mr. CONRAD. Mr. President, our colleague from Pennsylvania has not only misplaced me by putting me in South Dakota—I represent North Dakota——

Mr. SANTORUM. I apologize. I am sorry.

Mr. CONRAD. But also misplacing his argument as well. The simple reality is Florida did not get advance notice of Hurricane Andrew. Nobody called up the Governor and said, when he would have had to make the decision under this bill to opt in and take the block grant that, "Hey, Governor, 9 months from now you are going to be hit by a hurricane." You know, if the Governor would have looked back to the pattern back in 1987 to 1989, any Governor might have concluded it is a safe bet to go with a block grant.

The problem is people do not have advance notice of an economic downturn. That is what happened here. They do not have advance notice of an actual disaster. That is what happened here. All the opt in and opt out would not have done them a bit of good in Florida. When these hungry people showed up, these were not people who have been on the welfare rolls for 10 years, these were not people who did not work. These are people who were hit by a natural disaster and needed food. The State of Florida would not have been able to provide it under a block grant.

Is that what we want to do in this country? I think not.

Mr. SANTORUM. Will the Senator yield?

Mr. CONRAD. Let me conclude.

We want a plan and a program that is going to assure us, as the Food Stamp Program does now, that if people are hungry, if they have been hit by a sharp economic downturn and a natural disaster, that they are going to have a chance to be fed.

Let me just say, with respect to the notion of opt in and opt out, that you have a one-time opt out here; one time. Does that mean Florida is never going to be hit by another natural disaster? Does that mean that Florida is never going to be hit again by an economic downturn?

Mr. President, this is not well-crafted. This is not well thought through. It goes right to the heart of the Food Stamp Program. More importantly, it goes right to the heart of the question in America: Are we going to make sure that hungry people are fed?

I am happy to yield.

Mr. SANTORUM. Mr. President, in response to the last assertion that Florida would not be hit by another natural disaster if Florida opts out of a block grant, in the Federal entitlement program they are covered under the existing Food Stamp Program.

I do not understand why the opt out is such a bad idea. The fact is that what you want to accomplish is to put them back into the main program.

Mr. CONRAD. If I may say to my colleague, the opt out is not just a bad idea. What is a bad idea is the opt in because once you have opted in you are stuck for that year. You are stuck. Florida would have been stuck. They would not have been able to feed these people who are hungry. The problem is the opt in.

That is what this amendment seeks to say. It says, "Look, we are not going to have a program that endangers children. We are not going to have a program that endangers people who are vulnerable."

Mr. President, it seems to me that this is a circumstance in which we should all understand that half of the States are eligible immediately, I am told under this bill, to go under the Block Grant Program; 40 would be eligible within 2 years. This is not some narrow, finely crafted amendment. This is a wholesale assault on the Food Stamp Program. That is what this is.

I do not think that is what this Senate ought to be doing. I do not think that is what this Congress ought to be doing.

Further, there is no guarantee under this legislation that protects children who are now eligible. There is no individual guarantee to children in this legislation. And most serious of all, there is absolutely no protection for a State that is hit by a natural disaster or a sharp economic downturn. That is the reality of the underlying legislation.

I do not think we want to take that risk with America's kids. I do not think we want to take that risk with the States that may face something they are wholly unprepared for.

What is going to happen in California? What if California opted in and decided in July of a year that the next year they were going to be block granted? They are going to take a set amount of money for food stamps. And then California has the big one, has a huge earthquake, and millions of people are displaced and hungry, and they show up at Federal centers looking for food assistance. Are we really going to have a system that says that we are sorry, California is out of money; you just are going to have to go hungry, and maybe you can go over to Nevada and find some food over there?

This is not well thought through, this provision of block granting food stamps. We ought to make this change, the change that is contained in this amendment.

I say to my friend that he has established a new standard. The standard here is it is good because it passed the Senate sometime in the past, or that it is acceptable because it passed the Senate sometime in the past. That is a new standard. I do not think that is the standard we want to apply in judging whether or not legislation is well-crafted.

I am afraid all too often things that have passed this Chamber, perhaps even things that passed the other Chamber, are things that need a lot more work. And that is why we have offered this amendment on a bipartisan basis.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. Mr. President, from the numbers that I have, I have four States that would be eligible for block grant under the EBT provision, seven States would be under the error rate of under 6 percent. That is out of 53 jurisdictions that are eligible for the program. So I have 11 jurisdictions of 53 that would be eligible today, not 40.

Now, I will say that all 53 jurisdictions are eligible, if the States are willing to pay down the error rate. That would be unlikely, we suspect, for any jurisdiction that would want to put up money, State money in advance to get a Federal block grant. So what we are looking at here is 11 States today.

Now, the Senator from North Dakota may be anticipating a lot more States going on with electronic benefits transfer, and I know that is being worked on in several States, but as we speak right now we are looking at 11 jurisdictions. So this is not opening the floodgates by any stretch of the imagination.

What the Senator also has talked about is the State of Florida being stuck if, in fact, they get hit with a bad economy and on top of that, in the case of Florida, a natural disaster.

I suggest that if the Senator from North Dakota looks at his chart, he will see several—I cannot tell the months or years, but an extended period of time where the rate did not go up, the number of people on food stamps did not go up. As I said before, under our program, States would be able to save a portion of the money, up to 10 percent of the annual block grant, and let it go into next year. So they could build up a rainy day fund or a reserve fund for bad times.

Now, if you look at the Florida example, and let us say Florida is one of those States that is a little skittish and wanted to get out, before Hurricane Andrew there looked to be a substantial period of time where benefits were increasing fairly dramatically prior to the hurricane. So they certainly would have had ample notice of a rising food stamp roll and been able to get out, if they were concerned, well before the hurricane.

That is just using Florida's example. They would have been able to get out during the period of economic downturn, but I think what is more important is that they are able to plan for this by taking the good times—and we have, as in most capitalist economies, economic business cycles. During the good times, they can save some money, and during the bad times, they can draw down that surplus.

The Senator from North Dakota also indicated that they would not be able to pay these people benefits; they would run out of money. Well, the Senator knows that hurricane, I think, occurred sometime in the summer, which is only halfway through the year.

At that point, they still have half the block grant left. They could move that funding forward and fill that need and then come in at the end, I would suspect, with State dollars to make sure they get to the end of the year. The State can always put up their own money to fill the need and, in fact, having created a plan which creates an entitlement for food stamps, they would be required to come up with their own money. Then they have to make the decision, as I said before, whether they want to continue a program that puts them at some sort of risk. My feeling is that is a decision for the States to make.

But to suggest that the State will have no money to pay people food stamps is just not accurate. They will have the money. It will be their own money, not the block grant. But that is the choice they make. The Governors and State legislators are not stupid. They know there are good times and there are bad times, there are natural disasters, and on balance they are going to make a decision that they can run a program so much better than we let them run it today that, given all these exigencies, and they know they exist, they are going to run a better program and save money in the process.

That is a decision we leave up to them to make. We trust the Governors in the State. We trust State legislators to be able to sit down and rationally come up with a decision, that they want to take responsibility for this because they can do it better and serve the needs of their people better. I want to give people the option to do it, but there are sufficient safeguards that they have a good program to start, which is why these hurdles are in place, and that they have a good plan and that they implement it, which is why we require HHS approval. And if they screw up, frankly, they have a chance to get out.

So we make them have a good plan to start. We require them to submit a good plan to continue, and if they end up having a lousy plan, they can get out. That, to me, is as well thought out as you can possibly get and is as flexible as you can possibly get for an opportunity for States to take control of this very important program that feeds millions of people.

I reserve the remainder of my time.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. The problem with the argument of the Senator from Pennsylvania is that it is wholly focused on what is in the interest of the State government. What he forgets about is who we are trying to serve here. We are talking about hungry people. He is worried about what happens to the structure of the State government. I am worried about what happens to the people who are hungry in that State if the State officials make this mistake.

Let us go back to the example of Florida. From 1987 to 1989, their caseload was flat. Then they had economic downturn and the caseload started to explode. They did not have advance warning of an economic downturn. More clearly, they did not have warning of what happened here where we see the spike in demand for food aid for people caused by a natural disaster. They would have had to make the decision to go to the block grant under this proposal back here in July of the previous year.

Now, unless they were prophetic, they might have thought if they had a pattern like they saw back in 1987 to 1989, it was safe to take a block grant. But then if they would have had a natural disaster like Andrew, what would have happened to the people who were hungry that lined up for help? The Senator says, well, the State could have put in their money. That is at the very time the State is having to put their money into every other part of this disaster.

You go find out about the budget of the State of Florida during this period. They were under enormous stress because of the combination of economic downturn and natural disaster. That is the very time this underlying bill would say: State, come up with some more money.

That is a dream. That is not connected to reality. That is a wish. That is a hope. People cannot eat wishes and hopes. People need food when they are hungry. This, to me, is one of those circumstances where we have before us a proposal that does not meet the needs of the people. I am not so worried about the State government. I am worried about the people who in my State or any other State would be denied food because of an economic downturn or a natural disaster that was unforeseen, unpredicted, and the State bet the farm that nothing bad was going to happen.

How much time remains?

The PRESIDING OFFICER (Mr. SANTORUM). Twenty-nine minutes.

Mr. CONRAD. I yield whatever time the Senator from Vermont desires.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. JEFFORDS. I thank the Senator.

Mr. President, I rise to urge my colleagues to join Senator CONRAD, myself, and our cosponsors in supporting the amendment to remove the optional block grant from the welfare bill.

I have three major objections to block granting the Food Stamp Program. First, I am very concerned about the opportunity for fraud if we turn the Food Stamp Program over to the States. Second, I am fearful that a food stamp block grant could put our most vulnerable populations at risk. Finally, I believe the bill as crafted proposes a solid program that will afford the States a great deal of flexibility without irretrievably compromising our national nutritional safety net. I think the program proposed in the bill should be given an opportunity to prove itself.

Under current food stamp law, the USDA operates a sophisticated computer system that identifies suspicious food stamp redemption patterns. Federal undercover agents visit the suspicious stores and gather evidence of illegal activity. If food stamps are converted to a block grant, much of this responsibility will shift to the States. Few States will be able to match the antifraud capabilities and resources of this Federal operation. Although I understand the States' desire for greater flexibility, we know that at this time only a handful have developed an electronic system that could provide the assurances of fraud prevention that we have at the Federal level. In this time of quickly diminishing Federal resources, I am reluctant to sacrifice the efficiencies and success of the program that the Department of Agriculture has developed.

Next, let me share my concern that the optional food stamp block grant would end the assurance of a nutritional safety net under the Nation's poor—particularly its children. Poor families and elderly individuals would be left at serious risk during economic downturns in States opting for the block grant. The block grant fails to provide any adjustment during a recession for increases in unemployment and poverty. States also would receive no additional funds in the event that food prices rise unexpectedly. States would be forced to curtail eligibility and benefits during these times. Unemployed workers who need food stamps temporarily could end up on a waiting list—depriving their families of critical food assistance. After unemployment compensation, the Food Stamp Program is the Nation's principle countercyclical tool to respond to recessions.

Block granting the Food Stamp Program puts children at risk. Preserving national standards for food stamps takes on even greater importance if the AFDC Program is converted to a block grant since no poor child is assured of receiving cash assistance under an AFDC block grant. Maintaining the National Food Stamp Program at least guarantees that a food assistance safety net of last resort is in place for poor children. Given this very great risk, I frankly am not sure why a State would choose a block grant, nonetheless it is possible a State would, and I fear its poorest citizens could end up suffering the consequences.

Finally, I believe there is no reason for a State to choose a block grant—the welfare bill as drafted gives the States unprecedented flexibility to run their own food stamp programs without a block grant.

Under this reform bill:

States get flexibility to set their own food stamp benefit rules for families that receive AFDC. If they choose, States could drop many of the rules that now apply to families, and then substitute their own rules—without securing a waiver. States also may integrate food stamp and cash assistance benefit eligibility as they see fit. States have asked for a long time for this flexibility, and the bill as drafted gives it to them.

States can convert food stamp benefits to wage subsidies provided to employers. In other words, States may require food stamp recipients in wage subsidy projects to work for wages rather than food stamps. Again, this is something many States have asked for, and the bill as drafted gives it to them.

States have the flexibility to disqualify custodial parents who do not cooperate with efforts to establish paternity or child support orders. States may also disqualify absent parents who fail to make their child support payments.

States are freed from federally imposed administrative requirements. The bill lifts an array of Federal requirements regarding food stamp application forms, the application process, and how States should coordinate with other assistance programs would be removed. States can make their own decisions on how to administer their food stamp programs. This is flexibility the States asked for, and the bill gives it to them.

I have listed four ways that this bill provides much greater flexibility to the States than they have ever had in the Food Stamp Program—and there are many more provisions in the bill that give the States the flexibility they have asked for with regard to the Food Stamp Program.

For the reasons described above, I urge my colleagues to join me in supporting this amendment to remove the optional block grant from the bill.

Mr. KERREY. Mr. President, I am proud to be an original cosponsor of this amendment to strike the optional food stamp block grant. This bill provides States ample flexibility to develop their food assistance programs without a block grant structure. We should not place minimum national eligibility and benefit floors for this important food assistance safety net at risk in an effort to provide States with even more flexibility.

Maintaining the national standards for food stamps is particularly important under this bill. Children and their families may lose cash assistance under the welfare block grant—even if parents are unable to find work. The National Food Stamp Program ensures that a basic food assistance safety net is still available to these families and prevents children from being at risk for unmet nutritional needs. If we are going to cut funding for cash assistance and block-grant the welfare program, we need to be very conscious of the changes we make to other safety-net programs that also serve poor Americans.

Block grants will place both States and food stamp beneficiaries at risk. These block grants would not adjust for increases in unemployment or poverty, or unexpected increases in food prices. States would need to stretch their block grant dollars by providing fewer benefits to each enrollee under these circumstances—or they may be forced to cut eligibility.

States do not need an optional food stamp block grant. This bill provides States with substantial new flexibility to design their food stamp programs. For example:

States could largely develop their own food stamp benefit rules and they may integrate the food stamp eligibility process with welfare.

Federal requirements for employment and training programs related to food stamp eligibility would be repealed—States could design these programs as they choose.

States could convert food stamp benefits to wage subsidies.

Federal rules that make electronic benefit systems difficult to implement would be repealed, while Federal requirements for food stamp applications, coordination with other safety-net programs, and other administrative rules would also be deleted.

These are significant changes to the current Food Stamp Program. States will be better able to design and administer their programs using innovative approaches to promoting work and self-sufficiency for food stamp beneficiaries. We should not also establish a food stamp block grant, thereby eliminating the national floor for eligibility and benefits, thereby threatening low-income children and their families.

I encourage my colleagues to join me in voting for this amendment.

The PRESIDING OFFICER (Mr. SANTORUM). The Senator from North Dakota.

Mr. CONRAD. Mr. President, just a couple of quick additional points so we can, hopefully, persuade the occupant of the chair of the wisdom of this amendment. I think he is perhaps right on the brink, now, of coming over to our side. If we can just provide him some additional information, he will come to our side on this argument.

The Senator from Pennsylvania was indicating that just a handful of States would be eligible. That strikes me as an indication of the weakness of their argument. If the argument is this underlying bill is not so bad because only a handful of States can qualify, that does not speak very well of the position in the legislation. The fact is, not a handful of States qualify; every State can qualify. Every State can qualify. Every State could be in a position of not meeting the needs of hungry people at the time of economic recession or natural disaster.

The facts I have suggest that about half the States now could take block grant with no cost. Others could come in by paying a small cost. But within 2 or 3 years, nearly 40 States would be in a position to be in the block grant at no cost. In addition to that, with respect to what happens to participation rates during a recession, I have a chart that shows what has happened in various States during an economic downturn, during the period of 1989 to 1992, when the country was in a recession.

Nevada's participation rate went up over 90 percent; Florida's rate went up over 100 percent; Delaware's rate went up over 70 percent; Vermont's rate went up nearly 60 percent. These are not things that a State does a very good job of forecasting. They even do less well at forecasting natural disasters.

In my own State of North Dakota, we had a natural disaster back in 1988 and 1989. It was a drought. Nobody forecasted the drought was coming. Out of the blue we have a drought. All of a sudden our participation rates jumped, and not just in food stamps, but other programs as well. Food stamps are different because we are talking about hungry people. We are talking about preventing people who cannot get food from having some alternative that is humane.

The Florida example is just as clear as it can be. You have to opt in the year before. If they had opted in, they would have been stuck with the level of funding provided for in this block grant. If you look at it, in 1994, Florida, their actual money, because of the flexibility of the National Food Stamp Program—they got $1.4 billion. Under the block grant they would have gotten $440 million. That is a $1 billion hole that would have had to be filled in somewhere.

The Senator from Pennsylvania suggests they just take it out of other State money. What other State money? Every State I know budgets their money right up to the full ability of the State revenue sources to cover those expenditures. They may have a bit of a rainy day fund, but it is not enough to cover a natural disaster when the State is faced with expenditures for all manner of other requirements. They have to deal with roads. They have to deal with bridges. They have to deal with all kinds of other extraordinary expenses at the time of a natural disaster. The last thing we should have people worrying about is whether, in the midst of a natural disaster, hungry people are going to get fed. That is what this amendment addresses. I hope my colleagues will support it.

The PRESIDING OFFICER (Mr. JEFFORDS). The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, the Senator from North Dakota keeps mentioning how, under this program, we are not worried about people who are in need of food. The very fact is, States must submit a plan to be approved by HHS to satisfy the Department of Health and Human Services of that very fact, whether we are going to meet the needs. In fact, we require them to specify how they are going to serve everybody, and specific populations.

To suggest we have not set up adequate safeguards to make sure, through these block grants, people will be adequately served is not reflective of what is actually in the legislation.

Second, you mentioned——

Mr. CONRAD. Will the Senator yield on that point?

Mr. SANTORUM. Sure.

Mr. CONRAD. I ask my colleague, what in the State plan enables it to deal with a natural disaster like Hurricane Andrew? The State plan has the States setting out what they are going to do with the resources that they have under the block grant. When they are hit with a natural disaster and the need skyrockets, they are not given any more money. What good does the plan do that does not anticipate this disaster? Obviously, they would not be taking the option of going to the block grant if they were anticipating it, so clearly it would not be in their plan.

Mr. SANTORUM. To answer your question, as the Senator from North Dakota knows, the State of Florida during the time of Hurricane Andrew was eligible for disaster assistance, and that covers a variety of things. Having just gone through that in Pennsylvania, a substantial amount of disaster assistance was funneled through the Department of Agriculture, and, in fact, there are programs available for people to meet some of the needs that are there during the time of disaster.

Mr. CONRAD. Will the Senator yield?

Mr. SANTORUM. We are not attempting nor would I recommend we block grant emergency assistance. So you keep pointing back to one State in one instance and draw a bad case for that. It would be—I am not arguing there would not be a severe strain. But I suggest the Governor of Florida and the State Legislature of Florida knows that occasionally they are hit by hurricanes. It is not like these hurricanes are just, "Gee, wow, in Florida we had a hurricane. We never see that." They see them all the time and they know they can be disastrous, and that should go into their calculation whether they want to go into this in the first place.

We are assuming, and I think it is a good assumption, that the Governor and the State legislature are not going to take on this enormous responsibility without having thought through what the different consequences would be, given natural disasters or given economic downturn, and a whole lot of other things.

We believe that there still will be States out there that, because of the enormous burden that the Federal Government forces upon them with this program that drives up costs for them and makes their program inefficient, can take the money and take the risk and still do a better job, and they are willing to assume that risk.

They do so with eyes open wide. If their eyes were not open, they certainly are open now as a result of our discussion. That if they do not have the money, if they have an economic downturn or disaster, they have to come up with their own State money.

I will announce to State Governors now, if you take a block grant under this proposal and run out of money at the end of the year, it is your responsibility. Now everybody has been warned, and they are going to have to make a decision based on what they think is the best thing to do.

I think what this whole welfare reform bill is about is trying to get away from the paternalism of the Federal Government and the inefficiency of the Federal Government in trying to micromanage programs out of Washington, DC, for Fargo, ND, and other places. What we are trying to do here is assure, to the extent we can, that States that get involved have good programs. We make sure they have low error rates or high technology to run an efficient system.

We ensure that when they take the program, after they now run a good program, that when they opt for a block grant, which is to cut the ties to the Federal program, in fact, take it and let them run it themselves, that they have to submit a plan, which adequately covers all the people we are concerned about, and is approved by HHS. Again, a prudent step to making sure they are not taking the money and spending it on a fleet of Volvos for all the Cabinet Secretaries; that, in fact they are spending it on helping the poor who need food.

We have adequate safeguards in here to make sure that the poor who are in need of food assistance get it; that the States run a good operation. We have those safeguards in place.

One other thing. The Senator from North Dakota voted for in committee and supported in committee an amendment that was put forward by the Senator from Vermont, the ranking member, Senator LEAHY, as a further, frankly, disincentive for these States to take a block grant.

Under the old formula, States could either take the 1994 allocation for food stamps or the average of 1992, 1993, and 1994. Senator LEAHY, and others on your side of the aisle, were saying, "Gee, well, with the reductions in food stamp benefits under our bill, that may be a very attractive thing for them to take—take that high figure, since our numbers are going to be coming down."

So what you added in committee was a provision that said that in no case could either the 1992, 1993, 1994 average or 1994 allocation be higher than the 1997 levels after the reforms have been put in place. So you make it even less tantalizing to go ahead and take a block grant.

All I suggest is, we spent a lot of time on this amendment. It has been a good debate and discussion. I hope those who were listening are still listening after an hour of this debate. I think it has been informative. I think what we have seen here is we set very high hurdles; we have not made this to be the most attractive block grant proposal out there. What we have said to States is, "If you think you can do it better, given these high hurdles to get into this program, we are going to give you the opportunity to do it."

I think that is only fair to give States the opportunity to run a better program that helps the people in their State.

Mr. CONRAD. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER (Mr. CRAIG). The Senator has 17 minutes 5 seconds remaining.

Mr. CONRAD. Mr. President, the argument of the Senator from Pennsylvania with respect to a natural disaster reveals the weakness of his argument. The Senator from Pennsylvania suggests, if you have a natural disaster and you are stuck with this block grant program that provides only a set amount of money, it cannot be adjusted for the magnitude of the disaster, that, well, you have economic assistance.

Economic assistance is not for food assistance, that is why we have the Food Stamp Program. Economic assistance is to meet the other disaster needs that a State meets in a circumstance of unforeseen natural disaster. Economic assistance programs are not designed to replace the Food Stamp Program.

Mr. President, if that is what he is suggesting is out there for people to be counting on, if they face a natural disaster, those people are going to be in a world of hurt.

I might also say, the notion that Governors are put on notice because we in the Senate have a debate at 3 o'clock in the afternoon on Friday is probably not a very reliable thing for any of us to depend upon. I doubt if any Governor is watching this debate or paying very close attention to what goes on in the Senate Chamber.

Mr. SANTORUM. I will be happy to send each Governor a copy of this debate so they will be fully informed as to what they are getting into.

Mr. CONRAD. I welcome that. No question, they will be riveted by the comments of the two of us this afternoon.

Let me just end on this note. The harsh reality is, if a State opts into this block grant—and we go back to the example of Florida, but we do not need Florida's example, we could take dozens of examples of what has happened to States in times of economic downturn or natural disaster—what we would find, without exception, is that these things are unpredictable; that if a State had opted into the block grant, taken a flat amount of money to provide for the food needs of its people and then have something unforeseen occur, whether it was an economic downturn, a drought, a hurricane, an earthquake, they only have that set amount of money, no matter what the need is.

What happens to those people? What would have happened to hungry people in Florida if there was not the automatic adjustment provided by the Federal Food Stamp Program? I can tell you what would have happened. The State of Florida would have been presented with an impossible choice: meet the other disaster needs of the State in that circumstance or divert money to food which would have otherwise been provided for with the Federal Food Stamp Program.

What a hellacious choice to present the State officials of Florida or the State officials of Pennsylvania. They have had natural disasters. They just had one. Or the State of North Dakota, or the State of California. We saw California beset by one disaster after another. We saw them have landslides, fires, earthquakes all in 1 year. Their caseload skyrocketed. But if they would have had a set amount of money for food stamps, some people who had legitimate needs would not have been served.

Mr. President, America is better than that. America is better than that. This Senate is better than that. When there is a disaster, we have a spirit of neighborliness in this country and we go to help out. When there was a disaster in Pennsylvania, the Federal Government helped out. When there was a disaster in my State, the people of America rallied, through their Federal Government, and helped us, and it made a difference in people's lives.

This bill, as it is written, is just a mistake. We should not leave a circumstance in which people who are hungry do not have the opportunity to be fed.

This amendment, which is a bipartisan amendment, addresses that need. I hope my colleagues will support it.

Mr. SANTORUM. Mr. President, I yield back the remainder of our time.

Mr. CONRAD. I yield back the balance of our time.

AMENDMENT NO. 4935

(Purpose: To deny welfare benefits to individuals convicted of illegal drug possession, use or distribution)

Mr. SANTORUM. Mr. President, I send an amendment to the desk on behalf of Senator GRAMM of Texas.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] for Mr. GRAMM proposes an amendment numbered 4935.

Mr. SANTORUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 364, between lines 14 and 15, insert the following new section:

SEC. . DENIAL OF BENEFITS FOR CERTAIN DRUG RELATED CONVICTIONS.

(a) IN GENERAL.—An individual convicted (under Federal or State law) of any crime relating to the illegal possession, use, or distribution of a drug shall not be eligible for any Federal means-tested public benefit, as defined in Section 2403(c)(1) of this Act.

(b) FAMILY MEMBERS EXEMPT.—The prohibition contained under subsection (a) shall not apply to the family members or dependants of the convicted individual in a manner that would make such family members or dependents ineligible for welfare benefits that they would otherwise be eligible for. Any benefits provided to family members or dependents of a person described in subsection (a) shall be reduced by the amount which would have otherwise been made available to the convicted individual.

(c) PERIOD OF PROHIBITION.—The prohibition under subsection (a) shall apply—

(1) with respect to an individual convicted of a misdemeanor, during the 5-year period beginning on the date of the conviction or the 5-year period beginning on January 1, 1997, whichever is later; and

(2) with respect to an individual convicted of a felony, for the duration of the life of that individual.

(d) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following Federal benefits:

(1) Emergency medical services under title XV or XIX of the Social Security Act.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of communicable diseases if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(e) EFFECTIVE DATE.—The denial of Federal benefits set forth in this section shall take effect for convictions occurring after the date of enactment.

(f) REGULATIONS.—Not later than December 31, 1996, the Attorney General shall promulgate regulations detailing the means by which Federal and State agencies, courts, and law enforcement agencies will exchange and share the data and information necessary to implement and enforce the withholding of Federal benefits.

Mr. SANTORUM. This amendment, to my understanding, is an amendment that says that if you are convicted of a Federal drug crime, that if it is a misdemeanor crime you are ineligible for a means-tested benefit for 5 years, if it is a felony you are ineligible permanently. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be.

The yeas and nays were ordered.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

AMENDMENT NO. 4903

Mr. GRAHAM. Mr. President, on behalf of Senator EXON, I ask unanimous consent that the amendment offered and withdrawn by the Senator from Washington, Senator MURRAY, remain on the list of amendments that are in order to offer today or Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. Thank you, Mr. President.

Mr. President, I am going to be offering an amendment prior to that. I also ask unanimous consent that the amendment which I am going to offer be subject to modification prior to the time of the vote on Tuesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. Thank you, Mr. President.

AMENDMENT NO. 4936

(Purpose: To modify the formula for determining a State family assistance grant to include the number of children in poverty residing in a State)

Mr. GRAHAM. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for himself and Mr. BUMPERS, proposes an amendment numbered 4936.

Mr. GRAHAM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 196, strike line 16 and insert the following:

DEFINED.—Except as provided in subparagraph (C), as used in this part, the term

On page 198, between lines 9 and 10, insert the following:

"(C) RULES FOR FISCAL YEARS 1997, 1998, 1999, 2000, AND 2001.—

"(i) IN GENERAL.—Notwithstanding subparagraph (A), in the case of fiscal years 1997, 1998, 1999, 2000, and 2001, the State family assistance grant for a State for a fiscal year shall be an amount equal to the sum of—

"(I) the applicable percentage for such fiscal year of the State family assistance grant for such fiscal year, as determined under subparagraph (B), and

"(II) an amount equal to the State child poverty allocation determined under clause (iii) for such fiscal year.

"(ii) APPLICABLE PERCENTAGE.—For purposes of this subparagraph, the applicable percentage for a fiscal year is as follows:

"If the fiscal year is:	*The applicable percentage is*
1997	80
1998	60
1999	40
2000	20
2001	0.

"(iii) STATE CHILD POVERTY ALLOCATION.—For purposes of this subparagraph, the State child poverty allocation for a State for a fiscal year is an amount equal to the poverty percentage of the greater of—

"(I) the product of the aggregate amount appropriated for fiscal year 1996 under subparagraph (G) and the child poverty ratio for such State for such fiscal year, as determined under clause (iv); and

"(II) the minimum amount determined under clause (v).

For purposes of this clause, the poverty percentage for any fiscal year is a percentage equal to 100 percent minus the applicable percentage for such fiscal year under clause (ii).

"(iv) CHILD POVERTY RATIO.—For purposes of clause (iii), the term 'child poverty ratio' means, with respect to a State and a fiscal year—

"(I) the average number of minor children in families residing in the State with incomes below the poverty line, as determined by the Director of the Bureau of the Census, for the 3 preceding fiscal years; divided by

"(II) the average number of minor children in families residing in all States with incomes below the poverty line, as so determined, for such 3 preceding fiscal years.

"(v) MINIMUM AMOUNT.—For purposes of clause (iii), the minimum amount is the lesser of—

"(I) $100,000,000; or

"(II) an amount equal to 150 percent of the total amount required to be paid to the State under former section 403 for fiscal year 1995 (as such section was in effect on June 1, 1996).

"(vi) REDUCTION IF AMOUNTS NOT AVAILABLE.—If the aggregate amount by which State family assistance grants for all States increases for a fiscal year under this paragraph exceeds the aggregate amount appropriated for such fiscal year under subparagraph (G), the amount of the State family assistance grant to a State shall be reduced by an amount equal to the product of the aggregate amount of such excess and the child poverty ratio for such State.

"(vii) 3-PRECEDING FISCAL YEARS.—For purposes of clause (iv), the term '3-preceding fiscal years' means the 3 most recent fiscal years preceding the current fiscal year for which data are available.

"(D) PUBLICATION OF ALLOCATIONS.—Not later than January 15 of each calendar year, the Secretary shall publish in the Federal Register the amount of the family assistance grant to which each State is entitled under this paragraph for the fiscal year that begins on October 1 of such calendar year.

On page 198, line 10, strike "(C)" and insert "(E)".

On page 200, line 11, strike "(D)" and insert "(F)".

On page 200, line 17, strike "(C)" and insert "(E)".

On page 200, line 23, strike "(C)" and insert "(E)".

On page 201, line 5, strike "(C)" and insert "(E)".

On page 201, line 20, strike "(C)" and insert "(E)".

On page 201, line 25, strike "(C)" and insert "(E)".

On page 202, line 5, strike "(C)" and insert "(E)".

On page 202, line 9, strike "(E)" and insert "(G)".

Beginning with page 205, line 4, strike all through page 211, line 3.

Mr. GRAHAM. Mr. President, if there is one phrase that has characterized the debate on welfare reform, it is the phrase that "we are going to end welfare as we have known it." What we have known welfare as has a number of dimensions. We have focused a great deal of attention, for instance, on the issue of what will it take to cause welfare to be seen as a temporary program, not as a permanent lifestyle.

There is another dimension to welfare as we have known it. And that is how the Federal Government has participated financially with the States in financing the cost of welfare. And I speak specifically to the cash payments under the Aid to Families with Dependent Children.

The current law is essentially a matching formula in which the States indicate what they are prepared to commit to this program and then the Federal Government matches that amount. There are nuances to that statement but that is fundamentally the status quo.

This bill, with a minor modification, intends to retain that aspect of welfare as we have known it. That is, we would continue to maintain the State by State Federal allocations as they have developed under the current system. And those State by State allocations, as you would imagine, are extremely divergent.

As an example, to use the State of the Presiding Officer, Idaho, in 1996, per child in poverty—that is of all the children in Idaho who live at or below the poverty level—if you divide the number of dollars that are coming from the Federal Government to the State of Idaho by that number of children, the result is $495. That is what Idaho receives per poor child.

Just to move across the line into your adjoining State of Washington, the State of Washington, with the same mathematical formula, in 1996 will receive $1,948 or approximately four to five times, per child in poverty, what Idaho receives.

That result is now going to be cast into the stone of block grants. That is the basis upon which Idaho will be receiving its money between now and the year 2001 so that essentially those same discrepancies will be maintained.

What has not been retained, however, Mr. President, is what is the purpose of the allocation of funds. Under the current system, the purpose of the allocation of funds from the Federal Government to the States and into the eligible families is essentially economic support. It pays for the rent, the lights, the food, the school supplies, the diapers, all the things that a family needs.

What we are now about to do is shift to a different goal. And that different goal is to, yes, continue to provide some economic support, but with a heavy emphasis on funding those activities which will facilitate people getting off of welfare and into work.

What are those kinds of activities that are now going to be funded? Well, they include job training. They include child care. They include some of the support services such as transportation for people to get to the job training or to get to the job. Those types of expenditures, within a range, tend to be fairly consistent from State to State.

It does not cost a great deal less or more to provide that set of services in Moscow, ID, as in Spokane, WA. Yet Washington is going to have four to five times as many dollars per child in poverty to pay for those services as is Idaho. Therefore, Idaho is going to have a much more difficult time financially in terms of being able to pay for those kinds of transitional services and have anything left over to cover the economic needs of families who are in poverty than will States that commence this process at a much higher level.

That, Mr. President, is the preface for the amendment that is offered today by Senator BUMPERS and myself entitled "Children's Fair Share." And our premise is that we ought to, over time, have as a national goal to treat each child in poverty in America as being of equal worth, and equal dignity and equal importance to their opportunities for the future of our Nation.

Our approach is a simple one. Rather than take the status quo, which is predicated on the old welfare system and the old objectives, we should focus on a needs-based formula. As a result, over time, States would receive funding based on the number of poor children in their State.

Why are Senator BUMPERS and I offering this amendment? Any formula allocation should be guided by some underlying principles and policy justifications. One fundamental principle is fairness—fairness to America's children, fairness to the States, fairness to the Nation. If we are going to block grant welfare, we must be very careful that we are block granting with fairness.

The General Accounting Office issued a report in February 1995 entitled, "Block Grants: Characteristics, Experience, and Lessons Learned." What are the lessons that have been learned from our previous history with block grants that we should take into account as we start on the block grant for welfare?

The General Accounting Office report stated, "Because initial funding allocations used in current block grants were based on prior categorical grants, they were not necessarily equitable." That, Mr. President, describes the circumstance that we face this afternoon with this legislation—inequitable allocations of block grant funds because they were based on prior categorical grants.

Senator BUMPERS and I propose a funding formula that would clearly meet the following principles. First, block grant funding should reflect need or the number of persons in the individual States that would need assistance. Think about that principle, that one that seems rational.

Second, a State's access to Federal funding should increase if the number of people in need of assistance increases; conversely, a State's access to Federal funding should decrease if the number of people in need of that assistance decrease. Does that sound logical and reasonable?

Third, States should not be permanently disadvantaged because of the old categorical policies. In this case, the policies and circumstances surrounding welfare as we have known it, which we are attempting to discard.

Fourth, if requirements and penalties are to be imposed upon the States, as envisaged by this bill, then fairness dictates that all States have an equitable and reasonable chance of reaching those goals.

Mr. President, I suggest these principles sound rather simple. In sharp contrast, the legislation which is before the Senate fails to meet these tests of fairness. In fact, the formula used in this bill would perpetuate inequities into the future. Those inequities would, in fact, grow.

Let me give an example. I cited the example of two neighboring States, Idaho and Washington. Let me cite two neighboring jurisdictions, the District of Columbia and the State of Virginia. Today, the District of Columbia per child in poverty receives $1,611; in the State of Virginia, $728. That is what the situation is today.

Now, what is the proposal of the underlying bill for the year 2001? Are we going to bring these together? Are we going to move toward eliminating the $680 difference between the District of Columbia and the State of Virginia? Unfortunately, it is just the opposite, Mr. President. In the year 2001, under the plan that is before the Senate, the District of Columbia will receive $1,752 per child in poverty; the State of Virginia will receive $748. Rather than closing toward fairness, we will see a widening in which, in the year 2001, the District of Columbia will have approximately $1,000 more per child in poverty than does the State of Virginia. I find it hard to think of a policy rationale that would justify such a result.

Mr. President, ironically, in the name of reform, in the name of change, we are locking in past inequities, repackaging them as block grants and failing to take into account future populations or economic changes among the States, failing to take into account the very obligations we are about to give to the States to perform and the necessity that if all States are going to achieve those objectives and if all States are going to be held to both sanctions and rewards for their success or failure in achieving those objectives, that all States should commence this new adventure of welfare reform from an essentially equitable position.

By allocating future spending on the basis of 1995 allocations, this bill fails to distribute money based on any measure of need. It fails to take into account population growth or economic changes. It would permanently disadvantage States well into the future based upon choices and circumstances of 1995. It would unfairly impose penalties on States.

The formula in this welfare bill would result in extreme disparities between States in Federal funding for poor children. I have given four examples to date. I might say all of these examples and all of the statistics I am using are the product of a report done by the Congressional Research Service dated July 18, 1996.

In this report, it points out that under the underlying bill the State of our leader, the State of Mississippi, would receive $355 per child in poverty, while the State of New York would receive $1,998, or almost six times more than the poor child in Mississippi. In fact, if we combine the amount per poor child in the States of Alabama, Arkansas, Louisiana, South Carolina, and Texas, the total of funds per poor child in those five States would not equal what a poor child, for instance, in the State of Massachusetts would receive. To put it another way, the Federal Government effectively values some poor children five times more than it does children in the State of Alabama, Arkansas, Louisiana, South Carolina, and Texas.

That is not the end of it, Mr. President, because under this bill, States that fail to meet the work requirements, States that are not able to put the money into effective job training, job search, job placement, child care, transportation, the other activities that have been found as necessary in order to get people from welfare to work, they are going to be subject to a penalty.

Now, in a previous version of this bill, that penalty was 5 percent of the State's grant. So if the State was going to receive $1 million, it would be penalized 5 percent if it failed to meet the work requirement. This bill, Mr. President, if we believe it, makes that 5 percent cumulative, so that in the first year, you are penalized a percent; if you fail in the second year, you get penalized 10 percent; in the third year, you get penalized 15 percent, and so forth, up until you are penalized one quarter, or 25 percent of your State grant.

That is not the only penalty in this bill, Mr. President. The language goes so far as to say a State can be penalized up to 25 percent per quarter in terms of the allocation of grant funds.

Mr. President, today is a historic day. It is the opening of the centennial Olympics in Atlanta. Much of the world's focus for the next few days will be on Atlanta and on the Olympic events. I would liken this funding formula dilemma to a variation of one of the most celebrated contests in the Olympics. Let us say you have Dennis Mitchell and Gail Devers lined up at the start of the 100-meter dash. Then you have a less talented runner lined up 30 yards behind these two Olympic superstars. Then you have Senator BUMPERS—who, unfortunately could not join us this afternoon, but will make some remarks on Monday—and I, who have been assigned a position 200 yards behind these superstars. The gun goes off. Now, we are all going to be judged on whether we can reach the finish line in the 100-meter dash in under 11 seconds. If you do, you get the acclaim of the crowd and you may even get a medal. If not, you are subject to penalty.

Well, not surprisingly, Dennis and Gail reach that goal easily. The runner that started 30 meters further behind makes it in about 13 or 14 seconds, failing to meet the goal despite a valiant attempt. Now, Senator BUMPERS and I, I hate to admit, we do not even come close to making the goal. Even Michael Johnson, the world-record holder, can only run the 200-meter dash in 19.66 seconds. However, even he would be penalized in this scenario. That would be a travesty of the Olympic spirit. That would be a sad race to observe.

But, Mr. President, it gets worse. Since Senator BUMPERS and I lost the race, and the runner at 130 yards also failed to meet the standard, we would have to move further back for the next race. Since they had reached the goal, Dennis and Gail would move 10 meters closer for the next race.

That is essentially the structure of this bill. Those who start out in an advantaged position are placed in the prospect that they will get rewards because they have achieved the goals. Those who start—as Senator BUMPERS and I are going to have to do—200 yards behind the regular starting line and therefore have relatively little expectation of reaching the goal, we are going to be further penalized, now having to be 300 yards behind the starting line.

That, Mr. President, is an absurd result. However, it is exactly the situation that our States must deal with if this bill passes with its combination of funding formulas, incentives, and penalties.

Mr. President, as we change welfare as we know it, we should recommit ourselves to the value that we place upon all of America's children. We should want to see that all of those children have the same opportunity to succeed and that they start from the same place in life's starting line. There is no justification for poor children to be treated with less or more value by the Federal Government depending upon in which State they happen to live.

Mr. President, I urge the adoption of the Graham-Bumpers amendment.

Mr. SANTORUM. Mr. President, I rise in opposition to the amendment. I will respond as to why. The Senator from Florida repeatedly talked about how those States that are currently disadvantaged that are way behind from the start are going to get put further behind, as if the States who were far behind were there—as I heard this term a lot on the floor—through "no fault of their own." I hear that all the time. They are disadvantaged for no fault of their own. The fact is that the reason they are so far behind is directly a result of the decisions that those States made with respect to how much money they want to put forward in State dollars to help the poor in their States.

If you look at the chart of the Senator from Florida, the majority of the States that are advantaged, according to him, by the current system are States like New York, Pennsylvania, Michigan, Ohio, California New Jersey—those States who have invested significant State dollars in AFDC, Medicaid, and a lot of other programs that are aimed at helping the poor. They are high-benefit States; they are States that are willing to spend tax dollars to meet a Federal match, to help the poor in their State. Therefore, they have a higher per capita spending rate on the poor than States like Florida, Texas, Arkansas, and the others.

So when it comes to them redoing the formulas in a block grant, we look at what States are spending now and what the Federal Government puts in now. What the Federal Government puts in now is based on what the State puts in. It is a match. So the Federal share, yes, in Pennsylvania is higher than it would be if you start all over and say we are going to pay so much for everybody. But, by doing what, you would take Pennsylvania and a program in Pennsylvania that has been established for a long time and has been supported by the State and just cut the legs out from under it to give it to a State who has not been providing those services in the past. How is that fair?

If you want to talk about fair, you have a State actually spending dollars, putting forth an effort and putting together a program they believe better meets the needs and is willing to spend money to help the poor, and you are going to create a block grant and take money away from them because they were being better neighbors—I will use that term. I do not think that is fair. The whole premise of the Hutchison formula—Senator HUTCHISON was the one who worked tirelessly, and I mean tirelessly, because there have been a lot of contentious issues I have dealt with in the area of welfare reform over the past 2 years. I do not want to use too strong of a term, but nothing approaches the animosity that is raised on an issue than when you are talking about dollars for the States back home. That is really where people draw the line.

So to be able to come up, as we have done, with a compromise formula that says we want to make sure no one is hurt, that no State is cut, that they are held harmless in the allocation they get from the Federal Government, and we set a separate growth fund for States that are hydro-States to give them money, a separate pot of money, $800 million, almost $1 billion, to use for growth. Florida gets over $100 million of the $800 million in that fund. We try to take care of both. For those who have been doing a good job, spending resources, taking care of the poor in their States, hold them harmless and, at the same time, provide for growth for the other States that, frankly, have not been meeting the national average when it comes to providing services for the poor.

We think that is a fair balance. If we had all the money in the world, we would give everything to everybody. But we do not. We do not have enough money to provide the same level for everybody that the State of New York, for example, provides for their beneficiaries. So we have to make, as the Senator from Florida, and I am sure everybody listening, realizes, you have to compromise. This was the compromise we came up with. Is it perfect? Absolutely not. Is it fair from an objective standpoint? I think the Senator from Florida can make the argument that, no, it is not fair. Is it fair given where we had to start? I make the argument that, yes, given the situation we found ourselves in, it is. If we were going to redo this and go back to 1965, instead of developing an AFDC Program, or whatever current revision of the AFDC Program was created, and start all over, would we have done it differently? Absolutely. But we are not there. We are here. We have a history of States that have invested. We have a history of programs. And to go in and just decimate those programs because of this block grant, I think would be tragic to a lot of people and a lot of States, and certainly it would be an enormous hardship on, frankly, the States that are having some of the very worst budgetary times and a lot of economic problems like in the Northeast, in the upper Midwest, and in the case of California and the west coast.

So we think what we have done here is a balance given where we had to start. It is not—and I agree with the Senator from Florida—from an objective position, as if we were starting from day one a fair solution. I will not argue that. But what I will argue is that given where we had to start, which is a long history of providing services to the poor, this is the best and the fairest we could come up with given those set of circumstances and the hand we were dealt.

So, I do not fault at all the Senator from Florida for standing up, as he has done not only on this bill but last year on several amendments, and articulately advocating for his State and for other States that do not get as much money as they think they deserve. He certainly has a right to do that, and he is certainly justified in doing that. I think what we have done here is to accommodate him and his State as best we can given the circumstances, in providing funds for them to be able to get some more resources.

I will anticipate the comment, which is that it is not enough. I cannot even argue that it is not enough. But what I am saying is you would find that the States like Pennsylvania and New York, which are not going to see any growth at all in their allocation, would tell me that is not enough. Nobody has enough. This is a situation where everyone is getting squeezed, and we are hoping that even though they are getting a smaller allocation, that they will be able to take this block grant and be able to redesign this program. That is what this is all about—giving them the flexibility. Yes, less money in a sense, but more flexibility to be able to design a program that more efficiently provides for the poor in their States, that more efficiently transitions people off welfare into productive lives than the current system does, which will save money if they do so in a proper fashion.

So, we think there is a good balance between enough money and certainly maximum flexibility to be able to accomplish the purpose without any additional money, or any change in the funding formulas here.

I reserve the remainder of my time.

Mr. GRAHAM. Mr. President, let me just make a few points.

The Senator from Pennsylvania has made a very good argument, if we were going to leave the welfare program as we have known it for the last three-plus decades. The whole premise of us being here today until this job is done is that we want to change that welfare system as we have known it.

So, to say that we are going to change the whole chassis drivetrain and other aspects of this vehicle, but keep the engine of how we distribute the money to pay to make the vehicle mobile, exactly the same as we had in the past, is, I think, an intellectual disconnect. If we are going to change the program, we have to look at what is going to be required on a nationwide basis and on a State-by-State basis in order to accomplish the objectives of the new—not the old—welfare system.

The fact is that the change that is going to be most fundamental to the States is that they are now going to take on the requirement subject to both carrots and sticks in sanctions to move people from welfare to work. We have had some experience with this, Mr. President. Two of the longest term pilot programs in welfare reform are in the cities of Gainesville and Pensacola, FL. They have been working for several years to try to determine, not in theory, but in practice, with real people.

What does it take to get folks off welfare? What does it take to get them that first job and then get them in the position that they can hold the job in the future? The fact is it takes, for many of those people, a significant investment. We have to invest in job training for people who do not have any job skills. You have to invest in job placement for people who have never gone out to get a job before. You have to invest in child care so that there is somebody there to look after the kids while the mother is in training and in the first months of employment.

Those all have significant costs. Those costs are within ranges fairly consistent from State to State across the country. Yet, we are going to start some States with four, or five, or six times more money than others with poor children in order to be able to pay for those common transitional expenses.

I am afraid that we are about to build into the architecture of welfare reform failure for many States, and then after we have built in failure, we are going to impose heavy sanctions on those States that fail, which will make it even less likely that they will be able to achieve success.

I fear that the result of all of that is going to be that we will waste several years in accomplishing the objectives that we all see, which is to move people from dependence to independence and self-sufficiency and pride that comes with the ability to support oneself, that we are going to lose that opportunity over the next period as we start this process with a fundamentally, structurally failed architecture.

Mr. President, if I thought that we were starting this from a suspect place but that was just a necessary political accommodation in order to get off the blocks, and then we would soon be moving towards a greater level of equity, I could accept that as a pragmatic means of moving from the old to the new.

Are we going to be making that transition? Let us just look at two of the States that I cited: the State of Mississippi and the State of New York. How long under the Hutchison amendment will it take for the State of Mississippi to reach the State of New York in its funds available for poor children? Will the Senator from Pennsylvania think that maybe when we celebrate the 300th anniversary of the country in the year 2076, would we have done it by then? Sadly not. Will we have done it when we celebrate the 400th anniversary of the country in the year 2176? Mr. President, sadly not.

It will, in fact, not be until the year 2202, exactly 206 years from today, 2202, before Mississippi will finally close the gap and be the equivalent of New York. That means that it will be some six to seven generations before that gap is closed.

My colleague and friend from Pennsylvania is a patient man. He is prepared to wait until the year 2202 to achieve equity. I am more impatient. I do not believe that my life expectancy is going to extend to that year. I would like to see some more reasonable date at which we will begin to achieve parity among the States so we can then expect the States to be subject to a parity of sanctions and incentives in terms of whether they have, in fact, achieved the goal of moving people from welfare to work.

We have suggested a 5-year transitional plan to achieve that result. The Senator from Pennsylvania was very gracious in recognizing that this is a legitimate concern, and I recognize that it is not easy to do. You have people who have been operating under the old system with certain sets of expectations. But, frankly, we are asking lots of people to change their whole pattern. We are asking people who have been essentially waiting to receive a check once a month now to get up every day and go to work. That is a change. We are asking communities that have previously closed the door to employment opportunities for many of these people to open the door and create the chance for them to become self-sufficient.

I think that we ought to, as politicians, challenge ourselves, be willing to make some of the same kinds of adjustments in this new system. And certainly one of those adjustments ought to be fundamental fairness in the way we treat American children wherever those children happen to live in this great Nation.

That is the purpose of the Graham-Bumpers amendment. Mr. President, as I indicated earlier, by unanimous consent I have reserved the right to modify this amendment up to the time of the vote on Tuesday. We would be receptive to further ideas as to how to better achieve this objective.

I also indicated that my friend and cosponsor, Senator BUMPERS, will utilize some time on Monday to speak further on this matter. I hope that over the next few days my colleagues will study this issue of fundamental fairness—the fact that some 35 States would be benefited as we move, over time, toward fairness—and ask themselves, is it not time as we change welfare as we have known it to also change a pattern of expenditure of Federal funds which has seriously disadvantaged many of the poorest children in America?

Thank you, Mr. President.

Mr. SANTORUM. Mr. President, if I could just make one quick comment, and that is I think the Senator's example of Mississippi and New York actually illustrates the point as to why the formula in the underlying bill is a fairer formula. To suggest the cost of living to provide for a poor child in Mississippi is the same as it is to provide for a child in Manhattan I think is obvious. It is not the same. The cost of living in a lot of areas in this country is substantially lower than it is elsewhere. California is one of the States that would be harmed by the Senator's amendment. There is a much higher cost of living in the States that are highlighted than in the other States.

So there is a disparity, and one of the reasons that States like Pennsylvania, California, and New York have to spend more money is because the Federal grants are set at a flat level, which may be very adequate for Mississippi but certainly not for New York City or San Francisco or Philadelphia and a lot of other places. So the States have had to make up that difference and, in fact, drawn more Federal dollars as a result. There is in a sense, it sounds, an inequity, that a child in Mississippi should be given the same as a child in New York when in a sense the child in Mississippi, to maintain the standard of living, needs less money than a child in New York, where the cost of living is higher.

So that is part of what makes these discussions on formulas so incredibly complex and difficult, and very difficult to resolve. But I think we have done the best we possibly can.

Mr. President, I yield back the remainder of my time. If the Senator from Florida is finished, if he will yield back his time, we will then move on to the next amendment.

Mr. GRAHAM. Mr. President, I yield back the remainder of my time.

I would like to, however, submit for the RECORD a list of the penalties and rewards contained in this bill as a means of underscoring the discrepancy in the likelihood of States being subject to sanction or receiving incentives based on the amount of funds that they will receive under this bill per child in poverty.

I ask unanimous consent that "Use of Rewards and Penalties for the Welfare Work Requirements" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

USE OF REWARDS AND PENALTIES FOR THE WELFARE WORK REQUIREMENTS

PENALTIES

Failure to Satisfy Minimum Participation Rates

Failure to Comply with Paternity Establishment and Child Support Enforcement Requirements

Failure to Timely Repay a Federal Loan Fund for State Welfare Programs

Failure of Any State to Maintain Certain Level of Historic Effort

Substantial Noncompliance of State Child Support Enforcement Program Requirements

Failure of State Receiving Amounts from Contingency Fund to Maintain 100% of Historic Effort

Failure to Comply with Provisions of IV-A Or the State Plan

Required Replacement of Grant Fund Reductions Caused by Penalties

REWARDS

Reduction of Required State Spending from 80% to 72% for States that Achieve Program Goals

Grant to Reward States that Reduce Out-of-Wedlock Births

Bonus to Reward High Performance States

AMENDMENT NO. 4937

(Purpose: To Change retention rates under the food stamp program)

Mr. SANTORUM. Mr. President, on behalf of the Senator from South Dakota, Mr. PRESSLER, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for Mr. PRESSLER, for himself and Mr. DASCHLE, proposes an amendment numbered 4937.

The amendment is as follows:

Beginning on page 70, strike line 21 and all that follows through page 71, line 3, and insert the following:

"(c) RETENTION RATE.—The provision of the first sentence of section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended by striking "25 percent during the period beginning October 1, 1990" and all that follows through "section 13(b)(2) of this Act" and inserting "35 percent of the value of all funds or allotments recovered or collected pursuant to subsections (b)(1) and (c) of section 13 and 20 percent of the value of all funds or allotments recovered or collected pursuant to section 13(b)(2) of this Act".

Mr. DASCHLE. Mr. President, I want to take a few minutes to explain the pending amendment. Eliminating food stamp fraud and abuse is of paramount importance, both in my State of South Dakota and across the Nation. Clearly, if there are steps that can be taken to curb the fraudulent use of food stamps, then we, as lawmakers, have a responsibility to take them. This amendment is one such step, and I believe it is fundamentally sound policy.

This amendment provides States incentives to police the fraudulent use of food stamps. By granting States the authority to retain 35 percent of a food stamp overissuance in instances of intentional fraud and 20 percent in the event of nonintentional overissuance, they are encouraged to pursue perpetrators to the fullest extent of the law. A recent study by the South Dakota Department of Social Services demonstrated unequivocally that a two-tiered system, such as the one proposed by this amendment, is far more effective at encouraging States to pursue food stamp fraud than the flat retention rate system proposed in the underlying reconciliation bill.

Moreover, this amendment has been scored by the Congressional Budget Office as having no significant cost. I urge my colleagues on both sides of the aisle to support the amendment.

Mr. SANTORUM. Mr. President, this amendment has been agreed to by both sides, and I ask unanimous consent it be agreed to and that the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4937) was agreed to.

AMENDMENT NO. 4930

(Purpose: To strengthen food stamp work requirements)

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair.

I call up amendment No. 4930 which is at the desk, and I ask that it be stated.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS], for himself, Mr. FAIRCLOTH, Mr. GRAMM, Mr. NICKLES, Mr. SHELBY, and Mr. SMITH, proposes an amendment numbered 4930.

Mr. HELMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike section 1134 and insert the following:

SEC. 1134. WORK REQUIREMENT.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1133, is amended by adding at the end the following:

"(o) WORK REQUIREMENT—

"(1) DEFINITION OF WORK PROGRAM.—In this subsection, the term 'work program' means—

"(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

"(C) a program of employment or training operated or supervised by a State or political subdivision of a State that meets standards approved by the Governor of the State, including a program under subsection (d)(4), other than a job search program or a job search training program.

"(2) WORK REQUIREMENT.—Subject to paragraph (3), no individual shall be eligible to participate in the food stamp program as a member of any household if the individual did not—

"(A) work 20 hours or more per week, averaged monthly;

"(B) participate in and comply with the requirements of a work program for at least 20 hours or more per week, as determined by the State agency; or

"(C) participate in and comply with the requirements of a program under section 20 or a comparable program established by a State or political subdivision of a State.

"(3) EXEMPTIONS.—Paragraph (1) shall not apply to an individual if the individual is—

"(A) a parent residing with a dependent child under 18 years of age;

"(B) mentally or physically unfit;

"(C) under 18 years of age;

"(D) 50 years of age or older; or

"(E) a pregnant woman.".

Mr. HELMS. Mr. President, as we so frequently say around this place, I will be brief. The pending amendment, offered by Senator FAIRCLOTH and me, and cosponsored by the distinguished Senator from Texas, [Mr. GRAMM], the distinguished Senator from Oklahoma, [Mr. NICKLES], the distinguished Senator from Alabama, [Mr. SHELBY], and the distinguished Senator from New Hampshire, [Mr. SMITH], is very simple. It requires able-bodied food stamp recipients to go to work for at least 20 hours a week—if they expect to continue to receive food stamps free of charge—at the expense, I might emphasize, of those taxpayers who work 40 hours a week or more to pay the bill.

I must be candid—other food stamp proposals do not go nearly far enough, in my judgment, in making workfare a reality. I do not believe it is fair to working Americans, many of whom have to work two jobs or more in order to feed and clothe their families, to have to pay taxes to support those who are not motivated to get off their rear ends and join the work force of America.

Who knows, Mr. President, if they tried it, they might like it. If they are obliged to go to work a little bit for their free food stamps, they might just be surprised to discover that it is rewarding to work regularly and permanently like most other Americans have to do.

Excluded from the requirements of this amendment—let me emphasize this—excluded are young people under 18, although some young people under 18 are busy many nights shooting each other, parents of youngsters under 18, physically disabled people, pregnant women, and people over 50 years of age.

Credible evidence indicates there are at least 12 million able-bodied people in this country presently receiving food stamps, many without doing one lick of work to get them. My fellow sponsors of this amendment and I are simply proposing that these people must start working for at least 20 hours a week to qualify for free food stamps. That will leave the other 20 hours for them to get busy and find full-time jobs so that they can be supported by themselves instead of the Federal taxpayers.

I am convinced that there are many kinds of honest work for food stamp recipients to do. The pending amendment allows recipients to sign up for job training programs at the Federal level as well as for employment and training programs at the State level.

The pending amendment puts accountability into the Federal Food Stamp Program by putting an end to giving food stamp benefits to able-bodied people who just refuse to work. If they are not willing to work, then the working taxpayers should not be forced to finance deliberate idleness.

Mr. President, in a moment I shall move to table my own amendment because I have been informed that an effort is being contemplated to try to avoid an up-or-down vote on it. I want to go on record regarding the significance of what this amendment proposes, and I want all other Senators to go on record likewise.

So I will move to table this amendment (No. 4930) and ask for the yeas and nays. And, of course, I will vote against tabling, as will the other Senators who are cosponsoring this amendment, and I do hope that there will be enough Senators who will vote against tabling to make it a viable amendment.

I am quite confident that some attention will be given to how Senators will vote on this tabling motion. So let me reiterate, just to make it perfectly clear, that Senators favoring the requirement that able-bodied food stamp recipients must go to work for at least 20 hours a week in order to be eligible for free food stamps, those Senators should vote against tabling this amendment as I will vote against tabling. Senators not favoring this work requirement for those receiving free food stamps should, of course, vote aye, in favor of tabling the amendment sponsored by the Senator from North Carolina.

Therefore, Mr. President, I move to table amendment No. 4930. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. HELMS. Mr. President, I yield the floor and yield such time as I may have.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, our colleague, Senator LEAHY of Vermont, was unable to be here this afternoon. He has asked me to make a statement on his behalf in reference to the amendment that has just been offered by the Senator from North Carolina.

Speaking on Senator LEAHY's behalf:

> I oppose the Helms amendment. It would deny food stamps to millions of unemployed workers, including factory workers who have worked for 10 or 20 years and then are laid off when a plant closes. The Helms amendment would replace the tough work requirements already in the bill with a flat prohibition on the provision of food stamps to unemployed workers between the ages of 18 and 50 who are not disabled and do not have children under the age of 18. The Senate defeated a version of Senator HELMS' amendment last year by a vote of 66 to 32. Under the Helms amendment, no unemployed worker without a minor child in the household, no such worker could receive food stamps unless he or she was working at least 20 hours per week in a workfare slot. If the worker was furloughed or laid off, he or she generally would be immediately removed from the Food Stamp Program.
>
> The amendment does not provide funding to create workfare positions to which these individuals could be referred. The amendment simply denies food stamps to laid-off workers who are looking for a new job but have not yet found one.

Mr. President, I offer that statement in behalf of our colleague, Senator LEAHY.

The PRESIDING OFFICER. The record will so note.

AMENDMENT NO. 4936

Mr. GRAHAM. Mr. President, I ask for the yeas and nays on the amendment which I offered.

The PRESIDING OFFICER. Is there objection to it being in order? Without objection, it is so ordered.

Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4938

(Purpose: To preserve eligibility of immigrants for programs of student assistance under the Public Health Service Act)

Mr. GRAHAM. Mr. President, I ask unanimous consent I may offer an amendment on behalf of the Senator from Illinois, Senator SIMON.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, I send an amendment to the desk for Mr. SIMON and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

> The Senator from Florida [Mr. GRAHAM], for Mr. SIMON, proposes an amendment numbered 4938.

Mr. GRAHAM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> In Section 2403(c)(2)(H), after "1965" and before the period at the end, add ", and Titles III, VII, and VIII of the Public Health Service Act".

Mr. GRAHAM. Mr. President, I ask unanimous consent all time on this amendment be yielded back.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, I ask the amendment be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRAHAM. I thank the Chair.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, my colleague, Senator SHELBY, from Alabama, will be coming over shortly to lay down an amendment in relation to adoption tax credit. In cosponsoring this amendment with him to the welfare reform bill that would provide a refundable tax credit for the adoption expenses, I am excited about this legislation and feel that this is an important time to move it.

It has not even been a year since our last joint effort to pass the amendment to H.R. 4. That amendment was overwhelmingly supported, and I hope my colleagues will respond to our efforts today in an equally positive manner. This amendment provides tax credit support to families as they struggle with the bureaucratic process involving adoption. Many people who are aware that I have become an adoptive parent recognize the roadblocks that all of us face when we choose this course in the process of building a family.

I have had that experience. I do not want others to have the kind of difficulty that many families do in this process. That is why I have worked with others to assure that we make all-out efforts to build an adoption tax credit so that adoptive families, or those who use adoption to build families, can find it as rewarding and no more difficult than those who are successful in building a family in a natural way.

This amendment changes the Internal Revenue Code of 1986 by providing a refundable tax credit for adoption expenses. It also excludes employees and military adoption assistance benefits and withdrawals from IRA's used for adoption expenses from gross income.

What does an adoption tax credit have to do with welfare reform? Frankly, not much, Mr. President, if we are discussing our current welfare system, but a great deal, I think, if we are discussing a dramatically reformed system. Then we want innovation and creativity. The current welfare system has created a dependence on Federal programs while the envisioned system encourages independence. Welfare spending has been growing at an alarming pace, but so has the number of children living in poverty, and so has the number of children who need families.

Providing a future for these children by uniting them with loving families who can provide not only their financial welfare but also their emotional welfare has to be a goal of this Congress. As we move toward a system that promotes greater strength in the American family, we ought to encourage efforts like this by using the adoption tax credit.

Too often we read stories about the tragic experiences couples have endured in order to adopt a child. It is my hope that our work here will lead to more happy stories and fewer heartbreaking reports.

Adoption is a too often overlooked option to get the best of all worlds: uniting a child with a loving, nurturing family. I think we need to keep focused on that single fact by continuing our efforts to improve this process.

I am pleased to be here again, with my colleague from Alabama, Senator SHELBY to offer this important amendment today. We need to give adoptive families a fairer shake. I urge my colleagues to support improving access to adoption, by voting for the SHELBY amendment.

I certainly hope this Senate will respond as willingly as they did on H.R. 4 in the inclusion of this amendment in our welfare reform package.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ASHCROFT). Without objection, it is so ordered.

Mr. LEVIN. Mr. President, it was my intent to send an amendment to the desk which would strengthen and accelerate the work requirement that is contained in this bill. My amendment, in the form of the Levin–Dole amendment, was added to the Senate-passed welfare reform bill last September. I offered it, Senator Dole at that time cosponsored it, and it was adopted.

The reason that I offered the amendment then and support this approach now is that I believe work requirements should be clear and should be strong and should be applied promptly.

The amendment would add a requirement that welfare recipients either be in job training, be in school, or be working in private-sector jobs within 3 months of the receipt of benefits. That was the heart of the Levin–Dole amendment.

If private sector jobs cannot be found, then those recipients would be required to perform community service employment. Community service employment is the backup in the Levin–Dole amendment, in the approach which is essential, and it would be required that somebody engage in that community service within months.

This requirement would be phased in to allow States the chance to adjust administratively, and States would be permitted the option to opt out of the requirement by notification to the Secretary of Health and Human Services.

The bill before us requires welfare recipients to work within 2 years of the receipt of benefits—2 years. The question is, why wait 2 years? Why should an able-bodied person receiving welfare benefits not be required to work for 2 years? That was a flaw in the bill last time, which was corrected with the Levin–Dole amendment; it is a flaw in this bill, which would have been corrected in the Daschle substitute; and is now, hopefully, going to be corrected in a manner that I am going to describe.

But the heart of my approach, which we have fought for now for 2 years, is that able-bodied welfare recipients who are not in private sector jobs, who are not in job training, who are not in school, work within months and not be allowed to go without working for 2 years. There is no reason to wait 2 years when we are talking about able-bodied people receiving welfare benefits. There is no reason why those folks should not be working within months.

Last night, I shared with the Democratic and Republican staffs my amendment, which would do the same thing as the Levin–Dole amendment did last year. We were informed this morning that the Democratic staff had been able to clear this amendment on this side. We were awaiting clearance on the Republican side.

Earlier today, Senator D'AMATO offered an amendment on this subject. We have now had a chance to review the D'Amato amendment. The D'Amato amendment, with one or two very technical changes, is the Levin–Dole amendment. So we are happy to cosponsor the D'Amato amendment. It is indeed the same amendment.

Mr. President, I ask unanimous consent that I be listed as a cosponsor of the D'Amato amendment immediately following Senator D'AMATO's name.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, when the D'Amato amendment was offered, since the Democratic staff had not had an opportunity to review the amendment to see if it was the same amendment, to see whether or not it could be cleared on this side, it was not cleared on this side at that time. As I said, we have subsequently had the opportunity to read this amendment. It is the same amendment. I am happy to cosponsor it.

I see no particular reason, unless somebody wishes there to be a rollcall, why this ought to be necessarily held up for a rollcall. It makes no particular difference to me because I think it will pass overwhelmingly if it is put to a rollcall.

But I do want to inform the Chair and our colleagues that, as far as I know, this amendment has been cleared on our side because, in fact, my amendment had been cleared on this side. So I will yield the floor and simply state that, should the floor managers wish to have a voice vote on this amendment at this time, as far as I know on this side that would be fine.

Mr. President, I ask unanimous consent that the so-called Levin–Dole amendment and the two amendments that I have referred to in my remarks be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Levin-Dole Amendment No. 2486, as Modified

On page 12, between lines 22 and 28, insert the following:

(G) COMMUNITY SERVICES.—Not later than 2 years after the date of the enactment of this Act, consistent with the exception provided in section 401(d), require participation by, and offer to, unless the State opts out of this provision by notifying the Secretary, a parent or caretaker receiving assistance under the program, after receiving such assistance for 3 months—

(i) is not exempt from work requirements; and

(ii) is not engaged in work as determined under section 401(c)

in community service employment, with minimum hours per week and tasks to be determined by the State.

Amendment To Require TANF Recipients To Participate in Community Service Employment

Section 402(a)(1)(B) of the Social Security Act, as added by section 2103(a)(1), is amended by adding at the end of the following:

"(iii) Not later than 2 years after the date of the enactment of this Act, unless the State opts out of this provision by notifying the Secretary, a State shall, consistent with the exception provided in section 407(e)(2), require a parent or caretaker receiving assistance under the program who, after receiving such assistance for 3 months and is not exempt from work requirements and is not engaged in work, as determined under section 407(c), to participate in community service employment, with minimum hours per week and tasks to be determined by the State.

Amendment No. 4927

Section 402(a)(1)(B) of the Social Security Act, as added by section 2103(a)(1), is amended by adding the end the following:

"(iii) Not later than 1 year after the date of enactment of this Act, unless the State opts out of this provision by notifying the Secretary, a State shall, consistent with the exception provided in section 407(e)(2), require a parent or caretaker receiving assistance under the program who, after receiving such assistance for 2 months is not exempt from work requirements and is not engaged in work, as determined under section 407(c), to participate in community service employment, with minimum hours per week and tasks to be determined by the State."

Mr. LEVIN. Mr. President, I yield the floor.

Mr. SHELBY addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. SHELBY. Mr. President, I send an amendment to the desk.

Mr. LEVIN. I wonder if the Senator would yield?

Mr. SHELBY. Certainly.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. I wonder if I could make inquiry of the manager of the bill on the other side whether or not it is their wish to continue to list this, now the D'Amato-Levin amendment, for a rollcall on Tuesday or whether they would like to have this voice voted now since it has been cleared on this side.

Mr. ROTH. I say to my distinguished friend from Michigan that, as he knows, the yeas and nays have been ordered. There are people on this side who want a recorded vote.

Mr. LEVIN. I thank my friend. And I thank my friend from Alabama.

The PRESIDING OFFICER. The Senator from Alabama.

AMENDMENT NO. 4939

(Purpose: To amend the Internal Revenue Code of 1986 to provide a refundable credit for adoption expenses and to exclude from gross income employee and military adoption assistance benefits and withdrawals from IRAs for certain adoption expenses)

Mr. SHELBY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Alabama [Mr. SHELBY], for himself, Mr. CRAIG, Mr. Grams, Mr. COATS, and Mr. HELMS, proposes an amendment numbered 4939.

Mr. SHELBY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert:

SEC. . REFUNDABLE CREDIT FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. ADOPTION EXPENSES.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

"(b) LIMITATIONS.—

"(1) DOLLAR LIMITATION.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) with respect to the adoption of a child shall not exceed $5,000.

"(2) INCOME LIMITATION.—The amount allowable as a credit under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

"(A) the amount (if any) by which the taxpayer's adjusted gross income exceeds $60,000, bears to

"(B) $40,000.

"(3) DENIAL OF DOUBLE BENEFIT.—

"(A) IN GENERAL.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowable under any other provision of this chapter.

"(B) GRANTS.—No credit shall be allowed under subsection (a) for any expenses to the extend that funds for such expense are received under any Federal, State, or local program.

"(c) QUALIFIED ADOPTION EXPENSES.—For purposes of this section, the term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal and finalized adoption of a child by the taxpayer and which are not incurred in violation of State of Federal law or in carrying out any surrogate parenting arrangement. The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

"(d) MARRIED COUPLES MUST FILE JOINT RETURNS.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section."

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period ", or from section 35 of such Code".

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following:

"Sec. 35. Adoption expenses.
"Sec. 36. Overpayments of tax.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. . EXCLUSION OF ADOPTION ASSISTANCE.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by redesignating section 137 as section 138 and by inserting after section 136 the following new section:

"SEC. 137. ADOPTION ASSISTANCE.

"(a) IN GENERAL.—Gross income of an employee does not include employee adoption assistance benefits, or military adoption assistance benefits, received by the employee with respect to the employee's adoption of a child.

"(b) DEFINITIONS.—For purposes of this section—

"(1) EMPLOYEE ADOPTION ASSISTANCE BENEFITS.—The term 'employee adoption assistance benefits' means payment by an employer of qualified adoption expenses with respect to an employee's adoption of a child, or reimbursement by the employer of such qualified adoption expenses paid or incurred by the employee in the taxable year.

"(2) EMPLOYER AND EMPLOYEE.—The terms 'employer' and 'employee' have the respective meanings given such term by section 127(c).

"(3) MILITARY ADOPTION ASSISTANCE BENEFITS.—The term 'military adoption assistance benefits' means benefits provided under section 1052 of title 10, United States Code, or section 514 of title 14, United States Code.

"(4) QUALIFIED ADOPTION EXPENSES.—The term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal and finalized adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement. The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

"(c) COORDINATION WITH OTHER PROVISIONS.—The Secretary shall issue regulations to coordinate the application of this section with the application of any other provision of this title which allows a credit or deduction with respect to qualified adoption expenses."

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 137 and inserting the following new items:

"Sec. 137. Adoption assistance.
"Sec. 138. Cross references to other Acts."

(c) EFFECTIVE DATE.—The amendments made this section shall apply to taxable years beginning after December 31, 1996.

SEC. . WITHDRAWAL FROM IRA FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 (relating to tax treatment of distributions) is amended by adding at the end the following new paragraph:

"(8) QUALIFIED ADOPTION EXPENSES.—

"(A) IN GENERAL.—Any amount which is paid or distributed out of an individual retirement plan of the taxpayer, and which would (but for this paragraph) be includible in gross income, shall be excluded from gross income to the extent that—

"(i) such amount exceeds the sum of—

"(I) the amount excludable under section 137, and

"(II) any amount allowable as a credit under this title with respect to qualified adoption expenses; and

"(ii) such amount does not exceed the qualified adoption expenses paid or incurred by the taxpayer during the taxable year.

"(B) QUALIFIED ADOPTION EXPENSES.—For purposes of this paragraph, the term 'qualified adoption expenses' has the meaning given such term by section 137."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1996.

Mr. SHELBY. Mr. President, I rise today to offer an amendment on behalf of myself, Senators CRAIG, GRAMS, COATS, and HELMS. The amendment will help provide, Mr. President, homes for thousands of children who are waiting to be adopted in this country. This amendment is the same amendment which was agreed to by a vote of 93 to 5 right here in the Senate during its consideration of welfare reform this past fall.

Mr. President, this strong bipartisan vote shows that the Senate is committed—committed—to making adoption more affordable for working families in America.

Mr. President, regardless of what kind of welfare reform we pass in this Chamber, the grim reality is that the out-of-wedlock birthrate in this country is projected to reach 50 percent very soon after the turn of the century, which is only a few years away.

Mr. President, we are not far from having one out of every two children born in this country born into a home where there is no father. That is a profound change in our culture which will have enormous consequences for American society as we have known it. One of these consequences, no doubt, will be an increase in the number of children neglected and, yes, abandoned. It is therefore more important than ever—more important than ever—for us to help find ways to provide for these children.

Mr. President, study after study shows and common sense tells us that a child is much better off being adopted by a stable, two-parent family than being shipped around from foster homes to State agencies, and back again. There are currently hundreds of thousands of children in America waiting to be adopted. But the current financial burden prevents many parents from doing so.

Many people do not realize how expensive it is to adopt a child. There are many fees and costs involved with adopting a child, including maternity home care, normal prenatal and hospital care for the mother and the child, preadoption foster care for an infant, "home study" fees and, yes, legal fees. These costs range anywhere from about $13,000 to $36,000 according to the National Council for Adoption.

Mr. President, I know of many families in my State, and perhaps your

State, that would love to adopt a child into their family but simply do not have $13,000, much less $36,000 to do so. As a result of this enormous cost, children are denied homes, and parents are denied children.

Mr. President, the amendment I am offering today will help make adoption financially possible for many children and families. It provides a $5,000 fully refundable tax credit for adoption expenses. It also provides that when an employer pays for adoption expenses incurred by an employee, the employee does not have to count that assistance as income for taxable purposes.

Finally, Mr. President, this amendment provides that withdrawals from an IRA can be made penalty free and excluded from income if used for qualified adoption expenses. These measures are a first step in tearing down the massive financial barriers to adoption in this country.

Mr. President, I believe the question before us today is not if the number of abandoned children is going to increase over the next few years; no one disputes that. We know the answer to that. The real question for us to answer is, what are we going to do about it? This amendment would be a big first start in America. I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I agree with my good friend, Senator SHELBY, that we need tax incentives to promote adoptions. Adoption is good for the child, is good for the family, and it is good for society. It was for this reason that the Finance Committee unanimously passed out of committee an adoption tax credit bill.

The Shelby amendment, unlike the Finance Committee adoption tax credit bill, provides a refundable tax credit. The Finance Committee decided against a refundable credit in its legislation because of the very, very serious history of problems we have had with fraud in refundable credits.

I also point out that unlike the Shelby amendment, the Finance Committee bill, which, as I said, passed out of the committee unanimously, provides not only a $5,000 credit for non-special-needs adoptions, but also a $6,000 credit for special-needs adoptions. I think this is a very important provision of this legislation that addresses a very, very special need.

Going back to the Shelby amendment, I must point out also that it is not paid for. If the Shelby amendment were to pass, we would be required to find additional savings in the welfare bill of $1.515 billion over the next 6 years. The Finance Committee bill, on the other hand, is fully offset.

Let me also say that I have been assured by the majority leader that he will schedule the adoption tax credit legislation which passed out of the Finance Committee for floor consideration before the end of the year.

Although I strongly support giving tax incentives for the promotion of adoptions, Senator SHELBY's amendment is not germane to the welfare legislation. Therefore, it is my intent when the time on this amendment has expired to make a point of order.

Mr. SHELBY. The Senator from Delaware talked about refundables. Why do we have in our bill a refundable tax credit? Basically, because many low-income people in America want to adopt a child and would not have the $5,000 tax liability, and thus would not benefit as much from the Finance Committee proposal. The adoption community supports our version. I hope the Senate will continue to support it.

I yield back the remaining time, if the Senator from Delaware will yield back his time.

Mr. ROTH. I make the additional comment that under our legislation, the tax credit can be carried over for 5 years. I believe, therefore, we have addressed the problem about which Senator SHELBY is concerned.

I yield back the balance of my time. It is my understanding the Senator has yielded back his time.

Mr. SHELBY. I yield back my time.

Mr. ROTH. Mr. President, I make a point of order against the Shelby amendment under sections 305 and 310 of the Budget Act on the grounds that the amendment is not germane.

Since the amendment, if adopted, would reduce revenue by $1.515 billion over the next 6 years, I also make a point of order against the amendment under section 310(d)(2) of the Budget Act.

Mr. SHELBY. Mr. President, I move to waive any provisions of the Budget Act which might impinge upon my amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. LEVIN. Mr. President, the Frist amendment is a sense of the Senate amendment which would state the view of Congress that the President should ensure that the Secretary of the Department of Health and Human Services approve some 22 welfare waiver requests submitted from 16 States.

I cannot support such a sweeping blanket amendment.

My own State of Michigan has a waiver application pending which was submitted late in June which contains some 75 individual waivers. This request has much merit. The proposal contains work requirements which seem to be similar to legislation which I succeeded in adding to the Senate-passed welfare reform bill last year and which I will offer to this bill. However, we have not been given any opportunity to evaluate the various waiver requests of the other 15 States embodied in this amendment. We just do not know the details of welfare waiver submissions from Utah or Georgia or Kansas or Wyoming or other States included in the amendment.

The President and the Department of Health and Human Services have approved more than 60 waivers, more than any previous President. I support this kind of flexibility. I hope that before this session of Congress ends, we will have, in law, comprehensive bipartisan welfare reform which makes such waivers unnecessary.

I want to comment on several other amendments to the pending legislation.

I cannot support two Ashcroft amendments which would mandate that States take specific actions with respect to drug testing and with respect to recipients who have not immunized their children. The underlying bill permits States to test welfare recipients for use of illegal drugs and to sanction recipients who test positive. The bill also does not preclude States from sanctioning recipients who are negligent in failing to properly immunize their children. Requiring States to take these actions is not consistent with the intent of this legislation which is to provide greater flexibility to the States to better design their specific welfare measures in ways that better suit needs and circumstances in their States and localities.

I support the Graham amendment to strike certain provisions relative to legal, I repeat, legal, immigrants. The underlying bill goes too far because it would deny food stamps to severely disabled legal immigrants who have worked, and then become disabled, and because it would take food stamps away from legal immigrants, who waited their turn and came here under the rules, retroactively. I will support a Feinstein amendment which would make the prohibition against legal immigrants receiving food stamp assistance prospective. That is more fair. That will serve as a warning to future immigrants that they cannot expect to receive these benefits, but it does not yank the rug out from under legal immigrants who have played by the rules.

Mr. LIEBERMAN. Mr. President, the country's primary welfare program—aid to families with dependent children [AFDC]—is a failure, both for those participating in it and for those paying for it. What started as a well-intentioned program in the 1930's to help widows today has become an enormous program that takes basic American values—work, reward for work, family, and personal responsibility—and turns them on their head.

The incentives in the current welfare system contradict our shared values and motivates harmful behavior by welfare recipients. Today's welfare program financially rewards parents who don't work, don't marry, and have children out-of-wedlock.

The program is failing to move welfare recipients off dependency and into the work force. It is a factor in the breakdown of two-parent families and the buildup of teen pregnancy. AFDC started as a program to assist families in poverty but now is seen as a program that perpetuates poverty.

Mr. President, there is bipartisan agreement that our welfare system must be changed so welfare incentives reward our society's shared values of work, marriage, and personal responsibility. Both parties have included work requirements as integral parts of their welfare proposals. I believe that Democrats and Republicans alike wish to use our Nation's welfare programs to combat social ills—particularly the growth in out-of-wedlock pregnancies among teenagers. I am convinced that members of both parties are concerned with the impact of any type of welfare reform on children—who comprise 9 of the 14 million recipients of Federal AFDC dollars.

The first priority for welfare reform is to put welfare recipients to work. The public demands that we stop giving cash to adults on welfare, and start giving them jobs, and they're right. Virtually all welfare experts, both liberal and conservative, agree that work and its rewards are the solution to the welfare crisis.

We have considerable experience with work programs. The Job Opportunities Basic Skills Program, which has come to be known as JOBS, was passed in 1988 under the leadership of Senator MOYNIHAN. Evaluations of the JOBS Program that have been conducted have shown that the programs have had some success; they have begun to make a difference.

Our experience with that program has taught us several important lessons. First, programs that emphasize placing welfare recipients in jobs as quickly as possible are the most successful and cost-effective. Inevitably, setting placement as a priority creates a degree of conflict with other program goals such as assisting in training and education. Yet, long delays in job placement can occur while welfare recipients are routed through a succession of training programs.

Second, assessing recipients' individual needs and addressing those needs is critical to placing them successfully. Do they have appropriate child care? Do they need supplementary education or training? Do they have the skills and ability necessary for the proposed job? Little purpose is served in placing a welfare recipient in a job if their child care needs can not be addressed, transportation to and from the job is unworkable, or special skills are needed.

Third, successful programs form strong links with local employers and work hard to maintain those links with the local employers, who are the source of the jobs. The work requirements in the bill before us will apply to over 1.5 million adults. By comparison, approximately 4 million individuals currently work at or below the minimum wage. Finding jobs for an additional 1.5 million adults, without simply displacing current workers, is going to be a massive challenge.

I am pleased that the current legislation includes funds for a performance bonus to States that move people into real jobs and off of welfare. In the current welfare system, income maintenance is the focus—processing applications and mailing checks to people. The welfare proposals that I voted against last fall, equated reform with savings rather than returning recipients to work. We must change that focus, and put a premium on getting people into the work force, where their lives can be sounder on a sounder foundation. States that embrace the "work first" philosophy and turn their welfare systems into effective employment offices ought to be rewarded. Otherwise, a welfare maintenance system will be perpetuated.

The performance bonus requires the Secretary of Health and Human Services (HHS) to develop and publish a formula that allocates the bonus fund to States based on the number of welfare recipients who become ineligible for cash assistance because of employment in an unsubsidized job. The incentive payments provided by this amendment will be distributed based on the State's success in getting long-term recipients off welfare and into lasting jobs and on the unemployment conditions of a State.

I am also pleased to introduce amendments to reduce teen pregnancy and help young mothers and their children avoid the cycle of long-term welfare dependency. As part of last year's welfare debate, I joined with Senator CONRAD to introduce an amendment that proposed numerous provisions to prevent teen pregnancy. Most of the provisions in that amendment are included in the bill before us, and I appreciate that very much. The legislation requires teen mothers to live at home or in safe, adult-supervised living arrangements—so-called second chance homes. It establishes national goals regarding education strategies and reduction of pregnancy rates. It includes a sense of the Senate provision attacking pregnancies that result from statutory rape.

However, there is more that can be done. The birth rate for single teenage parents has tripled since 1960, signaling that the battle against teenage pregnancy is ever more critical. The power to change any community must involve an internal structure at the grassroots level. The battle against teenage pregnancy must begin at the local level, because changing the attitudes and behavior of teens requires an intimate, hands-on involvement.

My amendment requires States to dedicate 3 percent of their share of the title XX social service block grant—an amount equal to $71.4 million—to programs and services that stress to minors the difficulty of being a teenage parent. By teaching minors to delay parenthood, these programs will infuse our children with a clear understanding of the consequences of teenage childbearing.

I will also offer an amendment to reduce the incidence of statutory rape in the Nation which many studies link to teenage pregnancies in the Nation.

Shockingly, the majority of the men who father the families of teenage mothers are adults. The National Center for Health and Statistics reported in 1991 that almost 70 percent of births to teenage girls were fathered by men age 20 or older. Moreover, the younger the mother, the greater the age gap between her and the father. There are men who are impregnating girls age 14 and younger, and they are on average 10 to 15 years older, according to a 1990 study by the California Vital Statistics Section. Similar studies bear out this result.

These adult men are impregnating an increasing number of girls age 11–14. Despite a slight drop in the overall teen birth rate in the last few years, the birth rate for girls age 14 and under increased 26 percent in the late 1980's. These girls are not just young mothers—they are children. And sexual predators are taking advantage of their inability to form and articulate a decision about their bodies. In order to choose abstinence for young girls and to make this choice clear to adult men, the Federal Government must focus some resources on predatory adult men in order to both stop and hopefully dissuade them from their illegal behavior.

Kathleen Sylvester of the Progressive Policy Institute says that the most recent research indicates that in those States where awareness of this problem has been raised, prosecutors have organized themselves to be aggressive and obtained adequate sentences for convicted offenders. California, Connecticut, and New York have all established special units in their district attorneys' offices to target sexual predators and counsel their victims. Florida is getting tough as well. Pending legislation would charge a man over the age of 18 who has intercourse with a girl under the age of 15 with second-degree statutory rape, a felony. To spur the other States to follow their example and stop these criminals, the Federal Government must send them unequivocal proof that we are serious in this intent.

To this end, I applaud the inclusion in the present bill that it is the sense of the Senate that States should aggressively enforce statutory rape laws. I propose an amendment which would add three additional steps for us to take. First, it appropriates $6 million to the Attorney General of the United States to fight statutory rape, particularly by predatory older men who commit repeat offenses. The appropriation will enable the Justice Department to pay strict attention to the crime of statutory rape, as part of its violence against women initiative. The money should be used to research both the linkage between statutory rape and teen pregnancy, as well as those predatory older men who are repeat offenders. It should also provide for the education of State and local law enforcement officials on the prevention and prosecution of statutory rape.

Second, my amendment requires the States to work to reduce the incidence of statutory rape. Activities would include the expansion of criminal law enforcement, public education, and counseling services, as well as the restructuring of teen pregnancy prevention programs to include men. Third, it requires States to certify to the Federal Government that they are engaged in such activities to stop statutory rape.

A 1992 sampling of 500 teen mothers revealed that two-thirds had histories of sexual abuse with adult men averaging age 27. Another study conducted in Washington State studied 535 teen mothers and discovered that 62 percent of them experienced rape or molestation before their first pregnancy, and the mean age of the offenders was 27. Clearly, the reality of mothers sacrificing educational opportunities to give birth to fatherless babies and live in poverty is not a choice but a symptom and a result of a greater problem. Large numbers of older men are crossing legal and social boundaries to engage in sexual activity with girls below the age of consent, and thereby emotionally rob them of their power to say "no" in later years.

This bill makes strides in demanding the responsibility of fathers. It stipulates and enforces their duty to own up to their paternity, to pay child support, and to set a good example for their children by working in private sector or community service jobs. It should further impress upon a certain group of men their duty to refrain from sexually preying on young girls and dispossessing them of their fundamental right to make sexual, educational, and career choices.

Although the American public supports tough welfare measures, they are reluctant to cut people off and leave defenseless children without some means of basic support. Welfare reform, therefore, must balance cutbacks with programs that create training and employment opportunities. The reform movement must include a component that provides those on public assistance with the necessary skills and training required to genuinely compete in the work force. Welfare reform demands accountability not just from the poor, but from government as well.

The Senate bill is better than the House bill in many ways. Welfare must change to focus on work and on personal responsibility—but it need not be unfair to children. The Senate bill contains more funding for child care, it maintains existing child protection programs such as adoption assistance, foster care, and child abuse and neglect. It does not require, but gives States the option to employ a family cap and to deny payments to minor, single mothers, and it does not allow States to penalize mothers who can't work because they can't find or afford child care.

There are still serious problems with the Senate bill most of which have to do with the prospects for children who parents are not acting responsibly.

Under the proposed bill, States can opt out of the Federal Food Stamp Program and receive a State block grant. This provision will put many poor children and elderly at risk. Under a flat block grant, States will be unable to meet the needs of poor families during periods of recession or high unemployment. The Food Research and Action Center estimates that S. 1795 will reduce food and nutrition assistance to 14 million children and 2 million elderly persons due to the overall cuts in the Federal Food Stamp Program.

The bill repeals the Mickey Leland Child Hunger Relief Act which removed the cap on the food stamp shelter deduction for low income families. Food stamp shelter deduction provides families who are not receiving housing aid additional food stamp benefits. The Senate Finance-passed bill will reduce cash assistance for families who qualify for this deduction—forcing them to choose between providing food for their children or paying the rent.

The new legislation will also have a very unfair and potentially very harmful impact on nearly a million legal immigrants. The bill bans legal immigrants, many of whom have been here over 10 years, from the Supplemental Security Income [SSI] assistance program, Medicaid and food stamps. Recipients of SSI, most of who are poor elderly or disabled immigrants will remain impoverished. The rapid phase-in-period will leave many who are currently receiving assistance without any basic means of support.

The bill also does little to maintain a contingency fund and serious maintenance of effort requirements for the States. And it fails to provide sufficient bonuses to States that are successful in moving welfare recipients into unsubsidized jobs.

This bill is far from perfect, but it can bring some measure of consistency back to our values and the incentives in our welfare system. It can lead a national effort to cut down on the number of people on the welfare rolls and add to the number in to jobs. It can attack the intertwined problems of teenage pregnancy and welfare dependency.

There is a tragic link between welfare and a host of other problems facing our society today, including crime, illegitimacy, drug abuse, poverty, and illiteracy. This legislation attempts to severe that link. In effect, we're trying to destroy the welfare cycle and return welfare to its original purpose—a temporary form of assistance for the very poor as they seek to work their way out of hard times.

If the promise of the legislation is realized, millions of American families will move off welfare into real jobs, and we will see a resulting decrease in poverty, crime, illegitimacy, and an increase in economic development and family stability.

I hope that my amendments will be adopted so that we can obtain improvements in the conference committee with the House of Representatives.

ASSETS FOR INDEPENDENCE AMENDMENT

Mr. COATS. Mr. President, many of the congressional efforts at reforming the welfare system have focused on the elimination of the Federal bureaucracy, the devolution of Federal authority, and the transfer of funds to the State bureaucracy. In some respects, these reforms may be effective and efficient. In other areas, the devolution will prove too limited in that authority and funds remain remote from the people and communities who would most benefit from change and who are most capable of effecting that change.

Devolution to the States almost certainly will not change one critical flaw in traditional welfare programs—a focus on income maintenance and spending instead of a focus on asset-building and saving. The current welfare system in fact punishes the accumulation of assets by terminating eligibility for assistance when minimal asset levels are achieved.

There is then a need to help low-income individuals and families, whether working or on welfare, to develop and reaffirm strong habits for saving money and to invest that money in assets rather than spending it on consumer goods or other items that may not help lift the individual or family from poverty. There is particularly a need to focus on the building of assets whose high return on investment propels them into economic independence and personal and familial stability.

In addition, there is a recognized need to help revitalize low-income communities by reducing welfare rolls and increasing tax receipts, employment, and business activity with local enterprises and builders.

Mr. President, the assets for independence amendment approved by the Senate yesterday would allow States to use part of their block grant moneys to establish an individual development account [IDA] savings accounts to help welfare recipients and low-income families build the family's assets and strengthen its ability to remain independent from Government income-maintenance programs.

In some respects, IDA's are like IRA's for the working poor. Investments using assets from IDA savings accounts are strictly limited to three purposes: purchase of home, post-secondary education, or business capitalization. These purposes are connected with extremely high returns on investment and can propel both the communities and the families benefiting from the home, education, or small business into a new economic and personal prosperity.

Just how might an IDA work? The individual or family deposits whatever they can save—typically $5 to $20 a month—in the account. The sponsoring organization matches that deposit with funds provided by local churches and service organizations, corporations, foundations, and State or local governments. With Federal block granted welfare funds, a State match of these deposits can also be deposited in the account.

Just what are some of those benefits? Most fundamentally, participants will develop and reaffirm strong habits for saving money. To assist this, sponsor organizations will provide participating individuals and families intensive financial counseling and counseling to develop investment plans for education, home ownership, and entrepreneurship.

In addition, participating welfare and low-income families build assets whose high return on investment propels them into independence and stability. The community will also benefit from the significant return on an investment in IDA's: We can expect welfare rolls to be reduced; tax receipts to increase; employment to increase; and local enterprises and builders can expect increased business activity. Neighborhoods will be rejuvenated as new microenterprises and increased home renovation and building drive increased employment and community development.

In fact, it is estimated that an investment of $100 million in asset building through these individual accounts would generate 7,050 new businesses, 68,799 new job years, $730 million in additional earnings, 12,000 new or rehabilitated homes, $287 million in savings and matching contributions and earnings on those accounts, $188 million in increased assets for low-income families, 6,600 families removed from welfare rolls, 12,000 youth graduates from vocational education and college programs, 20,000 adults obtaining high school, vocational, and college degrees.

Source: Corporation for Enterprise Development, "The Return of the Dream: An Analysis of the Probable Economic Return on a National Investment in Individual Development Accounts," May 1995.

IDA's are planned or now available on a small scale across the country, including Indiana, Illinois, Virginia, Oregon, and Iowa. The assets for independence amendment has been developed after a review of numerous, similar, successful programs, and most notably one run by the Eastside Community Investments community development corporation in Indianapolis, IN. The amendment incorporates a number of protections developed with their assistance and based on their experience. For example, accounts will be held in a trust. In addition, sponsor organizations must cosign any withdrawal of funds; withdrawals are strictly limited to home purchase, education, and microenterprise.

I challenge this Congress to consider the $5.4 trillion we have spent on welfare programs in the past 30 years. Have these programs that focus on income maintenance been successful? Do we honestly believe that we can give money to low-income citizens and have them spend their way out of poverty? Or is it time to consider a new approach, not just an approach that focuses on a Federal bureaucracy or even a substituted State bureaucracy, but an approach that empowers families and communities directly to build assets with high returns on investment—returns whose economic and personal growth approaches the exponential?

The assets for independence amendment does just this. It does not concentrate on Government programs but focuses on community efforts to put high-return assets in the hands of families. I am very pleased that we have included it in this vital legislation.

COATS-WYDEN KINSHIP CARE AMENDMENT

Mr. WYDEN. Mr. President, I rise in support of the Coats-Wyden kinship care amendment, which was agreed to by the Senate last night. I would like to thank my colleague, Senator COATS, for his assistance with this important amendment.

Grandparents caring for grandchildren represent an underappreciated natural resource in our Nation. They hold tremendous potential for curing one of our society's most pressing maladies: The care of children who have no parents, or whose parents simply aren't up to the task of providing children a stable, secure, and nurturing living environment.

There is such a great reservoir of love and experience available to us, and more especially to the tens of thousands of American children who desperately need basic care giving. We provide public assistance to strangers for this kind of care, but the folks available to provide foster care homes are in short supply.

It is time that States and the Federal Government begin to promote policies that open doors to relatives who are ready, willing and able to care for these children. Some States have already been moving in this direction for over a decade. Over the past 10 years the number of children involved in extended family arrangements has increased by 40 percent. Currently, more than 3 million children are being raised by their grandparents. In other words, 5 percent of all families in this country are headed by grandparents.

However, in many places States still lack a system that includes relatives in the decisionmaking process when children are removed from the home. I have heard case after case of relatives who never heard from the child protection agency when a grandchild or other related child was removed from the home. Once the child was taken, extended family members had no contact and no way of finding out what then happened to the children. Sometimes brothers and sisters have been separated and a grandparent has spent years in court trying to reunite their family.

I have repeatedly heard the frustration of grandparents whose grandchildren, as far as they knew, disappeared in the night, and once the children entered the State child protection system they literally disappeared from their families' lives.

The amendment that we proposed, similar to one that was adopted by the House last spring, and to language that has been in almost every welfare bill since then, would give relatives preference over stranger caregivers when the State determines where to place a child who has been removed from the home. It's time we start developing policies that make it easier, instead of more difficult, for families to come together to raise their children.

As we rethink our child protection system, we need to rededicate ourselves to looking to families, including extended families, for solutions. When a child is separated from their parents, it is usually a painful and traumatic experience. Living with people that a child knows and trusts gives children a better chance in the world and gives families a better chance to rebuild themselves.

Again, I thank my colleague from across the aisle, Senator COATS, for his help with this amendment.

Mr. SHELBY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BINGAMAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. BINGAMAN. Mr. President, I ask unanimous consent that we go into morning business with Senators allowed to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE FEDERAL OIL AND GAS ROYALTY SIMPLIFICATION AND FAIRNESS ACT OF 1996

Mr. BINGAMAN. After extensive negotiations over the past year with the Department of the Interior, the affected States, and the industry, the Federal Oil and Gas Royalty Fairness Act is now before the Senate for final passage. This bipartisan reform of the Federal Royalty Program is identical to the version passed by the Senate Energy and Natural Resources Committee in May.

The Federal Oil and Gas Royalty Fairness Act will result in a simpler, fairer and more cost effective way to administer oil and gas royalty collections on Federal lands. This is important legislation for the independent producers in New Mexico and for independent producers throughout the Nation.

The bill, H.R. 1975, amends the Federal Oil and Gas Royalty Management Act of 1982 with respect to royalty collections on Federal lands and the Outer Continental Shelf. It does not apply to Indian lands.

The bill establishes a statute of limitations to ensure royalty audits and collections are final within 7 years from the date of production; establishes reciprocity with respect to payment of interest on royalty overpayments and underpayments; simplifies recordkeeping and reporting requirements; and expands the Federal royalty functions that may be delegated to a qualifying State.

In short, The Federal Oil and Gas Royalty Simplification and Fairness Act will streamline the process, reduce the burden on industry while protecting the revenues of New Mexico and the Federal Government. I worked hard to make this a bill the President would sign. I urge that we pass this bill as soon as possible and send it to the President for his signature.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SMALL AIRPORT SAFETY COSTS

Mr. PRESSLER. Mr. President, I am very concerned as to how the current airport safety situation may affect smaller airports. We certainly want our citizens who must fly in smaller airplanes with smaller companies to be safe. On the other hand, we do not want such an expensive layer of regulations that these smaller planes and smaller companies cannot operate because of prohibitive costs.

As we go forward with improving safety, I think of the smaller airports in South Dakota where people must fly in smaller aircraft and with smaller companies. We must keep those safe. We must meet the same standards applying to larger aircraft and larger companies. But let us remember that one size does not fit all. In achieving these safety goals, let us be certain we keep in mind the smaller airports of our country. This is a concern not only in South Dakota but also in Fresno, CA, for example, where I have relatives. People must fly in smaller aircraft if they are going to travel from Los Angeles to Fresno. Upstate New York has the same situation. If you are going to fly to Martha's Vineyard, you probably fly on a smaller aircraft.

So the point is that as we move forward quickly in possibly implementing new regulations, let us be certain we keep in mind the fact that at least half of Americans must originate their flights in what we call smaller airports. I certainly want them to be considered in this process.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Thursday, July 18, the Federal debt stood at $5,168,794,319,428.25.

On a per capita basis, every man, woman, and child in America owes $19,481.00 as his or her share of that debt.

THE DEATH OF U.S. DISTRICT JUDGE T.F. GILROY DALY

Mr. DODD. Mr. President, I would like to pay tribute to a great public servant and one of the most honorable figures ever to serve on the Federal bench in the State of Connecticut, U.S. district judge T.F. Gilroy Daly, who died of cancer on Thursday, July 14.

A true giant of jurisprudence, Judge Daly was a former Army Ranger who stood 6 foot, 6 inches and presided over his courtroom with a regal presence. People commonly described Judge Daly as the epitome of what a judge should be. He was known for his impeccable character, his sense of fairness, and his unwavering commitment to the ideals of justice.

Judge Daly brought a wealth of life experience to the court, which shaped his career on the bench. After serving our country in the Korean war, Judge Daly worked as an assistant U.S. attorney, prosecuting organized crime cases in the Southern District of New York. After leaving the Justice Department, Judge Daly held a number of full and part time statewide posts in Connecticut, including deputy attorney general, deputy treasurer, and insurance commissioner.

Judge Daly gained prominence as a trial lawyer and demonstrated his sense of justice in the early 1970s when he took an unpaid leave from his State position to defend a young man who had been wrongly convicted of murder. After a 6-week hearing, he won a new trial for his client, and charges against the young man were eventually dropped after a grand jury investigation cleared him.

In 1977, President Jimmy Carter appointed Judge Daly to the Federal bench. he served as chief judge from 1983 to 1988, and he is credited with modernizing the Connecticut court system and significantly reducing the backlog of cases before the court. During his time on the bench, he presided over a number of high-profile trials and earned a reputation among defense attorneys and prosecuters as a stern, but fair-minded jurist. He ruled on numerous complex and potentially volatile issues involving discrimination in municipal hiring, State police interrogation methods, and public corruption.

He was particularly known for handing down harsh sentences to corrupt public officials who came before him. Being a man of such high moral standards, Judge Daly held a particular disdain for anyone who betrayed the trust of the general public. Judge Daly believed that without the people's trust, government cannot function effectively, and his career was dedicated to maintaining the integrity of the Constitution and protecting the rights of the general public.

Judge T.F. Gilroy Daly never lost sight of the fact that law is a public service profession, and his legacy will live on for years to come. He will be remembered as one of the most accomplished figures ever to preside in a Federal court, and he will be sorely missed by the people of Connecticut.

My thoughts and prayers go out to his wife Stuart, and his four children Timothy, Loan, Matthew and Anna.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Thomas, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3454. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, a report relative to the rule entitled "Notice 96-37," received on July 16, 1996; to the Committee on Finance.

EC-3455. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, a report relative to a rule entitled "Notice 96-39," received on July 16, 1996; to the Committee on Finance.

EC-3456. A communication from the Chief Counsel, Bureau of the Public Debt, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Sale and Issue of Marketable Book-Entry Treasury Bills, Notes, and Bonds," received on July 11, 1996; to the Committee on Finance.

EC-3457. A communication from the Chief Counsel, Bureau of the Public Debt, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Regulations Governing Payments by Banks and Other Financial Institutions of United States Savings Bonds and United States Savings Notes," received on July 17, 1996; to the Committee on Banking, Housing, and Urban Affairs.

EC-3458. A communication from the Comptroller General, transmitting, pursuant to law, a report relative to the financial statements of the Resolution Trust Corporation for the calendar years 1994 and 1995; to the Committee on Banking, Housing, and Urban Affairs.

EC-3459. A communication from the Acting Director of the Office of Fisheries Conservation and Management, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a final rule entitled "Groundfish of the Gulf of Alaska," received on July 17, 1996; to the Committee on Commerce, Science, and Transportation.

EC-3460. A communication from the Acting Director of the Office of Fisheries Conservation and Management, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled "Groundfish of the Gulf of Alaska," received on July 17, 1996; to the Committee on Commerce, Science, and Transportation.

EC-3461. A communication from the Acting Director of the Office of Fisheries Conservation and Management, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a final rule entitled "Groundfish of the Gulf of Alaska," received on July 17, 1996; to the Committee on Commerce, Science, and Transportation.

EC-3462. A communication from the Acting Director of the Office of Fisheries Conservation and Management, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a final rule entitled "Groundfish of the Gulf of Alaska," received on July 17, 1996; to the Committee on Commerce, Science, and Transportation.

EC-3463. A communication from the General Counsel, Department of Energy, transmitting, pursuant to law, the report of a rule entitled "Energy Conservation Program for Consumer Products: Procedures for Consideration of New or Revised Energy Conservation Standards for Consumer Products," (RIN1904-AA83) received on July 15, 1996; to the Committee on Energy and Natural Resources.

EC-3464. A communication from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting, pursuant to law, a report relative to the American Discovery Trail; to the Committee on Energy and Natural Resources.

EC-3465. A communication from the General Counsel, Department of Energy, transmitting, pursuant to law, the report of a rule entitled "Administrative Procedures and Sanctions," received on July 15, 1996; to the Committee on Energy and Natural Resources.

EC-3466. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled "Dihydroazadirachtin," received on July 17, 1996; to the Committee on Environment and Public Works.

EC-3467. A communication from the Director of the Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a rule entitled "NRC Enforcement Manual," received on July 17, 1996; to the Committee on Environment and Public Works.

EC-3468. A communication from the Secretary of Transportation, transmitting, a draft of proposed legislation to amend the Act of May 13, 1954; to the Committee on Environment and Public Works.

EC-3469. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, a report regarding the rule entitled "Revenue Procedure 96-40," received on July 17, 1996; to the Committee on Finance.

EC-3470. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, a report regarding the rule entitled "Action on Decision in Estate of Cristofani v. Commissioner," received on July 15, 1996; to the Committee on Finance.

EC-3471. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, a report regarding the rule entitled "Action on Decision in Simon v. Commissioner," received on July 15, 1996; to the Committee on Finance.

EC-3472. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, a report regarding the rule entitled "Action on Decision in Tele-Communications, Inc. v. Commissioner," received on July 15, 1996; to the Committee on Finance.

EC-3473. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, a report regarding the rule entitled "Action on Decision in Estate of Clack v. Commissioner," received on July 15, 1996; to the Committee on Finance.

EC-3474. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, a report regarding the rule entitled "Action on Decision in Lauckner v. United States," received on July 15, 1996; to the Committee on Finance.

EC-3475. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, a report regarding the rule entitled "Action on Decision in Murphy v. Commissioner," received on July 15, 1996; to the Committee on Finance.

EC-3476. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, a report regarding the rule entitled "Action on Decision in Fisher v. Commissioner," received on July 15, 1996; to the Committee on Finance.

EC-3477. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, a report regarding the rule entitled "Revenue Ruling 96-36," received on July 3, 1996; to the Committee on Finance.

EC-3478. A communication from the Chief of the Regulations Branch, Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Rules of Origin for Textile and Apparel Products," received on July 17, 1996; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MACK, from the Committee on Appropriations, with amendments:

H.R. 3754. A bill making appropriations for the Legislative Branch for the fiscal year ending September 30, 1997, and for other purposes (Rept. No. 104-323).

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 1831. A bill to amend title 49, United States Code, to authorize appropriations for fiscal years 1997, 1998, and 1999 for the National Transportation Safety Board, and for other purposes (Rept. No. 104-324).

By Mr. HATFIELD, from the Committee on Appropriations, with amendments:

H.R. 3675. A bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1997, and for other purposes (Rept. No. 104-325).

By Mrs. KASSEBAUM, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 969. A bill to require that health plans provide coverage for a minimum hospital stay for a mother and child following the birth of the child, and for other purposes (Rept. No. 104-326).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. McCONNELL (for himself, Mr. CRAIG, Mr. KEMPTHORNE, Mr. GRASSLEY, and Mr. COCHRAN):

S. 1975. A bill to amend the Competitive, Special, and Facilities Research Grant Act to provide increased emphasis on competitive grants to promote agricultural research projects regarding precision agriculture and to provide for the dissemination of the results of the research projects, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. D'AMATO:

S. 1976. A bill to authorize the President to enter into a trade agreement concerning Northern Ireland and certain Border Counties of the Republic of Ireland, and for other purposes; to the Committee on Finance.

By Mr. GRAHAM:

S. 1977. A bill to designate a United States courthouse located in Tampa, Florida, as the "Sam M. Gibbons United States Courthouse", and for other purposes; to the Committee on Environment and Public Works.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. McCONNELL (for himself, Mr. CRAIG, Mr. KEMPTHORNE, Mr. GRASSLEY, and Mr. COCHRAN):

S. 1975. A bill to amend the Competitive, Special, and Facilities Research Grant Act to provide increased emphasis on competitive grants to promote agricultural research projects regarding precision agriculture and to provide for the dissemination of the results of the research projects, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

THE PRECISION AGRICULTURE RESEARCH, EDUCATION, AND INFORMATION DISSEMINATION ACT OF 1996

• Mr. McCONNELL. Mr. President, today several colleagues and I are introducing the Precision Agriculture Research, Education, and Information Dissemination Act of 1996.

This legislation emphasizes research on precision agriculture technologies. These technologies are very existing and will enable the United States to maintain and augment our competitive edge in global agricultural markets. The legislation amends the Competitive, Special and Facilities Research Grant Act of 1965 by modifying the National Research Initiative [NRI] to give the Secretary of Agriculture authority to provide research, extension, and education competitive grants and programs that emphasize precision agriculture technologies and management practices.

This legislation represents a compromise between various interests. The bill is supported by the Fertilizer Institute, National Center for Resources Innovations, Experiment Station and Extension Service Directors, Lockheed Martin, and a consortium of other high tech companies.

An identical bill H.R. 3795 was introduced by Congressman LEWIS and Congressman CRAPO on July 11, 1996.

Precision agriculture technologies are rapidly advancing, and it is crucial that the agricultural community invest in this field of research so that all farmers will be able to benefit. This bill will not only increase the investment in precision agriculture, but it will also emphasize an educational process that will assist all farmers in adopting precision agriculture technologies and applications.

Emerging technologies in production agriculture are changing and improving the way farmers produce food and fiber in this country. New technologies such as global positioning satellites field mapping, georeference information systems, grid soil sampling, variable rate seeding and input applications, portable electronic pest scouting, on-the-go yield monitoring, and computerized field history and record keeping are just a few of the next generation technological tools in use today.

These technologies allow the agriculture producer to adjust hundreds of variables in the farm field, form soil pH to nutrient levels to crop yield, on a 2 foot by 2 foot grid that were previously far too costly to calculate for each field. Today, these technologies can map these variables and data instantaneously as an applicator or combine drives across the field. In short, each farm field using precision technology becomes a research pilot. And in the down months or winter season a farmer can collect the data from the previous growing season and adjust dozens of important agronomic variables to maximize the efficient use of all the farmers inputs: time, fuel, commercial inputs, seed rate, irrigation—the list goes on and on.

These precision farming tools are already proving to help farmers increase field productivity, improve input efficiency, protect the environment, maximize farm profitability and create computerized field histories that may help increase land values. Collectively, these and other emerging technologies are being used in a holistic, site-specific systems approach called precision agriculture. Progressive and production minded farmers are already using these technologies. In a decade, they may be as commonplace on the farm as air-conditioned tractor cabs and power steering.

Precision farming seems to offer great promise for improving production performance. Inherently, it just sounds very appealing to be able to evaluate production conditions on an individual square foot, yard, or acre basis rather than that of a whole field. It would seem that we should be able to treat any situation more appropriately the smaller the plot we are considering. There have been great strides in measuring things on the basis of smaller and smaller units on the ground than we have ever realistically envisioned in the past. Measuring yields as we harvest. Being able to collect soil samples on a very small pilot basis and apply prescribed corrective measures "on the go." All of these things are possible. They are being done on an experimental basis in many locations. Some producers have adopted the new technology and are using it.

Precision farming is, in its simplest sense, a management system for crop production that uses site-specific data to maximize yields and more efficiently use inputs. The technology is quickly gaining acceptance and use by producers, farm suppliers, crop consultants, and custom applicators.

Precision farming links the data-management abilities of computers with sophisticated farm equipment that can vary applications rates and monitor yields throughout a field.

Mr. President, the capabilities of precision agriculture technologies are rapidly increasing. The economic and environmental benefits of these technologies have not been fully realized. Increasing the use of these technologies and development of complementary new technologies will benefit American agriculture, the U.S. economy, and both domestic and global environmental concerns. In Kentucky, this type of research can help producers increase their yield while protecting environmental concerns such as water quality.•

By Mr. D'AMATO:

S. 1976. A bill to authorize the President to enter into a trade agreement concerning Northern Ireland and certain border counties of the Republic of Ireland, and for other purposes; to the Committee on Finance.

THE NORTHERN IRELAND FREE TRADE, DEVELOPMENT AND SECURITY ACT

• Mr. D'AMATO. Mr. President, I introduce the Northern Ireland Free Trade, Development and Security Act.

The resurgence of sectarian unrest that we have witnessed in the last weeks in Northern Ireland has seriously jeopardized the chances of a lasting peace in that province. The current uncertainty brought about by the recent confrontation between the Catholic and Protestant communities does not augur well for the prospect of a prosperous and progressive Northern Ireland adhering to the principles of democracy, restraint and mutual respect.

Throughout the six counties the ancient drums of a harsh and unbending history have been once again been replaced by the fierce and acrimonious sounds of cross community hatred. Shattering glass and car bombs have once more become part and parcel of daily life in parts of Northern Ireland.

Mr. President, voices throughout Ireland continually echo the need for restraint and reconciliation. These are the voices of Northern Ireland's future. Voices which for so long have fallen on deaf ears. These voices Mr. President must be heard. It is in everyones self-interest to go forward. It is in no ones self-interest to slow down the peace process. Sadly this process may have come to a grinding halt, sadly too, the good and honest people of Northern Ireland will once again be the victims of a tyranny of violence and intransigence. The legislation that I introduce today is a marker that says that the men and women of Ulster are not alone in this period of instability and hour of need. We must verify hope, not concede to dispair.

Mr. President, the Northern Ireland and Border Counties Free Trade, Development and Security Act, that I introduce today, is modeled on the Gaza/West Bank Free Trade Act pending in this body. Both bills are based on the premise that a country or region that has a vibrant, growing and exporting economy requires underlying economic and social cohesion and cooperation. The legislation that I am introducing promises an open, liberalizing trade arrangement between Northern Ireland, the border counties of the Irish Republic and the United States. It will act as a primary inducement and incentive for indigenous Irish business to trade and flourish. This program will mean real jobs for the people of Northern Ireland, jobs that will prove to be crucial if the improvement of social and economic life in the North of Ireland is to be realized. In doing so, it will not only assist in revitalizing Northern Ireland's economy but it will help to rid Ulster of the religious and racial hatred which has plagued its people for more than 300 years.

Mr. President, the paradox of Northern Ireland is that she has given so much to other cultures and lands but has been incapable of fully reaping the rewards of her own peoples skills and strengths at home. The unfortunate reality is that as in the Republic of Ireland, a large majority of the North's highly educated and skilled younger generation has been forced to emigrate due to high unemployment levels which are as high as 70 percent in some areas. These disadvantaged areas are the ones which this legislation has been especially designed to target. Joint cooperation and joint economic development between the United States, Northern Ireland, and the European Union will integrate the most distressed parts of Northern Ireland and the border counties into a dynamic economy that—while firmly rooted in the European Union—continues to expand and cement new trading relatonships beneficial to all trading partners.

Mr. President the coming days in Northern Ireland will mean that serious risks will have to be taken. The way forward is not entirerly clear. Great strains have been placed between our good friends Great Britain and the Republic of Ireland. A close and harmonious relationship between these two nations is a necessary prerequisite to future progress in Northern Ireland. I would ask both of these close friends to join this effort to help forge a new and innovative way forward for their own citizens. Indeed current events call for new approaches, new modalities, and reinvigorated efforts.

To the men and women of Northern Ireland and the border counties, I say that your best days are in front of you. Stand steadfastly. Both communities can work together to create a future that will outshine Northern Ireland's dark but proud past and will significantly increase the prospects for the youth of Northern Ireland who hold the key to the success of this project. Take from your past the virtues of your forefathers—industry, faith, and imagination but leave behind the quarrels of other centuries. Just like the unity of Catholic and Protestant at the Somme, I ask that those heroic deeds be emanated. This time ahead will take courage, strength, and determination on all sides. I remind you once more you are not alone. As this country stood by you at the Somme this country stands by you now.

Northern Ireland's peace process must move forward and the aspirations and goodwill of the vast majority of its citizens must be accompanied by hard work and endeavour. The proposed establishment of a free trade area in these designated areas must be passed into legislation if the predicted 3,000 to 10,000 jobs are to be created. A more prosperous economy with more evenly spread and meaningful job opportunities can only serve to bridge the social and economic disparities that exist in this region. In conclusion this opportunity cannot be overlooked, after 25 years since the outbreak of the "troubles," the people of Northern Ireland have suffered enough violence and depravity. Now it is time to embark on a rebuilding process that will give no chance to the terrorist but every chance to peace and reconciliation.●

ADDITIONAL COSPONSORS

S. 684

At the request of Mr. HATFIELD, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 684, a bill to amend the Public Health Service Act to provide for programs of research regarding Parkinson's disease, and for other purposes.

S. 1477

At the request of Mrs. KASSEBAUM, the name of the Senator from Utah [Mr. BENNETT] was added as a cosponsor of S. 1477, a bill to amend the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act to improve the regulation of food, drugs, devices, and biological products, and for other purposes.

S. 1505

At the request of Mr. PRESSLER, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 1505, a bill to reduce risk to public safety and the environment associated with pipeline transportation of natural gas and hazardous liquids, and for other purposes.

S. 1729

At the request of Mrs. HUTCHISON, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of S. 1729, a bill to amend title 18, United States Code, with respect to stalking.

S. 1897

At the request of Mrs. KASSEBAUM, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 1897, a bill to amend the Public Health Service Act to revise and extend certain programs relating to the National Institutes of Health, and for other purposes.

S. 1899

At the request of Mr. STEVENS, the name of the Senator from Idaho [Mr. KEMPTHORNE] was added as a cosponsor of S. 1899, a bill entitled the "Mollie Beattie Alaska Wilderness Area Act".

S. 1965

At the request of Mr. BIDEN, the name of the Senator from Wisconsin [Mr. FEINGOLD] was added as a cosponsor of S. 1965, a bill to prevent the illegal manufacturing and use of methamphetamine.

AMENDMENT NO. 4910

At the request of Mr. BREAUX the name of the Senator from California [Mrs. BOXER] was added as a cosponsor of amendment No. 4910 proposed to S. 1956, an original bill to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 1997.

AMENDMENTS SUBMITTED

THE PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

D'AMATO (AND OTHERS) AMENDMENT NO. 4927

Mr. D'AMATO (for himself, Mr. LEVIN, Mr. SANTORUM, Mr. GRAMM, Mrs. HUTCHISON, Mr. PRESSLER, Mr. FAIRCLOTH, Mr. CRAIG, Mr. STEVENS, Mr. BURNS, Mr. SMITH, Mr. COVERDELL, Mr. GRASSLEY, Mr. ASHCROFT, Mr. BROWN, Mr. THOMPSON, Mr. MCCONNELL, Mr. BOND, Mr. GRAMS, Mr. SHELBY, Mr. JEFFORDS, Mr. MACK, Mr. MURKOWSKI, Mr. BENNETT, Mr. LOTT, Mr. DOMENICI, and Mr. NICKLES) proposed an amendment to the bill (S. 1956) to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 1997; as follows:

Section 402(a)(1)(B) of the Social Security Act, as added by section 2103(a)(1), is amended by adding at the end the following:

"(iii) Not later than one year after the date of enactment of this Act, unless the

State opts out of this provision by notifying the Secretary, a State shall, consistent with the exception provided in section 407(e)(2), require a parent or caretaker receiving assistance under the program who, after receiving such assistance for two months is not exempt from work requirements and is not engaged in work, as determined under section 407(c), to participate in community service employment, with minimum hours per week and tasks to be determined by the State."

SIMON (AND OTHERS) AMENDMENT NO. 4928

Mr. EXON (for Mr. SIMON, for himself, Mrs. MURRAY, Mr. KERREY, Mr. SPECTER, and Mr. JEFFORDS) proposed an amendment to the bill, S. 1956, supra; as follows:

Beginning on page 233, strike line 15, and all that follows through line 13 on page 235, and insert the following:

"(4) LIMITATION ON EDUCATION ACTIVITIES COUNTED AS WORK.—For purposes of determining monthly participation rates under paragraphs (1)(B)(i) and (2)(B)(i) of subsection (b), not more than 30 percent of adults in all families and in 2-parent families determined to be engaged in work in the State for a month may meet the work activity requirement through participation in vocational educational training.

"(5) SINGLE PARENT WITH CHILD UNDER AGE 6 DEEMED TO BE MEETING WORK PARTICIPATION REQUIREMENTS IF PARENT IS ENGAGED IN WORK FOR 20 HOURS PER WEEK.—For purposes of determining monthly participation rates under subsection (b)(1)(B)(i), a recipient in a 1-parent family who is the parent of a child who has not attained 6 years of age is deemed to be engaged in work for a month if the recipient is engaged in work for an average of at least 20 hours per week during the month.

"(6) TEEN HEAD OF HOUSEHOLD WHO MAINTAINS SATISFACTORY SCHOOL ATTENDANCE DEEMED TO BE MEETING WORK PARTICIPATION REQUIREMENTS.—For purposes of determining monthly participation rates under subsection (b)(1)(B)(i), a recipient who is a single head of household and has not attained 20 years of age is deemed to be engaged in work for a month in a fiscal year if the recipient—

"(A) maintains satisfactory attendance at secondary school or the equivalent during the month; or

"(B) participates in education directly related to employment for at least the minimum average number of hours per week specified in the table set forth in paragraph (1).

"(d) WORK ACTIVITIES DEFINED.—As used in this section, the term 'work activities' means—

"(1) unsubsidized employment:

"(2) subsidized private sector employment;

"(3) subsidized public sector employment;

"(4) work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available;

"(5) on-the-job training;

"(6) job search and job readiness assistance;

"(7) community service programs;

"(8) educational training (not to exceed 24 months with respect to any individual);

FEINSTEIN (AND OTHERS) AMENDMENT NO. 4929

Mrs. FEINSTEIN (for herself, Mrs. BOXER, and Mr. GRAHAM) proposed an amendment to the bill, S. 1956, supra; as follows:

Beginning on page 569, line 15, strike all through the end of line 10, page 589, and insert the following:

(D) This provision shall apply beginning on the date of the alien's entry into the United States.

(3) SPECIFIED FEDERAL PROGRAM DEFINED.—For purposes of this chapter, the term "specified Federal program" means any of the following:

(A) SSI.—The supplemental security income program under title XVI of the Social Security Act, including supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act and payments pursuant to an agreement entered into under section 212(b) of Public Law 93-66.

(B) FOOD STAMPS.—The food stamp program as defined in section 3(h) of the Food Stamp Act of 1977.

(b) LIMITED ELIGIBILITY FOR DESIGNATED FEDERAL PROGRAMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in section 2403 and paragraph (2), a State is authorized to determine the eligibility of an alien who is a qualified alien (as defined in section 2431) for any designated Federal program (as defined in paragraph (3)).

(2) EXCEPTIONS.—Qualified aliens under this paragraph shall be eligible for any designated Federal program.

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(i) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(ii) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.

(iii) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.

(B) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii)(I) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 2435, and (II) did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter.

(C) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(i) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii).

(3) This provision shall apply beginning on the date of the alien's entry into the United States.

(4) DESIGNATED FEDERAL PROGRAM DEFINED.—For purposes of this chapter, the term "designated Federal program" means any of the following:

(A) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—The program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.

(B) SOCIAL SERVICES BLOCK GRANT.—The program of block grants to States for social services under title XX of the Social Security Act.

(C) MEDICAID.—The program of medical assistance under title XV and XLX of the Social Security Act.

SEC. 2403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is a qualified alien (as defined in section 2431) and who enters the United States on or after the date of the enactment of this Act is not eligible for any Federal means-tested public benefit (as defined in subsection (c)) for a period of five years beginning on the date of the alien's entry into the United States with a status within the meaning of the term "qualified alien".

(b) EXCEPTIONS.—The limitation under subsection (a) shall not apply to the following aliens:

(1) EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act.

(B) An alien who is granted asylum under section 208 of such Act.

(C) An alien whose deportation is being withheld under section 243(h) of such Act.

(2) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage.

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(c) FEDERAL MEANS-TESTED PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this chapter, the term "Federal means-tested public benefit" means a public benefit (including cash, medical, housing, and food assistance and social services) of the Federal Government in which the eligibility of an individual, household, or family eligibility unit for benefits, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.

(2) Such term does not include the following:

(A) Emergency medical services under title XV or XIX of the Social Security Act.

(B) Short-term, non-cash, in-kind emergency disaster relief.

(C) Assistance or benefits under the National School Lunch Act.

(D) Assistance or benefits under the Child Nutrition Act of 1966.

(E)(i) Public health assistance for immunizations.

(ii) Public health assistance for testing and treatment of a communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(F) Payments for foster care and adoption assistance under part E of title IV of the Social Security Act for a child who would, in the absence of subsection (a), be eligible to have such payments made on the child's behalf under such part, but only if the foster or adoptive parent or parents of such child are not described under subsection (a).

(G) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) deliver in-kind services at the community level, including through public or private nonprofit agencies; (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life or safety.

(H) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965.

(I) Means-tested programs under the Elementary and Secondary Education Act of 1965.

SEC. 2404. NOTIFICATION AND INFORMATION REPORTING.

(a) NOTIFICATION.—Each Federal agency that administers a program to which section 2401, 2402, or 2403 applies shall, directly or through the States, post information and provide general notification to the public and to program recipients of the changes regarding eligibility for any such program pursuant to this subchapter.

(b) INFORMATION REPORTING UNDER TITLE IV OF THE SOCIAL SECURITY ACT.—Part A of title IV of the Social Security Act, as amended by section 2103(a) of this Act, is amended by inserting the following new section after section 411:

"SEC. 411A. STATE REQUIRED TO PROVIDE CERTAIN INFORMATION.

"Each State to which a grant is made under section 403, shall, at least 4 times annually and upon request of the Immigration and Naturalization Service, furnish the Immigration and Naturalization Service with the name and address of, and other identifying information on, any individual who the State knows is unlawfully in the United States."

(c) SSI.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended—

(1) by redesignating the paragraphs (6) and (7) inserted by sections 206(d)(2) and 206(f)(1) of the Social Security Independence and Programs Improvement Act of 1994 (Public Law 103-296; 108 Stat. 1514, 1515) as paragraphs (7) and (8), respectively; and

(2) by adding at the end the following new paragraph:

"(9) Notwithstanding any other provision of law, the Commissioner shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this paragraph referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Commissioner knows is unlawfully in the United States, and shall ensure that each agreement entered into under section 1616(a) with a State provides that the State shall furnish such information at such times with respect to any individual who the State knows is unlawfully in the United States."

(d) INFORMATION REPORTING FOR HOUSING PROGRAMS.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

"SEC. 27. PROVISION OF INFORMATION TO LAW ENFORCEMENT AND OTHER AGENCIES.

"Notwithstanding any other provision of law, the Secretary shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this section referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Secretary knows is unlawfully in the United States, and shall ensure that each contract for assistance entered into under section 6 or 8 of this Act with a public housing agency provides that the public housing agency shall furnish such information at such times with respect to any individual who the public housing agency knows is unlawfully in the United States.".

Subchapter B—Eligibility for State and Local Public Benefits Programs

SEC. 2411. ALIENS WHO ARE NOT QUALIFIED ALIENS OR NONIMMIGRANTS INELIGIBLE FOR STATE AND LOCAL PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsections (b) and (d), an alien who is not—

(1) a qualified alien (as defined in section 2431),

(2) a nonimmigrant under the Immigration and Nationality Act, or

(3) an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year,

is not eligible for any State or local public benefit (as defined in subsection (c)).

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following State or local public benefits:

(1) Emergency medical services under title XV or XIX of the Social Security Act.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(4) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(c) STATE OR LOCAL PUBLIC BENEFIT DEFINED.—

(1) Except as provide in paragraph (2), for purposes of this subchapter the term "State or local public benefit" means—

(A) any grant, contract, loan, professional license, or commercial license provided by an agency of a State or local government or by appropriated funds of a State or local government; and

(B) any retirement, welfare, health, disability, public or assisted housing, postsecondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of a State or local government or by appropriated funds of a State or local government.

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Secretary of State, after consultation with the Attorney General.

(d) STATE AUTHORITY TO PROVIDE FOR ELIGIBILITY OF ILLEGAL ALIENS FOR STATE AND LOCAL PUBLIC BENEFITS.—A State may provide that an alien who is not lawfully present in the United States is eligible for any State or local public benefit for which such alien would otherwise be ineligible under subsection (a) only through the enactment of a State law after the date of the enactment of this Act which affirmatively provides for such eligibility.

SEC. 2412. STATE AUTHORITY TO LIMIT ELIGIBILITY OF QUALIFIED ALIENS FOR STATE PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), a State is authorized to determine the eligibility for any State public benefits (as defined in subsection (c) of an alien who is a qualified alien (as defined in section 2431), a nonimmigrant under the Immigration and Nationality Act, or an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(b) EXCEPTIONS.—Qualified aliens under this subsection shall be eligible for any State public benefits.

(1) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(B) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.

(C) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.

(2) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(A) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(B)(i) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 2435, and (ii) did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter.

(3) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(4) This provision applies to those entering the country on or after the enactment.

(c) STATE PUBLIC BENEFITS DEFINED.—The term "State public benefits" means any means-tested public benefit of a State or political subdivision of a State under which the State or political subdivision specifies the standards for eligibility, and does not include any Federal public benefit.

Subchapter C—Attribution of Income and Affidavits of Support

SEC. 2421. FEDERAL ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO ALIEN.

(a) IN GENERAL.—Notwithstanding any other provision of law, in determining the eligibility and the amount of benefits of an alien for any Federal means-tested public benefits program (as defined in section 2403(c)), the income and resources of the alien shall be deemed to include the following:

(1) The income and resources of any person who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 2423) on behalf of such alein.

(2) The income and resources of the spouse (if any) of the person.

(b) APPLICATION.—Subsection (a) shall apply with respect to an alien until such time as the alien—

(1) achieves United States citizenship through naturalization pursuant to chapter 2 of title III of the Immigration and Nationality Act; or

(2)(A) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 2435, and (B) did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter.

(c) REVIEW OF INCOME AND RESOURCES OF ALIEN UPON REAPPLICATION.—Whenever an alien is required to reapply for benefits under any Federal means-tested public benefits program, the applicable agency shall review the income and resources attributed to the alien under subsection (a).

(d) This provision shall apply beginning on the date of the aliens entry into the United States.

HELMS (AND OTHERS) AMENDMENT NO. 4930

Mr. HELMS (for himself, Mr. FAIRCLOTH, Mr. NICKLES, Mr. SHELBY, Mr. SMITH, and Mr. GRAMM) proposed an amendment to the bill, S. 1956, supra; as follows:

Strike section 1134 and insert the following:

SEC. 1134. WORK REQUIREMENT.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1133, is amended by adding at the end the following:

"(o) WORK REQUIREMENT.—

"(1) DEFINITION OF WORK PROGRAM.—In this subsection, the term 'work program' means—

"(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

"(C) a program of employment or training operated or supervised by a State or political subdivision of a State that meets standards approved by the Governor of the State, including a program under subsection (d)(4), other than a job search program or a job search training program.

"(2) WORK REQUIREMENT.—Subject to paragraph (3), no individual shall be eligible to participate in the food stamp program as a member of any household if the individual did not—

"(A) work 20 hours or more per week, averaged monthly;

"(B) participate in and comply with the requirements of a work program for at least 20 hours or more per week, as determined by the State agency; or

"(C) participate in and comply with the requirements of a program under section 20 or a comparable program established by a State or political subdivision of a State.

"(3) EXEMPTIONS.—Paragraph (1) shall not apply to an individual if the individual is—

"(A) a parent residing with a dependent child under 18 years of age;

"(B) mentally or physically unfit;

"(C) under 18 years of age;

"(D) 50 years of age or older; or

"(E) a pregnant woman.".

CHAFEE (AND OTHERS) AMENDMENT NO. 4931

Mr. CHAFEE (for himself, Mr. BREAUX, Mr. COHEN, Mr. GRAHAM, Mr. JEFFORDS, Mr. KERREY, Mr. HATFIELD, Mrs. MURRAY, Ms. SNOWE, Mr. LIEBERMAN, Mr. REID, and Mr. ROCKEFELLER) proposed an amendment to the bill, S. 1956, supra; as follows:

Beginning with page 256, line 20, strike all through page 259, line 4, and insert the following:

"(12) ASSURING MEDICAID COVERAGE FOR LOW-INCOME FAMILIES.—

"(A) IN GENERAL.—Notwithstanding any other provision of this Act, subject to the succeeding provisions of this paragraph, with respect to a State any reference in title XIX (or other provision of law in relation to the operation of such title) to a provision of this part, or a State plan under this part (or a provision of such a plan), including standards and methodologies for determining income and resources under this part or such plan, shall be considered a reference to such a provision or plan as in effect as of July 1, 1996, with respect to the State.

"(B) CONSTRUCTION.—

"(i) In applying section 1925(a)(1), the reference to 'section 402(a)(8)(B)(ii)(II)' is deemed a reference to a corresponding earning disregard rule (if any) established under a State program funded under this part (as in effect on or after October 1, 1996).

"(ii) The provisions of former section 406(h) (as in effect on July 1, 1996) shall apply, in relation to title XIX, with respect to individuals who receive assistance under a State program funded under this part (as in effect on or after October 1, 1996) and are eligible for medical assistance under title XIX or who are described in subparagraph (C)(i) in the same manner as they apply as of July 1, 1996, with respect to individuals who become ineligible for aid to families with dependent children as a result (wholly or partly) of the collection or increased collection of child or spousal support under part D of this title.

"(iii) With respect to the reference in section 1902(a)(5) to a State plan approved under this part, a State may treat such reference as a reference either to a State program funded under this part (as in effect on or after October 1, 1996) or to the State plan under title XIX.

"(C) ELIGIBILITY CRITERIA.—

"(i) IN GENERAL.—For purposes of title XIX, subject to clause (ii), in determining eligibility for medical assistance under such title, an individual shall be treated as receiving aid or assistance under a State plan approved under this part (and shall be treated as meeting the income and resource standards under this part) only if the individual meets—

"(I) the income and resource standards for determining eligibility under such plan; and

"(II) the eligibility requirements of such plan under subsections (a) through (c) of former section 406 and former section 407(a), as in effect as of July 1, 1996. Subject to clause (ii)(II), the income and resource methodologies under such plan as of such date shall be used in the determination of whether any individual meets income and resource standards under such plan.

"(ii) STATE OPTION.—For purposes of applying this paragraph, a State may—

"(I) lower its income standards applicable with respect to this part, but not below the income standards applicable under its State plan under this part on May 1, 1988; and

"(II) use income and resource standards or methodologies that are less restrictive than the standards or methodologies used under the State plan under this part as of July 1, 1996.

"(iii) ADDITIONAL STATE OPTION WITH RESPECT TO TANF RECIPIENTS.—For purposes of applying this paragraph to title XIX, a State may, subject to clause (iv), treat all individuals (or reasonable categories of individuals) receiving assistance under the State program funded under this part (as in effect on or after October 1, 1996) as individuals who are receiving aid or assistance under a State plan approved under this part (and thereby eligible for medical assistance under title XIX).

"(iv) TRANSITIONAL COVERAGE.—For purposes of section 1925, an individual who is receiving assistance under the State program funded under this part (as in effect on or after October 1, 1996) and is eligible for medical assistance under title XIX shall be treated as an individual receiving aid or assistance pursuant to a State plan approved under this part (as in effect as of July 1, 1996) (and thereby eligible for continuation of medical assistance under such section 1925).

"(D) WAIVERS.—In the case of a waiver of a provision of this part in effect with respect to a State as of July 1, 1996, if the waiver affects eligibility of individuals for medical assistance under title XIX, such waiver may (but need not) continue to be applied, at the option of the State, in relation to such title after the date the waiver would otherwise expire. If a State elects not to continue to apply such a waiver, then, after the date of the expiration of the waiver, subparagraphs (A), (B), and (C) shall be applied as if any provision so waived had not been waived.

"(E) STATE OPTION TO USE 1 APPLICATION FORM.—Nothing in this paragraph, this part, or title XIX, shall be construed as preventing a State from providing for the same application form for assistance under a State program funded under this part (on or after October 1, 1996) and for medical assistance under title XIX.

"(F) REQUIREMENT FOR RECEIPT OF FUNDS.—A State to which a grant is made under section 403 shall take such action as may be necessary to ensure that the provisions of this paragraph are carried out provided that the State is otherwise participating in title XIX of this Act.

ROTH AMENDMENT NO. 4932

Mr. ROTH proposed an amendment to amendment No. 4931 proposed by Mr. CHAFEE to the bill, S. 1956, supra; as follows:

In lieu of the matter proposed to be inserted, insert the following:

"(12) CONTINUATION OF MEDICAID FOR CERTAIN LOW-INCOME INDIVIDUALS.—

"(A) IN GENERAL.—Notwithstanding any other provision of this Act, a State to which a grant is made under section 403 shall take such action as may be necessary to ensure that—

"(i) any individual who, as of the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996, is receiving medical assistance under title XIX as a result of such individual's receipt of aid or assistance under a State plan approved under this part (as in effect on July 1, 1996), or under a State plan approved under part E (as so in effect)—

"(I) shall be eligible for medical assistance under the State's plan approved under title XIX, so long as such individual continues to meet the eligibility requirements applicable to such individual under the State's plan approved under this part (as in effect on July 1, 1996); and

"(II) with respect to such individual, any reference in—

"(aa) title XIX;

"(bb) any other provision of law in relation to the operation of such title;

"(cc) the State plan under such title of the State in which such individual resides; or

"(dd) any other provision of State law in relation to the operation of such State plan under such title,

to a provision of this part, or a State plan under this part (or a provision of such a plan), including standards and methodologies for determining income and resources under this part or such plan, shall be considered a reference to such a provision or plan as in effect as of July 1, 1996; and

"(ii) except as provided in subparagraph (B), if any family becomes ineligible to receive assistance under the State program funded under this part as a result of—

"(I) increased earnings from employment;

"(II) the collection or increased collection of child or spousal support; or

"(III) a combination of the matters described in subclauses (I) and (II),

and such family received such assistance in at least 3 of the 6 months immediately preceding the month in which such ineligibility begins, the family shall be eligible for medical assistance under the State's plan approved under title XIX during the immediately succeeding 12-month period for so long as family income (as defined by the State), excluding any refund of Federal income taxes made by reason of section 32 of the Internal Revenue Code of 1986 (relating to earned income tax credit) and any payment made by an employer under section 3507 of such Code (relating to advance payment of earned income credit), is less than the poverty line, and that the family will be appropriately notified of such eligibility.

"(B) EXCEPTION.—No medical assistance may be provided under subparagraph (A) to any family that contains an individual who has had all or part of any assistance provided under this part (as in effect on July 1, 1996, or as in effect, with respect to a State, on and after the effective date of chapter 1 of subtitle A of title II of the Personal Responsibility and Work Opportunity Act of 1996) terminated as a result of the application of—

"(i) a preceding paragraph of this subsection;

"(ii) section 407(e)(1); or

"(iii) in the case of a family that includes an individual described in clause (i) of subparagraph (A), a sanction imposed under the State plan under this part (as in effect on July 1, 1996).

CHAFEE (AND OTHERS) AMENDMENT NO. 4933

Mr. CHAFEE (for himself, Mr. BREAUX, Mr. COHEN, Mr. GRAHAM, Mr. JEFFORDS, Mr. KERREY, Mr. HATFIELD, Mrs. MURRAY, Ms. SNOWE, Mr. LIEBERMAN, Mr. REID, and Mr. ROCKEFELLER) proposed an amendment to amendment No. 4931 proposed by Mr. CHAFEE to the bill, S. 1956, supra; as follows:

Strike all after the first word and insert the following:

"MEDICAID COVERAGE FOR LOW-INCOME FAMILIES.

"(A) IN GENERAL.—Notwithstanding any other provision of this Act, subject to the succeeding provisions of this paragraph, with respect to a State any reference in title XIX (or other provision of law in relation to the operation of such title) to a provision of this part, or a State plan under this part (or provision of such a plan), including standards and methodologies for determining income and resources under this part or such plan, shall be considered a reference to such a provision or plan as in effect as of July 1, 1996, with respect to the State.

"(B) CONSTRUCTIONS.—

"(i) In applying section 1925(a)(1), the reference to 'section 402(a)(8)(B)(ii)(II)' is deemed a reference to a corresponding earning disregard rule (if any) established under a State program funded under this part (as in effect on or after October 1, 1996).

"(ii) The provisions of former section 406(h) (as in effect on July 1, 1996) shall apply, in relation to title XIX, with respect to individuals who receive assistance under a State program funded under this part (as in effect on or after October 1, 1996) and are eligible for medical assistance under title XIX or who are described in subparagraph (C)(i) in the same manner as they apply as of July 1, 1996, with respect to individuals who become ineligible for aid to families with dependent children as a result (wholly or partly) of the collection or increased collection of child or spousal support under part D of this title.

"(iii) With respect to the reference in section 1902(a)(5) to a State plan approved under this part, a State may treat such reference as a reference either to a State program funded under this part (as in effect on or after October 1, 1996) or to the State plan under title XIX.

"(C) ELIGIBILITY CRITERIA.—

"(i) IN GENERAL.—For purposes of title XIX, subject to clause (ii), in determining eligibility for medical assistance under such title, an individual shall be treated as receiving aid or assistance under a State plan approved under this part (and shall be treated as meeting the income and resource standards under this part) only if the individual meets—

"(I) the income and resource standards for determining eligibility under such plan; and

"(II) the eligibility requirements of such plan under subsections (a) through (c) of former section 406 and former section 407(a),

as in effect as of July 1, 1996. Subject to clause (ii)(II), the income and resource methodologies under such plan as of such date shall be used in the determination of whether any individual meets income and resource standards under such plan.

"(ii) STATE OPTION.—For purposes of applying this paragraph, a State may—

"(I) lower its income standards applicable with respect to this part, but not below the income standards applicable under its State plan under this part on May 1, 1988; and

"(II) use income and resource standards or methodologies that are less restrictive than the standards or methodologies used under the State plan under this part as of July 1, 1996.

"(iv) TRANSITIONAL COVERAGE.—For purposes of section 1925, an individual who is receiving assistance under the State program funded under this part (as in effect on or after October 1, 1996) and is eligible for medical assistance under title XIX shall be treated as an individual receiving aid or assistance pursuant to a State plan approved under this part (as in effect as of July 1, 1996) (and thereby eligible for continuation of medical assistance under such section 1925).

"(D) WAIVERS.—In the case of a waiver of a provision of this part in effect with respect to a State as of July 1, 1996, if the waiver affects eligibility of individuals for medical assistance under title XIX such waiver may (but need not) continue to be applied, at the option of the State, in relation to such title after the date the waiver would otherwise expire. If a State elects not to continue to apply such a waiver, then, after the date of the expiration of the waiver, subparagraphs (A), (B), and (C) shall be applied as if any provisions so waived had not been waived.

"(E) STATE OPTION TO USE 1 APPLICATION FORM.—Nothing in this paragraph, this part, or title XIX, shall be construed as preventing a State from providing for the same application form for assistance under a State program funded under this part (on or after October 1, 1996) and for medical assistance under title XIX.

"(F) REQUIREMENT FOR RECEIPT OF FUNDS.—A State to which a grant is made under section 403 shall take such action as may be necessary to ensure that the provisions of this paragraph are carried out provided that the State is otherwise participating in title XIX of this Act.

CONRAD (AND OTHERS) AMENDMENT NO. 4934

Mr. CONRAD (for himself, Mr. JEFFORDS, Mr. KERREY, Mr. LEAHY, Mrs. MURRAY, and Mr. REID) proposed an amendment to the bill, S. 1956, supra; as follows:

On page 8, line 24, strike "for fiscal year 1996" and insert "for the period beginning October 1, 1995, and ending November 30, 1996".

On page 9, strike lines 1 through 5 and insert the following:

"(ii) for the period beginning December 1, 1996, and ending September 30, 2001, $120, $206, $170, $242, and $106, respectively;

"(iii) for the period beginning October 1, 2001, and ending August 31, 2002, $113, $193, $159, $227, and $100 respectively; and

"(iv) for the period beginning September 1, 2002, and ending September 30, 2002, $120, $206, $170, $242, and $106, respectively.

Beginning on page 94, strike line 14 and all that follows through page 111, line 6.

GRAMM AMENDMENT NO. 4935

Mr. SANTORUM (for Mr. GRAMM) proposed an amendment to the bill, S. 1956, supra; as follows:

On page 364, between lines 14 and 15, insert the following new section:

SEC. . DENIAL OF BENEFITS FOR CERTAIN DRUG RELATED CONVICTIONS.

(a) IN GENERAL.—An individual convicted (under Federal or State law) of any crime relating to the illegal possession, use, or distribution of a drug shall not be eligible for any Federal means-tested public benefit, as defined in Section 2403(c)(1) of this Act.

(b) FAMILY MEMBERS EXEMPT.—The prohibition contained under subsection (a) shall not apply to the family members or dependants of the convicted individual in a manner that would make such family members or dependants ineligible for welfare benefits that they would otherwise be eligible for. Any benefits provided to family members or dependents of a person described in subsection (a) shall be reduced by the amount which would have otherwise been made available to the convicted individual.

(c) PERIOD OF PROHIBITION.—The prohibition under subsection (a) shall apply—

(1) With respect to an individual convicted of a misdemeanor, during the 5-year period beginning on the date of the conviction or the 5-year period beginning on January 1, 1997, whichever is later; and

(2) with respect to an individual convicted of a felony, for the duration of the life of that individual.

(d) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following Federal benefits:

(1) Emergency medical services under title XV or XIX of the Social Security Act.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of communicable diseases if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(e) EFFECTIVE DATE.—The denial of Federal benefits set forth in this section shall take effect for convictions occurring after the date of enactment.

(f) REGULATIONS.—Not later than December 31, 1996, the Attorney General shall promulgate regulations detailing the means by which Federal and State agencies, courts, and law enforcement agencies will exchange and share the data and information necessary to implement and enforce the withholding of Federal benefits.

GRAHAM (AND BUMPERS) AMENDMENT NO. 4936

Mr. GRAHAM (for himself and Mr. BUMPERS) proposed an amendment to the bill, S. 1956, supra; as follows:

On page 196, strike line 16 and insert the following:

DEFINED.—Except as provided in subparagraph (C), as used in this part, the term

On page 198, between lines 9 and 10, insert the following:

"(C) RULES FOR FISCAL YEARS 1997, 1998, 1999, 2000, AND 2001.—

"(i) IN GENERAL.—Notwithstanding subparagraph (A), in the case of fiscal years 1997, 1998, 1999, 2000, and 2001, the State family assistance grant for a State for a fiscal year shall be an amount equal to the sum of—

"(I) the applicable percentage for such fiscal year of the State family assistance grant for such fiscal year, as determined under subparagraph (B), and

"(II) an amount equal to the State child poverty allocation determined under clause (iii) for such fiscal year.

"(ii) APPLICABLE PERCENTAGE.—For purposes of this subparagraph, the applicable percentage for a fiscal year is as follows:

"If the fiscal year is:	*The applicable percentage is*
1997	80
1998	60
1999	40
2000	20
2001	0

"(iii) STATE CHILD POVERTY ALLOCATION.—For purposes of this subparagraph, the State child poverty allocation for a State for a fiscal year is an amount equal to the poverty percentage of the greater of—

"(I) the product of the aggregate amount appropriated for fiscal year 1996 under subparagraph (G) and the child poverty ratio for such State for such fiscal year, as determined under clause (iv); and

"(II) the minimum amount determined under clause (v).

For purposes of this clause, the poverty percentage for any fiscal year is a percentage equal to 100 percent minus the applicable percentage for such fiscal year under clause (ii).

"(iv) CHILD POVERTY RATIO.—For purposes of clause (iii), the term 'child poverty ratio' means, with respect to a State and a fiscal year—

"(I) the average number of minor children in families residing in the State with incomes below the poverty line, as determined by the Director of the Bureau of the Census, for the 3 preceding fiscal years; divided by

"(II) the average number of minor children in families residing in all States with incomes below the poverty line, as so determined, for such 3 preceding fiscal years.

"(v) MINIMUM AMOUNT.—For purposes of clause (iii), the minimum amount is the lesser of—

"(I) $100,000,000; or

"(II) an amount equal to 150 percent of the total amount required to be paid to the State under former section 403 for fiscal year 1995 (as such section was in effect on June 1, 1996).

"(vi) REDUCTION IF AMOUNTS NOT AVAILABLE.—If the aggregate amount by which State family assistance grants for all States increases for a fiscal year under this paragraph exceeds the aggregate amount appropriated for such fiscal year under subparagraph (G), the amount of the State family assistance grant to a State shall be reduced by an amount equal to the product of the aggregate amount of such excess and the child poverty ratio for such State.

"(vii) 3-PRECEDING FISCAL YEARS.—For purposes of clause (iv), the term "3-preceding fiscal years' means the 3 most recent fiscal years preceding the current fiscal year for which data are available.

"(D) PUBLICATION OF ALLOCATIONS.—Not later than January 15 of each calendar year, the Secretary shall publish in the Federal Register the amount of the family assistance grant to which each State is entitled under this paragraph for the fiscal year that begins on October 1 of such calendar year.

On page 198, line 10, strike "(C)" and insert "(E)".

On page 200, line 11, strike "(D)" and insert "(F)".

On page 200, line 17, strike "(C)" and insert "(E)".

On page 200, line 23, strike "(C)" and insert "(E)".

On page 201, line 5, strike "(C)" and insert "(E)".

On page 201, line 20, strike "(C)" and insert "(E)".

On page 201, line 25, strike "(C)" and insert "(E)".

On page 202, line 5, strike "(C)" and insert "(E)".

On page 202, line 9, strike "(E)" and insert "(G)".

Beginning with page 205, line 4, strike all through page 211, line 3.

PRESSLER (AND DASCHLE) AMENDMENT NO. 4937

Mr. SANTORUM (for Mr. PRESSLER, for himself and Mr. DASCHLE) proposed an amendment to the bill, S. 1956, supra; as follows:

Beginning on page 70, strike line 21 and all that follows through page 71, line 3, and insert the following:

(c) RETENTION RATE.—The provision of the first sentence of section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended by striking "25 percent during the period beginning October 1, 1990" and all that follows through "section 13(b)(2) of this Act" and inserting "35 percent of the value of all funds or allotments recovered or collected pursuant to subsections (b)(1) and (c) of section 13 and 20 percent of the value of all funds or allotments recovered or collected pursuant to section 13(b)(2) of this Act".

SIMON AMENDMENT NO. 4938

Mr. GRAHAM (for Mr. SIMON) proposed an amendment to the bill, S. 1956, supra; as follows:

In Section 2403(c)(2)(H), after "1965" and before the period at the end, add ", and Titles III, VII, and VIII of the Public Health Service Act".

SHELBY (AND OTHERS) AMENDMENT NO. 4939

Mr. SHELBY (for himself, Mr. CRAIG, Mr. GRAMS, Mr. COATS, and Mr. HELMS) proposed an amendment to the bill, S. 1956, supra; as follows:

At the appropriate place, insert:

SEC. . REFUNDABLE CREDIT FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

SEC. 35. ADOPTION EXPENSES.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

"(b) LIMITATIONS.—

"(1) DOLLAR LIMITATION.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) with respect to the adoption of a child shall not exceed $5,000.

"(2) INCOME LIMITATION.—The amount allowable as a credit under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

"(A) the amount (if any) by which the taxpayer's adjusted gross income exceeds $60,000, bears to

"(B) $40,000.

"(3) DENIAL OF DOUBLE BENEFIT.—

"(A) IN GENERAL.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowable under any other provision of this chapter.

"(B) GRANTS.—No credit shall be allowed under subsection (a) for any expense to the extent that funds for such expense are received under any Federal, State, or local program.

"(c) QUALIFIED ADOPTION EXPENSES.—For purposes of this section, the term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal and finalized adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement. The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

"(d) MARRIED COUPLES MUST FILE JOINT RETURNS.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section."

"(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period ", or from section 35 of such Code".

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following:

"Sec. 35. Adoption expenses.
"Sec. 36. Overpayments of tax.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. . EXCLUSION OF ADOPTION ASSISTANCE.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by redesignating section 137 as section 138 and by inserting after section 136 the following new section:

"SEC. 137. ADOPTION ASSISTANCE.

"(a) IN GENERAL.—Gross income of an employee does not include employee adoption assistance benefits, or military adoption assistance benefits, received by the employee with respect to the employee's adoption of a child.

"(b) DEFINITIONS.—For purposes of this section—

"(1) EMPLOYEE ADOPTION ASSISTANCE BENEFITS.—The term 'employee adoption assistance benefits' means payment by an employer of qualified adoption expenses with respect to an employee's adoption of a child, or reimbursement by the employer of such qualified adoption expenses paid or incurred by the employee in the taxable year.

"(2) EMPLOYER AND EMPLOYEE.—The terms 'employer' and 'employee' have the respective meanings given such terms by section 127(c).

"(3) MILITARY ADOPTION ASSISTANCE BENEFITS.—The term 'military adoption assistance benefits' means benefits provided under section 1052 of title 10, United States Code, or section 514 of title 14, United States Code.

"(4) QUALIFIED ADOPTION EXPENSES.—The term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal and finalized adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement. The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

"(c) COORDINATION WITH OTHER PROVISIONS.—The Secretary shall issue regulations to coordinate the application of this section with the application of any other provision of this title which allows a credit or deduction with respect to qualified adoption expenses."

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 137 and inserting the following new items:

"Sec. 137. Adoption assistance.
"Sec. 138. Cross references to other Acts."

(c) EFFECTIVE DATE.—The amendments made this section shall apply to taxable years beginning after December 31, 1996.

SEC. . WITHDRAWAL FROM IRA FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 (relating to tax treatment of distributions) is amended by adding at the end the following new paragraph:

"(8) QUALIFIED ADOPTION EXPENSES.—

"(A) IN GENERAL.—Any amount which is paid or distributed out of an individual retirement plan of the taxpayer, and which would (but for this paragraph) be includible in gross income, shall be excluded from gross income to the extent that—

"(i) such amount exceeds the sum of—

"(I) the amount excludable under section 137, and

"(II) any amount allowable as a credit under this title with respect to qualified adoption expenses; and

"(ii) such amount does not exceed the qualified adoption expenses paid or incurred by the taxpayer during the taxable year.

"(B) QUALIFIED ADOPTION EXPENSES.—For purposes of this paragraph, the term 'qualified adoption expenses' has the meaning given such term by section 137."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1996.

NOTICES OF HEARINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that the hearing scheduled before the full Energy and Natural Resources Committee to receive testimony regarding S. 1678, the Department of Energy Abolishment Act, has been postponed. The hearing was scheduled to take place on Tuesday, July 23, 1996, at 9:30 a.m., in room SD–366 of the Dirksen Senate Office Building in Washington, DC, and will be rescheduled later.

For further information, please call Karen Hunsicker, counsel (202) 224–3543 or Betty Nevitt, staff assistant at (202) 224–0765.

SUBCOMMITTEE ON FORESTS AND PUBLIC LANDS

Mr. CRAIG. Mr. President, I would like to announce for the public that the hearing scheduled before the Subcommittee on Forests and Public Lands of the Committee on Energy and Natural Resources to receive testimony regarding S. 931, S. 1564, S. 1565, S. 1649, S. 1719, and S. 1921, bills relating to the Bureau of Reclamation, has been postponed from Tuesday, July 30, 1996, at 2:30 p.m., to Thursday, September 5, 1996, at 2 p.m. and will take place in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

For further information, please call James P. Beirne, senior counsel (202) 224–2564 or Betty Nevitt, staff assistant at (202) 224–0765.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the public that an oversight hearing has been scheduled before the Committee on Energy and Natural Resources.

The hearing will take place Thursday, August 1, 1996, at 2 p.m. in room SD–366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of this oversight hearing is to receive testimony on the implementation of section 2001 of Public Law 104–19, the emergency timber salvage amendment.

Those who wish to submit written statements should write to the Committee on Energy and Natural Resources, U.S. Senate, Washington, DC 20510. For further information, please call Judy Brown or Mark Rey at (202) 224–6170.

AUTHORITY FOR COMMITTEE TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. SANTORUM. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Friday, July 19, at 11:30 a.m. in S–116.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TRIBUTE TO AMERICAN LEGION POST No. 88 AS THEY DEDICATE THEIR WAR MEMORIAL

• Mr. SMITH. Mr. President, I rise today to recognize American Legion Post No. 88 as they dedicate a memorial to our Nation's veterans. Post No. 88 undertook the creation and dedication of this war memorial to mark their 50th anniversary. This emblem of service will endure as a reminder of the veterans' sacrifice made for our liberty.

On July 4, Post No. 88 dedicated a demilitarized M60A3 tank and placed it on permanent display at South Village Road in Louden, NH. Joining the legionnaires in this solemn occasion were local Boy Scouts and Cub Scouts, young musicians, local clergy, and town leaders. The monument was dedicated to the memory of those veterans who served their country, with a special remembrance for POW's and MIA's.

Our veterans have made it possible for us to live free in this great country. The strong, sound granite of the memorial stone, cut from our New Hampshire hills, is representative of America's best and bravest. The men and women who have served this country in the Armed Forces will be honored through this memorial and the community will remember their service and their sacrifice.

This monument is just one of many examples of the way American Legion Post No. 88 serves their community. Members of the post donate countless volunteer hours, fundraising for veterans' needs, support youth education, and assist the medically needy. Post No. 88 has been an integral part of the community for the past 50 years and has served the community with dedication and with pride. I congratulate American Legion Post No. 88 for their service and dedication to their community. The new war memorial is a fitting tribute to our Nation's veterans and another fine example of Post No. 88's commitment to honoring our Armed Forces.•

CHIEF JUSTICE ROBERT N. WILENTZ

• Mr. LAUTENBERG. Mr. President, on July 1, an era came to an end, when Robert N. Wilentz removed his robe for the final time and ended a 17-year tenure as chief justice of the New Jersey Supreme Court.

During a rare interview in 1993, when asked how the Wilentz years would be remembered, he replied, "I would hope only that they would be remembered as years when a great court system was kept great and when a great supreme court was kept great." And they will be, due to the efforts of a truly great man—Chief Justice Robert N. Wilentz.

Greatness is based not on what you gain, but on what you give. And the contributions of Justice Wilentz to the legal profession and to the people of New Jersey are a benchmark against which the actions of others will be judged. An old Latin saying notes that justice must be fair and good; while Justice Wilentz wore the judicial robes, he assured both.

He has been categorized as a liberal activist, but that is not entirely fair, for Justice Wilentz's decisions were not based on any political agenda, but on a mixture of extraordinary intellect and unusual compassion.

Under his direction, the New Jersey Supreme Court achieved a national reputation for innovative decisions which often set an example for the entire country. The court instructed municipalities that they must provide housing for low-income residents. In separate opinions, which Wilentz authored, the court recognized the "battered woman's syndrome" as a defense for women charged with homicide and made a host liable for providing alcohol to a guest, if the host is aware that the guest is intoxicated and will soon drive.

In the now famous Abbot versus Burke decision, which ordered the State to provide more money for city schools, Wilentz wrote, "We realize that perhaps nothing short of substantial social and economic change will make the difference for these students, * * *. We have concluded, however, that even if not a cure, money will help, and that these students are constitutionally entitled to that help." Like all of his statements, this one demonstrates that behind the black robes was a daring thinker and visionary jurist.

We may not agree with all of his decisions, but we must recognize his desire to always do what he believed to be right, and just.

Since Chief Justice Wilentz's appointment by Governor Brendan Byrne in 1979, the New Jersey Supreme Court has been involved in an extraordinary number of such precedent setting cases. Yet, in nearly three quarters of these cases, the decisions were unanimous; this is a testament to the chief justice's leadership abilities.

Justice Wilentz was not only a superior jurist and leader, but a skillful administrator. As chief justice, he tirelessly worked to improve the State's municipal court system. To enhance efficiency, he reorganized the courts into four divisions, civil, criminal, family, and general equity, and he divided the appellate division into eight four judge panels.

Under his guidance, the court instituted the New Jersey Judicial College, the Municipal Court Judicial Conference and a speedy trial program; all have become national models. He also created separate task forces to investigate gender bias in the court system and to address minority concerns involving the judiciary.

James Bryant Conant once remarked, "each walk of life, has its own elite, its own aristocracy based on excellence of performance." And recently, the Newark Star-Ledger confirmed that "his [Wilentz] record for excellence is secure and his place in New Jersey's history is fixed." I echo that opinion. All New Jerseyans have benefited from his leadership, his scholarship, his statesmanship.

Chief Justice Robert N. Wilentz will long be remembered for his love of the law, his reasoned eloquence and his uncompromising commitment to social justice. It will indeed be difficult to fill his shoes, and his robe.•

TRIBUTE TO MAX M. FISHER

• Mr. ABRAHAM. Mr. President, Max M. Fisher was honored last night in Detroit at the National Republican Leadership Award Dinner. Unfortunately, votes here in the Senate prevented me from attending. I am particularly sorry to have missed this event because I hold Max in the highest possible esteem. Max Fisher's life exemplifies all that is good about our Nation and our people.

Max joined with two partners to form his own oil company, Aurora Gasoline, in 1933, only 3 years after graduating from college. He became chairman of the board of Aurora in 1957 and went on to serve on the board of directors of Marathon oil in 1962. Max has served on the board of directors of numerous corporations and continues to serve on the boards of Comerica and Sotheby's.

I can think of no man who has done more for his community than Max Fisher. He has served as founding chairman of Detroit Renaissance, founding member and former chairman of New Detroit, member of the board of Sinai Hospital, and in numerous other responsible positions helping individuals and communities.

Central to Max's philanthropic mission has been his heroic efforts on behalf of Israel and world Jewry. He has served as chairman of the board of governors of the reconstituted Jewish Agency in Jerusalem, General Chairman of the United Jewish Appeal, Chairman of the Board of United Israel Appeal, and President of the Council of Jewish Federations and Welfare Funds.

In political life as well, Max has made great contributions. He has been an advisor and supporter of the last four Republican Presidents. In addition, he has been a supporter of the Republican National Committee for more than 40 years.

We on the Republican side of the aisle owe our own special debt to Max. But all of America, as well as Israel and numerous persons around the world, owe him our thanks. With this statement I pay tribute to a great man, whose life's efforts demonstrate the awesome impact one individual can have on his surroundings.•

THE 1997 DEFENSE APPROPRIATIONS BILL

• Mr. LEAHY. Mr. President, yesterday the Senate completed action on the fiscal year 1997 Defense appropriations bill. This is one of the most important annual appropriations bills and the largest; by itself it consumes about half of all discretionary spending. I had deep concerns about the bill because it added more than $10 billion to the President's request for defense. By my estimation this money was not necessary for our national security, especially when we are cutting nearly every other discretionary spending account as we move toward a balanced budget. I remain unconvinced that our defenses need vast infusions of new funds, and I disagree with some of defense priorities so ardently advocated by the majority.

Ballistic missile defenses receive $3.3 billion in this bill, which is $855 million above what the president requested. I don't think there is anyone in this Chamber who would argue against developing and deploying missile defense systems to protect our troops in the field. But many of my colleagues are anxious to embark on a missile defense spending spree that the Congressional Budget Office estimates could cost up to $60 billion. I would say to them that not only would that be a waste of taxpayer money, but could have the long-term effect of squeezing other necessary defense programs from the defense budget. It would be ironic if those who profess to care so much about our defenses end up undermining them instead.

I voted for a series of unsuccessful amendments to cut billions of dollars from both the Defense authorization and appropriations bills. However, I did vote for final passage of the Defense appropriations bill. While I disagree with the overall spending figures in the bill, Senators STEVENS and INOUYE did an excellent job of crafting legislation which will best serve our military. In particular, I am pleased that the bill includes $150 million for peer-reviewed breast cancer research, and $100 million for prostate cancer research. In addition, the bill provides a full 3 percent pay raise for our troops, as well as a 4 percent raise in the basic allowance for quarters. Finally, I worked hard to have money added to the bill so that Air National Guard F-16 units can maintain a cost-effective force structure.

In closing, I look forward to the results of the nonpartisan, independent National Defense Panel created by a 100 to nothing vote during the debate on the DOD authorization bill. This Commission will be tasked with reviewing our current defense program, and give an independent assessment of a variety of possible force structures through 2010. We owe it to the Nation to put the Defense Department through the same budgetary scrutiny that we are putting virtually every other category of Government spending.•

ISABEL STUDENT HONORED

• Mr. PRESSLER. Mr. President, I would like to bring to my colleagues' attention the outstanding efforts of a young man from my home State. Ryan Maher is a senior from Isabel High School in Isabel, SD. Recently, Ryan placed second in his region and first in the State competitions to advance to the national competition for National History Day.

National History Day is a 5-day event held in June at the University of Maryland in College Park. The annual competition is now entering its third decade. Today, 400,000 students and 50,000 teachers and media specialists participate. National History Day is an excellent way to encourage students to be more active in learning United States history.

Every year National History Day is centered around a specific theme. The theme of this year's competition was "Taking a Stand." There are two levels of competition, the junior level is 6th through 8th grades and the senior division includes grades 9 through 12. Categories include research paper, group or individual presentation, display presentation, or performance.

Ryan competed in the senior division with a display presentation entitled, "Dakota Farmer: Battling the Elements." Like other students who were a part of the competition, he spent countless hours researching and developing his project. He incorporated interviews with his grandfather and other farmers from the area, together with old photographs, to tell the history of working South Dakota land. Ryan became interested in the subject after he had written a paper on farming and the dust bowl years of the thirties. This was the second time Ryan participated in the nationwide competition.

Ryan won the honor of having his project displayed in the Smithsonian Museum of American History on Wednesday, June 12, 1996. Projects were judged on several criteria, including relation to annual theme, analysis of information, and historical perspective. The honor of having one's work displayed in the Smithsonian Museum of American History and earning the trip to our Nation's Capital are great rewards to students such as Ryan. I highly commend Ryan Maher for his outstanding academic efforts.•

JOHN S. WATSON, SR.

• Mr. LAUTENBERG. Mr. President, on July 6, former New Jersey Assemblyman John S. Watson, Sr. died of cancer. A committed public official and compassionate private individual, he will be missed by the entire New Jersey community.

Watson's life was a series of firsts. He was a public official for 23 years, serving at both the county and State level. In 1970, he became the first African-American member of the Board of Chosen Freeholders in Mercer County. Seven years later, he became the first black freeholder in New Jersey to be chosen president of a county freeholder board. In 1981, he was elected to the New Jersey Assembly where he represented the 15th District for 12 years. His career in the legislature was capped by being named chairman of the Assembly Appropriations Committee in 1992; he was the first African-American in the country to hold such a position.

During his years in the Assembly, John also served on the Housing Committee, the Legislative Advisory Committee on Arts and Furnishings, and the New Jersey Capital Budgeting and Planning Commission. As a legislator, he successfully sponsored measures to create the minority opportunity skills training program, a college based computer training program, and the New Jersey pre-college program for high school students.

Assemblyman Watson consistently supported State aid to urban areas, tax reform and programs for the elderly and poor. He successfully fought to establish a rainy day fund to reserve budget surpluses for times when revenue declined. He was also known for his unfailing courtesy to those on both sides of the political aisle.

But if that is how John Watson will be remembered in Trenton, his district will remember him as a caring man who used his political power to aid individuals and families in need. New Jersey will indeed miss his service and his spirit.

The great humanitarian Albert Schweitzer remarked, "One thing I know: the only ones among you who will be really happy are those who will have sought and found how to serve."

If that is true, then John S. Watson, Sr. was indeed the happiest of men.•

TRIBUTE TO MOLLY PHELAN OF COLORADO, GIRL SCOUT GOLD AWARD WINNER

• Mr. BROWN. Mr. President, today I would like to recognize 17-year-old Molly Phelan of Estes Park, CO. On June 29, 1996, Molly was honored with the Girl Scout Gold Award from the Mountain Prairie Girl Scout Council in Colorado. The Gold Award is the highest honor achieved in U.S. Girl Scouting and is awarded to young women between the ages of 14 and 17, or in grades 9 through 12. To be eligible for this award, one must display outstanding achievement in the areas of leadership, community service, career planning, and personal development. Additionally, a Girl Scout must earn the Career Exploration Pin, four interest patches, the Senior Girl Scout Leadership Award, and complete a Gold Award Project of her own creation.

Molly has made outstanding contributions in each of these areas. As a senior at Estes Park High School and a devoted member of Girl Scout Troop 642, Molly completed numerous projects throughout the year. For her Gold Award Project, Molly was an active member of the Death-Day Program at her high school which recognizes those who have died in drinking and driving accidents. She took this issue a step further by making public service announcements on the radio about drinking and driving awareness.

Molly truly exhibits concern for her community and a desire to improve the world around her. She is an excellent role model for all youth and displays genuine leadership through her Girl Scout projects. I am proud to salute Molly as a recipient of the prestigious Girl Scout Gold Award.•

TRIBUTE TO CHRISTINE ZAMBRICKI

• Mr. LEVIN. Mr. President, I am pleased to pay tribute today to one of my constituents, Christine Zambricki. Ms. Zambricki will conclude her year as national president of the American Association of Nurse Anesthetists [AANA] in August and I want to take this opportunity to congratulate her on this fine achievement.

Ms. Zambricki has had a distinguished career. She currently serves as assistant hospital director at William Beaumont Hospital in Royal Oak, MI, and concurrently serves as director of the nurse anesthesia track, graduate program in nursing at Oakland University in Rochester, MI. Previously she served as director of anesthesia services from 1989 to 1992 and director of nursing from 1992 to 1993 at William Beaumont Hospital.

In addition to these prestigious positions in the medical community, she has held various other high-level medical positions, earned various nursing degrees, and has received many other honors. Just a few of her credits in her profession and in academia include service as president of the Michigan Nurses Association from 1985 to 1987, being appointed by the Governor of Michigan to serve on various State boards, and receiving her master of science in nurse anesthesia in 1980 from Wayne State University.

She has been published extensively and her presentations are far too numerous to list. However, it is clear that her contributions to the nurse anesthesia profession as well as nursing in general has been substantial. Ms. Zambricki has been an outstanding president of her organization—AANA. As you may know, Mr. President, AANA is the professional association that represents over 26,000 certified registered nurse anesthetists [CRNA's] which is 96 percent of the nurse anesthetists in the United States.

As anesthesia specialists, CRNA's administer more than 65 percent of the 26 million anesthetics given to patients in the United States each year. CRNA's are the sole anesthesia providers in 85 percent of rural hospitals, enabling these medical facilities to provide obstetrical, surgical, and trauma stabilization services. CRNA's are also frontline providers of anesthesia in underserved urban areas, providing services for major trauma cases, for example.

It is clear that the AANA has been fortunate to have benefited from Ms. Zambricki's outstanding service as president and I take special pride in congratulating one of Michigan's own for having assumed this difficult yet rewarding professional obligation on behalf of nurse anesthesia. I am certain that Ms. Zambricki has many more years ahead of her in which she will undoubtedly make further contributions to the honored profession of nurse anesthesia. Congratulations Christine on your year as president of the American Association of Nurse Anesthetists.•

TRIBUTE TO RICH DEVOS

• Mr. ABRAHAM. Mr. President, last night Rich DeVos was honored in Detroit at the National Republican Leadership Award Dinner. Unfortunately, votes here in the Senate prevented me from attending. I am particularly sorry to have missed this event because I hold Rich in the highest possible esteem. His life's story is a continuing series of examples to us all of strong character, hard work, and principled generosity.

After serving his country in the Air Force in World War II, Rich co-founded a flying school and commercial air charter service with Jay Van Andel. Three years later he co-founded an import business with the same partner. In 1959, he and his partner founded the Amway Corp. That venture grew to be one of the world's largest direct selling companies, recording $6.3 billion in sales last year. Rich is also owner and chairman of the NBA's Orlando Magic basketball team.

Having succeeded through his own hard work, Rich has devoted more and more of his time to helping others. His speeches and books spread the word about compassionate capitalism, and he leads by example. He serves on numerous boards, including service as chairman of Gospel Films and the Butterworth Health Corp. He has given freely of his time and money for charitable organizations such as the National Organization on Disability, and for the cause of political and economic liberty.

Rich is the recipient of literally dozens of prestigious awards, including the Adam Smith Free Enterprise Award from the American Legislative Exchange Council and the William Booth Award from the Salvation Army. He is a great friend to liberty, a great servant to those in need and a great credit to the state of Michigan. I, for one, have always been inspired by his work and his character; Rich DeVos is indeed one of our Nation's true heroes.•

GOV. WILLIAM T. CAHILL

• Mr. LAUTENBERG. Mr. President, on July 1, New Jersey lost one of its most dedicated public servants, former Gov. William T. Cahill. Whether as a New Jersey assemblyman, U.S. Congressman or Governor, Bill Cahill was always ready to fight for what he thought was right, regardless of whether it was expedient or popular. As he once remarked:

> It's not the role of the Governor to do what is popular. His role is to tell the people what's good for New Jersey.

Undeniably, Governor Cahill was good for New Jersey.

A blue collar Irish kid from a gritty Camden neighborhood, Governor Cahill was described by both friends and foes as a fighter; he continually battled for the environment, for education, for fairness in the tax system. In fact, his single term, from 1970 to 1974, is remarkable for the number of successful initiatives which he left as his legacy to New Jersey.

Governor Cahill was in the vanguard of both the environmental and the consumer protection movements. He created the State Department of Environmental Protection, the Division of Consumer Affairs and the Board of Public Utilities. During his administration, the State passed the Coastal Area Facility Review Act to block construction of proposed offshore oil refineries and high-rise buildings. Cahill also fought for a series of unprecedented wetlands protection laws and strong air pollution control measures.

His legacy has touched virtually every aspect of life in the Garden State. The Governor's initiatives led to the Nation's first daily lottery, which yielded new revenues to ease the burden on New Jersey's taxpayers. During his tenure, Cahill helped get no-fault auto insurance enacted and established full-time county prosecutors. He more than quadrupled State aid to New Jersey's economically challenged cities.

Bill Cahill never shied away from a fight that he thought would benefit New Jersey. He even criticized then President Nixon, a fellow Republican, for not paying attention to domestic problems such as those that existed in Newark.

In probably his best remembered role, Governor Cahill scored the ultimate touchdown for New Jersey. He helped to establish the New Jersey Sports and Exposition Authority and the Meadowlands Sports Complex, and he personally intervened to lure the Giants to the new stadium. When the New York financial community tried to ruin the deal, Cahill took the negotiations into overtime; he worked with the incoming Democratic administration to assure that New Jersey companies would finance the enormous project.

Yet, some of Bill Cahill's most impressive accomplishments have largely been forgotten. On Thanksgiving Day, 1971, a violent inmate uprising erupted at Rahway State Prison. The memories of the Attica riot, only a few months before, still lingered in the public's and the inmates' minds. Cahill immediately went to the prison; his constant intervention, negotiation and steadying influence was credited with ending the riot, without a single life lost. He was hailed as a national hero for preventing Rahway from becoming another Attica.

With all of his achievements, Bill Cahill could have rested on his laurels and perhaps easily won reelection to a second term as Governor in 1974. Instead, because he believed it was the right thing to do, he launched the ongoing battle in New Jersey over education financing.

While Governor, Cahill was the prime defendant in a 1973 case where the State Supreme Court ruled that the system of funding education through property taxes discriminated against children in poor districts. Due to the ruling, the State enacted the Thorough and Efficient Education Act. But the Governor was not finished.

The New Jersey tax system, with its heavy reliance on property taxes, had always bothered Cahill. Specifically, the Governor wanted a broad-based income tax and an equalized State property tax. The income tax would be used to fund public education and, hopefully, would reduce inequities between rich and poor school districts. In essence, the Governor's dream was to give all children a chance at a decent education.

So he tossed a politically risky revision of the tax code into the political ring. He pushed the State legislature for an income tax and an equalized State property tax. The legislature, however, took the gloves off and slaughtered the plan in the assembly.

The promotion of the very unpopular tax, coupled with scandals in his administration, none of which ever directly involved or implicated him, ended Bill Cahill's career in government. He lost the Republican nomination for Governor in 1974. But when reflecting on his decision to attempt to revise the tax code, the courageous decision which cost him his political career, Cahill remarked,

> We were right then, and while many describe it as our worst defeat, I believe it was our finest moment.

During those years in the Governor's office, Cahill demonstrated that he was a pragmatist, not a partisan. He often appointed Democrats to key positions, if he thought they could best serve New Jersey. These included former Governor Richard Hughes as chief justice of the State supreme court and future Gov. Brendan Byrne to the State superior court.

The only thing that Governor Cahill was ever uncompromisingly partisan about was the State he loved. Early in his term, he was on a commercial flight from Washington to Newark. When the plane landed, the flight attendant welcomed everyone to the Port of New York. The very next day, Cahill was on the phone to officials at the Port Authority of New York, which operates Newark International Airport. Shortly afterward, the Port Authority redesignated itself "The Port Authority of New York and New Jersey." Among New Jersey's champions, he was always a heavyweight.

Whether we agree with his decisions and priorities or not, Governor Cahill was a man who stood by his convictions, no matter what the consequences. As he once told an aide, forget about politics for a minute. What's the right thing to do? His concern was policy, not politics.

Thomas Fuller once noted that "Great and good are seldom the same man." He obviously never knew William T. Cahill. In his continual striving to do what was right, he proved himself a great Governor, and a great man. Undeniably, he always fought the good fight for New Jersey.•

THOMAS J. COOGAN

• Mr. LEVIN. Mr. President, I rise to honor the memory of Thomas J. Coogan, the longtime mayor of Melvindale, MI, who passed away on December 11, 1995. Tom had been fighting lung cancer and back problems since January 1995, while valiantly continuing to fulfill his duties as mayor. A month before his death, Tom won an unprecedented 11th term as mayor. During his 20-year career as mayor of Melvindale, Tom Coogan's name became synonymous with the city.

He was an activist mayor who became involved in many causes he felt would benefit the residents of Melvindale. He championed environmental initiatives and directed the building of several parks and a recreation center. He also provided leadership in the diversification of the city's industrial base and the construction of a city hall complex. Tom was an advocate for senior-citizen rights and introduced several programs for older residents.

One of Tom's proudest achievements was the construction of a senior citizens' building named Coogan Terrace in his honor. He was the driving force behind this center which has benefited so many of Melvindale's elderly. It is a fitting tribute to Tom that this building which bears his name will continue serving the people of Melvindale long after he has left us.

During his fight with cancer, Tom was forced to close the barbershop he opened in 1965 in order to continue working as mayor. The barbershop served him well as a "mini city hall" where he always made himself available to the people of Melvindale. It was this ability to communicate well with people that made Coogan such an effective mayor.

I know that my Senate colleagues join me in honoring the passing of this great mayor and man, Thomas J. Coogan.•

CHILD ABUSE PREVENTION AND TREATMENT ACT AMENDMENTS

The text of the bill (S. 919) to modify and reauthorize the Child Abuse Prevention and Treatment Act, and for other purposes, as passed by the Senate on July 18, 1996, is as follows:

S. 919

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Child Abuse Prevention and Treatment Act Amendments of 1996".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—GENERAL PROGRAM

Sec. 101. Reference.
Sec. 102. Findings.
Sec. 103. Office of Child Abuse and Neglect.
Sec. 104. Advisory Board on Child Abuse and Neglect.
Sec. 105. Repeal of Interagency Task Force.
Sec. 106. National Clearinghouse for Information Relating to Child Abuse.
Sec. 107. Research, evaluation and assistance activities.
Sec. 108. Grants for demonstration programs.
Sec. 109. State grants for prevention and treatment programs.
Sec. 110. Repeal.
Sec. 111. Miscellaneous requirements.
Sec. 112. Definitions.
Sec. 113. Authorization of appropriations.
Sec. 114. Rule of construction.
Sec. 115. Technical amendment.

TITLE II—COMMUNITY-BASED CHILD ABUSE AND NEGLECT PREVENTION GRANTS

Sec. 201. Establishment of program.
Sec. 202. Repeals.

TITLE III—FAMILY VIOLENCE PREVENTION AND SERVICES

Sec. 301. Reference.
Sec. 302. State demonstration grants.
Sec. 303. Allotments.
Sec. 304. Authorization of appropriations.

TITLE IV—ADOPTION OPPORTUNITIES

Sec. 401. Reference.
Sec. 402. Findings and purpose.
Sec. 403. Information and services.
Sec. 404. Authorization of appropriations.

TITLE V—ABANDONED INFANTS ASSISTANCE ACT OF 1986

Sec. 501. Reauthorization.

TITLE VI—REAUTHORIZATION OF VARIOUS PROGRAMS

Sec. 601. Missing Children's Assistance Act.
Sec. 602. Victims of Child Abuse Act of 1990.

TITLE I—GENERAL PROGRAM

SEC. 101. REFERENCE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.).

SEC. 102. FINDINGS.

Section 2 (42 U.S.C. 5101 note) is amended—

(1) in paragraph (1), the read as follows:

"(1) each year, close to 1,000,000 American children are victims of abuse and neglect;";

(2) in paragraph (3)(C), by inserting "assessment," after "prevention,";

(3) in paragraph (4)—

(A) by striking "tens of"; and

(B) by striking "direct" and all that follows through the semicolon and inserting "tangible expenditures, as well as significant intangible costs;";

(4) in paragraph (7), by striking "remedy the causes of" and inserting "prevent";

(5) in paragraph (8), by inserting "safety," after "fosters the health,";

(6) in paragraph (10)—

(A) by striking "ensure that every community in the United States has" and inserting "assist States and communities with"; and

(B) by inserting "and family" after "comprehensive child"; and

(7) in paragraph (11)—

(A) by striking "child protection" each place that such appears and inserting "child and family protection"; and

(B) in subparagraph (D), by striking "sufficient".

SEC. 103. OFFICE OF CHILD ABUSE AND NEGLECT.

Section 101 (42 U.S.C.5101) is amended to read as follows:

"SEC. 101. OFFICE OF CHILD ABUSE AND NEGLECT.

"(a) ESTABLISHMENT.—The Secretary of Health and Human Services may establish an office to be known as the Office on Child Abuse and Neglect.

"(b) PURPOSE.—The purpose of the Office established under subsection (a) shall be to execute and coordinate the functions and activities of this Act. In the event that such functions and activities are performed by another entity or entities within the Department of Health and Human Services, the Secretary shall ensure that such functions and activities are executed with the necessary expertise and in a fully coordinated manner involving regular intradepartmental and interdepartmental consultation with all agencies involved in child abuse and neglect activities.".

SEC. 104. ADVISORY BOARD ON CHILD ABUSE AND NEGLECT.

Section 102 (42 U.S.C.5102) is amended to read as follows:

"SEC. 102. ADVISORY BOARD ON CHILD ABUSE AND NEGLECT.

"(a) APPOINTMENT.—The Secretary may appoint an advisory board to make recommendations to the Secretary and to the appropriate committees of Congress concerning specific issues relating to child abuse and neglect.

"(b) SOLICITATION OF NOMINATIONS.—The Secretary shall publish a notice in the Federal Register soliciting nominations for the appointment of members of the advisory board under subsection (a).

"(c) COMPOSITION.—In establishing the board under subsection (a), the Secretary shall appoint members from the general public who are individuals knowledgeable in child abuse and neglect prevention, intervention, treatment, or research, and with due consideration to representation of ethnic or racial minorities and diverse geographic areas, and who represent—

"(1) law (including the judiciary);

"(2) psychology (including child development);

"(3) social services (including child protective services);

"(4) medicine (including pediatrics);

"(5) State and local government;

"(6) organizations providing services to disabled persons;

"(7) organizations providing services to adolescents;

"(8) teachers;

"(9) parent self-help organizations;

"(10) parents' groups;

"(11) voluntary groups;

"(12) family rights groups; and

"(13) children's rights advocates.

"(d) VACANCIES.—Any vacancy in the membership of the board shall be filled in the same manner in which the original appointment was made.

"(e) ELECTION OF OFFICERS.—The board shall elect a chairperson and vice-chairperson at its first meeting from among the members of the board.

"(f) DUTIES.—Not later than 1 year after the establishment of the board under subsection (a), the board shall submit to the Secretary and the appropriate committees of Congress a report, or interim report, containing—

"(1) recommendations on coordinating Federal, State, and local child abuse and neglect activities with similar activities at the Federal, State, and local level pertaining to family violence prevention;

"(2) specific modifications needed in Federal and State laws and programs to reduce the number of unfounded or unsubstantiated reports of child abuse or neglect while enhancing the ability to identify and substantiate legitimate cases of abuse or neglect which place a child in danger; and

"(3) recommendations for modifications needed to facilitate coordinated national data collection with respect to child protection and child welfare.".

SEC. 105. REPEAL OF INTERAGENCY TASK FORCE.

Section 103 (42 U.S.C.5103) is repealed.

SEC. 106. NATIONAL CLEARINGHOUSE FOR INFORMATION RELATING TO CHILD ABUSE.

Section 104 (42 U.S.C.5104) is amended—

(1) in subsection (a), to read as follows:

"(a) ESTABLISHMENT.—The Secretary shall through the Department, or by one or more contracts of not less than 3 years duration let through a competition, establish a national clearinghouse for information relating to child abuse.";

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "Director" and inserting "Secretary";

(B) in paragraph (1)—

(i) by inserting "assessment," after "prevention,"; and

(ii) by striking ", including" and all that follows through "105(b)" and inserting "and";

(C) in paragraph (2)—

(i) in subparagraph (A), by striking "general population" and inserting "United States";

(ii) in subparagraph (B), by adding "and" at the end thereof;

(iii) in subparagraph (C), by striking "; and" at the end thereof and inserting a period; and

(iv) by striking subparagraph (D); and

(D) by striking paragraph (3); and

(3) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "Director" and inserting "Secretary";

(B) in paragraph (2), by striking "that is represented on the task force" and inserting "involved with child abuse and neglect and mechanisms for the sharing of such information among other Federal agencies and clearinghouses";

(C) in paragraph (3), by striking "State, regional" and all that follows and inserting the following: "Federal, State, regional, and local child welfare data systems which shall include:

"(A) standardized data on false, unfounded, unsubstantiated, and substantiated reports; and

"(B) information on the number of deaths due to child abuse and neglect;";

(D) by redesignating paragraph (4) as paragraph (6); and

(E) by inserting after paragraph (3), the following new paragraphs:

"(4) through a national data collection and analysis program and in consultation with appropriate State and local agencies and experts in the field, collect, compile, and make available State child abuse and neglect reporting information which, to the extent practical, shall be universal and case specific, and integrated with other case-based foster care and adoption data collected by the Secretary;

"(5) compile, analyze, and publish a summary of the research conducted under section 105(a); and".

SEC. 107. RESEARCH, EVALUATION AND ASSISTANCE ACTIVITIES.

(a) RESEARCH.—Section 105(a) (42 (42 U.S.C. 5105(a)) is amended—

(1) in the section heading, by striking "OF THE NATIONAL CENTER ON CHILD ABUSE AND NEGLECT";

(2) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking ", through the Center, conduct research on" and inserting ", in consultation with other Federal agencies and recognized experts in the field, carry out a continuing interdisciplinary program of research that is designed to provide information needed to better protect children from abuse or neglect and to improve the well-being of abused or neglected children, with at least a portion of such research being field initiated. Such research program may focus on";

(B) by redesignating subparagraphs (A) through (C) as subparagraph (B) through (D), respectively;

(C) by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:

"(A) the nature and scope of child abuse and neglect;";

(D) in subparagraph (B) (as so redesignated), to read as follows:

"(B) causes, prevention, assessment, identification, treatment, cultural and socio-economic distinctions, and the consequences of child abuse and neglect;";

(E) in subparagraph (D) (as so redesignated)—

(i) by striking clause (ii); and

(ii) in clause (iii), to read as follows:

"(ii) the incidence of substantiated and unsubstantiated reported child abuse cases;

"(iii) the number of substantiated cases that result in a judicial finding of child abuse or neglect or related criminal court convictions;

"(iv) the extent to which the number of unsubstantiated, unfounded and false reported cases of child abuse or neglect have contributed to the inability of a State to respond effectively to serious cases of child abuse or neglect;

"(v) the extent to which the lack of adequate resources and the lack of adequate training of reporters have contributed to the inability of a State to respond effectively to serious cases of child abuse and neglect;

"(vi) the number of unsubstantiated, false, or unfounded reports that have resulted in a child being placed in substitute care, and the duration of such placement;

"(vii) the extent to which unsubstantiated reports return as more serious cases of child abuse or neglect;

"(viii) the incidence and prevalence of physical, sexual, and emotional abuse and physical and emotional neglect in substitute care; and "(ix) the incidence and outcomes of abuse allegations reported within the context of divorce, custody, or other family court proceedings, and the interaction between this venue and the child protective services system."; and

(3) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking "and demonstrations"; and

(ii) by striking "paragraph (1)(A) and activities under section 106" and inserting "paragraph (1)"; and

(B) in subparagraph (B), by striking "and demonstration".

(b) REPEAL.—Subsection (b) of section 105 (42 U.S.C. 5105(b)) is repealed.

(c) TECHNICAL ASSISTANCE.—Section 105(c) (42 U.S.C. 5105(c)) is amended—

(1) by striking "The Secretary" and inserting:

"(1) IN GENERAL.—The Secretary";

(2) by striking ", through the Center,";

(3) by inserting "State and local" before "public and nonprofit";

(4) by inserting "assessment," before "identification"; and

(5) by adding at the end thereof the following new paragraphs:

"(2) EVALUATION.—Such technical assistance may include an evaluation or identification of—

"(A) various methods and procedures for the investigation, assessment, and prosecution of child physical and sexual abuse cases;

"(B) ways to mitigate psychological trauma to the child victim; and

"(C) effective programs carried out by the States under titles I and II.

"(3) DISSEMINATION.—The Secretary may provide for and disseminate information relating to various training resources available at the State and local level to—

"(A) individuals who are engaged, or who intend to engage, in the prevention, identification, and treatment of child abuse and neglect; and

"(B) appropriate State and local officials to assist in training law enforcement, legal, judicial, medical, mental health, education, and child welfare personnel in appropriate methods of interacting during investigative, administrative, and judicial proceedings with children who have been subjected to abuse.".

(d) GRANTS AND CONTRACTS.—Section 105(d)(2) (42 U.S.C. 5105(d)(2)) is amended by striking the second sentence.

(e) PEER REVIEW.—Section 105(e) (42 U.S.C. 5105(e)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking "establish a formal" and inserting ", in consultation with experts in the field and other federal agencies, establish a formal, rigorous, and meritorious";

(ii) by striking "and contracts"; and

(iii) by adding at the end thereof the following new sentence: "The purpose of this process is to enhance the quality and usefulness of research in the field of child abuse and neglect."; and

(B) in subparagraph (B)—

(i) by striking "Office of Human Development" and inserting "Administration on Children and Families"; and

(ii) by adding at the end thereof the following new sentence: "The Secretary shall ensure that the peer review panel utilizes scientifically valid review criteria and scoring guidelines for review committees."; and

(2) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking ", contract, or other financial assistance"; and

(B) by adding at the end thereof the following flush sentence:

"The Secretary shall award grants under this section on the basis of competitive review.".

SEC. 108. GRANTS FOR DEMONSTRATION PROGRAMS.

Section 106 (42 U.S.C. 5106) is amended—

(1) in the section heading, by striking "OR SERVICE";

(2) in subsection (a), to read as follows:

"(a) DEMONSTRATION PROGRAMS AND PROJECTS.—The Secretary may make grants to, and enter into contracts with, public agencies or nonprofit private agencies or organizations (or combinations of such agencies or organizations) for time limited, demonstration programs and projects for the following purposes:

"(1) TRAINING PROGRAMS.—The Secretary may award grants to public or private nonprofit organizations under this section—

"(A) for the training of professional and paraprofessional personnel in the fields of medicine, law, education, social work, and other relevant fields who are engaged in, or intend to work in, the field of prevention, identification, and treatment of child abuse and neglect, including the links between domestic violence and child abuse;

"(B) to provide culturally specific instruction in methods of protecting children from child abuse and neglect to children and to persons responsible for the welfare of children, including parents of and persons who work with children with disabilities;

"(C) to improve the recruitment, selection, and training of volunteers serving in private and public nonprofit children, youth and family service organizations in order to prevent child abuse and neglect through collaborative analysis of current recruitment, selection, and training programs and development of model programs for dissemination and replication nationally; and

"(D) for the establishment of resource centers for the purpose of providing information and training to professionals working in the field of child abuse and neglect.

"(2) MUTUAL SUPPORT PROGRAMS.—The Secretary may award grants to private non-profit organizations (such as Parents Anonymous) to establish or maintain a national network of mutual support and self-help programs as a means of strengthening families in partnership with their communities.

"(3) OTHER INNOVATIVE PROGRAMS AND PROJECTS.—

"(A) IN GENERAL.—The Secretary may award grants to public agencies that demonstrate innovation in responding to reports of child abuse and neglect including programs of collaborative partnerships between the State child protective service agency, community social service agencies and family support programs, schools, churches and synagogues, and other community agencies to allow for the establishment of a triage system that—

"(i) accepts, screens and assesses reports received to determine which such reports require an intensive intervention and which require voluntary referral to another agency, program or project;

"(ii) provides, either directly or through referral, a variety of community-linked services to assist families in preventing child abuse and neglect; and

"(iii) provides further investigation and intensive intervention where the child's safety is in jeopardy.

"(B) KINSHIP CARE.—The Secretary may award grants to public entities to assist such entities in developing or implementing procedures using adult relatives as the preferred placement for children removed from their home, where such relatives are determined to be capable of providing a safe nurturing environment for the child or where such relatives comply with the State child protection standards.

"(C) VISITATION CENTERS.—The Secretary may award grants to public or private nonprofit entities to assist such entities in the establishment or operation of supervised visitation centers where there is documented, highly suspected, or elevated risk of child sexual, physical, or emotional abuse where, due to domestic violence, there is an ongoing risk of harm to a parent or child.";

(3) in subsection (c), by striking paragraphs (1) and (2); and

(4) by adding at the end thereof the following new subsection:

"(d) EVALUATION.—In making grants for demonstration projects under this section, the Secretary shall require all such projects to be evaluated for their effectiveness. Funding for such evaluations shall be provided either as a stated percentage of a demonstration grant or as a separate grant entered into by the Secretary for the purpose of evaluating a particular demonstration project or group of projects.".

SEC. 109. STATE GRANTS FOR PREVENTION AND TREATMENT PROGRAMS.

Section 107 (42 U.S.C. 5106a) is amended to read as follows:

"SEC. 107. GRANTS TO STATES FOR CHILD ABUSE AND NEGLECT PREVENTION AND TREATMENT PROGRAMS.

"(a) DEVELOPMENT AND OPERATION GRANTS.—The Secretary shall make grants to the States, based on the population of children under the age of 18 in each State that applies for a grant under this section, for purposes of assisting the States in improving the child protective service system of each such State in—

"(1) the intake, assessment, screening, and investigation of reports of abuse and neglect;

"(2)(A) creating and improving the use of multidisciplinary teams and interagency protocols to enhance investigations; and

"(B) improving legal preparation and representation, including—

"(i) procedures for appealing and responding to appeals of substantiated reports of abuse and neglect; and

"(ii) provisions for the appointment of a guardian ad litem.

"(3) case management and delivery of services provided to children and their families;

"(4) enhancing the general child protective system by improving risk and safety assessment tools and protocols, automation systems that support the program and track reports of child abuse and neglect from intake through final disposition and information referral systems;

"(5) developing, strengthening, and facilitating training opportunities and requirements for individuals overseeing and providing services to children and their families through the child protection system;

"(6) developing and facilitating training protocols for individuals mandated to report child abuse or neglect;

"(7) developing, strengthening, and supporting child abuse and neglect prevention, treatment, and research programs in the public and private sectors;

"(8) developing, implementing, or operating—

"(A) information and education programs or training programs designed to improve the provision of services to disabled infants with life-threatening conditions for—

"(i) professional and paraprofessional personnel concerned with the welfare of disabled infants with life-threatening conditions, including personnel employed in child protective services programs and health-care facilities; and

"(ii) the parents of such infants; and

"(B) programs to assist in obtaining or coordinating necessary services for families of disabled infants with life-threatening conditions, including—

"(i) existing social and health services;

"(ii) financial assistance; and

"(iii) services necessary to facilitate adoptive placement of any such infants who have been relinquished for adoption; or

"(9) developing and enhancing the capacity of community-based programs to integrate shared leadership strategies between parents and professionals to prevent and treat child abuse and neglect at the neighborhood level.

"(b) ELIGIBILITY REQUIREMENTS.—

"(1) IN GENERAL.—In order for a State to qualify for a grant under subsection (a), such State shall provide an assurance or certification, signed by the chief executive officer of the State, that the State—

"(A) has in effect and operation a State law or Statewide program relating to child abuse and neglect which ensures—

"(i) provisions or procedures for the reporting of known and suspected instances of child abuse and neglect;

"(ii) procedures for the immediate screening, safety assessment, and prompt investigation of such reports;

"(iii) procedures for immediate steps to be taken to ensure and protect the safety of the abused or neglected child and of any other child under the same care who may also be in danger of abuse or neglect;

"(iv) provisions for immunity from prosecution under State and local laws and regulations for individuals making good faith reports of suspected or known instances of child abuse or neglect;

"(v) methods to preserve the confidentiality of all records in order to protect the rights of the child and of the child's parents or guardians, including requirements ensuring that reports and records made and maintained pursuant to the purposes of this Act shall only be made available to—

"(I) individuals who are the subject of the report;

"(II) Federal, State, or local government entities, or any agent of such entities, having a need for such information in order to carry out its responsibilities under law to protect children from abuse and neglect;

"(III) child abuse citizen review panels;

"(IV) child fatality review panels;

"(V) a grant jury or court, upon a finding that information in the record is necessary for the determination of an issue before the court or grant jury; and

"(VI) other entities or classes of individuals statutorily authorized by the State to receive such information pursuant to a legitimate State purpose;

"(vi) provisions which allow for public disclosure of the findings or information about the case of child abuse or neglect which has resulted in a child fatality or near fatality;

"(vii) the cooperation of State law enforcement officials, court of competent jurisdiction, and appropriate State agencies providing human services;

"(viii) provisions requiring, and procedures in place that facilitate the prompt expungement of any records that are accessible to the general public or are used for purposes of employment or other background checks in cases determined to be unsubstantiated or false, except that nothing in this section shall prevent State child protective service agencies from keeping information on unsubstantiated reports in their casework files to assist in future risk and safety assessment; and

"(ix) provisions and procedures requiring that in every case involving an abused or neglected child which results in a judicial proceeding, a guardian ad litem shall be appointed to represent the child in such proceedings; and

"(B) has in place procedures for responding to the reporting of medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions), procedures or programs, or both (within the State child protective services system), to provide for—

"(i) coordination and consultation with individuals designated by and within appropriate health-care facilities;

"(ii) prompt notification by individuals designated by and within appropriate health-care facilities of cases of suspected medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions); and

"(iii) authority, under State law, for the State child protective service system to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, as may be necessary to prevent the withholding of medically indicated treatment from disabled infants with life threatening conditions.

"(2) LIMITATION.—With regard to clauses (v) and (vi) of paragraph (1)(A), nothing in this section shall be construed as restricting the ability of a State to refuse to disclose identifying information concerning the individual initiating a report or complaint alleging suspected instances of child abuse or neglect, except that the State may not refuse such a disclosure where a court orders such disclosure after such court has reviewed, in camera, the record of the State related to the report or complaint and has found it has reason to believe that the reporter knowingly made a false report.

"(3) DEFINITION.—For purposes of this subsection, the term 'near fatality' means an act that, as certified by a physician, places the child in serious or critical condition.

"(c) ADDITIONAL REQUIREMENT.—Not later than 2 years after the date of enactment of this section, the State shall provide an assurance or certification that the State has in place provisions, procedures, and mechanisms by which individuals who disagree with an official finding of abuse or neglect can appeal such finding.

"(d) STATE PROGRAM PLAN.—To be eligible to receive a grant under this section, a State shall submit every 5 years a plan to the Secretary that specifies the child protective service system area or areas described in subsection (a) that the State intends to address with funds received under the grant. Such plan shall, to the maximum extent practicable, be coordinated with the plan of the State for child welfare services and family preservation and family support services under part B of title IV of the Social Security Act and shall contain an outline of the activities that the State intends to carry out using amounts provided under the grant to achieve the purposes of this Act, including the procedures to be used for—

"(1) receiving and assessing reports of child abuse or neglect;

"(2) investigating such reports;

"(3) protecting children by removing them from dangerous settings and ensuring their placement in a safe environment;

"(4) providing services or referral for services for families and children where the child is not in danger of harm;

"(5) providing services to individuals, families, or communities, either directly or through referral, aimed at preventing the occurrence of child abuse and neglect;

"(6) providing training to support direct line and supervisory personnel in report-taking, screening, assessment, decision-making, and referral for investigation; and

"(7) providing training for individuals mandated to report suspected cases of child abuse or neglect.

"(e) RESTRICTIONS RELATING TO CHILD WELFARE SERVICES.—Programs or projects relating to child abuse and neglect assisted under part B of title IV of the Social Security Act shall comply with the requirements set forth in paragraphs (1) (A) and (B), and (2) of subsection (b).

"(f) ANNUAL STATE DATA REPORTS.—Each State to which a grant is made under this part shall annually work with the Secretary to provide, to the maximum extent practicable, a report that includes the following:

"(1) The number of children who were reported to the State during the year as abused or neglected.

"(2) Of the number of children described in paragraph (1), the number with respect to whom such reports were—

"(A) substantiated;

"(B) unsubstantiated; and

"(C) determined to be false.

"(3) Of the number of children described in paragraph (2)—

"(A) the number that did not receive services during the year under the State program funded under this part or an equivalent State program;

"(B) the number that received services during the year under the State program funded under this part or an equivalent State program; and

"(C) the number that were removed from their families during the year by disposition of the case.

"(4) The number of families that received preventive services from the State during the year.

"(5) The number of deaths in the State during the year resulting from child abuse or neglect.

"(6) Of the number of children described in paragraph (5), the number of such children who were in foster care.

"(7) The number of child protective service workers responsible for the intake and screening of reports filed in the previous year.

"(8) The agency response time with respect to each such report with respect to initial investigation of reports of child abuse or neglect.

"(9) The response time with respect to the provision of services to families and children where an allegation of abuse or neglect has been made.

"(10) The number of child protective service workers responsible for intake, assessment, and investigation of child abuse and neglect reports relative to the number of reports investigated in the previous year.

"(g) ANNUAL REPORT BY THE SECRETARY.—Within 6 months after receiving the State reports under subsection (f), the Secretary shall prepare a report based on information provided by the States for the fiscal year under such subsection and shall make the report and such information available to the

Congress and the national clearinghouse for information relating to child abuse.".

SEC. 110. REPEAL.

Section 108 (42 U.S.C. 5106b) is repealed.

SEC. 111. MISCELLANEOUS REQUIREMENTS.

Section 110 (42 U.S.C. 5106d) is amended by striking subsections (c) and (d).

SEC. 112. DEFINITIONS.

Section 113 (42 U.S.C. 5106h) is amended—

(1) by striking paragraphs (1) and (2);

(2) by redesignating paragraphs (3) through (10) as paragraphs (1) through (8), respectively; and

(3) in paragraph (2) (as so redesignated), to read as follows:

"(2) the term 'child abuse and neglect' means, at a minimum, any recent act or failure to act on the part of a parent or caretaker, which results in death, serious physical or emotional harm, sexual abuse or exploitation, or an act of failure to act which presents an imminent risk of serious harm;".

SEC. 113. AUTHORIZATION OF APPROPRIATIONS.

Section 114(a) (42 U.S.C. 5106h(a)) is amended to read as follows:

"(a) IN GENERAL.—

"(1) GENERAL AUTHORIZATION.—There are authorized to be appropriated to carry out this title, $100,000,000 for fiscal year 1997, and such sums as may be necessary for each of the fiscal years 1998 through 2001.

"(2) DISCRETIONARY ACTIVITIES.—

"(A) IN GENERAL.—Of the amounts appropriated for a fiscal year under paragraph (1), the Secretary shall make available 33⅓ percent of such amounts to fund discretionary activities under this title.

"(B) DEMONSTRATION PROJECTS.—Of the amounts made available for a fiscal year under subparagraph (A), the Secretary make available not more than 40 percent of such amounts to carry out section 106.".

SEC. 114. RULE OF CONSTRUCTION.

Title I (42 U.S.C. 5101 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 115. RULE OF CONSTRUCTION.

"(a) IN GENERAL.—Nothing in this Act shall be construed—

"(1) as establishing a Federal requirement that a parent or legal guardian provide a child any medical service or treatment against the religious beliefs of the parent or legal guardian; and

"(2) to require that a State find, or to prohibit a State from finding, abuse or neglect in cases in which a parent or legal guardian relies solely or partially upon spiritual means rather than medical treatment, in accordance with the religious beliefs of the parent or legal guardian.

"(b) STATE REQUIREMENT.—Notwithstanding subsection (a), a State shall, at a minimum, have in place authority under State law to permit the child protective service system of the State to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, to provide medical care or treatment for a child when such care or treatment is necessary to prevent or remedy serious harm to the child, or to prevent the withholding of medically indicated treatment from children with life threatening conditions. Except with respect to the withholding of medically indicated treatments from disabled infants with life threatening conditions, case by case determinations concerning the exercise of the authority of this subsection shall be within the sole discretion of the State.".

SEC. 115. TECHNICAL AMENDMENT.

Section 1404A of the Victims of Crime Act of 1984 (42 U.S.C. 10603a) is amended—

(1) by striking "1402(d)(2)(D) and (d)(3)" and inserting "1402(d)(2)"; and

(2) by striking "section 4(d)" and inserting "section 109".

TITLE II—COMMUNITY-BASED CHILD ABUSE AND NEGLECT PREVENTION GRANTS

SEC. 201. ESTABLISHMENT OF PROGRAM.

Title II of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116 et seq) is amended to read as follows:

"TITLE II—COMMUNITY-BASED FAMILY RESOURCE AND SUPPORT GRANTS

"SEC. 201. PURPOSE AND AUTHORITY.

"(a) PURPOSE.—It is the purpose of this Act to support State efforts to develop, operate, expand and enhance a network of community-based, prevention-focused, family resource and support programs that are culturally competent and that coordinate resources among existing education, vocational rehabilitation, disability, respite, health, mental health, job readiness, self-sufficiency, child and family development, community action, Head Start, child care, child abuse and neglect prevention, juvenile justice, domestic violence prevention and intervention, housing, and other human service organizations within the State.

"(b) AUTHORITY.—The Secretary shall make grants under this title on a formula basis to the entity designated by the State as the lead entity (hereafter referred to in this title as the 'lead entity') for the purpose of—

"(1) developing, operating, expanding and enhancing Statewide networks of community-based, prevention-focused, family resource and support programs that—

"(A) offer sustained assistance to families;

"(B) provide early, comprehensive, and holistic support for all parents;

"(C) promote the development of parental competencies and capacities, especially in young parents and parents with very young children;

"(D) increase family stability;

"(E) improve family access to other formal and informal resources and opportunities for assistance available within communities;

"(F) support the additional needs of families with children with disabilities; and

"(G) decrease the risk of homelessness;

"(2) fostering the development of a continuum of preventive services for children and families through State and community-based collaborations and partnerships both public and private;

"(3) financing the start-up, maintenance, expansion, or redesign of specific family resource and support program services (such as respite services, child abuse and neglect prevention activities, disability services, mental health services, housing services, transportation, adult education, home visiting and other similar services) identified by the inventory and description of current services required under section 205(a)(3) as an unmet need, and integrated with the network of community-based family resource and support program to the extent practicable given funding levels and community priorities;

"(4) maximizing funding for the financing, planning, community mobilization, collaboration, assessment, information and referral, startup, training and technical assistance, information management, reporting and evaluation costs for establishing, operating, or expanding a Statewide network of community-based, prevention-focused, family resource and support program; and

"(5) financing public information activities that focus on the healthy and positive development of parents and children and the promotion of child abuse and neglect prevention activities.

"SEC. 202. ELIGIBILITY.

"A State shall be eligible for a grant under this title for a fiscal year if—

"(1)(A) the chief executive officer of the State has designated an entity to administer funds under this title for the purposes identified under the authority of this title, including to develop, implement, operate, enhance or expand a Statewide network of community-based, prevention-focused, family resource and support programs, child abuse and neglect prevention activities and access to respite services integrated with the Statewide network;

"(B) in determining which entity to designate under subparagraph (A), the chief executive officer should give priority consideration to the trust fund advisory board of the State or an existing entity that leverages Federal, State, and private funds for a broad range of child abuse and neglect prevention activities and family resource programs, and that is directed by an interdisciplinary, public-private structure, including participants from communities; and

"(C) such lead entity is an existing public, quasi-public, or nonprofit private entity with a demonstrated ability to work with other State and community-based agencies to provide training and technical assistance, and that has the capacity and commitment to ensure the meaningful involvement of parents who are consumers and who can provide leadership in the planning, implementation, and evaluation of programs and policy decisions of the applicant agency in accomplishing the desired outcomes for such efforts;

"(2) the chief executive officer of the State provides assurances that the lead entity will provide or will be responsible for providing—

"(A) a network of community-based family resource and support programs composed of local, collaborative, public-private partnerships directed by interdisciplinary structures with balanced representation from private and public sector members, parents, and public and private nonprofit service providers and individuals and organizations experienced in working in partnership with families with children with disabilities;

"(B) direction to the network through an interdisciplinary, collaborative, public-private structure with balanced representation from private and public sector members, parents, and public sector and private nonprofit sector service providers; and

"(C) direction and oversight to the network through identified goals and objectives, clear lines of communication and accountability, the provision of leveraged or combined funding from Federal, State and private sources, centralized assessment and planning activities, the provision of training and technical assistance, and reporting and evaluation functions; and

"(3) the chief executive officer of the State provides assurances that the lead entity—

"(A) has a demonstrated commitment to parental participation in the development, operation, and oversight of the Statewide network of community-based, prevention-focused, family resource and support programs;

"(B) has a demonstrated ability to work with State and community-based public and private nonprofit organizations to develop a continuum of preventive, family centered, holistic services for children and families through the Statewide network of community-based, prevention-focused, family resource and support programs;

"(C) has the capacity to provide operational support (both financial and programmatic) and training and technical assistance, to the Statewide network of community-based, prevention-focused, family resource and support programs, through innovative, interagency funding and interdisciplinary service delivery mechanisms; and

"(D) will integrate its efforts with individuals and organizations experienced in working in partnership with families with children with disabilities and with the child abuse and neglect prevention activities of the State, and demonstrate a financial commitment to those activities.

"SEC. 203. AMOUNT OF GRANT.

"(a) RESERVATION.—The Secretary shall reserve 1 percent of the amount appropriated under section 210 for a fiscal year to make allotments to Indian tribes and tribal organizations and migrant programs.

"(b) IN GENERAL.—Of the amounts appropriated for a fiscal year under section 210 and remaining after the reservation under subsection (a), The Secretary shall allot to each State lead entity an amount so that—

"(1) 50 percent of the total amount allotted to the State under this section is based on the number of children under 18 residing in the State as compared to the number of such children residing in all States, except that no State shall receive less than $250,000; and

"(2) each State receives, from the amounts remaining from the total amount appropriated, an amount equal to 50 percent of the amount that each such State has directed through the lead agency to the purposes identified under the authority of this title, including foundation, corporate, and other private funding, State revenues, and Federal funds.

"(c) ALLOCATION.—Funds allotted to a State under this section shall be awarded on a formula basis for a 3-year period. Payment under such allotments shall be made by the Secretary annually on the basis described in subsection (a).

"SEC. 204. EXISTING AND CONTINUATION GRANTS.

"(a) EXISTING GRANTS.—Notwithstanding the enactment of this title, a State or entity that has a grant, contract, or cooperative agreement in effect, on the date of enactment of this title, under the Family Resource and Support Program, the Community-Based Family Resource Program, the Family Support Center Program, the Emergency Child Abuse Prevention Grant Program, or the Temporary Child Care for Children with Disabilities and Crisis Nurseries Programs shall continue to receive funds under such programs, subject to the original terms under which such funds were granted, through the end of the applicable grant cycle.

"(b) CONTINUATION GRANTS.—The Secretary may continue grants for Family Resource and Support Program grantees, and those programs otherwise funded under this Act, on a noncompetitive basis, subject to the availability of appropriations, satisfactory performance by the grantee, and receipt of reports required under this Act, until such time as the grantee no longer meets the original purposes of this Act.

"SEC. 205. APPLICATION.

"(a) IN GENERAL.—A grant may not be made to a State under this title unless an application therefore is submitted by the State to the Secretary and such application contains the types of information specified by the Secretary as essential to carrying out the provisions of section 202, including—

"(1) a description of the lead entity that will be responsible for the administration of funds provided under this title and the oversight of programs funded through the Statewide network of community-based, prevention-focused, family resource and support programs which meets the requirements of section 202;

"(2) a description of how the network of community-based, prevention-focused, family resource and support programs will operate and how family resource and support services provided by public and private, nonprofit organizations, including those funded by programs consolidated under this Act, will be integrated into a developing continuum of family centered, holistic, preventive services for children and families;

"(3) an assurance that an inventory of current family resource programs, respite, child abuse and neglect prevention activities, and other family resource services operating in the State, and a description of current unmet needs, will be provided;

"(4) a budget for the development, operation and expansion of the State's network of community-based, prevention-focused, family resource and support programs that verifies that the State will expend an amount equal to not less than 20 percent of the amount received under this title (in cash, not in-kind) for activities under this title;

"(5) an assurance that funds received under this title will supplement, not supplant, other State and local public funds designated for the Statewide network of community-based, prevention-focused, family resource and support programs;

"(6) an assurance that the State network of community-based, prevention-focused, family resource and support programs will maintain cultural diversity, and be culturally competent and socially sensitive and responsive to the needs of families with children with disabilities;

"(7) an assurance that the State has the capacity to ensure the meaningful involvement of parents who are consumers and who can provide leadership in the planning, implementation, and evaluation of the programs and policy decisions of the applicant agency in accomplishing the desired outcomes for such efforts;

"(8) a description of the criteria that the entity will use to develop, or select and fund, individual community-based, prevention-focused, family resource and support programs as part of network development, expansion or enhancement;

"(9) a description of outreach activities that the entity and the community-based, prevention-focused, family resource and support programs will undertake to maximize the participation of racial and ethnic minorities, new immigrant populations, children and adults with disabilities, homeless families and those at risk of homelessness, and members of other underserved or underrepresented groups;

"(10) a plan for providing operational support, training and technical assistance to community-based, prevention-focused, family resource and support programs for development, operation, expansion and enhancement activities;

"(11) a description of how the applicant entity's activities and those of the network and its members will be evaluated;

"(12) a description of that actions that the applicant entity will take to advocate changes in State policies, practices, procedures and regulations to improve the delivery of prevention-focused, family resource and support program services to all children and families; and

"(13) an assurance that the applicant entity will provide the Secretary with reports at such time and containing such information as the Secretary may require.

"SEC. 206. LOCAL PROGRAM REQUIREMENTS.

"(a) IN GENERAL.—Grants made under this title shall be used to develop, implement, operate, expand and enhance community-based, prevention-focused, family resource and support programs that—

"(1) assess community assets and needs through a planning process that involves parents and local public agencies, local nonprofit organizations, and private sector representatives;

"(2) develop a strategy to provide, over time, a continuum of preventive, holistic, family centered services to children and families, especially to young parents and parents with young children, through public-private partnerships;

"(3) provide—

"(A) core family resource and support services such as—

"(i) parent education, mutual support and self help, and leadership services;

"(ii) early developmental screening of children;

"(iii) outreach services;

"(iv) community and social service referrals; and

"(v) follow-up services;

"(B) other core services, which must be provided or arranged for through contracts or agreements with other local agencies, including all forms of respite services to the extent practicable; and

"(C) access to optional services, including—

"(i) child care, early childhood development and intervention services;

"(ii) services and supports to meet the additional needs of families with children with disabilities;

"(iii) job readiness services;

"(iv) educational services, such as scholastic tutoring, literacy training, and General Educational Degree services;

"(v) self-sufficiency and life management skills training;

"(vi) community referral services; and

"(vii) peer counseling;

"(4) develop leadership roles for the meaningful involvement of parents in the development, operation, evaluation, and oversight of the programs and services;

"(5) provide leadership in mobilizing local public and private resources to support the provision of needed family resource and support program services; and

"(6) participate with other community-based, prevention-focused, family resource and support program grantees in the development, operation and expansion of the Statewide network.

"(b) PRIORITY.—In awarding local grants under this title, a lead entity shall give priority to community-based programs serving low income communities and those serving young parents or parents with young children, and to community-based family resource and support programs previously funded under the programs consolidated under the Child Abuse Prevention and Treatment Act Amendments of 1995, so long as such programs meet local program requirements.

"SEC. 207. PERFORMANCE MEASURES.

"A State receiving a grant under this title, through reports provided to the Secretary, shall—

"(1) demonstrate the effective development, operation and expansion of a Statewide network of community-based, prevention-focused, family resource and support programs that meets the requirements of this title;

"(2) supply an inventory and description of the services provided to families by local programs that meet identified community needs, including core and optional services as described in section 202;

"(3) demonstrate the establishment of new respite and other specific new family resources services, and the expansion of existing services, to address unmet needs identified by the inventory and description of current services required under section 205(a)(3);

"(4) describe the number of families served, including families with children with disabilities, and the involvement of a diverse representation of families in the design, operation, and evaluation of the Statewide network of community-based, prevention-focused, family resource and support programs, and in the design, operation and evaluation of the individual community-based family resource and support programs that are part of the Statewide network funded under this title;

"(5) demonstrate a high level of satisfaction among families who have used the services of the community-based, prevention-focused, family resource and support programs;

"(6) demonstrate the establishment or maintenance of innovative funding mechanisms, at the State or community level, that blend Federal, State, local and private funds, and innovative, interdisciplinary service delivery mechanisms, for the development, operation, expansion and enhancement of the Statewide network of community-based, prevention-focused, family resource and support programs;

"(7) describe the results of a peer review process conducted under the State program; and

"(8) demonstrate an implementation plan to ensure the continued leadership of parents in the on-going planning, implementation, and evaluation of such community based, prevention-focused, family resource and support programs.

"SEC. 208. NATIONAL NETWORK FOR COMMUNITY-BASED FAMILY RESOURCE PROGRAMS.

"The Secretary may allocate such sums as may be necessary from the amount provided under the State allotment to support the activities of the lead entity in the State—

"(1) to create, operate and maintain a peer review process;

"(2) to create, operate and maintain an information clearinghouse;

"(3) to fund a yearly symposium on State system change efforts that result from the operation of the Statewide networks of community-based, prevention-focused, family resource and support programs;

"(4) to create, operate and maintain a computerized communication system between lead entities; and

"(5) to fund State-to-State technical assistance through bi-annual conferences.

"SEC. 209. DEFINITIONS.

"For purposes of this title:

"(1) Children with disabilities.—The term 'children with disabilities' has the same meaning given such term in section 602(a)(2) of the Individuals with Disabilities Education Act.

"(2) Community referral services.—The term 'community referral services' means services provided under contract or through interagency agreements to assist families in obtaining needed information, mutual support and community resources, including respite services, health and mental health services, employability development and job training, and other social services through help lines or other methods.

"(3) Culturally competent.—The term 'culturally competent' means services, support, or other assistance that is conducted or provided in a manner that—

"(A) is responsive to the beliefs, interpersonal styles, attitudes, languages, and behaviors of those individuals and families receiving services; and

"(B) has the greatest likelihood of ensuring maximum participation of such individuals and families.

"(4) Family resource and support program.—The term 'family resource and support program' means a community-based, prevention-focused entity that—

"(A) provides, through direct service, the core services required under this title, including—

"(i) parent education, support and leadership services, together with services characterized by relationships between parents and professionals that are based on equality and respect, and designed to assist parents in acquiring parenting skills, learning about child development, and responding appropriately to the behavior of their children;

"(ii) services to facilitate the ability of parents to serve as resources to one another other (such as through mutual support and parent self-help groups);

"(iii) early developmental screening of children to assess any needs of children, and to identify types of support that may be provided;

"(iv) outreach services provided through voluntary home visits and other methods to assist parents in becoming aware of and able to participate in family resources and support program activities;

"(v) community and social services to assist families in obtaining community resources; and

"(vi) follow-up services;

"(B) provides, or arranges for the provision of, other core services through contracts or agreements with other local agencies, including all forms of respite services; and

"(C) provides access to optional services, directly or by contract, purchase of service, or interagency agreement, including—

"(i) child care, early childhood development and early intervention services;

"(ii) self-sufficiency and life management skills training;

"(iii) education services, such as scholastic tutoring, literacy training, and General Educational Degree services;

"(iv) job readiness skills;

"(v) child abuse and neglect prevention activities;

"(vi) services that families with children with disabilities or special needs may require;

"(vii) community and social service referral;

"(viii) peer counseling;

"(ix) referral for substance abuse counseling and treatment; and

"(x) help line services.

"(5) National Network for Community-Based Family Resource Programs.—The term 'network for community-based family resource program' means the organization of State designated entities who receive grants under this title, and includes the entire membership of the Children's Trust Fund Alliance and the National Respite Network.

"(6) Outreach services.—The term 'outreach services' means services provided to assist consumers, through voluntary home visits or other methods, in accessing and participating in family resource and support program activities.

"(7) Respite services.—The term 'respite services' means short term care services provided in the temporary absence of the regular caregiver (parent, other relative, foster parent, adoptive parent, or guardian) to children who—

"(A) are in danger of abuse or neglect;

"(B) have experienced abuse or neglect; or

"(C) have disabilities, chronic, or terminal illnesses.

Such services shall be provided within or outside the home of the child, be short-term care (ranging from a few hours to a few weeks of time, per year), and be intended to enable the family to stay together and to keep the child living in the home and community of the child.

"SEC. 210. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this title, $108,000,000 for each of the fiscal years 1997 through 2001.".

SEC. 202. REPEALS.

(a) Temporary Child Care for Children with Disabilities and Crisis Nurseries Act.—The Temporary Child Care for Children with Disabilities and Crisis Nurseries Act of 1986 (42 U.S.C. 5117 et seq.) is repealed.

(b) Family Support Centers.—Subtitle F of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11481 et seq.) is repealed.

TITLE III—FAMILY VIOLENCE PREVENTION AND SERVICES

SEC. 301. REFERENCE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.).

SEC. 302. STATE DEMONSTRATION GRANTS.

Section 303(e) (42 U.S.C. 10420(e)) is amended—

(1) by striking "following local share" and inserting "following non-Federal matching local share"; and

(2) by striking "20 percent" and all that follows through "private sources." and inserting "with respect to an entity operating an existing program under this title, not less than 20 percent, and with respect to an entity intending to operate a new program under this title, not less than 35 percent.".

SEC. 303. ALLOTMENTS.

Section 304(a)(1) (42 U.S.C. 10403(a)(1)) is amended by striking "$200,000" and inserting "$400,000".

SEC. 304. AUTHORIZATION OF APPROPRIATIONS.

Section 310 (42 U.S.C. 10409) is amended—

(1) in subsection (b), by striking "80" and inserting "70"; and

(2) by adding at the end thereof the following new subsections:

"(d) Grants for State Coalitions.—Of the amounts appropriated under subsection (a) for each fiscal year, not less than 10 percent of such amounts shall be used by the Secretary for making grants under section 311.

"(e) Non-Supplanting Requirement.—Federal funds made available to a State under this title shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide services and activities that promote the purposes of this title.".

TITLE IV—ADOPTION OPPORTUNITIES

SEC. 401. REFERENCE.

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5111 et seq.).

SEC. 402. FINDINGS AND PURPOSE.

Section 201 (42 U.S.C. 5111) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking "50 percent between 1985 and 1990" and inserting "61 percent between 1986 and 1994"; and

(ii) by striking "400,000 children at the end of June, 1990" and inserting "452,000 as of June, 1994"; and

(B) in paragraph (5), by striking "local" and inserting "legal"; and

(C) in paragraph (7), to read as follows:

"(7)(A) currently, 40,000 children are free for adoption and awaiting placement;

"(B) such children are typically school aged, in sibling groups, have experienced neglect or abuse, or have a physical, mental, or emotional disability; and

"(C) while the children are of all races, children of color and older children (over the age of 10) are over represented in such group;"; and

(2) in subsection (b)—

(A) by striking "conditions, by—" and all that follows through "providing a mechanism" and inserting "conditions, by providing a mechanism"; and

(B) by redesignating subparagraphs (A) through (C), as paragraphs (1) through (3), respectively and by realigning the margins of such paragraphs accordingly.

SEC. 403. INFORMATION AND SERVICES.

Section 203 (42 U.S.C. 5113) is amended—

(1) in subsection (a), by striking the last sentence;

(2) in subsection (b)—

(A) in paragraph (6), to read as follows:

"(6) study the nature, scope, and effects of the placement of children in kinship care arrangements, pre-adoptive, or adoptive homes;";

(B) by redesignating paragraphs (7) through (9) as paragraphs (8) through (10), respectively; and

(C) by inserting after paragraph (6), the following new paragraph:

"(7) study the efficacy of States contracting with public or private nonprofit agencies (including community-based and other organizations), or sectarian institutions for the recruitment of potential adoptive and foster families and to provide assistance in the placement of children for adoption;"; and

(3) in subsection (d)—

(A) in paragraph (2)—

(i) by striking "Each" and inserting "(A) Each";

(ii) by striking "for each fiscal year" and inserting "that describes the manner in which the State will use funds during the 3-fiscal years subsequent to the date of the application to accomplish the purposes of this section. Such application shall be"; and

(iii) by adding at the end thereof the following new subparagraph:

"(B) The Secretary shall provide, directly or by grant to or contract with public or private nonprofit agencies or organizations—

"(i) technical assistance and resource and referral information to assist State or local governments with termination of parental rights issues, in recruiting and retaining adoptive families, in the successful placement of children with special needs, and in the provision of pre- and post-placement services, including post-legal adoption services; and

"(ii) other assistance to help State and local governments replicate successful adoption-related projects from other areas in the United States.".

SEC. 404. AUTHORIZATION OF APPROPRIATIONS.

Section 205 (42 U.S.C. 5115) is amended—

(1) in subsection (a), by striking "$10,000,000," and all that follows through "203(c)(1)" and inserting "$20,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2001 to carry out programs and activities authorized";

(2) by striking subsection (b); and

(3) by redesignating subsection (c) as subsection (b).

TITLE V—ABANDONED INFANTS ASSISTANCE ACT OF 1986

SEC. 501. REAUTHORIZATION.

Section 104(a)(1) of the Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is amended by striking "$20,000,000" and all that follows through the end thereof and inserting "$35,000,000 for each of the fiscal years 1995 through 1997, and such sums as may be necessary for each of the fiscal years 1998 through 2001".

TITLE VI—REAUTHORIZATION OF VARIOUS PROGRAMS

SEC. 601. MISSING CHILDREN'S ASSISTANCE ACT.

Section 408 of the Missing Children's Assistance Act (42 U.S.C. 5777) is amended—

(1) by striking "To" and inserting "(a) IN GENERAL.—"

(2) by striking "and 1996" and inserting "1996, and 1997 through 2001"; and

(3) by adding at the end thereof the following new subsection:

"(b) EVALUATION.—The Administrator shall use not more than 5 percent of the amount appropriated for a fiscal year under subsection (a) to conduct an evaluation of the effectiveness of the programs and activities established and operated under this title.".

SEC. 602. VICTIMS OF CHILD ABUSE ACT OF 1990.

Section 214B of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13004) is amended—

(1) in subsection (a)(2), by striking "and 1996" and inserting "1996, and 1997"; and

(2) in subsection (b)(2), by striking "and 1996" and inserting "1996, through 2001".

ORDER FOR STAR PRINT—REPORT NO. 104–319

Mr. LOTT. Mr. President, I ask unanimous consent that report number 104–319 be star printed with the changes that I understand are at the desk.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZING EXTENSION OF MFN TREATMENT TO THE PRODUCTS OF ROMANIA

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 3161, which was received from the House.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 3161) to authorize the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of Romania.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. D'AMATO. Mr. President, I rise today in opposition to H.R. 3161, a bill to extend permanent most-favored-nation trade status to Romania. I believe it is premature to surrender leverage over developments in Romania less than 4 months before their national elections. Adoption of this measure now will weaken our ability to extend support to democratic forces in Romania.

I spoke in opposition to the Senate version of this measure, S. 1644, when the Finance Committee held a hearing on it on June 4, 1996. Before that, as Co-Chairman of the Commission on Security and Cooperation in Europe, I joined with our Chairman, the distinguished Representative CHRISTOPHER H. SMITH, in a letter to the Chairman of the Ways and Means Committee in the House, urging postponement of action on this initiative until after Romania's elections.

On Wednesday, the House passed H.R. 3161, after a spirited debate on the previous day. Their action, and the likely passage of this bill by this Chamber, surrenders leverage over developments in Romania which is uniquely ours. The semi-annual review process for Romania's most-favored-nation gives Congress the ability to express itself if the slow but steady progress with democratization and privatization that has been occurring in Romania should suffer a reverse after this fall's election.

I do not need to recite the horrors that occurred in the former Yugoslavia, just over the border from Romania when extremists seized control of the political process. Genocide in Bosnia has not yet been redressed, and thousands of American troops are deployed there on the ground to help the Dayton Accords succeed.

Romania has a substantial ethnic minority population. Approximately 9 percent of Romania's population of 23 million is ethnically Hungarian. Relations between ethnic Hungarians and Romanians have not always been easy.

The current Romanian Government is a coalition government. It contained three extremist minority parties for 3 of its 4 years in office, with two leaving the government only this past December.

All of the experts I have spoken with, and all knowledgeable Romanian officials believe that the next government will be a coalition government, too. I think it is very important for those who support democratic progress and privatization in Romania to keep a close eye on these national elections and the government they produce.

The opposition did very well in this spring's local elections. This bodes well for their chances in the fall, but it appears that no single party has the strength or public support to form a government on its own. Even if the opposition wins, this does not resolve the question of who will be included in the coalition government.

Romania has made clear that its first priority in its foreign relations is NATO integration. They view passage of this measure and receipt of unconditional MFN status as a step in this direction, a credential that they have made progress.

I have no trouble saying that they have made progress. Measured since Ceaucescu's fall, the progress has been serious. Over a shorter time-frame, it sometimes appears to be one step forward and two steps back, but it is progress nonetheless.

Having said that, there are also problems. I think these problems are serious enough for Congress to want to keep the leverage it has through the semi-annual MFN report and review process until after this fall's national elections. Then, once we see how the elections have turned out, who is in the coalition government, and what their policies will be, we can make a well-considered judgment on whether to terminate the review process and make their MFN trade status unconditional. Action now is premature.

I know that the Romanian Assembly and Senate both passed resolutions stating that all parties agreed that MFN would not be a political issue in the fall campaign. I ask you to imagine what would happen if both our House and Senate passed a resolution stating, for instance, that NAFTA would not be a campaign issue.

In a nation with a free press, passage of such a resolution would have the immediate effect of moving the issue to the top of the political agenda, and focusing hard questions on the leadership of both parties. It would not take the issue off of the agenda.

I received a copy of a May 27, 1996 letter from the president of the Democratic Alliance of Hungarians in Romania, the DAHR, which states, "In the opinion of the DAHR, the entire population of Romania has great need of Most Favored Nation status, but we believe that the best method for the American government would be to continue to link this benefit to respect for human rights and minority rights until such time as practical results are achieved in these areas."

Mr. President, it does not sound to me as if there is unanimous support within Romania for pressing ahead with unconditional MFN. In fact, the ethnic minority most vulnerable to oppression and discrimination, and the one that has suffered serious human rights violations in the past, is the very one that asks the United States to retain the MFN review process.

I received another letter from the Ad Hoc Committee for the Organization of Romanian Democracy, Inc. That letter, dated July 15, 1996, points out shortcomings in the property restitution and compensation process in Romania, and talks about developments in a human rights case.

In that regard, it states, "To further emphasize the injustices of the present Romanian regime, we wish also to inform you that we have just received a fax from Romania informing us about two newspapermen, Radu Mazare, Chief Editor and Constantin Cumpana, Chief of Section, of the Telegraph, from the city of Constanta, who have just been sentenced for slander to 7 months in prison and a fine of 25 million lei (approx. $8000)."

Their letter continues, "In view of the above injustices, the Committee appeals to you, Senator D'AMATO, to consent to urging the postponement, until after the Romanian Presidential-Parliamentary elections in September-October 1996, of debates and voting in respect to the granting of permanent MFN status to Romania."

Mr. President, I ask unanimous consent that the Democratic Alliance of Hungarians in Romania's letter and the Ad Hoc Commmittee's letter be printed in the RECORD at the end of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. D'AMATO. Let me continue by pointing out some other problems in Romania. Rights of national minorities to receive an education in their native languages have been restricted by the Romanian education law of July 24, 1995, and the government has not supported the opening of an independent Hungarian university.

An ethnic Hungarian, Pal Cseresznyes, remains in jail on questionable charges, an imprisonment that has lasted for 6 years and during which he allegedly suffered frequent beatings.

I am concerned by reports that the local elections revealed serious inaccuracies in voter lists, a problem that had been identified by international observers in previous elections and that the government has had time to repair. Those same inaccurate lists appear to be going to be used this fall. Use of those lists could call into question public trust in the results of the national election.

Mr. President, I regret that this measure has moved forward with such speed. I note that it was not referred to committee. Its consideration now coincides with the visit to the United States of the Romanian Foreign Minister, Mr. Teodor Melescanu. It appears that part of the rush to judgment this effort reflects is to produce a victory on this issue for the President of Romania, Ion Iliescu. Regardless of the protestations of parliamentarians and Romanian officials to the contrary, I firmly expect that passage of this measure will immediately be touted as a great victory for Romania.

I hope that it will not, in fact, be a defeat for human rights, democracy, and free enterprise in Romania. I will watch the results of this election closely, and I join with those who support this bill in hoping that their results will justify the faith passage of this measures represents. I have, however, found that hope, when dealing with entrenched Balkan issues, is seldom well rewarded.

I will be watching to see who is in the resulting coalition government and what policies they adopt. While passage of this bill will end the MFN review process, inclusion of Romania in NATO will require additional steps. Without the MFN review process leverage, if the elections produce negative results, the consequences in terms of U.S. policy will have to be more severe.

EXHIBIT 1

DEMOCRATIC ALLIANCE OF
HUNGARIANS IN RUMANIA,
Bucharest, May 27, 1996.

Mr. LÁSZIÉ HÁMOS,
President, Hungarian Human Rights Foundation, New York, NY.

DEAR MR. HÁMOS: Responding to your question of last week, this is to inform you that the position of the Democratic Alliance of Hungarians in Rumania (DAHR) is contained in the enclosed statements adopted by the DAHR Senators and DAHR Deputies, respectively.

We personally contain the position contained in these statements to Representative Tom Lantos as well, during his April visit in Rumania. We made it clear that there has been no progress on the minority question in Rumania, but that the government and Parliament have instituted discriminatory measures in the areas of education and language use. We emphasized that the marked regression on legislative matters pertaining to minorities—Education Law. Law on Local Administration, Criminal Code—clearly demonstrates that Rumania wishes to be a state of and for the majority nationality, according to ethnic criteria, to the detriment of national minorities.

In the opinion of the DAHR, the entire population of Rumania has great need of Most Favored Nation status, but we believe that the best method for the American government would be to continue to link this benefit to respect for human rights and minority rights until such time as practical results are achieved in these areas.

Very truly yours,
BÉLA MARKÓ, *President.*

AD HOC COMMITTEE FOR THE ORGANIZATION OF ROMANIAN DEMOCRACY, INC.,
Mount Vernon, NY, July 15, 1996.

Hon. ALFONSE D'AMATO,
U.S. Senate, HSOB, Washington, DC.

DEAR SENATOR D'AMATO: At the request of the owners of the properties nationalized-confiscated by decrees in 1949, we are forwarding to you the English translation of the memorandum addressed to President Iliescu of Romania and submitted and registered at the office of the President. The signatory is Mrs. Alexandrina Ionescu, Strada Franceza No. 56, Bucharest 3.

The gist of the memorandum, condensed in a few sentences, is as follows: By sentence of Lower Courts of Justice, Mrs. Ionescu and other owners obtained the restitution of property. They complied with all the prescribed legal requirements by paying the taxes and registering the legal deeds of property with the appropriate authority. Nevertheless, the Attorney General has started proceedings to annul the decisions of the Lower Courts.

The attached memorandum, translated into English and French, has also been submitted to the United Nations and the Council of Europe.

To further emphasize the injustices of the present Romanian regime, we wish to also inform you that we have just received a fax from Romania informing us about two newspaper men, Radu Mazare, Chief Editor and Constantin Cumpana, Chief of Section, of the Telegraph, from the city of Constanta, who have just been sentenced for slander to seven months in prison and a fine of 25 million lei (approx. $8000).

In view of the above injustices, the Committee appeals to you, Senator D'Amato, to consent to urging the postponement, until after the Romanian presidential-Parliamentary elections in September–October 1996, of debates and voting in respect to the granting of permanent MFN status to Romania.

We thank you, Senator D'Amato, for your consideration and understanding of the Romanian people who desire true democracy in their country.

Very truly yours,
STEFAN ISSARESCU, M.D.,
Chairman.
SIMONE M. VRABIESCU KLECKNER, J.D.,
Co-Chairman.

Mr. LOTT. Mr. President, I ask unanimous consent that the bill be deemed read the third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 3161) was deemed read the third time, and passed.

ORDERS FOR MONDAY, JULY 22, 1996

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 10 a.m. on Monday, July 22; further, that following the prayer, the Journal of the proceedings be deemed approved to date, the morning hour be deemed to have expired, and the time for the 2 leaders be reserved for their use later in day; I further ask unanimous consent that at 10 a.m. the Senate resume consideration of the reconciliation bill under the previous order agreed to last night.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. LOTT. For the information of all Senators, on Monday there will be 4 hours of debate on the reconciliation bill for Members to offer and debate all remaining amendments as provided under the unanimous consent agreement. Following that debate I ask unanimous consent that the Senate turn to the consideration of the agriculture appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, when the Senate turns to the agriculture appropriations bill it will be the majority leader's intention to stack any rollcall votes on amendments and hopefully final passage over until Tuesday, following the previously ordered stacked series which will begin at 9:30 a.m. on Tuesday. Therefore, rollcall votes will not occur during Monday's session of the Senate. But Senators that are intending to offer amendments or raise points of order with respect to the reconciliation bill or the agriculture appropriations bill must do so on Monday.

ADJOURNMENT UNTIL 10 A.M., MONDAY, JULY 22, 1996

Mr. LOTT. Mr. President, if there is no further business to come before the Senate, I ask that the Senate now stand in adjournment under the previous order.

There being no objection, the Senate, at 4:51 p.m. adjourned until Monday, July 22, 1996, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate July 19, 1996:

THE JUDICIARY

JEFFREY T. MILLER, OF CALIFORNIA, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF CALIFORNIA VICE GORDON THOMPSON, JR., RETIRED.

IN THE ARMY

THE FOLLOWING-NAMED OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 12203(A) AND 3383:

ARMY PROMOTION LIST

To be colonel

ROBERT M. CARROTHERS [redacted]
STEPHEN EPSTEIN [redacted]
THOMAS G. FIERKE [redacted]
BRUCE HASLAM [redacted]
JOSEPH C. JOYCE [redacted]
DOUGLAS MONROE [redacted]
DANIEL OSORIO [redacted]
THOMAS D. ROBINSON [redacted]

To be lieutenant colonel

ADOLPH MCQUEEN [redacted]
KARLYN P. O'SHAUGHNESSY [redacted]
JEFFREY C. SMITH [redacted]
JACK TOMARCHIO, [redacted]
JEFFREY T. WELLER [redacted]

THE FOLLOWING-NAMED ARMY NATIONAL GUARD OF THE U.S. OFFICERS FOR PROMOTION IN THE RESERVE OF THE ARMY OF THE UNITED STATES, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 12203 AND 3385:

ARMY PROMOTION LIST

To be colonel

JAMES R. BARR [redacted]
MARVIN B. DUNCAN [redacted]
JOSE C. OKADA [redacted]
RICHARD D. STEPHENS [redacted]
LESLIE K. TUBB [redacted]
HARRY S. WILSON [redacted]

ARMY NURSE CORPS

To be colonel

JOE W. DAVIS [redacted]
LINDA M. KAROD [redacted]

CHAPLAIN CORPS

To be colonel

JAMES C. CLARDY, JR. [redacted]
DAN D. HASKINS, JR. [redacted]

DENTAL CORPS

To be colonel

RONALD D. WRIGHT, [redacted]

THE JUDGE ADVOCATE GENERAL'S CORPS

To be colonel

JOHN W. BRANT [redacted]
PARTRICK A. LYONS [redacted]
THOMAS S. WALKER [redacted]

MEDICAL SERVICE CORPS

To be colonel

RAFAEL NUN-MARIN [redacted]

ARMY PROMOTION LIST

To be lieutenant colonel

TERRY L. BULLER [redacted]
JAMES S. CAVACO, JR. [redacted]
EDDIE L. COLE [redacted]
AUGUSTUS L. COLLINS [redacted]
WILLIAM W. DAVIS [redacted]
WILLIAM C. HOLMES [redacted]
FREDERICK J. JOHNSON [redacted]
ELBERT A. MC COLLUM [redacted]
DANIEL J. MC CORMACK [redacted]
DAVID A. MC PHERSON [redacted]
THERESA M. ODEKIRK [redacted]
WILLIAM D. PHILLIPS [redacted]
DANNY D. SCOTT, SR. [redacted]
KOZUO WEBB, [redacted]
GARY H. WILDER [redacted]
WAYNE N. YOSHIOKA [redacted]

CHAPLAIN CORPS

To be lieutenant colonel

EMILE R. DUPERE [redacted]
GROVER C. GLENN III [redacted]

DENTAL CORPS

To be lieutenant colonel

SCOTT A WRIGHT [redacted]

MEDICAL SERVICE CORPS

To be lieutenant colonel

JAN M. CARTER [redacted]
MITCHELL A. FINNEY [redacted]
MICHAEL D. MOSER [redacted]

SENATE—*Monday, July 22, 1996*

The Senate met at 10 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

God of all nations, Lord of all life, we thank You that You place within all of us the pursuit of excellence. The longing to be our best is stirred in us as we watch the creative competition of the Olympics in Atlanta. It is inspiring to see men and women press the limits as they go for the gold. Whether it is the 100-meter short run for lasting fame, or the daring high dive with no splash, we look on with renewed desire to live at full potential in our own responsibilities and relationships. We admire the dedication, the sacrifice, the indefatigable practice, the mastery, the joy of the Olympic athletes. Today we join the Nation in cheering Tom Dolan's gallant victory over physical limitations to win the swimming 400-meter individual medley.

Then we wonder about our own discipline in prayer, spiritual growth, and character development. What could happen in our lives if we had the commitment of these runners, gymnasts, swimmers, and team players have to their sport and their nation. Today we want to run the race of our lives, stretching every part of our being toward the high calling of serving You with excellence in our work in Government. Bless the men and women of this Senate and all of us called to work with them as we make this a day to go for the gold of glorifying You with all the intellect of our minds, the passion of our hearts, and the strength of our souls. Through our Lord and Savior. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able chairman of the Budget Committee, Senator DOMENICI, is recognized.

SCHEDULE

Mr. DOMENICI. This morning the Senate will immediately resume consideration of the reconciliation bill until the hour of 2 p.m. Any Senator still intending to offer an amendment to that bill must do so prior to that time. Under the consent agreement reached on Friday, all previously ordered votes on amendments as well as votes ordered today will begin at 9:30 a.m. tomorrow morning. No rollcall votes will occur today. However, all Senators should be notified that there will be a lengthy series of rollcall votes on Tuesday morning. Also, at 2 o'clock today the Senate will begin the Agriculture appropriations bill, and once again any votes ordered in relation to that bill will occur following the stacked votes at 9:30 a.m. tomorrow morning.

PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

The PRESIDENT pro tempore. The clerk will report the bill.

The legislative clerk read as follows:

A bill (S. 1956) to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for the fiscal year 1997.

The Senate resumed consideration of the bill.

Pending:

Faircloth amendment No. 4905, to prohibit recruitment activities in SSI outreach programs, demonstration projects, and other administrative activities.

Harkin amendment No. 4916, to strike section 1253, relating to child nutrition requirements.

D'Amato amendment No. 4927, to require welfare recipients to participate in gainful community service.

Exon (for Simon) amendment No. 4928, to increase the number of adults and to extend the period of time in which educational training activities may be counted as work.

Feinstein-Boxer amendment No. 4929, to provide that the ban on supplemental security income benefits apply to those aliens entering the country on or after the enactment of this bill.

Chafee amendment No. 4931, to maintain current eligibility standards for Medicaid and provide additional State flexibility.

Roth amendment No. 4932 (to amendment No. 4931), to maintain the eligibility for Medicaid for any individual who is receiving Medicaid based on their receipt of AFDC, foster care or adoption assistance, and to provide transitional Medicaid for families moving from welfare to work.

Chafee amendment No. 4933 (to amendment No. 4931), to maintain current eligibility standards for Medicaid and provide additional State flexibility.

Conrad amendment No. 4934, to eliminate the State food assistance block grant.

Santorum (for Gramm) amendment No. 4935, to deny welfare benefits to individuals convicted of illegal drug possession, use or distribution.

Graham amendment No. 4936, to modify the formula for determining a State family assistance grant to include the number of children in poverty residing in a State.

Helms amendment No. 4930, to strengthen food stamp work requirements.

Graham (for Simon) amendment No. 4938, to preserve eligibility of immigrants for programs of student assistance under the Public Health Service Act.

Shelby amendment No. 4939, to provide a refundable credit for adoption expenses and to exclude from gross income employee and military adoption assistance benefits and withdrawals from IRA's for certain adoption expenses

Mr. DOMENICI. Mr. President, let me summarize where we are for Senators and staffers. We have used approximately 16 of the 20-hour statutory time. Amendments can be offered and debated today between 10 a.m. and 2 p.m. The amendments have to be on the general list of amendments agreed to last Thursday.

As of today, we will have disposed of over 23 amendments. We have had 10 rollcall votes and 13 voice votes. As of Friday night, we have 15 amendments pending for possible votes beginning tomorrow at 9:30, and we could add to that list today as many as another 19 amendments. I am not saying we will, but we could if all of those remaining on the agreed-on list that we agreed on Thursday night are offered today. So it is possible that beginning tomorrow we could have as many as 34 rollcall votes but certainly at least 20, not counting final passage.

It is my understanding that the distinguished Senator from Kentucky [Mr. FORD], is first. It is on that side.

The PRESIDENT pro tempore. The distinguished Democratic whip is recognized.

AMENDMENT NO. 4940

(Purpose: To allow States the option to provide non-cash assistance to children after the 5-year time limit, as provided in report No. 104-430 (the conference report to H.R. 4 as passed during the 1st session of the 104th Congress)

Mr. FORD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from Kentucky [Mr. FORD] proposes an amendment numbered 4940.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

On page 250, line 4, insert "cash" before "assistance".

Mr. FORD. Mr. President, this is an amendment that I think could almost be accepted. Although we could not agree on the Breaux amendment of last week regarding noncash assistance for children, I hope we can agree on this one. One of the reasons welfare reform is so complicated is that it is usually hard to separate the adults on welfare

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

from the children. Many want to get tougher on the adults, especially those who have been on welfare for a long period of time. But I do not hear anyone who says get tougher on children. This amendment separates those issues because it is about how we as a Nation are ultimately responsible for the welfare of our children.

Under the Republican bill, after 5 years, States may not use any Federal block grant money to assist families whatsoever. This applies to cash and noncash benefits as well. The current bill goes much further than H.R. 4, which passed Congress last year and was vetoed by the President. In my view, this makes the bill much tougher on children. H.R. 4 prohibited cash assistance after 5 years. It did not prohibit noncash assistance like vouchers that could be used for clothing or medicine or other needs of our children.

My amendment makes this bill identical to H.R. 4 by allowing States to use Federal block grant funds to provide noncash assistance after adults on welfare have reached their 5-year limit.

If you favor State flexibility, you should support this amendment. Some supporters of this bill have said State flexibility is one of their top priorities, yet on this issue the bill is less flexible than H.R. 4. We say send this welfare reform back to the States, but yet we say: States, do it the way we tell you to do it. That is not flexibility for the States.

The National Governors' Association supports this amendment. This amendment does not increase the cost of the bill, nor add to the deficit. It deals with how the Federal block grant funds allocated to each State may be used. And so, Mr. President, in a letter dated June 26, 1996, the National Governors' Conference urged support for an amendment to apply the time limit in the bill only to cash assistance.

I ask unanimous consent that a copy of this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NATIONAL GOVERNORS ASSOCIATION,
Washington, DC, June 26, 1996.

SENATE FINANCE COMMITTEE,
U.S. Senate, Washington, DC.

DEAR FINANCE COMMITTEE MEMBER: The nation's Governors appreciate that S. 1795, as introduced, incorporated many of the National Governors' Association's (NGA) recommendations on welfare reform. NGA hopes that Congress will continue to look to the Governors' bipartisan efforts on a welfare reform policy and build on the lessons learned through a decade of state experimentation in welfare reform.

However, upon initial review of the Chairman's mark, NGA believes that many of the changes contained in the mark are contradictory to the NGA bipartisan agreement. The mark includes unreasonable modifications to the work requirement, and additional administrative burdens, restrictions and penalties that are unacceptable. Governors believe these changes in the Chairman's mark greatly restrict state flexibility and will result in increased, unfunded costs for states, while at the same time undermining states ability to implement effective welfare reform programs. These changes threaten the ability of Governors to provide any support for the revised welfare package, and may, in fact, result in Governors opposing the bill.

As you mark up the welfare provisions of S. 1795, the Personal Responsibility and Work Opportunity Act of 1996, NGA strongly urges you to consider the recommendations contained in the welfare reform policy adopted unanimously by the nation's Governors in February. Governors believe that these changes are needed to create a welfare reform measure that will foster independence and promote responsibility, provide adequate support for families that are engaged in work, and accord states the flexibility and resources they need to transform welfare into a transitional program leading to work.

Below is a partial list of amendments that may be offered during the committee markup and revisions included in the Chairman's mark that are either opposed or supported by NGA. This list is not meant to be exhaustive, and there may be other amendments or revisions of interest or concern to Governors that are not on this list. In the NGA welfare reform policy, the Governors did not take a position on the provisions related to benefits for immigrants, and NGA will not be making recommendations on amendments in these areas. As you mark up S. 1795, NGA urges you to consider the following recommendations based on the policy statement of the nation's Governors on welfare reform.

THE GOVERNORS URGE YOU TO SUPPORT THE FOLLOWING AMENDMENTS

Support the amendment to permit states to count toward the work participation rate calculation those individuals who have left welfare for work for the first six months that they are in the workforce (Breaux). The Governors believe states should receive credit in the participation rate for successfully moving people off of welfare and into employment, thereby meeting one of the primary goals of welfare reform. This will also provide states with an incentive to expand their job retention efforts.

Support the amendment that applies the time limit only to cash assistance (Breaux). S. 1795 sets a sixty-month lifetime limit on any federally funded assistance under the block grant. This would prohibit states from using the block grant for important work supports such as transportation or job retention counseling after the five-year limit. Consistent with the NGA welfare reform policy, NGA urges you to support the Breaux amendment that would apply the time limit only to cash assistance.

Support the amendment to restore funding for the Social Service Block Grant (Rockefeller). This amendment would limit the cut in the Social Services Block Grant (SSBG) to 10 percent rather than 20 percent. States use a significant portion of their SSBG funds for child care for low-income families. Thus, the additional cut currently contained in S. 1795 negates much of the increase in child care funding provided under the bill.

Support technical improvements to the contingency fund (Breaux). Access to additional matching funds is critical to states during periods of economic recession. NGA supports two amendments proposed by Senator Breaux. One clarifies the language relating to maintenance of effort in the contingency fund and another modifies the fund so states that access the contingency fund during only part of the year are not penalized with a less advantageous match rate.

Support the amendment to extend the 75 percent enhanced match rate through fiscal 1997 for statewide automated child welfare information systems (SACWIS), (Chafee, Rockefeller). Although not specifically addressed in the NGA policy, this extension is important for many states that are trying to meet systems requirements that will strengthen their child welfare and child protection efforts.

Governors urge you to oppose amendments or revisions to the Chairman's mark that would limit state flexibility, create unreasonable work requirements,impose new mandates, or encroach on the ability of each state to direct resources and design a welfare reform program to meet its unique needs.

In the area of work, Governors strongly oppose any efforts to increase penalties, increase work participation rates, further restrict what activities count toward the work participation rate or change the hours of work required. The Governors' policy included specific recommendations in these areas, many of which were subsequently incorporated into S. 1795, as introduced. The recommendations reflect a careful balancing of the goals of welfare reform, the availability of resources, and the recognition that economic and demographic circumstances differ among states. Imposing any additional limitations or modifications to the work requirements would limit state flexibility.

THE GOVERNORS URGE YOU TO OPPOSE THE FOLLOWING AMENDMENTS OR REVISIONS IN THE AREA OF WORK

Oppose the revision in the Chairman's mark to increase the number of hours of work required per week to thirty-five hours in future years. NGA's recommendation that the work requirement be set at twenty-five hours was incorporated into S. 1795. Many states will set higher hourly requirements, but this flexibility will enable states to design programs that are consistent with local labor market opportunities and the availability of child care.

Oppose the revision in the Chairman's mark to decrease to four weeks the number of weeks that job search can count as work. NGA supports the twelve weeks of job search contained in S. 1795, as introduced. Job search has proven to be effective when an individual first enters a program and also after the completion of individual work components, such as workfare or community service. A reduction to four weeks would limit state flexibility to use this cost-effective strategy to move recipients into work.

Oppose the revision in the Chairman's mark to increase the work participation rates. NGA opposes any increase in the work participation rates above the original S. 1795 requirements. Many training and education activities that are currently counted under JOBS will not count toward the new work requirements. Consequently, states will face the challenge of transforming their current JOBS program into a program that emphasizes quick movement into the labor force. An increase in the work rates will result in increased costs to states for child care and work programs.

Oppose the revision in the Chairman's mark to increase penalties for failure to meet the work participation requirements. The proposed amendment to increase the penalty by 5 percent for each consecutive failure to meet the work rate is unduly harsh, particularly given the stringent nature of the work requirements. Ironically, the loss of block grant funds due to penalties will make it even more difficult for a state to meet the work requirements.

Oppose the amendment requiring states to count exempt families in the work participation rate calculation (Gramm). This amendment would retain the state option to exempt families with children below age one from the work requirements but add the requirement that such families count in the denominator for purposes of determining the work participation rate. This penalizes states that grant the exemption, effectively eliminating this option. The exemption in S. 1795 is an acknowledgment that child care costs for infants are very high and that there often is a shortage of infant care.

Oppose the amendment to increase work hours by ten hours a week for families receiving subsidized child care (Gramm). This amendment would greatly increase child care costs as well as impose a higher work requirement on families with younger children, because families with other children—particularly teenagers—are less likely to need subsidized child care assistance.

Oppose the revision in the Chairman's mark to exempt families with children below age eleven. S. 1795, as introduced, prohibits states from sanctioning families with children below age six for failure to participate in work if failure to participate was because of a lack of child care. This revision would raise the age to eleven. NGA is concerned that this revision effectively penalizes states because they still would be required to count these individuals in the denominator of the work participation rate.

THE GOVERNORS URGE YOU TO OPPOSE THE FOLLOWING AMENDMENTS OR REVISIONS IN THE CHAIRMAN'S MARK IN THESE ADDITIONAL AREAS

Oppose the revision in the Chairman's mark to increase the maintenance-of-effort requirement above the 75 percent in the cash assistance block grant or further narrow the definition of what counts toward maintenance-of-effort.

Oppose the revisions in the Chairman's mark that increase state plan requirements and include additional state penalties.

Oppose the amendment to limit hardship exemption to 15 percent (Gramm). NGA policy supports the current provision in S. 1795, as introduced, that allows states to exempt up to 20 percent of their caseload from the five-year lifetime limit on benefits.

Oppose the amendment to mandate that states provide in-kind vouchers to families after a state or federal time limit on benefits is triggered (Breaux, Moseley-Braun). NGA believes that states should have the option to provide non-cash forms of assistance after the time limit, but they should not be mandated to do so.

Oppose the provision in the Chairman's mark to restrict the transferability of funds out of the cash assistance block grant to the child care block grant only. The Governors believe that it is appropriate to allow a transfer of funds into the foster care program or the Social Services Block Grant.

Oppose a family cap mandate in the Chairman's mark. NGA supports a family cap as an option, rather than a mandate, to prohibit benefits to additional children born or conceived while the parent is on welfare.

Governors urge you to consider the above recommendations.

Sincerely,

RAYMOND C. SCHEPPACH.

Mr. FORD. The administration supports this amendment, Mr. President. In a letter dated July 16, 1996, the acting OMB Director urges the adoption of voucher language that protects children.

I ask unanimous consent that a copy of this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, July 16, 1996.

Hon. JOHN R. KASICH,
Chairman, Committee on the Budget, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to transmit the Administration's views on the welfare provisions of H.R. 3734, the "Welfare and Medicaid Reform Act of 1996." We understand that the Rules Committee plans to separate the welfare and Medicaid portions of the bill and consider only the welfare provisions on the House floor.

We are pleased that the Congress has decided to separate welfare reform from a proposal to repeal Medicaid's guarantee of health care for the elderly, poor, pregnant and people with disabilities. We hope that removing this "poison pill" from welfare reform is a breakthrough that indicates that the Congressional leadership is serious about passing bipartisan welfare reform this year.

It is among the Administration's highest priorities to achieve bipartisan welfare reform reflecting the principles of work, family, and responsibility. For the past three and a half years, the President has demonstrated his commitment to enacting real welfare reform by working with Congress to create legislation that moves people from welfare to work, encourages responsibility, and protects children. The Administration sent to Congress a stand-alone welfare bill that requires welfare recipients to work, imposes strict time limits on welfare, toughens child support enforcement, is fair to children, and is consistent with the President's commitment to balance the budget.

The Administration is also pleased that the bill makes many of the important improvements to H.R. 4 that we recommended—improvements that were also included in the bipartisan National Governors' Association and Castle-Tanner proposals. We urge the Committee to build upon these improvements. At the same time, however, the Administration is deeply concerned about certain provisions of H.R. 3734 that would adversely affect benefits for food stamp households and legal immigrants, as well as with the need for strong State accountability and flexibility. And, the bill would still raise taxes on millions of working families by cutting the Earned Income Tax Credit (EITC).

IMPROVEMENTS CONTAINED IN H.R. 3734

We appreciate the Committees' efforts to strengthen provisions that are central to work-based reform, such as child care, and to provide some additional protections for children and families. In rejecting H.R. 4, the President singled out a number of provisions that were tough on children and did too little to move people from welfare to work. H.R. 3734 includes important changes to these provisions that move the legislation closer to the President's vision of true welfare reform. We are particularly pleased with the following improvements:

Child Care. As the President has insisted throughout the welfare reform debate, child care is essential to move people from welfare to work. The bill reflects a better understanding of the child care resources that States will need to implement welfare reform, adding $4 billion for child care above the level in H.R. 4. The bill also recognizes that parents of school-age children need child care in order to work and protect the health and safety of children in care.

Food Stamps. The bill removes the annual spending cap on Food Stamps that was included in H.R. 4, preserving the program's ability to expand during periods of economic recession and help families when they are most in need.

Child Nutrition. The bill no longer includes the H.R. 4 provisions for a child nutrition block-grant demonstration, which would have undermined the program's ability to respond automatically to economic changes and maintain national nutrition standards.

Child Protection. We commend the Committee for preserving the open-ended nature of Title IV-E foster care and adoption assistance programs, current Medicaid coverage of eligible children, and the national child data collection initiative.

Supplemental Security Income (SSI). The bill removes the proposed two-tiered benefit system for disabled children receiving SSI that was included in H.R. 4, and retains full cash benefits for all eligible children.

Work Performance Bonus. We commend the Committee for giving states an incentive to move people from welfare to work by providing $1 billion in work performance bonuses by 2003. This provision is an important element of the Administration's bill, and will help change the culture of the welfare office.

Contingency Fund. The bill adopts the National Governors Association (NGA) recommendation to double the size of the Contingency Fund to $2 billion, and add a more responsive trigger based on the Food Stamp caseload changes. Further steps the Congress should take to strengthen this provision are outlined below.

Hardship Exemption. We commend the Committee for following the NGA recommendation and the Senate-passed welfare reform bill by allowing states to exempt up to 20% of hardship cases that reach the five-year time limit.

We remain pleased that Congress has decided to include central elements of the President's approach—time limits, work requirements, the toughest possible child support enforcement, requiring minor mothers to live at home as a condition of assistance—in this legislation.

The Administration strongly supports several provisions included in S. 1795, as reported by the Senate Finance Committee. These provisions include: allowing transfers only to the child care block grant, increasing the maintenance of effort requirement with a tightened definition of what counts toward this requirement, improving the fair and equitable treatment and enforcement language, and eliminating the child protection block grant. We urge the Congress to include these provisions in H.R. 3734.

KEY CONCERNS WITH H.R. 3734

The Administration however remains deeply concerned that the bill still lacks other important provisions that have earned bipartisan endorsement.

Size of the cuts. The welfare provisions incorporate most of the cuts that were in the vetoed bill—$59 billion over 6 years (including the EITC and related savings in Medicaid) over six years. These cuts far exceed those proposed by the NGA or the Administration. Cuts in Food Stamps and benefits to legal immigrants are particularly deep. The

President's budget demonstrates that cuts of this size are not necessary to achieve real welfare reform, nor are they needed to balance the budget.

Food Stamps. The Administration strongly opposes the inclusion of a Food Stamp block grant, which has the potential to seriously undermine the Federal nature of the program, jeopardizing the nutrition and health of millions of children, working families, and the elderly, and eliminating the program's ability to respond to economic changes. The Administration is also concerned that the bill makes deep cuts in the Food Stamp program, including a cut in benefits to households with high shelter costs that disproportionately affects families with children, and a four-month time limit on childless adults who are willing to work, but are not offered a work slot.

Legal Immigrants. The bill retains the excessively harsh and uncompromising immigration provisions of last year's vetoed bill. While we support the strengthening of requirements on the sponsors of legal immigrants applying for SSI, Food Stamps, and AFDC, the bill bans SSI and Food Stamps for virtually all legal immigrants, and imposes a five-year ban on all other Federal programs, including non-emergency Medicaid, for new legal immigrants. These bans would even cover legal immigrants who become disabled after entering the country, families with children, and current recipients. The bill would deny benefits to 0.3 million immigrant children and would affect many more children whose parents are denied assistance. The proposal unfairly shifts costs to States with high numbers of legal immigrants. In addition, the bill requires virtually all Federal, State, and local benefits programs to verify recipients' citizenship or alien status. These mandates would create significant administrative burdens for State, local, and non-profit service providers, and barriers to participation for citizens.

Medical Assistance Guarantee. Even after the proposed removal of the Medicaid reconciliation provisions from H.R. 3734, the Administration opposes provisions that do not guarantee continued Medicaid eligibility when States change AFDC rules. Specifically, we are concerned that families who reach the 5 year time limit or additional children born to families that are already receiving assistance could lose their Medicaid eligibility and would be unable to receive the health care services that they need.

Protection in Economic Downturn. Although the contingency fund is twice the size of that contained in the vetoed bill, it still does not allow for further expansions during poor economic conditions and periods of increased need. We are also concerned about provisions that reduce the match rate on contingency funds for states that access the fund for periods of less than one year.

State Maintenance of Effort. Under H.R. 3437, States could reduce the resources they provide to poor children. We are deeply concerned that the bill provides the proposed cash assistance block grant with transfer authority to the Social Services Block Grant(SSBG). Transfers to SSBG could lead States to substitute Federal dollars for State dollars in an array of State social services activities, potentially cutting the effective State maintenance of effort levels required for the cash block grant.

Resources for Work. Based on Congressional Budget Office (CBO) estimates, H.R. 3734 would leave states with a $9 billion shortfall over six years in resources for work if they maintained their current level of cash assistance. Morever, the Economic and Educational Opportunity Committee increased this shortfall and cut State flexibility by raising the weekly number of hours that States must place recipients in work activities and increasing the participation rates. The Economic and Educational Opportunities amendments would also create a shortfall in child care funding. As CBO has noted, most states would probably accept block grant penalties rather than meet the bill's participation rates and truly refocus the system on work.

Vouchers. The bill actually reduces State flexibility by prohibiting States from using block grant funds to provide vouchers to children whose parents reach the time limit. H.R. 4 contained no such prohibition, and the NGA opposes it. We strongly urge the adoption of the voucher language that protects children similar to that in the Administration's bill and Castle-Tanner.

Worker Displacement. We are deeply concerned that the bill does not include adequate protections against worker displacement. Workers are not protected from partial displacement such as reduction in hours, wages, or benefits, and the bill does not establish any avenue for displaced employees to seek redress.

Family Caps. The House bill reverts back to the opt-out provision on family caps which would restrict State flexibility in this area. The Administration, as well as NGA, seeks complete State flexibility to set family cap policy.

EITC. The Administration opposes the provisions in H.R. 3734 that increase the EITC phase-out rates thereby raising taxes on more than four million low-income working families, with seven million children. In addition, the budget resolution instructs the revenue committees to cut up to $18.5 billion more from the EITC. Thus, EITC cuts could total over $2 billion, and such large increases on working families are particularly ill-conceived when considered in the context of real welfare reform—that is, encouraging work and making work pay.

We are also concerned that the bill repeals the Family Preservation and Support program, which may mean less State spending on abuse and neglect prevention activities.

We strongly support the bipartisan welfare reform initiatives from moderate Republicans and Democrats in both Houses of Congress. The Castle-Tanner proposal addresses many of our concerns, and it would strengthen State accountability efforts, welfare to work measures, and protections for children. It provides a foundation on which this Committee should build in order to provide more State flexibility, incentives for AFDC recipients to move from welfare to work; more parental responsibility; and protections for children. It is a good strong bill that would end welfare as we know it. Castle-Tanner provides the much needed opportunity for a real bipartisan compromise and should be the basis for a quick agreement between the parties.

The President stands ready to work with the Congress to address the outstanding concerns so that we can enact a strong bipartisan welfare reform bill to replace the current system with one that demands responsibility, strengthens families, protects children, and gives States broad flexibility and the needed resources to get the job done.

Sincerely,

JACOB J. LEW,
Acting Director.

Mr. FORD. As I have stated, my amendment makes the bill identical to H.R. 4. If we are serious about passing a welfare reform bill acceptable to both the Congress and the administration, why should we allow this bill to be even tougher on children than H.R. 4 which the President vetoed?

Mr. President, the American Public Welfare Association also supports this amendment. I ask unanimous consent that a copy of a June 26, 1996, letter from APWA be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN PUBLIC
WELFARE ASSOCIATION,
Washington, DC, June 26, 1996.

DEAR SENATOR: As the Senate Finance Committee considers amendments to S. 1795, the Personal Responsibility and Work Opportunity Act of 1996, the American Public Welfare Association (APWA) urges your commitment to increased state flexibility in the design and implementation of welfare programs in light of the promising reform efforts underway in states throughout the country. Listed below are amendments that may be offered during the Committee's consideration of S. 1795. In accordance with the policies adopted by the APWA, we urge your support or opposition to the following amendments:

AMENDMENTS TO SUPPORT

Calculation of Work Participation Rate (Breaux): An amendment to count clients who leave welfare for work in the work participation rate calculation. States would be permitted to count their participation for the first 6 months they are engaged in at least 25 hours of work per week in a private sector job. APWA strongly supports this amendment to credit states with successfully moving welfare clients off welfare and into private sector employment.

Child Welfare Information Systems (Chafee/Rockefeller): An amendment to extend the enhanced match rate of 75% for federal fiscal year 1997 for the statewide automated child welfare information systems (SACWIS). APWA strongly supports continued funding for SACWIS systems which are critical to improving child welfare services.

Title XX Reductions (Rockefeller): An amendment to reduce the proposed 20 percent cut in the Social Services Block Grant (Title XX) to 10 percent. APWA urges the adoption of this amendment to reduce cuts in the Title XX Block Grant which states use to provide critical supportive work and family services.

AMENDMENTS TO SUPPORT

Contingency Fund (Breaux): An amendment to clarify the calculation of state maintenance of effort in the contingency fund. APWA strongly supports this clarification of qualified state expenditures for the purpose of calculating state maintenance of effort.

Contingency Fund (Breaux): An amendment to modify the contingency fund to provide that states which access contingency fund during only part of the year are not penalized. APWA strongly supports this amendment to ensure that states do not have their federal match rate for contingency funds reduced if these states only require funds for part of the year.

Child Welfare Services (Chafee): An amendment to retain current law that makes alien children, who do not qualify for AFDC, eligible for IV–E foster care and adoption assistance if they meet the other eligibility requirements. APWA policy supports current law for Title IV-E or its optional block grant proposal for this program. Consistent with this policy, APWA supports retaining this particular provision in current law that has been omitted in the bill.

Five Year Time Limit (Breaux): An amendment to provide states with the flexibility to use Temporary Assistance to Needy Family (TANF) block grant funds as in-kind assistance to children of families which have reached the 5 year lifetime time limit.

AMENDMENTS TO OPPOSE

Work Exemption (Conrad): An amendment to exempt single parents with children under age 11 who cannot find child care from the penalties for refusing to meet work requirements. APWA opposes this amendment because it would exempt single adults from work requirements, yet financially penalizes states for failure to meet the bills work participation rates.

Increased Hours of Work (Pressler): An amendment to increase hours of work required per week. APWA opposes this amendment because it fails to provide additional funds for the provision of child care services needed to meet increased hours of work.

AMENDMENTS TO OPPOSE

Decreased Job Search (Pressler): An amendment to decrease the number of weeks job search activities can count towards the work participation rate. APWA supports job search as a valid work activity that should count toward work participation.

Increase work participation rate (Pressler): An amendment to increase work participation rates contained in the bill. APWA opposes this amendment because it fails to provide additional funds for placement, child care and other supportive work services needed to meet increased work participation rates.

Work Participation Rate Penalties (Gramm): An amendment to impose an additional 5 percent penalty on states for consecutive failure to meet the work participation requirements. APWA opposes this amendment to increase penalties on states beyond those contained in the bill.

Work Participation Rate (Gramm): An amendment to limit to one year the exception to the work participation rate calculation for families with children under 1 year of age.

Exemption (Gramm): An amendment to allow states to exempt families with children under 1 year of age from the work requirement, but require that such exempt families count for purposes of determining the work participation rate. APWA opposes this amendment because it would exempt single adults from work requirements, yet financially penalizes states for failure to meet the bills work participation rates.

Work Requirement (Gramm): An amendment to increase the work requirement on families if they receive federally funded child care assistance by: 1) 10 additional hours a week for a single parents and b) 30 hours per week for the nonworking spouse in a two-parent family. APWA opposes this amendment because it fails to recognize the additional funds required for placement, child care and other supportive work services needed to meet increased work requirements.

Paternity Establishment (Gramm): An amendment to strengthen the requirements for paternity establishment as a condition for receiving benefits, with a state option to exempt as much as 25% of the population. APWA believes states should have the option to impose this requirement, but it should not be a mandate.

Hardship Exemption (Gramm): An amendment to limit the hardship exemption from the five year lifetime time limit to 15 percent from the 20 percent exemption in S. 1795. APWA supports the hardship exemption of at least 20 percent of the entire caseload.

Thank you for your consideration of these APWA positions. If you have any questions, please feel free to contact me or Elaine Ryan at (202) 682-0100.

Sincerely,

A. SIDNEY JOHNSON III,
Executive Director.

Mr. FORD. Mr. President, we can keep the restriction on cash assistance after 5 years, but let us not take a step backward and prohibit all forms of noncash assistance. This prohibition is aimed directly at our children, and I think it is misguided.

If we want a welfare reform compromise, if we want to avoid being unnecessarily harsh on our children, if we want to maximize State flexibility, we should pass this amendment. It is supported by the National Governors' Association, and it makes the bill identical to H.R. 4, which passed the Congress last year. It does not add to the cost of the bill and it promotes State flexibility.

During the conference last year, the Governors lobbied hard for this particular amendment. I know none of my colleagues take these decisions lightly, but I hope you will remember that each one of us will be forever wedded to these decisions. We are essentially providing a road map for the future, the futures of hundreds of thousands of children in this country. Make no mistake about it, 5 or 10 or 15 years from now, when these children have become young adults, you and I must take some responsibility for their successes or failures.

Of course, they will have their setbacks, just like you and me. But let us assure that those setbacks are not set in motion by the decisions we make today. By passing this amendment, I believe one day each of us can look at our future parents, doctors, lawyers, farmers and teachers, taking pride in our role to assure they grew up with a safe place to sleep at night, clothes on their backs, and food in their stomachs.

If we fail to pass this amendment, the children who become trapped in lives of mediocrity or fall through the cracks to obscurity will belong to us as well.

Mr. President, I ask unanimous consent a letter from my Governor in Kentucky, who is now part of the leadership of the National Governors' Association, supporting this amendment be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMMONWEALTH OF KENTUCKY,
OFFICE OF THE GOVERNOR,
Frankfort, KY, July 18, 1996.

Hon. WENDELL FORD,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR FORD: As the Senate begins its welfare debate this week, I understand you plan to offer an amendment that would allow states to use federal block grant funds to provide non-cash assistance to the children of welfare families, after a family has reached the proposed five-year lifetime limit on benefits. I am writing to offer my full support of that amendment.

Welfare has always been a federal-state partnership and responsibility. The federal government must continue to assist states' efforts to support children of welfare parents. To abandon these children after any amount of time is a horrible breach of this partnership and adds up to nothing but an over-burdensome unfunded mandate on the states. As a nation, we have committed ourselves to protecting the lives and well-being of the innocent. In this case, we are talking about the most innocent of all—our children.

Any welfare reform legislation must include provisions to move recipients to work. I support a tough and responsible approach that makes welfare recipients work and urges them to move off the program. However, any welfare reform must also continue to provide a safety net for those recipients' children. These children have no control over the direction of their young lives.

It is also conceivable that in a span of 20-30 years, a hard working family trying to carry their own weight in our society and provide for their families could fall on hard times during downturns in the economy. It would be particularly unfortunate to punish these families who are attempting to contribute to society but who from time to time need limited assistance.

Therefore, I fully support your amendment to insure the federal government does not shirk its responsibility to our children and lay an inappropriate fiscal burden on the states. You will find that other governors across the nation will also support this action. The National Governors' Association, in a June 26 letter to Congress, expressed its support for the content included in this amendment. Congress should defer to this bipartisan support from the nation's governors. After all, it is we governors who will be charged with implementing any national welfare reform program.

Thank you and please contact me if I can be of any further assistance on this matter.

Sincerely,

PAUL E. PATTON.

Mr. FORD. Mr. President, the Catholic Bishops' Conference supports this amendment. I ask unanimous consent a letter from the Catholic Bishops' Conference in support of my amendment be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. CATHOLIC CONFERENCE,
Washington, DC, July 17, 1996.

DEAR SENATOR: The Catholic Bishops' Conference has long suggested genuine welfare reform that strengthens families, encourages productive work, and protects vulnerable children. We believe genuine welfare reform is an urgent national priority, but we oppose abandonment of the federal government's necessary role in helping families overcome poverty and meet their children's basic needs. Simply cutting resources and transferring responsibility is not genuine reform.

As Chairman of the Domestic Policy Committee of the United States Catholic Conference, I share the goals of reducing illegitimacy and dependency, promoting work and empowering families. However, I am writing to you to express our concern about provisions in S 1795, (Senate Budget Committee's Reconciliation report S 1956), which would result in more poverty, hunger and illness for poor children. As the Senate considers this bill, we strongly urge you to support amendments in five essential areas.

(1) FAMILY CAP

We urge the Senate to support efforts to *remove the family cap* which denies increased assistance for additional children born to mothers on welfare unless state law repeals it. See the attached briefing sheet on why the "opt out" is effectively a mandatory cap which the Senate rejected on a bipartisan basis 66–34. We urge the Senate again to reject this measure which will encourage abortions and hurt children.

We believe the so-called "opt-out" provision is, in reality, a federally mandated family cap because it can only be removed by the unprecedented and extreme requirement that both houses of a state legislative pass and the Governor sign a law repealing the federal mandate. The Bishops' Conference's opposition to the family cap is based on the belief that children should not be denied benefits because of their mothers' age or dependence on welfare. These provisions, whatever their intentions, are likely to encourage abortion, especially in those states which pay for abortions, but not for assistance to these children. These states say to a young woman, we will pay for your abortion, but we will not help you to raise your child in dignity.

New Jersey is the state with the most experience with a family cap. In May 1995, New Jersey welfare officials announced that the abortion rate among poor women increased 3.6% in the eight months after New Jersey barred additional payments to women on welfare who gave birth to additional children. This increase is exactly what pro-life opponents of the family cap predicted. A study conducted by Rutgers University also has shown that the New Jersey law barring additional payments to welfare mothers who have more children has not affected birthrates significantly among those women. The study refutes several earlier announcements that birth rates among New Jersey welfare mothers had dropped dramatically since the state implemented the policy in 1992. While state officials recently reported a drop in the birth rate among welfare mothers, officials are wary of linking this deline with imposition of the family cap.

Although these results are prelimary, the abortion increase coupled with the absence of an association between the family cap and birth rates suggest that the policy of denying children benefits doesn't do much to reduce illegitimate births except by increasing abortions.

On a related matter, we support efforts to assure that teen parents are offered the education, training and supervision necessary for them to become good parents and productive adults. We also believe that teen parents should be discouraged from setting up independent households and endorsed this approach in our own statement on welfare reform.

(2) NATIONAL SAFETY NET

We urge the Senate to permit states to provide vouchers or cash payments for the needs of children after the time limits have been reached. The Senate bill cuts off all assistance after two consecutive years on welfare and five years in a lifetime, regardless of the efforts of the family or the needs of children.

We support more creative and responsive federal-state-community partnership, but we cannot support destruction of the social safety net which will make it more difficult for poor children to grow into productive individuals. We cannot support reform that destroys the structures, ends entitlements, and eliminates resources that have provided an essential safety net for vulnerable children or permits states to reduce their commitment in these areas. Society has a responsibility to help meet the needs of those who cannot care for themselves especially young children. In the absence of cash benefits, vouchers would provide essential support for poor children.

(3) FOOD AND NUTRITION

We urge the Senate to remove the optional state block grant and reduce the cuts in food stamps. The Senate bill cuts more than $25 billion in food assistance to poor children and families, permits a state block grant of the federal food stamp program, and cuts single adults (18–50) from food stamps even if they have made every effort to find a job or a training slot.

We cannot support "reform" that eliminates resources that have provided an essential safety net for vulnerable families and children. Over half the cuts in this bill are in the Food Stamp program. These cuts will likely create an even greater burden on children and families when coupled with other changes called for in this bill. The optional food stamp block grant also troubles us. These fixed payments will make it difficult for states to respond to increased need in times of economic downturns.

(4) EARNED INCOME TAX CREDIT

We urge the Senate to reduce the cuts in the EITC. S 1795, as passed by the Finance Committee, includes $5 billion in EITC cuts, nearly 40% coming from the credit for low-income working families without significant assets. These reductions would affect nearly five million families with children.

We support real welfare reform which leads to productive work with wages and benefits that permit a family to live in dignity. Real jobs at decent wages, and tax policies like an effective Earned Income Tax Credit [EITC], can help keep families off welfare.

(4) LEGAL IMMIGRANTS

We urge the Senate to permit legal immigrants to receive essential benefits and at the very least to receive health care through Medicaid. The Senate bill denies assistance to all legal immigrants in "means-tested programs" (i.e., AFDC, Medicaid, Food Stamps). We urge the Senate to reject this unfair provision and, at least, substitute the less punitive restrictions contained in the recently passed Immigration bill (i.e., permit Medicaid assistance, etc.).

We cannot support punitive approaches that target immigrants, including legal residents, and take away the minimal benefits that they now receive. The provisions in the Immigration and Reform Act of 1995 [H.R. 2202] would at least leave fewer families and children without essential health care and cash supports, even though these provisions go beyond what the bishops would support.

In summary, we urge you to support genuine welfare reform, not this legislation which simply reduces resources and reallocates responsibilities without adequately protecting children and helping families overcome poverty. Without substantial changes, this legislation falls short of the criteria for welfare reform articulated by the nation's Roman Catholic bishops and we urge you to oppose it.

Sincerely,

Rev. WILLIAM S. SKYLSTAD,
Bishop of Spokane,
Chair, Domestic Policy Committee.

Mr. FORD. Mr. President, the Catholic Conference of Kentucky has written a letter endorsing and supporting my amendment. I ask unanimous consent it be printed in the RECORD, also.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CATHOLIC CONFERENCE OF KENTUCKY,
Frankfort, KY, July 19, 1996.

Senator WENDELL FORD,
Senate Office Building, Washington, DC.

DEAR SENATOR FORD: As you are well aware from previous correspondence with the Catholic Conference of Kentucky, the Bishops have major concerns about the welfare reform legislation which passed the House on Thursday. The United States Catholic Conference Office of Government Liaison has informed staff that the Senate is expected to take this up immediately. On behalf of the Bishops, I'd like to touch upon key issues with you.

The Family Cap, which your voting record has been perfect on, will prohibit states from using federal funds to provide cash assistance to children born to current welfare recipients. The "opt-out" provision is virtually a federal mandatory cap. We ask you to continue to support removing this prohibition on Kentucky's use of federal funds for Kentucky's children.

The Social Safety Net would no longer exist as this bill ends the guarantee of basic assistance to poor children and families. Please support any amendments which would allow Kentucky to meet their needs through continued support either as cash payments or vouchers when they reach the time limit.

The Food Stamp program would experience massive spending reductions. Please support any amendments to remove the optional food stamp block grant and ease the harshness of the provision which terminates food stamps to individuals, 18 to 50 years old, who cannot find work.

Legal immigrants would be denied benefits when, despite their contributions through work and taxes, they fall on hard times. Please support any amendments which would permit legal immigrants to receive benefits and, at the very least, to receive health care though Medicaid.

We know that the debate will be heated and the rhetoric will flow, but we know that Kentuckians can look to their Senior Senator for balance. Thanks so much for your consideration of these matters and for all that you do for us in Washington, D.C. Please do not hesitate to call if you have questions concerning any of this. See you at Fancy Farm!

Sincerely,

JANE J. CHILES.

Mr. FORD. So, Mr. President, I think this amendment moves us closer to compromise. I urge the adoption of my amendment. As I said earlier, this is one that ought to be accepted. The distinguished former Governor of New Hampshire, on the floor of the Senate last week said, as it related to the

Breaux amendment, he did not like the first half, but the second half of the amendment he liked very much, which is basically the amendment I offered here today.

I yield the floor.

The PRESIDENT pro tempore. The distinguished chairman of the Budget Committee is recognized.

Mr. DOMENICI. Mr. President, as I understand it, nothing we are doing here today precludes us from raising a point of order on this amendment?

The PRESIDENT pro tempore. The Senator is correct.

Mr. DOMENICI. If one lies. We are not sure at this point. We are going to go see if it does.

Mr. FORD. If I may say to my friend, Mr. President, the point of order would lie against the Breaux amendment. But in talking with the Parliamentarian and others, this particular amendment would not have a point of order against it. I hope the Senator would not do that.

Mr. DOMENICI. We are not going to do that unless it lies. If it lies, we will do that.

Mr. FORD. Fine. Let us find out.

Mr. DOMENICI. Let me say, the arguments have been made more eloquently than I can make them. As I understand it, tomorrow, when this matter comes up for a vote, we will each have a minute to respond. I think I will not respond at this point other than to say clearly there are benefits beyond the cash assistance benefit that is being modified here. That program called AFDC, the cash assistance, we are trying to terminate that as a way of life after 5 years. That does not mean that other programs that assist people who are poor, including poor children, are terminated by this bill. So voucher-type programs in the housing area and others are still going to be available.

The question is, Do you want to break the cycle of dependency in this basic AFDC Program at 5 years, or do you want to break that and then start up another one? That is the issue. Do you want to start up a whole new bureaucracy of vouchers and the like, or do you want to break that dependency and get on with changing the very culture of the welfare system.

I think part of that is what this amendment addresses. We will have to decide as a Senate what we want to do about that.

I yield back any time I have in opposition to the amendment at this point. I assume the Senator is going to yield his back shortly, I say to my colleague?

Mr. FORD. Yes, I will.

The PRESIDENT pro tempore. The distinguished Democratic whip is recognized.

Mr. FORD. Mr. President, flexibility by the Governors of the various States, I think, is very important. Regarding the Governors who will be responsible for this, their association has asked they be allowed to do this without being cut off.

Last week they said this amendment would be unnecessary because States can already use title XX money, the social services block grant, to fund these vouchers. Social services block grant, title XX, is simply inadequate to meet those needs. Title XX has been funded at essentially the same level since 1991. There is a greater demand on these funds today than ever before.

Title XX funds are used to provide—now listen to this—title XX funds are used to provide aid to the homebound elderly. What the opponents of this amendment are saying to States is: Choose between your homebound elderly and your poorest children, but do not expect any State flexibility to use your welfare block grant. That is what they are saying.

I have never seen and heard people being against poor children as I have heard for the last several days. Everyone says to Governors, to whom we want to give flexibility and give this block grant to, that you cannot have flexibility with children. It just does not make sense. I have been a Governor. We have had hard times. My State is one of the States that has not asked for a waiver. Our welfare rolls are down 23 percent. It is because of the economy, basically. We still have about 14 or 15 counties that are in double-digit unemployment. They have problems.

What if we have an economic downturn? We are going to need all the flexibility in the States we can have. But we come here and listen, day after day after day: "There are other programs you can use. You can use title XX," the Republicans said last week. But that is aid to the homebound elderly. Are you going to force a Governor to make the decision between the homebound elderly and our poorest children? Do not expect any State flexibility to use your welfare block grant, Governor.

Title XX block grants are also used for preventing or remedying neglect, abuse, exploitation of children unable to protect their own interests, like preventing or reducing inappropriate institutional care by providing community-based or home-based care, or other alternatives. That is title XX.

Why not give the Governors and the States the flexibility they are asking for? All we are doing is just returning this bill to the same position as H.R. 4, in the last session, that most people on the other side voted for.

Now we say, "Oh, they've got other places." This bill allows States to exempt 20 percent of the welfare rolls, it does not count time spent on welfare as a minor—it allows all these things. But after 5 years, you are through. Period.

If you are going to give them the welfare block grant, they ought to have an opportunity. It is just beyond me, after you work your heart out to try to eliminate poverty in your State and your counties and your cities and you know what needs to be done, that we say up here, for sound bites—sound bites—we are going to give it back to the States, but we are going to tell the States how to do it. That does not make sense to a former Governor. It does not make sense. If you are going to put the responsibility on my back, if you are going to put the responsibility on a Governor somewhere, give him the ability to make decisions and not strip him of that ability, do not keep him in a box where he cannot reach out and help children.

That is all I am asking for, Mr. President, is the ability of a Governor to have flexibility to use the money that we send to him, and it will be shorter than it is this year. Do not kid yourself about title XX. It has not been increased in 5 years. It is the same amount of money, and we are growing—more people. The percentage of elderly is growing every year, but we are not sending any more money. It is the same amount. It has been level, it has been flat for 5 years, and they say, take it out of title XX, take it out of homebound elderly, and give it to the poorest of children? That is a heck of a choice to give to an individual who has the responsibility of leading his State.

So, Mr. President, I hope that my colleagues will join with me in saying to those Governors out there, "We're going to give you a very heavy load to carry, and that load is trying to work out welfare reform and make it work in your State." Let's not handcuff him or her. Let's give him or her the flexibility to do what is in the best interest, particularly for children.

I yield the floor.

I yield back the remainder of my time.

Mr. DOMENICI addressed the Chair.

The PRESIDENT pro tempore. The distinguished chairman of the Budget Committee.

Mr. DOMENICI. I yield back the remainder of my time.

I gather now, under previous arrangements, Senator ASHCROFT is going to offer an amendment. Mr. President, is the Senator ready?

Mr. ASHCROFT. Yes, I am.

The PRESIDENT pro tempore. The junior Senator from Missouri is recognized.

Mr. FORD. Will the Senator yield for 10 seconds? I apologize for this.

Mr. ASHCROFT. No problem at all.

Mr. FORD. Mr. President, I ask unanimous consent that Senator REID be added as a cosponsor of my amendment.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. FORD. I thank the Senator from Missouri.

The PRESIDENT pro tempore. The able Senator from Missouri is recognized.

AMENDMENT NO. 4941

(Purpose: To provide that a family may not receive TANF assistance for more than 24 consecutive months at a time unless an adult in the family is working or a State exempts an adult in the family from working for reasons of hardship, and that a family may not receive TANF assistance if the family includes an adult who fails to ensure that their minor dependent children attend school or such adult does not have, or is not working toward attaining, a high school diploma or its equivalent)

Mr. ASHCROFT. Mr. President, I send an amendment to the desk for consideration.

The PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

The Senator from Missouri [Mr. ASHCROFT] proposes an amendment numbered 4941.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The amendment is as follows:

Strike section 408(a)(8) of the Social Security Act, as added by section 2103(a)(1), and insert the following:

(8) NO ASSISTANCE FOR MORE THAN 5 YEARS; FOR FAILURE TO ENSURE MINOR DEPENDENT CHILDREN ARE IN SCHOOL; OR FOR FAILING TO HAVE OR WORK TOWARD A HIGH SCHOOL DIPLOMA OR ITS EQUIVALENT.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), a State to which a grant is made under section 403 shall not use any part of the grant to provide assistance—

(i) to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government—

(I) for 60 months (whether or not consecutive) after the date the State program funded under this part commences; or

(II) for more than 24 consecutive months after the date the State program funded under this part commences unless such adult is engaged in work as required by section 402(a)(1)(A)(ii) or exempted by the State by reason of hardship pursuant to subparagraph (C); or,

(ii) to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, unless such adult ensures that the minor dependent children of such adult attend school as required by the law of the State in which the minor children reside; or,

(iii) to a family that includes an adult who is older than age 20 and younger than age 51 who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, if such adult does not have, or is not working toward attaining, a secondary school diploma or its recognized equivalent unless such adult has been determined in the judgment of medical, psychiatric, or other appropriate professionals to lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

(B) MINOR CHILD EXCEPTION.—In determining the number of months for which an individual who is a parent or pregnant has received assistance under the State program funded under this part for purposes of subparagraph (A)(i), the State shall disregard any month for which such assistance was provided with respect to the individual and during which the individual was—

(i) a minor child; and

(ii) not the head of a household or married to the head of a household.

(C) HARDSHIP EXCEPTION.—

(i) IN GENERAL.—The State may exempt a family from the application of subparagraph (A) of this paragraph, or subparagraph (B) of paragraph (1), by reason of hardship or if the family includes an individual who has been battered or subjected to extreme cruelty.

(ii) LIMITATION.—The number of families with respect to which an exemption made by a State under clause (i) is in effect for a fiscal year shall not exceed 20 percent of the average monthly number of families to which assistance is provided under the State program funded under this part.

(iii) BATTERED OR SUBJECT TO EXTREME CRUELTY DEFINED.—For purposes of clause (i), an individual has been battered or subjected to extreme cruelty if the individual has been subjected to—

(I) physical acts that resulted in, or threatened to result in, physical injury to the individual;

(II) sexual abuse;

(III) sexual activity involving a dependent child;

(IV) being forced as the caretaker relative of a dependent child to engage in nonconsensual acts or activities;

(V) threats of, or attempts at, physical or sexual abuse;

(VI) mental abuse; or

(VII) neglect or deprivation of medical care.

(D) RULE OF INTERPRETATION.—Subparagraph (A)(i) of this paragraph and subparagraph (B) of paragraph (1) shall not be interpreted to require any State to provided assistance to any individual for any period of time under the State program funded under this part.

Mr. DOMENICI. Mr. President, I say to the Senator from Missouri, do we have a copy of the Senator's amendment?

Mr. ASHCROFT. The Senator will be pleased to send a copy of the amendment to the Senator from New Mexico.

The Senator from Missouri inquires, should we be operating under a time agreement here?

Mr. DOMENICI. We do not have to. I know of no other Senator prepared to offer an amendment. Take as much time as you like. You are entitled to an hour.

Mr. ASHCROFT. I am sure we will be able to accomplish what we need to accomplish in substantially less time.

Mr. President, thank you for this opportunity to offer an amendment. I believe that it is important for us in this Congress, and in the bill which is before the Senate, to change the character of welfare. That is the challenge which is before us. We have to change a system which has provided people with a condition—a condition of dependence, a condition of relying on others, a condition which has been a trap—and we need to change welfare from being a condition to being a transition.

The welfare situation should be a time when we prepare ourselves for the next step in our lives, when we prepare ourselves to be out of dependence and out of reliance on others, we prepare ourselves to be industrious, to be independent and reliant upon ourselves.

Welfare cannot be something that is a lifestyle. It has to be something that is just for a while. It has to be something that moves us forward. I believe there are fundamental components of this bill which will do that, but we can enhance them substantially in their capacity to change the character of welfare, to change it from a way of life, to change it to a way of escape, to change it from a lifestyle, to change it to being a transition, to change it from a condition to being a transition.

Mr. President, according to Senator MOYNIHAN, the average welfare recipient spends 12.98 years on the rolls. That is a substantial and monumental waste of human resource. We have individuals who are reliant, who are dependent, whose level of contribution and productivity in our culture is very, very, very low, and that 12 years is a teaching time as well as a time of existence.

Unfortunately, that 12 years becomes a time when young people are taught dependence instead of independence. They are taught reliance on Government instead of self-reliance.

One of the things we should ask ourselves about everything we do in Government is: What does it teach? What does it reinforce? What basic principles and values are advanced by it? And a welfare system that provides for 12.98 years as the average time a welfare recipient spends on the rolls—what about those that are on there longer? This is not teaching something that is valuable to our culture. We need to be reinforcing, providing incentives for support for a system that does not institute a condition for life, making a career of welfare, but energizes a transition for life, leaving welfare and going to work.

The 12.98 years is reflected in the fact that we have had soaring rates in the kind of social conditions that intensify the challenge and the condition of welfare—a 600-percent increase in illegitimacy over the last three decades. I think we can agree that the welfare system we now have is a miserable failure, but if we do not build into this system things to change the outcomes, we are going to end up with the same problems just being tougher and tougher to solve.

Industrialist friends of mine tell me that whatever system you have, you can be assured that it is perfectly designed to give you what you are getting, and if you do not like what you are getting, you need to change the system.

This welfare bill that we are debating today will shorten the time from 12.98

years down. It will limit most welfare recipients to a 5-year lifetime limit on temporary assistance to needy families.

The big challenge of the 12-year problem is, What kind of habits do you build in 12 years?

I suspect that if you involve yourself in a routine for 12 years, it is very difficult ever to break that routine. Sociologists tell us, if you want to lose weight—that is one of the things I want to do—they say you have to change your habits for about 6 or 7 weeks in order to have a new habit of diet, a new way to consume food. We are talking about changing habits that people have hardened for 12.98 years on average.

One of the problems I have is that we have said we are going to change this by shortening the time period to 5 years. Well, 5 years will build a habit which is so strong that it is almost impossible to break. I think we need to find a way to restructure the system so that everyone looks at that 5-year period as if it is an insurance policy and they do not want to take any more out of that bank of 5 years than they need to at the moment because there might come a time sometime later in life when they would have a desperate need for assistance. I believe that is what we need to do.

So we need to help people understand that there is 5 years. That is a lifetime limit. You should only draw from that savings account or reserve for emergencies what you desperately need and not use that 5 years as a way to create the habit of dependence which will be almost impossible for you to break.

But this bill would allow for most individuals 5 years—5 years—without work. Five years without work would build such a habit that I believe we would nearly disable the individuals, as we have with our current system.

I was stunned when I read in one of my home State papers last year that there was an experiment under a waiver granted by the Federal Government where they invited 140 welfare recipients to show up at a Tyson Foods plant. Only half of them showed up for work. They were invited to come in to look for a job. Of the half that showed up, only 39 accepted jobs. Of the 39 that accepted jobs, fewer than 30 were on the job a week after.

See, what we have done is we have built habits. We have established a condition for welfare. We do not have welfare as a transition, as a place of movement; it has become a place of repose. I believe we need to change that. For us to say that, even under this bill, which is a significant reform, for us to say that we would allow people to have 5 straight years without work, where your self-esteem or your skills, your motivation would atrophy, would wither—if you do not use a muscle for 5 weeks, it gets weak. If you do not use it for 5 months, it almost disappears. If you do not use it for 5 years, it is gone.

We have here the most important muscle in human character—self-esteem, skills, motivations. We are still providing in this bill that for as long as 5 years you can simply be there not working. The bill, as it stands, requires 15 percent of the unexempted population to work in the first year period, and 25 percent in the second year period—25 percent. That is one out of four. So for three out of four, they could go right by the first 2-year period and not even be involved in work.

I believe, though, as a result of this, that welfare recipients, other than that 25 percent who actually went to work, could just choose to coast along for the full 5 years of benefits with no additional incentive to get a job. I think that is where this bill needs correction. It needs dramatic correction.

I propose to amend this welfare bill to allow welfare recipients, able-bodied welfare recipients without infant children, to collect only 24 months of consecutive temporary assistance-to-needy-families benefits. At the end of those 2 years, if the recipient still refuses to work, I say, cut the benefit. What this really does is not result in cut benefits; this results in more people being willing to work.

Instead of saying to an individual who gets on welfare, if you work the system, you can last for 5 years, create the habits of reliance, create the habits of repose, reject the habits of industry and work; this would basically say, you better get to work, learning to get a job right away, because after 2 years, in spite of the fact that there is a 5-year lifetime limit, there is a 24-month consecutive receipt-of-benefit limit for able-bodied adults without infant children.

If a welfare recipient then decides not to work in the 2-year time span, the payment would cease. By doing this, we simply hope to inject a concept which is too novel which ought to be commonplace. That is the concept that work is beneficial and that it pays better and is better than welfare. Otherwise, we are simply going to be tempting people to stay on and approximate, or approach at least, as much as they can of the 12.98 years of time on welfare, which is now a debilitating and disabling influence in the American culture for too many Americans.

Our intention is to leave the time period between any times you consume your 24 consecutive months total up to the States, so that recipients could not leave the welfare rolls and sign up again a week later. I think States could make these judgments about what kind of interval that would be needed between the 24-month periods. Our central point, our responsibility here, is to say that we want to provide as part of the structure of our reform the energy to change, legislation that changes welfare from being a lifestyle to being a transition. We want to start to energize a commitment on the part of recipients to make the changes in the way they live so that they avoid prolonged exposures to the welfare system and find themselves at an earlier time being capable of sustaining themselves.

We want welfare recipients to look at this 5-year period as a lifetime cushion, not to be consumed in the first need or the second need, hopefully never to be consumed. Our objective should be that no one ever bumps the 5-year limit. Our objective should be that we energize people to go to work so quickly and so enthusiastically that they maintain their reserve to the day they die.

Permitting able-bodied welfare recipients to remain on assistance for a straight 5-year-long block of time simply would reinforce, reteach, perpetuate, and underscore the current cycle of dependence. We need to stop this cycle of dependence, not just for individuals, but for what it teaches to our children. Welfare has become an intergenerational phenomenon, where people are on so long that their children grow up knowing only one lifestyle—it is welfare. By limiting the uninterrupted block of time that welfare recipients remain on the rolls, we will reduce the level of dependence on government assistance.

Welfare can be habit forming, and has been habit forming. It can be addictive. It can be destructive, and it has been. We need to take the structural components of the welfare system, which are dehumanizing, demeaning and disabling, out of the system. We need to energize each individual to view welfare as transitional. We should do that by saying there can be no more than 24 consecutive months on welfare for any able-bodied individual without infant children, unless they will work.

I just indicate that on Tuesday of this last week President Clinton ordered that in case we do not pass welfare reform in the next few months, the Department of Health and Human Services will give States the power to cut off benefits if an able-bodied adult refuses to work after 2 years. This is not a Draconian message. This is a message and this is a concept called for by the President of the United States.

For us to deliver a welfare system back to the American people which reinforces, underlines, and strengthens the bad habit of long-term dependency would not only be an affront to the American people, but it would be our failure to respond to a President who has asked us to do much better. There is something much better that we should be doing, and something we can do. If we want to break the long-term aspects, the intergenerational aspects of welfare, we have to be a part of this teaching idea in a real way.

When I was Governor of the State of Missouri and I had the great privilege of serving the people of my State, we came to Washington to ask for a waiver, a waiver from the regulations of the Federal Government. The waiver was simply this: We said, please give Missouri the right to say to welfare recipients, if you do not make sure your kids are in school, you will not get your full benefit. It was a way of saying welfare is not a place where you can throw responsibility to the wind. It was a way of saying, if you are a parent, you have to be responsible for at least some fundamental basic things, like getting your kids to school, because we do not want your kids to stay at home and learn welfare, we want your kids to go to school and learn how to be productive. We were able to get that waiver. The program was called People Attaining Self-Sufficiency, PASS. PASS had some reference to school. We wanted kids to pass in school by having good attendance.

I think there is another part of the structure of welfare reform that we should embrace as we send the bill to the President of the United States. We should not have to have States coming to Washington, waiting 2 or 3 years, filling out enough paperwork to choke a horse in order to have the privilege of saying to people, "We expect you to make sure your kids are in school or we are not going to make sure your check is in the mail." It is that simple. It is very fundamental. If you are on welfare, your kids should be in school, because it is especially important to break the intergenerational chain of dependence. Part of this measure is to make sure we say to the individuals, "You have some responsibility."

Another important concept of this amendment is that it would allow States to require temporary assistance to needy families and food stamp recipients to either have a high school education or work toward attaining a high school education. It is my judgment that it is not very realistic to say to people, "We are sending you to work, but you do not have to have the kind of fundamental and basic skills that come from education." I am not talking about worker training here, I am talking about education. I am talking about the fact that an educated person can read the manual and train himself or herself. I am talking about the fundamental responsibility of culture, not the responsibility of a business to train people to do its business. I am talking about the fundamental responsibility of a culture to train its citizens by way of education.

Education is different, really, from training. Education is the basis upon which training builds. A person who cannot read or write will have a hard time, no matter how much training she gets. I believe if a person is going to be receiving this assistance that we need to say to them, "You are going to have to invest in yourself to the extent of having a high school education or a general equivalency diploma. The truth of the matter is you have a responsibility, and you have to be prepared to meet that responsibility."

As a matter of fact, this is a far more important thing than it has ever been before, because once we put a time limit on these matters, we need to energize people to be ready in order to fend for themselves when the time limit has expired. I hope we will have a 2-year time length on consecutive months of benefits, 24 months, and I believe in a 5-year lifetime benefit, as well. With that in mind we will have to make sure that people can fend for themselves at the expiration of that time.

Mr. President, I reserve the balance of my time, but I am happy to yield back my time on the amendment when all time is ready to be yielded back.

Mr. LEAHY. Mr. President, I see the distinguished chairman of the Budget Committee on the floor; is he seeking recognition?

Mr. DOMENICI. I wondered who on the Democratic side was going to oppose this amendment.

Mr. LEAHY. Mr. President, I was going to make a general statement. I will be introducing an amendment later. I was going to be making a short but general statement, if there is no objection to that.

Mr. DOMENICI. Mr. President, might I ask staff, perhaps they could confer with Senator LEAHY.

Is there somebody on your side that wants to respond to this amendment?

Mr. LEAHY. Mr. President, I say to the distinguished Senator from New Mexico, I came to the floor because there was not anybody on the floor at this moment. I notice there that have been some quorum calls. I thought rather than hold up anything later on, as I would take probably less time than it would take now in discussing this, if I could just make a couple of comments about the nutrition aspects of the reconciliation bill.

Mr. DOMENICI. Mr. President, I have no objection if the distinguished Senator from Missouri has no objection to temporarily setting this aside while the Senator from Vermont proceeds.

Mr. LEAHY. Mr. President, I wish to speak just briefly on matters involving nutrition aspects of the reconciliation bill. I will, later on, have amendments in that regard. It seems like this was a good time to speak.

Mr. DOMENICI. Mr. President, we need not set anything aside, but give him unanimous consent to proceed on a matter not related to this amendment.

The PRESIDING OFFICER (Mr. MCCAIN). The unanimous-consent request by the Senator from New Mexico is agreed to, and the Senator from Vermont is recognized to speak.

Mr. LEAHY. I thank my distinguished friend from New Mexico, the distinguished Presiding Officer from Arizona, and the distinguished Senator from Missouri.

Mr. President, my message today is very simple—my concern is that the nutrition cuts in the reconciliation bill are going to make children go hungry if they are allowed to stay as they are.

At the beginning of this Congress, I attacked some of those people with the Contract With America crowd because they wanted to repeal the School Lunch Act, at that time in the name of balancing the budget. I also attacked them because they wanted to repeal the school breakfast program and then they wanted to repeal the summer food service program. I am not sure why they did that, but it was interesting to see how the American public reacted. They reacted with outrage.

Now I am afraid that the same American public is being fooled, because these nutrition cuts are now being made in a reconciliation bill. The same nutrition cuts that could not be made frontally are going to be made indirectly in the reconciliation bill.

It appears to me that the Contract With America crowd has totally abandoned its effort to balance the budget. Now they will settle for just taking food from children. The amendment to strike Medicaid without an offset means that senior citizens vote, but it shows they understand that children do not vote. If children could vote, there is no doubt in my mind these nutrition cuts would not be in this bill. In fact, if children could vote, the nutrition cuts that cut the school lunch, school breakfast, and summer reading programs would not even be attempted.

Nationwide, the nutrition cuts will take the equivalent of 20 billion meals from low-income families over the next 6 years. Children do not have political PAC's. Children do not vote. But now we find out what happens, children are the ones that will be hurt by these cuts.

If these cuts had something to do with balancing the budget, or were part of a larger effort to balance the budget, that would at least provide some justification. These programs that the Republican majority propose in child care food programs, these cuts hurt preschool-age children in day care homes in my home State of Vermont and in the rest of the Nation. Families with children will absorb at least 70 percent of the food stamp reductions. The impact on Vermont will be significant. The average food stamp benefit will drop to 65 cents per person per meal. Defy anybody to eat at 65 cents per meal. I think parents will have a very difficult time feeding hungry children on a 65-cent budget. I remember my three children when they were going up could eat you out of house and home. They certainly could not be fed on 65 cents a meal.

Most of these food stamp cuts are done cleverly. There is $23 billion that comes from provisions that alter the mathematical factors and formula used in computer software, so nobody sees or figures it out. But the end result is there are lower benefits for children.

Children will go hungry because new computer programs are used. These hungry children will not even know they have been reformed; neither will their parents. All they will know is they are going to be a lot, lot hungrier once the computers turn on.

Over 95 percent of the cuts in nutrition programs are unrelated to welfare reform. Most cuts are simply implemented by computer software. I do not know how that represents reform—unless somebody feels that a computer can think and feed and knows hunger, and a computer can recognize hungry children.

In fact, in a couple of years, hunger among Vermont children will dramatically increase under this bill. As it is now written in the nutrition areas, it is antifamily, antichild, it is mean-spirited, and it is really beneath what a great country should stand for. It takes food from children, and it does virtually nothing to reform or improve nutrition programs. In fact, it is not even an attempt to balance the budget, so we can at least say we are doing that for the children in future years.

A lot of talk was made last year about the Contract With America and about how the budget will be balanced with real cuts. I said at that time that I did not think the people who were "talking that talk" would "walk the walk" by making the real cuts. I was right.

That net result of this Congress will be that the Agriculture Committee baseline is greatly reduced, and that other committees will get away without contributing a penny, let alone their fair share, toward balancing the budget. But what that means is, when it works its way down, it works its way down to children. Why? As I said before, children do not vote, children do not contribute to PAC's, children do not hire lobbyists, children do not get involved in campaigns. So children will go hungry. It is as simple as that. Everybody else gets protected.

The distinguished chairman of the Budget Committee was on the floor here a minute ago. I remember when he came before the Agriculture Committee in 1990. He called the Food Stamp Program "the backbone of our way of helping the needy in this country." I agreed with Senator DOMENICI when he said that. But now that backbone is being broken in this bill. In a couple of years, there will be a stream of news stories about hungry children standing in lines at soup kitchens, because over 80 percent of food stamp benefits go to families with children.

Let us not have a bill that punishes children because they cannot vote. Let us do what the distinguished Senator from New Mexico said in 1990. Let us remember our children. Let us remember the Food Stamp Program, which, as he said so eloquently, "is the backbone of our way of helping the needy in this country."

So, Mr. President, I will have amendments later on to improve this, unless improvements are made before that time. I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I understand that the Democratic side will have no one responding to the Senator from Missouri. If the Senator finishes, he can yield back the remainder of his time, and we will ask that they yield back any time they have, and the Senator's amendment will be final, unless the point of order lies, and the Senator will have time tomorrow to explain it.

I appreciate the comments of the distinguished Senator from Vermont. I say, however, that statements I made with reference to food stamps should not mean that the Senator from New Mexico does not think that, from time to time, we must look at the program, because it is frequently abused and abused in many ways. We have lent ourselves to some of that abuse by the way we have written the law.

I know we are setting about in this bill to reform food stamps and make sure that it is less fraudulently used. But I wanted to make sure that my entire thoughts about it, as I went before the committee in 1990, are at least here in principle in the RECORD today.

Mr. LEAHY. If the Senator will yield on that point, would the Senator from New Mexico agree with me that the Food Stamp Program, properly used, can be of extreme benefit to low-income children.

Mr. DOMENICI. There is no question about it. We do not have a better program——

The PRESIDING OFFICER. I admonish both Senators to observe the rules of the Senate. You must address each other through the Chair.

Mr. LEAHY. I believe I had, Mr. President. I believe I asked if the Senator would yield so I might ask him a question.

The PRESIDING OFFICER. But the Chair did not rule. Without objection, the Senator from Vermont is recognized to ask a question of the Senator from New Mexico.

I think the Senator from Vermont knows the rules.

Mr. LEAHY. Mr. President, I repeat my question to the Senator from New Mexico. Would he not agree that the food stamp proposal, properly used, is extremely helpful in feeding low-income children in this country?

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, I was going to respond to the question.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. DOMENICI. Certainly, I agree. I do not know that we have found a better way, yet, even with all of its faults, to get nutrition into the hands of the poor. I repeat that, however, I think the Senator from Vermont knows that no matter how good it is, it is frequently abused. We sometimes "right it" in ways that make it subject to being abused more so. I only wanted to make that comment. I agree that we have not yet found a better way. Cash benefits do not seem to work as well because, indeed, they are not used for nutritional items. If we keep a tight grasp on making sure they are not fraudulently traded and they are used for nutrition, we do not have anything better yet that I am aware of.

Mr. LEAHY. Mr. President, my point is that we have seen some great changes in the Food Stamp Program, some very significant improvements, over the years. We have seen other improvements that we wait to come forth, like the use of electronic benefit transfer.

I have been very proud to work very closely with the now chairman of the Senate Agriculture Committee and, before that, the ranking member of the Senate Agriculture Committee, the senior Senator from Indiana, in making these improvements. They have saved a lot of money. I also point out that the Food Stamp Program is extremely important.

During the last administration, 40,000 to 45,000 people were added every single week in the 4 years President Bush was President—40,000 to 45,000 every single week for 4 years were added. That is, in over 200 weeks they were added to the food stamp rolls.

Let me just remind my friend from New Mexico and others about this. When we talk about whether this program is utilized in a Republican or Democratic administration, it is a program for everybody. During the Bush administration, every single week, because of the way the economy was, 40,000 people were added, at the taxpayers' expense, to the food stamp rolls.

We have been fortunate with the efforts to balance the budget and improve the economy, and since President Clinton came in, 2 million people have been able to drop from the food stamp rolls, as compared to 40,000 people a week being added in the 200 weeks during the past administration. Two million people have now been taken off in this administration. That is good news for the economy and good news for the taxpayers. But it also points out that in both Democratic and Republican administrations, we should be protecting the Food Stamp Program.

Reform it? Yes. My point is, of course, that a computer program that simply cuts children off without reform is not reform. We should be willing to stand up as legislators and make the tough decisions on how to reform the Food Stamp Program, and not simply say to a computer program: Here, you do it. We cannot totally cut off children because they do not vote, they do not contribute, and they are not part of the political process. They will never complain.

We will not touch anything in areas of senior citizens, or anybody else, because they do vote and they do complain. By golly, those children—tough. Go hungry.

Mr. President, I yield the floor.

The PRESIDING OFFICER (Mr. HATFIELD). Who seeks recognition?

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Thank you, Mr. President. I will make a few remarks about the amendment which I proposed.

I want to reinforce again the concept that we need to change the character of welfare. We need to change welfare from being a condition in which people exist to being a transition from dependency—not only from dependency but long-term dependency—to independence, to work, to growth, and to opportunity. If we are going to do that, we should not acquiesce to a 5-year limit which allows people to go onto welfare and just get on it and stay for 5 years without doing anything. We should require of individuals—or at least provide that States require of individuals—that a number of things be done.

One, we should say no longer can you stay on welfare for more than 24 months in any one stretch without going to work or preparing for work by taking work training and getting an education.

Second, we should say never can you stay on welfare if you do not fulfill your responsibility to send your kids to school. If you are going to be on welfare, your kids ought to be in school. Children who are in school are less of a burden to individuals on welfare than children who are allowed to stay home or otherwise avoid their responsibility.

Third, if we expect people eventually to become self-reliant in their own setting, we are going to have to ask those individuals to have fundamental educational qualifications as well. In my judgment, that is the reason we ought to allow States to require that individuals who are seeking to continue to receive welfare benefits either have or be in the process of attaining the kind of educational qualifications that would come with a high school diploma or a GED.

Mr. President, I ask unanimous consent that all time be yielded back on the amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

AMENDMENT NO. 4942 TO AMENDMENT NO. 4941

(Purpose: To provide that a family may not receive TANF assistance for more than 24 consecutive months at a time unless an adult in the family is working or a State exempts an adult in the family from working for reasons of hardship)

Mr. ASHCROFT. Mr. President, I send my amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Missouri [Mr. ASHCROFT] proposes an amendment numbered 4942 to amendment No. 4941.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In lieu of the matter proposed to be inserted by the amendment, insert the following:

"(8) NO ASSISTANCE FOR MORE THAN 5 YEARS.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), a State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government for 60 months (whether or not consecutive) after the date the State program funded under this part commences. However, a State shall not use any part of such grant to provide assistance to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government for more than 24 consecutive months unless such an adult is—

(i) engaged in work as required by Section 402(a)(1)(A)(ii); or,

(ii) exempted by the State from such 24 consecutive month limitation by reason of hardship, pursuant to subparagraph (C).".

(B) MINOR CHILD EXCEPTION.—In determining the number of months for which an individual who is a parent or pregnant has received assistance under the State program funded under this part for purposes of subparagraph (A), the State shall disregard any month for which such assistance was provided with respect to the individual and during which the individual was—

(i) a minor child; and

(ii) not the head of a household or married to the head of a household.

(C) HARDSHIP EXCEPTION.—

(i) IN GENERAL.—The State may exempt a family from the application of subparagraph (A) of this paragraph, or subparagraph (B) of paragraph (1), by reason of hardship or if the family includes an individual who has been battered or subjected to extreme cruelty.

(ii) LIMITATION.—The number of families with respect to which an exemption made by a State under clause (i) is in effect for a fiscal year shall not exceed 20 percent of the average monthly number of families to which assistance is provided under the State program funded under this part.

(iii) BATTERED OR SUBJECT TO EXTREME CRUELTY DEFINED.—For purposes of clause (i), an individual has been battered or subjected to extreme cruelty if the individual has been subjected to—

(I) physical acts that resulted in, or threatened to result in, physical injury to the individual;

(II) sexual abuse;

(III) sexual activity involving a dependent child;

(IV) being forced as the caretaker relative of a dependent child to engage in nonconsensual acts or activities;

(V) threats of, or attempts at, physical or sexual abuse;

(VI) mental abuse; or

(VII) neglect or deprivation of medical care.

(D) RULE OF INTERPRETATION.—Subparagraph (A) of this paragraph and subparagraph (B) of paragraph (1) shall not be interpreted to require any State to provided assistance to any individual for any period of time under the State program funded under this part.

Mr. ASHCROFT. I ask unanimous consent that all time be yielded back on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4943 TO AMENDMENT NO. 4941

(Purpose: To provide that a state may sanction a family's TANF assistance if the family includes an adult who fails to ensure that their minor dependent children attend school)

Mr. ASHCROFT. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Missouri [Mr. ASHCROFT] proposes an amendment numbered 4943 to amendment No. 4941.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. DOMENICI. I object. I do not know what the amendment is.

Mr. President, I no longer have an objection, if he would renew his request. I understand what he is doing now. I did not understand. I do now.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the language proposed to be inserted by the amendment, strike all after the first word and insert the following:

SANCTION WELFARE RECIPIENTS FOR FAILING TO ENSURE THAT MINOR DEPENDENT CHILDREN ATTEND SCHOOL.—

(A) IN GENERAL.—A State to which a grant is made under section 403 shall not be prohibited from sanctioning a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, if such adult fails to ensure that the minor dependent children of such adult attend school as required by the law of the State in which the minor children reside.

Mr. ASHCROFT. Mr. President, I send an amendment to the desk.

Mr. DOMENICI. Mr. President, without the Senator losing his right to the floor, might I ask unanimous consent to have the privilege of the floor to ask a question of the Senator?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Is it the purpose of the amendment—it is perfectly legitimate and proper—to make sure that there is no second-degree amendment offered to the Senator's amendment?

Mr. ASHCROFT. That is correct.

Mr. DOMENICI. I believe I have authority from the other side. If the Senator wants to propose a unanimous consent request that there be no second-degree amendment, it would be granted. Does the Senator prefer not to do that?

Mr. ASHCROFT. Yes. I would prefer to have the amendment.

AMENDMENT NO. 4944 TO AMENDMENT NO. 4941

(Purpose: To provide that a state may sanction a family's TANF assistance if the family includes an adult who does not have, or is not working toward attaining, a secondary school diploma or its recognized equivalent)

Mr. ASHCROFT. Mr. President, I send an amendment to the desk, and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Missouri [Mr. ASHCROFT] proposes an amendment numbered 4944 to amendment No. 4941.

Mr. ASHCROFT. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the language proposed to be stricken by the amendment, strike all after the first word and insert the following:

REQUIREMENT FOR HIGH SCHOOL DIPLOMA OR EQUIVALENT.—

(A) IN GENERAL.—A State to which a grant is made under section 403 shall not be prohibited from sanctioning a family that includes an adult who is older than age 20 and younger than age 51 and who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, if such adult does not have, or is not working toward attaining, a secondary school diploma or its recognized equivalent unless such adult has been determined in the judgment of medical, psychiatric, or other appropriate professionals to lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

Mr. ASHCROFT. Mr. President, there are three basic thrusts that are undertaken in these amendments. They are the conversion of a system from being a system of conditioning people to be dependent to transitioning people to be at work.

The first thrust is that we would have a 24-consecutive-month limit on welfare for those who refuse to work or get training at the end of the 24 months. It seems to me that is something that the President of the United States called for last week and which we ought to have.

The second component of this strategy is to say that those who are on welfare should have their children in school. It is not something that is unknown or mysterious. The fact of the matter is that high school dropouts average $12,809 a year, a poverty-level standard of living for a family of three. For an individual who has a high school degree, the average is $18,737, a 46-percent higher income than the average for dropouts.

Half of those arrested for drug violations in 1995 did not have a high school diploma. And the preponderance of all crimes, 40 percent of all crimes, were committed by those who did not finish high school. It is time for us to ask those who are involved in the welfare system by way of receiving benefits under temporary assistance to needy families to make sure that their children are in school.

A high school degree is a key to escaping from the welfare trap. Statistics show that it keeps kids out of jail. Every parent has a principal and primary responsibility to make sure their children receive the kinds of fundamentals that will allow them to fend for themselves. Every child can attend school in America. Every child can earn a high school diploma. It costs nothing but commitment and responsibility. Too often this opportunity is ignored—even trashed. Teens drop out of school, grade school, or skip classes. This is a tragic waste of a precious resource, one on which our culture must rely.

All of our Government institutions should do everything possible to ensure that children go to school and earn a degree. Government should certainly not be paying parents to let their kids play hooky and skip school. If you are on welfare, your kids should be in school. Parents should not be co-conspirators in perpetuating their children in a lifetime on and off of welfare, in and out of minimum-wage jobs, and irresponsibility. Children must go to school in order to break the cycle of dependency, to change welfare from being a long-term condition into being a transition.

The amendment that I propose allows States—I repeat, allows States—to sanction welfare recipients of the temporary assistance to needy families that do not ensure that their children are attending school. It also allows States to sanction food stamp recipients who do not send their children to school. Children who graduate from a welfare system should be armed with a degree rather than with a habit of dependence. It is the key to self-reliance and success.

We have watched, as the Nation has watched, the Olympics. We need our full team on the field whenever we play. Even "The Dream Team" would have a tough time if they did not have the entire capacity of the team available as a resource. And yet we allow our citizens sometimes to ask for our help and to persist in receiving it without equipping themselves, without making a commitment to themselves. The last component of my amendments is really a way of saying if you are going to be on welfare, you have to have or be working toward a high school diploma so you can work for yourself and help yourself.

It is no mystery. States may require that temporary assistance to needy families and food stamp recipients work toward attaining a high school diploma or its equivalent as a condition of receiving welfare assistance. This requirement would not apply if an individual was determined in the judgment of medical, psychiatric, or other appropriate professionals to lack the requisite capacity to attain a high school diploma or GED.

During the debate this year in the Senate, Senator SIMON once said, "We can have all the job training in the world, but if we do not face the problem of basic education, we are not going to do what we ought to do for this country."

I cannot agree more with that statement. It does not pay us to provide job training upon job training upon job training when welfare recipients have not achieved proficiency in the fundamental underlying skills of mathematics, English, and reading which provide people with the tools to benefit from job training and to assimilate changes in the job market. We do not have jobs and crafts that do not change. They all have new processes and new procedures. As technology marches on, it is important to make sure that individuals cannot only get the right kind of job training but they possess the fundamental characteristic of being educated in order to be able to take advantage of job training when it comes along.

A person over 18 without a high school diploma averages $12,800 in earnings; with a high school diploma, $18,700 in earnings. A $6,000 difference is the difference between dependence and independence, the difference between self-reliance and reliance on Government. The U.S. Sentencing Commission determined that 40 percent of the individuals who commit crimes are individuals without high school diplomas. The Commission also found that these individuals are responsible for 50 percent of all drug violations. If people are going to receive welfare benefits, they should at least be working toward the fundamental equipping, enabling, freeing achievement of having a high school education.

Mr. President, I would be pleased together with the opponents of this amendment on the other side of the aisle to yield back the remainder of the time.

The PRESIDING OFFICER. The Senator has yielded back the remainder——

Mr. DOMENICI. Mr. President, I need somebody from the other side of the aisle to yield back their time or we cannot proceed with any other amendments.

Mr. CONRAD. We are willing to yield back the time on this side.

The PRESIDING OFFICER. All time has been yielded back.

Mr. DOMENICI. Mr. President, pursuant to the previous understanding, I believe the distinguished Senator is entitled to offer his amendment at this point.

AMENDMENT NO. 4945

(Purpose: To expand State flexibility in order to encourage food stamp recipients to look for work and to prevent hardship)

Mr. CONRAD. Mr. President, I would call up my amendment that is at the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from North Dakota [Mr. CONRAD], for himself and Mr. LEAHY, proposes an amendment numbered 4945.

Mr. CONRAD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 6, strike lines 14 through 16 and insert the following:

Section 5(d)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(7)) is amended by striking "21 years of age or younger" and inserting "19 years of age or younger (17 years of age or younger in fiscal year 2002)".

On page 21, line 3, strike "$5,100" and insert "$4,650".

On page 49, line 3, strike "10" and insert "20".

On page 49, line 12, strike "1 month" and insert "2 months".

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. I thank the Chair.

I am joined in this amendment by my colleague from Vermont, Senator LEAHY, the ranking member of the Senate Agriculture Committee. This amendment addresses a serious problem with the food stamp provisions of the welfare bill that is before us now.

As I describe our amendment, I would like to bring my colleagues' attention to the chart beside me and the number 600,000 because that is the impact of the food stamp provisions before us; 600,000 Americans will lose eligibility each month under the provision that is in the bill before us.

The 600,000 estimated by the Congressional Budget Office is to be the number of people who would be terminated from the Food Stamp Program in any given month because they are unable to find a job within the 4-month time limit provided for in this legislation. Our amendment insists on work, and that is as it should be. But it promotes State flexibility by giving States an option to assist people who would otherwise be at risk of going hungry. Our amendment achieves these goals in two ways. First, the amendment would expand the State option to exercise a hardship exemption. The amendment increases the hardship exemption from 10 percent to 20 percent of the eligible population and makes it consistent with the AFDC block grant.

Simply stated, we are allowing States, instead of being able to declare 10 percent of their eligible population hardship cases not bound by the 4-month limit, to increase that at State option to 20 percent.

Second, the amendment allows States to count job search as work for 2 months instead of the 1 month provided in the bill before us. I want to be clear to my colleagues that the cost of this amendment is fully offset over the 6-year budget period. The Agriculture Committee will still be in full compliance with its budget reconciliation target.

Mr. DOMENICI. Will the Senator yield?

Mr. CONRAD. I would be happy to yield to my colleague if we do not have an interruption.

Mr. DOMENICI. I want to use my time.

Mr. President, in behalf of the distinguished chairman of the Agriculture Committee, I understand the amendment offered by Senator CONRAD allows States to exempt up to 20 percent of the able-bodied 18 to 50-year-olds from the work requirement and allow up to 2 months of job search per year to count as work.

Mr. CONRAD. That is correct.

Mr. DOMENICI. I believe the Food Stamp Program should have a strong work requirement as the Senator has indicated. I am now speaking in behalf of the chairman of the Agriculture Committee. Senator LUGAR understands the Senator's concern about the individuals who are willing to work may be unable to find a job due to circumstances beyond their control. Senator LUGAR continues on that in behalf of the Agriculture Committee, he finds the offsets acceptable and the amendment acceptable.

So at this point I want the Senator to know I am going to yield back all the time we have in opposition and indicate for the RECORD we are willing to accept the amendment.

Mr. CONRAD. I appreciate that from the able manager of the bill. I will just proceed briefly to outline the rationale for the amendment and then yield back our time as well.

Mr. President, everybody here agrees that work is important and that food stamp benefits should be temporary. But the work requirement provision in the pending welfare bill would have the unintended effect of preventing people who want to find work from securing a job. How can my colleagues seriously argue that people can be expected to find a job, to sit through an interview when they have not eaten? It does not work. I understand and support the work ethic in America, but I also believe our society has achieved a level of decency where we will not deny food assistance to people who have been unable to find a job in just 4 months.

The reason I felt it was important to offer this amendment is I have dealt with people who are in this exact circumstance. I remember very well a young fellow who worked construction in my State—very frankly, not the smartest guy in the world, and he had a hard time finding work, but he was able to work construction. He was a strong kid and he was able to work in that way. But the construction season in my state is not very long. You are lucky if you can be in construction 6 months out of the year in North Dakota some years.

This young fellow would work during the construction season, which usually starts in April in North Dakota, but come winter, November, the construction season ended. He was not able to find additional work. And I tell you, he came from a family that had next to nothing. He had next to nothing, lived in a very modest basement apartment, and that fellow needed some help during the winter to eat. That is just the reality of the circumstance.

Under this legislation, after 4 months, that guy would not get any help. Is that really what we want to do in America? Is that really what we want to do? We want to say to somebody, if you cannot find a job in 4 months, you do not get any food assistance? Is that what we have come to in this country? I find that hard to believe.

I really must say to my colleagues, if that is where we are, then something is radically wrong in this country. America is better than that. We are a wealthy nation, with a rich and abundant food supply. We should not knowingly adopt a national policy which promotes hunger. Certainly we should promote work, but not cut people off from food if they have not been able to find a job in 4 months. This amendment gives States the option to provide food for people who are unable to find a job within 4 months, at least 20 percent they can exempt as hardship cases, and they can count 2 months of looking for work as part of work.

As I already mentioned and as the chart serves to remind us, in addition to the number of people cut off the Food Stamp Program because of the tightened eligibility requirements and work registration requirements, the

Congressional Budget Office has estimated the welfare bill before us will cut 600,000 people off of food stamps each month because they cannot find a job within the 4-month time limit. These 600,000 people will then be at risk of going hungry, more worried about finding their next meal than finding a job.

I cannot believe that is what we are about here in the U.S. Senate. According to a study done in 1993, 83 percent of the people who would be affected by this draconian provision are below 50 percent of the poverty line. We are talking about folks who do not have anything. Now we are going to say to them, "If you do not get a job within 4 months, you do not get to eat"? I cannot believe we are going to do that.

I am all for strong work requirements. I introduced my own welfare reform bill that had the toughest work requirements of any bill before us. But this is not a work provision. This is a hunger provision. We are talking about food for people who cannot find a job. I think it is entirely reasonable to give States the option to continue food stamp coverage for an additional month of intensive job search, to help make sure that poor people complete the transition from welfare to work.

The Senate-passed welfare reform bill that was supported by 87 Senators contained 6 months of food stamp eligibility for people in this category. Bipartisan efforts to reform the welfare system, including the Chafee-Breaux approach and the Specter-Biden proposal, also contained a 6-month food stamp time limit. These are far more humane and realistic provisions.

Mr. President, for those who think the majority of people affected by this provision are just scamming the system and are not interested in working, let me put this in perspective by translating it into dollar terms. Under the Food Stamp Program, the maximum level of benefits for a single person is $119 a month. That is about $4 a day. The Congressional Budget Office estimates that every one of the 600,000 who cannot find a job would accept job training or a work slot if one was available through the Food Stamp Employment Training Program. These 600,000 people are, consequently, receiving less than $4 a day in food stamps.

I ask my colleagues to think seriously about what this means, less than $4 a day in food stamps. Does it not make sense if there were actually minimum wage jobs available for $4.25 an hour that individuals would work at these jobs? Why would anyone trade a $4.25-an-hour job for $4 a day in food stamps? I do not think the vast majority of people would make that kind of trade. Clearly, we are talking about circumstances in which those jobs are not available. People cannot find those jobs. This is not a case of they are better off taking welfare than taking a job for $4 in food assistance. You would be much better off, clearly, with $4 an hour in a job.

Before I close, I want to spend just a minute talking about the hardship exemption. Again, I share the view of those who believe we must set limits and push people from welfare to work. But I think it is important to recognize there are people who just do not have the skills to find a job, or else have some personal hardship that means they will not be employed after 4 months on food stamps. Every one of us know people who, frankly, are marginal in the employment arena. They cannot find work. They are not educated, they are not trained, they may have one or more disabilities.

It is important, I think, also, to consider the devastating effects of natural disasters or economic downturn on a particular area, which may make it difficult for people to find employment in 4 months. If you have a natural disaster like a hurricane, tornado, earthquake, or a series of disasters as we have seen in California, all of a sudden an area may not have much in the way of employment. People may not be able to find a job.

I think it is also important for us to understand this issue affects urban areas and could cause increased tensions in some of America's biggest cities. A recent study showed that for every McDonald's opening in New York City, there were 14 applicants. They wanted to work, wanted to have a job. For whatever reason, they were not able to find a job. That circumstance has improved because the national economy has improved, but we all know the economy is subjected to cycles. Sometimes it is good and strong and sometimes it is not so good, not so strong.

What are we going to say to people who cannot find a job after 4 months? We are going to deny them food stamps? What are we telling them? Telling them to go to the garbage can to find something to eat?

I have people right now going through my neighborhood who are looking in garbage cans trying to find something to eat, and my neighborhood in this town is eight blocks from where we are right now, eight blocks due east of the Capitol of the United States. I have people every day going through my neighborhood, going through garbage cans. If we want more of it, I suppose we just stick with what is in the underlying bill.

I might say it is not just urban areas, but rural areas as well. There are parts of my State which have very low populations, small communities, and jobs are scarce in some of these areas. An individual who has worked hard for 20 years in a small business in a rural area, and maybe that business fails, now this person may be willing to work all night and all day if given the chance, but the harsh reality is he or she may not be able to find a job. The truth of the matter is, it may take more than 4 months for a new business to come to that community.

We need to give States the option to offer food assistance to hard-working people who experience extreme hardship. It is wrong to force States to cut these people off from food assistance. Instead, we should give States the flexibility to continue to provide food stamps to a limited number, up to 20 percent of individuals who face some special hardship, Mr. President, 20 percent of the eligible population, instead of 10 percent that is in the underlying bill.

Mr. President, it may not be politically popular to care about adults who are hungry and cannot find a job, but I want my colleagues to think about what it would be like to be without food. We are not talking here about the luxuries. We are talking about food. It strikes me it is bad policy, and bad for the country, to knowingly create a class of desperate people across the country, struggling for the most basic human necessity, food.

Fundamentally, it does not make sense to deny food to people who are working hard to find a job and cannot find one. These people are less, not more likely to find a job if they are spending their time trying to find their next meal instead of trying to find their next job.

I ask my colleagues to join me in giving States additional flexibility to continue to provide food assistance to people who are unable to find work within the 4 months provided for in this legislation.

Mr. President, I yield the floor.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 4945) was agreed to.

Mr. CONRAD. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

Mr. CONRAD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, I have two amendments by Senator LIEBERMAN which we are going to accept.

AMENDMENT NO. 4946

(Purpose: To add provisions to reduce the incidence of statutory rape)

Mr. DOMENICI. Mr. President, on behalf of Senator LIEBERMAN, I send an amendment to the desk. This amendment has been agreed to on both sides. I ask unanimous consent that it be agreed to and that the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. LIEBERMAN, proposes an amendment numbered 4946.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Section 2101 is amended—

(1) by redesignating paragraphs (7) through (9) as paragraphs (8) through (10), respectively;

(2) in paragraph (10), as so redesignated, by inserting ", and protection of teenage girls from pregnancy as well as predatory sexual behavior" after "birth"; and

(3) by inserting after paragraph (6), the following:

(7) An effective strategy to combat teenage pregnancy must address the issue of male responsibility, including statutory rape culpability and prevention. The increase of teenage pregnancies among the youngest girls is particularly severe and is linked to predatory sexual practices by men who are significantly older.

(A) It is estimated that in the late 1980's the rate for girls age 14 and under giving birth increased 26 percent.

(B) Data indicates that at least half of the children born to teenage mothers are fathered by adult men. Available data suggests that almost 70 percent of births to teenage girls are fathered by men over age 20.

(C) Surveys of teen mothers have revealed that a majority of such mothers have histories of sexual and physical abuse, primarily with older adult men.

Section 402(a)(1)(A) of the Social Security Act, as added by section 2103(a)(1), is amended—

(1) by redesignating clauses (vi) and (vii) as clauses (vii) and (viii), respectively; and

(2) by inserting after clause (v), the following:

"(vi) Conduct a program, designed to reach State and local law enforcement officials, the education system, and relevant counseling services, that provides education and training on the problem of statutory rape so that teenage pregnancy prevention programs may be expanded in scope to include men.

Section 2908 is amended—

(1) by inserting "(a) SENSE OF THE SENATE.—" before "It"; and

(2) by adding at the end the following:

(b) JUSTICE DEPARTMENT PROGRAM ON STATUTORY RAPE.—

(1) ESTABLISHMENT.—Not later than January 1, 1997, the Attorney General shall establish and implement a program that—

(A) studies the linkage between statutory rape and teenage pregnancy, particularly by predatory older men committing repeat offenses; and

(B) educates State and local criminal law enforcement officials on the prevention and prosecution of statutory rape, focusing in particular on the commission of statutory rape by predatory older men committing repeat offenses, and any links to teenage pregnancy.

(c) "VIOLENCE AGAINST WOMEN INITIATIVE.—The Attorney General shall ensure that the Department of Justice's Violence Against Women initiative addresses the issue of statutory rape, particularly the commission of statutory rape by predatory older men committing repeat offenses.

The PRESIDING OFFICER. The amendment is agreed to.

The amendment (No. 4946) was agreed to.

Mr. DOMENICI. Mr. President, that was an amendment to minimize the incidence of statutory rape that is occurring in the United States.

AMENDMENT NO. 4947

(Purpose: To require States which receive grants under title XX of the Social Security Act to dedicate 1 percent of such grants to programs and services for minors)

Mr. DOMENICI. Mr. President, I have a second amendment on behalf of Senator LIEBERMAN. I make the same unanimous-consent request. I ask unanimous consent that this amendment be agreed to and that the motion to reconsider be laid upon the table.

I send the amendment to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. LIEBERMAN, proposes an amendment numbered 4947.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Section 2903 is amended—

(1) by inserting "(a) IN GENERAL.)—" before "Section"; and

(2) by adding at the end the following:

(b) DEDICATION OF BLOCK GRANT SHARE.—Section 2001 of the Social Security Act (42 U.S.C. 1397) is amended—

(1) in the matter of preceding paragraph (1), by inserting "(a)" before "For"; and

(2) by adding at the end the following:

"(b) For any fiscal year in which a State receives an allotment under section 2003, such State shall dedicate an amount equal to 1 percent of such allotment to fund programs and services that teach minors to—

"(1) avoid out-of-wedlock pregnancies; and".

The PRESIDING OFFICER. The amendment is agreed to.

The amendment (No. 4947) was agreed to.

Mr. DOMENICI. Mr. President, the subject matter of this amendment is a 1 percent setaside from the social services block grant which has been agreed to on our side by the respective chairman of the committee.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. If I might ask the manager of the bill, Senator BYRD and I would like to introduce a piece of legislation. Inasmuch as I see no other Member seeking recognition to offer an amendment to the pending business, I ask unanimous consent to proceed as if in morning business with the understanding that if additional amendments become available, we——

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object, could you give us an estimate as to how much time you might use?

Mr. DORGAN. I ask for 30 minutes and would expect not to use the entire 30 minutes.

Mr. DOMENICI. Mr. President, I will not object so long as the Senator would add that the time used, even though it is as in morning business, would be charged against the time remaining on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I thank the Chair.

(The remarks of Mr. DORGAN and Mr. BYRD pertaining to the introduction of S. 1978 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER (Mr. MACK). The Senator from Arkansas.

Mr. BUMPERS. Mr. President, the Senator from Florida, Senator GRAHAM, offered an amendment on behalf of himself and the Senator from Arkansas Friday afternoon. Unhappily, I was not here and did not get a chance to speak on it. I would like to seize the opportunity now to just make a few remarks.

Before doing that, I ask unanimous consent that I be permitted to yield to the Senator from North Dakota to allow him to lay down an amendment without debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4948

(Purpose: To strike provisions relating to the Indian child care set aside)

Mr. DORGAN. Mr. President, I send an amendment to the desk sponsored by myself and cosponsored by Senator MCCAIN and Senator INOUYE.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. DORGAN], for himself, Mr. MCCAIN, and Mr. INOUYE, proposes an amendment numbered 4948.

Mr. DORGAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 2813(1), strike subparagraph (B).

Mr. DORGAN. Mr. President, I intend to discuss this amendment briefly at some point following the presentation by the Senator from Arkansas, and I very much appreciate his indulgence.

Mr. DOMENICI. Mr. President, will the Senator yield for a moment?

Mr. BUMPERS. Yes.

Mr. DOMENICI. This is child support regarding Indians?

We passed it on voice vote on Thursday.

Mr. BUMPERS. Will the Senator repeat that? I am sorry; I did not hear him.

Mr. DOMENICI. I just addressed the amendment sent to the desk.

Mr. DORGAN. It is a different amendment. It deals with the 3 percent set aside, and I do not believe it has been passed.

Mr. DOMENICI. Could we have the amendment?

I thank the Senator.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 4936

Mr. BUMPERS. Mr. President, the amendment being offered by Senator GRAHAM of Florida and me is the same one we offered last year. It might have a few minor changes in it, but essentially it simply says that the block grant formula in this welfare bill should be changed to take into consideration the number of poor children in each State.

I am not very crazy about this bill to begin with, but I cannot possibly vote for a bill that discriminates against the State of Arkansas to the extent this one does. It is not just Arkansas, it is particularly Southern States, but a lot of other States get caught up in it, too.

Under the formula, the District of Columbia will get $4,222 for each welfare recipient and the State of Arkansas will get $390. Why is a child in the District of Columbia worth 11 times as much as a poor child in Arkansas? That is a legitimate question, is it not?

I will tell you the answer. The answer is, through the years, the Federal Government has matched the States to some percentage or another. It is not the same in every State. For example, in my State, because we are a relatively poor State, we get a big match, I think 73 to 75 percent. So for every dollar we put up, we get about $3 from the Federal Government. The District of Columbia does not do quite as well. But the reason the District of Columbia gets such a staggering amount of money per child is because they have used a tremendous amount of their resources to put into the AFDC Program.

That is perfectly laudable and I am not criticizing the District of Columbia. But I will tell you something, and it gives me no joy to say it publicly, I come from a State which has one of the lowest per capita incomes in the Nation. We are a poor State. We have been ever since the War Between the States. We have tried everything in the world and continue to strive to do everything we can to improve the plight of our people. We tried to improve our economy so there would be more jobs and better paying jobs, and in the past several years we have met with some success. But we are not New York, California, or New Jersey in per capita income.

The reason this bill is fundamentally flawed and unfair is because it says to you, the State of Arkansas, this is what you have received for the last 3 years, 1991 through 1994, and that is what you are going to continue to receive. In short, if you were poor, no matter how hard you tried to do better under the AFDC program, if you were poor and simply could not do it, it is tough.

What does this bill do? It says we are locking you in on the basis of what you got during that 3-year period. I do not care if you had floods, tornadoes, if you had a wave of immigrants move into your State, which brings a lot of poverty to States like Florida, you are still going to get what you got for 3 years, on average. There is a little 2½ percent "gimmie" in the bill, but not enough to amount to anything.

One of the things that really is a travesty in this bill is the treatment of AFDC administrative costs. I hate to say these things because I am not jumping on other States. I am simply trying to defend my own. But look what has happened in New York and New Jersey. The nationwide average, in 1994, of administrative costs for administering the program we have now was $53.42. During that same period of time, the average cost of administering the program in New York was $106.68 and in New Jersey $105.26. What do we do under this bill? We lock that administrative cost in and say we will continue to compensate you, no matter how inefficient you may have been.

I am sorry the Senator from West Virginia left the floor. The average administrative cost for administering the AFDC Program in West Virginia is $13.34, and that is what they are going to get through the year 2000 if this bill passes, while New York will be receiving eight times as much. We are going to give them that, lock them in, no matter how inefficient they may be in administering the program.

One of the interesting things about this bill was pointed out in the New York Times this morning. Let us take my State as an example, and let us assume push comes to shove and we are running out of money, we are suddenly not going to be able to continue. The Federal Government says, "That's tough, we gave you the block grant, you have to live with it. We do not care how many poor children you have, we are going to give you what you got as an average between 1991 and 1994, and you will live with it. Do not come back up here with your hand out."

Do you know what they allow the States to do? Kick people off welfare. Each State can make it's work requirements as stringent as they want to make them. What does the Federal Government do in such a case? We do not say, "If you kick those people off welfare we are going to quit giving you the money for that family." We continue to give them the money for the family. So there is an incentive to the States, if they have any difficulty at all with the program, to kick people off, knowing they are going to continue to get the same amount of money.

I do not want to take too much time. I know there is not a lot of time between now and 2 o'clock when we go to the agricultural appropriations bill. But one of the most troubling things about this bill, completely aside from this grossly unfair funding formula, is that I have heard people in the U.S. Senate and in Congress say things that are so punitive in nature. It is as though we are passing this bill to punish people for being poor. You can call that bleeding heart liberalism—call it whatever you want to call it. I am not for keeping people on the welfare cycle. I am for reforming welfare, to make jobs a lot more attractive to those people. I am for reforming welfare so women can have day care for their children and get job training and find a job, preferably one that provides health care so we do not have to pay for Medicaid for them.

But in the debate, just to use my own State as an example, there is sort of the suggestion that the youngsters, the babies that are born in College Station, AR, which is an unspeakably poor area, have the same opportunities as the children born in Pleasant Valley, our most affluent suburb. And everybody who does not happen to make it as well as the people in Pleasant Valley, somehow or another we seem to think they are lowdown.

I said on the floor before and I will say it again, my brother went to Harvard Law School, courtesy of the taxpayers of the United States on the GI bill. We have a little difficult time sometimes discussing these issues, but I remind him that it was more than Harvard Law School that made him successful.

I would not be a U.S. Senator if I had not been able to go to a good law school, like Northwestern, also compliments of the U.S. Government, who paid for all of it, except what Betty made working.

So I remind my brother about the largess of the Federal Government, which I have been trying to pay back all of my life, by thanking the taxpayers, being a good public servant, and doing my dead-level best to make this a better country for my children and grandchildren to grow up in. But I also remind my brother that we were also fortunate because we chose our parents well. These AFDC children did not choose their parents well. Somehow there is a certain vindictiveness, a punitive aspect to this bill toward those children, a lot of whom are going to suffer under the terms of this bill, and suffer a lot, because they had the temerity not to choose their parents well.

So, I do not have any trouble voting against this bill, especially because it discriminates against my State in a totally unacceptable way. I know my State. I was Governor of my State. I know where the money comes from, and I know where it goes. We have areas along the Mississippi River, which we call the delta, and if we are going to pass a bill to alleviate the tax burden on people in the District of Columbia because their people are moving out because of crime or the tax rate or something else, I want to include the delta.

I can tell you, you will not find an inner city in America with more deplorable poverty than you will find in the delta of Mississippi and Arkansas. So I want them to have the same break.

As I say, if we were not struggling to do the best we can, I would not object. But we do not have the money that New York, New Jersey, California, and other States have to put into this program. It is not just Arkansas. Mr. President, your home State of Florida, as you know all too well without me saying it, will lose $1 billion under this bill.

The two Senators from Texas voted against the Graham-Bumpers proposal last year—and I assume they will do it again—and it cost the State of Texas $3 billion. And on it goes. It is a grossly unfair formula. It is indefensible.

In this morning's New York Times, my position is vindicated at least by one columnist, David Ellwood, who is professor of public policy at Harvard School of Government. He says, and this is just a portion of it:

> States would get block grants to use for welfare and work programs. But the grants for child care, job training, workfare, and cash assistance combined would amount to less than $15 per poor child per week in * * * Mississippi and Arkansas.

Mr. President, $15 a week for all of those things.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. BUMPERS. I will be happy to yield.

Mr. DOMENICI. Does that not mean that is what they are getting now?

Mr. BUMPERS. I beg your pardon?

Mr. DOMENICI. Does that not mean that is what they are getting now?

Mr. BUMPERS. It means that is what they have gotten as an average for 1991 and 1994.

Mr. DOMENICI. Are you suggesting it is appreciably better than 1994?

Mr. BUMPERS. Well, I am sure it is somewhat better.

Mr. DOMENICI. Will the formula become more satisfactory if it was brought to 1995? I do not think we got the evidence. My point is, however we go—I do not know which way the Senate is going to go—the truth of the matter is, those poor children you are speaking of in those two States are not getting very much now. That is the reason they are not going to get very much under this bill.

Mr. BUMPERS. They are not going to get very much, but why do you want to lock in an inequity? You say it has always been unequal but want to lock it in?

Mr. DOMENICI. I did not say that. I wanted to make sure the RECORD reflected when you expressed yourself—and I have great respect for you. You are representing a cause and an approach that ought to be looked at carefully. But when you say they are only going to get $15 on average, it has to be made clear they are not getting much more than $15 now.

Mr. BUMPERS. That's true, they are not getting much more than that. I can tell you the number of poor children in my State is higher by far than the national average.

What I am saying is that if you want to address the problems of poor people, go where the poor people are, not where the people are more affluent. That is the reason I object; I object to these staggering sums going to the other States.

In 1994, Arkansas had a terrible Medicaid shortage of funds. We could not come up with our matching share to the extent that was necessary to provide health care for all of our poor children. Do you know what the State legislature did under the Governor's leadership? They passed one of the most unpopular taxes you can pass in any State. It was a nickel a bottle on soft drinks, and the money it raised kept us from kicking people out of nursing homes, and it kept us from having poor children on the streets who need health care and are not able to get it.

That is the reason I am complaining today. It was a monumental effort on the part of Arkansas to come up with our share of the money so we could take care of our children.

So here we have a formula that says in the future you are going to get $390 a year per poor child. And there are 38 additional States that will be hurt by this bill. You would think it would be adopted with flying colors.

If I may continue with the article from Mr. Ellwood of the New York Times:

> Governor Thompson says he can make reform succeed with block grants. But the legislation provides more than three times as much money per poor child in wealthier States like Wisconsin, California, and New York as it does for many States with much higher levels of poverty. Even if they wanted to, there is no way poor States could carry out plans like Governor Thompson's.

Here is a man who spent his entire life studying this problem. He closes this article by saying:

> Welfare politics has turned ugly.
>
> Rhetoric has replaced reality: saying a bill is about work or that cuts are in the best interests of children does not make it so. Apparently the legislation is being driven by election-year fears. But Members of Congress and President Clinton need to stand up for our children. This bill should not be passed. If legislation like this is adopted, I hope the President vetoes it in the name of real welfare reform.

Mr. President, I spoke about election-year issues the other day in the Energy Committee, on which I sit, when we were dealing with the Boundary Water Canoe Wilderness Area, about 1,100 lakes along the Minnesota-Canadian border. I went out there in 1978 for Wendy Anderson, who was serving in the Senate from the State of Minnesota at the time and with whom I served as Governor. The Boundary Water Canoe Wilderness Area came up the year Wendy was running for reelection. It was a big political issue. Wendy lost his seat, not for that reason only. But he lost plenty of votes because of the Boundary Water Canoe Wilderness Area dispute.

Now we have another big Boundary Water Canoe Wilderness Area dispute in Minnesota. I am not taking sides on that necessarily, but there are a lot of ads being run in Minnesota right now. I said in the committee—and I mean it—I will do everything I can to keep a bill of this kind from passing this year, because it is entirely too important for the U.S. Congress to be dealing with in an election year.

That is exactly the way I feel about this welfare bill. It ought to be passed next year, not now in an election year where everybody is trying to grow hair on their chest to prove they are tougher on welfare than everyone else. But we are not going to wait. As a consequence, we are getting ready to pass a bad bill.

Mr. President, I ask unanimous consent that the article by David T. Ellwood in the New York Times be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WELFARE REFORM IN NAME ONLY

(By David T. Ellwood)

BONDURANT, WY.—I have spent much of my professional life seeking to reform welfare. I have worked with Republican and Democratic governors. And until I returned to academia a year ago, I was fortunate to be a co-chairman of President Clinton's welfare reform effort. I deeply believe that the well-being of the nation's children depends on real reform. We must turn away from the failed system focused on determining eligibility and check writing and create a new one based on work and responsibility.

But the Republican bills in the House and Senate are far more about budget-cutting than work. Bathed in the rhetoric of reform, they are more dangerous than most people realize. No bill that is likely to push more than a million additional children into poverty—many in working families—is real reform.

Proponents claim the bills are about work, and the legislation does obligate states to require large numbers of recipients to work. Fair enough. Serious work requirements are crucial to meaningful change. But it's one thing to write work into legislation, and it's another to get recipients jobs.

Gov. Tommy Thompson of Wisconsin, a Republican, has emphasized that reform often involves spending more, not less, money on things like job training and child care. Instead, the Congressional bills would make major cuts—reducing food stamps for the working poor, aid to disabled children and to legal immigrants who are not yet citizens. When the dust settles, there would not be much money for welfare reform at all.

States would get block grants to use for welfare and work programs. But the grants for child care, job training, workfare and cash assistance combined would amount to less than $15 per poor child per week in poor Southern states like Mississippi and Arkansas. Moving people from welfare to work is hard. On $15 a week—whom are we kidding?

Governor Thompson says he can make reform succeed with block grants. But the legislation provides more than three times as much money per poor child in wealthier states like Wisconsin, California and New York as it does for many states with much higher levels of poverty. Even if they wanted to, there is no way poor states could carry out plans like Governor Thompson's.

States cannot and will not do the impossible. The legislation gives them an out. They may set time limits of any length and simply cut families off welfare regardless of their circumstances—and still get their full Federal block grants.

It won't matter if the people want to work. It won't matter if they would happily take workfare jobs so they could provide something for their families. It won't matter if there are no private jobs available.

States may want to offer workfare jobs, but limited Federal grants may preclude that. People who are willing to work but are unable to find a job should not be abandoned. If they are, what happens to their children?

What is dangerous about the Republican legislation is not that it gives states the lead or reduces Federal rules. States really are the source of most creative work on true reform. Witness the approximately 40 states for which some Federal regulations have been waived.

It is worrisome that this legislation places new and often mean-spirited demands on states while changing the social and financial rules of the game in a way that strongly encourages cutting support rather than getting people jobs.

What is particularly distressing about the pre-election rush to enact legislation is that significant reform is finally starting at the state level, with active support from the Clinton Administration. Some remarkably exciting ideas (as well as some alarming ones) are being tried. There is no evidence that a lack of Federal legislation has seriously slowed this momentum.

Indeed, President Clinton has talked about issuing an executive order requiring states to put people to work after two years—without new legislation and without any danger of sizable rises in child poverty or major benefit cuts. Passing the legislation now in Congress seems far more likely to slow reform than speed it—and it could result not in greater independence of poor families but in a spiral of ever-increasing desperation.

Welfare politics has turned ugly. Rhetoric has replaced reality: saying a bill is about work or that cuts are in the best interests of children does not make it so. Apparently the legislation is being driven by election-year fears. But members of Congress and President Clinton need to stand up for our children. These bills should not be passed. And if legislation like this is adopted, I hope the President vetoes it in the name of real welfare reform.

Mr. BUMPERS. Mr. President, I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I am certain that we will have some arguments in opposition to the amendment for doing the formula differently than Senator BUMPERS has addressed. I am trying to see if one of those who is from the committee that wrote the bill would come down and do that. If not, I will address the issue.

But I say, the part of your argument—I say this to Senator BUMPERS—that says we ought to put this matter off, I do not think so. I think you ought to get your chance here to present your case. I think we ought to proceed.

Part of the argument you make indicates that we have waited far too long to do something to reform this system and reforming the system in the context I am speaking of right now. I am not necessarily speaking about the workfare approach. It is way past due for that.

But essentially we have sat by for years since AFDC, a cash program, came into being decades ago. We have let it develop to the extent it has characteristics of the type you are speaking to. Obviously, poor States were given the option to have very poor programs. But if we would have told them, "You ought to have richer programs," they would have said, "We can't afford any richer program."

A State like New York, which you speak of, has very, very high taxes. They have had a very, very liberal approach to taxing their people. Thus, they can put up a lot of money for welfare. Since it is a high-pay State, they decided to have a very hefty welfare program. As a matter of fact, they have plenty of poor people in spite of all that.

I did not interrupt when you said we ought to put the money where the poor people are, but I would venture to say that there are far more poor people in the State of New York than there are in three or four of the States you spoke of combined, certainly more than Arkansas, Mississippi, States of that size.

Just because New York has a very high wage scale does not mean there are not a lot of poor people there. But the problem is, we are confronted with a welfare program that grew in an environment where we asked States to match. We gave them options as to how much they wanted to put into welfare. We even gave them options of how much they would pay the beneficiaries and how much per child in a welfare home. We have just left it there for years and did not do anything about it.

Now we have States with hardly a program in terms of real dollars and States like New York, which has spent a lot of money on the program. Sooner or later we have to decide, in reform, what do we do about that? Perhaps you suggest that you have a better idea on what we do to make that a situation in the future that is not as bad as you see it in the past. But this is not an easy one. Nor is it an easy one in Medicare. You addressed Medicare for a fleeting moment about——

Mr. BUMPERS. Medicaid.

Mr. DOMENICI. Excuse me. Medicaid. About your State being unable to pay. One of the things we are forgetting here in the United States and in this land when we debate Medicaid reform is that States cannot afford the Medicaid Program we are telling them to have.

Your State fell short of money a few years ago. Mine is short this year. There is $21 million they do not have to pay for the program in Medicaid. We only match it with 25 cents on the dollar. I do not know what yours is, but I would imagine, considering the profile of poverty, the demographics of poverty, you are probably at a 25-percent match, meaning that the Feds pay most of it, but it is so expensive to provide the service under the current system the States cannot even pay for it.

If we think here the evolution of a formula in transition was difficult for welfare, it is much more difficult on Medicaid because of the very same facts, plus the program is much, much more encompassing in terms of how many billions of dollars it spent. Welfare is a small program in terms of the dollars spent on Medicaid, even in your State and my State.

So it is not going to be easy to come up with a formula because we have let them grow up side by side with States like New York and States like Arkansas and States like Mississippi or New Mexico. I take that back. New Mexico's welfare program is in the middle of the ranks. Its Medicaid is about in the middle of the Nation.

So I would have asked that Harvard professor who wrote that article you quoted from—it sounded brilliant—I would ask—maybe he has done it—but where is his welfare program? He says we ought to have welfare reform. We need one. It is easy to say, throw one out. We need one. We have to make some decisions and get on with trying it. I yield the floor at this point.

Mr. BUMPERS. I wonder if the Senator would yield for a moment? Would the Senator yield for a unanimous consent request?

Mr. DOMENICI. I would be pleased to.

Mr. BUMPERS. Let me make one other observation, because I know the Senator has labored in the vineyard a long time on welfare. It is one of those issues for which the time never seems right. I said we ought to do it next year. We tried to do it last year, which was not an election year. It did not work out.

But I think the Senator, for whom I have the utmost respect—and when I talk about Members of Congress that seem to lack some compassion, I am certainly not talking about my friend from New Mexico. I know he has labored long and hard for this. It is a complex issue. The deeper I got into it on this amendment, the more complex it became.

But I will say this—and I think the Senator would agree with me—you cannot make a program like this work, not the way it ought to work, when, for example, a child in Massachusetts or New York or someplace else is worth 10 times as much as a child in Arkansas or Mississippi. We are not ever going to get our act together when we have that much disparity. I am not saying there does not have to be effort, because effort is important.

Some of these States have made monumental efforts. But effort is a comparative thing. We have made efforts, too. Compared to some others maybe it was not as great. When the Senator talks about how many poor children there are in New York, I know the Senator is correct when he says there are probably more poor children in New York than there are in Mississippi, Alabama, and Arkansas put together.

But we are talking about poor children as a percentage of the population. We are talking about how many poor children you have compared to all the children in the State or all the people in the State. When you get to that point, New York is not in the running with Arkansas. I want to say to the Senator from New Mexico, I appreciate his comments. As I say, I have the utmost respect for his efforts to get this bill passed and all the effort he has made in the past. I just happen to disagree with him. I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I wonder if we could do this, I say to Senator BUMPERS. The time is 1 o'clock. We are going to be finished and run out of time at 2 o'clock. I want to offer an opportunity for a couple of Senators who would be very adversely affected by the Senator's amendment to speak, not as long as the Senator did, but for some period of time. I am going to make one observation and then ask consent.

I say to Senators, they should know, for instance, under this amendment the State of Arkansas will have 151 percent increase; the State of Louisiana will have 170 percent; New Mexico would have an increase of 3 percent; California would have a reduction of $1.2 billion, a 31 percent reduction, New York a reduction of 49 percent; Massachusetts, 50 percent; and on and on. I think some of those Senators might want to come down and make their case as to why the formula should be based on what they have been putting into the program during the immediate past decade or so.

Having said that, I ask unanimous consent we set aside the Bumpers amendment, but from the Republican side we reserve up to 10 minutes of the hour that we might have in rebuttal, and that Senator BUMPERS be allowed, if that occurs, an additional 5 minutes, if we use 10.

Mr. BUMPERS. Either Senator GRAHAM or myself.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, let me make one other observation: According to the charts Senator GRAHAM has compiled, I do not know where the Senator got the figure that we will get such a big increase. The truth is we will get $282 million less per capita over the next 6 years simply because we are using the 1991 and 1994 formula.

Mr. DOMENICI. I will be happy to make available the formula of the Congressional Research Service, July 18, 1996. This formula has a chart for the increase in every State, and we just took your increase and put the percentage on it. That is where we got that number. We will be happy to make the chart available.

Mr. President, let me make one last point, then we will move to the next amendment. I use this time off the bill.

Mr. President, whatever the distinguished Senator from Arkansas has said relative to what we have been paying as part of the welfare program of the United States for children and this huge disparity of 10 to 1, the point I want to make is that is not the feature of this bill. That is what has transpired over time. It is the reality today. Maybe Senator BUMPERS and others would say that is why welfare has failed. I did not hear that before. I thought it was some other characteristic, but that is the truth.

Now we are confronted with, if you are going to change the basic quality of welfare and what is expected, what do you do about that financial disparity that existed over time, which is extreme. This bill tends to perpetuate that for 5 years in the form of a block grants, but there is a lot of flexibility added.

I do not want to speak to that amendment any more because we reserved time. I yield the floor.

Mr. DORGAN. Mr. President, just prior to Senator BUMPERS making his statement, I offered an amendment. This is not the amendment that was agreed to last week. This is a different amendment. We have provided the amendment, I believe, or at least discussed it with both sides.

I wanted to take just 2 or 3 minutes to discuss that amendment, and I also wanted to introduce a second amendment which I believe is going to be agreed to. I am offering the second amendment on behalf of Senator DASCHLE, myself, Senator DOMENICI, and Senator MCCAIN. It is an amendment that has been worked out by both sides to exempt certain individuals living in areas of low labor market participation from the 5-year limitation on assistance.

If I might, in a capsule, point out that the welfare reform bill provides a 20-percent exemption that is available to the States. What we could have and likely would have are circumstances where there are areas in which virtually no jobs are available and you have very high unemployment. That situation would soak up the exemption almost immediately. This amendment addresses and corrects that and provides some more flexibility to the States.

AMENDMENT NO. 4949

(Purpose: To exempt certain individuals living in areas of low labor market participation from the 5-year limitation on assistance)

Mr. DORGAN. I offer this amendment, and I send it to the desk.

Mr. DOMENICI. I ask unanimous consent that the amendment be in order.

The PRESIDING OFFICER (Mr. JEFFORDS). Without objection, it is so ordered.

The clerk will report the amendment.

The bill clerk read as follows:

The Senator from North Dakota [Mr. DORGAN], for Mr. DASCHLE, for himself, Mr. DORGAN, Mr. DOMENICI, and Mr. MCCAIN, proposes an amendment No. 4949.

Mr. DORGAN. I ask unanimous consent the reading of the amendment be dispensed.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 250, line 2, strike "and (C)" and insert ", (C), and (D)".

On page 252, between lines 9 and 10, insert the following:

"(D) EXCEPTION FOR EXTREMELY LOW LABOR MARKET PARTICIPATION.—

"(i) IN GENERAL.—In determining the number of months for which an adult received assistance under the State program funded under this part, the State may disregard any and all months in which the individual resided in an area of extremely low labor market participation (as defined under clause (ii).

"(ii) EXTREMELY LOW LABOR MARKET PARTICIPATION AREA.—For purposes of clause (i), an adult is considered to be living in an area of extremely low labor market participation if such adult resides on a reservation of an Indian Tribe—

"(I) with a population of at least 1,000 individuals; and

"(II) with at least 50% of the adult population not employed, as determined by the Secretary using the best available data from a Federal agency.

On page 252, line 10, strike "(D)" and insert "(E)".

Mr. DOMENICI. Mr. President, I am a cosponsor, and I indicate so that everybody would understand this does not say this is mandated. This says that the Governors, in putting together their plan for their State, can, if they find an area—and this is pretty much going to be Indian areas, I believe, because of the enormous unemployment number; it is 50 percent—it will be available as a flexible tool in terms of putting together packages.

Mr. DORGAN. The Senator is correct.

Mr. DOMENICI. We accept the amendment on our side.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4949) was agreed to.

Mr. DORGAN. I move to table the amendment.

Mr. DOMENICI. I move to reconsider the vote.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4948

Mr. DORGAN. Mr. President, if I might just for a couple of minutes address the previous amendment that I offered that deals with the tribal child care set-aside. I hope we perhaps might be able to see this amendment accepted before we go to votes tomorrow.

The amendment I have offered on behalf of myself, Senator MCCAIN, and Senator INOUYE, restores the current set-aside for Indian child care funding. The current set-aside is 3 percent of the child care development block grant, which is now available to Indian tribes for child care. The welfare reform bill cuts that 3 percent down to 1 percent.

The funds the Indian tribes are now able to access with the child care development block grant have been very important. They have allowed the tribes to successfully run a wide range of child care programs. In 1994, that set-aside helped more than 500 tribes provide child care.

Last year, when the welfare reform bills passed both the House and the Senate, they retained the 3-percent set-aside for tribal child care programs. The conference bill inexplicably reduced that tribal allocation from 3 percent to 1 percent, the same level that is now contained in this reconciliation bill.

The reduction in the tribal set-aside occurs at the very same time that State child care funds would increase substantially. The question I ask is, if an increase in child care is critical to State efforts to move people from welfare to work, and I believe it is, then why is it not also critical for real welfare reform in Indian country and for Indian tribes to provide child care?

I want to make a point that Indian children under age 6 are more than twice as likely as the average child in America to live in circumstances of poverty. Indian children under 6 who live on reservations are three times more likely to live in circumstances of poverty than non-Indian children.

I toured, not so long ago, a child care center on a facility in North Dakota that is jointly run by four tribes, United Tribes Technical College. It is a wonderful place where American Indians come to receive educational and vocational training. They study, they graduate, they go out and get work. That center is run by a wonderful man named David Gipp, who does an extraordinarily good job. They have a child care center at U-Tech. I have toured that child care center a couple of times.

U-Tech reminds you of the need and the importance of child care in this building-block process to move people from welfare to work. You have to be able to get the job skills. Often, to get job skills, if you have children, you have to try to find child care. All of us know that it is not just in Indian country, but across this country, increasingly, that poverty is a problem often faced by young women with children in single-parent households.

Now, when they try to get skills and then get a job, the question is, What kind of child care can they access to take care of their children? To them, just like in every other household, the most important thing in their lives are their children. They want to make sure the children have an opportunity. If they go to work, when they go to work, they want to have an opportunity to place their children in child care in a place where they have some confidence and trust. That is why this amendment is so important.

It breaks your heart to take a look at what is happening in some areas of the country with very high unemployment, especially Indian reservations, with people who want an opportunity to work. They want a job. On many of these reservations—and we have a couple in North Dakota—there virtually are no jobs. If you look at the map and try to figure out, where do we carve out a reservation and say these are Indian reservations, do you think they carved out the fertile Red River Valley? No. They carved out reservations where there are no great opportunities and where there has not been a substantial amount of economic activity, not very many jobs, not very many companies moving in to provide opportunities.

As we attempt to decide how to reform the welfare system—and we should, because it does not work very well—we need to understand that the two linchpins that can help people move from welfare to work are child care and health care. The absence of one or both means that you cannot succeed in moving someone from welfare to work. The presence of both means that you can say to people that we expect something from you in response to what we are going to offer for you. Part of that is job training and employment, but also attendant to it is adequate and proper child care. I do hope that, between now and tomorrow, we might find an opportunity to see whether this amendment might be accepted.

Mr. MCCAIN. Mr. President, I rise today in support of the amendment offered by my colleague, Senator DORGAN. The amendment ensures that Indian tribes will continue to receive 3 percent of funding provided under the child care development block grant program, as it stands under current law.

I am pleased that the proposed budget reconciliation measure under consideration includes provisions which I and other Senators sponsored to address the unique needs and requirements of Indian country to directly administer welfare programs.

Mr. President, welfare assistance programs are intended to protect poor people and children. As reported, the bill does not go far enough to ensure that Indian tribes, particularly Indian children, who are the most vulnerable of our population and among the poorest of the poor, will be protected. Indian children under the age of 6 are more than twice as likely as the average non-Indian child to live in poverty. Indian children under the age of 6 residing on Indian reservations are three times more likely than non-Indian children to live in poverty.

The need in Indian country is enormous and far outweighs the limited Federal dollars allocated to Indian tribal governments. Because the need for assistance to Indian children is so compelling, I have been quite concerned that the reported bill reduced the tribal allocation from 3 percent to 1 percent. Such a cut would have harmed tribal efforts to bring more Indian people into the work force and resulted in diminishment of existing tribal child care programs.

Mr. President, I believe we should maintain the 3-percent-funding allocation under present law to ensure that Indian children receive an equal and fair opportunity to a brighter future as is provided to all other American children. This commitment also honors the unique trust relationship that the United States has with Indian tribal governments.

I am pleased that we have reached agreement to adopt this amendment and thank Senator DOMENICI, chairman of the Budget Committee, and Senator ROTH, chairman of the Finance Committee, for accepting it. I also want to thank Senator DORGAN for once again demonstrating his commitment to improve the lives of Indian children. I urge my colleagues to work diligently at conference with the House to ensure that the welfare bill we send to the President maintains this provision.

AMENDMENT NO. 4934

Mr. DORGAN. Mr. President, I want to make one additional comment, not on this amendment, but on the one offered by Senator CONRAD. That amendment is the issue of the optional food stamp block grant.

My understanding of the amendment is that the block grant option that exists in the bill is a problem, and the amendment would repeal the block grant. The amendment's supporters believe—and I firmly believe—that if we decide that it is a function of national will, a national objective to decide that those who do not have enough to eat, then we are going to try to help get them some food.

If that is a national issue, it is not an issue between one county and another county, or one State and another State, or one city and another city. It is an issue of national determination that we do not want people in this country to be hungry. We do not want kids to go without meals. We want to develop a national standard that makes sure this country, as good and generous and as strong as this country is, can feed those people among us who have suffered some difficulties, who were unfortunate enough to be born into circumstances of poverty, who have had some other disadvantages, and who find themselves down and out, down on their luck, and also hungry.

We know what to do about hunger. This is not some mysterious disease for which there is no cure. We know what causes hunger and how to resolve it.

Part of this bill deals with the issues of resolving hunger and helping people get prepared for the workplace. Another part says you cannot prepare 8-year-olds for a job. We ought not to prepare 10-year-olds for a job. If we have kids living in poverty, or grownups living in poverty, we want to make sure that we have a system to say that we will help them get back on their feet. While we are helping them get back on their feet, we do not want them to be hungry—kids, adults, anybody in this country. That is why we have had a Food Stamp Program. Is it perfect? No. Has it worked well? Sure. We ought not, in any way, decide that we should retreat from that. That is why I so strongly support the amendment offered by Senator CONRAD and Senator JEFFORDS.

Mr. President, I yield the floor.

AMENDMENT NO. 4948

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, on the amendment which is pending, with reference to the 1 versus 3 percent set-aside, we have cleared this with the committee of jurisdiction. What will happen when we adopt this amendment is that we will return the percentage to its current law. This is a ceiling, not a mandated level. For those reasons, the committee indicates that we will accept it on our side.

Therefore, I yield back any time on the amendment and indicate that we are willing to accept the amendment.

The PRESIDING OFFICER. All time is yielded back.

The question is on agreeing to the amendment.

The amendment (No. 4948) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. DORGAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. I thank the Senator for offering the amendment.

Mr. DORGAN. I thank the Senator from New Mexico for his help.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4950

(Purpose: To strike amendments to the summer food service program for children)

Mr. FORD. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Kentucky [Mr. FORD], for Mrs. MURRAY, proposes an amendment numbered 4950.

Mr. FORD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike section 1206.

Mr. FORD. Mr. President, Senator MURRAY is unavoidably detained. I am proposing her amendment.

This is an amendment she discussed last week and withdrew with the opportunity to be able to submit it today. It strikes section 1206. The bill reduces the rate of the Summer Food Service Program.

The Food Research Action Council's surveys and past experience leads them to conclude that the cut could result in:

A 30- to 35-percent drop in the number of sponsors;

A 20-percent cut in the number of children participating;

Many larger sponsors dropping their smaller sites;

A significant decline in meat quality as sponsors cut food costs.

I ask unanimous consent that "the need for the Murray amendment striking provisions relating to the Summer Food Program" be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

The need for the Murray amendment striking provisions relating to the summer food program:

The Senate bill makes an eleven percent cut to the reimbursement rate for lunches provided in the summer food program. The reduction (a 23/20 cent cut on each lunch, from $2.16/$2.12 to $1.93) is substantial. Many programs around the country serve 50 or fewer children. Over half of current sponsors already lose money under current rates. Their margins to absorb cuts are extremely narrow. Estimates vary by state, but the Food Research Action Council's surveys and past experience lead them to conclude that the cut could result in: a 30–35 percent drop in the number of sponsors (especially in rural districts); a 20 percent cut in the number of children participating; many larger sponsors dropping their smaller sites; weaker supervision and monitoring and a decline in program integrity; a significant decline in meal quality as sponsors cut food costs; and very few new sponsors. It is already difficult to recruit new sponsors, even though only one in six eligible children receive meals. The recruitment of new sponsors by advocacy groups would likely stop, and with it, future growth.

The effect of the amendment:

Strikes section 1206 of the bill, which reduces the rates for the Summer Food Program.

Mr. FORD. Mr. President, I yield the floor.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum. We are not going to respond yet. We are just beginning to understand the amendment.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4951

(Purpose: To provide additional amendments)

Mr. DOMENICI. Mr. President, I offer in behalf of Senator ROTH technical amendments to the bill. These have been requested by the Finance Committee and been approved and recommended for adoption by the majority and the minority of the Finance Committee. I send the technical amendments to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

The Senator from New Mexico [Mr. DOMENICI], for Mr. ROTH, proposes an amendment numbered 4951.

Mr. DOMENICI. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 193, line 8, strike "is" and insert "has been".

On page 238, line 4, insert "any temporary layoffs and" after "including".

On page 238, line 6, strike "overtime" and insert "nonovertime".

On page 238, strike line 7 through 13, and insert the following:

"wages, or employment benefits; and".

Mr. EXON. No objection.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4951) was agreed to.

AMENDMENT NO. 4952

(Purpose: To strike additional penalties for consecutive failure to satisfy minimum participation rates)

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. I rise for purposes of offering an amendment. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows.

The Senator from Florida [Mr. GRAHAM] proposes an amendment numbered 4952:

Strike section 409(a)(3)(C) of the Social Security Act, as added by section 2103(a)(1).

Mr. GRAHAM. Mr. President, as read, the purpose of this motion to strike is to strike section 409(a)(3)(C) which was added to this bill during its consideration before the Senate Finance Committee. The provision which I would offer to strike provides:

> Notwithstanding the limitation described in Subparagraph (A), the Secretary shall reduce the grant payable to the State . . . for a fiscal year, in addition to the reduction imposed under subsection (A), by an amount equal to 5 percent of the State family assistance grant, if the Secretary determines that the State failed to comply with section 407(a) for 2 or more consecutive preceding fiscal years.

That language was added in the Senate Finance Committee to language that had been in the bill in its previous form, in its current reconciliation version, as well as in other versions of welfare reform. That previous version states that the Secretary can sanction a State which fails to meet its work requirements by an amount up to 5 percent of the State's family assistance grant.

The amendment that was offered, first, removes the discretion from the Secretary; second, instead of saying up to 5 percent, it makes it an absolute 5 percent in addition to whatever sanction has been levied in the previous fiscal year against a State which failed to meet its work requirement.

Why am I offering this amendment? I am offering it, first, because the language of the amendment is very obscure. In its claimed reading, it seems to say that there will be an additional amount, equal to 5 percent of the State's family assistance grant, as a sanction if the State had failed for 2 consecutive years to meet its work requirements. That, apparently, is not the way it is being interpreted by others, including one of the groups which is strongly opposed to this provision, which is the National Conference of State Legislatures. They are interpreting this to be a cumulative sanction. That it would be, if you failed to meet your work requirements for 2 consecutive years and had been subject to a penalty because of failure to do so, you would be subject to an additional mandatory 5-percent cut in the third year; an additional 5-percent cut, or a cumulative 15 percent in the next year; an additional 5 percent in the year after that, up to a maximum of a 25-percent reduction in your grant.

So one of my concerns with this very important provision that was added—frankly, as a member of the Finance Committee, I can stipulate, without any consideration by the committee—is, just what does it mean? It could be very draconian in its impact. It could be only very serious.

So that is one issue. A second issue is the fact that the States, through the organizations that we have looked to, to do much of the policy work for a bill which purports to grant increased authority to States, are opposed to this provision.

I ask unanimous consent to have a series of letters from State-based organizations printed at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. GRAHAM. I would like to use, illustrative of the letters I received, this letter dated today, July 22, from the National Conference of State Legislatures. This letter states, in part:

> State legislators want welfare reform to succeed. In order to succeed, we need adequate implementation time to craft comprehensive welfare reform that best fits the needs in our individual states. In S. 1956, both the work participation rate requirements and penalties begin the first year of the block grant. Therefore, we strongly support Senator Bob Graham's amendment to strike the language imposing a cumulative penalty of five percent of the block grant per year on states that fail to meet the mandated work requirements. Imposing harsh and excessive penalties will only make it more difficult for states to succeed. State legislators are committed to welfare reform and have proved it through passage of numerous laws reforming their welfare systems. We have asked the federal government for flexibility to change the current system and hope for legislation to empower the states.
>
> The Congress has challenged us to go even further, yet the current bill leaves no room for adjustment, even if a state experiences a recession, high unemployment or natural disaster. Despite our best effort, there may be states who cannot meet the work requirements. To add compounding financial penalties will severely restrict state efforts even further—just at the moment when they could use assistance from their federal partner.

Mr. President, the letter from the National Conference of State Legislatures points out a fundamental difference between the sanction that we had previously proposed, and which stays in this bill, and that which was added in the Finance Committee. The previous sanction made it in the discretion of the Secretary of HHS as to whether to levy such a penalty, and at what level to do it up to 5 percent. So the Secretary could take into consideration—maybe the reason the State of Vermont failed to meet its work requirement was because they had an unexpected natural disaster in Vermont, as we did in Florida with Hurricane Andrew, or maybe they had an unusual economic recession and more people were unable to find work, and therefore they could not meet the work requirements for those persons who are coming off welfare. The cumulative language gives no such discretion to the Secretary to take those kinds of real-world conditions into account.

A third reason for offering this amendment is the reason that was the basis of discussion earlier today by my colleague, Senator BUMPERS, and myself on Friday. That is, we start this process from a very inequitable allocation of funds among the 50 States. The reason it is so inequitable is because we are basically using the status quo which was based on a State's financial ability and political willingness to put up substantial amounts of money for welfare and then draw down an equivalent amount of Federal matching funds. That formula has resulted in disparities of in the range of 4 and 5 to 1 between high-benefit States and low-benefit States in the amount of funds that they have per poor person.

For instance, in the State of Arkansas, for every person in their State who has an income below the poverty level, they would get $397 of Federal support. In the State of New York, under this legislation, in the year 2000 they would get $1,961 for every person below 100 percent of poverty level. When you compound that large inequity in the amount of Federal funds per State with a common requirement that all States have to meet in terms of getting a proportion of their welfare population off welfare and into work, you have enormous differences in the impact of this legislation.

Mr. President, I am going to truncate my remarks because I know there are some amendments that have to be offered before 2 o'clock. But let me, just for my colleagues, point out that the State of Arkansas, in the year 2000, has estimated it will have to spend 49 percent of the funds which today go to provide economic support to pay for everything from school supplies to clothing to diapers to utilities, 49 percent of those funds will have to go to meet the work requirements, that is, to pay for the job training, to pay for the child care, to pay for the other support services such as job placement. That is in the State of Arkansas.

In my State, which is a middle State in terms of benefits, 36 percent of our funds would have to go to meet those requirements, whereas in New York State, only 14 percent of their combined State-Federal funds would be required in order to pay for exactly the same work assistance that Arkansas and Florida would have to provide, thus leaving a very inequitable amount left over for the fundamental economic support that this program for 60 years has been providing to indigent families in America.

So, for those three reasons—lack of clarity as to what this amendment is supposed to mean; second, the strong opposition of the States because of its lack of flexibility; and, third, the inequitable application of this cumulative sanction amendment—I offer this amendment. At the appropriate time, I will urge its support.

EXHIBIT 1

NATIONAL CONFERENCE OF
STATE LEGISLATURES,
Washington, DC, July 22, 1996.

DEAR SENATOR: The National Conference of State Legislatures (NCSL) is committed to continuing our work with the Congress to enact comprehensive, bipartisan welfare reform legislation this year. As you consider amendments to S. 1956, state legislators offer the following positions for your consideration. We strongly believe that the final welfare reform bill must: (1) provide maximum flexibility to state and local governments; (2) preserve existing state authority and avoid preemption; (3) fund federally-mandated activities; (4) avoid cost-shifts to states; and (5) ensure that states have adequate implementation time for programs fully- or partially-devolved to the states.

State legislators want welfare reform to succeed. In order to succeed, we need adequate implementation time to craft comprehensive welfare reform that best fits the needs in our individual states. In S. 1956, both the work participation rate requirements and penalties begin in the first year of the block grant. Therefore, we strongly support Senator Bob Graham's amendment to strike the language imposing a cumulative penalty of five percent of the block grant per year on states that fail to meet the mandated work requirements. Imposing harsh and excessive penalties will only make it more difficult for states to succeed. State legislators are committed to welfare reform and have proved it through passage of numerous laws reforming their welfare systems. We have asked the federal government for flexibility to change the current system and hope for legislation to empower the states.

The Congress has challenged us to go even further, yet the current bill leaves no room for adjustment, even if a state experiences a recession, high employment or natural disaster. Despite our best effort, there may be states who cannot meet the work requirements. To add compounding financial penalties will severely restrict state efforts even further—just at the moment when they could use assistance from their federal partner. Senator Graham's amendment also allows the Secretary to reduce state penalties after assessing the individual experience of that state. We have always opposed cookie-cutter welfare reform. The current bill does not allow for the diversity of state experience in reforming the system and the timing of state legislative sessions to enact the laws necessary to change the system.

The Congressional Budget Office has estimated that there is a $13 billion shortfall in the cash assistance block grant to meet the work requirements. NCSL has always supported deficit reduction and we understand the limitation on available funds for work. However, the current bill as drafted penalizes us as we charter unknown waters to create a new system to retrain state workers, create employment slots, verify work slots and, of course, be successful at moving recipients to work. A distinction is not made for states who have made a good faith effort but fail to meet the requirements for reasons beyond their control. We are very concerned that this will hamper state creativity, innovation and excellence. State legislators urge you to support Senator Graham's amendment.

Sincerely,

CARL TUBBESING,
Deputy Executive Director.

NATIONAL GOVERNMENT ASSOCIATION,
Washington, DC, June 26, 1996.

SENATE FINANCE COMMITTEE,
U.S. Senate,
Washington, DC.

DEAR FINANCE COMMITTEE MEMBER: The nation's Governors appreciate that S. 1795, as introduced, incorporated many of the National Governors' Association's (NGA) recommendations on welfare reform. NGA hopes that Congress will continue to look to the Governor's bipartisan efforts on a welfare reform policy and build on the lessons learned through a decade of state experimentation in welfare reform.

However, upon initial review of the Chairman's mark, NGA believes that many of the changes contained in the mark are contradictory to the NGA bipartisan agreement. The mark includes unreasonable modifications to the work requirement, and additional administrative burdens, restrictions and penalties that are unacceptable. Governors believe these changes in the Chairman's mark greatly restrict state flexibility and will result in increased, unfunded costs for states, while at the same time undermining states ability to implement effective welfare reform programs. These changes threaten the ability of Governors to provide any support for the revised welfare package, and may, in fact, result in Governors opposing the bill.

As you mark up the welfare provisions of S. 1795, the Personal Responsibility and Work Opportunity Act of 1996, NGA strongly urges you to consider the recommendations contained in the welfare reform policy adopted unanimously by the nation's Governors in February. Governors believe that these changes are needed to create a welfare reform measure that will foster independence and promote responsibility, provide adequate support for families that are engaged in work, and accord states the flexibility and resources they need to transform welfare into a transitional program leading to work.

Below is a partial list of amendments that may be offered during the committee markup and revisions included in the Chairman's mark that are either opposed or supported by NGA. This list is not meant to be exhaustive, and there may be other amendments or revisions of interest or concern to Governors that are not on this list. In the NGA welfare reform policy, the Governors did not take a position on the provisions related to benefits for immigrants, and NGA will not be making recommendations on amendments in these areas. As you markup S. 1795, NGA urges you to consider the following recommendations based on the policy statement of the nation's Governors on welfare reform.

The Governors urge to support the following amendments:

Support the amendment to permit states to count toward the work participation rate calculation those individuals who have left welfare for work for the first six months that they are in the workforce (Breaux). The Governors believe states should receive credit in the participation rate for successfully moving people off of welfare and into employment, thereby meeting one of the primary goals of welfare reform. This will also provide states with an incentive to expand their job retention efforts.

Support the amendment that applies the time limit only to cash assistance (Breaux). S. 1795 sets a sixty-month lifetime limit on any federally funded assistance under the block grant. This would prohibit states from using the block grant for important work supports such as transportation or job retention counseling after the five-year limit. Consistent with the NGA welfare reform policy, NGA urges you to support the Breaux amendment that would apply the time limit only to cash assistance.

Support the amendment to restore funding for the Social Services Block Grant (Rockefeller). This amendment would limit the cut in the Social Services Block Grant (SSBG) to 10 percent rather than 20 percent. States use a significant portion of their SSBG funds for child care for low-income families. Thus, the additional cut currently contained in S. 1795 negates much of the increase in child care funding provided under the bill.

Support technical improvements to the contingency fund (Breaux). Access to additional matching funds is critical to states during periods of economic recession. NGA supports two amendments proposed by Senator Breaux. One clarifies the language relating to maintenance of effort in the contingency fund and another modifies the fund so states that access the contingency fund during only part of the year are not penalized with a less advantageous match rate.

Support the amendment to extend the 75 percent enhanced match rate through fiscal 1997 for statewide automated child welfare information systems (SACWIS), (Chafee, Rockefeller). Although not specifically addressed in the NGA policy, this extension is important for many states that are trying to meet systems requirements that will strengthen their child welfare and child protection efforts.

Governors urge you to oppose amendments or revisions to the Chairman's mark that would limit state flexibility, create unreasonable work requirements, impose new mandates, or encroach on the ability of each state to direct resources and design a welfare reform program to meet its unique needs.

In the area of work, Governors strongly oppose any efforts to increase penalties, increase work participation rates, further restrict what activities count toward the work participation rate, or change the hours of work required. The Governor's policy included specific recommendations in these areas, many of which were subsequently incorporated into S. 1795, as introduced. The recommendations reflect a careful balancing of the goals of welfare reform, the availability of resources, and the recognition that economic and demographic circumstances differ among states. Imposing any additional limitations or modifications to the work requirement would limit state flexibility.

The Governors urge you to oppose the following amendments or revisions in the area of work:

Oppose the revision in the Chairman's mark to increase the number of hours of work required per week to thirty-five hours in future years. NGA's recommendation that the work requirement be set at twenty-five hours was incorporated into S. 1795. Many states will set higher hourly requirements, but this flexibility will enable states to design programs that are consistent with local labor market opportunities and the availability of child care.

Oppose the revision in the Chairman's mark to decrease to four weeks the number of weeks that job search can count as work. NGA supports the twelve weeks of job search contained in S. 1795, as introduced. Job search has proven to be effective when an individual first enters a program and also after the completion of individual work components, such as workfare or community service. A reduction to four weeks would limit state flexibility to use this cost-effective strategy to move recipients into work.

Oppose the revision in the Chairman's mark to increase the work participation rates. NGA opposes any increase in the work participation rates above the original S. 1795 requirements. Many training and education activities that are currently counted under JOBS will not count toward the new work requirements. Consequently, states will face the challenge of transforming their current JOBS program into a program that emphasizes quick movement into the labor force. An increase in the work rates will result in increased costs to states for child care and work programs.

Oppose the revision in the Chairman's mark to increase penalties for failure to meet the work participation requirements. The proposed amendment to increase the penalty by 5 percent for each consecutive failure to meet the work rate is unduly harsh, particularly given the stringent nature of the work requirements. Ironically, the loss of block grant funds due to penalties will make it even more difficult for a state to meet the work requirements.

Oppose the amendment requiring states to count exempt families in the work participation rate calculation (Gramm). This amendment would retain the state option to exempt families with children below age one from the work requirements but add the requirement that such families count in the denominator for purposes of determining the work participation rate. This penalizes states that grant the exemption, effectively eliminating this option. The exemption in S. 1795 is an acknowledgment that child care costs for infants are very high and that there often is a shortage of infant care.

Oppose the amendment to increase work hours by ten hours a week for families receiving subsidized child care (Gramm). This amendment would greatly increase child care costs as well as impose a higher work requirement on families with younger children, because families with other children—particularly teenagers—are less likely to need subsidized child care assistance.

Oppose the revision in the Chairman's mark to exempt families with children below age eleven. S. 1795, as introduced, prohibits states from sanctioning families with children below age six for failure to participate in work if failure to participate was because of a lack of child care. This revision would raise the age to eleven. NGA is concerned that this revision effectively penalizes states because they still would be required to count these individuals in the denominator of the work participation rate.

The Governors urge you to oppose the following amendments or revisions in the chairman's mark in these additional areas:

Oppose the revision in the Chairman's mark to increase the maintenance-of-effort requirement above the 75 percent in the cash assistance block grant or further narrow the definition of what counts toward maintenance-of-effort.

Oppose the revisions in the Chairman's mark that increase state plan requirements and include additional state penalties.

Oppose the amendment to limit hardship exemption to 15 percent (Gramm). NGA policy supports the current provision in S. 1795, as introduced, that allows states to exempt up to 20 percent of their caseload from the five-year lifetime limit on benefits.

Oppose the amendment to mandate that states provide in-kind vouchers to families after a state or federal time limit on benefits is triggered (Breaux, Mosely-Braun). NGA believes that states should have the option to provide non-cash forms of assistance after the time limit, but they should not be mandated to do so.

Oppose the provision in the Chairman's mark to restrict the transferability of funds out of the cash assistance block grant to the child care block grant only. The governors believe that it is appropriate to allow a transfer of funds into the foster care program or the Social Services Block Grant.

Oppose a family cap mandate in the Chairman's mark. NGA supports a family cap as an option, rather than a mandate, to prohibit benefits to additional children born or conceived while the parent is on welfare.

Governors urge you to consider the above recommendations.

Sincerely,

RAYMOND C. SCHEPPACH,
Executive Director.

NATIONAL ASSOCIATION OF COUNTIES,
Washington, DC, July 12, 1996.

DEAR MEMBER OF CONGRESS: You may be voting soon on the Welfare and Medicaid reform bill (H.R. 3507/S. 1795). The National Association of Counties (NACo) is encouraged that there were improvements to the welfare section of the bill, including: increased funds for child care; maintaining current law for foster care adoption assistance maintenance and administration payments; and no funding cap for food stamps nor a block grant for child nutrition. However, there are not enough improvements to warrant our support. In some respects, particularly the work requirements, the bill has become even more burdensome. NACo particularly opposes the following welfare provisions:

1. The bill ends the entitlement of Aid to Families with Dependent Children, thereby dismantling the safety net for children and their families.

2. The eligibility restriction for legal immigrants goes too far. The most objectionable provisions include denying Supplemental Security Income and Food Stamps, particularly to older immigrants. In fact, by changing the implementation date for these provisions, the bill has become more onerous. NACo is also very concerned about the effect of the deeming requirements particularly with regard to Medicaid and children in need of protective services.

3. The participation requirements have become even more unrealistic. NACo particularly opposes the increased work participation rates and increased penalties, the changes in the hours of work required, and the new restrictions on the activities that may count toward the participation rates.

As the level of government closest to the people, local elected officials understand the importance of reforming the welfare system. While NACo is glad that the bill does contain language that requires some consultation with local officials we prefer the stronger language that is contained in the bipartisan welfare reform bill (H.R. 3266).

NACo also continues to oppose the Medicaid provisions. By capping the fiscal responsibility of the federal government and reducing the state match for the majority of the states, the bill could potentially shift billions of dollars to counties with responsibility for the uninsured. Allowing the states to determine the amount, duration and scope of services even for the remaining populations which would still be guaranteed coverage, will mean that counties will be ultimately responsible for services not covered adequately by the states. While we support the increased use of managed care and additional state and local flexibility in operating the Medicaid program, we do not support the repeal of Medicare as envisioned in the current legislation.

As it is currently written, the Medicaid and Welfare Reform bill could potentially shift costs and liabilities, create new unfunded mandates upon local governments, and penalize low income families. Such a bill, in combination with federal cuts and increased demands for services, will leave local governments with two options: cut other essential services, such as law enforcement, or raise revenues. NACo therefore urges you to vote against H.R. 3507/S. 1795.

Sincerely,

DOUGLAS R. BOVIN,
President.

Mr. GRAHAM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The majority manager is recognized.

Mr. DOMENICI. Mr. President, I take 1 minute from our side to indicate our objection to the amendment. In the bill on page 273, there is a section that reads: "Reasonable Cause for Exception.—" And it applies to the areas the Senator from Florida is referring to.

It says:

> The Secretary may not impose a penalty on a State under subsection (a) with respect to a requirement if the Secretary determines that the State has reasonable cause for failing to comply with the requirement.

Then it has two exceptions to this, and neither of the two are matters covered by the concern of the Senator. So

I believe there is flexibility, and for those State legislators and staff up here who looked at it, I suggest they read that provision.

In addition, there is a whole process following that provision for how a State would determine that they had reasonable cause.

Having said that, I am going to yield back any time I have on the amendment.

ELECTRONIC BENEFIT TRANSFER SYSTEMS AND WELFARE REFORM

Mr. KENNEDY. Mr. President, a number of consumer groups have expressed concern about a provision in the pending welfare reform bill that exempts users of electronic benefit transfer systems [EBT's] users from the protections of the Electronic Benefit Transfer Act.

EBT's are a useful reform to modernize the distribution of welfare benefits. They are comparable to automated teller machines. They offer a convenient way for welfare recipients to use a card to withdraw their cash benefits from a bank machine or pay for food at a grocery store. Although a few States may now have in place such a program, it is likely to become much more common in the years ahead. Massachusetts is in the process of implementing such a system for its 80,000 welfare recipients.

If the final welfare reform bill includes the exemption from consumer protections, EBT users will not have the same basic safeguards against benefit losses caused by computer error, merchant fraud, or theft that other credit card holders now have. Clearly, it is unfair to deny reasonable safeguards to welfare beneficiaries.

I understand that a realistic compromise is being developed to protect EBT users from benefit losses while ensuring that States are not exposed to unmanageable costs. I am hopeful that any welfare reform bill enacted into law will contain such protections, and I urge all Senators to support them.

TEEN PREGNANCY AND STATUTORY RAPE

Mr. LIEBERMAN. Mr. President, I am pleased that the Senate has made progress in two areas critical to reforming welfare—teen pregnancy and statutory rape. Both sides of the aisle have worked together to bring about this progress, and I am left hopeful that we can infuse future negotiations on other welfare issues with this bipartisan spirit of cooperation.

Mindful of the American public's demand for legislative progress this year, I joined other colleagues in sponsoring initiatives that would not only benefit children, but also reduce welfare spending. Budget specialists and community leaders emphasized the necessity of dealing with two underlying welfare problems—teen pregnancy and statutory rape. In examining these problems, we answered two necessary questions: First, who is on welfare? and Second, how did they get there?

Teenage out-of-wedlock pregnancy is a primary cause of long-term welfare dependency. Currently, 53 percent of AFDC funds go to households begun by teenage births. Senator CONRAD and I proposed an amendment to last year's Senate bill which requires teen mothers to live at home or in adult-supervised settings, establishes national goals regarding education strategies and reduction of pregnancy rates, and rewards States who meet these goals with a cash bonus.

The Senate included these provisions in the bill in front of us and strengthened the Federal role in combating this problem. However, teen pregnancy prevention is a battle that must be fought at the local level, as troubled teens demand direct individual attention and investment. By accepting my amendment which compels States to devote 1 percent of their Social Security block grant—$23.8 million—to prevention services, the Senate has spurred them to assume this responsibility. We are succeeding in aiding President Clinton as he endeavors, in his own words, "to get all the leaders of all sectors of our society involved in this fight."

The Federal Government, too, recently assumed more responsibility in accepting my amendment which targets the crime of statutory rape, a direct and indirect cause of teen pregnancy. The great majority of babies born to teen mothers are fathered by adult men, and the partners of the youngest mothers under the age of 14 are on average 10 to 15 years older than them. This Senate is sending sexual predators an unequivocally stern message—that we choose abstinence for children, and that we will not tolerate those who take advantage of a child's inability to form and articulate a decision about her body. Previously, we concurred that it is the Sense of the Senate that States should aggressively enforce statutory rape laws. Now, we are taking additional steps. The amendment requires the Justice Department to pay strict attention to this crime. They are to research the link between statutory rape and teen pregnancy, as well as those predatory men who commit these crimes repeatedly. They will also educate State and local law enforcement officials to effectively prevent and prosecute statutory rape.

Again, we include the States in this fight. This amendment compels the States to create and expand criminal law enforcement, public education, and counseling initiatives and to restructure teen pregnancy prevention programs to include men. Finally, States must certify to the Federal Government that they are engaged in such activities to stop statutory rape.

By focusing on the problems of teen pregnancy and statutory rape through these amendments, we are economizing our future welfare expenditures and improving the lives of poor children. The reality of mothers sacrificing educational opportunities to give birth to fatherless babies and live in poverty is not a choice. It is partly a result of the greater problems these amendments address.

I appreciate, and the American public will appreciate our bipartisan unity in demanding responsibility from fathers. They must own up to their paternity, pay child support, and set a good example for their children by working in private sector or community service jobs. A certain group of men must refrain from sexually preying upon young girls and dispossessing them of their fundamental right to make sexual, educational, and career choices.

Problems remain in this bill. I appeal to my colleagues to work together so that we can present not just a few amendments, not just one improvement, but an entire bill to the American citizenry that truly reforms the current system.

Mr. DOMENICI. Mr. President, I know Senator EXON needs some time.

Mr. EXON. Mr. President, I thank the chairman for his consideration. I will say, there are several matters that I must, as manager of the bill on this side, have very limited and short debate on, things I need to enter. I might be able to do that between now and 2 o'clock, but if not, in order to protect the interests of those I represent, I ask unanimous consent that the 2 o'clock hour be extended by 10 minutes, to 10 minutes past 2, if necessary, to accommodate the Senator from Nebraska to carry out the duties that I must address.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. Reserving the right to object, I do not know what it is you want to do. Do you want to offer amendments on behalf of Senators?

Mr. EXON. Yes, these are things I have to do as a manager of the bill on this side, including points of order requests.

Mr. DOMENICI. Let me make one further request. Are any of those amendments for Senators who did not come today to offer their amendments? How many are those?

Mr. EXON. There are three amendments that were on the list that the Senators have not come to formally offer today, and I intend to perform that duty for them.

Mr. DOMENICI. So long as we clearly understand, this does not flow to Senators who come in here at 5 minutes after, this applies to you.

Mr. EXON. I amend the request, if I might. I ask unanimous consent that, if necessary to discharge the duties assigned to the Democratic leader of the Budget Committee, that the additional 10 minutes be assigned to this Senator and this Senator only.

Mr. DOMENICI. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. I thank my friend for his usual good cooperation. There are two amendments I will offer. They have been cleared on both sides. I think we can dispose of them quickly.

AMENDMENT NO. 4953

(Purpose: To allow States to choose the most appropriate agency to assist abused and neglected children, by enabling them to choose proprietary as well as non-profit or government agencies to care for children in foster care, as provided in report number 104-430 (the conference report to H.R. 4 as passed during the 1st session of the 104th Congress), and S. 1795, as introduced in the Senate during the 2d session of the 104th Congress, and before the Finance Committee Chairman's modifications to such bill)

Mr. EXON. Mr. President, on behalf of the Senator from Louisiana [Mr. BREAUX], I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. BREAUX, proposes an amendment numbered 4953.

Mr. EXON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of section 2109(a), add the following:

(17) Section 472(c)(2) (42 U.S.C. 672(c)(2)) is amended by striking "nonprofit".

Mr. EXON. Mr. President, I ask unanimous consent that the amendment be agreed to and the motion to reconsider be laid on the table.

Mr. DOMENICI. We have no objection. We accept that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4953) was agreed to.

AMENDMENT NO. 4954

(Purpose: To provide for community steering committees demonstration projects)

Mr. EXON. Mr. President, in similar fashion, on behalf of the Senator from Nebraska [Senator KERREY] I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. KERREY, proposes an amendment numbered 4954.

Mr. EXON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of chapter 1 of subtitle A of title II, add the following:

SEC. . COMMUNITY STEERING COMMITTEES DEMONSTRATION PROJECTS.

(a) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the "Secretary") shall enter into agreements with not more than 5 States that submit an application under this section, in such form and such manner as the Secretary may specify, for the purpose of conducting a demonstration project described in subsection (b).

(b) DESCRIPTION OF PROJECT.—

(1) COMMUNITY STEERING COMMITTEES.—

(A) ESTABLISHMENT.—A demonstration project conducted under this section shall establish within a State in each participating county a Community Steering Committee that shall be designed to help recipients of temporary assistance to needy families under a State program under part A of title IV of the Social Security Act who are parents move into the non-subsidized workforce and to develop a holistic approach to the development needs of such recipient's family.

(B) MEMBERSHIP.—A Community Steering Committee shall consist of local educators, business representatives, and social service providers.

(C) GOALS AND DUTIES.—

(i) GOALS.—The goals of a Community Steering Committee are—

(I) to ensure that recipients of temporary assistance to needy families who are parents obtain and retain unsubsidized employment; and

(II) to reduce the incidence of intergenerational receipt of welfare assistance by addressing the needs of children of recipients of temporary assistance to needy families.

(ii) DUTIES.—A Community Steering Committee shall—

(I) identify and create unsubsidized employment positions for recipients of temporary assistance to needy families;

(II) propose and implement solutions to barriers to unsubsidized employment of recipients of temporary assistance to needy families;

(III) assess the needs of children of recipients of temporary assistance to needy families; and

(IV) provide services that are designed to ensure that children of recipients of temporary assistance to needy families enter school ready to learn and that, once enrolled, such children stay in school.

(iii) PRIMARY RESPONSIBILITY.—A primary responsibility of a Community Steering Committee shall be to work on an ongoing basis with parents who are recipients of temporary assistance to needy families and who have obtained nonsubsidized employment in order to ensure that such recipients retain their employment. Activities to carry out this responsibility may include—

(I) counseling;

(II) emergency day care;

(III) sick day care;

(IV) transportation;

(V) provision of clothing;

(VI) housing assistance; or

(VII) any other assistance that may be necessary on an emergency and temporary basis to ensure that such parents can manage the responsibility of being employed and the demands of having a family.

(iv) FOLLOW-UP SERVICES FOR CHILDREN.—A Community Steering Committee may provide special follow-up services for children of recipients of temporary assistance to needy families that are designed to ensure that the children reach their fullest potential and do not, as they mature, receive welfare assistance as the head of their own household.

(c) REPORT.—Not later than October 1, 2001, the Secretary shall submit a report to the Congress on the results of the demonstration projects conducted under this section.

Mr. EXON. Mr. President, I ask unanimous consent that the amendment be agreed to and the motion to reconsider be laid upon the table.

Mr. DOMENICI. Mr. President, let me just mention that amendment we had agreed to over the weekend. We worked on that with Senator KERREY. We have no objection. We had already agreed to it.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4954) was agreed to.

AMENDMENT NO. 4935

Mr. EXON. Mr. President, under the previous order, all points of order must be raised today before the 2 o'clock deadline, or under the extended time that we have agreed to.

Pursuant to that order, I now address amendment No. 4935, offered by the Senator from Texas, Senator GRAMM. Mr. President, the amendment is not germane, and I raise a point of order that the Gramm amendment violates section 305(b) of the Congressional Budget Act.

Mr. DOMENICI. Mr. President, I move to waive the point of order and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4901

Mr. EXON. Mr. President, also pursuant to the previous order, I now address amendment No. 4901, offered by the Senator from North Carolina, Senator FAIRCLOTH.

The amendment is not germane, and I raise a point of order that the Faircloth amendment violates section 305 of the Congressional Budget Act.

Mr. DOMENICI. Pursuant to the appropriate provisions of the Budget Act, I move to waive the point of order against the amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4955

(Purpose: To permit assistance to be provided to needy or disabled legal immigrant children when sponsors cannot provide reimbursement)

Mr. EXON. Mr. President, on behalf of the Senator from Massachusetts, Senator KENNEDY, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nebraska [Mr. EXON], for Mr. KENNEDY, proposes an amendment numbered 4955.

Mr. EXON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 572, strike out line 10 and all that follows through page 577, line 10, and insert the following:

(E) EXCEPTION FOR CHILDREN.—Paragraph (1) shall not apply to the following:

(i) SSI.—An alien who has not attained the age of 18 years and who is eligible by reasons of disability for supplemental security income under title XVI of the Social Security Act.

(ii) FOOD STAMPS.—An alien who has not attained the age of 18 years, only for purposes of eligibility for the food stamp program as defined in section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h)).

(3) SPECIFIED FEDERAL PROGRAM DEFINED.—For purposes of this chapter, the term "specified Federal program" means any of the following:

(A) SSI.—The supplemental security income program under title XVI of the Social Security Act, including supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

(B) FOOD STAMPS.—The food stamp program as defined in section 3(h) of the Food Stamp Act of 1977.

(b) LIMITED ELIGIBILITY FOR DESIGNATED FEDERAL PROGRAMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in section 2403 and paragraph (2), a State is authorized to determine the eligibility of an alien who is a qualified alien (as defined in section 2431) for any designated Federal program (as defined in paragraph (3)), except that States shall not ban from such programs qualified aliens who have not attained the age of 18 years.

(2) EXCEPTIONS.—Qualified aliens under this paragraph shall be eligible for any designated Federal program.

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(i) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(ii) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.

(iii) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.

(B) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii)(I) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 2435, and (II) did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter.

(C) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(i) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii).

(D) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits under such program on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(3) DESIGNATED FEDERAL PROGRAM DEFINED.—For purposes of this chapter, the term "designated Federal program" means any of the following:

(A) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—The program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.

(B) SOCIAL SERVICES BLOCK GRANT.—The program of block grants to States for social services under title XX of the Social Security Act.

(C) MEDICAID.—The program of medical assistance under title XV and XIX of the Social Security Act.

SEC. 2403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is a qualified alien (as defined in section 2431) and who enters the United States on or after the date of the enactment of this Act is not eligible for any Federal means-tested public benefit (as defined in subsection (c)) for a period of five years beginning on the date of the alien's entry into the United States with a status within the meaning of the term "qualified alien".

(b) EXCEPTIONS.—The limitation under subsection (a) shall not apply to the following aliens:

(1) EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act.

(B) An alien who is granted asylum under section 208 of such Act.

(C) An alien whose deportation is being withheld under section 243(h) of such Act.

(2) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(3) EXCEPTION FOR CHILDREN.—An alien who has not attained the age of 18 years.

Mr. KENNEDY. Mr. President, I am deeply concerned that for the first time in history, Congress will ban legal immigrants from most assistance programs. Banning legal immigrants from these programs will also deny their children the assistance they need to become healthy, productive members of society. The amendment I am offering will exempt children from these bans.

The Republican bill permanently bans legal immigrants from SSI and food stamps. It bans them for 5 years from Medicaid, AFDC and other programs. It also gives States the option of going even farther, and permanently banning them from Medicaid, AFDC, and social service block grants.

Several preliminary points are important to understand about this issue.

First, this bill is a ban. Banning is not the same as deeming. In deeming, we look to the sponsor for payment before the Government pays. Under banning, the sponsor is not involved. The ban covers legal immigrants, with or without sponsors.

Second, we are not talking about illegal immigrants. This bill bans legal immigrants from safety net programs. These are individuals and families who come here legally, play by the rules, and pay their taxes. They are future citizens trying to make it in this country. Yet this bill would repay them by banning them from assistance if they fall on hard times.

Third, the ban's application to children makes no sense. Many children will be affected and harmed, but many others will not. It depends entirely on where they were born. Children born in the United States are U.S. citizens and will be eligible for assistance, even if their parents are legal immigrants. But children born overseas will be caught by the ban. So children in the same family will be treated differently, depending on where they were born. This is unfair.

Fourth, the children involved often live in the families of U.S. citizens. A typical case involves a citizen who has married and brought his new spouse and the spouse's child to America. Surely, they deserve help.

AFDC, SSI, food stamps and Medicaid are programs which are especially critical to children's health and development. Banning legal immigrant children from these programs puts their well-being at stake, and it puts the public at risk, too.

Legal immigrants can get sick like everyone else. Their families can fall on hard times. They can become disabled. Banning them from basic assistance programs means that when their sponsors can't provide support, immigrants won't get the help they need. Their medical conditions will go untreated and their disabilities will worsen.

These children are future citizens. Like all other children in America, they need and deserve to be assured of good health and good nutrition. If the Federal Government abandons them, communities will suffer.

When immigrant children get sick, they infect other children. By banning them from Medicaid, we are also banning them from school-based care under the Early and Periodic Screening, Detection, and Treatment Program, which provides basic health care to school-age children. It is part of Medicaid in most states.

Under this bill, legal immigrant children will be banned from going to the school nurse when they feel sick in school. If they try to see the nurse, the nurse cannot treat them because they are immigrants. They have no private insurance and they are banned from Medicaid. If the illness gets worse, their parents may take them to the local emergency room—a very expensive alternative and not likely to be pursued unless the illness seems severe.

Suppose a child has tuberculosis. In the time it took for the illness to worsen enough to be covered by emergency Medicaid, many classmates have been exposed—all because no early help was available.

In addition to Medicaid, the Republican bill bans legal immigrant children from SSI, which provided assistance to the blind and disabled. Nine thousand legal immigrant children are blind or disabled. They have some of the most complex and life-threatening needs of all. As a practical matter, such cases often involve tragic accidents, where expensive long-term care is needed to deal with debilitating conditions. If SSI is not available, children literally will die.

The Republican bill also bans legal immigrant children from food stamps, which could sentence them to a lifetime of health problems due to poor nutrition. Parents will have to turn to soup kitchens and food pantries just to feed their children. Yet, soup kitchens are already stretched beyond their capacity. Almost all soup kitchens limit the number of times a person can come to the kitchen for food. Some kitchens allow one visit a month. Others allow only three to six visits a year. If we cut off food stamps, many legal immigrant children will have nowhere to turn for food.

Nutrition is vital to the development of a child. Immigrant children are no exception. Without access to food stamps, some immigrant children will suffer a lifetime of anemia, stunted growth, and even permanent brain damage.

Finally, it makes no sense to ban legal immigrants from AFDC payments. AFDC allows mothers to place their children in child care, so that the parent can work or go to school. Without AFDC, parents will have to stay home to take care of their children. This bill is not welfare reform for legal immigrants. It will push families further into poverty, with no chance of escape.

For all of these reasons, I urge the Senate to adopt this amendment, and reject this harsh and extreme attack on immigrant children.

Mr. EXON. Mr. President, I yield back time on the amendment.

Mr. DOMENICI. Pursuant to section 310(d)(2), I raise a point of order against the pending Kennedy amendment on behalf of the Finance Committee.

Mr. EXON. Mr. President, I move to waive the point of order and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second

The yeas and nays were ordered.

AMENDMENT NO. 4956

(Purpose: To allow a 2-year implementation period under the Medicaid program for implementation of the attribution of sponsor's income, the 5-year ban, and other provisions)

Mr. EXON. Mr. President, on behalf of the Senator from Massachusetts, Senator KENNEDY, I send another amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Nebraska [Mr. EXON], for Mr. KENNEDY, proposes an amendment numbered 4956.

Mr. EXON. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. KENNEDY. Mr. President, the changes in Medicaid for legal immigrants in this legislation will have a major impact on health care institutions and on the public health.

Virtually all of the Nation's hospitals have called on Congress to delay implementation of these changes for at least 2 years because of their far-reaching consequences. Those who have urged such a transition include:

The American Association of Eye and Ear Hospitals,

The American Hospital Association,

The Association of American Medical Colleges,

The American Osteopathic Healthcare Association,

The Federation of American Health Systems, InterHealth,

The National Association of Children's Hospitals,

The National Association of Community Health Centers,

The National Association of Psychiatric Health Systems,

The National Association of Public Hospitals,

Premier, Inc.; and

The Catholic Health Association of the United States.

My amendment responds to their concern by postponing the implementation of the Medicaid changes on immigrants for 2 years, in order to enable State and local governments and hospitals and clinics to make the major adjustments required under this bill.

Even with this transition, these changes will hurt the health care system and harm the public health. It is bad public health policy to deny Medicaid to legal immigrants. Last April, the National Conference of State Legislatures, the National Association of Counties, and the National League of Cities wrote to Congress stating:

> Without this program eligibility, many legal immigrants will not have access to health care. Legal immigrants will be forced to turn to State indigent health care programs, public hospitals, and emergency rooms for assistance or avoid treatment altogether. This will in turn endanger the public health and increase the cost of providing health care to everyone.

But if these changes are to take place, then we should at least give health providers the time they need to adjust.

Although the bill continues emergency Medicaid for legal immigrants, they would be banned from regular Medicaid for 5 years. After that, they can qualify for Medicaid only if their sponsor's income and resources are too low to assist them. But States can decide to ban legal immigrants permanently from Medicaid.

Hospitals fear that if Medicaid is restricted, the loss of funds will require them to reduce services for everyone—citizens and non-citizens alike. Especially vulnerable are the most costly services, such as trauma care, burn treatment, and neonatal intensive care.

This crisis in funding will particularly affect hospitals that serve communities with large numbers of immigrants. In the case of public hospitals, most patients have Medicaid coverage. Today, at Cambridge City Hospital in Massachusetts, 48 percent of the patients are immigrants. That means the hospital could lose half of its Medicaid funding under this bill.

For Los Angeles County Hospital, the figure is 60 percent. For Jackson Memorial Hospital in Miami, 40 percent. For San Francisco General Hospital, 30 percent. For Harris County Hospital in Houston, 30 percent.

The sudden loss of Medicaid income when the immigrant population is denied coverage may well jeopardize the quality of health care in the entire community those hospitals serve.

In addition, those without health coverage through insurance or Medicaid are less likely to receive preventive medical care and timely immunization. The result is unnecessarily higher risks of disease in the community as a whole. The care system will try to prevent this result, but it is a gamble that Congress should not impose.

At a minimum, the health care system needs time to adjust. Under this bill, the Medicaid changes go into effect immediately for future immigrants. States may choose to deny Medicaid starting on January 1, 1997. That's unfair and unrealistic. Hospitals and State and local governments need time to adjust. Community health centers need to find ways to expand, as Medicaid resources dry up for hospital care. State legislatures will need to adopt new laws and adjust spending to compensate for the loss of Medicaid.

These complicated changes cannot occur overnight, especially in California, Texas, Florida, New York, New Jersey, Massachusetts, Pennsylvania, Illinois, and other States with large immigrant populations.

These changes should not go into effect at all. But if they do, I urge my colleagues at least to hear the pleas and heed the plight of the hospitals. They need more time and they deserve it.

I urge the adoption of this amendment.

Mr. EXON. Mr. President, I yield back time on the amendment.

Mr. DOMENICI. Mr. President, pursuant to appropriate sections of the Budget Act, I raise a point of order against the pending Kennedy amendment on behalf of the Finance Committee.

Mr. EXON. Mr. President, at this point, I move to waive all points of order against the pending amendment. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4957

(Purpose: To modify remittance requirement from 5 to 7 days for child support enforcement payments)

Mr. DOMENICI. Mr. President, since the hour of 2 is arriving and we have agreed to extra time just for Senator EXON, I send an amendment to the desk in behalf of Senator NICKLES. It was on the list. It modifies the requirement for remittance, making it 7 days instead of 5 for child support payments. I send that amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from New Mexico [Mr. DOMENICI], for Mr. NICKLES, proposes an amendment numbered 4957.

Mr. DOMENICI. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 438, line 15, strike "5" and insert "7".

Mr. EXON. We have no objection to this amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4957) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. EXON. Mr. President, in 1986, the Congress enacted the so-called "Byrd rule," named for our esteemed colleague, Senator BYRD, now incorporated into the Congressional Budget Act of 1974 as section 313. Although it may seem arcane to those not immediately involved in the budget process, the Byrd rule has become a very important tool to curb provisions in the reconciliation bill that are extraneous to the purpose of deficit reduction. It helped close Pandora's box of reconciliation abuse, of which Senator BYRD so eloquently warned more than 10 years ago.

The Byrd rule provides six definitions of what constitute extraneous matter, but the term generally applies to provisions unrelated to the reconciliation deficit reduction goals.

For example, a provision in reconciliation could be challenged by a Senator if it produces no changes in revenue or spending or if such changes are merely incidental. Sixty votes are necessary to waive a point of order raised under the Byrd rule. Last year's reconciliation bill contained numerous Byrd rule violations. This year's bill is also brimming with violations. I will shortly present a full list to the Chair and raise a point of order, but I want to highlight two of them.

First, there is a provision that deletes a requirement that the Secretary of Agriculture promulgate rules so that school lunch contracts comply with the applicable meat inspection laws.

Second, there is a provision that strikes the requirement that positive efforts shall be made by service institutions to use small business and minority-owned businesses as sources of supplies and services for these school lunch programs.

Mr. President, once again, these are simply other add-ons that we should look to. Once again, this is not an all-inclusive list, but it gives the Senate a flavor of the violations that I will shortly raise.

With that, Mr. President, I send a list of provisions to the desk that I have referenced, and pursuant to section 313(d) of the Congressional Budget Act, I raise a point of order that these provisions violate section 313(b)(1) of that act.

The list follows:

EXTRANEOUS PROVISIONS IN S. 1956

Section	Subject	Violation	Rationale
Section 1206(h)	Positive efforts		
	Title I—Committee on Agriculture—Agriculture and Related Provisions Subtitle A—Food Stamps and Commodity Distribution Chapter 1—Food Stamp Program		
Section 1126	Caretaker exemption	313(b)(1)(A)	No budgetary impact.
Sec. 1148	Expedited service	313(b)(1)(A)	No budgetary impact.
Sec. 1159	Waiver authority	313(b)(1)(A)	No budgetary impact.
	Subtitle B—Child Nutrition programs Chapter 1—Amendments to the School Lunch Act		
Sec. 1202(b)	Annual announcement of child nutrition income eligibility limits	313(b)(1)(A)	No budgetary impact.
Sec. 1205(g)	Vermont food works	313(b)(1)(A)	No budgetary impact.
Sec. 1207(b)	Meat inspection		
Sec. 1209(c)	Eliminating projects	313(b)(1)(A)	No budgetary impact
	Subtitle B—Child Nutrition programs Chapter 2—Amendments to the Child Nutrition Act of 1966		
Sec. 1259(d)(1)	Delete requirement for WIC particpants to be provided drug abuse education.	313(b)(1)(A)	No budgetary impact.
Sec. 1259(e)(2) line 13 strike "(2)" and "(8)".	Announcing annual WIC income	313(b)(1)(A)	No budgetary impact.
Sec. 1259(g)(1)(C)	Deletes USDA's authority to use a portion of WIC carryover funds for innovative demonstration projects to find more innovative ways of promoting breastfeeding among WIC participants.	313(b)(1)(A)	No budgetary impact.
	Title II—Committee on Finance Subtitle A—Welfare Reform		
In Chapter 1:			
"Sec. 403(b)(9)"	Budget Scoring—directs CBO not to include program in the baseline after 2001.	313(b)(1)(C)	Not in Finance's jurisdiction.
"Sec. 405(e)	Collection of State overpayments to families from Federal tax refunds	313(b)(1)(A)	No budgetary impact.
"Sec. 408(a)(2)"	No additional cash assistance for children born to families receiving assistance.	313(b)(1)(A)	No budgetary impact.
"Sec. 409(a)(7)(C)"	Applicable percentage reduced for high performance States	313(b)(1)(A)	No budgetary impact.
Sec. 2104	Services provided by charitable, or private organizations	313(b)(1)(A)	No budgetary impact.
Sec. 2113	Disclosure of receipt of Federal funds	313(b)(1)(A)	No budgetary impact.

EXTRANEOUS PROVISIONS IN S. 1956—Continued

Section	Subject	Violation	Rationale
In Chapter 2:			
Sec. 2225	Repeal of maintenance of effort requirement—applicable to optional State programs for supplementation of SSI benefits.	313(b)(1)(D)	Budget impact is merely incidental to policy change.
In Chapter 4:			
Sec. 2403(c)(1)	Federal means-tested public benefits	313(b)(1)(C)	Aspects are not in Finance Committee's jurisdiction.
Sec. 2412(c)	State public benefits defined	313(b)(1)(A)	No budgetary impact.
In Sec. 2423:			
"Sec. 213A(f)(2)	Federal means-tested public benefits	313(b)(1)(C)	Aspects are not in Finance Committee's jurisdiction.
Sec. 2424	Consignature of alien student loans	313(b)(1)(C)	The Higher Education Act is in the jurisdiction of the Labor Committee, not the Finance Committee.
Sec. 2424	Cosignature of alien student loans	313(b)(1)(C)	The Higher Education Act is in the jurisdiction of the Labor Committee, not the Finance Committee.
Chapter 5	Reductions in Federal Government	313(b)(1)(A)	No budgetary impact.
		313(b)(1)(C)	Not in Finance's jurisdiction.
In Chapter 8:			
Sec. 2815	Repeals	313(b)(1)(A)	No budgetary impact. Discretionary programs.
		313(b)(1)(C)	Not in Finance's jurisdiction.
In Chapter 9:			
Sec. 2909	Abstinence education	313(b)(1)(A)	No budgetary impact. Affects discretionary programs.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER (Mr. BENNETT). The Senator from New Mexico.

Mr. DOMENICI. Mr. President, might I inquire of the distinguished Senator, before I lodge my waiver with this, have we finished the work that you had alluded to that you had to do?

Mr. EXON. We have one other matter. It is simply something to offer into the RECORD, a letter from the President on the matter that I think you will have no objection to. Other than that, I have nothing further, after the motion that I have just made.

Mr. DOMENICI. I assume when we dispose of that, and you get your insertion, we are finished and have complied with the order about completing the work on this bill?

Mr. EXON. The Senator is correct.

Mr. DOMENICI. Mr. President, since I have not had time nor has our staff had time to review the list of subject matters for Byrd rule points of order—and I want to state in a very specific way that I totally agree with the statements of the Senator from Nebraska as to why we have a Byrd rule. It is not totally perfect, but it is much better than having this law and this reconciliation without that kind of limitation. Nonetheless, we have not had a chance to review them. So what I would like to do—and I am going to do this now; I want to explain it to Senator EXON—I am going to move to waive each one and then we will reserve until tomorrow and consult with all of you on which ones we may indeed seek a vote, if any.

Mr. EXON. Mr. President, the request from the Senator is entirely in order. I had anticipated that they would have some time to look at the list because we have just completed it ourselves and sent it to the desk. Therefore, I have no objection to the request just made and would agree to it.

Mr. DOMENICI. Mr. President, I move to waive the Budget Act with respect to each individual point of order that has just been sent to the desk and lodged by the minority.

I might inform the Senate that, without votes on the points of order if we elect to seek waiver, there are 22 stacked votes now in the event we vote on everything that we have heretofore cleared. The starting time, according to the previous order, unless changed, will be 9:30 a.m. tomorrow morning.

The PRESIDING OFFICER. The Senator is correct.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I ask unanimous consent that a letter stating the administration's position on the bill be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF MANAGEMENT AND BUDGET,
Washington, DC, July 18, 1996.

Hon. J. JAMES EXON,
Committee on the Budget, U.S. Senate, Washington, DC.

DEAR SENATOR EXON: I am writing to transmit the Administration's views on S. 1956, the "Personal Responsibility, Work Opportunity, and Medicaid Restructuring Act of 1996."

We understand that the Senate Republican leadership plans to move to strike the Medicaid provisions of this reconciliation legislation—leaving a welfare-only bill for Senate floor consideration.

We are pleased with this decision to separate welfare reform from provisions to repeal Medicaid's guarantee of health care for the elderly, the poor, pregnant women, and people with disabilities. We hope that removing this "poison pill" from welfare reform is a breakthrough that shows that the Republican leadership seriously wants to pass bipartisan welfare reform this year.

Enacting bipartisan welfare reform reflecting the principles of work, family, and responsibility is among the Administration's highest priorities. For the past three-and-a-half years, the President has demonstrated his commitment to enacting real welfare reform by working with Congress to enact legislation that moves people from welfare to work, encourages responsibility, and protects children. The Administration sent Congress a stand-alone welfare bill that requires welfare recipients to work, imposes strict time limits on welfare, toughens child support enforcement, is fair to children, and is consistent with the President's commitment to balance the budget.

The Administration is pleased that the bill makes many of the important improvements to H.R. 4 that we recommended—improvements also included in the bipartisan National Governors' Association (NGA) and Breaux-Chafee proposals. The Senate bill improves upon the bill that the House is now considering. We urge the Senate to build on these improvements, and to continue the bipartisan spirit displayed in last year's debate on welfare reform. At the same time, however, the Administration is deeply concerned about certain provisions of S. 1956 that would adversely affect benefits for Food Stamp households and legal immigrants, as well as the need for strong State accountability and flexibility. And, the bill would still raise taxes on millions of workers by cutting the Earned Income Tax Credit (EITC).

IMPROVEMENTS CONTAINED IN S. 1956

We appreciate the Finance and Agriculture Committees' efforts to strengthen provisions central to work-based reform, such as child care, and to provide additional protections for children and families. In rejecting H.R. 4, the President singled out a number of provisions that were tough on children and did too little to move people from welfare to work. S. 1956 includes important changes to these provisions that move the legislation closer to the President's vision of true welfare reform. We are particularly pleased with the following improvements:

Child Care. As the President has insisted throughout the welfare reform debate, child care is essential to move people from welfare to work. The bill reflects a better understanding of the child care resources that States will need to implement welfare reform, adding $4 billion for child care above the level in H.R. 4. The bill also recognizes that parents of school-age children need child care in order to work.

Food Stamps. The bill removes the annual spending cap on Food Stamps, preserving the program's ability to expand during periods of economic recession and help families when they are most in need. We are concerned, however, with other Food Stamp proposals, as discussed below.

Maintenance of Effort. The Administration strongly supports the Finance Committee's changes to State maintenance of effort (MOE) and transfer provisions and believes these are critical elements of bipartisan welfare reform. The Committee removed the objectionable transfer authority to the Title XX Social Services Block Grant and other programs and would allow transfers to child care only. In addition, the Committee restored the 80 percent MOE level in last year's Senate bill and tightened the definition of what counts toward this requirement.

Work Performance Bonus. We commend the Committee for giving States an incentive to move people from welfare to work by providing $1 billion in work program performance bonuses by 2003. This provision was an important element of last year's Senate bill and the Administration's bill, and will help change the culture of the welfare office.

Contingency Fund. The bill adopts the NGA recommendation to double the Contingency Fund to $2 billion, and add a more responsive trigger based on the Food Stamp caseload. Below, the Administration recommends further steps that Congress should take to strengthen this provision.

Equal Protection. The Committee includes provisions that would require States to establish objective criteria for delivery of benefits and to ensure equitable treatment. We are pleased that the Committee also incorporates appropriate State accountability measures.

Hardship Exemption. We commend the Finance Committee for following the NGA recommendation and restoring last year's Senate provisions allowing States to exempt up to 20 percent of hardship cases that reach the five-year limit.

Transitional Medicaid. We are pleased that the Finance Committee has taken steps to ensure the continuation of Medicaid coverage for some of those who are transitioning from welfare to work. We are concerned, however, that States could deny this transitional Medicaid to many who would lose cash benefits for various reasons. In addition, we still have concerned with Medicaid coverage for those on cash assistance, as noted below.

Worker Displacement. We are pleased that the bill incorporates provisions against worker displacement, including protections from partial displacement as well as avenues for displaced employees to seek redress.

Child Nutrition. The bill now includes many provisions proposed by the Administration, and no longer includes H.R. 4's provisions for a child nutrition block-grant demonstration. In addition, the bill exempts the child nutrition program from burdensome administrative provisions related to its alien provisions. We believe that the Senate could further improve the bill by including the Administration's proposed 8 percent commodity floor.

Child Protection. We commend the Finance Committee for preserving the Title IV-E foster care and adoption assistance programs (including related Medicaid coverage), and other family support and child abuse prevention efforts.

Supplemental Security Income (SSI). The bill removes the proposed two-tiered benefit system for disabled children receiving SSI, and retains full cash benefits for all eligible children.

We remain pleased that Congress has decided to include central elements of the President's approach—time limits, work requirements, the toughest possible child support enforcement, and the requirement that minor mothers live at home as a condition of assistance—in this legislation.

KEY CONCERNS WITH S. 1956

The Administration, however, remains deeply concerned that S. 1956 still lacks other important provisions that have earned bipartisan endorsement.

Size of the cuts. The welfare provisions incorporate most of the cuts in the vetoed bill—about $60 billion over six years (including the EITC and related savings in Medicaid). These cuts far exceed those proposed by the NGA or the Administration. Cuts in Food Stamps and benefits to legal immigrants are particularly deep. The President's Budget demonstrates that cuts of this size are not necessary to achieve real welfare reform, nor are they needed to balance the budget.

Food Stamps. The Administration strongly opposed the inclusion of a Food Stamp grant option, which could seriously undermine the Federal nature of the program, jeopardizing the nutrition and health of millions of children, working families, and the elderly, and eliminating the program's ability to respond to economic changes. The Administration also is concerned that the bill makes deep cuts in the Food Stamp program, including a cut in benefits to households with high shelter costs that disproportionately affects families with children, and a four-month time limit on childless adults who are willing to work but are not offered a work slot.

Legal Immigrants. The bill retains the excessively harsh and uncompromising immigration provisions of last year's vetoed bill. While we support the strengthening of requirements on the sponsors of legal immigrants applying for SSI, Food Stamps, and Aid to Families with Dependent Children (AFDC), the bill bans SSI and Food Stamps for virtually all legal immigrants, and imposes a five-year ban on most other Federal programs, including non-emergency Medicaid, for new legal immigrants. These bans would even cover legal immigrants who become disabled after entering the country, families with children, and current recipients. The bill would deny benefits to 300,000 immigrant children and would affect many more children whose parents are denied assistance. The proposal unfairly shifts costs to States with high numbers of legal immigrants. In addition, the bill requires most Federal, State, and local benefits programs to verify recipients' citizenship or alien status. These mandates would create extremely difficult and costly administrative burdens for State, local, and non-profit service providers, as well as barriers to participation for citizens. Also, the Administration urges that Senate not go in the harsh direction that the House Rules Committee did yesterday in reporting a provision that would broaden the ban on current immigrants from receiving Medicaid coverage.

Medical Assistance Guarantee. The Administration opposes provisions that do not guarantee continued Medicaid eligibility when States change AFDC rules. We are concerned that families who lose cash assistance for various reasons, such as reaching the five-year limit or having additional children while they are receiving assistance, could lose their Medicaid eligibility and be unable to receive the health care services that they need. In addition, State flexibility to change these AFDC rules could adversely affect Medicaid eligibility determinations, including eligibility for poverty-related pregnant women and children.

Protection in Economic Downturn. Although the Contingency Fund is twice what it was in the vetoed bill, it still does not allow for further expansions during poor economic conditions and periods of increased need. We are also concerned about provisions that reduce the match rate on contingency funds for States that access the fund for periods of under a year.

Resources for Work. S. 1956 would not provide the resources States need to move recipients into work. The bill increases the work mandates on States above the levels in H.R. 4 while providing no additional resources for States to meet these more stringent rates. Based on CBO estimates, the Senate bill would provide $12 billion less over six years than is required to meet the bill's work requirements and maintain the current level of cash assistance to poor families. CBO notes that "most States would be unlikely to satisfy this requirement." Moreover, the Senate bill would lead to a $2.4 billion shortfall in child care resources (assuming States maintain their current level of cash assistance benefits, continue current law Transitional and At-Risk child care levels, and do not transfer amounts from the cash block grant to child care).

Vouchers. The bill actually reduces State flexibility by prohibiting States from using block grant funds to provide vouchers to children whose parents reach the time limit. H.R. 4 contained no such prohibition, and the NGA opposes it. We strongly urge the adoption of voucher language, similar to that in the Administration's bill and Breaux-Chafee, that protects children.

Child Care Health and Safety Protections. The bill repeals current child care health and safety protections and cuts set-aside funds to the States to improve the safety and quality care. We strongly urge the Senate to restore these basic health and safety protections, which were enacted with strong bipartisan support in 1990 and maintained in last year's Senate bill and are essential to the safety and well-being of millions of young children.

Family Caps. The Senate bill reverts back to the opt-out provision on family caps which would restrict State flexibility in this area. The Administration, as well as the NGA, seeks complete State flexibility to set family cap policy.

EITC. The Administration opposes the provision in S. 1956 that raises taxes on over four million low-income adult workers by ending inflation adjustments for working households without dependent children, and thereby substantially cutting the real value of their tax credit over time. Raising taxes on these workers is wrong. In addition, the budget resolution instructs the revenue committees to cut up to $18.5 billion more from the EITC. Thus, EITC cuts could total over $20 billion. Such large tax increases on working families are particularly ill-conceived when considered in the context of real welfare reform—that is, encouraging work and making work pay.

We strongly support the bipartisan welfare reform initiatives of moderate Republicans and Democrats in both the House and Senate. The Breaux-Chafee proposal addresses many of our concerns, and it would strengthen State accountability efforts, welfare to work measures, and protections for children. It provides a foundation on which the Senate should build in order to provide more State flexibility; incentives for AFDC recipients to move from welfare to work; more parental responsibility; and protections for children. It is a good, strong proposal that would end welfare as we know it. Breaux-Chafee provides the much needed opportunity for a real bipartisan compromise, and it should be the basis for a quick agreement between the parties.

The President stands ready to work with Congress to address the outstanding concerns so we can enact a strong, bipartisan welfare reform bill to replace the current system with one that demands responsibility, strengthens families, protects children, and gives States broad flexibility and the needed resources to get the job done.

Sincerely,

JACOB J. LEW,
Acting Director.

Mr. DOMENICI. Mr. President, parliamentary inquiry. Is it correct, pursuant to the regular order, we would now proceed with the agriculture appropriations bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, what is the business now before the Senate?

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1997

The PRESIDING OFFICER. Under the previous order, the clerk will report the agriculture appropriations bill.

The assistant legislative clerk read as follows:

A bill (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations, with amendments; as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets and the parts of the bill intended to be inserted are shown in italic).

H.R. 3603

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes, namely:

TITLE I

AGRICULTURAL PROGRAMS

PRODUCTION, PROCESSING, AND MARKETING

OFFICE OF THE SECRETARY

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Secretary of Agriculture, and not to exceed $75,000 for employment under 5 U.S.C. 3109, $2,836,000: *Provided,* That not to exceed $11,000 of this amount, along with any unobligated balances of representation funds in the Foreign Agricultural Service shall be available for official reception and representation expenses, not otherwise provided for, as determined by the Secretary**[**: *Provided further,* That none of the funds appropriated or otherwise made available by this Act may be used to detail an individual from an agency funded in this Act to any Under Secretary office or Assistant Secretary office for more than 30 days**]**: *Provided further,* That none of the funds made available by this Act may be used to enforce section 793(d) of Public Law 104–127.

EXECUTIVE OPERATIONS

CHIEF ECONOMIST

For necessary expenses of the Chief Economist, including economic analysis, risk assessment, cost-benefit analysis, and the functions of the World Agricultural Outlook Board, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1622g), and including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 is for employment under 5 U.S.C. 3109, $4,231,000.

NATIONAL APPEALS DIVISION

For necessary expenses of the National Appeals Division, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $25,000 is for employment under 5 U.S.C. 3109, $11,718,000.

OFFICE OF BUDGET AND PROGRAM ANALYSIS

For necessary expenses of the Office of Budget and Program Analysis, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $5,000 is for employment under 5 U.S.C. 3109, $5,986,000.

CHIEF FINANCIAL OFFICER

For necessary expenses of the Office of the Chief Financial Officer, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109, $4,283,000: *Provided,* That the Chief Financial Officer shall actively market cross-servicing activities of the National Finance Center.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

For necessary salaries and expenses of the Office of the Assistant Secretary for Administration to carry out the programs funded in this Act, $613,000.

AGRICULTURE BUILDINGS AND FACILITIES AND RENTAL PAYMENTS

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92–313, including authorities pursuant to the 1984 delegation of authority from the Administrator of General Services to the Department of Agriculture under 40 U.S.C. 486, for programs and activities of the Department which are included in this Act, and for the operation, maintenance, and repair of Agriculture buildings, $120,548,000: *Provided,* That in the event an agency within the Department should require modification of space needs, the Secretary of Agriculture may transfer a share of that agency's appropriation made available by this Act to this appropriation, or may transfer a share of this appropriation to that agency's appropriation, but such transfers shall not exceed 5 percent of the funds made available for space rental and related costs to or from this account. In addition, for construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the programs of the Department, where not otherwise provided, **[$5,000,000]**, $25,587,000 to remain available until expended; making a total appropriation of **[$125,548,000]** *$146,135,000.*

HAZARDOUS WASTE MANAGEMENT

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Department of Agriculture, to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6961, $15,700,000, to remain available until expended: *Provided,* That appropriations and funds available herein to the Department for Hazardous Waste Management may be transferred to any agency of the Department for its use in meeting all requirements pursuant to the above Acts on Federal and non-Federal lands.

DEPARTMENTAL ADMINISTRATION

(INCLUDING TRANSFERS OF FUNDS)

For Departmental Administration, **[$28,304,000]** *$30,529,000,* to provide for necessary expenses for management support services to offices of the Department and for general administration and disaster management of the Department, repairs and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 is for employment under 5 U.S.C. 3109: *Provided,* That this appropriation shall be reimbursed from applicable appropriations in this Act for travel expenses incident to the holding of hearings as required by 5 U.S.C. 551–558*: Provided further, That of the total amount appropriated, not less than $11,774,000 shall be made available for civil rights enforcement.*

OFFICE OF THE ASSISTANT SECRETARY FOR CONGRESSIONAL RELATIONS

(INCLUDING TRANSFERS OF FUNDS)

For necessary salaries and expenses of the Office of the Assistant Secretary for Congressional Relations to carry out the programs funded in this Act, including programs involving intergovernmental affairs and liaison within the executive branch, **[$3,728,000]** *$3,668,000*: *Provided,* That no other funds appropriated to the Department in this Act shall be available to the Department for support of activities of congressional relations: *Provided further,* That not less than $2,241,000 shall be transferred to agencies funded in this Act to maintain personnel at the agency level.

OFFICE OF COMMUNICATIONS

For necessary expenses to carry on services relating to the coordination of programs involving public affairs, for the dissemination of agricultural information, and the coordination of information, work, and programs authorized by Congress in the Department, $8,138,000, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), of which not to exceed $10,000 shall be available for employment under 5 U.S.C. 3109, and not to exceed $2,000,000 may be used for farmers' bulletins.

OFFICE OF THE INSPECTOR GENERAL

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of the Inspector General, including employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and the Inspector General Act of 1978, as amended, $63,028,000, including such sums as may be necessary for contracting and other arrangements with public agencies and private persons pursuant to section 6(a)(9) of the Inspector General Act of 1978, as amended, including a sum not to exceed $50,000 for employment under 5 U.S.C. 3109; and including a sum not to exceed $95,000 for certain confidential operational expenses including the payment of informants, to be expended under the direction of the Inspector General pursuant to Public Law 95–452 and section 1337 of Public Law 97–98: *Provided,* That funds transferred to the Office of the Inspector

General through forfeiture proceedings or from the Department of Justice Assets Forfeiture Fund or the Department of the Treasury Forfeiture Fund, as a participating agency, as an equitable share from the forfeiture of property in investigations in which the Office of the Inspector General participates, or through the granting of a Petition for Remission or Mitigation, shall be deposited to the credit of this account for law enforcement activities authorized under the Inspector General Act of 1978, as amended, to remain available until expended.

OFFICE OF THE GENERAL COUNSEL

For necessary expenses of the Office of the General Counsel, $27,749,000.

OFFICE OF THE UNDER SECRETARY FOR RESEARCH, EDUCATION AND ECONOMICS

For necessary salaries and expenses of the Office of the Under Secretary for Research, Education and Economics to administer the laws enacted by the Congress for the Economic Research Service, the National Agricultural Statistics Service, the Agricultural Research Service, and the Cooperative State Research, Education, and Extension Service, $540,000.

ECONOMIC RESEARCH SERVICE

For necessary expenses of the Economic Research Service in conducting economic research and analysis, as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, [$54,176,000] *$53,109,000*: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225).

NATIONAL AGRICULTURAL STATISTICS SERVICE

For necessary expenses of the National Agricultural Statistics Service in conducting statistical reporting and service work, including crop and livestock estimates, statistical coordination and improvements, marketing surveys, and the Census of Agriculture notwithstanding 13 U.S.C. 142(a–b), as authorized by the Agricultural Marketing Act of 1946 (7 U.S.C. 1621–1627) and other laws, [$100,221,000] *$98,121,000*, of which up to $17,500,000 shall be available until expended for the Census of Agriculture: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109.

AGRICULTURAL RESEARCH SERVICE

For necessary expenses to enable the Agricultural Research Service to perform agricultural research and demonstration relating to production, utilization, marketing, and distribution (not otherwise provided for); home economics or nutrition and consumer use including the acquisition, preservation, and dissemination of agricultural information; and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed $100, [$702,831,000] *$721,758,000*: *Provided*, That appropriations hereunder shall be available for temporary employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $115,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: *Provided further*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided the cost of constructing any one building shall not exceed $250,000, except for headhouses or greenhouses which shall each be limited to $1,000,000, and except for ten buildings to be constructed or improved at a cost not to exceed $500,000 each, and the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building or $250,000, whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to modernization or replacement of existing facilities at Beltsville, Maryland: *Provided further*, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a): *Provided further*, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing or operating any research facility or research project of the Agricultural Research Service, as authorized by law.

None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products.

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities as necessary to carry out the agricultural research programs of the Department of Agriculture, where not otherwise provided, [$59,600,000] *$59,200,000*, to remain available until expended (7 U.S.C. 2209b): *Provided*, That funds may be received from any State, other political subdivision, organization, or individual for the purpose of establishing any research facility of the Agricultural Research Service, as authorized by law.

COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE

RESEARCH AND EDUCATION ACTIVITIES

For payments to agricultural experiment stations, for cooperative forestry and other research, for facilities, and for other expenses, including [$163,671,000] *$168,734,000* to carry into effect the provisions of the Hatch Act (7 U.S.C. 361a–361i); [$19,882,000] *$20,497,000* for grants for cooperative forestry research (16 U.S.C. 582a–582–a7); [$26,902,000] *$27,735,000* for payments to the 1890 land-grant colleges, including Tuskegee University (7 U.S.C. 3222); [$44,235,000] *$46,068,000* for special grants for agricultural research (7 U.S.C. 450i(c)); $11,769,000 for special grants for agricultural research on improved pest control (7 U.S.C. 450i(c)); [$96,735,000] *$93,935,000* for competitive research grants (7 U.S.C. 450i(b)); [$4,775,000] *$5,051,000* for the support of animal health and disease programs (7 U.S.C. 3195); [$650,000] *$500,000* for supplemental and alternative crops and products (7 U.S.C. 3319d); [$500,000] *$700,000* for grants for research pursuant to the Critical Agricultural Materials Act of 1984 (7 U.S.C. 178) and section 1472 of the Food and Agriculture Act of 1977, as amended (7 U.S.C. 3318), to remain available until expended; $475,000 for rangeland research grants (7 U.S.C. 3331–3336); $3,000,000 for higher education graduate fellowships grants (7 U.S.C. 3152(b)(6)), to remain available until expended (7 U.S.C. 2209b); $4,000,000 for higher education challenge grants (7 U.S.C. 3152(b)(1)); $1,000,000 for a higher education minority scholars program (7 U.S.C. 3152(b)(5)), to remain available until expended (7 U.S.C. 2209b); [$2,000,000] *$1,500,000* for an education grants program for Hispanic-serving Institutions (7 U.S.C. 3241); $4,000,000 for aquaculture grants (7 U.S.C. 3322); [$8,000,000] *$8,100,000* for sustainable agriculture research and education (7 U.S.C. 5811); $9,200,000 for a program of capacity building grants *(7 U.S.C. 3152(b)(4))* to colleges eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321–326 and 328), including Tuskegee University [7 U.S.C. 3152(b)(4),] to remain available until expended (7 U.S.C. 2209b); $1,450,000 for payments to the 1994 Institutions pursuant to section 534(a)(1) of Public Law 103–382; and [$9,605,000] *$10,644,000* for necessary expenses of Research and Education Activities, of which not to exceed $100,000 shall be for employment under 5 U.S.C. 3109; in all, [$411,849,000] *$418,358,000*.

None of the funds in the foregoing paragraph shall be available to carry out research related to the production, processing or marketing of tobacco or tobacco products.

NATIVE AMERICAN INSTITUTIONS ENDOWMENT FUND

For establishment of a Native American institutions endowment fund, as authorized by Public Law 130–382 (7 U.S.C. 301 note), $4,600,000.

BUILDINGS AND FACILITIES

For acquisition of land, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities and for grants to States and other eligible recipients for such purposes, as necessary to carry out the agricultural research, extension, and teaching programs of the Department of Agriculture, where not otherwise provided, [$30,449,000] *$55,668,000 (7 U.S.C. 390 et seq.)*, to remain available until expended (7 U.S.C. 2209b).

EXTENSION ACTIVITIES

Payments to States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands, Micronesia, Northern Marianas, and American Samoa: For payments for cooperative extension work under the Smith-Lever Act, as amended, to be distributed under sections 3(b) and 3(c) of said Act, and under section 208(c) of Public Law 93–471, for retirement and employees' compensation costs for extension agents and for costs of penalty mail for cooperative extension agents and State extension directors, [$260,438,000] *$268,493,000; $2,500,000 for extension work at the 1994 Institutions under the Smith-Lever Act (7 U.S.C. 343(b)(3))*; payments for the nutrition and family education program for low-income areas under section 3(d) of the Act, [$58,695,000] *$60,510,000*; payments for the pest management program under section 3(d) of the Act, $10,783,000; payments for the farm safety program under section 3(d) of the Act, [$2,855,000] *$2,943,000*; payments for the pesticide impact assessment program under section 3(d) of the Act, [$3,214,000] *$3,313,000*; payments to upgrade 1890 land-grant college research, extension, and teaching facilities as authorized by section 1447 of Public Law 95–113, as amended (7 U.S.C. 3222b), [$7,549,000] *$7,782,000*, to remain available until expended; *$1,700,000 for institutional capacity building grants at the 1994 Institutions (7 U.S.C. 301 note), to remain available until expended (7 U.S.C. 2209b)*; payments for the rural development centers under section 3(d) of the Act, [$908,000] *$936,000*; payments for a groundwater quality program under section 3(d) of the Act, [$10,733,000] *$11,065,000*; payments for the agricultural telecommunications program, as authorized by Public Law 101–624 (7 U.S.C. 5926), [$1,167,000] *$1,203,000*; payments for youth-at-risk programs under section 3(d) of the Act, [$9,554,000] *$9,850,000*; payments for a food safety program under section 3(d) of the Act, [$2,365,000] *$2,438,000*; payments for carrying out the provisions of the Renewable Resources Extension Act of 1978, [$3,192,000] *$3,291,000*; payments for Indian reservation agents under section 3(d) of the Act, [$1,672,000] *$1,724,000*; payments for sustainable agriculture programs under section 3(d) of the Act, [$3,309,000] *$3,411,000*; payments for rural health and safety education as authorized by section 2390 of Public Law 101–624 (7 U.S.C. 2661 note, 2662), [$2,628,000] *$2,709,000*; payments for cooperative extension work by the colleges receiving the benefits of the second Morrill Act (7 U.S.C. 321–326, 328) and Tuskegee University, [$24,337,000] *$25,090,000*; and for Federal administration and coordination including administration of the Smith-Lever Act, as amended, and the Act of September 29, 1977 (7 U.S.C. 341–349), as amended, and section 1361(c) of the Act of October 3, 1980 (7 U.S.C. 301 note), and to coordinate and provide program leadership for the extension work of the Department and the several States and insular possessions, [$6,271,000] *$11,331,000*; in all, [$409,670,000] *$431,072,000*: *Provided*, That funds hereby appropriated pursuant to section 3(c) of the Act of June 26, 1953, and section 506 of the Act of June 23, 1972, as amended, shall not be paid to any State, the District of Columbia, Puerto Rico, Guam, or the Virgin Islands, Micronesia, Northern Marianas, and American Samoa prior to availability of an equal sum from non-Federal sources for expenditure during the current fiscal year.

OFFICE OF THE ASSISTANT SECRETARY FOR MARKETING AND REGULATORY PROGRAMS

For necessary salaries and expenses of the Office of the Assistant Secretary for Marketing and Regulatory Programs to administer programs under the laws enacted by the Congress for the Animal and Plant Health Inspection Service, Agricultural Marketing Service, and the Grain Inspection, Packers and Stockyards Administration, $618,000.

ANIMAL AND PLANT HEALTH INSPECTION SERVICE

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For expenses, not otherwise provided for, including those pursuant to the Act of February 28, 1947, as amended (21 U.S.C. 114b–c), necessary to prevent, control, and eradicate pests and plant and animal diseases; to carry out inspection, quarantine, and regulatory activities; to discharge the authorities of the Secretary of Agriculture under the Act of March 2, 1931 (46 Stat. 1468; 7 U.S.C. 426–426b); and to protect the environment, as authorized by law, [$435,428,000] *$432,103,000*, of which [$4,500,000] *$5,000,000* shall be available for the control of outbreaks of insects, plant diseases, animal diseases and for control of pest animals and birds to the extent necessary to meet emergency conditions: *Provided*, That no funds shall be used to formulate or administer a brucellosis eradication program for the current fiscal year that does not require minimum matching by the States of at least 40 percent: *Provided further*, That this appropriation shall be available for field employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $40,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That this appropriation shall be available for the operation and maintenance of aircraft and the purchase of not to exceed four, of which two shall be for replacement only: *Provided further*, That, in addition, in emergencies which threaten any segment of the agricultural production industry of this country, the Secretary may transfer from other appropriations or funds available to the agencies or corporations of the Department such sums as he may deem necessary, to be available only in such emergencies for the arrest and eradication of contagious or infectious disease or pests of animals, poultry, or plants, and for expenses in accordance with the Act of February 28, 1947, as amended, and section 102 of the Act of September 21, 1944, as amended, and any unexpended balances of funds transferred for such emergency purposes in the next preceding fiscal year shall be merged with such transferred amounts: *Provided further*, That appropriations hereunder shall be available pursuant to law (7 U.S.C. 2250) for the repair and alteration of leased buildings and improvements, but unless otherwise provided the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

In fiscal year 1997 the agency is authorized to collect fees to cover the total costs of providing technical assistance, goods, or services requested by States, other political subdivisions, domestic and international organizations, foreign governments, or individuals, provided that such fees are structured such that any entity's liability for such fees is reasonably based on the technical assistance, goods, or services provided to the entity by the agency, and such fees shall be credited to this account, to remain available until expended, without further appropriation, for providing such assistance, goods, or services.

Of the total amount available under this heading in fiscal year 1997, $98,000,000 shall be derived from user fees deposited in the Agricultural Quarantine Inspection User Fee Account.

BUILDINGS AND FACILITIES

For plans, construction, repair, preventive maintenance, environmental support, improvement, extension, alteration, and purchase of fixed equipment or facilities, as authorized by 7 U.S.C. 2250, and acquisition of land as authorized by 7 U.S.C. 428a, $3,200,000, to remain available until expended.

AGRICULTURAL MARKETING SERVICE

MARKETING SERVICES

For necessary expenses to carry on services related to consumer protection, agricultural marketing and distribution, transportation, and regulatory programs, as authorized by law, and for administration and coordination of payments to States; including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $90,000 for employment under 5 U.S.C. 3109, [$37,592,000] *$47,829,000*, including funds for the wholesale market development program for the design and development of wholesale and farmer market facilities for the major metropolitan areas of the country: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

Fees may be collected for the cost of standardization activities, as established by regulation pursuant to law (31 U.S.C. 9701).

LIMITATION ON ADMINISTRATIVE EXPENSES

Not to exceed $59,012,000 (from fees collected) shall be obligated during the current fiscal year for administrative expenses: *Provided*, That if crop size is understated and/or other uncontrollable events occur, the agency may exceed this limitation by up to 10 percent with notification to the Appropriations Committees.

FUNDS FOR STRENGTHENING MARKETS, INCOME, AND SUPPLY (SECTION 32)

(INCLUDING TRANSFERS OF FUNDS)

Funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) shall be used only for commodity program expenses as authorized therein, and other related operating expenses, except for: (1) transfers to the Department of Commerce as authorized by the Fish and Wildlife Act of August 8, 1956; (2) transfers otherwise provided in this Act; and (3) not more than $10,576,000 for formulation and administration of marketing agreements and orders pursuant to the Agricultural Marketing Agreement Act of 1937, as amended, and the Agricultural Act of 1961.

PAYMENTS TO STATES AND POSSESSIONS

For payments to departments of agriculture, bureaus and departments of markets, and similar agencies for marketing activities under section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623(b)), $1,200,000.

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the United States Grain Standards Act, as amended, for the administration of the Packers and Stockyards Act, for certifying procedures used to protect purchasers of farm products, and the standardization activities related to grain under the Agricultural Marketing Act of 1946, as amended, including field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $25,000 for employment under 5 U.S.C. 3109, $22,728,000: *Provided*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

INSPECTION AND WEIGHING SERVICES

LIMITATION ON INSPECTION AND WEIGHING SERVICE EXPENSES

Not to exceed $43,207,000 (from fees collected) shall be obligated during the current fiscal year for inspection and weighing services: *Provided*, That if grain export activities require additional supervision and oversight, or other uncontrollable factors occur, this limitation may be exceeded by up to 10 percent with notification to the Appropriations Committees.

OFFICE OF THE UNDER SECRETARY FOR FOOD SAFETY

For necessary salaries and expenses of the Office of the Under Secretary for Food Safety to administer the laws enacted by the Congress for the Food Safety and Inspection Service, $446,000.

FOOD SAFETY AND INSPECTION SERVICE

For necessary expenses to carry on services authorized by the Federal Meat Inspection Act, as amended, the Poultry Products Inspection Act, as amended, and the Egg Products Inspection Act, as amended, [$574,000,000] *$557,697,000*, and in addition, $1,000,000 may be credited to this account from fees collected for the cost of laboratory accreditation as authorized by section 1017 of Public Law 102–237: *Provided*, That this appropriation shall not be available for shell egg surveillance under section 5(d) of the Egg Products Inspection Act (21 U.S.C. 1034(d)):

Provided further, That this appropriation shall be available for field employment pursuant to section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $75,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That this appropriation shall be available pursuant to law (7 U.S.C. 2250) for the alteration and repair of buildings and improvements, but the cost of altering any one building during the fiscal year shall not exceed 10 percent of the current replacement value of the building.

OFFICE OF THE UNDER SECRETARY FOR FARM AND FOREIGN AGRICULTURAL SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Farm and Foreign Agricultural Services to administer the laws enacted by Congress for the [Consolidated] Farm Service Agency, Foreign Agricultural Service, and the Commodity Credit Corporation, $572,000.

FARM SERVICE AGENCY

SALARIES AND EXPENSES

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses for carrying out the administration and implementation of programs administered by the Farm Service Agency, [$746,440,000] *$795,000,000*: *Provided*, That the Secretary is authorized to use the services, facilities, and authorities (but not the funds) of the Commodity Credit Corporation to make program payments for all programs administered by the Agency: *Provided further*, That other funds made available to the Agency for authorized activities may be advanced to and merged with this account: *Provided further*, That these funds shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $1,000,000 shall be available for employment under 5 U.S.C. 3109.

STATE MEDIATION GRANTS

For grants pursuant to section 502(b) of the Agricultural Credit Act of 1987, as amended (7 U.S.C. 5101–5106), $2,000,000.

DAIRY INDEMNITY PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses involved in making indemnity payments to dairy farmers for milk or cows producing such milk and manufacturers of dairy products who have been directed to remove their milk or dairy products from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government, and in making indemnity payments for milk, or cows producing such milk, at a fair market value to any dairy farmer who is directed to remove his milk from commercial markets because of (1) the presence of products of nuclear radiation or fallout if such contamination is not due to the fault of the farmer, or (2) residues of chemicals or toxic substances not included under the first sentence of the Act of August 13, 1968, as amended (7 U.S.C. 450j), if such chemicals or toxic substances were not used in a manner contrary to applicable regulations or labeling instructions provided at the time of use and the contamination is not due to the fault of the farmer, $100,000, to remain available until expended (7 U.S.C. 2209b): *Provided*, That none of the funds contained in this Act shall be used to make indemnity payments to any farmer whose milk was removed from commercial markets as a result of his willful failure to follow procedures prescribed by the Federal Government: *Provided further*, That this amount shall be transferred to the Commodity Credit Corporation: *Provided further*, That the Secretary is authorized to utilize the services, facilities, and authorities of the Commodity Credit Corporation for the purpose of making dairy indemnity disbursements.

OUTREACH FOR SOCIALLY DISADVANTAGED FARMERS

For grants and contracts pursuant to section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279), $1,000,000, to remain available until expended.

AGRICULTURAL CREDIT INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by 7 U.S.C. 1928–1929, to be available from funds in the Agricultural Credit Insurance Fund, as follows: farm ownership loans, $600,000,000, of which $550,000,000 shall be for guaranteed loans; operating loans, $2,345,071,000, of which $1,700,000,000 shall be for unsubsidized guaranteed loans and $200,000,000 shall be for subsidized guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, $1,000,000; for emergency insured loans, [$25,000,000] *$75,000,000* to meet the needs resulting from natural disasters; *for boll weevil eradication program loans as authorized by 7 U.S.C. 1989, $15,384,000;* and for credit sales of acquired property, $25,000,000.

For the cost of direct and guaranteed loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, as follows: farm ownership loans, $27,975,000, of which $22,055,000 shall be for guaranteed loans; operating loans, $96,840,000, of which $19,210,000 shall be for unsubsidized guaranteed loans and $18,480,000 shall be for subsidized guaranteed loans; Indian tribe land acquisition loans as authorized by 25 U.S.C. 488, $54,000; for emergency insured loans, [$6,365,000] *$19,095,000* to meet the needs resulting from natural disasters; *for boll weevil eradication program loans as authorized by 7 U.S.C. 1989, $2,000,000;* and for credit sales of acquired property, $2,530,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $221,046,000, of which $208,446,000 shall be transferred to and merged with the "Farm Service Agency, Salaries and Expenses" account.

[OFFICE OF RISK MANAGEMENT

[For administrative and operating expenses, as authorized by the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 6933), $62,198,000: *Provided*, That not to exceed $700 shall be available for official reception and representation expenses, as authorized by 7 U.S.C. 1506(i).]

CORPORATIONS

The following corporations and agencies are hereby authorized to make expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation or agency, except as hereinafter provided.

FEDERAL CROP INSURANCE CORPORATION FUND

For payments as authorized by section 516 of the Federal Crop Insurance Act, as amended, such sums as may be necessary, to remain available until expended (7 U.S.C. 2209b).

COMMODITY CREDIT CORPORATION FUND

REIMBURSEMENT FOR NET REALIZED LOSSES

For fiscal year 1997, such sums as may be necessary to reimburse the Commodity Credit Corporation for net realized losses sustained, but not previously reimbursed (estimated to be $1,500,000,000 in the President's fiscal year 1997 Budget Request (H. Doc. 104–162)), but not to exceed $1,500,000,000, pursuant to section 2 of the Act of August 17, 1961, as amended (15 U.S.C. 713a–11).

OPERATIONS AND MAINTENANCE FOR HAZARDOUS WASTE MANAGEMENT

For fiscal year 1997, the Commodity Credit Corporation shall not expend more than $5,000,000 for expenses to comply with the requirement of section 107(g) of the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, 42 U.S.C. 9607(g), and section 6001 of the Resource Conservation and Recovery Act, as amended, 42 U.S.C. 6961: *Provided*, That expenses shall be for operations and maintenance costs only and that other hazardous waste management costs shall be paid for by the USDA Hazardous Waste Management appropriation in this Act.

TITLE II

CONSERVATION PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR NATURAL RESOURCES AND ENVIRONMENT

For necessary salaries and expenses of the Office of the Under Secretary for Natural Resources and Environment to administer the laws enacted by the Congress for the Forest Service and the Natural Resources Conservation Service, $693,000.

NATURAL RESOURCES CONSERVATION SERVICE

CONSERVATION OPERATIONS

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–590f) including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands, water, and interests therein for use in the plant materials program by donation, exchange, or purchase at a nominal cost not to exceed $100 pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, [$619,392,000] *$638,954,000*, to remain available until expended (7 U.S.C. 2209b), of which not less than $5,835,000 is for snow survey and water forecasting and not less than $8,825,000 is for operation and establishment of the plant materials centers: *Provided*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for construction and improvement of buildings and public improvements at plant materials centers, except that the cost of alterations and improvements to other buildings and other public improvements shall not exceed $250,000: *Provided further*, That when buildings or other structures are erected on non-Federal land, that the right to use such land is obtained as provided in 7 U.S.C. 2250a: *Provided further*, That this appropriation shall be available for technical assistance and related expenses to carry out programs authorized by section 202(c) of title II of the Colorado River Basin Salinity Control Act of 1974, as amended (43 U.S.C.

1592(c)): *Provided further*, That no part of this appropriation may be expended for soil and water conservation operations under the Act of April 27, 1935 (16 U.S.C. 590a–590f) in demonstration projects: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225) and not to exceed $25,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That qualified local engineers may be temporarily employed at per diem rates to perform the technical planning work of the Service (16 U.S.C. 590e–2): *Provided further, That of the total amount appropriated, no more than $250,000 may be available for purposes authorized under sections 351–360 of Public Law 104–127.*

WATERSHED SURVEYS AND PLANNING

For necessary expenses to conduct research, investigation, and surveys of watersheds of rivers and other waterways, and for small watershed investigations and planning, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1001–1009), **[**$10,762,000**]** *$14,000,000*: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $110,000 shall be available for employment under 5 U.S.C. 3109.

WATERSHED AND FLOOD PREVENTION OPERATIONS

For necessary expenses to carry out preventive measures, including but not limited to research, engineering operations, methods of cultivation, the growing of vegetation, rehabilitation of existing works and changes in use of land, in accordance with the Watershed Protection and Flood Prevention Act approved August 4, 1954, as amended (16 U.S.C. 1001–1005, 1007–1009), the provisions of the Act of April 27, 1935 (16 U.S.C. 590a–f), and in accordance with the provisions of laws relating to the activities of the Department, $101,036,000, to remain available until expended (7 U.S.C. 2209b) (of which up to $15,000,000 may be available for the watersheds authorized under the Flood Control Act approved June 22, 1936 (33 U.S.C. 701, 16 U.S.C. 1006a), as amended and supplemented: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $200,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That not to exceed $1,000,000 of this appropriation is available to carry out the purposes of the Endangered Species Act of 1973 (Public Law 93–205), as amended, including cooperative efforts as contemplated by that Act to relocate endangered or threatened species to other suitable habitats as may be necessary to expedite project construction.

RESOURCE CONSERVATION AND DEVELOPMENT

For necessary expenses in planning and carrying out projects for resource conservation and development and for sound land use pursuant to the provisions of section 32(e) of title III of the Bankhead-Jones Farm Tenant Act, as amended (7 U.S.C. 1010–1011; 76 Stat. 607), the Act of April 27, 1935 (16 U.S.C. 590a–f), and the Agriculture and Food Act of 1981 (16 U.S.C. 3451–3461), $29,377,000, to remain available until expended (7 U.S.C. 2209b): *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $50,000 shall be available for employment under 5 U.S.C. 3109.

FORESTRY INCENTIVES PROGRAM

For necessary expenses, not otherwise provided for, to carry out the program of forestry incentives, as authorized in the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101), including technical assistance and related expenses, $6,325,000, to remain available until expended, as authorized by that Act.

TITLE III

RURAL ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR RURAL DEVELOPMENT

For necessary salaries and expenses of the Office of the Under Secretary for Rural Development to administer programs under the laws enacted by the Congress for the Rural Housing Service, Rural Business-Cooperative Service, and the Rural Utilities Service of the Department of Agriculture, $588,000.

RURAL HOUSING SERVICE

RURAL HOUSING INSURANCE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For gross obligations for the principal amount of direct and guaranteed loans as authorized by title V of the Housing Act of 1949, as amended, to be available from funds in the rural housing insurance fund, as follows: $3,300,000,000 for loans to section 502 borrowers, as determined by the Secretary, of which $2,300,000,000 shall be for unsubsidized guaranteed loans; $35,000,000 for section 504 housing repair loans; $15,000,000 for section 514 farm labor housing; $58,654,000 for section 515 rental housing; $600,000 for section 524 site loans; $50,000,000 for credit sales of acquired property; and $600,000 for section 523 self-help housing land development loans.

For the cost of direct and guaranteed loans, including the cost of modifying loans, as defined in section 502 of the Congressional Budget Act of 1974, as follows: section 502 loans, $89,210,000, of which $6,210,000 shall be for unsubsidized guaranteed loans; section 504 housing repair loans, $11,081,000; section 514 farm labor housing, $6,885,000; section 515 rental housing, $28,987,000**[**: *Provided*, That no funds for new construction for section 515 rental housing may be available for fiscal year 1997**]**; credit sales of acquired property, $4,050,000; and section 523 self-help housing land development loans, $17,000.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $366,205,000, which shall be transferred to and merged with the appropriation for "Rural Housing Service, Salaries and Expenses".

RENTAL ASSISTANCE PROGRAM

For rental assistance agreements entered into or renewed pursuant to the authority under section 521(a)(2) or agreements entered into in lieu of debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Housing Act of 1949, as amended, $493,870,000; and in addition such sums as may be necessary, as authorized by section 521(c) of the Act, to liquidate debt incurred prior to fiscal year 1992 to carry out the rental assistance program under section 521(a)(2) of the Act: *Provided*, That of this amount not more than $5,900,000 shall be available for debt forgiveness or payments for eligible households as authorized by section 502(c)(5)(D) of the Act, and not to exceed $10,000 per project for advances to nonprofit organizations or public agencies to cover direct costs (other than purchase price) incurred in purchasing projects pursuant to section 502(c)(5)(C) of the Act: *Provided further*, That agreements entered into or renewed during fiscal year 1997 shall be funded for a five-year period, although the life of any such agreement may be extended to fully utilize amounts obligated.

MUTUAL AND SELF-HELP HOUSING GRANTS

For grants and contracts pursuant to section 523(b)(1)(A) of the Housing Act of 1949 (42 U.S.C. 1490c), $26,000,000, to remain available until expended (7 U.S.C. 2209b).

RURAL HOUSING ASSISTANCE PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, loan guarantees, agreements, and grants, as authorized by 7 U.S.C. 1926, 42 U.S.C. 1472, 1474, 1479, *1485*, 1486, and 1490(a), except for sections 381E, 381H, 381N of the Consolidated Farm and Rural Development Act, **[**$73,190,000**]** *$136,435,000*, to remain available until expended, for direct loans and loan guarantees for community facilities, community facilities grant program, *rental assistance associated with and direct loans for new construction of section 515 rental housing*, rural housing for domestic farm labor grants, supervisory and technical assistance grants, very low-income housing repair grants, rural community fire protection grants, rural housing preservation grants, and compensation for construction defects of the Rural Housing Service: *Provided*, That the cost of direct loans and loan guarantees shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That the amounts appropriated shall be transferred to loan program and grant accounts as determined by the Secretary**[**: *Provided further*, That no funds for new construction relating to 515 rental housing may be available for fiscal year 1997**]**: *Provided further*, That of the funds made available in this paragraph not more than $1,200,000 shall be available for the multi-family rural housing loan guarantee program as authorized by section 5 of Public Law 104–120: *Provided further*, That if such funds are not obligated for multi-family rural housing loan guarantees by June 30, 1997, they remain available for other authorized purposes under this head: *Provided further*, That of the total amount appropriated, not to exceed $1,200,000 shall be available for the cost of direct loans, loan guarantees, and grants to be made available for empowerment zones and enterprise communities as authorized by Public Law 103–66: *Provided further*, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1997, they remain available for other authorized purposes under this head.

SALARIES AND EXPENSES

For necessary expenses of the Rural Housing Service, including administering the programs authorized by the Consolidated Farm and Rural Development Act, as amended, title V of the Housing Act of 1949, as amended, and cooperative agreements, **[**$53,889,000**]** *$66,354,000*: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of 706(a) of the Organic Act of 1944, and not to exceed $520,000 may be used for employment under 5 U.S.C. 3109.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, **[**$18,400,000**]** *$17,270,000*, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)): *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans of [$40,000,000] *$37,544,000*: *Provided further*, That through June 30, 1997, of the total amount appropriated $3,345,000 shall be available for the cost of direct loans, for empowerment zones and enterprise communities, as authorized by title XIII of the Omnibus Budget Reconciliation Act of 1993, to subsidize gross obligations for the principal amount of direct loans, $7,246,000.

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the principal amount of direct loans, as authorized under section 313 of the Rural Electrification Act, for the purpose of promoting rural economic development and job creation projects, $12,865,000.

For the cost of direct loans, including the cost of modifying loans as defined in section 502 of the Congressional Budget Act of 1974, $2,830,000. In addition, for administrative expenses necessary to carry out the direct loan program, $654,000, which shall be transferred to and merged with the appropriation for "Salaries and Expenses."

ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND

For necessary expenses to carry out the Alternative Agricultural Research and Commercialization Act of 1990 (7 U.S.C. 5901–5908), [$6,000,000] *$10,000,000* is appropriated to the alternative agricultural research and commercialization revolving fund.

RURAL BUSINESS—COOPERATIVE ASSISTANCE PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1928, and 1932, except for 381E, 381H, 381N of the Consolidated Farm and Rural Development Act, [$51,400,000] *$53,750,000*, to remain available until expended, for direct loans and loan guarantees for business and industry assistance, rural business grants, rural cooperative development grants, and rural business opportunity grants of the Rural Business—Cooperative Service: *Provided*, That the cost of direct loans and loan guarantees shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That $500,000 shall be available for grants to qualified nonprofit organizations as authorized under section 310B(c)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932): *Provided further*, That the amounts appropriated shall be transferred to loan program and grant accounts as determined by the Secretary: *Provided further*, That, of the total amount appropriated, not to exceed $3,000,000 shall be available for cooperative development: *Provided further, That of the total amount appropriated, not to exceed $1,300,000 may be available through a cooperative agreement for the appropriate technology transfer for rural areas program*: *Provided further*, That, of the total amount appropriated, not to exceed $148,000 shall be available for the cost of direct loans, loan guarantees, and grants to be made available for business and industry loans for empowerment zones and enterprise communities as authorized by Public Law 103–66 and rural development loans for empowerment zones and enterprise communities as authorized by title XIII of the Omnibus Budget Reconciliation Act of 1993: *Provided further*, That if such funds are not obligated for empowerment zones and enterprise communities by June 30, 1997, they remain available for other authorized purposes under this head.

SALARIES AND EXPENSES

For necessary expenses of the Rural Business-Cooperative Service, including administering the programs authorized by the Consolidated Farm and Rural Development Act, as amended; section 1323 of the Food Security Act of 1985; the Cooperative Marketing Act of 1926; for activities relating to the marketing aspects of cooperatives, including economic research findings, as authorized by the Agricultural Marketing Act of 1946; for activities with institutions concerning the development and operation of agricultural cooperatives; and cooperative agreements; $25,680,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of 706(a) of the Organic Act of 1944, and not to exceed $260,000 may be used for employment under 5 U.S.C. 3109.

RURAL UTILITIES SERVICE

RURAL ELECTRIFICATION AND TELECOMMUNICATIONS LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

Insured loans pursuant to the authority of section 305 of the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), shall be made as follows: 5 percent rural electrification loans, $125,000,000, 5 percent rural telecommunications loans, $75,000,000; cost of money rural telecommunications loans, $300,000,000; municipal rate rural electric loans, $525,000,000; and loans made pursuant to section 306 of that Act, rural electric, $300,000,000, and rural telecommunications, $120,000,000, to remain available until expended.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct and guaranteed loans authorized by the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), as follows: cost of direct loans, $4,818,000; cost of municipal rate loans, $28,245,000; cost of money rural telecommunications loans, $60,000; cost of loans guaranteed pursuant to section 306, $2,790,000: *Provided*, That notwithstanding section 305(d)(2) of the Rural Electrification Act of 1936, borrower interest rates may exceed 7 percent per year.

In addition, for administrative expenses necessary to carry out the direct and guaranteed loan programs, $29,982,000, which shall be transferred to and merged with the appropriation for "Salaries and Expenses."

RURAL TELEPHONE BANK PROGRAM ACCOUNT

The Rural Telephone Bank is hereby authorized to make such expenditures, within the limits of funds available to such corporation in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out its authorized programs for the current fiscal year. During fiscal year 1997 and within the resources and authority available, gross obligations for the principal amount of direct loans shall be $175,000,000.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, including the cost of modifying loans, of direct loans authorized by the Rural Electrification Act of 1936, as amended (7 U.S.C. 935), $2,328,000.

In addition, for administrative expenses necessary to carry out the loan programs, $3,500,000.

DISTANCE LEARNING AND MEDICAL LINK PROGRAM

For the cost of direct loans and grants, as authorized by 7 U.S.C. 950aaa et seq., as amended, [$7,500,000] *$10,000,000*, to remain available until expended, to be available for loans and grants for telemedicine and distance learning services in rural areas: *Provided*, That the costs of direct loans shall be as defined in section 502 of the Congressional Budget Act of 1974.

RURAL UTILITIES ASSISTANCE PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For the cost of direct loans, loan guarantees, and grants, as authorized by 7 U.S.C. 1926, 1928, and 1932, except for 381E, 381H, 381N of the Consolidated Farm and Rural Development Act, [$496,868,000] *$657,942,000*, to remain available until expended, for direct loans and loan guarantees and grants for rural water and waste disposal, and solid waste management grants of the Rural Utilities Service: *Provided*, That the cost of direct loans and loan guarantees shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That the amounts appropriated shall be transferred to loan program and grant accounts as determined by the Secretary: *Provided further*, That, through June 30, 1997, of the total amount appropriated, $18,700,000 shall be available for the costs of direct loans, loan guarantees, and grants to be made available for empowerment zones and enterprise communities, as authorized by Public Law 103–66: *Provided further*, That, of the total amount appropriated, not to exceed $18,700,000 shall be for water and waste disposal systems to benefit the Colonias along the United States/Mexico border, including grants pursuant to section 306C of the Consolidated Farm and Rural Development Act, as amended: *Provided further*, That, of the total amount appropriated, not to exceed [$5,000,000] *$5,400,000* shall be available for contracting with qualified national organizations for a circuit rider program to provide technical assistance for rural water systems: *Provided further*, That an amount not less than that available in fiscal year 1996 be set aside and made available for ongoing technical assistance under sections 306(a)(14) (7 U.S.C. 1926) and 310(B)(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932).

SALARIES AND EXPENSES

For necessary expenses of the Rural Utilities Service, including administering the programs authorized by the Rural Electrification Act of 1936, as amended, and the Consolidated Farm and Rural Development Act, as amended, and cooperative agreements, $33,195,000: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of 706(a) of the Organic Act of 1944, and not to exceed $105,000 may be used for employment under 5 U.S.C. 3109.

TITLE IV

DOMESTIC FOOD PROGRAMS

OFFICE OF THE UNDER SECRETARY FOR FOOD, NUTRITION AND CONSUMER SERVICES

For necessary salaries and expenses of the Office of the Under Secretary for Food, Nutrition and Consumer Services to administer the laws enacted by the Congress for the Food and Consumer Service, [$454,000] *$554,000*.

CHILD NUTRITION PROGRAMS

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the National School Lunch Act (42 U.S.C. 1751–

1769b), except section 21, and the Child Nutrition Act of 1966 (42 U.S.C. 1772–1785, and 1789); except sections 17 and 19; **[**$8,652,597,000**]** *$8,654,797,000*, to remain available through September 30, 1998, of which **[**$3,218,844,000**]** *$3,221,044,000* is hereby appropriated and $5,433,753,000 shall be derived by transfer from funds available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c)**[**: *Provided*, That none of the funds made available under this heading shall be used for new studies and evaluations**]**: *Provided, That not to exceed $2,000,000 of the funds made available under this heading shall be used for studies and evaluations*: *Provided further*, That up to $4,031,000 shall be available for independent verification of school food service claims.

SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

For necessary expenses to carry out the special supplemental nutrition program as authorized by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), $3,729,807,000, to remain available through September 30, 1998: *Provided*, That none of the funds made available under this heading may be used to begin more than two studies and evaluations: *Provided further*, That up to $6,750,000 may be used to carry out the farmers' market nutrition program from any funds not needed to maintain current caseload levels**[**: *Provided further*, That, of the total amount of fiscal year 1996 carryover funds that cannot be spent in fiscal year 1997, any funds in excess of $100,000,000 may be transferred by the Secretary to other programs in the Department of Agriculture, excluding the Forest Service, with prior notification to the House and Senate Appropriations Committees**]**: *Provided further, That once the amount for fiscal year 1996 carryover funds has been determined by the Secretary, any funds in excess of $100,000,000 may be transferred by the Secretary of Agriculture to any loan program of the Department and/or to make available up to $10,000,000 for the WIC farmers' market nutrition program*: *Provided further*, That none of the funds in this Act shall be available to pay administrative expenses of WIC clinics except those that have an announced policy of prohibiting smoking within the space used to carry out the program: *Provided further*, That none of the funds provided in this account shall be available for the purchase of infant formula except in accordance with the cost containment and competitive bidding requirements specified in section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786): *Provided further, That State agencies required to procure infant formula using a competitive bidding system may use funds appropriated by this Act to purchase infant formula under a cost containment contract entered into after September 30, 1996 only if the contract was awarded to the bidder offering the lowest net price, as defined by section 17(b)(20) of the Child Nutrition Act of 1966, unless the State agency demonstrates to the satisfaction of the Secretary that the weighted average retail price for different brands of infant formula in the State does not vary by more than five percent.*

FOOD STAMP PROGRAM

For necessary expenses to carry out the Food Stamp Act (7 U.S.C. **[**2011–2029**]** *2011 et seq.*), **[**$27,615,029,000**]** *$28,521,029,000*: *Provided*, That funds provided herein shall remain available through September 30, 1997, in accordance with section 18(a) of the Food Stamp Act: *Provided further*, That **[**$100,000,000**]** *$1,000,000,000* of the foregoing amount shall be placed in reserve for use only in such amounts and at such times as may become necessary to carry out program operations**[**: *Provided further*, That none of the funds made available under this heading shall be used for new studies and evaluations**]**: *Provided further, That not to exceed $6,000,000 of the funds made available under this heading shall be used for studies and evaluations*: *Provided further*, That funds provided herein shall be expended in accordance with section 16 of the Food Stamp Act: *Provided further*, That this appropriation shall be subject to any work registration or workfare requirements as may be required by law: *Provided further*, That $1,174,000,000 of the foregoing amount shall be available for nutrition assistance for Puerto Rico as authorized by 7 U.S.C. 2028.

COMMODITY ASSISTANCE PROGRAM

For necessary expenses to carry out the commodity supplemental food program as authorized by section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)), the Emergency Food Assistance Act of 1983, as amended, and section 110 of the Hunger Prevention Act of 1988, $166,000,000, to remain available through September 30, 1998: *Provided*, That none of these funds shall be available to reimburse the Commodity Credit Corporation for commodities donated to the program.

FOOD DONATIONS PROGRAMS FOR SELECTED GROUPS

For necessary expenses to carry out section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c (note)), **[**section 4(b) of the Food Stamp Act (7 U.S.C. 2013(b)),**]** and section 311 of the Older Americans Act of 1965, as amended (42 U.S.C. 3030a), **[**$205,000,000**]** *$141,250,000*, to remain available through September 30, 1998.

FOOD PROGRAM ADMINISTRATION

For necessary administrative expenses of the domestic food programs funded under this Act, **[**$104,487,000**]** *$107,769,000*, of which $5,000,000 shall be available only for simplifying procedures, reducing overhead costs, tightening regulations, improving food stamp coupon handling, and assistance in the prevention, identification, and prosecution of fraud and other violations of law: *Provided*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $150,000 shall be available for employment under 5 U.S.C. 3109.

TITLE V

FOREIGN ASSISTANCE AND RELATED PROGRAMS

FOREIGN AGRICULTURAL SERVICE AND GENERAL SALES MANAGER

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Foreign Agricultural Service, including carrying out title VI of the Agricultural Act of 1954, as amended (7 U.S.C. 1761–1768), market development activities abroad, and for enabling the Secretary to coordinate and integrate activities of the Department in connection with foreign agricultural work, including not to exceed $128,000 for representation allowances and for expenses pursuant to section 8 of the Act approved August 3, 1956 (7 U.S.C. 1766), **[**$128,005,000**]** *$138,561,000*, of which **[**$2,792,000**]** *$3,231,000* may be transferred from the Export Loan Program account in this Act, and **[**$1,005,000**]** *$1,035,000* may be transferred from the Public Law 480 program account in this Act: *Provided*, That the Service may utilize advances of funds, or reimburse this appropriation for expenditures made on behalf of Federal agencies, public and private organizations and institutions under agreements executed pursuant to the agricultural food production assistance programs (7 U.S.C. 1736) and the foreign assistance programs of the International Development Cooperation Administration (22 U.S.C. 2392)**[**: *Provided further*, That funds provided for foreign market development to trade associations, cooperatives and small businesses shall be allocated only after a competitive bidding process to target funds to those entities most likely to generate additional U.S. exports as a result of the expenditure**]**.

None of the funds in the foregoing paragraph shall be available to promote the sale or export of tobacco or tobacco products.

PUBLIC LAW 480 PROGRAM AND GRANT ACCOUNTS

(INCLUDING TRANSFERS OF FUNDS)

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691, 1701–1715, 1721–1726, 1727–1727f, 1731–1736g), as follows: (1) **[**$216,400,000**]** *$218,944,000* for Public Law 480 title I credit, including Food for Progress programs; (2) $13,905,000 is hereby appropriated for ocean freight differential costs for the shipment of agricultural commodities pursuant to title I of said Act and the Food for Progress Act of 1985, as amended; (3) $837,000,000 is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title II of said Act; and (4) **[**$29,500,000**]** *$40,000,000* is hereby appropriated for commodities supplied in connection with dispositions abroad pursuant to title III of said Act: *Provided*, That not to exceed 15 percent of the funds made available to carry out any title of said Act may be used to carry out any other title of said Act: *Provided further*, That such sums shall remain available until expended (7 U.S.C. 2209b).

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct credit agreements as authorized by the Agricultural Trade Development and Assistance Act of 1954, as amended, and the Food for Progress Act of 1985, as amended, including the cost of modifying credit agreements under said Act, **[**$177,000,000**]** *$179,082,000*.

In addition, for administrative expenses to carry out the Public Law 480 title I credit program, and the Food for Progress Act of 1985, as amended, to the extent funds appropriated for Public Law 480 are utilized, **[**$1,750,000**]** *$1,818,000*.

COMMODITY CREDIT CORPORATION EXPORT LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For administrative expenses to carry out the Commodity Credit Corporation's export guarantee program, GSM 102 and GSM 103, **[**$3,381,000**]** *$3,820,000*; to cover common overhead expenses as permitted by section 11 of the Commodity Credit Corporation Charter Act and in conformity with the Federal Credit Reform Act of 1990, of which not to exceed **[**$2,792,000**]** *$3,231,000* may be transferred to and merged with the appropriation for the salaries and expenses of the Foreign Agricultural Service, and of which not to exceed $589,000 may be transferred to and merged with the appropriation for the salaries and expenses of the Farm Service Agency.

EXPORT CREDIT

The Commodity Credit Corporation shall make available not less than $5,500,000,000 in credit guarantees under its export credit guarantee program extended to finance the export sales of United States agricultural commodities and the products thereof, as authorized by section 202 (a) and (b) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641).

TITLE VI

RELATED AGENCIES AND FOOD AND DRUG ADMINISTRATION

DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOOD AND DRUG ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Food and Drug Administration, including hire and purchase of passenger motor vehicles; for rental of special purpose space in the District of Columbia or elsewhere; and for miscellaneous and emergency expenses of enforcement activities, authorized and approved by the Secretary and to be accounted for solely on the Secretary's certificate, not to exceed $25,000; $907,499,000, of which not to exceed $87,528,000 in fees pursuant to section 736 of the Federal Food, Drug, and Cosmetic Act may be credited to this appropriation and remain available until expended: *Provided*, That fees derived from applications received during fiscal year 1997 shall be subject to the fiscal year 1997 limitation: *Provided further*, That none of these funds shall be used to develop, establish, or operate any program of user fees authorized by 31 U.S.C. 9701.

In addition, fees pursuant to section 354 of the Public Health Service Act may be credited to this account, to remain available until expended.

In addition, fees pursuant to section 801 of the Federal Food, Drug, and Cosmetic Act may be credited to this account, to remain available until expended.

[None of the funds appropriated or made available to the Federal Food and Drug Administration shall be used to implement any rule finalizing the August 25, 1995 proposed rule entitled "The Prescription Drug Product Labeling; Medication Guide Requirements," except as to any specific drug or biological product where the FDA determines that without approved patient information there would be a serious and significant public health risk.]

GENERAL PROVISIONS

SECTION 601. EFFECTIVE MEDICATION GUIDES.—

(a) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, the Secretary of the Department of Health and Human Services shall request that national organizations representing health care professionals, consumer organizations, voluntary health agencies, the pharmaceutical industry, drug wholesalers, patient drug information database companies, and other relevant parties collaborate to develop a long-range comprehensive action plan to achieve goals consistent with the goals of the proposed rule of the Food and Drug Administration on "Prescription Drug Product Labeling: Medication Guide Requirements" (60 Fed. Reg. 44182; relating to the provision of oral and written prescription information to consumers).

(b) PLAN.—The plan described in subsection (a) shall—

(1) identify the plan goals;

(2) assess the effectiveness of the current private-sector approaches used to provide oral and written prescription information to consumers;

(3) develop guidelines for providing effective oral and written prescription information consistent with the findings of any such assessment;

(4) develop a mechanism to assess periodically the quality of the oral and written prescription information and the frequency with which the information is provided to consumers; and

(5) provide for compliance with relevant State board regulations.

(c) LIMITATION ON THE AUTHORITY OF THE SECRETARY.—The Secretary of the Department of Health and Human Services shall have no authority to implement the proposed rule described in subsection (a), or to develop any similar regulation, policy statement, or other guideline specifying a uniform content or format for written information voluntarily provided to consumers about prescription drugs if, not later than 120 days after the date of enactment of this Act, the national organizations described in subsection (a) develop and begin to implement a comprehensive, long-range action plan (as described in subsection (a)) regarding the provision of oral and written prescription information.

(d) SECRETARY REVIEW.—Not later than January 1, 2001, the Secretary of the Department of Health and Human Services shall review the status of private-sector initiatives designed to achieve the goals of the plan described in subsection (a), and if such goals are not achieved, the limitation in subsection (c) shall not apply, and the Secretary shall seek public comment on other initiatives that may be carried out to meet such goals. The Secretary shall not delegate such review authority to the Commissioner of the Food and Drug Administration.

SEC. 602. Section 3 of the Saccharin Study and Labeling Act (21 U.S.C 348 nt.) is amended by striking out "May 1, 1997" and inserting in lieu thereof "May 1, [2002] *1998*".

SEC. 603. AMENDMENTS TO THE FEDERAL FOOD, DRUG, AND COSMETIC ACT.—

(a) IMPORTS FOR EXPORT.—Section 801(d)(3) of the Federal Food, Drug, and Cosmetic Act is amended—

(1) by striking "accessory of a device which is ready" and inserting "accessory of a device, or other article of device requiring further processing, which is ready";

(2) in subparagraph (A), by striking "is intended to be" and inserting "is intended to be further processed by the initial owner or consignee, or"; and

(3) in subparagraph (C)—

(A) by striking "part," and inserting "part, article,"; and

(B) by striking "incorporated" and inserting "incorporated or further processed".

(b) LABELING OF EXPORTED DRUGS.—Section 801(f) of the Federal Food, Drug, and Cosmetic Act is amended—

(1) in paragraph (1), by striking "If a drug" and inserting "If a drug (other than insulin, an antibiotic drug, an animal drug, or a drug exported under section 802)"; and

(2) in paragraph (2), by adding at the end the following new sentence: "A drug exported under section 802 is exempt from this section.".

(c) EXPORT OF CERTAIN UNAPPROVED DRUGS AND DEVICES.—Section 802(f)(5) of the Federal Food, Drug, and Cosmetic Act is amended by striking "if the drug or device is not labeled" and inserting "if the labeling of the drug or device is not".

BUILDINGS AND FACILITIES

For plans, construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of or used by the Food and Drug Administration, where not otherwise provided, $21,350,000, to remain available until expended (7 U.S.C. 2209b).

RENTAL PAYMENTS (FDA)

(INCLUDING TRANSFERS OF FUNDS)

For payment of space rental and related costs pursuant to Public Law 92-313 for programs and activities of the Food and Drug Administration which are included in this Act, $46,294,000: *Provided*, That in the event the Food and Drug Administration should require modification of space needs, a share of the salaries and expenses appropriation may be transferred to this appropriation, or a share of this appropriation may be transferred to the salaries and expenses appropriation, but such transfers shall not exceed 5 percent of the funds made available for rental payments (FDA) to or from this account.

DEPARTMENT OF THE TREASURY

FINANCIAL MANAGEMENT SERVICE

PAYMENTS TO THE FARM CREDIT SYSTEM FINANCIAL ASSISTANCE CORPORATION

For necessary payments to the Farm Credit System Financial Assistance Corporation by the Secretary of the Treasury, as authorized by section 6.28(c) of the Farm Credit Act of 1971, as amended, for reimbursement of interest expenses incurred by the Financial Assistance Corporation on obligations issued through 1994, as authorized $10,290,000.

INDEPENDENT AGENCIES

COMMODITY FUTURES TRADING COMMISSION

For necessary expenses to carry out the provisions of the Commodity Exchange Act, as amended (7 U.S.C. 1 et seq.), including the purchase and hire of passenger motor vehicles; the rental of space (to include multiple year leases) in the District of Columbia and elsewhere; and not to exceed $25,000 for employment under 5 U.S.C. 3109; [$55,101,000] *$56,601,000*, including not to exceed $1,000 for official reception and representation expenses: *Provided*, That the Commission is authorized to charge reasonable fees to attendees of Commission sponsored educational events and symposia to cover the Commission's costs of providing those events and symposia, and notwithstanding 31 U.S.C. 3302, said fees shall be credited to this account, to be available without further appropriation.

[FARM CREDIT ADMINISTRATION

[LIMITATION ON ADMINISTRATIVE EXPENSES

[Not to exceed $37,478,000 (from assessments collected from farm credit institutions and from the Federal Agricultural Mortgage Corporation) shall be obligated during the current fiscal year for administrative expenses as authorized under 12 U.S.C. 2249.]

TITLE VII—GENERAL PROVISIONS

SEC. 701. Within the unit limit of cost fixed by law, appropriations and authorizations made for the Department of Agriculture for the fiscal year 1997 under this Act shall be available for the purchase, in addition to those specifically provided for, of not to exceed 667 passenger motor vehicles, of which 643 shall be for replacement only, and for the hire of such vehicles.

SEC. 702. Funds in this Act available to the Department of Agriculture shall be available for uniforms or allowances therefor as authorized by law (5 U.S.C. 5901-5902).

SEC. 703. Not less than $1,500,000 of the appropriations of the Department of Agriculture in this Act for research and service work authorized by the Acts of August 14, 1946, and July 28, 1954 (7 U.S.C. 427, 1621-1629), and by chapter 63 of title 31, United States Code, shall be available for contracting in accordance with said Acts and chapter.

SEC. 704. The cumulative total of transfers to the Working Capital Fund for the purpose of accumulating growth capital for data services and National Finance Center operations shall not exceed $2,000,000: *Provided*, That no funds in this Act appropriated to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency administrator.

SEC. 705. New obligational authority provided for the following appropriation items in this Act shall remain available until expended (7 U.S.C. 2209b): Animal and Plant Health Inspection Service, the contingency fund to meet emergency conditions, fruit fly program, and integrated systems acquisition project; Farm Service Agency, salaries and expenses funds made available to county committees; and Foreign Agricultural Service, middle-income country training program.

New obligational authority for the boll weevil program; up to 10 percent of the screwworm program of the Animal and Plant Health Inspection Service; [Food Safety and Inspection Service, field automation and information management project;] funds appropriated for rental payments; funds for the Native American institutions endowment fund in the Cooperative State Research, Education, and Extension Service, and funds for the competitive research grants (7 U.S.C. 450i(b)), shall remain available until expended.

SEC. 706. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 707. Not to exceed $50,000 of the appropriations available to the Department of Agriculture in this Act shall be available to provide appropriate orientation and language training pursuant to Public Law 94–449.

SEC. 708. No funds appropriated by this Act may be used to pay negotiated indirect cost rates on cooperative agreements or similar arrangements between the United States Department of Agriculture and nonprofit institutions in excess of 10 percent of the total direct cost of the agreement when the purpose of such cooperative arrangements is to carry out programs of mutual interest between the two parties. This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when such indirect costs are computed on a similar basis for all agencies for which appropriations are provided in this Act.

SEC. 709. Notwithstanding any other provision of this Act, commodities acquired by the Department in connection with Commodity Credit Corporation and section 32 price support operations may be used, as authorized by law (15 U.S.C. 714c and 7 U.S.C. 612c), to provide commodities to individuals in cases of hardship as determined by the Secretary of Agriculture.

SEC. 710. None of the funds in this Act shall be available to reimburse the General Services Administration for payment of space rental and related costs in excess of the amounts specified in this Act; nor shall this or any other provision of law require a reduction in the level of rental space or services below that of fiscal year 1996 or prohibit an expansion of rental space or services with the use of funds otherwise appropriated in this Act. Further, no agency of the Department of Agriculture, from funds otherwise available, shall reimburse the General Services Administration for payment of space rental and related costs provided to such agency at a percentage rate which is greater than is available in the case of funds appropriated in this Act.

SEC. 711. None of the funds in this Act shall be available to restrict the authority of the Commodity Credit Corporation to lease space for its own use or to lease space on behalf of other agencies of the Department of Agriculture when such space will be jointly occupied.

SEC. 712. With the exception of grants awarded under the Small Business Innovation Development Act of 1982, Public Law 97–219, as amended (15 U.S.C. 638), none of the funds in this Act shall be available to pay indirect costs on research grants awarded competitively by the Cooperative State Research, Education, and Extension Service that exceed 14 percent of total Federal funds provided under each award.

SEC. 713. Notwithstanding any other provisions of this Act, all loan levels provided in this Act shall be considered estimates, not limitations.

SEC. 714. Appropriations to the Department of Agriculture for the cost of direct and guaranteed loans made available in fiscal year 1997 shall remain available until expended to cover obligations made in fiscal year 1997 for the following accounts: the rural development loan fund program account; the Rural Telephone Bank program account; the rural electrification and telecommunications loans program account; and the rural economic development loans program account.

SEC. 715. Such sums as may be necessary for fiscal year 1997 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 716. (a) Compliance With Buy American Act.—None of the funds made available in this Act may be expended by an entity unless the entity agrees that in expending the funds the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c; popularly known as the "Buy American Act").

(b) Sense of Congress; Requirement Regarding Notice.—

(1) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance using funds made available in this Act, the head of each Federal agency shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) Prohibition of Contracts With Persons Falsely Labeling Products as Made in America.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

SEC. 717. Notwithstanding the Federal Grant and Cooperative Agreement Act, marketing services of the Agricultural Marketing Service and the Animal and Plant Health Inspection Service may use cooperative agreements to reflect a relationship between Agricultural Marketing Service or the Animal and Plant Health Inspection Service and a State or Cooperator to carry out agricultural marketing programs or to carry out programs to protect the Nation's animal and plant resources.

SEC. 718. None of the funds in this Act may be used to retire more than 5% of the Class A stock of the Rural Telephone Bank or to maintain any account or subaccount within the accounting records of the Rural Telephone Bank the creation of which has not specifically been authorized by statute: *Provided, That notwithstanding any other provision of law, none of the funds appropriated or otherwise made available in this Act may be used to transfer to the Treasury or to the Federal Financing Bank any unobligated balance of the Rural Telephone Bank telephone liquidating account which is in excess of current requirements and such balance shall receive interest as set forth for financial accounts in section 505(c) of the Federal Credit Reform Act of 1990.*

SEC. 719. None of the funds appropriated or otherwise made available by this Act may be used to provide food stamp benefits to households whose benefits are calculated using a standard deduction greater than the standard deduction in effect for fiscal year 1995.

SEC. 720. None of the funds made available in this Act may be used to provide assistance to, or to pay the salaries of personnel who carry out a market promotion/market access program pursuant to section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) that provides assistance to the U.S. Mink Export Development Council or any mink industry trade association.

SEC. 721. None of the funds appropriated or otherwise made available by this Act shall be used to enroll in excess of 130,000 acres in the fiscal year 1997 wetlands reserve program, as authorized by 16 U.S.C. 3837.

SEC. 722. Of the funds made available by this Act, not more than $1,000,000 shall be used to cover necessary expenses of activities related to all advisory committees, panels, commissions, and task forces of the Department of Agriculture except for panels used to comply with negotiated rule makings *and panels used to evaluate competitively awarded grants.*

SEC. 723. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out an export enhancement program if the aggregate amount of funds and/or commodities under such program exceeds $100,000,000.

[SEC. 724. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out a farmland protection program in excess of $2,000,000 authorized by section 388 of Public Law 104–127.

[SEC. 725. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out a wildlife habitat incentives program authorized by section 387 of Public Law 104–127.

[SEC. 726. None of the funds appropriated or otherwise made available by this Act shall be used to pay the salaries and expenses of personnel who carry out a conservation farm option program in excess of $2,000,000 authorized by section 335 of Public Law 104–127.]

SEC. 727. None of the funds made available in this Act may be used to pay the salaries of employees of the Department of Agriculture who make payments pursuant to a production flexibility contract entered into under section 111 of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127; 7 U.S.C. 7211) when it is made known to the Federal official having authority to obligate or expend such funds that the land covered by that production flexibility contract is not being [used for the production of an agricultural commodity or is not devoted to a conserving use, unless it is also made known to that Federal official that the lack of agricultural production or the lack of a conserving use is a consequence of drought, flood, or other natural disaster] *used for an agricultural or related activity, including conserving use, as determined by the Secretary.*

SEC. 728. None of the funds appropriated or otherwise made available by this Act shall be used to extend any existing or expiring contract in the Conservation Reserve Program authorized by 16 U.S.C. 3831–3845.

[SEC. 729. None of the funds made available in this Act may be used to maintain the price of raw cane sugar (as reported for an appropriate preceding month for applicable sugar futures contracts of the Coffee, Sugar, and Cocoa Exchange, New York) at more than 117½ percent of the statutory loan rate under section 158 of the Federal Agriculture Improvement and Reform Act (title 1 of Public Law 104–127).]

SEC. 730. None of the funds appropriated in this Act may be used to carry out the provisions of section 918 of Public Law 104–127, the Federal Agriculture Improvement and Reform Act.

[SEC. 731. (a) IN GENERAL.—Any owner on the date of enactment of this Act of the right to market a nonsteroidal anti-inflammatory drug that—

[(1) contains a patented active agent;

[(2) has been reviewed by the Federal Food and Drug Administration for a period of more than 96 months as a new drug application; and

[(3) was approved as safe and effective by the Federal Food and Drug Administration on January 31, 1991, shall be entitled, for the 2-year period beginning on February 28, 1997, to exclude others from making, using, offering for sale, selling, or importing into the United States such active agent, in accordance with section 154(a)(1) of title 35, United States Code.

[(b) INFRINGEMENT.—Section 271 of title 35, United States Code shall apply to the infringement of the entitlement provide under subsection (a).

[(c) NOTIFICATION.—Not later than 30 days after the date of the enactment of this section, any owner granted an entitlement under subsection (a) shall notify the Commissioner of Patents and Trademarks and the Secretary for Health and Human Services of such entitlement. Not later than 7 days after the receipt of such notice, the Commission and the Secretary shall publish an appropriate notice of the receipt of such notice.]

SEC. 732. [Funds] *Hereafter, funds* appropriated to the Department of Agriculture may be used for incidental expenses such as transportation, uniforms, lodging, and subsistence for volunteers serving under the authority of 7 U.S.C. 2272, when such volunteers are engaged in the work of the U.S. Department of Agriculture; and for promotional items of nominal value relating to the U.S. Department of Agriculture Volunteer Programs.

[SEC. 733. It is the sense of Congress that, not later than the date of the enactment of this Act, the Secretary of Agriculture should—

[(1) release a detailed plan for compensating wheat farmers and handlers adversely affected by the karnal bunt quarantine in Riverside and Imperial Counties of California, which should include—

[(A) an explanation of the factors to be used to determine the compensation amount for wheat farmers and handlers, including how contract and spot market prices will be handled; and

[(B) compensation for farmers who have crops positive for karnal bunt and compensation for farmers who have crops which are negative for karnal bunt, but which cannot go to market due to the lack of Department action on matching restrictions on the negative wheat with the latest risk assessments; and

[(2) review the risk assessments developed by the University of California at Riverside and submit a report to Congress describing how these risk assessments will impact the Department of Agriculture policy on the quarantine area for the 1997 wheat crop.]

SEC. 734. Not to exceed 10 percent of the amounts appropriated or otherwise made available by this Act for the Rural Housing Assistance Program, the Rural Business-Cooperative Assistance Program, and the Rural Utilities Assistance Program may be transferred between these programs for authorized purposes.

SEC. 735. None of the funds appropriated or otherwise made available to the Department of Agriculture by this Act may be used to detail or assign an individual from an agency or office funded in this Act to any other agency or office for more than 60 days, unless the Secretary provides notification to the House and Senate Committees on Appropriations that an employee detail or assignment in excess of 60 days is required.

SEC. 736. Section 747(e) of the Federal Agriculture Improvement and Reform Act of 1996 is amended by inserting, "effective October 1, 1996" following "The Secretary shall make grants" in Section 747(e)(2).

SEC. 737. LABELING OF RAW POULTRY PRODUCTS.—

(a) IN GENERAL.—Notwithstanding any other provision of law, none of the funds appropriated or otherwise made available by this Act may be used to implement or enforce the final rule related to the labeling of raw poultry products promulgated by the Food Safety and Inspection Service on August 25, 1995 (60 Fed. Reg. 44395), and the final rule shall not be effective during fiscal year 1997.

(b) FINAL RULE.—Not later than 90 days after the date of enactment of this Act, the Secretary of Agriculture shall issue a revised final rule related to the labeling of raw poultry products that—

(1) maintains the standard that the term "fresh" may be used only for raw poultry products the internal core temperature of which has not fallen below 26° Fahrenheit;

(2) deletes the requirement that poultry products the internal core temperature of which has ever been less than 26° Fahrenheit, but more than 0° Fahrenheit, be labeled as "hard chilled" or "previously hard chilled", except that—

(A) the products shall be prohibited under the rule from being labeled as "fresh" but shall not be required to bear any specific alternative labeling; and

(B) nothing in this section shall be interpreted as modifying the requirements for labeling of all poultry products the internal core temperature of which has ever fallen to 0° Fahrenheit as "frozen";

(3) provides for a tolerance from the 26° Fahrenheit standard established by the rule of—

(A) 1° Fahrenheit for poultry products within an official processing establishment;

(B) 2° Fahrenheit for poultry products in commerce;

(4) exempts from temperature testing wings, tenders, hearts, livers, gizzards, necks, and products that undergo special processing, such as sliced poultry products; and

(5) in all other terms and conditions (including the period of time permitted for implementation) is substantively identical to the rule referred to in subsection (a).

(c) REVISED LABELING STANDARDS.—Not later than 60 days after the issuance of a revised final rule under subsection (b), the Secretary of Agriculture, acting through the Administrator of the Food Safety and Inspection Service, shall issue a compliance directive for the enforcement of the revised labeling standards established by the rule, including standards for—

(1) temperature testing that are based on measurements at the center of the deepest muscle; and

(2) sampling methods that ensure that the average of individual temperatures within poultry product lots of each specific product type (such as whole birds, whole muscle leg products, and whole muscle breast products) meet the standards.

(d) SEVERABILITY.—If any provision of this section or the application thereof to any person or circumstance is held invalid, the validity of the remainder of this section and of the application of the provision to any other persons or circumstances shall not be affected.

SEC. 738. Section 7 of the Food Stamp Act of 1977 (7 U.S.C. 2016) is amended by adding at the end the following:

"(j) ELECTRONIC BENEFIT TRANSFERS.—

"(1) DEFINITION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—In this subsection, the term 'electronic benefit transfer system' means a system under which a governmental entity distributes benefits pursuant to this Act by establishing an account that may be accessed electronically by a recipient of the benefits or payments.

"(2) APPLICABLE LAW.—Disclosures, protections, responsibilities, and remedies established by the Federal Reserve Board under section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1692b) shall not apply to benefits under this Act delivered through any electronic benefit transfer system.

"(3) REPLACEMENT OF BENEFITS.—Regulations issued by the Secretary regarding the replacement of benefits and liability for replacement of benefits under an electronic benefit transfer system shall be similar to the regulations in effect for a paper-based food stamp issuance system.".

Mr. COCHRAN. Mr. President, I am pleased to present to the Senate today the bill making appropriations for the Department of Agriculture and related agencies for the fiscal year 1997. This bill provides funding for all of the activities under the jurisdiction of the Department of Agriculture, except for the U.S. Forest Service. It also funds the activities of the Food and Drug Administration, the Commodity Futures Trading Commission, and pays for expenses and payments of the Farm Credit System.

This bill recommends total new budget authority of $54.3 billion. This is $9 billion less than the 1996 enacted level for these programs and these activities. It is $4 billion less than the President's fiscal year 1997 budget request. It is $1.2 billion more than the level recommended by the House.

Over 76 percent of the total to be spent under this bill will go for funding of the Nation's domestic food assistance programs. That represents $40.5 billion of this $54.3 billion bill. This is up from 63 percent of the total funding in the bill in 1996. These programs include food stamps, the national school lunch and elderly feeding programs, and the supplemental feeding program for women, infants and children.

The bill recommends total discretionary spending of $13.118 billion in budget authority and $13.409 billion in outlays for fiscal year 1997. These amounts are consistent with the allocation the subcommittee has received under the Budget Act.

Senators should also be aware these allocations are approximately $510 million in budget authority and $440 million in outlays less than what would be required under a freeze. The suggestion this year, for those who are following the budget debate, was that spending under the discretionary programs of the Federal Government ought to be held level with last year's spending. That was the goal, that was the objective. This bill meets that target and then some. There is actually a reduction in spending from the freeze level in this bill as compared with last year's or the current fiscal year's budget and appropriations levels.

We do have some parts of this bill where spending is increased. Among the discretionary spending increases recommended are an additional $12.8 million to continue the efforts of the Food Safety and Inspection Service to ensure the safety of our Nation's food supply. The level recommended for the Food Safety and Inspection Service is adequate to maintain the current inspection system and to provide the needed investments required to implement the new hazard analysis and critical control point meat and poultry inspection system. We are hopeful that by bringing this new system online we can take advantage of new technologies, new scientific advances, in the detection of those contaminants in the food supply that we would not be able to detect otherwise, and we will help ensure that we are doing everything that possibly can be done to safeguard the food supply and the consumers of food in America from harm and ill health.

In order to implement the system, the bill provides funding to fill all inspector vacancies, funding to train inspectors in the new inspection system, and funding for the annualization of fiscal year 1996 pay raises and anticipated 1997 pay raises. This demonstrates the high priority this committee places on the safety of our Nation's meat and poultry and our commitment to ensure that American consumers continue to have the safest food in the world.

Another area of emphasis in this bill is agriculture research. The bill provides $1.1 billion for funding of agriculture research. This is approximately $7.3 million below the level requested by the administration, but it is $25 million above the House-recommended level. Included in this amount is $52 million for food safety research. The committee has provided the full increase of $7.5 million requested for food safety research.

For extension activities, the bill recommends $431 million, which is $3.3 million above the fiscal year 1996 level. The Smith-Lever and Hatch Act formula funding are continued at 1996 levels. The increase recommended for extension activities will provide first-time funding for institutional capacity grants and extension work at the 29 tribally controlled colleges, or 1994 Institutions.

Farm credit programs are funded by the bill, which provides $3.1 billion in loan levels for the coming fiscal year. This is an increase of $65 million over the House-recommended level.

The bill also recognizes that efficiencies can be gained through the consolidation of programs to improve their efficiency in terms of administrative costs and paperwork and the like. So the bill consolidates funding for 14 rural development grant and loan programs into a rural community investment program. It is divided into three subprograms: housing, business cooperative assistance, and rural utilities assistance. The 1996 appropriations act created the first of these consolidations for rural utilities. The funding levels provided for all three of the programs were equal to the comparable levels requested in the budget.

On an aggregate basis, the funding levels in the bill represent an increase of $231 million more than the House-passed bill. The bill funds, as I mentioned before, the Commodity Futures Trading Commission and the Food and Drug Administration. We are trying to provide levels of funding that will enable these two agencies to do the job they are required to do by law and that will enable them to discharge their responsibilities under the law.

The bill also carries a provision to ensure the continuation of WIC Program funding and Food Stamp Act funding, as well. The bill includes a provision to amend the Food Stamp Act, to exclude electronic benefit transfer systems for the delivery of food stamp benefits from the Federal Reserve Board's "Regulation E."

There are other provisions of the bill that seek to deal with challenges in the food service area, and we hope Senators will find that we have demonstrated a sensitivity to the needs of those who cannot adequately provide for their own nutrition needs and need Government help to do it. But we also reflect in this bill changes and reforms that have been made by law to try to ensure that there is a sense of personal responsibility for one to take care of himself and his family, and that also is reflected in this legislation.

Senators may remember that, last year, when this bill was on the floor, there was a big debate over a regulation being proposed by the administration—the Food Safety and Inspection Service, specifically—dealing with when poultry products could be labeled as "fresh" or "frozen." Well, I am happy to report to the Senate that a compromise has been reached among those who were directly interested in the debate last year, so that the definition of the term "fresh," as used in labeling of raw poultry products, is reflected and included in this legislation. We hope that resolves the issue. Of course, the administration still has differences of opinion about it, and those may be heard at some point in the debate.

We think this is a responsible way of resolving that issue. There are other provisions related to legislative changes the House recommended that we deleted. The House rewrote some provisions that were included in the farm bill, and we did not go along with those House provisions. So Senators will notice that we do not provide a cap on the price of raw sugarcane, for example. We do not approve a provision relating to planting requirements under the farm bill that would be required to meet eligibility standards for a market transition payment. We revised that to make it consistent with the language of the law, the farm bill that was passed by both Houses and signed by the President. So we do not try to go in and rewrite the farm bill in this bill. We urge Senators not to try to do that with amendments.

Only 24 percent of the total funding recommended by this bill is discretionary. These have been difficult challenges for the committee to resolve, trying to determine how to allocate scarce funds that are made available to this subcommittee under the budget resolution. We hope Senators will agree that we have undertaken this and presented a bill that is done in a fair way, so that those essential activities in the Department of Agriculture that are authorized and required by law are funded. But we have tried to be responsible, and we hope Senators agree that we have. These are recommendations that we make to the Senate, which we hope will be approved.

Let me say that this bill could not have been written without the excellent cooperation and dedicated and intelligent assistance of the distinguished Senator from Arkansas, the ranking Democrat on the subcommittee. He has served as chairman of this subcommittee in the past, and it has been a pleasure to work with him and the members of his staff in the development of this bill.

We had hearings all through the earlier parts of this year. We heard from all of the agencies and departments, whose budgets were reviewed by our subcommittee very carefully. We have considered the suggestions of others outside of the Congress, who have opinions to be expressed on these subjects. So we have tried to consider all of the relevant evidence and facts that ought to be considered before presenting this bill to the Senate. We hope the Senate will approve it, and we recommend that it be adopted.

We know that Senators may have amendments. If they do have amendments, we will be glad to debate them. Let me repeat the suggestion of the majority leader when he was asking consent to go to this bill today. We hope to complete action on this bill today. That means that all amendments that are going to be offered should be offered today and debated today. We will reserve any votes on those amendments, and any vote on final passage, until tomorrow. We appreciate the cooperation of Senators that will enable us to accomplish that goal.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, parliamentary inquiry. Has there been a unanimous-consent agreement entered that we would start back-to-back votes on welfare bill amendments in the morning?

The PRESIDING OFFICER. At 9 o'clock, yes, that is correct.

Mr. BUMPERS. Does the consent agreement continue on what we will do after those votes and final passage on the welfare bill?

The PRESIDING OFFICER. The Chair is reminded that it is at 9:30 that we vote and 9 o'clock that we meet. After getting rid of the list of votes, we will resume consideration of the agriculture bill.

Mr. BUMPERS. That is the reason I was asking. I hope we do not have to resume. I hope we can finish the bill this afternoon and this evening.

I am pleased to join my very able colleague, Senator COCHRAN, in bringing to the Senate floor the fiscal year 1997 appropriations bill for Agriculture, rural development, the Food and Drug Administration, and related agencies. This bill, reported by the Senate Committee on Appropriations, provides $54.276 billion in total obligational authority for the coming year. That is $1.224 billion more than the House provided and $4 billion below the President's request. It is within the subcommittee's 602(b) allocation. This bill is nearly $10 billion below the amount under which we are operating this year, 1996. That will be $10 billion less than in 1997. The subcommittee's discretionary allocation has again been reduced this year from $13.31 billion in budget authority for 1996 to $12.102 billion for 1997. That is a reduction in discretionary spending of $529 million dollars. Unfortunately, we have received an increase of $300 million-plus in our allocation, which gets us a little closer to last year's level, but still the bottom line is that we have less to spend again this year.

Mr. President, in all of my years on this subcommittee, the Agriculture Subcommittee, this year has been the most difficult. That causes me to, again, congratulate Senator COCHRAN for his leadership in working through these very difficult problems and crafting a bill to meets the expectations of most Senators. It meets the hard-pressed needs of rural America and, also, America's dependence on a safe supply of food and drugs.

There are still plenty of unmet needs in rural America, but, given the constraints under which we are operating, this is an excellent bill.

One item in the bill is very important to all of us, and it is greatly improved over last year's funding level. The Water and Sewer Program in the U.S. Department of Agriculture, in my opinion, is just about the very best investment we make. It improves the quality of life for all people when they have pure water and sewer systems that are safe. Last year, these programs were severely underfunded. But this year, Senator COCHRAN has been able to provide an increase that almost brings us to our budget request. That is an admirable achievement.

Let me digress to point out that people who travel around the world find that there are very few countries that you can visit where you can turn on the tap water and feel relatively safe in drinking it. As a matter of fact, I can only think of one or two right now where you can do that. The people who live in and near Washington, DC, have just recently found that not only happens in other countries but it happens right here in the United States in some of the major metropolitan areas.

In other areas, this bill provides level funding for the WIC Program—women, infants and children. Historically, this program has witnessed annual increases in funding that have actually exceeded the caseload. So we have been carrying over money in the WIC Program. This program has accumulated, and it has reduced the pressure on us to continue increasing the amount of money every year. Even considering the general budget constraints, we are within reach of full funding for WIC, a goal which I believe is shared by every Member of the U.S. Senate.

As WIC administrators work this coming year to provide nutritional assistance to women, infants, and children, I hope that next year we will finally reach the goal of full funding and the more important goal of full participation.

Last year, Congress passed and sent to the President a new farm bill. This year, when the bill was considered by the House, a number of provisions were included to change some of the underlying philosophy of the farm bill. I did not vote for the farm bill. I did not like it, and I still do not like it. But that is beside the point at this stage of the game.

Contracts that farmers all across America thought would guarantee them payments for 7 years were being reduced by the House Appropriations Committee even before the farmers got their first payment. Regardless of my views of the so-called freedom to farm payments, we need to remember that farmers are now in the middle of their growing season. Their investments are on the line, and they deserve to know what to expect and that the rules are not going to be changed in the middle of the game. The chairman has already alluded to the fact that he hopes Senators will not try to redebate that bill. In the bill before us, we have taken great pains not to amend the basic rationale for last year's farm bill.

There is one major concern I have that deserves mention. When the President's budget was presented to this subcommittee, loan authority assumptions were much too high to be met considering the small subsidy provided. Mr. President, let me just explain that.

Every loan program is scored by OMB and the Congressional Budget Office as to how much money you have to assume you are going to lose. If you are going to loan $1 million, you have to put some amount in there for what the banks would call reserve for loan losses. That is called the subsidy rate. The subsidy rate in this bill as provided by the administration, in my opinion, is much too small to fund the authority of loans set out in all of these different Federal programs. In my opinion, we are not going to be able to loan as much unless we have a supplemental appropriation sometime next spring to raise that subsidy level.

We are including in the managers' package an amendment that will allow the Secretary to transfer excess WIC funds to meet the needs of loan programs such as those tied to water and sewer programs in rural housing.

Mr. President, before anybody thinks that is cruel and taking money from women, infants and children to fund a subsidy rate for water and sewer programs, bear in mind that this is money not used by WIC. This is similar to an amendment I offered last year that provided an additional $36 million in the Water and Sewer Program with no detrimental effect to the WIC participation. This amendment will help, but it probably will not provide enough additional budget authority to achieve full program levels. That is the reason I mention additions to the subsidy in some supplemental appropriations next spring.

I hope in future budget submissions, the administration will take greater care to make sure that rising interest rates or other economic conditions do not provide falsely optimistic assumptions of what may be the reality on the first day of the following fiscal year.

I also want to mention an issue which I raised during subcommittee consideration of this bill related to an

FDA proposal to require certain labeling requirements for prescription drugs—the so-called med-guide rule.

Let me digress just a moment to say that—this is a little personal—I recently had an illness. I went to the drugstore to get four different medications. I have studiously avoided taking aspirin all of my life. I hate medicine. I do not like to take it. But in this case it was required. For the first time in my life, the pharmacist with each of the four prescriptions handed me a rather detailed description of the medicine—what it was designed to do, contraindications to look for, any reactions that you might have. I read it very carefully. It is the first time I had ever gotten anything like that.

As it turned out, I was allergic to one of the drugs, which caused me to have a fever, a rash, and I had to quit taking it. But the informational sheet that the pharmacist gave me had pointed out that that very thing might happen.

That is good information. It is the information that the pharmaceutical-buying public is entitled to. I understand—and I agree with the concerns of the Food and Drug Administration—that consumers need to be provided with this information.

As I pointed out, some pharmacies are already doing it on a voluntary basis. Of course, they are getting their information from the pharmaceutical manufacturers of those drugs. But all pharmacies are not doing this now. In some cases, the information is not totally accurate or complete.

So in the full committee, I offered report language that will help relieve some of the concerns that Commissioner Kessler expressed to me about the statutory language contained in this bill. I understand the House has similar language but of a nature more to the liking of the commission. In my report, language is designed to give FDA assurances that the information to be provided to consumers will be appropriately crafted and higher rates of participation by pharmacies will be obtained.

Mr. President, that concludes my remarks. Again, I want to congratulate my good friend and colleague, Senator COCHRAN and his able staff in drafting the bill now before us.

Mr. President, I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I thank the distinguished Senator from Arkansas for his kind remarks and again repeat my expression of appreciation for his hard work and his good assistance in the preparation of this legislation.

Mr. President, I ask unanimous consent that the committee amendments which are at the desk to H.R. 3603 be considered and agreed to en bloc; that no points of order be waived thereon; that the measure, as amended, be considered as original text for the purpose of further amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The committee amendments were agreed to.

Mr. COCHRAN. Mr. President, I know that some Senators are considering amendments. One Senator has just come to the floor—Senator GREGG of New Hampshire—who wanted to give the Senate notice that he intended to offer an amendment on a subject. Maybe, if he can tell us when he wants to do that, we can reach some agreement as to the time. I know there are a couple of other Senators who have asked that they be permitted to offer amendments early in the consideration of the bill. Senator MCCAIN is one, and there may be others.

So we are ready to accept the suggestions of Senators for changes in the bill. I would be happy to yield to my friend from New Hampshire if he would like to respond to my inquiry.

Mr. GREGG. I am happy to respond to the inquiry of the Senator from Mississippi. I would like to offer my amendment when it is convenient to the Senator from Mississippi.

I ask if he would ask unanimous consent that no second-degree amendments be offered to my amendment.

Mr. COCHRAN. Mr. President, I can say that we have gotten notice—and maybe the Senator from Arkansas has heard of this—from one Senator on this side of the aisle who asked that no unanimous-consent agreement be made on any amendment relating to the issue of sugar.

Having heard that—I do not know whether the Senator has heard that or not—I do not know of any objection to any agreements on this side of the aisle on that subject. We have not heard of any. My thought would be if the Senator has an amendment to simply go ahead and offer it and let us see what happens. If Senators want to debate it, they can come and debate it.

Mr. GREGG. In a prior discussion with the Senator from Mississippi, it was my understanding this was going to be subject to a time limitation of 40 minutes.

Mr. COCHRAN. I have no objection to that. I have heard there may be an objection on the other side of the aisle. There is no objection on this side.

Mr. BUMPERS. There will be an objection, I say to the Senator from Mississippi, on this side.

Mr. GREGG. I guess if I had known that I would not have foreclosed my rights on other parts of this bill.

Mr. COCHRAN. The Senator has all of his rights. There are no rights of his whatsoever that have been extinguished in any way or diminished in any way.

Mr. GREGG. There are a few that have been extinguished and diminished, I point out to the Senator, in allowing——

Mr. COCHRAN. The committee amendments to be adopted.

Mr. GREGG. The committee amendments to go forward. It was my understanding that committee amendments would go forward because I was going to be given a specific time and time limit. That does not appear to be the case. I find that to be inconsistent with the understanding I had. And I guess I just have to accept the fact things happen that way around here.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. If I may just in a general colloquy with the distinguished chairman of the committee say that normally when we have a series of amendments to be offered on a bill like this, we sort of go back and forth between the Democratic side and the Republican side. I would suggest that that is fine if you have the Republicans and Democrats waiting to offer amendments, but that very seldom happens on this bill. And if there are three Republicans and no Democrats in the Chamber waiting to offer amendments, then I suggest we take them and not sit around waiting for somebody on the other side to come and offer amendments in order to accommodate a protocol we have used in the past.

Would the Senator agree with that?

Mr. COCHRAN. I certainly agree with the Senator. We want to complete action on all the amendments. The majority leader wanted to have votes on whatever amendments have to be voted on tomorrow and final passage tomorrow. To do that we are going to have to move along because I have seen a list of amendments that we have heard may be offered, and there are some 20 on that list. So in order to expedite the handling of those amendments, I agree with the Senator that we should move along. We would like for Senators to come now to the floor and start offering these amendments so we could dispose of them.

Mr. BUMPERS. I noticed that the Senator and I each have an amendment which I think have been agreed to. The Senator has one to provide for electronic warehouse receipts, is that correct? Could we dispose of that one now?

Mr. COCHRAN. Senator PRESSLER was going to offer that. We could offer it for him, but if he wants to be here and offer that amendment, we will give him an opportunity to do so.

Mr. BUMPERS. All right.

Mr. COCHRAN. Maybe we will let him know he should come and offer that amendment if it is convenient at this time for him. We are actually waiting on some language before we could offer that. The Senator could go ahead and proceed to offer his amendment, if he would like.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, we are scratching through here trying to find this amendment. Until we can find it, let me suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislate bill clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4958

(Purpose: To transfer $50,000 from CSREES research and education to extension activities)

Mr. COCHRAN. Mr. President, I send an amendment to the desk and I ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN] proposes an amendment numbered 4958.

Mr. COCHRAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 12, line 25, strike "$46,068,000" and insert in lieu thereof "$46,018,000".

On page 14, line 10, strike "$418,358,000" and insert in lieu thereof "$418,308,000".

On page 17, line 8, strike "$11,331,000" and insert in lieu thereof "$11,381,000".

On page 17, line 8, strike "$431,072,000" and insert in lieu thereof "$431,122,000".

Mr. COCHRAN. Mr. President, this amendment would reduce the total recommended for special research grants under research and education activities of the Cooperative State Research, Education, and Extension Service by $50,000 and increase the amount recommended for Federal administration under extension activities of the service by the same amount.

The amendment would affect only funds recommended for research and extension work in Mississippi. It would create a new grant under Federal administration for an extension specialist in Mississippi of $50,000 to cover an unfunded requirement which was just brought to my attention. To offset this additional funding, the amount recommended for aquaculture research in Mississippi would be reduced from the $642,000 to $592,000, eliminating the additional funds recommended to enable the National Center for Physical Acoustics to provide additional support to the National Warmwater Aquaculture Center.

Mr. President, we have shown this amendment to the other side, and we understand there is no objection.

Mr. BUMPERS. Mr. President, that amendment is acceptable to this side. Has it been agreed to?

The PRESIDING OFFICER. It has not been agreed to.

Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 4958) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. Mr. President, since it is 3 o'clock, this being the time I was advised to bring this amendment to the floor and at that time there was to be a time agreement, which appears now will not occur, I thought I would discuss my amendment and point out some of the problems with the sugar program and then make a decision later on as to whether or not I will offer it in this context or not. But essentially what this amendment deals with is the sugar program.

For those who may be following this debate in some other venue other than this floor, because I know everybody who is a Member of the Senate understands the sugar program, the sugar program is the last vestige of gross corporate welfare in the farm community.

In the farm bill that was just recently passed, there was a major initiative undertaken to try to put the farm community generally on a more market-oriented approach, although some arguments might claim it is even less market oriented. At least it was an attempt to have some forces brought to bear on what farmers would plant, how much they would plant of a certain commodity which would be something other than a decision made by a Government leader. It would be the marketplace.

However, there still exists this sugar program which has just the opposite approach toward financing and growing and creating of sugar in this country. The sugar program, as it is basically structured today, is a classic, what can best be defined as a Marxist system of economics. Essentially, the Government sets a price for a commodity which far exceeds what the marketplace would set for that commodity were the marketplace allowed to work in its ordinary fashion, and then it requires the consumer to pay that price no matter what the consumer's interest may be. As a result, the growers of that product grow it, make a great deal of money and have no relationship between what they grow and what the market wants or what they grow and what the market wishes to pay. It is a classic definition of Marxism.

In fact, this program is so outrageous that it costs the American consumer approximately $1.4 billion a year of subsidies to a very small cadre of very influential sugar growers. In fact, I think the number I saw was something like less than 70 sugar growers obtaining a huge percentage of the income from this program.

This subsidy is a function of the fact that it costs about 23 cents a pound for sugar in the United States, whereas on the world market, it costs about 13 cents a pound for sugar. Think about that for a minute. It is hard to believe that an American product would cost American consumers twice what the world market is. You might expect that in the old Soviet Union. You might even expect it in Cuba today. But in the United States, for somebody to be paying twice the cost of a product that is paid by people in other countries for that same product when that product is fully fungible around the world is incomprehensible. It just runs against the whole concept of a market economy, of an American system, what the United States theoretically stands for in the international community, what we stood for years against the Soviet system and what has theoretically, at least, won the debate of international economics—something called market forces.

If a commodity costs 10 cents or 13 cents in Brazil, or let's take a more industrialized state—although Brazil is a very industrialized state—say, Spain, Japan, or France, and that commodity, that item you want to buy costs 13 cents, in this case that is called a pound of sugar—if you wanted to make some chocolate chip cookies maybe or a cake—and in the United States, it costs 23 cents, you would say, "Well, that can't be, that can't be. Why would that be?"

Why, in a country that professes a free-market approach to economics, an international world free market, would one commodity that we grow in the United States that is grown around the world and moves from country to country with fair ease, why would that commodity cost 10 cents more in the United States per pound than it does in some other reasonably industrialized nation?

The reason is because the influence of the people who make all the money on this product is so great that they are able to set up a system which benefits a few at the cost of many. It is pretty much the last surviving system of this type of productivity in our country in the farm program area. There is still some of this, obviously, in the peanut area, and to a slighter degree, you can argue in the dairy area, but a much slighter degree. But clearly, sugar is unique in having this level of perversion of the marketplace for the benefit of a few at the expense of the many, at the rather significant expense, $1.4 billion of expense.

You might think that people who would be getting a $1.4 billion extra price for their product beyond what the market usually bears or would reasonably bear, would think that they were satisfied, but that is not the case here. I suppose greed feeds on greed, and it is inevitable, if you have proven that you can be really greedy and successful, you can get even greedier.

So this group of great troughers—by troughers, I mean porker, corporate pork—this group of magnificent troughers—these folks would win just about any contest at any country fair in the pork-producing category—decided that not only do they have to have a price that is almost twice the world price for the product, which the American consumer has to pay, they do not even want to have to pay off—when they borrow from the Federal Government to produce that product, should they by some unbelievable process lose money, they do not even want to pay it off.

Not only do they want a product that is priced at twice what it is worth, but should they actually lose money producing a product that is priced twice what it is worth—it is hard to believe they might lose money—but should they lose money, they do not even want to have to pay it off. They have something called the Nonrecourse Loan Program. This is almost beyond belief. It is so egregious in its attack on all sensibility relative to the marketplace—a nonrecourse loan.

If you are a student in the United States and you find yourself going to a school that costs you more than you can afford to pay from the summer job you have been working for the last 5 or 6 years, and it costs more than your parents can afford to pay because they cannot simply scrape together enough, because a college education has become so expensive, if you are a student and you borrow $1,500, $2,000 from the Federal Government, and you cannot pay it back, does the Federal Government say, "That's OK, forget it, you don't have to worry about it"? No. The Federal Government requires you to pay it back. We do not do a very good job of collecting it. I admit that. We have to change our collection system. But to those people who are honest and sincere—that is the majority of our American students—they have to pay their loans back.

But not the sugar industry. No. The sugar industry, after ripping the American public off, after the $1.4 billion a year, after being the biggest porkers in America, they do not even want to pay back their loans.

If you are a veteran, and you get a VA loan, have served this country—maybe you have even given blood for this country, maybe you are even a wounded veteran—and you get a VA loan, and you find that you cannot pay that loan back, does the American Government say, "OK. OK. Forget it. We won't collect that debt"? No. It does not. It duns your VA benefits, probably garnishees them, takes them as payment even though you may not be able to afford it because you may have other expenses at that time.

But do we say that to the sugar producers in this country? No. We do not. To the sugar producers, we say, because they have the power to demand it, "If you don't want to pay your loans back, tens of millions of dollars of loans back, it's OK. Forget it. That's all right. The American taxpayers are already paying $1.4 billion to your industry. Why not pay a little bit more through a nonrecourse-loan process?"

If you happen to be a homeowner who borrows money through the HUD program, and you have your first home, and something goes wrong with your family finances, and the Government comes in and takes your home—which might be similar to a recourse loan—does the Government stop there, to the nonrecourse loan? No. It does not. No. It does not. If there is a debt above the obligation that is available through the repossession of your home, the Government has the right—may not exercise it—but it has the right to collect that extra debt from your wages.

So if you own a home, and through some real tragedy or some unfortunate situation your home is taken from you as a result of your not being able to pay back that debt—and it is a Government loan—the Government has the right to sell the home, and to the extent that the price of that home, as sold, does not cover the cost of your loan, and you personally are liable, you personally, you, John or Mary Jones, working down at the pizza store or working on an assembly line in Detroit or working at a computer shop in New Hampshire, you are personally liable for that loan.

Is the sugar producer—even though his or her company may have borrowed millions of dollars—are they liable for that loan? No. They are not. No. They are not. It really is hard to believe that that would be the case in this economy, in this structure we would have that sort of situation. But that is the way it is. That is the way it is structured, as unbelievable as it may seem.

I guess it survives because of the fact that it has what is known as logrolling. "You scratch my back; I'll scratch your back." There are enough people producing this product in the country, although many of them are not very large compared to the big guys, that they all feel they have to protect the program and, therefore, everybody helps everybody else out. But it is pretty hard to defend this program under any sort of—you do not have to look through a magnifying glass to defend this, to look at this program, and see it is an outrage. You can take this glass of water, and put this on top of the program, and you would see that this program is just an unbelievable outrage on the body politic of the American consumer, and $1.4 billion a year in the process.

Nonrecourse loans. Just imagine it. If you are a student you have to pay your loan back. If you are a homeowner, you have to pay your loan back. If you are a veteran who served this country, you have to pay your loan back. Even if it is only $1,000, you have to pay it back.

If you are a sugar grower, processor, you do not have to pay it back. You do not have to pay it back. That is after you made the price of the product twice what it is worth. Pretty outrageous. "Sweetheart deal" I think is the term that most appropriately comes to mind. Corporate pork would be an understatement.

There is some logic, I suppose, to say that small farmers need to be protected. Maybe you will hear small farmer stories. Well, maybe small farmers do need to be protected. And to the extent we have good stories about small farmers, I suspect there will be some nice sad stories told. But the fact is that the amendment I am going to offer is not going to affect any small farmers. It is going to affect farmers of over $10 million in sales. And that is not a small farm. This is not a small farm in New England, not small anyplace. And $10 million is a good many sales. So small farm stories are not applicable to this issue at this time, although certainly they will be raised.

This issue, the issue of the sugar program, has been brought up on a number of occasions in this body. It has always been defeated. Any attempt to address the sugar program has been defeated. It was defeated last year even in the midst of major rewriting of the farm programs generally, as I mentioned earlier. Defeated a couple of years ago. It has always lost, but usually the amendments have been directed at substantive reform of the pricing mechanism. You know, this fact that you, the consumers, are paying 23 cents for a pound of sugar when your neighbors, maybe relatives in Canada, are paying 13 cents.

So that has been the usual target of the amendments. That has been soundly defeated because the influences I mentioned of so many different groups growing this product around the country is so pervasive. So my amendment—which the recourse issue does not take on that core issue of pricing policy, although pricing policy certainly should be addressed. And I would be happy to do it if I thought I had a chance of being successful. But I know I do not. My amendment takes on the issue of recourse.

As a practical matter nobody in this body should object to this, because, as I mentioned, the price of the product has been made so high that how can you object to the concept of having to pay back your loans when you are already getting such a huge subsidized price? Then if you compare the fact that you are requiring people to pay back their loans who are fairly large businesses—$10 million in sales—well, that is not too outrageous, not too outrageous, to require them to pay back their loans.

So I am talking about really a peripheral amendment here. I have to admit to that. I wish it was more at the heart of the sugar program. I wish it went to the pricing mechanism. But you know, I accept reality. I cannot win that one. I got 35 votes last year, probably about the same this year. So what this amendment does—I hope my fellow Members of the Senate will take a look at it who voted against affecting the pricing mechanism. It does not address that. So all the sugar beet growers and all the sugarcane growers are still going to get their 23 cents a pound out of the American consumer. They are going to get their pound of sugar out of the American consumer.

What they should not get, however, is this nonrecourse treatment that we do not give to students, we do not give to homeowners, we do not give to veterans. I mean, let us have some decency around here. Let us admit that we will let them go to the trough and maybe eat everything in it, but let us not let them eat the trough, too. It is getting a little outrageous.

So that is the purpose of this amendment. And I regret that the context of offering this amendment puts me in a difficult position, because I understand that I am not going to be protected on second-degrees, and I understand I am not going to be protected on time. I will say this, however, that I do think this is an important issue to vote on, that we will vote on this issue, I hope, before we complete this bill. I have no desire to delay this bill.

I know the Senator from Mississippi and the Senator from Arkansas have worked hard to move this bill quickly, and they have done a superb job of getting it out of committee. On the general farm programs, they have done an extraordinary job of funding those in, I think, a responsible way. This program, really, is independent of that effort. They have done an excellent job on this bill. I do not want to delay it. I want the bill to get through as soon as it can.

I do think this has to be voted on. I hope when I send this amendment to the desk, it will not be subject to a second-degree amendment. It can be couched in a variety of terms, so obviously we can return to this issue if it is, ad nauseam.

AMENDMENT NO. 4959

(Purpose: To prohibit the use of funds to make loans to large processors of sugarcane and sugar beets unless the loans require the processors to repay the full amount of the loans, plus interest)

Mr. GREGG. I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from New Hampshire [Mr. GREGG] proposes an amendment numbered 4959.

At the end of the bill, add the following:

SEC. . REPAYMENT OF CERTAIN SUGAR LOANS.

None of the funds appropriated or otherwise made available by this Act may be used to make a loan to a processor of sugarcane or sugar beets, or both, who has an annual revenue that exceeds $10 million, unless the terms of the loan require the processor to repay the full amount of the loan, plus interest.

Mr. GREGG. I thank the clerk for reading the amendment. I did want the whole amendment read so it would be understood. It is an amendment which on its face says, as I stated, if somebody is going to borrow from the Federal Government, even when they are getting twice the price for their product they should be getting, if somebody is going to borrow from the Federal Government, they ought to pay the Federal Government back.

Now, some will claim they can take the sugar and then the Federal Government can sell the sugar. That is true, but if there is a difference, the Federal Government eats the difference. There is no reason the Federal Government should be put at that risk. They are not put at risk for students, veterans or homeowners, so we should not be put at that risk for sugar growers simply because they have the capacity to protect themselves in the legislative arena better than students, homeowners or veterans.

Mr. GREGG. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is now a sufficient second.

The yeas and nays were ordered.

Mr. DORGAN. Mr. President, I was listening attentively to the Senator describe his amendment dealing with the issue of sugar. He finished by talking about sugar growers. Of course, the Senator understands that no one grows sugar; they grow sugar beets, to be sure, and the beets are processed into sugar.

The issue as presented by my colleague is an interesting issue and an important issue. This morning in North Dakota and elsewhere in the country, some folks got up and ate breakfast early. These were families with a full day's work to do. They need to keep their machinery in order, tend to their land, look over their sugar beet crops. Farmers work pretty hard. They invest a fair amount of money into a farmstead and try to make a living.

One of the circumstances we find in the farm programs is that there are difficult times for people who are out there living. There are difficult times for those trying to make a living because there is so much uncertainty. You can plant, and in no time at all through a whole series of things over which you have no control, you see everything gone. Acts of nature, a whole range of circumstances can conspire to wipe you out completely and quickly.

For that reason, the Federal Government has had a farm program. The Federal Government has said we believe there ought to be a network of family farmers in this country who have an opportunity to make it. So for a whole series of farmers raising crops, we have tried to create a safety net.

Now, within that farm program is a sugar program. The sugar program tries to provide a safety net for those folks, particularly in my part of the country, who raise sugar beets. As I listen to this debate, it is interesting how this issue is described because the description is so at odds with what the reality is.

I hear people stand on the floor of the Senate and talk about 10 cents being the world price for sugar. Well, that is not a legitimate free-market price for sugar. That is the dump price for sugar. People who study this issue understand that most sugar is traded country to country through long-term contracts. Only the residual sugar produced over that is dumped on the open market, at dump prices, dirt-cheap prices, and then some people say that is the true market price. Nonsense. That is not the true market price. It has nothing to do with a true free market price. It is a dump price for residual sugar supplies above that which is needed and above that which is traded country to country.

In this country, we have developed a program that provides loans. Those loans, through the Commodity Credit Corporation, cannot be made directly to sugar cane and sugar beet growers because sugarcane and sugar beets are not storable commodities. So the loans are made to the raw cane farmers and the beet sugar processors. I must point out, in North Dakota, those processors are by and large cooperatives. Those cooperatives are owned by the growers. The growers are the farmers.

The fact is I am proud of what has happened under this sugar program. I am proud because we have a circumstance where one part of this farm program, at least, works well and works to provide some stability in price to the beet growers—yes, in North Dakota and other parts of the country.

Now, that stability has given them an opportunity to make a living out there on the land. This is not, as some would suggest, some giant giveaway program. It is not a program that will require people at the grocery store to pay an extraordinarily high price for sugar. That is not what the program is about.

This program happens to be one of the programs that I think is good for both the producer and the consumer. It is especially good for those consumers who care about whether producers are able to live on a family farm, who understand that this matters to our country. I think it does matter to our country. It is good not only for those objectives, but it is also good for the general consumer.

You go back some years and evaluate what happened in this country when we had a shortage of sugar, and sugar prices jumped up, skyrocketed at the grocery store counter. Then there was a lot of concern about what this meant to the consumer. Well, the consumer, then, had to pay more for sugar because we had uncertain supplies, unstable supplies.

What the sugar program has done is merge two different approaches. One side of the approach says that we will try to provide something that gives some price stability to those who raise beets. The other side of the approach says that we are going to provide an advantage to the consumer who will have price stability on the grocery store shelf.

Is that price stability higher than it might be if, during years of world surpluses, we could have accessed the cheapest possible dump price for sugar? Sure. But is that price lower than it would be in times of shortage because we have a more stable capability in this country of providing for those needs? Yes. My point is this kind of program advantages both the producer, the family farmer being the producer, and also the consumer.

We have fought this battle before. We have had those persons who feel strongly about it come to the floor and say this is a program completely without merit. They say that it is a program that ought to be abolished, and they have tried to abolish it in a dozen different ways.

I must admit this amendment is a crafty technique, I say to my colleague, to try to essentially obliterate the sugar program. However, Congress has reviewed this and Congress has said this program makes sense. This program is not costing the taxpayers money. It is a program that has worked well. It is a program that has achieved its objectives of trying to provide some stability and some help for the family farmers out there, who in my part of the country raise sugar beets. It is a program also that has the ancillary benefits of helping the consumers in this country with some price stability.

Let me mention one other thing. As all of us know, in this debate there are competing forces. There is a force out there in our country—maybe I should not name it—that uses a great deal of sugar. The companies that make candy bars and other things use a great amount of sugar, and they very much want to see the dump price of sugar prevail for a while in this country as the U.S. price. I understand that. I suppose if that were my business, I would be arguing for the same thing. But that happens to be, in my judgment, a selfish position, looking after only their own interests.

But there are other considerations. The Senate and the House have gone through this and debated to try to determine where the reconciliation is here. We have tried to discover how we do this the right way, and is there a need to provide some stability in the price of these commodities. Is there a reason to give a hard working family farmer an opportunity to take advantage of that stability? The answer has been yes. Do we want that level of stability to be something that is so artificially high that it injures others that are involved in other businesses? The answer to that is no. That is what the compromise has been.

This compromise has been worked and reworked. I must say that I compliment the Senator from Mississippi, Senator COCHRAN, and so many others. Let me compliment someone who is leaving this Congress—Congressman KIKA DE LA GARZA. This is his last year in Congress. But those who understand the sugar program, especially in modern days, and its genesis, understand that KIKA DE LA GARZA has played a large role in shaping it. Republicans and Democrats have thought this through to determine what is the best public policy here. They have, I think, come to a reasonable position of supporting the provisions that are now in law, provisions that I think make sense for this country.

On a broader question, one can always, it seems to me, on almost every issue, come to the floor of the Senate and argue some kind of global construct that persuades us that there is a cheaper price somewhere. You can always find a price or position, in some nook or cranny of the economy, that you can access and that somehow would be beneficial for the country. I do not think that is what we are searching for. I think what we are searching for is public policy, especially in the area of commodities, that represents this country's interests.

Part of this country's interests lie in trying to maintain a network of family farms in our country. I am proud to tell you that at least North Dakota, one of the most agricultural States, has a network of family farms. The Red River Valley contains a network of those family farms that are trying to raise sugar beets. They have come together in cooperatives that process the sugar beets and have been quite successful. I commend them for it. I only wish that our farm programs for other commodities were as successful as this program is.

It seems to me that it ill-behooves this Congress to take a look at what works and take that apart and stop it, as opposed to evaluating what does not work and seeing if we cannot fix it. It really does not serve our interests to start deciding that those things that do function well are things that we ought to try to mess up in one way or the other.

So I very much admire the Senator who is the author of this amendment. We have worked together on many things, and will again, but he is dead wrong, in my judgment, on the sugar program. It is not new to him. He has been dead wrong on it for some long while. I know he feels strongly about it. We have a fundamental disagreement. I do hope that the Senate recognizes the balance that has been struck. I think it is good for producers and good for consumers.

It is a balance that augurs for this kind of a program to try to help family farmers in our country. I hope the Senate will, at the appropriate time, reject the amendment offered by Senator GREGG.

Mr. President, I yield the floor.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I come to the floor this afternoon, once again, to find myself in opposition to my colleague from New Hampshire on an issue that we both feel very strongly about. So for the next few moments let me say to my colleague from New Hampshire that while I disagree with him on this issue—and we very clearly disagree—we remain good friends and working partners on a lot of other issues. I must look at his amendment and what he has said about his amendment in relation to the sugar program in the new farm bill and take issue with it on an item-by-item basis, as I think is necessary. It is important for the record, so that the facts of this issue come forward.

Mr. President, when I first came to Congress in 1980, I came from a farming and ranching background, and for the 1980's, I remained actively involved with my family in farming and ranching. But I must say that my family never was involved in raising program crops. So I, frankly, did not know a lot about farm programs. I did not know a great deal about farm programs and program crops. It was not until I became a Congressman, representing the First Congressional District of Idaho, that I found it necessary to look at these programs on a program-by-program basis, Mr. President, and try to understand what they were all about.

My colleague from New Hampshire and I are pretty much alike. We are fiscal conservatives. We tend to be free marketers. And so when I began to look at the sugar program, I saw something that I had heretofore not understood. One of the first things I found out about it was that no check went to the farmer. The farmer, whether he be a cane grower or a sugar beet raiser, never received a check from the Federal Government. They received their payment from the sugar processor, who they were contracted with to raise the beets, or to raise the cane. So there was no, if you will, direct subsidy to the farmer, direct check to the farmer, as is true in other program crops.

One of the reasons this program had been developed, in a way, in that nature was because both the plant itself, the sugar beet, and the beet itself, in storage, are quite perishable. Because it was a nonrecourse loan program, it would not have been wise for the Federal Government, in this instance, to produce a loan when there was no collateral. And so as a method of even marketing into the system, it became the sugar processor who was the individual who took loans out from the Government inside a Government program, a sugar program, and they used, as collateral, refined sugar. So there was no direct payment to the farmer.

So the Senator from New Hampshire is wrong today. We will not hear a story about the plight of the small farmer. The small farmer, in this case the sugar beet raiser, whether it is in North Dakota or whether it is in Idaho, does not receive a check from the Federal Government. They receive a stable price for their product from a refiner that is engaged in a nonrecourse loan program with the Federal Government, which allows that refiner to market sugar into the market in a stable way.

So I am sorry that I will disappoint my colleague from New Hampshire. No story about the plight of the small farmer. Although I am very much concerned about the small farmer, I will tell my colleague from New Hampshire, with the hundreds of thousands of acres of sugar beets in Idaho, it is a good and profitable crop. One of the reasons it is is not because they get a check from the Government, but because the industry, through the program, is allowed to develop a loan relationship with the Federal Government, which creates stability in the marketplace. Therefore, it affords a stable price for the crop, and that creates stability at the farm itself. That is a point that I think is very important to remember.

So, in essence, the amendment that my colleague from New Hampshire is offering today, which is a cap, if you will—or it says loans are limited to those under $10 million—there is not a refiner in the market that grosses less than $10 million. So the amendment, for all intents and purposes, destroys the sugar program as we know it.

The second point, this is not just a refinement of the existing program. This is a killer amendment of a program that we spent over 12 months negotiating about with the industry and the growers associations. The reason we did that is because I, along with my colleague from New Hampshire, said it was time to reform the farm bill and get Government out of agriculture as much as we could. As a result of that, we put major reforms into the sugar program.

Mr. DORGAN. Will the Senator yield for a moment on that point?

Mr. CRAIG. Yes.

Mr. DORGAN. The Senator talked about family farmers. I want to try to understand the point he made.

The point, as I understand it, is not that this does not help family farmers. This ultimately does help family farmers. But it helps family farmers through price stability—not a Government check. I think that is the point the Senator from Idaho was making.

The reason I asked the question is that I was making the point that this matters to a lot of family farmers. It matters because if you destroy this program you destroy their price stability; and, frankly, a lot of them will not be farming anymore. But this is not a Government check to those farmers. As the Senator from Idaho properly said, it helps the processors to provide price stability for farmers, which is exactly what makes this a successful program and one that does not cost the taxpayers' money.

I appreciate very much the Senator yielding.

Mr. CRAIG. Mr. President, so the point I think that my colleague and I are trying to make here is that, if there is a role for Government in agriculture—I think there is one, and I think it ought to be a very limited one—I see it in one of two or three areas. That is not to directly prop up or to subsidize a producer who has to produce to a market but allowing Government to help facilitate at no cost to the taxpayers anomalies within a market environment that only the Government can maybe help in because of their scope and their size, or in an instance where there is direct competition from foreign markets in which cheap product is produced either because of "near slave labor" or because of subsidized Government programs in other producing areas of the world than the necessity of a relationship there where our Government can facilitate without it being a cost to the taxpayer.

In all of those instances the sugar program meets those tests. In the area of trade, where you have real political consideration and political powers vying against each other that distort the marketplace, I believe our Government can be a facilitator to production agriculture, and it works in this instance. And it works so to create stability in the marketplace. When you create stability in the marketplace you benefit the small farmer producer, and you do in real terms because you do not have the kind of gyrations in the market where one year wheat is worth a great deal of money and the next year you ought to plow it under because it is worth no money. That is the kind of instability we saw in the sugar program in the late 1970's and the early 1980's.

Those are some of the issues and items that I learned, Mr. President, when I got here as a freshman Congressman and I knew very little about sugar. I also learned something else: That when we began to make reforms in the program starting back in 1980 when we found out that we could not operate under the kind of program we were living under, and because of the boom and bust in the marketplace, with the tremendous influence of dumping raw cheap foreign sugar on our market we came back to a Government program, or at least a program where the Government became a participant to facilitate.

When we did that we said something very important. We said that this ought not be a subsidy—that it ought to be no net cost to the taxpayer.

Since 1980 my colleague from New Hampshire knows as well as I do that this has been a no net cost to the taxpayer because that is what the law says. And in that context, while I was listening to my colleague a few moments ago, I became frustrated when he began to insinuate that this was costing the taxpayer money—or that in fact it was costing the Government money—that is a nonrecourse loan if defaulted upon costs the taxpayer money.

Two years ago, when we did have some default because the loans were collateralized on refined sugar, the Government took the sugar, sold it, and made money—no net cost. Technically inside the law my colleague from New Hampshire, the Senator from New Hampshire, is right. From a technical point of view he is absolutely right—that, if the price of refined sugar had dropped dramatically, there might be a loss. But the law says no net cost to taxpayers.

As a result of that we have put the loan rate at a rate to cover those margins, and it has no cost. He used an example of the veterans; the homeowner. I must tell my colleague from New Hampshire, my Senator friend, that he knows this—that when the Government loans money on a house they have the house as collateral. And if the person who borrows walks away from the house—and that happens—the Government has the house and they sell the house. They have the sugar and they sell the sugar.

He used student loans. Student loans are the only area where Government loans do not have collateral. Many students have walked away from their loans and the taxpayers had to eat them. That was increasingly so until the Senator from New Hampshire and I came in the early 1980's and said, "No. You can't do that kind of thing anymore. If we are going to loan money to students they have to pay it back." That became an increasing prerequisite of student loans throughout the 1980's and into the 1990's as we increasingly provided more money in the student loan program.

So if you loan money to a GI, in many instances on education, that is an outright gift. If you loan money to a student, you hope they pay it back. They are obligated to pay it back. If they declare bankruptcy and walk away from it, even though we put a no-bankruptcy clause in, some of them do not. Most of them do, thank goodness. But if the Federal Government borrows money on a house and the person walks away from the house, they can follow the person legally through the channels; and, if the person does not have any money, the Government has the house. That is the reality. We know those things.

In a nonrecourse loan to the refiner the Government has the sugar. The example of default cannot be painted to be dramatic because it hardly exists. It rarely exists. Over the last 2 years it has existed, and, when it did, the Government took the refined sugar, sold it, and made a little money above and beyond their expenses.

Mr. President, if the Government can operate a program like that that creates stability in the marketplace, that keeps thousands of farmers producing, that disallows the dumping of cheap sugar in our market and does so in a way that is of no net cost to the taxpayer, I would say that is probably a pretty good program. Maybe that is the way Government ought to work in this instance. It creates the kind of stability we want.

The amendment that the Senator from New Hampshire offers imposes an eligibility test for participation in what is now a new sugar program. For over 12 months we worked at defining a new program, and we put it in a 7-year farm bill. Growers began to plant to that farm bill this spring.

I would have hoped that my colleague would have accepted those reforms. But I understand that he does not. He wants the program eliminated. That is his choice to offer on the floor his amendment, and clearly he does that because nobody in my opinion can largely agree with his $10 million revenue threshold to establish it. If a refined cane miller or a sugar beet processor has annual revenue which exceeds $10 million they are not eligible for the program as written in the farm bill. Currently all U.S. raw cane millers and sugar beet processors have annual revenues above $10 million. Thus, no domestic produced sugar would be eligible for current loan programs if this amendment were enacted. This amendment will invalidate and render useless the hard-fought reform that I have just mentioned that won on this floor of the Senate by 61 to 35 vote.

In the loan program, while I think I have discussed that in a reasonably thorough way, Mr. President, USDA cannot make loans directly to the sugarcane or the sugar beet grower, as I have mentioned.

The reason is that raw sugarcane and beets are perishable, and although my colleague did not specifically speak to the collateralization of the loan, the loans are collateralized by refined sugar, and that is why the Government has not lost any money on this, not only by actual practice but by the law itself.

The loan rate for raw cane sugar is 18 cents under the new program and has been frozen at that level since 1985. The farm bill makes that freeze level a permanent one. The current loan rate is well below the domestic market price of 22 cents. So you have that cushion of protection between the 18 cents and the 22 cents.

USDA loans on sugar have consistently been repaid, as I have mentioned, with interest. It sounds as if our Government, in this instance, was a pretty good banker. The sugar program has been operated at no net cost. Meanwhile, U.S. consumers continue to buy sugar at a price some 28 percent below the average price in the rest of the world's developed countries.

For just a moment, Mr. President, let me speak briefly again about the nonrecourse versus recourse loans that go to the heart of the amendment of the Senator from New Hampshire. Currently, all sugar loans, along with wheat, cotton, rice, and corn, are nonrecourse loans. This means that the only way to collect repayment of the loan is to assume the collateral. Rather than collect massive stocks, USDA operates the program so that there are no loan forfeitures or cost to the Government.

What the opponents suggest is that this system be changed to basically a recourse loan program and the $10 million threshold. Under this system, the Government could use any means necessary to collect the value of a loan. No other commodity has a recourse loan.

Those are some facts that I think are extremely important as we deal with this issue.

Mr. President, because we are now just at the beginning of a new farm bill, and while all of us spent nearly 2 years crafting this document—and the Senator from New Hampshire was directly involved in trying to change it with amendments in this Chamber, which was certainly his right and his prerogative, so he and I and everyone else have had a substantial part in shaping the new farm policy, but we did it. We put it in effect for 7 years. As a result of that, scores of farm organizations around the country have said now it is time to leave it alone and let it work for a while under the promises that the Government collectively made would be a part of the program.

The American Farm Bureau Federation, the American Sheep Industry, the Society of Farm Managers and Rural Appraisers, the Soybean Association, National Association of Wheat Growers and Barley Growers, the National Corn Association, the National Cotton Council, the National Council of Farm Cooperatives, the National Sorghum Producers, the National Milk Producers Federation, the National Peanut Growers Association, the National Pork Producers Association, and the National Sugar Farmers and Processors, all of them have basically said now that you have crafted a farm bill, we urge you to stay with it because this is something you just do not change overnight. Certainly in my State of Idaho, the millions and millions of dollars of investment it takes to farm and to produce means that you do not quickly change the program if you change it overnight. Of course, the Congress has the right to do that. But we understand the importance of making sure that the program is stable.

I hope I have portrayed my opinion of the effects of this amendment by the Senator from New Hampshire. If not, I am sure he will correct me, and I will stand corrected if I am wrong. But I think it is important to remember that this is a program that since the early 1980's we have refined and shaped and reshaped so that we create stability in the market; that we offer a supply of sugar which is substantially less expensive than sugar and sweetener around the world; that we are in compliance with GATT, and as we move toward that, one of the things which is clearly understandable is that our level of participation in the program reduces as other governments around the world subsidize, sugar levels reduce because of the General Agreement on Tariffs and Trade. All of that is part of how our Government has worked, and I believe properly so, under the direction of the Congress and under the new farm bill that we have before us.

So I hope that my colleagues in reviewing this amendment will reject it. I certainly do not plan to second degree it, and I do not know of anyone else who does. It is not my intention to want to put cute words around it, to try to hide the impact. I believe this program is strong enough to stand on its own, as it has in the past, as it did by a 61 to 35 vote several months ago on the floor of the Senate. And I hope that Senators, in reviewing this, could reject it out of hand and allow the program, which we have effectively refined and developed, to operate for a period of time to see if we get the savings.

Let me also conclude by saying that one of the things which is very important to remember—and I am not sure whether the Senator's amendment would therefore forfeit this figure—one of the results of the program and the no net cost to the taxpayer is the assessments that are generated through the new program that will produce about $300 million in deficit reduction.

Now, if the Senator is still going to say let us keep the assessments but let us kill the program, then, in essence, he has created a new tax on producers, because we not only eliminated marketing allotments, we implemented a 1-cent penalty effectively lowering loan rates and we have an assessment that will generate about $300 million in deficit reduction to the Treasury over the life of the program of 7 years. As a result of that, we think we have put together a positive reform package not only for the American taxpayer, but, in this instance, for the producer-processor to create a stable market for the commodity that they produce.

I yield back the time.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I certainly appreciate the eloquence and the aggressiveness and obviously the effectiveness of the Senator from North Dakota and the Senator from Idaho in defending the sugar program as it impacts their sugar beet growers who, in most instances, I suspect—I suspect in all instances—are very hard working, farm community votes. However, the sugar program itself is structured in a way that it benefits a lot of major corporate farm activity, and that farm activity, as I mentioned before, is extraordinarily expensive to the American consumer in an unfair and unjust and unmarket-oriented way.

The argument on the other side appears to have fallen into a few categories. Let me try to respond to them in some sort of argument.

The first argument is that this amendment would eliminate the program because any processor doing more than $10 million in business would be out of the program. No, that is not true. I think that is simply not true. It would say that any processor who generates more than $10 million in annual sales would have to pay their loans back—just like a student, just like a veteran, just like a homeowner.

Now, there was some representation that we do not collect veterans' loans and maybe they are an outright gift. I do not think so. I think most veterans pay back their loans, but if they are not paid back, the Federal Government has the right to go after them individually. The same thing of a student. If a student does not pay back his or her loan—it happens a lot, unfortunately—the Federal Government has the right to collect that. Of course, in the homeowner's situation, that is a collateralized event. The Federal Government takes the home, sells the home, but if there is a deficiency, in other words, if there is a difference between what that home is sold for under foreclosure and what the note is paid out for and the note exceeded the foreclosure price of the loan, the individual remains personally responsible for that amount.

What we are suggesting is that a $10 million processor as a consortium, as a co-op or as a manufacturing cooperation, the $10 million processor should have to be liable also just like the student is, just like the veteran is, just like the homeowner is for that loan. So the program is still very much available. It is available under approximately the same terms and conditions relative to default and recovery that a loan to a student is, that a loan to a veteran is, and that a loan to a HUD recipient of a home ownership loan is. You have to pay the loan. You have to pay back the Government. That is all we are asking.

So the program is very much vibrant and alive. To reflect the fact that there is a sort of inherent contradiction in this debate that I hear from the other side, the position of the other side, on the one hand, they are saying this proposal, which is to allow people to borrow the money but to have to pay it back, versus borrow the money and then if they decide they do not want to pay it back they can just turn over their sugar to the Government—that this proposal is going to have a disastrous, debilitating, totally scorched earth effect on the farm program; and then I heard that nobody has ever defaulted, or if there has been a default they sold the collateral for more than the loan was worth.

So why is this such a terrible event? Why is it such a terrible event to make it a matter of public policy that people who borrow money from the Federal Government should pay it back? I guess it is a terrible event because it happens to be perceived, I think, as a threat to the sugar growers and the sugar processors. They maybe see it as a camel's-nose-under-the-tent approach to the issue of their $1.4 billion subsidy which they are taking the American consumer to the cleaners with.

But, as a practical matter, the debate on the other side of this issue has defended the position I have proposed in this amendment, because they have stated accurately that there have been no defaults that would have created recourse beyond the collateral, and, therefore, why should it matter to the industry if they find themselves subject to recourse loans? Especially when you have an Agriculture Department that is controlling the importation of sugar so it keeps the price of sugar 4 to 5 cents above what the loan price is? I mean, really. It is like going into a blackjack game and saying, "You have to deal me both an ace and a jack. If you do not deal me the ace and the jack, I am not going to play."

In this case we are going to give them the ace and the jack, I guess. But it makes no sense, that if they should, by some strange coincidence end up losing, they should not at least expect the Federal Government should be paid back. It is hard to believe there is a scenario where under the present scenario they would lose. As long as the Department of Agriculture is going to keep the price 4 cents or 5 cents above the loan price, how do you ever end up with the collateral being less than the loan? It is pretty hard to see that fact pattern occurring.

But I am told this amendment devastates the program. How does it devastate a program when the defense of the opposition has been that there has never been a default, and when the numbers, on their face, speak for themselves that if there were a default, there would not be any recourse?

No, I do not think it devastates the program. It does not affect the program at all. That was my point when I first started this. I said, "Gee, I would really like to do something about this program but I know I cannot win. But let us at least get ourselves on some sort of even keel relative to the American taxpayer and relative to fairness. If we are going to say to the homeowner and the student and the veteran you have to pay your loans back, let us say to the processor you have to pay your loan back, too. That is the purpose of this."

So I do not think there is any substance to that argument. I think the substance of it was undermined by the presentation of the defense. To the effect there was a substantive point made in the opposition, it went to the issue of this price stability, which was specifically stated by the Senator from North Dakota and clearly implied and alluded to by the Senator from Idaho.

Essentially, the theme of that position was that if you do not have price stability in sugar, then you are going to have up-and-down years, you are going to have years when the price will go down, when there is dumping, and years when the price will go up. So the idea is to have 23 cents or 22 cents all the time for sugar, even though the world market price is 13 cents. Granted that may be a dump price, for all I know. It may not be, but it could be a dumped price. But there is clearly a heck of a lot of difference, there is a big difference between 22 cents, 23 cents, and 13 cents. So somewhere in there is the real price of sugar one presumes, between those two numbers. It is pretty obvious the American consumer is paying a lot more than the real price, if the world dump market is 13 cents.

So, if that is the case, if the purpose here is to maintain a stable price for sugar, if that is the real gravamen of the argument, and that price always has to be 23 cents or 22 cents—and why is that number picked? That number is picked because the loan price is 18 cents and they do not want anybody defaulting on their loan. If we apply that logic to all the commodities made in this country: All right, let us see, now. A couple of weeks ago my son bought a MacIntosh computer. I bought it for him for his birthday. The price of that computer, as I recall, was somewhere in the $1,500 range. It was a pretty expensive item, but it was for schooling. It seemed like a good investment. His sisters can use it.

All prices of all computers should be $1,500—right? The theory of the sugar program is the price for a commodity should be the same price at all times, because the prices might go up and the prices might go down; if you want to maintain stability—we have a lot more people working in the old computer industry in this world, in the Apple computer industry, I suspect, than make sugar. I bet there are probably more people that work for Apple Computer than produce sugar.

What has happened to Apple computers because they have not had a Department of Agriculture fixing the price of that product? The prices went down. I found out a few days ago I could have bought the same computer I bought a few months ago for $400 less, because there is something called a price war going on in the computer industry. And, worse than that, for the folks at Apple, they are in serious trouble. They have had to lay off thousands of people, because their product was not able to maintain the employment. And the prices of computers and other computers that have been brought on the market that have made that Apple computer, which is a heck of a good computer, I think—especially the software in it—be not as competitive with whatever the appropriate other computer that is competing: Dell, AST, Gateway, Digital. Digital is a great computer, by the way—made in New Hampshire.

The point here, of course, is: It is called a marketplace. It is called America. It is called a market system. It is called capitalism. It is called "what made this country great." It is called competition, worldwide, sometimes.

Take another little commodity called cars. Shall we fix all Chevrolets at the price of Chevrolets sold in the year 1979 or 1985? We could, I suppose. Then we would not allow the Japanese to import to compete.

I think we went through that, did we not? That is why the Big Three had such a tough time, because their quality went down because they did not have the competition. Prices stayed up. Then, when they did get the competition, it took them a while to turn around. Of course, with American know-how they did it pretty quickly, didn't they?

Now you have the most viable and energized car producers in the world, and they are American again. For a while, of course, we had a huge Japanese threat to our industry, but we responded.

Are we to say that the sugar growers in this country would not be able to compete? I do not know, I guess that is exactly what we are saying in this plan. But, essentially, this concept of stable prices, which has been alluded to specifically by the Senator from North Dakota and clearly highlighted or addressed by the Senator from Idaho, is another term for non-market-place economy. It is another term for price fixing. Price fixing does not benefit the consumer. It does not benefit the marketplace. It benefits that small group of people who are able to benefit from the fixed price which, in this case, happens to be a very small group of sugar growers, and it is extremely expensive to the American economy.

There was a statement that there are no tax dollars at risk; the taxpayers pay nothing. Well, if you say that the dollar that a taxpayer pays in taxes and a dollar a taxpayer takes out of his wallet to pay for sugar does not come out of the same wallet, then I guess taxpayers are not impacted. If the taxpayers are some mythical beings out there who don't go to the marketplace and buy food then, yes, there is no impact on the taxpayers.

But if the taxpayers happen to be real, live Americans who go down to the grocery store and buy food with those dollars that are left over after the Government takes their money for taxes, well, then it does impact them quite a bit, because they are paying somewhere around twice the going rate for the price of sugar. They are paying $1.4 billion a year more to buy that sugar than they should have to. But this amendment does not address that issue, that outrageous issue which I would love to address. Unfortunately, I cannot get the votes to address it. But this amendment does not address that issue. This amendment addresses the fact that these are loans that do not get paid back if they go bad.

Granted, it may never happen. It may never happen that the Agriculture Department is able to manipulate, through controlling imports, something that comes close enough to the loan price so that there never is a loan that goes bad. But there ought to be a statement of policy, at least, that this Congress expects the $10 million processor to at least be as liable for his or her loans or its loans from the Federal Government as we expect the struggling student, the veteran and the homeowner.

There were a couple of ancillary issues that were raised that I think need to be addressed. Maybe I already addressed them. I was even more thorough than I thought in my statement, so I yield back the remainder of my time.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, let me compliment those who participated in this debate for the efforts they made to fully acquaint the Senate with the issue that is before us with the amendment offered by the Senator from New Hampshire.

My reaction to it at this point is that this is an issue that has been before the Senate, was before the Senate, was fully debated when we were undertaking to write the new farm bill, which contained a lot of market transition reforms, included reforms in the Sugar Program and many others, and this issue has been resolved, or at least a bill was passed by the House and Senate, a conference occurred, a conference report was written.

This is the conference report that was compiled by conferees on the part of the House and the Senate, almost 500 pages in length, devoted to farm programs and the role of the Federal Government and the private sector in trying to make available to Americans abundant supplies of reasonably priced foods and commodities.

The President signed the bill, and this is the law. The bill before the Senate today simply funds the activities of the Department of Agriculture and related agencies. It doesn't seek to address suggested changes in agriculture or farm policy, as such, but simply to undertake to allocate to this Department the funds it needs to carry out its responsibilities as defined by the law.

So this is a proposal by the Senator from New Hampshire to change the law and, therefore, it seems to me ought not to be adopted by the Senate. It is very technical, obviously. I was reading section 156 in the conference report that deals with the Sugar Program, and it talks about the nonrecourse and the recourse loans that are a part of that program, and it is very, very technical.

I was thinking, how is a Senator who is not a member of the Agriculture Committee, has not been a party to the hearings and discussions about how this is going to work as a practical matter, how is he going to be able to decide, how is she going to be able to decide whether this is an amendment they want to vote for or against.

These are arguments that have been made on both sides of the issues. I compliment the Senators involved. I think the only thing we can be sure of is we will vote on this. We will vote on this amendment. The yeas and nays have been ordered, and the vote will occur in due course of proceeding on this bill. It will not occur today. But under the order entered for the consideration of the bill today, it would be put over and a vote will occur tomorrow.

I am going to have to come down on the side of the Senator from Idaho and the Senator from North Dakota in arguing that the amendment be voted down. I hope Senators will vote against the amendment, with due respect to my very good friend from New Hampshire, whom I admire greatly.

Mr. President, we are prepared to receive other amendments, or any further debate on this amendment would be in order if Senators care to debate the amendment.

Mr. MCCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona.

AMENDMENT NO. 4968

(Purpose: To restore funding for the Agriculture Research Service at the level approved by the House of Representatives)

Mr. MCCAIN. Mr. President, I ask unanimous consent that the pending amendment be set aside, and I send an amendment to the desk.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. MCCAIN] proposes an amendment numbered 4968.

On page 10, line 18, strike "$721,758,000" and insert in lieu thereof "$702,831,000".

The PRESIDING OFFICER. The Senator from Arizona.

Mr. MCCAIN. Mr. President, this amendment would restore the funding level for the Agriculture Research Service at the House-passed amount. Simply, if the amendment is adopted, we will save $18,927,000, which represents a 3-percent cut from the Senate level.

No Agriculture Research Service programs will be put in jeopardy. No dire outcome will result. Mr. President, it is a very simple amendment. While the Senate does not and should not function as a rubber stamp of House action, the other body was entirely correct when it funded the Agriculture Research Service at $702,831,000.

Mr. President, in the Department of Agriculture appropriations bill, a lot of the unnecessary spending is in the Agriculture Research Service program. Certainly, there is a legitimate need for agricultural research. We all agree on that point.

Let me emphasize, voting for this amendment will not contradict that point. Voting for the amendment does affirm our belief that we must scale back our spending in a responsible manner.

The House funded the Agriculture Research Service at a very reasonable level at $702 million. Again, I want to note that this is a 3-percent cut from the Senate level. I believe that we could cut this nearly $1 billion program by 3 percent.

Mr. President, there is other language in the bill and in the accompanying committee report that concerns me. I would like to raise some of those issues at this time. On page 51 of the bill, the House had language that stated no funding made available under this title shall be used for new studies and evaluations. I applaud the House for inserting this prohibition in the bill. Unfortunately, the Senate struck the House provision and inserted instead the $6 million cap on studies and evaluations. Unfortunately, many of these studies are not necessary or could be privately funded. I hope that when the bill is conferenced, the Senate will recede to the House on this matter.

The committee report continues to recommend funding for a wide variety of specific industry areas. I believe that such earmarking is detrimental to the agriculture industry as a whole because it encourages funding to go to those industries with the best lobbyists or those favored by the members of the committee. All research grants should be based on national priority and competitive bid.

As an example, I would like to comment briefly on the shrimp aquaculture research provisions contained on page 39 of the committee report. The committee recommended a $300,000 increase in Federal funding for shrimp research. Mr. President, the U.S. shrimp industry is a profitable, multibillion-dollar-a-year industry. While it is true that the Asian shrimp industry is much larger than the U.S. shrimp industry—I understand that some desire that we should have an American source of shrimp—it seems that increased Government funding of the shrimp industry is not needed at this time.

Mr. President, my staff met with shrimp industry representatives who explained their ongoing concern with foreign diseases infiltrating our national shrimp farms. I share their concern. However, since the shrimp industry is a profitable industry, and since the Federal Government already spends over $3 million a year on shrimp aquaculture research, this new financial need should be met by the shrimp industry itself.

Again, I hope when the bill goes to conference that the House demand its language on this matter and that Federal involvement with the shrimp industry be kept at a minimum.

I also want to express my concern that the Senate added language to the bill on page 33 that funds the National Natural Resources Conservation Foundation at no more than $250,000. This sounds very good, but it raises many questions. First, according to the act which established the National Natural Resources Conservation Foundation, Public Law 104–127, the foundation is "a charitable and non profit corporation * * * [and] is not an agency or instrumentality of the United States."

The law also notes the numerous duties of the foundation, many of which I agree with. But I want to note that the last of the duties proscribed in the law for this private corporation is "[to] raise private funds to promote the purposes of the foundation." The law states this is a private organization that should raise funds and promote certain agricultural activities. I think we should let the corporation follow that law.

Mr. President, isn't the concept of a private corporation that it is private, therefore, not funded by the Federal Government? In general, private corporations should not be funded with Federal dollars. I hope the Secretary of the Department of Agriculture will not use any appropriated money to fund this organization. While there is a legitimate role for some Federal dollars to be used by private corporations for certain select activities that are necessary but which might otherwise go unfunded, this is not one of those exceptions.

Again, Mr. President, this is a simple amendment. It represents a 3-percent cut in the Agriculture Research Service program and restores the House of Representatives-passed funding level for the program. I hope the Senate will adopt the amendment.

Mr. President, I have read the report language of the bill rather carefully. There are many worthwhile and worthy causes. Some of them I do not quite understand. Some of them are somewhat unusual, to say the least. Grape research, hops, insect rearing, goat grass control, nutrition intervention projects, cotton value-added/quality research, apple research, alfalfa research, corn germplasm research.

Mr. President, all these, I am sure, are worthwhile, but many Americans who are facing cuts in Medicare, cuts in Medicaid, cuts in food stamps, Social Security being in financial jeopardy would ask the question—and I think it is a legitimate one—should the taxpayers be paying for a fish farming experiment laboratory? Should the taxpayers be paying for cotton value-added/quality research? Should the taxpayers be paying for corn germplasm research? Apple research? Alfalfa research? Funding children's hospitals?

Mr. President, the question, I think, is a legitimate one. I have no information that the apple industry in America is in such dire straits that they need to have Federal dollars spent on apple research. I wonder if the apple industry in America could pay for apple research. I have no information that the Arkansas children's hospital is in such bad shape that it needs to have an additional $425,000 of taxpayers' dollars.

Bee research. I did not know that the Hayden Bee ARS Laboratory in Tucson, AZ, required earmarked funding. Mr. President, I did not know that the wheat industry was in such bad shape that it needed an additional $450,000 above the 1996 level for the ARS Pacific Northwest Club Wheat Breeding Program.

What I am saying, Mr. President, is it all gets down to the question about the role of government in our society. I was under the distinct impression that, at least on this side of the aisle, Members felt that the role of government in our society should be prioritized to provide for national security and for those in our society who are unable to take care of themselves who need our help, and certainly otherwise important programs.

I do not understand the logic behind funding with taxpayers' dollars industry, whether it be fish farms or grapes or cotton or wheat or bees, when those industries are not only not in need, but according to the information I have received that agriculture is one of the healthiest industries in America.

So I hope that we will make a modest cut and restore the House level of funding. Mr. President, I have very few illusions as to the prospects of this amendment, but I would suggest that sooner or later the American people will continue to question and question severely this kind of funding. Mr. President, I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. McCAIN. Mr. President, I yield the floor.

Mr. COCHRAN. Mr. President, let me respond to the Senator from Arizona by saying that when we looked at the President's budget request for funding of the Agriculture Research Service activities, we, too, thought that the request was too high. Our careful evaluation of the needs for research done by the Agriculture Research Service resulted in our reducing the amount available for this activity by $7 million. So the proposal that is before the Senate is $7 million less than requested by the administration.

Let me also point out one other thing. I noticed the Senator's amendment would cut $18 million from the Senate-recommended figure, $18 million from what the Senate recommended. We are already $7 million below the President's request. He does that, he says, to bring our number to the point where we would agree with the House on the level of funding for these activities. The House number is $702 million in total. The bad part is, if you look at the House numbers individually in all the items in the bill that the House says should be funded, it adds up to $710 million more or less.

Draw the bottom line and put $702 million. He wants us to join that hocus-pocus and suggest we want individual projects funded up and down the line in their bill, and if you add them all up it is $710 million, round numbers, but they draw the bottom line and put $702. I will not submit a bill to the floor of this Senate and do that and say I am cutting spending more than we really are recommending when you look at the individual items.

What they are forcing the Department of Agriculture to do, if the Senate goes along with that, we are misrepresenting to the general public, we are misrepresenting to the Department of Agriculture, what our recommendation is. We are forcing the Department to pick out $7 million in cuts and impose them somewhere, and disavowing any connection with it. We are disavowing paternity with a $7 million cut.

If we are going to impose the cut to $702 million, identify where the cuts are going to be. If you are going to cut the Arkansas Research Program that the Department of Agriculture runs, you have to spell it out. If you are going to cut an Arizona cotton research activity that is a substantial investment of dollars in a new facility, say it. Say you are cutting western cotton research, and point out it is done in Arizona. Just to simply say we are spending more than we need but not say how, where, when, or to what extent, that is not right.

Now, after the Senator completed his proposal where he makes this $18 million cut, he then talked about other parts of the bill he found obnoxious that do not have anything to do with Agricultural Research Service funding. If there are programs that should not be funded, I suggest we ought to spell it out. Amendments ought to target those projects. If that is what the complaint is, offer an amendment that does that. But to offer an across-the-board cut which if we passed would force the Department to make the decisions, we would not have any responsibility for doing that. That is irresponsibility. That is not accountability.

I sympathize with the Senator's proposal that we make sure the dollars that are invested in research are, No. 1, needed, serve some public interest, are reviewed carefully. I can assure the Senate and I can assure the Senator from Arizona that will be undertaken here.

He did specifically mention shrimp research for shrimp farming operations and how they were money-making enterprises and they did not need the research dollars. I convened a hearing just on that issue last year to determine what some of the problems were in aquaculture in fresh water, some salt water shrimp and other aquaculture activities. I found out there was an epidemic of exotic viruses that have attacked the shrimp in those operations and we were, in exchange, importing huge quantities of shrimp from China and other foreign sources because we could not meet the supplies needed here for wholesome, safe shrimp and other seafood. This was a growing industry. It was one that had a lot of promise but it was about to be wiped out. These funds that are made available are made available on condition that the industry come up with its own money to help match the dollars that are put up by the Government to get to the bottom of this problem, and it is a problem.

Here is the hearing. This is a hearing record. This is not something the industry just came in and tried to push over on us. I am convinced the dollars that are made available for that activity are needed. The purpose, to provide high health and genetically improved stocks, to control disease agents, to enhance environmental protection, and to develop animal husbandry methods. All of this is needed if we are going to save this industry from a doom, a doom that will cause us to have to rely on foreign sources of these products. We already do. But we will be completely reliant on them if we are not careful, if we let this virus problem spread, if do not figure out how to stop it. That is needed. I will stand behind it. The record supports the need. I hope the Senate will reject the amendment.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. I ask for the regular order.

The PRESIDING OFFICER. The regular order is the Senator's amendment number 4959.

AMENDMENT NO. 4969 TO AMENDMENT NO. 4959

(Purpose: To prohibit the use of funds to make loans to large processors of sugarcane and sugar beets unless the loans require the processors to repay the full amount of the loans, plus interest)

Mr. GREGG. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from New Hampshire [Mr. GREGG] proposes an amendment numbered 4969 to amendment No. 4959.

Mr. GREGG. I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike all after the word "SEC." and insert the following:

REPAYMENT OF CERTAIN SUGAR LOANS.

None of the funds appropriated or otherwise made available by this Act may be used to make a loan to a processor of sugarcane or sugar beets, or both, who has an annual revenue that exceeds $15 million, unless the terms of the loan require the processor to repay the full amount of the loan, plus interest.

Mr. GREGG. This is the same as the underlying amendment, but it changes the amount that is required of processors to have recourse on from a $10 million threshold to a $15 million threshold. After that, it is a more lenient amendment than the first, if we presume we are requiring people to pay back loans.

It does not, I think, aggravate the situation and should not from the standpoint of my colleagues who feel differently on this amendment than I do. I offer it to protect my position in the batting order here.

I make one additional point. There was a point made on the other side, and this is, really, ancillary to the overall debate but needs to be responded to. There was a point made on the other side that the Sugar Program as presently structured actually causes a net "infloat" of the Treasury because this is an assessment process. However, if you take into effect in the calculation the cost to the Federal Government of having to buy sugar for products which it uses and food stamps and military feeding and child nutrition at the inflated rate we must pay because the Federal Government is a fairly large consumer—also as I mentioned, and I suspect ad nauseam for my colleagues, the price here is dramatically more than the price the market would be were this a market-oriented program versus price-control program.

GAO has advised us the cost to the Federal Government, by letter of July 18, the cost in 1994 to the Federal Government for purchasing products which had inflated prices due to the cost of sugar was approximately $90 million annually. So that exceeds, by, I think, a factor of three, what is alleged to be the positive cash flow of this program to the Treasury.

Let me read the operative sentences:

> In 1994, total expenditures on food were approximately $647 billion. Of this amount, approximately $42 billion was government expenditures for food purchases and cash transfers to consumers for food purchases. This represented 6.5 percent of all domestic food expenditures. Applying this to the $1.4 billion cost of the sugar program, we estimate that the government's additional cost of purchasing food and providing the level of food assistance it delivered in 1994, was approximately $90 million.

Mr. President, I ask unanimous consent this letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GENERAL ACCOUNTING OFFICE,
Washington, DC, July 18, 1995.

Congressional Requesters,

In our report entitled Sugar Program; Changing Domestic and International Conditions Require Program Changes (GAO/RCED-93-84, Apr. 16, 1993), we estimated that the U.S. sugar program costs sweetener users an average of $1.4 billion annually. In this context, you requested that we estimate how much the sugar program increases the government's costs of purchasing food and conducting food assistance programs.

While it is impossible to precisely quantify the direct costs of the sugar program to the government, we have approximated the government's additional costs, based on its share of total domestic food expenditures. In 1994, total expenditures on food were approximately $647 billion. Of this amount, approximately $42 billion was government expenditures for food purchases and cash transfers to consumers for food purchases. This represented 6.5 percent of all domestic food expenditures. Applying this percentage to the $1.4 billion cost of the sugar program, we estimate that the government's additional cost of purchasing food and providing the level of food assistance it delivered in 1994, was approximately $90 million.

Table I provides more detail, by program, on the government's expenditures on direct food purchases and cash assistance for consumer food purchases. These calculations are approximated, using the best available information.

TABLE I.—GOVERNMENT SPENDING ON FOOD PURCHASES AND CASH PAYMENTS FOR CONSUMER FOOD PURCHASES, 1994

[In millions of dollars]

Program	Amount
Food Stamps	$22,880
Child nutrition food subsidies [1]	6,262
Direct distribution to families	46
The Emergency Food Assistance Program (TEFAP)	142
The Special Supplemental Food Program for Women, Infants, and Children (WIC)	2,396
Commodity supplemental	84
Direct distribution to institutions	1,561
Direct distribution to the elderly	177
Correctional institutions [1]	1,564
Hospitals [1]	1,017
Nursing homes [1]	2,038
Other homes and schools [1]	266
Military food purchases [2]	1,055
Military subsistence payments [3]	2,401

Source: USDA Economic Research Service.

Note: Data are for calendar year 1994, except where otherwise noted.

[1] Includes federal, state, and local spending.

[2] Fiscal year 1994 data provided by the Defense Logistics Agency.

[3] Fiscal year data provided by each of the Armed Services.

While raising the costs of purchasing food and conducting food assistance programs, the sugar program generates some revenues through marketing assessments on sugar. On average, these marketing assessments total $30 million annually. If the sugar program did not exist, these assessments would not be collected.

If I can be of further assistance, please contact me at (202) 512-5138 or Bob Robertson at (202) 512-9894.

ROBERT C. ROBERTSON
(For John W. Harman, Director, Food,
and Agriculture Issues.)

Mr. GREGG. Mr. President, I ask for the yeas and nays on my amendment in the second degree.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

They yeas and nays were ordered.

Mr. GREGG. Mr. President, I yield the floor.

AMENDMENT NO. 4968

Mr. BUMPERS. Mr. President, the amendment of the Senator from Arizona is arbitrary at best and capricious at worst.

The year 1995 culminated a series of cuts in agricultural research over a period of years. In other words, agricultural research funds had been cut every year for several years. In 1995, for the first time in this Nation's history, agricultural yields per acre failed to increase. That was on an apples-and-apples basis, where rainfall and so on was taken into consideration.

Now, the suggestion is, and I am not familiar enough with that study to know, but the suggestion is that as we have cut agricultural research money, we are finally being caught up by lower yields of agricultural products per acre.

When I was a youngster, 15 or 20 bushels of soybeans per acre in much of my State was ordinary. Today, even unirrigated beans ought to make 30 to 40 bushels per acre. Rice, I can remember when 50 to 75 bushels of rice per acre was a big crop, and today it is not uncommon, at all, in my State, for rice farmers to make 200 bushels of rice per acre.

Cotton. When I was a kid, because we did not have any antidote to the boll weevil, a half-bale of cotton to the acre was considered a pretty good crop. And everybody knows what Norman Borlaug did for wheat production in this country. All of those things were not accidental. They were done because the Federal Government put money into agricultural research. Right now, the fire ant is moving north. Southern Arkansas is covered with fire ants. They do a tremendous amount of damage. Killer bees are moving up from Mexico.

Mr. President, I am one of the people who think we probably made a mistake when we eliminated the honey program. The honey program cost very little. The reason I had real trouble with that amendment is because bees pollinate plants; 15 percent of all the pollinization in this country is done by native honey bees. The killer bees coming up from Mexico are killing our bees, and, in addition, there are strains of virus and other threats to honey bees that need to be understood. That takes research. Once we understand the problems, solutions will follow.

I saw a story the other day that was interesting to me because the cranberry farmers of Massachusetts, for example, are getting terribly upset because they depend on bee farmers to bring their hives to their crops and pollinate them. I am not sure New Hampshire does not have some crops similar to that, which honeybee farmers bring into New Hampshire. And now the average life of a beehive has gone from 3 years to 1 year. Oh, yes, we spent Federal dollars every year subsidizing the honey industry through research. But I can tell you that is peanuts—if you will pardon the expression—compared to the benefit that honey bees do for the American farmers in pollinating their crops.

The Senator from Arizona mentioned aquaculture. Thirty years ago, the farmers of Arkansas started raising catfish, domestically raised catfish. And all the world, if they are not already familiar, should know that it is the most beautiful, delicious, delicate, succulent fish ever known. We went into the catfish farming business almost out of necessity because we irrigate our rice crops and we store the water in the wintertime. The farmers decided that as long as they have these big ponds of stored water that they use to irrigate rice with, why not figure out another use for those rice irrigating ponds.

My predecessor in the U.S. Senate, Bill Fulbright, helped come up with the idea of raising catfish in those ponds. Mr. President, would you like to know how many pounds of catfish we could raise a year per acre? Seven-hundred pounds. And so at least we started a couple of catfish research projects called aquaculture—all fish-raising is aquaculture. We have one in Mississippi and one in Arkansas. In Arkansas we think continued research is important and 2 years ago we made substantial investments to improve our aquaculture research facilities in Stuttgart. The 1996 farm bill redesignated that facility as the National Aquaculture Research Center, and I can tell you we are all very proud of it. Some of the magazines called it a $7 million fish farm. It had nothing to do with fish farming beyond its application of new information for fish farmers; it was all research. But over the period of the last 30 years, because the Federal Government has put money into fish farming research, catfish farming research, production of catfish per acre has gone from 700 pounds per acre per year to 4,400 pounds per acre per year. And unless we continue to fund agriculture research, we are going to be sitting around the breakfast table looking at each other wondering what we are going to eat that day.

On the front page of the Metro section of the Post this morning there was an interesting article concerning blue crab in the Chesapeake Bay? The crop this year is so sparse that 500 crab pickers are out of work. And the ones who are working are working 3 days a week. Now, if somebody came in here and said they had a beautiful idea for replenishing the crab population of the bay, I might vote for it. I can assure you that those employed in the crabbing industry around Chesapeake Bay and consumers who enjoy reasonably priced crabmeat would be asking us to vote for it.

The Senator from Arizona mentioned Children's Hospital in Arkansas. I can remember when the Children's Hospital in Arkansas was just a small hospital to treat severely burned children. Today, it is one of the finest state-of-the-art children's hospitals in America. And this is the third year we have put money in that. What is the Department of Agriculture doing giving money to the Children's Hospital in Arkansas? It is for a really sophisticated nutrition program. Do you know something else? The Children's Hospital in Little Rock is putting up a lot of money—millions—to build a facility to house this nutrition program. I never knew what a children's hospital was. A hospital was a hospital to me, until my daughter became ill and the pediatrician said, "You ought to take her to Boston." The finest children's hospital in the world is in Boston, MA. That is where I took her. Today, I would not have to go to Boston because of the tremendous strides of the Arkansas Children's Hospital.

A member of my family left a week ago and went to the emergency room of one of the hospitals in Washington, DC, and there were three residents standing there. This new doctor, a young man, walked in. He had just joined Georgetown University Hospital. When he found out I was from Arkansas, he said, "You know, when I finished my training and started looking for a place to settle, believe it or not, I went to Little Rock, AR. I looked over your Children's Hospital, and I never got such a shock in my life. It is one of the finest facilities I have ever been in. I nearly decided to stay in Little Rock, not only because of the facilities but because of the quality of the people there."

There is $425,000 in this bill to continue funding what we hope will be one of the finest children's and nutrition programs in the United States. Now, I can remember when it took 9 to 12 weeks to grow a broiler, a chicken, for the retail fresh market. Today, you do it in 6 weeks. Do you know why? Because of agriculture research.

So I cannot say much more than the chairman has already said. He made a beautiful speech on the McCain amendment a moment ago. I hope when the time comes that the amendment, which, as I say, is arbitrary at best, will be soundly defeated.

PRIVILEGE OF THE FLOOR

Mr. President, I ask unanimous consent that Robert Hedberg, who is working for the Senate Agriculture Committee, be given floor privileges during the debate on this amendment.

The PRESIDING OFFICER (Mr. GREGG). Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, I rise to simply advise the Senate that the Senator from Massachusetts came over a while ago to ask if he could have 10 minutes as if in morning business to talk about a subject that he discussed in the Senate earlier, and hadn't been able to complete his remarks. I suggested that he come over around 4:30, thinking that there might be a lull in the action so that he could proceed with morning business remarks. But I know the Senator from North Dakota is here to talk about the issue before the Senate. I hope we can resolve it so that the Senator from Massachusetts can have a few minutes following the Senator from North Dakota, or preceding the Senator, whatever is their pleasure.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

AMENDMENT NO. 4959

Mr. CONRAD. Mr. President, they are at it again. The critics of farm programs are suggesting bad policy for agriculture and are trying to break the promise just made to the American farmer.

On April 4 this year, the President signed into law the 1996 farm bill. That is April 4 of this year. The proponents of that bill claim they had a 7-year plan for agriculture, one that promised to be reliable, one that promised to provide certainty, one that promised to reduce Government interference.

The farm bill passed, and now we see how quickly their promises have been broken. The House Agriculture Appropriations Subcommittee proposed additional cuts in addition to those already made in commodity payments under the freedom to farm legislation. They broke their promise to the American farmer—not 7 years later, but 7 weeks later. So much for reliability and certainty.

Thankfully, those additional cuts in commodity payments were rejected at the full committee level. But the critics of the farm program did not stop there. They proposed, on the House side, capping raw sugar prices. Imagine, people who advocate market orientation are placing into law a limit on what prices could be in an industry. If that is not Government interference, I do not know what is.

Under that amendment, the Republican-led House would be telling the Government to reach into the sugar market and place an arbitrary cap on prices. It is the ultimate irony—Government interference at its worst. Once again, a promise was broken.

Now today we are faced with an amendment to interfere even more with what was just agreed to months ago. The Gregg amendment eliminates the safety net U.S. producers have against heavily subsidized foreign competition.

The Senator from New Hampshire I think is well-motivated, well-intended, but I think sadly misinformed as to international sugar and about what happens in these markets. And I would say to my colleague from New Hampshire that this is not like Dell Computer, or Apple Computer, or IBM. Oh, no, that is not the way the sugar market works in the world. This is not a free market. That is a nice idea—a textbook idea—but it is not the real world. The sugar industry worldwide works in a much different way. Every major producing country has a program—every one. We are not talking about a free market. We are talking about heavy Government involvement in every one of these producing countries.

What the Senator from New Hampshire wants to do is say to the U.S. industry, "You go out there and compete against all these other countries, but without the benefit of a program. You go out there, and we are going to engage in unilateral disarmament here in America." We are going to say to our folks, "You go out and compete not only against other countries' farmers, but against the governments of other countries, and good luck. We hope everything will work out." Everything will not work out.

Anybody who has looked at the sugar industry and what has happened knows better, knows precisely what will happen, if we say to our producers, "You go out there and compete against heavily subsidized foreign sugar and see what happens." We all know what will happen. Our folks will go broke, because the treasuries of these countries with whom we are competing are a lot bigger than the treasuries of the individual producers.

That is the reality of what we face here. This notion that the Senator advocates that U.S. sugar policy unfairly inflates U.S. prices over world prices is absolutely untrue—absolutely untrue. All of us know what happens if you take away the sugar program. This chart shows what has happened the two times we eliminated the sugar program. Here is what happened to prices. They skyrocketed in both cases in the early 1970's and in the early 1980's. Prices skyrocketed. Why? Because the market knew we were headed for turbulence, a lack of certainty, that people would dramatically reduce their plantings. And what would happen is you would see shortages, spot shortages. And those who are producers of sugar, refiners, bid up the price in order to assure themselves of a stable supply. That is what has happened repeatedly.

Unfortunately, when my colleague says, "Gee, look at the price. The sugar price is 22 cents a pound, and the world price is 13 cents. Well, there is evidence, there is clear evidence that this sugar program is gouging consumers." Nonsense, absolute nonsense.

Eighty-five percent of the sugar that is marketed in the world moves under contract. This sugar is not in the world market at all. It is moved under a contract. For this reason, the so-called world market is not a world market. It is a dump market. It is where the sugar sells that is not under contract. That is why you see the prices in the so-called world market, the dump market, selling for 13 cents.

Look at what happens if you eliminate the sugar program. We know what happens. Every time it has been tried, prices skyrocket. And who got hurt? I will tell you who got hurt. The consumer got hurt. This is not a free-market model. That is not what is happening in world sugar production.

Make no mistake: The Gregg amendment kills the sugar program. If you want to kill the sugar program, there is a way to do it—pass the Gregg amendment. If you want to sock it to consumers, pass the Gregg amendment. Prices will skyrocket. We know, it has happened before whenever somebody actually got a mind to pursue this course. But not only will it hurt consumers, it will hurt American producers, because even though prices will go up, American producers will be hurt. Why? Because we will get a flood of foreign sugar into the U.S. market.

We know what will happen. It happened every time in the past when this and the other Chamber has decided that we should eliminate the sugar program, that we were going to be free from the world and act as though there is some free market in world sugar. There is no free market.

Let me just say that the Gregg amendment is not a program. It is a recipe for disaster. It will force dozens of millers and processors and thousands of farmers out of business. This is not some insignificant amendment.

In my State, there are thousands of farmers that depend on sugar for a substantial part of their income. Kill this program, and you kill them. And they know it. They know exactly what is happening in these world markets. They know exactly what has happened with other countries' programs. They know exactly what we are up against in these world markets.

For those less familiar with sugar policy, loans are not made to these producers, because beets and cane are not storable commodities. It is unlike other commodities such as grains, such as corn and wheat. Those are programs that have a payment that goes directly to producers because those are storable commodities.

That is not the case in sugar. Sugarcane and sugar beets are not storable. So what we have is a program where the loans are made to the millers and processors who store the raw cane or the processed beet sugar. As a result, producers are intricately tied to the millers and processors. If millers and processors are no longer able to use the loan program, they will simply go out of business and they will take farmers with them, make no mistake.

Let us just look at how many beet processors and cane mills have already gone out of business. This chart clearly shows that this industry is already facing hard times. This shows what has happened to beet and cane processing mills that have gone out of business since 1990. If anybody thinks there is some big windfall out here, somebody is getting rich on this program, let us look at the record.

Why did all these folks go out of business if it is so good? Let us look at beet and cane processing mills. This is just since 1990. The record since 1980 is a whole lot darker.

Let us just look since 1990. Delta Sugar Co., beet plant, California, went under in 1993; Holly Sugar, California, beet plant, 1993; Columbia Sugar, cane plant, went out of business, Louisiana, 1994; Hamakua Sugar, cane plant, Hawaii, 1994; Hilo Coast Processing, again, cane sugar, went out of business in 1994; Oahu Sugar, cane plant, Hawaii, 1994; Spreckels Sugar, again, a California plant—this is a beet plant—went out of business in 1996; Holly Sugar, Hamilton City, CA, beet plant, went out of business in 1996; Ka'u Agribusiness Co., cane plant, Hawaii, 1996, went out of business; Kaialua Sugar Co., cane plant, Hawaii, 1996, went out of business; McBryde Sugar, cane plant, Hawaii, went out of business in 1996; Western Sugar, Mitchell, NE, beet plant, went out of business in 1996.

One after another, right out of business, and you pass the Gregg amendment and we will be able to provide next year chart after chart after chart just like this one of companies that have gone out of business. That is what we are talking about. The stakes are high.

Let me be clear. The Gregg amendment benefits the sugar refiners. That is who is the beneficiary if this amendment passes, not consumers. They will not benefit. In fact, they will be hurt. Not farmers, not beet processors, not cane mills, but refiners, they will be the beneficiaries.

Let us look at charts that show the efforts made to increase the supply of raw sugar in the U.S. market and the activity it caused in the market. This chart shows what we have seen with respect to raw sugar prices and the import quota increases over the past year and a half as USDA allowed quota increases four consecutive times, all to the benefit of refiners.

This chart shows raw sugar prices from 1995 to 1996. On November 9, 1995, USDA allowed another 330,000 tons to come in over quota—that is, foreign sugar to come into the United States—and look what happened to prices. Prices went down markedly. Then they came back up. January 17 of this year they socked it to the domestic producer again bringing in more foreign sugar and predictably prices plunged again. Then we saw price recovery. All of this is moving in the 22½ to 23 cents a pound range.

On April 1, they did it again, brought in another 220,000 tons from abroad. Prices plunged. And again, June 12, just a month ago, another 165,000 tons. Look what happened to prices; a steep decline as more foreign sugar was brought in, that benefited whom? Benefited the refiners because they were getting more sugar to process through their plants, more throughput, more activity, more profit.

I do not begrudge them and their profit. But let us look at what is happening with respect to the throughput of the refiners, because the Gregg amendment is misnamed. It ought to be called the "refiners benefit bill." That is really what we are talking about. You are picking sides in an economic fight and you are saying we want to give the refiners more than they are getting now.

Let us look at what the throughput has been through cane refiners' plants in the last 10 years—1985-86 to 1995-96.

Back in 1986-87, we were looking at 5.3 million short tons. Had a bad year in 1987-88. Then we went to 5.4 million short tons. Went up to 5.9 million—that is the peak—in 1990-91. Then we saw some pulling back. But in 1995-96 we see a record for the refiners in terms of throughput, 6.4 million short tons—6.4 million short tons. And yet what do we have before us? The refiners benefit bill. They have just had record throughput. That is the amount of product going through their plants. They just had a record year.

Well, throughput alone does not tell you what the refiners are experiencing. You have to look at the difference between the raw sugar price and the refined sugar price. That will tell you, combined with throughput, how well our refiner friends are doing.

What do we find when we look at that? Well, it is very, very interesting—very interesting, indeed. This chart shows from 1990 to 1996 raw sugar prices. That is in red. I hope there is nothing in the way of their seeing exactly what has happened to raw sugar prices.

They have been stable for 10 years. This awful program that is gouging consumers has provided them with stable prices for 10 years. Name anything else that people buy in this country that has been stable for 10 years. Tell me one thing that has been stable for 10 years. But sugar prices, raw sugar prices have been stable. I wish I could say the same thing for refined sugar because refined sugar, you can see, starting in 1995, took off like a scalded cat. Refined sugar prices jumped, and jumped dramatically at the same time raw sugar prices were falling. Raw sugar prices were falling; refined sugar prices were skyrocketing. I have already shown you the record throughput for refiners in 1995-96. And yet what we have before us is a refiners benefit bill. That is the Gregg amendment.

Why should we be passing a refiners benefit bill when they have just had the biggest throughput in their history and, No. 2, the best margins—the best margins—that you can find in the last 10 years?

Mr. President, what has happened, I believe, is very clear. This is a transparent argument. The refiners want to continue to make more money by refining cheap sugar from the world market. This amendment not only breaks the promises of reliability, certainty, and reduced Government interference in agriculture that was made to American farmers only 4 months ago, but it is bad policy that would send shock waves through a domestic industry, a domestic industry that produces tens of thousands of jobs in this country.

I hope my colleagues will join me in soundly rejecting the Gregg amendment.

Let me just conclude by saying this is, again, not like the typical industry. Senator GREGG refers to the computer industry, and says there is no Government involvement there. He is right. That is a whole different ball game than the worldwide sugar industry, where every single major producing country has a program. Every single one of them aggressively supports their producers. If we are to abandon ours, the results will be very, very clear.

No. 1, we have seen what has happened in the past in terms of prices. Prices will skyrocket. That is undeniable. The world price the Senator refers to as 15 percent of the market is a dump market. It has no relationship to supply/demand relations in the world. The vast majority of sugar moves under contract in the world. So that dump market and its so-called world price is not a world price at all, it is a dump price. That is what people get for sugar produced above and beyond their contractual requirements. If you take away the program you are going to get exactly what we saw the last two times: Prices skyrocket. So consumers are not going to be helped, they are going to be hurt.

No. 2, the processors in this country, beet processors and cane processors, are going to be hurt. I have already shown all the plants that have closed in 1994, 1995, and 1996. A lot of plants have closed. Only one refiner but a lot of processing plants have closed. So those folks would be hurt. When they are hurt the farmers are hurt because the farmers are directly tied with those processing facilities. All of a sudden, if you yank out from U.S. producers any support, what you have done is changed the balance of power in these world markets.

Who have you helped? You have helped our foreign competitors. The Gregg amendment is great if you represent a foreign country and you produce sugar. They would look forward to the day the United States pulls the plug on its producers and its processors. They are just waiting for the opportunity to come in and take over this industry, take the jobs, take the economic growth, and take the economic opportunity.

American farmers who produce sugar are the most efficient in the world. We are ready to compete head to head with anybody at any time. But what our producers are not prepared to do is to take on not only the farmers of another country but the governments of other countries. That is not a fair fight. And our Government should not abandon our producers and our processors, helping foreign governments, foreign producers, foreign processors against the refiners of this country. That is what this amendment is really about. I hope this Chamber will do as it has done before and reject the Gregg amendment and reject it in a resounding way.

I yield the floor.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

Mr. KENNEDY. Mr. President, I thank my colleagues, our managers, for indicating when might be an appropriate time to speak on an issue, the underlying issue, which is welfare reform in a way not to interfere with debate on the agricultural appropriations bill. I will take that opportunity now, to speak on this underlying measure, which the Senate will address tomorrow.

There will be a series of amendments. I offered amendments dealing with the children of legal immigrants and also to provide, if we are going to go into these rather draconian measures in cutting off help and assistance to these children, to another amendment, which has been described in the RECORD earlier today, to help and assist the local counties and communities where they are going to have a particular burden, trying to implement the provisions to terminate help, assistance to poor children.

I have a fuller explanation on that. I will not take the time of the Senate on those measures, which are more fully explained in the RECORD earlier today. I will address the overall issue which is before us, and that is the proposal placed on the Senate agenda, which we will vote on tomorrow, under the title of the welfare reform.

Mr. President, in putting forward this legislation, I believe the Republican majority is asking us to codify extremism and call it virtue. Their plan will condemn millions of American children to poverty as the price for the misguided Republican revolution. If children could vote, this Republican plan to slash welfare would be as dead as the Republican plan to slash Medicare. In fact, the driving force behind this attack on children is not welfare reform at all. It is the desperate Republican need to find some way, any way, to pay for their tax breaks for wealthy.

Honest welfare reform is long overdue. The current system is broken. Major change is needed. I support honest reforms that end welfare as a way of life and make it a waystation to work. But honest reform does not produce anywhere near the massive savings needed to pay for the Republican tax breaks. Child care costs money. Job training and education cost money. And our Republican friends have absolutely no interest in real reform if it costs money.

The proposal before us is not welfare reform. It is nothing more than legislative snake oil, and it is the wrong medicine for what ails us as a Nation. Real welfare reform is about protecting children and putting people to work, not putting on a show. But that is what this is—theater, pure and simple; a glaring and callous example of just how low the Republican majority will go, even if it comes at the expense of millions of American children.

For the Republican majority, this bill may be child's play, but they are playing with real children's lives and real children's futures. This bad bill is Robin Hood in reverse, robbing poor children to pay for tax breaks for rich Republicans.

Since the Republican takeover of Congress, our colleagues have brought us many poison pills wrapped in the rhetoric of reform. But this may well be the most cruel and extreme measure of the entire Republican revolution—because it inflicts so much harm on so many children. In fact, it pushes back 60 years of social progress.

In 1935, Congress made a bold pledge to the elderly and the children of our communities that this rich Nation would not let them sink into poverty. It was a sign of what we stood for as a nation. Republicans may consider destroying this covenant as a virtue—but Bishop Weakland of Milwaukee has called it "a moral blemish on the Earth's most affluent society." I could not agree more.

I ask unanimous consent to have the Bishop's full statement printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

[From the Washington Post, July 4, 1996]

WISCONSIN WORKS: BREAKING A COVENANT

(By Rembert G. Weakland, OSB)

Catholics in Wisconsin have been in the trenches serving the needy since the Daughters of Charity began their work with the poor of Milwaukee in 1843. I and my family relied on welfare to survive in the 1930s. So it comes naturally for me to consider the implications of Wisconsin's proposal for welfare reform, known as Wisconsin Works or "W-2."

Certainly the Catholic bishops and others in the church who grapple with the needs of the poor agree that the current welfare system is in need of major reform. Both the U.S. Catholic Conference and the Wisconsin Catholic Conference have said so. Both have challenged the status quo. Both have offered constructive proposals for helping the poor more effectively.

Yet as I reflect on the W-2 proposal in light of my experience and the tenets of Catholic social teaching, I remain convinced of the need for the community to guarantee a "safety net" for the poor, especially children. Accordingly, though the W-2 proposal has merit in important respects, it would be a mistake for the president and Congress to embrace comprehensive legislation or requests from individual states, even my own, that withdraw this guarantee.

Catholic social teaching holds that the poor, especially children, have a moral claim on the resources of the community to secure the necessities of life. For more than 60 years, our society has recognized this claim with a covenant that ensures a minimal level of assistance for food, clothing and shelter to poor children and their families. Millions of children have relied on that covenant since the 1930s. In Wisconsin, more than 120,000 children rely on Aid to Families With Dependent Children (AFDC) today.

People of goodwill can argue over the need to modify AFDC so it better serves that purpose. But it is patently unjust for a society as affluent as ours to nullify that covenant.

Unfortunately, as enacted, the Wisconsin Works program does just that. The enabling statute for the W-2 proposal specifically states no one is entitled to W-2 services, even who are eligible to receive them.

It is one thing to change the rules of the welfare system. It is quite another thing to say, "Even if you play by the new rules, society will not help you." This is not welfare reform but welfare repeal. Such a message may be politically attractive in this election year; it is not morally justifiable.

Even if one accepts the premise that the W-2 program offers poor families help in return for work, this premise collapses if the help is not provided. The president and Congress must insist that W-2, indeed any welfare reform proposal, serve all who are eligible.

Critics of the welfare system allege that public assistance undermines personal responsibility. This generalizes about poor families when we should strive to take a more personal view.

In the first place, the children of the poor did not choose their families. We should not afflict these children with hunger in order to infuse their parents with virtue.

Additionally, we cannot judge a person's failure to work in isolation from larger forces. My experience from our work with the U.S. bishops' pastoral letter on economic justice impressed on me the truth that poor families are especially vulnerable to economic downturns triggered by national or international events.

Nor can prosperous states ensure full employment. Even in states, like Wisconsin, that enjoy healthy economies and relatively low employment, not all who want to work can earn a family wage. So long as this is the case, it is unwise and unjust for the federal government to abandon its commitment to the poor. Our covenant with needy children must remain the responsibility of the entire American family.

Moreover, this critique of welfare ignores the fact that rights and responsibilities are not mutually exclusive but complementary. In the context of welfare policy, a right to work is grounded in a responsibility to support a family. This is relevant when assessing another aspect of W-2.

According to our state's own projections, 75 percent of the families now on AFDC will be assigned to W-2 work slots that provide less than a full-time worker earns at the minimum wage. Accordingly, the responsibility of these parents to care for their children must be supported when necessary by a safety net adequate to meet the family's basic needs.

Finally, the president and Congress must recognize that they cannot repeal the assurance of public assistance in Wisconsin without making it a national policy. Once such a repeal is granted to a single state, others will seek similar license. The poor will lose their safety net by degrees as surely as if Congress and the president repealed it all at once. Such an outcome would be a tragedy for the poor and a moral blemish on the earth's most affluent society.

One can appreciate the burden of difficult choices in an election year.

Nonetheless, the short-term political outlook of the candidate must not cloud the moral vision of the leader. America's 60-year covenant with its poor children and those who nurture them must remain unbroken.

Mr. KENNEDY. Mr. President, let me just mention a few points:

For more than 60 years, our society has recognized this claim with a covenant that ensures a minimal level of assistance for food, clothing, and shelter for poor children and their families. Millions of children have relied on that covenant since the 1930's. In Wisconsin, more than 120,000 children rely on aid to families with dependent children today.

People of good will can argue over the need to modify AFDC so it better serves that purpose. But it is patently unjust for a society as affluent as ours to nullify that covenant.

And that is what this measure does.

In the first place, the children of the poor did not choose their families. We should not afflict these children with hunger in order to infuse their parents with virtue.

And then he continues:

Even in States like Wisconsin which enjoy healthy economies and relatively low unemployment, not all who want to work can earn a family wage. So long as this is the case, it is unwise and unjust for the Federal Government to abandon its commitment to the poor. Our covenant with the needy children must remain the responsibility of the entire American family.

And the last full paragraph:

One can appreciate the burden of difficult choices in an election year. Nonetheless, the short-term political outlook of the candidate must not cloud the moral vision of the leader. America's 60-year-old covenant with its poor children and those who nurture them must remain unbroken.

Mr. President, I divert for a moment to two other articles that have been quoted to some extent during the course of the debate on this welfare reform: George Will's article about "Women and Children First?" I quote a paragraph:

Furthermore, there is hardly an individual or industry in America that is not in some sense "in the wagon," receiving some Federal subvention. If everyone gets out, the wagon may rocket along. But no one is proposing that. Instead, welfare reform may give a whole new meaning to the phrase "women and children first."

Effectively, what is included in this, women and children first, they are the ones whose interests end up on the chopping blocks. When most think of the women and children first, every young student who has read through history probably thinks of the *Titanic*, where women and children were first. Mr. Will's excellent article and commentary on this welfare debate suggests, I believe, that the women and children first will have an entirely new and different meaning.

Then today there is in the New York Times an article by David Ellwood, who has been a very thoughtful both commentator and policymaker on the issues of welfare reform and has written extensively about it. Those who have had the opportunity to hear him or listen to him testify can attest to his strong commitment to altering and changing the current system and trying to find ways to do it effectively, and also to protect the interests of the most vulnerable in our society.

He points out in his excellent article in the Times today, Monday, July 22, "Welfare Reform in Name Only":

> States would get block grants to use for welfare and work programs. But the grants for child care, job training, workfare, cash assistance combined would amount to less than $15 per poor child per week in poor Southern States, like Mississippi and Arkansas. Moving people from welfare to work is hard. On $15 a week—whom are we kidding?

As the article points out, on $15 a week, you are talking about providing the basic elements of life: roof over the head of the child, clothes for the child, food for the child, as well as for the training of the child, child care for the child—for $15 a week. We see other examples.

Instead of 88 cents per meal, it will be down to 66 cents per meal per child. Mr. President, $26 billion will be taken out of nutrition programs for children and put on to the other side of the ledger for tax benefits and breaks for wealthy individuals. It makes no sense.

Mr. President, nearly 14 million poor children live in America. Each night, 100,000 of them sleep on the streets, scared and homeless. Their faces are pressed against the windows of our glitter and affluence, and Congress is about to pull down the shade.

It may be fashionable in some quarters these days to demonize families on welfare, to pretend that poor people are lazy and don't care about their children.

Listen to just one story I heard recently from a middle-class suburban woman. She tried hard to keep the family together, but she finally fled when her husband badly beat her and her son, and smashing a chair over her son's head, repeatedly kicking him in the ribs and in the face. She left everything behind.

She and her son fled to her parents' home, but the husband found them there. She tried to work, but her husband always found her, threatening both her and her employers. She and her son finally took refuge in a shelter. With no other choice, she turned to AFDC. As she told me:

> The support I received from AFDC enabled me to get out, move on to heal myself and my son, and create a new life. It cost the Government a little over $400 a month for 6 months—less than the cost of a modest funeral. Investing in family safety and support seems like the kind of investment this country should protect. Cutting off this lifeline means that the futures of our children are definitely at stake. Let me tell you in all seriousness, these cuts are deadly.

It is true that some cuts never heal, and these cuts, I believe, in this measure are deadly: Close to $60 billion in harsh, extreme, and unjustifiable cuts over the next 6 years.

The reality is that this Nation's safety net is fragile and fraying. The Republican response is to rip even more holes in the safety net and require millions more children to fend for themselves. No terrorist could possibly do so much harm to our country.

Nearly half of the Republican savings are from the Food Stamp Program—$28 billion in cuts, affecting 14 million children. By the year 2002, the Republican proposal would provide poor children in America only 65 cents a meal, just about enough to buy a soft drink.

We know that hungry children are more susceptible to sickness and early death. We know that malnutrition retards growth and delays brain development.

We just had, a year ago, the publication of the Carnegie Commission talking about what happens to a child's brain during the early formative years unless there is sufficient nutrition benefits to that child. It slows their whole ability to achieve academically and emotionally, and it works to their long-term disadvantage.

In short, hungry children can't learn. They are twice as likely to be absent from school and four times as likely to be unable to study.

The Republican revolution says, "Let them eat cake." I say it's the wrong priority for Congress and the wrong priority for America.

Our colleagues attempt to justify this outrage by claiming food stamps are fraught with waste, fraud, and abuse, but the Republican plan has virtually nothing to do with ending the abuses. That is the interesting point. They make the case we ought to cut back this program because there is abuse and fraud in these programs. But 70 percent of the cuts come directly at programs aimed at families with children. Only 2 percent of the cuts are aimed at waste, fraud, and abuse.

The real fraud, waste, and abuse is the scheme to take food from the mouths of children in the guise of welfare reform. The Republican plan also targets children's health care. To be sure, the Republican leadership bowed to the inevitable and dropped their draconian Medicaid provisions from this bill to avoid a certain Presidential veto. But this bill still jeopardizes health care for millions of mothers and children.

We know under Medicaid, 18 million children receive Medicaid and about 75 percent of those children's parents are working—playing by the rules and working. Under the program that was proposed, you would have seen anywhere from 5 to 8 million of those children completely dropped from Medicaid if that had moved forward. What we are talking about now is the alleged welfare reform provisions.

Women will not get the prenatal care they need under this particular program. The 4 million women included would have coverage under this program. They will not get the prenatal care they need. Adolescents will not get the help to avoid pregnancy and stay in school. Injuries and preventable illnesses will now become life-threatening, for example, when they could have been easily treated. Sick children can't learn, and sick parents can't work.

Children with disabilities are also attacked under the proposal. Mr. President, 300,000 children with serious disabilities—mental retardation, tuberculosis, autism, head injuries, arthritis—would lose the direct guaranteed assistance that they have under the Supplemental Security Income Program.

When Democratic Senators proposed that States be required, or at least given the option, of offering vouchers after the time limit to provide children with necessities, such as diapers, clothes, cribs, medicine and school supplies, the Republicans said a resounding no. Why? Because "enough is enough," they say. "It's time to go cold turkey," they say, even if this bill is the real turkey.

Enough is enough. Enough of the back-room deals with high-paid corporate lobbyists. Enough of dismantling commitments to children and families who desperately need help. Enough of cruelty called charity.

Even when Democrats asked for a look back provision—to provide help if the worst predictions materialize and this bill actually becomes the disaster we predict for children—the Republican majority said, "stop overreacting". To them I say, tell that to the countless families who are looking for a chance not a check—a chance for their children to reach for the American dream.

Stripped down—this is the Republican plan they call welfare reform—no resources, no guarantees, no vouchers, no look back, no regrets. It does not get much more extreme than that.

As George Will said in his article,

> No child in America asked to be here. Each was summoned into existence by the acts of adults. And no child is going to be spiritually improved by being collateral damage

> in a bombardment of severities targeted at adults who may or may not deserve more severe treatment.

The comments I am making this evening, Mr. President, are from Mr. George Will, David Ellwood, and Biship Weakland, who has been one of the most thoughtful of the bishops in terms of children's interests and children's rights. They all have reached the same conclusion, Mr. President, about this measure in terms of its harshness and its retreat from a fundamental sense of decency and caring for the neediest in our society, and that is poor children in our society.

But the Republican majority tells us not to worry. They say the welfare miracles of Wisconsin and Michigan demonstrate that block grants and deep cuts really work. But the facts show this is far from the truth.

It takes money to reform welfare. In Wisconsin, after major changes in the State welfare program, administrative costs rose 72 percent. Wisconsin Governor Thompson himself said that for welfare reform to be successful, "It will cost more up front to transfer the welfare system than many expect."

For welfare reform to succeed, it also takes jobs. Wisconsin and Michigan learned this lesson the hard way. In Wisconsin, a trucking company praised by Governor Thompson and Presidential candidate Bob Dole for hiring welfare recipients, laid off 45 employees this week, including the welfare workers. It was a business slowdown they said.

In Michigan, only one-fifth of former general relief recipients have found jobs. The majority of beneficiaries have become even more destitute.

So it goes when social experiments go wrong. The Republican majority is prepared to push welfare families off the cliff in the hope that they'll learn to fly. And what happens if they fall? Nearly 9 million children, who make up the majority of AFDC recipients, will pay the price. Nine million children, and the majority of AFDC recipients will pay the price. And as a society, so will we.

This is not just theory—the Congressional Budget Office agrees. They recently issued a preliminary assessment of the Republican legislation. And like last year, they said it will not work. According to their study, most States will not even attempt to implement the legislation's work requirements, because putting people to work is too expensive. In fact, the report says States will fall $13 billion short of the mark, and simply throw up their hands.

Nevertheless, the Republicans continue to defy the facts.

We have had, as I mentioned, church leaders, conservative columnists, those who have spoken and written about the various welfare reform programs with extraordinary credibility—the Congressional Budget Office taking the particular relevant facts—all reaching the same conclusion, that this is going to be an extraordinary disaster in its impact on poor children. Like last year, they said it will not work. Nevertheless, the majority continues to defy the facts.

They insist that this legislation is about putting people to work. Trust us, they say. That is not acceptable.

As Catholic Charities USA said in a recent letter: "The welfare proposal reflects ignorance and prejudice far more than the experience of this nation's poorest working and welfare families."

In the final analysis, that is what this legislation is about—ignorance and prejudice. The American people know that pulling the rug out from under struggling families is wrong. Denying health care for sick or disabled children is wrong. Keeping families trapped in poverty and violence is wrong. Condemning homeless children to cold grates is wrong.

Perhaps the greatest irony of all is now on display, as America hosts the Olympic Games. We justifiably take pride in being the best in a variety of different events. We may well win a fist full of golds in Atlanta, but America is not winning any medals when it comes to caring for our children.

The United States has more children living in poverty and spends less of its wealth on children than 16 out of the 18 industrial countries in the world. The United States has a larger gap between rich and poor children than any other industrial nation in the world. Children in the United States are 1.6 times more likely to be poor than Canadian children, 2 times more likely to be poor than British children, and 3 times more likely to be poor than French or German children.

When it comes to our children, America should go for the gold.

Mr. President, not that just assigning resources, money, on this is necessarily the answer to all the problems. But it is a pretty good reflection of where the Nation's priorities are. When the bell tolls tomorrow afternoon on that measure that is going to cut back $27 billion out of children's feeding programs, to move that payment from 88 cents to 65 cents, that is going to be a really clear indication about where the majority believes this Nation's priorities are—to use those savings for tax breaks for the wealthy individuals of this country. That is wrong. We should all take some time to think about what kind of country we want and about what we are doing to children, to ourselves and the Nation. Surely we can do better than this bad bill.

Mr. President, I yield the floor. I see our two floor managers. I appreciate their courtesy.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

CURRENT EFFORTS TO PROTECT SALMON HABITAT

Mr. KEMPTHORNE. Mr. President, I rise to take note and compliment the Natural Resources Conservation Service's current efforts to encourage and provide technical assistance to private landowners who have salmon habitat on their property. In coordination with the Northwest Power Planning Council's plan for fish and wildlife protection, and other Federal agencies, the NRCS is working with conservation districts across Idaho, Oregon and Washington to assist local property owners on basin-wide and watershed specific plans to protect and restore habitat for dwindling runs for coho salmon, steelhead, sea-run cutthroat, and many chinook salmon runs.

These efforts have been widely popular in my home State, in particular in the Clearwater and Lemhi Valleys where local landowners appreciate having the support to take the initiative to preserve this important cultural and economic resource. Conservation districts have proven to be a most effective method to successfully involve all important local stakeholders in a mutually acceptable way.

Mr. President, it is my intention to commit the Senate to exploring in future legislation the ways in which we might better foster this growing partnership. Would the chairman of the subcommittee agree that this is the sort of incentive approach that merits further consideration?

Mr. COCHRAN. Mr. President, the committee agrees that this is the sort of cooperative, incentive-based relationship that should be fostered in order to protect natural resources, as is the goal of the Natural Resources Conservation Service.

YELLOWSTAR THISTLE CONTROL

Mr. KEMPTHORNE. Mr. President, I rise to clarify this Congress' commitment to research that will develop controls for noxious weeds that are problems across this country. In particular, I would like to highlight research being done with the Agricultural Research Service to control yellowstar thistle.

Yellowstar thistle is a problem across the West. Over 5 million acres across the western United States are currently infested with this noxious weed. Scientists at the University of Idaho tell me that it costs an average of $1 per acre in lost production and costs to control this weed. It doesn't take a rocket scientist to figure out that we're talking about $5 million lost annually across the West.

Mr. CRAIG. Mr. President, I concur with the remarks of Senator KEMPTHORNE. In addition, I understand that, currently, it is nearly impossible to eradicate yellowstar thistle once it has infected the narrow, arid canyon lands of the West, and in particular, the canyons of the Clearwater, Snake and Salmon Rivers of my home State.

Mr. President, it is my understanding that the research to control this weed is reaching a critical stage, where practical biological controls should be available for public use within the next few years. Is it the intention of this bill to fund research with direct and immediate practical applications for the agricultural industry?

Mr. COCHRAN. The Senator is correct.

Mr. KEMPTHORNE. I also noted that the committee specifically directed the ARS to continue funding the Albany, CA yellowstar thistle initiative. Is it the intention of the committee that the ARS continue current yellowstar thistle research contracts associated with that program, including the research efforts with the University of Idaho?

Mr. COCHRAN. Yes, it is.

Mr. JOHNSTON. Mr. President, I would like to engage in a colloquy with the distinguished chairman of the subcommittee to clarify the intent of language included in the committee report providing funding for ongoing research at the Plant Materials Center [PMC] in Golden Meadow, Louisiana, in collaboration with the Crowley Rice Research Station in Crowley, LA; ongoing research on nutria-resistant plant varieties; and funding to test application technologies for recently developed artificial seed for cord grass used to prevent coastal erosion. It is my understanding that it was the committee's intent, in the committee report, to continue the work at the Golden Meadow Plant Materials Center, in collaboration with the Crowley Rice Research Station, on smooth cord grass at the fiscal year 1996 level. In addition, work underway at Crowley on the development of nutria-resistant materials would also continue at the fiscal year 1996 level. Finally, it is also my understanding that the $100,000 mentioned in the committee report to test application technologies for smooth cord grass seed would be in addition to the funding provided to maintain this ongoing work. Is that the chairman's understanding as well?

Mr. COCHRAN. I appreciate the questions of the distinguished Senator from Louisiana, and I am happy to provide further clarification. The Senator is correct in his description of the committee's intent in its report accompanying the bill.

Mr. JOHNSTON. I appreciate this clarification.

ARS FUNDING FOR INTEGRATED LOW-INPUT CROP AND LIVESTOCK PRODUCTION SYSTEMS AT UNIVERSITY OF WISCONSIN-MADISON

Mr. KOHL. Mr. President, I am pleased that funding is provided through this bill for the ARS Integrated Farming Systems Program, to pursue long-term research on farming systems that integrate livestock and resource enhancing crop rotations—all aimed at answering farmers urgent questions of how to be profitable and farm in environmentally responsible ways. This new initiative, as requested by the President's fiscal year 1997 budget, recognizes expertise in the farming community by building research partnership teams with State researchers, extension agents, farmers, and nongovernmental organizations.

In this regard, Wisconsin has a nationally recognized program, the Wisconsin Integrated cropping systems trial, with long-term research trials and an excellent team of farmers, researchers, extension and nongovernmental groups collaborating to address questions that go right to the heart of the future of farming in the Midwest.

As specified in the committee report accompanying this bill, $500,000 has been included in this bill to support research through the ARS/IFS Program into integrated low-input crop and livestock production systems, to be carried out at the Wisconsin-Madison Experiment Station. It is my intent and understanding that this funding is to support the Wisconsin Integrated cropping systems trial. I would ask the Senator from Mississippi, the chairman of the Agriculture Appropriations Subcommittee, if he would concur with me on this matter.

Mr. COCHRAN. I would say to the Senator from Wisconsin that I agree with his comments regarding the ARS/IFS funds provided for the Wisconsin-Madison Experiment Station.

Mr. LEAHY. More than $1 billion a year in Federal funds is saved by WIC infant formula cost containment allowing over 1.6 million more women, infants and children to receive WIC benefits than would otherwise have been the case. One of the most important factors in the success of the WIC cost containment is competition. Until recently there were four infant formula manufacturers in the United States. In January, one of the four, Wyeth Laboratories announced its withdrawal from the domestic market. Now, alarmingly, a move is beginning among States to alter their competitive bidding procedures in a way that restricts competition and makes it impossible for Carnation to compete. If this third small company, Carnation, can't compete, it ultimately could follow Wyeth out of the market. If that occurs, only the two largest manufacturers, Ross and Mead Johnson will remain, and the prospects for sustaining large savings will be bleak. Without a third company seeking to increase market share by winning WIC contracts, cost containment is not sustainable.

In the past, States typically have awarded their WIC contract to the company whose net wholesale price—the wholesale price minus the rebate per can the company offers to pay the state WIC Program—is the lowest. But recently, a few states instead awarded their contracts to the company that offered the highest rebate per can, regardless of the company's wholesale price.

There is one circumstance where a State may have a legitimate case for awarding a WIC contract on the basis of the highest rebate rather than on the basis of the lowest net wholesale price. This occurs in States where retailers charge about the same price for all formula brands and take a much larger mark-up for Carnation products than for those of the other companies.

This problem can be readily addressed by directing States to award contracts on the basis of the lowest net wholesale price—as most States currently do—rather than on the basis of the biggest rebate, except where the State has reliable data showing that retail prices for different formula brands are similar in the State. In any State where this is the case, the State would retain full flexibility as to the basis on which to award its contract.

In 1990, the GAO wrote:

> Because only three firms are responsible for almost all domestic infant formula production, coordination of pricing and marketing strategies between the manufacturers is always a potential danger. Competitive bidding will successfully yield high rebates only to the extent that infant formula manufacturers act independently. Consequently, efforts to assure competition in the infant formula industry will be an important element in State efforts to maximize cost-containment savings. (GAO, Infant Formula: Cost Containment and Competition in the WIC Program, September 1990.)

This remedy of awarding contracts on a lowest net wholesale price would help avert the loss of hundreds of millions of dollars in cost containment savings and thereby prevent hundreds of thousands of women and children from being dropped from the program. Nearly one of every four WIC participants is served with cost containment savings—and would have to be removed from the program if cost containment collapses.

The Senate, unlike the House, has managed to correct this problem in the Agriculture appropriations bill. Therefore, in conference, it is imperative that the Senate language on WIC cost containment prevail.

Mr. JEFFORDS. Mr. President, I rise today to highlight a provision in the agriculture appropriations bill that I think makes an important improvement to the WIC Program. I want to highlight the importance of this provision with hope that we can maintain it in the conference committee.

The WIC infant formula cost containment program saves more than $1 billion a year in Federal funds and allows over 1.6 million more women, infants, and children to be served through WIC each month than would otherwise be the case. Nearly one of every four WIC participants is served with cost containment savings and would have to be removed from the program if cost containment collapsed.

There is a danger now developing that threatens to undermine WIC cost containment and we need Federal action to counteract this development. In the past, States typically awarded their WIC contract to the company whose net wholesale price is the lowest. The net wholesale price represents the wholesale price of the product minus the rebate per can the manufacturer will pay the State WIC program. Recently, though, States have begun to award their WIC contracts to the company that offered the highest rebate per can, regardless of the company's wholesale price. A provision contained in this bill requires that States award contracts on the basis of the lowest net wholesale price—as most States currently do—rather than on the basis of the biggest rebate. An exception would exist if the State has reliable data showing that it makes no difference in the cost outcome whether the contract is awarded on the basis of rebate or net wholesale price.

Let me take a few moments to describe to my colleagues the flaws of the rebate methodology. This methodology is faulty for two reasons:

First, it discriminates against a company that charges low wholesale prices. An industry heavyweight can sell the product for, say $2.50 per can and then give the State a rebate of $2.00 per can of formula. Under that scenario, the net wholesale price to the program is 50 cents per can of infant formula. A smaller company, on the other hand, may not be able to demand as high a retail price and they may charge only $1.95 per can of formula. At a $1.95 retail, the smaller company can't begin to compete on the basis of rebate, they'd be losing money on every can of formula. What the company could do is offer a rebate of $1.50, setting the net wholesale price at 45 cents per can. Ultimately the smaller company will save the WIC Program a lot of money. But they will never have the opportunity to do so if the only thing the State looks to is the rebate amount.

The second problem with this contract methodology is apparent in the scenario I've just described. Not only does the highest rebate methodology discriminate against small companies, it could cost the WIC Program up to $1 billion a year.

Approaching WIC infant formula contracts on the basis of who offers the highest rebate just doesn't make sense. We know from experience that a truly competitive bidding process will save the WIC program more than $1 billion a year.

I'll close by thanking Senator COCHRAN and Senator HATFIELD for including this cost containment measure in the Agriculture Appropriations bill we're now discussing, and I urge my colleagues serving on the conference committee to support this provision in the conference bill.

AMENDMENTS NOS. 4972 THROUGH 4974, EN BLOC

Mr. COCHRAN. Mr. President, there are a few amendments which I am going to send to the desk and ask that they be considered en bloc and approved en bloc. All have been cleared.

The first is an amendment making technical corrections to the bill by Senator COCHRAN. The second is an amendment by Senator STEVENS dealing with appropriated funds for rural water and waste systems, the third is an amendment for Senator MURKOWSKI concerning seafood inspection requirements, and the fourth is an amendment by Senator JEFFORDS dealing with the FSIS/APHIS accounts or the National Farm Animal Identification Pilot Program.

Mr. President, I ask unanimous consent that those amendments be considered en bloc and agreed to en bloc.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN] proposes amendments numbered 4972 through 4974, en bloc.

The amendments (Nos. 4972 through 4974) en bloc, are as follows:

AMENDMENT NO. 4972

(Purpose: To make technical corrections to the bill)

On page 81, after line 8, add the following: "This Act may be cited as the 'Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997'."

AMENDMENT NO. 4973

(Purpose: To appropriate funds for rural water and waste systems as authorized by Sec. 757 of Public Law 104-127)

On page 47, line 17, before the period add the following: ": *Provided further*, That of the total amount appropriated, not to exceed $10,000,000 shall be for water and waste disposal systems pursuant to section 757 of Public Law 104-127".

AMENDMENT NO. 4974

On page 24, line 16, before the ":" insert the following: ": *Provided further*, That not to exceed $1,500,000 of this appropriation shall be made available to establish a joint FSIS/APHIS National Farm Animal Identification Pilot Program for dairy cows".

The PRESIDING OFFICER. Is there objection?

Mr. BUMPERS. Mr. President, I am constrained on behalf of a Member on our side to object to the Murkowski amendment.

The PRESIDING OFFICER. Objection is heard on the Murkowski amendment.

Mr. BUMPERS. The remainder are cleared on this side.

The question is on agreeing to the amendments numbered 4972, 4973, and 4974 en bloc.

The amendments (Nos. 4972 through 4974) were agreed to en bloc.

Mr. COCHRAN. I move to reconsider the vote by which the amendments were agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

AMENDMENT NO. 4975

Mr. BUMPERS. Mr. President, I send an amendment to the desk on behalf of myself and Mr. KOHL, which I think has been cleared on the other side, dealing with the Wetland Reserve Program which would allow additional wetland reserve acreage to be added to the program as long as non-Federal funds were used. I ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] for himself and Mr. KOHL, proposes amendment numbered 4975.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 71, strike all after line 22 through page 72, line 2 and insert in lieu thereof the following:

"SEC. 721. None of the funds appropriated or otherwise made available by this Act, or made available through the Commodity Credit Corporation, shall be used to enroll in excess of 130,000 acres in the fiscal year 1997 wetlands reserve program, as authorized by 16 U.S.C. 3837: *Provided*, That additional acreage may be enrolled in the program to the extent that non-federal funds available to the Secretary are used to fully compensate for the cost of additional enrollments: *Provided further*, That the condition on enrollments provided in section 1237(b)(2)(B) of the Food Security Act of 1985, as amended (16 U.S.C. 3837(b)(2)(B)), shall be deemed met upon the enrollment of 43,333 acres through the use of temporary easements: *Provided further*, That the Secretary shall not enroll acres in the wetlands reserve program through the use of new permanent easements in fiscal year 1998 until the Secretary has enrolled at least 31,667 acres in the program through the use of temporary easements".

Mr. BUMPERS. Mr. President, I urge the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4975) was agreed to.

AMENDMENT NO. 4976

(Purpose: To increase funding for certain agriculture research activities, with an offset)

Mr. BUMPERS. Mr. President, I send an amendment to the desk on behalf of Senator KOHL dealing with special research grants which I think has been cleared on the other side.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for Mr. KOHL, proposes an amendment numbered 4976.

Mr. BUMPERS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 12, line 25, strike "$46,018,000" and insert "$46,330,000".

On page 14, line 10, strike "$418,308,000" and insert "$418,620,000".

On page 21, line 4, strike "$47,829,000" and insert "$47,517,000".

Mr. KOHL. Mr. President, I am pleased that the managers of the bill are willing to accept my amendment to correct a problem that has arisen with regard to special research grants section of the Agriculture appropriations bill.

Specifically, when the Agriculture Appropriations Subcommittee requested information from USDA/CSREES regarding special research grant projects, the Babcock Institute for International Dairy Research and Development at the University of Wisconsin-Madison, was mistakenly listed as one of the several projects slated for completion at the end of fiscal year 1996. Unfortunately, that information was not accurate. However, this error was not noticed until after the committee had acted on the bill, and funding for the Babcock Institute was omitted from the Committee Report entirely.

Therefore, my amendment will simply restore funding for the Babcock Institute in the CSREES special grant section of the bill. The funding provided is $312,000, the same as provided in fiscal year 1996.

The importance of the research conducted by the Babcock Institute has never been more important than it is today. The domestic market for many U.S. dairy products will grow less rapidly in the future as the population ages and consumption patterns change. Further, the dairy provisions of the 1996 farm bill also signal the need for dairy farmers to look more toward international markets for their livelihoods. International markets for dairy products are changing in ways that crate opportunities for U.S. dairy farmers, as well as dairy exporters. But along with these developments come many research questions, related to how foreign competitors operate, and the risks associated with export markets. Through its research on many of these topics, the Babcock Institute will continue to play an important role for the U.S. dairy industry as it seeks to turn its attention more toward international markets.

Again, I thank the managers for their support of this amendment, and look forward to working with them to retain funding for this valuable program in conference.

Mr. BUMPERS. Mr. President, I urge the adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4976) was agreed to.

Mr. KENNEDY. Mr. President, if I could speak very briefly about a particular provision in the legislation which is a matter of some concern. I do not intend to take time this evening nor do I intend to delay consideration, but I would like to bring to the attention one of the provisions that has been included here that I think the Members should have at least some awareness of.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

MEDGUIDE REGULATIONS

Mr. KENNEDY. Mr. President, I want to draw attention to provisions in the appropriation bill that deal with a matter of priority for the FDA, and that is on the proposed Medguide regulations which would establish goals for industries to meet on the issues of prescription drugs. I just want to speak for a few moments on this issue this evening, then indicate to the managers some alternatives that we are thinking about and want to talk over with the managers again tomorrow.

This appropriation bill contains an unwarranted provision that will undermine the Food and Drug Administration's efforts to prevent adverse reactions that cost the American economy an estimated $100 billion a year in direct and indirect costs. That cost is as much as, if not more, than the country spends on prescription drugs in the first place.

The provision would forbid the FDA from going forward with a proposed regulation, called the Medguide regulation, to ensure that patients get adequate information when they buy a prescription.

The FDA's efforts to ensure that the American consumer gets good information when they buy prescription drugs have been under attack by a consortium of pharmacists and other businesses who claim they are already doing an effective job of getting information to consumers without Government regulation.

The facts are to the contrary. For example, in 1992, FDA required a boxed warning—the most serious kind of warning—on labeling for Seldane and Hismanal, two of the most popular antihistamines for allergies. When taken in association with certain antibiotics and antifungals, there have been deaths and serious cardiovascular events.

These same warnings also appeared in the FDA-approved consumer advertising and magazines such as People, Time, and Newsweek. These warnings about taking these drugs in combination did not appear on the information sheets that pharmacists gave to consumers—information that was written after these warnings went into effect. In fact, consumers were given better information in magazine ads than they were given by the pharmacists who dispensed their prescriptions.

Even today, after concerted efforts to educate physicians and pharmacists about the dangers of prescribing Seldane with certain antibiotics, 2.5 percent are coprescriptions written in conjunction with one of those antibiotics, erythromycin. As a result, tens of thousands of patients are presently at risk.

FDA's concerns are not speculative. A 29-year-old woman taking Seldane died because she was not warned about the risk of taking it with an antifungal. If she had been warned of this possibility of a fatal interaction she might be alive today.

Leaving out critical warnings is unacceptable. In these types of life-and-death cases, FDA oversight is clearly warranted. The health and the lives of too many patients is at stake.

FDA has rightfully decided that consumers deserve more protection than the status quo. The Medguide regulation is intended to correct this gross deficiency in our consumer protection laws.

Today, we go into a supermarket to buy a loaf of bread, a carton of milk, or a box of cereal, and we know there is complete nutritional information on the package. When we buy an over-the-counter drug like aspirin or Tylenol in the same grocery store, FDA regulations require the drugs to have complete information so that those who take the pills understand what they are doing, how to take it, the side effects to watch out for, what foods or drugs it interacts with.

But, if we buy a prescription drug in the pharmacy or one of these same grocery stores, there is no guarantee that we will get the same kind of information when the prescription is filled. Current laws require more information about breakfast cereals than dangerous prescription drugs.

The costs of this lack of information are high. Mr. President, 30 to 50 percent of adult patients do not use their medications properly, and lack of information is one of the primary reasons. In children, noncompliance exceeds 50 percent. In the elderly, who rely most heavily on medication, noncompliance is often higher.

If patients do not take medication properly, they are poorly served by their health care system. The public health is put at risk if unsecured infections are transmitted and resistant infections develop.

The cost of misuse of prescription drugs and adverse reactions to drugs is estimated at $20 billion a year in the elderly alone. Industry's own estimates place the indirect costs at five times higher—$100 billion a year when lost productivity and reduced quality of life are included.

To avoid further tragedies and lower costs, the proposed Medguide regulations would establish concrete goals for industries to meet. By the year 2000, FDA seeks to ensure that at least 75 percent of patients with new prescriptions would obtain adequate, useful, easily understood written information. By the year 2006, 95 percent of patients with new prescriptions would receive this information. That is a goal by the year 2000, that 75 percent would receive adequate information; and 95 percent by the year 2006. It does not seem to me to be enormously prohibitive.

Working with drug companies, pharmacists, physicians and consumers, FDA plans to establish nonbinding guidelines on such information. These guidelines will help pharmacies ensure that the written information they give out is adequate.

If the goals set out in the proposed regulation are not met, FDA would either institute a mandatory program or seek public comment on what steps to take next.

This approach is reasonable. It gives the private sector the opportunity to achieve compliance without regulatory requirements over the next 4 years. Yet industry still objects. It claims that neither the Medguide regulation, nor any binding requirements are necessary. Clearly, if the industry meets the health goals by the year 2000, no binding requirements would be imposed. These goals were established in a bipartisan fashion during the Bush Administration. They should be honored by Congress today. The guidelines that have been established were established under the Republican administration with the support of the industry at that particular time.

The industry has already failed to deliver on its promise of voluntary action. In 1982, a regulation mandating that information be given to patients when they buy new prescriptions was withdrawn, because the private sector promised it can do better without regulations.

This whole proposal that is out there builds on a long history of relationship between the agency and the industries which are affected, and an agreement had been worked out. Now there is an attempt to circumvent that agreement to the disadvantage of consumers.

FDA then monitored the industry's efforts of 1982, and found that few patients were getting information, and much of the information was not adequate, and that failure led to the rulemaking that the industry is now trying to avoid.

The provision in the appropriation bill states that if the private sector develops a plan within 120 days of enactment, FDA's rulemaking is suspended. We understand that now. The provision in the appropriation bill states if the private sector develops a plan within 120 days of enactment, FDA's rulemaking is suspended. However, the Secretary of HHS and the commissioner cannot review the voluntary program to determine if it is, in fact, adequate. The only action that HHS or FDA is allowed to take is to order the plan to see if it meets the goals set by the industry. So this is an industry plan. They could develop it within 120 days. The FDA is prohibited from protecting consumers. The only ability FDA has is eventually auditing the industry program to find out if there has been compliance with the industry program.

Mr. President, this is on an issue of such vital importance to the consumers. We have a solid record in our committee on adverse drug reactions and on what the industry has been willing to do, what they have not done, and what we have reviewed in our committee and is a part of the FDA reform program, which the leader indicated they are going to call up. But we have just heard about this proposal in the last several hours. The bill further hamstrings FDA by precluding activities such as guidelines that might assist the private sector.

This provision is an abdication of Congress' responsibility to protect the public health. Instead of responsible action by the FDA, an industry with an unsatisfactory track record is permitted to regulate itself without any FDA oversight of their program. That is inadequate.

Mr. President, tomorrow, I will have an amendment to address that particular issue. I will consult with the floor managers to find out about whether they share the sense or concern which I have spoken to this afternoon and if they have a way to try to address it.

I yield the floor.

The PRESIDING OFFICER. Who seeks recognition?

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. BRYAN. Mr. President, I ask unanimous consent that the pending amendment be laid aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4977

(Purpose: To limit funding for the market access program)

Mr. BRYAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. BRYAN], for himself, Mr. KERRY, and Mr. GREGG, proposes an amendment numbered 4977.

Mr. BRYAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

SEC. . FUNDING LIMITATIONS FOR MARKET ACCESS PROGRAM.

None of the funds made available under this Act may be used to carry out the market access program pursuant to section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) if the aggregate amount of funds and value of commodities under the program exceeds $70,000,000.

Mr. BRYAN. Mr. President, this amendment is regarding the Market Access Program. The Market Access Program, or MAP, was created to encourage the development, maintenance, and expansion of exports of U.S. agricultural products. MAP is the successor to the Market Promotion Program [MPP], which in turn was the successor to the Targeted Export Assistance Program [TEA], established in 1986. TEA was originally created to "counter or offset the adverse effect of subsidies, import quotas, or other unfair trade practices of foreign competitors on U.S. agriculture exports." Since 1986, over $1.43 billion has been spent for TEA, MPP and now MAP.

MAP is operated through about 64 organizations that either run market promotion programs themselves or pass the funds along to companies to spend on their own market promotion efforts. In fiscal year 1994, about 43 percent of all program activities involved generic promotions while 57 percent involved branded promotions.

The General Accounting Office [GAO] has pointed out that the entire Federal Government spends about $3.5 billion annually on export promotion. While agricultural products account for only 10 percent of total U.S. exports, the Department of Agriculture spends about $2.2 billion, or 63 percent of the total. The Department of Commerce spends $236 million annually on trade promotion.

While the stated goal of MAP is to benefit U.S. farmers, the program has benefited foreign companies. In fiscal years 1986–1993, $92 million on MPP funds went to foreign-based firms. This amount represented nearly 20 percent of the total funds allocated for brand-name promotions during the 8-year period. In fiscal year 1995, 49 foreign-based firms received MPP funds; in fiscal year 1994 over 110 foreign firms received MPP funds from the U.S. Treasury. I found this to be unfathomable, and I offered an amendment to remedy this to the 1996 farm bill. My amendment passed, and I am pleased to say that MAP money can no longer be given to foreign corporations.

Still, many problems exist with the MAP program:

First, wasted dollars: There is still no proof that MAP funds are not simply replacing funds that would have been spent anyway on advertising. USDA does not have any good data on this phenomenon. Commercial firms still have the opportunity to substitute MAP funds for promotional activities they would have otherwise undertaken with their own funds.

Second, graduation: Current regulations require MAP assistance to cease after 5 years. However, the 5-year clock started running in 1994. This means that some companies will have been in the program for 13 years at the end of 1999. Thirteen years is enough time to overcome barriers and develop markets. Already, 136 firms have participated in this program for 6 to 8 years and have received the bulk of the brand-name funds.

Third, efficiency: GAO states that taxpayers do not have reasonable assurance that the considerable public funds expended on export promotion are being effectively used to emphasize sectors and programs with the highest potential returns. MAP supporters use examples of increased exports to defend this program. However, even if a brand-name promotion effort results in identifiable increases in exports, unless the Foreign Agriculture Service [FAS] can convincingly demonstrate that the promotion effort would not have been undertaken without MAP assistance, those increases in exports cannot be attributed to the program.

Since 1986 there have been over 100 participants in the program, and yet the Foreign Agriculture Service has completed only 12 program evaluations. Only 9 of 26 participants who have received over $10 million have been evaluated.

Fourth, U.S. content: MAP regulations issued in August 1991 do not restrict program participation to products that have 100 percent U.S. content. Regulations permit full funding for products that have at least 50 percent U.S. content by weight.

There is no dependable data on percent of U.S. content. The Foreign Agriculture Service relies on statements made in MAP applications about U.S. content and not-for-profit organizations rely on unverified statements regarding U.S. content from their branded participants. In 1993, the Foreign Agriculture Service began to review the support for the certifications made regarding U.S. content during their audits of participants. Their work is limited to the not-for-profit organizations and they do not, as a rule, audit the commercial entities performing brand-name promotions.

Who should get these funds? Although new guidelines say small firms should have priority—one third of fiscal year 1994 funds went to large companies. For that reason, large corporations such as Sunkist, Sun-Maid, Welch's, and Pillsbury still receive large sums of money. In 1992, the average amount awarded to the top 50 firms was $1 million. Eight of those firms had sales over $1 billion.

There were 17 MAP participants receiving more than $1 million for fiscal years 1993–95:

Sunkist, $11.1 million.
Ernest & Julio Gallo, $9.1 million.
Sunsweet, $4.6 million.
Blue Diamond, $4.5 million.
American Legend, $2.9 million.
North Am. Fur Producers, $2.3 million.
Dole, $2.1 million.
Tyson Foods, $1.9 million.
M&M Mars, $1.8 million.
21st Century Genetics, $1.5 million.
Welch Foods, $1.4 million.
Pillsbury, $1.3 million.
Campbell Soup, $1.2 million.
Hansa-Pacific, $1.1 million.
Hershey, $1.1 million.
Canandaigua Wine, $1.1 million.
Seagram, $1.0 million.

Private, for-profit companies are the ones who benefit from this program. Taxpayers should not pay for advertising particular products. These companies should take over the costs themselves. MAP, like MPP and TEA before it, is a convenient source of free cash for wealthy businesses, such as McDonald's, to help pay for their overseas advertising budgets.

While the Federal Government does have a legitimate role in promoting exports to foreign countries, we should use our considerable Federal expertise to assist companies in cutting red tape in foreign countries and providing them with technical assistance. We should not do it by granting scarce taxpayer dollars to private, for-profit companies for activities they would otherwise conduct on their own.

Mr. President, the amendment I offer today is nearly identical to the position the Senate took on the Federal Agricultural Improvement and Reform Act, or farm bill, of 1996. The Senate voted 59 to 37 in February to accept the Bryan amendment on the MPP program. That amendment restricted use of MPP program moneys to small businesses, as certified by the Small Business Administration, and Capper-Volstead cooperatives. Because the amendment eliminated foreign companies from the program, the funding level for MPP was capped at $70 million.

In the House-Senate conference on the farm bill, my language prohibiting foreign companies from participation in MPP was retained, but the level of funding was raised to $90 million. So while the conferees were attempting to reform the MPP program by removing foreign companies, they also enacted a 29-percent increase in funding. My amendment would return the MAP program to the originally approved Senate funding level of $70 million. This represents no real cut to the program as foreign companies may no longer participate. This frees up funds for domestic businesses.

Mr. President, reiterating, I am renewing an effort that I had been involved in—as Members will be familiar with—for some years. It is a program that was originally known as the Targeted Export Assistance Program. A little later iteration referred to it as the Market Promotion Program, and it has now evolved into the Market Access Program.

The historical genesis, as well as the ostensible premise for its continuation, is an effort to encourage the development, maintenance, and expansion of exports of U.S. agricultural products abroad, originally designed to counter or offset the adverse effects of subsidies, import quotas, and other unfair trade practices.

Since 1986, TEA, MPP, and now MAP, has resulted in the expenditure of $1.5 billion. This program is operated through about 64 different organizations, as I know the distinguished Presiding Officer and the chairman of the committee are both very familiar with. In fiscal year 1994, about 43 percent of all program activities involved generic promotions, while 57 percent involved branded promotions. By that, Mr. President, we mean specific products of company A, B, C, or D.

We will talk later about some of the companies who have received very generous amounts of taxpayer dollars to support a program which, in the view of this Senator, amounts to a corporate entitlement program that could not have been justified even in the most affluent circumstances at the Federal level. Now, while we are trying to downsize, streamline, cut expenditures, and reach targeted goals for balancing our budget by 2002 or 2003, this is precisely the kind of program that is still a legacy of the past and, in my judgment, one I cannot support on its merits.

I think it might be helpful to note that the Federal Government spends about $3.5 million annually on export promotion activities. Agricultural products represent about 10 percent of the total U.S. exports. Yet, of that $3.5 billion spent at the Federal level, about $2.2 billion, or 63 percent of the total amount, is spent on agricultural export promotion. The Department of Commerce, for example, spends about $236 million annually on trade promotion.

Now, earlier this year, Mr. President, one of the objections that this Senator and others raised was that a substantial amount of the funding on this program went not to American companies, but went to foreign companies. So joining with the distinguished occupant of the chair, and other colleagues on both sides of the political aisle, we were able to get an amendment through that, as it ultimately worked its way through the legislative process, dealt with one issue which, in my judgment, was inconceivable, unfathomable, in that we would continue to provide money to foreign companies with taxpayer dollars. I am happy to report that, in the legislation that passed, we have now eliminated moneys that previously went to foreign-based firms. So, prospectively, that can no longer occur, and the money that we are talking about here this afternoon will no longer be given to foreign corporations. But the fundamental objections to the programs remain.

First, the General Accounting Office, which has evaluated this program, has determined that these are wasted dollars. There is no evidence to support the proposition that money which ostensibly is given to companies to augment or increase their promotional activities has simply not been used to replace existing dollars already in these major corporations' advertising accounts. So rather than a McDonald's spending $500 million a year, if they get $4 million or $5 million, they reduce the amount of their own budget allocation to $496 million—the point being that there is no extra dollar outlay spent on the promotion and advertising of these products. That is to even accept the proposition that you can target or trace a correlation between the amount of money that is spent on advertising dollars and the kind of products that these companies are able to market overseas.

So that is the first objection raised, and that is as valid today as it was when the General Accounting Office did its evaluation some 5 years ago that there is no assurance of companies simply not trading their own corporate dollars and replacing them with dollars that the American taxpayers pay.

The second is a graduation problem. There is no graduation formula. How long does one remain as part of the program? Current regulations, enacted in response to criticisms made by this Senator and others about the merits of the program, ultimately caused the reevaluation of the regulation so that this MAP assistance will cease after 5 years. However, those who continue to benefit from this financial allocation provided at taxpayer expense target it to 5 years to run prospectively from the date of the enactment of the regulation, so you can still stay on this program up until 1999.

Now, for some companies, that would mean being a part of this program for 13 years. That is an incredibly long period of time. If you find any merit to this program—and I must say I am one who finds none—how do you justify keeping a particular company as part of this program for up to 13 years? Already, 136 firms have participated in the program for 6 to 8 years and have received the bulk of the brand-name funds.

The third objection is a question of efficiency. GAO states that taxpayers do not have any reasonable assurances that the rather considerable public funds expended on export promotion are being effectively used to emphasize sectors and programs with the highest potential returns. It is frequently said in the course of debate—and I am sure will be again in the context of this amendment—where supporters of this program cite increased exports as an example of why this program is so needed, why it is so beneficial, why it does so much good. But there is no analytical correlation between those increases in exports and moneys being expended from the program. That is to say, would those increases have occurred notwithstanding the allocations made under the MAP program? Since 1986, there have been over 100 participants in the program, and yet the Foreign Agricultural Service has completed only 12 program evaluations. Only 9 of 26 participants who have received more than $10 million have been evaluated.

Finally, Mr. President, on the question of U.S. content, MAP regulations issued in August 1991 do not restrict program participation to products that have 100 percent U.S. content. Regulations permit full funding for products that have no more than 50 percent of U.S. content by weight.

There is no dependable data on the percent of U.S. content. The Foreign Agricultural Service relies on statements made in MAP applications about U.S. content to ascertain the amount of U.S. content without doing an independent analysis. So these are self-certified statements without any type of independent verification whatsoever.

The question is: Who should get these funds? Although new guidelines say some small firms should have priority, one-third of fiscal year 1994 funds went to large companies. It is for that reason that some of the largest corporations in America—among them Sunkist, Sun Maid, Welch's, and Pillsbury—still receive large sums of money. In 1992, the average amount awarded to the top 50 firms was $1 million. Eight of those firms have sales over $1 billion.

I am sure most Americans would ponder, with a company that has a sales volume of $1 billion, should the American taxpayer be subsidizing the advertising account of a firm of that size? I must say again that I do not believe that should justify defending those appropriations.

But to give you some more current data, there were 17 MAP participants receiving more than $1 million for the past 2 fiscal years, fiscal year 1993 to fiscal year 1995: Sunkist, $11.1 million; Ernest & Julio Gallo, $9.1 million; Sunsweet, $4.6 billion; Blue Diamond, $4.5 million; American Legend, $2.9 million; North America Fur Producers, $2.3 million; Dole, $2.1 million; Tyson Foods, $1.9 million; M&M Mars, $1.8 million; 21st Century Genetics, $1.5 million; Welch Foods, $1.4 million; Pillsbury, $1.3 million; Campbell Soup, $1.2 million; Hansa-Pacific, $1.1 million; Hershey, $1.1 million; Seagram, $1 million.

Mr. President, those are some of the great household names of America. These are companies that have been exceedingly successful, and all of us as Americans quite curiously share in their success. We are delighted when American firms prosper and do well. But why should they do well at the expense of the taxpayer who is being asked to pay his and her hard-earned dollars to supplement the advertising accounts of some of the largest companies in America?

I believe that the Federal Government has a legitimate role in promoting exports to foreign countries, but we should certainly use our considerable expertise to assist companies in cutting red tape in foreign countries and providing them with technical assistance. We should not do it by granting scarce taxpayer dollars to private companies, either, for-profit companies, or activities that they would otherwise conduct on their own.

So, Mr. President, that brings me to the point of what our amendment that I offer this afternoon would do. It is identical virtually to the position that the Senate took on the Federal Agricultural Improvement and Reform Act, commonly referred to as the farm bill of 1996. The Senate voted by 59 to 37 in February to accept the Bryan amendment on the MPP program, and that amendment restricted use of MPP moneys to small businesses certified by the Small Business Administration and Capper-Volstead cooperatives. Because the amendment eliminated foreign companies from the program, the funding level for MPP was capped at $70 million. That is to say, based upon the recent experience of the Market Promotion Program, out of an appropriation of $110 million it was projected that $40 million was being allocated to foreign companies. So if you flatten out the program and keep it at its present level, $70 million would continue to fund the program other than for foreign company participation.

I make it clear that I think none of my colleagues are misled about this. My preference would be to zero out this program for all of the reasons that I have outlined. And I daresay I think the distinguished occupant of the chair shares the view of the Senator from Nevada. But yielding to pragmatic imperatives, it is clear that this body is not yet prepared to go that far.

So what this amendment would do would be to cap the current level at $70 million. The current appropriations bill provides for $90 million. So when you factor out that none of this money can go to foreign companies, in effect, this program would be increased by 29-percent—a 29-percent increase.

The amendment that I have offered would return this program to the originally approved Senate funding level of

$70 million. That, I believe, is a reasonable compromise, and I believe that my colleagues having voted once before by 59 to 37 to cap the program at that level and to carry out the intent of the farm bill of 1996, we ought to hold the appropriations to the level authorized in that bill.

Mr. President, I thank the Chair. I yield the floor.

Mr. KERRY. Mr. President, I am pleased to join my friend from Nevada, Senator BRYAN, in another attempt to save American taxpayers from funding U.S. corporate advertising in other countries. The Market Promotion Program is one of the most blatant examples of corporate welfare in the budget—the American taxpayers have footed a bill of more than $1 billion to pay for corporate advertising since its inception. And Senator BRYAN and I have been as tenacious as it is possible to be in trying to eliminate this program.

This is a subsidy program which has been roundly criticized by research institutes across the political and economic spectrum—the National Taxpayers' Union, the Progressive Policy Institute, Citizens Against Government Waste, and Cato Institute.

Taxpayers in Massachusetts would be shocked if they knew that the Federal Government is collecting taxes from them and using their hard-earned money to embellish the advertising budgets of corporate America.

I have taken to the floor time and time again to speak about wasteful spending in the budget. And I have been an outspoken critic of this Market Promotion Program. Our colleagues have heard me discuss how we have paid the Gallo Bros. to peddle their wine to the French; how we helped advertise Japanese-made underwear in Tokyo; how we promoted fashion shows of mink coats and fur stoles; how we have subsidized M&M's and Chicken McNuggets.

We have tried to reform the MPP program over the past few years. Last year, we prohibited the mink industry from receiving Federal subsidies to promote fashion shows abroad. That was a step in the right direction. And, Mr. President, I am very pleased the distinguished chairman of the Agriculture Appropriations Subcommittee, Senator COCHRAN, has agreed to exclude mink subsidies in this year's bill. In addition, Mr. President, last year, in the Department of Agriculture appropriations bill, the Senate voted to curb the Market Promotion Program—we passed the Bryan-Bumpers-Kerry amendment to limit the program to small businesses and agricultural coops. This was a good start to curb corporate welfare, but the provision was dropped in conference. So, the program continues despite the Senate's vote.

Accordingly, my friend from Nevada, Senator BRYAN, and I are making the effort once again to halt this unnecessary flow of funds from the Treasury. We must not force American taxpayers to keep subsidizing multimillion-dollar corporations. When my friends and neighbors in Massachusetts measure this program against the extraordinary reductions we are facing in programs that really matter to working Americans, they ask me how Congress can continue to justify this type of corporate welfare. There is no good answer to that question. This program is unjustifiable in the current budget environment.

Mr. President, I am grateful Senator BRYAN is willing to lead the charge. Together, we will continue to fight this waste of taxpayer money until this program is eliminated. We fought the wool and mohair subsidy, and that is now gone. We fought the mink subsidy, and that is now gone. Ultimately, we will win this battle, too, because the Senate will recognize that it is a monumental waste of money. I yield the floor.

Mr. COCHRAN. Mr. President, this Market Promotion Program has been one that has attracted an awful lot of attention and some controversy over the last several years. Senators have heard the arguments for it and against it, and why it is important for us to continue to support those who are trying to market their commodities and food products in overseas markets, particularly when they are confronted with trade practices that are developed by our competitors, or even those countries in which we are trying to export our products that operate against our interests.

Under the rules of the General Agreement on Tariffs and Trade, we have tried to reduce barriers to trade, make the playing field fair, and have as a principle for our international trade that if we are going to make available our market here in the United States, we are going to insist that other countries do the same. But from time to time, even though this is the general understanding and the general basis for these international agreements, we run into specific problems—structural difficulties, bureaucratic redtape, call it what you will. It is all an effort to prefer one of our competitors over our exporters in these markets, or to keep us out of the markets altogether.

These funds have been very helpful, I am told at our hearings with the Foreign Agriculture Service, in breaking down barriers to trade, to overcoming these efforts to keep our suppliers and our exporters out of international markets.

There is no question that this is an area of economic activity that has benefited American business, agriculture, and industry. We have seen a growing amount of jobs created in our own economy here at home because of access to overseas markets for our products. There is a direct correlation between the amount of exporting we do and the amount of benefit we get economically here in terms of jobs, pay for workers, and renewed and invigorated business activity.

It has been consistently shown on the basis of experience that we have had using these funds that as we provide assistance to exporters and suppliers in international markets, we do better; we sell more; we are more successful. I hope the Senate will not be persuaded to further reduce the ability of the Foreign Agriculture Service to go to bat for our exporters, to try to help where help is needed, and use these funds in a targeted way, in a way that is designed to help us sell more of what we produce in these emerging markets around the world.

I know that we are not going to resolve this issue tonight, and we have a lot of information that will be available to Senators, but almost all the Senators who are going to vote—and I presume we are going to go to a record vote on this unless the Senator decides to withdraw his amendment on the basis of my overwhelmingly persuasive remarks in opposition to his amendment. I presume we are going to vote on this amendment tomorrow.

Mr. BRYAN. Will the Senator yield?

Mr. COCHRAN. I will be happy to yield to my friend from Nevada.

Mr. BRYAN. I always find my friend from Mississippi extraordinarily articulate. Without any derogation intended, he has not persuaded this Senator. At this particular point, it would be my intent to ask for a rollcall vote at the appropriate time. And I can assure the Senator I do not intend to prolong the debate tonight, but when he finishes, I might just make a very brief comment.

Mr. COCHRAN. I thank the Senator. I know he is committed on this issue. He raises it from time to time. I do appreciate the fact we do not have all the charts and other things that he has brought to the floor in the past to persuade Senators on the correctness of his position, but he is certainly correct in pointing out that this issue was debated fully, extensively in the discussion of the farm bill earlier this year. The farm bill did have provisions relating to the program, and so Senators are familiar with it, and they are familiar with the arguments for and against.

I am not going to belabor the issue again. I hope Senators will reject the amendment and support the committee's funding level for this program. It is, I would say, consistent with the authorization contained in the conference report of the farm bill.

I rest my case, and I am happy for the Senate to work its will on this subject. I hope they will support the decision that we made in the committee.

Mr. BRYAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Nevada.

Mr. BRYAN. I ask unanimous consent that the distinguished senior Senator from Arkansas be added as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BRYAN. If I may very briefly respond to my friend from Mississippi, and then I will yield to my friend from Arkansas, it seems to me that we talk a lot about sacrifice—the need for us to notch up the proverbial belt and slim down, streamline Government, all of these sorts of things, and we ask most segments in our society to do more with less.

I must say, with all due respect to my friend from Mississippi, it seems to me that those who are part of this corporate entitlement program that has been culturally ingrained as part of this Federal budget process, we never ask them. I do not think it is asking too much of our friends, the McDonald's hamburger people, Pillsbury, the Welch's, Sunkist, Sun Maid, Seagrams, all these other marvelous corporations to say, look, this is a program we thought we could afford at one time but this is 1996 and you folks have followed our debate on balancing the budget. Both parties, both the Congress and the White House have agreed that a balanced budget ought to be our goal, that ought to be a national priority. There are benefits that inure to our society, to our economy, and we cannot do that if we continue the old ways, as comfortable as they may have become.

So I conclude with the observation that the $70 million is $70 million more than I would like to spend, but this appropriations bill sets a funding level of $90 million, so it does represent a 29 percent increase over the $70 million that would be available under the parameters of the farm bill because we have deleted the money for foreign companies. It seems to me that a spirit of sacrifice and fairness would say, look, those who are the giants of corporate America, they ought to be asked to trim their sails and to cut their spending a bit by enabling us to wean ourselves gradually from this program.

I thank the Chair. I yield the floor.

Mr. COCHRAN. Mr. President, I ask unanimous consent to have printed in the RECORD a letter that I received as chairman of the subcommittee from the Coalition of U.S. Exporters in support of the Market Access Program.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COALITION TO PROMOTE U.S.
AGRICULTURAL EXPORTS,
Washington, DC, July 9, 1996.

Hon. THAD COCHRAN,
Chairman, Subcommittee on Agriculture, Rural Development, and Related Agencies, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: As Congress considers the FY 1997 agriculture appropriations bill, we want to emphasize again the need to maintain funding for USDA's export programs, including the Market Access Program and FAS Cooperator Program, as authorized under the new Farm Bill.

Such action is critical to the success of the new Farm Bill, which gradually eliminates direct income assistance to producers, while providing increased planting flexibility. Within this framework, the long term viability of American agriculture is even more dependent on ensuring access to foreign markets and maintaining and expanding U.S. agricultural exports.

It is also vital to our nation's economic well-being. For example, U.S. agricultural exports this year are now projected to reach a record $60 billion. This is expected to result in a record agriculture trade surplus of approximately $30 billion, generate as much as $100 billion in related economic activity, and provide jobs for over one million Americans.

The Market Access Program, along with the FAS Cooperator Program, are among the few programs specifically allowed under the Uruguay Round Agreement and not subject to any reduction or discipline. When other countries are increasingly pursuing such policies to help their agriculture industries maintain and expand their share of the world market, now is not the time for the U.S. to continue to unilaterally reduce or eliminate such programs.

Under the new Farm Bill, the Market Access Program already has been reduced from $110 million to just $90 million annually. The new Farm Bill also makes permanent the reforms included in the FY 1996 agriculture appropriations bill, including limiting any direct cost-share assistance to small businesses, farmer cooperatives and trade associations.

Clearly, the Market Access Program and other USDA export programs remain an essential element of our nation's overall agriculture and trade policy. They are key to helping boost U.S. agricultural exports, strengthening farm income, promoting economic growth and creating needed jobs throughout our entire economy. Accordingly, we urge your strong support to ensure such programs continue to be fully funded and aggressively implemented.

Sincerely,

Coalition to Promote U.S. Agricultural Exports.

COALITION TO PROMOTE U.S. AGRICULTURAL EXPORTS

COALITION MEMBERSHIP 1996

Ag Processing, Inc.
Alaska Seafood Marketing Institute.
American Farm Bureau Federation.
American Forest & Paper Association.
American Hardwood Export Council.
American Meat Institute.
American Plywood Association.
American Seed Trade Association.
American Sheep Industry Association.
American Soybean Association.
Blue Diamond Growers.
California Canning Peach Association.
California Kiwifruit Commission.
California Pistachio Commission.
California Prune Board.
California Table Grape Commission.
California Tomato Board.
California Walnut Commission.
Cherry Marketing Institute, Inc.
Chocolate Manufacturers Association.
Diamond Walnut Growers.
Eastern Agricultural and Food Export Council Corp.
Farmland Industries.
Florida Citrus Mutual.
Florida Citrus Packers.
Florida Department of Citrus.
Ginseng Board of Wisconsin.
Hop Growers of America.
International American Supermarkets Corp.
International Apple Institute.
International Dairy Foods Association.
Kentucky Distillers Association.
Mid-America International Agri-Trade Council.
National Dry Bean Council.
National Grape Cooperative Association, Inc.
National Association of State Departments of Agriculture.
National Cattlemen's Beef Association.
National Confectioners Association.
National Corn Growers Association.
National Council of Farmers Cooperatives.
National Cotton Council.
National Milk Producers Federation.
National Peanut Council of America.
National Porl Producers Council.
National Potato Council.
National Renderers Association.
National Sunflower Association.
National Wine Coalition.
NORPAC Foods, Inc.
Northwest Horticultural Council.
Produce Marketing Association.
Protein Grain Products International.
Sioux Honey Association.
Southern Forest Products Association.
Southern U.S. Trade Association.
Sun-Diamond Growers of California.
Sun Maid Raisin Growers of California.
Sunkist Growers.
Sunsweet Prune Growers.
The Catfish Institute.
The Popcorn Institute.
Tree Fruit Reserve.
Tree Top, Inc.
Tri Valley Growers.
United Egg Association.
United Egg Producers.
United Fresh Fruit and Vegetable Association.
USA Dry Pea & Lentil Council.
USA Poultry & Egg Export Council.
USA Rice Federation.
U.S. Feed Grains Council.
U.S. Livestock Genetics Exports, Inc.
U.S. Meat Export Federation.
U.S. Wheat Associates.
Vodka Producers of America.
Washington Apple Commission.
Western Pistachio Association.
Western U.S. Agricultural Trade Association.
Wine Institute.

Mr. BUMPERS. Mr. President, first, let me say that my good friend, the distinguished manager of the bill and the chairman of the Subcommittee on Agriculture Appropriations, and I very seldom disagree, and we have worked on a number of bills when I was chairman of this subcommittee and now the last 2 years he has been chairman of the subcommittee, and I think we have worked together well and produced really good bills for the Senate's consideration. This is one of those rare occasions when we disagree.

I feel very strongly, and have for many years, that the Market Promotion Program, recently renamed the Market Access Program, is just short of outrageous. When I first got involved in it, the General Accounting Office had just done a study. We were putting millions of dollars in a program to encourage McDonald's to sell

Big Macs in Moscow. In addition, we were spending money to encourage one of the big companies in my own State, Tyson Foods, a company I am more than happy to champion on most occasions, to advertise their products overseas. Further, Gallo wine was a big recipient. The liquor industry was getting millions to export liquor.

I said last year, where is the Christian Coalition when we need them? But we finally, through the determined efforts of the Senator from Nevada, last year were able to change the people who were eligible to put a little bit of sense in it. We made a substantial contribution to common sense last year on the Senate floor, but unfortunately the conferee committee was not satisfied until they worked in a loophole big enough to drive a Fortune 500 company through.

Having said that, let me say if I had a chance to eliminate the whole program as it currently operates at this moment, if I had the power to do it, I would be more than happy to do it. But at least because of the efforts of the Senator from Nevada, we have been able to make it a little more palatable.

But think about this, Mr. President. We have capped the Export Enhancement Program now for 1997 at $100 million. But when you take the Export Enhancement Program, Public Law 480, which has been on the books for decades—and there are three titles in that program, I, II, and III, all designed and calculated to enhance agricultural exports—everybody is for agricultural exports. The USDA also has the GSM Program as an export tool. There are the COAP and SOAP Programs. If it were not for agricultural exports, the trade deficit in this country would be really staggering. I am not sure what the correlation is in the amounts between how much oil we import from around the world compared to how many agricultural products we export, but I think the two are very similar. That will give you some idea how staggering the deficit would be if we did not do a lot of agricultural exporting.

But when I think of the programs that run into hundreds of millions of dollars to export agriculture products and then here is this questionable—well, it is not insignificant. It is $90 million. Where I come from, that is considered sizable. Last year, we were able to cut that program from $90 million to $70 million, and this year, lo and behold, it is back to $90 million. So while we have been able to get the Gallo Bros. and McDonald's and people like that out of the program, at least directly, and allow cooperatives such as my own Riceland Foods, and their farmer-members, to benefit from the program, we should certainly not in the days of budget constraints that we are experiencing now be raising that program by about 25 percent.

So, Mr. President, I will not belabor it. I see the Senator from Nebraska here. He, apparently, wants to offer an amendment. I do not want to delay his opportunity to do that. But I say I am more than happy to cosponsor the amendment of the Senator from Nevada, which does not eliminate the program but simply puts the funding level from $90 million back to $70 million, where we put it last year.

I yield the floor.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

AMENDMENT NO. 4978

(Purpose: To increase funding for the Grain Inspection, Packers and Stockyards Administration and the Food Safety and Inspection Service, with an offset)

Mr. KERREY. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Without objection the pending amendments are set aside.

The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. KERREY] proposes an amendment numbered 4978.

Mr. KERREY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 18, line 12, strike "$432,103,000" and insert "$421,078,000".

On page 20, line 10, strike "$98,000,000" and insert "$86,975,000".

On page 23, line 8, strike "$22,728,000" and insert "$24,228,000".

On page 24, line 11, strike "$557,697,000" and insert "$566,222,000".

Mr. KERREY. Mr. President, I have brought this problem to the attention of both the chairman, the distinguished Senator from Mississippi, as well as the ranking member, the distinguished Senator from Arkansas. This amendment would increase funding for the Food Safety and Inspection Service as well as for the Grain Inspection, Packers and Stockyards Administration, the first by $8.5 million, the second by $1.5 million. The increases are offset by a reduction in funding available for the Agriculture Quarantine Inspection Program. This is a user fee account within the Animal and Plant Health Inspection Service.

I understand there have been some problems. I understand the committee has asked the Department of Agriculture, under the FSIS, the Food Safety Inspection Service, to give the Congress an evaluation of its computer programs. I understand this has just occurred today. But we are now moving, the Department is moving from an old carcass-by-carcass system of evaluating product—which in many cases did not improve the safety of the meat coming out to the consumer because the inspection system was not able to apply good science to determine whether or not there were pathogens on the animals—we are moving from that old system to a new system called HACCP. HACCP is, to my mind, a vastly preferable system. But it will be very difficult in my judgment to do that if we underfund FSIS in the process.

Let me say parenthetically, I believe across the board in those areas where Republicans and Democrats agree the Government function is important—and there are still some disagreements between Republicans and Democrats, or sometimes, as we have just heard, inside, even, each party; sometimes it does not break along party lines, with the Market Promotion Program as an example, the Sugar Program and so forth—but in many cases we have reached agreement: The FAA should be funded. FSIS is important to fund. That increases the quality of our product and the confidence of the consumer. It makes our economy more productive and, as a consequence, is a very important function of the Government.

Very often we find ourselves in those areas as a result of an unwillingness to fund the program because we will not allocate money from other places. I will make the point again, typically it is not this kind of temporary reallocation, which is all this is, internal to USDA. Very often it is a problem of not being willing to either say we are going to raise taxes to pay for it, which very few people at this point want to do, or we are going to get it out of the growth of entitlements, or we are not going to build the F–18C, or some other thing, some other major program like that.

If we do not fund FSIS this year and next year and the year after, as the appropriations accounts get smaller, I believe we are going to pay a big price for it. So I understand there may be some language that can be worked out in this particular reallocation out of concern for the very specific program I would like to fund, the field automation and information management project. I have a great deal of respect for the chairman and ranking member's concerns for that particular effort.

The second thing that is being funded in here is a bit easier and a lot more straightforward. That is just a $1.5 additional million for the Grain Inspection, Packers and Stockyards Administration. A lot of us have expressed concern this year as the price of beef has gone down. Once again the concern is, is the market working? That is to say, has the concentration in the beef and the concentration of the pork industry reached a point where we no longer have competition, where we no longer have price discovery, where we no longer have a market that is working to the advantage of either the consumer or for the American economy?

That question is a difficult one to answer. Last year there was an advisory committee that was put together.

A couple of months ago they made their recommendations to us. The dominant recommendation, at least the recommendation at the top of the list, was we should just do more of what the Packer and Stockyards Act says the USDA should do. Even if we are able to get an additional $1.5 million, I must say a $24 or $25 million budget against the Packer and Stockyards budget, against a $120-billion industry, is not likely, even by some sort of commonsense evaluation, to provide this agency with enough money to get the job done.

For all Members who have issued press releases expressing enthusiasm about this Commission's report, this panel report, this amendment would provide for: An industry structure performance surveillance of $550,000—it was in the concentration recommendations; $480,000 for a packer market competition study—that, again, was in the recommendation that was made; and a quarter of a million dollars for an electronic filing system, also in the Commission's recommendation.

It is impossible for us to be able to go from saying "we are concerned about whether or not the market is working" to a point where, particularly for the smaller packers as well as the great number of feedlot operators and growers out there who say "the market is not working," unless we fund this particular agency.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4979

(Purpose: To provide funds for risk management, with an offset)

Mr. KERREY. Mr. President, I ask unanimous consent to lay that amendment aside and move immediately to the consideration of second amendment I have.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. KERREY] proposes an amendment numbered 4979.

Mr. KERREY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 25, line 16, strike "$795,000,000" and insert "$725,000,000".

On page 29, between lines 7 and 8, insert the following:

RISK MANAGEMENT

For administrative and operating expenses, as authorized by section 226A of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6933), $70,000,000, except that not to exceed $700 shall be available for official reception and representation expenses, as authorized by section 506(i) of the Federal Crop Insurance Act (7 U.S.C. 1506(i)).

Mr. KERREY. Mr. President, this amendment establishes a separate appropriation for salaries and expenses for the Risk Management Agency inside the Farm Service Agency's account. I wish the administration of the Department of Agriculture had sent up a separation. I think it is clear to most of us who look at the new farm program that increasingly it is going to be the farmers managing their own risks that will determine how well they do in a market that is increasingly volatile. The risk management program, the combination of Government and, increasingly, private sector insurance, is going to determine whether or not a producer, a farmer, or small business person out there operating in the marketplace, is going to be successful. This establishes this risk management agency and sets up a separate account for it so we make sure the U.S. Department of Agriculture does allocate a sufficient amount of resources to do so. I pull $70 million out of the FSA to do that. I believe it is much more likely, as a consequence of doing this, that the risk management program is going to be executed in the fashion that both Republicans and Democrats desire. Again, as we look at this new age of farmers on their own establishing what the risk is and purchasing coverage for that risk, it is much more likely, if this agency is funded separately, that the market, the consumer out there, will determine what the nature of that product is going to be and that the agency itself will, as a consequence, be sufficiently funded.

Mr. President, Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4980

(Purpose: To provide the Secretary of Agriculture temporary authority for the use of voluntary separation incentives to assist in reducing employment levels, and for other purposes)

Mr. KERREY. Mr. President, I ask unanimous consent to lay this pending amendment aside and I ask immediate consideration of a third amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Nebraska [Mr. KERREY] proposes an amendment numbered 4980.

Mr. KERREY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. KERREY. Mr. President, this third amendment is one of those sort of good Government amendments. I have spoken with the authorizing committee about this. They raise some concerns that I will attempt to address in a moment. This gives the U.S. Department of Agriculture the authority to conduct a voluntary buyout in order to meet its downsizing needs. No question, under this appropriations bill, the Department of Agriculture, particularly in FSA, is going to have to downsize and, equally important, Mr. President, no question, that is a desirable thing to do, given the substantial reduction in work that is likely to be required under the new farm program.

So it is not that I am objecting to that downsizing, I am merely, with this amendment, trying to provide the Department with the authority to do buyouts which very often can save them substantial money and save the taxpayers substantial money in the process.

I note there has been considerable attention to giving buyout authority to other agencies in the Federal Government, Treasury in particular. I am well aware of the work others have done in this area. As indicated, I have had discussions with the authorizing committee—that is to say, the Committee on Governmental Affairs—in gaining acceptance for my amendment.

Thus, Mr. President, I ask unanimous consent that I be allowed to amend my amendment before it comes to a vote tomorrow.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KERREY. Mr. President, I ask for the yeas and nays on the third amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. KERREY. I yield the floor.

FAIR ACT CREDIT TITLE

Mr. SIMPSON. Mr. President, I rise to inquire of my friend, Senator LUGAR of Indiana, about a provision in the Federal Agriculture Improvement and Reform Act [FAIR Act] which became law on April 4, 1996. Specifically, I am concerned with the way the U.S. Department of Agriculture has interpreted section 663, the section of the credit title that provides a transition period for elimination of the Leaseback/Buyback program.

The statutory language says that only those borrowers who have submitted complete applications to acquire inventory property prior to the date of enactment will be considered for this form of loan servicing. The language is clear that applications must have been fully submitted on or before April 4, 1996, but a difficulty has arisen with regard to whether or not the property—on which the application is being made—must actually be in Federal inventory prior to the date of enactment. The statute is not clear on this point. The Department has interpreted the clause, "Applications to acquire inventory property," to mean the property must already be in Federal inventory. This is called a "post-acquisition" application—"acquisition" referring to when the Government takes ownership of the property.

I am concerned that this "brightline" has stranded a number of "pre-acquisition" applicants in the pipeline. These borrowers have submitted complete applications for lease-back/buyback servicing within the valid timeframe, but for a variety of reasons, the Government has not yet acquired their property.

I certainly do understand the desire of the Department to expeditiously resolve as many debt servicing cases as possible, and I am supportive of the FAIR Act's marked advances in streamlining the farm loan programs and returning Government to its proper role as a "lender of last resort." I do believe, however, that we should grandfather those applications that were submitted prior to the change in law.

I would ask my friend from Indiana whether he agrees with me that USDA's interpretation is incorrect?

Mr. LUGAR. Senator SIMPSON raises a valid issue regarding the interpretation of section 663 of the Federal Agriculture Improvement and Reform Act of 1996. Although I disagree with your statement that the statute is not clear on this point, I agree that USDA has incorrectly interpreted this section.

Section 663 clearly states that a complete application to acquire inventory property must have been submitted prior to the date of enactment of the FAIR Act. The issue is whether the property in question has already come into the Government's possession. Until that time, the property should not be deemed inventory property.

If a borrower had submitted an application that the Secretary would have deemed complete except that the steps necessary for the Government to acquire the property had not been fulfilled, those borrowers' applications should be considered complete so that once the property does enter the Government's inventory, the lease back-buyback agreement can be executed.

Mr. SIMPSON. Then you agree that borrowers who had completed applications for inventory property that had not yet been acquired by the Government should be grandfathered?

Mr. LUGAR. Yes.

Mr. SIMPSON. I thank my fine friend for his assistance in this matter.

AMENDMENTS NOS. 4981 AND 4982, EN BLOC

Mr. COCHRAN. Mr. President, I ask unanimous consent that the following amendments be considered en bloc and agreed to en bloc:

The first is offered for the Senator from South Dakota [Mr. PRESSLER], dealing with electronic warehouse receipts.

The second is offered for the Senator from Oklahoma [Mr. INHOFE], dealing with research facilities in Oklahoma of the Agriculture Research Service.

The PRESIDING OFFICER (Mr. COVERDELL). Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN] proposes amendments numbered 4981 and 4982, en bloc.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 4981

(Purpose: To improve the issuance of warehouse receipts)

At the end of the bill, add the following:

SEC. . WAREHOUSE RECEIPTS.

(a) ELECTRONIC WAREHOUSE RECEIPTS.—Section 17(c) of the United States Warehouse Act (7 U.S.C. 259(c)) is amended—

(1) in paragraph (1)(A), by striking "cotton" and inserting "any agricultural product";

(2) by striking "the cotton" each place it appears and inserting "the agricultural product"; and

(3) in paragraph (2)—

(A) in subparagraph (A), by striking "in cotton" and inserting "in the agricultural product"; and

(B) in the last sentence of subparagraph (B)—

(i) by striking "electronic cotton" and inserting "electronic"; and

(ii) by striking "cotton stored in a cotton warehouse" and inserting "any agricultural product stored in a warehouse".

(b) WRITTEN RECEIPTS.—Section 18(c) of the United States Warehouse Act (7 U.S.C. 260(c)) is amended by striking "consecutive".

AMENDMENT NO. 4982

On page 11, line 22, add the following proviso after the word "law": ": *Provided further*, That all rights and title of the United States in the property known as the National Agricultural Water Quality Laboratory of the USDA, consisting of approximately 9.161 acres in the city of Durant, Oklahoma, including facilities and fixed equipment, shall be conveyed to Southeastern Oklahoma State University."

Mr. BUMPERS. Mr. President, those amendments have been cleared on this side.

The PRESIDING OFFICER. Without objection, the amendments are agreed to.

The amendments (Nos. 4981 and 4982) were agreed to, en bloc.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, it appears that Senators who were prepared to offer their amendments have come to the floor and offered and discussed the amendments that they have to this bill. We understand there are other amendments that Senators would like to offer to this bill.

I have a list, which I am prepared to read just for the information of all Senators. It is obvious we are not going to be able to complete action on this bill tonight. We do have amendments that votes have been ordered on that will occur tomorrow, and during the wrap-up tonight, an agreement will be proposed for an order in which those amendments will be taken up and voted on tomorrow.

Let me suggest, if Senators can still this evening come to the floor to offer their amendments, we are prepared to be here for that purpose.

We have this list:

Senator BURNS, an amendment on barley; Senator BROWN, an amendment on water rights; Senator SANTORUM, who has eight amendments on peanuts; Senator MIKULSKI, an amendment on the Food and Drug Administration; Senator LEAHY on milk orders; Senator CRAIG on GAO study on agriculture workers; Senator LUGAR on double cropping; Senator KERREY, which he has now offered, three amendments; Senator MURKOWSKI on seafood inspection; Senator KERREY, another amendment, which he has offered; Senator KENNEDY on Food and Drug Administration; Senator THURMOND on agriculture research; Senator FRAHM on section 515 rental housing program; Senator SIMPSON on wetland easements.

We know of no other amendments. We hope those will be the only amendments, and maybe if Senators will let us know about suggested changes, we may be able to work out accepting some of these amendments tonight or when we reconvene on this bill tomorrow.

Mr. BUMPERS. Mr. President, I think Senator PELL has a small amendment that he wants to offer that we probably should add to that list.

Mr. COCHRAN. OK.

Mr. President, we understand that it will be unlikely that we can get an agreement tonight to limit the amendments to those that I have just read. We had hoped to be able to get that agreement. We understand, if we propounded that request, there would be an objection. So we will not propound a unanimous-consent request, but we hope that will be all the amendments we will have to this bill, and we will take them up when Senators come to the floor to offer them. If they don't come to offer them tonight, we will be here tomorrow.

Mr. BUMPERS. Mr. President, to direct a question to the distinguished chairman and floor manager, as I understand it, we are going to have a whole slew of votes in the morning on the welfare bill, as many as 20. I was wondering if the chairman will be willing to make a unanimous-consent request that immediately following final passage of the welfare reform bill tomorrow that we proceed immediately, while the Senators are still here on the floor, to a vote on the Gregg amendment and the McCain amendment.

Mr. COCHRAN. Mr. President, that will be in the proposed request which the majority leader will propound. That is an excellent idea. We are going to try to include that in the request of the majority leader as we wind up business tonight.

I am told now the amendment of the Senator from Alaska, Senator MURKOWSKI, which we had tried to clear earlier, has now been cleared for adoption.

AMENDMENT NO. 4983

(Purpose: To reconcile seafood inspection requirements for agricultural commodity programs with those in use for general public consumers)

Mr. COCHRAN. Mr. President, with that understanding, I send an amendment to the desk on behalf of the Senator from Alaska, [Mr. MURKOWSKI], on the subject of seafood inspection and ask that it be reported.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. MURKOWSKI, proposes an amendment numbered 4983.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert the following:

SEC. . Hereafter, notwithstanding any other provision of law, any domestic fish or fish product produced in compliance with food safety standards or procedures accepted by the Food and Drug Administration as satisfying the requirements of the "Procedures for the Safe and Sanitary Processing and Importing of Fish and Fish Products" (published by the Food and Drug Administration as a final regulation in the Federal Register of December 18, 1995), shall be deemed to have met any inspection requirements of the Department of Agriculture or other Federal agency for any Federal commodity purchase program, including the program authorized under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) except that the Department of Agriculture or other Federal agency may utilize lot inspection to establish a reasonable degree of certainty that fish or fish products purchased under a Federal commodity purchase program, including the program authorized under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), meet Federal product specifications.

Mr. BUMPERS. There is no objection on this side, Mr. President.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4983) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, I also understand that Senator HATCH is going to propose an amendment on the subject of generic drugs. We will add that to our list.

MORNING BUSINESS

Mr. COCHRAN. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business, with Senators permitted to speak for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Friday, July 19, the Federal debt stood at $5,169,596,709,354.27.

On a per capita basis, every man, woman, and child in America owes $19,482.39 as his or her share of that debt.

MID YEAR REPORT—1996

The mailing and filing date of the 1996 Mid Year Report required by the Federal Election Campaign Act, as amended, is Wednesday, July 31, 1996. All Principal Campaign Committees supporting Senate candidates for election in years other than 1996 must file their reports with the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510–7116. Senators may wish to advise their campaign committee personnel of this requirement.

The Public Records office will be open from 8 a.m. until 7 p.m. on the filing date for the purpose of receiving these filings. For further information, please do not hesitate to contact the Office of Public Records.

REGISTRATION OF MASS MAILINGS

The filing date for 1996 second quarter mass mailings is July 25, 1996. If a Senate office did no mass mailings during this period, the Senator should submit a form that states "none."

Mass mailing registrations, or negative reports, should be submitted to the Senate Office of Public Records, 232 Hart Building, Washington, DC 20510–7116.

The Public Records office will be open from 8 a.m. to 6 p.m. on the filing date to accept these filings. For further information, please contact the Public Records office.

REPORT OF PROPOSED AMENDMENTS TO FISCAL YEAR 1997 APPROPRIATIONS REQUESTS—MESSAGE FROM THE PRESIDENT—PM 162

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Appropriations.

THE WHITE HOUSE,
Washington, July 22, 1996.

The PRESIDENT OF THE SENATE.

SIR: I ask the Congress to consider amendments to the FY 1997 appropriations requests for the Department of Defense, the Department of the Treasury, the General Services Administration, and the Office of Personnel Management. These amendments would not increase the proposed budget totals.

The details of these actions are set forth in the enclosed letter from the Acting Director of the Office of Management and Budget. I concur with his comments and observations.

Sincerely,

WILLIAM J. CLINTON.

REPORT CONCERNING THE NATIONAL EMERGENCY WITH RESPECT TO LIBYA—MESSAGE FROM THE PRESIDENT—PM 163

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report of January 22, 1996, concerning the national emergency with respect to Libya that was declared in Executive Order No. 12543 of January 7, 1986. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S. 1641(c); section 204(c) of the International Emergency Economic Powers Act ("IEEPA"), 50 U.S.C. 1703(c); and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa–9(c).

1. On January 3, 1996, I renewed for another year the national emergency with respect to Libya pursuant to IEEPA. This renewal extended the current comprehensive financial and trade embargo against Libya in effect since 1986. Under these sanctions, all trade with Libya is prohibited, and all assets owned or controlled by the Libyan government in the United States or in the possession or control of U.S. persons are blocked.

2. There have been no amendments to the Libyan Sanctions Regulations, 31 CFR Part 550 (the "Regulations"), administered by the Office of Foreign Assets Control (OFAC) of the Department of the Treasury, since my last report on January 22, 1996.

3. During the current 6-month period, OFAC reviewed numerous applications

for licenses to authorize transactions under the Regulations. Consistent with OFAC's ongoing scrutiny of banking transactions, the largest category of license approvals (91) concerned requests by non-Libyan persons or entities to unblock transfers interdicted because of what appeared to be Government of Libya interests. Three licenses were issued for the expenditure of funds and acquisition of goods and services in the United States by or on behalf of accredited persons and athletes of Libya in connection with participation in the 1996 Paralympic Games. One license was issued to authorize a U.S. company to initiate litigation against an entity of the Government of Libya.

4. During the current 6-month period, OFAC continued to emphasize to the international banking community in the United States the importance of identifying and blocking payments made by or on behalf of Libya. The Office worked closely with the banks to assure the effectiveness of interdiction software systems used to identify such payments. During the reporting period, more than 129 transactions potentially involving Libya were interdicted, with an additional $7 million held blocked as of May 15.

5. Since my last report, OFAC collected eight civil monetary penalties totaling more than $51,000 for violations of the U.S. sanctions against Libya. Two of the violations involved the failure of banks to block funds transfers to Libyan-owned or Libyan-controlled banks. Two other penalties were received from corporations for export violations, including one received as part of a plea agreement before a U.S. district judge. Four additional penalties were paid by U.S. citizens engaging in Libyan oilfield-related transactions while another 30 cases involving similar violations are in active penalty processing.

On February 6, 1996, a jury sitting in the District of Connecticut found two Connecticut businessmen guilty on charges of false statements, conspiracy, and illegally diverting U.S.-origin technology to Libya between 1987 and 1993 in violation of U.S. sanctions. On May 22, 1996, a major manufacturer of farm and construction equipment entered a guilty plea in the United States District Court for the Eastern District of Wisconsin for Libyan sanctions violations. A three-count information charged the company with aiding and abetting the sale of construction equipment and parts from a foreign affiliate to Libya. The company paid $1,810,000 in criminal fines and $190,000 in civil penalties. Numerous investigations carried over from prior reporting periods are continuing and new reports of violations are being pursued.

6. The expenses incurred by the Federal Government in the 6-month period from January 6 through July 6, 1996, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at approximately $733,000. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Office of the General Counsel, and the U.S. Customs Service), the Department of State, and the Department of Commerce.

7. The policies and actions of the Government of Libya continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. In adopting United Nations Security Council Resolution 883 in November 1993, the Security Council determined that the continued failure of the Government of Libya to demonstrate by concrete actions its renunciation of terrorism, and in particular its continued failure to respond fully and effectively to the requests and decisions of the Security Council in Resolutions 731 and 748, concerning the bombing of the Pan Am 103 and UTA 772 flights, constituted a threat to international peace and security. The United States will continue to coordinate its comprehensive sanctions enforcement efforts with those of other U.N. member states. We remain determined to ensure that the perpetrators of the terrorist acts against Pan Am 103 and UTA 772 are brought to justice. The families of the victims in the murderous Lockerbie bombing and other acts of Libyan terrorism deserve nothing less. I shall continue to exercise the powers at my disposal to apply economic sanctions against Libya fully and effectively, so long as those measures are appropriate, and will continue to report periodically to the Congress on significant developments as required by law.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 22, 1996.*

MESSAGES FROM THE HOUSE

At 4 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 497) to create the National Gambling Impact and Policy Commission.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3479. A communication from the Secretary of Defense, transmitting, the notice of a retirement; to the Committee on Armed Services.

EC–3480. A communication from the Secretary of the Department of Housing and Urban Development, transmitting, pursuant to law, a report entitled "Older Americans Home Security Act of 1996"; to the Committee on Banking, Housing, and Urban Development.

EC–3481. A communication from the Board of Governors of the Federal Reserve System, transmitting, pursuant to law, a report relative to the Full Employment and Balanced Growth Act of 1978; to the Committee on Banking, Housing, and Urban Affairs.

EC–3482. A communication from the Acting Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report relative to direct spending or receipts legislation; to the Committee on the Budget.

EC–3483. A communication from the Acting Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report relative to direct spending or receipts legislation; to the Committee on the Budget.

EC–3484. A communication from the Acting Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report relative to direct spending or receipts legislation; to the Committee on the Budget.

EC–3485. A communication from the General Counsel, Department of Transportation, transmitting, pursuant to law, the report of four rules entitled "Amendment to Definition of Substance Abuse Professional," (RIN2105–AC33, 2105–AC37, 2115–AA97, 2127–AG25) received on July 18, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3486. A communication from the General Counsel, Department of Transportation, transmitting, pursuant to law, the report of seven rules entitled "Airworthiness Directives," (RIN2120–AA64, 2120–AA66, 2120–AA63) received on July 18, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3487. A communication from the Secretary of Energy, transmitting, pursuant to law, the report of the Demonstration and Commercial Application of Renewable Energy and Energy Efficiency Technologies Program for calendar year 1995; to the Committee on Energy and Natural Resources.

EC–3488. A communication from the Commissioner of the Bureau of Reclamation, Department of the Interior, transmitting, pursuant to law, a report relative to the Bradbury Dam, Cachuma Project, California; to the Committee on Energy and Natural Resources.

EC–3489. A communication from the Director of the Office of Surface Mining (Reclamation and Enforcement), Department of the Interior, transmitting, pursuant to law, a rule concerning the West Virginia Regulatory Program, (WV075–FOR) received on July 16, 1996; to the Committee on Energy and Natural Resources.

EC–3490. A communication from the Director of the Office of Surface Mining (Reclamation and Enforcement), Department of the Interior, transmitting, pursuant to law, the report of three rules including a rule concerning the Missouri Regulatory Program, (OK018–FOR) received on July 18, 1996; to the Committee on Energy and Natural Resources.

EC–3491. A communication from the Director of the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of eight rules entitled "Clear Air Act Approval and Promulgation of Carbon Monoxide Implementation Plan for the State of Washington: Puget Sound Attainment Demonstration," (FRL5538–3, 5534–4, 5540–5, 5534–2, 5525–8, 5524–3, 5524–5, 5529–5) received on July 18, 1996; to the Committee on Environment and Public Works.

EC–3492. A communication from the Acting Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, the report of a rule entitled "Amendment to the List of Proscribed Destinations," received on July 17, 1996; to the Committee on Foreign Relations.

EC–3493. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into the United States in the sixty day period prior to July 11, 1996; to the Committee on Foreign Relations.

EC–3494. A communication from the Acting Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, a report relative to assistance to Bosnia and Herzogovina; to the Committee on Foreign Relations.

EC–3495. A communication from the Chairman of the National Endowment For the Arts, transmitting, pursuant to law, the report under the Freedom of Information Act for calendar year 1995; to the Committee on the Judiciary.

EC–3496. A communication from the Commissioner of the Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, the rule entitled "Removal of Form I–151," (RIN1115–AD87) received on July 16, 1996; to the Committee on the Judiciary.

EC–3497. A communication from the Assistant Attorney General (Office of Legislative Affairs), transmitting, a draft of proposed legislation entitled "Forfeiture Act of 1996"; to the Committee on the Judiciary.

EC–3498. A communication from the Director of Communications and Legislative Affairs, Equal Employment Opportunity Commission, transmitting, pursuant to law, a report relative to the Indicators of Equal Employment Opportunity-Status and Trends; to the Committee on Labor and Human Resources.

EC–3499. A communication from the Director of the Regulations Policy Management Staff, Office of Policy, Food and Drug Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a rule entitled "Antibiotic Drugs: Clarithromycin Granules for Oral Suspension," received on July 17, 1996; to the Committee on Labor and Human Resources.

EC–3500. A communication from the Director of the Office of Communications and Legislative Affairs, Equal Employment Opportunity Commission, transmitting, pursuant to law, the report of a rule entitled "Elementary-Secondary Staff Information Report," received on July 17, 1996; to the Committee on Labor and Human Resources.

EC–3501. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the cumulative report on rescissions and deferrals dated July 1, 1996; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, to the Committee on the Budget, to the Committee on Agriculture, Nutrition, and Forestry, to the Committee on Armed Services, and to the Committee on Governmental Affairs.

EC–3502. A communication from the Acting Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, the report of the Mid-Session Review of the 1997 Budget; referred jointly, pursuant to the order of January 30, 1975, as modified by the order of April 11, 1986, to the Committee on Appropriations, and to the Committee on the Budget.

EC–3503. A communication from the Administrator of the U.S. Small Business Administration, transmitting, a draft of proposed legislation concerning the Federal budget for fiscal year 1997; to the Committee on Small Business.

EC–3504. A communication from the Under Secretary for Domestic Finance, Department of the Treasury, transmitting, pursuant to law, a notice concerning Treasury's outstanding debt; to the Committee on Governmental Affairs.

EC–3505. A communication from the Acting Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report entitled "1996 Federal Financial Management Status Report and Five-Year Plan"; to the Committee on Governmental Affairs.

EC–3506. A communication from the District of Columbia Auditor, transmitting, pursuant to law, the report entitled "Performance Review of Contract Appeals Process"; to the Committee on Governmental Affairs.

EC–3507. A communication from the Deputy Independent Counsel, transmitting, pursuant to law, the annual report of the Independent Counsel; to the Committee on Governmental Affairs.

EC–3508. A communication from Chair of the Federal Energy Regulatory Commission, transmitting, pursuant to law, the report under the Government in the Sunshine Act for calendar year 1995; to the Committee on Governmental Affairs.

EC–3509. A communication from the Executive Director for the Committee for Purchase from People Who Are Blind or Severely Disabled, transmitting, pursuant to law, the report of a rule entitled "Additions to the Procurement List," received on July 15, 1996; to the Committee on Governmental Affairs.

EC–3510. A communication from the Deputy Director, Office of Personnel Management, transmitting, pursuant to law, the report of a rule entitled "Prevailing Rate Systems," (RIN3206–AH54) received on July 15, 1996; to the Committee on Governmental Affairs.

EC–3511. A communication from the Director of Defense Procurement, Department of Defense, transmitting, pursuant to law, the report of a rule entitled "Defense Federal Acquisition Regulation Supplement," received on July 18, 1996; to the Committee on Governmental Affairs.

EC–3512. A communication from the Director of the U.S. Office of Personnel Management, transmitting, pursuant to law, a report concerning the Federal Employees Health Benefits Program, (RIN3206–AG66) received on July 17, 1996; to the Committee on Governmental Affairs.

EC–3513. A communication from the Deputy Associate Administrator for Acquisition Policy, Office of Policy, Planning and Evaluation, General Services Administration, transmitting, pursuant to law, the report of fifteen rules entitled "Federal Acquisition Circular 90–40," received on July 18, 1996; to the Committee on Governmental Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation, with an amendment:

S. 1839. A bill to authorize appropriations for fiscal year 1997 to the National Aeronautics and Space Administration for human space flight; science, aeronautics, and technology; mission support; and Inspector General; and for other purposes (Rept. No. 104–327).

By Mr. HATCH, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 1734. A bill to prohibit false statements to Congress, to clarify congressional authority to obtain truthful testimony, and for other purposes.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DORGAN (for himself and Mr. BYRD):

S. 1978. A bill to establish an Emergency Commission To End the Trade Deficit; to the Committee on Finance.

By Mr. JEFFORDS:

S. 1979. A bill to amend the Social Security Act to help disabled individuals become economically self-sufficient and eligible for health care coverage through work incentives and a medicare buy-in program, and for other purposes; to the Committee on Finance.

By Mr. LAUTENBERG:

S. 1980. A bill to prohibit the public carrying of a handgun, with appropriate exceptions for law enforcement officials and others; to the Committee on the Judiciary.

By Mr. CRAIG:

S. 1981. A bill to establish a Joint United States-Canada Commission on Cattle and Beef to identify, and recommend means of resolving, national, regional, and provincial trade-distorting differences between the countries with respect to the production, processing, and sale of cattle and beef, and for other purposes; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DORGAN (for himself and Mr. BYRD):

S. 1978. A bill to establish an Emergency Commission To End the Trade Deficit; to the Committee on Finance.

THE END THE TRADE DEFICIT ACT

Mr. DORGAN. Mr. President, I am pleased today to come to the floor with my colleague and friend, Senator BYRD from West Virginia, to introduce a piece of legislation that we feel is important and timely. It is a piece of legislation that we have discussed for many months and are now prepared to introduce in the hope that we would be able to do the things necessary to allow it to become law between now and the end of this legislative session.

Simply put, this piece of legislation deals with a deficit. There has been a great deal of discussion in the Congress in recent years about deficits, almost all of it dealing with the question of budget deficits. Those deficits are a problem and have been a problem, and we have tried in a number of ways, both on the Democratic side and on the Republican side, in different kinds of approaches, to bring down the budget deficit.

I am pleased to say a substantial amount has been accomplished. The budget deficit has been reduced almost in half in the last 3 to 4 years. The budget deficit is down and is coming down. In fact, a report just last week by the Congressional Budget Office was an extraordinarily optimistic report about further reductions in the budget deficit.

However, there is another deficit that almost no one speaks about. It is called the merchandise trade deficit, and it is growing and getting larger. We are going to introduce a piece of legislation today that establishes a commission. It asks that an emergency commission to end the trade deficit be impaneled to review economic and trade policies, tax and investment laws and other incentive and restrictions that affect trade, with the hope that recommendations can be made that Congress will be able to embrace to not only reduce this trade deficit but also to end the trade deficit.

I will offer a couple of charts to show my colleagues what has happened with respect to the trade deficit. We have had 20 consecutive years of trade deficits, totaling $1.8 trillion. Last year, we had the largest negative trade balance in history. This chart shows, and the red demonstrates, the merchandise trade deficit.

These are troublesome because trade deficits must be repaid with a lower standard of living in the United States. You can make a more direct case on national budget deficits. That is money people owe to themselves, and except for the maldistribution of the debt, it is not such a big deal. I do not make that case on the trade deficit, but some economists might. Nobody can make a case with respect to the trade deficit, except this: Trade deficits must be and will be repaid by a lower standard of living in this country. And they must be repaid someday.

This chart shows what has happened to the trade deficits. There has been very little discussion in the Congress about what is causing the trade deficit, in what direction it is headed, and how to begin to develop some policies to address it.

The trade deficit also represents some other underlying problems. These deficits mean that we are buying more from abroad than we are selling to other countries. It means that jobs that normally would have been created in our country are created elsewhere. It means jobs are moving from our country to foreign countries. Less opportunity here, more opportunity abroad.

When you see these kinds of policies that inherently weaken our manufacturing base and sap our economic strength, you have to be prepared to say that this is a serious problem for this country. We must address it. Just as we have been addressing the other deficit, the budget deficit, so, too, we must address this issue of 20 years of growing merchandise trade deficits.

The next chart is a chart that shows that projections by econometric firms and forecasting firms tell us that the trend line by Data Resources indicates that the merchandise trade deficit will reach over $330 billion by the year 2006, 10 years from now. Wharton Econometrics projects a doubling of the trade deficit by the year 2010.

These are the forecasting groups who say, "Here is what we think will happen to the merchandise trade deficit." They see a doubling of the trade deficit. This is Data Resources: $331 billion by the year 2006. Clearly, that is a course that this country should not accept. Clearly, we ought to do something about it.

The next chart. The United States, in a very few short years, has moved from being in the position of the world's largest creditor Nation to being the world's largest debtor Nation. That has happened in a very short period of time. This is an astounding change in our country's economic position.

Now, think of this as a neighborhood, and you look at one house over near a driveway with very nice shutters, a manicured lawn, a pretty home, with five or six cars sitting outside in the driveway. You think to yourself, gee, that person is really doing well—except the person is very close to going under, because it is all borrowed money. That is what is happening with our merchandise trade deficit, and why we are going from the largest creditor Nation in the world to being the largest debtor Nation in the world.

The next chart I want to show describes our trade deficit by country. You will see the largest trade deficit, by far, is with Japan. We have had this for a long while. It is continuing and abiding and does not seem to change. It was nearly $60 billion last year. China was $34 billion. Canada and Mexico together were about $33 billion. A very substantial problem. Six countries make up 94 percent of our country's trade deficit.

Now, part of the problem is that these countries have not completely opened up their borders to our goods. Yet, they ship their goods to our country in wholesale quantities. When we want to move goods into their countries, we are told that we are doing better. But we are not doing good enough because our manufacturers, businesses, and workers cannot get our products into those countries on nearly the same basis as they move their products into our country.

One common myth with respect to this trade issue is that what we are importing into this country is really the product of cheap labor, and that low-skill, cheap labor products are being sent into this country. Not true. Not true at all. Seventy-five percent of what the U.S. imports are high-tech and value-added manufactured goods: Automobiles, automobile parts, electronics, office machines, telecommunications. That is what is coming into our country. It is not trinkets produced with low-wage labor. Rather, it is high-tech, value-added manufactured goods.

I want to show one additional chart that describes that in the past 25 years the imports of manufactured goods into our country has risen and risen and risen. Today it is at the point where imports now equal 56 percent of our manufacturing capacity. That means imports today are equal to over one-half of our domestic manufacturing capacity.

No wonder the purchasing power of hourly and weekly wages in this country for the vast majority of working Americans are back down to levels, in some cases, in constant dollars, to the 1950's and 1960's. That kind of downward pressure means fewer jobs in this country, and the jobs that exist in the manufacturing sector pay less and have less security.

Now, if you take this trade deficit and calculate it with respect to the common calculations about jobs, they talk about 20,000 jobs per $1 billion in exports. If we export $1 billion worth of American goods, they say that means we created 20,000 additional jobs. If you would use the same formula, it should be equally true that, for $1 billion worth of imports, someone else had the 20,000 jobs and we did not. That means that last year's trade deficit represents a loss of somewhere around 3.5 million good jobs. Just the increase in that trade deficit from 1994 to 1995 would mean a loss of 166,000 jobs.

What we propose today—Senator BYRD and myself, and, hopefully, others who will join us—would be an emergency commission to end the trade deficit. We would propose that this commission review five broad areas of trade policy concerns: The manner in which the Government establishes and administers our fundamental trade policies and objectives, No. 1; No. 2, the causes and consequences of the persistence and the growth of the overall trade deficit, as well as the bilateral trade deficits; No. 3, the relationship of U.S. trade deficits to the competitive and comparative advantages within the global economy; No. 4, the relationship between the growth of direct investment both into and out of the United States and the trade deficit; finally, No. 5, the development of policies and alternative strategies to achieve a systematic reduction of the trade deficit and, hopefully, an end to the trade deficit.

This would be an 11-member commission. It would have 16 months to present its report to Congress and the President. We do this today because we think it is time—probably past the time—to be thinking of what these trade deficits and what the projections of where the trade deficits are going to go will mean to this country.

As I conclude, Mr. President, I want to make a point. I am honored to have Senator BYRD join me in this endeavor, and I hope very much that, by the end of this year, this will be law and we will have a commission to evaluate this and make recommendations to the Congress.

The minute someone comes to the floor of the Senate and begins talking about trade and talking about trade deficits, two things happen: One, people start to yawn. They say, "Well, this is so boring. It is uninteresting." They do not want to talk about it. Or, two, they immediately rise on their haunches, and say, "Well, what you are is someone who wants to close America's borders; you are some kind of a isolationist; a xenophobic stooge who doesn't understand the complexities of international trade."

I do not want to close America's borders. I want more trade—not less trade. I want expanded opportunity for American products and workers. But I want to finally make sure that we reduce and finally eliminate the trade deficit, and have some balance in trade by deciding that it is important that America shall not be taken advantage of in international trade.

For 50 years our trade policy was our foreign policy. And we would do this and that and the other thing to help various countries as a matter of foreign policy. Lets look at the first 25 of those 50 years. Let's look at income in this country for workers. After all, that is what really matters. At the end of the day have we increased the standard of living for the American worker and the American family. If you look at the first 25 of those 50 years their incomes went steadily upward because we had a trade policy that was really just foreign policy and we still beat everybody else in the world with one hand tied behind our back. In the first 25 years, incomes went steadily upward with an increasing standard of living. What about the second 25 years. Look at the graph. What you will see is a steady diminution of income and security for American workers.

Often people sit around their supper table talking about their lot in life. They are working harder and working more hours. More people in the family are working. And, adjusted for inflation, they are making the same or less than they were 20 years ago.

The fact is we must do something to try to strengthen and maintain a strong manufacturing base in this country. And the circumstances that relate to this chronic and growing trade deficit tend to undermine America's manufacturing capability. No country—none—will ever remain a world economic power unless it retains its manufacturing base. That is what is slowly eroding and being washed away by these chronic, troublesome trade deficits.

Senator BYRD and I do not propose solutions or strategies that would have us withdraw from the global economy, or have us retreat from the world trade system. But we do insist it is in this country's best interest to achieve a balance of trade and to end these chronic trade deficits that injure our country's well-being and lead to a decreased standard of living in America.

Mr. President, the future of our Nation is being undermined by a problem that simply is not getting adequate attention or concern. There are those who do not even acknowledge that it is a problem, despite the fact it has reached record proportions.

Our Nation's trade deficit is one of the twin deficits that this country must address. Today the trade deficit is the larger twin, yet most of our attention is still focused on the Federal budget deficit. We need to solve these twin deficit problems, because together and individually they are threatening the economic security of Americans.

Today I am introducing legislation to address this crucial problem. The End the Trade Deficit Act will establish a commission to develop plans to end the trade deficit in the next 10 years, and establish a competitive trade policy for the 21st century which will not only increase production and manufacturing in our country, but also job opportunities, and wages.

Just as balancing the budget has come to represent the need to take a more disciplined approach to deciding our national priorities, our goal in ending the trade deficit must be to develop a more disciplined approach in deciding and carrying out our Nation's trade policies.

Our trade deficit is symptomatic of larger economic conditions and questions that must be addressed. My purpose in this legislation is not simply to get rid of the red figures at the bottom of our trade ledger. Instead, it is to help develop the national economic and trade strategies which will rebuild the American economy and the American dream.

GROWTH OF TRADE DEFICIT

Many economists predicted that our trade deficit would disappear as we reduced our Nation's budget deficit. That is not what is happening. The fact is that in the past few years we are bringing down our budget deficit. Yet, we have recorded back to back record merchandise trade deficits during the past 2 years. Our budget deficit is going down while our trade deficit continues to grow.

Last year, the United States experienced its 20th consecutive annual merchandise trade deficit. During these past two decades we have piled up a total merchandise trade deficit of $1.8 trillion.

The trend line in the growth of this deficit should be of great concern to the American people. Last year we had the largest negative merchandise trade balance in the history of the United States. The $175 billion merchandise trade deficit was larger than the $164 billion federal budget deficit.

An econometric forecasting firm, Data Resources, Inc., is projecting that our Nation's merchandise trade deficit will continue to grow reaching new records in the next few years. Based on long-term trends, Data Resources is forecasting that the merchandise trade deficit can be expected to almost double during the next 10 years to $331 billion. Wharton Econometrics is forecasting that the U.S. merchandise trade deficit will double by the year 2010.

As a result of our twin deficits, the United States has shifted from being the world's largest creditor nation to the world's largest debtor nation. Our country has gone from a net creditor position of over $250 billion in the early 1980's to a net debtor position of over three-quarters of a trillion dollars by the mid-1990's. The positive net international asset position that we had built up over the past 100 years was eliminated in a short 6-year period during the 1980's.

We used to earn $30 billion annually on our international assets. Now we are paying something in the neighborhood of $11 billion to service this international debt.

IMPORTANCE OF TRADE DEFICIT

The persistence and growth of our trade deficit is not just a concern of academics and ivory tower economists. It is a question of fair trade and fair competition. It is an issue of American jobs and the purchasing power of American wage earners. It is a matter of what opportunities we will have for our future.

Today the bulk of the products that we import are not labor-intensive goods. Instead our merchandise trade deficit consists primarily of high-technology, manufactured items. Autos, office equipment, electronic goods, and telecommunications equipment make up three-fourths of the imports.

Imports of manufactured goods have increased from 11 percent of the total U.S. manufacturing gross product to over 50 percent. This means that rather than expanding our own manufacturing base in this country, we are importing more of our manufactured goods from abroad. It means that we are shipping jobs overseas.

The bottom line is that we are shifting from a manufacturing, production-based economy with high wages, to a service-based economy with low wages. No wonder the purchasing power of hourly and weekly wages of the vast majority of working Americans are back down to levels we haven't seen since the 1950's and 1960's.

Together with the record merchandise trade deficit this past year, the value of the U.S. dollar fell to its weakest level in history. Yet, despite the weakening dollar, our trade deficit has continued to mount.

Neither the American consumer nor the American economy is making any long-term gains by the continuing trade deficit and the devaluation of the dollar. Instead, they represent an erosion of both our sovereignty and our economy.

CAUSES OF TRADE DEFICITS

Our merchandise trade deficit is a result of a serious trade imbalances with a handful of countries. Six countries comprise 94 percent of the U.S. merchandise trade deficit. This includes Japan, China, Canada, Mexico, Germany, and Taiwan. Over one-half this trade deficit is with only two countries: Japan and China.

Our trade relationships are most accurately described as unilateral free trade. As a nation we have opened our borders wide open to almost anything and everything that can be produced anywhere. Unfortunately we pay little attention to the conditions under which these goods have been produced or if the competition is fair.

At the same while the United States has one of the most open borders and open economies in the world, this Nation faces significant barriers in shipping American goods abroad. As a result, these negative trade balances do not reflect the actual competitiveness or the productivity of the American economy. Yet, there is no question that we are one of the most competitive economies in the world.

Instead most of our bilateral trade deficits effectively illustrate the barriers that continue to exist despite hundreds of new trade agreements in recent years. As documented annually in the reports of the Office of the U.S. Trade Representative reciprocal market access remains an elusive goal.

ENDING THE TRADE DEFICIT

As a nation we need to bring the same attention and the same commitment to working on the trade deficit that we are giving to reducing our budget deficit.

It has been a quarter of a century since the last comprehensive review of national trade and investment policies was conducted by a Presidential commission. In these past 25 years we have had only 3 years in which the United States has had trade surpluses.

We have witnessed massive worldwide economic and political changes in the past 25 years. These changes have profoundly affected world trading relationships.

The cold war has ended. It is no longer necessary or even prudent for U.S. trade policy to take a back seat to our foreign policy objectives.

Regional trade relationships including the European Union and the North American Free Trade Agreement are redefining political, economic, and trading geography. The Uruguay round of negotiations under the General Agreement on Tariffs and Trade has resulted in the creation of the World Trade Organization.

Globalization is part and parcel of the increased mobility of capital and technology that is reshaping comparative and competitive advantages among nations of the world.

While other nations and many multinational companies are enjoying the fruits of globalization, the United States is not realizing the full opportunities or benefits of its competitive capacity and productivity.

Unilateral free trade no longer serves the interests of the American people, if it ever did. We need fair rules and reciprocal market access if our competitive economy is to thrive within a global system. I am not calling for trade restrictions. Rather I am calling for expanded trade, but with rules that are fair.

EMERGENCY COMMISSION

The United States is once again at a critical juncture in trade policy development. The persistence and growth of the trade deficit must be reversed. We must identify the causes and consequences of our trade deficit.

Rather than allowing our trade deficit to double during the next 10 years, we need to develop a plan which would end the trade deficit in that time period. That is why I am introducing a bill with Senator BYRD today to establish an Emergency Commission To End the Trade Deficit.

The purpose of this Commission is to develop a comprehensive trade strategy to eliminate the merchandise trade deficit by the year 2006 and to develop a competitive trade policy for the 21st century.

The bill directs the Commission to develop the necessary strategies to achieve a trade balance that fully reflects the competitiveness and productivity of the U.S. economy while improving the standard of living for the people of this country.

It would require the Commission to examine our national economic policies, trade laws, tax laws, investment policies, and all the other legal incentives and restrictions that are relevant to the trading position of this country.

The Commission would look at five broad areas:

First, the manner in which the Government of the United States establishes and administers the Nation's fundamental trade policies and objectives.

Second, the causes and consequences of the persistence and growth of the overall trade deficit, as well as our bilateral trade deficits.

Third, the relationship of U.S. trade deficits to the competitive and comparative advantages within the global economy.

Fourth, the relationship between investment flows, both into and out of the United States, and the trade deficit.

Fifth, the identification and evaluation of policies and alternative strategies by which the United States can achieve the systematic reduction of the trade deficit and the improvement of the economic well being of its people.

This Commission would consist of a blue-ribbon panel of leaders from a broad spectrum of the economic life of our Nation. The members would be appointed by the President and the leadership of Congress. They would be given the responsibility to study the situation, gather necessary data, conduct at least seven public hearings, and evaluate strategies to end the trade deficit.

The Commission would be required to present its final report not later than 16 months following the enactment of this bill. The final report would outline its findings and conclusions, and provide a detailed plan for reducing our Nation's trade deficits together with recommendations on administrative and legislative actions that may be required to achieve that goal.

The Commission's report would be submitted to the President and the Congress for review, consideration, and implementation. To facilitate the Commission's report through Congress, this bill would have the House Ways and Means Committee and the Senate Finance Committee conduct hearings on the report within 6 months after it is submitted to Congress.

TIME FOR CHANGE

Today it is apparent that we do not have a consensus about where we should go with our national trade policies. We are not even sure whether we have the necessary tools to effectively achieve our trade goals.

Most importantly, we do not have a good set of alternatives and strategies to place before the American people so that they can effectively participate in making the decisions that are shaping their future.

It is time to develop a new trade strategy for the twenty-first century. We can get started on this path by making our first goal to end the trade deficit. Once we have set that goal, then we need the strategies to get there. That is why I believe it is time for such a commission.

I am pleased that Senator ROBERT BYRD is cosponsoring this legislation. I hope others will join us in this effort and look forward to working with them in moving forward on this critically important agenda for our future.

Mr. President, let me now yield the floor. The Senator from West Virginia under the unanimous-consent agreement would also like to address the piece of legislation that we will introduce in the Senate today.

Mr. BYRD. Mr. President, how much of the 30 minutes are remaining?

The PRESIDING OFFICER. The Senator has 18 minutes remaining.

Mr. BYRD. Mr. President, I ask unanimous consent that should I need an additional 5 minutes under the same terms and conditions that I be allowed to have that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I am pleased to join with the very distinguished Senator from North Dakota in introducing an ambitious new effort on the matter of our nation's persistent and growing trade deficit. This legislation—as the distinguished Senator has already explained—would establish a Commission to take a broad, thorough look at all important aspects of trends involving, and solutions to, the growing U.S. trade deficit, with particular attention to the manufacturing sector.

The trade deficit, as my colleagues know, is a recent phenomenon, with large annual deficits only occurring within the last 15 years, or so, as my colleague has explained. Between 1970 and 1995, the U.S. merchandise trade balance shifted from a surplus of $3.2 billion to a deficit of $159.6 billion. It did not reach sizeable levels until it jumped up to $52 billion in 1983. As my colleague has suggested, projections by econometric forecasting firms indicate long term trends will bring this figure to $300 billion or more within the next 10 years. No one is predicting a decline in the near future. And this is bad news. Thus, unless we act, our trade deficit will soon exceed our annual appropriations for the Department of Defense.

This legislation is committed to a goal of reversing that 10-year trend. The goal of the commission is to "develop a national economic plan to systematically reduce the U.S. trade deficit and to achieve a merchandise trade balance by the year 2006."

While it is not clear what the particular reasons for this growing trade deficit may be, nor what the long term impacts of a persistently growing deficit may be, the time is overdue for a detailed examination of the factors causing the deficit. We need to understand the impacts of it on specific industrial and manufacturing sectors. Furthermore, we need to identify the gaps that exist in our data bases and economic measurements to adequately understand the specific nature of the impacts of the deficit on such important things as our manufacturing capacity and the integrity of our industrial base, on productivity, jobs and wages in specific sectors.

We debate the trade deficits frequently. Both Senator DORGAN and I have participated in these debates. I voted against NAFTA. I voted against GATT, and for good reasons which are becoming clearer.

So we debate these deficits frequently. We moan about them. We groan about them. We complain about them. But if we do not understand the nature, impacts and long term vulnerabilities that such manufacturing imbalances create in our economy and standard of living, we are in the dark. It appears to me that debate over trade matters too often takes on the form of lofty rhetorical bombast of so-called "protectionists" versus so-called "free traders." But I would suggest that neither side knows enough about what is really transpiring in our economy, given the very recent nature of these annual persistent deficits.

Certainly we know that the deficit reflects on the ability of American business to compete abroad. We want to be competitive. Certainly we know that specific deficits with specific trading partners causes frictions between the United States and those friends and allies. This is particularly the case with Japanese, as we are well aware, and is becoming quickly the case with China. It is clear that the trade deficit has contributed to the depreciation of the dollar and the ability of Americans to afford foreign products and American products as well. Less clear, but of vital importance, is the relationship of the trade deficit to other important policy questions on the table between the United States and our foreign trading partners. Attempts by the United States to reduce tariff and non-tariff barriers in the Japan and China markets, which clearly restrict access of U.S. goods to those markets, have been crippled by the intervention of other, more important policy goals.

During the cold war, the U.S.-Japan security relationship had a severe dampening effect on our efforts to reduce the myriad barriers in Japan to U.S. exports. The same effect appears to have resulted from our need for the Japanese to participate in our treasury bill auctions. This becomes a closed cycle—the need to finance the trade deficit with foreign capital, resulting in regular involvement of the Japanese government in our treasury bill auctions, seems to dampen our efforts to push the Japanese on market opening arrangements. Naturally, without reciprocal open markets, the trade imbalance remains exaggerated between the U.S. and Japan, prompting further need for Japanese financial support to fund our national debt. Thus, some argue that the need for Japanese involvement in financing our national debt hurts the ability of our trade negotiators to get stronger provisions in the dispute settled last year over the Japanese market for auto parts.

Similar considerations appear to prevail in negotiating market access with the Chinese in the area of Intellectual Property rights. While our Trade Negotiator managed a laudable, very specific agreement with the Chinese last year in this area, the Chinese were derelict in implementing it, leading to another high-wire negotiation this year to avoid $2 billion of trade sanctions on the Chinese, and to get the Chinese to implement the accord as they had promised. Again, it is unclear whether the Chinese will now follow through in a consistent manner with the implementing mechanisms for the Intellectual Property agreement belatedly agreed to in the latest negotiation. Intellectual Property is an area of great potential for U.S. exports to China. The Chinese have promised major action against piracy of CD's, movies, and other products, and to permit coproduction of audiovisual products and joint ventures regarding artists. This is a major test case of our ability to obtain appropriate access to the great Chinese market. We need to monitor it carefully. The highly trumpeted mantra about how the U.S.-China relationship will be one of the most important, if not the most important, U.S. bilateral relationship for the next half century, has a chilling effect on insisting on fair, reciprocal treatment, and good faith implementation of agreements signed with the Chinese government.

It will only be when we truly understand the specific impacts of this large deficit on our economy, particularly our industrial and manufacturing base, that the importance of insisting on fair play on the trade account will become clear.

Finally, the legislation being introduced by the distinguished Senator from North Dakota [Mr. DORGAN] requires the Commission to examine alternative strategies which we can pursue to achieve the systematic reduction of the deficit, particularly how to retard the migration of our manufacturing base abroad, and the changes that might be needed to our basic trade agreements and practices.

These are the purposes of the Commission that Senator DORGAN and I are proposing in this legislation. And I join with him in welcoming other Senators to cosponsor this legislation.

We can either continue to blunder along without a clear sense of the importance of the U.S. manufacturing base or of how to protect and enlarge upon that base or we can begin now to gather the data that will lead us in the right direction for the future of U.S. trade policy.

In other words, we can put up the right fences now or deal with a very sick economy and an ever-spiraling trade deficit which may take our economy right over a very dangerous cliff in the years ahead.

Mr. President, there is an old poem that was written by Joseph Malins many years ago which I think aptly describes the situation we are in.

FENCE OR AN AMBULANCE

'Twas a dangerous cliff, as they freely confessed,
Though to walk near its crest was so pleasant;
But over its terrible edge there had slipped
A duke and full many a peasant.
So the people said something would have to be done,
But their projects did not at all tally;
Some said, "Put a fence around the edge of the cliff,"
Some, "An ambulance down in the valley."
But the cry for the ambulance carried the day,
For it spread through the neighboring city;
A fence may be useful or not, it is true,
But each heart became brimful of pity
For those who slipped over that dangerous cliff;
And the dwellers in highway and alley
Gave pounds or gave pence, not to put up a fence,
But an ambulance down in the valley.
"For the cliff is all right, if you're careful," they said,
"And, if folks even slip and are dropping,
It isn't the slipping that hurts them so much,
As the shock down below when they're stopping."
So day after day, as these mishaps occurred,
Quick forth would these rescuers sally
To pick up the victims who fell off the cliff,
With their ambulance down in the valley.
Then an old sage remarked: "It's a marvel to me
That people give far more attention
To repairing results than to stopping the cause,
When they'd much better aim at prevention.
Let us stop at its source all this mischief," cried he,
"Come, neighbors and friends, let us rally;
If the cliff we will fence we might almost dispense
With the ambulance down in the valley."
"Oh, he's a fanatic," the others rejoined,
"Dispense with the ambulance? Never!
He'd dispense with all charities, too, if he could;
No! No! We'll support them forever.
Aren't we picking up folks just as fast as they fall?
And shall this man dictate to us? Shall he?
Why should people of sense stop to put up a fence,
While the ambulance works in the valley"
But a sensible few, who are practical too,
Will not bear with such nonsense much longer;
They believe that prevention is better than cure,
And their party will soon be the stronger.
Encourage them then, with your purse, voice, and pen,
And while other philanthropists dally,
They will scorn all pretense and put up a stout fence
On the cliff that hangs over the valley.
Better guide well the young than reclaim them when old,
For the voice of true wisdom is calling,
"To rescue the fallen is good, but 'tis best
To prevent other people from falling."
Better close up the source of temptation and crime
Than deliver from dungeon or galley;
Better put a strong fence round the top of the cliff
Than an ambulance down in the valley.

I commend the Senator from North Dakota for his studious approach to this question and for choosing the route of prevention over the ambulance down in the valley. I am pleased to join him in offering this proposal for the consideration of the Senate, and I hope that many of our colleagues will join us, and that we can secure passage of the proposal before the 104th Congress adjourns sine die this fall.

Mr. President, I thank my colleague for his courtesy in allowing me to join in cosponsoring this very important legislation. I thank him for his courtesy in securing the time on this day and for his yielding to me that I might add to the record. I yield the floor.

I yield back such time as I may have.

By Mr. JEFFORDS:

S. 1979. A bill to amend the Social Security Act to help disabled individuals become economically self-sufficient and eligible for health care coverage through work incentives and a medicare buy-in program, and for other purposes; to the Committee on Finance.

THE WORK INCENTIVE AND SELF-SUFFICIENCY ACT OF 1996

• Mr. JEFFORDS. Mr. President, I introduce the Work Incentive and Self-Sufficiency Act of 1996. I believe that few people are returning to work after becoming eligible for Social Security disability income [SSDI] not because they can no longer find gainful employment, but because of a greater systemic problem we face as a nation. What I am referring to is this country's current schizophrenic national disability policy.

The laudable policy we set forth in the Americans With Disabilities Act of 1990 [ADA] which requires that resources be provided to promote functioning and work for people with disabilities, as well as, income support for those who cannot work or whose ability to work is very limited, are not well integrated into our current SSDI and SSI programs. This is a very complex problem that we must deal with if we ever expect to get our Federal deficit under control.

I remember when we reported the ADA out of the Labor and Human Resources Committee, the committee made explicit that the goals of this law were to provide people with disabilities with: equality of opportunity, full participation, independent living, and economic self-sufficiency. Disability is not just a characteristic of individuals, but is a description of how well someone is able to fit into our society which includes his or her capacity to work. To provide for a clear and consistent national disability policy we must make sure that the incentives, and goals of our public programs, SSDI, SSI, Medicare, and Medicaid work in conjunction with the private sector.

Many disabled individuals would like to return to work, but they are heavily penalized for there efforts to do so. For example, some courts have determined that if a person qualifies for SSDI, but then wants to try to go back to work and can't find a job, they have no cause of action under the ADA. I believe that the greatest disincentive for disabled individuals to return to work is the fear of losing their health care coverage. These individuals literally may not survive without health care coverage. Their condition often requires immediate utilization of health services and they cannot go, for, even for a short period of time, without the security of knowing they have guaranteed health coverage. It is understandable that they would prefer not to work if it will jeopardize this lifeline.

Also in the labor market, despite the ADA, there is a disincentive to hire or maintain the disabled employee. The disabled employee will likely have a chronic high cost illness and if the employer offered a health plan they would be covered under this plan. It is important to keep in mind that all employer group health plans, both insured and self-insured, are covered under ERISA. Under ERISA, the employer currently has substantial flexibility in not only the benefits it chooses to cover, but also the types of plan design features it uses. Some employers have used plan design features which will carve out any high cost individual from coverage under the employee benefit health plan.

With no where else to turn, disabled individuals once again become dependent upon public sector health care plans. This cost-shift from the employer health plans to the public health plans was the main argument I made during debate on the Health Insurance Reform Act when I brought my amendment on the lifetime caps to the floor. Employers, by limiting the maximum benefits they will pay for employees in a lifetime, actually set the point where their costs will end and Government expenditures begin. In the private market, health plans usually decide how much risk they will assume and then they reinsure the rest. In this case, the private market uses the Government-run health plans as the reinsurer of last resort.

According to previous testimony by the General Accounting Office [GAO] no more than 1 of every 1,000 SSI and DI leave the rolls for work as a result of the Social Security Administration's assistance. These programs need to place a greater focus on the rule the employer can play in getting people rehabilitated and back to work. Once an individual becomes disabled the link with their current employer is disrupted and often terminated. If there were incentives, particularly early in the process, for the employer to remain involved the chances of returning to work would go up markedly.

The employer could focus on accommodating a valuable employee rather than on replacing him. Employers could assist their workers in getting assessed for rehabilitation services immediately instead of waiting for the SSI or SSDI programs to first complete the application process and then making a referral for such services. If the employer were to keep in closer contact it would have better opportunity to prepare for any unique assistance the individual might ultimately need like a personal assistant or other assistance technology.

The Work Incentive and Self-Sufficiency Act of 1996, is designed to address two significant problems in the Social Security Disability Income [SSDI] Program: If individuals with significant disabilities cannot keep their health coverage when they return to work, and if that work does not leave them financially better off, they cannot afford to go back and work, and leave the cash assistance they receive under SSDI or SSI. It is not only the cash assistance they receive from benefits that is critical, it is the health coverage they obtain through becoming Medicare eligible.

Let us look at the numbers. The average monthly SSDI check is $630; some who were in the work force longer at higher earnings receive more while many others receive less. At the current minimum wage of $4.25 per hour, a person working full time—176 hours per month, or 8 hours per day for a standard 22 days—will earn $748. This is not much money, but if you assume a slightly better than minimum wage or some overtime at 1.5 times regular wages, then take home pay from work replaces the cash assistance that is lost.

However, that cash assistance brings with it several noncash supports. The most well-known of these is health coverage, which comes through Medicare for SSDI beneficiaries and through Medicaid for SSI recipients. Other noncash supports include long-term supports under Medicaid, vocational rehab, or other programs, food stamps, rental assistance, home heating assistance, and a variety of discounts and reduced fares on public services, among other supports. The cost of replacing these noncash benefits for individuals with significant disabilities is often double or even triple the value of the cash assistance that is lost.

The major assumptions are that individuals with significant disabilities can qualify for health coverage, much less afford to pay for it themselves, and private providers for long term supports can be located and afforded. The reality is that individuals with disabilities are often not able to locate health coverage that meets their needs, or if they can find coverage, it comes with either high deductibles and premiums, services exclusions, preexisting conditions limits, and/or yearly or lifetime caps on benefits.

The same is true for the long term supports required by some individuals with significant disabilities such as quadriplegia or cerebral palsy. Many individuals with disabilities can work if they have the assistance of another person to perform activities of daily living that are required to prepare for work such as bathing, dressing, eating, transferring from bed to chair or using the bathroom. The difficulty is not with necessarily with working, but with locating and paying the support workers needed to prepare for and to perform work.

Currently, when an SSDI beneficiary earns $500 monthly, that person demonstrates the capacity to work at the substantial gainful activity [SGA] level. If this work is sustained for 9 consecutive months, the individual no longer meets the first criteria for work disability eligibility: the incapacity to perform substantial gainful work in the national economy. Thus, proceedings are begun to end cash assistance. But, since take home pay equals or exceeds cash assistance, there is no problem.

Or is there? One month individuals with significant disabilities are earning $748 from wages, less taxes, $630 from cash assistance, and receiving noncash benefits ranging in value from $1,200 to $1,800. The next month these individuals with significant disabilities are earning $748 from wages, less taxes, and from this amount now are expected to purchase up to $1,800 in medical coverage, long term supports, food, rent, and other necessities. It does not require sophisticated cost/benefit calculations here to draw the conclusion that individuals with significant disabilities are being punished if they attempt to work.

There are some basic solutions to this problem. First, continue health coverage for those who are on SSDI after they return to work. Second, make work pay by allowing low income former SSDI beneficiaries to receive benefits that gradually reduce as their take home pay increases. The Work Incentive and Self-Sufficiency Act of 1996 is designed to implement both of these solutions. First, it allows SSDI beneficiaries to keep their Medicare coverage if they return to work. If they take a job that does not offer health coverage, Medicare remains their primary insurance. If they find a position that does offer health insurance, they have the option to purchase Medicare coverage to use as supplementary coverage. Working beneficiaries would purchase this coverage on their own through premiums that rise on a sliding scale.

Second, it allows SSDI beneficiaries to keep part of their cash assistance after they return to work. Rather than losing the entire amount once they earn $500 a month, they would lose $1 of cash benefits for every $2 in wages they earn that is above $500 a month. This is similar to, but not the same as, the rule that allows individuals over 65 who are retired on Social Security to earn wages and continue to receive retirement income and Medicare.

Third, it allows some individuals to apply only for Medicare coverage but not cash assistance. This would offer some workers who acquire a disability during their working years the option to purchase Medicare coverage and continue working. The Medicare coverage could be either their primary or supplemental coverage.

At this point some will ask, "Won't that increase already rising costs of benefits?" Actually, no. Extending health coverage to those who return to work will not increase costs essentially because so few people are leaving the disability program for work. In fact, enabling people who were former beneficiaries or recipients to keep this health coverage would lead to some of them eventually being covered by private health insurance, thus reducing costs. It will also lead to a reduction in the amount of SSDI and SSI cash assistance paid as reentering workers replace benefits with wages, and pay taxes on those wages.

Employers would not be required to purchase any additional insurance or to report any additional information to the Government. Individuals with disabilities would assume the responsibility to exercise the option to purchase Medicare and pay the Medicare premiums. Considering the very important role employers have in assuring our Nation's policy goal to self-sufficiency for individuals with disabilities I am especially pleased to have a letter from Michael R. Losey, president and CEO of the Society for Human Resource Management [SHRM]. SHRM is and I quote, "fascinated by your proposal that would provide employment incentives to individuals with disabilities * * * SHRM looks forward to working with you and your staff to promote employment and reemployment incentives for those with disabilities." I would also like to thank both Fred Grandy, president and CEO of Goodwill Industries International, Inc., and the Consortium for Citizens with Disabilities Task Force on Social Security, especially the cochairs, Tony Young, Marty Ford and Rhonda Schulzinger, for their letters of support for this bill. Mr. President, I asked unanimous consent that these three letters be inserted into the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SOCIETY FOR HUMAN
RESOURCE MANAGEMENT,
Alexandria, VA, July 18, 1996.

Senator JAMES M. JEFFORDS,
Hart Building,
Washington, DC.

DEAR SENATOR JEFFORDS: On behalf of the Society for Human Resource Management (SHRM), I am writing to commend you for your efforts to address the employment and reemployment needs of individuals with disabilities. SHRM is the leading voice of the human resource profession, representing the interests of more than 70,000 professional and student members from around the world.

SHRM is committed to equal employment opportunity in all employment practices, including hiring, training, compensation, benefits, promotion transfer, termination, and reduction in force, for all individuals without regard to disability. SHRM is committed to these policies because of our firm conviction that adherence to these principles is sound management practice and contributes significantly to the success of our membership and our members' organizations.

As a result, SHRM is fascinated by your proposal that would provide employment incentives to individuals with disabilities. Faced with the loss of much-needed health care coverage or minimal financial support, many individuals who could continue making contributions as employees, are actually discouraged from going back to work. It is clear that the private and public sectors should work together to increase opportunities for all Americans.

SHRM looks forward to working with you and your staff to promote employment and reemployment incentives for those with disabilities.

Sincerely,

MICHAEL R. LOSEY, SPHR,
President & CEO.

CONSORTIUM FOR CITIZENS WITH DISABILITIES TASK FORCE ON SOCIAL SECURITY,
July 18, 1996.

Hon. JAMES JEFFORDS,
U.S. Senate,
Washington, DC.

DEAR SENATOR JEFFORDS: The undersigned members of the Task Force on Social Security of the Consortium for Citizens with Disabilities support the principles set forth in the Work Incentive and Self-Support Act of 1996 to enable individuals on Social Security Disability Insurance to return to work.

The Consortium for Citizens With Disabilities (CCD) is a working coalition of more than 100 national consumer, service provider, parent and professional organizations that advocate on behalf of people with disabilities and their families. The work of the Consortium in conducted by Task Forces in various policy areas such as health care, education, employment, technology, housing, civil rights, social security, and budget and appropriations.

The Work Incentive and Self-Sufficiency Act of 1996 is designed to address two significant problems in the SSDI program: If individuals with significant disabilities 1) cannot keep their health coverage when they return to work and 2) if that work does not leave them financially better off, they can not risk or afford to go back to work, and leave the cash assistance they receive under SSDI.

There are some basic solutions to this problem. First, continue health coverage for those who are on SSDI after they return to work. Second, make work pay by allowing low income former SSDI beneficiaries to receive benefits that gradually reduce as their take home pay increases. The Work Incentive and Self-Sufficiency Act of 1996 is designed to implement both of these solutions.

First, it allows SSDI beneficiaries to keep their Medicare coverage if they return to work. If they take a job that does not offer health coverage, Medicare remains their primary insurance. If they find a position that does offer health insurance, they have the option to purchase Medicare coverage to use a supplementary coverage. Working beneficiaries would purchase this coverage on their own through premiums that rise on a sliding scale.

Second, it allows SSDI beneficiaries to keep part of their cash assistance after they return to work. Rather than losing the entire amount once they earn $500 a month, they would lose $1 of cash benefits for every $2 in wages they earn that is above $500 a month. This is similar to (but not the same as) the rule that allows individuals over 65 who are retired on Social Security to earn wages and continue to receive retirement income and Medicare.

Third, it allows some individuals to apply only for Medicare coverage but not cash assistance. This offers some workers who acquire a disability during their working years the option to purchase Medicare coverage and continue working. The Medicare coverage could be either primary or supplemental coverage.

We thank you and your lead staff person on this issue, Elaina Goldstein, for the outstanding leadership demonstrated toward enhancing the employment of individuals with disabilities through this bill. This is extremely important legislation for individuals with disabilies. The CCD is eager to work with you and your staff to enact this legislation.

If you have any questions regarding this subject, please call one of the Co-Chairs shown at the bottom of this letter.

Sincerely,

TONY YOUNG,
American Rehabilitation Association,
Co-Chair.
RHODA SCHULZINGER,
Bazelon Center for Mental Health Law,
Co-Chair.
MARTY FORD,
The Arc,
Co-Chair.

COSIGNING ORGANIZATIONS

American Rehabilitation Association.
Bazelon Center for Mental Health Law.
Goodwill Industries International.
International Association of Psychosocial Rehabilitation Services.
National Association of Protection & Advocacy Systems.
National Community Mental Health Care Council.
National Easter Seal Society.
National Mental Health Association.
National Multiple Sclerosis Society.
The Arc of the United States.
United Cerebral Palsy Association, Inc.

GOODWILL INDUSTRIES INTERNATIONAL, INC.,
July 16, 1996.

Hon. JAMES M. JEFFORDS,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR JIM: On behalf of the Goodwill Industries network, I congratulate you on the introduction of the Work Incentive and Self-Support Act of 1996.

This important legislation incorporates two reforms long advocated by Goodwill Industries to assist Social Security Disability Insurance (SSDI) beneficiaries to return to work. First, we believe that no individual should suffer a loss of income when leaving the SSDI rolls. By allowing a SSDI beneficiary to retain a portion of cash benefits when they re-enter the work force, your legislation will remove this major disincentive. Secondly, Goodwill Industries recognizes that loss of medical insurance is a significant impediment confronting SSDI recipients who want to work. Again, the Work Incentive and Self-Support Act of 1996 addresses this disincentive by permitting an individual to apply for Medicare coverage while working, or to purchase medical coverage with premiums based on income level.

Enclosed is a copy of testimony presented last year to the House Ways and Means Subcommittee on Social Security that discusses Goodwill Industries' recommendations for reforming the SSDI program in greater detail.

Please let me know how Goodwill Industries can assist you in securing enactment of the Work Incentive and Self-Support Act of 1996.

Sincerely,

FRED GRANDY,
President & Chief Executive Officer.

Enclosure—Social Security Testimony.

WORK INCENTIVE AND SELF-SUFFICIENCY ACT OF 1996—Section-by-Section Analysis

Intent of Legislation: To Create a Consistent Disability Work Incentive Policy for Social Security Disability Insurance Beneficiaries and Conform with the National Disability Policy Established with the Passage of the Americans with Disabilities Act (ADA).

OVERVIEW

The intent of this bill is to create a work incentive policy for Social Security Disability Income (SSDI) beneficiaries. The model that has been used is the 1619(a)(b) SSI/Medicaid provisions. SSDI and Medicare are amended to provide the same incentive as the 1619 model which is to make sure a person who goes off the DI roles will not be worse off. The key reason, according to the GAO in their report to Senate Select Committee on Aging issued this past April, why many people who can work but do not is because they can not obtain health care coverage because of their disability. Therefore, a buy-in to the Medicare program is paramount in this bill. Although a Medicare buy-in program currently exists it has not been a success.

This bill repeals the current trial work period and extended period of eligibility and replaces them with the 1619(a)(b) model provisions. Second, we allow people to purchase Medicare if they meet the current medical listing test in SSDI. The buy-in is on a sliding scale.

Lastly, the bill also includes the Medicare-Medicaid Integration demonstration project was that was included in the 1995 reconciliation bill and repeals the Medicare/Medicaid Data Bank.

SECTION 2: RETURN-TO-WORK PROGRAM FOR SOCIAL SECURITY DISABILITY INCOME BENEFICIARIES

(A) Benefit reductions based on income

Current law: An allowed SSDI/Medicare beneficiary who returns to work loses eligibility for DI cash assistance when achieving Substantial Gainful Activity (SGA). SGA is defined as earnings from wages or salaries that equal or surpass $500 monthly (for non bind disabled beneficiaries) that are earned continuously for nine months or longer. Beneficiaries can shelter some income from the SGA calculation by using work incentives such as the Impairment Related Work Expense offset.

Revision: An allowed SSDI/Medicare beneficiary who returns to work has their DI cash assistance reduced by $1 for every $2 earned beginning when achieving Substantial Gainful Activity (SGA). SGA is defined as earnings from wages or salaries that equal or surpass $500 monthly (for non blind disabled beneficiaries) that are earned continuously for nine months or longer. Beneficiaries can shelter some income from the SGA calculation by using work incentives such as the Impairment Related Work Expense offset. This creates an incentive similar to the cash continuation provisions for 1619(a).

(B) Benefit reductions for those who are dually eligible

Current law: An individual who is dually eligible for SSDI and SSI and who returns to work loses eligibility for both DI cash assistance and Medicare when achieving Substantial Gainful Activity (SSA). SGA is defined as earnings from wages or salaries that equal or surpass $500 monthly (for non blind disabled beneficiaries) continuously for nine months or longer. Beneficiaries can shelter some income from the SGA calculation by using work incentives such as the Impairment Related Work Expense offset. This individual would have their SSI cash assistance and Medicaid coverage continued under the 1619(a) and (b) program.

Revision: An individual who is dually eligible for SSDI and SSI and who returns to work would have their SSI cash assistance and Medicaid coverage continued under the 1619(a) and (b) program, and, when achieving SGA the individual has their DI cash assistance reduced by $1 for every $2 earned. Reductions in cash assistance are taken first from SSI and secondly from SSDI.

(C) Required continued disability status

Current law: An individual who is an allowed SSDI/Medicare beneficiary receives a Continuing Disability Review (CDR) at intervals of either three, five, or seven years depending on whether their allowed class is Medical Improvement Expected (MIE = 3 years), Medical Improvement Possible (MIP = 5 years) or Medical Improvement Not Expected (MINE = 7 years). The individual must continue to meet criteria of: 1) earning less than $500 per month in wages or salaries; 2) having a medically determinable physical or mental condition that has lasted or is expected to last 12 or more months; 3) being unable to perform any job in the national economy.

Revision: An individual who is an allowed SSDI/Medicare beneficiary receives a Continuing Disability Review (CDR) at intervals of either three, five, or seven years depending on whether their allowed class is Medical Improvement Expected (MIE = 3 years), Medical Improvement Possible (MIP = 5 years) or Medical Improvement Not Expected (MINE = 7 years). The individual must continue to meet criteria of having a medically determinable physical or mental condition that has lasted or is expected to last 12 or more months through a condition or combinations of impairments which meets or equals the requirements of the Listings, including functional equivalents, who, except for earned income meets the disability definition. This incentive is similar to 1619(a) provisions regarding Medicaid.

(D) Repeal of trial work period

Current law: An individual who is an allowed SSDI/Medical beneficiary receives SSDI cash assistance after a five month waiting period and receives Medicare coverage after a two year waiting period. If the individual returns to work and earns $500 or more per month (Substantial Gainful Activity), cash assistance and no cost Medicare continues through a nine month Trial Work Period and a three month transition period.

Revision: Continuing disability status, gradual decline of cash assistance, and a sliding scale buy-in to Medicare make the Trial Work Period unnecessary.

(E) Repeal of extended period of eligibility

Current law: An individual who is an allowed SSDI/Medicare beneficiary receives SSDI cash assistance after a five month waiting period and receives Medicare coverage after a two year waiting period. If the individual returns to work and earns $500 or more per month (Substantial Gainful Activity), no cost Medicare continues through a nine month Trial Work Period and a Three month transition period. Beginning in month 13, an Extended Period of eligibility continues Medicare for 36 months if the beneficiary elects to pay the full cost of both the Part A and Part B premiums.

Revision: Continuing disability status, gradual decline of cash assistance, and a sliding scale buy-in to Medicare make the Extended Period of Eligibility unnecessary.

(F) Reaffirmation of disability status

Current law: An individual who is an allowed SSDI/Medicare beneficiary receives a Continuing Disability Review (CDR) at intervals of either three, five, or seven years depending on whether their allowed class is Medical Improvement Expected (MIE=3 years), Medical Improvement Possible (MIP=5 years) or Medical Improvement Not Expected (MINE=7 years). The individual must continue to meet criteria of: (1) earning less than $500 per month in wages or salaries; (2) having a medically determinable physical or mental condition that has lasted or is expected to last 12 or more months; (3) being unable to perform any job in the national economy.

Revision: An individual who is as allowed SSDI/Medicare beneficiary receives a Continuing Disability Review (CDR) at intervals of either three, five, or seven years depending on whether their allowed class is Medical Improvement Expected (MIE=3 years), Medical Improvement Possible (MIP=5 years) or Medical Improvement Not Expected (MINE=7 years). The individual must continue to meet criteria of having a medically determinable physical or mental condition that has lasted or is expected to last 12 or more months through a condition or combinations or impairments which meets or equals the requirements of the Listing, including functional equivalents, who, expect for earned income meets the disability definition. This incentive is similar to 1619(a) provisions regarding Medicaid.

SECTION 3: CONTINUED ELIGIBILITY FOR MEDICARE BUY-IN BENEFITS FOR DISABLED INDIVIDUALS

(A) Continuation of Medicare and Medicare buy-in

Current law: An individual who is an allowed SSDI/Medicare beneficiary receives SSDI cash assistance after a five month waiting period and receives Medicare coverage after a two year waiting period. If the individual returns to work and earns $500 or more per month (Substantial Gainful Activity), no cost Medicare continues through a nine month Trial Work Period and a Three month transition period. Beginning in month 13, Medicare continues if the beneficiary elects to pay the full cost of both the Part A and Part B premiums.

Revision: An individual who is an allowed SSDI/Medicare beneficiary who returns to work and earns $500 or more per month (SGA), is in a continuing disability status unless medical recovery is determined as described in paragraph 3 above and receives no cost Medicare until Adjusted Gross Income (AGI) reached $15,000; after this point beneficiaries would pay Medicare premiums of 10% of AGI beyond $15,000. This incentive is similar to the continuation of Medicaid under 1619(b). [The exact Formula is to be determined pending additional research].

(B) Defining the Medicare buy-in conditions

Current law: An individual who is an allowed SSDI/Medicare beneficiary receives SSDI cash assistance after a five month waiting period and receives Medicare coverage after a two year waiting period. If the individual returns to work and earns $500 or more per month (Substantial Gainful Activity), no cost Medicare continues through a nine month Trial Work Period and a Three month transition period. Beginning in month 13, Medicare continues if the beneficiary elects to pay the full cost of both the Part A and Part B premiums.

Revision: An individual who is an allowed Medicare Buy-In beneficiary receives no SSDI cash assistance month, but receives Medicare coverage without a two year waiting period. If the individual returns to work (or remains at work) and earns $500 or more per month (Substantial Gainful Activity), no cost Medicare continues through a nine month Trial Work Period and a Three month transition period. Beginning in month 13, Medicare continues if the beneficiary elects to pay the cost of both the Part A and Part B premiums on a sliding income scale. The beneficiary would receive free Medicare until Adjusted Gross Income (AGI) reached $15,000; after this point beneficiaries would pay a premium of 10% of AGI beyond $15,000. [The exact Formula is to be determined pending additional research].

SECTION 4: MEDICARE BUY-IN PROVISION FOR DISABLED INDIVIDUALS WHO CAN WORK BUT REMAIN ON SSDI BECAUSE THEY CANNOT OBTAIN HEALTH CARE ADEQUATE COVERAGE IN THE PRIVATE MARKET

(A) Creating a new allowed beneficiary class to promote work

Current law: An individual qualifies for SSDI/Medicare if they meet a series of stringent criteria. This criteria includes: 1) earning less than $500 per month in wages or salaries; 2) having a medically determinable physical or mental condition that has lasted or is expected to last 12 or more months; 3) being unable to perform any job in the national economy. In order to meet the criteria of having a medically determinable condition, an applicant must either a) have a condition which meets or exceeds the requirements of the Listings, b) have two or more conditions which meets or exceeds the requirements of the Listings, or c) meet strict functional criteria for not being capable of performing any job in the national economy, given their condition, age, and education. If these criteria are met, an applicant is an allowed beneficiary and receives SSDI cash assistance after a five month waiting period. Medicare begins after a two year waiting period.

Revision: An individual qualifies for Medicare Buy-In, but not for SSDI cash assistance, if they meet a slightly less stringent test of disability. The applicant would be required to meet criteria that demonstrates having a medically determinable physical or mental condition that has lasted or is expected to last 12 or more months. In order to meet the criteria of having a medically determinable condition, an applicant must either a) have a condition which meets or exceeds the requirements of the Listings, or b) have two or more conditions which meets or exceeds the requirements of the Listings. If these criteria are met, an applicant is an allowed beneficiary and receives Medicare, but without a two year waiting period.

(B) Reaffirmation of disability status

Current law: An individual who is an allowed SSDI/Medicare beneficiary receives a Continuing Disability Review (CDR) at intervals of either three, five, or seven years depending on whether their allowed class is Medical Improvement Expected (MIE=3 years), Medical Improvement Possible (MIP=5 years) or Medical Improvement Not Expected (MINE=7 years). The individual must continue to meet criteria of: 1) earning less than $500 per month in wages or salaries; 2) having a medically determinable physical or mental condition that has lasted or is expected to last 12 or more months; 3) being unable to perform any job in the national economy.

Revision: An individual who is an allowed SSDI/Medicare beneficiary receives a Continuing Disability Review (CDR) at intervals of either three, five, or seven years depending on whether their allowed class is Medical Improvement Expected (MIE=3 years), Medical Improvement Possible (MIP=5 years) or Medical Improvement Not Expected (MINE=7 years). The individual must continue to meet criteria of having a medically determinable physical or mental condition that has lasted or is expected to last 12 or more months through a condition or combinations of impairments which meets or equals the requirements of the Listings, including functional equivalents, who, except for earned income meets the disability definition. This incentive is similar to 1619(a) provisions regarding Medicaid.

SECTION 5: MEDICARE/MEDICAID INTEGRATION DEMONSTRATION PROJECT

SECTION 6: REPEAL OF MEDICARE AND MEDICAID COVERAGE DATA BANK●

By Mr. LAUTENBERG:

S. 1980. A bill to prohibit the public carrying of a handgun, with appropriate exceptions for law enforcement officials and others; to the Committee on the Judiciary.

THE CONCEALED WEAPONS PROHIBITION ACT OF 1996

Mr. LAUTENBERG. Mr. President, today I am introducing legislation that would prohibit individuals from carrying a handgun, concealed or in the open, in public. The bill includes exceptions for certain people authorized to carry handguns under State law, such as law enforcement personnel and duly authorized security officers. Additionally, States could choose to exempt persons whose employment involves the transport of substantial amounts of cash or other valuables.

Also, Mr. President, States could provide exemptions in individual cases, based on credible evidence, that a person should be allowed to carry a handgun because of compelling circumstances warranting an exemption, such as a woman being stalked by someone who is threatening her. However, a simple claim of concern about generalized risks would not be sufficient. It would have to be a specified, credible threat.

Mr. President, common sense tells you that there are more than enough dangerous weapons on America's streets. Yet, incredibly, some seem to think that there should be more. They want to turn our States and cities into the wild, wild west, where everyone carries a gun on his or her own hip, taking the law into their own hands. This is a foolhardy, and dangerous, trend.

The statistics are clear, Mr. President. This country is already drowning in a sea of gun violence. Every 2 minutes, someone somewhere in the United States is shot. Every 14 minutes someone in this country dies from a gunshot wound. In 1994 alone, over 15 thousand people in our country were killed by handguns. Compare that to countries like Canada, where 90 people were killed by handguns that year, or Great Britain, which had 68 handgun fatalities.

Mr. President, the Federal Centers for Disease Control and Prevention estimates that by the year 2003, gunfire will have surpassed auto accidents as the leading cause of injury-related deaths in the United States. In fact, this is already the case in seven States.

It is because we already suffer from an epidemic of gun violence that I have introduced this legislation. The fact is, Mr. President, concealed weapons make people less, not more, secure, You don't have to take it from me. Listen to the real experts: The police officers on the street. There is near-unanimous agreement in the law enforcement community that concealed weapons laws are bad policy.

Arming more people is not the way to make the streets safer. It is a way to get more people killed. Mr. President, the National Rifle Association and its allies may believe that the presence of concealed weapons will scare criminals from committing crimes. To me, just the opposite is true. More likely, criminals will just get more violent.

Think about it, Mr. President. If a criminal thinks that you might be carrying a concealed weapon, common sense tells you that he is much more likely to simply shoot first, and ask questions later.

Perhaps more importantly, concealed weapons will mean that many routine conflicts will escalate into deadly violence. Every day, people get into everything from traffic accidents to domestic disputes. Maybe these arguments lead to yelling, or even fisticuffs. But if more people are carrying guns, those conflicts are much more likely to end in a shooting, and death.

Mr. President, the bottom line is that more guns equals more death. This legislation will help in our struggle to reduce the number of guns on our streets, and help prevent our society from becoming even more violent and dangerous.

I hope my colleagues will support the bill, and ask unanimous consent that a copy of the legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows;

S. 1980

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. SHORT TITLE.

This Act may be cited as the "Concealed Weapons Prohibition Act of 1996".

SEC. 2. FINDINGS.

The Congress finds and declares that—

(1) crimes committed with handguns threaten the peace and domestic tranquility of the United States and reduce the security and general welfare of the Nation and its people;

(2) crimes committed with handguns impose a substantial burden on interstate commerce and lead to a reduction in productivity and profitability for businesses around the Nation whose workers, suppliers, and customers are adversely affected by gun violence;

(3) the public carrying of handguns increases the level of gun violence by enabling the rapid escalation of otherwise minor conflicts into deadly shootings;

(4) the public carrying of handguns increases the likelihood that incompetent or careless handgun users will accidently injure or kill innocent bystanders;

(5) the public carrying of handguns poses a danger to citizens of the United States who travel across State lines for business or other purposes; and

(6) all Americans have a right to be protected from the dangers posed by the carrying of concealed handguns, regardless of their State of residence.

SEC. 3. UNLAWFUL ACT.

Section 922 of title 18, United States Code, is amended by adding at the end the following:

"(y)(1) Except as provided in paragraph (2), it shall be unlawful for a person to carry a handgun on his or her person in public.

"(2) Paragraph (1) shall not apply to the following:

"(A) A person authorized to carry a handgun pursuant to State law who is—

"(i) a law enforcement official;

"(ii) a retired law enforcement official;

"(iii) a duly authorized private security officer;

"(iv) a person whose employment involves the transport of substantial amounts of cash or other valuable items; or

"(v) any other person that the Attorney General determines should be allowed to carry a handgun because of compelling circumstances warranting an exception, pursuant to regulations that the Attorney General may promulgate.

"(B) A person authorized to carry a handgun pursuant to a State law that grants a person an exemption to carry a handgun based on an individualized determination and a review of credible evidence that the person should be allowed to carry a handgun because of compelling circumstances warranting an exemption. A claim of concern about generalized or unspecified risks shall not be sufficient to justify an exemption.

"(C) A person authorized to carry a handgun on his or her person under Federal law.".

By Mr. CRAIG:

S. 1981. A bill to establish a Joint United States-Canada Commission on Cattle and Beef to identify, and recommend means of resolving, national, regional, and provincial trade-distorting differences between the countries with respect to the production, processing, and sale of cattle and beef, and for other purposes; to the Committee on Finance.

THE JOINT UNITED STATES-CANADA COMMISSION ON CATTLE AND BEEF ESTABLISHMENT ACT OF 1996

• Mr. CRAIG. Mr. President, I introduce a bill of critical importance to our Nation's cattle producers. The Joint United States-Canada Commission on Cattle and Beef is designed to resolve some of the existing differences in trade practices between the two countries.

As a former rancher, I have a first-hand understanding of the challenges that face the cattle industry. The prolonged down cycle is especially troubling because it affects the livelihoods of thousands of ranching families in Idaho and across the country.

These beef producers are the largest sector of Idaho and American agriculture. Over 1 million families raise over 100 million head of beef cattle every year. This contributes over $36 billion to local economies. Even with the extended cycle of low prices, direct cash receipts from the Idaho cattle industry were almost $620 million in 1995. These totals only represent direct sales; they do not capture the multiplier effect that cattle ranches have in their local economies from expenditures on labor, feed, fuel, property taxes, and other inputs.

Over the years, cattle operations have provided a decent living and good way of life in exchange for long days, hard work, and dedication. While the investment continues to be high, the returns have been low in recent years.

The problems facing the cattle industry in recent years are complex. The nature of the market dictates that stable consumption combined with increased productivity and growing herd size yield lower prices to producers. This, combined with high feed prices and limited export opportunities, has caused a near crisis.

Many Idahoans have contacted me on this issue. Some suggest the Federal Government intervene in the market to help producers. However, many others have expressed fear that Federal intervention, if experience is any indication, will only complicate matters and may also create a number of unintended results. I tend to agree with the latter. Time and again, I have seen lawmakers and bureaucrats in Washington, DC, albeit well-intentioned, take a difficult situation and make it worse. This does not mean that I believe Government has no role to play. I have supported and will continue to support measures of proven value. However, I will continue to follow this situation closely with the hope that free market forces will, in the long run, aid in making cattle producers more efficient, productive, and profitable.

The cattle industry is part of a complex, long-term cycle; however, there are producers who might not survive the short-term consequences. The Beef Industry Assistance Resolution addresses a number of these short term issues. These are issues that were raised at a hearing of the Agriculture Committee that I chaired a few weeks ago.

The resolution has five sections—antitrust monitoring, market reporting, private sector self-regulation, recognition of barriers to international trade, and emergency loan guarantees.

Section 1 encourages the Secretary of Agriculture and Department of Justice to increase the monitoring of mergers and acquisitions in the beef industry. Investigation of possible barriers in the beef packing sector for new firms and with other commodities is encouraged.

Section 2 directs the Secretary of Agriculture to expedite the reporting of existing beef categories and add additional categories. These categories include contract, formula and live cash cattle prices, and boxed beef prices. The Secretary is also encouraged to increase the frequency of captive supply cattle from every 14 to 7 days. I am especially interested in the improved reporting of all beef and live cattle exports and imports. The second section also directs the Secretary to capture data on a previously unrecorded segment of the market—away from home consumption. While this market consumes approximately half of the Nation's beef production, very little is known about it.

Section 3 encourages two very important measures within the private sector. First, meat packing companies are encouraged to fully utilize a grid pricing structure which will provide producers with a more complete picture for the particular type of the cattle they produce. Second, agricultural lenders are encouraged to consider the total asset portfolio, not just cash flow, when evaluating this year's beef loans. Even the best operators will have great difficulty cash-flowing a cattle outfit because of the prolonged period of low prices.

Section 4 recognizes a number of barriers to international trade that adversely affect American beef producers. The section is meant to elevate the importance of all trade issues and specifically references the elimination of the European Union hormone ban and animal health barriers between the United States and Canada.

Section 5 recommends that emergency loan guarantees be made available to agricultural lenders with cattle industry loans. I am disappointed that the President zeroed out funding for this program in his fiscal year 1997 proposal. I have heard from a number of lenders that a high number of loans are questionable for this fall.

The Beef Industry Assistance Resolution is a measure designed to provide immediate, short-term solutions to some of the serious problems facing the cattle industry. I know that a number of my colleagues have legislation pending in regards to the cattle market. I would comment that I see this resolution as a starting point, not an ending point for cattle industry issues.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1981

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. JOINT UNITED STATES-CANADA COMMISSION ON CATTLE AND BEEF.

(a) ESTABLISHMENT.—There is established a Joint United States-Canada Commission on Cattle and Beef to identify, and recommend means of resolving, national, regional, and provincial trade-distorting differences between the United States and Canada with respect to the production, processing, and sale of cattle and beef, with particular emphasis on—

(1) animal health requirements;

(2) transportation differences;

(3) the availability of feed grains; and

(4) other market-distorting direct and indirect subsidies.

(b) COMPOSITION.—

(1) IN GENERAL.—The Commission shall be composed of—

(A) 3 members representing the United States, including—

(i) 1 member appointed by the Majority Leader of the Senate;

(ii) 1 member appointed by the Speaker of the House of Representatives; and

(iii) 1 member appointed by the Secretary of Agriculture;

(B) 3 members representing Canada, appointed by the Government of Canada; and

(C) nonvoting members appointed by the Commission to serve as advisers to the Commission, including university faculty, State veterinarians, trade experts, and other members.

(2) APPOINTMENT.—Members of the Commission shall be appointed not later than 30 days after the date of enactment of this Act.

(c) REPORT.—Not later than 180 days after the first meeting of the Commission, the Commission shall submit a report to Congress and the Government of Canada that identifies, and recommends means of resolving, differences between the United States and Canada with respect to the production, processing, and sale of cattle and beef.•

ADDITIONAL COSPONSORS

S. 673

At the request of Mrs. KASSEBAUM, the name of the Senator from Pennsylvania [Mr. SPECTER] was added as a cosponsor of S. 673, a bill to establish a youth development grant program, and for other purposes.

S. 1252

At the request of Mr. ABRAHAM, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 1252, a bill to amend the Internal Revenue Code of 1986 to provide additional tax incentives to stimulate economic growth in depressed areas, and for other purposes.

S. 1487

At the request of Mr. FORD, his name was added as a cosponsor of S. 1487, a bill to establish a demonstration project to provide that the Department of Defense may receive Medicare reimbursement for health care services provided to certain Medicare-eligible covered military beneficiaries.

S. 1491

At the request of Mr. GRAMS, the name of the Senator from Wyoming [Mr. THOMAS] was added as a cosponsor of S. 1491, a bill to reform antimicrobial pesticide registration, and for other purposes.

S. 1501

At the request of Mr. COHEN, the name of the Senator from Wisconsin [Mr. KOHL] was added as a cosponsor of S. 1501, a bill to amend part V of title 28, United States Code, to require that the Department of Justice and State attorneys general are provided notice of a class action certification or settlement, and for other purposes.

S. 1639

At the request of Mr. FORD, his name was added as a cosponsor of S. 1639, a bill to require the Secretary of Defense and the Secretary of Health and Human Services to carry out a demonstration project to provide the Department of Defense with reimbursement from the Medicare program for health care services provided to Medicare-eligible beneficiaries under TRICARE.

S. 1729

At the request of Mrs. HUTCHISON, the name of the Senator from New Mexico [Mr. DOMENICI] was added as a cosponsor of S. 1729, a bill to amend title 18, United States Code, with respect to stalking.

S. 1854

At the request of Mr. HATCH, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 1854, a bill to amend Federal criminal law with respect to the prosecution of violent and repeat juvenile offenders and controlled substances, and for other purposes.

S. 1950

At the request of Mr. LAUTENBERG, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 1950, a bill to amend the Federal Water Pollution Control Act to improve the quality of coastal recreation waters, and for other purposes.

AMENDMENTS SUBMITTED

THE PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTING ACT OF 1996

FORD (AND REID) AMENDMENT NO. 4940

Mr. FORD (for himself and Mr. REID) proposed an amendment to the bill (S. 1956) to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 1997; as follows:

On page 250, line 4, insert "cash" before "assistance".

ASHCROFT AMENDMENT NO. 4941

Mr. ASHCROFT proposed an amendment to the bill, S. 1956, supra; as follows:

Strike section 408(a)(8) of the Social Security Act, as added by section 2103(a)(1), and insert the following:

(8) NO ASSISTANCE FOR MORE THAN 5 YEARS FOR FAILURE TO ENSURE MINOR DEPENDENT CHILDREN ARE IN SCHOOL; OR FOR FAILING TO HAVE OR WORK TOWARD A HIGH SCHOOL DIPLOMA OR ITS EQUIVALENT.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), a State to which a grant is made under section 403 shall not use any part of the grant to provide assistance—

(i) to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government—

(I) for 60 months (whether or not consecutive) after the date the State program funded under this part commences; or

(II) for more than 24 consecutive months after the date the State program funded under this part commences unless such adult is engaged in work as required by section 402(a)(1)(A)(ii) or exempted by the State by reason of hardship pursuant to subparagraph (C); or,

(ii) to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, unless such adult ensures that the minor dependent children of such adult attend school as required by the law of the State in which the minor children reside; or,

(iii) to a family that includes an adult who is older than age 20 and younger than age 51 who has received assistance under any State program funded under this part attributable to funds program, as defined in section 3(h) of the Food Stamp Act of 1977, if such adult does not have, or is not working toward attaining, a secondary school diploma or its recognized equivalent unless such adult has been determined in the judgment of medical, psychiatric, or other appropriate professionals to lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

(B) MINOR CHILD EXCEPTION.—In determining the number of months for which an individual who is a parent or pregnant has received assistance under the State program funded under this part for purposes of subparagraph (A)(i), the State shall disregard any month for which such assistance was provided with respect to the individual and during which the individual was—

(i) a minor child; and

(ii) not the head of a household or married to the head of a household.

(C) HARDSHIP EXCEPTION.—

(i) IN GENERAL.—The State may exempt a family from the application of subparagraph (A) of this paragraph, or subparagraph (B) of paragraph (1), by reason of hardship or if the family includes an individual who has been battered or subjected to extreme cruelty.

(ii) LIMITATION.—The number of families with respect to which an exemption made by a State under clause (i) is in effect for a fiscal year shall not exceed 20 percent of the average monthly number of families to which assistance is provided under the State program funded under this part.

(iii) BATTERED OR SUBJECT TO EXTREME CRUELTY DEFINED.—For purposes of clause (i), an individual has been battered or subjected to extreme cruelty if the individual has been subjected to—

(I) physical acts that resulted in, or threatened to result in, physical injury to the individual;

(II) sexual abuse;

(III) sexual activity involving a dependent child;

(IV) being forced as the caretaker relative of a dependent child to engage in nonconsensual acts or activities;

(V) threats of, or attempts at, physical or sexual abuse;

(VI) mental abuse; or

(VII) neglect or deprivation of medical care.

(D) RULE OF INTERPRETATION.—Subparagraph (A)(i) of this paragraph and subparagraph (B) of paragraph (1) shall not be interpreted to require any State to provided assistance to any individual for any period of time under the State program funded under this part.

ASHCROFT AMENDMENT NO. 4942

Mr. ASHCROFT proposed an amendment to amendment No. 4941 proposed by him to the bill, S. 1956, supra; as follows:

In lieu of the matter proposed to be inserted by the amendment, insert the following:

(8) NO ASSISTANCE FOR MORE THAN 5 YEARS.—

(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), a State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government for 60 months (whether or not consecutive) after the date the State program funded under this part commences. However, a State shall not use any part of such grant to provide assistance to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government for more than 24 consecutive months unless such an adult is—

(i) engaged in work as required by Section 402(a)(1)(A)(ii); or,

(ii) exempted by the State from such 24 consecutive month limitation by reason of hardship, pursuant to subparagraph (C).".

(B) MINOR CHILD EXCEPTION.—In determining the number of months for which an individual who is a parent or pregnant has received assistance under the State program funded under this part for purposes of subparagraph (A), the State shall disregard any month for which such assistance was provided with respect to the individual and during which the individual was—

(i) a minor child; and

(ii) not the head of a household or married to the head of a household

(C) HARDSHIP EXCEPTION.—

(i) IN GENERAL.—The State may exempt a family from the application of subparagraph (A) of this paragraph, or subparagraph (B) of paragraph (1), by reason of hardship or if the family includes an individual who has been battered or subjected to extreme cruelty.

(ii) LIMITATION.—The number of families with respect to which an exemption made by a State under clause (i) is in effect for a fiscal year shall not exceed 20 percent of the average monthly number of families to which assistance is provided under the State program funded under this part.

(iii) BATTERED OR SUBJECT TO EXTREME CRUELTY DEFINED.—For purposes of clause (i), an individual has been battered or subjected to extreme cruelty if the individual has been subjected to—

(I) physical acts that resulted in, or threatened to result in, physical injury to the individual;

(II) sexual abuse;

(III) sexual activity involving a dependent child;

(IV) being forced as the caretaker relative of a dependent child to engage in nonconsensual acts or activities;

(V) threats of, or attempts at, physical or sexual abuse;

(VI) mental abuse; or

(VII) neglect or deprivation of medical care.

(D) RULE OF INTERPRETATION.—Subparagraph (A) of this paragraph and subparagraph (B) of paragraph (1) shall not be interpreted to require any State to provided assistance to any individual for any period of time under the State program funded under this part.

ASHCROFT AMENDMENT NO. 4943

Mr. ASHCROFT proposed an amendment to amendment No. 4941 proposed by him to the bill, S. 1956, supra; as follows:

In the language proposed to be inserted by the amendment, strike all after the first word and insert the following:

SANCTION WELFARE RECIPIENTS FOR FAILING TO ENSURE THAT MINOR DEPENDENT CHILDREN ATTEND SCHOOL.—

(A) IN GENERAL.—A State to which a grant is made under section 403 shall not be prohibited from sanctioning a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, if such adult fails to ensure that the minor dependent children of such adult attend school as required by the law of the State in which the minor children reside.

ASHCROFT AMENDMENT NO. 4944

Mr. ASHCROFT proposed an amendment to amendment No. 4941 proposed by him to the bill, S. 1956, supra; as follows:

In the language proposed to be stricken by the amendment, strike all after the first word and insert the following:

REQUIREMENT FOR HIGH SCHOOL DIPLOMA OR EQUIVALENT.—

(A) IN GENERAL.—A State to which a grant is made under section 403 shall not be prohibited from sanctioning a family that includes an adult who is older than age 20 and younger than age 51 and who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, if such adult does not have, or is not working toward attaining, a secondary school diploma or its recognized equivalent unless such adult has been determined in the judgment of medical, psychiatric, or other appropriate professionals to lack the requisite capacity to complete successfully a course of study that would lead to a secondary school diploma or its recognized equivalent.

CONRAD (AND LEAHY) AMENDMENT NO. 4945

Mr. CONRAD (for himself and Mr. LEAHY) proposed an amendment to the bill, S. 1956, supra; as follows:

On page 6, strike lines 14 through 16 and insert the following:

Section 5(d)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(7)) is amended by striking "21 years of age or younger" and inserting "19 years of age or younger (17 years of age or younger in fiscal year 2002)".

On page 21, line 3, strike "$5,100" and insert "$4,650".

On page 49, line 3, strike "10" and insert "20".

On page 49, line 12, strike "1 month" and insert "2 months".

LIEBERMAN AMENDMENTS NOS. 4946–4947

Mr. DOMENICI (for Mr. LIEBERMAN) proposed two amendments to the bill, S. 1956, supra; as follows:

AMENDMENT NO. 4946

Section 2101 is amended—

(1) by redesignating paragraphs (7) through (9) as paragraphs (8) through (10), respectively;

(2) in paragraph (10), as so redesignated, by inserting ", and protection of teenage girls from pregnancy as well as predatory sexual behavior" after "birth"; and

(3) by inserting after paragraph (6), the following:

(7) An effective strategy to combat teenage pregnancy must address the issue of male responsibility, including statutory rape culpability and prevention. The increase of teenage pregnancies among the youngest girls is particularly severe and is linked to predatory sexual practices by men who are significantly older.

(A) It is estimated that in the late 1980's, the rate for girls age 14 and under giving birth increased 26 percent.

(B) Data indicates that at least half of the children born to teenage mothers are fathered by adult men. Available data suggests that almost 70 percent of births to teenage girls are fathered by men over age 20.

(C) Surveys of teen mothers have revealed that a majority of such mothers have histories of sexual and physical abuse primarily with older adult men.

Section 402(a)(1)(A) of the Social Security Act, as added by section 2103(a)(1), is amended—

(1) by redesignating clauses (vi) and (vii) as clauses (vii) and (viii), respectively; and

(2) by inserting after clause (v), the following:

"(vi) Conduct a program, designed to reach State and local law enforcement officials, the education system, and relevant counseling services, that provides education and training on the problem of statutory rape so that teenage pregnancy prevention programs may be expanded in scope to include men.

Section 2908 is amended—

(1) by inserting "(a) SENSE OF THE SENATE.—" before "It"; and

(2) by adding at the end the following:

(b) JUSTICE DEPARTMENT PROGRAM ON STATUTORY RAPE.—

(1) ESTABLISHMENT.—Not later than January 1, 1997, the Attorney General shall establish and implement a program that—

(A) studies the linkage between statutory rape and teenage pregnancy, particularly by predatory older men committing repeat offenses; and

(B) educates State and local criminal law enforcement officials on the prevention and prosecution of statutory rape, focusing in particular on the commission of statutory rape by predatory older men committing repeat offensives, and any links to teenage pregnancy.

(c) VIOLENCE AGAINST WOMEN INITIATIVE.—The Attorney General shall ensure that the Department of Justice's Violence Against Women initiative addresses the issue of statutory rape, particularly the commission of statutory rape by predatory older men committing repeat offenses.

AMENDMENT NO. 4947

Section 2903 is amended—

(1) by inserting "(a) IN GENERAL.—" before "Section"; and

(2) by adding at the end the following:

(b) DEDICATION OF BLOCK GRANT SHARE.—Section 2001 of the Social Security Act (42 U.S.C. 1397) is amended—

(1) in the matter preceding paragraph (1), by inserting "(a)" before "For"; and

(2) by adding at the end the following:

"(b) For any fiscal year in which a State receives an allotment under section 2003, such State shall dedicate an amount equal to 1 percent of such allotment to fund programs and services that teach minors to—

"(1) avoid out-of-wedlock pregnancies; and".

DORGAN (AND OTHERS) AMENDMENT NO. 4948

Mr. DORGAN (for himself, Mr. MCCAIN, Mr. INOUYE, and Mr. DASCHLE) proposed an amendment to the bill, S. 1956, supra; as follows:

In section 2813(1), strike subparagraph (B).

DASCHLE (AND OTHERS) AMENDMENT NO. 4949

Mr. DORGAN (for Mr. DASCHLE, for himself, Mr. DORGAN, Mr. DOMENICI, and Mr. MCCAIN) proposed an amendment to the bill, S. 1956, supra; as follows:

On page 250, line 2, strike "and (C)" and insert ", (C), and (D)".

On page 252, between lines 9 and 10, insert the following:

"(D) EXCEPTION FOR EXTREMELY LOW LABOR MARKET PARTICIPATION.—

"(i) IN GENERAL.—In determining the number of months for which an adult received assistance under the State program funded under this part, the State may disregard any and all months in which the individual resided in an area of extremely low labor market participation (as defined under clause (ii).

"(ii) EXTREMELY LOW LABOR MARKET PARTICIPATION AREA.—For purposes of clause (i), an adult is considered to be living in an area of extremely low labor market participation if such adult resides on a reservation of an Indian tribe, "(I) with a population of at least 1,000 individuals; and

"(II) with at least 50% of the adult population not employed, as determined by the Secretary using the best available data from a Federal agency.

On page 252, line 10, strike "(D)" and insert "(E)".

MURRAY AMENDMENT NO. 4950

Mr. FORD (for Mrs. MURRAY) proposed an amendment to the bill, S. 1956, supra; as follows:

Strike section 1206.

ROTH AMENDMENT NO. 4951

Mr. DOMENICI (for Mr. ROTH) proposed an amendment to the bill, S. 1956, supra; as follows:

On page 193, line 8, strike "is" and insert "has been".

On page 238, line 4, insert "any temporary layoffs and" after "including".

On page 238, line 6, strike "overtime" and insert "nonovertime".

On page 238, strike lines 7 through 13, and insert the following: "wages, or employment benefits; and".

GRAHAM AMENDMENT NO. 4952

Mr. GRAHAM proposed an amendment to the bill, S. 1956, supra; as follows:

Strike section 409(a)(3)(C) of the Social Security Act, as added by section 2103(a)(1).

BREAUX AMENDMENT NO. 4953

Mr. EXON (for Mr. BREAUX) proposed an amendment to the bill, S. 1956, supra; as follows:

At the end of section 2109(a), add the following:

(17) Section 472(c)(2) (42 U.S.C. 672(c)(2)) is amended by striking "nonprofit".

KERREY AMENDMENT NO. 4954

Mr. EXON (for Mr. KERREY) proposed an amendment to the bill, S. 1956, supra; as follows:

At the end of chapter 1 of subtitle A of title II, add the following:

SEC. . COMMUNITY STEERING COMMITTEES DEMONSTRATION PROJECTS.

(a) In General.—The Secretary of Health and Human Services (in this section referred to as the "Secretary") shall enter into agreements with not more than 5 States that submit an application under this section, in such form and such manner as the Secretary may specify, for the purpose of conducting a demonstration project described in subsection (b).

(b) Description of Project.—

(1) Community steering committees.—

(A) Establishment.—A demonstration project conducted under this section shall establish within a State in each participating county a Community Steering Committee that shall be designed to help recipients of temporary assistance to needy families under a State program under part A of title IV of the Social Security Act who are parents move into the non-subsidized workforce and to develop a holistic approach to the development needs of such recipient's family.

(B) Membership.—A Community Steering Committee shall consist of local educators, business representatives, and social service providers.

(C) Goals and duties.—

(i) Goals.—The goals of a Community Steering Committee are—

(I) to ensure that recipients of temporary assistance to needy families who are parents obtain and retain unsubsidized employment; and

(II) to reduce the incidence of intergenerational receipt of welfare assistance by addressing the needs of children of recipients of temporary assistance to needy families.

(ii) Duties.—A Community Steering Committee shall—

(I) identify and create unsubsidized employment positions for recipients of temporary assistance to needy families;

(II) propose and implement solutions to barriers to unsubsidized employment of recipients of temporary assistance to needy families;

(III) assess the needs of children of recipients of temporary assistance to needy families; and

(IV) provide services that are designed to ensure that children of recipients of temporary assistance to needy families enter school ready to learn and that, once enrolled, such children stay in school.

(iii) Primary responsibility.—A primary responsibility of a Community Steering committee shall be to work on an ongoing basis with parents who are recipients of temporary assistance to needy families and who have obtained nonsubsidized employment in order to ensure that such recipients retain their employment. Activities to carry out this responsibility may include—

(I) counseling;

(II) emergency day care;

(III) sick day care;

(IV) transportation;

(V) provision of clothing;

(VI) housing assistance; or

(VII) any other assistance that may be necessary on an emergency and temporary basis to ensure that such parents can manage the responsibility of being employed and the demands of having a family.

(iv) Follow-up services for children.—A Community Steering Committee may provide special follow-up services for children of recipients of temporary assistance to needy families that are designed to ensure that the children reach their fullest potential and do not, as they mature, receive welfare assistance as the head of their own household.

(c) Report.—Not later than October 1, 2001, the Secretary shall submit a report to the Congress on the results of the demonstration projects conducted under this section.

KENNEDY AMENDMENTS NOS. 4955–4956

Mr. EXON (for Mr. KENNEDY) proposed two amendments to the bill, S. 1956, supra; as follows:

Amendment No. 4955

On page 572, between lines 9 and 10, insert the following:

(E) Exception for children.—Paragraph (1) shall not apply to the following:

(i) SSI.—An alien who has not attained the age of 18 years and who is eligible by reasons of disability for supplemental security income under title XVI of the Social Security Act.

(ii) Food stamps.—An alien who has not attained the age of 18 years, only for purposes of eligibility for the food stamp program as defined in section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h)).

(3) Specified federal program defined.—For purposes of this chapter, the term "specified Federal program" means any of the following:

(A) SSI.—The supplemental security income program under title XVI of the Social Security Act, including supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act and payments pursuant to an agreement entered into under section 212(b) of Public Law 93-66.

(B) Food stamps.—The food stamp program as defined in section 3(h) of the Food Stamp Act of 1977.

(b) Limited Eligibility for Designated Federal Programs.—

(1) In general.—Notwithstanding any other provision of law and except as provided in section 2403 and paragraph (2), a State is authorized to determine the eligibility of an alien who is a qualified alien (as defined in section 2431) for any designated Federal program (as defined in paragraph (3)), except that States shall not ban from such programs qualified aliens who have not attained the age of 18 years.

(2) Exceptions.—Qualified aliens under this paragraph shall be eligible for any designated Federal program.

(A) Time-limited exception for refugees and asylees.—

(i) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(ii) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.

(iii) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.

(B) Certain permanent resident aliens.—An alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii)(I) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 2435, and (II) did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter.

(C) Veteran and active duty exception.—An alien who is lawfully residing in any State and is—

(i) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii).

(D) Transition for those currently receiving benefits.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits under such program on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(3) Designated federal program defined.—For purposes of this chapter, the term "designated Federal program" means any of the following:

(A) Temporary assistance for needy families.—The program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.

(B) SOCIAL SERVICES BLOCK GRANT.—The program of block grants to States for social services under title XX of the Social Security Act.

(C) MEDICAID.—The program of medical assistance under title XV and XIX of the Social Security Act.

SEC. 2403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is a qualified alien (as defined in section 2431) and who enters the United States on or after the date of the enactment of this Act is not eligible for any Federal means-tested public benefit (as defined in subsection (c)) for a period of five years beginning on the date of the alien's entry into the United States with a status within the meaning of the term "qualified alien".

(b) EXCEPTIONS.—The limitation under subsection (a) shall not apply to the following aliens:

(1) EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act.

(B) An alien who is granted asylum under section 208 of such Act.

(C) An alien whose deportation is being withheld under section 243(h) of such Act.

(2) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(3) EXCEPTION FOR CHILDREN.—An alien who has not attained the age of 18 years.

AMENDMENT NO. 4956

On page 575, strike out line 16 and all that follows through page 598, line 23, and insert the following:

(D) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits under such program on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(3) DESIGNATED FEDERAL PROGRAM DEFINED.—For purposes of this chapter, the term "designated Federal program" means any of the following:

(A) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—The program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.

(B) SOCIAL SERVICES BLOCK GRANT.—The program of block grants to States for social services under title XX of the Social Security Act.

(C) MEDICAID.—The program of medical assistance under title XV and XIX of the Social Security Act, except that for the 2-year period beginning on the date of enactment of this Act, this subparagraph shall not apply.

SEC. 2403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is a qualified alien (as defined in section 2431) and who enters the United States on or after the date of the enactment of this Act is not eligible for any Federal means-tested public benefit (as defined in subsection (c)) for a period of five years beginning on the date of the alien's entry into the United States with a status within the meaning of the term "qualified alien".

(b) EXCEPTIONS.—The limitation under subsection (a) shall not apply to the following aliens:

(1) EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act.

(B) An alien who is granted asylum under section 208 of such Act.

(C) An alien whose deportation is being withheld under section 243(h) of such Act.

(2) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(c) FEDERAL MEANS-TESTED PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this chapter, the term "Federal means-tested public benefit" means a public benefit (including cash, medical, housing, and food assistance and social services) of the Federal Government in which the eligibility of an individual, household, or family eligibility unit for benefits, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.

(2) Such term does not include the following:

(A) Emergency medical services under title XV or XIX of the Social Security Act.

(B) Short-term, non-cash, in-kind emergency disaster relief.

(C) Assistance or benefits under the National School Lunch Act.

(D) Assistance or benefits under the Child Nutrition Act of 1966.

(E)(i) Public health assistance for immunizations.

(ii) Public health assistance for testing and treatment of a communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(F) Payments for foster care and adoption assistance under part E of title IV of the Social Security Act for a child who would, in the absence of subsection (a), be eligible to have such payments made on the child's behalf under such part, but only if the foster or adoptive parent or parents of such child are not described under subsection (a).

(G) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) deliver in-kind services at the community level, including through public or private nonprofit agencies; (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life or safety.

(H) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965.

(I) Means-tested programs under the Elementary and Secondary Education Act of 1965.

(J) For the 2-year period beginning on the date of enactment of this Act, any item or service provided under a State plan under title XIX (or title XV, if applicable) of the Social Security Act (other than emergency medical services described in subparagraph (A)).

SEC. 2404. NOTIFICATION AND INFORMATION REPORTING.

(a) NOTIFICATION.—Each Federal agency that administers a program to which section 2401, 2402, or 2403 applies shall, directly or through the States, post information and provide general notification to the public and to program recipients of the changes regarding eligibility for any such program pursuant to this subchapter.

(b) INFORMATION REPORTING UNDER TITLE IV OF THE SOCIAL SECURITY ACT.—Part A of title IV of the Social Security Act, as amended by section 2103(a) of this Act, is amended by inserting the following new section after section 411:

"SEC. 411A. STATE REQUIRED TO PROVIDE CERTAIN INFORMATION.

"Each State to which a grant is made under section 403 shall, at least 4 times annually and upon request of the Immigration and Naturalization Service, furnish the Immigration and Naturalization Service with the name and address of, and other identifying information on, any individual who the State knows is unlawfully in the United States.".

(c) SSI.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended—

(1) by redesignating the paragraphs (6) and (7) inserted by sections 206(d)(2) and 206(f)(1) of the Social Security Independence and Programs Improvement Act of 1994 (Public Law 103–296; 108 Stat. 1514, 1515) as paragraphs (7) and (8), respectively; and

(2) by adding at the end the following new paragraph:

"(9) Notwithstanding any other provision of law, the Commissioner shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this paragraph referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Commissioner knows is unlawfully in the United States, and shall ensure that each agreement entered into under section 1616(a) with a State provides that the State shall furnish such information at such times with respect to any individual who the State knows is unlawfully in the United States.".

(d) INFORMATION REPORTING FOR HOUSING PROGRAMS.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

"SEC. 27. PROVISION OF INFORMATION TO LAW ENFORCEMENT AND OTHER AGENCIES.

"Notwithstanding any other provision of law, the Secretary shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this section referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Secretary knows is unlawfully in the United States, and shall ensure that each contract for assistance entered into under section 6 or 8 of this Act with a public housing agency provides that the public housing agency shall furnish such information at such times with respect to any individual who the public housing agency knows is unlawfully in the United States.".

Subchapter B—Eligibility for State and Local Public Benefits Programs

SEC. 2411. ALIENS WHO ARE NOT QUALIFIED ALIENS OR NONIMMIGRANTS INELIGIBLE FOR STATE AND LOCAL PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsections (b) and (d), an alien who is not—

(1) a qualified alien (as defined in section 2431),

(2) a nonimmigrant under the Immigration and Nationality Act, or

(3) an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year,

is not eligible for any State or local public benefit (as defined in subsection (c)).

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following State or local public benefits:

(1) Emergency medical services under title XV or XIX of the Social Security Act.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(4) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(c) STATE OR LOCAL PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this subchapter the term "State or local public benefit" means—

(A) any grant, contract, loan, professional license, or commercial license provided by an agency of a State or local government or by appropriated funds of a State or local government; and

(B) any retirement, welfare, health, disability, public or assisted housing, postsecondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of a State or local government or by appropriated funds of a State or local government.

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Secretary of State, after consultation with the Attorney General.

(d) STATE AUTHORITY TO PROVIDE FOR ELIGIBILITY OF ILLEGAL ALIENS FOR STATE AND LOCAL PUBLIC BENEFITS.—A State may provide that an alien who is not lawfully present in the United States is eligible for any State or local public benefit for which such alien would otherwise be ineligible under subsection (a) only through the enactment of a State law after the date of the enactment of this Act which affirmatively provides for such eligibility.

SEC. 2412. STATE AUTHORITY TO LIMIT ELIGIBILITY OF QUALIFIED ALIENS FOR STATE PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), a State is authorized to determine the eligibility for any State public benefits (as defined in subsection (c) of an alien who is a qualified alien (as defined in section 2431), a nonimmigrant under the Immigration and Nationality Act, or an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(b) EXCEPTIONS.—Qualified aliens under this subsection shall be eligible for any State public benefits.

(1) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(B) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.

(C) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.

(2) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(A) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(B)(i) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 2435, and (ii) did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter.

(3) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(4) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(c) STATE PUBLIC BENEFITS DEFINED.—The term "State public benefits" means any means-tested public benefit of a State or political subdivision of a State under which the State or political subdivision specifies the standards for eligibility, and does not include any Federal public benefit.

Subchapter C—Attribution of Income and Affidavits of Support

SEC. 2421. FEDERAL ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO ALIEN.

(a) IN GENERAL.—Notwithstanding any other provision of law, in determining the eligibility and the amount of benefits of an alien for any Federal means-tested public benefits program (as defined in section 2403(c)), the income and resources of the alien shall be deemed to include the following:

(1) The income and resources of any person who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 2423) on behalf of such alien.

(2) The income and resources of the spouse (if any) of the person.

(b) APPLICATION.—Subsection (a) shall apply with respect to an alien until such time as the alien—

(1) achieves United States citizenship through naturalization pursuant to chapter 2 of title III of the Immigration and Nationality Act; or

(2)(A) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 2435, and (B) did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter.

(c) REVIEW OF INCOME AND RESOURCES OF ALIEN UPON REAPPLICATION.—Whenever an alien is required to reapply for benefits under any Federal means-tested public benefits program, the applicable agency shall review the income and resources attributed to the alien under subsection (a).

(d) APPLICATION.—

(1) If on the date of the enactment of this Act, a Federal means-tested public benefits program attributes a sponsor's income and resources to an alien in determining the alien's eligibility and the amount of benefits for an alien, this section shall apply to any such determination beginning on the day after the date of the enactment of this Act.

(2) If on the date of the enactment of this Act, a Federal means-tested public benefits program does not attribute a sponsor's income and resources to an alien in determining the alien's eligibility and the amount of benefits for an alien, this section shall apply to any such determination beginning 180 days after the date of the enactment of this Act.

(e) EXCEPTION.—For the 2-year period beginning on the date of the enactment of this Act, subsection (a) shall not apply to medical assistance provided under a State plan under title XIX (or title XV, if applicable) of the Social Security Act.

SEC. 2422. AUTHORITY FOR STATES TO PROVIDE FOR ATTRIBUTION OF SPONSORS INCOME AND RESOURCES TO THE ALIEN WITH RESPECT TO STATE PROGRAMS.

(a) OPTIONAL APPLICATION TO STATE PROGRAMS.—Except as provided in subsection (b), in determining the eligibility and the amount of benefits of an alien for any State public benefits (as defined in section 2412(c)), the State or political subdivision that offers the benefits is authorized to provide that the income and resources of the alien shall be deemed to include—

(1) the income and resources of any individual who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 2423) on behalf of such alien, and

(2) the income and resources of the spouse (if any) of the individual.

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following State public benefits:

(1) Emergency medical services.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3) Programs comparable to assistance or benefits under the National School Lunch Act.

(4) Programs comparable to assistance or benefits under the Child Nutrition Act of 1966.

(5)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a communicable disease if the appropriate chief State health official determines that it is necessary to prevent the spread of such disease.

(6) Payments for foster care and adoption assistance.

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General of a State, after consultation with appropriate agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(8) For the 2-year period beginning on the date of the enactment of this Act, benefits and services comparable to benefits and services provided under a State plan under title XIX (or title XV, if applicable) of the Social Security Act (other than emergency medical services described in paragraph (1).

SEC. 2423. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.

(a) IN GENERAL.—Title II of the Immigration and Nationality Act is amended by inserting after section 213 the following new section:

"REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

"SEC. 213A. (a) ENFORCEABILITY.—(1) No affidavit of support may be accepted by the Attorney General or by any consular officer to establish that an alien is not excludable as a public charge under section 212(a)(4) unless such affidavit is executed as a contract—

"(A) which is legally enforceable against the sponsor by the sponsored alien, the Federal Government, and by any State (or any political subdivision of such State) which provides any means-tested public benefits program, but not later than 10 years after the alien last receives any such benefit;

"(B) in which the sponsor agrees to financially support the alien, so that the alien will not become a public charge; and

"(C) in which the sponsor agrees to submit to the jurisdiction of any Federal or State court for the purpose of actions brought under subsection (e)(2).

"(2) A contract under paragraph (1) shall be enforceable with respect to benefits provided to the alien until such time as the alien achieves United States citizenship through naturalization pursuant to chapter 2 of title III.

"(b) FORMS.—Not later than 90 days after the date of enactment of this section, the Attorney General, in consultation with the Secretary of State and the Secretary of Health and Human Services, shall formulate an affidavit of support consistent with the provisions of this section.

"(c) REMEDIES.—Remedies available to enforce an affidavit of support under this section include any or all of the remedies described in section 3201, 3203, 3204, or 3205 of title 28, United States Code, as well as an order for specific performance and payment of legal fees and other costs of collection, and include corresponding remedies available under State law. A Federal agency may seek to collect amounts owed under this section in accordance with the provisions of subchapter II of chapter 37 of title 31, United States Code.

"(d) NOTIFICATION OF CHANGE OF ADDRESS.—

"(1) IN GENERAL.—The sponsor shall notify the Attorney General and the State in which the sponsored alien is currently resident within 30 days of any change of address of the sponsor during the period specified in subsection (a)(2).

"(2) PENALTY.—Any person subject to the requirement of paragraph (1) who fails to satisfy such requirement shall be subject to a civil penalty of—

"(A) not less than $250 or more than $2,000, or

"(B) if such failure occurs with knowledge that the alien has received any means-tested public benefit, not less than $2,000 or more than $5,000.

"(e) REIMBURSEMENT OF GOVERNMENT EXPENSES.—(1)(A) Upon notification that a sponsored alien has received any benefit under any means-tested public benefits program, the appropriate Federal, State, or local official shall request reimbursement by the sponsor in the amount of such assistance.

"(B) The Attorney General, in consultation with the Secretary of Health and Human Services, shall prescribe such regulations as may be necessary to carry out subparagraph (A).

"(2) If within 45 days after requesting reimbursement, the appropriate Federal, State, or local agency has not received a response from the sponsor indicating a willingness to commence payments, an action may be brought against the sponsor pursuant to the affidavit of support.

"(3) If the sponsor fails to abide by the repayment terms established by such agency, the agency may, within 60 days of such failure, bring an action against the sponsor pursuant to the affidavit of support.

"(4) No cause of action may be brought under this subsection later than 10 years after the alien last received any benefit under any means-tested public benefits program.

"(5) If, pursuant to the terms of this subsection, a Federal, State, or local agency requests reimbursement from the sponsor in the amount of assistance provided, or brings an action against the sponsor pursuant to the affidavit of support, the appropriate agency may appoint or hire an individual or other person to act on behalf of such agency acting under the authority of law for purposes of collecting any moneys owed. Nothing in this subsection shall preclude any appropriate Federal, State, or local agency from directly requesting reimbursement from a sponsor for the amount of assistance provided, or from bringing an action against a sponsor pursuant to an affidavit of support.

"(f) DEFINITIONS.—For the purposes of this section—

"(1) SPONSOR.—The term 'sponsor' means an individual who—

"(A) is a citizen or national of the United States or an alien who is lawfully admitted to the United States for permanent residence;

"(B) is 18 years of age or over;

"(C) is domiciled in any of the 50 States or the District of Columbia; and

"(D) is the person petitioning for the admission of the alien under section 204.

"(2) MEANS-TESTED PUBLIC BENEFITS PROGRAM.—The term 'means-tested public benefits program' means a program of public benefits (including cash, medical, housing, and food assistance and social services) of the Federal Government or of a State or political subdivision of a State in which the eligibility of an individual, household, or family eligibility unit for benefits under the program, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.".

(b) CLERICAL AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 213 the following:

"Sec. 213A. Requirements for sponsor's affidavit of support.".

(c) EFFECTIVE DATE.—Subsection (a) of section 213A of the Immigration and Nationality Act, as inserted by subsection (a) of this section, shall apply to affidavits of support executed on or after a date specified by the Attorney General, which date shall be not earlier than 60 days (and not later than 90 days) after the date the Attorney General formulates the form for such affidavits under subsection (b) of such section.

(d) BENEFITS NOT SUBJECT TO REIMBURSEMENT.—Requirements for reimbursement by a sponsor for benefits provided to a sponsored alien pursuant to an affidavit of support under section 213A of the Immigration and Nationality Act shall not apply with respect to the following:

(1) Emergency medical services under title XV or XIX of the Social Security Act.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3) Assistance or benefits under the National School Lunch Act.

(4) Assistance or benefits under the Child Nutrition Act of 1966.

(5)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(6) Payments for foster care and adoption assistance under part E of title IV of the Social Security Act for a child, but only if the foster or adoptive parent or parents of such child are not otherwise ineligible pursuant to section 2403 of this Act.

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(8) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965.

(9) For the 2-year period beginning on the date of the enactment of this Act, any item or service provided under a State plan under title XIX (or title XV, if applicable) of the Social Security Act (other than emergency medical services described in paragraph (1)).

NICKLES AMENDMENT NO. 4957

Mr. DOMENICI (for Mr. NICKLES) proposed an amendment to the bill, S. 1956, supra; as follows:

On page 438, line 15, strike "5" and insert "7."

THE AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

COCHRAN AMENDMENT NO. 4958

Mr. COCHRAN proposed an amendment to the bill (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and related agencies programs for the fiscal year ending September 30, 1997, and for other purposes; as follows:

On page 12, line 25, strike "$46,068,000" and insert in lieu thereof "$46,018,000".

On page 14, line 10, strike $418,358,000" and insert in lieu thereof "$418,308,000".

On page 17, line 8, strike "$11,331,000" and insert in lieu thereof "$11,381,000".

On page 17, line 8, strike "$431,072,000" and insert in lieu thereof "$431,122,000".

GREGG AMENDMENT NO. 4959

Mr. GREGG proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the end of the bill, add the following:

SEC. . REPAYMENT OF CERTAIN SUGAR LOANS.

None of the funds appropriated or otherwise made available by this Act may be used to make a loan to a processor of sugarcane or sugar beets, or both, who has an annual revenue that exceeds $10 million, unless the terms of the loan require the processor to repay the full amount of the loan, plus interest.

SANTORUM AMENDMENTS NO. 4960–4967

(Ordered to lie on the table.)

Mr. SANTORUM submitted eight amendments intended to be proposed by him to the bill, H.R. 3603, supra; as follows:

AMENDMENT NO. 4960

At the end of the bill, add the following:

SEC. . DENIAL OF NONRECOURSE LOANS TO CERTAIN LARGE PEANUT QUOTA HOLDERS.

None of the funds appropriated or otherwise made available by this Act may be used to make a nonrecourse loan available under section 155(a) of the Agricultural Market Transition Act (7 U.S.C. 7271(a)) for a marketing year to a producer who—

(1) owns or leases more than 1,000,000 pounds of quota peanuts; and

(2) refuses to accept a written offer from a handler to purchase any portion of a crop of quota peanuts of the producer at a price that is at least equal to the national average quota loan rate for quota peanuts established under section 155(a)(2) of the Act.

AMENDMENT NO. 4961

At the end of the bill, add the following:

SEC. . LIMITATION ON AMOUNT OF NONRECOURSE LOANS FOR PEANUTS.

None of the funds appropriated or otherwise made available by this Act may be used to provide to a producer for a crop of peanuts a total amount of nonrecourse loans under section 155 of the Agricultural Market Transition Act (7 U.S.C. 7271) in excess of $40,000.

AMENDMENT NO. 4962

At the end of the bill, add the following:

SEC. . PROHIBITION ON PURCHASE OF QUOTA PEANUTS FOR DOMESTIC FEEDING PROGRAMS.

(a) QUOTA PEANUTS.—None of the funds appropriated or otherwise made available by this Act may be used by the Secretary of Agriculture to purchase or use quota peanuts to carry out a domestic feeding program.

(b) ADDITIONAL PEANUTS.—In lieu of purchasing or using quota peanuts to carry out a domestic feeding program, the Secretary shall purchase and use additional peanuts to carry out the program, and shall not consider such peanuts to be peanuts for "domestic edible use" in the operation of the peanut program.

AMENDMENT NO. 4963

At the end of the bill, add the following:

SEC. . CONSUMER PROTECTION FOR PEANUT PRICE-FIXING PROGRAM.

None of the funds appropriated or otherwise made available by this Act may be used by the Secretary of Agriculture to operate a program for quota peanuts under section 155(a) of the Agricultural Market Transition Act (7 U.S.C. 7271(a)) under which the national average loan rate for quota peanuts is $610 per ton unless the Secretary also exercises other authorities provided to the Secretary by law to ensure that the market price for the peanuts is not more than $625 per ton.

AMENDMENT NO. 4964

At the end of the bill, add the following:

SEC. . NATIONAL POUNDAGE QUOTA FOR PEANUTS FOR 1997 MARKETING YEAR.

None of the funds appropriated or otherwise made available by this Act may be used to administer a peanut program for the 1997 marketing year under part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) unless the Secretary of Agriculture establishes the national poundage quota for peanuts for the 1997 marketing year under section 358–1(a) of the Act (7 U.S.C. 1358–1(a)) at a level that is not less than 1,215,000 tons.

AMENDMENT NO. 4965

At the end of the bill, add the following:

SEC. . PRODUCTION AND SALE OF DOMESTIC PEANUTS.

None of the funds appropriated or otherwise made available by this Act may be used to administer a peanut program under section 155 of the Agricultural Market Transition Act (7 U.S.C. 7271) or part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) that denies the right of a citizen of the United States to produce and sell peanuts for domestic edible use in the United States.

AMENDMENT NO. 4966

At the end of the bill, add the following:

SEC. . PRODUCTION OF ADEQUATE SUPPLY OF PEANUTS; PAYMENT OF ADMINISTRATIVE COSTS BY QUOTA GROWERS.

None of the funds appropriated or otherwise made available by this Act may be used to administer a peanut program under section 155 of the Agricultural Market Transition Act (7 U.S.C. 7271) or part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) under which—

(1) the Secretary of Agriculture establishes the national poundage quota for peanuts for the 1997 marketing year under section 358–1(a) of the Act (7 U.S.C. 1358–1(a)) at a level that is less than the estimated domestic demand for the peanuts; or

(2) consumers, rather than producers having farm poundage quotas, pay the cost of carrying out the program.

AMENDMENT NO. 4967

At the end of the bill, add the following:

SEC. . PROHIBITION ON CONFLICTS OF INTEREST IN PEANUT PRICE SUPPORT PROGRAM.

None of the funds appropriated or otherwise made available by this Act may be used to carry out a peanut program under section 155 of the Agricultural Market Transition Act (7 U.S.C. 7271) or part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) that is operated by a marketing association if the Secretary of Agriculture determines, using standards established to carry out title II of the Ethics in Government Act of 1978 (5 U.S.C. App.), that a member of the Board of Directors of the association has a conflict of interest with respect to the program.

McCAIN AMENDMENT NO. 4968

Mr. McCAIN proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 10, line 18, strike "$721,758,000" and insert in lieu thereof "$702,831,000".

GREGG AMENDMENT NO. 4969

Mr. GREGG proposed an amendment to amendment No. 4959 proposed by him to the bill, H.R. 3603, supra; as follows:

Strike all after the word "SEC" and insert the following:

REPAYMENT OF CERTAIN SUGAR LOANS.

None of the funds appropriated or otherwise made available by this Act may be used to make a loan to a processor of sugarcane or sugar beets, or both, who has an annual revenue that exceeds $15 million, unless the terms of the loan require the processor to repay the full amount of the loan, plus interest.

CRAIG AMENDMENT NO. 4970

(Ordered to lie on the table.)

Mr. CRAIG submitted an amendment intended to be proposed by him to the bill, H.R. 3603, supra; as follows:

At the appropriate place in the bill insert the following:

SEC. ___. H-2A WORKERS.

(a) Section 218(a) (8 U.S.C. 1188(a)) is amended—

(1) by redesignating paragraph (2) as paragraph (3); and

(2) by inserting after paragraph (1) the following:

"(2) In considering an employer's petition for admission of H-2A aliens the Attorney General shall consider the certification decision of the Secretary of Labor and shall consider any countervailing evidence submitted by the employer with respect to the nonavailability of United States workers and the employer's compliance with the requirements of this section, and may consult with the Secretary of Agriculture.".

(b) Section 218(b) (8 U.S.C. 1188(b)) is amended by striking out paragraph (4) and inserting the following:

"(4) DETERMINATION BY THE SECRETARY.—The Secretary determines that the employer has not filed a job offer for the position to be filled by the alien with the appropriate local office of the State employment security agency having jurisdiction over the area of intended employment, or with the State office of such an agency if the alien will be employed in an area within the jurisdiction of more than one local office of such an agency, which meets the criteria of paragraph (5).

"(5) REQUIRED TERMS AND CONDITIONS OF EMPLOYMENT.—The Secretary determines that the employer's job offer does not meet one or more of the following criteria:

"(A) REQUIRED RATE OF PAY.—The employer has offered to pay H-2A aliens and all other workers in the occupation in the area of intended employment an adverse effect wage rate of not less than the median rate of pay for similarly employed workers in the area of intended employment.

"(B) PROVISION OF HOUSING.—

"(i) IN GENERAL.—The employer has offered to provide housing to H-2A aliens and those workers not reasonably able to return to their residence within the same day, without charge to the worker. The employer may, at the employer's option, provide housing meeting applicable Federal standards for temporary labor camps, or provide rental or public accommodation type housing which meets applicable local or state standards for such housing.

"(ii) HOUSING ALLOWANCE AS ALTERNATIVE.—In lieu of offering the housing required in clause (i), the employer may provide a reasonable housing allowance to workers not reasonably able to return to their place of residence within the same day, but only if the Secretary determines that housing is reasonably available within the approximate area of employment. An employer who offers a housing allowance pursuant to this subparagraph shall not be deemed to be a housing provider under section 203 of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1823) merely by virtue of providing such housing allowance.

"(iii) SPECIAL HOUSING STANDARDS FOR SHORT DURATION EMPLOYMENT.— The Secretary shall promulgate special regulations permitting the provision of short-term temporary housing for workers employed in occupations in which employment is expected to last 40 days or less.

"(iv) TRANSITIONAL PERIOD FOR PROVISION OF SPECIAL HOUSING STANDARDS IN OTHER EMPLOYMENT.—For a period of five years after the date of enactment of this section, the Secretary shall approve the provision of housing meeting the standards described in clause (iii) in occupations expected to last longer than 40 days in areas where available housing meeting the criteria described in subparagraph (i) is found to be insufficient.

"(iv) PRE-EMPTION OF STATE AND LOCAL STANDARDS.—The standards described in clauses (ii) and (iii) shall preempt any State and local standards governing the provision of temporary housing to agricultural workers.

"(C) REIMBURSEMENT OF TRANSPORTATION COSTS.—The employer has offered to reimburse H-2A aliens and workers recruited from beyond normal commuting distance the most economical common carrier transportation charge and reasonable subsistence from the place from which the worker comes to work for the employer, (but not more than the most economical common carrier transportation charge from the worker's normal place of residence) if the worker completes 50 percent of the anticipated period of employment. If the worker recruited from beyond normal commuting distance completes the period of employment, the employer will provide or pay for the worker's transportation and reasonable subsistence to the worker's next place of employment, or to the worker's normal place of residence, whichever is less.

"(D) GUARANTEE OF EMPLOYMENT.—The employer has offered to guarantee the worker employment for at least three-fourths of the workdays of the employer's actual period of employment in the occupation. Workers who abandon their employment or are terminated for cause shall forfeit this guarantee.

"(6) PREFERENCE FOR U.S. WORKERS.—The employer has not assured on the application that the employer will provide employment to all qualified United States workers who apply to the employer and assure that they will be available at the time and place needed until the time the employer's foreign workers depart for the employer's place of employment (but not sooner than 5 days before the date workers are needed), and will give preference in employment to United States workers who are immediately available to fill job opportunities that become available after the date work in the occupation begins.".

(c) Section 218 (8 U.S.C. 1188) is amended by striking out subsection (c) and inserting in lieu thereof the following:

"(c) The following rules shall apply to the issuance of labor certifications by the Secretary under this section:

"(1) DEADLINE FOR FILING APPLICATIONS.—The Secretary may not require that the application be filed more than 40 days before the first date the employer requires the labor or services of the H-2A worker.

"(2) NOTICE WITHIN SEVEN DAYS OF DEFICIENCIES.—

"(A) The employer shall be notified in writing within seven calendar days of the date of filing, if the application does not meet the criteria described in subsection (b) for approval.

"(B) If the application does not meet such criteria, the notice shall specify the specific deficiencies of the application and the Secretary shall provide an opportunity for the prompt resubmission of a modified application.

"(3) ISSUANCE OF CERTIFICATION.—

"(A) The Secretary shall provide to the employer, not later than 20 days before the date such labor or services are first required to be performed, the certification described in subsection (a)(1)—

"(i) with respect to paragraph (a)(1)(A) if the employer's application meets the criteria described in subsection (b), or a statement of the specific reasons why such certification can not be made, and

"(ii) with respect to subsection (a)(1)(B), to the extent that the employer does not actually have, or has not been provided with the names, addresses and Social Security numbers of workers referred to the employer who are able, willing and qualified and have indicated they will be available at the time and place needed to perform such labor or services on the terms and conditions of the job offer approved by the Secretary. For each worker referred, the Secretary shall also provide the employer with information sufficient to permit the employer to contact the referred worker for the purpose of reconfirming the worker's availability for work at the time and place needed.

"(B) If, at the time the Secretary determines that the employer's job offer meets the criteria described in subsection (b) there are already unfilled job opportunities in the occupation and area of intended employment for which the employer is seeking workers, the Secretary shall provide the certification at the same time the Secretary approves the employer's job offer.".

(d) Section 218 (8 U.S.C 1188) is amended by striking out section (e) and inserting in lieu thereof the following:

"(e) EXPEDITED APPEALS OF CERTAIN DETERMINATIONS.—The Secretary shall provide by regulation for an expedited procedure for the review of the nonapproval of an employer's job offer pursuant to subsection (c)(2) and of the denial of certification in whole or in part pursuant to subsection (c)(3) or, at the applicant's request, a de novo administrative hearing respecting the nonapproval or denial.".

(e) Section 218 is amended—

(1) by redesignating subsections (f) through (i) as subsections (g) through (j), respectively; and

(2) by adding the following after subsection (e):

"(f) The following procedures shall apply to the consideration of petitions by the Attorney General under this section:

"(1) EXPEDITED PROCESSING OF PETITIONS.—The Attorney General shall provide an expedited procedure for the adjudication of petitions filed under this section, and the notification of visa-issuing consulates where aliens seeking admission under this section will apply for visas and/or ports of entry where aliens will seek admission under this section within 15 calendar days from the date such petition is filed by the employer.

"(2) EXPEDITED AMENDMENTS TO PETITIONS.—The Attorney General shall provide an expedited procedure for the amendment of petitions to increase the number of workers on or after five days before the employers date of need for the labor or services involved in the petition to replace referred workers whose continued availability for work at the time and place needed under the terms of the approved job offer can not be confirmed and to replace referred workers who fail to report for work on the date of need and replace referred workers who abandon their employment or are terminated for cause, and for which replacement workers are not immediately available pursuant to subsection (b)(6).".

(g) Section 218(g) (8 U.S.C. 1188(g)) is amended—

(1) by redesignating paragraph (2) as paragraph (2)(A); and

(2) by inserting after paragraph (2)(A) the following:

"(B) No employer shall be subject to any liability or punishment on the basis of an employment action or practice by such employer that conforms with the terms and conditions of a job offer approved by the Secretary pursuant to this Section, unless and until the employer has been notified that such certification has been amended or invalidated by a final order of the Secretary or of a court of competent jurisdiction.".

(h) Section 218(h) is amended by adding at the end thereof the following:

"(3) No court of the United States shall have jurisdiction to issue any restraining order or temporary or permanent injunction preventing or delaying the issuance by the Secretary of a certification pursuant to this section, or the approval by the Attorney General of a petition to import an alien as an H-2A worker, or the actual importation of any such alien as an H–2A worker following such approval by the Attorney General.".

Mr. CRAIG. Mr. President, I submit an amendment regarding reforms to the H–2A Temporary Agricultural Workers Program.

Let me start by publicly thanking my good friend, AL SIMPSON. The senior Senator from Wyoming has been tireless in his efforts to maneuver immigration legislation through the 104th Congress. While, I am very appreciative of his efforts in general, I want to address an issue that is of utmost importance to this country's farmers and ranchers.

That issue is the impact of immigration reform on the supply of agricultural labor. There is very real concern among Idaho farmers and throughout the countryside that these reforms will reduce the availability of agricultural workers.

Farmers need access to an adequate supply of workers and want to have certainty that they are hiring a legal work force. In 1995, the total agricultural work force was about 2.5 million people. That equates to 6.7% of our labor force that is directly involved in production agriculture and food processing.

Hired labor is one of the most important and costly inputs in farming. U.S. farmers spent more than $15 billion on hired labor expenses in 1992—one of every eight dollars of farm production expenses. For the labor-intensive fruit, vegetable and horticultural sector, labor accounts for 35 to 45 percent of production costs.

The competitiveness of U.S. agriculture, especially the fruit, vegetable and horticultural specialty sectors, depends on the continued availability of hired labor at a reasonable cost. U.S. farmers, including producers of labor-intensive perishable commodities, compete directly with producers in other countries for market share in both U.S. and foreign commodity markets.

Wages of U.S. farmworkers will not be forced up by eliminating alien labor, because growers' production costs are capped by world market commodity prices. Instead, a reduction in the work force available to agriculture will force U.S. producers to reduce production to the level that can be sustained by a smaller work force.

Over time, wages for these farm workers have actually risen faster than non-farm worker wages. Between 1986–1994, there was a 34.6-percent increase in average hourly earnings for farm workers, while nonfarm workers only saw a 27.1 percent increase.

Even with this increase in on-farm wages, this country has historically been unable to provide a sufficient number of domestic workers to complete the difficult manual labor required in the production of many agricultural commodities. In Idaho, this is especially true for producers of fruit, sugar beets, onions and other specialty crops.

The difficulty in obtaining sufficient domestic workers is primarily due to the fact that domestic workers prefer the security of full-time employment in year round positions. As a result the available domestic work force tends to prefer the long term positions, leaving the seasonal jobs unfilled. In addition, many of the seasonal agricultural jobs are located in areas where it is necessary for workers to migrate into the area and live temporarily to do the work. Experience has shown that foreign workers are more likely to migrate than domestic workers. As a result of domestic short supply, farmers and ranchers have had to rely upon the assistance of foreign workers.

The only current mechanism available to admit foreign workers for agricultural employment is the H–2A program. The H–2A program is intended to serve as a safety valve for times when domestic labor is unavailable. Unfortunately, the H–2A program isn't working.

Despite efforts to streamline the temporary worker program in 1986, it now functions so poorly that few in agriculture use it without risking an inadequate work force, burdensome regulations and potential litigation expense. In fact, usage of the program has actually decreased from 25,000 workers in 1986 to only 17,000 in 1995.

Our amendment will provide some much needed reforms to the H–2A program. I urge my colleagues to consider the following parts of our amendment as a reasonable modification of the H–2A program.

First, the amendment will reduce the advance filing deadline from 60 to 40 days before workers are needed. In many agricultural operations, 60 days is too far in advance to be able to predict labor needs with the precision required in H–2A applications. Furthermore, virtually all referrals of U.S. workers who actually report for work are made close to the date of need. The advance application period serves little purpose except to provide time for litigation.

Second, in lieu of the present certification letter, the Department of Labor [DOL] would issue the employer a domestic recruitment report indicating that the employer's job offer meets the statutory criteria and lists the number of U.S. workers referred. The employer would then file a petition with INS for admission of aliens, including a copy of DOL's domestic recruitment report and any countervailing evidence concerning the adequacy of the job offer and/or the availability of U.S. workers. The Attorney General would make the admission decision. The purpose is to restore the role of the Labor Department to that of giving advice to the Attorney General on labor availability, and return decision making to the Attorney General.

Third, the Department of Labor will be required to provide the employer with a domestic recruitment report not later than 20 days before the date of need. The report either states sufficient domestic workers are not available or gives the names and Social Security Numbers of the able, willing and qualified workers who have been referred to the employer. The Department of Labor now denies certification not only on the basis of workers actually referred to the employer, but also on the basis of reports or suppositions that unspecified numbers of workers may become available. The proposed change would assure that only workers actually identified as available would be the basis for denying foreign workers.

Fourth, the Immigration and Naturalization Service [INS] will provide expedited processing of employers' petitions, and, if approved, notify the visa issuing consulate or port of entry within 15 calendar days. This will ensure timely admission decisions.

Fifth, INS will also provide expedited procedures for amending petitions to increase the number of workers admitted on 5 days before the date of need. This is to reduce the paperwork and increase the timeliness of obtaining needed workers very close to or after the work has started.

Sixth, DOL will continue to recruit domestic workers and make referrals to employers until 5 days before the date of need. This method is needed to allow the employer at a date certain to complete his hiring, and to operate without having the operation disrupted by having to displace existing workers with new workers.

Seventh, our amendment will enumerate the specific obligations of employers in occupations in which H–2A workers are employed. The proposed definition would define jobs that meet the following criteria as not adversely affecting U.S. workers:

1. The employer offers a competitive wage for the position.
2. The employer will provide approved housing, or a reasonable housing allowance, to workers whose permanent place of residence is beyond normal commuting distance.
3. The employer continues to provide current transportation reimbursement requirements.
4. A guarantee of employment is provided for at least three-quarters of the anticipated hours of work during the actual period of employment.
5. The employer will provide workers' compensation or equivalent coverage.
6. Employer must comply with all applicable federal, state and local labor laws with respect to both U.S. and alien workers.

This combination of employment requirements will eliminate the discretion of Department of Labor to specify terms and conditions of employment on a case-by-case basis. In addition, the scope for litigation will be reduced since employers (and the courts) would know with particularity the required terms and conditions of employment.

Eighth, our amendment would provide that workers must exhaust administrative remedies before engaging their employers in litigation.

Ninth, certainty would be given to employers who comply with the terms of an approved job order. If at a later date the Department of Labor requires changes, the employer would be required to comply with the law only prospectively. This very important provision removes the possibility of retroactive liability if an approved order is changed.

Again, I urge my colleagues to support this amendment and avoid actions that would jeopardize the labor supply for American agriculture.

CRAIG AMENDMENT NO. 4971

(Ordered to lie on the table.)

Mr. CRAIG submitted an amendment intended to be proposed by him to the bill, H.R. 3603, supra; as follows:

At the end of the matter proposed to be inserted by the amendment, insert the following:

SEC. . REVIEW AND REPORT ON H–2A NONIMMIGRANT WORKERS PROGRAM.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that the enactment of this Act may impact the future availability of an adequate work force for the producers of our Nation's labor intensive agricultural commodities and livestock.

(b) REVIEW.—The Comptroller General shall review the effectiveness of the H–2A nonimmigrant worker program to ensure that the program provides a workable safety valve in the event of future shortages of domestic workers after the enactment of this Act. Among other things, the Comptroller General shall review the program to determine—

(1) that the program ensures that an adequate supply of qualified United States workers is available at the time and place needed for employers seeking such workers after the date of enactment of this Act;

(2) that the program ensures that there is timely approval of applications for temporary foreign workers under the H–2A nonimmigrant worker program in the event of shortages of United States workers after the date of enactment of this Act;

(3) that the program ensures that implementation of the H–2A nonimmigrant worker program is not displacing United States agricultural workers or diminishing the terms and conditions of employment of United States agricultural workers; and

(4) if and to what extent the H–2A nonimmigrant worker program is contributing to the problem of illegal immigration.

(c) REPORT.—Not later than December 31, 1996, or three months after the date of enactment of this Act, whichever is sooner, the Comptroller General shall submit a report to Congress setting forth the finding of the review conducted under subsection (b).

(d) DEFINITIONS.—As used in this section—

(1) the term "Comptroller General" means the Comptroller General of the United States; and

(2) the term "H–2A nonimmigrant worker program" mens the program for the admission of nonimmigrant aliens described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act.

Mr. CRAIG. Mr. President, I submit an amendment regarding temporary agricultural workers.

My amendment mandates an immediate General Accounting Office [GAO] study on the availability of an adequate work force for our Nation's labor intensive farm and ranch sectors. In addition, the study will review the effectiveness of the existing H–2A nonimmigrant worker program. This report will be concluded within 3 months of the agricultural appropriations bill enactment.

This same amendment was supported by a bipartisan group of 10 Senators during the immigration reform legislation and accepted on an unanimous consent basis. I urge my colleagues to accept this amendment and avoid a potential agricultural labor shortage this fall.

COCHRAN AMENDMENT NO. 4972

Mr. COCHRAN proposed an amendment to the bill, H.R. 3603 supra; as follows:

On page 81, after line 8, add the following: "This Act may be cited as the 'Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1997'."

STEVENS AMENDMENT NO. 4973

Mr. COCHRAN (for Mr. STEVENS) proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 47, line 17, before the period add the following: ": *Provided further*, That of the total amount appropriated, not to exceed $10,000,000 shall be for water and waste disposal systems pursuant to section 757 of Public Law 104–127".

JEFFORDS AMENDMENT NO. 4974

Mr. COCHRAN (for Mr. JEFFORDS) proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 24, line 16, before the ":" insert the following: ": *Provided further*, That not to exceed $1,500,000 of this appropriation shall be made available to establish a joint FSIS/APHIS National Farm Animal Identification Pilot Program for dairy cows".

BUMPERS (AND KOHL) AMENDMENT NO. 4975

Mr. BUMPERS (for himself and Mr. KOHL) proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 71, strike all after line 22 through page 72, line 2 and insert in lieu thereof the following:

"SEC. 721. None of the funds appropriated or otherwise made available by this Act, or made available through the Commodity Credit Corporation, shall be used to enroll in excess of 130,000 acres in the fiscal year 1997 wetlands reserve program, as authorized by 16 U.S.C. 3837: *Provided*, That additional acreage may be enrolled in the program to the extent that non-Federal funds available to the Secretary are used to fully compensate for the cost of additional enrollments: *Provided further*, That the condition on enrollments provided in section 1237(b)(2)(B) of the Food Security Act of 1985, as amended, (16 U.S.C. 3837(b)(2)(B)) shall be deemed met upon the enrollment of 43,333 acres through the use of temporary easements: *Provided further*, That the Secretary shall not enroll acres in the wetlands reserve program through the use of new permanent easements in fiscal year 1998 until the Secretary has enrolled at least 31,667 acres in the program through the use of temporary easements".

KOHL AMENDMENT 4976

Mr. BUMPERS (for Mr. KOHL) proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 12, line 25, strike "$46,018,000" and insert "$46,330,000".

On page 14, line 10, strike "$418,308,000" and insert "$418,620,000".

On page 21, line 4, strike "$47,829,000" and insert "$47,517,000".

BRYAN (AND OTHERS) AMENDMENT NO. 4977

Mr. BRYAN (for himself, Mr. KERRY, Mr. GREGG, and Mr. BUMPERS) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the end of the bill, add the following:

SEC. . FUNDING LIMITATIONS FOR MARKET ACCESS PROGRAM.

None of the funds made available under this Act may be used to carry out the market access program pursuant to section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) if the aggregate amount of funds and value of commodities under the program exceeds $70,000,000.

KERREY (AND OTHERS) AMENDMENT NO. 4978

Mr. KERREY (for himself, Mr. DASCHLE, and Mr. PRESSLER) proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 18, line 12, strike "$432,103,000" and insert "$421,078,000"'.

On page 20, line 10, strike "$98,000,000" and insert "$86,975,000".

On page 23, line 8, strike "$22,728,000" and insert "$24,228,000".

On page 24, line 11, strike "$557,697,000" and insert "$566,222,000".

KERREY AMENDMENTS NOS. 4979–4980

Mr. KERREY proposed two amendments to the bill, H.R. 3603, supra; as follows:

AMENDMENT NO. 4979

On page 25, line 16, strike "$795,000,000" and insert "$725,000,000".

On page 29, between lines 7 and 8, insert the following:

RISK MANAGEMENT

For administrative and operating expenses, as authorized by section 226A of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6933), $70,000,000, except that not to exceed $700 shall be available for official reception and representation expenses, as authorized by section 506(i) of the Federal Crop Insurance Act (7 U.S.C. 1506(i)).

AMENDMENT NO. 4980

At the appropriate place in the bill, insert the following new section:

SEC. ___. DEPARTMENT OF AGRICULTURE VOLUNTARY SEPARATION INCENTIVE PAYMENTS.

(a) SHORT TITLE.—This section may be cited as the "Department of Agriculture Voluntary Separation Incentive Payments Act of 1996".

(b) DEFINITIONS.—For purposes of this section—

(1) the term "Secretary" means the Secretary of Agriculture;

(2) the term "agency" means an agency of the Department of Agriculture, as defined under regulations prescribed by the Secretary; and

(3) the term "employee"—

(A) means an employee (as defined under section 2105 of title 5, United States Code) of an agency, or an individual employed by a county committee established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)), who—

(i) is serving under an appointment without time limitation; and

(ii) has been currently employed for a continuous period of at least 12 months; and

(B) does not include—

(i) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the Government;

(ii) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under any of the retirement systems referred to in clause (i);

(iii) an employee who is in receipt of a specific notice of involuntary separation for misconduct or unacceptable performance;

(iv) an employee who, upon completing an additional period of service as referred to in section 3(b)(2)(B)(ii) of the Federal Workforce Restructuring Act of 1994 (5 U.S.C. 5597 note; Public Law 103–226), would qualify for a voluntary separation incentive payment under section 3 of such Act;

(v) an employee who has previously received any voluntary separation incentive payment by the Federal Government under this section or any other authority and has not repaid such payment; or

(vi) an employee covered by statutory reemployment rights who has been transferred to another organization.

(c) SEPARATION PAY AUTHORITY.—(1) In order to avoid or minimize the need for involuntary separations due to a reduction in force, reorganization, transfer of function, or other similar action affecting 1 or more agencies, the Secretary may offer separation pay to encourage eligible employees to separate from service voluntarily (whether by retirement or resignation).

(2) The Secretary may offer separation pay under paragraph (1) to employees within such components of the agency, occupational groups or levels of an occupation, geographic location, or any appropriate combination of these factors, subject to such other similar limitations or conditions as the Secretary may require.

(3) The Secretary shall prescribe such regulations as may be necessary to carry out this subsection.

(d) VOLUNTARY SEPARATION INCENTIVE PAYMENTS.—(1) In order to receive a voluntary separation incentive payment, an employee shall separate from service with the employee's agency voluntarily (whether by retirement or resignation) during the period of time for which the payment of incentives has been authorized. An employee's agreement to separate with an incentive payment is binding upon the employee and the agency, unless the employee and the agency mutually agree otherwise.

(2) A voluntary separation incentive payment—

(A) shall be paid in a lump sum after the employee's separation;

(B) shall be equal to the lesser of—

(i) an amount equal to the amount the employee would be entitled to receive under section 5595 of title 5, United States Code (without adjustment for any previous payment made under such section) if the employee were entitled to payment under such section; or

(ii) $25,000 in fiscal years 1996 or 1997, $20,000 in fiscal year 1998, $15,000 in fiscal year 1999, or $10,000 in fiscal year 2000;

(C) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit, except that this subparagraph shall not apply to unemployment compensation funded in whole or in part with Federal funds;

(D) shall not be taken into account for purposes of determining the amount of any severance pay to which an individual may be entitled under section 5595 of title 5, United States Code, based on any other separation; and

(E) shall be paid from the appropriations or funds available for payment of the basic pay of the employee.

(3) No amount shall be payable under this subsection based on any separation occurring before the date of the enactment of this Act, or after September 30, 2000.

(e) EFFECT OF SUBSEQUENT EMPLOYMENT WITH THE GOVERNMENT.—(1) An individual who has received a voluntary separation incentive payment under this section and accepts any employment with the Government of the United States within 5 years after the date of the separation on which the payment is based shall be required to repay, before the individual's first day of such employment, the entire amount of the incentive payment to the agency that paid the incentive payment.

(2) The requirement to repay separation pay under paragraph (1) may be waived—

(A) in the case of an Executive agency (as defined under section 105 of title 5, United States Code), the United States Postal Service, or the Postal Rate Commission, if the Director of the Office of Personnel Management determines, at the request of the head of the agency, that the individual involved possesses unique abilities and is the only qualified applicant available for the position;

(B) in the case of an entity in the legislative branch, if the head of the entity or the appointing official determines that the individual involved possesses unique abilities and is the only qualified applicant available for the position; or

(C) in the case of the judicial branch, if the Director of the Administrative Office of the United States Courts determines that the individual involved possesses unique abilities and is the only qualified applicant available for the position.

(3) For the purpose of this subsection, the term "employment" includes—

(A) employment of any length or under any type of appointment, but does not include employment that is without compensation; and

(B) employment under a personal services contract, as defined by the Director of the Office of Personnel Management.

(f) ADDITIONAL AGENCY CONTRIBUTIONS TO THE RETIREMENT FUND.—(1) In addition to any other payments which it is required to make under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, the Department of Agriculture shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 15 percent of the final basic pay of each employee of the agency who is covered under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, to whom a voluntary separation incentive has been paid under this section.

(2) For the purpose of this subsection, the term "final basic pay", with respect to an employee, means the total amount of basic pay which would be payable for a year of service by such employee, computed using the employee's final rate of basic pay, and, if last serving on other than a full-time basis, with appropriate adjustment therefor.

(g) REDUCTION OF AGENCY EMPLOYMENT LEVELS.—The total full-time equivalent positions in the Department of Agriculture shall be reduced by one position for each separation of an employee who receives a voluntary separation incentive payment under this section. The reduction shall be calculated by comparing the Department's full-time equivalent positions for the fiscal year in which the voluntary separation payments are made with the full-time equivalent position limitation for the prior fiscal year.

(h) REPORTS.—No later than March 31 of each fiscal year, the Office of Personnel Management shall submit to the Committee on Governmental Affairs of the Senate and the Committee on Government Reform and Oversight of the House of Representatives a report which, with respect to the preceding fiscal year, shall include for the Department of Agriculture—

(1) the number of employees who received voluntary separation incentives;

(2) the average amount of such incentives;

(3) the average grade or pay level of the employees who received incentives; and

(4) the number of waivers made under subsection (e) in the repayment of voluntary separation incentives, and for each such waiver—

(A) the reasons for the waiver; and

(B) the title and grade or pay level of the position filled by each employee to whom the waiver applied.

(i) EFFECTS ON REDUCTIONS IN FORCE.—Under procedures prescribed by the Office of Personnel Management, an agency of the Department of Agriculture may administer a reduction in force action to provide that if an employee separates from service and receives an incentive payment under this section during a reduction in force action affecting the agency—

(1) another employee who would otherwise be separated from service in such reduction in force may be retained; and

(2) the voluntary separation by the employee shall be treated as an involuntary separation resulting from such reduction in force.

(j) EMPLOYEES WITH CRITICAL KNOWLEDGE AND SKILLS.—The Secretary may exclude an employee from receiving a separation incentive payment under this section, if the Secretary determines that—

(1) such employee has critical knowledge and skills; and

(2) separation by the employee would impair the performance of the employing agency's mission.

(k) CONTINUATION OF HEALTH INSURANCE COVERAGE.—(1)(A) During the period beginning on the date of the enactment of this Act through September 30, 2000, any employee described under paragraph (2) may elect continued health care insurance for no longer than 18 months in accordance with section 8905a of title 5, United States Code.

(B) Notwithstanding section 8905a(d)(1)(A) of title 5, United States Code—

(i) such employee shall pay only the amount of the employee contribution into the Employees Health Benefits Fund; and

(ii) the Department of Agriculture shall pay the amount of the agency contribution and any cost of administrative expenses into the Employees Health Benefits Fund.

(2) An employee referred to under paragraph (1) is any employee who—

(A) voluntarily separates from service and receives an incentive payment under this section; or

(B) is involuntarily separated from service in a reduction in force action.

PRESSLER AMENDMENT NO. 4981

Mr. COCHRAN (for Mr. PRESSLER) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the end of the bill, add the following:

SEC. . WAREHOUSE RECEIPTS.

(a) ELECTRONIC WAREHOUSE RECEIPTS.—Section 17(c) of the United States Warehouse Act (7 U.S.C. 259(c)) is amended—

(1) in paragraph (1)(A), by striking "cotton" and inserting "any agricultural product";

(2) by striking "the cotton" each place it appears and inserting "the agricultural product"; and

(3) in paragraph (2)—

(A) in subparagraph (A), by striking "in cotton" and inserting "in the agricultural product"; and

(B) in the last sentence of subparagraph (B)—

(i) by striking "electronic cotton" and inserting "electronic"; and

(ii) by striking "cotton stored in a cotton warehouse" and inserting "any agricultural product stored in a warehouse".

(b) WRITTEN RECEIPTS.—Section 18(c) of the United States Warehouse Act (7 U.S.C. 260(c)) is amended by striking "consecutive".

INHOFE AMENDMENT NO. 4982

Mr. COCHRAN (for Mr. INHOFE) proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 11, line 22, add the following proviso after the word "law": ": *Provided further*, That all rights and title of the United States in the property known as the National Agricultural Water Quality Laboratory of the USDA, consisting of approximately 9.161 acres in the city of Durant, Oklahoma, including facilities and fixed equipment, shall be conveyed to Southeastern Oklahoma State University".

MURKOWSKI AMENDMENT NO. 4983

Mr. COCHRAN (for Mr. MURKOWSKI) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the appropriate place, insert the following:

SEC. . Hereafter, notwithstanding any other provision of law, any domestic fish or fish product produced in compliance with food safety standards or procedures accepted by the Food and Drug Administration as satisfying the requirements of the "Procedures for the Safe and Sanitary Processing and Importing of Fish and Fish Products" (published by the Food and Drug Administration as a final regulation in the Federal Register of December 18, 1995), shall be deemed to have met any inspection requirements of the Department of Agriculture or other Federal agency for any Federal commodity purchase program, including the program authorized under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c) except that the Department of Agriculture or other Federal agency may utilize lot inspection to establish a reasonable degree of certainty that fish or fish products purchased under a Federal commodity purchase program, including the program authorized under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), meet Federal product specifications.

SINGING SENATORS TRIBUTE TO SENATOR MARK HATFIELD

• Mr. KEMPTHORNE. Mr. President, last Thursday evening was a special night in the life of the U.S. Senate. That night the Senate paid tribute to Senator MARK HATFIELD in anticipation of his retirement from the Senate at the end of this Congress, and in recognition of his outstanding service to Oregon, the Senate, and to the Nation.

Thursday night was one of those evenings that makes service in the U.S. Senate a privilege. As the accompanying article from the Washington Post reports, "How many politicians could get both Bill Clinton and TRENT LOTT to sing their praises. Senator MARK HATFIELD, for one." The entertainment was also a highlight. The Singing Senators—TRENT LOTT, LARRY CRAIG, JOHN ASHCROFT, and JIM JEFFORDS—brought the house down as they sang in near perfect harmony such tunes as "Dig a Little Deeper" and "Elvira."

The evening of course belonged to Senator HATFIELD. The evening's quiet humor, graciousness, thoughtful remarks, and kind words were perfect for the witty, gracious, thoughtful, and kind MARK HATFIELD. I ask that the article from the Washington Post be printed in the RECORD.

The article follows:

[From the Washington Post, July 19 1996]

HATS OFF TO MARK HATFIELD

SENATORS GATHER TO SING PRAISES OF RETIRING GENTLEMAN FROM OREGON

(By Roxanne Roberts)

Short of giving away millions of dollars, the best way to ensure lavish tributes this year is to resign from the United States Senate.

But how many politicians could get both Bill Clinton and Trent Lott to sing their praises? Sen. Mark Hatfield, for one.

"Because he has tried to love his enemies, he has no enemies," said the president last night, thanking the retiring Oregon Republican for his unwavering conviction, humanitarian spirit, faith and 30 years of consensus building. "This town is the poorer for his leaving, but the richer for his legacy."

One could also detect a serious undertone in the Sheraton Washington ballroom that went beyond the loss of this one "remarkable man," as Clinton called him. Hatfield is one of 14 senators who have decided not to return, the largest exodus from the august institution in 100 years.

"I approach this evening with an inescapable nostalgia," said a subdued Howard Baker. Hatfield is the last of the class who, with Baker, came to the Senate in January 1967. "With his retirement, not only a distinguished career, but a political era, is ending," said the former majority leader.

Heads in the audience of more than 700 nodded in agreement. The dinner for Hatfield was the second in what promises to be a continuing lovefest for moderate politicians on both sides of the aisle: A black-tie dinner in May for Sen. Alan Simpson (R-Wyo.) kicked off the tributes, with most of the Senate and former president George Bush in attendance.

"It was very, very touching," said Simpson last night. "I loved it."

Sen. Howell Heflin (D-Ala.), who is also leaving, noted that a retiring senator can do almost no wrong. "Most people wish you well," he said.

"They're not as demanding. Maybe they figure now you can tell them to. . ."—he paused and smiled broadly—". . . whatever."

Hatfield's dinner and the entertainment were delayed by —what else?—a Senate vote. So the honoree and the president opened the program with a little mutual admiration.

Hatfield, characteristically, talked about what he had in common with Clinton: both small-town boys, both governors and "both of us, in our time in Washington, have managed to irritate both the Republicans and Democrats," said the only GOP senator to vote against the balanced-budget amendment last year on principle.

"If all of us could be more like you, America would be an even greater nation," Clinton returned.

Once the "entertainment" had cast its votes, they arrived to take the stage. The "Singing Senators"—Majority Leader Lott, Larry Craig (R-Idaho), Jim Jeffords (R-Vt.) and John Ashcroft (R-Mo.)—are a cross between a barbershop quartet and IRS auditors.

"It sort of epitomizes the Senate," said Lott. "We don't always make great music, but we keep working on it."

There were high fives after the first medley. ("Anytime we start together and end together, we celebrate," Lott explained). Then they belted out three spirited but dreadful selections, including "Dig a Little Deeper" (a nod to Hatfield's chairmanship of the Appropriations Committee), and capped the performance with Lott soloing on "Elvira."

"Think of it this way: It's in a good cause," observed emcee Cokie Roberts wryly.

The cause, the Mark O. Hatfield Library at Willamette University in Hatfield's home state, received the proceeds of the $500-per-seat event. Even lobbyists contributed solely out of admiration for Hatfield.

"Hatfield's leaving, so there's nothing he can do for us," said one who declined to identify himself. "He has been a straight-shooter his entire career. He's a good guy and deserves the recognition."

After dinner, a video chronicled Hatfield's career, including his opposition to the death penalty and his work to ban nuclear testing.

When it was his turn to speak, Hatfield didn't crack a smile. "He's always reserved and serious," said Sen. Jay Rockefeller (D-W.Va.). "And yet, when you're alone with him, he's gentle, thoughtful, kind. He's just a splendid human being."

Calling himself truly blessed, Hatfield thanked his family and staff. The son of a blacksmith and a schoolteacher also thanked long-dead teachers and voters, then moved on to his colleagues.

"For your diversity—Republicans, Democrats, Independents—you have helped keep me in the political center," said Hatfield.

"And I'm grateful."

TRIBUTE TO SAM M. GIBBONS

• Mr. GRAHAM. Mr. President, it was a great privilege for me to introduce legislation to name the Federal Courthouse in Tampa, FL as the Sam M. Gibbons United States Courthouse.

The Honorable SAM GIBBONS has devoted his entire life to serving the United States of America. A veteran of World War II, GIBBONS was awarded the Bronze Star after parachuting into Normandy on D-day as a part of the initial Allied assault force. He achieved the rank of captain in the 501st Parachute Infantry of the 101st Airborne Division before embarking on his long and distinguished career as a public servant.

GIBBONS' career in public service began with his election to the Florida House of Representatives in 1952. In the Florida House, he passed legislation creating the University of South Florida and is appropriately recognized as The father of the University of South Florida. In 1958, GIBBONS' moved from the House to the Florida Senate where he enacted legislation to establish Florida's regional water management districts. These districts are vital to Florida's ability to allocate and preserve its precious water resources.

GIBBONS barnstormed into the U.S. Congress in 1962. President Johnson appointed GIBBONS, then a junior Congressman, floor manager of his Great Society initiatives. GIBBONS deftly steered this legislation, including Project Head Start, through the Congress. He also wrote the law that allows Americans over the age of 55 to protect, from taxation, capital gains from the sale of their primary homes. Despite his enormous achievements in social policy, GIBBONS' experience as a legislator was not limited solely to domestic issues.

As acting chairman of the House Ways and Means Committee in 1994 and chairman of the Ways and Means Trade Subcommittee from 1981 through May 1994, GIBBONS has been a champion of open markets and free trade around the world. Under his direction, two of our Nation's most comprehensive trade agreements, the North American Free Trade Agreement [NAFTA] and the General Agreement on Tariffs and Trade [GATT] passed Congress, and were signed into law.

Today, Congressman GIBBONS sits as the Dean of the Florida congressional delegation. At the end of the 104th Congress, GIBBONS will complete his 17th term representing the Tampa Bay area. The GIBBONS family has lived in Tampa for more than a century. Congressman and Mrs. Gibbons, who will celebrate their 50th wedding anniversary this year, have also served together tirelessly to improve the lives all Tampa residents.

A graduate of the University of Florida College of Law and a member of Florida Blue Key, GIBBONS has served the State of Florida and the United States of America with distinction. This courthouse should be named as a tribute to the lifetime works of Congressman SAM M. GIBBONS.•

HONORING THOMAS ROMANO

• Mr. LIEBERMAN. Mr. President, I rise today to honor Thomas Russell Romano, executive director of the adult day center in Branford, CT. Through his efforts over the past 15 years, the East Shore Regional Adult Day Center has become a model organization for the care of the elderly, as well as for physically and mentally challenged adults.

The adult day center has organized many activities to foster community growth. Many activities involve children from area schools as part of the center's intergenerational program which has been organized. An event such as this one provides an invaluable experience for not only the adults, but the children as well. In addition, the adult day center has started the expansion of its therapeutic recreation outdoors program. Various community groups—churches, service organizations, businesses, and others—have received this project very well, showing their enthusiasm with financial support.

Mr. Romano and the staff at the center has provided respite from 24 hour care for over 600 families in the Greater New Haven area. The programs that they have organized not only foster the growth of these individuals, but it also prevents the premature institutionalization of these individuals as well.

The adult day center has been an innovator in meeting the social and health care needs of this special population by providing services such as medical monitoring and recreational therapies, among others. Thomas Russell Romano, in his position as president and C.E.O. of this organization, has twice been distinguished with Certificate of Award by the Connecticut Department on Aging for his dedication and work with the facility.

In the future, I hope that the work of Mr. Romano shall continue to flourish and expand in scope to reach a more expansive area. On the occasion of the 15th anniversary of the East Shore Regional Adult Day Center, Mr. Romano and the entire staff should be commended on the tireless work and dedication which they have shown in furthering the development of not only the individuals who participate in the program, but the development of the community as well.•

DUCKING ON AFFIRMATIVE ACTION

• Mr. SIMON. Mr. President, the New York Times recently had an editorial titled Ducking on Affirmative Action.

The subject is the refusal of the Supreme Court to consider a decision by the Fifth Circuit Court of Appeals that would have devastating consequences for our society.

No one should underestimate the shortsightedness and the harm that can come from leaving the Hopwood decision of the fifth circuit stand.

Mr. President, I ask that this article from the New York Times be printed in the RECORD.

The article follows:

DUCKING ON AFFIRMATIVE ACTION

In a hurtful blow to affirmative action in higher education, the Supreme Court said on Monday that it would not hear an appeal by the state of Texas from a lower court ruling that barred public universities from using race as a factor in selecting students. With this sidestepping, the Court left officials in at least three Southern states who are working to open educational opportunities for minorities in an untenable state of uncertainty. It also sowed confusion nationwide—hardly an uplifting way for the Court to finish its term and head into recess. The Court should instead have seized the opportunity to reject the lower court's flawed pronouncement and reaffirmed its historic commitment to carefully designed affirmative action.

The high court seemed insensitive to the long history of racism at the University of Texas Law School, whose affirmative action program was challenged by rejected white applicants, giving rise to the case. As late as 1971, the law school admitted no black students. The Court also ignored the Clinton Justice Department, which filed a brief warning that the "practical effect" of the lower court's holding "will be to return the most prestigious institutions within state university systems to their former 'white' status."

The refusal to hear the case left standing a ruling by the United States Court of Appeals for the Fifth Circuit that caused justifiable consternation in the academic world three months ago. An appellate panel invalidated a special admissions program at the Texas law school aimed at increasing the number of black and Mexican-American students. In doing so, the panel took the gratuitous, additional step of declaring the Supreme Court's landmark 1978 affirmative action decision in the so-called Bakke case no longer good law. That case, involving a suit by a rejected white applicant who sought entry to a California state medical school, resulted in a ruling that barred the use of quotas in affirmative action plans but permitted universities to use race as a factor in choosing among applicants to serve the "compelling interest" of creating a diverse student body.

If Bakke is no longer good law, it is for the Supreme Court to declare. But instead of grabbing the case to reassert Bakke's sound principle, the justices found a way out in the odd posture of the case. In an unusual one-paragraph opinion that was also signed by Justice David Souter, Justice Ruth Blader Ginsburg said that the Court was denying review because the case did not actually present a live controversy. The kind of two-track admissions system that inspired the legal challenge is no longer used or defended by Texas, she explained. Like most other colleges and universities, the University of Texas Law School now uses a single applicant pool, in which race is one factor to be considered among others in choosing among the qualified.

Justice Ginsburg's message, a welcome one, was that the Court's refusal to hear the case should not be read as an endorsement of the Fifth Circuit's analysis. But, in fact, there was a remaining live controversy before the Court in the Fifth Circuit's direction to a state's leading law school to complete-direction to a state's leading law school to completely excluded race as a factor in future admissions. The shame is the Court declined to address it.

Instead, the Court left behind a mess. Its refusal to hear the case has put educational institutions in the three states that make up the Fifth Circuit—Texas, Louisiana and Mississippi—in a terrible spot. They could face punitive damages if they fail to change their practices to conform to an ill-considered ruling that may ultimately be judged an incorrect statement of the law.

Nervous educators elsewhere in the nation can find some comfort at least in Justice Ginsburg's benign explanation. Eventually, this equal rights battle will find its way back to the Supreme Court. Meanwhile, it is premature to give up on affirmative action programs still needed to blot out historic racial bias and promote educational diversity.●

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider the following nomination on today's Executive Calendar: Calendar No. 588, Edmund Sargus. I further ask unanimous consent that the nomination be confirmed, the motion to reconsider be laid upon the table, any statements relating to the nomination appear at the appropriate place in the RECORD, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination considered and confirmed is as follows:

Edmund A. Sargus, Jr., of Ohio, to be United States District Judge for the Southern District of Ohio.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

ORDERS FOR TUESDAY, JULY 23, 1996

Mr. COCHRAN. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. on Tuesday, July 23; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day, and the Senate immediately resume the reconciliation bill as under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. COCHRAN. Mr. President, for the information of all Senators, tomorrow morning, beginning at 9:30, there be a lengthy series of rollcall votes on, or in relation to, amendments to the reconciliation bill. Members should be alerted that there may be as many as 24 consecutive rollcall votes.

Mr. President, I now ask unanimous consent that beginning after the first vote, all remaining votes in the voting sequence be limited to 10 minutes in length.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Senators should remain in or around the Senate Chamber during these votes in order for the Senate to complete the reconciliation bill in a timely manner. Votes will occur throughout the morning. And it is the leader's intention to hold these votes to 10 minutes in length. Therefore, Senators are reminded again to remain in or around the Chamber during this voting series.

Mr. President, I ask unanimous consent that the Senate stand in recess between the hours of 12:30 p.m. and 2 p.m. for the weekly party caucuses to meet.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, I further ask unanimous consent that following the stacked votes regarding the reconciliation bill, the Senate proceed to vote on or in relation to the McCain amendment No. 4968 to be followed immediately by a vote on or in relation to the Gregg amendment No. 4969.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT

Mr. COCHRAN. Mr. President, if there is no further business to come before the Senate, I ask that the Senate now stand in adjournment under the previous order following the remarks of the distinguished Senator from Nebraska [Mr. KERREY] for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERREY addressed the Chair.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nebraska.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

AMENDMENT NO. 4978

Mr. KERREY. First, Mr. President, in relation to an amendment that I introduced earlier that provided an additional $8.5 million for the Food Safety and Inspection Service and the Packers and Stockyards Administration, I ask unanimous consent that the distinguished Democratic leader, Senator DASCHLE, be added as an original cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

SOCIAL SECURITY

Mr. KERREY. Mr. President, I do not know if I will take 10 minutes or not, but it was called to my attention this morning when I got back in town that there was an opinion piece that appeared in the Washington Post yesterday, Sunday, written by Mr. Henry Aaron, a senior fellow in the Economic Studies Program at the Brookings Institution. The headline is "The Myths of the Social Security Crisis." Henry Aaron, a distinguished fellow and economist, goes through one, two, three, four, five myths.

I do not know how many of my colleagues or how many people that are concerned about this particular issue read this opinion piece, but I wanted to immediately—and I will come later to the floor to deal with some of the statements Mr. Aaron makes in detail—but wanted to immediately come to the floor and urge colleagues who have increasingly started looking at Social Security as an issue that we need to address currently, to hear the following.

First, Mr. Aaron says myth one is that "Social Security is in crisis." This essentially is a strawman argument, the fact that some people are saying it is in crisis. Destroy that argument, therefore, we do not need to do anything.

Mr. President, I hope we do not have to deal with problems only when they are in crisis. I hope that, particularly with a program that promises retirement payments to people 30, 40, 50, 60, 70 years from now—and understand that every beneficiary of Social Security for the next 70 years is alive today. They may be 5 years old, but they are future beneficiaries. And we need to, whether or not we have the resources or the will, to be able to pay their benefits. So the longer one delays, the more difficult the solution becomes.

Mr. Aaron actually later on said one myth is that it is "the third rail of American politics—touch it and you die." That is another myth he identifies. I do not actually think that is a myth.

The last time we dealt with Social Security substantively was in 1983. We waited until we were almost out of money. Even then we almost did not do anything. Even then it took an independent panel to provide the Congress with protection.

Mr. Aaron says we did it in 1983. The change that was made in 1983 is already under attack. The reason it was changed was the Deficit-Reduction Act. There was a substantial effort to eliminate that change.

So I do not think that the fact that Congress has dealt finally with Social Security is a myth that destroys the myth that this is a third rail, we wait until it is in crisis. If we wait once again until it is in crisis, Mr. President, we are not going to see the same thing we had in 1983. Once the baby boomers have retired, and you look at the numbers that are required to pay out, it is a much different situation than we face today. It is not in crisis. I do not argue that Social Security is in crisis. I am not saying it is contributing to the deficit, which is another myth that is here.

But one of the myths that is not on Mr. Aaron's list—and I have a great respect for Henry Aaron and his views—but one of the myths he does not identify that is the most troubling and difficult of all is that Americans who are beneficiaries today, No. 1, believe that the Social Security Program is a savings program, that all they are getting back is what they paid in.

We have perpetrated that myth very often with television advertising saying: Your Social Security is safe. I will not let anybody touch your Social Security. It is the safest program that we have today. You do not really hear people standing up talking about radical change in the program or cutting current beneficiaries.

But to listen to the organizations who are concerned about this program talk, when they do their direct mail pieces, you would think that every single day somebody is down here on the floor talking about changes in the program.

The program enjoys broad support from the American people. And 85 percent of almost every generation supports Social Security as a program. It has reduced the rates of poverty substantially in this country of people over the age of 65. It has been, in general, a very, very good program.

The myth, though, that it is a savings program encourages people to believe that their payroll tax is going into an account that is reserved for them that they own. It is not being reserved for them. Social Security was designed as a collective transfer program. It is social insurance because there are progressive payments made. The connection between what you receive is based upon your income, not based upon what you have contributed. It is very progressive.

As a consequence, it has been a program that most, I think, look at as a good way to help, and particularly lower income retirees avoid the trauma of living in poverty at the very time when they are no longer able to produce and earn a living.

But it is not savings. That is the most difficult myth of all. There is no account being held here for people that are paying into the program, which leads, Mr. President, to one of the most important reasons that people, like myself, have been arguing for reform.

The first one is, as I said earlier, waiting until the end, as we typically do. Mr. Aaron is basically saying: Wait until there is a crisis. There is no crisis. Why act? Wait until there is a crisis, he is saying. Wait another 30 years until there is a crisis, and then act.

That is foolishness to do that. The people who are going to pay the price for that are not current beneficiaries, people currently receiving payments. But it will be people under the age of 43 who will have to answer the question, "Gee, wait a minute. Do I want, in order to preserve my benefits, my kids to pay that kind of payroll tax?" Look at the kind of payroll tax that they are going to have to pay if you wait for 30 years, if some kind of adjustment is not made before then.

One of the flaws, in my judgment, of the 1983 fix was it said that we are going to raise taxes higher than what is necessary for the first time in the 50-year history of the program. The 1983 fix said, we are going to raise taxes higher than what is necessary to prefund the benefits of the baby-boom generation. Then we immediately—rather than setting it aside to be used for the baby-boom generation—we immediately begin to use it to pay for current expenditures.

Again, I am not arguing that Social Security contributes to the deficit. But I am prepared to argue that people who get paid by the hour, people whose wages are under $62,400 a year, which if you are looking for a definition of the middle class, you just as well said it there, because everybody over $62,400 does not pay that full 12.4 percent. You only pay it on the first $62,400. Anybody who is under $62,400, understand, you are shouldering more deficit reduction than those above because you are paying higher taxes on your payroll than needed to fund current benefits.

I do make the argument that the program needs to be changed sooner rather than later because we want to avoid the crisis, because you want to look out in the future and say that, whether you are a beneficiary who is 20 or 30 or 40, regardless of your age, whatever promise we have on the table we ought to be able to fund it.

I believe it was a mistake to change the law in 1983 to have this account building up to this huge amount, first, because we used it for deficit reduction, but, second, I do not think it makes any sense to say that we are only concerned about the beneficiaries over the next 35, 40 years.

Whatever promise we have on the table we ought to be able to keep for everyone in perpetuity. Any insurance company has to do that, has to abide by that rule, and we should, as well.

To do that, Mr. President, what you need to do is change the funds, so you build it up to a level that keeps it stable and then keeps it there in perpetuity. Whatever payroll taxes are needed, whatever benefits we are promising to pay to future beneficiaries, you should be able to look and have the actuaries run the numbers and say, you have a stable fund, it will be there forever; the benefits that you promised to somebody 20, 30, 40, years ago, you will be able to keep those promises just as you said.

The implication given by Mr. Aaron, and I really do regret it, is that the financial managers in America are putting a lot of pressure on Congress to change this program so that it is privatized. First, Mr. Aaron, in this article, says one of the dirty little secrets about privatization is that it requires a tax increase, and nobody is making a proposal in partial privatization. That comes upfront with that. First, it does not require a tax increase in all cases; second, there is a proposal already. Senator SIMPSON and I introduced legislation that would allow Americans to take 2 percent of their payroll tax and use it, individualize their own wealth. It is fully funded. There is no tax increase in that.

I intend to send a copy to Mr. Aaron so he can evaluate it and determine whether he likes the proposal, or the next time he criticizes Congress or a general audience for not having a specific proposal, at least he can offer one exception.

Mr. President, I think the privatization argument itself is better framed, rather than, Are you for privatization or against it, better framed, Are you for the individualization of the account? By that I mean, under the proposal of Senator SIMPSON and myself, what we do is say there is still a collective payment, still a payment, although it is misdescribed by many people. We will promise to transfer from the wages of people who are working, a fixed payment, fixed tax on their wages, and transfer, in a very progressive way, to people who are retired. That will still be there. You will be eligible for early payment if you want it, or a regular payment, or a late payment.

The PRESIDING OFFICER. The Chair advises the Senator the 10 minutes have expired.

Mr. KERREY. I end with 30 seconds, by merely saying the personal investment plan, as described by Senator SIMPSON and myself, is not privatization. It is fully funded. And it is, it seems to me, called for in a program which has not been changed fundamentally in 60 years.

I yield the floor.

ADJOURNMENT UNTIL 9:30 TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands in adjournment until 9:30 a.m., Tuesday, July 23, 1996.

There being no objection, the Senate, at 6:52 p.m., adjourned until Tuesday, July 23, 1996, at 9:30 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate July 22, 1996:

THE JUDICIARY

EDMUND A. SARGUS, JR., OF OHIO, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF OHIO.

HOUSE OF REPRESENTATIVES—*Monday, July 22, 1996*

The House met at 10:30 a.m. and was called to order by the Speaker pro tempore [Mr. PETRI].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
July 22, 1996.

I hereby designate the Honorable THOMAS E. PETRI to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MESSAGE FROM THE SENATE

A message from the Senate by Ms. McDevitt, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 3161. An act to authorize the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of Romania.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3610. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1316) "An act to reauthorize and amend title XIV of the Public Health Service Act (commonly known as the 'Safe Drinking Water Act'), and for other purposes," agrees to a conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHAFEE, Mr. KEMPTHORNE, Mr. THOMAS, Mr. WARNER, Mr. BAUCUS, Mr. REID, and Mr. LAUTENBERG, to be conferees on the part of the Senate.

The message also announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested:

S. 919. An act to modify and reauthorize the Child Abuse Prevention and Treatment Act, and for other purposes.

The message further announced that the Senate insists upon its amendment to the bill (H.R. 3610) "An act making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STEVENS, Mr. COCHRAN, Mr. SPECTER, Mr. DOMENICI, Mr. BOND, Mr. MCCONNELL, Mr. MACK, Mr. SHELBY, Mr. GREGG, Mr. HATFIELD, Mr. INOUYE, Mr. HOLLINGS, Mr. JOHNSTON, Mr. BYRD, Mr. LEAHY, Mr. BUMPERS, Mr. LAUTENBERG, and Mr. HARKIN, to be the conferees on the part of the Senate.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of May 12, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member except the majority and minority leaders limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Pennsylvania [Mr. GEKAS] for 5 minutes.

TRAGEDY IN THE SKIES

Mr. GEKAS. Mr. Speaker, everyone by now knows about the impact of the recent aircraft tragedy on a small community in Pennsylvania, Montoursville. This area is represented currently by our colleague, the gentleman from Pennsylvania [Mr. MCDADE], who very promptly and appropriately expressed his concern to the families of the high school students who were involved in that horrible incident.

This community, Montoursville, is in Wyoming County. Prior to the current configuration of our legislative districts, I had the privilege of representing that area. I must tell my colleagues that this is an all-American community, which the news media has very accurately portrayed in all its coverages following that tragic air crash.

This little community has spawned many, many different types of sports championships and academic championships. It seemed almost every other week I was attending a banquet for the girls' softball champions or the boys' baseball champions or the little league champions, not to mention high academic honors for individuals and classes, et cetera, that emerged from that high school. So I wanted to point that out to my colleagues that, indeed, for a change, the media's portrayal of that community was absolutely accurate as being one made up of neighbors and friends, all of whom knew each other, and in one way or another, always participated in community endeavors, and now they join hands to extend their persona, each and every one to the other, in that lovely little community.

I did direct the communication to the mayor and to others in that area, and I simply wanted to enter my feelings into the CONGRESSIONAL RECORD.

NO MORE GOVERNMENT SHUTDOWNS

On another matter, everyone knows by now that the Government shut down several times, not just this past cycle, not just this term of Congress, but in previous occasions, actually shut down. As a matter of fact, there was a time when during Desert Storm or Desert Shield, I guess the formation of our troop contingents in Saudi Arabia before Desert Storm, while our young people were gathering there, weapon in hand, as it were, our Government shut down.

What kind of a spectacle is that? This is in December 1990, the troops were already amassing in Saudi Arabia and were poised to launch the eventual Desert Storm activity, and our Government shut down.

Is that not shameful, to have the Government, which is sponsoring the activities of our young members of the Armed Forces, to shut down? They were over in Saudi Arabia without a government back home. Now, that is disgraceful.

Well, prior to that time even, when we sensed the urgency of what happens when the Government shuts down, I introduced a piece of legislation which I want to redescribe here today, which would end shutdowns forever. If we adopted my legislation, I repeat, never again would we witness or experience a Government shutdown. It is so simple in its aspect that the reason that people have told me that it has not passed up until now is because it makes too good sense. It makes common sense, and that is why it cannot get through Congress.

Here is what happens: At the end of the fiscal year on September 30, if the Congress has not adopted a new budget which is due by midnight September 30 or October 1, then my bill, if enacted, would automatically cause an instant replay, as it were, everybody recognizes that, an instant replay of last year's budget.

In its lowest denominator terms, last year's budget, or if the House has passed an appropriations bill that is

☐This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

lower than the last year's bill, or the Senate has, we take the lowest figure and instant replay what occurred the next day, October 1, and our budget would be in place, no shutdown could occur, the employees of the Federal Government would continue with their functions, our Armed Forces would continue in their duties to our people, and everything would go on normally, and the Congress would still have an opportunity with the White House to negotiate the next year's budget. In the meantime, we will have ongoing portions of last year's budget.

Is that not simple? Should we not have that kind of resolution of this vexatious problem?

The bill that I introduced again this cycle was one which became the subject of my entreaties before the Committee on Rules, and an amazing thing happened. In previous times when the Democrat Party controlled the Committee on Rules, I went before them and each time they slammed the door in my face. Only the Republicans supported me on that measure each time I appeared before the Committee on Rules.

The reverse has now happened. It is time to end Government shutdowns forever. Support the Gekas bill.

RECESS

The SPEAKER pro tempore. There being no further requests for morning business, pursuant to clause 12, rule I, the House will stand in recess until 12 noon.

Accordingly (at 10 o'clock and 37 minutes a.m.), the House stood in recess until 12 noon.

□ 1200

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. WALKER] at 12 noon.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Teach us, O God, to make good use of our time, that precious gift that we use to our benefit or to our harm. When we have new opportunities and health we think that time will never end, and when we face the adversities or afflictions that certainly come, our span of days runs out and we yearn for more time. Encourage us, O gracious God, to use our time wisely so that we do not miss Your blessings of faith and hope and love but rather embrace them, hold to them, and never let them go. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. The Chair will lead the House in the Pledge of Allegiance.

The SPEAKER pro tempore led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

SUPPORT H.R. 497, NATIONAL GAMBLING IMPACT AND POLICY COMMISSION ACT

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, shortly we will be bringing up a very important piece of legislation that will be setting up a national commission to study the impact of gambling which is running rampant in the country. Quite frankly the country is turning into one gambling casino as gambling spreads and spreads and spreads. As gambling proliferates in casinos on riverboats, on Indian reservations, dog and horse tracks and elsewhere, problems such as crime, political corruption, cannibalization of existing businesses, gambling addiction, family breakups, and suicides are growing, which is an unfortunate consequence.

This legislation we are about to take up will create an unbiased, bipartisan nine-member commission to finally take a comprehensive look at these problems.

Mr. Speaker, I would like to take a moment to make sure all the Members know that we have finally been able to bring this bill to fruition. Last Wednesday, July 17, the full Senate passed by unanimous consent H.R. 497 with an amendment and, despite public pronouncements of the gambling industry in support of an unbiased study, tremendous lobbying pressure was brought to bear on Senators to kill or gut this bill. It is a tribute to this deliberative body that such pressures, which clearly represented the opposition of a small but powerful minority, were not able to thwart the will of the vast majority of Congress and the American people.

In the process, Mr. Speaker, I want to thank Senate Majority Leader TRENT LOTT who, notwithstanding some concerns he had about the legislation, exerted great leadership in bringing H.R. 497 to a vote. He is a man of his word, of honor and integrity.

REPORT ON DEVELOPMENTS CONCERNING NATIONAL EMERGENCY WITH RESPECT TO LIBYA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 104–248)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, without objection, referred to the Committee on International Relations and ordered to be printed.

To the Congress of the United States:

I hereby report to the Congress on the developments since my last report of January 22, 1996, concerning the national emergency with respect to Libya that was declared in Executive Order No. 12543 of January 7, 1986. This report is submitted pursuant to section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c); section 204(c) of the International Emergency Economic Powers Act ("IEEPA"), 50 U.S.C. 1703(c); and section 505(c) of the International Security and Development Cooperation Act of 1985, 22 U.S.C. 2349aa–9(c).

1. On January 3, 1996, I renewed for another year the national emergency with respect to Libya pursuant to IEEPA. This renewal extended the current comprehensive financial and trade embargo against Libya in effect since 1986. Under these sanctions, all trade with Libya is prohibited, and all assets owned or controlled by the Libyan Government in the United States or in the possession or control of U.S. persons are blocked.

2. There have been no amendments to the Libyan Sanctions Regulations, 31 C.F.R. Part 550 (the "Regulations"), administered by the Office of Foreign Assets Control (OFAC) of the Department of the Treasury, since my last report on January 22, 1996.

3. During the current 6-month period, OFAC reviewed numerous applications for licenses to authorize transactions under the Regulations. Consistent with OFAC's ongoing scrutiny of banking transactions, the largest category of license approvals (91) concerned requests by non-Libyan persons or entities to unblock transfers interdicted because of what appeared to be Government of Libya interests. Three licenses were issued for the expenditure of funds and acquisition of goods and services in the United States by or on behalf of accredited persons and athletes of Libya in connection with participation in the 1996 Paralympic Games. One license was issued to authorize a U.S. company to initiate litigation against an entity of the Government of Libya.

4. During the current 6-month period, OFAC continued to emphasize to the international banking community in the United States the importance of identifying and blocking payments made by or on behalf of Libya. The Office worked closely with the banks to assure the effectiveness of interdiction software systems used to identify such payments. During the reporting period, more than 129 transactions potentially involving Libya were interdicted, with an additional $7 million held blocked as of May 15.

5. Since my last report, OFAC collected eight civil monetary penalties totaling more than $51,000 for violations of the U.S. sanctions against Libya. Two of the violations involved the failure of banks to block funds transfers to Libyan-owned or Libyan-controlled banks. Two other penalties were received from corporations for export violations, including one received as part of a plea agreement before a U.S. district judge. Four additional penalties were paid by U.S. citizens engaging in Libyan oilfield-related transactions while another 30 cases involving similar violations are in active penalty processing.

On February 6, 1996, a jury sitting in the District of Connecticut found two Connecticut businessmen guilty on charges of false statements, conspiracy, and illegally diverting U.S.-origin technology to Libya between 1987 and 1993 in violation of U.S. sanctions. On May 22, 1996, a major manufacturer of farm and construction equipment entered a guilty plea in the United States District Court for the Eastern District of Wisconsin for Libyan sanctions violations. A three-count information charged the company with aiding and abetting the sale of construction equipment and parts from a foreign affiliate to Libya. The company paid $1,810,000 in criminal fines and $190,000 in civil penalties. Numerous investigations carried over from prior reporting periods are continuing and new reports of violations are being pursued.

6. The expenses incurred by the Federal Government in the 6-month period from January 6 through July 6, 1996, that are directly attributable to the exercise of powers and authorities conferred by the declaration of the Libyan national emergency are estimated at approximately $730,000. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the Office of the General Counsel, and the U.S. Customs Service), the Department of State, and the Department of Commerce.

7. The policies and actions of the Government of Libya continue to pose an unusual and extraordinary threat to the national security and foreign policy of the United States. In adopting United Nations Security Council Resolution 883 in November 1993, the Security Council determined that the continued failure of the Government of Libya to demonstrate by concrete actions its renunciation of terrorism, and in particular its continued failure to respond fully and effectively to the requests and decisions of the Security Council in Resolutions 731 and 748, concerning the bombing of the Pan Am 103 and UTA 772 flights, constituted a threat to international peace and security. The United States will continue to coordinate its comprehensive sanctions enforcement efforts with those of other U.N. member states. We remain determined to ensure that the perpetrators of the terrorist acts against Pan Am 103 and UTA 772 are brought to justice. The families of the victims in the murderous Lockerbie bombing and other acts of Libyan terrorism deserve nothing less. I shall continue to exercise the powers at my disposal to apply economic sanctions against Libya fully and effectively, so long as those measures are appropriate, and will continue to report periodically to the Congress on significant developments as required by law.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 22, 1996.*

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate is concluded on all motions to suspend the rules, but not before 5 p.m. today.

NATIONAL GAMBLING IMPACT AND POLICY COMMISSION ACT

Mr. HYDE. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 497) to create the National Gambling Impact and Policy Commission.

The Clerk read as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Gambling Impact Study Commission Act".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the most recent Federal study of gambling in the United States was completed in 1976;

(2) legalization of gambling has increased substantially over the past 20 years, and State, local, and Native American tribal governments have established gambling as a source of jobs and additional revenue;

(3) the growth of various forms of gambling, including electronic gambling and gambling over the Internet, could affect interstate and international matters under the jurisdiction of the Federal Government;

(4) questions have been raised regarding the social and economic impacts of gambling, and Federal, State, local, and Native American tribal governments lack recent, comprehensive information regarding those impacts; and

(5) a Federal commission should be established to conduct a comprehensive study of the social and economic impacts of gambling in the United States.

SEC. 3. NATIONAL GAMBLING IMPACT STUDY COMMISSION.

(a) ESTABLISHMENT OF COMMISSION.—There is established a commission to be known as the National Gambling Impact Study Commission (hereinafter referred to in this Act as "the Commission"). The Commission shall—

(1) be composed of 9 members appointed in accordance with subsection (b); and

(2) conduct its business in accordance with the provisions of this Act.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commissioners shall be appointed for the life of the Commission as follows:

(A) 3 shall be appointed by the President of the United States.

(B) 3 shall be appointed by the Speaker of the House of Representatives.

(C) 3 shall be appointed by the Majority Leader of the Senate.

(2) PERSONS ELIGIBLE.—The members of the Commission shall be individuals who have knowledge or expertise, whether by experience or training, in matters to be studied by the Commission under section 4. The members may be from the public or private sector, and may include Federal, State, local, or Native American tribal officers or employees, members of academia, non-profit organizations, or industry, or other interested individuals.

(3) CONSULTATION REQUIRED.—The President, the Speaker of the House of Representatives, and the Majority Leader of the Senate shall consult among themselves prior to the appointment of the members of the Commission in order to achieve, to the maximum extent possible, fair and equitable representation of various points of view with respect to the matters to be studied by the Commission under section 4.

(4) COMPLETION OF APPOINTMENTS; VACANCIES.—The President, the Speaker of the House of Representatives, and the Majority Leader of the Senate shall conduct the consultation required under paragraph (3) and shall each make their respective appointments not later than 60 days after the date of enactment of this Act. Any vacancy that occurs during the life of the Commission shall not affect the powers of the Commission, and shall be filled in the same manner as the original appointment not later than 60 days after the vacancy occurs.

(5) OPERATION OF THE COMMISSION.—

(A) CHAIRMANSHIP.—The President, the Speaker of the House of Representatives, and the Majority Leader of the Senate shall jointly designate one member as the Chairman of the Commission. In the event of a disagreement among the appointing authorities, the Chairman shall be determined by a majority vote of the appointing authorities. The determination of which member shall be Chairman shall be made not later than 15 days after the appointment of the last member of the Commission, but in no case later than 75 days after the date of enactment of this Act.

(B) MEETINGS.—The Commission shall meet at the call of the Chairman. The initial meeting of the Commission shall be conducted not later than 30 days after the appointment of the last member of the Commission, or not later than 30 days after the date on which appropriated

funds are available for the Commission, whichever is later.

(C) QUORUM; VOTING; RULES.—A majority of the members of the Commission shall constitute a quorum to conduct business, but the Commission may establish a lesser quorum for conducting hearings scheduled by the Commission. Each member of the Commission shall have one vote, and the vote of each member shall be accorded the same weight. The Commission may establish by majority vote any other rules for the conduct of the Commission's business, if such rules are not inconsistent with this Act or other applicable law.

SEC. 4. DUTIES OF THE COMMISSION.

(a) STUDY.—

(1) IN GENERAL.—It shall be the duty of the Commission to conduct a comprehensive legal and factual study of the social and economic impacts of gambling in the United States on—

(A) Federal, State, local, and Native American tribal governments; and

(B) communities and social institutions generally, including individuals, families, and businesses within such communities and institutions.

(2) MATTERS TO BE STUDIED.—The matters studied by the Commission under paragraph (1) shall at a minimum include—

(A) a review of existing Federal, State, local, and Native American tribal government policies and practices with respect to the legalization or prohibition of gambling, including a review of the costs of such policies and practices;

(B) an assessment of the relationship between gambling and levels of crime, and of existing enforcement and regulatory practices that are intended to address any such relationship;

(C) an assessment of pathological or problem gambling, including its impact on individuals, families, businesses, social institutions, and the economy;

(D) an assessment of the impacts of gambling on individuals, families, businesses, social institutions, and the economy generally, including the role of advertising in promoting gambling and the impact of gambling on depressed economic areas;

(E) an assessment of the extent to which gambling provides revenues to State, local, and Native American tribal governments, and the extent to which possible alternative revenue sources may exist for such governments; and

(F) an assessment of the interstate and international effects of gambling by electronic means, including the use of interactive technologies and the Internet.

(b) REPORT.—No later than 2 years after the date on which the Commission first meets, the Commission shall submit to the President, the Congress, State Governors, and Native American tribal governments a comprehensive report of the Commission's findings and conclusions, together with any recommendations of the Commission. Such report shall include a summary of the reports submitted to the Commission by the Advisory Commission on Intergovernmental Relations and National Research Council under section 7, as well as a summary of any other material relied on by the Commission in the preparation of its report.

SEC. 5. POWERS OF THE COMMISSION.

(a) HEARINGS.—

(1) IN GENERAL.—The Commission may hold such hearings, sit and act at such times and places, administer such oaths, take such testimony, and receive such evidence as the Commission considers advisable to carry out its duties under section 4.

(2) WITNESS EXPENSES.—Witnesses requested to appear before the Commission shall be paid the same fees as are paid to witnesses under section 1821 of title 28, United States Code. The per diem and mileage allowances for witnesses shall be paid from funds appropriated to the Commission.

(b) SUBPOENAS.—

(1) IN GENERAL.—If a person fails to supply information requested by the Commission, the Commission may by majority vote require by subpoena the production of any written or recorded information, document, report, answer, record, account, paper, computer file, or other data or documentary evidence necessary to carry out its duties under section 4. The Commission shall transmit to the Attorney General a confidential, written notice at least 10 days in advance of the issuance of any such subpoena. A subpoena under this paragraph may require the production of materials from any place within the United States.

(2) INTERROGATORIES.—The Commission may, with respect only to information necessary to understand any materials obtained through a subpoena under paragraph (1), issue a subpoena requiring the person producing such materials to answer, either through a sworn deposition or through written answers provided under oath (at the election of the person upon whom the subpoena is served), to interrogatories from the Commission regarding such information. A complete recording or transcription shall be made of any deposition made under this paragraph.

(3) CERTIFICATION.—Each person who submits materials or information to the Commission pursuant to a subpoena issued under paragraph (1) or (2) shall certify to the Commission the authenticity and completeness of all materials or information submitted. The provisions of section 1001 of title 18, United States Code, shall apply to any false statements made with respect to the certification required under this paragraph.

(4) TREATMENT OF SUBPOENAS.—Any subpoena issued by the Commission under paragraph (1) or (2) shall comply with the requirements for subpoenas issued by a United States district court under the Federal Rules of Civil Procedure.

(5) FAILURE TO OBEY A SUBPOENA.—If a person refuses to obey a subpoena issued by the Commission under paragraph (1) or (2), the Commission may apply to a United States district court for an order requiring that person to comply with such subpoena. The application may be made within the judicial district in which that person is found, resides, or transacts business. Any failure to obey the order of the court may be punished by the court as civil contempt.

(c) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out its duties under section 4. Upon the request of the Commission, the head of such department or agency may furnish such information to the Commission.

(d) INFORMATION TO BE KEPT CONFIDENTIAL.—The Commission shall be considered an agency of the Federal Government for purposes of section 1905 of title 18, United States Code, and any individual employed by an individual, entity, or organization under contract to the Commission under section 7 shall be considered an employee of the Commission for the purposes of section 1905 of title 18, United States Code. Information obtained by the Commission, other than information available to the public, shall not be disclosed to any person in any manner, except—

(1) to Commission employees or employees of any individual, entity, or organization under contract to the Commission under section 7 for the purpose of receiving, reviewing, or processing such information;

(2) upon court order; or

(3) when publicly released by the Commission in an aggregate or summary form that does not directly or indirectly disclose—

(A) the identity of any person or business entity; or

(B) any information which could not be released under section 1905 of title 18, United States Code.

SEC. 6. COMMISSION PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—Each member of the Commission who is not an officer or employee of the Federal Government, or whose compensation is not precluded by a State, local, or Native American tribal government position, shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for Level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(b) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of service for the Commission.

(c) STAFF.—

(1) IN GENERAL.—The Chairman of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment and termination of an executive director shall be subject to confirmation by a majority of the members of the Commission.

(2) COMPENSATION.—The executive director shall be compensated at a rate not to exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code. The Chairman may fix the compensation of other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for such personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(3) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee, with the approval of the head of the appropriate Federal agency, may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status, benefits, or privilege.

(d) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay prescribed for Level V of the Executive Schedule under section 5316 of such title.

SEC. 7. CONTRACTS FOR RESEARCH.

(a) ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS.—

(1) IN GENERAL.—In carrying out its duties under section 4, the Commission shall contract with the Advisory Commission on Intergovernmental Relations for—

(A) a thorough review and cataloging of all applicable Federal, State, local, and Native American tribal laws, regulations, and ordinances that pertain to gambling in the United States; and

(B) assistance in conducting the studies required by the Commission under section 4(a),

and in particular the review and assessments required in subparagraphs (A), (B), and (E) of paragraph (2) of such section.

(2) REPORT REQUIRED.—The contract entered into under paragraph (1) shall require that the Advisory Commission on Intergovernmental Relations submit a report to the Commission detailing the results of its efforts under the contract no later than 15 months after the date upon which the Commission first meets.

(b) NATIONAL RESEARCH COUNCIL.—

(1) IN GENERAL.—In carrying out its duties under section 4, the Commission shall contract with the National Research Council of the National Academy of Sciences for assistance in conducting the studies required by the Commission under section 4(a), and in particular the assessment required under subparagraph (C) of paragraph (2) of such section.

(2) REPORT REQUIRED.—The contract entered into under paragraph (1) shall require that the National Research Council submit a report to the Commission detailing the results of its efforts under the contract no later than 15 months after the date upon which the Commission first meets.

(c) OTHER ORGANIZATIONS.—Nothing in this section shall be construed to limit the ability of the Commission to enter into contracts with other entities or organizations for research necessary to carry out the Commission's duties under section 4.

SEC. 8. DEFINITIONS.

For the purposes of this Act:

(1) GAMBLING.—The term "gambling" means any legalized form of wagering or betting conducted in a casino, on a riverboat, on an Indian reservation, or at any other location under the jurisdiction of the United States. Such term includes any casino game, parimutuel betting, sports-related betting, lottery, pull-tab game, slot machine, any type of video gaming, computerized wagering or betting activities (including any such activity conducted over the Internet), and philanthropic or charitable gaming activities.

(2) NATIVE AMERICAN TRIBAL GOVERNMENT.—The term "Native American tribal government" means an Indian tribe, as defined under section 4(5) of the Indian Gaming Regulatory Act of 1988 (25 U.S.C. 2703(5)).

(3) STATE.—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to the Commission, the Advisory Commission on Intergovernmental Relations, and the National Academy of Sciences such sums as may be necessary to carry out the purposes of this Act. Any sums appropriated shall remain available, without fiscal year limitation, until expended.

(b) LIMITATION.—No payment may be made under section 6 or 7 of this Act except to the extent provided for in advance in an appropriation Act.

SEC. 10. TERMINATION OF THE COMMISSION.

The Commission shall terminate 60 days after the Commission submits the report required under section 4(b).

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois [Mr. HYDE] and the gentleman from Massachusetts [Mr. FRANK] will each control 20 minutes.

The Chair recognizes the gentleman from Illinois [Mr. HYDE].

Mr. HYDE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we consider the Senate amendment to the National Gambling Impact and Policy Commission Act (H.R. 497). H.R. 497 creates a temporary, 2-year national commission to study the economic and social impact of gambling in our country. The Commission will conduct a study and make recommendations—it will not have any power to regulate the gambling industry in any way.

At the outset, I want to give special recognition to our colleague and my good friend, Congressman FRANK WOLF of Virginia. This much-needed measure is here today largely because of his advocacy and persistence. Congressman WOLF has identified a very important public policy issue and he deserves high praise for his efforts. I also want to recognize the herculean efforts of Mr. WOLF's outstanding staffer, Will Moschella. During the pendency of this bill, Mr. Moschella has not only been of invaluable assistance in its passage, but he has also graduated from law school, passed the bar exam, and gotten married.

When H.R. 497 passed the House on March 5, 1996, I pointed out the extensive record that supports this legislation. On September 29, 1995, the full Judiciary Committee held a hearing on H.R. 497. At that time, we heard from 15 witnesses, including 8 Members of Congress. Subsequent to our hearing, the committee received 15 additional statements for the record from other interested organizations and individuals.

During our hearing, we heard virtually every point of view on gambling and its effects. For example, we had testimony on the problem of compulsive gambling. We also heard from a university professor focusing on the economic aspects of gambling—for example, job creation by gambling enterprises, gambling's impact on tourism, and gambling's impact on State and local government revenue. We also heard testimony from the chairman of the National Indian Gaming Association who documented how the emergence of an Indian gambling industry in recent years has had a positive impact on employment, economic development, and overall self-sufficiency for Indian tribes. Still others testified regarding the relationship between gambling and crime, including organized crime.

Based upon this extensive committee record and personal study, I concluded that a study commission on gambling in the United States is a good idea. As the Washington Post proclaimed in its headline for an editorial endorsing the bill: "For Once, a Useful Commission!" The Post went on to observe that "commissions can play the useful role of bringing to national attention issues that were previously submerged or debated in fragmentary ways."

After passage of H.R. 497 in the House, some in the gambling industry continued to have concerns about this bill, particularly with respect to the subpoena power. Congressman WOLF and I worked many hours with Senator STEVENS, Senator LUGAR, Senator SIMON, and other members of the Governmental Affairs Committee in the other body and the interested outside groups to try to resolve these concerns. After lengthy negotiations, we came to the resolution embodied in the Senate amendment to H.R. 497. Although neither side got everything that it wanted, I am satisfied that we have reached a reasonable compromise. The final work product will allow the Commission to conduct its study, while, at the same time, it allays the fears of those who thought the subpoena power would be overly intrusive.

These negotiations have only reinforced my view that it is a particularly good time to have a balanced, impartial, and comprehensive look at whether or not the phenomenal growth of gambling is good for this country. Currently, 48 States allow some form of legalized gambling. We have State-conducted lotteries, riverboat gambling, Indian gambling, and casino gambling. We need to know the implications of this growth. Just before House passage of this bill, the Washington Post described the explosive growth of gambling:

> What had been a mob-infested vice has become state-approved fun—a new national pastime. While 70 million people attend professional baseball games each year, 125 million go to government-sanctioned casinos. Adults now spend more money gambling than they spend on children's durable toys. Three times more pilgrims from around the world visit the pyramid-shaped Luxor Hotel in Las Vegas than visit Egypt. Casinos rake in more profits than movie houses and theaters and all live concerts combined.

The Washington Post, March 3, 1996, at A1.

This expansion of legalized gambling has undoubtedly had negative effects. For example, many opportunities to gamble are now available to minors who are not ready to make a mature judgment about this kind of activity. Also, compulsive gamblers frequently have a negative, sometimes tragic, impact on their families.

The traditional linkage between gambling and crime also concerns me. To give just one example, a GAO report issued in January concluded that "the proliferation of casinos, together with the rapid growth of the amounts wagered, may make these operations highly vulnerable to money laundering." As gambling continues to spread, these negative effects and others spread with it.

In addition, H.R. 497 will address the lack of reliable information about the effects of gambling. We need better scientific and behavioral data concerning gambling. Because of the lack of hard information, State and local policymakers, who are considering the legalization of gambling, may often be misled by exaggerated claims about the positive effects of gambling and the prospects for painless revenue generation. Last December, a Maryland State study commission concluded:

> The Maryland Congressional delegation should support the immediate creation of a national commission to study issues related to commercial gaming and should recommend that the commission complete its work within one year.
>
> States are unable to confidently make decisions about casino gaming because of competitive concerns about the decisions of their neighbors and because of the inadequate data and analysis available to them. The Task Force believes that the proposed national commission on gambling currently being considered by Congress, could make a significant contribution to public policy development.

Final report of the Joint Executive-Legislative Task Force to Study Commercial Activities in Maryland, December 1995.

I have listened to the critics of H.R. 497 during this process—during Judiciary Committee consideration, during House consideration, and during our negotiations with the other body. They have made some good arguments, and when they have, we have worked hard to address those issues. In my statement during the debate on House passage of this bill, I described the many changes we made in the bill during Judiciary Committee consideration. I will not repeat that discussion here, but I would like to describe briefly the most important ways in which the Senate amendment differs from H.R. 497 as passed by the House.

Both versions contain a list of matters to be studied. The Senate amendment compresses the list that was in the House-passed version, but it generally covers the same topics. In addition, the Senate amendment makes clear that the items listed are only the items that the Commission must, at a minimum, study. This list does not in any way limit other topics that the Commission may choose to study.

The House-passed version gave the Commission broad subpoena powers for both witnesses and documents. The Senate amendment narrows this power. Under the Senate amendment, the Commission still has broad authority to subpoena documents. However, the Commission must first vote to issue the subpoena and give the Department of Justice 10 days notice. The notice provision does not in any way allow the Department to veto or stop a Commission subpoena. However, it does allow the Department to notify the Commission if the Commission's subpoena has the potential to interfere with a pending investigation.

The subpoena power provision states that the Commission may issue a subpoena if a person fails to supply information requested by the Commission. This phrase is intended to encourage the Commission to begin with voluntary requests for information. However, it is not intended to provide any legal basis to challenge a subpoena issued by the Commission.

If, after receiving documents, the Commission requires further information necessary to understand the documents, it may ask written questions or take a deposition on the documents. Whether there will be written questions or a deposition is at the option of the recipient. The phrase "necessary to understand" should be read broadly to include questions about how a document was developed, who wrote it, and other similar matters of context.

Finally, the Senate amendment provides that the Commission may not release, except to its employees and contractors, any nonpublic information it receives unless it is ordered to do so by a court or unless the information is released in an aggregate or summary form that does not reveal the identity of any person or business and does not reveal any information protected under 18 U.S.C. 1905—that is, trade secret and proprietary information. These privacy protections in section 5(d) are not intended to limit in any way the Commission's ability, and indeed, its responsibility, to make criminal referrals to appropriate prosecuting authorities if it discovers evidence of criminal activity. In addition, the privacy protections of section 5(d) apply only to information that the Commission has already received. They do not in any way limit the scope of the information that the Commission may seek.

The Senate amendment adds a section 7 that was not included in the House-passed version. This section requires the Commission to contract with the Advisory Commission on Intergovernmental Relations and the National Research Council for assistance with conducting certain aspects of the study. The Advisory Commission of Intergovernmental Relations will assist in cataloging all of the various laws and regulations governing gambling. The National Research Council will assist in assessing problem gambling. This innovative addition will both reduce the costs of the Commission and take advantage of expertise that already exists within the Government.

The Senate amendment also adds a definition section that was not included in the House-passed version. I want to note that the definition of State has the effect of including the U.S. territories within the study. The Representatives of the territories requested that they be included during debate on the House floor.

Finally, the Senate amendment contains the requirement from the House-passed version of an advance appropriation before any money can be spent. This language prevents the various authorizing provisions for salaries and expense reimbursement from being construed as entitlements.

Although I preferred the subpoena provisions that were contained in the House-passed version, I believe the compromise reached in the Senate amendment is a reasonable and fair one. I further believe that this solution is politically realistic, given the short time left in this Congress. Overall, the bill is balanced, comprehensive, and fair.

I appreciate the contributions of Senator LUGAR, Senator SIMON, Senator STEVENS, the other members of the Governmental Affairs Committee of the other body, and the many members of the interested outside groups who have made this bill possible. I want to thank the members of the House Judiciary Committee who took a particular interest in this legislation in committee—Congressmen HOKE, BONO, GALLEGLY, and SCHIFF. I appreciate the cooperation of Chairman YOUNG of the House Resources Committee for his cooperation during House consideration of this bill. Finally, I want especially to thank Majority Leader TRENT LOTT for allowing this bill to come to the floor. I know that he had personal concerns about it, and I appreciate his setting those aside and allowing the other body to work its will.

I have discussed the various changes contained in the Senate amendment with Congressman WOLF, and he has indicated his full support for concurring in the Senate amendment so that this bill can become law this year.

I urge my colleagues to concur in the Senate amendment to H.R. 497 and send this important piece of legislation on to enactment.

Before concluding, I also want to thank Joseph Gibson of our Judiciary Committee staff for his outstanding work on H.R. 497. Joseph's excellent legal work and sound judgment were pivotal in resolving many difficult issues on this complicated matter. I commend him for a job very well done.

□ 1215

Mr. Speaker, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am fascinated by this piece of legislation. It is an act of repudiation of several of the principles that the majority has said it was governed by. In some cases I am glad to see the repudiation because I was not too crazy about the principles; in other cases I like the principles and I am sorry to see them eroded.

But let us look at what this bill does. The expansion of gambling has on the whole been a matter of decisions by the States. It is true that there is a Federal statute which grants the rights of

Indian tribes, in return for their having given up rights to property, by the way. The Indian tribes did not get this right to conduct gambling one-sidedly. They gave up, as a result of this act, some substantial property claims.

But Indian gambling is only a part of what is being studied here. If this is a bill to study and look at the Indian Gaming Act, it would have been a different story. It would have come out of a different committee. Much of the impetus for this comes from the feeling of the Members of Congress, apparently very much on the majority side, too, that we cannot trust State and local officials to make good decisions without our supervision.

I have to say I think the chairman of the committee has been very responsible and has helped improve the bill. It is a better bill than before. But even in his own comments, for instance, he said, I noted here, that we need to do a study because currently State and local policymakers are often misled.

Well, I have tended to believe that myself. I have felt that there were times when State and local policymakers would be misled and the Federal Government should intervene to try and prevent that. I had not expected to find such enthusiastic and overwhelming support from the Republican side, so I am glad to have it.

I hope people will, when they read these remarks in the RECORD, go up a column or two to the distinguished chairman. Let us get the point here: State and local policymakers are often misled, but do not worry, State and local policymakers, the Federal Government here comes riding to your rescue.

So here we will keep State and local policymakers from being misled as often, and it is not simply a case of their being misled. I was particularly pleased when the chairman said that one of the problems States face, and I quite seriously agree with him on this one, and I am glad to have his affirmation of it because it is a central policy point, he said the problem is when States go to make decisions, they are sometimes unable to make the decisions they might like because of competitive pressures from other States. That is a profoundly important point.

We live in one national economy in which a State's desire to make certain decisions can be circumscribed by competitive effects. That is true with gambling. It is true with minimum wage. It is true with the level of medical care we provide for the poor. It is true with environmental protections. Indeed, I believe it is truer with regard to these economic issues.

So once again, I am glad to have the chairman articulate and the majority overwhelmingly about to vote in both branches to establish the principle that, given the competitive pressures that exist on the States in this one national economy, Federal intervention is sometimes called for.

Now, it is true this does not, in and of itself, impose a Federal policy. But the premises are that the States are not doing a good enough job and the Federal Government must come to their aid, that they are uninformed in some cases. We have to have a study so they will not be misled by bad information. They are coerced and circumscribed by competitive pressures, I agree.

Now I have long felt that this body has very few people in it who are conscientiously and thoroughly dedicated to the proposition that we should always prefer States' rights or always prefer Federal rights. In fact, I believe the overwhelming majority of Members believe that decisions should be made at that level of government where they are most likely to agree with the outcome. When it comes to some things, some people are for States' rights, and when it comes to other things, other people are for State's rights.

I do not think that is hypocritical or inconsistent at all, because one needs not have a preference for one or the other. The error, it seems to me, is to assert a preference when one does not really exist. I think this shows when people think the States have been given too much gambling, and that is clearly what we are talking about.

People here think, on the majority side as well as the minority side, Republicans as well as Democrats, that the States, ill-informed as they often are apparently, subject to competitive pressures, are not making the right decisions, so we, the Federal Government, will try to extend a restraining influence and not in this bill by any legislation yet, but it certainly seems to me that we are laying the predicate for some legislation.

That is one principle, the principle before States rights. So much for the States' ability to do what they want. Let us talk about the next one, and that is the right of individuals to make their own decisions with their own money, because clearly what is most driving this is the notion that we cannot trust the American people to make their own decisions, because there are people here who believe that individuals who work hard for their money go out and gamble too much.

I do not doubt people gamble too much. I do not doubt that a lot of people do a lot of things too much. I had not thought it was the role of this Federal Government to start making those individual choices for people.

We have State decisions to allow private businesses in many, many States to set up places where individuals can voluntarily go and pay their money for gambling. In fact, I have had people say, "Well, you know, it is terrible because it just teaches them to get rich."

I have talked a lot about gambling. I have a proposal for an Indian casino in the district I represent, overwhelmingly supported by the people there, including the working people who want to get jobs there, and I have talked to a lot of people about gambling. Most of them do not think they are going to get rich. They enjoy it.

A lot of older people rent buses and go to various casinos because this is a form of recreation for them, and they get together, they get on the bus, they go down, they gamble, they like it. These are not stupid people. None of them are unaware of the odds. None of them think they are going to be rich overnight.

A percentage of people, a small percentage, it is true, abuse this. They have an obsessive problem. There are people who have obsessive problems about drinking, about eating, about doing a lot of things. A rational society which honors the choices that individuals make with the money they earn themselves provides programs to deal with the obsessive problem but does not try to restrict other adults from doing that.

But again, permeating this is this notion that people really cannot be trusted to make these decisions. So much for the theoretical framework of States' rights. So much for this notion that we will let individuals make their own choices. The Federal Government is going to have to restrain people from doing this.

Then we get into the question of fiscal responsibility. Now, this bill is not going to cost a lot of money, but whatever it is going to cost is extra money that we do not need to spend. There will be nine commissioners here. I guess they will be called commissioners; I do not know. Maybe they will be called moral censors, whatever they will be called, the nine elders who will stop the States from being misinformed and keep the people from unwisely spending their own money.

They will be compensated at the annual rate of $104,000 a year plus per diems if they go to meetings. There are nine of them. It is a 2-year deal. I do not know how often they are going to meet. They have incentives, obviously, to meet a lot. They have an executive director who gets $114,000 a year. They are going to pay witness fees. They were going to go around and have meetings. Clearly several million dollars will be spent here.

One of the mistakes the people on the Democratic side have made in the past is to talk as if several million dollars of Federal money is not a serious expenditure. Of course it is. Of course when we spend several million dollars of public money, particularly when we are in a deficit situation, that is a problem.

Why, then, is the Federal Government about to spend millions of dollars, and by the way, the legislation is silent on the amount. There is no cap here. It authorizes "such sums." That is because I think in part some people did not want to limit the amount. I had proposed some amendments in committee to try and limit the amount. It is not limited to $2 million or $5 million or $10 million.

Theoretically, the nine commissioners, if they meet a lot, could make, each of them, close to $100,000 a year on a 2-year basis; the executive director, the other staff, transcripts, travel, witness fees. So we are talking millions of dollars.

□ 1230

So here is what we have: An area where the States are on the whole competent to legislate constitutionally, and again, if we were talking about Indian gaming this would be a different story, but this goes far beyond Indian gambling. That is a Federal responsibility. This deals with State and local, and there have been efforts to focus on State and local.

In fact, the gentleman from Illinois read a quote from the Washington Post, and the Washington Post reporter seemed to be upset that more people went to see the pyramids in Nevada then went to see the pyramids in Egypt. Now, I have to say it would have seemed to me, according to good Republican principles of limited Government, not the slightest business of anybody here that more people wanted to see the pyramids in Nevada than the pyramids in Egypt. What, are we in charge of which pyramids people see? Are we now doing the cultural advice for people? "Oh, no, you cannot go look at those pyramids, they are too gaudy. Go look at the other pyramids."

I do not think we should be in the pyramid picking business. I do not think we should be spending several million dollars of Government funds because the Washington Post does not like which pyramids people go to see. That is what this is about. That is what motivates this.

So while I am glad to see the Republican Party backing away from this rigid States rights principle, acknowledging that competitive pressures can drive the States, acknowledging the States might be misinformed and need more Federal help, while I am glad to see they think sometimes the Federal Government must come to the aid of individuals, although I disagree with the degree of intervention here, I would hope they would hold to a more libertarian principle and in general not use the fact that people pick the wrong pyramids as the basis for spending millions of dollars, and I wish we would not find new ways to spend Federal money.

This is several million dollars new to the Federal Government, not spent before. So I am against this bill. I think it is a bad idea. I believe that while people might want to look at the Indian Gaming Act alone, to go into the whole area of States and local spending and to decide that what we really need is a federally funded study costing millions of dollars, which subpoena power to go around and essentially tell the States they are doing a bad job of regulating gambling, to tell the American people they are going to look at the wrong pyramids and not spending their own money wisely, that is not a very good idea and I think the time of the Congress and the money of the Federal Government could be better used.

Mr. Speaker, I reserve the balance of my time.

Mr. HYDE. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Speaker, I would like to take a moment to recognize the diligent efforts of the gentleman from Illinois [Mr. HYDE], the chairman of the House Committee on the Judiciary, and to personally thank him for his very effective efforts on this and so many other things, from aiding the Contras to bring democracy to Nicaragua to many of the other things on which he has taken the leadership on this floor, and I appreciate it very much. I also appreciate his very able staff for helping guide this legislation through the legislative process. It was a pleasure working with the gentleman to bring this bipartisan bill here.

The chairman should be pleased, as I know he is, with the work of Joseph Gibson of his staff who worked hand in glove with my staff to move this legislation through the House.

The chief sponsors of the Senate legislation also deserve great support for their effort in the Senate. Senators SIMON and LUGAR worked tirelessly to bring it up. I also appreciate the work of Senator COATS, Senator STEVENS, and Senator GLENN, the chairman and ranking member respectively of the Committee on Governmental Affairs. I also want to thank Senators LIEBERMAN, MCCAIN, THOMPSON, and WARNER for their help in moving the bill.

I also want to acknowledge, as the gentleman from Illinois [Mr. HYDE] did, the work of the members of my staff, just about all of whom have assisted with some aspect of this legislation. Particularly, I appreciate the teamwork of William Moschella, my senior legislative assistant and counsel, and David Whitestone, who serves as my press secretary.

Mr. Speaker, the establishment of the National Gambling Impact Study Commission is essential to the Nation's understanding of what the incredible expansion of gambling in America means to our everyday lives. Newspaper and editorial writers around the country almost daily chronicle the tragic stories of people addicted to gambling. Compulsive and pathological gamblers often commit suicide, prostitute themselves, resort to robbery, burglary, larceny, and embezzlement to fuel their habit.

Gambling has been known to literally destroy families. I have received calls and letters from around the country relating the sad dramas associated with compulsive gambling. The gambling industry has not taken seriously the magnitude of the problem, or it has been trying to sweep it under the rug.

One of the most startling and unfortunate consequences of gambling has been the amount of public corruption attendant to it. Industry spokesmen claim that the days of Bugsy Segal and Joseph Bonano are behind it. The industry, they claim, is composed of law abiding companies which report to stockholders instead of organized criminal enterprises. The industry, more than any other, however, has been connected to unprecedented levels of political corruption in recent years. The confluence of money, politics, and power has wreaked havoc in many States and local jurisdictions.

Mr. Speaker, I support the legislation before the body because it is a serious effort to study the issue of gambling in the United States. In some respects the Senate amendment changed it, but it was a good compromise.

Mr. Speaker, I am going to watch the progress of the commission carefully to make sure that the commission does its work in a nonpartisan and objective way. We will follow its progress to make sure the job that Congress has delegated to it is performed in a professional and effective manner. I will also monitor the amount of lobbying pressure to which the commission is subjected.

I believe the legislation before us gives the commission all the powers and tools that it needs. In closing, I again want to thank the staff that has done such an effective job, Senator LOTT on the Senate side and the Senators that I mentioned, my staff and the staff of the gentleman from Illinois, Mr. HYDE, Joseph Gibson and others, and, last, the chairman. I want him to know that I know the pressure and I know what has gone on around here, and he should know I am eternally grateful. I am still young enough to have heroes, and he is one of the three or four people around here who is one of my heroes.

I thank the gentleman from Illinois for yielding time to me. At this point, Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein extraneous materials.

Mr. Speaker, as the original sponsor of legislation establishing a national commission to study the social, economic, and legal impact of gambling, I rise in strong support of H.R. 497, the Gambling Impact Study Commission Act. As gambling proliferates in casinos, on riverboats, on Indian reservations, dog and horse tracks and elsewhere, problems such as crime, political corruption, cannibalization of existing businesses, gambling addiction, family breakups, and suicide are a growing and unfortunate consequence. This legislation will create an unbiased, bipartisan nine-member commission to finally take a comprehensive look at these problems.

I would like to take a moment to recognize the diligent efforts of the chairman of the House Judiciary Committee and his able staff in guiding this legislation through the legislative process. It was a pleasure working with Chairman HYDE in bringing this bipartisan bill to the floor. The chairman should be pleased with the work done by Joseph Gibson of his staff who worked hand in glove with my staff to move this legislation through the House. They spent many hours assisting, consulting, and meeting with Senate staff to iron out any differences or concerns that there may have been.

Last Wednesday, July 17, the full Senate passed by unanimous consent H.R. 497 with an amendment. Despite public pronouncements of the gambling industry in support of an unbiased study, tremendous lobbying pressure was brought to bear on Senators to kill or gut this bill. It is a tribute to this deliberative body in the world that such pressures, which clearly represented the opposition of a small but powerful minority, were not able to thwart the will of the vast majority of the Congress and American people. I would like to publicly thank Senate majority leader TRENT LOTT who, notwithstanding some concerns he had about the legislation, exerted great leadership in bringing H.R. 497 to a vote in the Senate. He is a man of his word, a man of honor and integrity.

The chief sponsors of the Senate legislation also deserve great credit for making this legislation a reality. Senator SIMON and Senator LUGAR worked tirelessly to forge consensus and bring this legislation up despite a packed Senate floor schedule. I also appreciate the work of Senator COATS who helped move the process along. Senators STEVENS and GLENN, chairman and ranking member respectively of the Senate Government Affairs Committee, deserve congratulations for working together, listening to various points of view, and forging ahead with a viable plan. I also commend the efforts and support of Senators LIEBERMAN, MCCAIN, THOMPSON, and WARNER for their help in moving this legislation in the right direction.

There are many Senate staffers who had something to do with moving this bill along and I appreciate all of their efforts. I would like to publicly thank a few, namely Bob Healey, Michael Stevenson, Kyle McSlarrow, David Crane, Sebastian O'Kelly, Christine Ciccone, and Earl Comstock for all they did to make this legislation a reality.

Finally, I want to acknowledge the tireless work of the members of my staff, just about all of whom have assisted with some aspect of this legislation at some time during the last 2 years. Particularly, I appreciate the teamwork of William Moschella, my senior legislative assistant and counsel, and David Whitestone who serves as my press secretary.

Mr. Speaker, establishment of the National Gambling Impact Study Commission is essential to the Nation's understanding of what the incredible expansion of gambling in America means to our everyday lives. Newspapers and editorial writers around the country almost daily chronicle the tragic stories of persons addicted to gambling. Compulsive and pathological gamblers often commit suicide, prostitute themselves, and resort to robbery, burglary, larceny, and embezzlement to fuel their habits.

Gambling has been known to literally destroy families. I have received calls and letters from around the country relating the sad dramas associated with compulsive gambling. I have included an editorial from the Times Picayune regarding the almost epidemic problems of compulsive gambling among Louisiana's young people.

[From the New Orleans Times Picayune, July 14, 1996]

GAMBLING AND YOUNG PEOPLE

Louisiana's first study of the effects of gambling shows some disturbing statistics that should give policy makers and voters much to think about as the state considers the future of gambling here.

A team of researchers led by Louisiana State University professors Jim Westphal and Kenneth Miller conducted telephone surveys last fall in an effort to find out how often people gamble, what their favorite games are and how much money they spent. The researchers also tried to determine people's ability to control their gambling and its effect on their lives.

The results, released this week by the Department of Health and Hospitals, indicate that Louisiana residents aren't handling gambling too well, particularly young gamblers. One in seven Louisiana residents, 18 to 21, are compulsive gamblers. What's more, Louisiana's young gambling addicts are in worse shape than in other states studied, spending twice as much a month on gambling as their counterparts elsewhere. Compulsive gambling among young people here is triple that of adults and is second only to alcohol abuse for that age group.

The study showed that 182,000 Louisianans—more than 4 percent of the population—have gambling habits that range from moderate to severe and as many as 57,000 of them have addictions that could be classified as pathological.

"That's enough people to fill Tiger Stadium," said Gov. Foster, who said that he will support legislation to curb gambling addiction, particularly among the young.

Researchers were limited by the lack of studies in other states, despite the nationwide gambling boom. They could compare Louisiana only to six other states, Montana, North and South Dakota, Texas, Washington and Georgia. But that data indicated that pathological gamblers in Louisiana are in more trouble, spending almost twice the monthly average on their habit, $660 compared to $300.

Researchers who did the study believe that the reason is availability. Louisiana, with its 12 riverboat casinos and 15,500 video poker machines, has a gambling site every 6.2 square miles.

This study should raise serious questions about the proliferation of gambling and, in particular, its effect on young people. Legislators and other state officials will have to weigh the social cost of bring up a crop of gambling addicts, particularly since experts say that most pathological gamblers begin their habit in adolescence.

The study is already prompting legislators such as Sen. Jay Dardenne, R-Baton Rouge, to say that a law should be passed making 21 the legal limit for gambling. That is now true only for casino gambling. Sen. Dardenne, who sponsored the resolution calling for the study, said that he also wants to push to have gambling prevention made part of the school curriculum.

As Louisiana begins to grapple with the question of gambling, particularly the election on local option this fall, the problem of gambling addiction deserves attention.

The researchers' experience show that too many states, Louisiana included, have rushed headlong into legalized gambling without really knowing the social cost. This study provides some much needed and timely insight.

The gambling industry has not yet realized the magnitude of the problem or has been sweeping it under the rug. This issue can no longer be ignored and this commission will help us understand the problem so that it may be addressed.

On of the most startling and unfortunate consequences of gambling has been the amount of public corruption attendant to it. Industry spokesmen claim that the days of Bugsy Segal and Joseph Bonano are behind it. The industry, they claim, is composed of law abiding companies which report to stockholders instead of organized criminal enterprises. The industry, more than any other, however, has been connected to unprecedented levels of political corruption in recent years. The confluence of money, politics, and power has wreaked havoc in many State and local jurisdictions. Louisiana, for example, has been rocked by political scandal and more indictments are on the way. I have included a recent Associated Press story which ran in the Times Picayune regarding the indictments for the RECORD.

[From the New Orleans Times Picayune, July 15, 1996]

BIG NAMES INDICTED, GAMING TASK FORCE SAYS

(By The Associated Press)

SHREVEPORT—The dice are about to come up snake eyes for 15 to 20 people, including some big names, say people in the task force investigating gambling corruption in Louisiana.

"Within the next two weeks you will see big numbers of arrests," said Capt. Ed Kuhnert, State Police coordinator of the task force of Louisiana State Police and FBI agents.

Indictments have been prepared and are being reviewed by federal prosecutors, said Rick Dill, FBI agent-in-charge in New Orleans.

Task force officials said the yearlong undercover investigation is expected to produce charges against and arrests of some prominent people.

Last August, FBI wiretap transcripts were filed in open court as part of requests to subpoena records from lawmakers and people connected with Louisiana's gambling business.

That meant the end of the long political careers of two prominent state senators named as taking money from gambling interests, although they weren't indicted.

Larry Bankston, D-Port Hudson, Chairman of the Senate committee overseeing gambling, dropped out of a re-election campaign; B.B. "Sixty" Rayburn, D-Bogalusa, was defeated.

Sources close to the probe said indictments are imminent, The Times of Shreveport reported Sunday.

The conviction this past week of former state Alcohol Beverage Commission head Ray Holloway is the latest in a long string of cases made by the task force on gambling.

Holloway was found guilty of aiding an illegal gambling business and obstructing justice. He resigned his job in the Caddo Parish purchasing department after his federal case became public earlier this year.

The task force, with offices in New Orleans, Baton Rouge and Shreveport, has been successful over the past two years.

The most prominent case was the FBI's infiltration of the New Orleans organized crime family, the top echelon of which went down with 24 defendants in Operation Hardcrust.

FBI agents, investigating a suspected bookmaking operation at a New Orleans deli, picked up conversations indicating three La Cosa Nostra families—the rekindled Marcello family of New Orleans and the Gambino and Genovese families of New York—were infiltrating Louisiana's video poker industry.

Twenty-one defendants pleaded guilty. The three who went to trial were convicted on all counts.

Operation Hardcrust awed federal law enforcement authorities "because it involved, literally, the dismantling, through criminal indictment, of the entire upper echelons of the New Orleans Mafia family," First Assistant U.S. Attorney Jim Littin of New Orleans said. "As a result of that, we deem it the most significant organized crime prosecution in the state of Louisiana."

The U.S. Justice Department considers the task force an extremely successful operation, Littin said.

"This task force's penetration of the reemergence of a dormant organized-crime family was beyond a lot of people's imagination even a few years ago," he said.

Dill said, the task force has been successful because "it is a melding of talent."

The State Police investigators are "very good, the cream of the crop. They know the gambling laws in and out," Dill said.

FBI agents bring investigative expertise and federal fraud laws.

"The combination of the two brings results," Dill said.

Since Gov. Foster appointed Col. Rutt Whittington to head the State Police, trooper cooperation has gone up, Dill said.

"If I need 20 troopers to help in a search, they're there," he said.

Another reason for the success of the team is its dedication to rooting out corruption, Kuhnert said.

"We have put together a small group of people who are very intense, very dedicated and very qualified," he said. "We're actually just getting started."

The legitimate gambling industry welcomes the scrutiny because it increases public confidence, said Anthony Sanfilippo, general manager of Harrah's Casino Shreveport.

"It's important that investigations reveal any type of inappropriate behavior," he said.

Despite the task force's success, however, its members won't say they have rid Louisiana's gambling industry of corruption.

"The legal gambling industry is itself a magnet for corruption and organized crime," Littin said.

He said investigators believe organized crime gets nearly all its money from gambling, legal and illegal.

"We can never rest assured at any point that we have rooted (out) all the corruption," he said. "It is a dicey industry to fool with."

In the early 1970's Congress was concerned about problems related to gambling, and it established a commission similar to the one Congress is within minutes of creating. Since the Commission on the Review of the National Policy Toward Gambling issued its 1976 report, gambling has greatly expanded, and it has grown in many ways that are contrary to the recommendations of that early report. In 1976 only two States had casino gambling. Today, ever State but two have some form of legal gambling. According to U.S. News and World Report, people wagered $482 billion in 1994 on all forms of gambling, 85 percent of which took place in casinos in 27 States, most of them built in the past 5 years. This explosive growth has produced deleterious side effects that have high moral, social, and economic costs.

Mr. Speaker, I support the legislation before the body today because it is a serious effort to study the issue of gambling in the United States. This legislation is not perfect, and I would have drafted some sections differently. But this is a body of compromise. To forge agreements, one must be willing to consider points of view and perspectives that are different from one's own.

In some respects, the Senate amendment represents those political choices and compromises, and I applaud the Senate for breaking the gridlock and moving H.R. 497 this far. I believe, for example, that the section in the bill on subpoena power is one such political compromise. It is adequate but not perfect. It was drafted, not with an eye toward technical perfection, but rather it was drafted to forge political compromise and consensus—something that Congress does daily.

Mr. Speaker, as I have already mentioned, I would have drafted some provisions of this legislation differently. I also mentioned that some provisions of the Senate amendment were drafted to achieve political consensus and compromise. For example, I believe the rewrite of the House subpoena power language was unnecessary and was done to ease an irrational fear that the Commission would conduct a witch hunt. This would not happen and such discussion was a diversion from the real issues such as underage gambling and political corruption. I have included for the RECORD a letter from the chairman of the Commission on the Review of the National Policy Toward Gambling which bears this point out.

WASHINGTON, DC,
May 7, 1996.

Hon. FRANK R. WOLF,
CHOB,
Washington, DC.

DEAR CONGRESSMAN WOLF: As you know, I served as Chairman of the Commission on the Review of the National Policy Toward Gambling for the four years of its existence ("the 1972–1976 Commission"), whose Report was filed with the President and the Congress on October 15, 1976. I have previously provided your office with a copy of this Report and its accompanying addenda ("the 1976 Report").

I have had, as you might suspect, a greater than normal interest in the progress of gambling in the United States over the ensuing decades, and especially during the past five of six years which have witnessed a worrisome proliferation of casino openings, often under the shelter of Indian tribal ownership. I have followed your own efforts to create a new gambling commission to once more look into what has become a major growth industry. I agree with you completely, and I am taking the liberty of adding some additional thoughts, which I emphasize are purely personal opinions and do not necessarily reflect the opinions of anyone in my former law firm from which I have retired and for which I am now "Of Counsel."

With a proper mixture of pride and modesty, I would refer you to the Report of the 1972–1976 Commission, with specific attention to our recommendations concerning casinos and (that most cynical of retrogressive taxation) state lotteries. As I have observed, if anyone tried to sell corporate securities with the failure to disclose material facts so characteristic of state lottery promotion, he would be sent to prison. This is certainly the cruelest and most indiscrimate form of gambling and should be fiercely attacked. I see no signs that our recommendation (the 1976 Report, 159) that "the States must take care to inform the public fully as to the odds and character of the games being offered, and to avoid any misleading practices in its advertisements and promotional activities . . ." was greeted recommendation was followed by this one:

"Should [the States] fail in this responsibility, Congress should consider giving the Federal Trade Commission the explicit authority to set and enforce compulsory guidelines."

I am as much a foe of big Federal government as the next person, but the point may have been reached where this is a national problem.

And so, perhaps, is casino gambling. The unavoidable dangers to the public interest in installing casino gambling in metropolitan areas are too obvious to ignore, and the 1972–1976 Commission recommended that this be permitted "only in rare instances and extraordinary circumstances." Another in-depth study is certainly now called for, and I believe the results will be shocking. The billions of dollars flowing across crap, roulette and blackjack tables is not coming from people who can afford to lose. The social cost of this phenomenon will be measured in human suffering, broken homes, official corruption and crime, and it is only the extent of this that is open to question.

I note that although there is nearly unanimous lip service paid to the need for a new gambling commission, the major issue is whether or not the Commission should have subpoena power to compel testimony and the production of documents. Obviously such a Commission is meaningless without this power, at least to the extent necessary to fulfill its stated purpose. The 1972–1976 Commission had subpoena power and, because of that, we never had to use it—in other words, when you have the power you will get cooperation. Obviously, the power need not be unrestricted and Congress may see fit to provide safeguards against its abuse and, if the power were to be abused and there were noncompliance, the Commission would be forced into court to compel compliance—something it would be most reluctant to do. On the other hand, if it were used legitimately, it would mean that information had been withheld for a reason—which is why you must have the power! And in the normal instance, as we found out from our years of experience, the knowledge that we had the power and would not hesitate to use it provided all the persuasion we needed. I suppose the specter of a "rogue" Commission strewing subpoenas throughout the land has been cited as being intolerable, but the very fact that membership on the Commission is bipartisan and dictated by Congress, and that a subpoena presumably would have to be authorized in each instance by the members of the Commission negates the possibility of this happening. All this would seem to lead to the conclusion that the opponents of the any power of subpoena do, in fact, have something to conceal, which again leads to the decision that it is indeed necessary.

There is no doubt that the national policy toward gambling must again be examined, and this time with considerably more urgency than the last time. Please be assured that I am quite willing to help at any time—without cost to the government.

Yours very truly,

CHARLES H. MORIN.

The language in the House-passed version of H.R. 497 is the orthodox way to draft subpoena power language. After comparing the subpoena power granted to the Commission on the Review of the National Policy Toward Gambling, which was so broad it permitted a single commissioner to issue a subpoena, and learning that the Commission never once found it necessary to issue a subpoena, one can only conclude that the industry's concerns are, at a minimum, overstated, unrealistic, and paranoid.

For example, §5(b)(1) authorizes the use of subpoenas after a person fails to supply information requested by the Commission. This subjunctive clause merely states the obvious. Administrative subpoenas are usually only issued if the entity fails to comply with an information request. This clause is not intended to narrow the scope of subpoenas served subsequent to an information request. It only means that the Commission should ask first and subpoena second.

I would also like to associate myself with the statement made by Senator GLENN regarding the meaning of the words "to understand" in §5(b)(2) of the bill. Under this section, the Commission may subpoena witnesses for the purpose of understanding material obtained by the Commission. There are many reasons to require such testimony and the understanding of the documents often will go beyond its four corners. The Commission may need to understand the circumstances or motivations for producing a document. It may need to know why it was produced and why alternatives were not included. To understand a document may entail understanding its context, how it was developed, why it was developed, what alternatives were considered, and other considerations that go into producing documents.

I would also like to make a point about the duties of the Commission and the matters to be studied. This list of items to be studied by the Commission is the minimum the Commission should examine. This is clearly stated in section 4(a)(2). The commission should review other subjects as it deems appropriate.

Section 4(a)(2)(C) of the House-passed version of H.R. 497 directed the Commission to include an assessment and review of political contributions and their influence on the development of public policy regulating gambling. While the version of the bill that Congress will send to the President today does not contain a similar provision, it is completely within the prerogative of the Commission to make such an assessment.

Gambling interests are flush with cash and readily contribute to local, State and national campaigns. Also, many news reports have chronicled the vast sums promised lobbyists and consultants if they can convince legislators to permit riverboat gambling or establishment of a casino. Many public officials have taken large sums of money as bribes from gambling interests and have been indicted for such reprehensible conduct. Some say there is nothing worse than a corrupt policeman because it is the police who enforce the laws. A corrupt politician is equally bad. I urge the Commission to review the very timely and important issue of public corruption, political influence, money, and power.

So, even though this legislation is not everything I may have preferred, it is a good bill and should be supported by the House and sent to the President for his signature.

Another issue I would like to raise concerns Commission requests for assistance from other Federal agencies. There is already a wealth of experience and knowledge within the Federal Government about many of the issues the Commission will likely address. One of the Commission's jobs is to bring all that information under one roof in a usable form. Because this is only a 2-year Commission which will have very limited funds, Congress provided that departments and agencies of the Federal Government provide detailees to the Commission when appropriate.

I urge any Federal agency asked to assist the Commission to provide such assistance and detailees as deemed necessary. The Department of Health and Human Services could assist the Commission by providing experts on compulsive or pathological behavior or providing experts in epidemiological methods and statistical methods of analysis who could help the Commission make sense of survey research and demographic or medical studies. The Federal Bureau of Investigation may be helpful in providing crime information.The Internal Revenue Service and the Financial Center may help commissioners understand issues relative to money transfers and laundering. General Services Administration staff could be helpful in setting up office space for the Commission, and the General Accounting Office could help provide economic analysis. I urge any Federal department or agency to assist the Commission when at all possible.

Mr. Speaker, I am going to watch the progress of the Commission carefully to make sure the Commission does its work in a nonpartisan and objective way. I will follow its progress to make sure the job Congress has delegated to it is performed in a professional and effective manner. I will also monitor the amount of lobbying pressure to which the Commission is subjected.

I believe that the legislation before us gives the Commission all the power and tools it needs to conduct its business and write an objective report. However, if the gambling industry decides to throw its vast resources, lawyers, lobbyists and consultants at the Commission or the various provisions of this act in order to thwart its work, I will come to the well of this House with legislation more like the original House bill to ensure that the Commission is successful in completing its tasks.

Because this legislation is only days away from becoming law, I beseech the appointing authorities—the President, the Speaker of the House, and the majority leader of the Senate—to appoint individuals to the Commission who are recognized for their honesty, integrity, and objectivity. The Commission should not be loaded with individuals with vested interests in the outcome of the report. They should not be composed of individuals interested in going to work for the gambling industry after they have completed their duties with the Commission. Commissioners should be citizens of sound moral character able to impartially review the evidence and issues which will come before them so that their final product will be a report the American people can trust and rely upon.

Mr. Speaker, the time has finally come to make a detailed study of gambling in America. H.R. 497, in the tradition of good government, will help get that job done. This is a good bill, and I heartily support its final passage and presentment to the President. I urge all Members to support this meritorious legislation and yield back the balance of my time.

Mr. HYDE. Mr. Speaker, I yield myself the balance of my time, and I hope I do not use all the 3 minutes, but I wanted to respond to my friend, the gentleman from Massachusetts, who is one of the very effective but selective crusaders for States' rights.

This is a search for information, this commission, not legislative nor regulatory functions, but a search for information that has a uniquely national characteristic. The States, important as they are, are really not competent to do a national search that involves the issue of gambling. So, it may be an intrusion, but it is really not an either/or proposition: States' rights versus national intrusion. This subject lends itself to national study. So that is all that this is going to encompass.

Some things are best done by the States. Some things are best done by the Federal Government, and it is pretty hard to have a hard and fast rule. Generally, we Republicans prefer local government over national government, but that, again, depends on the circumstance.

Tort reform, for example, in my judgment, and although I do not speak for all my colleagues on the Republican side, lent itself to a national solution rather than a State solution. But these are matters we can argue about.

Mr. FRANK of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the gentleman for yielding. I have no disagreement with what he just said. I do not claim to be a crusader for States rights. I have the position I think most Members have. I am for the State or the Federal Government deciding where we will best get the outcome that I think public policy ought to have.

Mr. MILLER of California. Mr. Speaker, I rise today to express my support for H.R. 497, the National Gambling Impact and Policy Commission Act. I cosponsored this legislation because I believe it is important for us to examine the effect the recent and pronounced proliferation of gambling in the United States has had on us as a society. This impact study will help Americans better understand what the effects of gambling are upon our families and communities.

Gambling has proliferated in part because State, local, and tribal governments faced with budget shortages see gambling as a pain-free solution to their problems. But I am concerned that such a quick-fix approach to our economic problems will make us overlook not only the long-term social problems associated with gambling, but the very fact that gambling itself is an inherently weak foundation upon which to base long-term growth and development. It is my sincere hope that through this study, we can provide local communities, States, and tribes the right tools and objective information to decide whether or not gambling is the right economic development strategy for them.

But I also want to make clear that it is my understanding that neither this bill nor the commission it creates is intended in any way to be construed or used as an excuse to unfairly criticize Indian gaming. Indian gambling has, in many instances, helped Indian tribes improve reservation conditions and provide jobs where unemployment often ranges between 50 and 80 percent. In addition, it is my hope that a fair and hones study will help destroy some of the more harmful and false myths about Indian gaming. For instance, it is far from the truth that all tribes have become rich from Indian gaming. Right not approximately 130 out of 553 Indian tribes operate casino style gaming in 22 States. A few have become quite wealthy. The vast majority, however, of Indian tribes are making only modest profits. Some Indian casinos have even folded. And because Indian tribes are required by law to plow revenues back into tribal projects and not individual profits, Indian tribes have been able to better the quality of life on their reservations by using casino revenues to offer better housing, education, health care, and safety to their members.

My hope is that this commission will study Indian gambling as evenly and fairly as non-Indian gaming. If this happens then I have little doubt that the study, when completed will give Americans the information we need to better understand the positive and negative aspects of gaming in the United States.

Mr. ENSIGN. I rise in opposition to H.R. 497, the National Gambling Impact Study Commission. Although the legislation the House is considering today is a substantial improvement over previous versions, I continue to have many strong reservations with this legislation.

First and foremost, I see no reason why the Federal Government should be involved in a study of a legal, State-regulated industry. The gaming industry, like any other entertainment or tourism industry, is subject to careful review and oversight by individual States. In my State of Nevada, we can see first hand the success of a beneficial relationship between the gaming industry and its regulatory agency, the Nevada Gaming Commission. These two entities have worked together over the years in a manner that benefits everyone—the industry, the State, and the millions of tourists that visit Nevada annually. Nevada has certainly been the leader and model for other States to follow.

Second, Mr. Speaker, I believe this commission is a terrible waste of taxpayer money. The data and information the commission will collect are already available from multiple studies that have already occurred. In this time of fiscal constraint, it is ridiculous to expend Federal dollars for a duplicative study.

I continue to resist this legislation because I feel that the underlying agenda of this bill is to federally regulate and tax the industry. The gaming industry has a huge impact on the economy of Nevada and 47 other States in the country. It provides jobs and opportunities in communities that would not be available if gaming did not exist. While the proponents of this legislation may have good intentions, I will be unyielding in my commitment to ensure that the intent of this commission does not expand to prohibit this legal industry. In addition, I will work with the Speaker, Senate majority leader, and the President to ensure that we have an unbiased commission that will fairly evaluate the industry and provide a balanced report.

Mrs. VUCANOVICH. Mr. Speaker, today I rise in opposition to H.R. 497 not only because it is bad for Nevada, but because I believe it is bad for America. Again, Congress is spending more money on a study of which I question the validity. I question the wisdom of spending millions of dollars to create a new Government commission at a time when we are struggling to downside the Government and balance our budget.

While I am pleased that efforts have been taken to limit the subpoena powers of the commission, it still baffles me why an advisory commission should hold such power. Most advisory commissions created by Congress or Federal agencies are not provided with subpoena power. This calls in question the very purpose of the gaming commission—and whether the commission can be objective.

Mr. Speaker, objective information on gaming is needed, but I thought the 104th Congress was eliminating the Washington-knows-best syndrome. This bill just gives that syndrome more fuel for the fire. Gaming has always been a State responsibility, and many States have addressed the issues relating to gaming in a responsible manner. Getting the Federal Government involved not only infringes on States rights, but costs taxpayers money that could better be spent in education programs, health programs, or to eliminate our Federal deficit. My colleagues, you should rethink this issue and ask where you think the citizens of your State would rather spend their money. My guess—not on the gaming commission created by H.R. 497. I urge my colleagues to vote against this bill.

Mr. LaFALCE. Mr. Speaker, I rise in support of the Senate version of H.R. 497, the National Gambling Impact and Policy Commission Act. The bill includes several provisions that are less satisfactory than the bill I coauthored with Representative FRANK WOLF that passed the House in March. However, I believe it is imperative that we act now to initiate a comprehensive study of gambling and its impact on our society.

The legislation before us today addresses issues and concerns that I have sought to bring to the attention of Congress since 1994. As chairman of the Committee on Small Business, I conducted hearings in September 1994, that documented the rapid proliferation of casino gambling throughout the United States and examined the economic impact of Government-sponsored gambling on small businesses, on individual communities, and on the Nation as a whole.

Based on the findings of these hearings, I introduced the National Policies Toward Gambling Review Act in November 1994 to authorize a Federal study of the economic and social implications of this widespread growth of legalized gambling. This proposal, like that subsequently introduced by Mr. WOLF, creates a new national commission, along the lines of the commission that last studied gambling in 1976, and expands its study to all aspects of gambling in all States and localities. While I have reintroduced my bill in the current Congress, H.R. 462, I am also the lead cosponsor of H.R. 497.

The 1994 Small Business Committee hearings convinced me that widespread legalized gambling has raised serious questions that local officials, and American society generally, were not prepared to address. The hearings confirmed what a New York Times article headline had proclaimed several weeks earlier, that "Gambling Is Now Bigger Than Baseball" as a national pastime. Some 125 million people visited casinos in 1994, a whopping 36-percent increase from 92 million in 1993. Average annual attendance to professional baseball games barely reached 70 million. Casino revenues increase by a whopping 33 percent between 1993 and 1994, from $30 billion to $40 billion, more than the combined revenues for other major leisure activities, including movies, books, recorded music, spectator sports, theme parks, and arcades.

Americans wagered $462 billion on all forms of legalized gambling in 1994, more than the entire gross national product of Communist China. More than $360 billion was wagered in casinos in 10 States and on Indian reservations in 24 States, most of which were built since 1991. All but three States now permit parimutuel betting, slot machines, video poker, keno, bingo, or other forms of gambling. And 36 States actively encourage gambling with government-run lotteries.

This is a far different situation than when the national commission issued its report on gambling in 1976. Legalized gambling was then confined to Nevada and under consideration for Atlantic City. The focus of the commission's study was the influence of organized crime in gambling, not the various economic and social implications of widespread gambling throughout the country.

As gambling has spread across the United States, and even to locations on our border with Canada, it has become clear that the promised benefits of gambling as an approach for local economic development have proven to be illusory. States and localities now compete with Indian reservations and with other States to lure potential gamblers, or only to keep their gambling revenues at home. Casinos that were touted as bringing jobs and economic enrichment to communities in 1994 are now going bankrupt.

The social costs of gambling also are becoming more visible as gambling spreads to more locations. Unfortunately, we have no estimates, for example, of the costs of gambling-related crimes, bankruptcies, or lost jobs and work time. Nor do we know the costs inflicted on families in terms of gambling-related alcoholism, divorce, or suicide.

As State and Federal funding for social services and other programs continue to decline, local officials will come under even greater pressure to heed promises of new revenue and greater prosperity in legalized gambling. It is imperative that these officials, and the public generally, have all the information available to make reasoned and prudent policy decisions.

Contrary to the arguments of some in the gambling industry, the bill before us today does not seek to restrict or regulate organized gambling, nor is it intended as a preliminary step toward such regulation. It merely responds to a growing public demand for more and better information about gambling. And it responds to requests by officials in New York and elsewhere for a broad analysis of the impact of gambling that can incorporate information from all States and from Indian tribal jurisdictions.

I believe the bill before us today can provide the information the public needs to make more informed decisions about gambling. It is clearly not perfect. The subpoena authority in the Senate version applies only to documents, not individuals. And the wording of that authority is, at best, ambiguous. I am troubled also by the restrictions the bill would impose on the use of information generated by the commission, particularly the release of financial information to the public.

However, the need for more comprehensive information and analysis of gambling is urgent in my State of New York and in other States. The commission bill before us, while not perfect, will provide significantly more information about the economic and social implications of gambling than is available today.

Nearly 2 years have passed since I first proposed legislation to create a national commission to study gambling. It was needed then, it is imperative now. I urge adoption of this important legislation.

Mr. DAVIS. Mr. Speaker, I rise today in support of H.R. 497, the National Gambling Impact and Policy Commission Act; legislation introduced by my friend and colleague, the gentleman from Virginia, [Mr. WOLF]. I have cosponsored and support this bill because gambling is not the type of business my district needs or wants in order to build a strong economy and a stable tax base. Virginia has been extremely successful in attracting high tech and Fortune 500 companies that provide quality, high paying jobs. Furthermore, preliminary studies of areas that have introduced gambling show that while the number of jobs increase at first, over time the economy of the area suffers, resulting in the loss of high quality employers. We don't need this in my district and I suspect that many Members of this body have similar feelings.

Already, my State is seeing the proliferation of gambling activities. One off-track horse betting parlor is already in operation in Virginia, and its owners are anxious to open a second. The bipartisan, unbiased nine-member commission this legislation will create will provide Congress and the President with the information necessary to make decisions regarding national policy on gambling. This study will grant the Federal Government invaluable information concerning gambling. Twenty years have passed since Congress visited this issue and the Commission on the Review of the National Policy toward Gambling issued its report. Since then, 46 States have legalized gambling in some fashion. In 1994, Americans wagered $482 billion on all forms of gambling according to U.S. News and World Report; 85 percent of that figure took place in casinos in 27 States, most of which have opened during the past 5 years. Because of the fact that this industry is growing at such an incredible rate, and because there is a lack of current knowledge on the effects of this particular industry on our society Mr. Speaker, I urge my colleagues to support this important and crucial legislation.

Mr. HYDE. Mr. Speaker, I thank the gentleman, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. COBLE). The question on the motion offered by the gentleman from Illinois [Mr. HYDE] that the House suspend the rules and concur in the Senate amendment to H.R. 497.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment was concurred in.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HYDE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the Senate amendment just concurred in.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CHILD PILOT SAFETY ACT

Mr. DUNCAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3267) to amend title 49, United States Code, to prohibit individuals who do not hold a valid private pilots certificate from manipulating the controls of aircraft in an attempt to set a record or engage in an aeronautical competition or aeronautical feat, and for other purposes.

The Clerk read as follows:

H.R. 3267

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Child Pilot Safety Act".

SEC. 2. MANIPULATION OF FLIGHT CONTROLS.

(a) IN GENERAL.—Chapter 447 of title 49, United States Code, is amended by adding at the end the following:

"§ 44724. Manipulation of flight controls

"(a) PROHIBITION.—No pilot in command of an aircraft may allow an individual who does not hold—

"(1) a valid private pilots certificate issued by the Administrator of the Federal Aviation Administration under part 61 of title 14, Code of Federal Regulations; and

"(2) the appropriate medical certificate issued by the Administrator under part 67 of such title,

to manipulate the controls of an aircraft if the pilot knows or should have known that the individual is attempting to set a record or engage in an aeronautical competition or aeronautical feat, as defined by the Administrator.

"(b) REVOCATION OF AIRMEN CERTIFICATES.—The Administrator shall issue an order revoking a certificate issued to an airman under section 44703 of this title if the Administrator finds that while acting as a pilot in command of an aircraft, the airman has permitted another individual to manipulate the controls of the aircraft in violation of subsection (a).

"(c) PILOT IN COMMAND DEFINED.—In this section, the term 'pilot in command' has the meaning given such term by section 1.1 of title 14, Code of Federal Regulations.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following:

"44724. Manipulation of flight controls.".

SEC. 3. CHILDREN FLYING AIRCRAFT.

(a) STUDY.—The Administrator of the Federal Aviation Administration shall conduct a study of the impacts of children flying aircraft.

(b) CONSIDERATIONS.—In conducting the study, the Administrator shall consider the effects of imposing any restrictions on children flying aircraft on safety and on the future of general aviation in the United States.

(c) REPORT.—Not later than 6 months after the date of the enactment of this Act, the Administrator shall issue a report containing the results of the study, together with recommendations on—

(1) whether the restrictions established by the amendments made by section 2 should be modified or repealed; and

(2) whether certain individuals or groups should be exempt from any age, altitude, or other restrictions that the Administrator may impose by regulation.

(d) REGULATIONS.—As a result of the findings of the study, the Administrator may issue regulations imposing age, altitude, or other restrictions on children flying aircraft.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Tennessee [Mr. DUNCAN] and the gentleman from Illinois [Mr. LIPINSKI] each will control 20 minutes.

The Chair recognizes the gentleman from Tennessee [Mr. DUNCAN].

Mr. DUNCAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Transportation and Infrastructure Committee, chaired by the gentleman from Pennsylvania [Mr. SHUSTER], reported H.R. 3267 by voice vote on June 6.

The bill was introduced on April 18 by myself, along with the chairman of the full committee, BUD SHUSTER, Aviation Subcommittee Ranking Member BILL LIPINSKI, Aviation Subcommittee Vice Chairman JERRY WELLER, the chairman of the Government Reform and Oversight Committee, BILL CLINGER, as well as JIM ROSS

LIGHTFOOT, BILL PAXON, and BILL MARTINI.

Since the introduction of this legislation several other Members of the House have added their names as cosponsors.

According to the National Transportation Safety Board, since 1964 there have been 178 accidents and incidents involving pilots 16 years of age and younger.

And, as we all know, last April, 7-year-old Jessica Dubroff attempted to become the youngest pilot to fly across the United States.

Unfortunately, Jessica, her father, and a flight instructor were killed while attempting to set this record.

Specifically, H.R. 3267 requires a private pilot license for any person attempting to break an aviation record.

The bill also requires a study to be conducted by the FAA to determine if any additional rules or guidelines should be put in place for children flying aircraft.

So, I think we have a balanced approach that focuses on the media-driven publicity stunts without imposing any additional regulations or undue restrictions on the entire aviation community.

H.R. 3267 has strong support from the general aviation community, including the Aircraft Owners and Pilots Association, the General Aviation Manufacturers Association, and the National Air Transport Association.

The bill is also supported by the Federal Aviation Administration, the Department of Transportation, and several Members from both sides of the aisle.

It is a good bill, a balanced bill, and I think it is one that will merit the support of all Members.

I might just say, Mr. Speaker, that because of the terrible tragedy of flight 800 by TWA, the attention being given to aviation safety right at this time is understandably extremely high, and the public is demanding that we take every step possible to make sure that our aviation system is as safe and secure as possible.

This bill, along with two companion bills that we will act on shortly, are judicial steps that this Congress can take and can be proud of in working to make sure that our aviation system is as safe as possible, and we will be doing additional things and holding additional hearings as we move on through the coming weeks and months.

Mr. Speaker, I urge the support of all my colleagues for H.R. 3267, and I reserve the balance of my time.

☐ 1245

Mr. LIPINSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Chairman DUNCAN and I introduced H.R. 3267 following the tragic death of 7-year-old Jessica Dubroff on April 11, 1996, while trying to set a record as the youngest pilot.

This legislation has widespread support in the aviation community because the bill allows the FAA to study whether further restrictions should be placed on children flying aircraft instead of establishing a minimum age at which a child can manipulate the controls of an aircraft in the statute. I believe that it may well be appropriate for us to establish such a minimum age, but I am willing to wait until the FAA completes its study before taking any action.

Mr. Speaker, H.R. 3267 is responsible legislation that addresses the issue without overreacting. I urge its adoption.

Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. OBERSTAR], ranking member of the Committee on Transportation and Infrastructure.

Mr. OBERSTAR. Mr. Speaker, I thank the gentleman for yielding me the time.

I also strongly support the Child Pilot Safety Act, H.R. 3267. It is regrettable that we should even be here discussing such legislation, but out of necessity we are. The bill was drafted in response to a tragic accident that took the life of Jessica Dubroff, a precocious 7-year-old who was attempting to be the youngest person to manipulate the controls of an aircraft across the North American Continent.

As the committee heard in the hearings that the gentleman from Tennessee, Chairman DUNCAN, called and the ranking member, the gentleman from Illinois, Mr. LIPINSKI, participated in and help craft, we have to keep in mind that Jessica was not the pilot in command of the fatal flight. The decision to take off in foul weather was not hers. The decision to fly in aircraft that was reportedly overweight was not the child's. The decision to allow her to manipulate the controls of that aircraft at any time during that flight and prior to the tragic accident was not the child's decision. It was a decision of the pilot in command, an experienced pilot, a flight instructor who should have known better.

As we have discussed and Chairman DUNCAN and ranking member LIPINSKI have said again and again, we cannot legislate good judgment into the minds and hearts and soles of pilots, but we can erect some very strong barriers. That is what this legislation does.

To the extent that we legislate in this arena, we must legislate with the right objective in mind. The pilot in command, the flight instructor, not the child who is on board that aircraft but the pilot in command, to make that person doubly, triple aware that at all times, regardless of circumstances, regardless of societal pressures or other social pressures, they have to think first of safety. That is what this legislation does.

The child's interest in and enthusiasm for flying should be nurtured. It ought to be stimulated, as it has been from the dawn of civil aviation. For that purpose, there are junior aviation clubs all across America. The Young Eagles, I think of in my own district in Minnesota, Young Eagles Club at Mora, directed by, coached by Judy Rice, who is a very enthusiastic pilot herself, was appalled that a child would be in an aircraft under such weather conditions with the pressure of trying to create a record of flying across America for a child of that age.

The Young Eagles Clubs, the Civil Air Patrol, the Aviation Explorer Scouts Groups, all give plenty of opportunities for young people to become enthused about aviation to become our future pilots, but never should they be exposed to such questionable and dangerous conditions as preceded that single tragic accident, nor should all those program be sacrificed because of one tragic accident.

I believe that, as a result of the good judgment that Mr. LIPINSKI and Mr. DUNCAN have exercised in crafting this legislation, that it is unlikely that flight instructors will participate in any such questionable record setting activities in the future. Again, we are not trying to legislate good judgment, but we are trying to send up very strong signals to the flying public and to the most experienced of instructors, instructor core throughout this country, stop, take stock, think carefully; lives are in your hands.

I commend the gentleman from Illinois, and I commend the gentleman from Tennessee for this legislation. I urge its passage.

Mr. DUNCAN. Mr. Speaker, I reserve the balance of my time.

Mr. LIPINSKI. Mr. Speaker, I yield myself such time as I may consume.

I simply want to say that I appreciate very much the cooperation, the consideration given to me in crafting this bill by the gentleman from Tennessee, Chairman DUNCAN. I want to congratulate the staff on the Republican side and the Democratic side for working on this and coming up with this legislation. I salute them all. I urge passage of this bill.

Mr. Speaker, I yield back the balance of my time.

Mr. DUNCAN. Mr. Speaker, I yield myself such time as I may consume.

Let me simply in closing echo the words of the gentleman from Illinois [Mr. LIPINSKI]. If there is any other subcommittee in this Congress where there is a better relationship between the ranking member and the chairman, I would like to know about it. The Subcommittee on Aviation has a history of working together in a very bipartisan way.

Sometimes all the publicity is given to our divisions up here, and people do not realize that on many important pieces of legislation the Members on both sides of the aisle work well together. I think this is in part due to a close relationship that I have with my ranking member, Mr. LIPINSKI, but also it is a tribute to the ranking member of the full committee, the gentleman from Minnesota, Mr. OBERSTAR, who served for many years as the chairman of this subcommittee and who is recognized in this Congress and is often referred to as Mr. Aviation.

I appreciate the work that they have done on this bill and the comments they have made. I think we have a good bill. It is a bill that will correct the abuses without overreaching.

I urge passage of this bill.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. COBLE). The question is on the motion offered by the gentleman from Tennessee [Mr. DUNCAN] that the House suspend the rules and pass the bill, H.R. 3267.

The question was taken.

Mr. DUNCAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

AIRLINE PILOT HIRING AND SAFETY ACT OF 1996

Mr. DUNCAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3536) to amend title 49, United States Code, to require an air carrier to request and receive certain records before allowing an individual to begin service as a pilot, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3536

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Airline Pilot Hiring and Safety Act of 1996".

SEC. 2. EMPLOYMENT INVESTIGATIONS OF PILOTS.

(a) IN GENERAL.—Chapter 447 of title 49, United States Code, is amended by redesignating section 44723 as section 44724 and by inserting after section 44722 the following:

"§44723. Preemployment review of prospective pilot records

"(a) PILOT RECORDS.—

"(1) IN GENERAL.—Before allowing an individual to begin service as a pilot, an air carrier shall request and receive the following information:

"(A) FAA RECORDS.—From the Administrator of the Federal Aviation Administration, information pertaining to the individual that is maintained by the Administrator concerning—

"(i) current airman certificates (including airman medical certificates) and associated type ratings, including any limitations thereon; and

"(ii) summaries of legal enforcement actions which have resulted in a finding by the Administrator of a violation of this title or a regulation prescribed or order issued under this title and which have not been subsequently overturned.

"(B) AIR CARRIER RECORDS.—From any air carrier (or the trustee in bankruptcy for the air carrier) that has employed the individual at any time during the 5-year period preceding the date of the employment application of the individual—

"(i) records pertaining to the individual that are maintained by an air carrier (other than records relating to flight time, duty time, or rest time) under regulations set forth in—

"(I) section 121.683 of title 14, Code of Federal Regulations;

"(II) paragraph (A) of section VI, appendix I, part 121 of such title;

"(III) paragraph (A) of section IV, appendix J, part 121 of such title;

"(IV) section 125.401 of such title; and

"(V) section 135.63(a)(4) of such title; and

"(ii) other records pertaining to the individual that are maintained by the air carrier concerning—

"(I) the training, qualifications, proficiency, or professional competence of the individual, including comments and evaluations made by a check airman designated in accordance with section 121.411, 125.295, or 135.337 of such title;

"(II) any disciplinary action relating to the training, qualifications, proficiency, or professional competence of the individual which was taken by the air carrier with respect to the individual and which was not subsequently overturned by the air carrier; and

"(III) any release from employment or resignation, termination, or disqualification with respect to employment.

"(C) NATIONAL DRIVER REGISTER RECORDS.—From the chief driver licensing official of a State, information concerning the motor vehicle driving record of the individual in accordance with section 30305(b)(7) of this title.

"(2) 5-YEAR REPORTING PERIOD.—A person is not required to furnish a record in response to a request made under paragraph (1) if the record was entered more than 5 years before the date of the request, unless the information is about a revocation or suspension of an airman certificate or motor vehicle license that is still in effect on the date of the request.

"(3) REQUIREMENT TO MAINTAIN RECORDS.—The Administrator and each air carrier (or the trustee in bankruptcy for the air carrier) shall maintain pilot records described in paragraph (1) for a period of at least 5 years.

"(4) WRITTEN CONSENT FOR RELEASE.—Neither the Administrator nor any air carrier may furnish a record in response to a request made under paragraph (1) (A) or (B) without first obtaining the written consent of the individual whose records are being requested.

"(5) DEADLINE FOR PROVISION OF INFORMATION.—A person who receives a request for records under paragraph (1) shall furnish, on or before the 30th day following the date of receipt of the request (or on or before the 30th day following the date of obtaining the written consent of the individual in the case of a request under paragraph (1) (A) or (B)), all of the records maintained by the person that have been requested.

"(6) RIGHT TO RECEIVE NOTICE AND COPY OF ANY RECORD FURNISHED.—A person who receives a request for records under paragraph (1) shall provide to the individual whose records have been requested—

"(A) on or before the 20th day following the date of receipt of the request, written notice of the request and of the individual's right to receive a copy of such records; and

"(B) in accordance with paragraph (9), a copy of such records, if requested by the individual.

"(7) REASONABLE CHARGES FOR PROCESSING REQUESTS AND FURNISHING COPIES.—A person who receives a request for records under paragraph (1) or (9) may establish a reasonable charge for the cost of processing the request and furnishing copies of the requested records.

"(8) RIGHT TO CORRECT INACCURACIES.—An air carrier that receives the records of an individual under paragraph (1)(B) shall provide the individual with a reasonable opportunity to submit written comments to correct any inaccuracies contained in the records before making a final hiring decision with respect to the individual.

"(9) RIGHT OF PILOT TO REVIEW CERTAIN RECORDS.—Notwithstanding any other provision of a law or agreement, an air carrier shall, upon written request from a pilot employed by such carrier, make available, within a reasonable time of the request, to the pilot for review any and all employment records referred to in paragraph (1)(B) pertaining to the pilot's employment.

"(10) PRIVACY PROTECTIONS.—

"(A) USE OF RECORDS.—An air carrier or employee of an air carrier that receives the records of an individual under paragraph (1) may use such records only to assess the qualifications of the individual in deciding whether or not to hire the individual as a pilot.

"(B) REQUIRED ACTIONS.—Subject to subsection (c), the air carrier or employee of an air carrier shall take such actions as may be necessary to protect the privacy of the pilot and the confidentiality of the records, including ensuring that the information contained in the records is not divulged to any individual that is not directly involved in the hiring decision.

"(C) INDIVIDUALS NOT HIRED.—If the individual is not hired, the air carrier shall destroy or return the records of the individual received under paragraph (1); except that the air carrier may retain any records needed to defend its decisions not to hire the individual.

"(11) STANDARD FORMS.—The Administrator may promulgate—

"(A) standard forms which may be used by an air carrier to request the records of an individual under paragraph (1); and

"(B) standard forms which may be used by a person who receives a request for records under paragraph (1) to obtain the written consent of the individual and to inform the individual of the request and of the individual's right to receive a copy of any records furnished in response to the request.

"(12) REGULATIONS.—The Administrator may prescribe such regulations as may be necessary—

"(A) to protect the personal privacy of any individual whose records are requested under paragraph (1) and to protect the confidentiality of those records;

"(B) to preclude the further dissemination of records received under paragraph (1) by the air carrier who requested them; and

"(C) to ensure prompt compliance with any request under paragraph (1).

"(b) LIMITATION ON LIABILITY; PREEMPTION OF STATE AND LOCAL LAW.—

"(1) LIMITATION ON LIABILITY.—No action or proceeding may be brought by or on behalf of an individual who is seeking a position with an air carrier as a pilot against—

"(A) the air carrier for requesting the individual's records under subsection (a)(1);

"(B) a person who has complied with such request and in the case of a request under subsection (a)(1) (A) or (B) has obtained the written consent of the individual;

"(C) a person who has entered information contained in the individual's records; or

"(D) an agent or employee of a person described in subparagraph (A) or (B);

in the nature of an action for defamation, invasion of privacy, negligence, interference with contract, or otherwise, or under any Federal, State, or local law with respect to the furnishing *or use of such records in accordance with subsection (a).*

"(2) PREEMPTION.—No State or political subdivision thereof may enact, prescribe, issue, continue in effect, or enforce any law, regulation, standard, or other provision having the force and effect of law that prohibits, penalizes, or imposes liability for furnishing or using records in accordance with subsection (a).

"(3) PROVISION OF KNOWINGLY FALSE INFORMATION.—Paragraphs (1) and (2) shall not apply with respect to a person that furnishes in response to a request made under subsection (a)(1) information that the person knows is false.

"(c) LIMITATION ON STATUTORY CONSTRUCTION.—Nothing in this section shall be construed as precluding the availability of the records of a pilot in an investigation or other proceeding concerning an accident or incident conducted by the Secretary, the National Transportation Safety Board, or a court.".

(b) CHAPTER ANALYSIS AMENDMENT.—The analysis for chapter 447 of such title is amended by striking

"44723. Annual report."

and inserting

"44723. Preemployment review of prospective pilot records.

"44724. Annual report.".

(c) CONFORMING AMENDMENT.—Section 30305(b) of such title is amended by redesignating paragraph (7) as paragraph (8) and by inserting after paragraph (6) the following:

"(7) An individual who is employed or seeking employment by an air carrier as a pilot may request the chief driver licensing official of a State to provide information about the individual under subsection (a) of this section to the individual's prospective employer or to the Secretary of Transportation. Information may not be obtained from the Register under this paragraph if the information was entered in the Register more than 5 years before the request, unless the information is about a revocation or suspension still in effect on the date of the request.".

(d) CIVIL PENALTIES.—Section 46301 of such title is amended by inserting "44723," after "44716," in each of subsections (a)(1)(A), (a)(2)(A), (d)(2), and (f)(1)(A)(i).

(e) APPLICABILITY.—The amendments made by this section shall apply to any air carrier hiring an individual as a pilot on or after the 30th day after the date of the enactment of this Act.

SEC. 3. RULEMAKING TO ESTABLISH MINIMUM STANDARDS FOR PILOT QUALIFICATIONS.

Not later than 18 months after the date of the enactment of this Act, the Administrator of the Federal Aviation Administration shall issue a notice of a proposed rulemaking to establish—

(1) minimum standards and criteria for preemployment screening tests measuring the biographical factors (psychomotor coordination), general intellectual capacity, instrument and mechanical comprehension, and physical fitness of an applicant for employment as a pilot by an air carrier; and

(2) minimum standards and criteria for pilot training facilities which will be licensed by the Administrator and which will assure that pilots trained at such facilities meet the preemployment screening standards and criteria described in paragraph (1).

SEC. 4. SHARING ARMED SERVICES RECORDS.

(a) STUDY.—The Administrator of the Federal Aviation Administration, in conjunction with the Secretary of Defense, shall conduct a study to determine the relevance and appropriateness of requiring the Secretary of Defense to provide to an air carrier, upon request in connection with the hiring of an individual as a pilot, records of the individual concerning the individual's training, qualifications, proficiency, professional competence, or terms of discharge from the Armed Forces.

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Administrator shall transmit to Congress a report on the results of the study.

SEC. 5. MINIMUM FLIGHT TIME.

(a) STUDY.—The Administrator of the Federal Aviation Administration shall conduct a study to determine whether current minimum flight time requirements applicable to individuals seeking employment as a pilot with an air carrier are sufficient to ensure public safety.

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Administrator shall transmit to Congress a report on the results of the study.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Tennessee [Mr. DUNCAN] and the gentleman from Illinois [Mr. LIPINSKI] each will control 20 minutes.

The Chair recognizes the gentleman from Tennessee [Mr. DUNCAN].

Mr. DUNCAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on Thursday, June 6, the House Transportation and Infrastructure Committee reported the Airline Pilot Hiring and Safety Act, H.R. 3536, by voice vote.

H.R. 3536 will go a long way in helping the airline industry weed out poor pilots—and it will make sure that these pilots are kept out of the system.

The legislation requires airlines to share the records of pilot job applicants before they are hired.

These records include physical exams, drug tests, alcohol tests, training records, proficiency and route checks, and others. It also requires airlines to request the motor vehicle driving records of the pilot from the National Register. None of this information can be released without the pilot's prior written approval.

Over the last 7 years, as a result of airplane accidents involving fatalities, the National Transportation Safety Board has recommended to the FAA, on at least three different occasions, that pilot performance records should be shared.

Since 1987, substandard airline pilots have contributed to several fatal plane crashes, killing hundreds of people.

Among these pilots, one failed three flight tests in 6 years, one had been fired five times for poor performance, two had substance abuse problems, and the list goes on.

The Aviation Subcommittee, of which I chair held 2 days of hearings on this issue just this past December. From those hearings there was general consensus that the sharing of pilot records should be done.

H.R. 3536 provides airlines near total immunity from defamation lawsuits. The only exception would be if the airline knowingly places false information about a pilot in his or her record.

As I have said on several occasions, I believe that 99.9 percent of the pilots who fly today are very good pilots. But, unfortunately, some poor pilots have fallen through the cracks.

Again, on a bipartisan basis, we worked to craft a bill that I feel confident every Member of the House can support.

H.R. 3536 has several cosponsors from both sides of the aisle. It is also supported by the chairman of the full committee, Mr. SHUSTER, as well as the ranking members of both the full committee and the Aviation Subcommittee, Mr. OBERSTAR and Mr. LIPINSKI.

It is a good bill, a bipartisan bill, and it will help our make our safe aviation system even safer. I urge Members to support its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. LIPINSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 3536, the Airline Pilot Hiring and Safety Act.

This bill will require an airline to obtain the records of a pilot from the pilot's previous employer before hiring that pilot. I think it's clear to all of us why this makes sense. We learned from a 1994 crash in which the pilot flying that aircraft had been forced out by another carrier because of poor performance. At the hearing the Aviation Subcommittee held on this issue that December, there was virtually unanimous agreement that a system needed to be set up for airlines to share pilot records which protected the rights of both the carriers and the pilots.

After considerable effort and through the leadership of Chairman DUNCAN, we have found the appropriate balance. Neither the carriers nor the pilots love this bill. But in the spirit of compromise we have found a middle ground which I believe best serves the interests of the flying public.

I do want to thank Chairman DUNCAN and Chairman SHUSTER for working so closely with our side on this legislation. They have been very receptive to improvements we have suggested and the end result is a bill that we can all support.

Mr. Speaker, I urge support for this important safety legislation.

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Mr. Speaker, I reserve the balance of my time.

Mr. DUNCAN. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina [Mr. HEINEMAN], one of the main people in this Congress who is the biggest mover and shaker on this particular piece of legislation. He has been in on this from the very beginning and deserves a great deal of credit for this legislation.

Mr. HEINEMAN. Mr. Speaker, today I rise in strong support of H.R. 3536, the Duncan-Heineman Airline Pilot Hiring Safety Act.

Mr. Speaker, on December 13, 1994, tragedy struck commuter Flight 3379.

What began as a routine commuter flight from Greensboro, NC to the Raleigh-Durham International Airport—in my own congressional district—sadly turned to tragedy.

On that evening, the pilot of Flight 3379 attempted to land his twin engine commuter plane in the fog and rain, but because of a tragic miscalculation, the plane began spinning out of control and crashed on a hillside near the airport.

That disaster took the lives of the pilot, his copilot, and 13 of 20 passengers. Federal investigators learned that the crash was a result of pilot error. To make matters worse, the pilot of Flight 3379 had a history of similar pilot errors, and in fact he had been recommended for dismissal by another airline which previously employed him. His questionable training records from that previous airline were not available to his new employer when he was hired.

As USA Today reported:

> "If [the pilot's] training records had been shared, 15 people might not have died on December 13, 1994, when a [commuter] plane crashed near Raleigh-Durham, N.C."

To quote further from the article:

> "The FAA does not require airlines to verify flight experience; to check FAA records for accidents, violations, warnings or fines, or to check for criminal records." (USA Today, September 26, 1995).

Mr. Speaker, on the 1-year anniversary of this terrible crash, as the families of the victims struggled to make sense of the tragedy, I introduced legislation to make sure that this kind of accident would never happen again. I testified before the House Aviation Subcommittee, and in the following months, I worked closely with my good friend, Aviation Subcommittee Chairman JOHN DUNCAN, to develop the bipartisan legislation before us today.

This bill, the "Duncan-Heineman Airline Pilot Hiring Safety Act" will require airlines that are preparing to hire a new pilot request certain safety records, some of which are maintained by the FAA, and many of which are maintained by the airlines themselves.

This bill provides some necessary protections from lawsuits for airlines that share safety records as required by law. The bill also gives pilots the opportunity to check the accuracy of any records and requires that pilots give their written approval before records are released.

Mr. Speaker, this is a good bill, a bipartisan bill that will go a long way toward making our airlines even safer. I want to thank Aviation Subcommittee Chairman JOHN DUNCAN and Transportation Committee and Infrastructure Chairman BUD SHUSTER for their invaluable help in developing this critically needed legislation and bringing it to the floor. I also want to commend Representative JIM OBERSTAR, the ranking member of the Transportation Committee, and Representative WILLIAM LIPINSKI, the ranking member of the Aviation Subcommittee for their hard work in helping to craft this bipartisan bill.

I urge Members to support H.R. 3536.

Mr. LIPINSKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. OBERSTAR], Mr. Aviation.

Mr. OBERSTAR. Mr. Speaker, I thank the gentleman for those very kind remarks.

Mindful of Adlai Stevenson's injunction that it is all right to hear praise of oneself as long as they do not inhale it, the two aviation leaders in this Congress are the gentleman from Tennessee, the chairman of the subcommittee, and the gentleman from Illinois [Mr. LIPINSKI], ranking members of the subcommittee, and I am very grateful for the splendid work they have done in carrying on the bipartisan tradition of our subcommittee on aviation.

This legislation plugs a hole in the aviation safety system to insure that we take every step to make that system as safe as it can possibly be. Again our two leaders on this aviation subcommittee have worked in a bipartisan fashion, very carefully and with great legislative craftsmanship to address, as the gentleman from Illinois [Mr. LIPINSKI] well put it, a measure and an issue that does not please either the pilot community or the airline community. It will please, and it should please, the traveling public.

This is an issue that we have dealt with in the aviation subcommittee over a period of 3 or 4 years, drawing upon a recommendation several times issued by the National Transportation Safety Board that the transfer of training and employment records of pilots should be done and should be made available from one airline to another airline when a pilot is being considered for employment, changing employees, and it should seem like a very straightforward and simple action. But in fact it is not. It has taken us quite a long time to get to this point.

It is actually a very thorny thicket of issues that requires a balance of interests while insuring that the safety benefits of transferring those records are achieved, and the issues that have arisen over a period of several years are privacy for the pilots, liability for pilots and for airlines, the employer employee relationship. But I think all of those questions are met very responsibly and very effectively in this legislation.

The National Transportation Safety Board has found in a number of accident investigations that the pilot involved had been dismissed from previous employers for poor performance. But that history, those records, Mr. Speaker, were not known to the current employer. Had it been known, the pilot who caused or contributed to such accidents would not have been hired, in all likelihood, or at least the airline doing hiring would have been able to know about the background and do further checks and do further investigation of the qualifications of that applicant, and in some situations, very likely, accidents could have been avoided.

I expect that upon enactment and enforcement of this legislation, that another category of accidents will be eliminated, specifically accidents caused by pilots who have previously been judged to be such poor pilots that they had to be terminated by their airline employer.

The chairman has thoroughly described how the bill establishes a system of record sharing with protections for pilots. The gentleman from Illinois [Mr. LIPINSKI] has elaborated on it. But I just want to emphasize how important it is that the pilots have the ability to correct their records, that they will know under this legislation when their record are being transferred and that they will have the ability to seek damages against a person in their former employer airline who may falsify a pilot's records. Those are very important privacy and personal protections for pilots. They were right to be concerned about those matters. Our committee has been right to address those issues and has addressed them very effectively and soundly in this legislation.

Section 3 of the bill directs a rulemaking to establish new minimum standards for pilot qualifications, another issue that pilots were concerned about. Hiring in the airline industry is very cyclical, given the economics of aviation. When there is low demand for travel, there is low demand for pilots. Airlines can be choosy about who they select, and they can and do pick pilots with more experience and more training. When demand is high, the airlines, on simple supply and demand purposes, hire pilots for less stringent criteria.

This bill will require the initiation of a regulatory proceeding to determine the appropriate standards, to screen pilots for psychomotor coordination, general intellectual capacity, instrument and mechanical comprehension, physical fitness.

The bill will also establish minimum standards for pilot training facilities to ensure that pilots will meet the new preemployment standards.

The bill also requires a study of whether existing minimum flight time requirements are sufficient to ensure safety in today's increasingly sophisticated and complicated aircraft.

This bill is far greater than just transfer of records and the very important issue of one airline knowing a pilot's complete history. It sets standards for a range of issues that I just described, it will elevate the whole quality of airmanship in today's highly complicated pilot and cockpit environment, and I think this legislation, I say to my two colleagues, does a great service to the traveling public and to all of aviation for the future. It is a quantum leap forward, and I commend both the gentleman from Tennessee [Mr. DUNCAN] and the gentleman from Illinois [Mr. LIPINSKI] on the splendid job they have done in bringing this matter forward. I urge its enactment, and I hope the other body will act quickly upon it.

Mr. DUNCAN. Mr. Speaker, I have no additional speakers at this time, and I reserve the balance of my time.

Mr. LIPINSKI. Mr. Speaker, I yield myself such time as I may consume.

I am going to conclude here, and I simply want to make a couple of points.

First, when the gentleman from Tennessee [Mr. DUNCAN] and I referred to the gentleman from Minnesota [Mr. OBERSTAR] as Mr. Aviation, there is no jest in that whatsoever. We all sincerely believe that he knows more about aviation than any person we have run into in this country or in any country in the world. So we do not in any way, shape, or form make light of that. We are bestowing upon him a title that we all sincerely believe.

Second, I want to make the point that this bill really was a very difficult bill to work out a reasonable compromise on. We had the pilots on one side, the air carriers on another side, and I salute the chairman for his steady hand in bringing us to an outstanding compromise.

But, in all honesty, on this particular piece of legislation I salute the staff members on both sides who had to put up with the arguments coming forth from the pilots and from the carriers, and I know that that was no easy job listening to them repeatedly, and for the legislation that they developed along with the Members of the committee I strongly salute them.

So once again I say I support this bill enthusiastically, and I yield back the balance of my time.

Mr. DUNCAN. Mr. Speaker, I yield myself such time as I may consume to simply echo the remarks of the ranking member, the gentleman from Illinois [Mr. LIPINSKI]. In fact, a few minutes ago I whispered to Dave Schaffer, our very fine staff director for the subcommittee, that I thought many people watching the discussion on the Child Pilot Safety Act and the Airline Pilot Hiring and Safety Act, these 2 bills, would not fully realize that if we had gone too far in either direction on either one of these bills, we could have turned either or both of these bills into something very, very controversial, and instead everyone has worked together in a very bipartisan and a very cordial fashion to fashion legislation that I think merits the support of all of our colleagues. And I, too, like Mr. LIPINSKI, want to thank the staff for some outstanding work on these two bills, and also thank once again the gentleman from Illinois [Mr. LIPINSKI] and the gentleman from Minnesota [Mr. OBERSTAR], and I urge passage of this bill.

Mr. TRAFICANT. Mr. Speaker, as a member of the Transportation and Infrastructure Subcommittee on Aviation, I rise in strong support of H.R. 3536.

Over the past 8 years, there have been eight commercial airplane crashes—all but one on small airlines. According to the National Transportation Safety Board, five of these crashes are attributable to pilot error. In at least four of these fatal accidents, the employing airline was not aware that the pilots had documented histories of poor performance with other airlines that had employed them.

One of these crashes occurred on December 13, 1994, when American Eagle flight 3379 on route from Greensboro, NC to Raleigh-Durham crashed four miles short of the runway while attempting an instrument controlled landing in poor weather conditions. Thirteen passengers and the two crew members were killed.

The pilot, Capt. Mike Hillis, was hired by American Eagle just 4 days after he was forced to quit by his previous employer because of poor piloting skills. American Eagle had no knowledge of his prior poor performance ratings.

One of the passengers who died on flight 3379 was William Gibson of Kernersville, NC. Mr. Gibson's mom, Mary Ann Gibson and his sister, Susan Gibson Berson, testified before the Aviation subcommittee last December. The Gibsons are residents of Warren, OH in my congressional district. Mary Ann's husband, Howard Gibson, passed away on January 20. Howard was also here when his wife testified. I can't think of a more fitting tribute to this beautiful family than to get this legislation enacted into law.

According to the NTSB, the probable cause of the American Eagle flight 3379 accident was pilot error. American Eagle failed to identify, document, monitor, and remedy deficiencies in pilot performance and training.

While the FAA requires airlines to conduct security checks of pilot applicants, there is no FAA requirement to verify flight experience, determine an applicant's safety/enforcement history, pilot training and performance in the pilot's previous position, or any criminal or driving history.

H.R. 3536 requires an airline to obtain the records of a pilot from the pilot's previous employer before hiring that pilot. The bill requires airlines to keep pilot records for up to 5 years, and allows pilots full access to their records and notice of whenever records are being provided. The bill also provides immunity to airlines unless the airline knowingly lies about the pilot's record.

I would like to note for the record that the airline pilots have raised some legitimate concerns about this bill. They argue that many pilot training records are subjective, and requiring record sharing and background checks will result in the sanitization of pilot records to protect pilots' careers. This, they argue, would have the effect of making the system less safe.

While I understand the pilots' concerns, I believe the bill before strikes a reasonable balance between safety and privacy. And the bill does directly address another concern the pilot's raised by requiring the FAA to issue a proposed rule within 18 months establishing minimum standards for pilot qualifications.

The airline pilots are right on target when they note that one way to address the safety issue is for the FAA to standardize and tighten pilot hiring standards.

I would also repeat that the bill allows pilots to sue airlines if an airline lied about a pilot. The bill also includes clear language safeguarding the privacy of pilot records.

On balance, this is a good bill and I urge all Members to support it.

Mr. LAZIO of New York. Mr. Speaker, I rise in strong support of the Airline Pilot Hiring and Safety Act, H.R. 3536, which we are considering today. This bill requires an airline to perform a background check on a pilot before that individual can be hired. It also requires the FAA to establish minimum standards for pilot qualifications, and work with the Department of Defense to determine if military pilot records should be available to civilian airlines seeking to hire former military pilots. Privacy safeguards are incorporated into the bill.

Without question, the vast majority of airline pilots are well-qualified individuals with impeccable records. Nevertheless, pilot error occurs and there have been accidents because the pilot's flying history was not known to the current employer. A tragic case in point was the American Eagle flight 3379 crash on December 13, 1994 near Raleigh-Durham Airport. This accident took the lives of the 15 people, including my Long Island constituent, Kelly Ciulla. The National Transportation Safety Board found that pilot error was the probable cause. Disturbingly, the pilot has a history of poor performance with errors similar to those that contributed to this crash and was forced to quit his previous job with another airline because of his poor piloting skills. However, American Eagle was not aware of the pilot's flight record because this information is not traditionally shared among the airlines.

Following investigations involving pilot error, the NTSB has repeatedly recommended that the Federal Aviation Administration require substantive background checks on pilot applicants, but the agency has failed to do so. The consequences have been tragic and needlessly so.

The airlines must know that their pilots are highly qualified, and the flying public deserves no less. At the request of Kelly Ciulla's mother, Maureen Ryan, I cosponsored a similar bill introduced by Congressman HEINEMAN in whose congressional district the flight 3379 crash occurred. H.R. 3536 before us today has evolved from the bill. Requiring pilot background checks is purely common sense and not without precedent in other industries. The railroads, trucking companies, defense contractors, and many school districts follow this practice when they hire an employee.

I commend the leadership for bringing this H.R. 3536 to the floor, and I urge my colleagues to support this long overdue legislation that will save lives.

Mr. DUNCAN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. COBLE). The question is on the motion offered by the gentleman from Tennessee [Mr. DUNCAN] that the House suspend the rules and pass the bill, H.R. 3536, as amended.

The question was taken.

Mr. DUNCAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

Mr. SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

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NATIONAL TRANSPORTATION SAFETY BOARD AMENDMENTS OF 1996

Mr. DUCAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3159) to amend title 49, United States Code, to authorize appropriations for fiscal years 1997, 1998, and 1999 for the National Transportation Safety Board, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3159

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Transportation Safety Board Amendments of 1996".

SEC. 2. TERMS OF OFFICE.

(a) IN GENERAL.—Section 1111(d) of title 49, United States Code, is amended by striking the third sentence and inserting the following: "The term of office of the Chairman shall be 4 years and the term of the Vice Chairman shall be 2 years.".

(b) APPLICABILITY.—The amendment made by subsection (a) shall only apply to persons designated as Chairman of the National Transportation Safety Board after the date of the enactment of this Act.

SEC. 3. FOREIGN INVESTIGATIONS.

Section 1114 of title 49, United States Code, is amended—

(1) in subsection (a) by striking "(b) and (c)" and inserting "(b), (c), and (e)"; and

(2) by adding at the end the following:

"(e) FOREIGN INVESTIGATIONS.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, neither the Board, nor any agency receiving information from the Board, shall disclose records or information relating to its participation in foreign aircraft accident investigations; except that—

"(A) the Board shall release records pertaining to such an investigation when the country conducting the investigation issues its final report or 2 years following the date of the accident, whichever occurs first; and

"(B) the Board may disclose records and information when authorized to do so by the country conducting the investigation.

"(2) SAFETY RECOMMENDATIONS—Nothing in this subsection shall restrict the Board at any time from referring to foreign accident investigation information in making safety recommendations.".

SEC. 4. PROTECTION OF VOLUNTARY SUBMISSION OF INFORMATION.

Section 1114(b) of title 49, United States Code, is amended by adding at the end the following:

"(3) PROTECTION OF VOLUNTARY SUBMISSION OF INFORMATION.—Notwithstanding any other provision of law, neither the Board, nor any agency receiving information from the Board, shall disclose voluntarily provided safety-related information if that information is not related to the exercise of the Board's accident or incident investigation authority under this chapter and if the Board finds that the disclosure of the information would inhibit the voluntary provision of that type of information.".

SEC. 5. TRAINING.

Section 1115 of title 49, United States Code, is amended by adding at the end the following:

"(d) TRAINING OF BOARD EMPLOYEES AND OTHERS.—The Board may conduct training of its employees in those subjects necessary for the proper performance of accident investigations. The Board may also authorize attendance at courses given under this subsection by other governmental personnel, personnel of foreign governments, and personnel from industry or otherwise who have a requirement for accident investigation training. The Board may require non-Board personnel to reimburse some or all of the training costs, and amounts so reimbursed shall be credited to the appropriation of the 'National Transportation Safety Board, Salaries and Expenses' as offsetting collections.".

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

Section 1118(a) of title 49, United States Code, is amended—

(1) by striking "and"; and

(2) by inserting before the period at the end of the first sentence the following: ", $42,407,000 for fiscal year 1997, $44,460,000 for fiscal year 1998, and $45,040,000 for fiscal year 1999".

SEC. 7. REPORTS ON SAFETY RECOMMENDATIONS.

Section 1135(d) of title 49, United States Code, is amended—

(1) by striking "January 1" and inserting "January 31";

(2) by inserting "or any other officer of the Department of Transportation" after "to the Secretary"; and

(3) by inserting "or such officer's" after "the Secretary's".

The SPEAKER pro tempore (Mr. COBLE). Pursuant to the rule, the gentleman from Tennessee [Mr. DUNCAN] and the gentleman from Illinois [Mr. LIPINSKI] will each be recognized for 20 minutes.

The Chair recognizes the gentleman from Tennessee [Mr. DUNCAN].

Mr. DUNCAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Transportation and Infrastructure Committee, under the outstanding leadership of its chairman, Mr. SHUSTER, reported H.R. 3159 on May 9. The Aviation Subcommittee and the Railroad Subcommittee held a joint hearing on the needs and concerns of the National Transportation Safety Board on March 6.

I must say that I have been very impressed with the work of the NTSB under the leadership of Chairman Jim Hall.

The NTSB has responded extremely well to the recent airline tragedies involving ValuJet and TWA. The professionalism and dedication, in often very tough an demanding situations, should be heeded by several other Federal agencies and Departments.

H.R. 3159, authorizes appropriations for fiscal years 1997, 1998, and 1999 for the National Transportation Safety.

H.R. 3159 has six components that I will briefly outline. First, the typical NTSB reauthorization has been 3 years and this bill contains a 3-year reauthorization.

Second, for this current fiscal year, the committee had authorized $45.1 million dollars, however the Appropriations Committee appropriated a level of $38.8 million. Let me say that the authorization levels in this bill are not those that were reported in the original bill. They have been adjusted to reflect what the House has recently approved in this year's Department of Transportation appropriations bill, H.R. 3675. So, this bill authorizes $42.4 million for fiscal year 1997, $44.46 million for fiscal year 1998, and $45.0 million for fiscal year 1999.

The first year's authorization represents a 9.3 percent increase from the fiscal year 1996 appropriated level, and it provides an adequate increase in the remaining 2 years, which results in a 6.2 percent increase between 1997 and 1999. I think these levels will allow the NTSB to adequately perform its mission.

Third, the bill extends the term of the NTSB chairman from 2-years to 4-years. NTSB argued that it has had rapid turnover in its chairmanship and that a 4-year term would promote leadership stability. Many other agency chairman have terms of 4 years or more so we are not doing anything out of the ordinary here.

Fourth, we also have a provision in H.R. 3159 that would allow the NTSB to withhold foreign accident information. Currently, many foreign aviation authorities will not give accident information to the NTSB for fear that the Board will have to release it to the public under the Freedom of Information Act. As a result, Board employees must travel to foreign countries or embassies to review data. This is costly and inefficient. We correct this problem in our bill.

Fifth, we also give the NTSB authority to withhold voluntarily provided safety information. At this time, the NTSB learns of safety problems only after there has been an accident. A major initiative in the aviation community is to try to spot trends or unsafe practices before they cause an accident. This initiative could be accomplished by voluntarily sharing data among airlines and with the Government. However, many are reluctant to do this because they fear possible repercussions if the information was released.

Let me say that the Aviation Subcommittee recently held a hearing regarding protections for whistleblowers in the aviation industry. I think we will continue to look at this issue.

Sixth, and finally, H.R. 3159 allows the NTSB to charge a reasonable fee for courses given to non-Board members. The NTSB conducts safety-related classes and this provision will allow them to recoup some of its cost for conducting these classes.

So, we have a very fine bill which I feel very confident every Members of the House can support.

Mr. Speaker, I reserve the balance of my time.

Mr. LIPINSKI. Mr. Speaker, I yield myself as much time as I may consume.

Mr. Speaker, I join the chairman in expressing my strong support for H.R. 3159, the National Transportation Safety Board Amendments of 1996. This legislation reauthorizes the NTSB for 3 years, and makes a number of changes requested by the NTSB to allow the Board to continue its excellent work.

As this bill moved through the Transportation and Infrastructure Committee, I repeatedly observed that the NTSB is probably the most respected Government entity in the United States. Since the committee reported this legislation, we have witnessed two devastating aircraft crashes that have focused the Nation's attention on the NTSB's work. In the most difficult of circumstances, the NTSB works with local, State, and Federal entities as well as with the families of accident victims. And the Board is not just involved in aviation—the NTSB leads investigations of accidents in every mode of transportation. As we discuss this reauthorization on the floor today, it is important for us to recognize the public service performed by the Board. They are a critical element of our national transportation system.

Mr. Speaker, as requested by the NTSB, H.R. 3159 extends the Chairman's term for future Chairmen from 2 years to 4 in an effort to promote leaderships stability. It also enables the Board to fully participate in foreign investigations by providing protection from Freedom of Information Act requests for a 2-year period. Our intention is not to keep information from the public. Rather, the measure simply enhances the NTSB's access to information that will lead to improvements in aviation safety.

The bill also encourages data sharing programs among the FAA, NTSB, and the aviation community by prohibiting the Board from disclosing voluntarily provided safety information. By sharing information before an accident occurs, we can save lives. The legislation establishes a framework which will enable this to occur.

Mr. Speaker, the legislation we are considering today contains higher funding levels than those contained in the introduced bill. This slightly higher authorization in the out years, along the lines of an amendment offered by Mr. OBERSTAR during committee markup, will enable the NTSB to increase its workforce by some 20 employees. In recent months, with the ValuJet crash in the Florida Everglades and the TWA crash last week off Long Island, it has become even clearer to me that the NTSB needs every resource it can get. I want to thank the ranking member of the committee, Mr. OBERSTAR, for his leadership on this issue, and both Chairman SHUSTER and Chairman DUNCAN for their willingness to work with us. The higher funding level makes this a better bill for the American people.

Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I strongly support H.R. 3159, to reauthorize the National Transportation Safety Board. I appreciate the very thorough, complete explanations provided by the chairman of the committee, the gentleman from Tennessee [Mr. DUNCAN], and the ranking member, the gentleman from Illinois [Mr. LIPINSKI], on the details of this administration. I just want to address the issue about the NTSB, about which I have had such very deep and strong admiration for many years.

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In the end we have worked it out. I am very appreciative of the consideration Chairman SHUSTER has given to this issue, the work that Chairman DUNCAN has done and the digging in of my good colleague from Illinois who has worked so hard to achieve the resolution that we came to in this legislation today that will increase the work force to 370 employees.

If ever there were a question about the value, the significance, the objectivity, and the meticulous workmanship of this small, effective agency, the National Transportation Safety Board, surely any concerns were put to rest by its work on the tragic ValuJet crash in Florida. Although we do not have as yet a probable cause, I am certain that the workmanlike job of the NTSB investigators, that the continuing meticulous metallurgical studies that are being done and other work will lead NTSB to a determination of probable cause from which can come regulatory action to prevent such tragedies in the future.

We gather this afternoon in the aftermath of another unspeakable tragedy. Again we see the professionalism and the integrity of the NTSB managing the investigation of this tragic accident. We have come to rely upon NTSB as the front line of defense in aviation safety. They are the first ones who deal with the families of the victims of tragedies. They are the first ones on the scene with the expertise to sift through the wreckage and come to an understanding of how it came about, what caused it, and then what should be done to prevent future accidents. I have such enormous respect for all those who are the first on the scene who have to deal with the grisly results of an tragic accident. We should give them our total support. This legislation is a very strong move in the right direction.

I greatly appreciate again the work of Chairman DUNCAN, Ranking Member LIPINSKI, and our staff who on both sides of the aisle have worked together very hard to come to a resolution of issues so that we can bring to this body a truly bipartisan piece of legislation that must be enacted.

Mr. DUNCAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me say that I rise to once again thank our two outstanding ranking members, the gentleman from Minnesota [Mr. OBERSTAR], and the gentleman from Illinois [Mr. LIPINSKI]. All three of these bills that we have had on the floor today pertain to aviation safety. We just, of course, have been through two terrible tragedies with the ValuJet crash and the TWA crash. The sympathy of every Member of this body goes out to the family members of the victims of those tragedies. In fact I think on our subcommittee we see that tragedy closer up than almost any other Member of this body because we have heard in just recent weeks from the family members of some of these victims. I think that we are going to produce legislation in the next few weeks or months that will help improve the treatment of family members of victims of these tragedies and hopefully will produce legislation to make our airports even more secure.

These bills today, along with the legislation that we approved in March to reform the FAA, are the first major overhaul of our civil aviation law since 1958, a major step that we took if passed by the Senate. I think the members of the public should know that we are not sitting idly by, that the Members of this body are doing everything possible to make sure that our aviation system becomes even safer.

I think we should note that we have by far the safest aviation system in the world. We have had a little over 12,900 deaths in all U.S. aviation accidents combined since the Wright brothers' flight of 1903. Even one death is too many. We need to work constantly to improve and make it better, especially with air passenger traffic going up as much as it is, and it is going to shoot way up in these next 10 years, possibly to as many as 1 billion passengers a year. So we have got a lot of work to do.

We should note that unfortunately as many people are killed on the highways in this Nation every 4 months as have been killed in all of these U.S. aviation accidents combined since the Wright brothers' flight. We have an aviation system that the world looks up to and that we should be proud of. We should reassure the flying public that our aviation system in this country is very, very safe, and we are going to do everything we can to make it safer. That is why we can all be so proud not only of our FAA reform legislation but of these bills today.

Mr. Speaker, I urge passage of this final bill, H.R. 3159.

Mr. Speaker, I reserve the balance of my time.

Mr. LIPINSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in conclusion I simply want to say that we have the safest airline system in the world. The gentleman from Minnesota, [Mr. OBERSTAR], Chairman DUNCAN, myself and all other members of the Subcommittee on Aviation of the Committee on Transportation and Infrastructure of the House of Representatives will do and have done everything we possibly can to continue to improve airline safety in this Nation. We are passing 3 bills today that deal with airline safety. There is much more to be done, but I am sure that we are up to the challenge. We will do it.

I want to say that Chairman DUNCAN is a man who I sincerely appreciate working with because he is very easy to work with, he is very understanding, and he is very committed to aviation safety and the improvement of aviation in this Nation and, quite frankly, in this world.

To have a man with the experience of the gentleman from Minnesota, [Mr. OBERSTAR] serving on this subcommittee and, of course, on the full committee has been of enormous help to myself and to Chairman DUNCAN. I want to state publicly I appreciate the work that both of those gentlemen have done in regard to aviation. I ask everyone's support of this bill for the National Transportation Safety Board, particularly because there is another great Tennessean that is the chairman of that board.

Tennessee has sent us outstanding public people: Davy Crockett, Sam Houston, Andrew Jackson, BOB CLEMENT, Jim Hall, and, the most outstanding of all, Chairman DUNCAN.

Mr. Speaker, I yield back the balance of my time.

Mr. DUNCAN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. COBLE). The question is on the motion offered by the gentleman from Tennessee [Mr. DUNCAN] that the House suspend the rules and pass the bill, H.R. 3159, as amended.

The question was taken.

Mr. DUNCAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. DUNCAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on all three of the bills just considered, H.R. 3267, H.R. 3536, and H.R. 3159.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

CENSUS OF AGRICULTURE ACT OF 1996

Mr. COMBEST. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3665) to transfer to the Secretary of Agriculture the authority to conduct the census of agriculture, as amended.

The Clerk read as follows:

H.R. 3665

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Census of Agriculture Act of 1996".

SEC. 2. TRANSFER TO THE SECRETARY OF AGRICULTURE OF THE AUTHORITY TO CONDUCT THE CENSUS OF AGRICULTURE

(a) IN GENERAL.—Section 526 of the Revised Statutes (7 U.S.C. 2204) is amended by adding at the end the following.

"(c)(1) The Secretary shall, in 1998 and in every 5th year beginning after 1998, take a census of agriculture. In connection with each such census, the Secretary may conduct any survey or other data collection, and employ any sampling or other statistical method, that the Secretary determines is necessary and appropriate.

"(2) The data collected in each census taken under this subsection shall relate to the year immediately preceding the year in which the census is taken.

"(3) Any person who refuses or neglects to answer questions submitted to such person in connection with a census or survey under this subsection, or who answers any such questions falsely, shall be subject to section 221 of title 13, United States Code, to the same extent and in the same manner as if—

"(A) section 142 of such title 13 had remained in effect; and

"(B) the census or survey were a census or survey under such section 142, rather than under this subsection.

The failure or refusal on the part of any person to disclose such person's social security number in response to a request made in connection with any census or other activity under this subsection shall not be a violation under the preceding sentence.

"(4) Each census under this subsection shall include each State, and as may be determined by the Secretary, the District of Columbia, the Virgin Islands, Guam, the Commonwealth of the Northern Mariana Islands, and the Commonwealth of Puerto Rico, and any such other possessions and areas over which the United States exercises jurisdiction, control, or sovereignty. Inclusion of other areas over which the United States exercises jurisdiction, control, or sovereignty shall be subject to the concurrence of the Secretary of State.

"(5) The Secretary of Commerce may, upon written request of the Secretary of Agriculture, furnish any information collected under title 13, United States Code, which the Secretary of Agriculture considers necessary for the taking of a census or survey under this subsection. Any information so furnished may not be used for any purpose other than the statistical purposes for which it is supplied.

"(6) The Secretary of Agriculture shall, upon written request of the Secretary of Commerce, furnish any information collected in a census taken under this subsection which the Secretary of Commerce considers necessary for the taking of a census or survey under title 13, United States Code. Any information so furnished may not be used for any purpose other than the statistical purposes for which it is supplied.

"(7) Any rules or regulations necessary to carry out this subsection may be prescribed by—

"(A) the Secretary, to the extent that matters within the jurisdiction of the Secretary are involved; and

"(B) the Secretary of Commerce, to the extent that matters within the jurisdiction of the Secretary of Commerce are involved.".

(b) CONFORMING AMENDMENTS.—Effective October 1, 1998—

(1) section 142 of title 13, United States Code, and the item relating to section 142 in the table of sections for chapter 5 of such title 13, are repealed; and

(2) section 343(a)(11)(F) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(11)(F)) is amended by inserting "or section 526(c) of the Revised Statutes (7 U.S.C. 2204(c)), as the case may be," before "except".

SEC. 3. PROVISIONS RELATING TO CONFIDENTIALITY OF INFORMATION.

(a) INFORMATION FURNISHED TO THE DEPARTMENT OF AGRICULTURE.—

(1) AUTHORITY TO FURNISH INFORMATION.—Section 9(a) of title 13, United States Code, is amended by striking "chapter 10 of this title—" and

(2) CONFIDENTIALITY OF INFORMATION.—Section 1770(d)(5) of the Food Security Act of 1985 (7 U.S.C. 2276(d)(5)) is amended to read as follows:

"(5) subsections (a) and (c) of section 526 of the Revised Statues (7 U.S.C. 2204(a) and (c));".

(b) INFORMATION FURNISHED TO THE DEPARTMENT OF COMMERCE.—

(1) AUTHORITY TO FURNISH INFORMATION.—Section 1770 of the Food Security Act of 1985 is amended by adding at the end the following:

"(e) Nothing in this section shall be considered to prohibit any release of information under section 526(c)(6) of the Revised Statutes (7 U.S.C. 2204(c)(6)).".

(2) CONFIDENTIALITY OF INFORMATION.—Information furnished under section 526(c)(6) of the Revised Statutes shall, for purposes of section 9 and 214 of title 13, United States Code, be treated as if it were information furnished under the provisions of such title 13.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Texas [Mr. COMBEST] and the gentleman from Texas [Mr. STENHOLM] each will control 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. COMBEST].

Mr. COMBEST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3665 is a short bill—it simply transfers the authority to conduct the Census on Agriculture from the Secretary of Commerce to the Secretary of Agriculture and eliminates this authority from the Secretary of Commerce as of October 1, 1998.

This census authority change was one that the Senate wanted to include as part of the 1996 farm bill. However, we completed the farm bill conference before we on the House side had a chance to clear this change with the Government Reform Committee.

I, along with Chairman ROBERTS and all the other members of the Agriculture Committee, want to thank all the members and staff of the Government Reform Subcommittee on National Security, International Affairs, and Criminal Justice, Chairman ZELIFF and his ranking member, Mrs. THURMAN, for their help in accommodating this move—everyone worked very hard to get this bill put together very quickly.

In order to cope with the continuing move to streamline and downsize Federal agencies, it has become apparent that moving the authority to conduct the Census on Agriculture from Commerce to USDA makes sense, from both an administrative and cost-effective point of view. In fact, the fiscal year 1997 Agriculture appropriations bill has already shifted the $17 million in funding for the Census on Agriculture to USDA, rather than the Department of Commerce.

By moving the authority to conduct the census over to USDA, it allows the Department of Commerce to free up the funds otherwise obligated for this census; eliminates the need for a specific line-item in the Commerce Department's appropriation; and locates the census at the agency with the biggest interest in the ag census, without precluding USDA from working with the Commerce Department on actually getting the work done.

Mr. Speaker, I reserve the balance of my time.

Mr. STENHOLM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 3665, the Census of Agriculture Act of 1996. I would simply like to reiterate to my colleagues what my colleague the gentleman from Texas [Mr. COMBEST] has already said, and that is that this bill does not change the definition of what constitutes a farm nor does it decrease the amount of funding available for other discretionary activities within the Department of Agriculture.

This legislation simply moves the administration of the ag census from the Bureau of the Census within Commerce to the Department of Agriculture. Secretary Glickman has indicated that he will charge the National Agriculture Statistics Service with continuing to carry out an agricultural census every 5 years. The Ag Statistics Service within USDA is well suited to take over the responsibilities for carrying out the census activities, as they already maintain a network in every state that allows them to put out State by State reports weekly and major reports throughout the year. These reports are utilized by all segments of the agricultural sector in this country and every by our foreign competitors.

I am pleased that Secretary Glickman took the initiative in forging this compromise with the Department of Commerce as well as the Office of Management and Budget to ensure the viability of the ag census for future years. I would also like to thank our colleagues on the Committee on Government Reform and Oversight for their cooperation in ensuring the passage of H.R. 3665 and urge my colleagues to support the passage of this legislation.

Mr. Speaker, I yield such time as he may consume to the gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Speaker, I thank the gentleman from Texas [Mr. STENHOLM] and I thank the gentleman from Texas [Mr. COMBEST]. This is truly a great Texas piece of legislation, but it is very, very important for West Virginia. Let me just say that I appreciate also the full committee chair of both the Committee on Agriculture and the Committee on Government Reform and Oversight for their efforts as well.

Mr. Speaker, this is a very important bill, particularly for rural States, rural areas, and particularly for States that have farming of the type that West Virginia does.

☐ 1345

If this piece of legislation did not go through, West Virginia will be the most seriously affected State of any State in the Nation in terms of losing its definition of family farm and losing a lot of farms that presently benefit from that definition. West Virginia presently has over 17,000 farms that are defined as farms by the Department of Census, that is, they have sales in excess of $1,000. Raising that to $10,000 would cause 78 percent of our farms in the State to lose that definition.

What that means then is that we would be greatly impacted, farmers would not be able to receive certain tax, favorable tax treatment, the distribution of research funds for farms would be altered and also for college agricultural programs as well as the allocation of soil conservation efforts. So clearly this is a very, very significant piece of legislation for much of rural West Virginia and much of rural America.

Simply, what it does is to move the census functions from the Bureau of Census to the United States Department of Agriculture. That is important because the USDA obviously has clear experience with working with farms and farm definitions, not so the Bureau of Census.

Also, the Bureau of Census has seen its budget cut in this particular area 31 percent. That means they are not going to be spending as much time focusing on what it is that makes up farming and what is important to farmers. I believe that this consolidation moving to USDA will also integrate the agriculture statistic programs of the two departments and eliminate duplication and promote efficiency. The Bureau of Census, I am happy to say supports this move as well.

The USDA has indicated that at least in the foreseeable future, the near future, they do not foresee changing the threshold definition of farming, that is changing the threshold definition from the present $1,000. That means that there would not be an immediate increase to 5- or, even as had been proposed in the Bureau of Census, to $10,000. If that threshold level is raised to $10,000, 78 percent of West Virginia farms will no longer be defined as a farm and therefore not be eligible for favorable tax treatments in certain instances nor will they count towards the formula monies for various agriculture programs, including Soil Conservation Service and agricultural research efforts.

I think this is an extremely important piece of legislation. I just want the chairman to know, and the ranking member, that just as recently as this weekend at various functions people were coming up to me and saying what is being done about the farm threshold. Am I going to be a farmer or not? I was happy to tell them that it is on the floor Monday afternoon and that it should be voted on.

Now, of course this bill will go to the Senate, so it is important that the Senate as well, the other body, take this piece of legislation up. There is no controversy that I can see. It seems to be widely supported. The Bureau of Census supports it. The United States Department of Agriculture supports it. We have got the Agriculture Committees, the Government Reform Committees supporting it. So, clearly it ought to be able to move quickly and get to the President and we can end this anxiety that presently a lot of farmers in my State and many other States are undergoing as they wonder whether or not they are going to see their farm continue with the farm status which entitled them to certain preferential tax treatments as well as figuring into the formula monies for agricultural functions such as soil conservation and ag research.

So I thank once again those who made this possible. Let me just say of the 17,020 family farms in West Virginia, 13,274, or 78 percent, are very,

very grateful to us for moving this bill to the floor so quickly.

Mr. STENHOLM. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, just in conclusion, I might point out that this is an excellent example of cooperation between various agencies, cooperation between various committees that will now allow us to do the most efficient census possible with the least amount of taxpayer resources and the best utilization of all of the talents available in agriculture already there in order to do the job that needs doing for American agriculture.

Mr. Speaker, I yield back the balance of my time.

Mr. COMBEST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I conclude and say I appreciate the cooperation of my colleague, the gentleman from Texas [Mr. STENHOLM], the comments of the gentleman from West Virginia [Mr. WISE], and would urge our colleagues to support this legislation under the suspension.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. COBLE). The question is on the motion offered by the gentleman from Texas [Mr. COMBEST] that the House suspend the rules and pass the bill, H.R. 3665, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. COMBEST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 365, the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the House stands in recess until approximately 3 p.m.

Accordingly (at 1 o'clock and 50 minutes p.m.), the House stood in recess until approximately 3 p.m.)

☐ 1503

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. COBLE) at 3 o'clock and 3 minutes p.m.

DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore. Pursuant to the order of the House on Thursday, July 18, 1996 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3845.

☐ 1504

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3845) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1997, and for other purposes, with Mr. HASTINGS of Washington in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the order of the House of Thursday, July 18, 1996, the bill is considered as having been read the first time.

The gentleman from New York [Mr. WALSH] and the gentleman from California [Mr. DIXON] will each control 30 minutes.

The Chair recognizes the gentleman from New York [Mr. WALSH].

Mr. WALSH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased this afternoon to present to the House for its consideration the District of Columbia appropriations bill for fiscal year 1997. Our many months of public hearings, meetings, and negotiations have produced a strong bipartisan agreement that takes the next step toward reduced deficits, reduced borrowing, and a balanced budget.

This is the second budget for the District of Columbia government that I have presented. I am happy to report that the District government, with the help of the Financial Control Board, is making progress, perhaps not as quickly as some of us would like, but progress.

In addition to the Control Board, the independent Chief Financial Officer has been in place now for several months and seems to be getting a handle on the District's finances. In last year's bill, we included language that gave him control over all accounting, budget, and financial management personnel. I believe he is doing an outstanding job. He is bringing accountability to the District's finances. He, of course, works closely with the Control Board so that what he does is within the parameters set by the board.

Mr. Chairman, we have approved over 99 percent of the consensus budget submitted jointly by the Mayor, the City Council, and the Control Board. This bill will provide the District government with a total budget of $5.155 billion for fiscal year 1997. That amount includes $5.108 billion in operating expenses and $47 million in capital outlay.

In the operating expenses category, the bill includes an additional $44 million for police and fire protection over last year's appropriation. We also recommend the requested $8.5 million for increased training of current District employees to improve productivity and management skills.

Public school reform was an important part of our bill last year. One of the major items carried in that reform legislation was the authorization of public charter schools. This bill includes $2.8 million to fund 5 charter schools in fiscal year 1997 that will enroll 450 to 600 students.

We recommend a total of $718 million in Federal funds consisting of a Federal payment of $660 million which is the same as last year, the regular annual Federal contribution to the police, fire, teachers, and judges retirement funds of $52 million, and $5.7 million to cover the expenses incurred by the District in connection with the Presidential inaugural activities.

The bill is within our 602(b) allocation of $718 million in budget authority and outlays.

Mr. Chairman, in order to show continuous progress toward balancing the District's budget, we have included language in section 141 starting on page 45 of the bill that holds the deficit down to $40 million rather than the $99 million that was proposed by city officials and the Control Board. I have met separately with the Mayor and the Control Board chairman and I believe this reduction of $59 million in the deficit projection is eminently achievable without affecting basic city services.

Some concern has been expressed that we are cutting too much in this budget. Some clarification is required as to what is meant by cutting. What we are cutting, Mr. Chairman, is the increase in spending. We are not cutting below last year's spending level. In fact, the budget reflects increases of $114 million above last year's level. What we are saying to the District in this bill is that it can spend the increase of $114 million if it has the revenues. The message to the District is do not finish fiscal year 1997 with a deficit of more than $40 million.

In the financial crisis that the city finds itself in, I believe this is a reasonable approach that will keep the city from going even deeper into debt. This 1-percent reduction pales in comparison to the action taken by the New York City Financial Control Board in its first year. According to testimony we received earlier this month from General Accounting Office officials, New York City's control board in its first year of operation implemented a work force reduction of 13 percent from the previous year's level and it froze the wages of the remaining city employees for 3 years. Philadelphia's control board in its first year renegotiated all labor agreements which led to a 33-month wage freeze and extensively restructured health benefits, paid holidays, and sick leave.

I wanted to make that point clear. The reduction we are recommending is from the increase requested, not from last year's appropriation or their base.

One of the serious problems with the District's financial management is that it spends up to the appropriated amount regardless of what its revenues are. By doing that, it goes further and further into debt. I do not believe the city can spend itself into prosperity. It must eliminate its deficit spending which amounts to only 1 or 2 percent of the total operating budget.

A major concern of several of our committee members is the city's proposal to finance the operating deficits. By saying that, what we are talking about is further borrowing, both long and short-term. This will divert scarce operating revenues from education, from social programs, from public safety and street repair to interest costs paid to the bondholders. The District is considering submitting a proposal to borrow $500 million over 15 years to pay off the accumulated debt and finance future deficits. It would require repayments of $935 million in addition to the $480 million payback on the fiscal year 1991 deficit borrowing. These paybacks shift over $600 million from city programs to interest payments for bondholders. This proposal is not good news for current and future District taxpayers and must be restudied with the objective of spending tax dollars on city programs and not on interest costs. Just as the city cannot spend itself into prosperity, it cannot borrow itself into prosperity. Hard decisions must be made.

Mention was made several times last year that our fiscal 1996 bill was a bad bill because we reduced the budget and in effect were telling the District that it could not spend all the revenues it generates. The problem with that criticism is the District's revenue projections were overly optimistic by at least $116 million and possibly by $150 million. Had we not made spending reductions and instead had accepted the city's budget, the fiscal 1996 deficit would now be $270 million rather than the $116 million projected. So we made the right decision last year by reducing the expenditure level because the revenue collections are nowhere near what they had projected. Had we accepted the Control Board's numbers, the deficit would have been $245 million. With the spending we agreed to in conference last year, the deficit was estimated at $20 million, four-tenths of one percent, an amount we thought the city and the Control Board would work with and hopefully eliminate. As we found out since, the deficit will be higher because of the overly optimistic revenue projections.

Mr. Chairman, it is imperative that the major structural problems facing the city be dealt with in an aggressive and bold manner. The Federal Government, the District government, and our regional partners all share responsibility for our Nation's Capital. We must address in a comprehensive and coordinated manner the city's delivery of services such as health care, corrections, and other State and county functions. I noticed in the press that the City Council is having some difficulty in doing what has to be done regarding a new retirement system for police officers, firefighters, and teachers. I understand that that has been revisited and some progress has been made but it is only temporary and it must be made permanent. We were promised last October that necessary action would be taken last December. This is an issue that must be resolved in a way that does not bankrupt the city. We have confidence in the Mayor, the Chief Financial Officer, the City Council, and the Control Board to accomplish these difficult but absolutely necessary tasks.

In closing, I want to thank all the members of our subcommittee for their assistance in bringing this bill to the House floor—the gentleman from Texas [Mr. BONILLA]; the gentleman from Georgia [Mr. KINGSTON]; the gentleman from New Jersey [Mr. FRELINGHUYSEN]; the gentleman from Wisconsin [Mr. NEUMANN]; the gentleman from Mississippi [Mr. PARKER]; the gentleman from California [Mr. DIXON], the ranking member of our subcommittee who preceded me as chairman; the gentleman from New York [Mr. SERRANO]; and the gentlewoman from Ohio [Ms. KAPTUR]. I especially want to thank the gentleman from Louisiana [Mr. LIVINGSTON], the chairman of the Committee on Appropriations; and the gentleman from Wisconsin [Mr. OBEY], our ranking minority member, for their assistance in allowing this bill to come to the floor today.

☐ 1515

Also, Mr. Chairman, I want to thank the staff for a job well done: John Simmons of my staff; Mike Fischetti, who is on detail from the GAO; Mary Porter, who is extraordinary in her technical expertise, she is on detail from the District Government; and Migo Miconi, the subcommittee clerk. They make a great team, and I appreciate all the work they do.

Mr. Chairman, I believe the bill we bring to the committee this afternoon is a good bill, one that is fair not only to the city government but also to District taxpayers. I strongly recommend this bill to my colleagues and urge an "aye" vote.

Mr. Chairman, I reserve the balance of my time.

Mr. DIXON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 3844. Let me say this year that the gentleman from New York [Mr. WALSH], the chairman of the committee, should be congratulated for reaching out in a bipartisan way in an effort to keep extraneous material and legislative issues off of the District of Columbia appropriation bill.

Let me also commend the chairman of the committee, along with the fine staff that he has, Migo Miconi, John Simmons, Mike Fischetti, and Mary Porter, and take a special time to say that in the minority we do not have the large staff that the majority has. Cheryl Smith, who is an assistant to me, a staff assistant to me on the Subcommittee on the District of Columbia, operates on three other committees and in fact does an excellent job. I appreciate the time and the effort that she gives me.

I think, Mr. Chairman, that this marks a significant turn in the D.C. appropriations bill but also the finances of the District. I would have to point out that the District, under the supervision of the Control Board, is now making arrangements to borrow short term from Wall Street, which I think is an encouraging sign that Wall Street thinks that they are moving in the right direction.

This bill comes to us without controversy for the first time. The District of Columbia, the city council, the Mayor, the Control Board, and we here in Congress, at least our subcommittee, agrees as to what the figures should be, and there is no controversy surrounding that.

I would like to take time to point out two or three issues. The first one is the unfunded liability of the pension plan. As the chairman of the committee indicated, we are providing $52 million. The President had sent up $102 million to try to relieve the unfunded liability that the District has in its pension plan. I do not excuse the fact that, since the District took over the pension plan, they have continued the twice-a-year COLA's. As the chairman pointed out, they have been slow to move on the issue of reforming their pension plan.

I must point out that at the time the District took over the pension plan, there was a $2.7 billion deficit. We move $2.7 billion of liability from the Federal Government to the District Government. Also, I must point out that it has about doubled. But the point that I would like to make is, no, it is true that the District cannot spend its way out of this financial crisis nor can it entirely cut its way out of this financial crisis.

This body must recognize that we have responsibilities, particularly to that pension plan to come up with a revised program to make it financially sound. I would also like to point out, Mr. Chairman, two measures, although I do support the bill, that I disagree with. One is the prohibition against any funds for abortion, either Federal or District funds except to save the life of the mother, rape or incest.

It seems to me that we allow all 50 States to make those decisions. The Supreme Court has said that States can promulgate reasonable rules on abortion. I think that we should allow the District to do the same that we do in our independent States.

The second one is the Domestic Partners Act. Some years ago, I think 4, the District of Columbia passed a Domestic Partners Act which basically allowed for insurance programs to carry domestic partners on the District side and on the private side offered a tax incentive to private business to do so. This bill, as usual, carries a prohibition against the implementation of that.

Once again, I think it is certainly appropriate that the District be allowed, as States do, to make up their own decisions on these matters. As many people have pointed out, we have not been elected to be members of the City Council. Certainly, although Members of this House may disagree with a particular rule or regulation of our own city council, we do not have the responsibilities to curtail that; but here, because of the financing situation, we certainly do.

In all, Mr. Chairman, this is a very fine bill. I also would like to thank the gentleman from Virginia [Mr. DAVIS], the chairman of the authorizing committee, and the gentlewoman from the District of Columbia [Ms. NORTON], his ranking member, for their outstanding work. In my view, the next big text for the District is the strategic plan that is developed by the Financial Control Board.

I think that we have to wake up every day and remind ourselves that the Financial Control Board has really stepped in to do a job for Congress, that it is a noncompensated board, it has five District residents who are distinguished Americans in their own right and that they are doing an excellent job. But the next 10 months is going to be a very difficult time for the District, and I think this bill is a step in the right direction.

Mr. Chairman, I reserve the balance of my time.

Mr. WALSH. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Virginia [Mr. DAVIS], the chairman of the subcommittee.

Mr. DAVIS. Mr. Chairman, I thank my friend for yielding me the time. I want to compliment him and the ranking member, the gentleman from California [Mr. DIXON], for their yoeman's work on behalf of the District of Columbia in trying to work through what has been a very, very difficult financial crisis.

As we look at the situation today and compare it to even a year ago, we have really made progress. That is sometimes lost sight of in light of the headlines that come out every day with the continuing problems that the city has. But if we go back a year, we have reduced the number of employees in the city by several thousand over what it was a year ago, and that is total reduction. That is not just moving them off budget into enterprise funds and the like. We find that there is a certain level of stability now to city spending, and we are trying to bring some accountability to the managers in the city in terms of what they spend with the advent of the Control Board and the CFO, both of which I think are doing yoeman's work, as well.

We have brought honest answers to the process, something we have not seen for many years here on Capitol Hill in terms of having some level of confidence in the financial numbers that are offered to the Congress by the District of Columbia. I think this has been borne out by the fact that the city is now able to go out to the private financial markets, at least on short-term borrowing. I think we still have a ways to go over the long term, but we have made this in a year trying to work together on a bipartisan basis.

We have had our disagreements along the way, but I think the bill this year represents a very good effort toward bringing some structure and financial stability to the city and I rise in support of it. As the gentleman from New York [Mr. WALSH] says, we cannot spend our way to prosperity. As the gentleman from California [Mr. DIXON] has said, we cannot cut ourselves out of the financial situation.

I think the current issue that remains before this body as it works its way through conference is, the larger the debt, of course, the more that will have to be financed in the off years. I think that has been the intention of the committee, to try to bring down that annual deficit so it would not have to be financed and paid for in later years when the city will be scarce on money.

I also want to just share my concern that we do this in an appropriate fashion so that needed services are not cut. As we work our way through the process, I know we have the assurances of both the chairman and ranking members that this will be done in a constructive manner to continue to work with the Control Board, continuing to work with the chief financial officer of the city to make sure this is done appropriately.

Having said that, this bill adds some money in some critical places. Public safety money is fully funded. We are including $2.8 million for public charter schools which were part of the public school reform legislation that passed the Congress last year. We are restoring salary and overtime pay rollbacks for the police and fire departments, something that is long overdue.

We are spending more on the health of the indigent by increasing the subsidy to District General Hospital. This helps lower the burden across the region, not just in the District of Columbia in terms of the health care costs. Congress has stepped up in the budget this year, I think to try to make sure that we are caring for that in an appropriate manner.

This is important to the region, both Maryland and Virginia, and District residents. We are providing for the repayment to the water and sewer fund of $91 million borrowed by the general fund to pay for their past operating expenditures. These were in the past paid for in a very general sense by the ratepayers, many of them in the suburbs. It would be paid for, instead of being invested in Blue Plains, were spent for some of the city operating budget deficit. So that is in this as well.

We have reached a regional agreement on the authorizing side to make sure this has happened, and that has already passed this body. So we made progress in this region as well. There is one piece of legislation in this that I have, after extensive discussions with the chairman and ranking member who also support it, and that is extending the powers given to the chief financial officer. That was put in originally last year to hire and fire the executive branch of the accounting, budget and financial management personnel during the control period.

We recognize that personnel changes are going to have to be made, and we know where the buck is stopping. We want to give the chief financial officer and the Control Board the appropriate level of responsibility in doing that. With that responsibility comes the authority in some of these cases to make these changes.

In all, I just want to compliment the chairman and ranking member. I think we have all learned a lot over the last year and a half trying to work together toward a very, very difficult problem for this city, this region, and this country. We are making headway. I am hopeful that this bill will be passed through the House and go on to the Senate.

Mr. DIXON. Mr. Chairman, I yield 9 minutes to the distinguished Delegate from the District of Columbia [Ms. NORTON.]

Ms. NORTON. Mr. Chairman, I thank the ranking member for yielding me the time. I want to thank him and the chairman of the committee for their very hard work and for quickly disposing of this appropriation.

I thank the chairman as well for meeting with the Mayor and the Chairman of the Control Board before his bill came to committee finally. I thank both Members even as I indicate, as they have not, that I am greatly disappointed in this bill. I am left and the District is left with no alternative, however.

A year ago, Congress established a Financial Authority or control board to help the District move out of insolvency. The Authority here is like the control boards in Philadelphia and New York. By this time, however, those cities have made significantly more progress than D.C. has made. The difference almost entirely is the strategy being used to resuscitate the city's economy. The only strategy the Congress has allowed for D.C. is the downsizing of its government.

New York and Philadelphia returned to solvency through the use of more comprehensive approaches that rebuilt those cities even as they were being downsized. These included new sources of revenue and takeover of functions by their States.

Look now at the first year of the District working with its control board. This first year will be remembered for second-guessing of the board, even after its exhaustive scrubbing of the budget, including deep cuts; a government shutdown of the District requiring the District to pay a full week's salary for locked-out employees; and 7 months delay in receipt of the full Federal payment, driving the District deeper into insolvency.

In these and other actions, the Congress must accept a heavy share of the responsibility for the alarming deterioration of city services and the hastening of taxpayer flight. The District has lost more residents in the first half of the 1990's than it lost in the 1980's with no State to help it out and a Congress that refuses to meet any of its obligations. The city is stranded and it is sinking.

Although this is the Capital of the United States and this body bears constitutional responsibility for this city, Congress has done nothing to help D.C. get back on its feet since the Financial Authority bill was enacted in April 1995. There has been no action whatsoever, even on those matters for which there is 100-percent congressional responsibility. Costs that are the most responsible for bringing the city down, ironically, are not found in the city's dysfunctional bureaucracy but in congressionally mandated State costs. Without action on these congressional responsibilities, the Capital of the United States cannot revive and will not survive.

□ 1530

These include the $2.7 billion in unfunded pension liability, now more than doubled at $5 billion, largely because of interest on the original $2.5 billion. This liability that was incurred exclusively on Congress' watch before home rule.

The District, on the other hand, has been meeting its pension obligations by fully funding these pensions since they were handed to the District in 1980. Over $300 million, or 10 percent, of tax raised revenue goes to pay pensions left unfunded by this body. The administration asked for a small additional sum of $52 million to add to the small $52 million congressional contribution for the District in this year's budget. Even this nominal amount was removed by the Committee on Appropriations.

Is there to be no end to unfairness to the city? Nor has this House responded any better to what should be done for State responsibilities that no city in the United States has ever carried or could possibly carry today. The District has the lowest contribution for Medicaid and is the only city that must pay for the State and county share while one in four residents are on Medicaid.

Such expenses will doom the city to permanent insolvency. More than two-thirds of the States, 37 of them get a higher Federal contribution to Medicaid than the District of Columbia. Even the GAO in recent testimony questioned the wisdom of leaving these costs off the table while trying to revive the District.

My friends, this body is pretending. The cost of the pretense amounts to a sacrifice of the Capital of the United States.

As if to add insult to multiple injuries, this year's appropriation takes a budget already cut over $100 million by the control board and the city and cuts it an additional $60 million.

The cut comes disguised as a $40 million deficit cap that is tied to the city's declining revenues. The cut ignores budget savings of $141 million that the city will realize through layoffs, contracting out of services, reductions in Medicaid spending, welfare reform and procurement reform, just to name a few of the structural initiatives contained in the city's consensus budget.

The monolithic downsizing strategy this body has adopted amounts to no strategy at all. In the appropriation process we are abandoning the central strategy we adopted when we authorized the Financial Authority. For very good reason, this Congress gave the city 4 years to return to solvency. Downsizing needs to be planned and precise or it will take down services with it. We are cutting the budget as we must, but in the process we are slaughtering the city.

Residents who remained in the city through years of management problems are giving up and leaving as services dissolve before they can be fixed because of a speedup in downsizing. This appropriation accelerates the downsizing far faster than the Financial Authority recommended in its objective findings.

As the city moved toward insolvency, I never asked this body to spare it downsizing or cuts. They were clearly necessary. I was the first to step forward to indicate that a control board was necessary. All I have asked is that downsizing be done in a way that is fair to the innocent bystanders. They are my constituents, not the D.C. Government. They are my constituents, our residents, who are second per capita in Federal income taxes. They deserve far better from the city and the Congress than the appropriation before us allows.

Yet I have no choice but to ask Members to approve this appropriation. An appropriation that does harm will do more harm if it is delayed, as it was last year.

However, I take this opportunity to ask my colleagues to make this the last year that the city stands alone, with a Congress that insists, as it should, that the city meet its obligation, while the same Congress ignores its unique responsibilities and the weight of its own heavy hand in keeping the city down. A city left twisting in the wind long enough will fall. If the Capital of the United States falls, the sound will be heard around the world.

Mr. WALSH. Mr. Chairman, I have no further requests for time, and I reserve the balance of my time and the right to close.

Mr. DIXON. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. WALSH. Mr. Chairman, I yield myself such time as I may consume. I will be brief in closing.

Mr. Chairman, I would like to thank everyone involved for their support in this process and I certainly want to thank the efforts of the authorizing committee and the subcommittee chair, the gentleman from Virginia [Mr. DAVIS], and the ranking member, the gentlewoman from the District of Columbia [Ms. NORTON]. While they may not agree totally with what we have proposed, they are urging support of the bill, and I thank them for that.

There has been some progress, Mr. Chairman. It is difficult to see at times, but I think we need to stop and look and see how far we have come. The financial control board has begun to put some muscle into new management in the District, especially in the chief financial officer position. The CFO is beginning to make his mark in terms of strengthening the discipline of the financial management of the District of Columbia.

We have much better numbers now. For the first time in a long time we are getting into a range where we can count on the numbers that we are getting from the city. The city is moving toward restructuring some of its nonessential services. The control board is proposing a strategic plan which we all await with great anticipation, because that truly will be the path that we follow to take this city out of its crisis.

The deficits are going down. The receiver of the city housing department reports progress. Blue Plains is becoming a regional facility. Spending is under control. High government payrolls are being reduced.

Have we been tough, Mr. Chairman? Yes, we have. But sometimes tough love is required to get the proper outcome. No doubt that we all love this city greatly, all of us. All of us come at it from a different point of view, but this is our Nation's Capital. It is a marvelous place. It is the seat of democracy. It is the envy of the world. We cannot do any less than be tough to get it back on its road to recovery.

I urge my colleagues to support this bill.

Mr. Chairman, I thank my colleagues for their indulgence, and I yield back the balance of my time.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the order of the House of Thursday, July 18, 1996, the bill shall be considered for amendment under the 5-minute rule.

The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment and may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than 15 minutes.

After the reading of the final lines of the bill, a motion that the Committee of the Whole rise and report the bill to the House with such amendments as may have been adopted shall, if ordered by the majority leader or a designee, have precedence over a motion to amend.

The Clerk will read.

The Clerk read as follows:

H.R. 3845

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the District of Columbia for the fiscal year ending September 30, 1997, and for other purposes, namely:

Federal Payment to the District of Columbia

For payment to the District of Columbia for the fiscal year ending September 30, 1997, $660,000,000, as authorized by section 502(a) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93–198, as amended (D.C. Code, Sec. 47–3406.1).

Federal Contribution to Retirement Funds

For the Federal contribution to the Police Officers and Fire Fighters', Teachers', and Judges' Retirement Funds, as authorized by the District of Columbia Retirement Reform Act, approved November 17, 1979 (93 Stat. 866; Public Law 96–122), $52,070,000.

Presidential Inauguration

For payment to the District of Columbia in lieu of reimbursement for expenses incurred in connection with Presidential inauguration activities, $5,702,000, as authorized by section 737(b) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93–198, as amended (D.C. Code, sec. 1–1803), which shall be apportioned by the Chief Financial Officer within the various appropriation headings in this Act.

Division of Expenses

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the general fund of the District of Columbia, except as otherwise specifically provided.

Governmental Direction and Support

Governmental direction and support, $115,663,000 and 1,440 full-time equivalent positions (including $98,691,000 and 1,371 full-time equivalent positions from local funds, $12,192,000 and 8 full-time equivalent positions from Federal funds, and $4,780,000 and 61 full-time equivalent positions from other funds): *Provided*, That funds expended for the Executive Office of the Mayor are not to exceed $1,753,000: *Provided further*, That not to exceed $2,500 for the Mayor, $2,500 for the Chairman of the Council of the District of Columbia, and $2,500 for the City Administrator shall be available from this appropriation for official purposes: *Provided further*, That any program fees collected from the issuance of debt shall be available for the payment of expenses of the debt management program of the District of Columbia: *Provided further*, That no revenues from Federal sources shall be used to support the operations or activities of the Statehood Commission and Statehood Compact Commission: *Provided further*, That the District of Columbia shall identify the sources of funding for Admission to Statehood from its own locally-generated revenues.

Economic Development and Regulation

Economic development and regulation, $135,704,000 and 1,501 full-time equivalent positions (including $67,196,000 and 720 full-time equivalent positions from local funds, $45,708,000 and 524 full-time equivalent positions from Federal funds, and $22,800,000 and 257 full-time equivalent positions from other funds): *Provided*, That the District of Columbia Housing Finance Agency, established by section 201 of the District of Columbia Housing Finance Agency Act, effective March 3, 1979 (D.C. Law 2–135; D.C. Code, sec. 45–2111), based upon its capability of repayments as determined each year by the Council of the District of Columbia from the Housing Finance Agency's annual audited financial statements to the Council of the District of Columbia, shall repay to the general fund an amount equal to the appropriated administrative costs plus interest at a rate of four percent per annum for a term of 15 years, with a deferral of payments for the first three years: *Provided further*, That notwithstanding the foregoing provision, the obligation to repay all or part of the amounts due shall be subject to the rights of the owners of any bonds or notes issued by the Housing Finance Agency and shall be repaid to the District of Columbia government only from available operating revenues of the Housing Finance Agency that are in excess of the amounts required for debt service, reserve funds, and operating expenses: *Provided further*, That upon commencement of the debt service payments, such payments shall be deposited into the general fund of the District of Columbia.

Public Safety and Justice

Public safety and justice, including purchase of 135 passenger-carrying vehicles for replacement only, including 130 for police-type use and five for fire-type use, without regard to the general purchase price limitation for the current fiscal year, $1,041,281,000 and 11,842 full-time equivalent positions (including $1,012,112,000 and 11,726 full-time equivalent positions from local funds, $19,310,000 and 112 full-time equivalent positions from Federal funds, and $9,859,000 and 4 full-time equivalent positions from other funds): *Provided*, That the Metropolitan Police Department is authorized to replace not to exceed 25 passenger-carrying vehicles and the Fire Department of the District of Columbia is authorized to replace not to exceed five passenger-carrying vehicles annually whenever the cost of repair to any damaged vehicle exceeds three-fourths of the cost of the replacement: *Provided further*, That not to exceed $500,000 shall be available from this appropriation for the Chief of Police for the prevention and detection of crime: *Provided further*, That the Metropolitan Police Department shall provide quarterly reports to the Committees on Appropriations of the House and Senate on efforts to increase efficiency and improve the professionalism in the department: *Provided further*, That notwithstanding any other provision of law, or Mayor's Order 86–45, issued March 18, 1986, the Metropolitan Police Department's delegated small purchase authority shall be $500,000: *Provided further*, That the District of Columbia government may not require the Metropolitan Police Department to submit to any other procurement review process, or to obtain the approval of or be restricted in any manner by any official or employee of the District of Columbia government, for purchases that do not exceed $500,000: *Provided further*, That funds appropriated for expenses under the District of Columbia Criminal Justice Act, approved September 3, 1974 (88 Stat. 1090; Public Law 93–412; D.C. Code, sec. 11–2601 et seq.), for the fiscal year ending September 30, 1997, shall be available for obligations incurred under the Act in each fiscal year since inception in fiscal year 1975: *Provided further*, That funds appropriated for expenses under the District of Columbia Neglect Representation Equity Act of 1984, effective March 13, 1985 (D.C. Law 5–129; D.C. Code, sec. 16–2304), for the fiscal year ending September 30, 1997, shall be available for obligations incurred under the Act in each fiscal year since inception in fiscal year 1985: *Provided further*, That funds appropriated for expenses under the District of Columbia Guardianship, Protective Proceedings, and Durable Power of Attorney Act of 1986, effective February 27, 1987 (D.C. Law 6–204; D.C. Code, sec. 21–2060), for the fiscal year ending September 30, 1997, shall be available for obligations incurred under the Act in each fiscal year since inception in fiscal year 1989: *Provided further*, That not to exceed $1,500 for the Chief Judge of the District of Columbia Court of Appeals, $1,500 for the Chief Judge of the Superior Court of the District of Columbia, and $1,500 for the Executive Officer of the District of Columbia Courts shall be available from this appropriation for official purposes: *Provided further*, That the District of Columbia shall operate and maintain a free, 24-hour telephone information service whereby residents of the area surrounding Lorton prison in Fairfax County, Virginia, can promptly obtain information from District of Columbia government officials on all disturbances at the prison, including escapes, riots, and similar incidents: *Provided* *further*, That the District of Columbia government shall also take steps to publicize the availability of the 24-hour telephone information service among the residents of the area surrounding the Lorton prison: *Provided further*, That not to exceed $100,000 of this appropriation shall be used to reimburse Fairfax County, Virginia, and Prince William County, Virginia, for expenses incurred by the counties during the fiscal year ending September 30, 1997, in relation to the Lorton prison complex: *Provided further*, That such reimbursements shall be paid in all instances in which the District requests the counties to provide police, fire, rescue, and related services to help deal with escapes, fires, riots, and similar disturbances involving the prison: *Provided further*, That the Mayor shall reimburse the District of Columbia National Guard for expenses incurred in connection with services that are performed in emergencies by the National Guard in a militia status and are requested by the Mayor, in amounts that shall be jointly determined and certified as due and payable for these services by the Mayor and the Commanding General of the District of Columbia National Guard: *Provided further*, That such sums as may be necessary for reimbursement to the District of Columbia National Guard under the preceding proviso shall be available from this appropriation, and the availability of the sums shall be deemed as constituting payment in advance for emergency services involved.

PUBLIC EDUCATION SYSTEM

Public education system, including the development of national defense education programs, $758,815,000 and 11,276 full-time equivalent positions (including $632,379,000 and 10,045 full-time equivalent positions from local funds, $98,479,000 and 1,009 full-time equivalent positions from Federal funds, and $27,957,000 and 222 full-time equivalent positions from other funds), to be allocated as follows: $573,430,000 and 9,935 full-time equivalent positions (including $479,679,000 and 9,063 full-time equivalent positions from local funds, $85,823,000 and 840 full-time equivalent positions from Federal funds, and $7,928,000 and 32 full-time equivalent positions from other funds), for the public schools of the District of Columbia; $2,835,000 from local funds for public charter schools: *Provided*, That if the entirety of this allocation has not been provided as payments to one or more public charter schools by May 1, 1997, and remains unallocated, the funds will revert to the general fund of the District of Columbia in accordance with section 2403(a)(2)(D) of the District of Columbia School Reform Act of 1995 (Public Law 104–134); $88,100,000 from local funds for the District of Columbia Teachers' Retirement Fund; $69,801,000 and 917 full-time equivalent positions (including $38,479,000 and 572 full-time equivalent positions from local funds, $11,747,000 and 156 full-time equivalent positions from Federal funds, and $19,575,000 and 189 full-time equivalent positions from other funds) for the University of the District of Columbia; $22,429,000 and 415 full-time equivalent positions (including $21,529,000 and 408 full-time equivalent positions from local funds, $446,000 and 6 full-time equivalent positions from Federal funds, and $454,000 and 1 full-time equivalent position from other funds) for the Public Library; $2,220,000 and 9 full-time equivalent positions (including $1,757,000 and 2 full-time equivalent positions from local funds and $463,000 and 7 full-time equivalent positions from Federal funds) for the Commission on the Arts and Humanities: *Provided*, That the public schools of the District of Columbia are authorized to accept not to exceed 31 motor vehicles for exclusive use in the driver education program: *Provided further*, That not to exceed $2,500 for the Superintendent of Schools, $2,500 for the President of the University of the District of Columbia, and $2,000 for the Public Librarian shall be available from this appropriation for official purposes: *Provided further*, That not less than $9,200,000 shall be available from this appropriation for school repairs in a restricted line item: *Provided further*, That not less than $1,200,000 shall be available for local school allotments in a restricted line item: *Provided further*, That not less than $4,500,000 shall be available to support kindergarten aides in a restricted line item: *Provided further*, That not less than $2,800,000 shall be available to support substitute teachers in a restricted line item: *Provided further*, That not less than $1,788,000 shall be available in a restricted line item for school counselors: *Provided further*, That this appropriation shall not be available to subsidize the education of nonresidents of the District of Columbia at the University of the District of Columbia, unless the Board of Trustees of the University of the District of Columbia adopts, for the fiscal year ending September 30, 1997, a tuition rate schedule that will establish the tuition rate for nonresident students at a level no lower than the nonresident tuition rate charged at comparable public institutions of higher education in the metropolitan area.

HUMAN SUPPORT SERVICES

Human support services, $1,685,707,000 and 6,344 full-time equivalent positions (including $961,399,000 and 3,814 full-time equivalent positions from local funds, $676,665,000 and 2,444 full-time equivalent positions from Federal funds, and $47,643,000 and 86 full-time equivalent positions from other funds): *Provided*, That $24,793,000 of this appropriation, to remain available until expended, shall be available solely for District of Columbia employees' disability compensation: *Provided further*, That the District of Columbia shall not provide free government services such as water, sewer, solid waste disposal or collection, utilities, maintenance, repairs, or similar services to any legally constituted private nonprofit organization (as defined in section 411(5) of Public Law 100–77, approved July 22, 1987) providing emergency shelter services in the District, if the District would not be qualified to receive reimbursement pursuant to the Stewart B. McKinney Homeless Assistance Act, approved July 22, 1987 (101 Stat. 485; Public Law 100–77; 42 U.S.C. 11301 et seq.).

PUBLIC WORKS

Public works, including rental of one passenger-carrying vehicle for use by the Mayor and three passenger-carrying vehicles for use by the Council of the District of Columbia and purchase of passenger-carrying vehicles for replacement only, $247,967,000 and 1,252 full-time equivalent positions (including $234,391,000 and 1,149 full-time equivalent positions from local funds, $3,047,000 and 32 full-time equivalent positions from Federal funds, and $10,529,000 and 71 full-time equivalent positions from other funds): *Provided*, That this appropriation shall not be available for collecting ashes or miscellaneous refuse from hotels and places of business.

WASHINGTON CONVENTION CENTER FUND TRANSFER PAYMENT

For payment to the Washington Convention Center Enterprise Fund, $5,400,000 from local funds.

REPAYMENT OF LOANS AND INTEREST

For reimbursement to the United States of funds loaned in compliance with An Act to provide for the establishment of a modern, adequate, and efficient hospital center in the District of Columbia, approved August 7, 1946 (60 Stat. 896; Public Law 79–648); section 1 of An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; Public Law 85–451; D.C. Code, sec. 9–219); section 4 of An Act to authorize the Commissioners of the District of Columbia to plan, construct, operate, and maintain a sanitary sewer to connect the Dulles International Airport with the District of Columbia system, approved June 12, 1960 (74 Stat. 211; Public Law 86–515); sections 723 and 743(f) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973, as amended (87 Stat. 821; Public Law 93–198; D.C. Code, sec. 47–321, note; 91 Stat. 1156; Public Law 95–131; D.C. Code, sec. 9–219, note), including interest as required thereby, $333,710,000 from local funds.

REPAYMENT OF GENERAL FUND RECOVERY DEBT

For the purpose of eliminating the $331,589,000 general fund accumulated deficit as of September 30, 1990, $38,314,000 from local funds, as authorized by section 461(a) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973, as amended (105 Stat. 540; Public Law 102–106; D.C. Code, sec. 47–321(a)(1)).

PAYMENT OF INTEREST ON SHORT-TERM BORROWING

For payment of interest on short-term borrowing, $34,461,000 from local funds.

PRESIDENTIAL INAUGURATION

For reimbursement for necessary expenses incurred in connection with Presidential inauguration activities as authorized by section 737(b) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93–198, as amended, approved December 24, 1973 (87 Stat. 824; D.C. Code, sec. 1–1803), $5,702,000, which shall be apportioned by the Chief Financial Officer within the various appropriation headings in this Act.

CERTIFICATES OF PARTICIPATION

For lease payments in accordance with the Certificates of Participation involving the land site underlying the building located at One Judiciary Square, $7,926,000.

HUMAN RESOURCES DEVELOPMENT

For Human resources development, including costs of increased employee training, administrative reforms, and an executive compensation system, $12,257,000.

COST REDUCTION INITIATIVES

The Chief Financial Officer of the District of Columbia shall, on behalf of the Mayor and under the direction of the District of Columbia Financial Responsibility and Management Assistance Authority, make reductions of $47,411,000 and 2,411 full-time equivalent positions as follows: $4,488,000 in real estate initiatives, $6,317,000 in management information systems, $2,271,000 in energy cost initiatives, $12,960,000 in purchasing and procurement initiatives, and workforce reductions of 2,411 full-time positions and $21,375,000.

CAPITAL OUTLAY
(INCLUDING RESCISSIONS)

For construction projects, an increase of $46,923,000 (including an increase of $34,000,000 for the highway trust fund, reallocations and rescissions for a net rescission of $120,496,000 from local funds appropriated under this heading in prior fiscal years and an additional $133,419,000 in Federal funds), as authorized by An Act authorizing the laying of water mains and service sewers in the District of Columbia, the levying of assessments therefor, and for other purposes, approved April 22, 1904 (33 Stat. 244; Public Law 58–140; D.C. Code, secs. 43–1512 through 43–1519); the District of Columbia Public Works Act of 1954, approved May 18, 1954 (68 Stat. 101; Public Law 83–364); An Act to authorize the Commissioners of the District of Columbia to borrow funds for capital improvement programs and to amend provisions of law relating to Federal Government participation in meeting costs of maintaining the Nation's Capital City, approved June 6, 1958 (72 Stat. 183; Public Law 85–451); including acquisition of sites, preparation of plans and specifications, conducting preliminary surveys, erection of structures, including building improvement and alteration and treatment of grounds, to remain available until expended: *Provided*, That funds for use of each capital project implementing agency shall be managed and controlled in accordance with all procedures and limitations established under the Financial Management System: *Provided further*, That all funds provided by this appropriation title shall be available only for the specific projects and purposes intended: *Provided further*, That notwithstanding the foregoing, all authorizations for capital outlay projects, except those projects covered by the first sentence of section 23(a) of the Federal-Aid Highway Act of 1968, approved August 23, 1968 (82 Stat. 827; Public Law 90–495; D.C. Code, sec. 7–134, note), for which funds are provided by this appropriation title, shall expire on September 30, 1998, except authorizations for projects as to which funds have been obligated in whole or in part prior to September 30, 1998: *Provided further*, That upon expiration of any such project authorization the funds provided herein for the project shall lapse.

WATER AND SEWER ENTERPRISE FUND

For the Water and Sewer Enterprise Fund, $221,362,000 from other funds of which $41,833,000 shall be apportioned and payable to the debt service fund for repayment of loans and interest incurred for capital improvement projects.

LOTTERY AND CHARITABLE GAMES ENTERPRISE FUND

For the Lottery and Charitable Games Enterprise Fund, established by the District of Columbia Appropriation Act for the fiscal year ending September 30, 1982, approved December 4, 1981 (95 Stat. 1174, 1175; Public Law 97–91), as amended, for the purpose of implementing the Law to Legalize Lotteries, Daily Numbers Games, and Bingo and Raffles for Charitable Purposes in the District of Columbia, effective March 10, 1981 (D.C. Law 3–172; D.C. Code, secs. 2–2501 et seq. and 22–1516 et seq.), $247,900,000 and 100 full-time equivalent positions (including $7,850,000 and 100 full-time equivalent positions for administrative expenses and $240,050,000 for non-administrative expenses from revenue generated by the Lottery Board), to be derived from non-Federal District of Columbia revenues: *Provided*, That the District of Columbia shall identify the source of funding for this appropriation title from the District's own locally-generated revenues: *Provided further*, That no revenues from Federal sources shall be used to support the operations or activities of the Lottery and Charitable Games Control Board.

CABLE TELEVISION ENTERPRISE FUND

For the Cable Television Enterprise Fund, established by the Cable Television Communications Act of 1981, effective October 22, 1983 (D.C. Law 5–36; D.C. Code, sec. 43–1801 et seq.), $2,511,000 and 8 full-time equivalent positions (including $2,179,000 and 8 full-time equivalent positions from local funds and $332,000 from other funds).

STARPLEX FUND

For the Starplex Fund, $8,717,000 from other funds for expenses incurred by the Armory Board in the exercise of its powers granted by An Act To Establish A District of Columbia Armory Board, and for other purposes, approved June 4, 1948 (62 Stat. 339; D.C. Code, sec. 2–301 et seq.) and the District of Columbia Stadium Act of 1957, approved September 7, 1957 (71 Stat. 619; Public Law 85–300; D.C. Code, sec. 2–321 et seq.): *Provided*, That the Mayor shall submit a budget for the Armory Board for the forthcoming fiscal year as required by section 442(b) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 824; Public Law 93–198; D.C. Code, sec. 47–301(b)).

D.C. GENERAL HOSPITAL

For the District of Columbia General Hospital, established by Reorganization Order No. 57 of the Board of Commissioners, effective August 15, 1953, $112,419,000 of which $59,735,000 shall be derived by transfer from the general fund and $52,684,000 shall be derived from other funds.

D.C. RETIREMENT BOARD

For the D.C. Retirement Board, established by section 121 of the District of Columbia Retirement Reform Act of 1989, approved November 17, 1979 (93 Stat. 866; D.C. Code, sec. 1–711), $16,667,000 and 13 full-time equivalent positions from the earnings of the applicable retirement funds to pay legal, management, investment, and other fees and administrative expenses of the District of Columbia Retirement Board: *Provided*, That the District of Columbia Retirement Board shall provide to the Congress and to the Council of the District of Columbia a quarterly report of the allocations of charges by fund and of expenditures of all funds: *Provided further*, That the District of Columbia Retirement Board shall provide the Mayor, for transmittal to the Council of the District of Columbia, an item accounting of the planned use of appropriated funds in time for each annual budget submission and the actual use of such funds in time for each annual audited financial report.

CORRECTIONAL INDUSTRIES FUND

For the Correctional Industries Fund, established by the District of Columbia Correctional Industries Establishment Act, approved October 3, 1964 (78 Stat. 1000; Public Law 88–622), $3,052,000 and 50 full-time equivalent positions from other funds.

WASHINGTON CONVENTION CENTER ENTERPRISE FUND

For the Washington Convention Center Enterprise Fund, $47,996,000 of which $5,400,000 shall be derived by transfer from the general fund.

DISTRICT OF COLUMBIA FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE AUTHORITY

For the District of Columbia Financial Responsibility and Management Assistance Authority, established by section 101(a) of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, approved April 17, 1995 (109 Stat. 97; Public Law 104–8), $3,400,000.

Mr. WALSH (during the reading). Mr. Chairman, I ask unanimous consent that the bill, through page 21, line 8, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Are there any amendments to this portion of the bill?

If not, the Clerk will read.

The Clerk read as follows:

GENERAL PROVISIONS

SEC. 101. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 102. Except as otherwise provided in this Act, all vouchers covering expenditures of appropriations contained in this Act shall be audited before payment by the designated certifying official and the vouchers as approved shall be paid by checks issued by the designated disbursing official.

SEC. 103. Whenever in this Act, an amount is specified within an appropriation for particular purposes or objects of expenditure, such amount, unless otherwise specified, shall be considered as the maximum amount that may be expended for said purpose or object rather than an amount set apart exclusively therefor.

SEC. 104. Appropriations in this Act shall be available, when authorized by the Mayor, for allowances for privately-owned automobiles and motorcycles used for the performance of official duties at rates established by the Mayor: *Provided*, That such rates shall not exceed the maximum prevailing rates for such vehicles as prescribed in the Federal Property Management Regulations 101–7 (Federal Travel Regulations).

SEC. 105. Appropriations in this Act shall be available for expenses of travel and for the payment of dues of organizations concerned with the work of the District of Columbia government, when authorized by the Mayor: *Provided*, That the Council of the District of Columbia and the District of Columbia Courts may expend such funds without authorization by the Mayor.

SEC. 106. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making refunds and for the payment of judgments that have been entered against the District of Columbia government: *Provided*, That nothing contained in this section shall be construed as modifying or affecting the provisions of section 11(c)(3) of title XII of the District of Columbia Income and Franchise Tax Act of 1947, approved March 31, 1956 (70 Stat. 78; Public Law 84–460; D.C. Code, sec. 47–1812.11(c)(3)).

SEC. 107. Appropriations in this Act shall be available for the payment of public assistance without reference to the requirement of section 544 of the District of Columbia Public Assistance Act of 1982, effective April 6, 1982

(D.C. Law 4-101; D.C. Code, sec. 3-205.44), and for the non-Federal share of funds necessary to qualify for Federal assistance under the Juvenile Delinquency Prevention and Control Act of 1968, approved July 31, 1968 (82 Stat. 462; Public Law 90-445; 42 U.S.C. 3801 et seq.).

SEC. 108. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 109. No funds appropriated in this Act for the District of Columbia government for the operation of educational institutions, the compensation of personnel, or for other educational purposes may be used to permit, encourage, facilitate, or further partisan political activities. Nothing herein is intended to prohibit the availability of school buildings for the use of any community or partisan political group during non-school hours.

SEC. 110. None of the funds appropriated in this Act shall be made available to pay the salary of any employee of the District of Columbia government whose name, title, grade, salary, past work experience, and salary history are not available for inspection by the House and Senate Committees on Appropriations, the Subcommittee on the District of Columbia of the House Committee on Government Reform and Oversight, the Subcommittee on Oversight of Government Management and the District of Columbia of the Senate Committee on Governmental Affairs, and the Council of the District of Columbia, or their duly authorized representative.

SEC. 111. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making payments authorized by the District of Columbia Revenue Recovery Act of 1977, effective September 23, 1977 (D.C. Law 2-20; D.C. Code, sec. 47-421 et seq.).

SEC. 112. No part of this appropriation shall be used for publicity or propaganda purposes or implementation of any policy including boycott designed to support or defeat legislation pending before Congress or any State legislature.

SEC. 113. At the start of the fiscal year, the Mayor shall develop an annual plan, by quarter and by project, for capital outlay borrowings: *Provided*, That within a reasonable time after the close of each quarter, the Mayor shall report to the Council of the District of Columbia and the Congress the actual borrowings and spending progress compared with projections.

SEC. 114. The Mayor shall not borrow any funds for capital projects unless the Mayor has obtained prior approval from the Council of the District of Columbia, by resolution, identifying the projects and amounts to be financed with such borrowings.

SEC. 115. The Mayor shall not expend any moneys borrowed for capital projects for the operating expenses of the District of Columbia government.

SEC. 116. None of the funds appropriated by this Act may be obligated or expended by reprogramming except pursuant to advance approval of the reprogramming granted according to the procedure set forth in the Joint Explanatory Statement of the Committee of Conference (House Report No. 96-443), which accompanied the District of Columbia Appropriation Act, 1980, approved October 30, 1979 (93 Stat. 713; Public Law 96-93), as modified in House Report No. 98-265, and in accordance with the Reprogramming Policy Act of 1980, effective September 16, 1980 (D.C. Law 3-100; D.C. Code, sec. 47-361 et seq.): *Provided*, That for the fiscal year ending September 30, 1997 the above shall apply except as modified by Public Law 104-8.

SEC. 117. None of the Federal funds provided in this Act shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of the District of Columbia.

SEC. 118. None of the Federal funds provided in this Act shall be obligated or expended to procure passenger automobiles as defined in the Automobile Fuel Efficiency Act of 1980, approved October 10, 1980 (94 Stat. 1824; Public Law 96-425; 15 U.S.C. 2001(2)), with an Environmental Protection Agency estimated miles per gallon average of less than 22 miles per gallon: *Provided*, That this section shall not apply to security, emergency rescue, or armored vehicles.

SEC. 119. (a) Notwithstanding section 422(7) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(7)), the City Administrator shall be paid, during any fiscal year, a salary at a rate established by the Mayor, not to exceed the rate established for level IV of the Executive Schedule under 5 U.S.C. 5315.

(b) For purposes of applying any provision of law limiting the availability of funds for payment of salary or pay in any fiscal year, the highest rate of pay established by the Mayor under subsection (a) of this section for any position for any period during the last quarter of calendar year 1996 shall be deemed to be the rate of pay payable for that position for September 30, 1996.

(c) Notwithstanding section 4(a) of the District of Columbia Redevelopment Act of 1945, approved August 2, 1946 (60 Stat. 793; Public Law 79-592; D.C. Code, sec. 5-803(a)), the Board of Directors of the District of Columbia Redevelopment Land Agency shall be paid, during any fiscal year, per diem compensation at a rate established by the Mayor.

SEC. 120. Notwithstanding any other provisions of law, the provisions of the District of Columbia Government Comprehensive Merit Personnel Act of 1978, effective March 3, 1979 (D.C. Law 2-139; D.C. Code, sec. 1-601.1 et seq.), enacted pursuant to section 422(3) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(3)), shall apply with respect to the compensation of District of Columbia employees: *Provided*, That for pay purposes, employees of the District of Columbia government shall not be subject to the provisions of title 5, United States Code.

SEC. 121. The Director of the Department of Administrative Services may pay rentals and repair, alter, and improve rented premises, without regard to the provisions of section 322 of the Economy Act of 1932 (Public Law 72-212; 40 U.S.C. 278a), based upon a determination by the Director, that by reason of circumstances set forth in such determination, the payment of these rents and the execution of this work, without reference to the limitations of section 322, is advantageous to the District in terms of economy, efficiency, and the District's best interest.

SEC. 122. No later than 30 days after the end of the first quarter of the fiscal year ending September 30, 1997, the Mayor of the District of Columbia shall submit to the Council of the District of Columbia the new fiscal year 1997 revenue estimates as of the end of the first quarter of fiscal year 1997. These estimates shall be used in the budget request for the fiscal year ending September 30, 1998. The officially revised estimates at midyear shall be used for the midyear report.

SEC. 123. No sole source contract with the District of Columbia government or any agency thereof may be renewed or extended without opening that contract to the competitive bidding process as set forth in section 303 of the District of Columbia Procurement Practices Act of 1985, effective February 21, 1986 (D.C. Law 6-85; D.C. Code, sec. 1-1183.3), except that the District of Columbia Public Schools may renew or extend sole source contracts for which competition is not feasible or practical, provided that the determination as to whether to invoke the competitive bidding process has been made in accordance with duly promulgated Board of Education rules and procedures.

SEC. 124. For purposes of the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99-177), as amended, the term "program, project, and activity" shall be synonymous with and refer specifically to each account appropriating Federal funds in this Act, and any sequestration order shall be applied to each of the accounts rather than to the aggregate total of those accounts: *Provided*, That sequestration orders shall not be applied to any account that is specifically exempted from sequestration by the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99-177), as amended.

SEC. 125. In the event a sequestration order is issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037: Public Law 99-177), as amended, after the amounts appropriated to the District of Columbia for the fiscal year involved have been paid to the District of Columbia, the Mayor of the District of Columbia shall pay to the Secretary of the Treasury, within 15 days after receipt of a request therefor from the Secretary of the Treasury, such amounts as are sequestered by the order: *Provided*, That the sequestration percentage specified in the order shall be applied proportionately to each of the Federal appropriation accounts in this Act that are not specifically exempted from sequestration by the Balanced Budget and Emergency Deficit Control Act of 1985, approved December 12, 1985 (99 Stat. 1037; Public Law 99-177), as amended.

SEC. 126. Nothing in this Act shall be construed to authorize any office, agency or entity to expend funds for programs or functions for which a reorganization plan is required but has not been approved by the Council pursuant to section 422(12) of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 790; Public Law 93-198; D.C. Code, sec. 1-242(12)) and the Governmental Reorganization Procedures Act of 1981, effective October 17, 1981 (D.C. Law 4-42; D.C. Code, secs. 1-299.1 to 1-299.7). Appropriations made by this Act for such programs or functions are conditioned on the approval by the Council, prior to October 1, 1996, of the required reorganization plans.

SEC. 127. (a) An entity of the District of Columbia government may accept and use a gift or donation during fiscal year 1997 if—

(1) the Mayor approves the acceptance and use of the gift or donation: *Provided*, That the Council of the District of Columbia may accept and use gifts without prior approval by the Mayor; and

(2) the entity uses the gift or donation to carry out its authorized functions or duties.

(b) Each entity of the District of Columbia government shall keep accurate and detailed records of the acceptance and use of any gift or donation under subsection (a) of this section, and shall make such records available for audit and public inspection.

(c) For the purposes of this section, the term "entity of the District of Columbia government" includes an independent agency of the District of Columbia.

(d) This section shall not apply to the District of Columbia Board of Education, which may, pursuant to the laws and regulations of the District of Columbia, accept and use gifts to the public schools without prior approval by the Mayor.

SEC. 128. None of the Federal funds provided in this Act may be used by the District of Columbia to provide for salaries, expenses, or other costs associated with the offices of United States Senator or United States Representative under section 4(d) of the District of Columbia Statehood Constitutional Convention Initiatives of 1979, effective March 10, 1981 (D.C. Law 3–171; D.C. Code, sec. 1–113(d)).

Mr. WALSH (during the reading). Mr. Chairman, I ask unanimous consent that the bill, through page 32, line 5, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. Are there any amendments to this portion of the bill? If not, the Clerk will read.

The Clerk read as follows:

PROHIBITION AGAINST USE OF FUNDS FOR ABORTIONS

SEC. 129. None of the funds appropriated under this Act shall be expended for any abortion except where the life of the mother would be endangered if the fetus were carried to term or where the pregnancy is the result of an act of rape or incest.

The CHAIRMAN. Are there any amendments to this portion of the bill?

AMENDMENT OFFERED BY MS. NORTON

Ms. NORTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Ms. NORTON: On page 32, line 7, after "the" insert "Federal".

Mr. WALSH. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 40 minutes and that that time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. DIXON. Mr. Chairman, reserving the right to object, I do not know that we will need 40 minutes on this.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. DIXON. I yield to the gentleman from New York.

Mr. WALSH. Mr. Chairman, as I understand it, the Delegate had suggested, very graciously, that she would be willing to limit debate to 40 minutes; that was the number arrived at. We do not need that much time, but I am not sure how much time she will need on that side.

Mr. DIXON. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentlewoman from the District of Columbia [Ms. NORTON] is recognized for 20 minutes.

Ms. NORTON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, several people asked to speak. I may not need the full 20 minutes if they, in fact, do not appear.

My amendment would return us to the policy of this body on abortion that was used throughout President Reagan's administration. During each year of his administration, President Reagan signed a bill that prohibited the use of Federal funds in the District of Columbia for abortion services to low-income women except for risk of the life of the mother, rape, and incest.

This put the District in the same boat with every jurisdiction in the country, "Use your funds, not ours," Congress said.

Only in 1988, at the onset of the Bush administration, did the policy change. Even local funds they could not be used until the 103d Congress, when the President signed a bill exactly like the Reagan bill during all his 8 years.

In 1988, leave aside that our residents in the District were not treated as full and equal American citizens in democratic home rule, in representation in the Congress, and in taxation. Now added was the sensitive and abidingly local issue of choice. Here too inequality with all other Americans was to be the order of the day.

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Allowing the District the right of all other local jurisdictions leaves in place the Hyde amendment. It will apply to the District as Hyde applies now and as Hyde applies to every other jurisdiction that flies the American flag.

What a small step this would be. In its financial condition, the District is, after all, unlikely to use little, if any, money on abortions for poor women. It needs the option in the rare case where it might decide that it is in the best interest of the woman and of the District to pay for such an abortion. The District has many women who have AIDS, are on drugs or are in deep distress. With the flight of middle-income taxpayers, this group of low-income women grows ever larger.

There is absolutely no reason to deny the District this right, in the rare case, if it so chooses, where it would feel compelled to spend its own money in this way. It is wrong to single out the District in a way that we do not single out San Diego or Bloomington or Syracuse. It is wrong to find yet another way to say to my constituents—you will not be treated as other Americans.

Choice is the law of the land. Choice is the law equally across the entire land, except here where the Congress sits, and except for poor women when an abortion must be paid for because there is no personal fund available to do so.

Mr. Chairman, I ask this body to bring democracy home in this instance. The time has finally come in 1996, when it is highly unlikely that the right would be exercised, to give the District, at least in law, the right that every other jurisdiction has: to afford funds for women to make the choice that only they have the right to make.

Mr. Chairman, I reserve the balance of my time.

Mr. WALSH. Mr. Chairman, I yield myself such time as I may consume.

I rise in opposition to the gentlewoman's amendment. This bill is different from the other 12 regular appropriations bills in that our bill appropriates all funds for the operations of the District government; all funds, not just Federal funds. That is the way the bill is designed. That is why the abortion language in section 129 of our bill restricts the use of all funds for abortions, except to save the mother's life or in cases of rape or incest. I think that is consistent with our appropriations policies. We are appropriating all funds for this bill.

The abortion language in our bill this year is identical to the language in last year's bill which was signed by the President. It is also identical to the language in the continuing resolutions that the President signed last year.

It is identical to the language in Public Law 104–69 that the President signed on December 22, 1995; to legislation that he signed on January 4, 1996; to legislation that he also signed on January 6, 1996, and to legislation he signed less than 3 months ago on April 26.

While I appreciate the gentlewoman's feelings about home rule, the language in our bill does allow the use of funds for abortions in those cases where the life of the mother is endangered or in the case of rape or incest. I believe it is broad enough to give District officials the discretion they need so that the procedure is not misused.

Mr. Chairman, as I mentioned just a moment ago, the President, less than 3 months ago, signed a bill with language identical to that found in section 129 of this bill. There is no reason for the President to not approve this language which, again, is identical to language he recently approved.

I urge my colleagues to vote "no" on the amendment offered by the gentlewoman from the District of Columbia.

Mr. Chairman, I reserve the balance of my time.

Ms. NORTON. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. DIXON], ranking member.

Mr. DIXON. Mr. Chairman, I thank the gentlewoman for yielding me the time.

This issue of abortion in our society is probably one of the most controversial ones that we have faced in many, many years. There are people who believe in being pro-choice, who personally are opposed to abortion. There are the pro-life people that do not believe in abortion under any circumstances. The case of Roe versus Wade made very clear that abortion was appropriate in the first trimester. A lot of people did not like that. In fact, another case came to the Supreme Court where, generally speaking, pro-life people had prevailed on a State legislative body to restrict that right.

The Supreme Court said, you are absolutely right. States have a right to restrict abortion as long as we deem it to be reasonable restrictions.

Now, most pro-life people applauded that decision. Here we have the District of Columbia, who had initiated their own abortion procedures. But because they allow abortion by their local statutes, Congress is doing what they cannot do to any other State. That is, abortion procedures in the first trimester are appropriate and legal and States, and in this case I would say the District, have a reasonable right to promulgate regulations.

The chairman of this committee points out that, in fact, the President did sign continuing resolutions, and I believe an appropriation bill. But he signed it with great reservation. This is a clear issue of Congress trying to dictate to the citizens of the District on a very personal and controversial matter which the court, the Supreme Court, has said that States, and in this case the District, have a right to promulgate. But merely because the vehicle that is used to fund the District comes through Congress, we want to restrict that right greater than we have the ability to do with any State.

It is on that basis I would ask my colleagues to reject the amendment.

Mr. WALSH. Mr. Chairman, I yield 4 minutes to my distinguished colleague, the gentleman from New Jersey [Mr. SMITH].

Mr. SMITH of New Jersey. Mr. Chairman, I want to thank Mr. WALSH for his moral courage and leadership in putting this important language in the underlying bill—the D.C. appropriations bill. The Norton amendment, the pending amendment, would nullify Mr. WALSH's lifesaving legislation and should be defeated.

Let me make it very clear that the only way to ensure Hyde-type protections for the taxpayers is to reject this pro-abortion amendment. The net consequence, the absolutely predictable consequence, if this amendment prevails, is that we will pay for abortions on demand in the District of Columbia.

We have, as a Congress, jurisdiction over the Federal and the congressionally authorized funds and in many parts of this bill that are not being contested we have taken action to limit how certain funds will be spent. So this is hardly a precedent. Home rule isn't absolute.

A moment or two ago, Mr. DIXON said that the Supreme Court's Roe versus Wade permits first trimester abortions in the District of Columbia. That's only part of the tragic holding in Roe. Roe versus Wade did not just allow first trimester abortion on demand. It also allows the slaughter of unborn babies in the second trimester and in many cases in the third trimester as well.

The bottom line, Mr. Chairman, is that we are talking about children at various stages of their development in the District of Columbia whose death, whose killing would be paid for and subsidized by the taxpayer.

Let me remind Members that the Norton amendment wants to subsidize a deed—the act of aborting a baby. Some will try to sanitize this issue and package it as a freedom or liberty. It is not. Abortion is child abuse. And the so-called right to abortion was forced on us by the Supreme Court of the United States. Some day that gross injustice will be reversed. Because all babies, these unborn children, boys, girls, black, white, Hispanic, and Asian, right now are very precious but today they are construed to be persona non grata. It seems to me that we ought to, as a Congress, if we care, if we believe their lives to be precious, do all that is humanly possible to mitigate the possibility of their death. And it seems to me that if we take away the subsidy that actually buys and administers the chemical poison, the salt solutions and the other kinds of lethal drugs that are used to kill the babies, if we take away the subsidy that kills the baby by way of dismemberment of arms and legs and even sections of the child's fragile body are cut and the baby is removed, this is the reality of the deed that the gentlewoman's amendment would seek to have us give authorization to pay for. If you really take the time to think about what abortion does to the baby, this amendment becomes more repulsive and wrong.

It seems to me that where we can step in and save the life of even one baby, we ought to do it. I take a back seat to no one in this Chamber when it comes to maternal health care and other kinds of assistance for mothers both domestically and internationally. But when it comes to killing unborn babies, we ought to say "no." This amendment would authorize the killing of unborn babies by way of subsidy.

When we used to pay for abortions on demand in the District of Columbia we paid for over 3,000 child killings per year. In 1988, for example, the number of kids destroyed was 3,139.

Vote down this antichild amendment.

Ms. NORTON. Mr. Chairman, I yield 30 seconds to the gentleman from California [Mr. DIXON].

Mr. DIXON. Mr. Chairman, I inadvertently said that I was opposed to the Norton amendment. I meant to say that I supported the gentlewoman's amendment.

I also point out to my good friend, the gentleman from New Jersey [Mr. SMITH], that the issue of abortion is one that will not be resolved by adopting this amendment. But the issue of allowing the taxpayers of this district to spend their own money should lie in favor of allowing them to do so.

Ms. NORTON. Mr. Chairman, I yield myself such time as I may consume. I want to close now, seeing none of those who asked for time are here.

Mr. Chairman, there is very little to get excited about when we discuss a choice amendment on the District of Columbia appropriation. No one believes that in the state of its finances, what we are going to see is an epidemic of abortions in the District.

This amendment has largely symbolic importance. It says to the District, you are full Americans, you are full citizens, you can spend your money as you like. You can vote for this bill, even if you oppose abortion, because this bill is almost surely not likely to yield abortions because there is no money for abortions in the District. There is little money even for frontline services in the District.

Yet I would think we would use this opportunity to say to the residents of the District, hey, you are full Americans, it is your money, use it the way we use our money in our cities and counties.

I just want to say that the recitation of the bills the President signed last year, including our own, which contained language like this, ought to be understood in light of the President's statement on this bill. In that statement he has said that he is strongly opposed to this language.

The chairman indicates, and I must say that I appreciate, that the language here is like the language in other bills inasmuch as it incorporates life of the mother, rape, and incest. If that is to be the case and if the chairman is to take note of it, there is no reason not to go the rest of the way and make the language the way the language is for the rest of America. What you do with your money is your business, and especially in this year when you are almost guaranteed not to use your money for abortions for poor women.

The people I represent pay the highest taxes in the United States of America. When you combine their State taxes with their Federal taxes, they are No. 1. Put yourself in the position of the people I represent. Put yourself in the position of people who pay the same taxes and, in almost every case, more taxes than the people you represent and imagine how you would feel if a national body tried to tell you how to spend your local funds.

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I guarantee my colleagues that if they put themselves to that test, they will vote for my amendment.

I ask that this body approve my amendment and approve the bill as the chairman has brought it to the floor.

Mr. Chairman, I yield back the balance of my time.

Mr. WALSH. Mr. Chairman, I yield myself such time as I may consume.

We have no further requests for time on this amendment, and I would close by saying, as I said earlier, that this is an unusual bill in that we appropriate all the funds, both Federal and local, for the District of Columbia. We did not set it up that way, the Constitution did. Therefore, I think in order to be consistent with the government-stated policy on funding abortions, we should stick to the language in section 189 of the bill that says no funds can be used for abortions except to save the mother's life or in cases of rape or incest. So I would strongly urge defeat of this amendment.

Mr. Chairman, I yield back the balance of my time.

Mrs. MORELLA. Mr. Chairman, I rise in support of the Norton amendment.

This amendment would simply allow the District to decide whether to use its own locally raised revenues to pay for Medicaid abortions—while still retaining the ban on the use of Federal funds for abortions, except in cases of rape, incest, or to save the life of the mother.

The amendment would properly restore the right of the District of Columbia to decide how its own revenues should be used, as is the case for the States. The concept of home rule is meaningless if Congress can dictate the allocation of local revenues.

To restrict the use of local District revenues for abortions violates the right of the District Government to make its own public health policy. In doing so, Congress is denying District residents the right of self-determination, a right belonging to every other resident of this country.

I urge my colleagues to support the Dixon amendment.

Mr. BLUMENAUER. Mr. Speaker, I rise in opposition to H.R. 3845.

I do so not because of the funding amounts specified in the appropriations, although they present difficult questions about the extent to which this Congress is honoring its constitutional and commonsense responsibilities to the District. Rather, my opposition is based on two overreaching and unwarranted interferences by this Congress in the lives of the people of the District. Those are the provisions of sections 129 and 130, which prohibit the use of Federal and local funds for abortion and for domestic partner benefits.

It is time for this Congress to end its unnecessary interference with the District government's arrangements with its employees relating to health and other benefits. H.R. 3845 continues the shortsighted and narrow-minded prohibition on using any funds—even those raised within the District through local taxation—to extend health benefits to the domestic partners of District employees.

The District should be free to pursue, through negotiations with its represented employees or otherwise, the same policies that many other municipal governments and businesses have successfully implemented. Extending the same benefits to domestic partners of employees as are enjoyed by the spouses of employees can be a cost-effective way to retain capable workers.

In my district, the city of Portland, Multnomah County and Portland Public Schools have all negotiated domestic partner benefits packages with their employees. About 2 percent of the work force have enrolled their unmarried domestic partners as beneficiaries under this program, and the modest additional cost was offset by other benefit plan changes. As a result, these public employers, at no cost to the public, have been able to retain highly valued and productive employees to do the public's business.

Gay and lesbian workers know discrimination and bias when they see it. If they are capable, motivated workers, they will look for a workplace that values them for the work they do, rather than penalizing them. Mr. Speaker, if we are operating on the premise that the District needs the best and the brightest to turn this city around, then let us not tie the District government's hands with this regressive, counterproductive and mean-spirited restriction.

To my second point: There is also no sound reason for this Congress to interfere with the fundamental reproductive rights of women. Nonetheless, Congress has interfered prohibiting the use of Federal funds for most categories of abortion. In this measure, this body continues the even more outrageous practice of prohibiting the District government from using its own, locally raised funds to provide medical services that the Supreme Court of the United States has held are constitutionally protected.

The amendment offered by the gentlewoman from the District would have restored at least some of the ability of the District government to fund necessary abortions for poor women. Its rejection makes the prohibition in this measure an unacceptable limitation upon the reproductive rights of those women. I regret that I must therefore vote to reject the measure as a whole.

I yield back the balance of my time.

Mr. HOYER. First, Mr. Chairman, I rise today in support of the District of Columbia appropriations bill. I want to commend the chairman and Congressman DIXON for working in a bipartisan fashion to craft a good bill. I am pleased that at my request, the bill contains language dealing with two important issues which affect the District and the greater Washington Metropolitan area.

The bill contains report language which expresses Congress' strong intent for the District of Columbia to repay over $80 million diverted from Blue Plains to other District programs. This substantial loss of funds has led to serious maintenance and plant operations problems at the facility. Moreover, there remains a threat to the sewage ratepayers and residents of the Metropolitan area for having untreated sewage flowing down the Potomac River. There is also a serious threat to the fragile environmental conditions of the waterways. In order to prevent danger to life or environment, return of the funds is necessary so that the Blue Plains facility can return to safe and efficient operation.

My top priority continues to be protection of human health and ensuring proper clean up and preservation of the waterways and wildlife in the Chesapeake Bay Basin including the Potomac, Anacosta, and Patuxent Rivers. Having sufficient funding for Blue Plains will allow the plant to operate safely and efficiently and eliminate threats to life and the environment. Therefore, the return of the funds is critical.

I believe, as do others, that one of the best ways to resolve the operational and management problems at Blue Plains is to restore the funds taken from the Blue Plains account and prohibit the further transfer of any additional funds. Therefore, at my request, the committee included report language in the fiscal year 1996 District of Columbia appropriations bill which asked the financial responsibility and management assistance authority to address how the District planned to restore funds taken from the Blue Plains budget and the timing for that restoration.

In its fiscal year 1997 budget and financial plan, the District has agreed to pay back $21.5 million over the next 4 years in order to replenish funds diverted from Blue Plains. This agreement is reflected in the bill and it is our expectation that this agreement will be honored.

Second, I am pleased with the funding for the D.C. fire department in this bill. This funding level consistent with the request of the D.C. City Council and the control board, is sufficient to end the practice of rotated closings of companies which have placed areas throughout the city at risk every day.

This bill will also provide $4 million for firefighting apparatus which will be used to begin the process of modernizing the firefighting fleet in order to provide a sufficient arsenal to protect the residents, workers, and visitors of the District of Columbia.

Mr. Chairman, an issue which continues to plague the fire department is the understaffing of firefighters. I want to commend Chairman WALSH for adding language to this bill, at my request, instructing the District to fill the 87 vacancies that currently exist in the fire department. The city currently ranks last among the 25 largest cities in the United States in onduty fire suppression, and second in total fire and rescue alarms per 100,000 people.

The understaffing of the department and the rotated closings of up to eight companies a day poses a public safety threat to those who work and reside in the District and is financially irresponsible. This bill is an important step forward in making the District's fire department one of the finest in the Nation and I commend the committee for its efforts.

Again, I want to thank Chairman WALSH and Congressman DIXON for their work and support. I urge my colleagues to support this bill.

Mr. FRELINGHUYSEN. Mr. Chairman, I rise in support of H.R. 3845, the Fiscal Year 1997 Appropriations Act for the District of Columbia.

Let me begin by complimenting my subcommittee chairman, Congressman WALSH, on his excellent work on this bill, as well as the ranking member, Mr. DIXON, for all of his work.

Many months of hearings, meetings, and negotiations, have resulted in the strong, bipartisan bill before the House today.

H.R. 3845 appropriates $717.8 million for the Federal payment to the District of Columbia. The bill's funding levels are identical to last year's appropriation, except for an additional $5.7 million that the committee provided to reimburse the city for the upcoming 1997 Presidential inauguration.

I do believe that the approach the Appropriations Committee has taken in this bill will move the city toward financial stability. This bill caps the city's fiscal 1997 budget deficit at $40 million. This represents an amount that is $60 million less than what the city and the control board forecast. I believe that this deficit cap represents great progress in the District's path toward stability, allowing for responsible spending to meet the needs of city residents without affecting essential services.

H.R. 3845 also approves a budget blueprint for the city that was reached by the Financial Control Board, the D.C. Mayor and City Council and seems like a responsible attempt to control spending. I am pleased that the budget blueprint that H.R. 3845 approves earmarks the full budget request of $1 billion for local law enforcement, fire, and emergency services personnel along with the judicial and corrections system. While the District needs to control spending, I firmly believe that reductions should not be taken from an already understanding public safety force.

Overall, the priorities reflected in the blueprint promote education, public safety, public works, and economic development. I would urge the control board to continue its close scrutiny of District financial matters to assure that the District adheres to the sound fiscal policy that this bill promotes.

While I strongly support this bill today, I continue to have concerns in two areas not addressed by this appropriations bill. First, I have strong reservations about the control board's recommendation for Congress to authorize long-term deficit borrowing for the District. The city has proposed borrowing $500 million over 15 years to pay off the accumulated debt and finance future deficits. I continue to be concerned that deficit borrowing would cost current and future taxpayers over $750 million in interest costs alone.

Second, although a great deal of progress has been made, the 4-year financial control plan has not been approved by the committee. I would urge the completion of this long-term plan so that Congress, city leaders, and control board members may begin review and negotiations for essential structural changes in the city's management that must be made in order to reach long-term stability.

Again, I rise in support of H.R. 3845 and I would urge all of my colleagues to support this bill.

Mrs. COLLINS of Illinois. Mr. Chairman, this past March, Mayor Marion Barry appeared at a hearing held by the D.C. Subcommittee and testified that, because of the failure of Congress to enact the District's fiscal year 1996 budget until seven months into that fiscal year, the District was in worse financial shape than in March 1995, when the Congress established the D.C. Financial Control Board to bring about the District's financial recovery.

I found the Mayor's remarks to be distressing news—particularly in light of the fact that the District had, as the Congress directed, successfully cut its spending and achieved significant workforce reductions. The fiscal year 1995 appropriations bill mandated that the District's spending be cut by $140 million and that 2,000 positions be eliminated from its workforce. A subsequent audit established that both of these requirements had not only been met but had been exceeded. In fact, the District cut a total of 5,600 positions, and reduced spending by $477 million.

Today, 4 months since the Mayor's bleak assessment, the situation is still very bad, but it appears there is now some prospect for improvement. Even though the District government remains burdened with an accumulated budget deficit of almost $500 million, and its fiscal year 1996 revenues are $116 million below what had been expected, last week there was an encouraging development.

District officials traveled to Wall Street where they were able to secure a $220 million short-term loan from an investment firm to help meet the immediate cash needs. This is significant because it was the decline of the District's credit rating to junk bond status which triggered the need for the Financial Control Board. This loan signals recognition that the District of Columbia has begun to take the steps needed to restore its solvency and that it may soon be able to access the market for debt restructuring and the financing of much needed capital projects.

Further, the bill before us, which incorporates the District's fiscal year 1997 budget and elements of its multi-year financial plan also signals administrative progress which enabled the work on this package to proceed in a more timely and a less contentious manner than last year.

The Mayor, city council, and the Financial Control Board worked closely and cooperatively together until they achieved a consensus package which sets forth a series of revenue initiatives and spending reductions designed to produce a balanced budget by fiscal year 1999. I commend them for their efforts and encourage them to continue tackling the tough problems which lie ahead in this same manner.

Mr. Chairman, it is unfortunate that the good work done by these local officials was not accepted by the chairman of the D.C. Appropriations Subcommittee. Instead, he chose to require an additional $40 million in cuts, which will unquestionably have a negative impact on city services should it be retained. I sincerely hope that the Senate will support the locally developed consensus budget and that a higher spending mark will be agreed to in conference.

This one reservation notwithstanding, I urge the approval of this appropriations measure because I believe that, overall, it will aid the revitalization of our Nation's Capitol.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from the District of Columbia [Ms. NORTON].

The question was taken; and the Chairman announced that the noes appeared to have it.

Ms. NORTON. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the order of the House of Thursday, July 18, 1996, further proceedings on the amendment offered by the gentlewoman from the District of Columbia [Ms. NORTON] will be postponed.

The CHAIRMAN. Are there further amendments?

If not, the Clerk will read.

The Clerk read as follows:

PROHIBITION ON DOMESTIC PARTNERS ACT

SEC. 130. No funds made available pursuant to any provision of this Act shall be used to implement or enforce any system of registration of unmarried, cohabiting couples whether they are homosexual, lesbian, or heterosexual, including but not limited to registration for the purpose of extending employment, health, or governmental benefits to such couples on the same basis that such benefits are extended to legally married couples; nor shall any funds made available pursuant to any provision of this Act otherwise be used to implement or enforce D.C. Act 9-188, signed by the Mayor of the District of Columbia on April 15, 1992.

COMPENSATION OF MEMBERS OF JUDICIAL NOMINATION COMMISSION

SEC. 131. (a) IN GENERAL.—Effective as if included in the enactment of the District of Columbia Appropriations Act, 1996, section 434(b)(5) of the District of Columbia Self-Government and Governmental Reorganization Act is amended to read as follows:

"(5) Members of the Commission shall serve without compensation for services rendered in connection with their official duties on the Commission.".

(b) CONFORMING AMENDMENT.—Section 133(b) of the District of Columbia Appropriations Act, 1996 is hereby repealed, and the provision of law amended by such section is hereby restored as if such section had not been enacted into law.

MONTHLY REPORTING REQUIREMENTS—BOARD OF EDUCATION

SEC. 132. The Board of Education shall submit to the Congress, the Mayor, and the Council of the District of Columbia no later than fifteen (15) calendar days after the end of each month a report that sets forth—

(1) current month expenditures and obligations, year-to-date expenditures and obligations, and total fiscal year expenditure projections vs. budget broken out on the basis of control center, responsibility center, agency reporting code, and object class, and for all funds, including capital financing;

(2) a breakdown of FTE positions and staff for the most current pay period broken out on the basis of control center, responsibility center, and agency reporting code within each responsibility center, for all funds, including capital funds;

(3) a list of each account for which spending is frozen and the amount of funds frozen, broken out by control center, responsibility center, detailed object, and agency reporting code, and for all funding sources;

(4) a list of all active contracts in excess of $10,000 annually, which contains the name of each contractor; the budget to which the contract is charged broken out on the basis of control center, responsibility center, and agency reporting code; and contract identifying codes used by the D.C. Public Schools; payments made in the last month and year-to-date, the total amount of the contract and total payments made for the contract and any modifications, extensions, renewals; and specific modifications made to each contract in the last month;

(5) all reprogramming requests and reports that are required to be, and have been, submitted to the Board of Education; and

(6) changes made in the last month to the organizational structure of the D.C. Public Schools, displaying previous and current control centers and responsibility centers, the names of the organizational entities that have been changed, the name of the staff member supervising each entity affected, and the reasons for the structural change.

MONTHLY REPORTING REQUIREMENTS

UNIVERSITY OF THE DISTRICT OF COLUMBIA

SEC. 133. The University of the District of Columbia shall submit to the Congress, the Mayor, and the Council of the District of Columbia no later than fifteen (15) calendar days after the end of each month a report that sets forth—

(1) current month expenditures and obligations, year-to-date expenditures and obligations, and total fiscal year expenditure projections vs. budget broken out on the basis of control center, responsibility center, and object class, and for all funds, non-appropriated funds, and capital financing;

(2) a breakdown of FTE positions and all employees for the most current pay period broken out on the basis of control center and responsibility center, for all funds, including capital funds;

(3) a list of each account for which spending is frozen and the amount of funds frozen, broken out by control center, responsibility center, detailed object, and for all funding sources;

(4) a list of all active contracts in excess of $10,000 annually, which contains the name of each contractor; the budget to which the contract is charged broken out on the basis of control center and responsibility center, and contract identifying codes used by the University of the District of Columbia; payments made in the last month and year-to-date, the total amount of the contract and total payments made for the contract and any modifications, extensions, renewals; and specific modifications made to each contract in the last month;

(5) all reprogramming requests and reports that have been made by the University of the District of Columbia within the last month in compliance with applicable law; and

(6) changes made in the last month to the organizational structure of the University of the District of Columbia, displaying previous and current control centers and responsibility centers, the names of the organizational entities that have been changed, the name of the staff member supervising each entity affected, and the reasons for the structural change.

ANNUAL REPORTING REQUIREMENTS

SEC. 134. (a) The Board of Education of the District of Columbia and the University of the District of Columbia shall annually compile an accurate and verifiable report on the positions and employees in the public school system and the university, respectively. The annual report shall set forth—

(1) the number of validated schedule A positions in the District of Columbia Public Schools and the University of the District of Columbia for fiscal year 1996, fiscal year 1997, and thereafter on a full-time equivalent basis, including a compilation of all positions by control center, responsibility center, funding source, position type, position title, pay plan, grade, and annual salary; and

(2) a compilation of all employees in the District of Columbia Public Schools and the University of the District of Columbia as of the preceding December 31, verified as to its accuracy in accordance with the functions that each employee actually performs, by control center, responsibility center, agency reporting code, program (including funding source), activity, location for accounting purposes, job title, grade and classification, annual salary, and position control number.

(b) SUBMISSION.—The annual report required by subsection (a) of this section shall be submitted to the Congress, the Mayor, the District of Columbia Council, the Consensus Commission, and the Authority, not later than February 15 of each year.

ANNUAL BUDGETS AND BUDGET REVISIONS

SEC. 135. (a) No later than October 1, 1996, or within 15 calendar days after the date of the enactment of the District of Columbia Appropriations Act, 1997, whichever occurs later, and each succeeding year, the Board of Education and the University of the District of Columbia shall submit to the appropriate congressional committees, the Mayor, the District of Columbia Council, the Consensus Commission, and the District of Columbia Financial Responsibility and Management Assistance Authority, a revised appropriated funds operating budget for the public school system and the University of the District of Columbia for such fiscal year that is in the total amount of the approved appropriation and that realigns budgeted data for personal services and other-than-personal services, respectively, with anticipated actual expenditures.

(b) The revised budget required by subsection (a) of this section shall be submitted in the format of the budget that the Board of Education and the University of the District of Columbia submit to the Mayor of the District of Columbia for inclusion in the Mayor's budget submission to the Council of the District of Columbia pursuant to section 442 of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, as amended (D.C. Code, sec. 47-301).

EDUCATIONAL BUDGET APPROVAL

SEC. 136. The Board of Education, the Board of Trustees of the University of the District of Columbia, the Board of Library Trustees, and the Board of Governors of the D.C. School of Law shall vote on and approve their respective annual or revised budgets before submission to the Mayor of the District of Columbia for inclusion in the Mayor's budget submission to the Council of the District of Columbia in accordance with section 442 of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, as amended (D.C. Code, sec. 47-301), or before submitting their respective budgets directly to the Council.

PUBLIC SCHOOL EMPLOYEE EVALUATIONS

SEC. 137. Notwithstanding any other provision of law, rule, or regulation, the evaluation process and instruments for evaluating District of Columbia Public Schools employees shall be a non-negotiable item for collective bargaining purposes.

MODIFICATIONS OF BOARD OF EDUCATION REDUCTION-IN-FORCE PROCEDURES

SEC. 138. The District of Columbia Government Comprehensive Merit Personnel Act of 1978, D.C. Code, sec. 1-601.1 et seq.), is amended—

(1) in section 301 (D.C. Code, sec. 1-603.1)—

(A) by inserting after paragraph (13), the following new paragraph:

"(13A) The term 'nonschool-based personnel' means any employee of the District of Columbia public schools who is not based at a local school or who does not provide direct services to individual students."; and

(B) by inserting after paragraph (15), the following new paragraph:

"(15A) The term 'school administrators' means principals, assistant principals, school program directors, coordinators, instructional supervisors, and support personnel of the District of Columbia public schools.";

(2) in section 801A(b)(2) (D.C. Code, sec. 1-609.1(b)(2)(L))—

(A) by striking "(L) reduction-in-force" and inserting "(L)(i) reduction-in-force"; and

(B) by inserting after subparagraph (L)(i), the following new clause:

"(ii) notwithstanding any other provision of law, the Board of Education shall not issue rules that require or permit nonschool-based personnel or school administrators to be assigned or reassigned to the same competitive level as classroom teachers;"; and

(3) in section 2402 (D.C. Code, sec. 1-625.2), by adding at the end the following new subsection:

"(f) Notwithstanding any other provision of law, the Board of Education shall not require or permit nonschool-based personnel or school administrators to be assigned or reassigned to the same competitive level as classroom teachers.".

SEC. 139. (a) Notwithstanding any other provision of law, rule, or regulation, an employee of the District of Columbia Public Schools shall be—

(1) classified as an Educational Service employee;

(2) placed under the personnel authority of the Board of Education; and

(3) subject to all Board of Education rules.

(b) School-based personnel shall constitute a separate competitive area from nonschool-based personnel who shall not compete with school-based personnel for retention purposes.

MODIFICATION OF REDUCTION-IN-FORCE PROCEDURES

SEC. 140. (a) Section 2401 of the District of Columbia Government Comprehensive Merit Personnel Act of 1978 (D.C. Code, sec. 1-625.1 et seq.) is amended by amending the third sentence to read as follows: "A personnel authority may establish lesser competitive areas within an agency on the basis of all or a clearly identifiable segment of an agency's mission or a division or major subdivision of an agency.".

(b) The District of Columbia Government Comprehensive Merit Personnel Act of 1978 (D.C. Code, sec. 1-601.1 et seq.), as amended by section 149 of the District of Columbia Appropriations Act, 1996 (Public Law 104-134), is amended by adding at the end the following new section:

"SEC. 2407. ABOLISHMENT OF POSITIONS FOR FISCAL YEAR 1997.

"(a) Notwithstanding any other provision of law, regulation, or collective bargaining agreement either in effect or to be negotiated while this legislation is in effect for the fiscal year ending September 30, 1997, each agency head is authorized, within the agency head's discretion, to identify positions for abolishment.

"(b) Prior to February 1, 1997, each personnel authority shall make a final determination that a position within the personnel authority is to be abolished.

"(c) Notwithstanding any rights or procedures established by any other provision of this title, any District government employee, regardless of date of hire, who encumbers a position identified for abolishment shall be separated without competition or assignment rights, except as provided in this section.

"(d) An employee affected by the abolishment of a position pursuant to this section who, but for this section would be entitled to compete for retention, shall be entitled to one round of lateral competition pursuant to Chapter 24 of the District of Columbia Personnel Manual, which shall be limited to positions in the employee's competitive level.

"(e) Each employee who is a bona fide resident of the District of Columbia shall have added 5 years to his or her creditable service for reduction-in-force purposes. For purposes of this subsection only, a nonresident District employee who was hired by the District government prior to January 1, 1980, and has not had a break in service since that date, or a former employee of the United States Department of Health and Human Services at Saint Elizabeths Hospital who accepted employment with the District government on October 1, 1987, and has not had a break in service since that date, shall be considered a District resident.

"(f) Each employee selected for separation pursuant to this section shall be given written notice of at least 30 days before the effective date of his or her separation.

"(g) Neither the establishment of a competitive area smaller than an agency, nor the determination that a specific position is to be abolished, nor separation pursuant to this section shall be subject to review except as follows—

"(1) an employee may file a complaint contesting a determination or a separation pursuant to title XV of this Act or section 303 of the Human Rights Act of 1977, effective December 13, 1977 (D.C. Law 2–38; D.C. Code, sec. 1–2543); and

"(2) an employee may file with the Office of Employee Appeals an appeal contesting that the separation procedures of subsections (d) and (f) of this section were not properly applied.

"(h) An employee separated pursuant to this section shall be entitled to severance pay in accordance with title XI of this Act, except that the following shall be included in computing creditable service for severance pay for employees separated pursuant to this section—

"(1) four years for an employee who qualified for veterans preference under this Act, and

"(2) three years for an employee who qualified for residency preference under this Act.

"(i) Separation pursuant to this section shall not affect an employee's rights under either the Agency Reemployment Priority Program or the Displaced Employee Program established pursuant to Chapter 24 of the District Personnel Manual.

"(j) The Mayor shall submit to the Council a listing of all positions to be abolished by agency and responsibility center by March 1, 1997, or upon the delivery of termination notices to individual employees.

"(k) Notwithstanding the provisions of section 1708 or section 2402(d), the provisions of this Act shall not be deemed negotiable.

"(l) A personnel authority shall cause a 30-day termination notice to be served, no later than September 1, 1997, on any incumbent employee remaining in any position identified to be abolished pursuant to subsection (b) of this section".

CEILING ON EXPENSES AND DEFICIT

SEC. 141. (a) CEILING ON TOTAL OPERATING EXPENSES AND DEFICIT.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the total amount appropriated in this Act for operating expenses for the District of Columbia for fiscal year 1997 under the caption "DIVISION OF EXPENSES" shall not exceed the lesser of—

(A) the sum of the total revenues of the District of Columbia for such fiscal year and $40,000,000; or

(B) $5,108,913,000 (of which $134,528,000 shall be from intra-District funds).

(2) ENFORCEMENT.—The Chief Financial Officer of the District of Columbia and the District of Columbia Financial Responsibility and Management Assistance Authority shall take such steps as are necessary to assure that the District of Columbia meets the requirements of this section, including the apportioning by the Chief Financial Officer of the appropriations and funds made available to the District during fiscal year 1997.

(b) ACCEPTANCE AND USE OF GRANTS NOT INCLUDED IN CEILING.—

(1) IN GENERAL.—Notwithstanding subsection (a), the Mayor of the District of Columbia may accept, obligate, and expend Federal, private, and other grants received by the District government that are not reflected in the amounts appropriated in this Act.

(2) REQUIREMENT OF CHIEF FINANCIAL OFFICER REPORT AND FINANCIAL RESPONSIBILITY AND MANAGEMENT ASSISTANCE AUTHORITY APPROVAL.—No such Federal, private, or other grant may be accepted, obligated, or expended pursuant to paragraph (1) until—

(A) the Chief Financial Officer of the District submits to the District of Columbia Financial Responsibility and Management Assistance Authority established by Public Law 104–8 (109 Stat. 97) a report setting forth detailed information regarding such grant; and

(B) the District of Columbia Financial Responsibility and Management Assistance Authority has reviewed and approved the acceptance, obligation, and expenditure of such grant in accordance with review and approval procedures consistent with the provisions of Public Law 104–8, the District of Columbia Financial Responsibility and Management Assistance Act of 1995.

(3) PROHIBITION ON SPENDING IN ANTICIPATION OF APPROVAL OR RECEIPT.—No amount may be obligated or expended from the general fund or other funds of the District government in anticipation of the approval or receipt of a grant under paragraph (2)(B) or in anticipation of the approval or receipt of a Federal, private, or other grant not subject to such paragraph.

(4) MONTHLY REPORTS.—The Chief Financial Officer of the District shall prepare a monthly report setting forth detailed information regarding all Federal, private, and other grants subject to this subsection. Each such report shall be submitted to the Council of the District of Columbia, and to the Committees on Appropriations of the House of Representatives and the Senate, not later than 15 days after the end of the month covered by the report.

CHIEF FINANCIAL OFFICER POWERS DURING CONTROL PERIODS

SEC. 142. Notwithstanding any other provision of law, during any control period in effect under subtitle A of title II of the District of Columbia Financial Responsibility and Management Assistance Act of 1995 the following shall apply:

(a) the heads and all personnel of the following offices, together with all other District of Columbia executive branch accounting, budget, and financial management personnel, shall be appointed by, shall serve at the pleasure of, and shall act under the direction and control of the Chief Financial Officer:

The Office of the Treasurer.

The Controller of the District of Columbia.

The Office of the Budget.

The Office of Financial Information Services.

The Department of Finance and Revenue.

The District of Columbia Financial Responsibility and Management Assistance Authority established pursuant to Public Law 104–8, approved April 17, 1995, may remove such individuals from office for cause, after consultation with the Mayor and the Chief Financial Officer.

(b) The Chief Financial Officer shall prepare and submit to the Mayor, for inclusion in the annual budget of the District of Columbia under part D of title IV of the District of Columbia Self-Government and Governmental Reorganization Act of 1973, approved December 24, 1973 (87 Stat. 774; Public Law 93–198), as amended, for each fiscal year occurring during a control period in effect under subtitle A of title II of the District of Columbia Financial Responsibility and Management Assistance Act of 1995, annual estimates of the expenditures and appropriations necessary for the operation of the Office of the Chief Financial Officer for the year. All such estimates shall be forwarded by the Mayor to the Council of the District of Columbia for its action pursuant to sections 446 and 603(c) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93–198, approved December 24, 1973, without revision but subject to recommendations. Notwithstanding any other provisions of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93–198, approved December 24, 1973, the Council may comment or make recommendations concerning such estimates, but shall have no authority to revise such estimates.

POLICE AND FIRE FIGHTER DISABILITY RETIREMENTS

SEC. 143. (a) Up to 50 police officers and up to 50 Fire and Emergency Medical Services members with less than 20 years of departmental service who were hired before February 14, 1980, and who retire on disability before the end of calendar year 1997 shall be excluded from the computation of the rate of disability retirements under subsection 145(a) of the District of Columbia Retirement Reform Act of 1979 (93 Stat. 882; D.C. Code, sec. 1–725(a)), for purposes of reducing the authorized Federal payment to the District of Columbia Police Officers and Fire Fighters' Retirement Fund pursuant to subsection 145(c) of the District of Columbia Retirement Reform Act of 1979.

(b) The Mayor, within 30 days after the enactment of this provision, shall engage an enrolled actuary, to be paid by the District of Columbia Retirement Board, and shall comply with the requirements of section 142(d) and section 144(d) of the District of Columbia Retirement Reform Act of 1979 (Public Law 96–122, approved November 17, 1979; D.C. Code, secs. 1–722(d) and 1–724(d).

(c) This section shall not go into effect until 15 days after the Mayor transmits the actuarial report required by section 142(d) of the District of Columbia Retirement Reform Act of 1979 (Public Law 96–122, approved November 17, 1979) to the District of Columbia Retirement Board, the Speaker of the House of Representatives, and the President pro tempore of the Senate.

SEC. 144. (a) Section 451(c)(3) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 803; D.C. Code, sec. 1–1130(c)(3)), is amended by striking the word "section" and inserting the word "subsection" in its place.

DISTRICT OF COLUMBIA SCHOOL REFORM

SEC. 145. Section 2204(c)(2) of the District of Columbia School Reform Act of 1995 (Public Law 104-134) is amended to read as follows:

"(2) TUITION, FEES, AND PAYMENTS.—

"(A) PROHIBITION.—A public charter school may not, with respect to any student other than a nonresident student, charge tuition, impose fees, or otherwise require payment for participation in any program, educational offering, or activity that—

"(i) enrolls students in any grade from kindergarten through grade 12; or

"(ii) is funded in whole or part through an annual local appropriation.

"(B) EXCEPTION.—A public charter school may impose fees or otherwise require payment, at rates established by the Board of Trustees of the school, for any program, educational offering, or activity not described in clause (i) or (ii) of subparagraph (A), including adult education programs, or for field trips or similar activities.".

Mr. WALSH (during the reading). Mr. Chairman, I ask unanimous consent that the bill through page 52, line 23, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: Page 52, after line 23, insert the following new section:

SEC. 146. (a) COMPLIANCE WITH BUY AMERICAN ACT.—None of the funds made available in this Act may be expended by an entity unless the entity agrees that in expending the funds the entity will comply with the Buy American Act (41 U.S.C. 10a-10c).

(b) SENSE OF CONGRESS; REQUIREMENT REGARDING NOTICE.—

(1) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds made available in this Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products to the greatest extent practicable.

(2) NOTICE TO RECIPIENTS OF ASSISTANCE.—In providing financial assistance using funds made available in this Act, the head of each agency of the Federal or District of Columbia government shall provide to each recipient of the assistance a notice describing the statement made in paragraph (1) by the Congress.

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Speaker, this is an amendment that has been offered to all the appropriation bills, and I am going to thank all the appropriators for, over the years, including this language into the bills. I think it encourages people to whenever possible in utilizing the scarce procurement dollars of the U.S. Government, to attempt to buy wherever possible American-made products.

In addition, anybody who would, in fact, place a false, fraudulent made-in-America label on any product that is sold to our Government through any of these contracted agreements would be prohibited from bidding on further contracts.

So I appreciate the fact the appropriators have included this language. It is that standard language that has been on other appropriation bills.

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the distinguished gentleman from New York.

Mr. WALSH. Mr. Chairman, I thank the gentleman from Ohio [Mr. TRAFICANT] for yielding. We have examined the amendment, Mr. Chairman, find it to be in perfectly good order, find it to be consistent with the wishes of the subcommittee, and have no objections to the gentleman's amendment.

Mr. TRAFICANT. Mr. Chairman, I appreciate the support of the subcommittee Chair.

Mr. DIXON. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from California, the distinguished ranking member.

Mr. DIXON. Mr. Chairman, the minority has no objection to this amendment. It is a good amendment.

Mr. TRAFICANT. Mr. Chairman, with that I hope wherever possible when we expend U.S. taxpayer dollars it is on American-made products from American workers who pay our taxes.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments?

If not, the Clerk will read the last two lines of the bill.

The Clerk read as follows:

This Act may be cited as the District of Columbia Appropriations Act, 1997.

Mr. WALSH. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. WALSH) having assumed the chair, Mr. HASTINGS of Washington, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3845), making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1997, and for other purposes, had come to no resolution thereon.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 4 o'clock and 5 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1731

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore [Mr. GUTKNECHT] at 5 o'clock and 31 minutes p.m.

DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore. Pursuant to the order of the House of Thursday, July 18, 1996, and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3845.

□ 1732

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3845) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1997, and for other purposes, with Mr. HASTINGS of Washington in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole House rose earlier today, the amendment offered by the gentleman from Ohio [Mr. TRAFICENT] had been disposed of, and the bill had been read through page 52, line 25.

Are there further amendments to the bill?

AMENDMENT OFFERED BY MR. GUTKNECHT

Mr. GUTKNECHT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GUTKNECHT: Page 52, after line 23, insert the following new section:

SEC. 146. The amount otherwise provided under the heading "Federal Payment to the

District of Columbia" for the fiscal year ending September 30, 1997, is hereby reduced by 1.9 percent.

Mr. WALSH. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. GUTKNECHT] for 10 minutes.

Mr. GUTKNECHT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is the next installment of the amendments that I have been offering to all of the appropriation bills since the House passed the joint budget conference committee report, and as my colleagues will probably recall, under that report this House for the first time in the last 4 years is actually going to allow the deficit of the United States to go up in the next fiscal year, and many of us who were upset upon learning that went back to our offices and tried to figure out what it was that perhaps we could do on a constructive basis to recover that fumble. And what we came up with was the notion that if we offered a 1.9 percent across-the-board reduction on the balance of the appropriation bills that were still out there, we could recover $4.1 billion in additional Federal spending.

So I offer this amendment in good faith even though I serve in the District of Columbia Oversight Subcommittee, and I appreciate the work that the gentleman from New York [Mr. WALSH] and his subcommittee have done in terms of controlling the level of spending and trying to get the fiscal house in order not only for the District of Columbia, but for all of the taxpayers of the United States.

But, Mr. Chairman, I think, in fairness, if we are going to offer this to one appropriation bill, we have to offer it to all of them. This amendment that I am offering today affects the $660 million that goes to the District of Columbia in the way of a Federal payment. It does not affect the Federal contributions to employees' retirement accounts, it does not affect the rest of the $5 billion which flows through the District of Columbia general fund, and it does not unfairly pick on the District of Columbia.

We have offered this same amendment to all appropriation bills since the approval of the joint budget resolution conference committee report. We are asking the District of Columbia government to make the same kind of sacrifice that we have asked the rest of the Federal Government to make, a simple 1.9 percent reduction.

As I said earlier, I serve on the District of Columbia Subcommittee, I appreciate the work that that District of Columbia Subcommittee has done, and I appreciate the work that the financial oversight board has been doing to try and put the District of Columbia back on a financial path toward solvency. But I believe that if we are going to be fair and if we are going to be honest and if we are going to be consistent in what we do around here, I have to offer this amendment in good faith.

Mr. Chairman, I reserve the balance of my time.

Mr. WALSH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to the gentleman's amendment. While I know it is with the best of intentions, looking toward reducing our deficit by reducing our Federal spending, I want to assure him that we have made every effort to do so, in fact, have been accused of asking for too many spending cuts of the District of Columbia.

The Federal payment to the District of Columbia is a contribution that is made in lieu of taxes to the District government. The Federal Government occupies roughly 45 percent of the land area of this city. This payment is our contribution to the local community for the police, fire, and other services that are provided not only to Congress, but to the Federal offices and foreign embassies and various groups that have received congressionally chartered tax exemptions, not to mention the millions and millions of tourists and other visitors who come here either to see the beauty of our Nation's Capital or to participate in government or in business.

The second point I want to make is that the amount we are recommending in this bill for fiscal year 1997 is exactly the same amount that was appropriated in each of the last 2 years. In other words, this will make it 3 years in a row with no increase—a flat Federal payment appropriation for the past 3 years for the District of Columbia.

Third, the Constitution places the responsibility for the District under the Congress, and it is our duty to provide a fair contribution for the operation of the seat of our national Government.

Mr. Chairman, the District is in the midst of a financial crisis. In response to that crisis, this Congress last year passed legislation to create a financial control board. That board has been in place a little over a year and is making some progress in grappling with the situation.

I would say to my good friend and colleague from Minnesota that we are appropriating exactly the amount authorized by his committee. The authorizers told us this is the amount that we should spend, and in respect to that committee and in respect to the process, we are appropriating at exactly that level. If the gentleman wishes to change that authorization, he is on the committee that can make that change.

So, Mr. Chairman, I urge my colleagues to vote "no" on the gentleman's amendment. We should not shirk our responsibility to our Nation's Capital by reducing the Federal payment to a level below what it was 3 years ago.

Mr. Chairman, I reserve the balance of my time.

Mr. GUTKNECHT. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. SOUDER].

Mr. SOUDER. Mr. Chairman, first off I want to congratulate the gentleman from New York [Mr. WALSH] and the gentleman from Virginia [Mr. DAVIS] also in the authorizing committee, for their hard work. Washington, DC, is our national Capital. It is seen across this country as a symbol of our Nation, it is seen throughout the world as a symbol of our Nation, and its efforts to try to improve the situation there and to shepherd it are to be commended, and as my colleagues well know, as we go through this amendment process, these amendments are not aimed at any particular committee or any particular approach.

I also serve on the authorizing committee, the Committee on Government Reform and Oversight, and as my colleagues know, authorizing numbers are a cap, they are not the actual amount. That is up to the appropriating committee what they spend, and when we got our authorizing cap, we did not realize that the budget was going to have a bump up in the second year. That came later in the whole negotiating process, and some of the appropriating numbers got bumped up in dealing with the President and with the Senate, and we did not come to Congress to watch the deficit go up our second year here. We made a commitment to the American people that that deficit was going to go down. And we did better than expected last year. Now we have a challenge to meet.

One of our concerns as fellow Republicans is that some of the rhetoric that has been used against our 1.9 percent amendment is potentially digging our party into a trap. Next year our discretionary spending is supposed to go down 4 percent in actual dollars. Nondefense spending is supposed to go down 4 percent in our own budget that we voted for, yet we constantly hear every time we bring up this amendment, "Oh, there's nothing that can be cut, there's nothing that can be reduced." If there is nothing that can be reduced, how in the world are we going to reduce things 4 percent next year?

Every time we bring this up, we hear over and over that, oh, we are going to wipe out this, we are going to wipe out that, and if we are not careful, we are going to hoist ourselves on our own rhetoric and dig ourselves into a hole. The fact is that the budget deficit goes up, I wish we could target it more precisely, I wish we could have worked it out through the different appropriating committees to be fair and rather than doing a 1.9 percent, but at this point since we do not have a lockbox that works, this is our only way to have the budget deficit not go up the second year.

Any my friends on the Democratic side of the aisle, this is not aimed at the District of Columbia. I commend not only the delegate from the District of Columbia [Ms. NORTON] and many of the others for their efforts, but quite frankly we did not control the House for 40 years. We have a terrible deficit that we have to get control of, that we were making progress, and we are very nervous that this step backward that we are doing, ever so slight a step, but nevertheless a step, is in the wrong direction, and the American people sent many of us here because they were tired of hearing "tomorrow, tomorrow, tomorrow." They want to see it happen now, and this is our only way we have to express our frustration not only with our own leadership, but our frustration with the way Congress works.

Every program has some benefits, every spending has some benefits, but we do not have any money. Even at the extreme it will take 7 years to balance our budget on an annual basis. Households do not have that choice, businesses do not have that choice, State governments do not have that choice, local governments do not have that choice, yet every time we try to reduce it just 1.9 percent it is always too much.

Mr. WALSH. Mr. Chairman, I yield myself such time as I may consume to comment on my colleague's remarks.

We have made, I think, tremendous progress in reducing our deficit spending. This Congress reduced discretionary spending by $56 billion last year, a remarkable and astounding feat, given past performance, and no one in this body is more committed to reducing deficit spending or reducing our deficits than I. We have, I think, made great effort here to reduce the projected deficit by an additional $59 million or 60 percent to bring this budget closer to balance. It may take another year before we get there, but we are heading in the right direction.

Mr. Chairman, I yield 3 minutes to the distinguished gentleman from California [Mr. DIXON], the ranking member of the committee.

Mr. DIXON. Mr. Chairman, I thank the gentleman from New York for yielding this time to me, and I rise in opposition to this amendment.

Every day we open the newspaper or turn on TV we see a problem that needs to be fixed in the District of Columbia. We need to restore the infrastructure to the water system here. Public health, in my personal view, is in a crisis in the District of Columbia. And public safety, even 60 Minutes is now paying attention to it.

The gentleman from Minnesota seems to say that because he offered this amendment on 12 other bills that he must offer it on this bill. I would suggest to the body that we respond to him the same way that we did on the other 12 bills and reject this amendment.

□ 1745

Mr. GUTKNECHT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as I said earlier, I do have some regrets about having to offer this amendment, but I think it needs to be put in perspective in terms of how much money is actually spent here in the District of Columbia.

The per capita total spending, for example, in States like Nevada, is $4,900. Here in the District it is $9,954. There is waste. They could reduce spending by 1.9 percent without dramatically affecting public safety and the waterworks and so forth.

Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Ms. HOSTETTLER], my freshman colleague.

Mr. HOSTETTLER. Mr. Chairman, I rise in strong support of this amendment to the fiscal year 1997 District of Columbia appropriations bill to decrease funding in the bill by 1.9 percent across the board. I believe that this is the seventh time we have come to the floor to offer this amendment. While we have not been successful with our previous efforts, we are not discouraged. When it comes to protect the financial future of this country's children, we must be tireless.

While many come to the Chamber and criticized the budget resolution for increasing the deficit, few of us supported these efforts to regain that extra spending. Before we decide that we just can't resist the temptation to spend these few extra dollars—those few extra dollars that represent the thousands of hours of hard work performed by hard working folks in my district—we should think about the financial burden we are placing on our children.

This amendment will trim less than 2 percent—just two pennies from every dollar of discretionary spending in this appropriations bill. The District receives approximately $717 million in the form of a Federal payment, a payment to the teachers', firefighters', police, and judges' retirement fund, and a payment for this 1997 inauguration. Included among the reasons that the District receives the Federal payment is the notion that a large percentage of the city's land is owned by the Federal Government. In actuality, just over 26 percent of the city' property is owned by the Federal Government. However, 68 percent of Alaska is owned by the Federal Government, 64 percent of Utah is owned by the Federal Government, and a whopping 83 percent of the State of Nevada is owned by the Federal Government. At the same time, Alaskans receive $1,755 per capita in Federal revenues; Utah residents receive $634 in per capita Federal revenues; and Nevada residents receive just $547. District residents, on the other hand, receive $3,898 per capita in Federal revenues. When we consider these facts, a 1.9 percent decrease in the Federal payment seems like a small amount to ask for. I can assure you, Mr. Chairman, that I do not believe this is the most perfect solution for cutting $4 billion from the appropriations bills, and I can assure you that this is not being done to target any specific appropriations bill or any specific program—but this is a solution that will be shared by all. I asked everybody in this body—from both sides of the aisle—who is serious about staying on that real path toward a balanced budget to support our amendment.

Mr. WALSH. Mr. Chairman, I yield 3 minutes to the gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Chairman, I thank the gentleman for yielding time to me.

I am inclined to simply say, "Enough already." Mr. Chairman, look at this week's U.S. News and World Report. The National Capital, the gentleman's capital, has become a national daily controversy. You cannot separate yourself from that.

There is a reason why the chairman of the committee on which you serve and the chairman of the subcommittee of the Committee on Appropriations oppose this bill. This is not an appropriation we are dealing with; this is a city we are dealing with. It is a city that is insolvent.

These across-the-board cuts have been offered before in the Congress, but never for the District of Columbia appropriation. There is a reason for it. It is a complicated organism we are dealing with here. It is down on its knees, going, going, gone.

The Federal payment has not increased in 5 years. For the third year in a row the chairman has required a cut in the District's payment. Mr. Chairman, the PILOT we have here, PILOT, the payment in lieu of taxes, keeps us from building on the most valuable and most useful land in the city, right in the middle of the city.

Let me tell the Members something: Congress has not paid its taxes recently, because the PILOT has not been increased in 5 years. Before that, until 1991, it had not been increased in 5 years.

Mr. Chairman, we have been using a monolithic strategy to downsize the District of Columbia. We have been using that even before the 104th Congress came into place. It is going down so fast that the taxpayers are picking up and leaving at a rate that should make your hair stand on end.

I have not called for an end of downsizing or an end of cuts, but after a control board and a Committee on Appropriations have looked closely at a city that is on the verge of dying and cut and said no more cuts, it ill behooves any of us to come to this floor and, shall we say, third-guess them on what should be done.

The 1.9-percent cut, you are not selling anything, I do not know why you do not say 2 percent cut and round off this figure, the 2-percent cut I think is sincerely offered, and it is sincerely received.

I ask Members to note the difference between an ordinary appropriation and a city in the deepest possible trouble. I ask Members to realize that the 2-percent cut has more than been made by, first, the control board, then the subcommittee, then the Committee on Appropriations, and now, it would appear, by the full body here. Please vote against this amendment.

Mr. GUTKNECHT. Mr. Chairman, I yield 1 minute to my colleague, the gentleman from Wisconsin [Mr. NEUMANN].

Mr. NEUMANN. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I serve on this committee, and I have the greatest respect for our committee chairman and for the ranking minority member and for all the work that has been done here. However, when we get done looking at all of these priorities individually, we have to come back to the fact that we have a higher priority, and that is to do what it right for the future of our country.

We are $5.2 trillion in debt. The time has come for us to do what is right for future generations of Americans and get to a balanced budget. This is simply a small step in the right direction for the future of this great country of ours. That is what this is all about.

Mr. WALSH. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HORN].

Mr. HORN. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I particularly praise the chairman of the Subcommittee on the District of Columbia of the Committee on Appropriations and the chairman of the authorizing committee, the gentleman from Virginia [Mr. DAVIS]. Both are doing an outstanding job, and are the hardest workers in this Congress.

I have a high regard for my friend, the gentleman from Minnesota [Mr. GUTKNECHT], on the committee on which I serve, but I must oppose his amendment. I think enough. We have cut budgets as much as we reasonably can.

Washington must remain a beautiful world capital. It is a beautiful world capital, but there are a couple of things I would like to ask a question of the chairman about, to see if we could change. That is, driving around town yesterday, I found numerous stoplights never replaced, crossing walk lights never replaced, potholes never filled. I think that is the impression every single visitor to Washington gets.

If we are going to put in this Federal contribution, can we at least get the District Department of Public Works to do something about simple matters like that, that do affect life and death?

Mr. WALSH. Mr. Chairman, will the gentleman yield?

Mr. HORN. I yield to the gentleman from New York.

Mr. WALSH. Mr. Chairman, in response to the gentleman's questions, we are all very much aware of all of these problems in the city. I would remind my colleague that these did not just happen overnight. The bridges and roads and infrastructure and police cars and fire engines have been running on basically empty for years. There has been no investment in the schools. The city's capital program basically does not exist.

The fact is, the District of Columbia's budget is over $5 billion for a city of 550,000 people. The State of South Carolina, with 3½ million people, has a budget of $4 billion. So it would seem that there is enough money.

We have discussed this with the city officials and have urged them to spend money on these public works projects. Basically the funds in this bill are at their discretion to spend, but we do strongly urge them to make these structural repairs and changes to turn the District around from its downward spiral.

Mr. HORN. If I might suggest to the chairman of the Committee, if he would condition the Federal payment, I think they would move a lot faster.

Mr. GUTKNECHT. Mr. Chairman, I yield myself the balance on my time.

The CHAIRMAN. The gentleman from Minnesota [Mr. GUTKNECHT] is recognized for 1½ minutes.

Mr. GUTKNECHT. Mr. Chairman, I will end this debate the way I began. I do respect the work that is done on the Subcommittee on the District of Columbia of Committee on Appropriations for the District of Columbia. This is a very serious problem. But I would have to agree with my colleague, the gentleman from Indiana [Mr. HOSTETTLER], who spoke earlier. The problem is not necessarily that there is not enough tax money flowing through the District of Columbia.

On a per capita basis, if we compare the schools, for example, how much we spend back in Minnesota on our public schools, something like $5,600. Here in the District of Columbia, by some estimates, it is almost $10,000. The problem is not that we are not spending enough money, but the District and the Federal Government, as oversight, have not been ensuring that those moneys are spent properly.

Mr. Chairman, what this amendment is really about is keeping our promises of last year. As the gentleman from Indiana [Mr. SOUDER] said, if we cannot cut 1.9 percent this year, how are we going to cut 4 percent next year? Balancing the budget is not what you do next year, it is not what you do 2 years from now, it is what you do this year.

I think we have to keep faith with what we told the voters 2 years ago. I think we have to keep faith with our children. This is about generational equity, it is not about whether potholes are going to be filled in Washington, DC. They have not been filled in the past and perhaps they will not be filled in the future. But we can balance the Federal budget, if everybody is willing to tighten their belts just a little bit.

If we take 1.9 percent across-the-broad and we compare it to a haircut, and what we are talking about is giving the bureaucracy a slight haircut, it is like cutting your hair about one-eighth of an inch. Most people would not even notice the difference.

Mr. WALSH. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from New York [Mr. WALSH] is recognized for 1 minute.

Mr. WALSH. Mr. Chairman, just to sum up, we certainly have worked very hard to try to get this bill to where it is today. Basically it is a bipartisan bill. Not everyone is happy with it.

Is it the right amount of Federal funds? I believe it is. If we were to reduce another $12 million, $13 million, the District could take that from wherever they decide to take it. We just put $15 million back in for the fire department. I would hate to think that is where it would come from.

The fact is this $660 million Federal payment is the amount that was authorized, and is the amount included in our 602(b) allocation. I think it is the right amount, and I would strongly urge a "no" vote on the Gutknecht amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Minnesota [Mr. GUTKNECHT].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. GUTKNECHT. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the order of the House of Thursday, July 18, 1996, further proceedings on the amendment offered by the gentleman from Minnesota [Mr. GUTKNECHT] will be postponed.

Are there further amendments?

SEQUENTIAL VOTES POSTPONED IN THE COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to the order of the House of Thursday, July 18, 1996, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: First, the amendment offered by the gentlewoman from the District of Columbia [Ms. NORTON], followed by the amendment offered by the gentleman from Minnesota, [Mr. GUTKNECHT].

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT OFFERED BY MS. NORTON

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentlewoman from the District of Columbia [Ms. NORTON] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 176, noes 223, not voting 34, as follows:

[Roll No. 332]

AYES—176

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Ballenger
Barrett (WI)
Bass
Bateman
Becerra
Beilenson
Bentsen
Berman
Bilbray
Bishop
Blumenauer
Boehlert
Bonilla
Boucher
Brown (CA)
Brown (OH)
Bryant (TX)
Campbell
Cardin
Castle
Chapman
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Coyne
Cramer
Cummings
Davis
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Dunn
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fawell
Fields (LA)
Filner
Foglietta
Franks (CT)
Franks (NJ)
Frelinghuysen
Frost
Furse
Gejdenson
Gibbons
Gilchrest
Gilman
Gonzalez
Gordon
Green (TX)
Greenwood
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hobson
Horn
Houghton
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kleczka
Klug
Kolbe
Lantos
Lazio
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney
Markey
Martinez
Martini
McCarthy
McDermott
McHale
McKinney
Meehan
Meek
Menendez
Meyers
Millender-McDonald
Miller (CA)
Minge
Moakley
Molinari
Moran
Nadler
Obey
Olver
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pomeroy
Ramstad
Rangel
Reed
Regula
Richardson
Rivers
Rose
Roukema
Roybal-Allard
Sabo
Sanders
Sawyer
Schiff
Schroeder
Schumer
Scott
Serrano
Shays
Sisisky
Skaggs
Slaughter
Spratt
Stark
Stokes
Studds
Tanner
Thompson
Thurman
Torkildsen
Torres
Traficant
Velazquez
Vento
Visclosky
Ward
Waters
Watt (NC)
Waxman
White
Williams
Wise
Woolsey
Wynn
Yates
Zimmer

NOES—223

Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bereuter
Bevill
Bilirakis
Bliley
Blute
Boehner
Bonior
Bono
Borski
Brewster
Browder
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Costello
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Doyle
Dreier
Duncan
Ehlers
Ehrlich
English
Ensign
Ewing
Flanagan
Foley
Forbes
Fowler
Fox
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gillmor
Goodlatte
Goodling
Goss
Graham
Greene (UT)
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hoekstra
Hoke
Holden
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson, Sam
Jones
Kanjorski
Kasich
Kildee
Kim
King
Kingston
Klink
Knollenberg
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manton
Mascara
McCollum
McCrery
McHugh
McInnis
McIntosh
McKeon
McNulty
Metcalf
Mica
Miller (FL)
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Neumann
Ney
Nussle
Oberstar
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Peterson (MN)
Petri
Pombo
Porter
Portman
Poshard
Quinn
Radanovich
Rahall
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Skeen
Skelton
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Stupak
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Tiahrt
Upton
Volkmer
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Whitfield
Wicker
Wolf
Young (AK)
Zeliff

NOT VOTING—34

Allard
Brown (FL)
Brownback
Clement
de la Garza
Durbin
Everett
Fazio
Fields (TX)
Flake
Ford
Frank (MA)
Gephardt
Gutierrez
Jefferson
Lincoln
Manzullo
Matsui
McDade
Mink
Morella
Neal
Nethercutt
Norwood
Owens
Pryce
Quillen
Rush
Smith (MI)
Thornton
Torricelli
Towns
Wilson
Young (FL)

□ 1818

This Clerk announced the following pair: On this vote:

Mrs. Morella for, with Mr. Everett against.

Mr. MURTHA changed his vote from "aye" to "no."

Messrs. VENTO, BASS, and BOEHLERT changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. GUTKNECHT

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Minnesota [Mr. GUTKNECHT] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 170, noes 229, not voting 34, as follows:

[Roll No. 333]

AYES—170

Archer
Bachus
Baker (CA)
Barcia
Barr
Barrett (WI)
Bartlett
Barton
Bilbray
Bilirakis
Blute
Brewster
Browder
Bryant (TN)
Bunning
Burton
Buyer
Callahan
Camp
Campbell
Canady
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Deal
DeFazio
Diaz-Balart
Dickey
Dornan
Doyle
Dreier
Duncan
Edwards
English
Ensign
Ewing
Foley
Fowler
Fox
Funderburk
Ganske
Geren
Gillmor
Goodlatte
Gordon
Goss
Graham
Green (TX)
Gutknecht
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Hostettler
Hutchinson
Inglis
Istook
Jacobs
Johnson, Sam
Jones
Kasich
Kelly
Kim
Kleczka
Klug
LaHood
Largent
Latham
Laughlin
Leach
Lewis (KY)
Linder
LoBiondo
Lofgren
Lucas
Luther
Martini
Mascara
McCollum
McHale
McInnis
McIntosh
Metcalf
Meyers
Mica
Miller (FL)
Minge
Molinari
Montgomery
Moorhead
Myrick
Neumann
Ney
Nussle
Orton
Paxon
Peterson (MN)
Petri
Pombo
Portman
Radanovich
Ramstad
Richardson
Roberts
Roemer
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Schaefer
Schroeder
Schumer
Seastrand
Sensenbrenner

Shadegg
Shays
Skelton
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Talent
Tate
Taylor (MS)
Taylor (NC)
Thornberry
Tiahrt
Upton
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Zimmer

NOES—229

Abercrombie
Ackerman
Andrews
Armey
Baesler
Baker (LA)
Baldacci
Ballenger
Barrett (NE)
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bishop
Bliley
Blumenauer
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brown (CA)
Brown (OH)
Bryant (TX)
Bunn
Burr
Calvert
Cardin
Castle
Chapman
Clay
Clayton
Clinger
Clyburn
Coleman
Collins (IL)
Collins (MI)
Conyers
Costello
Coyne
Cummings
Danner
Davis
DeLauro
DeLay
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dunn
Ehlers
Ehrlich
Engel
Eshoo
Evans
Farr
Fattah
Fawell
Fields (LA)
Filner
Flanagan
Foglietta
Forbes
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Furse
Gallegly
Gejdenson
Gekas
Gibbons
Gilchrest
Gilman
Gonzalez
Goodling
Greene (UT)
Greenwood
Gunderson
Hall (OH)
Hall (TX)
Hastings (FL)
Hefner
Heineman
Hilliard
Hinchey
Horn
Houghton
Hoyer
Hunter
Hyde
Jackson (IL)
Jackson-Lee (TX)
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
King
Kingston
Klink
Knollenberg
Kolbe
LaFalce
Lantos
LaTourette
Lazio
Levin
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Longley
Lowey
Maloney
Manton
Markey
Martinez
McCarthy
McCrery
McDermott
McHugh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Moakley
Mollohan
Moran
Murtha
Myers
Nadler
Oberstar
Obey
Olver
Ortiz
Oxley
Packard
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pomeroy
Porter
Poshard
Quinn
Rahall
Rangel
Reed
Regula
Riggs
Rivers
Rogers
Rose
Roybal-Allard
Sabo
Sanders
Sawyer
Scarborough
Schiff
Scott
Serrano
Shaw
Shuster
Sisisky
Skaggs
Skeen
Slaughter
Spratt
Stark
Stokes
Studds
Stupak
Tanner
Tauzin
Tejeda
Thomas
Thompson
Thurman
Torkildsen
Torres
Traficant
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Waxman
Weldon (PA)
Wicker
Williams
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Zeliff

NOT VOTING—34

Allard
Brown (FL)
Brownback
Clement
de la Garza
Durbin
Everett
Fazio
Fields (TX)
Flake
Ford
Frank (MA)
Gephardt
Gutierrez
Jefferson
Lincoln
Manzullo
Matsui
McDade
Mink
Morella
Neal
Nethercutt
Norwood
Owens
Pryce
Quillen
Rush
Smith (MI)
Thornton
Torricelli
Towns
Wilson
Young (FL)

□ 1827

The Clerk announced the following pair:

On this vote:

Mr. Everett for, with Mrs. Morella against.

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. If there are no other amendments, under the previous order of the House of July 18, 1996, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. EWING) having assumed the chair, Mr. HASTINGS of Washington, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, (H.R. 3845), making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1997, and for other purposes, and pursuant to the order of the House of Thursday, July 18, 1996, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

Pursuant to that order of the House of July 18, 1996, the previous question is ordered.

□ 1830

Mr. KOLBE. Mr. Speaker, I ask unanimous consent that if proceedings resume on the three postponed questions on agreeing to motions to suspend the rules immediately after an electronic vote on the question of passing H.R. 3845, then the Speaker may reduce to 5 minutes the minimum time for electronic voting on each of the postponed questions.

The SPEAKER pro tempore (Mr. EWING). Is there objection to the request of the gentleman from Arizona?

There was no objection.

The SPEAKER pro tempore. The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 332, nays 68, not voting 33, as follows:

[Roll No. 334]

YEAS—332

Abercrombie
Ackerman
Andrews
Archer
Armey
Bachus
Baker (LA)
Baldacci
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Christensen
Chrysler
Clay
Clayton
Clyburn
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Conyers
Costello
Cox
Coyne
Crane
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dreier
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Ewing
Farr
Fattah
Fawell
Fields (LA)
Filner
Flanagan
Foglietta
Foley
Forbes
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gonzalez
Goodlatte
Goodling
Gordon
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (OH)
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefner
Heineman
Hilliard
Hinchey
Hobson
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
Lantos
Largent
Latham
LaTourette
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lowey
Lucas
Luther
Manton
Markey
Martinez
Martini
Mascara
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Moakley
Molinari
Mollohan
Montgomery
Moran
Murtha
Myers
Myrick
Ney
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pombo
Pomeroy
Porter
Portman
Poshard
Quinn
Radanovich
Rahall
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roybal-Allard
Sabo
Salmon
Sanders
Sawyer
Saxton
Schiff
Schumer
Scott

Seastrand
Serrano
Shadegg
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Souder
Spence
Spratt
Stark
Stokes
Stupak
Tanner
Tate
Tauzin
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thurman
Torres
Traficant
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
White
Whitfield
Wicker
Williams
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Zeliff

NAYS—68

Baesler
Baker (CA)
Barr
Barton
Brewster
Campbell
Chenoweth
Coble
Combest
Condit
Cooley
Cramer
Crapo
Dornan
Duncan
Fowler
Funderburk
Gillmor
Gilman
Goss
Hall (TX)
Hamilton
Hancock
Hansen
Hefley
Herger
Hilleary
Hoekstra
LaHood
Laughlin
Lazio
Leach
Lofgren
Maloney
McIntosh
Meyers
Mica
Moorhead
Nadler
Neumann
Peterson (MN)
Petri
Pickett
Ramstad
Roberts
Roemer
Roukema
Royce
Sanford
Scarborough
Schaefer
Schroeder
Sensenbrenner
Shays
Solomon
Stearns
Stenholm
Stockman
Studds
Stump
Talent
Taylor (MS)
Tiahrt
Torkildsen
Upton
Watt (NC)
Weller
Zimmer

NOT VOTING—33

Allard
Brownback
Clement
Clinger
de la Garza
Everett
Fazio
Fields (TX)
Flake
Ford
Frank (MA)
Gephardt
Gutierrez
Jefferson
Lincoln
Manzullo
Matsui
McDade
Mink
Morella
Neal
Nethercutt
Norwood
Owens
Pryce
Quillen
Rush
Smith (MI)
Thornton
Torricelli
Towns
Wilson
Young (FL)

□ 1846

Mrs. MALONEY and Mr. HEFLEY changed their vote from "yea" to "nay."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. CLINGER. Mr. Speaker, on Monday, July 22, I was unavoidably detained and missed rollcall vote 334.

Had I been present, I would have voted "aye" on rollcall vote 334 during consideration of H.R. 3845, a bill making appropriations for the District of Columbia for fiscal year 1997.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. EWING). Pursuant to the provisions of clause 5 of rule I, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which that motion was entertained.

Votes will be taken in the following order:

H.R. 3267, by the yeas and nays;

H.R. 3536, by the yeas and nays;

H.R. 3159, by the yeas and nays.

Pursuant to the order of the House today, the Chair will reduce to 5 minutes the time for all electronic vote in this series.

CHILD PILOT SAFETY ACT

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Tennessee [Mr. DUNCAN] that the House suspend the rules and pass the bill, H.R. 3267, on which the yeas and nays were ordered.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 395, nays 5, not voting 33, as follows:

[Roll No. 335]

YEAS—395

Abercrombie
Ackerman
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Ewing
Farr
Fattah
Fawell
Fields (LA)
Filner
Flanagan
Foglietta
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Moakley
Molinari
Montgomery
Moorhead
Moran
Murtha
Myers
Myrick
Nadler
Neumann
Ney
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thurman
Tiahrt
Torkildsen
Torres
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Zeliff
Zimmer

NAYS—5

Cooley
Laughlin
Scarborough
Schaefer
Stump

NOT VOTING—33

Allard
Brownback
Clement
de la Garza
Everett
Fazio
Fields (TX)
Flake
Ford
Frank (MA)
Gephardt
Gutierrez
Jefferson
Lincoln
Manzullo
Matsui
McDade
Mink
Mollohan
Morella
Neal
Nethercutt
Norwood
Owens
Pryce
Quillen
Rush
Smith (MI)
Thornton
Torricelli
Towns
Wilson
Young (FL)

□ 1855

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AIRLINE PILOT HIRING AND SAFETY ACT OF 1996

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 3536, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Tennessee [Mr. DUNCAN] that the House suspend the rules and pass the bill, H.R. 3536, as amended, on which the yeas and nays are ordered.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 401, nays 0, not voting 32, as follows:

[Roll No. 336]

YEAS—401

Abercrombie
Ackerman
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Ewing
Farr
Fattah
Fawell
Fields (LA)
Filner
Flanagan
Foglietta
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Murtha
Myers
Myrick
Nadler
Neumann
Ney
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thurman
Tiahrt
Torkildsen
Torres
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Zeliff
Zimmer

NOT VOTING—32

Allard
Brownback
Clement
de la Garza
Everett
Fazio
Fields (TX)
Flake
Ford
Frank (MA)
Gephardt
Gutierrez
Jefferson
Lincoln
Manzullo
Matsui
McDade
Mink
Morella
Neal
Nethercutt
Norwood
Owens
Pryce
Quillen
Rush
Smith (MI)
Thornton
Torricelli
Towns
Wilson
Young (FL)

□ 1904

Mr. ROYCE and Mr. COBURN changed their vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

NATIONAL TRANSPORTATION SAFETY BOARD AMENDMENTS

The SPEAKER pro tempore (Mr. EWING). The pending business is the question of suspending the rules and passing the bill, H.R. 3159, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Tennessee [Mr. DUNCAN] that the House suspend the rules and pass the bill, H.R. 3159, as amended, on which the yeas and nays are ordered.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 400, nays 0, not voting 33, as follows:

[Roll No. 337]

YEAS—400

Abercrombie
Ackerman
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (IL)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Ewing
Farr
Fattah
Fawell
Fields (LA)
Filner
Flanagan
Foglietta
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke

Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Moakley
Molinari
Montgomery
Moorhead
Moran
Murtha
Myers
Myrick
Nadler
Neumann
Ney
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thurman
Tiahrt
Torkildsen
Torres
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Zeliff
Zimmer

NOT VOTING—33

Allard
Brownback
Clement
de la Garza
Everett
Fazio
Fields (TX)
Flake
Ford
Frank (MA)
Gephardt
Gutierrez
Jefferson
Lincoln
Manzullo
Matsui
McDade
Mink
Mollohan
Morella
Neal
Nethercutt
Norwood
Owens
Pryce
Quillen
Rush
Smith (MI)
Thornton
Torricelli
Towns
Wilson
Young (FL)

☐ 1912

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. BROWNBACK. Mr. Speaker, earlier today I was unavoidably detained because of surgery on my son. The surgery went very well, but I was not able to be in town; therefore, I missed votes.

If I had been here, I would have voted "nay" on rollcall vote 332, I would have voted "yea" on rollcall vote 333, I would have voted "yea" on rollcall vote 334, I would have voted "yea" on rollcall vote 335, I would have voted "yea" on rollcall vote 336 and, I would have voted "yea" on rollcall vote 337.

PERSONAL EXPLANATION

Mr. MANZULLO. Mr. Speaker, due to a family emergency, I missed rollcall votes 332 through 337. Had I been present, I would have voted "no" on rollcall vote 332 and "yes" on rollcall votes 333, 334, 335, 336, and 337.

ANNOUNCEMENT REGARDING PREPRINTING OF AMENDMENTS ON H.R. 2391, WORKING FAMILIES FLEXIBILITY ACT

(Ms. GREENE of Utah asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. GREENE of Utah. Mr. Speaker, the Committee on Rules is planning to meet this Wednesday, July 24, to grant a rule which may limit the kinds of amendments which may be offered to H.R. 2391, the Working Families Flexibility Act, also known as the comp time bill.

The rule may, at the request of the Committee on Economic and Educational Opportunities, include a provision requiring amendments be preprinted in the amendment section of the CONGRESSIONAL RECORD.

Amendments to be preprinted should be signed by the Member and submitted at the Speaker's table. The bill may be considered for amendment under the 5-minute rule, with a possible overall time limitation on the amendment process. Members should use the Office of Legislative Counsel to ensure that their amendments are properly drafted, and should check with the office of the Parliamentarian to be certain their amendments comply with the rules of the House. It is not necessary to submit amendments to the Committee on Rules or to testify.

WITHDRAWAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 3467

Ms. DANNER. Mr. Speaker, I ask unanimous consent to withdraw my name as a cosponsor of H.R. 3467.

The SPEAKER pro tempore (Mr. EWING). Is there objection to the request of the gentlewoman from Missouri?

There was no objection.

ELECTION OF MEMBER TO COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT

Mr. MICA. Mr. Speaker, I offer a resolution (H. Res. 485) and ask unanimous consent for its immediate consideration in the House.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

H. RES. 485

Resolved, That the following named Member be, and he is hereby, elected to the following standing committee of the House of Representatives:

Committee on Government Reform and Oversight: Mr. Klug of Wisconsin.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

ON THE DEATH OF CAPTAIN KEVORKIAN IN CRASH OF TWA FLIGHT 800

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. DORNAN] is recognized for 5 minutes.

Mr. DORNAN. Mr. Speaker, I had the last special order on Thursday, or maybe it was the next to the last. I had just been told that I had a constituent from my district that had died on TWA flight 800. I stood at this very microphone at the Speaker's desk and said that sometime over the weekend I would find out if it was a baby, a young child with his mom and dad, or traveling alone, maybe; a teenager; whether it might be a stewardess, one of the crew. I said the tragic news might be someone that lived in Anaheim or Santa Ana, CA, one of the small parts of about 10 other cities that I have, like Orange or Tuscan or Westminster, or I said it could be from my own town of Garden Grove.

Mr. Speaker, about 24 hours after I spoke, I found out that my constituent who died in that terrible, horrific accident was a male. He was from my hometown of Garden Grove, and he was the pilot, Captain Kevorkian. I remember being on a TWA flight and this captain coming back during the short break at altitude, coming back to say hello to me, tell me that he was a neighbor just a few blocks away, and I teased him about his name, because of the infamous Dr. Kevorkian.

I could not have been more shocked. There are towns like Montoursville, PA, that have been just shattered by this, but I will now proceed to find out if Captain Kevorkian was a military pilot or if he learned to fly as a young man, hanging around what we used to call the gas pit flyers. They would beg rides until they got enough money up to take some pilot training lessons, and then find somebody that would sponsor them. More and more of our pilots, as we downsize our military, are coming from such programs.

But this was a sharp pilot that would have gotten on the radio immediately if a small device had caught fire on the aircraft, as happened with ValuJet down in Florida, that crashed into the Everglades. This was just such a catastrophic accident that the odds are narrowing almost to zero that a plane of the size of a 747 and with its excellent flight safety record could possibly have had some juxtaposition of events to cause this massive explosion.

Just as I left the news to come out here, they have located what they think is the fuselage, four more bodies. They still have not reached the halfway point of 115 remains out of 230. I think what we are going to have to do to play our constitutional role is have Mr. Clinton come up here, close these doors, as we did once on Nicaragua, and once on a story that a nation had gotten nuclear weapons, and we are still not sure about the story, and that we have to have a closed session, with all the guards guarding all the exits, and have the Senators come over here and have the Commander-in-Chief take the well, and with 534, now with Bill Emerson's tragic passing, with 534 Members, decide a course of action, a direct course of action; that if our FBI and our international investigators narrow it down to a few mass serial assassins, as we did with the two people that Qadhafi is still hiding in Libya, that this Congress will talk it down with Mr. Clinton and give him the go-ahead that we will support him for the type of direct action that Ronald Reagan took against Libya shortly after the LaBelle disco bombing on April 5, 1986.

We have to pull together as a country and we cannot let these people flounder the way the families from Pan American 103 have suffered over these years since that ghastly Christmas week. And we cannot do to these people what we did to my friend, David Jacobson, one of the hostages in the Iranian Embassy, excuse me, in the Lebanon hostage crisis, or what we did to the 52 people that it finally came down to in Iran, held in our embassy. We cannot try to cut deals behind the scenes to give them American taxpayer money out of our Treasury to make them shut up so they will not pursue legal redress in the international courts of this dangerous Earth.

I think it is time for all of us to come together and take direct action against this type of ghastly terrorist atrocity.

TEENAGE PREGNANCY PREVENTION

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina [Mrs. CLAYTON] is recognized for 5 minutes.

Mrs. CLAYTON. Mr. Speaker, we care about our young people, and contrary to what some believe, they care about themselves.

Most of our young people want to be positive and want to be productive.

Most of our young people want to join in the effort to begin to end the cycle of teenage pregnancy.

How can we begin to end the cycle of teenage pregnancy?

By insuring that our young people can get an education, can get a job, can have a career, can have a chance, and have confidence in themselves.

And, one of the best ways to achieve these important goals is to make sure that young people learn about the impact premature pregnancy has on the lives of those who face that problem.

Learning about the impact of premature pregnancy is important for boys too, not just girls.

All teenagers must take responsibility to prevent adolescent pregnancies.

Young people need to learn about school-based health clinics, health departments and other places where they and their parents can seek help and advice.

They need information on the physical and social effects of premature pregnancy.

Most importantly, our young people must learn about choices, how to make them, where they can lead and why it is important to postpone sexual involvement.

Congress has a responsibility to make sure our young people have real choices and a real chance.

There is currently a National Campaign to Prevent Teenage Pregnancy. The goal of the campaign is to reduce the rate of teenage pregnancy by one-third in 10 years.

That is an achievable goal.

That is a reasonable goal.

It is a campaign we can win.

It is a campaign we must win.

It is a campaign that all of us should join—young and old, male and female, rich and not so rich, Democrats, Republicans, and Independents.

Every 60 seconds in America, a child is born to a teen mother. The increase in teenage childbearing is alarming.

More than 30 percent of all out-of-wedlock births is to teenagers, below age 20.

We can not and must not ignore the reality that many young men and women are increasingly delaying marriage until their mid-twenties and beyond—but not sexual activity.

Because young men and women are becoming sexually experienced at younger ages without the benefit of marriage and sex education, there are proportionally more teenagers exposed to the risk of unmarried pregnancy and related health problems.

Sadly, according to a recent report to Congress, the young women and men who become teen parents have few expectations, few ties to community institutions, few adult mentors and role models, and too much spare time.

Too many live in communities where crime and drug use are common, where dropping out of school and chronic unemployment are even more common.

In my opinion these causes can be reduced to the lack of hope and confidence in the future by our teenagers.

Yet, our society can not endure this human burden.

We must, therefore, implement pregnancy prevention programs that educate and support school age youths and their family members, particularly those in high risk situations.

And, we must implement comprehensive social and health services, with an emphasis on pregnancy prevention.

Recently, this House refused to spend $30 million, requested by the President, to help control and prevent the alarming growth of teenage pregnancies. Yet, we spend $6.4 billion annually on programs once teenagers are pregnant and have children.

We will not spend one-half of 1 percent to prevent a problem that costs us more than 200 times that amount in the long run.

And what did this House do when faced with this illogical spending?

In the welfare reform bill that passed just last week, families that have additional children will be denied cash welfare payments.

And, unmarried children under the age of 18 who have a child will be denied cash welfare payments under certain conditions.

Why are some insisting upon punishing children rather than preventing pregnancies, especially among our adolescents?

Teen pregnancy is a near-certain predictor of poverty.

There is a connection with the fact that every 32 seconds a baby is born in poverty.

If all of the teenage mothers had been able to delay becoming pregnant until they were older and financially able to take care of a baby, the resources we use on them could be used in other productive ways—for education, for recreation programs, for jobs and job training, for housing, and for health services.

And, we should not forget that teen pregnancy is also a strong predictor of a new generation of disadvantage.

It should trouble each of us that America is first in the world in health technology, yet 18th in infant mortality.

This Nation is first in the world in defense expenditures, yet 19th in low-birthweight babies.

The actions and inactions of Congress in the weeks and months ahead will reflect the choice we have made for the future.

A choice between what is good for the many or good for a few—between communities that are average and those that are exceptional—between going forward or falling backwards—between individual comfort and functioning families.

And if our children are not able to contribute and are not able to properly and fully develop as adults, it will cost us more to respond to their dysfunctions than it will cost us to prevent them.

We can pay less now, Mr. Speaker, or we can pay more later.

We can construct a budget with a vision for the future, or we can destroy a budget with blindfolds of the past.

I urge my colleagues to look to the future.

□ 1930

WELFARE REFORM

The SPEAKER pro tempore (Mr. EWING). Under a previous order of the House, the gentleman from Florida [Mr. MICA] is recognized for 5 minutes.

Mr. MICA. Mr. Speaker, there have been comments made in the last few days about the proposed reforms that the House passed and the Republicans have promoted. The comments have also dealt with the welfare reforms that we have passed might hurt children, and we have heard comments about some of our reforms in welfare that may in fact, the opinion of some folks, say that we may hurt children.

Mr. Speaker, I would not support legislation that would hurt our Nation's children. But I would submit, Mr. Speaker, that our current welfare system is in fact destroying the lives of millions and millions of children. Welfare which in fact was designed to create a safety net has in fact trapped millions of children in a pitiful web and their families in a pitiful web.

Let us just look at it for a second. Our current system of welfare has destroyed in fact the traditional family structure, so that children do not even know the meaning of a home and a family. Our current system of welfare has in fact destroyed our children's sense of values. Our current system of welfare has kept our children from understanding the work ethic, the work ethic that in fact has built this Nation.

In fact, our current welfare system has kept our children from seeing a parent work. Our current system of welfare makes a joke of a $5.15 minimum wage that this Congress passed, when we in fact pay people in my State in Florida the equivalent of $8.75 an hour for not working.

Our current system of welfare has in fact bred crime, crime that has destroyed our neighborhoods, crime that in fact kills our children in this city, has killed thousands of children over the years, young people also trapped in a welfare web. They force our senior citizens and all Americans to live in fear and behind bars.

Welfare in fact has served and this current system has served as a magnet to attract illegal aliens into the United States. Our current system of welfare pays better benefits to those who really refuse to work, and pays better benefits to illegal aliens than we in fact pay to some of our senior citizens or to our veterans who served this country.

I think that if we really care about the welfare of our children, Mr. Speaker, if we really care about our senior citizens and if we really care about our veterans and we care about the future of this country, we should care about passing meaningful welfare reform.

In fact, we passed a welfare reform that says that welfare should not be a way of life, that in fact it should be limited to 2 years and a 5-year lifetime maximum. It is not severe. We said that they should work for some of their benefits, for example, food stamps, put in at least 20 hours' work.

We are not talking about disabled or elderly or infirm. We are talking about able-bodied Americans. We think we should return power to the States and restore a sense of personal responsibility when in fact the President's proposal has no real time limits, no real work requirements, non-citizens and felons will continue to receive welfare and we will have maximum control here in Washington. This is the system we have created.

I ask, what helps children and what hurts children? We have an opportunity to help children, to change welfare as we know it, and to make a dramatic change in the lives of millions and millions of citizens of our country and children in our country who deserve much better than the welfare system that they currently have.

Mr. Speaker, I urge that we adopt our plan, that the President in fact not veto this plan for the third time, and that it become in fact the law of our land to help our children, not hurt our children.

TAXES AND THE WEALTHY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Tennessee [Mr. DUNCAN] is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, I rise tonight to speak very briefly about two unrelated topics.

First, a few days ago we passed a resolution here in this House designating July 3 as Cost of Government Day. This resolution noted that the average person now spends 50.4 percent of his or her income in taxes of all types, Federal, State and local, 50.4 percent. In other words, the average person now works until July 3 just to pay the cost of government at all levels. That is taking into account the taxes of all types, like income, Social Security, sales, property, excise, gas, all the different types of taxes, and then the taxes that we pay in the form of hidden taxes in the form of higher prices and so forth. Even worse, President Clinton's 1994 budget said the young people born that year would pay average lifetime tax rates of an incredible 82 percent. Paul Tsongas, the former Congressman and Senator from Massachusetts who was a liberal Democrat when he was in Congress wrote a column about that and he said that we were going to turn the young people into indentured servants for the government unless dramatic changes were made. I do not think we should allow that to happen, Mr. Speaker. But the reason I mention this tonight is this: I am not for increasing our tax burden at all. In fact, we need to strive to lower our tax burden. But I can say that what we need to do is lower the tax burden on the average people and on the people of middle and lower incomes and to do that and to balance it out, we need to drastically raise the taxes on those movie stars and athletes and CEOs who are making these multimillion-dollar salaries. I think that would be only fair.

What really stirred me into this is hearing last week that one basketball player had signed a contract for 7 years for $123 million and then the Washington Post a few days ago printed what they called a Free Agent Tote Board and they have these other contracts for NBA players: 5 years for $55 million, 1 year for $30 million, 7 years for $98 million, 7 years for $105 million, 6 years for $24 million, 7 years for $42 million, 4 years for $28 million, on and on. They reported about one player for the Washington Bullets who was a substitute who did not even play well last year and he is holding out for $45 million for 7 years.

Mr. Speaker, I would say that things have gotten totally out of whack. I remember telling my two sons last December when I heard that one baseball player had signed an $18 million 3-year contract that could they imagine how much was $6 million a year. In my district, an average person makes between 21 and $22,000 a year. A person making $25,000 a year would have to work 40 years to make $1 million. To make $6 million in 1 year, you would have to average $150,000 a year. This is ridiculous. This is sickening how much these athletes are being paid for playing a game 6 or 7 months out of the year. It has gotten totally ridiculous. I say that we should drastically lower the taxes on the lower- and middle-income people and raise them on these people that are getting these totally exorbitant, unjustified salaries. I realize it will not be done, but we should boycott the NBA and these other leagues and organizations that are paying these totally ridiculous salaries and totally undeserved.

FOREIGN AFFAIRS

The other topic that I wanted to mention tonight, Mr. Speaker, and like I say, it is two totally unrelated things but it does pertain to the spending of government money. We have spent $4 billion so far in Haiti, and the Washington Post a few months ago reported on the front page that we have got our troops there picking up garbage and settling domestic disputes. We have spent billions more in Rwanda, Somalia, and now Bosnia where there is no vital United States interest and no threat to our national security.

Last week Georgie Anne Geyer, the very respected foreign affairs columnist, wrote this about Bosnia. She said:

> For 4 years and 2 Presidents, the top military brass in Washington essentially lied about Serb capacities. They built a bunch of thugs and rustic mountain Serbs, dependent on that pitiful weaponry I saw, into super-Serbs.

She told about seeing this weaponry. She said:

> There it stands, all the terror that American and European military men trembled before: old tanks, their sides packed with sand; antique mortars nearly falling off the mountainsides; artillery pieces out in the open, without even trees to hide them. One could be forgiven for thinking oneself back in World War I instead of the nuclear age.

The military exaggerated the capabilities of Saddam Hussein. Now they have exaggerated the capabilities of their opponents in Bosnia, and I think back to the time when President Eisenhower warned about the military-industrial complex and I wonder if these things are being done to somehow justify higher and unjustified appropriations. I think if they are, that is very sad and very unfortunate, Mr. Speaker.

MEDICARE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, I am in the well tonight because I feel very strongly that myself, the gentlewoman from Connecticut [Ms. DELAURO], the gentleman from Pennsylvania [Mr. KLINK] and others that are going to be joining us here tonight, Democrats, spent a lot of time last year as well as this year as part of basically an effort to try to make the point, and I believe successfully made the point that the Republican leadership in this Congress was trying to destroy Medicare as we know it.

Democrats basically started Medicare over 30 years ago, Democratic Presidents, Democratic Congresses, because they were concerned that so many senior citizens did not have health care, either were not able to afford health insurance or found themselves unable to obtain health insurance as they became senior citizens. Over the last 30 years, Medicare has been very successful as a program in guaranteeing that almost all, almost 100 percent of the senior citizens in this country get health care and get good health care.

It is not only a question of the fact that they are covered by Medicare but they have a choice of physicians, they have a choice of hospitals and the level of coverage, what is included in their coverage, as well as the quality of care that they receive generally is pretty good. That is a dramatic change from the situation before Medicare existed.

Well, as my colleagues know, we faced a new Congress back in January of 1995 under the Republican leadership. One of the first things, and I have to admit I was very surprised, one of the first things that happened was that a budget was presented which essentially cut Medicare as well as Medicaid drastically, primarily to pay for tax cuts for tax breaks, if you will, mostly for wealthy Americans.

But the proposals that came from the Republican leadership did not just cut Medicare, did not just cut the amount of money that was going into Medicare, they also tried to change the system dramatically so that senior citizens would not have a choice of doctors. Many would be pushed into managed care. many would also find that they had to pay higher out-of-pocket costs because their part B premiums would go up or because they would have to pay more as a copayment to their physician.

What we saw is, as I said, a dramatic change in the structure of Medicare as well as drastic cuts in the amount of money that would go into the program. We fought hard against these Republican proposals, and we were successful. The Medicare program is today still the way it was 2 years ago. The dramatic cuts have not been implemented, and I suppose not surprisingly, because the Republican leadership realized at some point over the last 18 months that this was not working and that we were getting the message across, if you will, to the American public that this is what the Republican leadership wanted to do.

All of a sudden, we see where the Republicans do not want to talk about Medicare anymore. They sort of pretend like all these debates and all these votes, these many times when they tried to cut it and change it, never occurred. So I was not surprised that last week 3 House Republican leaders held a press conference, last Wednesday, to basically discuss the new ads that the AFL–CIO has been putting on the air in various parts of the country where they point out that Speaker GINGRICH and other Republican leaders were pushing for these Medicare cuts and basically changing, I would say actually destroying Medicare as we know it.

□ 1945

The Republican leaders basically got up and said, oh, those things are not true, we never tried to do that. Well, let me tell Members that they did and regardless of their rhetoric, the old statement "Actions speak louder than words," well, the fact is the actions do speak louder than words in this case.

Whatever the Republicans say now, the bottom line is that after taking control of Congress, NEWT GINGRICH and the Republicans set themselves to the task of slashing Medicare by $270 billion. If this Congress had passed and the President had signed, which we did not, their Medicare bill, seniors would have been forced out of traditional Medicare by making it prohibitively expensive to stay in the program. They would have been forced. Basically, they would have lost the choice, I should say, of their doctors and hospitals because essentially they would have been forced into managed care where they did not have the choice of doctors and hospitals.

I do not think anybody really should be surprised by this because we know well that it took something like 13 years for Democrats to overcome Republican opposition and enact the Medicare Program on July 30, 1965. And in 1965, 93 percent of the House Republicans, including then Representative Bob Dole, now the Republican candidate for President, voted for a substitute that would have killed Medicare as we know it. Over 60 percent of Republican Senators voted for a similar substitute.

So we know historically the Republicans were opposed to Medicare, they continued that effort when they took back the majority in this Congress, and regardless of what the Speaker or the now Presidential candidate Bob Dole says, the bottom line is that they have over the years consistently tried to either stop Medicare from becoming law or change it dramatically in a most negative way.

I would like to now yield to the gentlewoman from Connecticut [Ms. DELAURO] who really has been outspoken on this issue from the very beginning and really led the whole battle to make sure that we retain Medicare as it is and not make the drastic changes that the Republican leadership proposed.

Ms. DELAURO. Mr. Speaker, I want to thank my colleague from New Jersey for taking the special order tonight because in fact the whole issue of Medicare is critically important to this Nation. I think, and I know my colleague from New Jersey feels this way and our other colleagues who are here tonight, the gentleman from Pennsylvania [Mr. KLINK] and the gentleman from Illinois [Mr. DURBIN], also feel the same way, that Medicare represents not a program but in fact what our values are in this country, in that it says to people who have worked hard all of their lives, who have played by the rules, who have raised their families, who have contributed to the successful economy of this Nation, that when you retire and when you are a senior citizen that you will have a safe and a dignified and a decent retirement and that you will be able to have health care.

I thank my colleague from New Jersey for his efforts in talking about Medicare and also about health care for seniors in this country. He has led the fight on that issue and I thank him for laying out the fact that it used to be in 1946, or before Medicare that we did not have the opportunity for seniors to have health care. That meant that families had to take in their mothers or fathers or their loved ones and somehow work out health care and was not clear how that was going to get paid for. With the advent of Medicare and today in 1996, we are looking at 99 percent of seniors who are covered.

Let me just go back for a second because it was not 1946, but before Medicare only 46 percent of seniors had health care coverage. So Medicare has meant a difference in the lives of seniors today, and it is something they come to count on, and not as a handout but something that they have paid for and that is there for them now.

But I think it is very interesting that in this Congress, as has been pointed out, that there is a war that is being waged on Medicare. The Republican leadership, with the House Speaker NEWT GINGRICH at the helm, is truly bent on dismantling Medicare, and I think it is worth repeating the quote that the Speaker made some months ago that, and this is what he said: "Now we don't want to get rid of it in round one because we don't think that that is the right way to go through a transition, but we believe it is going to wither on the vine because we think people are voluntarily going to leave it."

Now, after the wither on the vine quote appeared in various media accounts, Mr. GINGRICH's spokesman, Tony Blankley, was questioned on the accuracy of the quote, which they are now trying to run away from. They cannot move away from the quote fast enough. But NEWT GINGRICH's spokesman, Tony Blankley, was questioned on the accuracy of the quote. On October 26, 1995, Gingrich spokesman Tony Blankley confirmed GINGRICH's statement to the Los Angeles Times. Blankley said that GINGRICH's comments were "consistent with the Republican belief that most seniors would voluntarily choose to leave the traditional Medicare fee-for-service system in favor of health maintenance organizations and other managed care networks. It will mean the end of the system as most seniors know it."

These are words that are not made up. This is a direct quote from Tony Blankley. And yet the Republican leadership, the Republican National Committee, are currently objecting to a hard-hitting ad campaign, and I concur it is a hard-hitting campaign, as it should be, which is running across the country that highlights their position on cutting Medicare, and they are running as fast as they can away from these quotes.

I just point out what my colleague said about the then representative Dole. He prides himself on being 1 of 12 to have voted against Medicare and has said within recent months how proud he is of that vote. Well, I will tell you, people can run but they cannot hide. You cannot hide from the record and quite frankly, the record stinks. It really does.

I will make one point on what has been said about now in his revisionist history on this quote about withering on the vine that in fact he did not mean Medicare, but something called the Health Care Financing Administration. But it is hard to understand how individuals, except perhaps the employees, could leave an agency. This is ridiculous, people do not do that. If the employees of the agency leave, what has been implied all along, that it was the Medicare system that people were going to leave, that is what this is about. These are individuals who have a record, truly a record of being opposed to Medicare, and now they ask for the country to put their faith and their trust in people who had been willing to dismantle this operation.

I just make a final point, I know my other colleagues want to get into the discussion, the 1997 Republican budget reflects the fact that they do in fact want to see Medicare dismantled and turned into something else with a proposal of $168 billion in Medicare cuts over the next 6 years. We have been through this time and time again, and when we look at what they want to do with the $168 billion, this year it is $168 billion, last year it was $270 billion, they talk about having moderated. But if you take a look at this, the $270 billion cut would have been a 19 percent cut from Medicare; this time it is a 17 percent cut. So it is really the same numbers, if you will, and it is no coincidence that what they want to try to do with this money is to pay for tax breaks for the wealthiest Americans. Last year it was $245 billion in tax cuts, this year it is $176 or $180 billion in tax breaks for the wealthy.

As I said, they can run but they cannot hide from the comments that they have made in the past past and in the most recent past about how they want to see this system go away and take away from seniors in this country something that they have come to recognize as helpful to them in being able to truly survive in their older years and something that they deserve, a sacred trust if you will, that we committed to when this system was put in place.

Mr. Speaker, I thank the gentleman from New Jersey for allowing me to participate in this effort this evening.

Mr. PALLONE. Mr. Speaker, I want to thank the gentlewoman and just, if I could, briefly comment on what the gentlewoman said when she raised again the quote from Speaker GINGRICH about Medicare withering on the vine. It is amazing to me how he can now suggest that somehow that statement was only meant to be applicable to the fact that they were changing Medicare to force people into managed care, as opposed to the traditional fee-for-service system, because it seems to me that is exactly the context in which the program would wither on the vine.

If you take away a lot of the money from Medicare and make the significant cuts that the Republicans have proposed, then the quality of care has to suffer because there is not going to be the money available to provide the level of services and the quality of services that Medicare now provides. If you force everyone into managed care, or you make managed care cheaper than the traditional fee-for-service system where you can choose your own doctor and then so many people do not have a choice of doctor anymore, then the reality is that Medicare has changed and does begin to wither on the vine. More and more people will find it necessary to supplement the program if they can afford it, which a lot of them cannot, in order to be able to have their own doctor.

So it does wither on the vine. That is exactly what the quote was meant to say, and that is exactly what they were doing.

Mr. Speaker, I would like to yield now to the gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. Mr. Speaker, I thank my friend from New Jersey [Mr. PALLONE]. A lot has been made about whether or not this ad has been taken out of context, and some letters from the Republicans to various television station managers have threatened them that there was going to be a libel suit, there was going to be legal action if they did not pull these ads that are being run by the AFL–CIO.

Now why, you might ask, Mr. Speaker, is the AFL–CIO being involved?

Well, they are involved because they represent the labor unions that represent the working people of this Nation, people who have played by the rules, working men and women who get up early every morning, they go to work, they perform a task, they pay into pension funds, they pay their taxes, and they are told Medicare will be there for you when you retire. Medicaid will be there if you need to go to a nursing home and you fall within the earning abilities to have Medicaid pay for that nursing home care. But now they are seeing that there is a majority party, the Republicans, who want to see this wither on the vine.

So the AFL–CIO said, look, the corporate interests of this country and their PAC's have spent hundreds of millions of dollars in promoting the Republican line. Let labor weigh in with a $35 million buy-in and let us inform the voters what our position is on this. The Republicans have said, no, we do not want this. They are running away, as my colleagues have said, from the NEWT GINGRICH quote saying that no, he was talking about HCFA, the Federal Health Care Finance Administration that administers Medicare and Medicaid. Well, let me read the quote, Mr. Speaker, and let Members and let everyone else in the shot of my voice decide what is taken out of context.

The Speaker said: "Now let me talk a little bit about Medicare. Let me start at the vision level so you understand how radically different we are and why it's so hard for the press corps to cover us."

Speaker GINGRICH continued as he was speaking to an audience from Blue Cross and Blue Shield. He said: "Medicare is the 1964 Blue Cross plan codified into law by Lyndon Johnson and it is about what you'd—I mean, if you went out into the marketplace tomorrow morning and said 'Hi, I've got a 1964 Blue Cross plan.' I'll let you decide how competitive you'd be. But I don't think very."

Speaker GINGRICH continued to say: "So what we're trying to do, first of all, is say, O.K., here is a Government monopoly plan. We're designing a free-market plan," he says and he is obviously referring to Medicare and Medicaid because that is all he has talked about so far, has not mentioned HCFA."

Then the Speaker continues: "Now they're very different models. You know, we tell Boris Yeltsin, 'Get rid of centralized command bureaucracies. Go to the marketplace.'"

And then finally Speaker GINGRICH does refer to the Health Care Financing Administration. He says: "O.K., what do you think the Health Care Financing Administration is? It is a centralized command bureaucracy. It is everything we are telling Boris Yeltsin to get rid of. Now, we don't get rid of it in round one because we don't think that's politically smart and we don't think that's the right way to go through a transition, but we believe it's going to wither on the vine because we think people are voluntarily going to leave it—voluntarily."

Now, voluntary leave HCFA or voluntarily leave Medicare?

□ 2000

You cannot leave HCFA unless you work for the agency. And on this assumption the Republican leadership is going out with their lawyers writing to television stations and saying pull those ads. How dare the AFL–CIO tell the people of this country what the Republican Congressmen have been voting to do?

How dare they not? It is their duty. When people play by the rules, it is our duty to tell them that we have changed the rules or that we have one party or the other that wants to change the rules, and that party is the majority party.

Now, we understand in this country, and we hear on the floor of the House a lot of talk about Christian morals. We hear a lot of talk about patriotism. I am reminded of a quote by John Foster Dulles, who once said, and I will paraphrase but I am very close, he said something about this country would be in very poor condition if we only saved for the battlefield the strongest human qualities.

I think he was talking about the qualities of selflessness, of patriotism and caring and bravery, all of the things that we view as important on the battlefield to somebody who is a patriot.

But what he said is we do not use those qualities only on the battlefield, we are to use them in our everyday life. How patriotic it would be, how Christian it would be to take care of our parents and our grandparents. How patriotic it would be and how Christian it would be to make sure that we did not punish children because their parents happened to be on welfare too long.

So we talk on one side of the Republican side about being patriotic and about having Christian values, and on the other hand the legislation that we attempt to cram down the throats of this Chamber and the people of this country is a completely different kind of legislation.

It is very clear to me that Speaker GINGRICH was talking about leaving Medicare wither and die on the vine, not the Health Care Financing Administration. The handful of people who work over there might leave voluntarily, I do not know that they are going to quit their jobs.

We are talking about a health care system designed in 1964 when 30 percent of our senior citizens were living in poverty because they had no health care. The corporations of this Nation did not voluntarily take care of people in their old age. They did not provide health care for them. They did not provide pensions for them in many instances. So we developed in 1934 a Social Security system to take care of people in their old age and to give them some money coming in.

In 1964, again in 1965, we created an insurance company and we called it Medicare. We also added Medicaid. And we said let us take care of the disabled and let us take care of the poor children and let us take care of these folks, also.

Now, 30 years later, the Republicans get control of the House. Very proud is Bob Dole, as my colleagues have said tonight, that he was 1 of 12 that did not vote for it. He was proud that he did not like Medicare back then. But why was Medicare created? Why was Social Security created? Why was the public school system created? It was created because the corporations and the robber barons were not educating the children of their workers.

All of these programs, the reason that we have all of this Government is because the corporations did not do these things voluntarily. So we the people of the United States, in order to form a more perfect Union and to have domestic tranquility and to provide for other generations, both those who have passed and those who are coming up, have created programs of social safety nets.

I know that is an oft-used term we throw around, but it is true; it is what it is. We have these social safety nets, and they are there for a reason. Now the AFL–CIO, that represents roughly one in every five working people and is responsible for the fact that the workers of America today have many of the things they do have, is under attack.

We have various subcommittee chairmen and committee chairmen from the Republican side putting out press releases and holding hearings that are intimating that, if you belong to a labor union, you are either, A, Communist or, B, you must belong to the mob. One or the other: You are either a Communist or you belong to the mob.

This gives me a problem. Now all of a sudden, and I will tell you, Mr. Speaker, I come from having been in broadcasting for 24 years. I worked for more than one or two radio and television stations. Now they are threatening the radio and television stations of this Nation, saying, if you carry this ad by the AFL–CIO, that which, by the way, does not have an actor reading Speaker GINGRICH's words, it takes Speaker GINGRICH saying his own words about what he wants to see Medicare do, and that is to wither on the vine and to die. There is no question.

This is not something that is up for debate. For the leadership of the Republican Party to hold a press conference last week to try to create some kind of smoke screen is nothing more than that, it is a smoke screen and a very poor one. And the American people, Mr. Speaker, will see through it.

I yield back to my friend from New Jersey.

Mr. PALLONE. Mr. Speaker, I want to thank the gentleman. I want to say briefly I am so glad he pointed out how the Repulbican leadership is really trying to gag this whole issue and trying to go after the media and those stations that cover these ads. From the very beginning, and we have the gentleman from Michigan, Congressman STUPAK, and the gentleman from Pennsylvania, Congressman KLINK, who are also members of the Committee on Commerce with myself, and we can remember when Medicare, when this Republican Medicare proposal came before our committee, there was only one hearing. The Republican leadership did not want their proposed cuts and the changes in Medicare that they were proposing to be aired with the public. When the senior citizens showed up at the hearing, they were actually arrested.

Mr. KLINK. If the gentleman would yield on that point.

Mr. PALLONE. Certainly.

Mr. KLINK. I thank the gentleman for mentioning that, because 1 week earlier, in the same Committee on Commerce, the Committee on Commerce is a very important committee of the House of Representatives. We say it is the oldest committee in the Congress, and we are very proud to be there. We try to work on many issues and have worked on many issues in this committee: Telecommunications Act, securities reform. On many things we have worked in a bipartisan manner. The committee has traditionally worked in that respect.

A week earlier, if memory serves me, we had a senior citizens group come in that were in favor, supposedly, of the Republican changes to gut Medicare. They had bags of mail. They interrupted the committee hearing and dumped the bags of mail in support of the Republican Medicare, I call it the Medicare rape and pillage, but that is probably my own words; and nothing was said. Nothing was done.

However, when another group of senior citizens who were from the Washington, D.C., Virginia, Maryland area came in, the committee chairman ordered them to be arrested. The gentleman from Michigan, Mr. STUPAK, myself, the gentleman from Illinois Mr. RUSH, and the gentleman from Ohio, Mr. SHERROD BROWN, went with them. We said, if they were going to be arrested, we are going to go with them.

I want the gentleman to understand some of these people were in walkers, some in wheelchairs. Some had canes. And they were going to arrest them? They did not disrupt as much as the previous group that had dumped the mail. But, see, they were in favor of what the chairman and the Republican majority wanted to do, and so we did not worry about that.

By the way, I might mention that a vast amount of the mail from the previous week that was dumped by the first group that was allowed to participate because they were in favor of what the Republicans were doing, we found out, was coming from people that either did not exist or were dead. So I guess dead people are in favor of what the Republicans want to do with Medicare because they do not need it anymore.

Mr. Speaker, I yield back.

Mr. PALLONE. And every one of you, I certainly know the gentlewoman from Connecticut and everyone else here, I believe, we were forced, because we could not get a hearing in order to tell the truth about what the Republicans were doing, we were forced to go out in the lawn in the rain, which was a memorable day to have a hearing, to tell the truth. So I see this almost as a first amendment issue.

The Republicans do not want the truth to be told. So they are now threatening the media, the way they threatened and tried to gag the people that came and tried to testify at the hearing. They just do not want the truth to come out.

I yield to the gentleman from Illinois.

Mr. DURBIN. I thank the gentleman for convening this special order and for yielding. The gentleman is undoubtedly aware, as all of us are, that we are 15 weeks away from the last day of campaigning in this election. Many of us are counting the days as they approach. I am sure many ordinary American citizens are counting for those days to end as well, but it is a significant election we now face in 1996.

I think, despite the fact that I am a candidate in the election, as all of us are, I think it is significant far beyond our personal involvement. I really believe this may be the starkest contrast, the clearest choice that American voters have faced since Franklin Delano Roosevelt ran against Herbert Hoover in 1932. I do not think there has been a time in our history beyond that year that we have had such a sharp contrast.

It is curious that 4 years ago, when there was a choice at the Presidential level, the American people were told they could continue the policies of George Bush or take a chance with the policies of Bill Clinton. Certainly Mr. Perot was in the race, but those were the two major candidates. There was a bit of risk-taking involved because those voting for Bill Clinton, Governor of Arkansas, really had to accept his platform and his promise. They did not know what he would actually do as President of the United States.

It took a leap of faith for them to elect Bill Clinton as President of the United States and give him a chance to govern as the highest elected leader in this great Nation.

But it is a much different choice we face in 15 weeks. There is no leap of faith involved. We know exactly what the choices will be. We know what Bill Clinton and AL GORE have fought for. We know what the Democratic Party stands for. And we know very clearly on the issue of Medicare what the Republican leadership stands for.

If Bob Dole ends up being the nominee of his party, and there is some speculation he may not be, but I suspect he will be, if he ends up being the nominee of his party, can the voters trust Medicare with Bob Dole? Well, look back 31 years ago when Bob Dole sat on this very floor as a Member of the House of Representatives and in his judgment decided that the enactment of Medicare was a bad idea.

Now, many of us cast votes years ago that we would like to have over again and perhaps change, but Bob Dole is consistent. He recently said, when asked, it was the right vote to vote against Medicare. He knew it was not going to work.

So, here we have an unrepentant Bob Dole, voted against Medicare, who is seeking to become President of the United States and have the primary responsibility as President for the future of Medicare. Should this cause some concern and caution and pause among voters who worry about the future of Medicare? Well, I think so.

Let us assume for a moment that the gentleman from Georgia, Mr. NEWT GINGRICH, continues to be the putative leader of the Republican Party and asks to be Speaker again, if he has that opportunity at the 1996 election. Is there any question in anyone's mind on what he will do to Medicare? Well, we already know his game plan. He was totally unrepentant and said it was wither on the vine. He would cut $270 billion out of Medicare in order to provide tax breaks for wealthy American people.

So those who are looking for a protector of Medicare in NEWT GINGRICH and the House Republicans had better keep looking. Unfortunately, on the other side of the rotunda, in the Senate, the Republican leadership is in lockstep with Mr. GINGRICH and his thinking.

So in 15 weeks the voters will have their last night and their last day and hour of deliberation before making what I think will be the most important choice, political choice in this half century, in this 1996 election. They will know what they can choose from: Bill Clinton, running for President, who vetoed the Gingrich-Dole cuts in Medicare, or the Gingrich-Dole team, which will come in and change Medicare and allow it to wither on the vine, as Mr. GINGRICH has said.

They will have a choice between Bill Clinton and his support for Medicaid, which is so important for poor children, disabled people, and elderly folks in nursing homes, or they can turn to the Dole and Gingrich team which wanted to make massive cuts in Medicaid, cuts that really would have endangered the future of a lot of young people and elderly alike.

They can vote for Bill Clinton and AL GORE, who have supported college student loans, who are talking now about creative ways to help working families pay for college education, talking about the opportunities of education and training, or the Dole-Gingrich team.

And what did they propose? They continue to suggest cutting college student loans, making them more expensive for kids from middle-income families, make it more difficult for kids from families like my own to ever have a chance to go to college.

And finally they can look at the environmental protection. They know what Bill Clinton's record has been. They know what the Democrats have stood for in Congress. And they know very clearly what we are going to have if it is a Dole-Gingrich leadership on Capitol Hill and in Washington, DC, the same NEWT GINGRICH who proposed eliminating 14 environmental protection laws endangering the safety of the air we breathe and the water that we drink.

□ 2015

This is a stark contrast. Republicans are very proud of what they stand for. I admire their tenacity. They are going to stick with this no matter what. But I think the voters, and particularly moderate Republicans and independent voters, see through the Dole-Gingrich agenda.

I thank the gentleman from New Jersey for bringing up the issue of Medicare tonight. I think he focuses us on what our decision as a Nation will be in 15 weeks. It will be the most important decision of my lifetime, and I sincerely hope that the people of this country will stick the Clinton-Gore leadership and the Democratic leadership on Capitol Hill, to bring about the right kind of change, to not go too far, as Mr. Dole and Mr. GINGRICH have gone in their last year and a half together as a team here on Capitol Hill. I thank the gentleman for yielding this time.

Mr. PALLONE. Mr. Speaker, I yield to the gentlewoman from Connecticut, Ms. DELAURO.

Ms. DELAURO. Mr. Speaker, I want to just add onto something that my colleague from Illinois spoke about. That is, whom do you trust? Do you trust Bob Dole and his commentary about being proud to have voted against Medicare, and NEWT GRINGRICH wanting it to wither on the vine?

Most recently in the publication "Roll Call" Morton Kondracke, a journalist, wrote in his column: "Asked whether Republicans will come back with a different agenda in 1997, the House majority whip, TOM DELAY, who was a Republican from Texas, told Morton Kondracke, this is a gentleman who is third in charge of the House of Representatives," said, again, "We wouldn't change a thing, including the plan to reduce Medicare growth by $270 billion over 6 years."

So the entire leadership, the entire leadership is bound and determined to see Medicare turned into something other than what it is now and the kinds of protections that it provides to seniors, This is not a passing moment, a past moment. This is a current moment, when we have the Gingrich-Dole leadership of this Congress in lockstep opposed to the Medicare system. Then they ask the American public to trust them with this program. How can it be?

I thank my colleague from Illinois for laying that out.

Mr. PALLONE. I think the gentlewoman is right. Just from talking to my own constituents, particularly this weekend, I think people understand that that is why they wanted President Clinton where he is, because they are concerned about the hurt that this Congress is doing, if you will, to the average American, particularly on the Medicare issue.

I yield to the gentleman from Michigan, Mr. STUPAK.

Mr. STUPAK. Mr. Speaker, I thank the gentleman from New Jersey for yielding to me.

I would like to take special note of the work he has done in this area, in bringing this health care and health issue to the attention of the American public, and also Ms. DELAURO, who has been here night after night helping raise the level of consciousness of what is really going on in this country and in this Congress.

As I sat in my office tonight, I heard you speak of what the Speaker had said about trying to get Medicare, "We will let it wither on the vine," and Mr. Dole bragging about how in 1965, he fought against Medicare. Then I was pleased to come down tonight to join you and Mr. KLINK. We sit on the Committee on Energy and Commerce and the Subcommittee on Health and the Environment, which has jurisdiction over Medicare and Medicaid. Again, Mr. DURBIN, who was here tonight, had many, many words to speak on this subject.

We were just talking about trust here a few minutes ago. Who do they trust to look after the health care needs of this Nation? Is it going to be the President or citizen Bob Dole?

As we take a look at it, I think more than just words we should look beyond the words. Let us look at some of the proposals that have been brought forth before the Committee on Commerce, the Subcommittee on Health and Environment which both of us sit on now.

Who do the children and the seniors of this country trust to provide for their needs? If we take a look at Medicaid, and we talked about Medicare, I guess is the most popular, but Medicaid and the drastic reductions proposed in Medicaid, Medicaid takes care of children, but also two-thirds of our seniors rely on Medicaid for nursing home care.

But the so-called Medicaid reform proposal that was put forth in early June here before the Committee on Energy and Commerce, the Subcommittee on Health and Environment, Democrats insisted on a couple things. First of all, we insisted to ensure that there is a safety net for elderly, the disabled and for impoverished children. The Democrats also insisted that Medicaid be a joint Federal-State partnership which would work together to provide critical health care needs for those who really truly need it in this country.

What did the Republican bill do? It removed the guarantee of health care for the elderly and disabled and replaced it with the hope of Governors across this country. I have no problem with Governors. I think they do a good job. But what my Republican friends forgot and they did not add was, we give it to the Governors, the reason why we have a Medicaid Program in the first place is because the States could not and did not provide for those people who needed care.

So the GOP bill, while it allows the States to define the scope, the amount and duration of any Medicaid benefit, and in that bill it states the Governors need to provide a nursing home benefit, it would allow the States to limit that nursing home benefit to just 5 days. People do not go to the nursing home because they only need care for 5 days.

So they would have 5 days a year, that is what the bill said, 5 days every calendar year. The average care for a person in a nursing home is $38,000. So we are going to help with 5 days' worth and after that they are on their own.

Where does that money go? For all the populations that this bill, the Republican bill, purported to protect, the elderly, disabled, children and low-income families, it did not even guarantee that they would receive quality care, let alone adequate care, when the nursing home benefit is defined as 5 days.

I received a letter from the Michigan Health and Hospital Association on this block grant, Medicaid block grant proposal. Here is what they said, and I quote:

> We fear that under the Republican Medicaid block grant program, health care services for our most vulnerable population, the elderly living in nursing homes, the poor and children, may be jeopardized as hospitals who continue to bear a disproportionate share of the burden of caring for these individuals face reduced payments.

In other words, they are going to cut, for those who provide the care, even further.

Here is what else the Republican bill did. Currently, under current law, we have a prohibition against spousal and family impoverishment. That is current law. You cannot put a family into poverty while they are trying to provide for their parent in a nursing home. Unlike current law, the proposal does not prohibit States from charging high copayments for Medicaid or contributions associated with long-term care.

Another troubling aspect of the proposal, and I asked the drafters of the bill when it came before the committee, I said this legislation does not require the benefits provided by the program to be provided equally across a State. I am from Michigan. I represent northern Michigan, a very rural area.

So, for instance, if Michigan chose to provide for long-term care in Grand Rapids, would they deny that same long-term care benefit to the folks in the upper peninsula of Michigan? The drafters of the bill said they could do that. So even in the State they are not even going to get equal treatment if it is left to this Republican bill on Medicaid.

Medicaid recipients and their families cannot afford substantial cuts in State spending and the Federal Government, and we cannot afford to shift it all from the Federal Government to the State because neither one can do it standing alone.

But I want to balance the budget. I know Mr. PALLONE wants to, and Mr. DOGGETT and Mr. DURBIN, but there is a right way and there is a wrong way to do it. So to try to fix things, Democrats offered a number of amendments on Medicaid. Let me just hit 12 of them, if I can, briefly.

Let us have an amendment in there would effectively prohibit fraud and abuse in Medicaid. That was rejected. That was Mr. DINGELL who brought up that amendment.

So we said, Ms. ESHOO from California brought up an amendment that said, let us have a guarantee of coverage for children, make sure the kids are taken care of under Medicaid. Rejected.

Well, then let us take care of the elderly who need nursing home care. That is what Medicare, that is what we spend two-thirds of the money for. Let us do that. That was your amendment and Mr. MARKEY from Massachusetts. That amendment was rejected.

We said, surely there has to be some compassion here. So let us provide coverage for the elderly who have Alzheimer's disease. That was Mr. DEUTSCH of Florida. He offered that amendment. Rejected.

So we said, surely we are going to take care of our veterans who need nursing home care. Remember that one? Mr. GORDON of Tennessee brought up that amendment. They will not even take care of veterans. That was rejected under the Medicaid bill.

So we said, all right, can we at least take care of the seniors who are in a nursing home now receiving Medicaid benefits. can we take care of that one? Mr. KLINK brought up that amendment. That was rejected.

Well, how about one of the Republicans, Mr. GANSKE. He is a doctor on the committee. He brought up, let us just guarantee current law to take care of the kids. That was rejected.

Well, Mr. RICHARDSON, he brought up the amendment that said, let us guarantee coverage for native Americans, Indians. I have seven tribes in my district, great amendment. That was rejected by the majority party.

How about just allowing, this was Mr. ENGEL of New York and Mr. SHERROD BROWN of Ohio, how about just allowing the right of the elderly to choose their own nursing home. If you are going to go on Medicaid, you go to a nursing home, seniors, you get to choose which one you want to go to. Rejected.

How about Ms. FURSE of Oregon, who said, how about if we take care of pregnant women and infants, kids under 2. that was rejected 14 to 25.

We said, all right, how about current law, we provide for women with cancer, breast cancer and cervical cancer. Can we keep that coverage going under Medicaid. No, that was rejected, 17 to 23. We lost that one.

I said, hey, I am concerned about rural areas. We are treated different than urban areas. Pay us the same, whether you live in Escanaba, MI in the Upper Peninsula or in Grand Rapids, if you are in a nursing home you should get paid the same. That was rejected. That way my amendment.

How about just restoring the minimum payment standards for hospital and nursing homes and managed care plans, restore the current minimum funding for them. That your amendment, Mr. PALLONE. That was rejected 16 to 24.

So the point is, it is more than just words. We offered commonsense amendment for breast cancer, veterans, to let seniors choose their nursing homes, take care of children, infants, help them out, come together in a partnership, that is what this trust issue is all about. Every one of our proposals were rejected.

So more than just the words of citizen Bob Dole or more than just the words of Speaker NEWT GINGRICH, look at what their legislation really does. As we move into this election year, I do hope we have debates. And I hope they are not about just the words of what someone said but, rather, the legislation they are proposing, because I think when you look at the legislation that is proposed and what we as Democrats have tried to stand up for, that safety net for seniors, for veterans, for children, and see it being cut away, torn away by votes of 16 to 24, where we lose commonsense amendments, then I think the trust will be with the Democratic Party. The trust will be with more than just words but, rather, with what the legislation proposes.

Again, I thank the gentleman from New Jersey for his leadership on this issue. It is always a pleasure to work with you on the Energy and Commerce Committee, especially the Health and Environment Subcommittee, as we continue to bring common sense to this area.

Mr. PALLONE. Mr. Speaker, I thank the gentleman.

I am really pleased that the gentleman pointed out the relationship between Medicaid and Medicare, because I think many people think that Medicaid is a program that is primarily for the poor. Of course, it is. But the bottom line is that two-thirds of the money under Medicaid pays for nursing home care. It is very easy for someone who is middle class or someone who is fairly wealthy after a few months or a few years, in some cases, in a nursing home to find themselves on Medicaid. That is why so much of the Medicaid dollars in fact go for senior citizens.

It is interesting, I want to yield, but I just wanted to say that we started out the year, I think, certainly last year where the Republican leadership was trying to cut and change dramatically Medicare. I think as they realized politically that that was not working too well with the American people, they started to talk about it less and less. Now they do not want us to remind them about it.

Then they started going to Medicaid, because they figured, well, maybe we can cut that and we can change that and people will not worry about it so much because it only affects poor people. Then they realized that these senior citizens, in particular, who are impacted by changes in Medicaid, who objected to it, we brought it out. So now we do not hear much talk about changes in Medicaid anymore either.

I think we can be sure that if the Republican leadership were to continue into the next Congress and if we did not have President Clinton out there threatening to veto these changes in Medicare and Medicaid, we would see both the drastic changes in Medicare and Medicaid come up once again.

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Mr. STUPAK. I mean look, if the partnership that I spoke of is no longer there, that we are in Medicaid which pays for nursing home care, and it is $38,000 a year, and you are only there for 5 days and they pull the rug out from underneath you, who pays for it? If the senior citizen cannot, it goes to the family. It is an indirect tax on the families of this country. You are not going to throw your parents out on the street for 360 days and get 5 days next year and then throw them out again.

You are going to pick up that cost, that $30,000 a year. Who is going to be able to afford that?

Mr. PALLONE. Exactly; thank you.

I yield to the gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. I thank the gentleman, and, you know, as I have listened to your comments this evening and those of our other colleagues, I think there are several conclusions that can be drawn about this Medicare debate, and as important as Medicaid and Medicare are themselves, some of the most important programs ever set up in this Congress, I think the first conclusion is even more important than Medicare, and that is the conclusion that, as you listen to this debate, and you listen to the way the Republican leadership has run away from Medicare, it is because the American people are paying attention, and most of the people who are informed, who have followed this debate, understand what the Republican majority, the first time they got a majority in this Congress, the first thing they went after was Medicare and Medicaid. They set out to undermine and dismantle those systems, and the American people understand that.

All of the excuses and the subterfuges that have been brought up here, when you get right down to it, the American people all over this country who have followed this debate, they understand it, and they know that Speaker GINGRICH set out to cut Medicare and that he is still committed to that program.

And I think the second conclusion that is very apparent from this debate is there is no doubt what Speaker GINGRICH was talking about, and I know in the course of this special order you had the speech, almost his entire speech, given again for him by our colleague from Pennsylvania, but I want to emphasize that it is not only the words of that speech, but as some of our other colleagues pointed out, and I am quoting from a story in the New York Times 2 days after he gave the speech, he was at a town meeting down in his district near Atlanta, and the Atlanta Journal and Constitution reported that, quote, Gingrich said he was referring to the fee-for-service portion of Medicare which he believed that seniors would leave. That is what he said about "wither on the vine." And 2 days after that, the Los Angeles Times referred to his press secretary, Mr. Blankley, who said here in Washington that what he was referring to in saying he wanted it to wither on the vine, that Mr. Blankley said Mr. GINGRICH's comments were consistent with the Republican belief that seniors would voluntarily leave the traditional Medicare system.

Now, that is one of the few times Mr. Blankley has said anything that I, frankly, have agreed with. I agree with him completely that the Speaker's comment that he wanted Medicare to wither on the vine was consistent with the overall strategy. Indeed this was occurring at the same time that our Republican colleagues, as you may already have pointed out on Medicaid, came before the same committee that our colleagues from Michigan was talking about, and they said, "Let's just totally eliminate, terminate forever, any Federal health and safety standards for those who are in nursing homes."

Now, I think that is the kind of extremism that the American people reject. They realize that too often our nursing homes, though there are many fine ones, some of them have kind of gone along from crisis to crisis, and to say we will just totally abolish any kind of health and safety standard for those who are not able to protect themselves in nursing homes was part of the same strategies that was going on at the same time. It was consistent with that.

But I would draw a third conclusion from your comments, and that would be a contrast between the Dole-Gingrich ticket with reference to Medicare because, you know, as coincidence would have it, or maybe it was not a coincidence, the same day that Speaker GINGRICH gave his speech, October 24, 1995, last fall when they were going gung ho, shut the Government down, we do not care how many billions of dollars it costs the taxpayers, close it down, which is what they did, and it came up to about a billion and a half dollars that were squandered of taxpayer money, but the very same day that Speaker GINGRICH made his comments Senator Dole was speaking the same day to a different group, and he said, and I quote, I was there fighting the fight, 1 of 12 voting against Medicare in 1965 because we knew it would not work.

It may not be expected in this election year for a Democrat to compliment a Republican, but I would tell my colleague from New Jersey that I do compliment Senator Dole, not on the substance of what he said about Medicare; indeed I could not disagree with him more on that, but at least, unlike the Speaker and the House Republicans, Senator Dole has not tried to run away from his comments. You do not see him going around and saying, "Well, when I was talking about voting against Medicare, I was only talking about the Health Care Financing Administration." He has stood by his statement. Indeed, he has taken pride in the fact that he has a record here. Just as Speaker GINGRICH and these Republican followers of him who wanted to let Medicare wither on the vine, Senator Dole has at least been willing to stand by his belief that Medicare was a mistake.

And I think that is where this debate should be. It should be about whether in the future of this country, and there is, no doubt, some need for some restructuring and some improvement and some strengthening of the Medicare and Medicaid system, but whether we will trust those who believe in the value of insuring all of our seniors and protecting them after all they have done for this country or whether we will turn it over to someone who said I was proud 30 years ago that I voted against Medicare at a time when well over half of the seniors had no health insurance program at all, whether you are going to turn it over to someone like that as well as someone who says, well, let us just let Medicare wither on the vine, instead of standing by their statements, as has so often happened here in the House on a variety of subjects.

Our Republican colleagues here in the House have, when caught and when the American people have realized what has occurred here, they have reacted by having their lawyers attempt to intimidate those who would spread the word. They would like to distract the American people and wait until after November to continue with letting Medicare wither on the vine and to intimidate anyone who would remind the American people, as our colleague from Pennsylvania pointed out, who would dare to put on television the Speaker saying this in his own words, who would dare to repeat those words to Americans who might not have heard the speech, to Americans who may, in their struggle to make ends meet, have forgotten what an outrageous comment and what an outrageous plan this was.

And I know that the gentleman from New Jersey will remember that when we were trying to get the details to find out how much they were going to hike the premiums, how much they were going to hike the deductibles, how much they wre going to hike the copayments, all things that were in the secret plan originally, that the first plan that was laid out in public was not a plan about how Medicare could be restructured. It was a public relations plan. It was the one the gentleman will recall that talked about kind of the herd mentality among our seniors and that they could be led around by their nose basically and that they would not realize what was being done to them in this instance.

History in the recent months has certainly demonstrated that that public relations adviser, I think he is the same fellow involved in this so-called Contract on America, was all off because the American people are more intelligent than that. They realized what was happening here, and as I have discussed with some of our folks down there in Texas, you know if you have got a gardener that says, "Let it wither, let your plants wither on the vine," most people have the good sense to realize that what you need is a new gardener because that is not the kind of gardener you want tending to your plants, and it is certainly not the kind of gardener that you want tending to something that is important and is vital to people as Medicare.

And to all of those who say that this campaign with reference to Medicare and making American people aware of it is too hard hitting, I would just submit that they need to consider how hard hitting this plan was on seniors, on individuals with disabilities. If this plan, as originally envisioned, has gone into effect, the consequences would have been dramatic, and if this election passes and there are not more people here willing to stand up and fight against these Medicare cuts, there is no doubt they will be back with the same secret plans that they had in the past.

Mr. PALLONE. I would just add to the gentleman: You know, I think that that is what elections should be all about: issues. That is what we are talking about here. I would like to see less emphasis on personality, which is what so many campaigns are about, and just talk about issues. That is what we are talking about here, Medicare. It is an issue, and to the extent that there are ads running that point out where one side stands or the other on an issue as important as Medicare to the American people, that is what this should be all about, a public debate on the issues, and that is what the Democrats have been doing essentially for the last 18 months, trying to point out what the Republican leadership has been proposing on Medicare.

And I really think, as you said, Mr. DOGGETT, that most of my constituents are aware of it. Over the weekend I had a lot of people, I can just think of one woman in particular who came up to me when I was at church on Sunday and said. "You know, I don't want to lose my doctor." She was not even concerned about the level of funding. She just did not like the idea that she was going to be pushed into managed care, which is essentially what this Republican plan would propose to do.

So, I want to thank the gentleman for joining us tonight. We had a lot of participants here tonight, but we are not going to let this die, because I think we all realize that if this Republican leadership were allowed to have its way, we would see drastic changes in Medicare and cuts that ultimately would have it wither on the vine and cases to exist as a program that benefits seniors and provides for quality care and the level of services that they now have. So I want to thank the gentleman.

GETTING OUR FINANCIAL HOUSE IN ORDER

The SPEAKER pro tempore (Mr. DICKEY). Under the Speaker's announced policy of May 12, 1995, the gentleman from Connecticut [Mr. SHAYS] is recognized for 60 minutes as the designee of the majority leader.

Mr. SHAYS. Mr. Speaker, it is a privilege to be here tonight to address this Chamber and to have you be the acting Speaker, and I thank you for your willingness to take the time to do this.

I was particularly motivated to come tonight because I listened to the presentation of my colleagues and I would like to give you the other side of the story.

I would also like to say without any hesitation that I believe when you tell the American people the truth, they will have you do the right thing, and I feel very strongly that what this new Republican majority tried to do last year and what we are trying to do this year will make our children better off than we, this generation, find ourselves, and that if we fail, I think they will be worse off. I believe that with all my heart and soul.

I believe that what we tried to do last year was to get our financial house in order and balance the Federal budget. I believe we tried to save our trust funds from bankruptcy, particularly Medicare, and I believe we tried and are still trying to transform our caretaking society into a caring society, our caretaking social and corporate and agricultural welfare state into a caring opportunity society, and in the process we are trying to bring power, money and influence out of this city back to local communities, back to our local communities, back in some cases to our State governments, but closer to home. That is what we are trying to do.

Now, I know that getting our financial house in order and balancing the Federal budget is not the end all and be all. There is no logic to saying that just balancing the budget is what we have to do and then we can walk away. Balancing the budget is what I view as just creating a strong foundation in which to build the many things that we need to build, but if we have a weak foundation, everything on top of it just crumbles away.

I do not know how my colleagues on the other side of the aisle feel comfortable when we know that we are spending over $233 billion just on interest on the national debt. It seems to me we would not want to spend $233 billion interest on the national debt. It would seem to me we would want to spend it on meaningful programs that help make individuals more self-sufficient.

But when we balance the Federal budget, we know logical things happen. We have a strong financial foundation in which to then do meaningful programs, not a lot, but meaningful programs. But we also know that interest rates come down. There is no question in anyone's mind that our interest rates have been high for many years and has slowed the productivity of this country and that we need to get interest rates down by balancing our Federal budget and getting our financial house in order.

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Getting interest rates down does some significant things. It lowers the mortgages people pay on their houses, it lowers the amounts they pay on their cars, it lowers student loans. It seems kind of logical that we would want to do all those things simply by getting our financial house in order and balancing the Federal budget.

Mr. Speaker, we did that by basically cutting some programs. We cut Government programs. We made Government smaller. We did not want Government to keep growing, we wanted it to be smaller, so we eliminated a plethora of individual commissions and boards that were created by some Member of Congress so he could go out and have a press release and tell people that he created this new program that had a wonderful sounding name.

So what we did was we eliminated a lot of that. I do not know if many people know that almost 52 percent of all education programs do not even belong, are not even in the Department of Education. We have a Department of Education that has 48 percent of all education programs. Why?

Because there are a whole group of individuals here who wanted to make sure their committee had jurisdiction over an education program, so they made sure it came out of their committee. They did not oversee the Department of Education, so they made sure it came out of HUD or Labor or Veterans' Affairs or the Defense Department.

We have all these programs with great sounding names that we simply started to eliminate. We cut discretionary spending, and I know, Mr. Speaker, that you are on the Committee on Appropriations. When you came in this year, or last year, we were already halfway into our budget, or almost halfway. I guess we were about 4 months into our budget. You and the committee members made a decision to have a rescission package. You decided to cut $20 billion out of the existing budget. Now, there were cuts. You cut some programs. You saved $20 billion. That meant that taxpayers saved $20 billion.

Then this year the President wanted, the year we are in, and we had Government shutdowns, and we have 13 individual appropriations bills, and as some bills came out he signed some of them that we wanted that reduced the amount of Government spending, and he vetoed others. We had Government shutdowns. Those various parts of the budget, if it was HUD or Health and Human Services and he vetoed that budget, then we had Government shutdown. We had no budget.

Ultimately, though, we had an agreement. The agreement was pretty interesting. He wanted to spend $7 billion more than the previous year, and we ultimately had an agreement with him that we spent $23 billion less. So we spent $20 billion in the existing budget, that 1995 budget, and then we spent $23 billion less in the budget we are in right now. We have an agreement. We got the President to agree to slow growth by $23 billion.

He wanted us to spend some of that money differently and we had an agreement. That was a compromise. That is the way the system should work. But ultimately, we saved $20 billion last year, $23 billion this year; $43 billion less in the bottom line of the deficits. Each year the difference between the spending and the revenue is the deficit, and it is added to the national debt, so we made that national debt not grow as high.

So we cut what we call discretionary spending that came out of the Committee on Appropriations, and we made Government smaller, and it was what we said we would do before we were elected, and that is exactly what we did.

When we came to the defense spending, we froze defense spending. We did not increase it, we did not cut it. We froze it. Some would probably say, and I am one who would like to have seen a reduction in defense, and others of my colleagues would have wanted to see an increase. But what we need to understand is that we are oversubscribed in defense budgets. We have so many programs, procurement programs for weapons systems, that funded out, they will be higher than what we even have in the budget.

So we are going to have significant cuts in defense, even with a freeze in defense spending, because we are going to have to pare down some of these programs. So we cut discretionary spending out of appropriations, we froze defense spending.

Then what we did is we came to entitlements. Entitlements are 50 percent of the budget. What is alarming about entitlements is that they are growing at 10 percent and 11 percent and 12 percent, so you have half the budget that is doubling every 5 to 6 to 7 years, and they are programs like Medicare, a very important program; programs like Medicaid; programs like our Federal and military retirement; food stamps; veterans' benefits; AFDC, which is welfare for mothers and children; the earned income tax credit, which is a program that goes to the working poor, so instead of their paying taxes, they actually get money back from the Government. It also includes student loan programs.

What did we do with entitlements? First off, I just want to say when I came from out of the State government where I voted for 100 percent of the budget, when I came here I found I only voted on a third of the budget, and I tried to control spending when I voted on a third of the budget. I only vote on the 13 budgets that came out of the Committee on Appropriations. I do not vote on interest on the national debt, about 30 percent of the budget, and I do not vote on 50 percent of the budget, which are entitlements. I did not have that opportunity. You fit the title on Medicare, Medicaid, student loan, agricultural subsidy, you fit the title, you get the money. You get the money. I do not vote on it.

What did we do with these very important programs, that are all very, very important programs? What did we do to these programs? We slowed their growth. Mr. Speaker, Medicare was going to grow at 10 percent a year. We decided, for instance, that we would allow it to grow at 7 percent a year.

I notice a colleague of mine is here. What I would like to do is just spend about 5 more minutes; then I would like to ask the gentleman from Iowa [Mr. GANSKE] to respond to the whole issue of health care. What I heard that preceded this special order just boggled my mind. I think my colleague can shed some light on it.

But this is what we did with some of these entitlements. We allowed the earned income tax credit, which is a payment to the poor who are working, to grow from $19.9 billion to $25 billion. That is an increase in spending. But in this place here, in Washington, in Congress, in the Senate, down here, people call it a cut. I am hard-pressed to know how going from $19 billion to $25 billion is a cut. In fact the only place I know that is called a cut is right here, and where the virus is spreading.

The Student Loan Program. I think of the Student Loan Program and I remember how outraged I was when I saw the President go to a school and basically tell the students that they would have no Student Loan Program, or excuse me, School Lunch Program, because Republicans were going to take it away. When I got back from the weekend, I went to my colleagues and said, how could we have done something so stupid? And they said, CHRIS tell me something; if it goes from $5.2 billion to $6.8 billion, is that a cut? It is not a cut. "But the President said we were cutting, we were going to spend less."

That is not true. It is simply not true. It is not factually correct. Our programs, percentagewise, instead of growing at 5.2 percent, we said it could grow at 4.5 percent a year, and then we said that 20 percent of it could be allocated to the students that really needed it, because every student in this country is subsidized 13 cents in a school lunch program. My daughter is subsidized. I make a good salary. My wife makes a good salary. Why is my daughter's lunch subsidized?

We, under our program, said that we could take that money, the State could decide to take that money and give it to an urban area that might want to have a breakfast program or a lunch program or a meal in the evening for a kid who simply may need that meal.

Then the Student Loan Program, this is the one that really gets me, it grows from $24 billion to $36 billion. That was our plan last year. That was referred to as a cut. If it is $24 billion and we are adding $12 billion more in the seventh year, in the seventh year we are going to spend $12 billion more than we spend today, and it is $24 billion more than we spend today, and it is $24 billion, I am hard pressed to know how that is a cut. It seems to me it is a 15-percent increase in spending. It is simply not a cut, it is an increase in spending.

Now we get to the health care issues. In the health care, under our plan last year it was to grow at $89 billion to $127 billion. Again, in this place, that is called a cut. Back in my home when you spend $89 billion in the last year, and in the seventh year, in the year 2002, you are going to spend $127 billion on Medicaid, health care for the poor and nursing care for the elderly who are poor, I call it an increase in spending. I think most rational people do.

Now we come to Medicare. This is where I would like to really engage my colleague. We learned from the trustees last year it was going to go bankrupt, Medicare part B, by the year 2002. Then we learned this year, as we suspected, because the fund actually started to go insolvent this last year, so we knew it was going to ultimately become insolvent totally and completely sooner than they said, and they said at the beginning of the year 2001, and the beginning of the year 2001 is really the end of the year 2000, it is going bankrupt.

What did Republicans do? We said that Medicare could grow from $178 billion to $289 billion, a 60-percent increase in the total amount we spend, and people said, yes, yes, but you have a lot more seniors in the program. True, we have more. On a per person basis it went from $4,800 last year to $7,100, a 50-percent increase per beneficiary. We slowed the growth and saved $240 billion. Yet, we are still allowing the program to grow from $4,800 to $7,100. That is called a cut? No, it is called an increase of 60 percent in terms of total dollars, 50 percent per beneficiary in total dollars.

Before I call on my colleague, I would just point out, we did it without increasing the copayment, without increasing the deductible, without increasing the premium. Seniors paid last year 31½ percent and the taxpayers paid 68.5 percent. We said freeze it. Do not increase it, do not subtract from it, freeze it.

We were able to save $240 billion for the taxpayers, and in this program, the reason we were able to save it was we were able to bring in the private sector, that said if you allow Medicare to grow at 7 percent, we can make money and we can offer a whole host of new services: eye care, dental care, a rebate and a copayment of the deductible; maybe even pay the premium, maybe even pay MediGap. We had some providers who said if you allow it to grow at 7 percent, which is very generous, we can provide a whole host of programs and we can save you money, because it does not have to grow at 10 percent a year.

Then the seniors said, what happens if I do not like the program? Then the gentleman from Iowa [Mr. GANSKE], for instance argued they should be allowed to go back each and every month for the next 24 months. The gentleman from Iowa worked on this program with others, but he was a leader in this area, and he created a better program and saved money. I am just really grateful that he is here. I would love to give him the opportunity to just kind of express his concerns about what we did.

Mr. Speaker, I yield to the gentleman from Iowa [Mr. GANSKE].

Mr. GANSKE. I appreciate the gentleman sharing some of his time with me, Mr. Speaker, I, too, was watching the previous colleagues who were having a discussion on some of the important programs, including Medicare. I felt stimulated to come to the floor, as the gentleman did.

Mr. Speaker, I think that the gentleman hit upon the appropriate word, and that was "better." The General Accounting Office, the Inspector General, has looked at the way the current Medicare Program is working and has found significant areas of fraud and waste and abuse in the current program, the way it is currently working.

There was recently an editorial in the Washington Post that outlined some of the abuses that occur in the home health care industry, where, for instance, care is provided at $125 an hour or a visit. Total care for home health care is under no competitive bidding. There is no prospect of a payment system in the current plan. There is no effort to control abuses in that area like there is in some of the ways Medicare has worked on preventing abuses in hospital billing.

So there are lots of ways that we can make the Medicare system work better. I think that is a crucial point, because let me just read a letter to the editor from the Des Moines Register: "Congressman GANSKE has voted for increased spending in Medicare." This is a letter by James Winger, president of the Iowa Federation of Labor AFL–CIO on Friday, July 19: "Congressman GANSKE has voted for increased spending in Medicare. However, this increase is not enough to provide Medicare recipients with the same coverage they have today."

Now, it is the second part of that statement that is incorrect. Because the assumption is that you cannot do it better than it is being done today. I think that I just do not accept that. I think we can do it better. We can devise a system where, in my home State of Iowa, quite frankly by equalizing funding formulas to make rural areas comparable to urban areas, we can actually improve benefits for senior citizens.

Mr. SHAYS. Mr. Speaker, I remember being the chairman of the task force, on the Committee on the Budget, on Medicare and Medicaid, and I remember the fact that the gentleman was not going to vote for the plan unless we realized that urban areas were treated in a much more beneficial way than a number of your communities. I remember you having a dialog with me, and more particularly the Speaker, and convincing him to put more money into the rural areas so they would in fact get more.

Mr. GANSKE. We have a situation, as you mentioned before, where in some parts of the country senior citizens can sign up for health plans where they get practically free prescription drugs, eyeglasses, hearing aids, trips to and from the doctor's office, and even memberships in health fitness clubs; that is, New York City, Florida, Los Angeles.

But there is nothing like that available for senior citizens in some of the rural areas, or even in urban areas that have done a very good job with controlling their utilization. That is not fair. That is the way the current system is working. It is not fair, because people in every part of the country are paying the same into Medicare as they are in other parts of the country.

So we equalize that. We did not decrease the amount in those areas that are high now. We simply said you will have to grow at a slower rate than the areas that are not at such a high average. We will move those up faster and we will equalize it. We will make it more fair across the country. That is one way that you can make the system work better.

But you know, I want to go back to a little broader concept. I think all of us want to have a cleaner environment. All of us would like to see education emphasized. We all want to see safe streets. We all want to see secure borders. All of those items are in what is called the discretionary part of the budget.

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The other part of the budget is the entitlement part, the nondiscretionary part. These are things like Medicare, Medicaid, welfare and interest payments on the debt.

Mr. SHAYS. If the gentleman would just allow me to make the point that entitlements are 50 percent of the budget, and when we add interest payments, we are talking about two-thirds of the budget and the discretionary is only one-third of the budget.

Mr. GANSKE. The gentleman is correct. But in 1965, the discretionary part of the budget was two-thirds of the budget, that is, things like education, safe streets, drug prevention, crime prevention, environmental things. In 1965 that was two-thirds of the budget. Today it is one-third of the budget. Because in 1965 the entitlements plus interest were one-third of the budget and today they are two-thirds of the budget.

So all of those people who, like you and I, are concerned about those important things, need to be concerned about being able to control the rate of growth in the entitlements. It is estimated that in 10 years, the entitlements plus interest will consume all of the revenues from the Federal Government. That means that there will be nothing else left for the important things that we need to do.

So what we are talking about in terms of addressing the problem that Medicare is going to go bankrupt in 5 years is trying to devise a system that works better than it does now so that we can reduce the rate of growth and, therefore, allow the Federal budget to function in the other important areas, like education, the environment, drug prevention, and securing our borders that we all think are important.

I should point out, the bill that we passed had about a 7-percent annual rate of growth. That far exceeds the numbers of senior citizens that are coming in. If we look at the private sector, the amount of health care inflation has been close to 1 percent or less for the last several years. What we want to do is we want to learn for the Government programs how the private sector has been able to make things work more efficiently. The Government in effect has been growing at over 10 percent. We need to learn how to be able to offer benefits in a more efficient way. It is not just in health care, it is also in areas like welfare and other areas.

Mr. SHAYS. I would love to just illustrate, if the colleague would allow me, a real-life example of what the gentleman is talking about with the growth of entitlements. Entitlements are 50 percent of the budget and doubling every 5 to 6 years, crowding out the discretionary part of the budget.

I have had constituents who come and say, "We need to spend more for this education program," or more for this child care program that comes out of the discretionary budget. I say, "Yes, we do need to do that."

Then they say, "And, by the way, don't cut Medicare and Medicaid."

I say, "Well, I don't want to cut Medicare and Medicaid, but let me understand something. If we allow Medicare and Medicaid to continue to grow at 10 percent a year, how will we be able to do all those things you want?"

It is a concept of opportunity cost. If you spend your money here, you give up the opportunity to spend it here.

If we can make savings in Medicare and Medicaid, allow it to grow much faster than any other part of the budget, we then have some resources to spend on some good programs that come out of what we call the appropriations side of the budget.

Mr. GANSKE. If I may jump in here, many would criticize our specific plans, either to balance the budget or to reform and preserve and protect Medicare. I am sure that there are some things in all of those areas that the gentleman and I might prefer to see changed in some respects, too. We cannot have legislation that is this big and agree with every single thing. But the overall thrust is responsibility.

I would say this: I think the American public feels very strongly that there should be a sense of fairness. So if the opposition criticizes our plan to save Medicare in 5 years, and we all know, everyone agrees that the trust fund will be empty and there will be insufficient funds to pay the bills in 5 years. We all know that. This is a given.

Mr. SHAYS. We have wasted a year already.

Mr. GANSKE. If that is a given and the opposition criticizes our plan, then does the opposition not have a responsibility to offer their plans? Some of the moderate and conservation Democrats on the other side of the aisle did offer a plan. The fact of the matter is that we just passed another budget bill that basically took into consideration some of the proposals that they had made and the level of savings and, in fact, what we are currently dealing with today are savings of about $160 billion. That is very, very close to what the moderate and conservative Democrats have been for and it is not all that far from what President Clinton has proposed for savings in Medicare.

Mr. SHAYS. The difference is that when he refers to it, he calls it a savings. When he refers to ours, he calls it a cut.

But before we leave Medicare, I do not want to leave it without just summarizing the fact that we allow Medicare to grow from $178 billion to $289 billion, a 60-percent increase in Government spending on Medicare. On a per-person basis, we allowed it last year to grow from $4,800 to $7,100, a 50-percent increase per beneficiary.

Mr. GANSKE. I think we ought to emphasize this: In order to achieve those savings, we cannot just leave the program exactly as it is, because in the current program there are areas of waste, fraud, and abuse that administration, there are a number of areas that we can improve the plan. If we put the structural changes in there, then we can effect some savings and yet we can still maintain good quality.

Mr. SHAYS. To illustrate, we did not increase the copayment to the seniors or the deductible and we kept the premium the same, but what we allowed them is the opportunity to have what you and I have as Federal employees, we get choice in health care. We are going to allow seniors to choose different health care plans. Because of your instance and a wise one, we allowed seniors to go back, it they did not like that private plan, and just go back to the traditional fee-for-service Medicare system that we have had since 1960.

So we left the existing plan in place, but we gave choices. To me, the choice was the most exciting part. In part of our plan we said if a senior discovered something that was a waste in the program, we would allow them to receive some of the benefit if they reported it. It is even in our health bill that Senator KENNEDY is holding up right now by not allowing for a conference committee between the House and the Senate.

We passed a health care bill dealing with portability in health care and allowing people if they have an illness to go to another health care plan, if they have been in a health care plan, and that is being held up. But in that bill is the same thing we had in our Medicare plan, allowing seniors to report programs that they thought were abused.

I would like to talk about one abuse because I am on a committee that oversees HCFA, which was the agency that the gentleman from Georgia [Mr. GINGRICH] was referring to when he talked about it withering on the vine, not Medicare, which our colleagues like to distort.

Mr. GANSKE. If I may interject, am I not correct in that, I believe it was in 1992, President Clinton, at that time running for office, made a statement very, very close to Speaker GINGRICH, where he basically said the Health Care Financing Administration, HCFA, the bureaucracy, not Medicare, not the program but the bureaucracy, was not working as good as it should be and something should be done about that?

Mr. SHAYS. The bottom line is that the bureaucracy was working terribly. I started to talk about some of the abuses. I sit on a committee where we see a number of different abuses.

Medicare cannot buy a particular health service, let us say an oxygen concentrator, and reprice it at the market rate. It has to buy it at whatever the market cost is on the chart. If they want to reassign the cost, they have to go through a 2 to 3-year process. So the inspector general came in and looked at this process and said that Medicare was overpaying for a lot of goods, like an oxygen concentrator. The oxygen concentrator for the Veterans Department, if we paid the same price they paid, in 5 years we would save $4 billion. But we cannot reprice it without this long, laborious process.

Mr. GANSKE. If the gentleman would yield for a minute, one of the mechanisms that we had in our reform bill that would help address this problem of abuse in the system was that we set up a mechanism whereby if a Medicare recipient identified areas of fraud, waste and abuse, reported that to the government program and then savings were utilized, then that recipient would get to keep part of the savings.

This was a real carrot in order to encourage senior citizens to look carefully at their bills and help the program work better for the benefit of everybody. But without that type of incentive, then it is like, "Well, somebody else is paying for it, and I guess, you know, it doesn't matter to me." So there was a real incentive system built into our reform bill that would help address some of those areas of abuse that the gentleman is talking about.

Mr. SHAYS. Exactly. That was one. The other area was that we made health care fraud a Federal offense in terms of Medicare and Medicaid so that you would not have to find someone guilty because of wire or mail fraud but you could find them guilty for the actual offense. We all know that fraud, waste and abuse in our Medicare system is about 10 percent, if not more. That alone is a $17 billion savings.

Mr. GANSKE. If the gentleman would yield again, we both know that we can effect savings in that area. We do not want to give, I think, the inaccurate representation that by addressing that area alone one could effect enough savings to save the trust fund. But it is one of the many important steps that we took in the reform bill to make the system work better.

Mr. SHAYS. Let me ask the gentleman, why would they call it a cut, our colleagues on the other side of the aisle, when we spend 60 percent more and 50 percent more per beneficiary? I am trying to understand, and I have to say I thought President Clinton would do a number of things. I did not think he would veto our Medicare plan. I honestly did not think he would do it.

I described it this way to my daughter. I do not have the resources to give my daughter $20,000, but if I had $20,000 and I said to my daughter, "I want you to buy a particular automobile but of course you can't afford to have leather seats and other nice features in the automobile. I can't give you more than $20,000 this is what I have. And so I want you to go buy that automobile." And she comes back to me and she says, "Dad, I bought that automobile you talked about but I didn't spend $20,000. By the way, I got leather seats and a sun roof." I said, "Honey, I told you you could not do that. I only had $20,000." She said, "Dad, I bought it for $18.000" I would not call that a cut. I would say she got a better car and she saved $2,000.

Mr. GANSKE. If the gentleman would yield, one of the reforms that we passed at the beginning of the Congress last year was the issue of baseline budgeting, and this is what we are talking about.

In Washington if your salary is $20,000 this year but next year it is $22,000, that could be called a cut because it is not $23,000. This is the only place in the country where we do budgeting like that.

Let me just give the gentleman an example. I have a little boy who is almost 8 years old, his name is Carl. Sometimes Carl accompanies me on some of my meetings around the district. I have a chart. The chart shows that in the last 7 years, we spent about $925 billion on Medicare. We voted for a plan where in the next 7 years we would spend about $1,685 billion. I look at my little 7-year-old boy and I say, "Carl, which of these is bigger, $1,685 billion or $925 billion? I tell you, a third-grader knows the difference. If you factor into that the fact that this is more than twice the rate of inflation, it more than accounts for new seniors coming into the system, it still provides excellent benefits, there is no increase in copayments, no increase in deductibles, seniors would pay the same percentage of their premium as they have in the past, then I think that it is not accurate to represent our plan as a cut.

Mr. SHAYS. And they get a choice. They get to choose a plan that could be better or a number of plans that could be better and in the end if they did not like those plans they could go back to the traditional system.

Mr. GANSKE. And for large areas of our country, we would also have an equalization in the funding that would be very important as well.

Mr. SHAYS. This Republican majority is trying to get our financial house in order and balance the Federal budget. My colleague knows that just balancing the budget is not the end all and be all. It is just the logical realization that we would rather spend our money on real programs rather than interest on the national debt. We want a strong foundation in which to build.

The second thing is we are trying to save our trust funds from bankruptcy, particularly Medicare, and last year when we were trying to save it, when we did our Medicare plan we saved about $240 billion that could be used directly to save Medicare part A and Medicare part B. To save it from bankruptcy we extended the program out from the year 2001 to basically 2010. We are going to have another problem that we are not going to get into right now, but it is going to be a mammoth issue of how do we deal with the baby boomers.

□ 2115

But we did the responsible thing of slowing the growth of programs, still allowing them to grow 60 percent more total dollars and 50 percent more per beneficiary, but saving about $240 billion that could be used to then make sure the program was solvent for the next 15 years. And the President vetoed that plan.

Mr. GANSKE. If I may interject, what is the alternatives? I want to go back to this. If someone does not like our program, then I think they have a responsibility to offer their own specific plan to save the program, which will be insolvent in 5 years. That is only fair. It is a very, very important issue.

We either effect some reductions in the rate of growth or, in order to keep the system solvent, what is the alternative? The alternative is the same alternative that we have seen from Congresses for the last 30 years, and that is very simple: A doubling or a tripling of Medicare taxes.

As both of you and I know, the effect of that would be very transitory. That could probably extend the life of the trust fund for 3 years, and then what would we do? We would go back there, if we return to the way that it has been done before, and we would double or triple those Medicare taxes again. I tell you what, I cannot do that to the working families in my district.

If we look at an average income working family in 1950, and adjust the amount of taxes they were paying to the government to 1990 dollars, so that we are going to compare the same dollars for 1950 in taxes to the dollars in 1995, an average income family, not the rich and the wealthy, in 1950 was spending about $7,000 to the government in 1990 dollars. Today the average income family, 1995, is sending about $21,000 to the Federal Government.

The amounts are not so important, although they are getting so high. What is important is to recognize the fact that in the last 30 years, for the average working family, taxes, government taxes have tripled. What that means today is that couples are no longer afforded the luxury of one or the other of the spouses staying home with the kids.

It means that in 1950 one of the spouses could work, the other could take care of the children, if they so chose. Today what it means is that one is working to put food on the table, to pay the expenses for the rest of their family, and the other spouse is working for the government.

Now, this is not rocket science. If we are going to keep the trust fund solvent, we are either going to have to reduce the rate of growth in a responsible way to make the system work better, or else we are going to have to raise taxes, and raise taxes a lot and raise them again and again, and I just cannot do that.

I know how hard the working families in my district are working, and they are pushed. They have been running harder and harder on that treadmill just to stay in the same spot. So I think it is our responsibility to address this in the way that we have addressed this, a responsible way, a way to make the program work better.

But I think maybe it would be useful to turn to another topic. I was very interested in your comments on the earned income tax credit, because I think both the gentleman and I would agree that this is a useful program. It was designed originally and still functions to help people who are just above the poverty level to have benefits, slowly work their way out and get a helping hand away from poverty.

The gentleman pointed out that we funded the EITC at $19 billion and increased it to $25 billion, but what he neglected to mention, and I am sure that he just did not get to it, was the fact that the General Accounting Office did a study and showed, or possibly it was the IRS, the IRS did a study and showed that there was about 30 to 35 percent abuse, in some cases outright fraud in people taking the earned income tax credit when they should not.

The program was designed to help families, that is, families with children, and it was designed to help people that were just above the poverty level. There were lots of cases, as much as 30 to 35 percent of abuse, so what did we do? We addressed some corrections in the way the system is supposed to work. That is what we are supposed to be doing here in Congress. We are supposed to be helping this Government work more efficiently and better, and yet when we have a good idea, we will keep it. I would be happy to yield back.

Mr. SHAYS. I was thinking, as my colleague was talking, that it was quite difficult during the fall when we started to get this program through the House and the Senate, present it to the President, when he called the earned income tax credit a cut when we went from $19 billion to $25 billion; in the School Lunch Program when we went from $5.2 to $6.8. The Student Loan Program he is calling a cut when we went from $24 billion to $36 billion.

I really believe in the earned income tax credit, because this gets to the third effort. We are trying to balance the budget, get our financial house in order. The second thing is we are trying to save our trust funds for future generations, so we are not the only ones that enjoy the trust funds but they are there for our kids and our kids' kids. The third thing is we are trying to transform our caretaking society into a caring society, to transform our caretaking social and corporate and welfare state—we just do not have welfare for individuals, we have it for corporations, and we even have it in the farming communities to some extent as well—and to try and move it into a caring opportunity society.

We know that one of the better programs is the earned income tax credit for someone who is at the level of welfare but making money, working, not getting something from the Government, but really not enough to survive. They actually get a cash payment of $1,000 or $2,000, in some cases it could be $3,000. Instead of paying taxes, they get back $2,000 or $3,000.

But what we found was that some people simply were not reporting their income. Well, they were reporting it, saying they were not going to make money when they actually made money. We found that a lot of single people were able to get some of the benefits when it was not intended for individuals, it was intended for families.

So we are going to spend lots more, but we just want it to go for the people it was designed to help. It gets to this whole issue that is something I have had to wrestle with as what I view as a moderate Republican. I think I am pretty much down the center in terms of the political ideology.

I believe that what we have done for too many of our young people, and we see the result of it, I see too many young kids who are pregnant, I see too many young children that are selling drugs. I see too many young children who are literally killing each other. We have 18-year-olds who cannot read their diplomas.

The thing that gets me is when I see a 20-year-old or 22-year-old who has never had a job, not because jobs do not exist. I would acknowledge if everyone who wanted a job sought one, there might not be. But we have too many people who are not answering the opportunity to work because they say it is a dead-end job.

If I ever said to my dad, "I do not want that job, it is dead-end," my dad would have said to me, "Son, how many hours are you working there?" I would have said 10. He would have said it just doubled to 20. He would have known that so-called dead-end job would have taught me to get up in the morning, it would have taught me that for that work I earned something, that I was of service, instead of taking something from someone else.

That is what welfare does. It is taking something that someone else earned, and getting it without having to earn it but it was given to them. There are people who have needs, and we have to make sure their needs are met, but we do not want the system to be perpetual so that we now have 30-year-old grandparents who literally, they are on welfare, their kids are on welfare, and their kids' kid is on welfare, three generations.

Mr. GANSKE. If the gentleman would yield, we just passed last week I think really landmark legislation. That was a welfare reform bill that is a very, very good bill, that emphasizes exactly the direction that we think our country should move in terms of responsibility and in terms of opportunities, because it does have strong requirements for work and it does have strong requirements for responsibility for the fathers of children who abandon those children and leave those young mothers to an awfully hard row to hoe.

There were significant corrections in the reform bill in terms of food stamps. Nutrition is very important. I grew up working in my dad's grocery store.

Mr. SHAYS. You did not tell your dad you did not want to do it because it was a dead-end job?

Mr. GANSKE. I think working in that grocery store was one of the best training periods of my entire life.

Mr. SHAYS. I bet it was.

Mr. GANSKE. You get to meet people from every walk of life, and I thank my dad every time I see him for that, although at the time as a younger kid there were times when I probably would have preferred on those Saturdays to be playing golf or something else.

Mr. SHAYS. Or watching a football game.

Mr. GANSKE. But the point that I wanted to pursue is that even back when I was working in the store—my dad just recently retired from managing a grocery store—there is a significant and a growing problem with abuse in the Food Stamp Program.

It is not that food stamps should not be there for the people who need them. Both the gentleman and I know that they should. It is that there has been a growing problem with people abusing the system, and we know that food stamps have been used as a form of currency for drugs, to help fund drug abuse, that able-bodied people who should be working have been getting food stamps.

So what we did in our reform bill was we addressed that. We set up encouragement for electronic billing to try to cut down on the technical problems with food stamp waste and fraud.

I just am very optimistic. I believe that there is a role for government. I happen to believe that government can work a lot better than we have seen it work. But every time we try to change something, we run up against special interest groups that have a vested interest in seeing no change, and it is a real battle.

Mr. SHAYS. No one said it would be easy, did they?

Mr. GANSKE. Nobody ever said it would be easy, and in the political process, our Founding Fathers devised a system that requires multiple steps and it requires eternal vigilance. As one of our Founding Fathers said, that is the price of democracy.

Mr. SHAYS. I just wanted to emphasize that one of the things that we are doing with welfare is we are giving it back to the States with resources. We are not just saying "It is your responsibility." We are giving significant resources for day care, for the actual payment to the recipient but also for day care and jobs, because we know that a caring bill has got to provide someone the opportunity for training and a place to have your child so that you can get that training and ultimately get that job.

But what we do know is that a lot of the traditional job training programs have been basically make-work, not really teaching someone for a job that exists but just giving them some kind of program that in the end does not serve any value to them in terms of actually getting a job. So the day care and job training kind of programs that we are seeing now are quite significantly different.

Mr. GANSKE. If I may add to that, in the welfare reform bill there are some significant other items that reinforce the fact that citizens need to be responsible. When a citizen sponsors an immigrant to come into the country, they basically are promising that they will help that new immigrant for 5 years.

Mr. SHAYS. Yes.

Mr. GANSKE. That is current law. However, there has never been any teeth in that current law, and we even have examples where in Chinese newspapers from the west coast, Dear Abby columns, you will have somebody writing in, "My relative just came, got off the boat. How can I get them on to SSI?" I would submit to you that we have hundreds of millions of people around the world that would love the opportunity to come to this country to work hard, to achieve the American dream that are not interested in coming to this country and immediately getting on welfare, and we have corrected that in this welfare reform bill.

Mr. SHAYS. But see, some people would call that a cut in the program. That is what is ludicrous about the description. If we save money in the program, therefore, do not have to spend as much because we eliminate an abuse like this, it is referred to as a cut, and that is just simply an inaccurate way to describe what we did.

Mr. GANSKE. But to interject, this goes back to the point that we have made several times before, and that is that the people who are always talking about cuts, cutting this, that you are cutting that, they are the people who, in essence, are arguing not to change anything. If you are interested in, in education, the environment, preventing crime, in order to take care of those problems, we have to change the programs to make them work better than they are working now.

Mr. SHAYS. I was making reference to the fact as a moderate Republican I voted for a number of programs that I have had to look at and say in some ways what that has allowed me to do is it has allowed me to go back to some of my constituents and say, you know I care because I voted for that program. But as I have seen the program unfold, some of them, not all of them, I have had to go back and say you know, really what I have been is a caretaker and I have done something the exact opposite of what you would do for someone you love.

□ 2130

What I started to do about 3 years ago is I asked anyone who really started up in a lower echelon economically who now is a very successful person, far more successful than I would be, and I would say, what happened? Why are you so successful? When you were there in a development, in poverty, happened to have been a minority, so you had the laws against you and so on, and you had racial prejudice; and yet you succeeded?

Yet in every instance, in every instance it was, I had someone who took an interest in me, I had someone who sometimes kicked me in the butt. I had someone who did not always give me what I wanted. I had someone who did not let me get away with the excuse I do not want that because it is a dead-end job. I had someone would taught me to dream.

There were a lot of things they had, but they did not have someone just giving them something.

When I was growing up, my dad would commute from Darien, CT, for an hour commute into New York. He would get to read three papers in the morning and three at night because he had an hour on the train. He would read, and he would come back, and he would be filled with information. We would have a wonderful dialog at the dining room table.

He would invariably make some reference to something written in Ann Landers, and Ann Landers would write something back, and it would be kind of a crazy story.

I found myself looking at these calendars. I had these calendars with the thought of the day. I noticed the calendar for April 3. It was a Wednesday. I looked at it, and it was Ann Landers. And I thought, oh, my gosh, there is Ann. And I read it. And in a sense I thought this summarizes a lot about how I think about what we have to do in government. She wrote, "In the final analysis it is not what you do for your children, but what you have taught them to do for themselves that will make them successful human beings."

Now, we want our constituents to be successful human beings. We do not want them just used to handouts. We want them to be basically creators. We want them to be contributors to society. I was thinking about the true love that I think our society has shown and the true caring for making sure that people in our society are truly learning to do things for themselves, to be independent.

It is really great. I have gone to some programs where welfare recipients have taken meaningful job training programs, had the day care they needed, and then they have a mentor who follows them for a year or so in the job to make sure they do get up in the morning, make sure when they have an excuse not to go to work, help them sort out that that excuse will not be very helpful in their job. And what they do in these graduations a year later is they hold up a check and say: "You know what I like about my job? I earned this."

We had to encourage everyone to have that same kind of feeling of accomplishment and contribution because it is there in the heart of every American citizen. Every person wants to add and to be of contribution.

They also then make reference to the fact that not only did they earn it and how proud they are but how proud their kids are of them because mom is making a contribution to society and helping to support the family without having to turn to someone else.

Before yielding to my colleague, if I could say this. I proactively went out looking for some people to work in my office who, frankly, were not white, who were maybe Hispanic or black; and I guess I would call that affirmative action. One person that we ended up hiring was someone who had gone through a job training program. She is a very valued member of my office. But I had a program that I was trying to help people understand how they could buy a home, and she did not want to come to this program as a staff person on a Saturday, but we needed her. She was happy to come based on that. And she came. And a month later I found out that she had just bought a home.

She had gone to this program, learned how she could own a home. She and her brother and her sister bought this home and live in a beautiful home in the city of Bridgeport, now realizing all the pluses and minuses of home ownership. But a few years ago she was on welfare. She had job training. She had day care.

She had tremendous initiative. She is a very important person in our office, someone who is making a wonderful contribution and someone who we receive a lot of compliments on because of the way she treats people and the way she is able to help people.

To me, it is just a very satisfying thing, and this can be repeated time and time again. That should be our goal.

I would love to yield to my colleague.

Mr. GANSKE. I appreciate that and agree with what my colleague has been saying.

I have to smile because when he was talking about his father coming home and discussing the three or six newspapers that he had read that day with you and all of the ideas, I remembered that usually my dad and I discussed the sports page.

But to return to welfare, I think there are principles in our welfare reform bill that are very, very important. The first one is the able-bodied should work. The second one is that there should be time limits. We do not want to see one generation after another generation, four or five generations, caught in welfare.

Another idea that is very important is that for those welfare recipients who are under the age of 18, there should be strong incentives for them to continue and stay in school. You do not receive benefits unless you are living with an adult and unless you are in school because, if you do not stay in school, there is very little chance that you are ever going to get out of the trap of the welfare system.

So I think there are a lot of good things that we have been trying to do. I would like to go to one thing, though, and that relates to what we are talking about in terms of cuts. An example is the most recent HHS appropriations bill, where for the Department of Education we increased funding this year by roughly $2.4 billion. That was somewhere between a 4- and a 5-percent increase.

Now, within that we shifted some of the funds around. We took it out of the Washington bureaucracy and we gave it back to the States and the local areas. That is crucial because, when we talk about education, I want to see an increased teacher-student ratio, and I want to see a decreased bureaucrat-teacher or bureaucrat-student ratio. And that is what we are trying to do here. We are trying to get power back to the States, to the local areas.

People can do jobs better when government is closest to them. We want to do it in a responsible way, and I think that I am very optimistic with the progress we have made.

I will just yield back to the gentleman for a final closing statement.

Mr. SHAYS. This Republican majority is working to get our financial house in order and balance the Federal budget. We are looking to save our trust funds for future generations, and we are also looking to transform our caretaking social, corporate and agricultural welfare state into a caring opportunity society. In the process we are looking to bring power, money and influence out of Washington and bring it back to local communities.

In the process we are looking to empower people who are in our communities. So it is an effort that we are working hard at. Very candidly, we are not looking at the polls. If Abraham Lincoln had looked at the polls, we would not be one Nation, under God, indivisible. We would be two nations very much divided. For us the polls simply do not matter. What matters is our kids.

Mr. Rabin, the former prime minister of Israel, said you and I, politicians, are elected by adults to represent the children. And frankly that is what this is all about, representing the children.

Mr. GANSKE. I am happy to join the gentleman I think on some of the principles that we want to accomplish. We want to accomplish an opportunity society. We want to help make government smaller and more responsive to the citizens. And we basically want safer and sounder families. I am happy to join my colleague in his work.

Mr. SHAYS. I appreciate my colleague for that and thank you, Mr. Speaker, for taking the time to listen to us. With than we yield back the balance of our time however short it may be.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. YOUNG of Florida (at the request of Mr. ARMEY), for today and the balance of the week, on account of medical reasons.

Mr. EVERETT (at the request of Mr. ARMEY), for today, on account of official business.

Mr. MANZULLO (at the request of Mr. ARMEY), for today, on account of illness in the family.

Mrs. MORELLA (at the request of Mr. ARMEY), for today, on account of personal reasons.

Mr. NETHERCUTT (at the request of Mr. ARMEY), for today, on account of attending a funeral.

Mrs. LINCOLN (at the request of Mr. GEPHARDT), for today and the balance of the week, on account of medical reasons.

Mrs. MINK of Hawaii (at the request of Mr. GEPHARDT), for today, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PALLONE) to revise and extend their remarks and include extraneous material:)

Mrs. COLLINS of Illinois, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

Mrs. CLAYTON, for 5 minutes, today.

(The following Members (at the request of Mr. MICA) to revise and extend their remarks and include extraneous material:)

Mr. STOCKMAN, for 5 minutes on July 24.

Mr. BURTON of Indiana, for 5 minutes each day, on today and July 23, 24, 25, and 26.

Mr. MCINTOSH, for 5 minutes on July 25.

Mr. MICA, for 5 minutes each day, on today and July 25.

Mr. DUNCAN, for 5 minutes, today.

Mr. KINGSTON, for 5 minutes, today.

Mr. GEKAS, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. TRAFICANT, and to include therein extraneous material, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,033.

(The following Members (at the request of Mr. PALLONE) and to include extraneous matter:)

Ms. HARMON.
Mr. FRANK of Massachusetts.
Mr. MANTON.
Mr. MILLER of California.
Mr. STOKES.
Mr. HILLIARD.

(The following Members (at the request of Mr. MICA) and to include extraneous matter:)

Mr. QUINN.
Mr. FORBES.
Mr. DUNCAN.
Mr. WOLF.
Mr. PORTER.
Mr. SPENCE.
Mr. PACKARD.

(The following Members (at the request of Mr. GANSKE) and to include extraneous material:)

Mr. MOAKLEY.
Mrs. COLLINS of Illinois.
Mr. GOODLING.
Mr. TRAFICANT.
Ms. FURSE.
Mr. BARCIA.

BILL PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight, reported that that committee did on the following date present to the President, for his approval, a bill of the House of the following title:

On July 18, 1996:

H.R. 743. An act to amend the National Labor Relations Act to allow labor management cooperative efforts that improve economic competitiveness in the United States to continue to thrive, and for other purposes.

ADJOURNMENT

Mr. GANSKE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 41 minutes p.m.), under its previous order, the House adjourned until Tuesday, July 23, 1996, at 9 a.m. for morning hour debates.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4217. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Nectarines and Fresh Peaches Grown in California; Assessment Rate [Docket No. FV96–916–1 IFR] received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4218. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—United States Standards for Grades of Frozen Green and Frozen Wax Beans [FV–95–326] received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4219. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Oranges and Grapefruit Grown in the Lower Rio Grande Valley in Texas; Assessment Rate [Docket No. FY96–906–1 IFR] received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4220. A letter from the Chairman and Chief Executive Officer, Farm Credit Administration, transmitting the annual report to the Administration for calendar year 1995, pursuant to 12 U.S.C. 2252(a)(3); to the Committee on Agriculture..

4221. A letter from the Director, Defense Procurement, Department of Defense, transmitting the Department's final rule—Defense Federal Acquisition Regulation Supplement; Comprehensive Subcontracting Plans [DFARS Case 96–D304] received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on National Security.

4222. A letter from the General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Sale of HUD-Held Multifamily Mortgages [Docket No. FR–3970–F–02] (RIN: 2502–AG59) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

4223. A letter from the General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Community Development Block Grant (CDBG) Program: Small Cities and Insular Areas; Final Rule [Docket No. FR–4048–F–1] (RIN: 2506–AB81) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

4224. A letter from the General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Public Housing Management Assessment Program—Conforming Change [Docket No. FR–3447–F–02] (RIN: 2577–AA89) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

4225. A letter from the General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Indian HOME Program Streamlining [Docket No. FR–3567–I–1] (RIN: 2577–AB35) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

4226. A letter from the General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Single Family Miscellaneous Amendments, Clarifications, and Corrections [Docket No. FR-3977-F-01] (RIN: 2501-AG61) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

4227. A letter from the General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Supplemental Standards of Ethical Conduct for Employees of the Department of Housing and Urban Development [Docket No. FR-3331-F-01] (RIN: 2501-AB55, 3209-AA15) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

4228. A letter from the General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Streamlining Mortgagee Requirements, [Docket No. FR-3957-F-02] (RIN: 2502-AG57) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

4229. A letter from the General Counsel, Department of Housing and Urban Development, transmitting the Department's final rule—Community Development Work Study Program; Amendments [Docket No. FR-3902-F-01] (RIN: 2528-AA05) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

4230. A letter from the General Counsel, Department of Housing and Urban Development, Transmitting the Department's final rule—Streamlining of HUD Regulations Governing the Protection of Human Subjects [Docket No. FR-4069-F-01] (RIN: 2501-AC26) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

4231. A letter from Chairman, Federal Reserve System, Transmitting the Board's midyear monetary policy report to the Congress, pursuant to 12 U.S.C. 225a; to the Committee on Banking and Financial Services.

4232. A letter from the Secretary of Housing and Urban Development, transmitting a draft of proposed legislation entitled the "Older Americans Home Security Act 1996"; to the Committee on Banking and Financial Services.

4233. A letter from the Director, Office of Regulatory management and Information, environmental Protection Agency, transmitting the Agency's final rule—Clean Air Act Approval and Promulgation of Carbon Monoxide Implementation Plan for the State of Washington: Puget Sound Attainment Demonstration [FRL-5538-3] received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4234. A letter from the Director, Office of Regulatory management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Air Quality Implementation Plans; Virginia; Approval of Revised Confidentiality Provisions; Approval and Disapproval of Minor New Source Permit Provisions [FRL-5534-4] received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4235. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation Plans; Illinois [FRL-5540-5] received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4236. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Final/Interim Authorization of State Hazardous Waste Management Program Revisions; South Dakota (FRL-5534-2) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4237. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Louisiana State Implementation Plan Revision; Major Source Definition Corrections for Reasonably Available Control Technology (RACT) Rules; Volatile Organic Compounds (VOC) RACT Catch-ups (FRL-5525-8) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4238. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Revision to the New Jersey State Implementation Plan for Carbon Monoxide [Region II Docket No. 142; SIPTRAX NJ15-2-6920] (FRL-5524-3) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4239. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Revision to the New York State Implementation Plan for Carbon Monoxide; Determination of Length of Control Period for New York-Northern New Jersey-Long Island Consolidated Metropolitan Statistical Area [Region II Docket No. 151; SIPTRAX NY12-2-6920] (FRL-5524-5) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4240. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans Tennessee: Approval of Revision to the Tennessee SIP and the Nashville/Davidson County Portion of the Tennessee SIP Regarding Nitrogen Oxides (FRL-5529-5) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4241. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; California State Implementation Plan Revision, Kern County Air Pollution Control District, Placer County Air Pollution Control District, Ventura County Air Pollution Control District, and San Joaquin Valley Unified Air Pollution Control District [FRL-5527-6] received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4242. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Inspection/Maintenance Flexibility Amendment (Ozone Transport Region) [FRL-5541-3] received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4243. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation of Implementation Plans; Wisconsin [FRL-5539-1] received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4244. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-298, "Vending Site Lottery Assignment Amendment Temporary Act of 1996" (received July 22, 1996), pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

4245. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 11-300, "Telecommunications Competition Act of 1996" (received July 22, 1996), pursuant to D.C. Code, section 1-233(c)(1); to the Committee on Government Reform and Oversight.

4246. A letter from the Executive Director, District of Columbia Financial Responsibility and Management Assistance Authority, transmitting a copy of the Authority's resolution disapproving D.C. Act 11-281, "Revised Fiscal Year 1997 Budget Request Act," pursuant to Public Law 104-8, section 202(c)(5)(C)(i)(II) (109 Stat. 112); to the Committee on Government Reform and Oversight.

4247. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Circular 90-40; Introduction (48 CFR Chapter 1) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4248. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Contingent Fee Representation [FAC 90-40; FAR Case 93-009; Item I] (RIN: 9000-AG83) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4249. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Simplified Acquisition Threshold/Federal Acquisition Computer Network; and Micro-Purchase Procedures [FAC 90-40; FAR Cases 94-770 and 94-771; Item II] (RIN: 9000-AG18/9000-AG26) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4250. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Gratuities [FAC 90-40; FAR Case 96-300; Item III] (RIN 9000-AH11) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4251. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Disaster Relief Act [FAC 90-40; FAR Case 93-303; Item IV] (RIN 9000-AG77) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4252. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Responsibility Determinations [FAC 90-40; FAR Case 95-007; Item V] (RIN 9000-AG66) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4253. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Task and Delivery Orders [FAC 90-40; FAR Case 94-711; Item VI]

(RIN: 9000–AG50) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4254. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Multiyear Contracting [FAC 90–40; FAR Case 94–712; Item VII] (RIN: 9000–AG72) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4255. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Small Business/Simplified Acquisition Threshold [FAC 90–40; FAR Case 94–782; Item VIII] (RIN: 9000–AH08) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4256. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Indian-Owned Economic Enterprises [FAC 90–40; FAR Case 91–028; Item IX] (RIN: 9000–AE52) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4257. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; General Agreement on Tariffs and Trade Patent Authorization [FAC 90–40; FAR Case 95–308; Item X] (RIN: 9000–AH09) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4258. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Performance and Payment Bonds [FAC 90–40; FAR Case 91–027; Item XI] (RIN: 9000–AE47) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4259. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Employee compensation Costs [FAC 90–40; FAR Case 93–005; Item XII] (RIN 9000–AF97) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4260. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Agency Procurement Protests [FAC 90–40; FAR Case 95–309; Item XIII] (RIN 9000–AH10) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4261. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Value Engineering [FAC 90–40; FAR Case 96–315; Item XIV] (RIN 9000–AH12) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4262. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Termination Inventory Schedules [FAC 90–40; FAR Case 94–003; Item XV] (RIN 9000–AG13) received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4263. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Federal Acquisition Regulation; Small Entity Compliance Guide [FAC 90–40; received July 18, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4264. A letter from the Assistant Secretary for Fish and Wildlife and Parks, Department of the Interior, transmitting the Department's study report on the American Discovery Trail, pursuant to 16 U.S.C. 1244(b); to the Committee on Resources.

4265. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Rolls-Royce, plc RB211 Series Turbofan Engines (Federal Aviation Administration) [Docket No. 94–ANE–39; Amendment 39–9672; AD 96–13–04] (RIN: 2120–AA64) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4266. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Pratt & Whitney PW4000 Series Turbofan Engines (Federal Aviation Administration) [Docket No. 96–ANE–10; Amendment 39–9676; AD 96–13–08] (RIN: 2120–AA64) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4267. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Sikorsky Aircraft Model S–76B Helicopters (Federal Aviation Administration) [Docket No. 96–SW–16–AD; Amendment 39–9696; AD 96–15–03] (RIN: 2120–AA64) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4268. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (Federal Aviation Administration) [Docket No. 28625; Amdt. No. 1740] (RIN: 2120–AA65) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4269. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (Federal Aviation Administration) [Docket No. 28627; Amdt. No. 1742] (RIN: 2120–AA65) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4270. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Standard Instrument Approach Procedures; Miscellaneous Amendments (Federal Aviation Administration) [Docket No. 28626; Amdt. No. 1741] (RIN: 2120–AA65) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4271. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Excess Flow Valve—Performance Standards (Research and Special Programs Administration) [Docket No. PS–118; Amendment 192–79] (RIN: 2137–AB97) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4272. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Excess Flow Valve—Customer Notification (Research and Special Programs Administration) [Docket No. PS–118A; Notice 1] (RIN: 2137–AC55) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4273. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Regulatory Review; Gas Pipeline Safety Standards; Correction (Research and Special Programs Administration) [Docket No. PS–124; Amdt. 192078] (RIN: 2137–AC25) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4274. A letter from the General Counsel, Department of Transportation, transmitting the Department's final rule—Qualification of Pipeline Control (Research and Special Programs Administration) [Docket No. PS–94; Notice 5] (RIN: 2137–AB38) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4275. A letter from the Administrator, Small Business Administration, transmitting the annual report on minority small business and capital ownership development for fiscal year 1995, pursuant to Public Law 100–656, section 408 (102 Stat. 3877); to the Committee on Small Business.

4276. A letter from the Assistant Secretary for Employment and Training, Department of Labor, transmitting the Department's final rule—Unemployment Insurance Program Letter No. 29–83, Change 3—received July 19, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

4277. A letter from the Chief, Regulations Unit, U.S. Customs Service, transmitting the Service's final rule—Rules of Origin for Textile and Apparel Products (19 CFR Part 102) received July 17, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

4278. A communication from the President of the United States, transmitting notification for DOD to make purchases and purchase commitments, and to enter into cost sharing arrangements for equipment to develop manufacturing processes under the Defense Production Act of 1950, as amended, pursuant to 50 U.S.C. app. 2093(a)(6)(A) (H. Doc. No. 104–249); jointly, to the Committees on Appropriations and Banking and Financial Services, and ordered to be printed.

4279. A letter from the Secretary of Transportation, transmitting a draft of proposed legislation to amend the act of May 13, 1954, Public Law 358 (33 U.S.C. 981, et seq.), as amended, to improve the operation, maintenance, and safety of the St. Lawrence Seaway, within the territorial limits of the United States, by establishing the Saint Lawrence Seaway Development Corporation as a performance based organization in the Department of Transportation, and for other purposes; jointly, to the Committees on Transportation and Infrastructure, Government Reform and Oversight, and the Budget.

4280. A letter from the Assistant Attorney General, Department of Justice, transmitting a draft of proposed legislation entitled the "Forfeiture Act of 1996"; jointly, to the Committees on the Judiciary, Ways and Means, Commerce, Resources, and Banking and Financial Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HYDE: Committee on the Judiciary. H.R. 740. A bill to confer jurisdiction on the U.S. Court of Federal Claims with respect to land claims of Pueblo of Isleta Indian Tribe (Rept. 104–694). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHUSTER: Committee on Transportation and Infrastructure. H.R. 3592. A bill to provide for conservation and development of water and related resources, to authorize the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States, and for other purposes; with an amendment (Rept. 104–695). Referred to the Committee of the Whole House on the State of the Union.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

[Omitted from the Record of July 18, 1996]

H.R. 2145. Referral to the Committee on Banking and Financial Services extended for a period ending not later than September 6, 1996.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. CHENOWETH (for herself, Mr. Pombo, Mr. Young of Alaska, Mr. Doolittle, Mr. Smith of Texas, Mr. Calvert, Mr. Stockman, Mr. Brewster, Mr. Cooley, Mr. Stump, Mrs. Cubin, Mr. Radanovich, Mr. Tauzin, Mr. Cunningham, Mr. Bartlett of Maryland, Mr. Dornan, Mr. Hastings of Washington, Mrs. Vucanovich, Mrs. Seastrand, Mr. Fields of Texas, Mr. Barton of Texas, Mr. Stenholm, Mr. Rohrabacher, Mr. Baker of Louisiana, Mr. Solomon, Mr. Laughlin, Mr. Hunter, Mr. Herger, Mrs. Myrick, Mr. Dickey, Mr. Crapo, Mr. Istook, Mr. McKeon, Mr. Hilleary, Mr. Burton of Indiana, Mr. Combest, Mr. Funderburk, Mr. Barr, Mr. McIntosh, Mr. Metcalf, Mr. Cox, Mr. Lucas, Mr. Riggs, Mr. Sam Johnson, and Mr. Hansen):

H.R. 3862. A bill to amend the Endangered Species Act of 1973 to clarify the intent of Congress and ensure that any person having any economic interest that is directly or indirectly harmed by a designation of critical habitat may bring a citizen's suit under that act; to the Committee on Resources.

By Mr. GOODLING (for himself, Mr. Greenwood, Mr. McKeon, Mr. Fattah, Mr. Fawell, Mr. Clinger, and Mr. Gekas):

H.R. 3863. A bill to amend the Higher Education Act of 1965 to permit lenders under the unsubsidized Federal Family Education Loan Program to pay origination fees on behalf of borrowers; to the Committee on Economic and Educational Opportunities.

By Mr. LaTOURETTE (for himself, Mr. Clinger, Mr. Horn, and Mr. Flanagan):

H.R. 3864. A bill to reform the management practices of the General Accounting Office, and for other purposes; to the Committee on Government Reform and Oversight.

By Mr. TORRICELLI:

H.R. 3865. A bill to require the Secretary of Housing and Urban Development to withhold public housing funding from public housing agencies in States that prevent or impede the eviction of a public housing tenant upon the initial violation of the terms of the tenant's lease; to the Committee on Banking and Financial Services.

By Mr. TOWNS (for himself, Mr. Greenwood, and Mr. Franks of Connecticut):

H.R. 3866. A bill to waive temporarily the Medicaid enrollment composition rule for certain health maintenance organization; to the Committee on Commerce.

By Mr. MICA:

H. Res. 485. Resolution electing Representative Klug of Wisconsin, to the Committee on Government Reform and Oversight; considered and agreed to.

By Mr. DOOLITTLE (for himself, Mr. DeLay, and Mr. Radanovich):

H. Res. 486. Resolution amending the Rules of the House of Representatives to require witnesses at committee hearings to submit statements identifying Federal grants or contracts received during the current and previous 2 fiscal years; to the Committee on Rules.

By Mr. HILLIARD (for himself, Miss Collins of Michigan, Mr. Flake, Ms. Brown of Florida, Ms. Eddie Bernice Johnson of Texas, Mr. Stokes, Ms. Jackson-Lee, Mrs. Meek of Florida, Mr. Wynn, Mr. Rangel, Mr. Payne of New Jersey, Mr. Conyers, Mr. Dixon, Mr. Fields of Louisiana, Mr. Jackson, Mr. Jefferson, Ms. Waters, Mr. Towns, Mr. Thompson, Mr. Owens, Mr. Clyburn, Mr. Hastings of Florida, Mr. Lewis of Georgia, Mr. Scott, Mr. Ford, Mrs. Clayton, Mrs. Collins of Illinois, Ms. Norton, Mr. Cummings, Mr. Rush, Mr. Fattah, Ms. McKinney, and Mr. Bishop):

H. Res. 487. Resolution recognizing Brown Chapel African Methodist Episcopal Church in Selma, AL, as a symbol of the struggle for and achievement of voting rights for African-Americans; to the Committee on Resources.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 26: Mr. Stearns.

H.R. 104: Mr. Evans.

H.R. 218: Mr. Neumann and Mr. Lipinski.

H.R. 312: Mr. Stearns.

H.R. 721: Mr. Stearns.

H.R. 878: Ms. Pryce.

H.R. 1100: Ms. Slaughter.

H.R. 1281: Mr. Owens and Mr. Waxman.

H.R. 1916: Mr. Barr.

H.R. 2011: Mr. Neal of Massachusetts, Mr. Borski, Mr. Martinez, Mr. Skaggs, Mr. Oberstar, Ms. Norton, and Mr. Visclosky.

H.R. 2019: Mrs. Chenoweth.

H.R. 2090: Mr. Sanford.

H.R. 2240: Mr. Hastert.

H.R. 2246: Ms. Furse.

H.R. 2421: Mr. Zeliff.

H.R. 2480: Mr. Walsh.

H.R. 2655: Mr. Shays.

H.R. 2748: Mr. Barrett of Wisconsin and Mr. Lewis of Georgia.

H.R. 2827: Mr. Boucher.

H.R. 2912: Mr. Frazer, Mr. Baldacci, and Mr. LaFalce.

H.R. 2962: Mr. Dellums and Mr. Green of Texas.

H.R. 2963: Mr. Vento and Ms. Rivers.

H.R. 3024: Mr. de la Garza, Mr. Hansen, Mr. Fattah, Mr. Livingston, Mr. Skeen, Mr. Torkildsen, Ms. Pelosi, Mr. Montgomery, Mr. Thompson, Mr. Funderburk, and Mr. Flanagan.

H.R. 3207: Mr. Goodlatte.

H.R. 3262: Mrs. Chenoweth.

H.R. 3393: Mr. Dixon.

H.R. 3424: Mr. Bryant of Texas.

H.R. 3456: Mr. Heineman.

H.R. 3460: Mr. LaHood.

H.R. 3469: Mr. Payne of Virginia.

H.R. 3477: Mr. Manton, Mr. Deutsch, Mr. Gonzalez, Mr. Frazer, and Mr. Evans.

H.R. 3518: Mr. Cunningham and Mr. Calvert.

H.R. 3556: Mr. Evans, Mr. Calvert, Mr. Martinez, and Mr. Green of Texas.

H.R. 3558: Mr. Richardson, Mr. Green of Texas, Mr. Stark, Mr. Frost, Mr. Miller of California, Ms. Lofgren, Mr. Bryant of Texas, Ms. Slaughter, Mr. Ackerman, Mr. Pete Geren of Texas, Mr. Foglietta, Mrs. Maloney, Mr. Coleman, Mrs. Thurman, and Mr. Kennedy of Massachusetts.

H.R. 3564: Mr. Durbin, Mr. Dingell, and Mr. Shays.

H.R. 3580: Mr. Jones, Mr. Calvert, Mr. Wicker, Mr. Livingston, and Mr. Cooley.

H.R. 3627: Mr. Hansen.

H.R. 3645: Mr. Ensign, Mr. Horn, Mr. Gilman, Mr. Ward, Mr. Porter, and Mr. Boehlert.

H.R. 3647: Mr. Stockman.

H.R. 3654: Mr. Peterson of Florida, Mr. Baesler, Mr. Manton, Mr. Solomon, Mr. Sanford, and Mr. Wicker.

H.R. 3710: Mr. Dellums, Mr. Stark, Mr. Owens, Mr. Evans, Mr. Bonior, Mr. Fazio of California, Mr. Deutsch, Mr. Frank of Massachusetts, Mr. Miller of California, Mr. Poshard, Mr. Montgomery, and Mr. Horn.

H.R. 3714: Mr. Torres, Mr. Ackerman, Mr. Yates, and Mr. Mascara.

H.R. 3724: Mr. Stark and Mrs. Lowey.

H.R. 3729: Ms. Slaughter and Mr. Hastings of Florida.

H.R. 3746: Mr. Cummings.

H.R. 3753: Mr. DeFazio, Mr. Ganske, Mr. Gutknecht, Mr. Minge, and Mr. Nethercutt.

H.R. 3775: Mrs. Thurman, Mr. Weldon of Florida, and Mr. Rose.

H.R. 3778: Mr. Stockman.

H.R. 3792: Mr. Brownback and Mr. Sanford.

H.R. 3794: Mr. Sanders.

H.R. 3839: Mr. Torkildsen, Ms. Brown of Florida, and Mr. Jackson of Illinois.

H.R. 3856: Mr. Payne of Virginia.

H.J. Res. 173: Mr. Horn and Ms. Greene of Utah.

H.J. Res. 174: Mr. Horn, Ms. Greene of Utah, and Mr. Stump.

H. Con. Res. 175: Mr. Towns.

H. Con. Res. 191: Mr. Smith of New Jersey, Mr. Quinn, Mr. Spence, Mrs. Kelly, Mr. Kennedy of Massachusetts, Mr. Meehan, Mr. Dooley, and Ms. Roybal-Allard.

H. Con. Res. 196: Mr. Hutchinson.

DELETION OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 3467: Ms. DANNER.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3814

OFFERED BY: MR. BROWN OF CALIFORNIA

AMENDMENT NO. 20: Page 56, line 11, after the dollar amount insert "(reduced by 44,099,000)".

Page 56, line 12, after the dollar amount insert "(increased by $4,099,000)".

Page 56, beginning at line 12, after "National Weather Service," insert "including $429,715,000 for Operations and Research, Local Warnings and Forecasts".

Page 56, line 15, after the period add the following: "No funds made available under this heading may be used for the Great Lakes sea lampricide eradication program administered by the Department of State or the Regional Climate Centers of the National Weather Service.".

H.R. 3814

OFFERED BY: MR. DEUTSCH

AMENDMENT NO. 21: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . Of the funds appropriated in this Act under the heading "OFFICE OF JUSTICE PROGRAMS—state and local law enforcement assistance", not more than ninety percent of the amount to be allocated to a State under part Q of title I of the Omnibus Crime Control and Safe Streets Act of 1968 shall be made available to a State when it is made known to the Federal official having authority to obligate or expend such funds that such State or units of local government in such State do not provide a public safety officer (as such term is defined in section 1204 of title I of the Omnibus Crime Control and safe Streets Act of 1968) who is separated from service due to injury suffered as the direct and proximate result of a personal injury sustained in the line of duty (in response to an emergency situation or a hot pursuit as such terms are defined by State law) with the same or better level of health insurance benefits that are paid by such State or unit of local government at time of separation.

H.R. 3814

OFFERED BY: MS. FURSE

AMENDMENT NO. 22: Page 55, line 4, after the dollar amount insert the following: "(increased by $19,350,000)".

Page 55, line 14, after the dollar amount insert the following: "(increased by $19,350,000)".

Page 56, line 4, after the dollar amount insert the following: "(increased by $19,350,000)".

Page 56, line 5, after the dollar amount insert the following: "(increased by $19,350,000)".

Page 56, line 9, after the dollar amount insert the following: "(increased by $4,000,000)".

Page 56, line 10, after the dollar amount insert the following: "(increased by $15,350,000)".

Page 84, line 21, after the dollar amount insert the following: "(reduced by $19,750,000)".

Page 103, line 12, after the dollar amount insert the following: "(increased by $400,000)".

H.R. 3814

OFFERED BY: MS. FURSE

AMENDMENT NO. 23: Page 55, line 4, after the dollar amount insert the following: "(increased by $6,000,000)".

Page 55, line 14, after the dollar amount insert the following: "(increased by $6,000,000)".

Page 56, line 4, after the dollar amount insert the following: "(increased by $6,000,000)".

Page 56, line 5, after the dollar amount insert the following: "(increased by $6,000,000)".

Page 56, line 10, after the dollar amount insert the following: "(increased by $6,000,000)".

Page 84, line 21, after the dollar amount insert the following: "(reduced by $6,000,000)".

H.R. 3814

OFFERED BY: MR. GOSS

AMENDMENT NO. 24: In title I, in the item relating to "DEPARTMENT OF JUSTICE—OFFICE OF JUSTICE PROGRAMS—VIOLENT CRIME REDUCTION PROGRAMS, STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE", after each of the first and seventh dollar amounts, insert the following: "(increased by $339,500,000)".

In title II, in the item relating to "DEPARTMENT OF COMMERCE—ECONOMIC DEVELOPMENT ADMINISTRATION—ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS", after the dollar amount, insert the following: "(reduced by $328,500,000)".

In title II, in the item relating to "DEPARTMENT OF COMMERCE—ECONOMIC DEVELOPMENT ADMINISTRATION—SALARIES AND EXPENSES", after the dollar amount, insert the following: "(reduced by $11,000,000)".

H.R. 3814

OFFERED BY: MR. GOSS

AMENDMENT NO. 25: In title I, in the item relating to "DEPARTMENT OF JUSTICE—OFFICE OF JUSTICE PROGRAMS—VIOLENT CRIME REDUCTION PROGRAMS, STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE", after each of the first and seventh dollar amounts, insert the following: "(increased by $174,250,000)".

In title II, in the item relating to "DEPARTMENT OF COMMERCE—ECONOMIC DEVELOPMENT ADMINISTRATION—ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS", after the dollar amount, insert the following: "(reduced by $328,500,000)".

In title II, in the item relating to "DEPARTMENT OF COMMERCE—ECONOMIC DEVELOPMENT ADMINISTRATION—SALARIES AND EXPENSES", after the dollar amount, insert the following: "(reduced by $20,000,000)".

H.R. 3814

OFFERED BY: MR. GOSS

AMENDMENT NO. 26: After title II, insert the following new title:

TITLE II-A—REVISIONS OF AMOUNTS FOR DEPARTMENTS OF JUSTICE AND COMMERCE

ADDITIONAL AMOUNTS FOR STATE PRISON GRANTS AND REDUCTION OF AMOUNTS FOR ECONOMIC DEVELOPMENT ADMINISTRATION

The amount provided in title I for "DEPARTMENT OF JUSTICE—OFFICE OF JUSTICE PROGRAMS—VIOLENT CRIME REDUCTION PROGRAMS, STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE" is increased, the portion of such amount for "DEPARTMENT OF JUSTICE—OFFICE OF JUSTICE PROGRAMS—VIOLENT CRIME REDUCTION PROGRAMS, STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE" that is specified under such heading to be for Violent Offender Incarceration and Truth in Sentencing Incentive Grants pursuant to subtitle A of title II of the Violent Crime Control and Law Enforcement Act of 1994 is increased, the amount provided in title II for "DEPARTMENT OF COMMERCE—ECONOMIC DEVELOPMENT ADMINISTRATION—ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS" is reduced, and the amount provided in title II for "DEPARTMENT OF COMMERCE—ECONOMIC DEVELOPMENT ADMINISTRATION—SALARIES AND EXPENSES" is reduced, by $339,500,000, $339,500,000, $328,500,000, and $11,000,000, respectively.

H.R. 3814

OFFERED BY: MR. GOSS

AMENDMENT NO. 27: After title II, insert the following new title:

TITLE II-A—REVISIONS OF AMOUNTS FOR DEPARTMENTS OF JUSTICE AND COMMERCE

ADDITIONAL AMOUNTS FOR STATE PRISON GRANTS AND REDUCTION OF AMOUNTS FOR ECONOMIC DEVELOPMENT ADMINISTRATION

The amount provided in title I for "DEPARTMENT OF JUSTICE—OFFICE OF JUSTICE PROGRAMS—VIOLENT CRIME REDUCTION PROGRAMS, STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE" is increased, the portion of such amount for "DEPARTMENT OF JUSTICE—OFFICE OF JUSTICE PROGRAMS—VIOLENT CRIME REDUCTION PROGRAMS, STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE" that is specified under such heading to be for Violent Offender Incarceration and Truth in Sentencing Incentive Grants pursuant to subtitle A of title II of the Violent Crime Control and Law Enforcement Act of 1994 is increased, the amount provided in title II for "DEPARTMENT OF COMMERCE—ECONOMIC DEVELOPMENT ADMINISTRATION—ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS" is reduced, and the amount provided in title II for "DEPARTMENT OF COMMERCE—ECONOMIC DEVELOPMENT ADMINISTRATION—SALARIES AND EXPENSES" is reduced, by $174,250,000, $174,250,000, $328.500,000, and $20,000,000, respectively.

H.R. 3814

OFFERED BY: MR. GUTKNECHT

AMENDMENT NO. 28: Page 116, after line 2, insert the following new section:

SEC. 615. Each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 1.9 percent.

H.R. 3814

OFFERED BY: MR. HEFLEY

AMENDMENT NO. 29: After title II, insert the following new title:

TITLE II-A—REVISIONS OF AMOUNTS FOR DEPARTMENTS OF JUSTICE AND COMMERCE

ADDITIONAL AMOUNTS FOR STATE PRISON GRANTS AND REDUCTION OF AMOUNTS FOR ECONOMIC DEVELOPMENT ADMINISTRATION

The amount provided in title I for "DEPARTMENT OF JUSTICE—OFFICE OF JUSTICE PROGRAMS—VIOLENT CRIME REDUCTION PROGRAMS, STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE" IS INCREASED, THE PORTION OF SUCH AMOUNT FOR "DEPARTMENT OF JUSTICE—OFFICE OF JUSTICE PROGRAMS—VIOLENT CRIME REDUCTION PROGRAMS, STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE" that is specified under such heading to be for Violent Offender Incarceration and Truth in Sentencing Incentive Grants pursuant to subtitle A of title II of the Violent Crime Control and Law Enforcement Act of 1994 is increased, the amount provided in title II for "DEPARTMENT OF COMMERCE—ECONOMIC DEVELOPMENT ADMINISTRATION—ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS" is reduced, and the amount provided in title II for "DEPARTMENT OF COMMERCE—ECONOMIC DEVELOPMENT ADMINISTRATION—SALARIES AND EXPENSES" is reduced, by

$100,000,000, $100,000,000, $164,250,000, and $10,000,000, respectively.

H.R. 3814

OFFERED BY: MR. KENNEDY OF MASSACHUSETTS

AMENDMENT NO. 30: In title I, in the item relating to "DEPARTMENT OF JUSTICE—OFFICE OF JUSTICE PROGRAMS—VIOLENT CRIME REDUCTION PROGRAMS, STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE", AFTER "OF WHICH $170,000,000 SHALL BE AVAILABLE FOR PAYMENTS TO STATES FOR INCARCERATION OF CRIMINAL ALIENS,", INSERT THE FOLLOWING:

of which $42,000,000 shall be available for Federal, State, and local drug testing initiatives,

H.R. 3814

OFFERED BY: MS. MOLINARI

Amendment No. 31: In title I, at the end of the item relating to "GENERAL PROVISIONS—DEPARTMENT OF JUSTICE", insert the following new section:

SEC. . It is the sense of the Congress that the Drug Enforcement Administration, together with other appropriate Federal agencies, should take such actions as may be necessary to end the illegal importation into the United States of Rohypnol (flunitrazepam), a drug frequently distributed with the intent to facilitate sexual assault and rape.

H.R. 3814

OFFERED BY: MR. MOLLOHAN

AMENDMENT NO. 32. On page 12, line 21, after the dollar amount, insert the following: "(reduced by $14,000,000)".

On page 21, line 9, after the dollar amount, insert the following: "(reduced by $45,000,000)".

On page 53, line 6, after the dollar amount, insert the following: "(reduced by $33,748,000)".

On page 66, line 23, after the dollar amount, insert the following: "(reduced by $12,000,000)".

On page 73, line 1, after the dollar amount, insert the following: "(reduced by $14,000,000)".

On page 99, line 14, after the dollar amount, insert the following: "(increased by $109,000,000)".

On page 99, line 15, after the dollar amount, insert the following: "(increased by $109,000,000)".

On page 103, line 17, after the dollar amount, insert the following: "(reduced by $10,000)".

On page 103, line 25, after the dollar amount, insert the following: "(reduced by $25,000,000)".

On page 106, line 7, after the dollar amount, insert the following: "(reduced by $25,000,000)".

H.R. 3814

OFFERED BY: MS. NORTON

AMENDMENT NO. 33. At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . The amount provided in this Act for "Equal Employment Opportunity Commission—Salaries and Expenses" is increased, and each other amount provided in this Act that is not required to be provided by a provision of law is reduced, by $13,000,000 and 0.06 percent, respectively.

H.R. 3814

OFFERED BY: MR. PORTER

AMENDMENT NO. 34: Page 73, line 1, after the dollar amount, insert the following: "(reduced by $5,000,000)".

Page 87, line 13, after the dollar amount, insert the following: "(increased by $5,000,000)".

H.R. 3814

OFFERED BY: MR. ROEMER

AMENDMENT NO. 35: Page 14, line 16, after the dollar amount, insert "(reduced by $4,000,000)".

Page 14, line 21, after the dollar amount, insert "(reduced by $4,000,000)".

Page 20, line 10, after the dollar amount, insert "(reduced by $6,000,000)".

Page 20, line 12, after the dollar amount, insert "(reduced by $6,000,000)".

Page 20, line 25, after the dollar amount, insert "(reduced by $2,000,000)".

Page 23, line 18, after the dollar amount, insert "(reduced by $6,600,000)".

Page 55, lines 4 and 14, after the dollar amount, insert "(increased by $16,000,000)".

Page 56, line 12, after the dollar amount, insert "(increased by $16,000,000)".

Page 56, line 13, after the dollar amount, insert "(increased by $4,600,000)".

Page 59, line 11, after the dollar amount, insert "(reduced by $2,000,000)".

H.R. 3814

OFFERED BY: MR. SCHIFF

AMENDMENT NO. 36: Page 25, line 17, after the dollar amount, insert the following: "(increased by $10,000,000)".

Page 48, line 7, after the dollar amount, insert the following: "(reduced by $10,000,000)".

H.R. 3814

OFFERED BY: MR. SCHIFF

AMENDMENT NO. 37: Page 25, line 17, after the dollar amount, insert the following: "(increased by $10,000,000)".

Page 50, line 20, after the dollar amount, insert the following: "(reduced by $5,000,000)".

Page 50, line 24, after the dollar amount, insert the following: "(reduced by $5,000,000)".

H.R. 3814

OFFERED BY: MRS. SCHROEDER

AMENDMENT NO. 38: Page 21, line 9, after the dollar amount, insert the following: "(reduced by $14,000,000)".

Page 95, line 25, after the dollar amount, insert the following: "(increased by $13,000,000)".

H.R. 3814

OFFERED BY: MRS. SCHROEDER

AMENDMENT NO. 39: Page 116, after line 2, insert the following new section:

SEC. 615. The amounts otherwise provided by this Act are revised by increasing the amount made available for "EQUAL EMPLOYMENT OPPORTUNITY COMMISSION—SALARIES AND EXPENSES", and reducing the amount made available for "DEPARTMENT OF JUSTICE—FEDERAL PRISON SYSTEM—SALARIES AND EXPENSES", by $13,000,000 and $14,000,000, respectively.

H.R. 3814

OFFERED BY: MR. SCHUMER

AMENDMENT NO. 40: In the item relating to "DEPARTMENT OF JUSTICE—OFFICE OF JUSTICE PROGRAMS—VIOLENT CRIME REDUCTION PROGRAMS, STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE"—

(1) after each of the first and second dollar amounts, insert the following: "(reduced by $5,000,000)"; and

(2) at the end of such item, insert the following:

In addition, for local firefighter and emergency services training grants authorized by section 819 of the Antiterrorism and Effective Death Penalty Act of 1996 (Pub. L. 104–132; 110 Stat. 1316), $5,000,000.

H.R. 3814

OFFERED BY: MR. SCHUMER

AMENDMENT NO. 41: Page 26, line 20, after the dollar amount, insert the following: "(reduced by $20,000,000)".

Page 26, line 23, after the dollar amount, insert the following: "(reduced by $20,000,000)".

Page 30, after line 18, insert the following:

In addition, (1) for the provision of counterterrorism technology assistance authorized by section 820 of the Antiterrorism and Effective Death Penalty Act of 1996 (Pub. L. 104–132), $10,000,000; and (2) for counterterrorism technology research and development activities authorized by section 821 of such Act, $10,000,000.

H.R. 3816

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 42: Page 34, after line 24, insert the following:

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court of Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

H.R. 3816

OFFERED BY: MR. GUTKNECHT

AMENDMENT NO. 5: Page 36, after line 10, insert the following new section:

SEC. 506. Each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 1.9 percent.

H.R. 3816

OFFERED BY: MR. KLUG

AMENDMENT NO. 6: Page 30, line 3, after the dollar amount, insert the following: "(reduced by $28,500,000)".

H.R. 3816

OFFERED BY: MR. KLUG

AMENDMENT NO. 7: Page 34, line 2, after the dollar amount, insert the following: "(reduced by $16,000,000)".

Page 34, line 9, strike the colon and all that follow through "activities" on line 12.

H.R. 3816

OFFERED BY: MR. ROEMER

AMENDMENT NO. 8: Page 17, line 21, strike "$2,648,000,000" and insert in lieu thereof "$2,638,000,000".

H.R. 3816

OFFERED BY: MR. ROEMER

AMENDMENT NO. 9: Page 17, line 21, strike "$2,648,000,000" and insert in lieu thereof "$2,638,400,000".

H.R. 3816

OFFERED BY: MR. ROHRABACHER

AMENDMENT NO. 10: Page 17, line 21, after the dollar amount, insert the following: "(reduced by $1,000)".

Page 17, line 23, after the dollar amount, insert the following: "(reduced by $5,200,000)".

EXTENSIONS OF REMARKS

HIGH-TECHNOLOGY RESURGENCE IN LOS ANGELES OFFERS PROMISE OF ECONOMIC GROWTH

HON. JANE HARMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Ms. HARMAN. Mr. Speaker, for some time it has been clear to me that America can no longer afford to maintain two separate industrial bases—one for defense and another for commercial products. The cost and inefficiencies are too great, and we are finally beginning to learn that each sector can leverage the advances of the other.

The key to leveraging is dual-use partnerships, which have been at the core of several small Federal research programs like the Advanced Technology Program, the Technology Reinvestment Program and the Manufacturing Extension Partnership—each of which has been targeted for reduced funding, if not elimination, in this Congress.

Recently, Joel Kotkin contributed an article to the Los Angeles Times noting how recent trends in dual-use research are restoring strength and vibrancy to the economy of southern California. Several of the examples are the result of changing policies and procurement patterns in the U.S. military. More importantly, all are examples of how businesses in southern California are taking advantage of the rich defense industry heritage and the continuing high quality of workers—an example that may be a model for other parts of the country.

I commend the article to my colleagues:

[From the Los Angeles Times, July 7, 1996]

THE "SILVER" AGE OF STATE'S DEFENSE-AEROSPACE ECONOMY

(By Joel Kotkin)

The end of the Cold War seemed to mark the demise of Southern California's defense and aerospace-driven "golden age," throwing the state into its worst recession in decades. But the region's heritage as the world leader in military and space technology is now poised to boost its burgeoning information age economy.

Indeed, the announcement on Tuesday that Lockheed-Martin will build the new X-33 reusable spacecraft at its Palmdale facility, creating about 2,000 new jobs, fits into a wider picture of a restored Southland aerospace and defense industry.

Between the late 1980s and last year, roughly 55%, or 175,000, California aerospace-related workers lost their jobs. This year, despite widespread predictions of 20,000 additional layoffs, the industry seems to have stabilized; economist Stephen Levy sees the once-reeling sector creating net new jobs through 1998.

Nowhere will this reversal of fortune be more positively felt than in the Los Angeles area—where 80% of all the state's aerospace job losses occurred, including 50,000 in 1993 alone. Even as the two other pegs of the local economy—the "creative industries" and international trade—have grown robustly, the depth of the defense-aerospace downturn seriously slowed growth in the critical high-technology sector.

The recent recovery in aerospace and defense electronics is critical because it has the potential to restore the region's once-strong reputation as a center for technology development. During the economic free-fall of the early 1990s, Southern California was viewed nationally—and often viewed itself—as a technological laggard behind such areas as the Bay Area, Seattle and even Utah. This image of Southern California as little more than a "tinsel town" surrounded by Third World misery hurt the recruitment and promotional efforts of technology-related companies in such disparate fields as computer software and multimedia.

But today, with the resurgence in high-tech aerospace and defense electronics, Southern California's position as a leading edge economic region is being restored. Los Angeles County now has an annual job growth rate equal to Seattle and higher than San Francisco—both widely regarded as boomtowns. For the first time in years, L.A. County's employment engine is running hotter than that in suburban Orange County and the Inland Empire.

The improving defense-aerospace picture stems, in part, from changing federal procurement patterns, growing diversification into commercial fields by local defense companies and increased aircraft sales. Perhaps most important, the turn-around reflects a new emphasis in the U.S. military: away from large-scale weapons systems and toward information technologies. This shift represent, in the words of one analyst at the Army War College, "a revolution in military affairs."

The military's new direction has played directly to Southern California's strength in defense electronics. It is increasingly clear that the Persian Gulf War, with its reliance on satellites and "smart" weapons, represented only the first phase of a continuing "digitalization" of military systems—encompassing sophisticated battlefield communications systems, satellites and anti-missile technology.

Engineers and scientists at TRW, for example, are working on a series of advanced systems for the army's elite Force XXI, which is expected to become the model for the new, "digitized" army. Among the projects being worked on at TRW, most of whose defense operations are in the South Bay, are a new system of computer communications devices for mechanized forces; a special high-frequency identification system designed to prevent "friendly fire" accidents, and laser technologies designed to shoot down incoming missiles from terrorists.

As a result, TRW—a firm that cut roughly 9,000 jobs during the early 1990s—added more than 1,200 last year, largely high-skilled, well-paid workers. And it is planning to add another 1,300 this year. The decision to grow in Southern California is due largely to the region's work force—which leads the nation in mathematicians, engineers and skilled technologists. As an overall scientific research center, the Southern California region ranks third nationally, behind only San Francisco and Boston.

"We chose to stay where are—and we have asked the question—because fundamentally the No. 1 driver is the pool of technical talent." explains Fred Brown, TRW group vice president for Space and Electronics. More than half of his division's recent hires, he estimates, come from local colleges and universities.

Much the same process can be seen at other key defense firms in Southern California. Rockwell recently added 400 new jobs at its Anaheim Autonetics and Missile Systems plant and Hughes Electronics is expected to add another thousand workers this year. Although this is not the en masse hiring of factory workers that occurred in the 1980s and earlier, it signals a marked improvement in market conditions for the region's scientific, engineering and technical talent.

Contributing much to the improving prospect has been the ability of defense firms, both large and small, to shift technologies into commercial markets. In contrast to the heavily hyped but relatively ineffective government "conversion" programs, such as the Calstart electric car effort, Los Angeles' real defense restructuring has been a classically capitalist "creative destruction"—with the associated dose of pain.

Take TRW's gallium arsenide technology, developed for military use in satellite and communications systems. It now has large new markets in such commercial areas as cellular phones, leading TRW to consider keeping its Redondo Beach foundry on 24-hour shifts to meet both commercial and military demand.

Similarly, Hughes, based in El Segundo, has focused on its satellite technology and its successful Direct TV enterprise, turning the defense firm into something of a telecommunications superpower. Defense has dropped from nearly two-thirds of the company's from nearly two-thirds of the company's revenues in the late 1980s to roughly 40%. Rockwell, another aerospace powerhouse, has cut its dependence on defense spending over the past decade from 50% to 15%. High-tech electronics now account for the largest share of company revenues.

An equally dramatic conversion has taken place among a plethora of smaller technology companies. Nurtured by research monies from the military or NASA, these firms are now shifting into commercial markets.

Particularly promising are a group of companies now using military-derived simulation and image processing technology to enter such growth fields as special effects and educational software. Raj Dutt, President of R&D Laboratories in Culver City, has spent a decade creating advanced satellite systems for the military. Now the same technology can also be used to carry heavy data loads, something of increasing interest to telecommunications and entertainment firms.

Dutt, who expects to boost his nondefense share of business from 10% to nearly half over the next two years, suggests the biggest

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

problem for companies like his may be "cultural." Essentially, defense firms, large and small, must move away from their ultra-metriculous, 8-to-4 culture, to the more fast-paced environment characteristic of the commercial sector. "We have to learn how to compete in the real world," says Dutt, a Caltech-trained physicist.

Yet, like RDL, many smaller defense firms find confronting reality not only necessary, but profitable. Perceptronics, based in Woodland Hills, is now using its warfare-honed simulation system for such things as electronic training systems for commercial trucking companies. Illusion Inc., a small contractor in Westlake Village, is now taking "virtual reality" technology, developed for designing aircraft and military training exercises, into such diverse venues as museums and movie special effects. In each of the past three years, Illusion Inc. has doubled its revenues and expects to expand to 50 employees by 1997, up from its current 20. "The future for companies like ours," said Peter Beale, Illusion Inc.'s chairman, "is to combine the creative vision of Hollywood with the engineering vision of the defense industry."

Such new uses for military technology and talents could also prove critical in providing the Southland economy with an important new source of high-wage jobs that lessen its current dependence on the volatile film industry or the always uncertain course of foreign trade. As Southern California begins to harvest the overlooked fruits of its rich defense industry heritage, it may enjoy the broad, diversified economic recovery that many thought could never happen here again.

ENDING STUDENT SUBSIDIES

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Mr. DUNCAN. Mr. Speaker, I recently received a copy of an article that was written by Ross Booher and Kevin W. Jones entitled, "Ending Student Subsidies". One young man is currently attending the University of Tennessee Law School, and the other is just entering. Both Ross and Kevin are not only excellent students, but they are citizens who I am certain will contribute greatly to our society and its future.

I request that a copy of this article, "Ending Student Subsidies" be placed in the RECORD at this point, so I can call it to the attention of my colleagues and other readers of the RECORD.

[From the Chronicle of Higher Education, Nov. 24, 1995]

ENDING STUDENT SUBSIDIES

(By Ross I. Booher and Kevin W. Jones)

Although college lobbyists apparently have persuaded Congress to abandon plans to eliminate the federal interest subsidy on guaranteed student loans this year, lawmakers are likely to scrutinize the program again in the future as they search for ways to cut wasteful government spending. We urge them to do so. Even though we are students who currently enjoy the benefits of this taxpayer largess, we believe that the interest subsidy should be dropped, American taxpayers spend almost $2.5-billion a year for interest on guaranteed loans while the borrowers are students and for six months after they graduate. The borrowers never repay any of this interest.

We believe that this subsidy amounts to a taxpayer-financed gift to people who neither need it nor deserve it. Eliminating the subsidy would not make student loans or a college education less available, because the loans themselves still could be obtained. Further, the maximum amount that could be borrowed would remain the same; students would not pay any interest while they were in school; and they would continue to have a six-month grace period after graduation before the began repayment. The only change we suggest is that once students begin repayment, they pay all the interest that has accrued. The interest should be added to the student's debt, not to the national debt.

We believe that students, and everyone else, would be better served by a stronger economy. We are willing to "sacrifice," not out of altruism, but because we and everyone else will benefit from a national economy not bogged down by federal debt. According to the U.S. Treasury Department's latest estimates, the federal government is nearly $5-trillion in debt. Unless we cut all but the most-essential spending the interest on the national debt alone will soon consume almost all federal tax revenue. This scenario augurs ill for the schooled and unschooled alike? All federally financed programs would be endangered.

Many who oppose ending the subsidy fear that, without it, students from lower-and even middle-income backgrounds will be unable to afford higher education. This fear is unfounded. Students who are willing to borrow money to pay for college still would be able to do so, but, as the people who benefit from the loan (and the education), they simply would have more to repay after graduation. Isn't it reasonable for the recipient of education to have to pay for it, particularly when the financial rewards of college continue to far outweigh the costs?

The U.S. Department of Education calculates that eliminating the federal interest subsidy would increase the loan repayment of an undergraduate student who chooses to borrow the maximum amount available during his or her undergraduate year by about $69 per month during the standard 10-year repayment period. Even this, the highest possible increase, would easily fit into the budget of most college graduates—who, according to the most recent census data available, earn $1,039 per month more than the average high-school graduate. The vast majority of undergraduates, however, borrow far less than the maximum loan amount, and thus the increases in their payments would be smaller.

What about more-expensive graduate and professional degrees, such as those in medicine and law? Will students be able to afford them without the interest subsidy? Again, the answer is yes, The Department of Education calculates that eliminating the interest subsidy would increase the payments of the average student who receives Ph.D., and who chooses to borrow the maximum amount available, by about $382 per month during the standard 10-year repayment period. This is a great deal of money, but, according to the U.S. Census Bureau, the average Ph.D. recipient earns $3,853 per month and the average recipient of a professional degree earns $4,961 per month. The comparable figures for people with a bachelor's degree and people with a high-school diploma are $2,116 and $1,077, respectively.

Looking at the big picture, those who borrow the maximum among of $138,500 to obtain a doctoral degree enable themselves to earn an average of $1.4-million more during their lifetime than the average high-school graduate. Recipients of a professional degree in fields such as law and medicine earn, on average, a staggering $2.2-million more than the average high-school graduate.

Organizations lobbying to preserve the interest subsidy, such as the American Medical Student Association and the Student Osteopathic Medical Association, point out that, in the years immediately following graduation, many people who earn a graduate or professional degree earn very little relative to the amount of debt they have incurred. According to the A.M.S.A., medical doctors can earn an average of about $2,500 per month during residency training. The A.M.S.A. currently argues that it is difficult to make payments on a $100,000-plus student loan with such a salary.

For this very reason, the government provides the option of temporarily or permanently making payments on a 30-year repayment schedule. This method dramatically lowers monthly payments, by spreading them out over a longer period. When borrowers complete their postgraduate training and begin to realize the financial rewards of their education investment, they may choose to return to the standard 10-year repayment schedule, thus lowering the total interest they will pay. We believe that this option makes eliminating the subsidy relatively painless, even for those whose earnings are not very high immediately after they receive their advanced degree.

Some supporters of the interest subsidy point out that not all jobs requiring a college education pay the Census Bureau's "average salary.' Wouldn't losing the interest subsidy hurt students who choose to incur student-loan debts and then enter occupations that pay very little? Again, provisions already are in place to address that concern. First, most students now begin repaying their loans six months after they graduate, but longer deferments are granted for a variety of reasons—including unemployment, a return to full- or half-time student status, acceptance of an academic fellowship, and economic hardship. Further, if graduate serve in a public-service position (for instance, as a nurse, public-school teacher, member of the armed forces, or peace Corps or Vista volunteer), their loans may be partially or completely paid by taxpayers—who receive obvious benefits from the graduates' service.

What about students who borrow because they want to attend an expensive private college or university, but then decide to enter a low-paying field not included in the public-service category above? Such students may find that, in a world of limited resources, they cannot always have everything they want: They may have to choose between pursuing a low-paying career and attending an expensive college.

Of course, they may decide that they want to do both badly enough to be willing to take out student loans and accept a 30-year repayment schedule and a lower standard of living. If that is their choice, it should be their responsibility to cope with the consequences, not that of the American taxpayer.

JESSE OWENS' LEGACY STANDS: A SPECIAL SALUTE TO OLYMPIC COMPETITORS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Mr. STOKES. Mr. Speaker, a few days ago, the games of the 1996 summer Olympics began. The city of Atlanta is hosting the biggest Olympics ever with more than 10,000 athletes from 197 countries gathered for the centennial games. This includes an Olympic-record 4,000 women athletes who are competing in Atlanta. The 16 days of Olympic competition promises to be exciting from start to finish.

I am proud that the 1996 Olympics include outstanding athletes from the great State of Ohio. Our State is represented in many of the Olympic events, including gymnastics, swimming, track and field, diving, archery, and team handball, just to name a few. I take pride in saluting these outstanding athletes as they strive for victory in the Olympic arena. I also salute the Olympic team coaches and assistant coaches who were selected from the State of Ohio.

Mr. Speaker, as the Olympic games get underway, many articles are being written about previous Olympic champions. I read with interest an article which appeared in the July 15, 1996, edition of USA Today. In that article it is reported that the sports staff was asked to vote on the greatest moments in Olympic history. They were unanimous in selecting Jesse Owens' 1936 performance as the one that best signifies the Olympic spirit.

We are reminded that 60 years ago, the world watched as Jesse Owens became the first person in the history of the Olympics to capture four gold medals. In accomplishing this feat, Jesse Owens, the son of a sharecropper and grandson of a slave, shattered Adolf Hitler's hopes for Aryan supremacy in the games. Owens also captured the hearts of the world with his stunning performance and remarkable grace.

Jesse Owens died in 1980 at the age of 66. Throughout his life, he continued to exhibit the type of spirit that made him an Olympic hero and American legend. Jesse Owens is perhaps the greatest athlete who ever lived. I am proud that this Olympic hero was reared and attended school in my congressional district. I am also proud to be the author of legislation which awarded Congress' highest honor, the Congressional Gold Medal, to Jesse Owens posthumously.

Mr. Speaker, I want to share the USA Today article which is entitled, "Owens' Legacy Stands," with my colleagues and others throughout the Nation. I applaud the athletes who are gathered in Atlanta for the summer games. It is my hope that they will be inspired by Jesse Owens and his achievements. As we celebrate the centennial Olympics, we pay tribute to the memory of this great American.

[From USA Today, July 15, 1996]

OWENS' LEGACY STANDS

HIS SUPREME STATEMENT STILL INSPIRES IN '96

(By Gary Mihoces)

Adolf Hitler planned a 400,000-seat stadium in Germany to host the Olympics for all time, according to his chief architect. At the 1936 Berlin Games, he settled for a 110,000-seat stadium to showcase his belief in Aryan supremacy.

But Jesse Owens made his statement at those '36 Games with four gold medals in the sprints and long jump, a track and field feat matched only by Carl Lewis during the boycotted 1984 Games.

With 16 days of Olympic competition about to begin in Atlanta, USA TODAY staffers selected 16 moments best signifying the Olympic spirit.

Owens' performance was rated the ultimate. His legacy—not Hitler's giant stadium—looms over every Olympics.

"I don't think I've been anywhere (that) anybody who is a sports fan has not heard of Jesse Owens," says Harrison Dillard, who was inspired by Owens to become an Olympic track champion himself in 1948 and 1952. "It's not only what he did, but the circumstances under which he did it, right there in front of Hitler."

Owens, son of an Alabama sharecropper and grandson of a slave, represented the USA when blacks were barred from major pro sports at home. He competed in a Berlin where Hitler's brand of racial superiority was official policy.

Hitler already had stripped Jews of citizenship, but anti-Jewish signs were taken down during the Games. Nazi newspapers downplayed their references to the "black auxiliaries" of the U.S. team.

Owens had been a sensation at Ohio State, where in a 1935 meet he broke three world records and tied another.

"He was only 23. He was very focused on why he was there, to do the best he could in his events," says Owens' daughter, Marlene Rankin. "I don't think he was very conscious of what was happening politically."

One popular story was that Hitler snubbed Owens by refusing to shake his hand. According to the book *The Nazi Olympics* by Richard Mandell, the International Olympic Committee sent word to Hitler after the first day's competition that "he should congratulate all or none" of the medalists and that Hitler chose the latter.

So when Owens won the 100 on the second day, he wasn't greeted by Hitler, "nor was any other winner on that or any of the following days," Mandell writes.

Owens later said, "It was all right with me. I didn't go to Berlin to shake hands with him anyway."

But Owens was among 10 black members of the U.S. track and field team who combined for 13 medals.

That "highly annoyed" Hitler, former Nazi architect Albert Speer wrote in his memoir *Inside the Third Reich*. Speer said Hitler decided black athletes "must be excluded from future games."

Speer also designed the giant stadium Hitler had planned for Nuremberg to host the Games for "all time to come."

Owens' second gold came in the long jump. But he fouled on his first two qualifying jumps and had one more. German jumper Luz Long reportedly suggested Owens place a towel behind the takeoff board to use as his starting point to avoid fouling.

That story has been refuted by many, but Owens easily made his third qualifying jump and won the final with an Olympic-record jump of 26 feet, 5¼ inches. Long hurried to congratulate Owens and they left the field arm in arm, Mandell writes. Long was later killed in the war.

On Aug. 5, Owens won the 200 meters in an Olympic-record 20.7 seconds. He expected that to be the end of his competition, but he and Ralph Metcalfe were added to the four-by-100-meter relay team to replace Marty Glickman and Sam Stoller.

Glickman and Stoller were Jewish. There were reports they were bumped off the relay team because U.S. officials bowed to pressures from the Nazis. There were other claims that it was simply a matter of ensuring the victory.

Owens was lead runner on the relay team, which set a world record.

Just after his Olympic victories, Owens ran afoul of the Amateur Athletic Union. When he declined to continue in a European tour the AAU had arranged to offset Olympic expenses, he was suspended from U.S. amateur competition.

In the years after the Olympics, his ventures ranged from running exhibition races against horses to a failed dry cleaning business. However, he later found a niche as a public speaker and goodwill ambassador until his death in 1980 at age 66 of lung cancer.

Rankin is executive director of the Chicago-based Jesse Owens Foundation, which has several scholarship programs.

"He always believed that the youth of any country is its greatest resource," she says.

Dillard says Owens later worked at a recreation center in Cleveland. "He had a rough time, particularly early on," says Dillard. "The endorsements were not there, and high-profile companies were not using African-Americans."

Commercial use of Owens' name or likeness now is controlled by CMG Worldwide of Indianapolis, under agreement with Owens' heirs.

But Rankin says Owens never despaired that he wasn't born in an era of more lucrative rewards.

"Money didn't mean an awful lot to him," she says. "He liked what it would buy . . . But he was not extravagant. He loved the sport, the discipline of training and the challenge to do it better. Not better than someone else, just best for yourself. And his best just happened to be better than most."

PERSONAL EXPLANATION

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Mr. PACKARD. Mr. Speaker, I was unavoidably detained on July 17 and 18, 1996 for rollcall votes 323, 324, 325, 326, 327, 328, 329, 330, and 331. Had I been present, I would have voted "yea" on rollcall votes 323, 324, 325, 326, 327, 328, and 331, and I would have voted "nay" on rollcall votes 329 and 330. I request that the RECORD reflect my positions on these votes.

TRIBUTE TO VILLAGE OF ORCHARD PARK ON ITS 75TH ANNIVERSARY

HON. JACK QUINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Mr. QUINN. Mr. Speaker, I rise today to offer my enthusiastic congratulations to the village of Orchard Park, in New York's 30th Congressional District, on the occasion of its 75th anniversary.

Founded in the early 19th century by Quakers, Orchard Park originally fell under the charter of the town of East Hamburg, NY. A group of concerned citizens petitioned the town of East Hamburg for the incorporation of the village of Orchard Park on August 21, 1921, and on October 18, the measure was subsequently ratified by a vote of 155 to 96.

Throughout its celebrated history, the village of Orchard Park has steadfastly demonstrated its distinct sense of civic loyalty and pride through its dedication to local education, financial development in its business and retail districts, and careful maintenance of the village's original charm of 1921.

As a former teacher in the Orchard Park Central School District, I have seen first hand the village's dedicated commitment to its residents, distinguished community service, and strong sense of community spirit and pride.

Mr. Speaker, today I join with the residents of the village of Orchard Park, village Mayor Patricia Dickman, the members of the village board, and indeed, our entire western New York community in warm tribute to the village of Orchard Park on the occasion of this historic anniversary, and send my personal best wishes for continued prosperity in the future.

CONGRATULATIONS TO MINISTER JOHN CHANG

HON. EARL F. HILLIARD

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Mr. HILLIARD. Mr. Speaker, I am very pleased to see that Mr. John Chang has been appointed the new foreign minister of the Republic of China.

Educated at Georgetown University, Mr. John Chang is a career diplomat. His most recent post was minister of the Overseas Chinese Commission, Republic of China.

Minister Chang speaks fluent English and French. An avid swimmer, he also excels in tennis and golf. He is married and has three children.

Under Minister Chang's leadership, I believe that the Republic of China and the United States will become even closer partners in trade and other matters vital to the interests of both nations. It is my personal hope that the Republic of China and the People's Republic of China will soon engage in serious discussions—as equal partners—of their eventual reunification and that the Republic of China will soon be able to participate in the activities of the World Trade Organization and the United Nations.

In the meantime I send my best wishes and congratulations to Foreign Minister John Chang of the Republic of China.

INTRODUCTION OF STUDENT DEBT REDUCTION ACT OF 1996

HON. WILLIAM F. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Mr. GOODLING. Mr. Speaker, today I am happy to introduce a bill cosponsored by Representatives GREENWOOD, MCKEON, FATTAH, FAWELL, CLINGER, and GEKAS which corrects a technical problem with the language of the Higher Education Act that thwarts competition among lenders in the Federal Family Education Loan Program and results in higher costs for students in need of unsubsidized student loans.

The Higher Edcuation Act as interpreted by the U.S. Department of Education allows lenders to pay origination fees—3 percent of the loan amount—charged a student at the time as subsidized loan is obtained; one where the Federal Government pays the interest on the student's behalf while in school. Unfortunately, the Department has interpreted the language of the Higher Education Act to prohibit lenders from paying origination fees—3 percent of the loan amount—charged a student if the student obtains an unsubsidized loan one where the student is responsible for all the interest.

The result is that student's obtaining unsubsidized student loans are forced to pay higher up-front costs simply because of an interpretation that we believe is incorrect.

Under the bill being introduced today, anyone may pay the origniation fees on behalf of the student borrower. This is particularly significant in Pennsylvania because of the loan programs administered by the Pennsylvania Higher Education Assistance Agency. For the 1995–96 school year—prior to the Department's ruling on the origination fee issue—students and families in Pennsylvania had an extra $2 million available for immediate educational expenses due to a special loan program which reduced a student's origination fee from 3 to 1 percent. More than 36,000 students received this benefit for the 1995–96 school year. If we allow the Department of Education's interpretation to stand, more than 9,300 students, in Pennsylvania will have to forego the benefit of reduced up-front fees and we don't think that should happen.

The great thing about this proposal is that it doesn't cost the Federal Government a dime, while student's reap the benefits of competition in the student loan program.

And this doesn't just help Pennsylvania students. Lenders across the country can offer to pay a student's origination fees so students have more cash to pay for their higher education expenses. Reduced interest rates are already being offered by many lenders as a reward for making monthly payments on time and this is also a feature offered by the Pennsylvania program which helps students save a little money during the repayment period. The combined effect of reduced up-front costs and lower interest rates during repayment make all student loans more affordable and manageable for students.

I am particularly pleased to include for the RECORD, a letter from the Pennsylvania Association of Student Financial Aid Administrators who have expressed their wholehearted support for this legisation. These are the people on the front lines in the student financial aid office who daily advise adn counsel our college students on ways to finance a college education and I am delighted to have their support.

PENNSYLVANIA ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS,

July 3, 1996.

Hon. WILLIAM F. GOODLING,
House of Representatives,
Washington, DC.

DEAR REPRESENTATIVE GOODLING: The Pennsylvania Association of Student Financial Aid Administrators (PASFAA) is a professional organization dedicated to promoting access to higher education by providing financial assistance to those who might otherwise be unable to attend. With more than 550 members, the PASFAA membership encompasses virtually every segment of higher education and every component of student financial assistance.

The purpose of this letter is to express PASFAA's wholehearted support for legislation which would allow for a reduction in the cost of origination fees for borrowers of unsubsidized student loans. Such legislation would enable lenders and guarantors to reduce the up front cost of student loans, thereby increasing the amount of money students would have available to them to meet their educational expenses for the 1996–97 academic year. In doing so, lenders would be providing a direct financial benefit to students without putting a corresponding burden on the federal budget or the taxpayers, making this legislation even more attractive.

This legislation would provide an immediate benefit to Pennsylvania residents receiving loan assistance through PHEAA's Keystone and Keystone Direct Loan Programs. In addition, lenders nationwide would now have the opportunity to offer low-cost loans by reducing origination fees if they so desire.

PASFAA deeply appreciates your support of student aid programs, and looks forward to working with you on this and other legislation designed to benefit college students. If we can be of any further assistance to you, please do not hesitate to contact any of our officers.

Sincerely,

GEORGIA K. PRELL,
PASFAA President.

TRIBUTE PAID TO MARJORIE JEFFRIES OF MILTON, MA

HON. JOHN JOSEPH MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Mr. MOAKLEY. Mr. Speaker, I rise to pay tribute to a woman who embodies beauty in culture, in nature, in life.

Marjorie Jeffries is a longtime resident in Milton, MA, who has never stopped living by her own advice: "Pay attention to the Milton community and give yourself to it."

In 1953, she and her husband David transformed a densely wooded piece of land into a nature paradise, complete with gardens of perennials, rocks, daylilies, and irises. The Jeffries built their home here, under a canopy of red oak and white pine trees, and protected the land with a conservation order. The deer, foxes, skunks, and chipmunks who live in the area roam freely here, and will be able to enjoy it forever. People, dogs, and horses who passed the house on their way to the Blue Hills often stop to mingle with the Jeffries or the animals in their yard.

After listening to the music that birds contributed to her backyard, Marjorie Jeffries decided to contribute some music as well.

Thirty-nine years after graduating Bryn Mawr College with a bachelor of arts degree, she earned a music major equivalent at Wellesley College. She then earned a master of arts in music composition from Connecticut College.

She continued her music studies, and has become a widely recognized composer and flutist. She has received grants and commissions for several of her pieces, and earned a citation from Gov. Michael Dukakis. She is a member of the Longy School of Music orchestra, and has served as the composer in residence for the Milton Public Schools.

Marjorie has always wanted others to be able to share in the joy of arts. In 1974, she founded the Milton Performing Arts to provide an outlet for the citizens of Milton to pursue their interest in writing, arts and music in an open forum. In 1992, she was designated as the Artist of the Month by the Milton Art Association for her "Variations of the View from Chickatawbut Hill," which was displayed at the Milton Public Library.

In addition to her contributions to nature and art, Marjorie has been active in many other communities. As a regular participant in town meetings, her opinions have garnered respect, despite the fact that she ruffles the feathers of State and national politicians on occasion. She also is a trustee of the Milton Public Library, and has worked to make the library a better tool of knowledge for the residents of Milton.

Mr. Speaker, I believe that we could all do well to follow Marjorie Jeffries' advice, to pay attention to our communities, and give ourselves to them.

OREGON'S WELFARE-TO-WORK PROGRAM

HON. ELIZABETH FURSE

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Ms. FURSE. Mr. Speaker, Oregon has an outstanding welfare-to-work program in place that has allowed Oregon to achieve one of the Nation's steepest declines in welfare cases. Since March 1994, our welfare caseload has dropped from 44,000 to 32,000, and State officials expect that these numbers will fall to less than 25,000 in the next 4 years. Most of the credit for this success goes to our vigorous JOBS welfare-to-work program and the Oregon Health Plan, which provides health insuracne to pepole who otherwise would go on welfare.

Oregon has received waivers from the Federal Government which allow sweeping changes in our welfare system. These waivers enable Oregon to require all welfare recipients to seek jobs to move their families out of poverty. The goal is for families on welfare to take control of their lives and avoid long-term dependence on welfare. Like the Castle-Tanner substitute and the underlying bill, Oregon's JOBS program shares the expectation of aggressively moving people from welfare to work. All three also emphasize aggressive child support collection, employment supports such as child-care subsidies, and can require teen parents to live in safe, supervised settings. I am pleased that the Republicans' Medicaid reform plan, which I strongly opposed in the Commerce Committee, has been dropped from this bill.

These bills, as well as the one being debated in the Senate, contain language that enables States with waivers to continue their existing welfare programs. In addition, the legislation states that if new requirements are put into law, they will not apply to States with waivers. In order for Oregon to make the strides that we are committed to, it is essential that this language be maintained and that it include States whose waivers were approved by September 30 of this year. I will work with Members in the other body to make sure this provision remains in the conference report on the bill.

Oregon is a national leader in welfare reform. I support reforming our welfare system and am committed to moving the process forward. I call on other States to match Oregon's achievements in sensible, humane welfare reform.

SCANA CORP. RECEIVES THE COMMON GOALS AWARD

HON. FLOYD SPENCE

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Mr. SPENCE. Mr. Speaker, I rise to recognize the SCANA Corp., which serves the Second Congressional District of South Carolina, for receiving the Common Goals Award from the Edison Electric Institute [EEI] last week in Washington. The award, was given for outstanding achievement in the field of educational partnerships, was bestowed on the SCANA Corp. for its sponsorship of "The Coach," a computer equipped traveling classroom. "The Coach," which is staffed with State adult literacy specialists, travels throughout South Carolina to offer free training to employers for the development of adult literacy programs for their employees. In presenting the award, EEI President Tom Kuhn noted that, "by helping people improve themselves, SCANA opens the way to a more highly skilled workforce, a more competitive economy, and a better quality of life."

Mr. Speaker, the SCANA Corp. is to be commended on the contributions that "The Coach" has made to increasing adult literacy in South Carolina. As it celebrates its 150th anniversary, the SCANA Corp. can take great pride in its history of service to the people of the Palmetto State.

H.R. 3814—COMMERCE, JUSTICE, STATE APPROPRIATIONS

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Mrs. COLLINS of Illinois. Mr. Speaker, I ask unanimous consent to revise and extend my remarks. Wake up America. Wake up and see what the Dole-Gingrich Republicans are trying to do to you again. Just when you had thought the Republicans had learned some lessons of last year when they, over and over again, shut down the Federal Government, while assiduously trying to dictate their extremist conservatism on everyone, and unabashedly trying to deny personal liberties and restrict public services, they are back at it again. I must say, they are a persistent bunch. In these proposed appropriations for the Departments of Commerce, State, Justice, and major related agencies, the Dole-Gingrich cabal is attempting to legislate morality and economies through the appropriations process. Tucked neatly among programs in this bill that most people recognize, that is, the Census Bureau, F.B.I., Drug Enforcement Administration, Immigration and Naturalization Service, and the U.S. Supreme Court, are severe levels of funding reductions that are undoubtedly designed to strangle the Small Business Administration [SBA], the Securities and Exchange Commission [SEC], the Minority Business Development Agency [MBDA], and the Legal Services Corporation [LSC].

Funding for the Small Business Administration, is slashed by almost $21 million below last year's appropriations, the SEC is cut by $225.1 million less than requested by President Clinton's budget, and the Legal Services Corporation is under funded by over $199 million. Since the Dole-Gingrich Republicans have been unable to kill them politically in an up and down fight on neither policy nor politics, they're trying to severely maim them by cutting off the checking account that funds them. Wake up America, look around you, and think about what the conservative Dole-Gingrich folk are doing to America's economy and to the right of every American to have legal counsel.

It is easy to understand why the Dole-Gingrich Republicans slashed the social programs in the Department of Health and Human Services appropriations a few days ago: there weren't many fat-cat special interests supported in there. Frankly, I expected the appropriations bills for fiscal year 1997 to be not quite as radically conservative as those they forced through Congress for fiscal year 1996 which caused the Federal Government to shutdown. However, they have in this session already passed several bills that cut spending in domestic areas that are important to hardworking Americans, that are vitally significant to the social, economic and personal wellbeing of this country: education, health services and research, housing, and transportation, just to name a few.

So, here we go again. This fiscal year 1997 appropriations bill for the Departments of Commerce, Justice, State, and related agencies is for $29.5 billion. While this is a substantial amount of money, one must remember that it takes a lot of money to fund a Federal Government as responsive and responsible as ours ought to be. Yet, this bill is for $2.1 billion less than the President has, after careful consideration, determined that he needs in order to be able to carry out plans and programs necessary to fight crime, create jobs and train the necessary workforce, to prevent and address family and societal violence, drugs and illegal immigration. Those are critical imperatives, but they are not the only priorities that need funding and are not all the priorities of my constituents in the Seventh District of Illinois. Among my constituents are the richest and the poorest of America, and they report to me that they need people programs that benefit women, minorities, and persons with very limited incomes, as well as the several very important agencies that severely effect them all, but that are targeted for funding cuts.

For example, the Legal Services Corporation [LSC] is an agency that provides free and reduced-fee legal services to low-income individuals. By proposing dramatic cuts in funding for the LSC, the Republicans risk the following results: (1) a 2 million reduction in the number of clients served; (2) a 50 percent decrease in the number of neighborhood offices (from, 1100 in fiscal year 1995 to 550); (3) a cut by more than half, in the number of LSC lawyers available to provide legal services; and (4) a startling cut-off of legal assistance to clients in thousands of communities across the Nation. This Republican fiscal 1997 appropriations of $141 million for LSC is a devastating cut from the fiscal year 1995 funding level of $415 million, and is unquestionably meant to destroy the Legal Services Corporation. Wake up Americans. Open your eyes and see what the Dole-Gingrich Republicans who control this body have just done. They have defeated an amendment to restore reasonable funding to the LSC that would have prevented the virtual abandonment of the longstanding Federal commitment to the legal protection of working poor Americans, including victims of spousal and child abuse, dead-beat parents who run out on the child support obligations, and victims of consumer fraud.

Another program gutted by the Republicans and left to bleed a slow death, is the Minority Business Development Administration [MBDA] within the Department of Commerce. The mission of the MBDA is to work to develop and support the successes and increase competitive opportunities for minority-owned businesses—to ensure that minority Americans can participate in the economy not just as workers, but also as entrepreneurs and global leaders. The MBDA supports citizens who may be first generation business owners in their efforts to succeed. Created in 1969 by President Nixon, the MBDA provides technical assistance to minority entrepreneurs that greatly increase their ability to compete in domestic and international markets. While minorities make up 25 percent of the U.S. population, they represent only 9 percent of the Nation's business owners. MBDA has a proven record of leveraging scarce public resources by partnering with the private sector to increase capital and market opportunities in underutilized business communities, and yet the Republicans who control this body are so determined to render ineffectual a good program that was created by their own President Nixon, that they have also rejected an effort to restore reasonable funding for the MBDA.

There are many valuable programs that should be funded under this bill; however, the appropriations levels proposed by the Republicans will only weaken, injure and damage the successful efforts underway to bring about a reduction in waste, fraud, and abuse of the public trust. I urge my colleagues to defeat this bill so that we can get back to the negotiating table in the best interest of all Americans. If this bill should be passed by the Congress, I will urge the President to veto it and send it back to the drawing board.

THANK YOU DONALD E. BECKER

HON. JAMES A. BARCIA

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Mr. BARCIA. Mr. Speaker, many of us believe that public service is among the greatest calling that exists. On July 23, many fortunate people who live in Genesse Township will come together to celebrate the remarkable more than 25 years of service that Donald E. Becker has provided as the township's treasurer.

Donald Becker's devotion to his community is easy to understand. His grandfather, August George Becker was the township supervisor from 1922 to 1926, and his father, Walter Becker, was in the Genesee County Sheriff's Department. Donald Becker was the cofounder of the all volunteer Kearsley Genesee Rescue Squad, as well as its treasurer. He has also been tremendously involved in the Genesee County Treasurer/Clerk Association, the Genesee Parks Commission, the Genesee County Metropolitan Planning Commission, and the region 5 planning commission.

With all of this professional involvement, it is remarkable to note that Donald Becker is most noted for his personal style of dealing with people. For example, he hand-delivers checks for the school districts because he believes it's important for the checks to get there. He has been involved on so many committees because he believes that you have to get to know people in order to be effective as a community leader.

He has been careful with taxpayers dollars, leading efforts to allow for the investment of local funds in savings accounts, allowing interest earnings to both supplement local revenues, and to help reduce the need for any additional tax assessments.

With all of the wonderful public activities that this man has undertaken, it is also very good to know what he considers his most important hobby to be spending time with his wife, Geraldine, his children and their spouses, his grandchildren, and his great grandson. A man can be no luckier that having a rewarding career, and recognizing the ultimate importance of his family.

Mr. Speaker, local officials are the hallmark of our democratic society. They help people understand the importance of good government. Genesse Township has been very fortunate to have Donald Becker, and, indeed, his family, for these many years. I urge you and all of our colleagues to join me in wishing him the very best as he celebrates his years of service to Genesee Township.

WHY CATHOLIC SCHOOL MODEL IS TABOO

HON. JOHN J. DUNCAN, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Mr. DUNCAN. Mr. Speaker, I think that anyone who is truly interested in education should read the following article from the July 17, 1996, issue of the Wall Street Journal. I would like to call it to the attention of my colleagues and other readers of the RECORD.

WHY THE CATHOLIC SCHOOL MODEL IS TABOO

(By Sol Stern)

New York City's Cardinal John J. O'Connor has repeatedly made the city an extraordinary offer: Send me the lowest-performing 5% of children presently in the public schools, and I will put them in Catholic schools—where they will succeed. The city's response: silence.

In a more rational world, city officials would have jumped at the cardinal's invitation. It would have been a huge financial plus for the city. The annual per-pupil cost of Catholic elementary schools is $2,500 per year, about a third of what taxpayers now spend for the city's public schools.

NO IDLE BOAST

More important, thousands more disadvantaged children would finish school and become productive citizens. For Cardinal O'Connor's claim that Catholic schools would do a better job than public schools is no idle boast. In 1990 the RAND Corporation compared the performance of children from New York City's public and Catholic high schools. Only 25% of the public-school students graduated at all, and only 16% took the Scholastic Aptitude Test, vs. 95% and 75% of Catholic-school students, respectively. Catholic-school students scored an average of 815 on the SAT. By shameful contrast, the small "elite" of public-school students who graduated and took the SAT averaged only 642 for those in neighborhood schools and 715 for those in magnet schools.

In 1993 the New York State Department of Education compared city schools with the highest levels of minority enrollment. Conclusion: "Catholic schools with 81% to 100% minority composition outscored New York City public schools with the same percentage of minority enrollment in Grade 3 reading (+17%), Grade 3 mathematics (+10%), Grade 5 writing (+6%), Grade 6 reading (+10%) and Grade 6 mathematics (+11%)."

Yet most of the elite, in New York and elsewhere, is resolutely uninterested in the Catholic schools' success. In part this reflects the enormous power of teachers' unions, fierce opponents of anything that threatens their monopoly on education. In part it reflects a secular discomfort with religious institutions.

I myself have felt this discomfort over the years, walking past Catholic schools like St. Gregory the Great, near my Manhattan home. Every morning, as I took my sons to public school, I couldn't help noticing the well-behaved black and Hispanic children in their neat uniforms entering the drab parish building. But my curiousty never led me past the imposing crucifix looking down from the roof, which evoked childhood images of Catholic anti-Semitism and clerical obscurantism.

Finally, earlier this year, I ventured in, and I was impressed. I sat in, for example, as fourth-grade teacher Susan Viti conducted a review lesson on the geography of the Western United States. All the children were completely engaged and had obviously done their homework. They were able to answer each of her questions about the principal cities and capitals of the Western states—some of which I couldn't name—and the topography and natural resources of the region. "Which minerals would be found in the Rocky Mountains?" Miss Viti asked. Eager hands shot up. Miss Viti used the lesson to expand the students' vocabulary; when the children wrote things down, she insisted on proper grammar and spelling.

I found myself wishing that my own son's fourth-grade teachers at nearby Public School 87, reputedly one of the best public schools in the city, were anywhere near as productive and as focused on basic skills as Miss Viti. Both my boys' teachers have wasted an enormous amount of time with empty verbiage about the evils of racism and sexism. By contrast, in Miss Viti's class and in all the other Catholic-school classes I visited, it was taken for granted that a real education is the best antidote to prejudice.

Miss Viti earns $21,000 a year, $8,000 less than a first-year public-school teacher. "I've taught in an all-white, affluent suburban school, where I made over $40,000," she says. "This time I wanted to do something good for society, and I am lucky enough to be able to afford to do it. I am trying to instill in my students that whatever their life situation is now, they can succeed if they work hard and study."

You might expect liberals, self-styled champions of disadvantaged children, to applaud the commitment and sacrifice of educators like Susan Viti. You might even expect them to look for ways of getting government money to these underfunded schools. Instead, they've done their best to make sure the wall of separation between church and state remains impenetrable. Liberal child-advocacy groups tout an endless array of "prevention" programs that are supposed to stave off delinquency, dropping out of school and teen pregnancy—yet they consistently ignore Catholic schools, which nearly always succeed in preventing these pathologies.

Read the chapter on education in Hillary Clinton's "It Takes a Village." Mrs. Clinton advocates an alphabet soup of education programs for poor kids, but says not a word about Catholic schools. Similarly, in his books on education and inner-city ghettos, Jonathan Kozol offers vivid tours of decrepit public schools in places like the South Bronx, but he never stops at the many Catholic schools that are succeeding a few blocks away.

Why are Catholic schools taboo among those who talk loudest about compassion for the downtrodden? It's hard to escape the conclusion that one of the most powerful reasons is liberals' alliance with the teachers' unions, which have poured hundreds of millions of dollars into the campaign coffers of liberal candidates around the country. Two weeks ago I attended the National Education Association convention in Washington, a week-long pep rally for Bill Clinton punctuated by ritual denunciations of privatization.

Before the teachers' unions rise to political power, it was not unusual to see urban Democrats like former New York Gov. Mario Cuomo support government aid to Catholic schools. Mr. Cuomo's flip-flop on this issue is especially revealing. In 1974, when he first ran for public office, Mr. Cuomo wrote a letter to potential supporters: "I've spent more than 15 years . . . arguing for aid to private schools," he wrote. "If you believe aid is a good thing, then you are the good people. If you believe it, then it's your moral obligation, as it is my own, to do something about it. . . . Let's try tax-credit plans and anything else that offers any help."

Mr. Cuomo soon learned his lesson. In his published diaries he wrote: "Teachers are perhaps the most effective of all the state's unions. If they go all-out, it will mean telephones and vigorous statewide support. It will also mean some money." In his 1982 campaign for governor, Mr. Cuomo gave a speech trumpeting the primacy of public education and the rights of teachers. He won the union's enthusiastic endorsement against Ed Koch in the Democratic primary. Over the next 12 years, in private meetings with Catholic leaders, Gov. Cuomo would declare that he still supported tax relief for parochial school parents. Then he would take a completely different position in public. For example, in 1984 he acknowledged that giving tax credits for parochial-school tuition was "clearly constitutional" under a recent Supreme Court decision–but he refused to support such a plan.

Politically controlled schools are unlikely to improve much without strong pressure from outside. Thus, the case for government aid to Catholic schools is now more compelling than ever, if only to provide the competitive pressure to force state schools to change. And the conventional wisdom that government is constitutionally prohibited from aiding Catholic schools has been undermined by several recent U.S. Supreme Court decisions.

SUCKER'S TRAP

Since the powerful teachers' unions vehemently oppose any form of government aid to Catholic schools, reformers are often skittish about advocating vouchers or tuition tax credits, fearing that will end the public-school reform conversation before it begins. But to abandon aid to Catholic schools in the name of public-school reform is a sucker's trap. We have ended up with no aid to Catholic schools and no real public-school reform either.

Catholic schools are a valuable public resource not just because they profoundly benefit the children who enroll in them. They also challenge the public school monopoly, constantly reminding us that the neediest kids are educable and that spending extravagant sums of money isn't the answer. No one who cares about reviving our failing public schools can afford to ignore this inspiring laboratory of reform.

IT'S THE REAL ECONOMY THAT COUNTS

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Mr. FRANK of Massachusetts. Mr. Speaker, one of the most infuriating aspects of our economic affairs to many people is the extent to which the bond market treats good news as bad news. This was of course most recently displayed when the best employment news we have had in years triggered serious financial downtrends. People who trade bonds have of course a right to do whatever they wish. But we as policymakers must make it very clear that we will not be driven by their short term gyrations and in particular that we will continue to pursue policies that expand employment opportunities and real incomes for working people without being deterred by the negative short term impact this may have on the bond business. James K. Galbraith, formerly of the staff of the Joint Economic Committee in better days, and now a teacher of economics at the Johnson School of Public Affairs at the University of Texas, recently wrote on this subject in a very instructive fashion. It is essential that we listen to Mr. Galbraith and not allow financial speculation to perform the reverse alchemy which has from time to time characterized their efforts.

WHAT INFLATION?

(By James K. Galbraith)

AUSTIN, TX.—The economic news on Friday was so good it was a disaster. Unemployment has fallen to 5.3 percent, the lowest it has been in six years. June payrolls increased by 239,000 jobs. And the average hourly wage rose by nine cents, the biggest one-month jump ever recorded, a level "noticeably above the inflation rate," as The New York Times reported.

Pandemonium on Wall Street! The yield on the 30-year Treasury bond leaped a quarter of a point, finishing at 7.18 percent. And stocks plummeted: the Dow Jones industrial average dived 114 points.

Amid the commotion, one could hear the bond bears roaring their message that, with inflation sure to surge, the Federal Reserve must raise short-term interest rates. Many of the bears said that had the Fed's Open Market Committee known at its meeting last Wednesday what the secretive Bureau of Labor Statistics would announce two days later, it would surely have raised them. Some urged the Fed to correct this "error" immediately without waiting until the next regular meeting in August.

Nonsense. There is no cause for alarm. The evidence does not portend surging inflation. To begin with, the annual rate remains low: 2.9 percent in the year that ended in May. Inflation is not accelerating. Instead, productivity growth appears to be picking up. If this pattern continues, it will permit wages to grow for some time, with little effect on price inflation.

The decline in unemployment also means little. Some economists still hold to the notion of a "natural rate of unemployment" at 6 percent or a slightly lower figure, below which they believe inflation spirals out of control. But joblessness has been less than 6 percent without raising inflation since September 1994.

Recent economic studies confirm their is little reason to fear that prices will rise simply because of low unemployment—or for that matter, rapid growth. Most inflation of past decades had different causes, like oil shocks and war.

Some say to forget the facts. An official of a regional Federal Reserve bank recently told Business Week (anonymously, of course) that "you have to move on anecdotal data" In other words, monetary policy should be based on gossip. Mercifully, it is likely that the Federal Reserve Board's governors do not share this view.

The bears in the bond market must also know that their inflation warnings are unfounded. So what are they up to? The answer seems clear. We have a speculation problem, not an inflation problem.

The bears make their living by betting on the Fed's next decision, not by calling the economy. The bears predict when short-term rates will be raised and when they will decline. By selling and buying long-term bonds in advance, they can make a lot of money—if their predictions are right. So it is natural that they try to affect the Fed's decisions.

This game has been in full cry since at least October 1993, when bond-market insiders correctly anticipated (and may have provoked) the Fed's rate increase of February 1994. All through that year, each time the Fed raised interest rates, the stock and bond markets churned.

If short-term rates are pushed up tomorrow, many ordinary investors will panic and dump their bonds and stocks. Then the speculators can buy cheap and "shear the sheep"—the small investors, in the speculators' lingo.

Sell bonds, create gossip, influence policy—what a game! But maybe the game has changed. News reports preceding the Fed's inactivity last week suggested that the chairman, Alan Greenspan, may have given up the "pre-emptive strike" anti-inflation strategy of 1994. Good. The idea that the economic evidence counts for something is central to proper monetary policy.

But Mr. Greenspan's possible credibility as a pragmatist, only a week old and none too sturdy, will depend on facing down the bears.

It would be an extremely good thing if the Federal Reserve held the line through the summer and fall—at least as long as core inflation (calculated without volatile food and energy prices), measured over six months or so, remains reasonable.

In that event, the interest rates on long-term bonds will finally begin to decline, and maybe short-term rates will follow. Traders committed to a strategy of creating panic will lose money. So what?

The Fed did the right thing. Now it should stand firm and show the speculators who is in charge.

FREE PRESS IN HONG KONG UNDER ATTACK

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Mr. PORTER. Mr. Speaker, I recently read a New York Times article outlining Chinese threats to restrict Hong Kong's press once the British colony comes under Chinese rule. This information, while extremely upsetting, is hardly shocking. Although the Chinese Government professes to be committed to ensuring a smooth, peaceful transition for Hong Kong, actions by the Chinese Government tell a very different, very disturbing story. As the saying goes, "actions speak louder than words."

In 1984, to help ensure the smooth transition of Hong Kong from British to Chinese control, Britain and China both signed the Joint Declaration providing for the peaceful return of Hong Kong to Chinese rule. This document, registered at the United Nations, specifies that Hong Kong will enjoy a high degree of autonomy except in foreign and defense affairs, and that the legislature will be elected. China has repeatedly violated the commitments made in this binding document, leading to increasing tensions between Hong Kong and China as the July 1, 1997, date fast approaches.

Mr. Speaker, just one example will suffice to demonstrate how the Chinese have chosen to ignore commitments made in the Joint Declaration. Recently, Chinese authorities threatened to abolish the first ever democratically elected legislative council and replace it with an appointed legislature. This action would not only be in clear violation of the Joint Declaration, but also in violation of the Universal Declaration of Human Rights and the International Covenant on Civil and Political Rights.

With China now threatening to restrict freedom of the press in Hong Kong, it becomes clear that Chinese officials do not intend to grant Hong Kong the degree of autonomy previously promised. This should leave us all deeply concerned about the future of Hong Kong. Mr. Speaker, Hong Kong has close to 60 papers and 675 periodicals. These papers and periodicals provide Hong Kong citizens and those throughout the world with the truth about what is happening in Hong Kong, and throughout all of Asia. Restricting free press in Hong Kong will severely limit the world's ability to follow events in Tibet, China, and Taiwan.

Mr. Speaker, Hong Kong is the world's best example of the prosperity that results from a strong and vibrant free enterprise system existing under the rule of law. China's threats to dismantle the legislature and restrict freedom of speech are not idle threats. I have no doubt that if we let Chinese threats go unchallenged, each and every threat will indeed be carried out. Tyranny thrives on the weakness of others, and the United States has been weak in its response to Chinese behavior. Mr. Speaker, we must do everything possible to ensure that democratic advances in Hong Kong are not reversed by oppressive Chinese policies. As 1997 approaches, the United States must stand with those in Hong Kong, such as journalists opposing illegal restrictions on their free speech, who are rightly unwilling to capitulate to Beijing's efforts to strip the citizens of Hong Kong of their democratic rights and freedoms.

PATIENT RECOGNITION DAY

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Mr. MANTON. Mr. Speaker, for the 8th year in a row, the board of visitors of Bronx Psychiatric Center is holding a Patient Recognition Day to honor those who have significantly progressed on their path toward eventual discharge back to the community or have made a positive impact on the lives of their peers on their wards.

Patient Recognition Day actually honors the efforts of many people whose dedication has contributed to the recovery process. They are the staff and professionals at Bronx Psychiatric Center who put forth great care into and take great pride in their work. There are the board of visitors, Mr. Samuel Lopez, president, Sylvia Lask & Helen Rosello who oversee the center on behalf of the Governor of New York State. There are, of course the family and friends of the patients who lend so much support and understanding.

Mr. Speaker, the greatest honor, however is reserved for the patients who have trusted and worked with all the people I mentioned above. As its name suggests, Patient Recognition Day is the time we set aside to applaud the great strides they have made and encourage them to continue on their path to recovery.

Mr. Speaker, I know my colleagues join with me in paying tribute to all the people who make this Patient Recognition Day something special in my district.

MARYAM RAJAVI CHALLENGES ISLAMIC FUNDAMENTALISM

HON. JAMES A. TRAFICANT

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, July 22, 1996

Mr. TRAFICANT. Mr. Speaker, I wish to draw your attention to Iran, but not to the ugly image often cast by this country. I want to talk about the hope for democracy emerging from Iran, about those who are resisting against the ruling regime, about those striving to rescue not only the people of Iran, but also the whole world, from the terrorist mullahs who have held us all hostage for too long.

On Friday, June 21, a crowd of 25,000 people gathered in London for a program of speeches and musical performances in celebration of the 15th anniversary of this resistance movement against the mullahs. The keynote speaker was the resistance's president-elect, Maryam Rajavi. In remarks entitled "Women, Voice of the Oppressed," Mrs. Rajavi called for "a world coalition against fundamentalism."

The speakers and spectators were not limited to Iranians. A large number of British parliamentarians and dignitaries, various groups of European and Arab intellectuals, politicians, writers, artists and women's rights activists were among the crowd. Marzich, the Grande Dame of Persian music, performed the "Operetta in Solidarity," accompanied by the London Festival Orchestra and an ensemble of traditional Iranian musicians.

Associated Press Television reported that Maryam Rajavi "not surprisingly received a standing ovation from the audience at the London festival and her defiant speech was interrupted several times by deafening applause."

Mr. Speaker, I think that it is important to heed Mrs. Rajavi's message, which is diametrically opposed to that of the fundamentalist mullahs in Iran. I am, therefore, submitting a copy of her speech at London's Earl's Court Exhibition Centre, for publication in the CONGRESSIONAL RECORD.

WOMEN, VOICE OF THE OPPRESSED—SPEECH BY MARYAM RAJAVI, PRESIDENT-ELECT OF THE IRANIAN RESISTANCE, LONDON, JUNE 21, 1996

I wish to thank you all for your generous sympathy and kind support. Greetings to my dear follow Iranians who are listening now in the meetings honoring June 20th in different countries.

I am very happy to see you all and part take in this magnificent event. I had come to London on a private visit, and was invited to speak about the topic this gathering is addressing: Women, Voice of the Oppressed.

Each year, on this occasion, we speak of June 20th and of a cry for freedom that will reverberate forever in the history of Iran. It is only fitting for me to begin by honoring the 15th anniversary of this turning point.

June 20th for us, the people of Iran, was a day of destiny the day the Iranian people arose against the suppression of freedoms. It is the day the pervasive and tortuous resistance against religious tyranny began. It is the day when the nation's will became crystallized in the formation of the National Liberation Army of Iran. June 20th is rightly designated as the Day of Iranian Martyrs and Political Prisoners, those shining stars who pierced the night of oppression with their enormous sacrifice to the cause of freedom and popular sovereignty.

I also wish to pay tribute to the women the world over who have striven for equality and emancipation, and to salute the oppressed women of my homeland, Iran from whose ranks tens of thousands have fallen in the struggle for freedom.

Please allow me to pay my special respects to the memory of Ashraf Rajavi, a woman and pioneer in our nation's Resistance, who endured much torture under the shah's regime and was martyred in February 1982 by Khomeini's henchmen. [Ashraf was the wife of the Iranian Resistance leader Massoud Rajavi] Before the eyes of other detainees in Evin prison, her murderers desecrated her lifeless body and then slapped around her infant son. Along with the other martyrs of this struggle, she has an immortal place in the history of our people. Hail to Ashraf and all standard-bearers and martyrs to the cause of freedom.

HISTORY-LONG OPPRESSION

Indeed, suffering and sacrifice are the price we have to pay to attain our freedom. This is the essence of the relentless tug-of-war which gives meaning to human existence. This is why the song of freedom has never been silenced by the tyranny of despots, and why the flaming range of the oppressed shall overturn the foundations of oppression.

Women are history's first victims of oppression. Besides having to endure political and socio-economic oppression, they must repent for the sin of being women.

Yet half of the human beings on this planet are women, and inevitably gender oppression and the culture inherent to it directly affect and enchain the other half of the human race as well, the men Hence, genuine freedom for the individual and society is ultimately attainable solely through the emancipation of oppressed women. In other words, discrimination against women transcends and affects all other domains of human existence.

Sa'di, the great 12th century Iranian poet, has put it eloquently:

Of one body are the children of Adam
All created from a single gem
If fate afflicts one with great pain
How can others rest calm and sane.

History often tells us of slaves and celebrates their freedom, but so little is said about "the slave of slaves," the most tormented and oppressed members of human society. Today, we have assembled here so that their voice, lost in the chilling silence of centuries, may be heard: The voice of women, the voice of the oppressed.

The history of humankind is the history of human being's glorious quest for freedom, and at the same time a wretched chronicle of oppression. While man gradually succeeded in freeing himself from the absolute dictates of nature, he soon found himself enchained by his fellow man. Thus, history began with the oppression of man by man. Slavery, that great tragedy of human history, was directed by the likes of Nero and Pharoah, and the voice of the oppressed was drowned out by the cracking whips of their masters. All that remained was the rattling of the shackles, as the dark age of slavery prevailed.

Was mankind to remain forever at the mercy of this blind destiny? One answer came on that fateful day near Nazareth, when Jesus Christ proclaimed: "He anointed me . . . to preach a release to the captives . . . to send the crushed ones away with a release."

The message of Jesus was a clear proclamation of human destiny. "One can and must rebel against bondage and slavery."

The revolt by Spartacus was doubtless rooted in the belief that slavery was not forever and that freedom could ultimately be achieved. Spartacus and his fellows, however, knew that for them, at least, freedom was inconceivable, unless upon a cross. On the eve of the last battle, Spartacus cried: "My friends, we have come a long way together, longing to return to our land and live free. But tomorrow, we have to fight again. Perhaps there is no place for us in this world. But one thing is certain. We are free!"

The next day, 6,000 slaves were crucified along the road from Rome to Capua. That was the price of freedom. But the day came when the thunderous voice of the oppressed resonated everywhere and put an end to the age of slavery. Indeed, the pages of history may abound in oppression, pain and blood, but on the other side of every bitterness and humiliation lies the sweetness and magnificence of liberation.

There was a time when such tyrants as Attila, Genghis Khan and Hitler roamed the earth, but now, in the new age of global communications and information, the interdependence of civilizations and the new relationships among nations inhibit such roguish aggression. History has never ceased to move on. By relentlessly challenging all obstacles to liberty, humanity has liberated itself from the fetters of antiquated social and political relationships, and charged forward.

But one cry, and one cry alone, has remained unanswered, stifled in the depths of history: It is the cry of "the slave of slaves," the cry of women, the voice of those enduring the ugliest of all oppressions. Gender oppression ran so deep that no one believed it even existed. Gender oppression was not considered as oppression at all, rather as natural for women.

I am woman
My bare feet
Pacing the parched earth
Since the First Day
In search of a drop of water. . . .

Women were doubly enslaved once as all other slaves and oppressed people, those subjugated and exploited in every age of history, and once as women. Yes, the footprint of woman can be seen in all shackles of bondage, and the voice of the oppressed can be heard in her smothered cries.

Extracting the root of oppression from the dusty pages of oblivion, Simone de Beauvoir said: "All subjugated social classes did not exist at some point. They came to exist later. But women have always been there. They are women due to their physiological traits. But spontaneously, the very word "woman" has an insulting ring to it in a man's ears and produces in his mind a mixture of sexual exploitation and humiliation."

The story of women is a tale of a latent oppression woven into the depths of their lives and very existence. The bonds that tie women to their omnipresent oppressors are unique. Not even in their dreams do these first slaves on the face of the earth reject and annihilate their masters. When they assume that their bondage is eternal, the tragedy is complete.

MISOGYNOUS MULLAHS

But there exists an even more painful story: the tragedy of women in my fettered homeland, Iran, under the reign of the inhuman mullahs, who not only consider woman as eternally a slave, but also negate her humanity. Can one speak of women and the movement for equality without exposing the misogyny and barbarism of the fundamentalists who rule Iran?

About which aspect of this bitter, unbearable tragedy should I tell you? Should I speak of the hundreds of women who are assaulted in the streets everyday? Or of those arrested and lashed? Or of the respectable women forced to sign confessions that they are prostitutes, just because of the color of their dress or a lock of hair showing from beneath their scarves? Or of the women ruthlessly stoned to death?

Or should I tell you the tragic story of nine-year-old girls, who, according to the mullahs' laws, must be wed? Or about the 12 or 13-year-olds who are sold to 50 or 70-year-old men? Innocent children who wither away under physical and psychological stress. Or should I speak of the many victims of self-immolation and other forms of suicide?

In early 1992, the state-controlled dailies wrote that in the impoverished regions in northeastern Khorassan and southeastern Sistan and Baluchistan, small children are sold for $60 to $70. In north Khorassan alone, 1,700 such girls had been abandoned.

You have probably heard of the tragedy of millions of girl carpet weavers in Iran, who labor in damp, filthy workshops, where they contract paralysis, tuberculosis and scores of other diseases. These children weave the prime of their youth into the fabric of the carpets they make.

Or should I tell of the multitude of women office employees, teachers and workers who were expelled from their jobs simply because they were women? According to official statistics by the national census bureau in 1986, only nine percent of people with jobs were women. The situation has only gotten worse.

Or should I recount the untold tales of suffering of the millions of homeless widows and orphans, women and children who fell victim to the unpatriotic war? Shall I speak of the pain of homelessness, slander and humiliation, the pressures of destitution, rape and suppression?

Or should I tell you about the epic resistance of tens of thousands of women who were savagely tortured or executed for their defiance of the ruthless, despotic theocracy and for joining the ranks of the Resistance for freedom?

Or should I tell of the brutality and cruelty of the clerical regime's executioners, who sent elderly grandmothers, pregnant women and little girls before firing squads without even establishing their identities?

Or should I tell you the shocking stories of young women who were crushed under vicious tortures, raped and their blood drained on the eve of their execution, all in accordance with the mullahs' official decrees?

I tell you that neither the people, nor history nor God will ignore these atrocities. These criminals will be held accountable for destroying so much talent and potential. As the Quran says [in condemning the burial alive of infant girl children]: "For what crime she was killed?"

Hail to these martyred heroines in chains, who despite all the savagery, never surrendered, but continued to resist for freedom and liberation. They rushed headlong in search of freedom, guiding lights in the quest for liberty. Indeed, as Ashraf Rajavi said: "The world has never known what the Iranian people, and particularly the women of my homeland, have gone through in these years."

The head of the regime's Judiciary, Mullah Yazdi, has officially proclaimed: "A woman needs her husband's permission to leave her home, even to attend her father's funeral"

Mullah Azari Qomi, one of the regime's ideologues, says: "They Vali-e Faqih (the regime's supreme leader) can forcibly marry girls against their own and their fathers' wishes."

Mullah Sadouqi, who was Khomeini's representative in central Iran, once said during a meeting of the Assembly of Experts: "It would be a shame and an utter disgrace for us to have a woman as president or prime minister."

In their theological teachings, the mullahs try to justify their astronomical lies by stressing that three groups of people must be lied to: Women, infidels and hypocrites.

The inhuman mullahs' most sinister sin, however, is that they attribute their misogynous atrocities and reactionary stances to Islam. As the Quran warns, "Woe to those who write the book with their own hands, and then say: This is from God. To traffic with it for a miserable price." In truth, the mullahs perpetrate these atrocities and engage in demagoguery only to maintain power.

Iranian women have risen up against this monster, a monster which has emerged from the depths of the Dark Ages, whose very survival depends on misogyny and gender apartheid. This beast is not just the enemy of the Iranian people, it is at war with humanity.

GLOBAL THREAT

From Tehran, the beating of theocracy, the octopus of fundamentalism has extended its blood-drenched tentacles into Islamic states and Muslim societies around the world. It is the main threat to global and regional peace. Exploiting the religious beliefs of more than one billion Muslims, the mullahs ruling Iran promote expansionism, while exporting crisis and discord. Their foreign policy consists of meddling in the affairs of Islamic countries, issuing fatwas to murder foreign nationals and launching terrorist operations abroad. Other aspects of this policy include spending huge sums on armaments of all kinds, especially weapons of mass destruction such as biological, chemical and nuclear weapons.

Such a foreign policy is inherent to the fundamentalists' nature. The theocracy ruling Iran thrives on crisis. It is hostile to the most important global peace initiative in the Middle East, and its policies and actions only nourish warmongering extremists and fundamentalists.

These realities demonstrate how the ominous specter of religious fascism haunts global peace. The world community, for its turn, has a moral duty to confront and overcome this phenomenon.

I again emphasize here that these reactionaries who suppress the Iranian people, and particularly Iranian women, and export terrorism and fundamentalism under the cloak of religion, have nothing to do with Islam. They are the peddlers of religion and exploit the name of Islam to advance their sinister, inhuman objectives. Islam is the religion of peace, freedom, liberty, equality, love, mercy and liberation. The mullahs' fundamentalist mindset, however, rests upon vengeance, enmity and ignorance and is at war with human values and world peace.

As we approach the end of the twentieth century, fundamentalism's brazen enmity toward human values and world peace has spilled onto issues of international concern. In 1993, during the International Conference on Human Rights in Vienna, the Iranian regime opposed the principle of the universality of human rights. In 1994, during the World Conference on Population Control in Cairo, it opposed women's right to family planning. In 1995, during the World Conference on Women in Beijing, it opposed the principle of equality between women and men. And in 1996, adamant in its pursuit of terrorism and enmity toward peace, it rebuffed the Sharm Al-Sheikh summit.

UNITED FRONT

The international community has failed to demonstrate enough sensitivity to the dangers of appeasing the religious, terrorist dictatorship ruling Iran. Hence, the mullahs still find opportunities to take advantage of such conciliation. Through terrorist blackmail, they take the policies and even the moral principles of governments hostage.

Events in recent months confirm that the clerical regime always takes advantage of its diplomatic facilities to interfere in Middle Eastern countries and engage in assassinations in the West. Two months ago, the mullahs declared for the umpteenth time that the issue of the *fatwa* against British Novelist Salman Rushdie can only be settled by his murder. Faced with such a regime, decisiveness is the only policy. It is not only a moral and humanitarian obligation, but a political and historical necessity as well. The future of democracy, development and peace on a global scale depends on such a policy.

Here, the issue of women and the movement for equality join with the fight against fundamentalism. Not only are women the standard-bearers of the movement for equality, but they are also the driving force behind development, peace and social justice. In this context, the documents of the World conference on women in Beijing unequivocally underscore that, "Women's empowerment and their full participation on the basis of equality in all spheres of society, including participation in the decision-making process and access to power, are fundamental for the achievement of equality, development and peace."

Yes, in my view, humanity will be rid of the foreboding specter of fundamentalism only when women take on their leading role in this global challenge, and use every democratic means to block appeasement of the misogynous, inhuman mullahs of Iran. This is particularly the case because the issue of fundamentalism is at one and the same time the key political problem confronting Islamic nations, and the most critical foreign policy problem facing many other countries.

Allow me, therefore, to call upon my sisters, women throughout the world, to arise and form a world coalition against fundamentalism. Such a coalition would comprise all humanitarian, progressive women and men, who will doubtless rush to the assistance of Iranian women, the prime victims of the Mullahs' oppression. A common front against fundamentalism serves the interests of global peace, and will preclude a repeat of the bitter experience of appeasing fascism on the eve of the Second World War.

I wish to underscore here that women's leading role in the fight against fundamentalism doubly serves the movement for equality and the effort to uproot sexual discrimination. The only way to propel that movement forward is to link it with a progressive political movement. If women have no share in political power; if they are not part of the leadership and the decision-making processes on social issues; if they do not have a serious, equal role in economic management, and if they are not actively and visibly involved in international politics, all the talk about equality between women and men rings hollow. Real equality only comes about when women take on key roles in tackling the primary challenges of the day.

WOMEN LEAD THE WAY

In order to overturn the system of gender discrimination and bring about fundamental change, women must predominate political leadership for a specific period of time. The objective of such a predominant role in leadership is to guarantee equality and uproot sexual oppression, not to replace patriarchy with matriarchy. Thus, all the prerequisites and consequences are liberating in their essence. Once the oppression has been eradicated, the energies thus set free will break through the impasses currently confronting human society and will help to establish a new system of human relations, both within a community and on a global scale.

Now, in the great era of women's emancipation, the victims of centuries of the most dreadful historical oppression will echo the voices of all oppressed peoples. Today, the voice of women is indeed the voice of the oppressed, those whose cries reach no one; the voice of the children denied all rights and means to grow; the voice of the poor and destitute, who moan not just for lack of bread, but for lack of compassion.

Now it is the turn of women to rebel against all forms of oppression, to rise and end gender-based oppression and inequality, to unite women and men in their true human identity. They must rebel and give a new lease of life to human society, rise and topple the pillars of all oppression, tear asunder the status quo and chart a new course.

RESISTANCE'S EXPERIENCE

Ladies and gentlemen,

Please allow me to speak of the achievements of the women in the Iranian Resistance, achievements which in reality belong to all women in the movement for equality. To enhance our gains, we look to our sisters' ideas and experiences the world over.

After a century of active participation in the social struggle, Iranian women came face to face with the onslaught of religious, terrorist dictatorship, namely the fundamentalists ruling Iran. As the reactionary beast awakened, the mounting difficulties had only one message for our women: all-out resistance Capitulation and submission were impossible. women took part in the political struggle and rose up to resist the reactionaries and defend democratic freedoms. Now, they convey the cries of an enchained and oppressed, yet proud and resistant, nation.

After 15 years of struggle against the reactionaries, these pioneering women occupy key positions as leaders of the Resistance movement. Fifty-two percent of the Resistance's parliament are women. The General Command of the National Liberation Army of Iran is made up essentially of women, and the Leadership Council of the Mojahedin, the pivotal force within the Resistance, is comprised entirely of women.

Women also command and manage at different levels in the combat, technical and specialized units of the army, in the movement's political structure and in organizational affairs. Under their directorship, the male-female division of labor has become a thing of the past.

WOMEN'S EMANCIPATION

But how did we manage such achievements?

Twelve years ago, locked in a life-or-death struggle against the rule of the mullahs, the Resistance movement realized that women must take on greater responsibilities. At that juncture, our women played a prominent role in the fight against the clerical regime, but one thing was blocking the gates to change: doubts about women's capabilities.

In the story of women's liberation, tragedy and heroism are often ironically entwined. This is my constant feeling in my dealings with the women's struggle. See for yourself how well-entrenched male-dominated thinking is, in the roots and veins of society and culture.

Within our organization, which was fighting against the mullahs, all the heroism of women and the sacrifice of tens of thousands of women martyrs were still not enough to make us believe in their equality, to break the barriers of sexual oppression and discrimination. I sometimes thought to myself, what else must women do to make others believe in them? How is it that these women defeat the executioners in prisons with their bare hands, but cannot come to grips with political concepts and lack the necessary resolve to manage our affairs? Had this will and these emotions been created for women only to offer comfort to their husbands at home? I found that hard to believe.

Most tragically, these same women did not see themselves as sources of admirable heroism and lacked the will to change. After all, women had historically brought about many wondrous achievements; the crux of the matter was their lack of faith in themselves, hence the need to rebel against such misgivings.

It was then that we reached the conclusion that gradual change would prove useless, that the missing element and the real solution to break this mindset was women's participation in leadership.

Indeed, in our confrontation with the ruling reactionaries, we needed to rid ourselves of the residue of their thinking and values. Inevitably, we had to crush the heart of the reactionary misogyny which negates women's human identity and ability to lead the society. In this way women could break through the barriers of historical degradation and oppression embedded within their own thinking, and believe in themselves. It was also necessary to convince the men that they need no longer question the capabilities of the women who had fought alongside them on all the battlefields of the struggle for freedom. Once these changes had overturned the mindset of all the Mojahedin in the form of an internal revolution, our women broke the spell of self-doubt. Not merely as isolated examples, but as a generation of emancipated women, they ably assumed key leadership responsibilities.

NEW VALUES

The most outstanding characteristics of these women were their sense of responsibility, their willingness to learn, their commitment to discipline, their impressive decisiveness, and most important of all, the selfless devotion which emanated from their human qualities. These traits also had a constructive impact on the work place.

These women had learned to believe in themselves; that they were free and equal human beings; that they were not created for men and not identified with them; that they were no one's possession; that they owned their own body, life and emotions. They overcame the world of "the weaker sex," a world of subordination and irresponsibility, and were reborn in their true human image.

The first signs of this birth were the new relationships among women. They realized that they first had to like the women around them, if they were to act in solidarity with one another and accept each other's command.

It is perhaps appropriate for me to speak, beyond the many new values that blossomed in the revolution in our thinking, about the role of these women in maintaining a healthy relationship between women and men. It was only in this way that a mixed army in which the relationships among people were pure and the combat capability enormous, took shape, arousing the admiration of many observers.

And finally, one of our greatest achievements was that our women's emancipation immediately affected the liberation of our men, and improved their capabilities. Those men who rushed to welcome this change, despite its hardships, were proud to forge ahead in the path to equality.

Needless to say, in the world of discrimination, men, too, are enchained and enslaved by a domineering and authoritarian attitude. Truly, to deny the humanity of those human beings closest to him—his mother, sister and wife—must not a man first negate his own humanity? How else can a human being accept such oppression with a clear conscience? We have seen a generation of men regain their lost human identity in the movement to reject gender oppression, men who displayed the ultimate form of freedom and emancipation by accepting the leadership of women.

Yes, we have witnessed the birth of a generation of liberated women and men, shining beacons in an auspicious transformation of human relationships. This transformation came about through the leadership of Massoud Rajavi. Because of it, our generation and our Resistance movement were thrust forward on the road of human evolution and advancement. Of course, this generation, under this leadership, was tempered in an all-out anti-fundamentalist resistance. Its most important trait has been that in the political arena, it submitted to no compromise with the fundamentalists. This was a generation that arose on June 20th, 1981, to protest the suppression of liberties. In never relenting, despite 100,000 martyrs, it demonstrated that it will not stop until it achieves—at whatever cost—the Iranian people's fundamental rights, namely, freedom and national and popular sovereignty.

This generation crushed the mullahs' demagoguery about the war and obstructed the export of fundamentalism by campaigning relentlessly for peace in and out of Iran.

This generation broke the spell of the inhuman mullahs' posturing about religion through sacrifice and selflessness. It charted a resistance that has today emerged as the democratic, progressive and popular answer to fundamentalism, and is recognized as the antithesis of fundamentalism.

Along this path, the Mojahedin and combatants of Iran's freedom had to forsake everything to guarantee the liberation of their beloved people and homeland. They had to cleanse themselves of all the pollutants of the ruling reactionaries' mindset. They had to arise and eradicate concepts based upon gender discrimination, and ensure women's emancipation and acceptance of responsibility.

CRUCIAL STEPS

Permit me in this brief opportunity to mention the most important points learned from our experience, as time limitations make it impossible to discuss our accomplishments in any depth.

First, to begin the process towards eradicating relationships based on gender oppression, women must enter the field of political and social activity.

Second, to this end, women must occupy positions of political and social leadership. Within the movement for equality itself, at least 50% of key positions of responsibility must be held by women. Through a policy of positive discrimination for a certain period of time, women's historical deprivation must be compensated for. Accordingly, a system of quotas is needed, that favors ever greater assumption by women of social responsibilities. The spirit, essence and hallmark of such privileges are a greater sense of responsibility by women and men and an end to exploitation and sexual oppression.

Third, women's emancipation is a prerequisite to the liberation of men, and must lead to it. Solutions which aim only to swap the places of women and men will only result in the latter's destruction, aggravating the alienation of the sexes and the conflicts between them. Obviously, that will not bring about women's emancipation either. On the other hand, there is nothing unrealistic about creating a new set of human relationships and equality between the two sexes, given their monistic human essence.

Fourth, contrary to the misogynous reactionaries, we must underscore the principle that women's rights are human rights. These encompass all individual and social rights stipulated in the Universal Declaration of Human Rights. On this basis, a woman's body and emotions are her own, and she has the right to birth control.

Fifth, the conflicts between the family and social and political responsibilities are common, erosive problems for all women. We believe that it is the right of all women, particularly combatant women and those who struggle in the movement for equality, to choose freely. This right must be fully recognized, so that they can, whenever necessary, choose to give priority and precedence to political and social responsibilities.

WOMEN AND THE FUTURE

Women's participation in the resistance movement prepares the cultural and ideological grounds to eradicate sexual oppression. Such active participation, albeit difficult and abound in sacrifice, gives credence to the equality of Iranian women and the recognition of their rights. In contrast to Khomeini, who never recognized women's minimum rights, Iranian women's rights and freedoms are unequivocally and specifically recognized in the platform of the National Council of Resistance and the provisional government, as well as in a specific declaration ratified by the NCR on the freedoms and rights of women.

Accordingly, I reaffirm the recognized rights of women in the Iran of tomorrow.

1. Women's social, political and economic rights will be completely equal with men's;

2. Women will enjoy the right to free political and social activity, social intercourse and travel without the permission of another person.

3. Women's associations will be recognized and their voluntary organizations supported nationwide;

4. In order to eradicate inequality and dual oppression, special privileges in various social, administrative and cultural arenas will be considered.

5. Women will have the right to elect and be elected in all elections, and the right to suffrage in all referendums;

6. Women will have the right to employment and freedom of choice of profession, the right to hold any public or government position, and the right to serve as judges in all judicial bodies;

7. Discrimination between women and men in hiring and during employment is banned. Women and men will receive equal pay for equal work. They will receive identical retirement pensions, disability payments, children support and alimony and unemployment insurance;

8. Women will have the right to use, without discrimination, all instructional, educational athletic and artistic resources, and will have the right to participate in all competitions and artistic activities;

9. Women will be completely free to choose their clothing and covering;

10. Women will be completely free to choose their spouses, to marry and divorce, and will enjoy the same rights as men;

11. Legal inequalities regarding testimony, inheritance, and guardianship of children will be eliminated. During pregnancy, child birth and child rearing, women will enjoy special rights and accommodations. Widowed or divorced women and the children under their care will be supported by the country's social welfare system;

12. Any sexual exploitation of women, under whatever pretext, is banned. Any coercion or imposition on women in family life, as well as marriage before legal age, is forbidden.

13. Polygamy is banned;

14. Employment of minor girl children is banned, and they will enjoy special educational privileges.

Ladies and gentleman, dear compatriots, what I have enumerated are the natural expectations of women. They are rights that for centuries have been ignored and denied, as the women trying to attain them have been suppressed. They are the common demands of our sisters around the world.

My homeland, however, tells a different story, because:

The mighty resistance of Iranian women and the pain and blood of tens of thousands of martyred and tortured women have given new meaning to these words, and have colored them with a brilliant courage, seriousness, love of life and hope of construction.

The women of Iran have defied the mullahs' humiliation and proudly challenged the guardians of inequality.

Women and mothers forsook their marriages for the freedom of their people and country, and bid farewell for an indefinite period to their beloved children.

Women undertook the heaviest and most complex responsibilities in the battle against the misogynous and inhuman fundamentalists.

HISTORIC MANDATE

My sisters, you women who have rebelled against inequality.

My brothers, you men who chose to follow your conscience rather than opt for the special privileges of male domination.

I call upon you to come to the aid of our Resistance movement against the most evil religious tyranny in history. I ask you to rise up and join hands to form a global coalition and a front against fundamentalism.

The misogynous, inhuman mullahs are intent on destroying the rights and freedoms of women and trampling upon their human dignity in order to bolster the pillars of their regime. But I say to these mullahs, you are gravely mistaken. The world will bear witness when you become an example for those who ponder enslaving, suppressing and beguiling the people.

And I say, if you think that you can get what you want because the yearning to live freely and think freely has died in the world, you are gravely mistaken. You have done your utmost to humiliate, suppress, torture and slaughter Iranian women, but rest assured that you will receive the blow from the very force you discounted, the very force whom your reactionary mindset cannot allow you to take into consideration. The era of demagoguery and deceit under the cloak of religion has ended.

On the eve of the 21st century, enlighten people the world over, the proud Resistance of Iranian people and the combatants of freedom will not allow you to abuse religion.

In closing, and in again calling upon all my sisters—here, across Iran and gathered in other countries—I wish to stress;

The women of the past, who endured a history of torment and oppression, and the women, children and men of the future, today turn their eyes to you. They ask you to rise to the occasion and assume your historic role. It is you who will propel human history into the golden age of equality, peace, democracy and development.

Hail to all free-thinking women and men everywhere, who are paying the high price of liberty. Victory lies before you, belongs to you and awaits you. Indeed, the oppressed of today are the victors of tomorrow. Their voice will resonate throughout eternity.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, July 23, 1996, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 24

9:30 a.m.

Agriculture, Nutrition, and Forestry

Business meeting, to mark up S. 1166, to enhance public confidence in the safety of the American food supply, and facilitate the development and adoption of safe, effective pest control technologies.

SR–328A

Commerce, Science, and Transportation

Science, Technology, and Space Subcommittee

To hold oversight hearings on the National Oceanic and Atmospheric Admistration's (NASA) space station and space shuttle programs.

SR–253

Environment and Public Works

Business meeting, to consider pending calendar business; to be followed by a hearing on the nominations of Nils J. Diaz, of Florida, and Edward McGaffigan, Jr., of Virginia, each to be a Member of the Nuclear Regulatory Commission.

SD–406

Labor and Human Resources

Business meeting, to mark up S. 1490, to improve enforcement of Title I of the Employee Retirement Income Security Act of 1974 and benefit security for participants by adding certain provisions with respect to the auditing of employee benefit plans.

SD–430

Rules and Administration

To resume hearings to examine the role of the Federal Depository Library Program of the Government Printing Office in ensuring public access to Government information.

SR–301

Indian Affairs

Business meeting, to mark up S. 199, Trading with Indian Act Repeal, S. 1893, the Torres-Martinez Desert Cahuilla Indians Claims Settlement Act, S. 1962, the Indian Child Welfare Act Amendments, H.R. 2464, to add additional land to the Goshute Indian Reservation in Utah, H.R. 3068, to revoke the Charter of the Prairie Island Indian Community, S. 1970, the National Museum of the American Indian Act Amendments, S. 1972, the Older Americans Indian Technical Amendments Act, and S. 1973, the Navajo/Hopi Land Dispute Settlement Act.

SR–485

Select on Intelligence

To hold hearings on the status of the Dayton Peace Accord.

SH–216

10:00 a.m.

Banking, Housing, and Urban Affairs

Financial Institutions and Regulatory Relief Subcommittee

To hold hearings to examine the condition of consumer credit, focusing on the risks of deteriorating credit quality on financial institutions and the economy.

SD–538

Governmental Affairs

Financial Management and Accountability Subcommittee

To hold hearings on S. 1434, to amend the Congressional Budget Act of 1974 to provide for a two-year (biennial) budgeting cycle.

SD–342

Veterans' Affairs

Business meeting, to mark up S. 1791, to increase, effective as of December 1, 1996, the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans, and other pending committee business.

SR-418

10:30 a.m.

Foreign Relations

Business meeting, to consider pending calendar business.

SD-419

JULY 25

9:30 a.m.

Commerce, Science, and Transportation

To resume hearings on S. 1726, to promote electronic commerce by facilitating the use of privacy-enhancing technologies.

SR-253

Energy and Natural Resources

Parks, Historic Preservation and Recreation Subcommittee

To hold hearings on S. 1699, to establish the National Cave and Karst Research Institute in the State of New Mexico, and S. 1809, entitled the "Aleutian World War II National Historic Areas Act".

SD-366

Governmental Affairs

Business meeting, to consider the nomination of Franklin D. Raines, of the District of Columbia, to be Director, Office of Management and Budget, and to mark up S. 1376, to terminate unnecessary and inequitable Federal corporate subsidies, S. 1931, to provide that the United States Post Office building that is to be located at 9 East Broad Street, Cookeville, Tennessee, shall be known and designated as the "L. Clure Morton Post Office and Courthouse", and S. 1629, to protect the rights of the States and the people from abuse by the Federal Government, to strengthen the partnership and the intergovernmental relationship between State and Federal governments, and to enforce the Tenth Amendment to the U.S. Constitution.

SD-342

Labor and Human Resources

To hold hearings to examine recent developments in genetics research and public policy issues surrounding the application of new genetic technologies.

SD-430

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings to review the General Accounting Office (GAO) report on the Federal Reserve System.

SD-538

Governmental Affairs

To hold hearings on S. 1794, to provide for the forfeiture of retirement benefits in the case of any Member of Congress, congressional employee, or Federal justice or judge who is convicted of an offense relating to official duties of that individual, and for the forfeiture of the retirement allowance of the President for such a conviction.

SD-342

Judiciary

Business meeting, to consider pending calendar business.

SD-226

JULY 29

2:00 p.m.

NATIONAL COMMISSION ON RESTRUCTURING THE INTERNAL REVENUE SERVICE

To hold a closed executive session.

SD-192

JULY 30

9:30 a.m.

Energy and Natural Resources

Forests and Public Land Management Subcommittee

To hold oversight hearings to examine the conditions that have made the national forests in Arizona susceptible to fires and disease.

SD-366

Special on Aging

To hold hearings to examine incidents of suicide among the elderly.

SD-628

2:00 p.m.

Judiciary

Constitution, Federalism, and Property Rights Subcommittee

Business meeting, to mark up S.J.Res. 8, proposing an amendment to the Constitution of the United States to prohibit retroactive increases in taxes, and proposed legislation authorizing funds for the United States Commission on Civil Rights.

SD-226

JULY 31

10:00 a.m.

Judiciary

To hold hearings to examine competition in the telecommunications industry.

SD-226

AUGUST 1

10:00 a.m.

Foreign Relations

To hold hearings to review foreign policy issues.

SD-419

Judiciary

Business meeting, to consider pending calendar business.

SD-226

2:00 p.m.

Energy and Natural Resources

To hold oversight hearings on the implementation of Section 2001, Emergency Timber Salvage, of Public Law 104-19.

SD-366

SEPTEMBER 5

2:00 p.m.

Energy and Natural Resources

Forests and Public Land Management Subcommittee

To hold hearings on S. 931, to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for the planning and construction of the water supply system, S. 1564, to authorize the Secretary of the Interior to provide loan guarantees for water supply, conservation, quality and transmission projects, S. 1565, to supplement the Small Reclamation Projects Act of 1956 and to supplement the Federal Reclamation laws by providing for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects, S. 1649, to extend contracts between the Bureau of Reclamation and irrigation districts in Kansas and Nebraska, S. 1719, Texas Reclamation Projects Indebtedness Purchase Act, and S. 1921, to transfer certain facilities at the Minidoka project to Burley Irrigation District.

SD-366

SEPTEMBER 17

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.

334 Cannon Building

CANCELLATIONS

JULY 23

9:30 a.m.

Select on Intelligence

To hold hearings on the status of the Dayton Peace Accord.

SH-216

POSTPONEMENTS

JULY 23

9:30 a.m.

Energy and Natural Resources

To hold hearings on S. 1678, to abolish the Department of Energy.

SD-366

JULY 25

10:00 a.m.

Judiciary

To hold hearings on S. 1961, to establish the United States Intellectual Property Organization, and to amend the provisions of title 35, United States Code, relating to procedures for patent applications, commercial use of patents, reexamination reform.

SD-226

SENATE—*Tuesday, July 23, 1996*

The Senate met at 9:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

The Lord is gracious and full of compassion, slow to anger and great in mercy.

The Lord is good to all, and His tender mercies are over all His works.—Psalm 145:8–9.

Gracious God, who gives us so much more than we deserve in blessings and withholds what we deserve for our lack of faithfulness and obedience, we praise You for Your loving kindness and mercy. With a fresh realization of Your unqualified grace to us, we recognize our need to be to the people of our lives what You have been to us and to give mercy as we have received it so generously from You. We think of people who need our forgiveness, another chance, encouragement, and affirmation. Often we punish people with our purgatorial pouts, leaving them to wonder about what they can do to regain our approval. Dear Father, help us to be agents of reconciliation and renewal. May grace overcome our grudges and joy diffuse our judgments. May this be a day of new beginnings in which we are initiative in reaching out to one another in genuine friendship. We ask Your blessing and power upon this Senate, particularly today with the multiplicity of votes ahead. Guide and direct, O great God. In the name of Jesus who taught us how to love You and to love one another. Amen.

PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

The PRESIDING OFFICER (Mr. DEWINE). The clerk will report the bill.

The assistant legislative clerk read as follows:

A bill (S. 1956) to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 1997.

The Senate resumed consideration of the bill.

Pending:

Faircloth amendment No. 4905, to prohibit recruitment activities in SSI outreach programs, demonstration projects, and other administrative activities.

Harkin amendment No. 4916, to strike section 1253, relating to child nutrition requirements.

D'Amato amendment No. 4927, to require welfare recipients to participate in gainful community service.

Exon (for Simon) amendment No. 4928, to increase the number of adults and to extend the period of time in which educational training activities may be counted as work.

Feinstein/Boxer amendment No. 4929, to provide that the ban on supplemental security income benefits apply to those aliens entering the country on or after the enactment of this bill.

Chafee amendment No. 4931, to maintain current eligibility standards for Medicaid and provide additional State flexibility.

Roth amendment No. 4932 (to amendment No. 4931), to maintain the eligibility for Medicaid for any individual who is receiving Medicaid based on their receipt of AFDC, foster care or adoption assistance, and to provide transitional Medicaid for families moving from welfare to work.

Chafee amendment No. 4933 (to amendment No. 4931), to maintain current eligibility standards for Medicaid and provide additional State flexibility.

Conrad amendment No. 4934, to eliminate the State food assistance block grant.

Santorum (for Gramm) amendment No. 4935, to deny welfare benefits to individuals convicted of illegal drug possession, use or distribution.

Graham amendment No. 4936, to modify the formula for determining a State family assistance grant to include the number of children in poverty residing in a State.

Helms amendment No. 4930, to strengthen food stamp work requirements.

Graham (for Simon) amendment No. 4938, to preserve eligibility of immigrants for programs of student assistance under the Public Health Service Act.

Shelby amendment No. 4939, to provide a refundable credit for adoption expenses and to exclude from gross income employee and military adoption assistance benefits and withdrawals from IRA's for certain adoption expenses.

Ford amendment No. 4940, to allow States the option to provide non-cash assistance to children after the 5-year time limit, as provided in conference report number 104–430 to H.R. 4, (Family Self-Sufficiency Act).

Ashcroft amendment No. 4941, to set a time limit of 24 consecutive months for TANF assistance and allows States to sanction recipients if minors do not attend school.

Ashcroft amendment No. 4942 (to amendment No. 4941), to provide that a family may not receive TANF assistance for more than 24 consecutive months at a time unless an adult in the family is working or a State exempts an adult in the family from working for reasons of hardship.

Ashcroft amendment No. 4943 (to amendment No. 4941), to provide that a State may sanction a family's TANF assistance if the family includes an adult who fails to ensure that their minor dependent children attend school.

Ashcroft amendment No. 4944 (to amendment No. 4941), to provide that a State may sanction a family's TANF assistance if the family includes an adult who does not have, or is not working toward attaining a secondary school diploma or its recognized equivalent.

Dorgan amendment No. 4948, to strike provisions relating to the Indian child care set aside.

Ford (for Murray) amendment No. 4950, to strike section 1206, relating to the summer food service program for children.

Graham amendment No. 4952, to strike additional penalties for consecutive failure to satisfy minimum participation rates.

Exon (for Kennedy) amendment No. 4955, to permit assistance to be provided to needy or disabled legal immigrant children when sponsors cannot provide reimbursement.

Exon (for Kennedy) amendment No. 4956, to allow a 2-year implementation period under the Medicaid program for implementation of the attribution of sponsor's income and the 5-year ban.

Mr. EXON. Mr. President, I hope that the Chair at this time will advise the Senate of the procedures agreed to. As I understand the procedures, we will have a series of 24 or more rollcall votes. The first rollcall will be 15 minutes and then 10 minutes on all thereafter, is that correct?

The PRESIDING OFFICER. The Senator has stated that correctly.

The able Senator from South Carolina is recognized for 1 minute.

MOTION TO WAIVE THE BUDGET ACT—AMENDMENT NO. 4905

Mr. FAIRCLOTH. Mr. President, this amendment's purpose is to send a simple, clear message, which is that the taxpayers' money should not be spent to increase the number of people on welfare.

Six years ago, Congress instructed the Social Security Administration to increase participation in the SSI Program. Since then, the cost has soared and the number of enrollees has more than tripled. Now it is time to send a message that this effort should stop. Nothing is more indicative of an out-of-control welfare system than this practice of using taxpayers' dollars to increase the number of people on welfare.

I urge my colleagues to vote to waive the point of order and pass this amendment.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, we oppose the amendment offered by the Senator from North Carolina. What this amendment simply does is to say that people who are on SSI, or who might qualify under SSI, under the law, do not have the right to be informed about their options.

Certainly, we do not encourage soliciting people to join the SSI Program. But the Faircloth amendment goes further than that, in our opinion. Therefore, we think the basic right of information, the people's right to know, a legitimate service to answer proper inquiries should be kept in place. We think that the amendment offered by the Senator from South Carolina goes far beyond what his supposed intent is.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Therefore, we have raised a point of order and we hope the point of order will be sustained.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 41, nays 57, as follows:

[Rollcall Vote No. 212 Leg.]

YEAS—41

Abraham
Ashcroft
Brown
Burns
Byrd
Coats
Cochran
Coverdell
Craig
D'Amato
DeWine
Domenici
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Helms
Hutchison
Inhofe
Kempthorne
Kyl
Lott
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Thomas
Thompson
Thurmond
Warner

NAYS—57

Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Bryan
Bumpers
Campbell
Chafee
Cohen
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Hatch
Hatfield
Heflin
Hollings
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Snowe
Specter
Stevens
Wellstone
Wyden

NOT VOTING—2

Inouye
Kassebaum

The PRESIDING OFFICER. On this vote the yeas are 41, the nays are 57. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to and the amendment falls.

The Senator from Iowa.

Mr. WELLSTONE. Mr. President, will the Senator yield for 5 seconds?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Will the Senator yield for just 30 seconds?

Mr. HARKIN. Yes.

Mr. DOMENICI. How much time did we use on the first amendment?

The PRESIDING OFFICER. One minute over.

Mr. DOMENICI. According to the unanimous-consent agreement, we are on 10 minutes now for the amendments, and let me just name the next four, so Senators involved will know kind of where they are. Senator HARKIN is next on child nutrition, Senator D'AMATO on work requirements, Senator SIMON on education work exemptions, and then Senator FEINSTEIN on immigration.

I thank you for yielding. I thank the Chair.

Mr. WELLSTONE. Mr. President, will the Senator yield for a 10-second unanimous-consent request?

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. I ask unanimous consent that Laureen Lazarovici, a fellow in my office, have the privilege of the floor during consideration of this vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WELLSTONE. I thank the Chair.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 1 minute.

AMENDMENT NO. 4916

Mr. HARKIN. Mr. President, this amendment would simply continue a small program that provides assistance to help start and expand school breakfast and summer food programs for low-income kids. This is directly related to education. When these kids come in to school, they can have breakfast in the morning; they can receive meals in the summer when school is out—but only if there is a school breakfast or summer food program locally. That is why the start-up and expansion grants are so important.

Also, I want to say that this amendment does not prevent the nutrition portion of this bill from meeting the 6-year budget instruction. The Ag Committee's portion of the bill reduces spending by $570 million more than its instruction. This program will spend only $39 million for grants over 6 years, but it is a vitally important program.

This amendment is supported by the American School Food Service Association, the Food Research and Action Center, and the Children's Defense Fund. I ask you not to cut a program that gets kids into school and gets them learning. It is directly related to education, and we do not have to cut other programs to continue this one because the Ag Committee has more than enough money to pay for it.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Indiana.

Mr. LUGAR. I rise in opposition to this amendment. It has been almost universally opposed, first of all. The issue the Senator from Iowa wishes to strike appears in President Clinton's most recent welfare reform proposal. Likewise, the reform which we try to bring about in this bill was in the minority leader's reconciliation bill. The reason is that four out of every five low-income children attend school with a breakfast program. The program has expanded very rapidly. It is not clear that expansion funds would have a marginal effect. The amendment that we are considering reduces savings by $112 million. This means, if Senator HARKIN's amendment is adopted, we will have to find the savings probably in some other nutrition programs. I find that unacceptable.

Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER (Mr. COATS). Is there a sufficient second? There is a sufficient second on the motion to table.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

The result was announced—yeas 56, nays 43, as follows:

[Rollcall Vote No. 213 Leg.]

YEAS—56

Abraham
Ashcroft
Bennett
Biden
Bond
Breaux
Brown
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Domenici
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—43

Akaka
Baucus
Bingaman
Boxer
Bradley
Bryan
Bumpers
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone
Wyden

NOT VOTING—1

Kassebaum

The motion to lay on the table the amendment (No. 4916) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4927

The PRESIDING OFFICER. Under the previous order, the Senator from New York, Senator D'AMATO, is recognized for 1 minute.

Mr. D'AMATO. Mr. President, this amendment will really strengthen the work requirements in this bill. It says very clearly if we want to change welfare as we know it, this is the way to do it, because it will require that those able-bodied recipients be required to report for a job. If there is no job in the private sector available, if they are not into job training, then community service. There are parks to be cleaned and roads to be repaired and there is work in hospitals.

It was no less than Franklin Delano Roosevelt who said it best. He said if people stay on welfare for prolonged periods of time, it administers a narcotic to their spirit. This dependence on welfare undermines their humanity, makes them wards of the State.

That is Franklin Delano Roosevelt. He cared about people, working people. He wanted to see to it that people had help when they truly needed it, but he understood welfare could become entrapping and a narcotic. Community service is something that will give pride to people who need assistance.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, we have no one on this side who has sought time to speak against the amendment. Therefore, I yield our time to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, I thank my friend from Nebraska. We need this amendment because the bill provides that even able-bodied people could not work for up to 2 years, and there is no reason that if a private sector job is not available and if someone is not in job training or in school that an able-bodied person should not be offered and should not be required to accept a community service position.

So this is a very needed amendment. It is the same amendment which I offered along with Senator Dole last September, and I hope it gets not only a strong vote in the Senate, but I hope that this time it is retained in conference and is not dropped in conference the way it was last time.

The PRESIDING OFFICER. The question is on agreeing to amendment No. 4927 by the Senator from New York and the Senator from Michigan. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

The result was announced—yeas 99, nays 0, as follows:

[Rollcall Vote No. 214 Leg.]

YEAS—99

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frahm
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone
Wyden

NOT VOTING—1

Kassebaum

The amendment (No. 4927) was agreed to.

Mr. LEVIN. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. I move to table the motion.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4928, AS MODIFIED

The PRESIDING OFFICER. Under the previous order, the Senator from Illinois is recognized for 1 minute.

Mr. SIMON. Mr. President, I ask unanimous consent to modify my amendment. It is a purely technical modification.

Mr. DOMENICI. We have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4928), as modified, is as follows:

Beginning on page 233, strike line 15, and all that follows through line 13 on page 235, and insert the following:

"LIMITATION ON EDUCATION ACTIVITIES COUNTED AS WORK.—For purposes of determining monthly participation rates under paragraphs (1)(B)(i) and (2)(B)(i) of subsection (b), not more than 30 percent of adults in all families and in 2-parent families determined to be engaged in work in the State for a month may meet the work activity requirement through participation in educational training.

"(5) SINGLE PARENT WITH CHILD UNDER AGE 6 DEEMED TO BE MEETING WORK PARTICIPATION REQUIREMENTS IF PARENT IS ENGAGED IN WORK FOR 20 HOURS PER WEEK.—For purposes of determining monthly participation rates under subsection (b)(1)(B)(i), a recipient in a 1-parent family who is the parent of a child who has not attained 6 years of age is deemed to be engaged in work for a month if the recipient is engaged in work for an average of at least 20 hours per week during the month.

"(6) TEEN HEAD OF HOUSEHOLD WHO MAINTAINS SATISFACTORY SCHOOL ATTENDANCE DEEMED TO BE MEETING WORK PARTICIPATION REQUIREMENTS.—For purposes of determining monthly participation rates under subsection (b)(1)(B)(i), a recipient who is a single head of household and has not attained 20 years of age is deemed to be engaged in work for a month in a fiscal year if the recipient—

"(A) maintains satisfactory attendance at secondary school or the equivalent during the month; or

"(B) participates in education directly related to employment for at least the minimum average number of hours per week specified in the table set forth in paragraph (1).

"(d) WORK ACTIVITIES DEFINED.—As used in this section, the term 'work activities' means—

"(1) unsubsidized employment;

"(2) subsidized private sector employment;

"(3) subsidized public sector employment;

"(4) work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available;

"(5) on-the-job training;

"(6) job search and job readiness assistance;

"(7) community service programs;

"(8) educational training (not to exceed 24 months with respect to any individual);".

Mr. SIMON. Mr. President, I believe this may be adopted by voice vote. It is cosponsored by Senators MURRAY, SPECTER, JEFFORDS, and BOB KERREY. The bill without this amendment says States can get credit above the age of 50 only for vocational education. The reality is for many people learning how to read and write, getting that high school equivalency is at least equally important. This permits that possibility.

I know of no objection to the amendment. I hope it can be adopted by voice vote.

The PRESIDING OFFICER. Is there further debate?

Mr. EXON. There is no objection on this side.

Mr. DOMENICI. Mr. President, we agree to accept the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4928), as modified, was agreed to.

Mr. SIMON. I move to reconsider the vote.

Mr. EXON. I move to table the motion.

The motion to lay on the table was agreed to.

MOTION TO WAIVE THE BUDGET ACT—AMENDMENT NO. 4929

Mr. DOMENICI. Mr. President, the next amendment is the Feinstein amendment. The Senator from Pennsylvania, Senator SANTORUM, will be responding on our side. It is an important amendment.

The PRESIDING OFFICER. The Senator from California is recognized to speak.

Mrs. FEINSTEIN. Mr. President, this bill as drafted would remove from SSI, from AFDC, and from Medicaid, everyone legally in this country that happens to be a newcomer. It is retroactive in that respect.

The amendment that Senator BOXER and I put forward would make this prospective. Every newcomer coming into the country after September 1 would not be able to count on any welfare benefits until they became a citizen, which generally takes about 5 years.

This is a huge item. In my State alone, it would affect more than 1 million people. Thousands of them are refugees. They have no sponsors. They are aged, they are blind, they are disabled, they are children. This would immediately throw them off of whatever assistance they have, with no other recourse. Los Angeles County alone estimates the cost is $500 million.

The PRESIDING OFFICER. The 1 minute has expired.

Mrs. FEINSTEIN. I thank the Chair.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. SANTORUM] is recognized.

Mr. SANTORUM. Mr. President, first off, this amendment would cost about a quarter of the savings in the bill. It is about a $15 billion additional cost added to this bill. But on substantive ground, this is similar to the vote we took last week on the Graham amendment. What this underlying bill did, what the Democratic substitute did, what the bill that passed here in the Senate last time did was say that sponsors have to live up to their contractual obligations. They signed a document saying they would provide for people that come to this country. People come to this country and sign a document saying they would not become wards of the State. What is happening is that millions of people are coming to this country, bringing moms and dads over. They are coming into this country and going down to the SSI office and qualifying for SSI benefits and you and the taxpayers of this country are picking up and being the retirement home for the rest of the world. That is not what this program should be about. What we do is take care of refugees. If they come, they have a 5-year period where they qualify for all of the benefits. That is more than fair. Sponsors should pay what they say they are going to pay.

Mr. DOMENICI. Mr. President, I ask for 5 seconds.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DOMENICI. This is a waiver of the Budget Act. You are waiving 15 billion dollars' worth of savings. I do not believe you ought to waive the Budget Act for $15 billion.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act.

The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 46, nays 52, as follows:

[Rollcall Vote No. 215 Leg.]

YEAS—46

Akaka
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Chafee
Cohen
Conrad
Daschle
Dodd
Dorgan
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mack
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Rockefeller
Sarbanes
Simon
Snowe
Specter
Wellstone
Wyden

NAYS—52

Abraham
Ashcroft
Baucus
Bennett
Bond
Brown
Burns
Byrd
Campbell
Coats
Cochran
Coverdell
Craig
D'Amato
DeWine
Domenici
Exon
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kempthorne
Kyl
Lott
Lugar
McCain
McConnell
Murkowski
Nickles
Nunn
Pressler
Robb
Roth
Santorum
Shelby
Simpson
Smith
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—2

Inouye
Kassebaum

The PRESIDING OFFICER. On this vote, the yeas are 46, and the nays are 52. Three-fifths of the Senators duly chosen and sworn, not having voted in the affirmative, the motion is rejected and the amendment falls.

AMENDMENT NO. 4933 TO AMENDMENT NO. 4931

The PRESIDING OFFICER. Under the previous order, the Senator from Rhode Island is recognized for 1 minute.

Mr. CHAFEE. Mr. President, this legislation is welfare reform. We dropped out the changes in Medicaid, and we are told that this is not a Medicaid bill. Yet, this bill permits the States not only to drop eligibility levels for cash assistance—AFDC—but also for Medicaid. The States can throw a woman and small children off cash assistance and at the same time take away their Medicaid, their only chance for any medical services.

My amendment says, go ahead, if you wish, reduce eligibility levels for welfare, but Medicaid eligibility levels should remain as they are today.

Furthermore, what constitutes income in calculating Medicaid eligibility remains as it is now. In other words, if my amendment is not adopted, States will be able to count school lunches and even disaster relief toward what makes a person eligible for Medicaid.

I yield the remainder of my time to the Senator from Louisiana.

Mr. BREAUX. Mr. President, I just say to our colleagues that if you want to continue mothers and children further to be eligible for Medicaid, you have to support this amendment. By opposing this amendment, you are saying to mothers and children in the future that you are going to be taken off, or could be taken off, Medicaid and health benefits without any further insurance. I think that is wrong.

The PRESIDING OFFICER. The time of the Senator from Rhode Island has expired.

Mr. CHAFEE. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. CHAFEE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Delaware has 1 minute.

Mr. ROTH. Mr. President, I point out that what we have before us is the Chafee perfecting amendment. This perfecting amendment only makes a technical change in the basic Chafee amendment. I have no objection to that technical amendment. In fact, I would have been willing to accept the perfecting amendment on a voice vote. But, since he has gotten the yeas and nays, I urge everybody to vote aye on the technical change.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Rhode Island. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

The PRESIDING OFFICER (Mr. CAMPBELL). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 97, nays 2, as follows:

[Rollcall Vote No. 216 Leg.]

YEAS—97

Abraham
Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Bryan
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frahm
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack

McCain
McConnell
Mikulski
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone
Wyden

NAYS—2

Ashcroft
Brown

NOT VOTING—1

Kassebaum

The amendment (No. 4933) was agreed to.

AMENDMENT NO. 4932 TO AMENDMENT NO. 4931

The PRESIDING OFFICER. The question now occurs on the Roth amendment No. 4932, with 2 minutes being equally divided. The Senator from Delaware [Mr. ROTH] is recognized.

Mr. ROTH. Mr. President, the purpose of my amendment is to ensure continued Medicaid coverage to all individuals currently receiving Medicaid benefits because of their eligibility through the current AFDC benefits. This will ensure that no child or adult currently receiving Medicaid benefits would lose coverage because of welfare reform.

My amendment also provides for 1 year of transitional Medicaid benefits. This guarantees that families leaving welfare will continue to receive Medicaid coverage for a full year to help in the critical transition from welfare to work. The problem with the Chafee-Breaux amendment is that it would force the States to maintain current eligibility standards indefinitely into the future. That means that someone, 5 or 10 years from now, may not qualify under a State's new welfare program but nevertheless would claim eligibility under the old program. This creates serious issues of equity.

The Governors are deeply concerned about the Chafee-Breaux approach, as it would be burdensome to administer.

I urge the adoption of the Roth amendment.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, we should oppose the Roth amendment because it negates the Chafee-Breaux amendment that was just agreed to. I yield the remainder of the time to Senator Chafee.

Mr. CHAFEE. Mr. President, if you voted yes on the Chafee amendment we just agreed to, then you should vote no on the Roth amendment. The Roth amendment allows States to drastically reduce Medicaid coverage for all groups of women and children. If the Roth amendment prevails and we strike the protections that we just adopted in my amendment, the Roth amendment grandfathers only those AFDC-eligible individuals who are enrolled in Medicaid at the time of enactment. There are no protections for those who meet the same standards after the enactment.

Second, it strikes the provisions in my amendment that reinstate the standard for calculating income. Thus, a pregnant woman or 6-year-old child with a family income below the current poverty standards will not qualify for Medicaid coverage if the State adopts a more restrictive income test, such as school lunches or food stamps.

Finally, I would say the United States has the highest percentage of children in poverty of any industrial nation in the world. I certainly hope we will not make it worse by denying these children their Medicaid coverage.

The PRESIDING OFFICER. All time has expired. The yeas and nays have not been ordered.

Mr. CHAFEE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 31, nays 68, as follows:

[Rollcall Vote No. 217 Leg.]

YEAS—31

Ashcroft
Bennett
Brown
Burns
Coverdell
Craig
Domenici
Faircloth
Frahm
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Helms
Hutchison
Inhofe
Kempthorne
Lott
Mack
McConnell
Murkowski
Nickles
Roth
Santorum
Shelby
Smith
Stevens
Thomas
Thurmond

NAYS—68

Abraham
Akaka
Baucus
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
D'Amato
Daschle
DeWine
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Frist
Glenn
Graham
Harkin
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lugar
McCain
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Simpson
Snowe
Specter
Thompson
Warner
Wellstone
Wyden

NOT VOTING—1

Kassebaum

The amendment (No. 4932) was rejected.

Mr. CHAFEE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. BREAUX. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

VOTE ON AMENDMENT NO. 4931, AS AMENDED

The PRESIDING OFFICER. The question now is on agreeing to Chafee amendment No. 4931, as amended.

The amendment (No. 4931), as amended, was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4934

The PRESIDING OFFICER. Under the previous order, there will now be 2 minutes equally divided on the Conrad amendment No. 4934.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I yield to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota [Mr. CONRAD] is recognized.

Mr. LEAHY. Mr. President, point of order. The Senate is not in order. This is an important amendment. Senator CONRAD should be heard.

The PRESIDING OFFICER. There will be order.

The Senator from North Dakota.

Mr. LEAHY. Mr. President, I make a point of order again, the Senate is still not in order.

The PRESIDING OFFICER. Senators having conversations will take their conversations to the Cloakroom.

The Senator from North Dakota.

Mr. CONRAD. I thank the Chair. Mr. President, this is a bipartisan amendment about feeding hungry people. This has always been a bipartisan priority in this Chamber. The father of the Food Assistance Program is Senator Dole, the former Republican leader, and former Senator George McGovern.

Our amendment, a bipartisan amendment, preserves the most important feature of our Food Assistance Program. It maintains the automatic adjustment in funding to respond to economic downturns or natural disasters. A pure block grant would leave States with a fixed amount of money no matter what happens.

If we look at the example of Florida, we see very clearly what can happen. They had a flat demand for food assistance. Then we had a national recession, and demand for food assistance increased dramatically. Then there was a natural disaster, Hurricane Andrew, and the demand for food assistance exploded. Under the pure block grant, that State would have had no ability to respond to the demand for food assistance.

No block grant could have responded to this increase in need. The block grant would destroy the Food Stamp Program.

Mr. President, America is better than that. This Senate is better than that. I hope my colleagues will support the amendment.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania [Mr. SANTORUM], is recognized for 1 minute.

Mr. SANTORUM. Mr. President, we oppose this amendment for a couple of reasons. First, the Conrad amendment requires a $1 billion cut in food stamps. This is a $1 billion reduction in food stamps to pay for this provision.

Second, we set very high standards for States to qualify to get into these block grants. They have to have a low error rate of 6 percent. There are only seven States that can qualify with that error rate.

Third, they have to have electronic benefits. Only four States qualify.

The Senator from North Dakota would lead Members to believe all these Governors and State legislatures do not know what they are getting into by opting for a block grant, that they do not see economic recessions and disasters. In fact, they understand the risks they are taking when they offer a block grant.

We want to give them the option to do it, but set a very high standard for them to get in in the first place. They have to have a good program to get in. They have an option, if things are bad, to get out—it is a one-time option—but an option to get out if things get bad. There are adequate safeguards, and if there are problems, people are able to use a one-time option to get out.

The PRESIDING OFFICER. All time has expired.

The rollcall vote has not been called for.

Mr. SANTORUM. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Wyoming [Mr. THOMAS] is necessarily absent. I also announce the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 53, nays 45, as follows:

[Rollcall Vote No. 218 Leg.]

YEAS—53

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Chafee
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Snowe
Specter
Wellstone
Wyden

NAYS—45

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Domenici
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Helms
Hutchison
Inhofe
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Stevens
Thompson
Thurmond
Warner

NOT VOTING—2

Kassebaum
Thomas

The amendment (No. 4934) was agreed to.

Mr. HEFLIN. Mr. President, I move to reconsider the vote.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MOTION TO WAIVE THE BUDGET ACT—AMENDMENT NO. 4935

The PRESIDING OFFICER. Under the previous order, the question occurs on the motion to waive the Budget Act for the consideration of amendment No. 4935 offered by the Senator from Pennsylvania on behalf of the Senator from Texas [Mr. GRAMM].

The yeas and nays have been ordered.

Mr. GRAMM addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. GRAMM. Mr. President, I believe my amendment is the pending amendment. I think the regular order is for 1 minute of debate on each side. I had hoped this amendment might be accepted by a voice vote. But I will go ahead and take my minute now.

What my amendment does is denies means-tested benefits to people who are convicted of possessing, using, or selling drugs.

In minor cases, they lose welfare for 5 years. In major cases, they lose it for life. What an individual does does not affect the eligibility of that individual's children or other family members. We have an exemption in the bill for emergency medical services, emergency disaster relief, and assistance necessary to protect public health from communicable diseases.

None of these provisions applies until date of enactment. These provisions will apply only on convictions after that date. But the bottom line is, if we are serious about our drug laws, we ought not to give people welfare benefits who are violating the Nation's drug laws. I hope my colleagues will adopt this provision and do so with a resounding vote.

Mr. EXON. Mr. President, while I appreciate the thrust of the amendment offered by the Senator from Texas, we strongly oppose it.

I yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, if I can have the attention of the Senate for a moment. This amendment says that anyone convicted of drug possession, distribution, or use may not obtain any Federal means-tested public benefit. It includes even misdemeanor convictions.

The Conference of Mayors and the National League of Cities are strongly opposed to the amendment. This is what they say:

> It would undermine the whole notion of providing drug treatment as an alternative sentence to a first-time drug offender if the individual requires Federal assistance to obtain the treatment.

This would make drug addicts ineligible for any of the effective drug treatment programs that are being developed by the States and the Federal Government. It would eliminate any prenatal care for mothers that get convicted of drug crimes. We have seen those programs developed in community health centers all across this country; they try to get those mothers back to work and reunited with their families. Those programs will be off limits to the people who need them most.

Under this amendment, if you are a murderer, a rapist, or a robber, you can get Federal funds; but if you are convicted even for possession of marijuana, you cannot. It is overly broad and is strongly opposed by the mayors and the National League of Cities. I hope the Senator will not get the 60 votes.

Mr. MACK. Mr. President, I rise today in opposition to amendment No. 4935 offered by Senator GRAMM. This amendment would deny Federal means-tested benefits to individuals convicted of illegal drug possession, use, or distribution. Personally, I agree with the idea of not giving Government benefits to drug dealers, however, I do not think the Federal Government should continue to tell the States how to run their welfare programs.

There are provisions in the bill to ensure that criminals are not milking the system. We keep saying that we want the States to decide what is best for their States. I believe we have already put enough mandates on the block grants, and the denial of benefits in the Gramm amendment would just increase mandates. Let the States make those decisions.

Mr. GRAMM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to waive the Budget Act.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 74, nays 25, as follows:

[Rollcall Vote No. 219 Leg.]

YEAS—74

Abraham
Ashcroft
Baucus
Biden
Bond
Boxer
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Faircloth
Feinstein
Ford
Frahm
Frist
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Heflin
Helms
Hutchison
Inhofe
Johnston
Kempthorne
Kerry
Kyl
Leahy
Levin
Lieberman
Lott
Lugar
McCain
McConnell
Mikulski
Murkowski
Nickles
Nunn
Pressler
Pryor
Reid
Rockefeller
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone
Wyden

NAYS—25

Akaka
Bennett
Bingaman
Bradley
Chafee
Feingold
Glenn
Hatch
Hatfield
Hollings
Inouye
Jeffords
Kennedy
Kerrey
Kohl
Lautenberg
Mack
Moseley-Braun
Moynihan
Murray
Pell
Robb
Sarbanes
Simon
Specter

NOT VOTING—1

Kassebaum

The PRESIDING OFFICER. On this vote the yeas are 74, the nays are 25. Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. DOMENICI. Mr. President, I think it would be in order to ask unanimous consent, if Senator GRAMM will agree, to vitiate the yeas and nays and adopt the amendment by voice vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question now occurs on agreeing to amendment No. 4935.

The amendment (No. 4935) was agreed to.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico [Mr. DOMENICI].

Mr. DOMENICI. Mr. President, I ask unanimous consent that amendment No. 4936, known as the Graham-Bumpers amendment, be temporarily set aside and that it be the pending business when the Democrats and Republicans return after their lunch break.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOMENICI. I thank the sponsor of the amendment.

I yield the floor.

AMENDMENT NO. 4930

The PRESIDING OFFICER. Under the previous order, the question occurs on agreeing to the motion to table amendment No. 4930 offered by the Senator from North Carolina [Mr. HELMS], by the yeas and nays, to be preceded by 2 minutes of time divided in equal manner.

Mr. HELMS. Mr. President, I hope the time will not begin running on me until we have order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. HELMS. I thank the Chair.

Mr. President, on Friday afternoon, I got wind of a little effort to try to block Senators having to take a public stand——

Mr. LEAHY. Mr. President, the Senate is not order. Could we please have order.

The PRESIDING OFFICER. Senators will take their conversations to the Cloakroom.

The Senator from North Carolina.

Mr. HELMS. I believe I will wait until we have order.

This time I thank the Chair.

In order to protect myself against a little legerdemain here between Friday afternoon and the final unanimous consent, I moved to table my own amendment and asked for the yeas and nays. I did that because I want Senators to take a stand on this amendment which requires able-bodied food stamp recipients to go to work for at least 20 hours a week if they expect to continue to receive food stamps free of charge at the expense, of course, of taxpayers who have to work 40 hours a week or more to support their families.

The Congressional Budget Office says that this amendment will cause a lot of people to flake off the food stamp rolls because they do not want to work and they will go to work otherwise. It will save the taxpayers $2.8 billion over the next 6 years.

I repeat, this amendment requires able-bodied food stamp recipients to go to work for at least 20 hours a week if they expect to continue to receive food stamps free of charge.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, the description sounds good but for the same reason that the Senate last year by a vote of 66 to 32 voted down a similar amendment, we ought to do it again.

What it does, it denies food stamps to unemployed workers when they are looking for work. You have a recession, you have a disaster such as a hurricane, or somebody has just been laid off from the factory that they worked in for 10 years, as they are looking for a new job, they cannot get food stamps. That is a time that they need it the most. We could actually have such a situation as we had in the earthquakes in California. People's businesses were destroyed, their homes were destroyed, somebody has been working for 10 or 15 years, and they would be told: Sorry, you are not working 20 hours a week; you do not get food stamps.

We defeated this by a 2-to-1 margin in the Senate, Republicans and Democrats, last year. We should do it again this year. If Senator HELMS' motion is to table his own amendment, this is one time I agree with him—we ought to do just that.

The PRESIDING OFFICER. All time has expired. The question occurs on agreeing to the motion to table amendment 4930. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family

The PRESIDING OFFICER (Mr. ASHCROFT). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 56, nays 43, as follows:

[Rollcall Vote No. 220 Leg.]

YEAS—56

Akaka
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Bumpers
Byrd
Chafee
Cochran
Cohen
Conrad
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Gorton
Harkin
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Lugar
Mack
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Robb
Rockefeller
Sarbanes
Simon
Snowe
Wellstone

NAYS—43

Abraham
Ashcroft
Brown
Bryan
Burns
Campbell
Coats
Coverdell
Craig
D'Amato
Faircloth
Frahm
Frist
Graham
Gramm
Grams
Grassley
Gregg
Hatch
Helms
Hutchison
Inhofe
Kempthorne
Kyl
Lott
McCain
McConnell
Murkowski
Nickles
Pressler
Reid
Roth
Santorum
Shelby
Simpson
Smith
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wyden

NOT VOTING—1

Kassebaum

The motion to lay on the table the amendment (No. 4930) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4938

The PRESIDING OFFICER. The question now, under the previous order, occurs on amendment No. 4938 offered by the Senator from Florida on behalf of the Senator from Illinois [Mr. SIMON]. Under the previous order, there are 2 minutes to be divided equally between sides.

The Senator from Illinois [Mr. SIMON], is recognized.

Mr. SIMON. Mr. President, if I may have the attention of my colleagues.

Mr. DOMENICI. Mr. President we have agreed to accept the amendment.

Mr. SIMON. Mr. President, this amendment simply adds the Public Health Service Act in terms of the exemption, so not only people who plan to become lawyers and engineers, but people who become nurses and physicians can be exempt. It is acceptable, as far as I know, by everyone. I am willing to take a voice vote.

The PRESIDING OFFICER. Does anyone wish to speak in opposition? If not, the question is on agreeing to amendment No. 4938 offered by the Senator from Florida on behalf of the Senator from Illinois, [Mr. SIMON].

The amendment (No. 4938) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. REID. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MOTION TO WAIVE THE BUDGET ACT—AMENDMENT NO. 4939

The PRESIDING OFFICER. The question now occurs on Shelby amendment No. 4939. There will be 2 minutes equally divided between sides.

The Senator from Alabama is recognized.

Mr. SHELBY. Mr. President, first of all, I ask unanimous consent that Senator ABRAHAM be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SHELBY. Mr. President, this is the same amendment which was adopted by the Senate on a vote of 93 to 5 on the welfare reform bill last year. It provides a $5,000 tax break for adoption expenses, and it will allow thousands of children to find a home in America.

The amendment is offset with savings in the underlying bill. There is no guarantee that the adoption legislation reported by the Finance Committee will be considered at all this year. This may be our last chance to pass this legislation which has overwhelming bipartisan support.

Again, Mr. President, 93 Senators in this Chamber voted for this exact amendment last fall under almost identical circumstances. If we do not adopt this adoption tax credit now, we might lose our chance this year. I ask we waive the Budget Act and adopt this amendment.

Mr. President, I ask unanimous consent that Senator D'AMATO be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Senator ROTH speaks in opposition.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I, like Mr. SHELBY, strongly support the use of tax incentives to promote adoption, and that is why the Finance Committee unanimously reported out of committee an adoption tax credit bill.

The distinguished majority leader has assured me that he will schedule action on the Finance Committee bill before the end of this year. Unlike the Finance Committee-passed adoption tax credit bill, Mr. SHELBY's adoption tax credit is refundable, provides no extra credit for special needs adoption, and is not paid for. I remind my colleagues that we have had tremendous problems with fraud with refundable credits. Take, for example, the earned income credit.

Furthermore, if Mr. SHELBY's amendment is adopted, we will be required to find an additional $1.5 billion over 6 years in savings from the welfare legislation.

In addition to these issues, Mr. SHELBY's amendment is not germane to the welfare bill. I believe we need incentives to promote adoption, however, now is not the time to consider such legislation. I urge my colleagues to vote against Mr. SHELBY's motion to waive the Budget Act.

I yield the remainder of my time.

Mr. MOYNIHAN. Mr. President, I concur with our chairman. The Committee on Finance reported H.R. 3286, the Adoption Promotion and Stability Act of 1996, unanimously on June 12, 1996. It is on the calendar, and the majority leader has promised prompt action on it.

As the chairman has indicated, the Finance Committee bill provides an additional credit for special needs children. This was a subject of bipartisan concern during the Finance Committee's consideration of the bill. The pending amendment fails to take special needs cases into account, and in any event the amendment is not germane to the reconciliation legislation before us.

I join Chairman ROTH in raising a point of order that the amendment of the Senator from Alabama is not germane.

The PRESIDING OFFICER. Under the previous order, the question now occurs on agreeing to the motion to waive the Budget Act for consideration of amendment No. 4939 offered by the Senator from Alabama, [Mr. SHELBY]. The yeas and nays have been ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that I may make an announcement. It will take me 7 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. Mr. President, this is the last vote before lunch. We will return at 2 o'clock. At 2 o'clock, the pending business will be the Graham-Bumpers formula change amendment.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The yeas and nays were ordered on the Shelby amendment No. 4939.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act on the amendment No. 4939.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 78, nays 21, as follows:

[Rollcall Vote No. 221 Leg.]

YEAS—78

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Burns
Campbell
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dodd
Dorgan
Exon
Faircloth
Ford
Frahm
Frist
Glenn
Gorton
Gramm
Grams
Grassley
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Jeffords
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Murkowski
Murray
Nunn
Pell
Pressler
Reid
Robb
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone
Wyden

NAYS—21

Breaux
Brown
Bryan
Bumpers
Byrd
Chafee
Conrad
Daschle
Domenici
Feingold
Feinstein
Graham
Gregg
Inouye
Johnston
Moseley-Braun
Moynihan
Nickles
Pryor
Rockefeller
Roth

NOT VOTING—1

Kassebaum

The PRESIDING OFFICER. On this vote, the yeas are 78 and the nays are 21.

Three-fifths of the Senators duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, in light of that vote, I wonder if we ought to vitiate the yeas and nays and adopt the amendment.

The PRESIDING OFFICER. The yeas and nays have not been ordered.

The question is on agreeing to Amendment No. 4939.

The amendment (No. 4939) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. SHELBY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MANDATORY APPROPRIATION FOR THE SOCIAL SECURITY ADMINISTRATION

Mr. DOMENICI. Mr. President, section 2211(e)(5) of this bill provides a $300 million mandatory appropriation to the Social Security Administration.

The bill requires SSA to review the eligibility of hundreds of thousands of beneficiaries who may no longer be eligible for supplemental security income [SSI] benefits.

This mandatory appropriation is important because it is intended to give SSA the resources it needs to do this job right.

But I am concerned about the precedent of creating new entitlement spending for Federal agencies, and I understand that the House has dropped this provision from its bill because of this concern.

Last year, in the Social Security earnings test bill, we created a special process to allow the Appropriations Committee to provide additional funding for SSA to conduct continuing disability reviews—or CDR's—without forcing cuts in other discretionary spending.

For the years 1996 through 2002, this process will accommodate an additional $2.7 billion for CFR's, and all signs indicate that it is working.

Although I do not plan to strike this mandatory appropriation here on the floor, I hope that, in conference, instead of creating a new entitlement for SSA, we can build upon the CDR funding process—and give the Appropriations Committee an additional allowance to fund the work SSA must do under this bill.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2 p.m. this afternoon.

Thereupon, the Senate, at 12:35 p.m., recessed until 2:01 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. SMITH).

AMENDMENT NO. 4936

The PRESIDING OFFICER. Under the previous order, the question now occurs on amendment No. 4936 offered by the Senator from Florida [Mr. GRAHAM]. The yeas and nays have been ordered. However, the vote will be preceded by 2 minutes of debate evenly divided in the usual manner.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, this amendment speaks to fundamental fairness by providing that a poor child will be treated the same by their Federal Government wherever they happen to live and that each State will receive the same amount of money based on the number of poor children within that State. That is not only fairness; it also, in my opinion, is fundamentally required if this bill is to achieve its objective of providing States a reasonable amount of resources in which to provide for the transition from welfare to work.

I yield the remainder of my time to my colleague, Senator BUMPERS.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. Mr. President, the Senator from Florida is actually the architect of this amendment, and he has done an outstanding job. Thirty-eight States are going to be penalized under this bill because what we are using is the 1991 and 1994 figures. If your State made a monumental effort during those years, you may be rewarded under this bill. If you did not because you could not, you would be punished for the next 6 years. West Virginia has a $13.34 per case administrative cost, New York has $106. So because West Virginia has been provident, they are going to get punished. Because New York has been improvident, they get rewarded. That is not equitable.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I am going to ask our Members to come together and do what is right for America and welfare reform. Right now we have a fair funding formula. A nongrowth State never loses from its 1994 base or its 1995 base, whichever base it chooses. The growth States are able to grow because that is essential, and we know it is fair. There are no losers in the underlying bill. The Graham-Bumpers amendment creates winners and losers. It says to California, Michigan, Minnesota, and New York, "You are going to have to go below and actually cut the welfare in your State below the 1994 and 1995 limits." Mr. President, that is wrong. We came together and we made a very, very fair proposal, and it was accepted because there are no losers.

Now, Mr. President, we must keep that fairness. If we really want welfare reform, we must have fairness for all States. That is what the underlying bill is.

Please vote against the Graham-Bumpers amendment.

Mr. MCCAIN. Mr. President, the Personal Responsibility, Work Opportunity, and Medicaid Restructuring Act of 1996 (S. 1956) replaces the current AFDC Program with a new temporary assistance for needy families [TANF] block grant. The TANF block grant will distribute Federal funds to the States according to a formula which is based on recent Federal expenditures under the programs which are to be consolidated into the TANF, with supplemental funds based on population growth and low Federal expenditures per poor person in the States. By emphasizing historical funding for welfare benefits, this formula recognizes that the cost of living differs from State to State, and that certain States have historically supported generous welfare benefits through the expenditure of their own funds.

My colleagues, Senators GRAHAM and BUMPERS, have offered an amendment to S. 1956 which would significantly change the formula for the TANF block grants. Because the Graham-Bumpers formula would dramatically decrease TANF allotments in certain States and would arbitrarily and unfairly force the elimination or reduction of existing welfare benefits, I am unable to support this amendment. This vote does, however, raise the important issue of the disparities in TANF block grant allotments which the formula will create. While I recognize that differences in the cost of living and other factors necessitate some disparity in allotments, I encourage the conference committee to explore appropriate alternatives which address these disparities, further assisting States which have low Federal expenditures per poor person under the formula and which experience population growth.

The PRESIDING OFFICER. The question now occurs on agreeing to amendment No. 4936 offered by the Senator from Florida [Mr. GRAHAM]. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Minnesota [Mr. GRAMS] is necessarily absent.

I also announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

Mr. FORD. I announce that the Senator from Illinois [Ms. MOSELEY-BRAUN] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 37, nays 60, as follows:

[Rollcall Vote No. 222 Leg.]

YEAS—37

Akaka
Baucus
Biden
Bingaman
Breaux
Bryan
Bumpers
Byrd
Coats
Conrad
Daschle
Dorgan
Exon
Faircloth
Ford
Frahm
Graham
Heflin
Helms
Hollings
Inouye
Jeffords
Johnston
Kerrey
Leahy
Lugar
Mack
McConnell
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Simon
Warner

NAYS—60

Abraham
Ashcroft
Bennett
Bond
Boxer
Bradley
Brown
Burns
Campbell
Chafee
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dodd
Domenici
Feingold
Feinstein
Frist
Glenn
Gorton
Gramm
Grassley
Gregg
Harkin
Hatch
Hatfield
Hutchison
Inhofe
Kempthorne
Kennedy
Kerry
Kohl
Kyl
Lautenberg
Levin
Lieberman
Lott
McCain
Mikulski
Moynihan
Murkowski
Murray
Nickles
Roth
Santorum
Sarbanes
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Wellstone
Wyden

NOT VOTING—3

Grams
Kassebaum
Moseley-Braun

The amendment (No. 4963) was rejected.

AMENDMENT NO. 4940

The PRESIDING OFFICER. Under the previous order, the Senate will now consider amendment No. 4940, offered by the Senator from Kentucky, [Mr. FORD]. Under that same previous order, 2 minutes of debate will be evenly divided in the usual manner.

Mr. FORD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will come to order.

Mr. FORD. Mr. President, this amendment gives States the option of providing noncash assistance to children once their adult parents have reached the 5-year limit. It does not affect the ban on cash assistance after 5 years. It would allow States to use their block grants to provide clothing, school supplies, medicine, and other things for the poorest children.

This amendment makes this bill identical to H.R. 4, the welfare bill passed last December. It provides State flexibility. It adds no new costs.

Mr. SANTORUM. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senator is correct. The Senator will suspend. The Senate will be in order.

Mr. FORD. Mr. President, this bill adds no new costs or no new bureaucracy. It is supported by the National Governors' Association. I remind my colleagues on the other side, there are 31 Republican Governors. It is supported by the U.S. Catholic Conference, the National Conference of State Legislatures, the American Public Welfare Association.

To say we can use funds from title XX, title XX is money for homebound elderly. It has not been increased since 1991. This makes the Governors make a choice between homebound elderly and the poorest of our children. It is just bad policy.

Mr. President, let us give the Governors the flexibility they have asked for, they worked hard for. We give them responsibility. Let us not tell them how to operate.

I yield the floor.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I strongly oppose the Ford amendment as it would seriously undermine the real 5-year time limit on welfare assistance. One of the most important features of welfare reform is that recipients must understand that public assistance is temporary, not a way of life. Let us be straight about this. These benefits would go to the entire family under the Ford amendment. If you are going to give vouchers for housing, the whole family benefits. If you are giving any type of assistance, it benefits the whole family. There is no distinction between the child and the rest of the family.

Under the bill, even after the 5-year time limit, families and children would still be eligible for food stamps, Medicaid, housing assistance, WIC, and dozens more means-tested programs.

Over 5 years, a typical welfare family receives more than $50,000 in tax-free benefits. Five years is enough time to finish a high school degree or learn a skill through vocational training. It is enough for a welfare family to change course.

The PRESIDING OFFICER. The time of the Senator has expired. All time for debate on the amendment has expired.

Mr. FORD. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 48, nays 51, as follows:

[Rollcall Vote No. 223 Leg.]

YEAS—48

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
McConnell
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Specter
Wellstone
Wyden

NAYS—51

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Domenici
Faircloth
Ford
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
Murkowski
Nickles
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—1

Kassebaum

The amendment (No. 4940) was rejected.

Mr. FORD. Mr. President, I move to reconsider the vote, and I ask for the yeas and nays.

Mr. LOTT. I move to table the motion to reconsider, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider the Ford amendment No. 4940.

The yeas and nays have been ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 50, nays 49, as follows:

[Rollcall Vote No. 224 Leg.]

YEAS—50

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Domenici
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hutchison
Inhofe
Jeffords
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
Murkowski
Nickles
Pressler
Roth
Santorum
Shelby
Simpson
Smith

Snowe
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—49

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Heflin
Hollings
Inouye
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
McConnell
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Specter
Wellstone
Wyden

NOT VOTING—1

Kassebaum

The motion to lay on the table the motion to reconsider was agreed to.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, in an effort to try to save time I would like to suggest that we consider—since we have four Ashcroft amendments, I wish that we would, if the Senator from Missouri would agree—that we could voice vote through the next two amendments and then have the real contest on the third of the Ashcroft amendments. I think that would save some time. I would like to ask if the Senator from Missouri would consider such a move in order to move things along.

Mr. ASHCROFT. Mr. President, I am happy to have the time reduced to 4 minutes on the amendment. But I think it is important that we have the votes.

The PRESIDING OFFICER. The Senate will be in order so the Chair can hear the comments of the Senator. Senators will please take their conversations out of Senate and to the cloakroom.

Mr. DOMENICI. We cannot reduce it 4 minutes. We tried it before. The closest they can come is somewhere between 7 and 8. The Senator is entitled to his votes. They have asked him to reduce them in number. If he does not care to, let us proceed with his amendments. He is absolutely entitled to do that.

Mr. ASHCROFT. I would be happy to reduce the time. But I would prefer to have the votes, and I would object to the unanimous-consent request.

Mr. EXON. Mr. President, I withdraw my kind offer.

[Laughter.]

AMENDMENT NO. 4944 TO AMENDMENT NO. 4941

The PRESIDING OFFICER. Under the previous order, the Senate will now consider amendment No. 4944 offered by the Senator from Missouri [Mr. ASHCROFT], to his amendment No. 4941. The debate will be limited to 2 minutes equally divided.

The Senator from Missouri is recognized.

Mr. ASHCROFT. Mr. President, this amendment highlights the value which is at the very heart of our culture and our nature—the importance of education and learning. This amendment really says that if you are on welfare——

The PRESIDING OFFICER. Will the Senator suspend? The Senate will be in order so the Senate may hear the Senator from Missouri on his amendment.

The Senator from Missouri.

Mr. ASHCROFT. Mr. President, it is the thrust of this amendment that if you are on welfare and you have not completed your high school diploma the best way to get a job and keep a job is to achieve a level of education that our society expects of all adults, and that is a high school education.

So this amendment would allow States to require individuals to get a high school education or its equivalent. This amendment is permissive, and it states that if you are a 20- to 50-year-old welfare recipient who does not have a high school diploma, you must begin working toward attaining a high school diploma or a GED as a condition of receiving benefits. An exception is made for people who are not capable.

Job training will not equip welfare recipients to work if they have not achieved the basic and fundamental proficiency in education skills. How can we expect to train someone to work as a cashier if they cannot add, subtract, multiply, or divide?

The facts are indisputable. A person over 18 without a high school diploma averages $12,800 in earnings; with a high school diploma, averages $18,700 in earnings. Mr. President, $6,000 is the difference between dependence and independence; between welfare and work.

This is permissive to the States.

The PRESIDING OFFICER. The time of the Senator has expired.

The Senator from Nebraska.

Mr. EXON. Mr. President, there is no opposition to this amendment that I know of. I recommend that all Senators vote in favor of the amendment.

I would simply point out that the amendment does nothing more than what the States can already do.

I will vote for this amendment, and the one that follows. I will strongly oppose the third amendment by the Senator from Missouri.

Mr. ASHCROFT. Mr. President, in that event I would be pleased to accept a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Missouri.

The amendment (No. 4944) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4943 TO AMENDMENT NO. 4941

The PRESIDING OFFICER. The question is now on amendment No. 4943 to amendment No. 4941 offered by the Senator from Missouri.

The Senator from Missouri.

Mr. ASHCROFT. Thank you, Mr. President.

As I mentioned earlier, education is the key to breaking the intergenerational cycle of welfare dependency. This amendment would allow States to require that parents on welfare be responsible for ensuring that their minor children are in school.

It would be this simple. If you are on welfare, your children should be in school. If we care about breaking the vicious intergenerational cycle of welfare we should care about making sure that individuals who are on welfare accept the responsibility of sending their children to school. We must look to the long-term in reforming welfare. We must look at what we can do to save the future of our children. Every child in America can attend school. Every child can earn a high school diploma. It costs nothing but commitment. Too often education is ignored and trashed because it is devalued by our welfare culture. Teen dropout rates soar. They skip classes. We should not pay parents to encourage lifestyles of dependency on and off welfare and in and out of minimum-wage jobs. States should be able to give children on welfare a fighting chance.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I know of no one on this side of the aisle or on the other side of the aisle that opposes this amendment by the Senator from Missouri. I would simply state what I said on the last amendment. If the Senator insists on a rollcall vote, I recommend that all Senators vote in favor of the amendment as, like the preceding amendment, it does nothing more than what the States can already do. I hope that we could move things along, and I would point out that I will strongly oppose the next amendment offered by the Senator from Missouri.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Missouri.

The amendment (No. 4943) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4942 TO AMENDMENT NO. 4941

The PRESIDING OFFICER. Under the previous order, the question occurs on amendment No. 4942 offered by the Senator from Missouri [Mr. ASHCROFT] to his amendment No. 4941.

The Senator from Missouri.

Mr. ASHCROFT. Mr. President, we need to change welfare from a condition in which people live to a transition from which people go; a transition from dependency to independence.

Under this bill we allow most people to spend 5 straight years on the welfare rolls. Without really going to work in 5 years, think what can happen in terms of building habits, self-esteem, skills, and motivation. If you do not use a muscle for 5 weeks, it gets weak. If you do not use it for 5 months, it atrophies. If you do not use it for 5 years, it disappears. It is forever useless.

This amendment says that 2 years in a row—24 months—is long along enough for able-bodied recipients without infants or children to be able to receive welfare without starting down a path of work. We need to change the character of welfare from the condition of welfare to a transition toward independence and work. Mr. President, 5 straight years on welfare only reinforces a dependent lifestyle that we are trying to change.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ASHCROFT. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mrs. MURRAY addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Mrs. MURRAY. Thank you, Mr. President.

Mr. President, the amendment offered by the Senator from Missouri provides that a family may not receive welfare assistance for more than 24 months consecutively, unless the adult is working, or the State has an exemption of the adult for hardship. I would support this amendment if the Senator would require States to offer work to parents. There may be many parents who are willing to work and who want to work but cannot find a job, or perhaps they cannot find child care for their children so that they can be at work.

The underlying bill says that a mother should not be penalized if she has a child under 11, or if she cannot afford to find child care. This amendment would be inconsistent with the underlying bill. It aims right at the mother. But it hits the child.

I urge my colleagues to defeat this amendment. It goes too far.

The PRESIDING OFFICER. The question is on agreeing to the amendment. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

The result was announced—yeas 37, nays 62, as follows:

[Rollcall Vote No. 225 Leg.]

YEAS—37

Abraham
Ashcroft
Bond
Brown
Burns
Coats
Cochran
Coverdell
Craig
D'Amato
Faircloth
Frahm
Frist
Gramm
Grams
Grassley
Hatch
Hatfield
Helms
Hollings
Hutchison
Inhofe
Kempthorne
Kyl
Lott
Lugar
McCain
McConnell
Murkowski
Nickles
Pressler
Roth
Santorum
Shelby
Smith
Thompson
Thurmond

NAYS—62

Akaka
Baucus
Bennett
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Chafee
Cohen
Conrad
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Gorton
Graham
Gregg
Harkin
Heflin
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mack
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Simpson
Snowe
Specter
Stevens
Thomas
Warner
Wellstone
Wyden

NOT VOTING—1

Kassebaum

The amendment (No. 4942) was rejected.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. ASHCROFT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Nebraska.

AMENDMENT NO. 4941, AS AMENDED

Mr. EXON. Mr. President, because the substitute has failed, what remains is—and I believe the Senator from Missouri agrees—what remains is the underlying amendment, as amended by the amendments that we adopted by voice vote.

Consequently, I suggest we now simply adopt the underlying amendment as amended by voice vote as well.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. ASHCROFT. Mr. President, that is consistent with my understanding of where we are. I am pleased to agree with the ranking member.

The PRESIDING OFFICER. The question is on agreeing to the amendment, as amended.

The amendment (No. 4941), as amended, was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4950

Mr. EXON. Mr. President, Senator MURRAY is now scheduled for recognition, I believe. Is that correct? The Senator from Washington should be recognized, I suggest.

The PRESIDING OFFICER. The question now occurs on amendment No. 4950. The Senator from Washington is recognized for up to 1 minute.

Mrs. MURRAY. Mr. President, the amendment before us strikes the provision in the bill that cuts the reimbursement rate on the Summer Food Program dramatically. The bill proposes to cut 23 cents from every school lunch provided in this critical summer program. This will have a dramatic effect, especially in our rural areas.

I think we have had the debate on this floor. Everyone understands the need to have good, strong nutrition for our children in order for them to learn. The Summer Food Program is especially critical. Children are not bears. They do not hibernate. They need to eat in the summer as much as they do in the school year.

I urge my colleagues to vote for this amendment and put back in effect the important Summer Food Program. I understand the majority is willing, perhaps, to accept this on a voice vote. If that is the case, I am more than happy to oblige.

Mr. EXON. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The Senate will come to order so we may proceed.

Mr. EXON. Mr. President, the Senate may not have heard the closing remarks by the Senator from Washington. I believe she suggested the amendment has been cleared on both sides and she will accept a voice vote.

Mr. SANTORUM. That is our understanding. The amendment has been cleared on this side. We are willing to accept the amendment.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 4950) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote.

Mr. SANTORUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4952

The PRESIDING OFFICER. The question now occurs on amendment No. 4952, offered by the Senator from Florida [Mr. GRAHAM].

The Senator from Florida is recognized.

Mr. GRAHAM. Mr. President, the amendment I offer strikes an amendment which was adopted in the Senate Finance Committee. The current bill as it was submitted to the committee contains a sanction against the States in the hands of the Secretary of HHS.

The Secretary, at the Secretary's discretion, can levy up to a 5-percent withholding of a State's welfare funds if the State fails to meet the work requirements. The amendment offered in the committee provides that if a State fails to meet that standard for 2 straight years, then it shall be penalized, without discretion in the hands of the Secretary, by a mandatory 5 percent. And although there is some confusion, it is assumed that this is a cumulative 5 percent, up to a total of 25 percent of the State's welfare payments.

This is strongly opposed by the State and local organizations, from the National Governors' Association, the National Conference of State Legislators, the National Association of Counties, all of whom feel it denies to the Secretary the necessary discretion.

This also will severely penalize those low-benefit States which are the most likely to be unable to meet the work requirements.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Texas.

Mr. GRAMM. Mr. President, if there is a hallmark of this bill, it is work. If there is one thing that every Democrat and every Republican boasts about in this bill, it is that it requires able-bodied men and women to work.

Last year's bill simply had a one-time penalty for not meeting the work requirements. Members of the Finance Committee were concerned that a State, or the District of Columbia, would simply take the 5-percent penalty each year rather than make a good-faith effort to meet the work requirements in this bill—even with the ability to exempt 20 percent of welfare recipients. Without this compounding provision, we have no real ability to produce a good-faith effort on the part of the States.

We have had meetings between the House and the Senate on this issue. We met with the Governors. We worked out what we believe is a compromise. I hope my colleagues will stay with this provision. If you want a work requirement, you have to enforce it.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SANTORUM. Mr. President, I move to table the Graham amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table amendment No. 4952. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

The result was announced—yeas 56, nays 43, as follows:

[Rollcall Vote No. 226 Leg.]

YEAS—56

Abraham
Ashcroft
Bennett
Bond
Bradley
Brown
Burns
Campbell
Chafee
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Domenici
Faircloth
Feingold
Ford
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Helms
Hollings
Hutchison
Inhofe
Kempthorne
Kohl
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—43

Akaka
Baucus
Biden
Bingaman
Boxer
Breaux
Bryan
Bumpers
Byrd
Conrad
Daschle
Dodd
Dorgan
Exon
Feinstein
Glenn
Graham
Harkin
Heflin
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Wellstone
Wyden

NOT VOTING—1

Kassebaum

The motion to lay on the table the amendment (No. 4952) was agreed to.

MOTION TO WAIVE THE BUDGET ACT—AMENDMENT NO. 4955

The PRESIDING OFFICER. The question is on agreeing to amendment No. 4955 offered by the Senator from Massachusetts [Mr. KENNEDY].

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for up to 1 minute.

Mr. KENNEDY. Mr. President, this amendment is about children. It is about the children of legal immigrants. It is also about deeming. What we are saying is, under this program, legal immigrant children are not going to be excluded from the range of benefits. We are saying you are deemed to the person that is going to sponsor you. If that person that sponsors you runs into hard times, we will not deny the children the benefits they would otherwise receive. That is half the legal immigrants' children.

The other half have no sponsor—no sponsor—have no one to deem to because they are the children of those who come here under the work permit. We should not exclude those individuals. They will become Americans, one; and two, more frequently than not, they are with divided households where brothers and sisters would be eligible. The cost will be $1 billion in 6 years, affecting 450,000 children that at one time or another might take advantage of the system.

The PRESIDING OFFICER. The Senator from Delaware has 1 minute.

Mr. ROTH. Mr. President, I oppose the Kennedy amendment. It would seriously erode fundamental welfare reform as it relates to noncitizens. The amendment does not just apply to children who are already here. The exemption applies to those who will come to the United States in the future, as well.

The bill provides for a 5-year ban on Federal means-tested benefits, including cash, medical assistance, housing, food assistance, and social services. The Kennedy amendment creates a new exception to all these benefits to aliens under age 18. It is the taxpayer, not the families and sponsors of the children, who will assume the responsibility for their needs. This is the wrong signal to send to those who would come here for opportunity, not a handout, and for the families here who pay for those benefits.

The Kennedy amendment would result in a loss of substantial savings in the bill. I urge my colleagues to vote against the Kennedy amendment and uphold the budget point of order against it.

The PRESIDING OFFICER. The question is on the motion to waive the Budget Act.

The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 51, nays 48, as follows:

[Rollcall Vote No. 227 Leg.]

YEAS—51

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Campbell
Chafee
Cohen
Conrad
Daschle
Dodd
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Hatfield
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Specter
Wellstone
Wyden

NAYS—48

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Byrd
Coats
Cochran
Coverdell
Craig
D'Amato
DeWine
Domenici
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Heflin
Helms
Hutchison
Inhofe
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—1

Kassebaum

The PRESIDING OFFICER. On this vote, the yeas are 51, and the nays are 48. Three-fifths of the Senators duly chosen and sworn, not having voted in the affirmative, the motion is rejected, and the amendment falls.

Mr. KENNEDY addressed the Chair.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. KENNEDY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Massachusetts.

MOTION TO WAIVE THE BUDGET ACT—AMENDMENT NO. 4956

Mr. KENNEDY. Mr. President, I believe that it is in order now for the consideration of my other amendment. Am I correct that the time allocated is 1 minute and 1 minute in opposition? Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. Mr. President, this amendment is a very simple and fundamental amendment, but it is one that is desperately important to county hospitals and to rural hospitals around the country.

The effect of this amendment would be to defer the Medicaid prohibitions of the welfare provisions for legal immigrants for 2 years so that the local hospitals are able to accommodate the provisions of this legislation. Under the provisions of the legislation, all immigrants would be prohibited from the day that they enter the United States, and all of those who are in this country, any State could knock them out in January of next year.

Probably the most important health facilities that we have in this country in many respects are not the teaching hospitals but the county hospitals that provide emergency assistance. If we put this enormous burden—and it estimated to be $287 million over the period of the next 2 years; that is the cost of it—it is going to have an impact on Americans because the county hospitals are going to deteriorate in quality; they are going to be inundated with additional kinds of cases that they are not going to be compensated for; and they are not going to be able to treat Americans fairly or equitably.

All we are asking for is a 2-year period.

This is endorsed by the American Hospital Association, the National Association of Public Health Hospitals, the National Associations of Children's Hospitals, community health centers, and the Catholic Health Association.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from Delaware.

Mr. ROTH. Mr. President, the Kennedy amendment would delay Medicaid restrictions on noncitizens for 2 years. In effect, the Kennedy amendment says we need welfare reform but not quite yet. That is not good enough for those who bear the cost of these programs.

Let us not lose sight of this debate. These welfare programs were not designed to serve noncitizens. The restrictions that we have placed on noncitizens have broad bipartisan support. This is no time to turn our backs on reform. The Kennedy amendment would result in a loss of substantial savings in the bill.

So I, therefore, urge my colleagues to vote against the Kennedy amendment and uphold the budget point of order against it.

The PRESIDING OFFICER. The question is on the motion to waive the Budget Act. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 35, nays 64, as follows:

[Rollcall Vote No. 228 Leg.]

YEAS—35

Akaka
Biden
Bingaman
Boxer
Chafee
Conrad
Daschle
Dodd
Exon
Feingold
Feinstein
Glenn
Graham
Hatfield
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerry
Kohl
Lautenberg
Leahy
Levin
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Robb
Sarbanes
Simon
Specter
Wellstone
Wyden

NAYS—64

Abraham
Ashcroft
Baucus
Bennett
Bond
Bradley
Breaux
Brown
Bryan
Bumpers
Burns
Byrd
Campbell
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Domenici
Dorgan
Faircloth
Ford
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Heflin
Helms
Hutchison
Inhofe
Kempthorne
Kerrey
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Pressler
Pryor
Reid
Rockefeller
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner

NOT VOTING—1

Kassebaum

The PRESIDING OFFICER. On this vote, the yeas are 35, the nays are 64. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected and the amendment falls.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I believe this finishes the amendments that were on our list as of Thursday night. Those who wanted votes have had their votes. Those have been disposed of.

Yesterday, Senator EXON raised an omnibus Byrd rule point of order against a number of provisions contained in the bill. In order to preserve our rights, I moved to waive the Budget Act with respect to each point of order individually.

At this time, I now withdraw my motions to waive with respect to all but the following three provisions: No. 1, section 408(a)(2), which is known as the family cap; No. 2, section 2104, which deals with services provided by charitable organizations; and, No. 3, section 2909, which deals with abstinence education.

It is our intention to have a separate vote on each of these three. Therefore, I ask unanimous consent that it be in order for me to request the yeas and nays on the three at this point.

I ask for the yeas and nays.

Mr. EXON. Reserving right to object, I would simply say to my friend and colleague from New Mexico, I appreciate the fact he has expedited things a great deal by, I think, eliminating 22 of the 25 points of order that we raised.

Mr. DOMENICI. Correct.

Mr. EXON. I simply remind all that, for any or all of these three to be agreed to, it would require 60 votes. Is that correct?

Mr. DOMENICI. That is correct.

Mr. EXON. In view of that, and in view of the fact that time is running on, and I think we all recognize we are going to be on this bill—with closing statements from the managers and the two leaders and then final passage—it looks to me like we are going to run up toward 6 o'clock if we do not expedite things.

I am just wondering—I make the suggestion to expedite things—rather than have three separate votes, could we package these three into one vote? I remind all, the chance of these motions being agreed to, with the 60-vote point of order, is not very likely. But if there is strong feeling in the Senate on these, then the 60 votes would be there.

Will the Senator consider packaging the three into one vote?

Mr. DOMENICI. First, I thank Senator EXON for all the cooperation he has exhibited and the efforts he made to expedite matters. But we have, on our own, taken 22 of your 25 points of order and said they are well taken. So, in that respect, we have already eliminated an awful lot of votes that could have taken place.

Frankly, this is done without anybody whimpering about them on this side of the aisle. They have all agreed with my analysis and said that is good, save the three.

Conferring with the chairmen of the Finance Committee and the Agriculture Committee, I arrived at that conclusion; 22 are gone. We would like just three votes on those three waivers.

I would like to do them quickly. We will only ask for 2 minutes on a side to debate the issues, since none of them have been before the Senate as a substantive matter. That is the best I can do. I hope the Senator will agree with that, I ask Senator EXON.

Mr. EXON. What you are saying is three is the minimum?

Mr. DOMENICI. Three is the minimum, but obviously we sure got rid of plenty of them.

Mr. EXON. I withdraw my objection.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, I ask unanimous consent that there be 4 minutes equally divided on each of these points of order—two for those in opposition and two for those who support it.

The PRESIDING OFFICER. Without objection, it is so ordered.

MOTION TO WAIVE THE BUDGET ACT—SECTION 408(A)(2)

Mr. DOMENICI. Mr. President, the first of our waivers will be the family cap. I have already moved to waive it in the previous motion, and I now yield the time to argue in favor of the waiver to Senator GRAMM of Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, first of all, only a tortured view of the Byrd rule would say that our language on the family cap does not save money. But what I want to focus on here is that this is not a controversial provision of the bill but is an integral part of the overall welfare reform measure.

As I am sure colleagues on both sides of the aisle will remember, we have had serious debate over this issue. We have gone back and forth. There have been differences. There are some people who believe—I am one of those people—that we should have a family cap and that we ought not to give people more and more money in return for having more and more children while on welfare. There are other people who believe that we should have no family cap and that the current incentives built into the system should continue.

What we have in this bill is a crafted compromise that was adopted in committee with broad support. We allow States, at their option, through their action, to opt out of the family cap if they choose. This is a broad-based compromise. It has been supported on a bipartisan basis, and for that reason, I feel very strongly that to preserve common sense in this bill in a way that is coherent and can work, we need to preserve this compromise language.

So I ask Members on both sides of the aisle to vote to waive the Byrd rule and keep this provision in place. This provision simply says the family cap exists unless the State opts out. If States decides that they want to continue to give additional cash payments to those who have more and more children while on welfare, the States can do that.

The PRESIDING OFFICER. The Senator's 2 minutes has expired.

Mr. GRAMM. This is compromise language. I hope on a bipartisan basis that we will preserve this compromise.

Mr. EXON addressed the Chair.

Mr. EXON. Mr. President, I yield our time to the Senator from Louisiana.

Mr. BREAUX. Mr. President, I will say, in response to the Senator from Texas, that there is bipartisan agreement, and the bipartisan agreement is that this is a bad idea: The National Governors' Association, the NGA, headed by Gov. Tommy Thompson, who I think is a leading Republican, opposes this measure. The NGA, in their letter to all Members of the Congress, say very clearly:

The NGA supports a family cap as an option rather than as a mandate to prohibit benefits to additional children born or conceived while the parent is on welfare.

What this amendment does is to require that the States affirmatively pass legislation to get out from under this mandate that people in Washington are sending down to the States. That is why the bipartisan NGA strongly opposes the provisions in the bill as it is written.

They would like the option to do that if they want to, but they certainly do not want Washington to mandate that they cannot have assistance to children of a family who are born while they are on welfare, simply because they do not want to penalize the children.

Be as tough as we want to be on the mothers and the parents, but not on the children. In addition to that, the Catholic Bishops' Conference, which has been very active, along with a number of other groups, feels very strongly this legislation should not have the mandate the bill currently has. They say very clearly that this provision would result in more poverty, hunger and illness for poor children. This is something that gets me. They say, "We urge the Senate to reject this measure which would encourage abortions and hurt children."

I am not sure everybody comes down on these, but I think when you have the Catholic Bishops' Conference saying, if a mother is faced with that choice, abortion becomes a real option, they think they should not be encouraged and, therefore, they do not support Washington mandating that States have to take a certain action. Let them have the option.

If we strike this provision, the State has the option to deny additional benefits to additional children if they want to, but we should not be dictating to the States on a block grant welfare program how they have to handle this situation.

I strongly urge that we not move to waive the Byrd rule.

The PRESIDING OFFICER. The Senator's time has expired.

The question is on agreeing to the motion to waive the Budget Act. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

The PRESIDING OFFICER (Mr. DEWINE). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 42, nays 57, as follows:

[Rollcall Vote No. 229 Leg.]

YEAS—42

Abraham
Ashcroft
Bennett
Bond
Brown
Burns
Coats
Cochran
Coverdell
Craig
D'Amato
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Helms
Hutchison
Inhofe
Kempthorne
Kyl
Lieberman
Lott
Mack
McCain
McConnell
Murkowski
Nickles
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—57

Akaka
Baucus
Biden
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Campbell
Chafee
Cohen
Conrad
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Hatch
Hatfield
Heflin
Hollings
Inouye
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lugar
Mikulski
Moseley-Braun
Moynihan
Murray
Nunn
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Snowe
Specter
Wellstone
Wyden

NOT VOTING—1

Kassebaum

The PRESIDING OFFICER. On this question, the yeas are 42, the nays are 57. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected, and the point of order is sustained.

Mr. DOMENICI. I move to reconsider the vote.

Mr. LOTT. I move to lay it on the table.

The motion to lay on the table was agreed to.

Mr. LOTT. Mr. President, I ask unanimous consent that immediately following the third reading of H.R. 3734, the following Senators be recognized for up to 5 minutes each for closing remarks: Senator MOYNIHAN, Senator ROTH, Senator EXON, Senator DOMENICI; I further ask that following the conclusion of these remarks, the floor managers be recognized, Senator DASCHLE to be followed by Senator

LOTT, for closing remarks utilizing their leader time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I further ask immediately following passage of H.R. 3734, the Senate request——

The PRESIDING OFFICER. If the majority leader will suspend.

Mr. EXON. My apologies. We thought things were cleared. They are not. We will have to object, pending a few moments. Could the Senator hold off for 5 minutes for a chance to work this out?

Mr. LOTT. Mr. President, I am willing to do that, but I thought we had an agreement whereby we could get an understanding of how much time—after all the days and hours that have gone into this bill—and we could have closing statements.

That is fine, to have final statements as to the position of the various Senators on what is in this legislation; it was with the understanding that we would also go ahead and get the agreement and go to conference.

Mr. EXON. We also thought that we had an agreement, but I am sure you have had exceptions on your side, as we have, and in the best of times they do not always work out.

I do not think it is a lengthy delay. I simply say we will try and give the Senator an answer in 5 minutes.

Mr. LOTT. Can we proceed with the next vote?

I yield the floor.

MOTION TO WAIVE THE BUDGET ACT—SECTION 2104

The PRESIDING OFFICER (Mr. THOMPSON). The question is on the motion to waive the point of order, section 2104. The yeas and nays have been ordered.

Mr. ASHCROFT. In moving to waive the Budget Act, the point of order regarding the charitable organizations, I yield 30 seconds to my colleague from Indiana.

Mr. COATS. I thank the Senator. I urge my colleagues to support the Ashcroft provision, which allows for delivery of social services through religious charities. I urge this for two compelling reasons.

First, it is much more cost effective than the current Federal bureaucratic system. Utilization of facilities that are already there, that are neighborhood based and utilizating volunteers makes delivery of those services far more efficient than the Government can do.

Second, they get better results. Survey after survey, in hearing after hearing that we have conducted in the Children and Families Subcommittee on Labor and Human Resources has proven the effectiveness in doing this. I urge my colleagues to support the Ashcroft amendment.

I yield back the balance of my time.

Mr. ASHCROFT. Mr. President, there is a real reason to employ the services of nongovernmental charitable organizations in delivering the needs of individuals who require the welfare state. Despite our good intentions, our welfare program and delivery system have been a miserable failure. Yet, America's faith-based charities and nongovernmental organizations, from the Salvation Army to the Boys and Girls Clubs of the United States have been very successful in moving people from welfare dependency to the independence of work and the dignity of self-reliance.

The legislation that we are considering is a provision that was in the Senate welfare bill that passed last year. It passed the Senate by an 87 to 12 margin. President Clinton's veto of that bill last year was not related to this measure. I spoke to the President about it personally. In his State of the Union Address, just a few weeks later, he indicated the need to enlist the help of charitable and religious organizations to provide social services to our poor and needy citizens.

Based upon the record of this Senate, which voted 87–12 in favor of such a concept last year after a thorough debate and consideration, based upon the support of the Executive, based upon the record of welfare as a failure and the need to employ and tap the resource of nongovernmental, charitable, religious, and other organizations, I urge the Senate to pass this motion to waive the Budget Act.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I speak in opposition to the amendment. I simply point out to all that, in my opinion, this is a direct violation of the church-and-state relationship.

I yield the remainder of my time to my colleague from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. SIMON. Mr. President, I think we have to look at this very carefully. It provides that States can contract for welfare delivery with charitable, religious, or private organizations. I have no objection to charitable or private organizations, but we have been very careful in this church-and-state area.

My father happened to be a Lutheran minister. I believe in the effectiveness of religion not only in our personal lives, but in giving stability to our Nation. We have been careful. For example, we permit religious schools to have some school lunch money. We permit some title I funds. We permit, under certain circumstances, assistance for disabled people that can be provided to religious organizations. But, under this, what we do is we not only say that religious organizations do not need to alter their form of internal governance—I have no objection to that—or remove icons, Scripture, or other symbols—I personally have no objection to that, though I know some who do—we permit churches and religious organizations to propagate people before they can get assistance. I think that clearly crosses the line in church/state relations. I think a hungry person should not have to be subjected to a religious lecture from a Lutheran, a Catholic, a Jew, or a Muslim before they get assistance. What if someone objects? If someone objects——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SIMON. I will close by saying, within a reasonable period, you appeal to the State, and the State eventually makes a decision. I think we should not waive this.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

The PRESIDING OFFICER (Mr. ABRAHAM). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 67, nays 32, as follows:

[Rollcall Vote No. 230 Leg.]

YEAS—67

Abraham
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Bradley
Breaux
Brown
Burns
Campbell
Coats
Cochran
Cohen
Coverdell
Craig
D'Amato
DeWine
Dodd
Domenici
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hutchison
Inhofe
Inouye
Johnston
Kempthorne
Kerrey
Kerry
Kohl
Kyl
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moynihan
Murkowski
Nickles
Nunn
Pressler
Roth
Santorum
Sarbanes
Shelby
Simpson
Smith
Snowe
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone

NAYS—32

Akaka
Boxer
Bryan
Bumpers
Byrd
Chafee
Conrad
Daschle
Dorgan
Exon
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Hollings
Jeffords
Kennedy
Lautenberg
Leahy
Levin
Moseley-Braun
Murray
Pell
Pryor
Reid
Robb
Rockefeller
Simon
Specter
Wyden

NOT VOTING—1

Kassebaum

The PRESIDING OFFICER. On this vote the yeas are 67, the nays are 32. Three-fifths of the Senate duly chosen and sworn having voted in the affirmative, the motion is agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. EXON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEVIN. Mr. President, I opposed the motion to waive the Byrd rule point of order against the language of section 2104 which would provide a specific authorization for States to contract with charitable, private, or religious organizations to provide services under this act. States, without this provision, are able to enter into such contracts provided that they are consistent with the establishment clause of the Constitution and the State constitution and statutes of the State involved. Therefore, I believe this provision is unnecessary.

I also voted against the language because it could inadvertently actually create a headache for religious organizations that currently deliver social services under Federal contract. Religious organizations currently contract to deliver social services for the Federal Government. They do so separate from their religious activities, keeping separate accounts, for instance.

Under the bill's language, neither the Federal Government nor a State may refuse to contract with an organization based on the religious character of the organization, but if a recipient of those benefits objects to the religious character of an organization from which that individual would receive assistance, the State must provide that individual with assistance from an alternative provider that is "accessible" to the individual. So if a religious organization is currently delivering services in a way that is consistent with the Constitution but an individual objects to that institution having the contract, that individual could precipitate an expensive bureaucratic second track for the delivery of services for that one individual. While this may not be the intent of the bill's language, it could easily lead to that.

It is ultimately the Constitution which determines under what conditions religious organizations can be contracted with by the Federal or State governments for the delivery of publicly funded social services. The statute cannot amend the Constitution. Indeed, this bill's language purports to require, in section 2104c, that programs be implemented consistent with the establishment clause of the U.S. Constitution. What the bill's language therefore unwittingly does is confuse rather than expand.

MOTION TO WAIVE THE BUDGET ACT—SECTION 2909

The PRESIDING OFFICER. The question is now on agreeing to the motion to waive section 2909. There are 4 minutes equally divided. The Senate will come to order.

The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I believe the regular order would be Senator FAIRCLOTH, and he has 2 minutes. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOMENICI. Regular order, please, Mr. President.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. FAIRCLOTH. Mr. President, in 1994, when President Clinton sent his first welfare reform bill to Congress, he said that preventing teenage pregnancy and out-of-wedlock births was a critical part of welfare reform. I hope we all could agree with the President on that point and also agree to waive the point of order against the funding for abstinence education programs.

Abstinence education programs across the country have shown very promising results in reducing teenage pregnancies and reducing the teenage pregnancy rate, and it deserves to be expanded with Federal assistance. This provision does not take funds from existing programs and will be a critical help in meeting the bill's goal of reducing out-of-wedlock births.

Mr. President, our colleagues on the other side have asked us repeatedly to consider the children. Abstinence education is an effective means to help children avoid the trap of teenage pregnancy. I urge my colleagues to vote to waive the Budget Act on this provision.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. I yield our time to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized.

The Senate will come to order, please.

Mrs. MURRAY. I thank the Chair.

Mr. President, the bill before us takes $75 million from the Maternal and Child Health Block Grant Program to fund the abstinence program. I am sure that everyone here can agree abstinence is important. However, I strongly urge my colleagues not to allow us to rob the Maternal and Child Health Block Grant Program to fund this abstinence program.

The maternal and child health block grant provides critical dollars for prenatal care, newborn screening, and care for children with disabilities. It provides for vital resources like parent education, health screenings and immunization, children preventive dental visits, and sudden infant death syndrome counseling.

I am sure my colleagues will agree we should not reduce these vital resources by 13 percent. I have a chart here showing how much that will reduce each State's allocation if you are interested.

Let me read quickly to you from the Association of State and Territorial Health Officials, who say:

> State health officers object to the new set-aside on the grounds that states, not the federal government, are better able to decide what programs are necessary and effective for their communities. State health officials share the laudable goals of reducing unintended pregnancies and exposure to sexually transmitted diseases. In fact, abstinence education is an integral component of most maternal and child health programs. Ironically, due to the new administrative costs states will incur and the reduction of overall block grant funds, this set-aside will actually do harm to states' overall abstinence promotion efforts.

Mr. President, if we agree that abstinence——

Mr. EXON. Mr. President, the Senate is not in order. I can hardly hear the Senator.

The PRESIDING OFFICER. The Senate will please come to order.

The Senator from Washington is recognized.

Mrs. MURRAY. I thank the Chair.

Mr. President, if we agree abstinence programs are vital, fine; let us pay for them. But let us not steal from the critical maternal and child health programs that are so important to so many parents across this country. I urge my colleagues to vote no on the motion to waive the Budget Act.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, Senator FAIRCLOTH has yielded me his remaining 30 seconds.

Mr. President and fellow Senators, Senator FAIRCLOTH is suggesting something here that I believe we ought to try. What he is saying is we have tried so many things with reference to teenage pregnancy, why not try a program that says to our young people: We would like to give you the advantages of abstinence.

Now, you do not have to believe in that; you do not have to be an advocate of it, but you ought to give it a try.

We have tried all kinds of things under the rubric of Planned Parenthood and yet anybody that tries to suggest and receive funding for a program that does this cannot be funded. I believe it ought to be funded, and I think we ought to waive the Budget Act. I commend the Senator for this suggestion.

I yield the remainder of my time.

The PRESIDING OFFICER. The question is now on agreeing to waive the Budget Act.

Mr. DOMENICI. Mr. President, I am sorry; I should have gotten your attention sooner. On behalf of the majority leader, we are now prepared to enter into an agreement.

The PRESIDING OFFICER. The Senate will please come to order.

UNANIMOUS-CONSENT AGREEMENT

Mr. DOMENICI. I ask unanimous consent that immediately following the third reading of H.R. 3734, the following Senators be recognized for up to 5 minutes for closing remarks: Senators MOYNIHAN, ROTH, EXON, and DOMENICI. Further, I ask that following the conclusion of the remarks of the four managers, Senator DASCHLE be recognized to be followed by Senator LOTT for closing remarks utilizing leaders' time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. I ask unanimous consent that immediately following the passage of H.R. 3734, the Senate insist on its amendments, request a conference with the House on the disagreeing votes thereon, and the Chair be authorized to appoint conferees on the part of the Senate, all without further action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE ON MOTION TO WAIVE THE BUDGET ACT—SECTION 2909

The question is on agreeing to the motion to waive the Budget Act. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 52, nays 46, as follows:

[Rollcall Vote No. 231 Leg.]

YEAS—52

Abraham
Ashcroft
Bennett
Biden
Bond
Brown
Burns
Campbell
Coats
Cochran
Coverdell
Craig
D'Amato
DeWine
Domenici
Exon
Faircloth
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Hatch
Hatfield
Heflin
Helms
Hutchison
Inhofe
Kempthorne
Kyl
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Pressler
Roth
Santorum
Shelby
Simpson
Smith
Specter
Stevens
Thomas
Thompson
Thurmond
Warner

NAYS—46

Akaka
Baucus
Bingaman
Boxer
Bradley
Breaux
Bryan
Bumpers
Byrd
Chafee
Cohen
Conrad
Daschle
Dodd
Dorgan
Feingold
Feinstein
Ford
Glenn
Graham
Harkin
Hollings
Jeffords
Johnston
Kennedy
Kerrey
Kerry
Kohl
Lautenberg
Leahy
Levin
Lieberman
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Reid
Robb
Rockefeller
Sarbanes
Simon
Snowe
Wellstone
Wyden

NOT VOTING—2

Inouye
Kassebaum

The PRESIDING OFFICER. On this vote, the yeas are 52, the nays 46. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected, and the point of order is sustained.

Mrs. MURRAY. Mr. President, I move to reconsider the vote by which the motion was rejected.

Mr. LEVIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

POINTS OF ORDER

The PRESIDING OFFICER. The Chair informs the Senate that there are 22 points of order remaining. The Chair sustains all but the 15th point of order raised against section 409(a)(7)(C).

Mr. KEMPTHORNE. Mr. President, yet again during the 104th Congress we find ourselves debating welfare reform on the floor of the Senate. It is regrettable that we even have to take the time to debate this issue. We have already twice passed solid welfare reform plans which would give States the necessary flexibility to truly provide for the unique needs of the less fortunate in their States. Unfortunately, the President's vetoes of the two previous welfare reform proposals has left us with no real reform and has left States floundering.

Just over 10 months ago, I stood here on the Senate floor and said that welfare reform was long overdue. It still is. We all know the welfare system in this Nation is seriously flawed. Maintaining the status quo is not only not an option, I believe it is morally wrong. We must break the cycle of poverty which our current system has perpetuated. As Franklin Delano Roosevelt once said, "The lessons of history show conclusively that continued dependence upon relief induces a spiritual and moral disintegration fundamentally destructive to the national fiber. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit." If we are to restore that spirit, we must give those on welfare a fighting chance—a chance I believe they want—to once again become contributing members of our society.

After debating this issue for months, I believe it is safe to say that a majority of Members of Congress recognize that the only true way to reform the welfare system is to turn it over to the States. True reform, innovative reform, will come from the States, and we should give them the opportunity to prove that they are capable of making the changes the system needs. Turning these programs over to the States will provide them with the opportunity to shape poverty-assistance programs to meet local needs. It will provide States and local officials with the change to use their own creativity and their own intimate knowledge of the people's needs to address their problems. And we do not make them go through a series of bureaucratic hoops in order to get a waiver to do so.

Mr. President, my home State of Idaho is currently in the process of applying for just such a waiver. In order to get to this point, the Governor appointed a Welfare Reform Advisory Council which met with people in communities around the State to solicit suggestions on how the current system could be reformed. From those meetings came 44 specific proposals for making welfare work. These recommendations fall into four categories: Making welfare a two-way agreement and limiting availability; mandatory work requirements and improvements to the child care system which will allow recipients with young children to work; new eligibility standards which focus on maintaining the integrity of the family structure; and improving child support enforcement.

The people of Idaho have spoken on the directions in which they wish to go with welfare reform. Unfortunately, the requirement to attain waivers is preventing these reforms from being enacted. To make matters worse, not only is the system not being reformed, but limited, vital resources are being used to apply for the waivers instead of for helping the needy. The current process is slow, time consuming, and inefficient. This is why block grants are so necessary. The people of Idaho want a system which helps the truly needy, and they have worked diligently to plan just such a system. Instead, they are given additional bureaucracy. It is time we let the States, like Idaho, implement reforms, rather than just write about them.

Idaho's concerns are not unique. Many of the States see the same problems with the current welfare system. At the same time, the best manner in which to address these concerns varies considerably across the Nation. A cookie-cutter, one-size-fits-all approach simple does not fit in a diverse nation. That is why we must finally let go of Federal control.

I believe the welfare reform debate is about one word—freedom. It is the freedom of State and local governments to decide how best to provide assistance to the needy. It is the freedom of the various levels of government to create innovative ways to meet the unique needs of the downtrodden in their city, county or State. It is the freedom to follow local customs and values rather than Federal mandates. I have said for some time that when the Government tries to establish a one-size-fits-all, cookie-cutter approach to address a perceived need, it ignores the unique circumstances which are so important in developing the best way to address that need.

I do not want anyone in this country who is struggling to make something of themselves, regardless of the State in which they reside, to be hampered in their efforts because of rules and regulations which ignore the fact that this Nation is not uniform—that people in all areas of the country have unique circumstances which simply cannot be addressed in one prescriptive Federal package. What I hope to do, what I believe this legislation does, is give current and future welfare recipients the freedom to break out of poverty.

Mr. President, this bill is also about freedom for those who are already on welfare, or who are at risk of entering the welfare rolls. Under the current system, generations have grown up without knowing the satisfaction of work and personal improvement. The value of family has been ignored, aiding the increasing rate of illegitimacy. And possibly worst of all, children have been raised without hope in a system that does more to continue poverty than to break the welfare cycle. For far too many, the system offers no incentives and no promise of a better future.

For more than 30 years, we have tried to dictate to the States how best to take care of their needy. After 30 years, it is time to accept that the experiment is a failure. And thus, it is time we let the States take control and develop their own solutions to the problem of poverty in this Nation.

Mr. HATCH. Mr. President, three times in the last year we have stood on this floor to debate welfare reform. The first time, the bill passed the Senate by a large bipartisan majority, 87 to 12.

Yet, the President has vetoed it. He has since vetoed welfare reform legislation twice more.

Today, we are standing here again. We have yet again passed legislation to reform a failed and broken welfare system, a system which has dragged the most vulnerable of our population into a pit of dependency.

We must stop this cycle. We must give these families the hope and help they deserve. This legislation would do just that.

This legislation reforms the old system into a new one. This legislation will take a system of degrading, esteem depleting handouts and transform it into a transitional system of support that helps families gain work experience, training, and self-sufficiency. This bill creates a system that gives beneficiaries a leg up and not a shove down.

In watching the Olympic long-distance cycling event a few nights ago, my heart went out to those athletes who had trained so hard, but who had hit "the wall," that point in an endurance contest when the goal seems overwhelming and when it seems impossible to take another step or pedal another foot.

Mr. President, many of our welfare recipients under our current system have faced the wall. Our current system is one that simply encourages dependence; an individual's self-esteem is shattered; when a better life seems beyond reach; and it becomes easier to quit and accept the help of others.

This legislation will help American families climb over the wall of poverty. It will build self-confidence and hope for the future on a foundation of work and accomplishment.

Yet, Mr. President, welfare recipients are not the only ones who have hit the proverbial wall with our welfare system. The taxpayers have hit it too. Frankly, while they are a compassionate people, while they want to help those who are less fortunate, they also want to see personal responsibility and individual effort restored as a quid pro quo to receiving help.

Americans have become frustrated that the increasing billions of dollars we spend on the war on poverty is not reducing poverty. It is not building strong families. It is just not working.

Mr. President, the legislation before us today would create a transitional system. One that stresses temporary assistance and not a permanent handout. It requires that beneficiaries go to work and get the training and educational skills they need to get and keep a job. No longer will beneficiaries be able to get something for nothing. This system will give them the help they need to get into a job and move into self-sufficiency.

Mr. President, this bill gives the States the flexibility they need to design the best systems they can to address their unique mix of economic climate, beneficiary characteristics, and resources available. The Federal Government cannot be responsive to local conditions but the States can.

This bill moves the decisionmaking and system design authority to the States where it belongs. It doesn't simply leave Federal funds on the stump as some have suggested. States are required to submit their plans and live up to them. They must serve their needy populations and provide them the resources necessary to move them into jobs and self-sufficiency.

This legislation is the fourth time the Senate has passed welfare reform legislation. This is yet another chance for the President to honor his pledge to "reform welfare as we know it." It is another chance for all of us to throw over a system that provides no real hope, no real help, no real progress. American low-income families deserve more and so do the American taxpayers.

Mr. LEVIN. Mr. President, the present welfare system does not serve the Nation well. It does not serve families and children well. It does not serve the American taxpayer well.

This bill contains several provisions which I hope can be moderated in the conference between the House and the Senate and in discussion with the President.

Meaningful reform should protect children and establish the principle that able-bodied people work. It should tighten child support enforcement laws and be more effective in getting absent fathers to support their children. The bill before us represents a constructive effort. It is an improvement over the bill the President vetoed last year because it provides more support for child care, requires a greater maintenance of effort from the States, and does not block grant food stamp assistance. And, the Senate has improved the bill which the Finance Committee reported by passing amendments which maintain current standards for Medicaid and which eliminate excessive limits on food stamp assistance.

The funding levels in this bill are aimed at assuring that adequate child care resources will be available for children as single parents make the transition into work. Those levels are significantly improved. This strengthens the work requirement because it better assures that States can effectively move people into job training, private sector employment, and community service jobs.

I am particularly pleased that the Senate approved my amendment, offered with Senator D'AMATO, which greatly strengthens the work requirement in the bill. The original legislation required recipients to work within 2 years of receipt of benefits. My amendment adds a provision which requires that unless an able-bodied person is in a private sector job, school or job training, the State must offer, and the recipient must accept community service employment within 2 months of receipt of benefits.

I would prefer a bill which did not end the Federal safety net for children, a bill like the Daschle work first legislation which failed in the Senate narrowly and which I cosponsored. I would prefer a bill which permitted noncash voucher assistance targetted to the children of families where the adult parent is no longer eligible for assistance. I would prefer a bill which protects legal immigrants who have become disabled.

So the decision is a difficult and a close one. On balance, however, I believe that it is so critical that we reform the broken welfare system which currently serves the American taxpayer and America's children poorly, that it is necessary to move this legislation forward to the next stage.

I believe that it is particularly important that partisanship not dominate the conference between the House and Senate. I am hopeful that the congressional leadership work with the President to forge a final bipartisan welfare reform bill behind which we can all close ranks.

Mr. GLENN. Mr. President, I rise today to oppose what is called welfare reform but is really radical change and a surrender of the Nation's responsibility to our children. This measure ends our 60-year national guarantee of aid to the poor and the disadvantaged. Make no mistake, the poor and the disadvantaged to whom we refer are our children. Today one in five children live in poverty and I am not convinced that this bill will improve our problem and I fear that it will only make it worse.

I want our welfare system reformed and I voted for an alternative Democratic welfare reform plan, the Work First Act of 1996, which was based upon last year's Democratic welfare proposal. Work First promotes work while protecting children. It requires parents to take responsibility to find a job, guarantees child-care assistance and requires both parents to contribute to the support of their children. When this alternative failed, I supported many of the amendments to improve the bill and guarantee assistance to poor children.

I am concerned that there are already far too many poor children in this country. I believe that this bill will cause many more children to live in poverty. It is estimated that 130,185 children in Ohio will be denied aid in 2005 because of a mandated 5-year time limit; 52,422 babies in Ohio will be denied cash aid in 2000 because they were born to families already on welfare; 79,594 children in Ohio will be denied benefits in 2000 should assistance levels be frozen at 1994 levels. In total, at least 262,000 children in Ohio would be denied benefits when these welfare provisions are fully implemented.

Last year's Senate-passed bill would have pushed an additional 1.2 million children into poverty. In Ohio alone, 43,500 children will be pushed into poverty by the bill now before us. Mr. President, I cannot support legislation that would cause this kind of unacceptable harm.

I have been concerned from the start that simply washing our hands of the Federal responsibility for welfare and turning it over to States is no guarantee of success. This is very risky policy and we will no longer have a mechanism for guaranteeing a national safety net for our poorest families.

Perhaps if we were more concerned with moving people from welfare to work rather than just moving people off welfare we would be making a real start. However, I am not convinced that merely putting a time limit on benefits will lead to employment. I am not convinced that this legislation ends welfare as we know it, it just ends welfare.

In the end Mr. President, the changes we contemplate today will take away from those least able to afford it and will have a devastating impact on children's health, education, nutrition, and safety. Providing adequate assistance for our children will save money in the long run and be cost effective. I oppose this bill.

Mr. WELLSTONE. Mr. President, the people of Minnesota and of the Nation have made it clear that they want a welfare system that helps people make a successful transition from welfare dependency to work. I support that goal. That is why I voted for a workfare proposal with a tough, 5-year time limit on welfare benefits. That workfare proposal would move recipients quickly into jobs, requiring all able-bodied recipients to work and turning welfare offices into employment offices. It would provide adequate resources for child care, recognizing that families can't realistically transition to the workplace unless their kids are being looked after. The bill was called work first because it provided the tools needed to get welfare recipients into jobs and to keep them in the workplace.

Unfortunately, work first, the workfare proposal I voted for, did not prevail in the Senate. Instead, we in the Senate are faced with a bill that would punish innocent children. By sending an underfunded block grant to States, this bill would obliterate the already frayed safety net for children. Last year during this debate, the Office of Management and Budget estimated that 1.2 to 1.5 million children would be pushed into poverty by such a welfare reform proposal. About the same number would suffer under this year's plan. The deep cuts in food stamps in this bill would mean that many thousands of children would go hungry. I will not sit back and vote for consigning 1 million children to poverty. I will not be party to actions that mean that there will be more hungry and homeless children in the most prosperous Nation on Earth.

Unfortunately, the majority in the Senate did not agree to crucial improvements to the legislation. When I asked that we look at the effect of this legislation on poor children and revisit this legislation after 2 years if we find out that it is pushing more children into poverty, my colleagues turned me down. That was a clear signal to me that the suffering of children is not being taken as seriously as it should be by this Congress. When several Democratic Senators tried to allow States to use their grants to provide vouchers for children's necessities like disperse and clothes after their parents reached the time limits for aid, we were turned down by the majority. When several Democratic Senators tried to place more humane limits on the aid legal immigrants could receive, we were again turned down by the majority. And although we were successful in ensuring that food stamps are not block granted, I continue to have serious concerns about a bill that cuts $28 billion from food stamps, which provide the most basic necessities.

In addition, I am very concerned that this bill will drop or deny SSI benefits to over 300,000 children during the next 6 years. This was also a concern I had with the work first bill I supported earlier. While I admit that there are some problems in the SSI Program, we can certainly address the problems through more targeted reforms and regulatory changes.

I have voted for workfare. Indeed, I voted for an amendment to strengthen the work requirements in this bill by requiring able-bodies welfare recipients to participate in community service jobs within 2 months of receiving aid. I support moving families from welfare to work. I believe we can accomplish that in a just and humane way. I do not believe, however, that the bill we have before us today is just and humane, and I will not vote to punish innocent children.

Mr. KERREY. Mr. President, I rise today to state my opposition to final passage of the Republican welfare reform legislation. I will vote against this legislation simply because although it portends welfare reform, it is about neither welfare nor reform.

Let me be clear—I am certainly not against reforming our welfare system. Indeed, I have voted for welfare reform in the past because I agree that the current system is clearly broke and in dire need of repair. But if we are going to have reform it should be meaningful and not reform for reform's sake.

For me, meaningful welfare reform means concentrating on preparing individuals to enter the work force. And by preparing individuals to enter the work force we must prepare them for all the challenges that lie ahead. It is important to note that the No. 1 reason people enroll for AFDC benefits is divorce or separation.

No doubt, the American taxpayers who pay for this system and those who are recipients of welfare programs want and deserve a better system. However, reform without the thought of consequence will do more harm than good.

Already 20 percent of our Nations children live in poverty, and undoubtedly this bill will add to that total—by the millions. And while AFDC caseload has decreased in Nebraska, child poverty continues to rise. Last year 3 percent of children in Nebraska were on AFDC, yet 11 percent of children lived in poverty.

My friend, colleague and noted expert Senator MOYNIHAN took to the floor last week to report that more than one million children will be thrown off the welfare roles should this legislation become law. He said, "It is as if we are going to live only for this moment, and let the future be lost," Mr. President, surely what is before us is not true welfare reform. It is merely a way to cut the deficit on the backs of the neediest under the guise of welfare reform.

Indeed, this legislation does have its work provisions. I offered an amendment accepted by both the Republican and Democratic leadership that would allow states to contract—on a demonstration basis—with community steering committees [CSC's] to develop innovative approaches to help welfare recipients move in to the workforce. The CSC's, created by the amendment, would be locally based and include educators, business representatives, social service providers and community leaders. The main charge of the CSC's would be to identify and develop job opportunities for welfare recipients, help recipients prepare for work through job training, and to help identify existing education and training resources within the community. As well, CSC's would focus on the needs of the entire family rather than just on the needs of adult recipients.

This is the type of work provision that works—and I support—because it encourages individuals on welfare to move into the work force. It provides much needed resources so that once these individuals get into the work force, it works to ensure they stay in the work force. But this measure alone is not enough.

To keep a job, individuals—especially parents—need other things. We need to make certain that every person who is moving into the ranks of the employed has high-quality, affordable child care; otherwise, they are not going to be able to be successful in the workplace. We need a system that gives individuals the opportunity to earn reasonable wage, and to have access to health care, education and training. These are the elements of a system that works and this is the kind of system we should be working toward.

As a nation we need to focus our efforts on job creation, education and personal savings, as well as on meaningful reform to our entitlement programs. These elements, more than anything else, will help to ensure a brighter future for all working Americans.

Mr. President, the legislation before us today endeavors to move welfare mothers into the work force, but it removes valuable resources that would help the individuals achieve the goal of employment because it lessens their access to child care and health insurance.

There is a tremendous differential between the relative cost of child care for somebody who is in the ranks of the poor and people who are not poor. Above poverty, American families spend about 9 percent of their income for child care. Below poverty, it is almost 25 percent of their income. As well, as of 1993, 38 percent of working households under the poverty line are uninsured. While health care reform legislation that passed the Senate unanimously languishes, this legislation, regrettably, makes health care pressures even harder to bare.

My Democratic colleagues offered an amendment that would have converted funding formulas to help States—like Nebraska—with larger proportions of children on poverty. This provision would have provided aid to States and individuals truly in need. The Senate voted this measure down, showing the true failings of this legislation—it denies aid to those who are truly in need.

Other amendments designed to help children, but which failed, included an amendment that would have ensured health care and food stamps for children of legal immigrants, and an amendment that would have provided vouchers for children whose families have hit the 5-year term limit so that they may care for the children. But these important measures—which would have made the reform legislation more humane—failed on party-line votes.

Mr. President, the people of the state of Nebraska—indeed most Americans—are strongly in favor of welfare rules that give work a greater priority than benefits. But much of this legislation is being driven solely by the need to reduce the deficit and it has an ideological bent to it that says it has to be one way or the other. The impetus of this reform is not driven by a desire to say that the system is going to work better—it is sadly about matters of political expediency.

By pushing mothers and an alarming amount of children off the welfare roles and further onto the fringe of society, this legislation will do more harm than good. From a taxpayer standpoint, a beneficiary standpoint, and a provider standpoint, we need a welfare system that operates in a more efficient, effective and hopefully humanitarian fashion. Unfortunately, this legislation does not offer the necessary reforms to bring us that system.

I yield the floor.

Mr. KYL. Mr. President, since President Johnson declared his War on Poverty, the Federal Government, under federally designed programs, has spent more than $5 trillion on welfare programs. But, during this time, the poverty rate has increased from 14.7 to 15.3 percent.

After trillions of dollars spent on welfare over the past 30 years, we are still dealing with a system that hurts children, rather than helps them. The current system discourages work, penalizes marriage, and destroys personal responsibility and, oftentimes, self-worth.

According to the Public Agenda Foundation, 64 percent of welfare recipients agree that "welfare encourages teenagers to have children out of wedlock," and 62 percent agree that it "undermines the work ethic."

And, there are serious negative consequences when a child is born out-of-wedlock. Children born out-of-wedlock have a substantially higher risk of being born at a very low or moderately low birth weight. Children born out of wedlock are more likely to experience low verbal cognitive attainment, as well as more child abuse, and neglect. Children born out of wedlock are more likely to have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves. Children born out of wedlock are three times more likely to be on welfare when they grow up.

Who would not be full of despair and without hope for the future when presented with such a scenario?

S. 1956 seeks to change this by allowing States to design programs that counter these trends, and to change general welfare policy so that it promotes work and marriage.

STATE BLOCK GRANTS

S. 1956 replaces the current AFDC and related child care programs with a general block grant and a child care block grant.

Limited success in reforming welfare has occurred when States and localities have been given the opportunity to go their own way. In Wisconsin, for example—and we all know that Wisconsin is waiting for approval of a waiver to continue to reform its welfare system—a successful program there diverts individuals from ever getting on welfare. Under a local initiative in the city of Riverside, CA, individuals on welfare are staying in jobs permanently. In both Wisconsin and Riverside, welfare rolls have been reduced.

Arizona is a good example of why reform is still needed. Arizona applied in July 1994 to implement a new State welfare program, EMPOWER, based on work, responsibility, and accountability. It took the U.S. Department of Health and Human Services bureaucracy a full year to approve the waiver.

A shift to block grants to States make sense. By allowing States to design their own programs, decisions will be more localized, and the costs of the Federal bureaucracy will be reduced.

NONWORK AND ILLEGITIMACY

It must be emphasized over and over that there are two fundamental driving forces behind welfare dependency that must be addressed in any welfare reform bill: nonwork and nonmarriage.

Nonwork and illegitimacy are key underlying causes of our welfare crisis and, even with the effective elimination of the Federal welfare bureaucracy, they will remain as its legacy if we choose not to address them. People will never get out of the dependency cycle if federal funds reinforce destructive behavior.

NONWORK

Let us deal with the facts: To escape poverty and get off welfare, able-bodied individuals must enter and stay in the workforce. As Teddy Roosevelt said, "The first requisite of a good citizen in this Republic of ours is that he shall be able and willing to pull his own weight."

Another fact: The JOBS program that passed as a part of the Family Support Act of 1988 moves a far too small number of welfare recipients into employment. Less than 10 percent of welfare recipients now participate in the JOBS program.

In order to receive all of their block grant funding, under S. 1956, States will be required to move toward what should be their primary goal: self-sufficiency among all their citizens.

S. 1956 requires that 50 percent of a caseload be engaged in work by the year 2002. There are work components of this bill that could be strengthened but it provides a good beginning toward these goals. In addition, under S. 1956 welfare recipients must be engaged in work no later than 2 years after receiving their first welfare payment. States must also lower welfare benefits on a pro rata basis for individuals who fail to show up for required work.

ILLEGITIMACY

Our Nation's illegitimacy rate has increased from 10.7 percent in 1970 to nearly 30 percent in 1991. Eighty-nine percent of children receiving AFDC benefits now live in homes in which no father is present.

It must be reemphasized what role the breakdown of the family has played in our societal and cultural decline. This is not really even a debatable point. The facts support a devastating reality. According to a 1995 U.S. Census Bureau report, the one-parent family is six times more likely to live in poverty than the two-parent family.

S. 1956 provides measures to combat illegitimacy, including providing an incentive fund for states to reduce illegitimacy rates.

In addition, Federal funds under the block grants, unless a State opts out, may not be used to provide additional assistance for mothers having additional children while on welfare. If the rules of welfare are stated clearly to a mother in the beginning, and if allowances are made for noncash essentials like diapers and other items, then such an approach is fair. If such a rule reduces out-of-wedlock births, it may turn out to be more fair than most other aspects of welfare.

Mr. President, the Congress has passed welfare reform two other times, and twice the President has vetoed the legislation. There is an urgency to the task at hand. Children's lives are being compromised—it is time to work toward a system that is recognized for the number of children that never need to be on welfare, rather than the number of children who are brought into the failed welfare state. The Senate should pass S. 1956.

Mr. COATS. Mr. President, in 1962, President Kennedy, in his budget message to Congress, noted:

> The goals of our public welfare program must be positive and constructive. It must contribute to the attack on dependency, juvenile delinquency, family breakdown, illegitimacy, ill health, and disability. It must replace the incidence of these problems, prevent their occurrence and recurrence, and strengthen and protect the vulnerable in a highly competitive world.

This statement presents the strong, initial common ground that we share: that Government has a legitimate role in supporting our most helpless and desperate families with dependent children.

Certainly, our second ground of agreement is that an appropriate welfare policy should do nothing to harm the family being supported. Families are the foundation of our Nation's values. They teach us the principles of economics, the value of relationships, and the importance of moral truths. They define our view of work, responsibility, and authority. They teach us the meaning of trust, the value of honesty, and are the wellspring of every individual's strength against alienation, failure, and despair.

During countless eras when no other organized unit of society even functioned, the family was the institution that made survival of the cultural, political, economic, and social order possible.

We should agree on what a welfare policy should protect—the family—and what it should protect against—dependence on the State. We should also agree that this Nation's current welfare policy has diverged greatly from President Kennedy's vision.

The Government has attempted to end poverty by establishing an engorged bureaucracy and writing checks, all told pouring over $5 trillion into the war on poverty. At the same time, individual dependence on the Government has increased, individual dignity has declined, and the family has been dealt a near fatal blow.

Today, there are more people living in poverty than ever before—and the only thing the Government welfare state has succeeded at doing is spawning generations of people who will be born, live, and die without ever having held a steady job, owned a home, or known the strength of a two parent family.

Individual dependence on the State has increased with every Government intervention. Indeed, the population receiving welfare payments receives checks for extraordinarily long periods of time. Under current law, 25 percent of women can expect to receive those payments for more than 8 years. The typical recipient receives payments for almost 4 years. Forty percent of recipients return to the welfare rolls at least once.

Government intervention has distorted the economic incentive system that, at least in part, motivates a person to give of his labor. Government intervention eliminates the need to work to support oneself and one's family by providing money regardless of whether one works. Dependence on such a system is all but inevitable.

Given time, a cash payment that is not tied to a requirement to work will undermine the second motivation to work; namely, the desire to produce some benefit, whether tangible or intangible, for oneself or for society. Who can doubt that a person experiencing such a disconnection for any protracted period of time will eventually suffer a loss of individual dignity as the welfare system undermines the moral and personal responsibility of the recipient?

Today however, we are turning to the issue of solutions. Whatever the proposed solution, we must gauge its effectiveness and desirability in terms of the three common grounds discussed throughout this debate. Does our policy foster dependence on the Government or promote independent action by the individual? Does it promote the dignity of the human person or undermine it? Does it destroy the family or build it up?

I am convinced that we will only achieve successful welfare reform when we begin to emphasize personal responsibility. Unfortunately, for far too long welfare programs supported by the Federal Government have failed to acknowledge and promote personal responsibility, and many other core American values.

I would argue that the key goal of welfare reform must be to promote self-sufficiency. A beginning step toward self-sufficiency is to change people's expectations about welfare. A recent GAO study noted that a key challenge for States is to learn how to break the entitlement mentality—the view that public assistance is a guaranteed benefit. States had to start helping individuals understand that a job was in their best interests.

One successful approach to encourage greater responsibility which is being experimented with by several States is the use of personal responsibility agreements. I am proud to say that Indiana has been at the forefront of helping individuals and families achieve long-term stability and self-sufficiency through the use of personal responsibility agreements. With personal responsibility agreements, Indiana's welfare reform plan moves families away from dependence and toward work. More than 39,000 individuals and families in Indiana have signed personal responsibility agreements as of April 1996.

Indiana's agreements require that families who receive AFDC understand that welfare is temporary assistance, and not a way of life. They must develop a self-sufficiency plan and go to work as quickly as possible, recognizing sanctions will be imposed for quitting a job, refusing to accept a job or dropping out of the job program. Families must also take responsibility for their children's timely immunizations and regular school attendance. Furthermore, their AFDC benefits will be limited to the number of children in the family within the first 10 months of qualifying for AFDC. Teenage recipients must live with parents or other adults. And finally, families are limited to a 2-year period of AFDC assistance a job placement track.

The amendment proposed by Senator HARKIN and myself last Thursday makes it clear that States must develop these personal responsibility agreements, such as those required of families in both Indiana and Iowa. This amendment is necessary because under current law States who wish to enter into this agreement with their residents, must first apply to Washington for a waiver of current welfare laws. This requirement to get permission from Washington for such common sense reforms not only steals valuable time from a State's reform efforts, but also represents a completely unnecessary Government intrusion. This amendment frees States from the extended negotiations that are now necessary to receive a Federal waiver, and enables States to move forward from failed, dependence-ridden, welfare programs to programs which promote independence, self-sufficiency, and long-term economic stability.

Senator HARKIN has been a real leader in the area of personal responsibility agreements, having recognized early their success in the State of Iowa. He introduced a very similar amendment to H.R. 4 last year which was ultimately dropped in conference. This year, personal responsibility agreements are found in both the House welfare reform package, H.R. 3507, and in the President's welfare bill. The amendment adopted here last Thursday requires States to adopt this common sense reform measure which ensures that everyone who receives assistance understands from day one that the assistance is a temporary measure intended to help the family achieve self-sufficiency and independence through employment.

Personal responsibility agreements help raise people's expectations while at the same time, giving them a clear goal and positive vision for their future.

The time has come for us to reform our Nation's welfare system. A year ago we passed legislation that is nearly identical to the bill before us today. We have adjusted the bill in many ways in an effort to find the magic formula that would satisfy the opponents of real reform. We have produced a solid package that is best described as a good first step. And we are told that President Clinton may—just may—actually sign this bill.

This welfare bill makes several important changes to the existing system. It ends the Federal entitlement and places strict time limits and work requirements on welfare recipients. Most importantly, this bill turns the task of redesigning public welfare systems over to the States. We will no longer be treated to the spectacle of Governors coming to the Department of Health and Human Services to ask permission for common-sense welfare reform measures.

The lesson for this protracted political exercise is that President Clinton has abdicated leadership on welfare. In 1992, he promised to end welfare as we know it. In 1995 and 1996 he fought to preserve the status quo at every turn. Now, when pollsters and consultants tell him that signing a welfare reform bill might help his reelection campaign, the President has begun to edge his way toward the Rose Garden for a signing ceremony—a ceremony that should have been held a year ago.

Welfare reform is simply too important for this kind of gamesmanship. If President Clinton had signed this bill a year ago, we could have begun the difficult task of changing a culture of dependence and despair into a culture of self-sufficiency and hope. A year later our path has gotten longer and steeper and rockier. For tens of thousands the habit of dependence has grown stronger while hope and will to change have grown fainter. The burden of this failure falls not on Congress—we have done our job not once, not twice, but three times. The burden of failure falls squarely on the shoulders of the President. The very least he can do now is sign this bill.

Mr. KOHL. Mr. President, I want to say that I believe the chairman and ranking member of the Subcommittee have done an excellent job in putting together this bill under very difficult budgetary circumstances. They have done an exceptional job of protecting core programs that are of utmost importance to the Nation's farmers, consumers, and communities.

There is one provision in this bill that I think is of great importance and deserves special mention, and that is the language with regard to cost containment for the WIC program.

I think it's fair to say that every Member of the Senate supports the WIC program. The long-term benefits accruing to society from ensuring adequate pre-natal and neo-natal nutrition have been well documented and uncontested.

A large portion of the cost of the WIC program is associated with the purchase of infant formula for WIC recipients. Fortunately, in recent years competition between formula manufacturers bidding for WIC contracts has led to significant savings in the program, with companies offering rebates on infant formula in order to win WIC contracts. Unfortunately, the competition that led to these rebates has been greatly diminished by the recent withdrawal by one of the competitors, Wyeth Laboratories, from the WIC infant formula market. Fortunately, another formula manufacturer, Carnation, has recently entered the WIC formula market, which could help ensure competition and therefore help contain the costs of the program. However, in many States, the price of Carnation formula is significantly cheaper than other brands of infant formula, which makes it difficult for Carnation to offer rebates as high as their competitors. However, Carnation may still be able to offer the lowest bid, if measured on a lowest net price basis.

Unfortunately, some States are awarding WIC formula contracts simply on the basis of which company offers the highest rebate, as opposed to the lowest net price bid. The detriments of this simplistic approach are two-fold. First, by focusing on highest rebate instead of lowest net price, States are spending more for infant formula than they should. Second, by biasing the WIC formula bid process toward the companies offering the highest rebate, States are effectively excluding additional competitors, such as Carnation, from the WIC formula market, and thus jeopardizing future cost containment efforts.

To address this problem, the Senate Agriculture appropriations bill includes language that requires States to award infant formula contracts to the bidder offering the lowest net price, unless the State can adequately demonstrate that the retail price of different brands of infant formula within the State are essentially the same.

I commend the managers of the bill for including this common-sense language, which I believe will help secure the long-term viability of the WIC program. It is my hope that this provision will be maintained in conference.

Mr. WARNER. Mr. President, I am pleased to rise in support of S. 1956, the Senate's latest attempt to reform the Nation's welfare system. On two occasions in the last year, the Congress has sent welfare reform legislation to the White House, and on both occasions, our efforts have only been met with the veto pen. I sincerely hope that, as the saying goes, the third time will be the charm.

S. 1956 is in many respects identical to H.R. 4, the welfare reform bill approved in the Senate with my support by a vote of 87 to 12 on September 19, 1995. Again we are proposing to block grant the AFDC [Aid to Families with Dependent Children] program, giving over the responsibility of day-to-day administration to the Nation's Governors, while requiring strict work requirements for able-bodied AFDC recipients, 5 year maximum eligibility, limitations on non-citizens, and home residency and school attendance requirements for unmarried teenage mothers.

I am proud to report that these actions are in keeping with the important steps the Commonwealth of Virginia has already taken to reform our own State welfare system. What we in

Virginia have accomplished under Governor George Allen through a laborious process of gaining Federal waiver authority, the Senate is now poised to approve for the entire Nation.

In Virginia we call our welfare reform plan the Virginia Independence Program, and we have successfully been in the implementation stage since July 1, 1995. Our goals are simple and to the point: To strengthen disadvantaged families, encourage personal responsibility, and to achieve self-sufficiency.

On a quarterly basis, and as resources become available in different State locales, we are requiring all able-bodied AFDC recipients to work in exchange for their benefits. Increased income of up to 100 percent of the poverty level is allowed while working toward self-sufficiency. Those unable to find jobs immediately will participate in intensive community work experience and job training programs.

To ease the transition from dependence to self-sufficiency, we are also making available an additional 12 months of medical and child care assistance. We understand that these benefits must be provided if single parents, in particular, are going to be able to fully participate in job training and new work opportunities.

Mr. President, let me sum up by saying that the Federal Government has been fighting President Lyndon Johnson's War on Poverty for 30 years. Aggregate Government spending on welfare programs during this period has surpassed $5.4 trillion in constant 1993 dollars. Despite this enormous spending our national poverty rate remains at about the same level as 1965.

Mr. President, the welfare system we have today is badly broken and we must fix it.

I'd like to add a personal note to this debate. Yesterday, I had the good fortune to visit a true laboratory of welfare reform in Norfolk, VA. This laboratory is entitled the "Norfolk Education and Employment Training Center", otherwise known as NEET.

Mr. President, my visit with Norfolk city officials and the NEET employees and students truly strengthened my belief that States and local communities—not the Federal bureaucrats in Washington—are best equipped to help individuals break out of welfare.

The city of Norfolk has done a superb job overseeing the NEET Program. There is real cooperation between the city and the contracting private entity that is running the job training center. There was a genuine pride in the faces of the city workers, NEET employees, and the NEET graduates and students.

I commend the city employees who work with the NEET Center, and in particular, Ms. Suzanne Puryear, the director of the Norfolk Department of Human Services. I would also like to commend Ms. Sylvia Powell and the other fine employees at the NEET Center. There is outstanding talent in these two operations, and I believe the business community in Norfolk recognizes this.

Without getting into all of the details, I would like to note that individuals referred to the center are given opportunities to develop a number of job skills, including computer work, and if necessary, the students are assisted with studying for and earning a GED. They are also provided help with job interview preparation as well as actual job search and post-employment support.

Mr. President, there is tremendous talent among the NEET students and graduates. Arlene Wright came to NEET as a welfare recipient. Today, after some 7 months of training and a loan from NEET, Ms. Wright is the proud owner and director of the Tender Kinder Care day care center.

I also spoke with some of the students. One of the most poignant comments came from Ray Rogers. In her words, Mr. President, Ms. Rogers said that NEET is the kind of program that "helps you pick yourself up. You learn that you can take the things that you know and apply them to a job."

Pick yourself up. These are very powerful words. It is time that more Americans are helped to pick themselves up and not just be another statistic waiting for another Government check. If we provide opportunity and instruction at the State and local level, there will be more Ms. Wrights and Ms. Rogers and Nicole Steversons and others whom I met yesterday in Norfolk.

Mr. FEINGOLD. Mr. President, I intend to vote in favor of the pending welfare reform bill.

Last September, I voted for the Senate-passed welfare reform bill.

I did so then with substantial reservations about many of the provisions in that bill. I do so today with many of the same kinds of reservations.

I am voting for this measure for two principal reasons.

First, I believe that the current welfare system is badly broken, and we must find an alternative to the status quo. No one likes the current system, least of all the families trapped in an endless cycle of dependency, poverty, and despair. The current system is plagued by perverse incentives that discourage work. Reforming such a complex system requires taking some risks, and this bill, any welfare reform measure, entails some risks. However, some assumption of risk is necessary to change the status quo.

Second, I am concerned that continuation of a system dominated by detailed prescriptions from Federal officials in Washington may stifle the innovative approaches from State and local governments that can help change the status quo.

The basic premise behind this bill, and much of the reform movement today, is that the current system has failed and that we ought to allow the States the opportunity to try to do a better job and give them the flexibility to try new approaches to these seemingly intractable problems. This approach places a great deal of faith in the good will of State governments to implement programs designed to help, not punish, needy citizens.

Under the framework provided by this legislation, States like Wisconsin would have the opportunity to implement programs like the Wisconsin W–2 program without the necessity of securing numerous waivers from the requirements of current law. Indeed, passage of this measure will render moot much of the need for the current voluminous waiver application filed by the State of Wisconsin earlier this year which has caused much controversy. Although some aspects of the W–2 program, particularly those dealing with Medicaid services, may still require review by HHS, the block grant authority provided for under this legislation is designed to allow the broad flexibility and State control needed to implement State initiated welfare reform programs.

As a former State legislator myself, I have a good deal of respect for the desire of State and local officials to reform this system and help break the cycle of poverty for low-income families. I believe that there need to be certain underlying protections that are national in scope. For example, I believe civil rights protections must be uniform throughout our Nation to assure that the guarantees of our Federal Constitution are extended to all citizens, regardless of their place of residence. I also believe that where Federal funds are being expended, the Federal Government has an obligation to impose certain requirements that should be universal. But States should have sufficient flexibility to design how services are actually provided to allow them the opportunity to try out new ideas and approaches.

For these reasons, I voted last September for the Senate-passed welfare reform bill; at that time, however, I indicated that if the bill returned from conference with punitive, inequitable provisions, I would withdraw my support. Unfortunately, the conference returned a bill which incorporated provisions that were simply unacceptable. The bipartisan welfare reform measure that the Senate had crafted was discarded in favor of a measure based upon the House-passed bill, which was punitive in nature rather than focused upon helping families move from welfare to the workforce. I therefore voted against that measure.

I am pleased to say that the Senate, over the course of this debate, has crafted a measure which will make fundamental changes in the Federal role in the welfare area and at the same time has rejected various provisions which would be harmful to those most in need. The Senate has addressed several important issues and corrected some of the flaws in the legislation.

First, in the area of child care, the Senate bill provides more resources for child care services than contained in the bill we passed last fall. Specifically, the bill increases funding for child care services by almost $6 billion to $13.8 billion from $8 billion contained in last year's bill. The Senate also adopted Senator DODD's amendment by a vote of 96 to 0 which reinstated critical health and safety standards for licensed child care facilities.

Second, by adopting the Chafee-Breaux amendment relating to Medicaid coverage for needy children, the Senate provided a critical safety net. As we endeavor to reform cash grant programs, it is important that access to medical care is not inadvertently sacrificed. The Chafee-Breaux amendment reestablished these protections. Had Chafee-Breaux not been adopted, I would not have been able to accept this bill.

Third, the Senate bill retains a State maintenance of effort requirement at 80 percent of the 1994 contribution. That is the provision the Senate adopted last fall which was unfortunately diluted in the conference version. Restoration of this provision was also key for me. Without such a maintenance of effort requirement, Federal dollars would simply replace State contributions and States like Wisconsin which make substantial contributions to investing in welfare programs would have simply seen their dollars shifted to States which fail to make these kinds of commitments from their State treasuries.

I am also pleased that the Senate struck the language providing for imposition of a family cap which would prohibit States from providing assistance for children born while a family is on welfare. This is another example of where the conference report that the President vetoed contained language that had been rejected by the Senate. Moreover, the bill that was presented to the Senate last week contained this unfortunate language. However, this family cap language was struck by a Byrd point of order.

The Senate also wisely adopted the Conrad amendment that struck provisions that would have allowed block granting of foods stamps. Food stamps have been the mainstay of many families who have been thrown into dire circumstances because of a sudden job loss, an unexpected illness that has sidelined the family breadwinner, or other family misfortunes. Although the bill provides strong work incentives to make sure that individuals receiving these benefits are working toward self-sufficiency, it no longer allows this safety net program to be withdrawn entirely from needy families.

Mr. President, although the Senate rejected many onerous amendments and provisions, there remain provisions in the bill that I don't support.

This is not a reform bill that I would have drafted if I had been the author.

I believe the immigration provisions are too harsh and fail to provide the kind of balanced response that we strived to achieve in the immigration reform legislation now pending in conference. While I support the concept of deeming, the kind of absolute ban on assistance for many legal immigrants which is contained in this bill is not carefully tailored to preserve scarce resources while still providing humane, essential services to those individuals who have come to this country legally.

I am concerned that the Senate narrowly rejected the Ford amendment which would have allowed States to provide noncash vouchers to provide services for children when their families reached the 5-year time limit of eligibility for cash assistance. I have repeatedly voted to support allowing vouchers in such circumstances. I think it is a reasonable response to make sure that young children are not denied basic support when their parents fail to make the transition into the work force within the designated time period. I recognize that the bill allows a State to exempt 20 percent of their caseloads from the time-limit provisions, but I do not believe that this is adequate protection for the children involved.

I also fear that the level of cuts in food stamp funds may be too deep, and will hurt needy families. These cuts may need to be revisited, either in conference or in other legislation.

I remain uncertain about ultimate wisdom of terminating our 60-year Federal commitment of a guaranteed Federal safety net for young children. The Senator from New York [Mr. MOYNIHAN] has been an eloquent leader in articulating the dangers of eliminating this entitlement protection for needy children and replacing it with a patchwork quilt of State programs. Clearly, there will be States that will fail to use this opportunity to enact real welfare reform measures and instead, pursue punitive measures designed to stigmatize those who seek welfare assistance in times of need. Children in these States will be harmed by not having the Federal safety net that exists today in the AFDC program. On the other hand, if a number of the States use this opportunity to help devise effective ways to help families move out of welfare and into the work force, many children will benefit from the higher incomes and better opportunities they will have.

We are faced with a difficult choice, Mr. President. On the one hand, children are hurt by the current system; yet, many may be hurt by the loss of this Federal safety net. The bill does contain assessment provisions that will allow Congress to make changes, if necessary, if eliminating the entitlement under Federal law causes undue hardships. I think those of us who vote for this experiment need to watch carefully how it is implemented and be prepared to take action if the results fall short of what we hope will occur.

Mr. President, as I said at the outset, I am voting for this bill because we cannot continue the current system. I am hopeful that the States will seize this opportunity to develop approaches that will help welfare recipients and their families become economically self-sufficient, rather than punishing those who fall through the system. I believe that the problems of welfare policy are so complex and difficult that it is a mistake to believe that there is only one approach that will work. This bill is intended to encourage State experimentation with approaches that will work.

In the final analysis, Mr. President, this vote challenges us to decide whether or not we want to perpetuate the status quo. In my view, the status quo is unacceptable. Therefore, I will support this legislation and the effort to bring about fundamental welfare reforms.

SOUTH DAKOTA'S WORKFARE WORKS

Mr. PRESSLER. Mr. President, as the Senate once again nears final action on a workfare bill, I am reminded of an old commonsense saying, "Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime". This sums up the clear, fundamental difference between today's failed liberal welfare system and the commonsense reform bill before us. The current welfare system has failed. We all know it. Instead of assisting needy Americans, the current system holds Americans down, perpetuates a cycle of dependency, increases moral decay, and cripples self-respect. Welfare was meant to be a safety net, not a way of life. The bill before us would change the system and the lives of many Americans for the better. This bill would restore the values of personal responsibility and self-sufficiency by making work, not Government benefits, the centerpiece of welfare. I am proud to be a part of the team that has brought this historic legislation to the floor.

Why does the current system not work? Generations of able-bodied families have stayed on the dole rather than work. The rationale is simple: Welfare recipients today can sit at home and make more each week than individuals working full time on the minimum wage. This disincentive to work is an insult to hardworking Americans. In essence, we have a Government program that challenges the American work ethic. South Dakotans demonstrate that a hard work ethic provides for themselves and their families. Many work long hours, seek overtime, or have two, even three jobs to make ends meet. Imagine how they must feel when their tax dollars are used to support Americans who need not work. I can tell you how they feel—upset. If we work for our wages, welfare recipients should work for benefits. That is why we need workfare.

I am pleased Chairman ROTH included my workfare amendments during the Finance Committee's markup consideration of welfare reform. These amendments would ensure that welfare recipients put in a full work week, just as other Americans do, in order to receive benefits. These entitlements would increase the number of welfare recipients who must work and avoid a liberal loophole to avoid real work.

Workfare is not a new idea. Fifteen years ago, South Dakotans wanted to address their own special needs and develop real solutions for their welfare system. South Dakota wanted workfare, not welfare. The problem is, Federal law makes it difficult to experiment with workfare, especially since the current administration has sought to protect the current, failed system. For example, in August 1993, South Dakota sought a Federal waiver to operate a workfare program. That waiver took nearly a year to approve. Today, South Dakota has a system that requires recipients to sign a social contract and imposes a tough 2-year time limit on benefits. This approach has worked. South Dakota has successfully decreased its welfare caseload by 17 percent since January 1993 and saved more than $5.6 million. South Dakota's experience is proof that workfare works.

Just as important are the success stories behind the statistics—the South Dakotans who have moved from welfare to work. Let me share two such stories about two very special ladies with unique circumstances: Marilou Manguson of Rapid City and Belinda Mayer of Sioux Falls. They deserve our praise. Marilou and her 10-year-old son were receiving AFDC and food stamps. When she applied for welfare, she was informed she would have to get a job. For 4 months, Marilou attended computer and accounting courses, and prepared every day for interviews with the South Dakota Job Service Job Club. Two weeks later she found a full time job with a government sales agency. In contrast, 20 years ago, when Marilou was on welfare, she says all one needed to do is show up to get a check. Marilou now knows the old system didn't help her. She said, "You can't just sit at home and do nothing. You have to get out and do something for yourself." She's absolutely right. Today, Marilou is not receiving any welfare assistance.

When Belinda Mayer's ex-husband quit paying child support, she was left to care for a child, but was only earning $6 per hour. Belinda applied for welfare benefits so she could obtain a 2-year accounting degree from Western Dakota Technical Institute [WDTI] and, hopefully, find a better job. She continued to receive benefits while she went to school and was able to obtain child support. This May, Belinda graduated and found a job right away as a commercial service specialist with Norwest Bank in Sioux Falls. For Belinda, welfare reform is a very important issue. As she says, help should be there, "but it should not become a crutch" for people. Both of these women can look forward to a very stable, solid future for themselves and their families. I am very proud of their hard work and applaud their efforts.

Their success is South Dakota's success. South Dakota has reached out to enable those in times of difficulty to regain control of their lives.

These examples demonstrate that workfare is achieving success at the local level. South Dakota was fortunate to get its waiver approved to run a workfare program. Other States are still waiting for waiver approval. This waiver process reflects a basic problem: a one-size-fits-all system run by Federal bureaucrats. Welfare cannot be solved one waiver at a time. Federal bureaucrats have worked to preserve the current, failed system by being slow to approve State waivers. That must change. States should be given the flexibility to seek solutions and alternatives to welfare problems. I have more faith in South Dakotans' dedication to welfare reform than I do in Washington bureaucrats.

Clearly, we need greater State flexibility also because there is not a grand, "one-size" solution to ending welfare dependency. Welfare reform programs in Oglala, Fort Thompson, or Rapid City, SD may not necessarily work in Los Angeles or New Orleans. South Dakota's welfare problems are unique, and even differ greatly from our nearest neighbors. My State has three of the five poorest counties in the country. We have some of the lowest wages in the country. We also have the highest percentage of welfare recipients who are Native Americans. In some reservation areas, unemployment runs higher than 80 percent. Long distances between towns and a lack of public transportation and quality child care are further barriers to gainful employment.

To promote greater State flexibility, the bill before us would provide welfare assistance in the form of block grants to the States. Block grants would give States the freedom to craft solutions that best serve local needs. It has been proven time and again that Washington bureaucrats cannot understand unique local needs from thousands of miles away. The distance, both literally and figuratively, that separates Washington from our cities and towns prevents the most appropriate solutions from being tailored to our problems.

Workfare is not just about restoring responsibility at the individual and State level, it is about protecting children in need. The workfare bill before us would ensure that children have quality food and shelter. This bill would increase our investment in child care by $4.5 billion and increase child protection and neglect funds by $200 million over current law. What this bill eliminates is cumbersome bureaucracy and needless regulations.

The bill also would strengthen child support enforcement and give States new tools to crack down on deadbeat parents. These reforms represent the toughest child support laws ever passed by Congress. One woman in South Dakota has informed me that her ex-husband owes her thousands of dollars in overdue child support. For her and many other parents in the same difficult situation, this bill would help. The current system fosters illegitimacy and discourages marriage and parental responsibility. Real welfare reform should promote the basic family unit, and crack down on those who deliberately walk away from meeting the needs of their children. The disincentives to a sound family structure also must be changed. More and more children are growing up without the moral guidance and financial support of parents, especially fathers. This is a tragedy of our time.

We also no longer can tolerate the blatant abuses of the system. Last year, I was shocked to learn the extent to which prisoners are able to continue to receiving welfare benefits. The workfare bill we passed last year included my amendment to crack down on prisoner welfare fraud. I am pleased this provision is in the current bill. It would put an end to cash payments to alcohol and drug addicts, which only subsidizes their habits.

Several years ago, President Clinton promised America he would change welfare as we know it. Two years ago, Congress made the same promise. Last year Congress delivered on that promise and passed workfare. Unfortunately, President Clinton vetoed that workfare bill. I hope the President will do the right thing this time and support our workfare legislation.

Again, I am proud to be part of this effort to enact workfare legislation. The workfare bill before us would end welfare dependency by requiring work and placing a time limit on benefits. We can change the welfare system and encourage people to become self-sufficient and productive members of society, once again. We can provide more protection for children. I hope my colleagues on both sides of the aisle will show the same support for workfare that we demonstrated last year. Americans deserve more than a handout for today, they deserve the hope and happiness that come through personal financial independence and the self-realization of work.

Mr. GRAMS. Mr. President, I rise today in support of the legislation before us to reform our failed welfare system. I commend the majority leader for getting this legislation to the floor—I know it has taken a concentrated effort to bring us to this point.

Since the beginning of the 104th Congress, we have been debating the state of this Nation's welfare system. Everyone understands that the system is broken. It encourages illegitimacy. It fails to recognize the importance of marriage and family. It offers no hope or opportunity for those Americans who are trapped within its layers of bureaucracy.

Of course, it was not supposed to be this way.

After signing the 1964 Welfare Act, President Lyndon Johnson proclaimed, "We are not content to accept the endless growth of relief rolls or welfare rolls," and he promised the American people that "the days of the dole in our country are numbered." The New York Times predicted the legislation would lead to the restoration of individual dignity and the longrun reduction of the need for Government help.

In 1964, America's taxpayers invested $947 million to support welfare recipients—an investment which President Johnson declared would eventually, quote, "result in savings to the country and especially to the local taxpayers" through reductions in welfare caseloads, health care costs, and the crime rate. Yet, 30 years later, none of those predictions have materialized, and the failure of the welfare system continues to devastate millions of Americans every day—both the families who receive welfare benefits and the taxpayers who subsidize them.

Despite a $5.4 trillion investment in welfare programs since 1964, at an average annual cost that had risen to $3,357 per taxpaying household by 1993:

One in three children in the United States today is born out of wedlock.

One child in seven is being raised on welfare through the Aid to Families with Dependant Children Program.

And our crime rate has increased 280 percent.

Mr. President, those are the kinds of devastating statistics which until the 104th Congress were ignored by the bureaucratic establishment in Washington. Those are the statistics this legislation will finally address. By rewriting Federal policies and working in close partnership with the States, we can create a welfare system which will effectively respond to the needs of those who depend upon it, at the same time it protects the taxpayers.

Our legislation sets in place the framework for meeting those needs by offering opportunity, self-respect, and most importantly, the ability for those who are down on their luck to take control of their own lives.

And yes, we are asking something of them in return.

The most significant change in our welfare system is that we will require able-bodied individuals to work in exchange for the assistance they receive from the American taxpayers.

Mr. President, my colleagues and I have come to the floor repeatedly this session to suggest that our present welfare system promotes dependency by discouraging recipients from working. In fact, the Government routinely makes it so easy for a welfare recipient to skip the work and continue collecting a Federal check that there's absolutely no incentive to ever get out of the house and find work. And if someone actually takes the initiative to get a job, they risk forfeiting their welfare benefits entirely.

Last year, during Senate consideration of the "Work Opportunity Act," Senator SHELBY and I joined forces to ensure that welfare recipients receive benefits only after they work. After all, American taxpayers are putting in at least 40 hours on the job each week, and are sometimes forced to take an additional job or work overtime hours just to make ends meet. I believe welfare recipients should be held to the same standards, the same work ethic, to which the taxpayers are held. Those beliefs are reflected in this legislation.

Under our pay-for-performance provisions, welfare recipients will be required to work in exchange for their benefits. If an adult is not employed within 2 years, the benefits will stop. Is that enough of a push to make a difference? Yes, according to the Congressional Budget Office. It released a report this month which estimates these tough work requirements will put 1.7 million people who are currently on welfare into the work force. That is almost four times the number of welfare recipients who are working today.

To ease their transition into the job market and help single parents find accessible and affordable child care, we fold seven major Federal child-care programs into a child care and development grant, with total funding of $22 billion over 7 years.

In addition, Mr. President, our bill recognizes that locally elected officials—our State legislators and Governors—are more capable than their unelected counterparts in far-off Washington to administer effective programs on the State and local level. And so this welfare reform legislation will give States like Minnesota the flexibility to make their own rules and develop their own innovative programs, and in doing so assist those who need our help most.

But despite all the good this legislation will accomplish, I must temper my enthusiasm with my disappointment that the only way to move this bill forward was to strip away its Medicaid reform provisions. Mr. President, the administration cannot hope to resolve the problems with the Medicaid system by turning its back and pretending these problems do not exist. At some point, they will be forced to deal with a system that is too unwieldy and unable to fully serve the needy. By demanding, by threat of veto, that we tackle Medicaid another day, the administration has ensured that political gamesmanship has won out over political will.

The sensible Medicaid reforms outlined in the original reconciliation package would strengthen the system by increasing Medicaid spending from $96.1 billion in 1996 to $137.6 billion in 2002. That is an average annual rate of growth of 6.2 percent. States would be given additional flexibility in delivering care, while Federal protections would be maintained to ensure that those who need Medicaid's assistance will not be denied.

Unfortunately, those reforms will now have to wait. But I can assure you that they will be revisited—if not by this Congress and this administration, then certainly by the next.

Mr. President, the legislation before us today to overhaul our failed welfare programs is a positive step away from a system which has held nearly three generations hostage with little hope of escape. Only through its enactment can we offer these Americans a way out, and a way up.

As Americans, we need to look within ourselves rather than continuing to look to Washington for solutions. Does anybody really believe the Federal Government embodies compassion, that it has a heart? Of course not—those are qualities found only outside Washington, in America's communities.

Mr. President, there is no one I can think of who better exemplifies heart and compassion than Corla Wilson-Hawkins, and I was fortunate to have had the opportunity to meet her. She was one of 21 recipients of the 1995 National Caring Awards for her outstanding volunteer service to her community.

Corla is known as Mama Hawk because, more than anything else, she has become a second mother to hundreds of schoolchildren in her West Side Chicago community, children who, without her guidance, might go without meals, or homes, or a loving hug.

Mama Hawk gives them all that and more, and she and the many caring Americans like her represent the good we can accomplish when ordinary folks look inward, not to the Government—and follow their hearts, not the trail of tax dollars to Washington.

Mama Hawk tells a story that illustrates how the present welfare system has permeated our culture and become as ingrained as the very problems it was originally created to solve.

These are her words:

> When I first started teaching, I asked my kids, what did they want to be when they grew up? What kind of job they wanted. Most of them said they wanted to be on public aid. I was a little stunned. I said, "Public aid—I did not realize that was a form of employment." They said, "Well, our mom's on public aid. They make a lot of money and, if you have a baby, they get a raise."

Mr. President, that is the perception—maybe even the reality—we are fighting to change through the Personal Responsibility and Work Opportunity Act of 1996. While there is more to accomplish, this bill is a good first step toward fulfilling a promise to truly end welfare as we know it.

• Mrs. KASSEBAUM. Senator ROTH, the budget reconciliation bill (S. 1795) includes a proposal that is in the jurisdiction of the Senate Committee on Labor and Human Resources. As you know, last year during debate on the welfare bill, the Child Care and Development Block Grant Amendments Act of 1995 (S. 850), which was approved unanimously by the Labor Committee on May 26, 1995, was incorporated into H.R. 4. And H.R. 4 was then included in last year's budget reconciliation bill. During the conference on last year's budget reconciliation bill, conferees from the Labor Committee and the Finance Committee reached agreement on a unified system for all Federal child care assistance, including child care assistance for low-income working families as well as for welfare families and for families at risk of becoming dependent on welfare. This consolidation and unified system for child care is a major improvement over current law.

I would also like to bring to your attention a proposal contained in the House reconciliation bill that falls within the jurisdiction of the Labor Committee. The House bill incorporates the Child Abuse Prevention and Treatment Act Amendments of 1995 (S. 919), which was unanimously approved by the Labor Committee on July 18, 1995. Although this proposal was not included in S. 1795, it will be considered during the budget reconciliation conference.

Because of the unique procedures that apply to budget reconciliation bills, the Labor Committee was not given the opportunity to mark up the child care proposal in S. 1795 and the child abuse authorizations in the House bill. I am concerned that members of the Finance Committee will be negotiating changes in these Labor Committee programs during the budget reconciliation conference without any input from the committee of jurisdiction.

Senator ROTH. Let me assure the distinguished chairman of the Senate Committee on Labor and Human Resources that I recognize that the child care and development block grant is within the jurisdiction of the Labor Committee, with the Finance Committee retaining jurisdiction over the entitlement funds for child care that flow through this program. As you know, the Finance Committee's entitlement funds must be used to provide child care services to families receiving assistance under the new TANF block grant, families transitioning from welfare to work, and families at risk of becoming dependent upon welfare. I also recognize that the Labor Committee has jurisdiction over the Child Abuse Prevention and Treatment Act.

Mrs. KASSEBAUM. I thank the distinguished Chairman of the Finance Committee. Mr. President, I request that a copy of a letter sent to Chairman ROTH by myself, Senator KENNEDY, Senator COATS, and Senator DODD and a copy of S. 850, the Child Care and Development Block Grant Amendments Act of 1995, as approved by the Senate Committee on Labor and Human Resources, be made a part of the RECORD. The text of S. 919, the Child Abuse Prevention and Treatment Act Amendments, as approved by the Senate appears in the CONGRESSIONAL RECORD of Friday, July 19, 1996.

The material follows:

U.S. SENATE, COMMITTEE ON
LABOR AND HUMAN RESOURCES,
Washington, DC, June 24, 1996.

Hon. WILLIAM V. ROTH, JR.,
Chairman, Committee on Finance, U.S. Senate, Washington, DC.

DEAR BILL: It is our understanding that the Committee on Finance intends to mark-up reconciliation language based on S. 1795, the "Personal Responsibility and Work Opportunity Act of 1996." We presume that the Committee on Finance intends to include provisions in Title VIII on child care and provisions in Title VII on child abuse and neglect that were part of last year's conference agreement on welfare reform. Because this language will be reported by the Finance Committee to the Senate Committee on the Budget as part of budget reconciliation, it will have special status during floor consideration of the legislation. One of the conditions of that special status is that extraneous provisions are not in order. Section 313(b)(1)(C) of the Congressional Budget and Impoundment Control Act of 1974, as amended by the "Byrd Rule," creates a point of order against extraneous provisions that are ". . . not in the jurisdiction of the Committee with jurisdiction over said title or provision."

We are making recommendations to the Committee on Finance in an effort to facilitate the reconciliation process. However, we strongly believe that it must be made clear that the budget procedures in no way alter existing jurisdiction over child care and child abuse/neglect. In order to make this clear, we expect to engage in a colloquy when the reconciliation bill comes to the floor, rather than using the Byrd rule to preserve the committee's jurisdiction.

Titles VII and VIII of S. 1795 include extraneous provisions in the form of changes in authorizations under the jurisdiction of the Senate Committee on Labor and Human Resources. Last year, during the development and consideration of the welfare provisions in the Balanced Budget Act of 1996 and the welfare reform bill, members of the Labor Committee were active participants. The child care and child abuse and neglect provisions in the Senate-passed welfare reform bill were, in fact, Labor Committee-passed bills and were included in the conference negotiations for both the Balanced Budget Act of 1996 and the welfare reform legislation. Both of these Labor Committee bills were passed with strong bipartisan support. To meet the requirements of the Congressional Budget and Impoundment Control Act, the Labor Committee's child abuse and neglect provisions were dropped from the conference report for the Balanced Budget Act of 1996, but were included in the welfare reform legislation.

Members of the Senate Committee on Labor and Human Resources were conferees on the Balanced Budget Act of 1996, due to the inclusion of the child care provisions and House inclusion of the child abuse and neglect provisions. If this bill were going through the normal legislative process for changes in authorization bills, the Committee on Labor and Human Resources would be entitled to make modifications to the provisions under its jurisdiction. However, because the Finance Committee has included changes in Labor Committee programs in the Medicaid-welfare reconciliation bill, the Committee on Labor and Human Resources will be precluded from the opportunity to make changes in the bill.

Under these circumstances, we recognize that the only way that revisions can be made to programs under the jurisdiction of the Labor Committee is to have these changes made during Finance Committee consideration of the Medicaid-welfare reconciliation bill. In anticipation of the mark-up of the legislation by the Finance Committee, we would like to recommend several modifications to the Labor Committee provisions in the bill.

In "Title VIII—Child Care:"

1. Maintain the health and safety standards in current law;

2. Increase the set-aside for activities to improve the quality of child care from 3 percent to 4 percent;

3. Increase the age from under six (6) to under eleven (11) when a single custodial parent could not be sanctioned for failing to meet the work requirements if adequate, affordable child care is not available; and

4. Require the states to maintain 100 percent of 1995 child care funding to be eligible for additional child care funds.

All of the recommended modifications to Title VIII were passed by the House Committee on Economic and Educational Opportunities.

In "Title VII—Child Protection Block Grant Programs and Foster Care, Adoption Assistance and Independent Living Programs" of the Finance Committee bill, a number of authorizations that are in the jurisdiction of the Committee on Labor and Human Resources are rewritten to be consolidated into block grants. These changes have never been formally considered, or debated by the full Labor Committee. In addition, the Medicaid-welfare reconciliation bill even strikes several important provisions that were included in the last year's reconciliation conference report and reported out by the relevant House committees in this year's reconciliation bill. Specifically, those provisions concern the prompt expungement of child abuse records on unsubstantiated or false cases; the appointment of guardian ad litems; and the inclusion of material in support of the state's certification concerning the reporting of medical neglect of disabled infants.

We look forward to working with the members of the Finance Committee on this legislation and being formally included in the conference negotiations on provisions under the jurisdiction of the Committee on Labor and Human Resources.

Sincerely,

NANCY LANDON KASSEBAUM,
Chairman, Committee on Labor and Human Resources.
DAN COATS,
Chairman, Subcommittee on Children and Families.
EDWARD M. KENNEDY,
Ranking Member, Committee on Labor and Human Resources.
CHRISTOPHER DODD,
Ranking Member, Subcommittee on Children and Families.

S. 850

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Child Care and Development Block Grant Amendments Act of 1995".

SEC. 2. AMENDMENTS TO THE CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended to read as follows:

"SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated to carry out this subchapter $1,000,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000.".

(b) LEAD AGENCY.—Section 658D(b) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858b(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking "State" and inserting "governmental or nongovernmental"; and

(B) in subparagraph (C), by inserting "with sufficient time and Statewide distribution of the notice of such hearing," after "hearing in the State"; and

(2) in paragraph (2), by striking the second sentence.

(c) APPLICATION AND PLAN.—Section 658E of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c) is amended—

(1) in subsection (b), by striking "implemented—" and all that follows through "plans." and inserting "implemented during a 2-year period.";

(2) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (iii) by striking the semicolon and inserting a period; and

(II) by striking "except" and all that follows through "1992."; and

(ii) in subparagraph (E)—

(I) by striking clause (ii) and inserting the following new clause:

"(ii) the State will implement mechanisms to ensure that appropriate payment mechanisms exist so that proper payments under this subchapter will be made to providers within the State and to permit the State to furnish information to such providers."; and

(II) by adding at the end thereof the following new sentence: "In lieu of any licensing and regulatory requirements applicable under State and local law, the Secretary, in consultation with Indian tribes and tribal organizations, shall develop minimum child care standards (that appropriately reflect tribal needs and available resources) that shall be applicable to Indian tribes and tribal organization receiving assistance under this subchapter."; and

(iii) by striking subparagraphs (H) and (I); and

(B) in paragraph (3)—

(i) in subparagraph (C)—

(I) in the subparagraph heading, by striking "AND TO INCREASE" and all that follows through "CARE SERVICES";

(II) by striking "25 percent" and inserting "15 percent"; and

(III) by striking "and to provide before-" and all that follows through "658H)"; and

(ii) by adding at the end thereof the following new subparagraph:

"(D) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 5 percent of the aggregate amount of payments received under this subchapter by a State in each fiscal year may be expended for administrative costs incurred by such State to carry out all its functions and duties under this subchapter.".

(d) SLIDING FEE SCALE.—

(1) IN GENERAL.—Section 658E(c)(5) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(5)) is amended by inserting before the period the following: "and that ensures a representative distribution of funding among the working poor and recipients of Federal welfare assistance".

(2) ELIGIBILITY.—Section 658P(4)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n(4)(B)) is amended by striking "75 percent" and inserting "100 percent".

(e) QUALITY.—Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended—

(1) in the matter preceding paragraph (1)—

(A) by striking "A State" and inserting "(a) IN GENERAL.—A State";

(B) by striking "not less than 20 percent of"; and

(C) by striking "one or more of the following" and inserting "carrying out the resource and referral activities described in subsection (b), and for one or more of the activities described in subsection (c).";

(2) in paragraph (1), by inserting before the period the following: ", including providing comprehensive consumer education to parents and the public, referrals that honor parental choice, and activities designed to improve the quality and availability of child care";

(3) by striking "(1) RESOURCE AND REFERRAL PROGRAMS.—Operating" and inserting the following:

"(b) RESOURCE AND REFERRAL PROGRAMS.—The activities described in this subsection are operating";

(4) by redesignating paragraphs (2) through (5) as paragraphs (1) through (4), respectively;

(5) by inserting before paragraph (1) (as so redesignated) the following:

"(c) OTHER ACTIVITIES.—The activities described in this section are the following:"; and

(6) by adding at the end thereof the following:

"(5) BEFORE- AND AFTER-SCHOOL ACTIVITIES.—Increasing the availability of before- and after-school care.

"(6) INFANT CARE.—Increasing the availability of child care for infants under the age of 18 months.

"(7) NONTRADITIONAL WORK HOURS.—Increasing the availability of child care between the hours of 5:00 p.m. and 8:00 a.m.

"(d) NONDISCRIMINATION.—With respect to child care providers that comply with applicable State law but which are otherwise not required to be licensed by the State, the State, in carrying out this section, may not discriminate against such a provider if such provider desires to participate in resource and referral activities carried out under subsection (b).".

(f) REPEAL.—Section 658H of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858f) is repealed.

(g) ENFORCEMENT.—Section 658I(b)(2) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858g(b)(2)) is amended—

(1) in the matter following clause (ii) of subparagraph (A), by striking "finding and that" and all that follows through the period and inserting "finding and may impose additional program requirements on the State, including a requirement that the State reimburse the Secretary for any funds that were improperly expended for purposes prohibited or not authorized by this subchapter, that the Secretary deduct from the administrative portion of the State allotment for the following fiscal year an amount that is less than or equal to any improperly expended funds, or a combination of such options."; and

(2) by striking subparagraphs (B) and (C).

(h) REPORTS.—Section 658K of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858i) is amended—

(1) in the section heading, by striking "ANNUAL REPORT" and inserting "REPORTS"; and

(2) in subsection (a)—

(A) in the subsection heading, by striking "ANNUAL REPORT" and inserting "REPORTS";

(B) by striking "December 31, 1992, and annually thereafter" and inserting "December 31, 1996, and every 2 years thereafter";

(C) in paragraph (2)—

(i) in subparagraph (A), by inserting before the semicolon "and the types of child care programs under which such assistance is provided";

(ii) by striking subparagraph (B); and

(iii) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively;

(D) by striking paragraph (4);

(E) by redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively;

(F) in paragraph (4), as so redesignated, by striking "and" at the end thereof;

(G) in paragraph (5), as so redesignated, by adding "and" at the end thereof; and

(H) by inserting after paragraph (5), as so redesignated, the following new paragraph:

"(6) describing the extent and manner to which the resource and referral activities are being carried out by the State;".

(i) REPORT BY SECRETARY.—Section 658L of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858j) is amended—

(1) by striking "1993" and inserting "1997";

(2) by striking "annually" and inserting "bi-annually"; and

(3) by striking "Education and Labor" and inserting "Economic and Educational Opportunities".

(j) ALLOTMENTS.—Section 658O of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858m) is amended—

(1) in subsection (c), by adding at the end thereof the following new paragraph:

"(6) CONSTRUCTION OR RENOVATION OF FACILITIES.—

"(A) REQUEST FOR USE OF FUNDS.—An Indian tribe or tribal organization may submit to the Secretary a request to use amounts provided under this subsection for construction or renovation purposes.

"(B) DETERMINATION.—With respect to a request submitted under subparagraph (A), and except as provided in subparagraph (C), upon a determination by the Secretary that adequate facilities are not otherwise available to an Indian tribe or tribal organization to enable such tribe or organization to carry out child care programs in accordance with this subchapter, and that the lack of such facilities will inhibit the operation of such programs in the future, the Secretary may permit the tribe or organization to use assistance provided under this subsection to make payments for the construction or renovation of facilities that will be used to carry out such programs.

"(C) LIMITATION.—The Secretary may not permit an Indian tribe or tribal organization to use amounts provided under this subsection for construction or renovation if such use will result in a decrease in the level of child care services provided by the tribe or organization as compared to the level of such services provided by the tribe or organization in the fiscal year preceding the year for which the determination under subparagraph (A) is being made.

"(D) UNIFORM PROCEDURES.—The Secretary shall develop and implement uniform procedures for the solicitation and consideration of requests under this paragraph."; and

(2) in subsection (e)—

(A) in paragraph (1), by striking "Any" and inserting "Except as provided in paragraph (4), any"; and

(B) by adding at the end thereof the following new paragraph:

"(4) INDIAN TRIBES OR TRIBAL ORGANIZATIONS.—Any portion of a grant or contract made to an Indian tribe or tribal organization under subsection (c) that the Secretary determines is not being used in a manner consistent with the provision of this subchapter in the period for with the grant or contract is made available, shall be reallocated by the Secretary to other tribes or organization that have submitted applications under subsection (c) in proportion to the original allocations to such tribes or organization.".

(k) DEFINITIONS.—Section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n) is amended—

(1) in paragraph (2), in the first sentence by inserting "or as a deposit for child care services if such a deposit is required of other children being cared for by the provider" after "child care services"; and

(2) in paragraph (5)(B)—

(A) by inserting "great grandchild, sibling (if the provider lives in a separate residence)," after "grandchild,";

(B) by striking "is registered and"; and

(C) by striking "State" and inserting "applicable".

(l) APPLICATION OF SUBCHAPTER.—The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 658T. APPLICATION TO OTHER PROGRAMS.

"Notwithstanding any other provision of law, a State that uses funding for child care services under any Federal program shall ensure that activities carried out using such funds meet the requirements, standards, and criteria of this subchapter and the regulations promulgated under this subchapter. Such sums shall be administered through a uniform State plan. To the maximum extent practicable, amounts provided to a State under such programs shall be transferred to the lead agency and integrated into the program established under this subchapter by the State.".

SEC. 3. SENSE OF THE SENATE.

(a) FINDINGS.—The Senate finds that—

(1) the availability and accessibility of quality child care will be critical to any welfare reform effort;

(2) as parents move from welfare into the workforce or into job preparation and education, child care must be affordable and safe;

(3) whether parents are pursuing job training, transitioning off welfare, or are already in the work force and attempting to remain employed, no parent can be expected to leave his or her child in a dangerous situation;

(4) affordable and accessible child care is a prerequisite for job training and for entering the workforce; and

(5) studies have shown that the lack of quality child care is the most frequently cited barrier to employment and self-sufficiency.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Federal Government has a responsibility to provide funding and leadership with respect to child care.

SEC. 4. REPEALS AND TECHNICAL AND CONFORMING AMENDMENTS.

(a) STATE DEPENDENT CARE DEVELOPMENT GRANTS ACT.—The State Dependent Care Development Grants Act (42 U.S.C. 9871 et seq.) is repealed.

(b) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE ACT OF 1985.—The Child Development Associate Scholarship Assistance Act of 1985 (42 U.S.C. 10901 et seq.) is repealed.

(c) ADDITIONAL CONFORMING AMENDMENTS.—

(1) RECOMMENDED LEGISLATION.—After consultation with the appropriate committees of the Congress and the Director of the Office of Management and Budget, the Secretary of Health and Human Services shall prepare and submit to the Congress a legislative proposal in the form of an implementing bill containing technical and conforming amendments to reflect the amendments and repeals made by this Act.

(2) SUBMISSION TO CONGRESS.—Not later than 6 months after the date of enactment of this Act, the Secretary of Health and Human Services shall submit the implementing bill referred to under paragraph (1).•

Mr. WELLSTONE. Mr. President, I ask the chairman if it is his understanding that this bill should not undermine or contradict the violence against women act?

Mr. ROTH. Yes, that is my understanding.

RECONCILIATION, THE DEFICIT AND SENATE PROCEDURE

Mr. DOMENICI. Mr. President, on the Democrat side of the aisle, the charge has been made that we are abusing reconciliation in a way that has never been done before. Reconciliation is a process that is designed to allow expedited consideration of the budget. The budget has become an extremely controversial issue and efforts to include extraneous matter in reconciliation has led to abuse in the past by both Republicans and Democrats.

We adopted in the Byrd rule in 1985 to prohibit the inclusion of extraneous matter in reconciliation. Making determinations on whether something is extraneous falls on the shoulders of the Parliamentarians. This is a small office, comprising just three Parliamentarians, that must make judgments on very controversial and complicated issues in a very short period of time. I think they do their best to apply a very ambiguous standard against very complicated and lengthy reconciliation legislation.

With Republicans in control of the Senate and the House, we have heard from Democrats that reconciliation is being abused. Just for the record, let me read a couple of statements made by Senators CHAFEE and Danforth during consideration of the 1993 omnibus reconciliation bill, a reconciliation bill that was considered when the Democrats were in control of the Senate.

The conference report on the 1993 reconciliation bill comprised President Clinton's controversial budget package. This legislation included provisions that had nothing to do with deficit reduction regarding bovine growth hormones and a national vaccination program. Senator Danforth raised a point of order and the Chair ruled against him. Senator Danforth then appealed the ruling of the Chair.

During the debate on the appeal, Senator CHAFEE effectively stated that the Chair's ruling made a "complete joke out of the Byrd rule" and Senator Danforth implied that the Byrd rule was being applied on a "whimsical basis" and that "anything goes" under the standard that was being used for the Byrd rule's enforcement in 1993.

Mr. President, during consideration of the budget resolution, the distinguished minority leader raised a point of order against the budget resolution because it "creates a budget reconciliation bill devoted solely to worsening the deficit". The Presiding Officer did not sustain that point of order and the Senate upheld the Chair's ruling on an appeal. I do not want the Senate to be left with the impression that the budget act allows Congress to use reconciliation to generate an unlimited number of bills that would increase the deficit under reconciliation procedures. Such a use of reconciliation would be clearly abusive.

We had no intention of using reconciliation to increase the deficit. In fact, the budget resolution we adopted and the reconciliation instructions it includes will not only reduce the deficit, it will balance the budget. Even if an effort was made to use reconciliation solely to increase the deficit, the budget rules would have prohibited it.

The budget act grants special status in the Senate to reconciliation legislation and any effort to abuse this process represents an abuse of the Senate. While I do not think we have abused reconciliation, I was troubled by the minority leader's point of order and I want to review with the Senate what has occurred since the minority leader made his point of order and inquiries of the Chair. I think this is particularly important as we proceed with reconciliation legislation.

The minority leader's chief concern was that reconciliation should not be used to increase the deficit. The Senate-reported budget resolution included three sets of reconciliation instructions to generate three individual reconciliation bills. The first bill would reduce outlays by $124.8 billion and the second by $214.8 billion. The two bills combined would reduce the deficit by $339.6 billion. If, and only if, these two bills were enacted, then a third reconciliation instruction would be triggered to reduce revenues by not more than $116.1 billion. In addition, under the Senate's pay-as-you-go point of order legislation cannot cause an increase in the deficit unless it is offset by previously enacted legislation. Even undue the Senate-reported resolution, reconciliation could not increase the deficit. In fact, reconciliation had to result in an overall reduction in the deficit.

Mr. President, the minority leader's concern focused on the third instruction in the resolution that called for a reconciliation bill that would reduce revenues by not more than $116.1 billion and would reduce outlays by $11.5 billion. The minority leader was correct that third reconciliation bill viewed alone would increase the deficit; however, we would never have gotten to that third bill without first having done the first two bills.

In conference, we modified the reconciliation instructions to permit a reduction in revenues in the first instruction. Since the outlay reductions in this first instruction exceeded the revenue reduction, this first bill could not increase the deficit. Therefore, reconciliation could not be used in this first bill to increase the deficit. The resolution also provides a revenue reduction instruction for the third reconciliation bill if the revenue reductions are not included in the first bill.

As the minority leader pointed out during consideration of the budget resolution, under one of the Byrd rule points of order—section 313(b)(1)(E) of the Budget Act—a provision of a reconciliation bill is subject to the Byrd rule if it would cause an increase in the deficit in a year after the period covered by the reconciliation instructions and it is not offset by other provisions in the bill. In addition, the pay-as-you-go point of order prohibits consideration of legislation that would increase the deficit unless it was offset by the enactment of other legislation that reduced the deficit. The Parliamentarian made it clear to us that the budget resolution could not and the fiscal year 1997 budget resolution does not include provisions to exempt reconciliation from any Senate rule, the Byrd rule, budget act rules, or even the pay-as-you-go rule.

While this first instruction called for a reduction in revenues, both the House of Representatives and the Senate have chosen not to include revenue reductions in their first reconciliation bills. While the Senate did agree to an amendment that would cause a reduction in revenues from an adoption tax credit, this amendment was only adopted after the Senate voted 78 to 21 to waive a budget act point of order against this amendment.

This first reconciliation bill will reduce spending and the deficit by over $50 billion. We have spend almost a week on this legislation and considered over 50 amendments. In addition, the minority has exercised its rights under the Byrd rule and the presiding officer has sustained points of order against 23 provisions in the bill.

Mr. President, the resolution calls for two more reconciliation bills. I do not know if we will complete action on these two subsequent reconciliation bills. If we do, these subsequent bills must comply with the Byrd rule, budget act guidelines, and the pay-as-you-go point of order. Therefore, our resolution never allowed and Senate rules would not have permitted using reconciliation to increase the deficit.

ABANDONING OUR CHILDREN

Mr. LAUTENBERG. Mr. President, this is a historic and unfortunate time for the U.S. Senate. This body is on the verge of ending a 60-year guarantee that poor children in this country would not starve.

For 60 years, we could rest easier at night knowing children across the country had a minimal safety net. The bill before us will take away this peace of mind and throw up to 1.5 million children into poverty.

Mr. President, I agree that the welfare system is in need of repair. I believe that it needs to help promote work and self sufficiency. I think it should also protect children. Unfortunately, the Republican welfare bill does none of this.

First, the Republican bill does not promote work. The bill calls for work requirements for welfare recipients, but it does not provide the resources to put people to work. In fact, the CBO said that "Most states would be unlikely to satisfy this [work] requirement for several reasons."

One major reason is that this bill cuts funding for work programs by combining all welfare programs into a capped block grant.

Second, the Republican bill hurts children. It would make deep cuts in the Food Stamp Program which millions of children rely on for their nutritional needs. It would also end the guarantee that children will always have a safety net.

Under the Republican bill, a State could adopt a 60-day time limit and after that the children would be cut off from the safety net entirely. The State would not even be required to provide a child with a voucher for food, clothing, or medical care.

When you take all of these policies together, this bill will throw approximately 1.5 million children into poverty.

And this is a conservative estimate. It could be much higher.

Mr. President, my conscience will not let me vote for a bill that would plunge children into poverty. I cannot vote to leave our children unprotected. I was 1 of only 11 Democrats to vote against the original Senate welfare bill that would have put 1.2 million children into poverty.

I voted against the conference report on this bill that would have doomed 1.5 million children to the same fate. And I will vote against this bill for the same reason. We must not abandon our children.

Mr. President, I hold a different vision of what the safety net in this country should be. I am afraid that this bill will leave children hungry and homeless.

I am afraid that the streets of our Nation's cities might some day look like the streets of the cities of Brazil. If you walk around Brazilian cities, you will see hungry children begging for money, begging for food, and even engaging in prostitution. I am not talking about 18 year olds, I am talking about 9 year olds.

Tragically, this is what happens to societies that abandon their children.

When we don't protect our children, they will resort to anything to survive.

I don't want to see this happen in our country.

I want to see this country invest in its children. I think we should invest more in child care, health and nutrition so that our children can become independent, productive citizens. I want to give them the opportunity to live the American dream like I had to good fortune to do.

If we don't, we will create a permanent underclass in this country. We will have millions of children with no protection. We will doom them to poverty and failure.

Mr. President, as a member of the Budget Committee, I also want to comment on the priorities that are reflected in this reconciliation bill. Despite the fact that this bill is only limited to safety net programs, it is still considered a reconciliation bill. This bill receives the same protections as a budget balancing bill but there is no balanced budget in it.

This reconciliation bill seeks to cut the deficit only by attacking safety net programs for poor children. There are no cuts in corporate loopholes or tax breaks. Despite the fact that tax expenditures cost the Federal Treasury over $400 billion per year, there are no such savings in this bill.

There are no grazing fee increases or mining royalty increases. There are no savings in the military budget or in NASA's budget.

The only cuts in this bill come from women and children. This reconciliation bill gives new meaning to putting women and children first.

Mr. President, I urge my colleagues to vote against this bill. I urge all Senators to stand for the 1.5 million children and reject this bill.

I yield the floor.

Mr. ROCKEFELLER. Mr. President, I believe our welfare system desperately needs reform, and most Americans agree. It is obvious that there is a strong consensus that parents seeking public assistance must be required to work or prepare for work. I wish it were more obvious that innocent children should be protected, and I have worked hard to make this case over the years as welfare reform has been debated.

As Governor of West Virginia in 1982, I started one of the first workfare programs of the country because I believe in work, and I am proud that West Virginia continues to use this community work program today. I have met parents who are proud to do community service and who have used their experience to gain skills that ultimately got them a paying job. This is what we should do. Moving from welfare dependency to work is hard, but it is the best path for families and their future.

While the debate about welfare reform is full of slogans and simplistic claims, it is far from easy to achieve the fundamental goals of promoting work and protecting children. The details of welfare reform do count, and that's why the Congress has consumed so much time and energy on this topic.

I regret that the Senate found itself acting on welfare reform under the rules of budget reconciliation legislation, which has strictly limited our debate to just 20 hours and has drastically constrained our ability to consider amendments to modify the proposal. Using reconciliation procedures, the majority has taken advantage of a special way to prevent its notion of welfare reform from being subject to true debate and alterations.

Last year, when the Senate worked on a bipartisan welfare reform bill, we spent 8 days debating welfare reform and held 43 rollcall votes. In an important signal of bipartisanship, an additional 62 amendments were accepted. While Democrats did not prevail with all of our amendments, we did have the chance to present our ideas and arguments for a genuine test of the Senate's will. It is unfortunate that the Republican leadership was not willing to take up welfare reform this year in the same fair, open process.

But even under the rules and constraints of reconciliation, some bipartisan progress has been made on the Senate floor. We have restored the Federal health and safety standards for child care by a rollcall vote of 96 to 0. We agreed to another amendment to invest more money to enhance the quality and availability of child care. Child care is the key to helping parents work, and parents need to have confidence in the care that their child is receiving.

I was also proud to cosponsor the Chafee-Breaux amendment to ensure continued Medicaid coverage to poor women and their children. Welfare reform should not be about reducing health care to needy families, and thanks to the bipartisan vote of 97 to 2, we know that health care coverage will be available for families with parents who are making the struggle to go from welfare to work—now and into the future.

We eliminated the optional food stamps block grant which had the potential to unravel this country's commitment to ensuring decent nutrition for all poor children, needy families, and dependent senior citizens, no matter what State they reside in. An optional block grant of food stamps could have weakened the country's nutrition programs. One of my greatest fears is that States that choose the block grant would be forced to reduce benefits in times of recession or other times of need, like national disasters. With our agricultural resources, America should not go backward and become a nation where some of its people and children go hungry.

And, I cosponsored the Breaux voucher amendment which assured basic support for innocent children for at least 5 years, and then gave States the option to provide non-cash assistance to children after a family reached the 5 year time limit. This amendment got 51 votes, but the rules of reconciliation demanded 60—so it fell.

An alternative amendment was offered by Senator FORD, but it also failed by a a single vote. Because both of the voucher amendments failed, States are prohibited from using block grant funding to provide vouchers for children, and this is disturbing. Previous welfare bills from last year offered greater flexibility to States on vouchers.

But some of the amendments that passed are important bipartisan efforts to improve the bill. There is more we should do to protect innocent children, and I can only hope that our colleagues will understand this in conference or in the near future.

But time has run out under the rules of reconciliation, and we now are faced with a final vote on this legislation.

In my view, this welfare reform bill poses a huge experiment—and something that must be watched and evaluated carefully.

Proponents express full confidence that this new, bold welfare reform bill will change the system and put parents to work, quickly allowing children to benefit as their parents move from dependency to self-sufficiency.

Opponents of the legislation charge that millions of children may be cast into poverty, and potentially end up on streets.

Because people end up on welfare for such different reasons and in different circumstances, it is not clear what the results will be. This legislation charts a new course for welfare, but it is untested.

I hope that proponents are right, and that this legislation has the right incentives. My hope is that the new pressure of a time limit will effectively and efficiently move parents into work, and families will benefit.

To help ensure this, I fought hard throughout this Congress to secure the proper funding for child care, which is essential for single parents to go to work. Thanks to the effort of many dedicated Members, this legislation invests $13 billion in child care—more money than we are now spending, and this is a major accomplishment.

The legislation we are now considering has a larger contingency fund than the previously passed Senate bill to offer help to States in times of economic downturns and recessions, which is especially needed for States like West Virginia that are vulnerable to economic ups and downs.

Under the new block grant, States will have enormous flexibility—and strict requirements—to move families from welfare to work.

Will the combination of more child care money and the incentive of time limits be the right mix? Will our economy continue to grow, and unemployment rates stay low so welfare recipients truly have a real chance to compete and get jobs?

We will never know the answers, unless we try.

Because the American people want and expect welfare reform, I will vote to try this new approach—and hope that Congress does its part to push for the desired results.

But I also believe that this effort must be watched carefully and closely to ensure that the innocent children, who represent two-thirds of the people who depend on welfare, are not hurt.

This is why I fought so hard with others last year to secure $15 million for research and evaluation. Every Member who votes for this legislation has an obligation to work with their State to ensure that this new system works, and to monitor the national progress as well.

Throughout this debate, I have tried to focus my attention on the needs of children. As usual in today's political environment, areas of bipartisan agreement do not attract attention, but they are still important.

In key areas for children, progress has been made. The Senate bill retains current law on foster care and programs to protect abused and neglected children. Such children are the most vulnerable group in our country, and I was active in a bipartisan group dedicated to retaining the foster care entitlement and prevention programs for abused and neglected children.

The child support enforcement provisions in the legislation are another example of positive, bipartisan efforts. And because it was bipartisan, little attention has been given to these accomplishments. But these provisions include bold action to crack down on deadbeat parents who shirk their obiligation to pay child support. Currently, over $20 billion is uncollected in child support payments and arrearages. Strengthening child support enforcement will truly help children of all income levels, and this is meaningful action to underscore the importance of families, and support children.

There has been a sincere effort to improve this bill, and the positive changes are the result of untold hours of hard work and dedication.

The key point is that the current system does not have public support or confidence, and this is not healthy for the country. The cynicism and frustration we see among Americans toward Government stems partly from their anger about welfare. Even families dependent on our existing system admit that they are frustrated and that the system can trap families into a cycle of dependency. We need to make the leap with real changes, tougher rules, and more common sense. We have an opportunity to help families and build more support for the protections that should stay in place, if the job is done right. A great deal has been promised by the architects of this bill and others such as many Governors, and I hope we will see the hard work, skill, and compassion required to bring about the right kind of results.

Today, I cast my vote for change.

Mrs. BOXER. Mr. President, today I am forced to vote against a welfare reform measure that I believe is bad for children and bad for the State of California, costing my State billions of dollars.

This is a difficult vote for me because I stand in favor of welfare reform. I want to get people off welfare and put them to work. I voted in favor of the Senate welfare reform bill last year because I support this principle.

I also continue to support giving States additional flexibility to run their welfare programs, cracking down on deadbeat parents and reducing teen pregnancy.

COSTS TO CALIFORNIA

In California today, we have approximately 4 million legal immigrants residing in our State—40 percent of the Nation's legal immigrants. Thus, the proposed cuts in benefits to legal immigrants will have a dramatic and disproportionate impact on California, which Senator FEINSTEIN and I have quantified as best we can.

This bill saves nearly $60 billion over 6 years. Where do these savings come from? More than one-third of the savings will come from restricting benefits to legal immigrants. Of this amount, California will have to shoulder 40 percent of the losses. This is simply unfair to California.

It has been estimated that California's loss of Federal funds under this bill could be up to $9 billion over 6 years due to the restrictions on benefits to legal immigrants.

This will mean a massive cost shift to California's 58 counties. For example, over half of the immigrants on Supplemental Security Income [SSI] and Aid to Families with Dependent Children [AFDC] live in California. According to the California State Senate Office of Research, over 230,000 aged, blind and disabled legal immigrants could lose their SSI benefits almost immediately. The Congressional Budget Office estimates that 1 million poor legal immigrants would be denied Food Stamps under the bill, with many of them living in California.

If legal immigrants are made ineligible for Federal and State programs, California's counties will be responsible for providing social services and medical care to them. Under California law, counties are legally and fiscally responsible to provide a safety net to indigent persons.

The safety net is already overburdened in many counties. Some of the counties most heavily impacted by legal immigrants have already faced issues of bankruptcy. This welfare bill will only further threaten the financial viability of these counties.

The largest county in the Nation, Los Angeles County, will be severely impacted by these provisions. Los Angeles County estimates that under this bill, 93,000 legal immigrants would lose their SSI benefits in their county alone. If these legal immigrants applied for county general assistance, it would cost Los Angeles County $236 million.

California counties further fear damage to their health system if the State exercises its option to deny all Medicaid coverage, including emergency care, to most legal immigrants.

That is why I cosponsored an amendment with my distinguished colleague from California, Senator FEINSTEIN, to mitigate some of the impact of the legal immigrant provisions on California. The Feinstein-Boxer amendment would have applied legal immigrant provisions of the bill prospectively. This would allow us to make changes for immigrants who have yet to enter the country, but keep the rules of the game unchanged for those legal immigrants already present.

I think it is important to note who some of these legal immigrants are. Many of them are children. Many of them are disabled and unable to work. Many of them are refugees, with no sponsor to fall back on if they are cut off from the assistance they desperately need. According to the California State Senate Office of Research, approximately 60 percent of legal immigrants receiving AFDC in California are refugees.

The Feinstein-Boxer amendment would have decreased the outflow of Federal dollars from California, while maintaining what I believe is a fair approach for legal immigrants already in our country. Unfortunately, our amendment failed.

VOUCHERS FOR CHILDREN

A second reason why I cannot support this bill is the prohibition on providing vouchers for noncash items to children if their family's time limit for assistance has expired. Vouchers could be used to pay for items such as school supplies, diapers, food, clothing and other necessary items for children. An amendment to require States to give vouchers to children whose families exceed time limits shorter than 5 years did not pass in the Senate. An amendment to give States the option to do this failed as well with only two Republicans voting in favor.

I believe the bill's language goes too far to penalize children for their parents' inability to find work. What kind of country are we when we deny such necessities to innocent children?

FOOD STAMPS

In addition, the bill would make major cuts in funding to the existing Food Stamp Program. Reductions in the bill for food stamps amount to approximately $27.5 billion over 6 years—nearly half of the bill's savings. By the year 2002, food stamp spending would be reduced by nearly 20 percent. The poorest households would be affected since nearly half of the cuts in food stamps would come from households with incomes below half of the poverty line.

CONCLUSION

The drafters of this latest welfare reform bill wisely improved certain provisions of the bill to increase child care funding, retain the Federal guarantee to school lunch programs—although funding for school lunch has been unwisely cut, and maintain child protective services for abused and neglected children.

In addition, key amendments to maintain Medicaid coverage for current welfare recipients, strike the optional food stamp block grant, and ensure Federal health and safety standards for child care successfully passed the Senate.

I wholeheartedly support all of these improvements to the underlying legislation.

However, for the reasons I have stated above, I cannot support this welfare reform bill that shifts major costs to the State of California and shreds the safety net for poor children. I hope that in conference my concerns will be addressed. One State should not be unfairly penalized as California is, and no child should suffer as a result of our work.

Mr. DORGAN. Mr. President, I will vote for the welfare reform bill before us today because I believe the welfare system in this country is broken and needs to be fixed.

The welfare system serves no one well—not recipients and not taxpayers. We need to preserve a safety net for those who truly need help, but that safety net should be one that encourages work, facilitates self-reliance, and doesn't punish innocent kids.

The legislation before us is not perfect, and I have concerns about many aspects of the bill.

Despite my reservations, this bill permits us to move the welfare reform process forward. This bill requires recipients to work after receiving welfare for 2 years, and set a 5-year limit on total assistance. It permits recipients to use some of their time on assistance to get the education and training they need to find and keep a job. It provides child care for welfare recipients who want to work. It places a priority on preventing teen pregnancies. And it requires absent fathers to help pay for the costs of raising their children.

And we have made some important improvements since this bill was introduced. We increased the requirement that States continue to make their own contributions to maintaining a strong safety net. We strengthened provisions to guarantee that the Food Stamp Program will provide assistance when people need it most. And we restored money for the summer food program for kids.

I will support this legislation despite my reservations, and advance the bill to conference with the hope that it will be further improved in conference. If the final bill does not maintain a strong safety net for children, I will not support it.

Ms. MIKULSKI. Mr. President, I was ready to vote for a welfare reform bill today. I believe we need welfare reform. I have fought for a tough welfare reform bill, and I have voted for welfare reform.

It is deeply disappointing to me that I must vote against final passage of this bill.

I voted for the bill which the Senate passed last year. I hoped at that time that the conference on that bill would make even further improvements in the bill, and that we would be able to send a good bill to the President for his signature.

I was disappointed when the conferees last year took an acceptable bill and turned it into an unacceptable and punitive one. Welfare reform was within our grasp last year. But we let it slip away by placing political considerations ahead of sound policy decisions. I hope we will not make the same mistake this year.

I have not only voted for welfare reform, but I am one of the coauthors of the work first bill, which would have ended welfare as we know it. Along with my coauthors, the Democratic leader, Senator DASCHLE and Senator BREAUX, I am proud that we crafted a plan that is tough on work but not tough on children.

Our plan called for a time-limited and conditional entitlement. It would have required all able-bodied adults to go to work. Our plan provided people with the tools to move from welfare to work; tools like job training, job search assistance, and most importantly, child care.

We recognized that the No. 1 barrier to work is the lack of affordable child care. So our bill provided sufficient funds to ensure that child care would be available to families as parents moved into the work force.

The work first bill also protected children. We made sure that our reform was targeted at adults not at children. We included provisions to ensure that no child would go hungry or go without needed health care because a parent had failed to find and keep a job.

So let me be clear. I support welfare reform. Throughout this Congress, I have fought for welfare reform. I have coauthored not one, but two, major welfare initiatives. And I had hoped to be able to vote for a welfare reform bill today.

Unfortunately, I cannot vote for this bill. This bill does not provide adequate protection for children. What will happen to children once their parents reach the time limit for benefits? Without vouchers to ensure that the basic subsistence needs of children are met, we know that children will suffer if their parents have not found jobs. We simply cannot punish children for the shortcomings of their parents.

Although we adopted a good amendment today to prevent the Food Stamp Program from becoming a block grant, this bill still contains deep cuts in food stamps. Families who depend on the Food Stamp Program to meet their basic nutritional needs will suffer from the cuts in this bill. Even families with full-time workers sometimes need food stamps because their full-time jobs don't provide enough money to feed their families. This bill will hurt them too.

This bill does not provide enough money for child care. In fact, it is likely that States will be unable to meet the work requirements of the bill because of the inadequate level of child care funding. Parents who are ready to work and who want to work will not be able to work if there is not child care which is both affordable and available.

These holes in the safety net for children are of deep concern to me. If protecting children is a priority for this Congress, how can we take a chance on a bill which is sure to hurt innocent children. We cannot.

Mr. President, I have not given up on welfare reform. While I cannot vote "yes" for this bill today, I hope that the conference on the bill will continue to build on the progress we have made on this issue. Unlike last year's conference, which took an adequate bill and made it unacceptable, I hope that this year's conference will make a good, strong bill out of this unacceptable bill.

I urge the conferees on the bill to continue to work with the White House and with the best minds from both parties to reach agreement on a plan we can all support, and that the President will sign. We can do it. We can have a plan that saves lives, saves tax dollars, creates opportunities for work, and protects children.

I hope the conferees will negotiate in good faith to achieve a plan that is tough on work and protects kids. I would be proud to vote for that plan.

PROTECT CHILDREN

Mr. KERRY. Mr. President, there is nothing more important to this debate today than constantly reminding ourselves that our focus ought to be this Nation's children and their well-being. That was the focus when, under Franklin Roosevelt's leadership over 60 years ago, title IV–A of the Social Security Act was originally enacted. As we proceed in this debate about children—and it is a debate about children because over two-thirds of current welfare recipients indeed are children—their interests should be uppermost in our minds.

There is no disagreement that I can find in this Chamber, and very, very little across the Nation, that our welfare system needs reform. Despite what on the part of many who have been involved in legislating, implementing, and administering the existing welfare program is good faith and intentions, that welfare system has been buffeted by the forces of society and culture; for far too many it offers little real help or incentives for movement toward self-sufficiency. Instead, for far too many, it has become at best an indifferent means of providing a bare subsistence income.

In many ways, our world and our Nation are very different places than when the original Federal welfare program was established in the thirties. The objective, Mr. President, ought to be the same. But the means must be adjusted. The objective is to prevent human misery, to give Americans, especially children, a helping hand when they otherwise face destitution and poverty. A handout may once have functioned with considerable effectiveness to help those in poverty toward that objective. Now we understand the importance of child care, training, work search assistance, health care, and other ingredients if families are to move toward self-sufficiency.

We know that 15.3 million children in this Nation live in poverty. This means that 21.8 percent of our children—over one in five children—are impoverished. In Massachusetts, there are more than 176,000 in this category. Despite the stereotypes, Mr. President, the majority of America's poor children are white—9.3 million—and live in rural or suburban areas—8.4 million—rather than in central cities where 6.9 million of them reside.

The other point on which we can agree, because it is a fact rather than an opinion, is that the child poverty rate in this Nation is currently dramatically higher than the rate in other major industrialized nations. According to an excellent, comprehensive recent report by an international research group called the Luxembourg Income Study, the child poverty rate in the United Kingdom is less than half our rate—9.9 percent, the rate in France is less than one-third our rate—6.5 percent, and the rate in Denmark—3.3 percent—is about one-sixth our rate.

We know that poverty is bad for children. This for many would qualify as a truism, but perhaps others require to be shown. Nobel Prize-winning economist Robert Solow and the Children's Defense Fund recently conducted the first-ever study of the long-term impact of child poverty. They found that their lowest estimate was that the future cost to society of a single year of poverty for the 15 million poor children in the United States is $36 billion in lost output per worker. When they included lost work hours, lower skills, and other labor market disadvantages related to poverty, they found that the future cost to society was $177 billion.

Mr. President, the way in which the Republicans who control both the Senate and the House of Representatives repeatedly have attempted to reform welfare is not what I believe this Nation wants or believes is the proper way, the best way, or the moral way to address poverty and millions of families that are not self-sufficient in our late 20th century society. A number of the components of Republican co-called welfare reform proposals, even charitably, can best be described as punitive, or budget driven. I simply recoiled as I reviewed proposals, for example, to eliminate the access of children to health care. I shook my head in disbelief as I read provisions that would deny food stamps—and very probably a minimally nutritious diet—to children whose parents in some cases have made unacceptable choices, no matter how misguided and unacceptable they are.

But we are faced here, in the institution that has been elected by the people of the United States to make the Nation's major policy decisions and to design its major government interactions with those people, with the necessity to work together to produce change. Either we struggle successfully to reach some kind of middle ground which a majority can accept, or we do nothing at all.

Surely, in welfare as in all other areas, there are those who so fear change—for any of a host of reasons—that they prefer the status quo. I do not believe the status quo best serves this Nation and its people. I do not believe the status quo best serves this Nation's future. And I do not believe the status quo best serves those who are the unfortunate, the impoverished, the destitute, the left out in our Nation.

Democrats have labored mightily to turn a punitive bill into one that will work, one that would be desirable for the country. I was personally involved in that effort. Last week, I offered an amendment that the Senate approved by voice vote which makes what I believe to be an important change. In keeping with my belief that we must keep our eye on the ball as we legislate—and that objective in this case is to reduce poverty and increase the self-sufficiency of America's poor families—my amendment provides that if a State's child poverty rate increase by 5 percent, then the State must file a corrective action plan with the Secretary of Health and Human Services. If States can—as they and the Republican authors of this bill fervently maintain they can—achieve economies of scale never realized when the program was overseen by the Federal Government, and successfully refocus the program on moving the family heads in welfare families and other impoverished families toward self-sufficiency, then child poverty should decrease. More children, and more families, will be better off if this new approach works. But if that is not the outcome—if child poverty increases, then my amendment will require States to confront that reality and to adjust in an attempt to meet the program's objectives. I and many others will be watching extremely closely to see how the program works, and to see how this adjustment mechanism I authored functions.

And if neither the program nor the adjustment mechanism functions acceptably, I will be the first to fight to devise a new approach. Ultimately, if we are sending Federal money to the States to combat poverty, we must demand that poverty recede.

When I came to the Senate floor this morning, I was gravely concerned that the democratic process, as it often will, had produced an unacceptable product. Despite the addition of my amendment and some amendments by others, this bill still tore huge holes in the safety net.

Today, repair stitches were made in two of the most distressing of these holes. The Senate voted to maintain the current eligibility standards for Medicaid, ensuring that those who now qualify for medical assistance, including those who do so by virtue of their eligibility for the welfare program the legislation would abolish, will continue to qualify for medical assistance. The repair made by the Chafee-Breaux amendment was of great importance.

The Senate also voted to preserve the Food Stamp Program as a Federal assistance program that will be available to all Americans on the basis of the same income and assets limits that now apply. That means the Food Stamp Program will continue to operate as a safety net on a national basis, ensuring that, at the very least, Americans can eat—and that the assistance will fluctuate as it must based on economic conditions across the Nation. The Department of Agriculture had estimated that, if the block grant originally proposed in this legislation had been in place during the last national recession, 8.3 million fewer children would have been served by the program. Under this bill, not only would they not have had food stamps, many of them would have had no welfare either. Where would they have been, Mr. President? Fortunately, we stitched up this hole today.

When I cast my vote for final passage, I will be very mindful of these critical changes today. I also will be mindful of the fact that this bill was in several ways better than the welfare reform legislation that the Senate passed last fall. This bill includes nearly $4 billion more for day care for the children of parents required to find and hold jobs. It includes a $2 billion contingency fund to help States as they try to help what inevitably will be a growing number of impoverished people when recessions hit, as they unquestionably will.

I also will be acutely mindful, Mr. President, of the limits to which I am willing to go with this experiment called for by President Clinton during the 1992 Presidential campaign and endorsed by the Republican Party in the 1994 congressional elections. Ideally, this bill will be improved and strengthened in conference committee. That is certainly possible if the President, who has been very quiet when asked how he believes this bill must be augmented, will clearly enunciate what he believes to be essential ingredients if he is to sign welfare reform legislation into law. I maintain hope that we can provide vouchers that will continue to provide basic human necessities for children whose parents hit the lifetime assistance limit imposed by this bill. I also hope that the cutoff of legal immigrants will be rethought and at the very least made less severe. The President can and I hope will lead the way in both these matters and others.

At the very least, Mr. President, there must not be reversion or erosion in this legislation. We must not see retrenchment with regard to those few hard-won improvements that make this bill a marginally acceptable risk. It is time for an experiment that we hope will improve the lives and opportunities of millions of families and their children. It is not time to take frightful risks with those lives, based on a groundless faith that harsh discipline will remedy all social ills. I must serve notice that if the legislation that returns for final Senate approval increases those risks, I will oppose it.

If this bill becomes law, Mr. President, no one should prepare to relax. We have much, much more to do and this is only the opening chapter. As this new picture unfolds, I will be watching intently—and I will not be alone—to be certain that our efforts and resources have a positive effect on children and families, and that they have real opportunities to realize their potential as human beings. That is the objective we seek, and it is on reaching that objective that we must insist.

Mrs. FEINSTEIN. Mr. President, I had truly hoped that I could support legislation that could deliver meaningful and historic reform of our Nation's welfare system, but this bill forces California to bear far more than our fair share of the burden.

Last year I voted for the Senate bill and against the conference bill because California's concerns were not met. This year, I would hope that some of these items could be fixed in conference committee, so that we are able to vote for a bill at the end of this process.

Nearly one-third of the net reductions contained in this bill fall on just one State: California. California is being asked to shoulder $17 billion in cuts—one-third of the entire savings. The question is, what is the State able and willing to provide to fill in the gap? An examination of Governor Wilson's budget indicates that dollars budgeted for food stamps, AFDC, and benefits for legal immigrants drop from an estimated $1.9 billion in the current fiscal year to just over $1.5 billion in 1997—therefore, counties cannot expect a large bailout from the State.

Consequently, for those who deserve special help, whether they be aged, blind, developmentally disabled or mentally ill, an increased burden will most certainly fall on the counties.

NO SAFETY NET FOR CHILDREN

S. 1795 ends the Federal guarantee of cash assistance for poor children and families, and provides no safety net for children whose parents reached the 5-year time limit on benefits. There are approximately 2.7 million AFDC recipients in California, of which 68 percent are children. Under the time limit, 3.3 million children nationwide and 514,000 children in California would lose all assistance after 5 years.

The Children's Defense Fund estimates that under this bill, 1.2 million more children would fall into poverty. California's child poverty rate was 27 percent for 1992–94, substantially above the national average of 21 percent. Under this bill, even more children in California would be living in poverty.

FOOD STAMPS DRASTICALLY REDUCED

California will lose $4.2 billion in cuts to the Food Stamp Program, reducing benefits for 1.2 million households. Nearly 2 million children in California receive food stamp benefits. Children of legal immigrants would be eliminated from food stamp benefits immediately.

CHILD CARE FUNDING INADEQUATE

Currently in California, paid child care is not available to 80 percent of eligible AFDC children. The Senate welfare reform bill awards child care block grants to States based on their current utilization of Federal child care funds. But California's current utilization rate is low, so California would be institutionally disadvantaged under this bill.

NO HEALTH COVERAGE FOR CHILDREN

The Senate bill ends the Federal guarantee of health insurance or Medicaid for women on AFDC and their children. In California, 290,000 children and 750,000 parents would lose coverage, according to the Children's Defense Fund. California has the third highest uninsured rate in the Nation at 22 percent of the population.

DENIAL OF BENEFITS TO LEGAL IMMIGRANTS

The Senate welfare reform bill would deny SSI and flood stamps to most legal immigrants, including those already residing in California. In 1994, 15.4 percent, or 390,000, of AFDC recipients in California were noncitizens.

Fifty-two percent of all legal immigrants in the United States who are on SSI and AFDC reside in California. Los Angeles County estimates that 234,000 aged, blind, and disabled legal immigrants would lose SSI benefits, 150,000 people would lose AFDC, and 93,000 SSI recipients would lose benefits under this bill. The county estimates that the loss of SSI funds could result in a cost shift to the county of more than $236 million annually. Loss of Medicaid coverage for legal immigrants would shift an additional $100 million per year.

With this in mind, I cannot support this bill, because I believe it unfairly disadvantages California. It would be my hope that as the conference process continues, this can be taken into consideration and the bill that emerges can be fair across the board and not single out any one State for one-third of the burden of the cuts.

It is especially important that individual counties in California take a close look at the impact this legislation will have on their jurisdiction. For example, Los Angeles County continues to be the most devastated county in the Nation under this bill with almost $500 million in added costs each year. California counties must help us press our case with the House-Senate conferees on the impact of this bill.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. Under the previous order, the clerk will report H.R. 3734.

The assistant legislative clerk read as follows:

A bill (H.R. 3734) to provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. Under the previous order, all after the enacting clause of H.R. 3734 is stricken and the text of S. 1956, as amended, is inserted in lieu thereof.

The question is on the third reading of the bill.

The bill (H.R. 3734), as amended, was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. Under the previous order, the Senator from New York is recognized for 5 minutes.

Mr. MOYNIHAN. Mr. President, I have the honor to yield 2 minutes to my distinguished friend from New Jersey, Senator BRADLEY.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, I do not think we have really even started to talk about the consequences of this act on the lives of people who actually live in American cities. If this bill passes and we look ahead 5 years into the future, city streets will not be safer, urban families will not be more stable, new jobs will not be created and schools will not be better. None of these things will happen. Instead, this bill will simply punish those in cities least able to cope.

With the repeal of title IV of the Social Security Act, the Federal Government would have broken its promise to children who are poor. It will have washed its hands of any responsibility for them. It will have passed the buck.

What we need to do to change the broken welfare system is not block grants. What we need is not transferring pots of money from one group of politicians to another group of politicians without regard to need, rules or accountability.

In fact, with the block grant, we will even be paying for people who have been shifted off the State welfare rolls onto the Federal SSI rolls. In 22 States that have cut welfare rolls, 247,000 adults went off AFDC and 206,000 went on to SSI.

Because Governors are good at gaming Federal funding systems, we will be paying for these 206,000 people through the block grant at the same time we are paying for them through SSI. What we need is a steady Federal commitment and State experimentation so that we can change welfare in a way that will encourage marriage, get people off welfare rolls and into jobs for the long term. Sadly, this bill will produce the opposite result.

Mr. MOYNIHAN. Mr. President, I have the honor to yield 2 minutes to my distinguished friend from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Ms. MOSELEY-BRAUN. Mr. President, I thank very much the Senator from New York.

Mr. President, I believe that the Senate will rue the day that we pass this legislation. This day, this bill opens up the floor under poor children which in our lifetimes no child has ever had to fall no matter how poor, how irresponsible its parents might be. This day, in the name of reform, this Senate will do actual violence to poor children, putting millions of them into poverty who were not in poverty before.

No one in the debate on this legislation has fully or adequately answered the question: What happens to the children? They are, after all, the greatest number of people affected by this legislation.

Mr. President, 67 percent of the people who are receiving welfare today are children, and 60 percent of those children are under the age of 6 years old. This bill makes a policy assault on nonworking parents, but it uses the children as the missiles and as the weapons of that assault.

I believe that this bill does not—does not—move in the direction of reform. Reform would mean that we give people the ability to work, to take care of their own children. It would have a commitment to job creation, to adequate child care, to job training, to job placement. But this legislation, Mr. President, does none of those things.

This legislation does not give able-bodied people a chance to work and support their own children. It simply is election-year politics and rhetoric raised to the level of policy. I believe this bill cannot be fixed—not in conference committee, not on anybody's desk—and I believe that this bill is a shame on this U.S. Senate.

The PRESIDING OFFICER. The Senator from New York has 30 seconds remaining.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent for an additional 20 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MOYNIHAN. Mr. President, Senators such as I, such as Senator PAUL WELLSTONE, cannot conceive that the party of Social Security and of civil rights could support this legislation which commences to repeal, to undermine both. Our colleagues in the House did not, nor should we.

The Washington Post concluded this morning's editorial, I quote:

> This vote will likely end up in the history books, and the right vote on this bill is no.

I thank the Chair, and I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Senator from Delaware is now recognized for up to 5 minutes.

Mr. ROTH. Mr. President, S. 1956 is a good package, and just as this Congress has begun to reverse 30 years of liberal-spending policies, this welfare reform proposal reverses 30 years of social policy.

Mr. President, 30 years of welfare policy has demonstrated that Government cannot promote policies that divide families and expect healthy children; Government cannot centralize power and expect strong communities; Government cannot challenge and undermine religion and then expect an abundance of faith, hope, and charity.

This reform initiative is largely based on the proposals made by our Nation's Governors, and it mirrors the Personal Responsibility and Work Opportunity Act of 1995. Remember, Mr. President, that act was reported out of the Finance Committee and passed the Senate by a vote of 87 to 12 before being vetoed by Bill Clinton.

This legislation is much the same. While it doesn't have everything it should—while it does not, for example, contain any provision to reform Medicaid—it represents a good start. There have been compromises, Mr. President. Welfare reform is so important to the American people that they have let us know that there should be compromise, if that's what it takes.

This legislation, I believe, represents a good compromise. It contains real work requirements. It contains real time limits. It cancels welfare benefits for felons and noncitizens. It returns the power to the States and communities, and it encourages personal responsibility toward combating illegitimacy.

Mr. President, this welfare reform proposal is the first step in a necessary effort to bring compassion and sensibility to a process that has gotten out of hand. It benefits children by breaking the back of Government dependency; it requires sincere effort on the part of their parents—effort that will restore respect, pride, and economic security within the home—effort that will lay a new foundation for future generations.

Our current failed system has not done this. Prof. Walter Williams shows how the money spent on poverty programs since the 1960's could have bought the entire assets of the Fortune 500 companies and virtually all U.S. farm land. Consider that again—all the assets of the Fortune 500 companies and virtually all U.S. farm land. With all this, where are we? Welfare rolls are at record highs, problems are mounting and the attendant consequences are worse than ever.

Our reform legislation ends this destructive cycle. It replaces the hopelessness of the current system that engenders dependency with the hope that comes from self-reliance. Thirty years is long enough. The safety net has become a snare. Freedom for the families trapped in dependency comes only through responsibility—through personal accountability—and that is the step we take today with this legislation.

I appreciate all who have worked on both sides of aisle to bring us to this point. We have established a reform proposal that the President should be able to sign. I ask him to make good on his promise. Mr. president, please take this first, important step toward ending welfare as we know it.

The PRESIDING OFFICER. Under the previous order, the Senator from Nebraska is now recognized for 5 minutes.

Mr. EXON. Mr. President, the welfare reform bill before us will win no beauty contests. It is not the fairest of them all—and I intend the double meaning.

With reservations, I voted in committee to send the measure to the floor. I wanted changes for fairer treatment of children and other stated concerns. We have made some improvements, but more are needed.

In the opinion of this Senator, we have already voted on the best welfare reform bill. That distinction belongs to the Democratic work first plan that regrettably, in my view, did not pass the Senate.

I believe, Mr. President, that the bill before us is maybe, just maybe, the framework for a welfare plan that can win the support of a majority in both Houses, and just as important, the approval of the President. It is near the best plan we can pass and bring to bear on a welfare system that cries out for change.

I will not strike my tent now because I did not get everything I wanted in this bill. I believe that it goes a long way to reforming much that is wrong with the welfare system. We cannot lose this opportunity to break welfare's bitter cycle of dependency.

It is my sincerest hope that the majority will work with those of us appointed as minority conferees and with the President during conference to improve this measure, and to push that process forward. I hope, as well, that the Senate will insist on its more moderate positions in the conference with the House.

Mr. President, in my 18 years in the Senate, this Senator has always sought the middle ground. I do so again today. I will vote for this bill today and reserve my final determination until the conference report returns to the Senate.

In closing, let me take a moment to thank the Democratic staff, and in particular, Bill Dauster, Joan Huffer, Jodi Grant, and Mary Peterson. They have provided invaluable service to this Senator and our caucus.

I yield the balance of my time to the Senator from California.

Mrs. FEINSTEIN. I thank the Senator.

Mr. President, how I wish I could vote for this bill. I voted for the last Senate bill and then voted against the conference committee report because I did not think the conference committee report was an improvement on the Senate bill.

Today I, and I believe my colleague from California, will vote against this bill in hopes that when the bill comes out of conference it is a bill that does not so severely disadvantage one State in this Union, and that State is California.

Mr. President, as I look at the savings of this bill, a net of about $55 billion, $17 billion of those savings come from the largest State in the Union and the State I believe most impacted by poor people. We know $9 billion comes from the cutoff of legal immigrants, including refugees and asylees who have no sponsor—the aged, the halt and the blind—$3.5 billion of AFDC, and $4.2 billion of food stamps, totaling about a $17 billion impact on the State of California.

Now, I ask the State legislature, the State of California, look at the budget. Are they prepared to pick up some of the difference? I ask the counties to let Senator BOXER and I know how this bill impacts your county, because I suspect it is going to be a major transfer, particularly on counties like Los Angeles. I suspect Los Angeles County will be the county most impacted by the passage of this bill in the United States of America.

A fair bill, OK, I vote for; but a bill that says, OK, we will take from the biggest State in the Union as much as we possibly can—and that is what this bill has done to date. I do not believe it is a fair-share bill. I do not believe we see communities across the Nation doing their share. Perhaps because we have the two largest metropolitan areas in the Nation is one of the reasons why this bill will fall very hard on poor people and cities, and particularly on cities that have large numbers of dispossessed.

Mrs. BOXER. Will the Senator yield?

Mrs. FEINSTEIN. I am happy to yield to the Senator.

The PRESIDING OFFICER. All time has expired.

Mrs. BOXER. I ask unanimous consent for 30 additional seconds, if I might.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. BOXER. In my 30 seconds, I want to underscore, first of all, what my senior Senator said, which is that we are very willing to make changes in welfare. We want to reform welfare. We both said that when we ran for the U.S. Senate. We have both supported our Democratic leader's bill, and we even voted for a Senate bill.

The fact of the matter is that this, essentially, is paid for by one State. I will tell you, that is unfair. Yes, we are the largest State, and we have a lot of the population, but not to the extent that we are hit.

Also, when this country cannot pay for diapers for its children and food and school supplies for its kids, I think we ought to relook at who we are.

Thank you.

The PRESIDING OFFICER. Under the previous order, the Senator from New Mexico is recognized for 5 minutes 30 seconds.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, I yield 3 minutes of my leader time to the Senator from Pennsylvania [Mr. SANTORUM].

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. I thank the majority leader. Mr. President, I just want to say that this is welfare reform. This is the dramatic change in the system that the American public has been asking for for years and years and years. This is the real deal. This is the opportunity to change millions of people's lives. This is the opportunity that people who are poor in this country have been wanting and asking for for a long, long time—the opportunity to get education and training that is meaningful, the opportunity to go to work, and if you cannot find a job in the private sector, if you cannot get a job on your own, the State will assist you getting that job. If you cannot find a private-sector job, the State will assist you in getting a public-sector job. There are no more barriers because of labor unions to get that job in the public or private sector. This is the real deal when it comes to work, when it comes to education, training, and helping families get out of poverty. From now on, after this bill, we are no longer going to measure whether we are successful in poverty by how many people we have on the welfare rolls, but by how many we got off of the welfare rolls, because they have dynamic opportunities for education and training to make that happen. And, yes, they have requirements.

We have had lots of welfare reform pass in the U.S. Senate for years and years. But there has never been the requirement to have to work. I know some people say that is mean and tough. I can tell you that it is the only way that you move people who are having struggling times in their lives off of those welfare rolls. It is tough love—but the operative word is love. It is there and it is to help people.

I hear a lot of people say, "Well, this is going to punish children, and we should not punish the children," as if the current system does not punish children, as if illegitimacy rates where over a third of all the children born in America are born to single moms does not punish children. That does not hurt kids not to have a father in the household? That does not hurt kids not to have the work values that are taught in the household where a mom gets up in the morning and a dad gets up in the morning and goes to work? That does not hurt kids? It does not hurt kids to have to go out and play in a playground and worry about stepping on a needle from a drug addict? Of course, it does. This system hurts kids. That is why we are here—because the system hurts kids.

The issue before us is whether it is more important to have a Federal safety net system that is there to provide for every aspect—and the majority leader will talk about this—of the 50 or more programs that are there to take care of every possible need a child in America has. Is that what we want? Do we want the Federal Government guaranteeing every aspect of everybody's life? Or do we want solid families, safe neighborhoods, good schools, the values of work, and an opportunity to pursue the American dream? I will trade guarantees of Government protection of every aspect of someone's life for a solid home, a solid community, and loving parents.

I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, first, I thank the majority leader for his backing on this bill and for his constantly pushing us to get this job done. I want to thank Senator Dole, who left the Senate to run for President, for his work before he left here. Without that work in leading us on the budget resolution that created it, we would not be here.

Now, Mr. President, I want to talk about history, because I heard a couple of speakers from the other side say that history would rue this day. I believe history will praise this day, because I believe a system that has failed in every single aspect will now be thrown away, and we will start over with a new system that has a chance of giving people an opportunity instead of a handout. They will have a chance to get trained and educated, go to work and feel responsible, instead of this law on the books for decades that is out of tune with our times, which makes people feel dependent, makes people feel neglected. It is time that it be changed.

Now, frankly, kids are us, and this bill is about our kids, because if anybody thinks the children that are under this welfare system are getting a good deal today, then, frankly, I do not know what could be a rotten deal, because they are getting the worst of America. We are perpetuating among their adult relatives and parents a system of dependency, a system that lets them think less of their children because they think less of themselves. We can go right down the line.

We intend to return responsibility to the States, with prescriptions that are set out by us that give them plenty of room to do a better job than we have been doing. That is what this approach is all about.

This is a bill that gives those who have been campaigning for years, saying, "Let us get rid of welfare as we know it"—and I will not even cite who used that the most. Well, we are finally doing that today. When we come out of conference, we are going to send our President a bill. Our President is going to have before him a bill that says: Here, Mr. President, you can get rid of welfare as you know it. Just sign this endeavor.

Now, from my own standpoint, I have been part of trying to push reform and save money. Many times, the bullets that we vote on are not real bullets, but this is a real one. When you vote on this bill, you are going to change the law. When you voted on amendments, they were real amendments. I compliment the Senate for a tough job. There were many amendments. The bill that came out of it is a better bill than when it started. I believe some other Senators will cite the many aspects of this bill that protect our children. For myself, I believe there are 8 or 10 provisions. Food stamps remain an individual entitlement, current law Medicaid protection, child care subsidized, child development block grants—$5 billion more, for a total of $14 billion. So people can go to work and have somebody care for their children. This and many more provisions make this a bill that we can be proud of for our children.

Last but not least, let me conclude, if ever we had a chance to say to Americans, as America's economy grows, we want you to be part of it, profit from it, have a dream, and this is an opportunity for welfare recipients of the past to participate in a real future, and for us to never again have welfare people among us that we think we are helping when, in fact, we have been hurting them. Let them share in the dream, also. That is our hope, that is our wish, and that is what we believe history will say about this effort.

I yield the floor.

The PRESIDING OFFICER. Under the previous order, the Democratic leader is recognized.

Mr. DASCHLE. Mr. President, as I understand it now, both leaders have their leader time to be used for purposes of closing the debate. I will yield 2 minutes of my time to the distinguished Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. BREAUX. Mr. President, I thank the leader for yielding. Is this bill perfect? Of course not. Nothing that we as humans do is ever perfect. But is it a bill that desires and needs and deserves our support at this time in order to send it to conference? The answer, I think, is clearly yes.

President Clinton said that the goal of welfare reform should be to be tough on work, but good for kids. This bill is tough on work. It sets time limits for how long someone can be on welfare. It sets out work requirements. It tells teen parents, for the first time, that they have to live with an adult or with their parents. It is a tough bill on work, but it is also a bill that is good for kids.

This bill has the same language on vouchers as a bill that passed this body 87 to 12.

I would have liked the Ford amendment to pass. But the language is exactly what we passed already 87 to 12 when it comes to taking care of families after this time limit on welfare is determined.

There are about 49 programs that will be available to families after the 5-year limit is reached; 49 separate programs that we in America say we are going to make available to families.

We have corrected the Food Stamp Program with the Conrad amendment. It is still an entitlement program.

We have preserved the Medicaid health protections for families and for children, and for pregnant mothers. It is still an entitlement program.

We have added $5 billion to what passed this Senate in terms of child care. We have current law on child welfare protections for foster care because of our amendments.

We have SSI cash payments for disabled children, social service programs for children under title XX, housing assistance, child nutrition assistance for children, the school lunch program, the school breakfast program, and the summer food program.

This bill is not perfect. But it is a major step in the right direction. It deserves our support and our vote to send it to conference and see if it can somehow be improved. It is not a perfect bill. But I would suggest it is a major improvement over the current system.

Mr. LOTT. Mr. President, I yield 3 minutes of my leader time to the distinguished Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. NICKLES. Mr. President, first I would like to compliment Senator DOMENICI and Senator ROTH for their leadership on this bill; in addition, Senator LOTT and Senator Dole because they have worked hard to bring this about. This truly is a historic piece of legislation because we really are reforming welfare. And we should. The present welfare system is broke. It is a failure. It has not worked.

We have 334 federally defined welfare programs stacked on top of each other. They cost hundreds of billions of dollars. The cost of welfare in 1960 was $24 billion. The cost of welfare in 1995 was almost $400 billion. We have spent trillions of dollars in the last three decades. What do we have? We have more welfare dependency, more people dependent on the Federal Government, and more people addicted to welfare. In my opinion, it has hurt the beneficiaries in many cases more than it has helped them, and it certainly has hurt the taxpayers in the process.

We need to help taxpayers save some money. But, more importantly, we need to help the so-called beneficiaries to help them climb away from welfare into jobs; into more self-reliance; into more independence and away from more Government dependence.

This bill has time limits. This bill has real work requirements. This bill is real welfare reform.

President Clinton, as a candidate and also recently, has been saying that we need to end welfare as we know it. I have applauded that comment. But, unfortunately, his actions have not done that. He has vetoed real welfare reform twice. I hope he does not veto this bill.

A "yes" vote, in my opinion, is a vote for real welfare reform. A "no" vote is a vote for status quo; the continuation of a welfare cycle in a welfare system that unfortunately is a real failure.

I thank my leader.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. DASCHLE. Mr. President, let me begin by congratulating the distinguished Senator from Nebraska for his admirable job in helping to manage this piece of legislation on the Senate floor. I also want to commend the distinguished Senator from Connecticut, Senator DODD, the Senator from Maryland, Senator MIKULSKI, Senator BREAUX, and so many others on our side who have worked so diligently now over the better part of 18 months in an effort to bring us to this point.

I think it is fair to say that everyone of us knows that reform is necessary.

We also know after the experience we have had for the last 18 months that there is no easy solution.

Democrats offered the "Work First" bill that did three things: It required work for benefits. It provided flexibility for States, and it required protection for children. I am disappointed that not one Republican voted for that piece of legislation.

Every single Democrat supported welfare reform when it came to the Senate floor—not once, not twice, but on three different occasions.

In spite of our failure to convince our Republican colleagues to join us in passing a bill that represented meaningful welfare reform, Democrats have worked with Republicans to improve the pending bill.

There are, as a result of our amendments, more resources for child care. There is a greater requirement for States for maintenance of State effort. There is a requirement for access to Medicaid and food assistance, and protection for women from domestic violence.

So now at this hour at the end of this debate the question is very simple: Is this bill now good enough to pass? In my view, unfortunately, the answer is no. Too many kids will still be punished. Too many promises about work will remain unfulfilled. Too many opportunities to truly reform welfare will have been lost.

The Congressional Budget Office says that most States, even with the bill before us today at this moment, will fail to meet the work requirement. The Congressional Budget Office says there are insufficient funds in this legislation to make a meaningful difference. The bill is heavy on rhetoric, and we have heard a lot of it today and throughout this debate. But in my view, Mr. President, this bill is still too light on real reform. It is either a huge new unfunded mandate to the States, or an admission by Republicans that they really do not expect this bill to work in the first place.

But perhaps my biggest concern is the concern that many of us share for children. This bill says that it does not matter how bad things are, how destitute, how sick, or how poor kids may be. Kids of any age—6 months or 6 years—are going to have to fend for themselves. When it comes to kids, when it comes to their safety net, this bill is still too punitive.

And I have heard the discussion of a list of other Federal programs that may be provided. But, Mr. President, the emphasis is on "may." We are talking for the most part about discretionary programs here that are in large measure underfunded today.

Eight million children in this country do not deserve to be punished. They need to be protected.

You can come up with a litany as long as you want of programs that technically are designed to provide assistance. But, if they do not have the resources, if we do not have the safety net, if they do not have the opportunities to access those programs, then, Mr. President, they are meaningless.

Finally, the treatment of legal immigrants in this bill is far too harsh. We ought to require more responsibility of sponsors, and the "Work First" bill did that. But this bill even cuts off assistance to legal immigrants who are disabled. What kind of message does that send about what kind of people we are? We can do better than this. On a matter so important we have no choice but to do better.

This bill must be improved. This bill must protect kids. It must not force the States to solve these problems by themselves. It must provide some empathy for disabled citizens regardless of where they have come from.

We can improve it in conference, if the political will is there—since we are not doing it here. Or, we are not doing it this afternoon. But, because it is not done, the best vote on this bill, the best vote at this time, is to vote "no."

Mr. President, I ask unanimous consent that excerpts from the CBO report, to which I referred about the States' inability to meet the work rates under the pending bill, be printed in the RECORD.

I yield the floor.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

First, the bill requires that, in 1997, states have 25 percent of certain families receiving cash assistance in work activities. The participation rates rise by 5 percentage points a year through 2002. Participants would be required to work 20 hours a week through 1998, 25 hours in 1999, 30 hours in 2000 and 2001, and 35 hours in 2002 and after. Families with no adult recipient or with a recipient experiencing a sanction for non-participation (for up to 3 months) are not included in the participation calculation. Families in which the youngest child is less than one year old would be exempt at state option. A state could exempt a family for a maximum of one year.

States would have to show on a monthly basis that individuals in 50 percent of all non-exempt families are participating in work activities in 2002. CBO estimates that this would require participation of 1.7 million families. By contrast, program data for 1994 indicate that, in an average month, approximately 450,000 individuals participated in the JOBS program. (The bill limits the number of individuals in education and training programs that could be counted as participants, so many of these individuals would not qualify as participants under the new program). Most states would be unlikely to satisfy this requirement for several reasons. The costs of administering such a large scale work and training program would be high, and federal funding would be frozen at historic levels. Because the pay-off for such programs has been shown to be low in terms of reductions in the welfare caseload, states may be reluctant to commit their own funds to employment programs. Moreover, although states may succeed in reducing their caseloads through other measures, which would in turn free up federal funds for training, the requirements would still be difficult to meet because the remaining caseload would likely consist of individuals who would be the most difficult and expensive to train.

Second, while tracking the work requirement for all families, states simultaneously would track a separate guideline for the smaller number of non-exempt families with two parents participating in the AFDC-Unemployed Parent (AFDC–UP) program. By 2002, the bill would require that 90 percent of such families have an adult participate in work-related activities at least 35 hours per week. In addition, if the family used federal funds to pay for child care, the spouse would have to participate in work activities at least 20 hours per week. In 1994, states attempted to implement a requirement that 40 percent of AFDC–UP families participate, and roughly 40 states failed the requirement.

Finally, states would have to ensure that all parents who have received cash assistance for two years or more since the bill's effective date. The experience of the JOBS program to date suggests that such a requirement is well outside the states' abilities to implement.

In sum, each work requirement would represent a significant challenge to states. Given the costs and administrative complexities involved, CBO assumes that most states would simply accept penalties rather than implement the requirements. Although the bill would authorize penalties of up to 5 percent of the block grant amount, CBO assumes—consistent with current practice—that the Secretary of Health and Human Services would impose small penalties (less than one-half of one percent of the block grant) on non-complying states.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER (Mr. GORTON). The majority leader.

Mr. LOTT. Mr. President, first I would like to thank the managers of the bill, the Senator from Delaware, Senator ROTH, the Senator from New Mexico, Senator DOMENICI, and the Senator from Nebraska, Senator EXON. I guess Senator EXON is managing his last reconciliation bill on the floor, and maybe he will get to take up a conference report. But I am sure this is a blessing in many ways for the Senator from Nebraska. He has always been very kind and approachable. We appreciate his cooperation—on both sides of the aisle. Senator BREAUX certainly has worked to try to make this a bipartisan bill. Senator HUTCHISON today showed real courage in saying we should keep the formula that has been worked out and has been agreed to.

It has been a very slow process. It has taken too long, in my opinion, to get to this point on this bill. But we are here.

But I am shocked to hear the Democratic leader say after 18 months, after all these efforts, after changes have been made, working across the aisle to get real welfare reform, that the answer will still be no.

I think this is a case of Senators who talk a lot about wanting welfare reform, but every time they have the opportunity to actually do something about it, they back away from it.

Now, we have had amendments accepted on both sides, some that obviously we did not agree with, some that you did not agree with, but it has been a bipartisan effort. So we are now in a position where we can take this positive step forward to go to conference and then send another welfare reform bill to the President.

The Senate stands on the brink of passing a welfare reform bill worthy of the name; not a hollow shell that we will send to the President and say we will give you real welfare reform and not do it.

We have done this before—twice, as a matter of fact—but in both cases, President Clinton vetoed what we sent him. I hope this will not be the case this time around.

After we pass this bill—and I'm certain it will pass—it should not take too long for our Senate and House conferees to work out their differences so we can send a bill to the White House.

I appeal to President Clinton to consider carefully its provisions. They have the broad support of the American people.

They emphasize work as the best way out of the welfare trap. That's why the bill significantly expands resources available to the States for child care. This bill will give States the flexibility they need to help welfare recipients into the mainstream of American life.

The bill also ends the entitlement status of welfare. That's an important step. It will not only help to control costs, but will let State and local governments speed the transition from welfare to productive participation in the economy.

It imposes time limits for welfare and discourages illegitimacy, which everyone now realizes is the single most important root cause of poverty in this country.

A lot of questions have been raised about programs for children. As a matter of fact, there are some 49 programs included in this bill. I ask unanimous consent that this list of selected programs which benefit children be included in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SELECTED PROGRAMS FOR WHICH FAMILIES ON WELFARE WOULD CONTINUE TO BE ELIGIBLE AFTER 5 YEARS

Supplemental Security Income.

Social Services Block Grant.

Medicaid.

Food Stamps.

Maternal and Child Health Services Block Grant Programs.

Community Health Center Services.

Family Planning Methods and Services.

Migrant Health Center Services.

Family nutrition block grant programs.

School-based nutrition block grant programs.

Rental assistance.

Public Housing.

Housing Loan Program.

Housing Interest Reduction Program.

Loans for Rental and Cooperative Housing.

Rental Assistance Payments.

Program of Assistance Payments on Behalf of Homeowners.

Rent Supplement Payments on Behalf of Qualified Tenants.

Loan and Grant Programs for Repair and Improvement of Rural Dwellings.

Loan and Assistance Programs for Housing Farm Labor.

Grants for Preservation and Rehabilitation of Housing.

Grants and Loans for Mutual and Self-Help Housing and Technical Assistance.

Site Loans Program.

Grants for Screening, Referrals, and Education Regarding Lead Poisoning in Infants and Children.

Child Protection Block Grant.

Title XIX-B subpart I and II Public Health Service Act.

Title III Older Americans Act Programs.

Title II-B Domestic Volunteer Service Act Programs.

Title II-C Domestic Volunteer Service Act Programs.

Low-Income Energy Assistance Act Program.

Weatherization Assistance Program.

Community Services Block Grant Act Programs.

Legal Assistance under Legal Services Corporation Act.

Emergency Food and Shelter Grants under McKinney Homeless Act.

Child Care and Development Block Grant Act Programs.

State Program for Providing Child Care (section 402(j) SSA)

Stafford student loan program.

Basic educational opportunity grants.

Federal work Study.

Federal Supplement education opportunity grants.

Federal Perkins loans.

Grants to States for state student incentives.

Grants and fellowships for graduate programs.

Special programs for students whose families are engaged in migrant and seasonal farmwork.

Loans and Scholarships for Education in the Health Professions.

Grants for Immunizations Against Vaccine-Preventable Diseases.

Job Corps.

Summer Youth Employment and Training.

Programs of Training for Disadvantaged Adults under Title II-A and for Disadvantaged Youth under Title II-C of the Job Training Partnership Act.

Earned Income Tax Credit (EITC).

Mr. LOTT. Mr. President, this list includes supplemental security income, social services block grants, Medicaid, food stamps, family nutrition block grants, school-based nutrition block grants, grants for screening, referral and education regarding lead poisoning, not to mention Medicare and housing assistance—a long list of programs that will help children.

So there are good programs here that will be preserved and, in many cases, improved. So if you really want welfare reform, this is it.

This may be the last opportunity to get genuine welfare reform. Vote yes. Send this bill to conference. We will get it out of conference next week, and we will send it to the President before the August recess.

I hope the President will not veto welfare reform for a third time in 18 months.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

I further announce that, if present and voting, the Senator from Hawaii [Mr. INOUYE] would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 74, nays 24, as follows:

[Rollcall Vote No. 232 Leg.]

YEAS—74

Abraham
Ashcroft
Baucus
Bennett
Biden
Bond
Breaux
Brown
Bryan
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
DeWine
Domenici
Dorgan
Exon
Feingold
Ford
Frahm
Frist
Gorton
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Jeffords
Johnston
Kempthorne
Kerry
Kohl
Kyl
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Murkowski
Nickles
Nunn
Pressler
Reid
Robb
Rockefeller
Roth
Santorum
Shelby
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wyden

NAYS—24

Akaka
Bingaman
Boxer
Bradley
Bumpers
Daschle
Dodd
Faircloth
Feinstein
Glenn
Graham
Kennedy
Kerrey
Lautenberg
Leahy
Mikulski
Moseley-Braun
Moynihan
Murray
Pell
Pryor
Sarbanes
Simon
Wellstone

NOT VOTING—2

Inouye
Kassebaum

The bill (H.R. 3734), as amended, was passed.

(The text of the bill will be printed in a future edition of the RECORD.)

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the bill passed.

Mr. COCHRAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senate insists on its amendment, requests a conference with the House and appoints conferees on the part of the Senate.

The Presiding Officer (Mr. GORTON) appointed, from the Committee on the Budget, Mr. DOMENICI, Mr. NICKLES, Mr. GRAMM, Mr. EXON, and Mr. HOLLINGS; from the Committee on Agriculture, Nutrition and Forestry, Mr. LUGAR, Mr. HELMS, Mr. COCHRAN, Mr. SANTORUM, Mr. LEAHY, Mr. HEFLIN, and Mr. HARKIN; from the Committee on Finance, Mr. ROTH, Mr. CHAFEE, Mr. GRASSLEY, Mr. HATCH, Mr. SIMPSON, Mr. MOYNIHAN, Mr. BRADLEY, Mr. PRYOR, and Mr. ROCKEFELLER; from the Committee on Labor and Human Resources, Mrs. KASSEBAUM and Mr. DODD, conferees on the part of the Senate.

Mr. KENNEDY. Mr. President, the cosmetic improvements made in this bad bill cannot possibly justify its passage. It is no answer to say that this bill is less extreme than previous bills. Less extreme is still too extreme.

This bill condemns millions of innocent children to poverty in the name of welfare reform. But no welfare bill worthy of the name reform would lead to such an unconscionable result. This bill is not a welfare reform bill—it is a "Let them eat cake" bill.

In fact, welfare reform would have nothing to do with the tens of billions of dollars in this bill in harsh cuts that hurt children. Cuts of that obscene magnitude are totally unjustified. They are being inflicted for one reason only—to pay for the massive tax breaks for the wealthy that Bob Dole and the Republican majority in Congress still hope to pass. Today the Republican majority has succeeded in pushing extremism and calling it virtue. It is nothing of the sort. This bill will condemn millions of American children to poverty in order to proivde huge tax breaks for the rich.

These are the wrong priorities for America. If children could vote, this Republican plan to slash welfare would be as dead as their plan to slash Medicare. But children don't vote—and they will pay a high price in blighted lives and lost hope.

Perhaps the greatest irony of all is now on display, as America hosts the Olympic games. We justifiably take pride in being the best in many difficult events. We may well win a fistful of golds in Atlanta. But America is not winning any gold medals in caring for children.

The United States already has more children living in poverty—the United States already spend less of its wealth on its children—than 16 out of the 18 major industrial nations in the world. The United States has a larger gap between rich and poor children than any other industrial nation. Children in the United States are twice as likely to be poor than British children, and three times as likely to be poor than French or German children. And we call ourselves the leader of the free world? Shame on us. Shame on the Senate. Surely we can do better—and there is still time to do it.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT FOR FISCAL YEAR 1997

The PRESIDING OFFICER. Under the previous order, the clerk will report H.R. 3603.

The legislative clerk read as follows:

A bill (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997.

The Senate resumed consideration of the bill.

Pending:

Gregg amendment No. 4959, to prohibit the use of funds to make loans to large processors of sugarcane and sugar beets, who has an annual revenue that exceeds $10 million, unless the loans require the processors to repay the full amount of the loans, plus interest.

McCain amendment No. 4968, to reduce funds for the Agricultural Research Service.

Gregg amendment No. 4969 (to amendment No. 4959), to prohibit the use of funds to make loans to large processors of sugarcane and sugar beets, who has an annual revenue that exceeds $15 million, unless the loans require the processors to repay the full amount of the loans, plus interest.

Bryan amendment No. 4977, to establish funding limitations for the market access program.

Kerrey amendment No. 4978, to increase funding for the Grain Inspection, Packers and Stockyards Administration and the Food Safety and Inspection Service.

Kerrey amendment No. 4979, to provide funds for risk management.

Kerrey amendment No. 4980, to provide the Secretary of Agriculture temporary authority for the use of voluntary separation incentives to assist in reducing employment levels.

VOTE ON AMENDMENT NO. 4968

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the McCain amendment No. 4968. The yeas and nays have been ordered.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I have been requested by the Senator from Arizona to ask unanimous consent that the yeas and nays that had been ordered on the McCain amendment be vitiated. I, therefore, ask unanimous consent.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The question is on agreeing to the amendment.

The amendment (No. 4968) was rejected.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4969 TO AMENDMENT NO. 4959

The PRESIDING OFFICER. Under the previous order, the question now occurs on agreeing to the Gregg second-degree amendment No. 4969 on which the yeas and nays have been ordered.

Mr. GREGG addressed the Chair.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. GREGG. Mr. President, I ask unanimous consent that the parties involved in this amendment be given 2 minutes equally divided to present the terms of the amendment.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request to give 2 minutes equally divided on the Gregg amendment? Without objection, it is so ordered.

The Senator from New Hampshire will be recognized when the Senate is in order. The Senate will not proceed until the Senator from New Hampshire can be heard.

The Senator from New Hampshire.

Mr. GREGG. Mr. President, this amendment deals with the sugar program which, over the years, has been debated at considerable length on this floor. It does not deal with the issue of the price of sugar, which is outrageous and the manner in which it is maintained at almost 10 cents more than the world price. It does not deal with the fact that there is a $1.4 billion tax which is basically assessed against the American consumer as a result of the sugar program.

What it does do, however, is deal with the issue of those instances, rare—in fact, I doubt that they would occur often—when someone defaults on their loan on sugar.

Mr. BUMPERS. Mr. President, could we have order? The Senator is entitled to be heard. I do not agree with what he is entitled to be heard on.

The PRESIDING OFFICER. Will Senators conversing in the aisles remove themselves from said aisles?

The Senator from New Hampshire.

Mr. GREGG. Mr. President, in light of the position of the Senator from Arkansas, I am especially appreciative of his courtesy.

The proposal is outlined on this yellow sheet. Somebody from one of the sugar-producing States accused me of yellow journalism, but I hope the Members of the Senate will take time to review the sheet.

It essentially says the sugar program and producers will be put on the same level as students, veterans and homeowners who, when they default on a loan to the Federal Government, are personally responsible to pay it.

Under the program, as currently structured, that is not the case. I could have offered an amendment which would deal with the essence of the sugar program in the pricing policy, which is this outrageous ripoff of the American consumer to the extent of $1.4 billion.

But rather than do that, I have limited this to the issue of liability in the area of a sugar processor who fails to repay their loan. And it only applies to sugar processors with more than $15 million of annual sales. Therefore, I think it is a very reasonable amendment. And I would appreciate the consideration by the body.

Ms. MIKULSKI. Mr. President, I rise in strong support of the Gregg amendment to the agriculture appropriations bill.

I believe it is time to reform the sugar program. The sugar program has become nothing more than corporate welfare for a small group of growers which operates to the detriment of consumers and sugar refiners like Domino Sugar in Baltimore and other refiners around the country.

The Gregg amendment simply requires growers to repay their loans to the Federal Government. It is shocking that sugar growers are the only group of people who do not have to repay their loans to the Government. If students and veterans have to re-pay their loans to the Government, then so should sugar growers.

While the sugar program gives growers a significant advantage, sugar refiners have no such benefits or protection. Sugar refiners must use imported raw product in order to stay in business because there is not enough domestic supply to satisfy demand.

While growers receive artificially high prices, refiners must bear the high cost of domestic product without any benefits or protection. It is time this Government recognize the value of our sugar refining industry and the jobs that depend on it.

Since 1981, the sugar refining industry has lost forty percent of its capacity not to mention the thousands of blue collar jobs that went with it. Sugar refining is one of the few manufacturing industries still left in our inner cities. Domino Sugar in Baltimore employs almost six hundred people. Their jobs are just as important as the jobs of growers.

I urge my colleagues to support the Gregg amendment and vote for fairness in the sugar program.

The PRESIDING OFFICER. Who yields time against the amendment?

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I hope the Senate will join with me and others this afternoon in a motion to table this amendment. We have just crafted a new 7-year farm bill. In a rough and tumble way, we have planned for agriculture, at least as it relates to Government's involvement.

We made major changes in the sugar program. We eliminated marketing allotments, we implemented a 1-cent penalty on loan rates, we created the assessment of $300 million coming into the Treasury all in a sense to create a more balanced field for the production of sugar in our country while there is a more equitable flow of import sugar into our refiners.

The Senator says, let us change the game one more time. I hope that the Senate will work its will, but understand that once we have crafted a farm bill that we would stay with that farm bill for the period of time of that policy. And that is why I hope we will support a motion to table.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. COCHRAN. Mr. President, I move to table the Gregg amendment No. 4959, and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the amendment No. 4959. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

Mr. FORD. I announce that the Senator from Hawaii [Mr. INOUYE] is necessarily absent.

I further announce that, if present and voting, the Senator from Hawaii [Mr. INOUYE] would vote "aye."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 63, nays 35, as follows:

[Rollcall Vote No. 233 Leg.]

YEAS—63

Abraham
Akaka
Baucus
Bennett
Bingaman
Bond
Boxer
Breaux
Brown
Bryan
Bumpers
Burns
Campbell
Cochran
Conrad
Coverdell
Craig
Daschle
Dodd
Dorgan
Exon
Faircloth
Ford
Frahm
Graham
Gramm
Grams
Grassley
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Jeffords
Johnston
Kempthorne
Kerrey
Leahy
Levin
Lieberman
Lott
Mack
McConnell
Moseley-Braun
Murkowski
Murray
Pressler
Pryor
Reid
Robb
Rockefeller
Shelby
Simon
Simpson
Stevens
Thomas
Thurmond
Warner
Wellstone
Wyden

NAYS—35

Ashcroft
Biden
Bradley
Byrd
Chafee
Coats
Cohen
D'Amato
DeWine
Domenici
Feingold
Feinstein
Frist
Glenn
Gorton
Gregg
Kennedy
Kerry
Kohl
Kyl
Lautenberg
Lugar
McCain
Mikulski
Moynihan
Nickles
Nunn
Pell
Roth
Santorum
Sarbanes
Smith
Snowe
Specter
Thompson

NOT VOTING—2

Inouye
Kassebaum

The motion to lay on the table the amendment (No. 4959) was agreed to.

Mr. HEFLIN. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, it is our hope that we will be able to propound a unanimous-consent agreement and get an agreement to take up the remaining amendments on this bill tonight, and for any votes that are required, put them over until tomorrow. That is the effort that we are making now.

There are a number of amendments that we have listed in this proposed agreement. I can read them now. We have given copies to both sides of the aisle. Senators are looking at them in an effort to determine whether this agreement can be reached. I hope it can. I know Senators are tired. They have been here all day.

The leader wants us to finish this bill tonight, but it looks like we cannot because of the long list of amendments. But we can take up the amendments and dispose of the amendments. Those that we cannot dispose of, which require votes, can be voted on tomorrow. That is the suggestion for the further disposition of this Agriculture appropriations bill.

I will be happy to yield to anyone who wants to ask a question about that, or to my distinguished friend from Arkansas, the manager on the Democratic side.

Mr. BUMPERS. Madam President, I ask unanimous consent that Senator HARKIN be added as a cosponsor on amendments Nos. 4979 and 4978.

The PRESIDING OFFICER (Mrs. FRAHM). Without objection, it is so ordered.

Mr. BUMPERS. Madam President, regarding what the Senator just said—and I certainly do not want to take any more time—this is going to be a rather burdensome evening. I am not too hot for this agreement, to tell you the truth. But if we can move expeditiously and get these amendments disposed of—and I defer to the chairman on this—according to my list, we have about five amendments here that have not been cleared. I think that probably the first thing we ought to do is to take the amendments that have been cleared and accept them on both sides and narrow down the list. I think, perhaps, of the remaining amendments, two or three of them will fall. I think that would be an expeditious way to get a resolution of this thing. I do not know whether we are going to get an agreement tonight to say that any amendments that will not be laid down tonight will be in order tomorrow.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Madam President, I would like to understand a bit more about where we are at the moment. I have noticed an amendment dealing with barley and the problem that has come about as a result of the change in the payment rate for barley under the Freedom To Farm Act.

As some of you might know, those who signed up under freedom to farm to raise barley signed up with the understanding that their original payment under the freedom to farm bill was going to be 46 cents a bushel in 1996. Then they were told later that the calculation under the Freedom To Farm Act was inaccurate and that their payment would be 32 cents. That probably doesn't sound like too much to some, but it is a 30 percent reduction from what the estimate would be and the basis on which they signed up for the program—a 30 percent reduction from that level. It is somewhere around $35 million to $39 million. No State in the country raises more barley than North Dakota, and the folks that go out and plant that barley, and expect to harvest it, did so under the provisions of this farm bill, fully expecting to do so receiving 46 cents a bushel as original payment.

Now, I guess the question that I have is whether we can address this issue in this appropriations bill. This appears to be the only opportunity to address this issue on behalf of the barley growers. And before we agree to a unanimous-consent request of some type in order to compress the time and limit the opportunities to address this issue, I say to the manager and ranking member that I very much would like to discuss, at some length, with them how we can address this issue.

I do not think this is a circumstance where we can say this doesn't matter; it won't be addressed. This is a substantial amount of money coming out of the pockets of those who signed up for this program expecting to get a payment of 46 cents a bushel, which, under current circumstances, they will not get. Before I agree to a unanimous-consent request of any kind, I would like to see if we can work through and solve this problem.

Mr. BUMPERS. Madam President, let me say to the Senator from North Dakota that his amendment actually is a farm bill amendment. The chairman and I have both said in our opening statements that we hope we will not get into trying to amend the farm bill that we passed last year.

I have strong empathy for the Senator from North Dakota because he has a great interest in the issue of barley. But I hope that the Senator would be willing to take the manager's word for the fact that this really needs to be considered by the chairman and ranking members of the Agriculture Committee, because that is where this really belongs. To say that if there is a package of farm bill amendments that might be approved by the authorizers at the conclusion of this bill, there might possibly be a chance—and I do not want to guarantee or promise the Senator from North Dakota this, but we might be able to do something at the end in the way of a package of amendments.

In any case, whether we deal with it that way or not, there might be a possibility of doing something with it in conference. I know the Senator from North Dakota feels strongly about this, but I really feel that we probably ought to deal with this in a slightly different way, because it really is an amendment to the farm bill.

Mr. DORGAN. Madam President, that distinction is obviously lost on people who are out there planting barley and who signed up for a program in which they felt they were going to get a 46-cent-per-bushel payment because they were promised that. Then it turns out there was a miscalculation determined by USDA in the process of constructing this farm bill, which results in a 30-percent reduction in the payment they expected.

Now, the Senator from Arkansas is generous, and I appreciate working with him. But he knows, and I know, that we may not have another opportunity to correct this. It seems to me that while one can make the case that this is an authorizing committee issue, one can also make the case that this is an appropriations issue, because the Secretary of Agriculture needs to have the money in order to restore this payment that was promised to family farmers.

This is not a circumstance where there is confusion about what the promise was. The Freedom To Farm Act made specific representations about, if you planted a certain commodity, what kind of payment you would receive for that planting. In the case of barley, there is no confusion. The promise was 46 cents a bushel. Now we are told, for those who fuel up the tractor and plant barley seeds, the thing has changed, the deal is off, there is a 30-percent reduction. That just, I say to my colleagues, is not satisfactory to me. I do not think it is satisfactory to the farmers who believe that we ought to keep our word on this.

So I just would say that I am not interested in any sort of unanimous consent request until we can work through this. I am not trying to draw a line in the sand here. I am just saying that we can work through this. This can be done. This can be solved. This is not a problem for which there is no solution. There is a solution. I think there are no two better people in the Senate to help us address it than the Senator from Mississippi and the Senator from Arkansas. Both of them are about as good at doing these things in the Senate as anybody I know. But I really want us to address this.

As the Senator from Mississippi, for whom I have great respect, knows, I am not sure the amendment is the right amendment, and I am not sure the method I have chosen to pay for this is the right method. In fact, I might prefer a different method. But I gave notice a day or two ago that I would want to deal with this issue on the floor of the Senate when this bill came to the floor.

I also understand those who manage this legislation—and the majority leader, for that matter, and others—would like to just package this up tight, wrap a bow around it, and run it through to final passage in the morning. Gee, I would like to see that happen as well, and I am perfectly willing to see that happen as long as the result of this bill addresses their question of how we make good on our word as a Congress to those that produce barley.

So I know my colleague, Senator CONRAD, has an interest in this as well. But I really do hope that we can visit and find a way to address this problem the way farmers would expect us to address it. They were given a promise. We need to keep that promise. A failure to keep that promise will be a failure on all of our parts. We do not need to fail. We can in this piece of legislation find $35 million and keep the promise that was made to those that raise barley.

I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota is recognized.

Mr. CONRAD. Madam President, I hesitate to extend the discussion of this matter. I would like to rivet the point and confirm what my colleague from North Dakota is saying.

Barley farmers in this country were made a clear promise. They were told they were going to get 46 cents a bushel under this farm bill. Somebody made a miscalculation. We do not know yet whether it was USDA or the Agriculture Committee staffs of the Senate and the House. But we know with great precision what promise was made—46 cents a bushel. That is already a significant reduction from what they would have gotten under previous legislation. But now they are told they are not going to get 46 cents. They are going to get 32 cents.

Farmers have already planted understanding that they were going to receive a certain level of payment. So they have moved on the promise that was made to them. They have planted the crop. It is there. Nothing can be done about it. But we now cannot go back on the pledge that was made to these people and say, "Well, you know that is the way Washington works sometimes. You were told you were going to get something, and on that basis you acted, and now we are going to go back on our word and instead of 46 cents you are going to get 32 cents."

That is an economic disaster to literally thousands of people who plant barley in this country—barley that goes into making beer which is important to our country. You have to have beer. If you do not have beer, what kind of a country have you got?

[Laughter.]

The next thing you know we will have the Germans over here selling all the beer. We do not want to do that to America—to deny those in our country who enjoy a tall cool one; that they are going to have to buy German barley or Canadian barley. They ought to be able to get American barley. And those barley farmers ought to be getting what they were promised.

So I would be very hopeful that our colleagues would recognize this is an extraordinary circumstance that somehow we have to keep our word with respect to what barley farmers were promised.

Mr. DORGAN. Madam President, will the Senator yield?

Mr. CONRAD. Yes.

Mr. DORGAN. I do not want those listening who do not know anything about barley to believe that barley is only used to produce beer. Of course, malting barley is used in the production of beer. But beef barley is used for a great amount of animal feed in this country.

The Senator from North Dakota, Senator CONRAD, makes a point. I would like to stress it. There is not any other commodity in the farm bill that is affected like this. Every other commodity got what they were promised they would get. Every other commodity got what they were promised they would get. But this farm bill contains a provision that says barley will get 46 cents a bushel, and then now it contains another provision that says, "Oops. Oops". Someone made a mistake. Oops. We are $35 million short." "Oops" does not mean very much unless that $35 million comes out of your pocket. Then "oops" is a real serious problem.

All we ask is that we find a way somehow to address this dilemma. The failure to address it now means it will not get addressed. That is why we do not want to miss this moment.

We are not talking about some mountain. We are talking about a relatively small problem that can be fixed—a big problem for barley growers, but a problem that can be fixed without great difficulty, in my judgment,

Madam President, I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Madam President, I appreciate very much the remarks of the distinguished Senators from North Dakota on this barley issue. This is also a subject that is addressed in an amendment that has been crafted and proposed by Senator BURNS of Montana. And the other Senator from Montana, Senator BAUCUS, mentioned to me his interest in the issue. So it is something that Senators on both sides have an interest in.

We would like to see it resolved. Our problem on this appropriations committee is that we have a limited amount of money to allocate among all of these programs administered by the Department of Agriculture. We are advised variously that it would cost up to $40 million. It may not go that high, as the Senator says. It may be $38 million, or something like that.

Rather than spell out specifically a support level in the legislation before the Senate, I hope that we would consider as an option language directing the Secretary of Agriculture to study the suggestion that the Barley program be revised on the grounds and for the reasons stated by the Senators who have spoken and direct that he has the authority to make changes that would result in a fair solution and equitable resolution of the difficulty holding harmless those producers in other commodity programs that already have their signups approved and already have their farm plan in operation.

The reason I say that is one concern I have is that, if we do not have some language like that, the Secretary could take the funds from other commodity programs and give it to the barley producers. And I think we would have a furor on our hands, and that would be understandable.

But so long as the other producers are not harmed by this change, I would have no objection to including language like that in this bill. I think it does have to be cleared by the legislative committee. Senator LUGAR and Senator LEAHY ought to be consulted about it.

What I can say at this point is that the Senators have my assurance that I will try very hard to get language of that kind approved here in the Senate. If we cannot get it spelled out in this bill, we can do it in conference, but at some point to make sure that this problem is addressed in this bill.

I cannot—like the Senator from Arkansas said—guarantee it because I just have 1 vote in here, and there are 99 others. But we can recommend and we can work with the Senators to craft that kind of language. I pledge to them my best efforts to do that.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Madam President, I guess what I would encourage us to do is to work this evening and tomorrow morning to see if we can craft a solution to include in this bill that solves the problem. As the Senator knows, he has been a veteran of these many battles in the Congress directing the Secretary to study something, suggestions that it may or may not get solved, and it may or may not get solved in the next 5 years.

Mr. COCHRAN. If the Senator will yield, there are two parts: The study to do something equitably to address and resolve the issues; and we have to worry, too, about how the Congressional Budget Office may score language like that.

I do not know what their scoring would be. I am sometimes mystified and dumbfounded by the scoring decisions that are made by the Congressional Budget Office on something like this.

So we will have to reserve judgment on that basis. We do not want to put ourselves out of business because of some scoring decision that they make.

Mr. DORGAN. I understand that. My point was that I do not know that the problem needs much study. I understand the problem. We understand that those who signed up with the program who raise barley find out now that they are going to get 30 percent less than the freedom to farm bill proposed at 46 cents a bushel.

Mr. COCHRAN. Madam President, if the Senator will yield, it has to be studied. There was a misinterpretation of estimates provided by Department of Agriculture for the payments for barley producers. But the barley producers were told that an erroneous support level would be made a part of the barley program. Then they found out later that they were wrong and it would be a lower level. Now they are caught in this situation where they do not want to have to admit that the facts were misrepresented about the support level and the basis on which it was calculated.

That is why it ought to be studied because there is a difference of opinion at the Department of Agriculture as to what this level ought to be. I do not know what the level ought to be. You are saying one level. The barley producers are expecting that level that you are talking about. That is the part of the problem.

Mr. DORGAN. The Department indicates that the majority party in constructing the freedom to farm bill made the error. I do not know who made the error. I do know this. That when someone signs up for a program and is told they will get 46 cents a bushel for a barley payment under a contract, and then are told later, "Well, gee. That was wrong. You actually are going to get 30 percent less than that," and, where this is the only crop in the country that is put in that position, our position is let's go ahead and make them whole.

We do not have to wait forever to do that. Let us try to find a way to do that now. It has been kicking around here for a while. I have talked to the

Senator from Montana, Mr. BURNS, so I know you have been working with him, and Senator BAUCUS. My understanding is some of the original discussions about that would be maybe to fix part of the problem.

I would very much like to fix this problem so that those who signed up on the basis of getting 46 cents a bushel for barley will be able to understand that is what they are going to get. That is what everybody else got. Everybody else got exactly what this Congress told them they would get as a payment under freedom to farm. It was a fixed payment. It did not require rocket scientists to understand what it was going to be; it was a fixed payment. Everybody signed up and understood what they were going to get.

The only crop that is disadvantaged this way, the only farmers who are going to be short-changed will be those who raise barley who were told it is not 46; something happened in between with calculations and it will be 30 percent less than that. Our position is that is not the right way to deal with these growers.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. LOTT. I believe that the distinguished chairman of the Agriculture Appropriations Subcommittee has offered to work with the Senator and the other Senator from North Dakota and the Senator from Montana, Mr. BURNS, and has an amendment reservation pending to try work this out in a way that is acceptable to Senators.

We need to get an agreement on how we are going to proceed tonight and in the morning. I would like to propound a unanimous consent agreement, and the chairman, I am sure, is going to be prepared to work with Senators right now and see if he can find something that is acceptable. As he said, he is in an awkward position because he is, in effect, trying to represent what he understood the Agriculture Department's position might be. We are not all barley experts, but he is willing to work with Senators on that.

So let me ask consent so that we try to get agreement on how we proceed. By the way, I want to say the distinguished Democratic leader has been working with me to come up with a fair and equitable way to handle this bill and amendments. There is a lot of emotion on agriculture bills and commodities, and we have worked together to try to come up with a procedure here that will be a fair process that everybody can get their case made and maybe we can go ahead and be working on barley and water rights and peanuts and FDA and everything that is pending.

So I ask unanimous consent that the following amendments be the only remaining first-degree amendments in order to the pending agriculture appropriations bill, that they be subject to relevant second-degree amendments, that no motions to refer be in order and no points of order be considered as having been waived by this agreement. The amendments are as follows and must be offered and debated prior to the close of business this evening with the exception of the Kennedy amendment regarding FDA: Burns regarding barley; Brown regarding water rights; Santorum regarding peanuts, eight amendments, which I hope will wind up being no more than one; the Mikulski amendment regarding FDA; Leahy regarding milk orders; Craig regarding GAO study; Lugar regarding double cropping; Kerrey Nos. 4978, 4979 and 4980; Kennedy regarding an FDA amendment; Simpson regarding wetland easements; a Pell amendment unspecified; Thurmond regarding agriculture research; a Frahm amendment regarding section 515, rental housing program; Bryan No. 4977; and Gregg No. 4955.

I further ask that following the conclusion of debate on the above-listed amendments, any votes ordered with respect to the amendments be stacked to occur beginning at 11 a.m. on Wednesday, tomorrow, with the first vote limited to the standard 15 minutes and any stacked votes thereafter limited to 10 minutes with 2 minutes for debate to be equally divided prior to each vote.

Mr. LEAHY. Madam President, reserving the right to object.

Mr. DORGAN. Reserving the right to object—

The PRESIDING OFFICER. Is there objection?

Mr. LEAHY. Madam President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Madam President, would the distinguished majority leader note on his list instead of an amendment by me on milk orders, that it is an amendment on the Northern Forest Stewardship Act.

Mr. LOTT. Northern Forest Stewardship Act.

Mr. LEAHY. I suspect it is going to be accepted anyway, but it will not be on milk orders.

Mr. LOTT. I amend my unanimous-consent request to reflect that.

Mr. LEAHY. I appreciate it.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Reserving the right to object, it is not my intention to hold up the Senate, and I do want to help this process move along. I am constrained to object at the moment.

What I would like to suggest is that we sit down here for a few minutes and see if we can divine a way by which we can address this problem so that we can have a UC that I would not object to. I do not want to be in a circumstance where we now lock in a process so that at 11:30 in the morning this thing is done and gone and our opportunity to address this issue is over and we are told, well, we are very sympathetic; we think you had an awfully good case; we have 16 people studying it; we have 86 staff people looking at it. And the fact is, nothing will get done and we know that.

So what I want to do, if we can, is spend a few minutes, perhaps in the next few minutes, seeing if we can find a way to solve this problem now that we have the opportunity to solve it, and if we can find a way to do that and find a process by which that can be done, then we can have the unanimous-consent request that I would not object to.

It is not my intention to hold this up. I want to be helpful, but I do also want to be helpful to some thousands of farmers out there who signed up for something that under the current circumstances they will not get, and that is not fair and we ought to fix it. So I do object. I object.

The PRESIDING OFFICER. The Senator from Mississippi still has the floor.

Mr. LOTT. Madam President, as I stand here before you, amendments are coming in. It is growing. If we do not get a unanimous-consent agreement, it is going to continue to grow. We need to get the agriculture appropriations bill done. I understand Senators want to work it out. The Senator has indicated he is willing to do that. But maybe we should just go ahead and go on with the business and get a recorded vote up as soon as we can. I believe we have one we could do on maybe market research, something, but we have to get our work done. If we cannot get a UC, then let us start voting.

Mr. BUMPERS addressed the Chair.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. Is there objection to the request?

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Is there a unanimous-consent request pending?

The PRESIDING OFFICER. There is not.

Mr. LOTT. I do not know if the Senator actually objected or not.

Mr. DORGAN. I did.

Mr. LOTT. He did.

Mr. DORGAN. Madam President, I made the point that if we can take just a couple minutes here, we may be able to solve this problem. I suggest that we have a brief quorum call and see if we could through some discussion solve this problem. It is not my intention to hold up the Senate. I understand exactly what the majority leader wants to do.

Mr. LOTT. I think that is a fair request. Let us make a run at it.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. If I may direct a comment to the majority leader on this—

Mr. DORGAN. Excuse me. Did the Chair note my objection?

Mr. LOTT. The objection was heard, I believe.

The PRESIDING OFFICER. The objection was heard.

Mr. BUMPERS. Let me say, first of all, I want to cooperate with the majority leader. I am afraid, as they say, he has poured out more than we can smooth over this evening. There are a lot of amendments here that are going to require a lot of debate. For example, Senator SANTORUM does not have one amendment; he has eight amendments.

To suggest that all of these amendments will be debated tonight, and we start voting at 11 o'clock in the morning, we would be lucky to finish by 11 o'clock in the morning if we stayed here all night the way I look at this thing. So I would suggest that we try to craft this in such a way that we say, first, these amendments be the only ones in order. I sympathize with that totally, and I think that is the first part of the agreement that we get, if we possibly can, to stop the very hemorrhaging you are talking about of new amendments.

Second, I think we ought to limit the time agreement on these amendments so that we do not take 2 hours. I know Senator KENNEDY feels very strongly about one amendment and wants 2 hours. So I am just saying that if we could limit the amendments in the unanimous-consent agreement—and I do not believe the Senator from North Dakota would object to that—I think we could get that done now, and that would be a major step toward getting this bill finished.

Mr. LOTT. Madam President, let us see if we can get the sticking point we have before us worked out. In the meantime, while the interested parties are talking about that, we will see how we can craft a unanimous consent that would reflect that.

Several Senators addressed the Chair.

Mr. LOTT. I will be glad to yield to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Madam President, I am glad to either file the amendment which I would hope we would have an opportunity to debate—but I am glad to send that at an appropriate time to the desk this evening. I was told by the floor managers they preferred to deal with the agricultural issues this evening. I said I would speak tonight on this amendment. They indicated that, as much as they wanted to hear me speak, they would rather deal with particularly agricultural amendments and then go over until tomorrow.

I want to indicate I am not interested in an undue delay, but I have had a number of Members who have spoken to me, saying that they would like to speak on this issue. I can file the amendment here this evening. We will be prepared to be on the floor at a time to be designated by the leader to either follow those amendments that deal with agriculture or whatever order the majority leader wants. But I want to be able to preserve both my right and time tomorrow to address this issue, which is of major importance and really not relevant to the subject at hand.

The subject at hand is the agricultural appropriations. This is dealing with the Food and Drug Administration. It is a part of a bill that is currently before the Senate and also before the House, where there are good-faith negotiations, allegedly, taking place to try to work out some of the differences. I want to have an opportunity to speak to that issue, but I want to also indicate I have been requested to restrain that now to deal with the agricultural issues. I will follow that request.

Mr. LOTT. Madam President, we have been working as the Senator has been talking. If the Senator will allow me to renew this unanimous-consent request, I think we have something we can get done.

Mr. KENNEDY. Certainly.

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Madam President, I ask unanimous consent the following amendments be the only remaining first-degree amendments in order to the pending agriculture appropriations bill, that they be subject to second-degree amendment, that no motions to refer be in order, and no points of order be considered as having been waived by this agreement. The amendments are as follows. My intent here is to lock in this list of amendments so it will not continue to grow as the night progresses. Here is the list:

Burns, regarding barley; Brown, regarding water rights; Santorum amendments, regarding peanuts; Mikulski, regarding FDA; Leahy, regarding Northern Forest Stewardship Act; Craig, No. 4971; Leahy, regarding double cropping; Kerrey, Nos. 4978, 4979, and 4980; Kennedy, regarding FDA; Simpson, regarding wetlands easements; Bumpers, regarding agriculture research; Thurmond, regarding agriculture research; Frahm, regarding section 515, rental housing program; Bryan, No. 4977; Gregg, No. 4959; Burns, relevant; Smith, relevant; Hatfield, two relevants; Brown, relevant, one, and the second would be water rights task force; Murkowski, two relevant amendments; Domenici, regarding drought; Cochran, two relevant amendments; Hatch, regarding FDA; Lott-Bumpers-Wellstone with two; Daschle with two; Leahy, regarding agriculture; Sarbanes, regarding agriculture; Leahy, regarding wild rice; Dorgan, regarding barley; and Dorgan, regarding a sense of the Senate on Canadian trade; that we would have stacked votes at 11 o'clock on those that have been debated and debate completed, then we would resume after those stacked votes with the remainder of these amendments until we complete the list, many of which I hope will not be offered.

Mr. DASCHLE. Madam President, reserving the right to object.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. For clarification purposes, the majority leader did not note, I do not believe, second-degree amendments would have to be relevant, but I am sure that was the intent.

Mr. LOTT. I may have read over that because I was reading it fast: be subject to relevant second-degree amendments.

Mr. DASCHLE. And there is no time limit on the amendments for purposes of debate?

Mr. LOTT. Not at this time. We are just trying to lock in the list of amendments, which is a lengthy list, and all of our agriculture friends, I am sure, would like to have an agriculture appropriations bill. So we need a little cooperation here.

The PRESIDING OFFICER. Is there objection?

Mr. DASCHLE. Further reserving the right to object, I hope we could agree with this. The majority leader and I have been working. As he made the list, I am quite sure there are at least as many Republican as Democratic amendments, so this is true bipartisanship. There is as much interest in amending this from the Republican side as there is from the Democratic side, so I certainly hope no one would come to any conclusion that it was only the Democrats that were holding this up.

But I do believe this unanimous consent works for both sides. It protects Senators to offer their amendments, and it gives us an opportunity to work tonight to address some of them. I hope we could finish the work sometime tomorrow.

Mr. CONRAD. Reserving the right to object.

Mr. LOTT. I thank the Democratic leader for his effort to be helpful in this regard.

Mr. CONRAD. Reserving the right to object, I ask the able majority leader that I be added, a Conrad amendment with respect to barley, so we have another slot. So, hopefully, we can get this worked out in a way that achieves a result. If we could reach that understanding, I would not object.

Mr. LOTT. I will amend my unanimous-consent request to that extent: Senator Conrad regarding barley.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. If I could ask the distinguished majority leader, did that list include under my name an aquaculture reauthorization?

Mr. LOTT. I had it listed as agriculture. Is it supposed to be aquaculture?

Mr. LEAHY. Aqua. You have to forgive my New England accent.

Mr. LOTT. You talk a little funny.

Mr. LEAHY. We talk a little funny up in New England, but we do our best. I have no objection.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Put my name down for an amendment on dairy.

Mr. LOTT. Heflin regarding dairy. We need to get dairy in here. It would not be a normal agriculture bill without it. All right, sir. We have added that.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. DORGAN. Reserving the right to object, and I will not object to this request, the majority leader does not, by this request, limit the time on the bill. He attempts to limit the amendments that will be offered. I only want to make certain the amendment that he has referenced, the barley amendment that I would offer—you are describing an amendment about barley, not necessarily the amendment that I have sent to the committee. I may want to change the method of paying for that. I assume the unanimous-consent request simply allows me a relevant barley amendment; is that correct?

Mr. BUMPERS. That is right.

Mr. LOTT. Yes, you are on the list for a relevant barley amendment.

Mr. DORGAN. But I am not necessarily tied to the amendment I submitted to the committee. I assume I will be able to modify that amendment.

Mr. LOTT. Any Senator can modify his amendment.

Mr. DORGAN. I will not object.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Then I further ask, as I did earlier, when we begin the stacked votes at 11 o'clock, the first vote be 15 minutes and the stacked votes thereafter be limited to 10 minutes, with 2 minutes of debate equally divided prior to each vote.

Mr. HEFLIN. Reserving the right to object, I sort of feel like some of these things are a little complicated. Could we have, on peanuts, 4 minutes equally divided instead of 2?

Mr. LOTT. If there are any peanut amendments, then 4 minutes on the first of those that might be offered, equally divided. Is that all right?

Mr. HEFLIN. First two. We have eight.

Mr. LOTT. Four minutes on first two equally divided with the hope there would not be more than one. That agreement is included in our request.

Mr. BUMPERS. Reserving the right to object, Madam President, as I understood the unanimous consent agreement, the first part was these amendments would be an exclusive list.

Mr. LOTT. Right.

Mr. BUMPERS. The second part of the agreement, the second unanimous consent agreement said that we would stack votes beginning at 11 o'clock in the morning.

Mr. LOTT. Right, sir.

Mr. BUMPERS. It did not say all of these amendments would be disposed of prior to that time?

Mr. LOTT. No, just those debated and ready for votes.

Mr. BUMPERS. I am confused by the Senator's request for 4 minutes on peanut amendments.

Mr. HEFLIN. If they come up. If we can get everyone to agree to a 4-minute time agreement, maybe we could finish tonight.

Mr. LOTT. He wants 4 minutes immediately prior to the votes in the stacked order.

Mr. BUMPERS. OK.

Mr. LOTT. I renew my request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I think the best thing to do at this point, as laboriously as that agreement was worked out, let us go forward now with the efforts to get an agreement on barley and start taking up the amendments and turn it over to the very able managers of the legislation. I yield the floor.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Madam President, if I could have the attention of the two managers, I do have an amendment on behalf of myself, the Senators from Maine, Ms. SNOWE and Mr. COHEN; the Senators from New Hampshire, Mr. GREGG and Mr. SMITH; the Senator from Vermont, Mr. JEFFORDS; and Senators MOYNIHAN, KENNEDY, and KERRY regarding the northern forest stewardship.

If the managers are in a position to accept this, I am willing to offer it and go forward. If they prefer we wait until a later time, I am willing to do that. I just understand some people want to get some things moving forward. So I ask the distinguished managers, if that is the case, I will offer it on behalf of those Senators, otherwise I will withhold until a later time.

Mr. COCHRAN. Madam President, if the President will yield, let me respond by saying this is an issue that is not an agriculture appropriations issue, as the Senator knows.

Mr. LEAHY. That is right.

Mr. COCHRAN. It is related to forestry and comes under the jurisdiction of other committees. So I am not able to accept the amendment or recommend it be accepted. I understand there are some objections to it.

Mr. LEAHY. I will withhold, Madam President. If I can ask the Senator from Mississippi a further question, my understanding is that under the unanimous-consent agreement we are now operating under, this amendment, however, is protected at least to the extent of being able to bring it up, subject to all the other conditions. If I do not bring it up tonight, it is still protected.

Mr. COCHRAN. As I understand it, he has the right to offer the amendment at any time. He can offer it now, and it will become a pending amendment which will have to be laid aside temporarily to consider other amendments, or he can offer it later.

Mr. LEAHY. Madam President, I believe, then, I will offer it now and then yield to the Senator from Mississippi who will then move to set it aside and make the bill available for other amendments.

AMENDMENT NO. 4987

(Purpose: To implement the recommendations of the Northern Forest Lands Council)

Mr. LEAHY. Madam President, I ask unanimous consent that it be in order to offer an amendment on behalf of myself and Senators SNOWE, GREGG, JEFFORDS, SMITH, COHEN, MOYNIHAN, KENNEDY, and KERRY, and that it be reported and become the pending business.

Mr. CRAIG. Madam President, reserving the right to object.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Madam President, I am attempting to understand this amendment and would like to work with the Senator from Vermont. It has not had the kind of airing I would hope for, and there is a question, as the chairman just said. I do not want to object this evening to this, but I would like to sit down with the Senator from Vermont prior to the consideration of it.

Mr. LEAHY. Madam President, let the distinguished chairman move to set it aside, but it will be there. Under the unanimous-consent agreement, I have the right to bring it up at any time. I will offer it just so I can now leave the floor and it is there. Obviously, it will not be brought up until such time as the distinguished Senator from Idaho and I have had a chance to talk.

Mr. CRAIG. Under that understanding and consideration of the Senator from Vermont, I will not object.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Madam President, I was going to say for point of clarification, there are other amendments pending as well, so it is not like this is the only amendment offered. There is a market access amendment, Senator KERREY has three amendments pending, and there are others, all of which are pending before the Senate now. This is not unusual. The only reason you were asking unanimous consent was so that those could be set aside and you could offer that amendment. I suggest that the clerk report the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Vermont [Mr. LEAHY], for himself, Ms. SNOWE, Mr. GREGG, Mr. JEFFORDS, Mr. SMITH, Mr. COHEN, Mr. MOYNIHAN, Mr. KENNEDY, and Mr. KERRY proposes an amendment numbered 4987.

Mr. LEAHY. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under "Amendments Submitted.")

Mr. LEAHY. Madam President, I rise to seek the Senate's approval of S. 1163, the Northern Forest Stewardship Act, the result of a joint effort on the part of my colleagues from New England and New York—Senators JEFFORDS, GREGG, SMITH, SNOWE, COHEN, MOYNIHAN, KENNEDY, KERRY, and thousands of constituents who live in our region, one characterized by some 26 million acres of forest spanning four States.

The Northern Forest Stewardship Act of 1995, S. 1163, is an example of what Congress can achieve when it heeds the public's voice. The bipartisan legislation that I introduced with several other northern forest Senators on August 10, 1995, is founded on extensive research, open discussion, consensus decisions, and visionary problem solving by the people who have a stake in the future of the forest.

Legislation rarely embodies such a thorough effort by so diverse a constituency. Our goal was to accurately reflect the recommendations of the northern forest communities, envisioned in the final report of the Northern Forest Lands Council.

The council process was initiated to avoid the conflicts that have divided communities in some regions of our country. These conflicts have very often been fueled by misinformation, politics and short-term economic gain.

Over the past 4 years, northern forest communities have made a dedicated effort to develop a shared vision for their future. They have worked hard to arrive at a consensus and our job is to insure that their efforts are rewarded.

This legislation is guided solely by the council's recommendations—it goes no further, nor does it fall short. The bill includes a package of technical and financial assistance which the Congress can and should support.

Between the Family Forestland Preservation Act (S. 692) and the Northern Forest Stewardship Act (S. 1163), Congress can meet the recommendations made by the people of the northern forest.

The Northern Forest Stewardship Act includes provisions on the council's fundamental principles; formation of forestry cooperatives; defining measurable benchmarks for sustainability; a northern forest research cooperative; interstate coordination and dialog; forest-based worker safety and training; funding for land conservation planning and acquisition; landowner liability; and nongame wildlife conservation.

The legislation embodies the conservation ethic of the 1990's—non-regulatory incentives and assistance to realize community-based goals for sustainable economic and environmental prosperity. The rights and responsibilities of landowners are emphasized, the primacy of the States is reinforced, and the traditions of the region are protected. Yet, the bill also promotes new ways of achieving our goals and a common vision that did not exist several years ago.

Moving ahead with the Council's work, we will pursue enhanced forest management, land protection that supports the recreational and wildlife needs of the region, integrated research and decision making, and increased productivity in the traditional as well as new compatible industries.

Through this bill, we can boost sustainable development and protect the ecological integrity of biological resources across the landscape. The Nation has taken notice of this highly successful effort as a model for meeting the conservation challenges of the country, and I am confident of its inevitable success.

We welcomed the constructive input of many people and organizations who compared our legislation with the final recommendations, research, and public participation of the Northern Forest Lands Council.

It was our goal to create the best possible representation of the future described in the report to Congress, Finding Common Ground: Conserving the Northern Forest—to make the Council's solutions work, and work well. I want to thank the many citizens for their hard work which helped shape the final product.

The Northern Forest Stewardship Act is the work of many people. I want to congratulate the members of the council for their success, and most importantly the people of the northern forest for their enthusiasm during the long process. Thousands of people took time to turn out for public meetings and share their views on the northern forest. Hundreds more put pen to paper or picked up the phone to register their thoughts.

Senators GREGG, JEFFORDS, COHEN and SNOWE deserve particular thanks for their contributions to this effort.

The Northern Forest Lands Council recommendations reflect the first, true consensus vision of northern forest communities. We must reward that cooperation by providing a fair and true legislative reflection of their combined wisdom.

Mr. JEFFORDS. Madam President, I rise in support of the Northern Forest Stewardship Act and commend Senator LEAHY for his leadership on this initiative.

It was almost a decade ago that a sudden sale of a large tract of forest land in northern Vermont and New Hampshire forced people to take notice of the value and vulnerability of the timber lands in an area which has become known as the Northern Forest.

Foresters, conservationists, and recreationists became somewhat alarmed at the prospects that these forest lands, long valued for the aforementioned traditional uses, might instead be parceled and sold to bidders whose intentions and values did not necessarily match those of the landowners who had long provided stewardship of these lands.

The States of Vermont, New Hampshire, Maine, and Vermont marshaled their resources and convened a study group to investigate the nature and extent of the matter. We learned, frankly, that some of our concerns were overstated. A study of land transfers did not reveal an imminent threat of large scale land sales. But we also learned how fragile the economics of forestry has become. And if the business of forestry cannot be sustained, then neither can we take for granted the benefits of the wooded lands.

So the Northern Forest Lands Council studied these issues in depth and in 1994, issued its recommendations. These recommendations, it is important to note, reflect a consensus among many sectors concerned with forest issues. The council worked hard to ensure a high level of agreement between diverse constituencies, and we here in Congress have sought to continue in that mode.

We have followed two tracks to implement the consensus recommendations, and the Northern Forest Stewardship Act represents the conservation and stewardship part of the equations. Our goal here has been to closely follow the council's suggestions, and I greatly appreciate the efforts and energies of the many stakeholders who have helped move this initiative forward. This Stewardship Act is designed to help the States and private owners to move forward on many initiatives designed to protect and enhance the forest health, forest economies, and community development.

The other part of the equation has been put forward in a bill sponsored by Senator GREGG. These measures would implement the many Federal tax policy changes recommended by the council. My desire would be to merge the two bills, as one complements the other. As I have said, there is broad agreement that it is increasingly difficult to make a living as a forester, and the tax changes contained in the Gregg bill would be of great benefit to Vermont forestry professionals. While it is not practical or possible to move the Gregg bill in concern with the Stewardship bill at this time, I think it is something toward which we should work, and I know several of my colleagues share this view.

Madam President, this bill is an important step for the Northern Forest. As our progress here tonight is only possible because of the work already done by the Lands Council and all those involved in developing the consensus recommendations, I ask unanimous consent that the mission statement of the Northern Forest Lands Council be printed in the RECORD. This statement reflects the guiding principles of the council, and serves as our benchmark, as well.

There being no objection, the statement was ordered to be printed in the RECORD, as follows;

NORTHERN FOREST LANDS COUNCIL

MISSION STATEMENT

The mission of the Northern Forest Lands Council is to reinforce the traditional patterns of land ownership and uses of large forest areas in the Northern Forest of Maine, New Hampshire, New York, and Vermont, which have characterized these lands for decades. This mission is to be achieve by:

Enhancing the quality of life for local residents through the promotion of economic stability for the people and communities of the area and through the maintenance of large forest areas;

Encouraging the production of a sustainable yield of forest products, and;

Protecting recreational, wildlife, scenic and wildland resources.

Mr. LEAHY. Madam President, I thank my distinguished friend from Mississippi for his usual courtesy and help, and the rest of the Leahy family thanks him, because I think this will make my evening somewhat easier than his.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Madam President, I appreciate the remarks of the Senator from Idaho, who is chairman of the Forestry Subcommittee of the Senate Committee on Agriculture. He is familiar with these issues, and his help and efforts to understand the implications of this amendment will be deeply appreciated.

I am hoping that other Senators can come to the floor and offer their amendments or debate amendments that are pending. We had a lot of debate yesterday on the market access program. I suggest we probably debated that enough. We can vote on that at 11 o'clock in the morning, in accordance with the request of the majority leader.

There may be other amendments that can be voted on at that time as well. Certainly, the market access program is one we fully debated yesterday, and I expect a vote can occur at 11 o'clock on that amendment. There are probably others as well.

There may be some amendments that have been cleared. I do know Senator THURMOND had an amendment that we talked about involving research by the Department of Agriculture. It might be cooperative State research. I am prepared to submit that amendment. I ask unanimous consent that the pending amendments be set aside for the purpose of offering this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4988

(Purpose: To provide funding for the Cooperative State Research, Education, and Extension Service)

Mr. COCHRAN. Madam President, on behalf of the Senator from South Carolina [Mr. THURMOND] and the other Senator from South Carolina [Mr. HOLLINGS], I send an amendment to the desk and ask it be reported.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. THURMOND, for himself, and Mr. HOLLINGS, proposes an amendment numbered 4988.

Mr. COCHRAN. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 12, line 25, strike "$46,330,000" and insert in lieu thereof "$46,830,000".

On page 14, line 10, strike "$418,620,000" and insert in lieu thereof "$419,120,000".

On page 21, line 4, strike "$47,517,000" and insert "$47,017,000".

Mr. THURMOND. Madam President, I rise today, along with my colleague from South Carolina, Senator HOLLINGS, to introduce an amendment to restore funding for three agricultural research projects that are conducted by Clemson University. While I am aware that funding is limited this year for all programs, these particular research projects will benefit all American farmers.

The alternative cropping systems project is a joint research effort with Clemson University, the University of Georgia, and North Carolina State University, which is conducting research in production and marketing of alternative crops to the traditional agronomic crops grown in the southeast. To continue this research, $232,000 is needed.

The peach tree short life research project is currently conducting field trials to determine if a ground cover used in peach orchards inhibits reproduction of ring nematodes, a contributing cause of peach tree short life. This disease causes the premature death of peach trees. Of the $500,000 included in this amendment, $162,000 would be used to continue this research.

The last program this money would be used for is the pest control alternatives research project. Currently, Clemson University is working to develop innovative pest control techniques which help reduce environmental concerns and increase returns to farmers. For this research program, $106,000 is requested.

The consumer is asking for safer food production methods. Further, our farmers need research assistance to help reduce pesticide usage on fruits and vegetables and increase the marketing potential of our crops. These research projects will help find solutions to these problems, thus aiding farmers as well as consumers.

Mr. COCHRAN. Madam President, this amendment has been cleared on both sides. It deals with research in the State of South Carolina. I know of no objection to the amendment.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4988) was agreed to.

AMENDMENT NO. 4989

(Purpose: To make necessary reforms to the rural multifamily loan program of the Rural Housing Service)

Mr. COCHRAN. Madam President, I ask unanimous consent that I be permitted to set aside the pending amendments and send an amendment to the desk on behalf of the Senator from Kansas, Mrs. FRAHM.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mrs. FRAHM, proposes an amendment numbered 4989.

Mr. COCHRAN. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in title VII of the bill, add the following new section:

SEC. 7 . RURAL HOUSING PROGRAM EXTENSIONS.

(a) EXTENSION OF MULTIFAMILY RURAL HOUSING LOAN PROGRAM.—

(1) AUTHORITY TO MAKE LOANS.—Section 515(b)(4) of the Housing Act of 1949 (42 U.S.C. 1485(b)(4) is amended by striking "September 30, 1996" and inserting "September 30, 1997".

(2) SET-ASIDE FOR NONPROFIT ENTITIES.—The first sentence of section 515(w)(1) of the Housing Act of 1949 (42 U.S.C. 1485(w)(1) is amended by striking "fiscal year 1996" and inserting "fiscal year 1997".

(b) EXTENSION OF HOUSING IN UNDERSERVED AREAS PROGRAM.—The first sentence of section 509(f)(4)(A) of the Housing Act of 1949 (42 U.S.C. 1479(f)(4)(A)) is amended by striking "fiscal year 1996" and inserting "fiscal year 1997".

(c) REFORMS FOR MULTIFAMILY RURAL HOUSING LOAN PROGRAM.—

(1) LIMITATION ON PROJECT TRANSFERS.—Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) is amended by inserting after subsection (g) the following new subsection:

"(h) PROJECT TRANSFERS.—After the date of the enactment of the Act entitled 'An Act making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes', the ownership or control of a project for which a loan is made or insured under this section may be transferred only if the Secretary determines that such transfer would further the provision of housing and related facilities for low-income families or persons and would be in the best interests of residents and the Federal Government.".

(2) EQUITY LOANS.—Section 515(f) of the Housing Act of 1949 (42 U.S.C. 1485(t)) is amended—

(A) by striking paragraphs (4) and (5); and

(B) by redesignating paragraphs (6) through (8) as paragraphs (4) through (6), respectively.

(3) EQUITY TAKEOUT LOANS TO EXTEND LOW-INCOME USE.—

(A) AUTHORITY AND LIMITATION.—Section 502(c)(4)(B)(iv) of the Housing Act of 1949 (42 U.S.C. 1472(c)(4)(B)(iv)) is amended by inserting before the period at the end the following: "or under paragraphs (1) and (2) of section 514(j), except that an equity loan referred to in this clause may not be made available after the date of the enactment of the Act entitled 'An Act making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes', unless the Secretary determines that the other incentives available under this subparagraph are not adequate to provide a fair return on the investment of the borrower, to prevent prepayment of the loan insured under section 514 or 515, or to prevent the displacement of tenants of the housing for which the loan was made".

(B) APPROVAL OF ASSISTANCE.—Section 502(c)(4)(C) of the Housing Act of 1959 (42 U.S.C. 1472(c)(4)(C)) is amended by striking "(C)" and all that follows through "provided—" and inserting the following:

"(C) APPROVAL OF ASSISTANCE.—The Secretary may approve assistance under subparagraph (B) for assisted housing only if the restrictive period has expired for any loan for the housing made or insured under section 514 or 515 pursuant to a contract entered into after December 21, 1979, but before the date of the enactment of the Department of Housing and Urban Development Reform Act of 1989, and the Secretary determines that the combination of assistance provided—".

(C) TECHNICAL CORRECTION.—Section 515(c)(1) of the Housing Act of 1949 (42 U.S.C. 1485(c)(1) is amended by striking December 21, 1979" and inserting "December 15, 1989".

(d) EQUITY SKIMMING PENALTIES.—

(1) INSURANCE OF LOANS FOR THE PROVISION OF HOUSING AND RELATED FACILITIES FOR DOMESTIC FARM LABOR.—Section 514 of the Housing Act of 1949 (42 U.S.C. 1484) is amended by adding at the end the following new subsection:

"(j) EQUITY SKIMMING PENALTY.—Whoever, as an owner, agent, or manager, or who is otherwise in custody, control, or possession of property that is security for a loan made or insured under this section willfully uses, or authorizes the use, of any part of the rents, assets, proceeds, income, or other funds derived from such property, for any purpose other than to meet actual or necessary expenses of the property, or for any other purpose not authorized by this title or the regulations adopted pursuant to this title, shall be fined not more than $250,000 or imprisoned not more than 5 years, or both.".

(2) DIRECT AND INSURED LOANS TO PROVIDE HOUSING AND RELATED FACILITIES FOR ELDERLY PERSONS AND FAMILIES IN RURAL AREAS.—Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) is amended by adding at the end the following new subsection:

"(aa) EQUITY SKIMMING PENALTY.—Whoever, as an owner, agent, or manager, or who is otherwise in custody, control, or possession of property that is security for a loan made or insured under this section willfully uses, or authorizes the use, of any part of the rents, assets, proceeds, income, or other funds derived from such property, for any purpose other than to meet actual or necessary expenses of the property, or for any other purpose not authorized by this title or the regulations adopted pursuant to this title, shall be fined not more than $250,000 or imprisoned not more than 5 years, or both.".

Mr. COCHRAN. Madam President, this deals with the 515 housing program, the low-income housing program.

• Mrs. FRAHM. Madam President, this is an amendment to H.R. 3603, the 1997 agriculture appropriations bill, to remedy a problem with an important low-income housing program.

My amendment specifically addresses the Rural Housing Services Program administered by the Department of Agriculture—the so-called section 515 program. This multifamily rural rental housing program is one of the few resources available to give very low-income and low-income residents of rural America access to decent, safe, and affordable housing. My staff has been informed by the CBO that this amendment will not increase the deficit.

While I firmly believe that housing issues and problems are best resolved on the State and local level, as the Agriculture Department still retains control of these programs we should make them work as efficiently as possible. I hope that in the near future we can make sweeping reforms that push these responsibilities to State and local governments; just as our forefathers originally intended when they wrote the tenth amendment.

Despite improvements in housing quality, 2.7 million families still live in substandard housing. According to 1990 census data, rural renters were more than twice as likely to live in substandard housing as people who owned their homes. With lower median income and higher poverty rates than homeowners, many renters simply cannot find decent, affordable housing.

The section 515 program assists the rural elderly, the disabled, and families. The average tenant served by the program has an income of $7,300. In my home state of Kansas the average tenant income is even lower, only $6,590. Make no mistake, these people would not be able to afford decent housing without this program.

My amendment would make several changes to the section 515 program that help alleviate existing problems. It would limit project transfers to instances when the Secretary determines that such transfer would be in the best interest of the Federal Government.

Currently, when a project begins to fail financially, the Rural Housing Service transfers the property to another owner rather than institute foreclosure proceeding. When the property is transferred, the new owner assumes the terms of the old debt, but at the fair market value at the time of the transfer. As many of these properties have decayed and experienced vacancy problems, the appraisal will often be for much less than the previous loan amount. The losses the Government incurs can be substantial as properties age and tax credits are exhausted.

Under current law, an account is established in the Department of Agriculture to offset the cost of guarantees for private-market equity takeout loans. Owners pay a certain amount into the account to offset the future cost of those loan guarantees.

Current law requires each owner to deposit $2 per unit rent into the reserve account each month. It further allows the owner to increase the per unit rent by this amount to pay for these deposits. Since tenants are limited as to how much they can pay for rent, these payments must come from additional rental assistance. My amendment would reduce the cost of rental assistance by no longer letting owners increase the rents to fund their deposits into the reserve.

The most important part of the amendment is the addition of criminal penalties for any owner, agent, or manager who willfully uses or authorizes the use of rents or income of the property for any purpose other than to meet actual or necessary expenses. This provides an effective deterrent to wrongdoing by unscrupulous participants.

Madam President, I believe these modifications to the section 515 program are a good first step toward getting the program back on track. They return the program to its important public purpose, one that has worked in Kansas, of creating safe and sanitary rental alternatives for very low-income residents in America's rural communities. I ask that my colleagues support my amendment and urge its adoption.•

Mr. D'AMATO. Madam President, I rise to support the amendment sponsored by the gentlelady from Kansas which would reform the Department of Agriculture's section 515 Rural Rental Loan Program. I salute Senator FRAHM for her dedication and commitment to reforming and improving this program which serves as the only source of affordable rental housing in much of our Nation's rural areas. As chairman of the Committee on Banking, Housing and Urban Affairs I would like to personally commend our newest Member for her quick action in proposing bipartisan reform measures which should become law this year.

I would also like to express appreciation to Senator COCHRAN and Senator BUMPERS for their consideration of this amendment at the request of the Banking Committee. The Banking Committee will consider more comprehensive reforms to the section 515 program in the context of an overall examination of housing programs within the Rural Housing Service of the Department of Agriculture. However, Senator FRAHM's amendment includes changes to section 515 which are overdue and should be made in advance of a thorough analysis of this important program.

This amendment would respond to a February, 1996 evaluation report entitled "Legislative Proposals to Strengthen the Rural Housing Services' Rural Rental Housing Program" issued by the Department of Agriculture's Office of Inspector General. Specifically, the amendment would include the inspector general's No. 1 legislative objective—the enactment of civil and criminal penalties for participants in the program that misuse rural rental housing project assets or income. It is absolutely imperative that those in criminal violation be swiftly and severely punished. Specifically, any owner, agent or manager of section 515 or section 414 farm labor housing projects that willfully uses or authorizes the use of any part of the rents, assets, proceeds, income or other funds derived from the property for an unauthorized purpose may be fined up to $250,000 or imprisoned for up to 5 years.

In addition, the amendment would make reforms to the section 515 program which include: the prohibition of transfer of ownership of a project unless the Secretary of Agriculture—Secretary—determines that such transfer would further the provision of low-income housing and be in the best interests of residents and the Federal Government; the elimination of the occupancy surcharge charged to residents to fund equity loans; and the requirement that an equity loan may not be made unless the Secretary determines that available incentives are not adequate to provide a fair return on the investment, prevent prepayment, and prevent resident displacement.

Finally, the amendment would extend the section 515 program for 1 year, from its current expiration date of September 30, 1996 to September 30, 1997. A permanent extension will be considered during comprehensive reform of the program.

The need for affordable housing in rural areas is severe. The 1990 census estimated that 2.7 million rural Americans live in substandard housing. The section 515 program is one of the few resources available to respond to this critical unmet housing need. Since its inception in 1962, the section 515 program has financed the development of over 450,000 affordable rental units in over 18,000 apartment projects. The program assists elderly, disabled, and low-income rural families with an average income of $7,300.

I thank Senator FRAHM for her recognition of the great need for this program and her steadfast commitment to ensuring that every Federal dollar appropriated serves the greatest number of rural poor. I look forward to working with her to further improve this much needed program in the future and I support immediate passage of this amendment. Thank you.

Mr. COCHRAN. Madam President, I know of no objection to this amendment, and I recommend its approval.

Mr. BUMPERS. The amendment has been cleared on this side.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4989) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COCHRAN. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COCHRAN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Madam President, on the authority of the majority leader, I can announce there will be no further rollcall votes this evening. That information is being hotlined to all Senators' offices, but for those who might be watching their television monitor, there will be no more votes this evening. The first vote will occur tomorrow no earlier than 11 o'clock a.m.

AMENDMENT NO. 4990

(Purpose: To reauthorize the National Aquaculture Act of 1980)

Mr. BUMPERS. Madam President, on behalf of Senator LEAHY, I send an amendment to the desk.

The PRESIDING OFFICER. If there is no objection, the pending amendments are set aside, and the clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS], for Mr. LEAHY, proposes an amendment numbered 4990.

Mr. BUMPERS. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, and the following:

SEC. . REAUTHORIZATION OF NATIONAL AQUACULTURE ACT OF 1980.

Section 10 of the National Aquaculture Act of 1980 (16 U.S.C. 2809) is amended by striking "1991, 1992, and 1993" each place it appears and inserting "1991 through 1997".

Mr. BUMPERS. This is an amendment offered on behalf of Senator LEAHY dealing with reauthorization of the aquaculture program. It has been cleared on both sides.

Mr. COCHRAN. We have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 4990) was agreed to.

Mr. BUMPERS. Madam President, I move to reconsider the vote.

Mr. COCHRAN. Madam President, I move to reconsider the vote.

The motion to lay on the table was agreed to.

AMENDMENTS NOS. 4991 AND 4992, EN BLOC

Mr. BUMPERS. Madam President, I send two amendments to the desk on behalf of Senator KERREY of Nebraska that I understand have been cleared on both sides.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] for Mr. KERREY, proposes amendments numbered 4991 and 4992, en bloc.

The amendments (Nos. 4991 and 4992) are as follows:

AMENDMENT NO. 4991

(Purpose: To provide the Secretary of Agriculture authority through fiscal year 2000 for the use of voluntary separation incentives to assist in reducing employment levels, and for other purposes)

In lieu of the pending amendment insert the following:

SEC. . DEPARTMENT OF AGRICULTURE VOLUNTARY SEPARATION INCENTIVE PAYMENTS.

(a) DEFINITIONS.—For the purposes of this section—

(1) the term "agency" means the Department of Agriculture;

(2) the term "employee" mean an employee (as defined by section 2105 of title 5, United States Code) who is employed by the agency (or an individual employed by a county committee established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5))), is serving under an appointment without time limitation, and has been currently employed for a continuous period of at least 3 years, but does not include—

(A) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the agency;

(B) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under the applicable retirement system referred to in subparagraph (A);

(C) an employee who is in receipt of a specific notice of involuntary separation for misconduct or unacceptable performance;

(D) an employee who, upon completing an additional period of service as referred to in section 3(b)(2)(B)(ii) of the Federal Workforce Restructuring Act of 1994 (5 U.S.C. 5597 note), would qualify for a voluntary separation incentive payment under section 3 of such Act;

(E) an employee who has previously received any voluntary separation incentive payment by the Federal Government under this section or any other authority and has not repaid such payment;

(F) an employee covered by statutory reemployment rights who is on transfer to another organization; or

(G) any employee who, during the twenty-four month period preceding the date of separation, has received a recruitment or relocation bonus under section 5753 of title 5, Untied States Code, or who, within the twelve month period preceding the date of separation, received a retention allowance under section 5754 of title 5, United States Code.

(b) AGENCY STRATEGIC PLAN.—

(1) IN GENERAL.—The head of the agency, prior to obligating any resources for voluntary separation incentive payments, shall submit to the House and Senate Committees on Appropriations and the Committee on Governmental Affairs of the Senate and the Committee on Government Reform and Oversight of the House of Representatives a strategic plan outlining the intended use of such incentive payments and a proposed organizational chart for the agency once such incentive payments have been completed.

(2) CONTENTS.—The agency's plan shall include—

(A) the positions and functions to be reduced or eliminated, identified by organizational unit, geographic location, occupational category and grade level;

(B) the number and amounts of voluntary separation incentive payments to be offered; and

(C) a description of how the agency will operate without the eliminated positions and functions.

(c) AUTHORITY TO PROVIDE VOLUNTARY SEPARATION INCENTIVE PAYMENTS.—

(1) IN GENERAL.—A voluntary separation incentive payment under this section may be paid by an agency to any employee only to the extent necessary to eliminate the positions and functions identified by the strategic plan.

(2) AMOUNT AND TREATMENT OF PAYMENTS.—A voluntary separation incentive payment—

(A) shall be paid in a lump sum after the employee's separation;

(B) shall be paid from appropriations or funds available for the payment of the basic pay of the employees;

(C) shall be equal to the lesser of—

(i) an amount equal to the amount the employee would be entitled to receive under section 5595(c) of title 5, United States Code; or

(ii) an amount determined by the agency head not to exceed $25,000 in fiscal year 1997, $20,000 in fiscal year 1998, $15,000 in fiscal year 1999, or $10,000 in fiscal year 2000;

(D) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit; and

(E) shall not be taken into account in determining the amount of any severance pay to which the employee may be entitled under section 5595 of title 5, United States Code, based on any other separation.

(3) LIMITATION.—No amount shall be payable under this section based on any separation occurring before the date of the enactment of this Act, or after September 30, 2000.

(d) ADDITIONAL AGENCY CONTRIBUTIONS TO THE RETIREMENT FUND.—

(1) IN GENERAL.—In addition to any other payments which it is required to make under subchapter III of chapter 83 of title 5, United States Code, the agency shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 15 percent of the final basic pay of each employee of the agency who is covered under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, to whom a voluntary separation incentive has been paid under this section.

(2) DEFINITION.—For the purpose of paragraph (1), the term "final basic pay", with respect to an employee, means the total amount of basic pay which would be payable for a year of service by such employee, computed using the employee's final rate of basic pay, and, if last serving on other than a full-time basis, with appropriate adjustment therefor.

(e) EFFECT OF SUBSEQUENT EMPLOYMENT WITH THE GOVERNMENT.—An individual who has received a voluntary separation incentive payment under this section and accepts any employment for compensation with the Government of the United States, or who works for any agency of the United States Government through a personal services contract, within 5 years after the date of the separation on which the payment is based shall be required to pay, prior to the individual's first day of employment, the entire amount of the incentive payment to the agency that paid the incentive payment.

(f) REDUCTION OF AGENCY EMPLOYMENT LEVELS.—

(1) IN GENERAL.—The total number of funded employee positions in the agency shall be reduced by one position for each vacancy created by the separation of any employee who has received, or is due to receive, a voluntary separation incentive payment under this section. For the purposes of this subsection, positions shall be counted on a full-time-equivalent basis.

(2) ENFORCEMENT.—The President, through the Office of Management and Budget, shall monitor the agency and take any action necessary to ensure that the requirements of this subsection are met.

(g) EFFECTIVE DATE.—This section shall take effect October 1, 1996.

AMENDMENT NO. 4992

(Purpose: To provide funds for risk management, with an offset)

On page 25, line 16, strike "$795,000,000" and insert "$725,000,000".

On page 29, between lines 7 and 8, insert the following:

RISK MANAGEMENT

For administrative and operating expenses, as authorized by section 226A of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6933), $70,000,000, of which not to exceed $700 shall be available for official reception and representation expenses, as authorized by section 506(i) of the Federal Crop Insurance Act (7 U.S.C. 1506(i): *Provided*, That this appropriation shall be available only to the extent that an official budget request for a specific dollar amount is submitted by the President to Congress.

Mr. BUMPERS. Madam President, I ask unanimous consent that the amendments be agreed to, en bloc.

Mr. COCHRAN. Madam President, we have reviewed the amendments, and they have been cleared on this side.

Mr. BUMPERS. I urge the adoption of the amendments.

The PRESIDING OFFICER. The question is on agreeing to the amendments Nos. 4991 and 4992, en bloc.

The amendments (Nos. 4991 and 4992), en bloc, were agreed to.

Mr. BUMPERS. Madam President, I move to reconsider the vote.

Mr. COCHRAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4993

Mr. BUMPERS. Madam President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 4993.

On page 12, line 25, strike "$46,830,000" and insert in lieu thereof "$47,080,000".

On page 14, line 10, strike "$419,120,000" and insert in lieu thereof "$419,370,000".

On page 21, line 4, strike "$47,017,000" and insert in lieu thereof "$46,767,000".

Mr. BUMPERS. Madam President, this deals with a project in Rhode Island. I think it has been cleared by both sides.

Mr. COCHRAN. Madam President, that amendment has been cleared on this side of the aisle.

The PRESIDING OFFICER. The question is on agreeing to the amendment No. 4993.

The amendment (No. 4993) was agreed to.

Mr. BUMPERS. I move to reconsider the vote.

Mr. COCHRAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BUMPERS. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. COCHRAN. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Madam President, I ask unanimous consent that the pending amendments be set aside so I may offer this amendment on behalf of Senator HEFLIN of Alabama.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 4994

Mr. COCHRAN. Madam President, on behalf of Senator HEFLIN I send an amendment to the desk and ask that it be reported.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN] for Mr. HEFLIN, proposes an amendment numbered 4994.

Mr. COCHRAN. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, insert: "Section 101(b) of the Agriculture and Food Act of 1981 (Public Law 97-98; 7 U.S.C. 608c note) is amended by striking "1996" and inserting "2002".

Mr. COCHRAN. Madam President, this deals with the dairy issue, and it has been cleared on this side of the aisle.

Mr. BUMPERS. It has been cleared on this side of the aisle.

The PRESIDING OFFICER. The question is on agreeing to the amendment No. 4994.

The amendment (No. 4994) was agreed to.

Mr. COCHRAN. I move to reconsider the vote.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COCHRAN. Madam President, I do not know of any other amendments we have cleared at this point. Senators, of course, who would like to offer their amendments tonight should do so. We are going to try to get as many amendments dealt with tonight as we can. But if Senators do not come and offer them, we cannot do anything.

Mr. BUMPERS. Madam President, I would like to fortify what the chairman just said. And that is, that we should not be required—and I do not think we are going to be required—to sit here all night pending some Senator deciding to come over and offer his amendment.

The unanimous-consent agreement has been entered into. Everybody knows which amendments are going to be in order. Senator COCHRAN and I do not have any interest in sitting here during numerous quorum calls hoping that somebody will show up. So I hope Senators will be considerate enough to get them offered and disposed of this evening, if we can. And with that, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. SMITH). Without objection, it is so ordered.

Mr. SANTORUM. Mr. President, I understand that the majority leader is working on an agreement of some sort. So I will not begin any kind of formal amendment proceedings. But I do have an amendment at the desk, which I would like to talk about.

I am not going to offer this amendment. I want to talk about it because I think it is important to realize the cost of the peanut program. Not only do I refer to the cost of the peanut program to the American peanut farmers, to the millions of processing jobs, and to the consumers, but the cost to the Federal Government of the peanut program.

As a result of the past farm bill, we now have a no-cost peanut program. Well, that may be true within the confines of the peanut program, but the program does two things. It limits the amount of peanuts grown for domestic consumption. It is a program that says here is how much will be grown in this country for use in this country. The Department of Agriculture sets that amount. In addition, it doesn't just limit the amount of the peanuts that are grown, it also sets the price.

You might think that I am talking about the former Soviet Union here. No, this is America. We set how much farmers can grow, and we set what we are going to pay for that—all done by the Federal Government—which is an amazing thing, but that is how the peanut program works.

Well, the fact is that the Federal Government is a consumer of peanuts. We have a variety of nutrition programs in the Federal Government. We have TEFAP and the school lunch programs, and all down the list. You would not be surprised that a lot of these programs are focused on kids, and you probably wouldn't be further surprised that one of the major staples of young kids is peanuts and peanut butter. I have a 5-year-old who loves peanut butter. Guess where we have to buy our peanuts for domestic consumption with the Federal programs; we have to buy quota peanuts.

Quota peanuts sell between $600 and $700 a ton. The world market price for peanuts—the price for additional peanuts not grown under the blessings of the Federal Government, which can be sold here but have to be exported—is about $350 to $400 a ton. So the Federal Government has to pay roughly twice what the world pays for peanuts. All these nutrition programs have to pay twice what the world pays for peanuts to go ahead and feed our kids.

The GAO—this was some 6 years ago, and the quota price has jumped around a bit, but it is relatively the same as 6 years ago—said that over $14 million a year the Federal Government spends. Where? Out of the mouths of people who could be fed through Federal nutritious meals. To where? To wealthy quota farmers. That is where that money goes, instead of feeding more kids.

We heard Member after Member, frankly, on both sides of the aisle, say, "What about the kids? Don't you care about the kids? We should have more money to feed these children. We should have more money to take care of these kids." So what do we do with the peanut program? We suck money out of these nutrition programs to go to help kids, and it goes where? To a bunch of wealthy quota owners, many of whom don't even farm the land. They sit all over the world with their little quota that they got passed down from their granddaddies. They take money right out of the mouths of kids in our Federal Government programs.

I had an amendment at the desk that would say that USDA, who purchases peanuts and peanut products for the variety of the nutrition programs that they operate, would not have to buy quota peanuts, would not have to pay twice the world price to feed our poor kids in America.

The problem with that amendment, as I find out, is that the quota has already been set for this year. Thereby, if we took those quota peanuts that—the way they calculate the market and the production—would have ordinarily come to the USDA, we would, in a sense, have more peanuts go on loan, which means the price of the peanut program would go up about $5 million. So we score it as a $5 million loss this year.

Unfortunately, because this is an appropriations bill, I cannot change the law in the future. As a result, the savings in the future are tens of millions of dollars. But because of the quirk in the way this bill is structured, and the way the amendment had to be structured to comply with the bill, the amendment that I have to offer, in fact, would not be a cost-effective amendment. Therefore, I am not going to offer it. But the principle is a solid one.

We just finished welfare reform. We just finished saying that we need to make sure that those resources that we do have dedicated to helping the poor should be used as efficiently and effectively as possible. A lot of the reform we saw in the nutrition programs out of the Department of Agriculture, particularly the Food Stamp Program, were focused in on making this system a more effective and efficient system in delivering services to people who need them in this country. Yet, we have this dinosaur of a program that looks more like something that came out of Communist Russia than out of the United States, which is costing children food.

Let us just lay it on the line. We are taking food out of the mouths of children and putting money in the pockets of wealthy quota holders. Now, that is wrong. That is wrong by anybody's standard. We should fix that.

Unfortunately, again, because of the legislative vehicle we have before us, we cannot fix that. But I will tell you that I will be back. We will talk about this issue. I am anxious to hear how those who defend the peanut program can defend money being taken away from these necessary feeding programs for children to put money in the pockets of wealthy quota holders, most of whom don't even farm their own land to grow peanuts.

At this point, because I understand the majority leader is working on something, I will yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HEFLIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEFLIN. Mr. President, I rise in disagreement with the Senator from Pennsylvania. I do not want to prolong this, so I will make a brief statement.

I assume the distinguished Senator from Pennsylvania was speaking of the amendment he had at the desk, No. 4962, which was the prohibition on purchase of quota peanuts for domestic feeding programs. I assume that is what he had. He was talking about the School Lunch Program. As I understand it, he was saying that, because of the program, the Government has to pay twice the world price—twice as much for peanuts that go to the School Lunch Program and other programs that the Government might be involved in. Unfortunately, I believe that the distinguished Senator is not really familiar with the School Lunch Program and the other USDA commodity distribution programs.

We have a chart here that I will point out briefly, which is based upon USDA calculations. This chart here is designed to show the manufacturer's cost, based on USDA figures, of two jars of peanut butter, both being the same size, both being generic.

This chart shows that the manufacturers are able to make and sell peanut butter to the USDA School Lunch Program at 81 cents a pound. Yet, consumers at the market would pay $1.87 a pound. Eighty-one cents doubled is $1.62. So already when you have a program by which the manufacturers, in effect, bid against each other for the school lunch purchases, it ends up that there are considerable savings.

I would like to point out the pack of peanuts and the jar of peanuts. This chart was prepared before the bill was passed dealing with the farm bill which had the peanut program and in which the peanut program was substantially reformed. In fact, it was reformed to the extent that it is about a 30-percent cut to the producer. But this is where it was prior to that time. A bag of peanuts that cost 50 cents is 99 percent peanuts. This is the jar of peanuts, and of peanut butter, which shows that the farmer was getting 7 cents out of the 50. Then on peanut butter where it is 90 percent peanuts, the farmer was getting 54 cents. That would have been $1.64, and then 44 cents in addition to that, which would be $2.08 for a jar of peanuts which had 90 percent peanuts. But with the cuts that have now taken place under the farm bill and under this reform, you would have to take away 30 percent, which would show 4.9 cents that the farmer got. And here, in regard to the 30 percent, it was changed; the farmer, instead of getting 54 cents, is going to get 38 cents.

There has been a lot of talk that there would be pass-ons by which the savings would be passed on to the consumer. The GAO, in a study, consulted and talked to the manufacturers, and the manufacturers had indicated that they could not guarantee any savings would be passed on in that the money would be used to develop new products and advertising.

It is sort of interesting what has occurred recently in regard to cereals. This is not about peanuts but about cereals. Corn and other grain prices today are at an all-time high. Corn, for example, was at a 5-year historical average of $2.30 a bushel, and the price today on corn is $5.35 a bushel, which is substantially more than double. But yet, the cereal manufacturers have recently reduced the price of their breakfast cereal by as much as 25 percent to 30 percent.

I think this demonstrates that there is very little relationship between what the farmers are paid for their commodity and what food products are sold for at retail.

So, therefore, it ought to be plain that any savings to the manufacturers through reduced or capped costs on the farmer would not translate into savings to the retail consumers.

To give you some idea as to the cost, we have a chart showing what a jar of peanut butter sells for in the United States, being an 18-ounce equivalent jar of brand name peanut butter, not generic. It sells for $2.10. These are USDA figures. In Mexico it is $2.55, and so on.

Actually, ours are the lowest in the world and by far the safest. There are matters pertaining to inspection of foreign peanuts coming in that raise questions concerning food safety because there is a problem that is known as aflatoxin, and aflatoxin in the United States is controlled. It is a disease, and it is such that can cause cancer. But the peanuts that come in from foreign countries do not have the standards that we have in the United States.

I could go on, but I do not want to unduly take time to talk about this. The matter of peanuts could be discussed for a great while. The peanut program has been substantially reformed. The Department is now in the process of implementing the law. I just do not believe that we ought to move at this time to try to change it. Let us see what is going to happen with the program.

So I would say that this is not the time. Most of the peanut farmers have gone to the bank, and they have made their loans. They have made their plans for the year. They have signed up relative to the crop insurance and other things. Now in the middle of a crop year, I just do not believe is the time for us to be changing the peanut program.

I appreciate very much the fact that the distinguished Senator from Pennsylvania is not planning to offer the amendment.

I yield the floor.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the pending amendment be set aside in order to offer a couple of amendments that have been agreed to.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BUMPERS. Mr. President, I ask unanimous consent that an amendment by myself, which was inadvertently left off the unanimous consent agreement list, be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENTS NOS. 4996 AND 4997, EN BLOC

Mr. BUMPERS. Mr. President, I ask unanimous consent that amendment together with an amendment that I would like to offer on behalf of Senator SARBANES and Senator MIKULSKI be considered en bloc. They have been agreed to by both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUMPERS. I send those amendments to the desk.

The PRESIDING OFFICER. The clerk will report the amendments.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes amendments numbered 4996 and 4997, en bloc.

The amendments (Nos. 4996 and 4997), en bloc, are as follows:

On page 42, line 22, after "development", add the following, "as provided under section 747(e) of Public Law 104–127".

AMENDMENT NO. 4997

(Purpose: To restore funding for certain agricultural research programs, with an offset)

On page 5, line 8, strike "$25,587,000" and insert "$23,505,400".

On page 5, line 10, strike "$146,135,000" and insert "$144,053,400".

On page 10, line 18, strike "$721,758,000" and insert "$722,839,600".

Mr. COCHRAN. Mr. President, the amendments have been cleared on this side of the aisle.

Mr. BUMPERS. I urge their adoption.

The PRESIDING OFFICER. Is there no further debate?

Without objection, the amendments are agreed to.

The amendments (Nos. 4996 and 4997), en bloc, were agreed to.

Mr. BUMPERS. Mr. President, I move to reconsider the vote.

Mr. COCHRAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4998

(Purpose: To require that certain funds be used to comply with certain provisions of the Federal Food, Drug, and Cosmetic Act relating to approval deadlines)

Mr. COCHRAN. Mr. President, in behalf of Senator HATCH and Senator HARKIN, I send an amendment to the desk and ask it be considered.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. HATCH, for himself and Mr. HARKIN, proposes an amendment numbered 4998.

Mr. COCHRAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 55, line 7, after the colon, insert the following: *Provided further*, That a sufficient amount of these funds shall be used to ensure compliance with the statutory deadlines set forth in section 505(j)(4)(A) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 355(j)(4)(A)):".

Mr. HATCH. Mr. President, the purpose of this amendment is simple. It directs the Food and Drug Administration [FDA] to devote sufficient resources to making sure that generic drug applications are reviewed within the statutory deadline, which is 180 days.

Many of my colleagues may be surprised to know that the FDA is not meeting this deadline. In fact, it has fallen woefully short of meeting the law's requirement.

It is obvious to me that the Senate has learned one thing from our extensive debate on GATT and pharmaceutical patents over the past 8 months. We all want to do what we can to speed less-costly pharmaceutical products to the marketplace.

And that is the goal of our amendment.

There are two compelling points I want to leave with Members of this body.

The first is that FDA resources devoted to review of generic drugs are insufficient, and are dwindling from an alltime high in 1993.

The second is that the FDA's actual review time for generic drugs is increasing, even while their estimates of that review time would have us believe the time is falling.

Let me elaborate.

On the first point, the FDA estimates that they will devote 390 full-time equivalents [FTE's] to generic drug review in fiscal year 1997, which is down from the fiscal year 1996 estimate of 397 FTE's. It is also down from the actual number of 396 FTE's in fiscal year 1995 and 432 FTE's in fiscal year 1994.

As a matter of fact, statistics provided by the FDA itself indicate that there has been a build up over the past decade from 227 FTE's devoted to generic drug reviews in fiscal year 1986, steadily increasing to the all-time high of 448 FTE's in fiscal year 1993, and now declining each year.

Perhaps not coincidentally, the start of the decline was the exact time when the Prescription Drug User Fee Act [PDUFA] was enacted, the law which guaranteed subsidization of innovator drug reviews through new user fees. Those fees were not applied to generic drug reviews.

On the second point, I would like to note that there is a substantial gap between the FDA's estimates of how long it will take them to review generic drugs and the actual review time.

For 2 recent years for which I have statistics supplied by the FDA, there has been a large discrepancy between the time FDA thinks it will need to review generic drug applications and the actual review time. In fiscal year 1995, for example the FDA told the Appropriations Committee it would take an average of 24 months to review generic drug applications; in fact, it took 34.2 months. The next year, the current fiscal year, even though the FDA had not come close to meeting its target from the year before, FDA estimated that the approval time would fall—to an average of 20 months. In fact, the current estimates are that it is taking an average of 30 months.

What is really astonishing is that the law mandates a 6-month review time.

Instead of seeking the resources to meet that statutory deadline, the FDA has been seeking to expand its regulatory purview, by dusting off old regulations such as "Medguide" or starting new initiatives such as tobacco, each of which undoubtedly requires new funding.

While the FDA blindly rushes to make a case for both initiatives, only part of which is compelling from a public health perspective, I find it intriguing that the Agency has chosen to ignore a statutory mandate on the one hand while it voluntarily seeks to expand its purview on the other.

What is particularly compelling is that, as the review times for generic drugs increased, the review times for innovator drugs has decreased dramatically. It is now about 24 months on average; the median is estimated at 17.5 months.

And so we find ourselves in the ironic position that review times for new drugs—both actual and projected—is shorter than the review time for the generic copies, a position I find untenable.

Mr. President, generic drugs represent a very cost-effective means of controlling health care expenditures.

Any delay in sending these drugs to market increases costs to patients, who may end up paying more for pharmaceuticals, and it increases costs to taxpayers through Government-funded programs such as Medicare and Medicaid.

It is clear to me that the FDA should be giving generic drug applications more attention, not less.

That is the motivation for the amendment we offer today, and I urge its adoption.

Mr. COCHRAN. Mr. President, this is an amendment that deals with a generic drug issue in the Food and Drug Administration jurisdiction. We support passage of the amendment and recommend its approval.

Mr. BUMPERS. Mr. President, the amendment has been cleared on this side. It is agreeable to us.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment.

The amendment (No. 4998) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4999

Mr. COCHRAN. Mr. President, in behalf of the Senator from New Hampshire [Mr. SMITH], I send an amendment to the desk and ask that it be reported.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN], for Mr. SMITH, proposes an amendment numbered 4999.

Mr. COCHRAN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 47, line 17, before the period, insert the following: ": *Provided further*, That, notwithstanding section 306(a)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(7)), the town of Berlin, New Hampshire, shall be eligible during fiscal year 1997 for a grant under the rural utilities assistance program".

Mr. COCHRAN. Mr. President, this amendment has been cleared on this side. It deals with a water issue in the State of New Hampshire. I understand it has been cleared on both sides.

Mr. BUMPERS. Mr. President, let me ask the indulgence of the Senator from Mississippi for a moment. We have not seen the language on this yet. We probably will have no objection but before agreeing to it, we would like to see the language.

Mr. COCHRAN. Mr. President, I ask unanimous consent to withdraw the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4999) was withdrawn.

CANE SUGAR REFINING

Mr. MOYNIHAN. Mr. President, cane sugar refining has been around in America since the beginning of the Republic. Christopher Columbus introduced sugarcane from West Africa to Santo Domingo on his second voyage in 1495. Our Nation's leading cane sugar refiner, Domino Sugar, which is headquartered in New York City, has been in business for nearly 200 years. Domino's Brooklyn refinery has been in operation for 119 years.

The refining industry is an important part of our economy, employing thousands of Americans in good-paying manufacturing jobs. The Domino employees at the Brooklyn plant, for instance, make about $40,000, on average. Domino alone employs over 800 people in New York and 2,000 nationwide. Refined Sugar Inc., located in Yonkers, employs another few hundred. These refining jobs are, for the most part, located in inner cities and along urban waterfronts where other manufacturing jobs are scarce.

But the refining industry is on the brink of collapse. In the last 10 years, the number of cane sugar refineries nationwide has been cut in half, from 22 to 11. Plants in Boston and Philadelphia have closed; a refinery in Hawaii may have to close later this year. Other domestic refiners, including Domino and Refined Sugar Inc., have had to shut down several times because they have been unable to obtain adequate quantities of the raw product and affordable prices.

The domestic refining industry—one of the last bastions of manufacturing in some of our cities—is being crippled by overly restrictive administration of the sugar price support program. The loan rate for sugar is 18 cents per pound. But bowing to pressure from beet sugar producers, the administration has kept cane imports so low that the domestic price for raw sugar has fluctuated between 22 and 25 cents per pound. These prices are far higher than what is necessary to prevent loan forfeitures, and they have stimulated beet sugar production, which has driven down the price of refined sugar. Cane refiners operated in the red throughout 1995.

The situation has eased somewhat this year as the administration belatedly and sporadically increased the quotas. But more is needed, and it is needed urgently, or we will lose this industry.

I understand my colleagues' concerns about potential disruptions to sugar growers in their States. In turn, I would expect them to share my concern about the very real disruptions refiners in my State and elsewhere are experiencing.

The House version of H.R. 3603 includes an eminently sensible provision, section 729, designed to ensure that the sugar price support program is operated in a fashion beneficial for both growers and refiners. The provision stipulated that no Federal funds could be spent to support raw cane sugar prices at more than 117.5 percent of the statutory loan rate of 18 cents per pound. This amounts to a little more than 21 cents per pound. A very reasonable price for producers. More than the loan rate, more than enough to prevent forfeitures—a price sufficient to repay loans and cover interest and transportation of raw sugar to market. And a price at which refiners can operate. In practice, the House provision would require the Secretary of Agriculture to allow sufficient imports from existing quota holders so that the price does not exceed 21.1 cents per pound. Growers would profit. Refiners could stay in business. Adequate supplies would be available at affordable prices.

Let me be clear. I'm no fan of the sugar price support program. It's Soviet-style intervention in the market. But if we are stuck with it—for the time being—at least we can operate the program so that it doesn't drive our refiners out of business.

The House provision does not abolish the sugar program. It does not lower the loan rate for sugar. It will not induce loan forfeitures or cost the Federal Government any money. Indeed, revenue from import duties would increase. And the provision does not open the door for "subsidized European sugar."

I think the House provision is a very fair compromise that balances the interests of producers, refiners, and end users. I urge the Senate conferees to H.R. 3603 to agree to the House provision, or something much like it. Last year, when Congress reviewed the sugar price support program and a majority decided to retain it, there was an understanding the program would be operated in a way that is beneficial not only to producers, but to refiners, users, and consumers alike. Implementation of the program has left something to be desired in this respect. Section 729 would help. I entreat the Senate conferees to H.R. 3603 to support the House provision. Otherwise, we will be driving thousands of manufacturing jobs overseas.

EMERGENCY DISASTER LOAN PROGRAM

Mr. DOMENICI. Mr. President, let me first commend the Chairman on the outstanding work he has done on this important appropriations bill. I would like to bring his attention to one provision in the bill that is especially important to New Mexico and the Southwest in general. The entire Southwest is currently in the grip of the worst drought in half a century. Despite recent rains, stream flows in New Mexico are predicted to be 33 to 100 percent below average through the summer, with no end in sight. This drought has devastated crops and livestock in my State to such an extent that every single county in New Mexico is currently eligible for USDA's disaster assistance programs. I know that every State in the Southwest is suffering just as greatly.

One of the USDA programs that has been critical in helping the citizens of my State cope with this drought is the emergency disaster loan program. The Western Governors' Association has identified funding this program at the maximum level possible as one their top priorities in combating the effects of the drought. Sadly, the Clinton administration chose to zero this crucial program out of its fiscal year 1997 budget. In addition, the House has allocated the program a mere $25 million for fiscal year 1997. Fortunately, under the Chairman's leadership, the Senate has included $75 million for emergency disaster relief. I would like his commitment to fight to maintain the Senate funding level for this much-needed program.

Mr. COCHRAN. I understand just how important the emergency disaster loan program is to those people whose farms and ranches have been devastated by this drought, and I agree with the Senator that it was unfortunate that the Clinton administration chose to zero out the program just when those farmers and ranchers will need it the most. The Senator has my commitment that I will seek to maintain the Senate level of $75 million when this bill goes to conference.

Mr. DOMENICI. I thank the Chairman for his outstanding leadership on this important issue.

RAW CANE SUGAR SUPPLY

Mr. COVERDELL. Mr. President, I commend the chairman for his work on this bill and recognize the delicate balance he must strike in satisfying the varying interests of each Member. I would like to bring to the chairman's attention a situation that has plagued many of our domestic sugar refineries with regard to raw cane sugar supply. Is the chairman aware that the Secretary of Agriculture has administered the Sugar Program in such a manner as to cause shutdowns and cutbacks in certain sugar refineries across the country?

Mr. COCHRAN. Yes, I am aware of this.

Mr. COVERDELL. Is the chairman also aware of the fact that it is the Secretary's responsibility to administer the program in such a manner that provides an adequate supply of sugar to satisfy our domestic needs?

Mr. COCHRAN. I am aware of this and am cognizant of the Senator's point.

Mr. COVERDELL. I would like to advise the chairman that we have a recurring problem with regard to supply of raw sugar for cane refineries in the current administration of the sugar program. I would appreciate the chairman's support in reviewing report language addressing this supply issue as the bill moves to conference. I will be happy to provide him with such language.

Mr. COCHRAN. The comments of the Senator from Georgia are appreciated and his points are well received. We will review such language that the Senator provides in conference.

Mr. COVERDELL. The Senator's overture is appreciated.

AMENDMENT NO. 4995

(Purpose: To prohibit the use of funds to provide a total amount of nonrecourse loans to producers for peanuts in excess of $125,000)

Mr. SANTORUM. Mr. President, I call up amendment No. 4995 and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] proposes an amendment numbered 4995.

Mr. SANTORUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

SEC. . LIMITATION ON AMOUNT OF NONRECOURSE LOANS FOR PEANUTS.

None of the funds appropriated or otherwise made available by this Act may be used to provide to a producer of a crop of quota peanuts a total amount of nonrecourse loans under section 155 of the Agricultural Market Transition Act (7 U.S.C. 7271) in excess of $125,000.

Mr. SANTORUM. I thank the Chair.

Mr. President, I am offering an amendment here that I think remedies a huge inequity in the peanut program that makes the peanut program, frankly, different than any of the other traditional commodity programs in existence. The other commodity programs in existence have a limitation on payments for a particular entity that farms that product, that produces that product. Under the freedom to farm act, the limitation per commodity, per entity—entity can be either a single person or a partnership, corporation or whatever—the limitation of a commodity payment—and for the purposes of making it easier on me—per person is $40,000. Prior to the freedom to farm act the limitation was $50,000 per payment to an entity, to a person. We reduced it to $40,000 in the freedom to farm bill.

Now, unlike all of these other commodity programs, there is no limitation on how much Government support a peanut quota holder can receive. And in fact there are quota holders who receive in Government subsidized quota payments $6 million a year —$6 million in guaranteed income from the Federal Government as a result of the peanut program.

We made some reforms in the freedom to farm bill. This is one area that slipped through the noose. What this amendment does—it is a very simple amendment. It says we are going to limit the benefits of the peanut program to small- and medium-size farmers.

I hear my friends on the other side of the aisle and, frankly, on this side of the aisle who support the peanut program say: You know, Rick, if you go after this program, there are thousands of small farmers in my State you will destroy, the small- and medium-size farmers in my State, if you change the peanut program.

I have been sensitive to that. I understand the rural economy. In many areas where peanuts are grown, there is a limited number of crops that can be grown. Many areas are impoverished. I understand that, and I sympathize with the Members who represent those areas. But what we are talking about here are not small farmers.

Let me review. I have talked about this many, many times, and I have talked about the peanut program. But just let me report to you what a GAO study reported: That 22 percent of the peanut growers in this country receive 85 percent of the quota benefits. What does that mean? You have a bunch of big farmers who get almost all the benefits of this program.

What I am doing here is actually a very modest change, one I would think, if Members want to target these funds, target the benefits of the program to the farmers who need it, then they should be supportive of this. This is one I am hoping we can get some support for.

It is an amendment that says that every entity, person, can get up to—are you ready for this?—$125,000 of loan payments from the Federal Government—$125,000. That means every entity can get that much. If you have $6 million of peanuts to sell, you still get $125,000 at the guaranteed quota price, but the rest you have to sell on your own. If you are producing $6 million worth of peanuts, I would think you have a pretty good slice of the market and you can probably get a pretty good price for your peanuts. What we have done here is focus the program in on the folks who need it the most.

I want to step back and give a little bit of the origin of the peanut program, to show how it has evolved over the years to concentrate more and more of these quotas in the hands of bigger and bigger quota holders. I mentioned before who holds 68 percent of these quotas. A quota is the right to grow peanuts and sell them in this country. You get a quota from the Federal Government. It is passed on from generation to generation. They are sold like stocks. It is a right. It is worth something. It is worth a lot. It is worth $200 to $300 a ton, if you are growing peanuts.

Mr. President, 68 percent of the quota production in this country is held by people who do not touch one speck of dirt. They do not farm a lick. They rent it to somebody else to do it for them. These are people who sit in—I am from Pennsylvania. We have quota holders in Pennsylvania. We do not grow a whole lot of peanuts in Pennsylvania. There are quota holders in New Hampshire, and I am sure they do not grow any peanuts in New Hampshire.

What we are trying to do here is deal with those folks who have sat back and said, "This looks like a pretty good investment. Let's buy some quota shares and make a little money on the Federal Government program." They have done that. They have done very well for many years. Now we are going to say, "Look, you folks, start selling those quotas back to the small farmers."

If anything, what this will accomplish, in my mind, is not to really affect the overall amount of quota peanuts grown. What it will do is make some of these big barons, quota barons, sell their quotas to folks who are out there leasing land right now to grow their additional peanuts, which are peanuts that do not get these big, high prices. Imagine. This is the United States of America. If you do not have a quota to grow peanuts, if you do not have a license from the Federal Government to grow peanuts, you cannot sell your peanuts in this country. This is America. If you do not have a license from the Federal Government to grow peanuts, you cannot sell your peanuts here.

I know some may have just tuned in and thought, "Am I looking at the Russian Duma?" No. This is the U.S. Senate, not the Russian Duma. You are not getting a translation from an interpreter. My lips actually match the words that I am saying. But, in America this goes on every day. This is a program that started during the Depression. They handed out these quotas during the Depression, prior to World War II.

You can imagine who got these quotas. It is no surprise that most of the quotas are held by wealthy landowners. You had to own your land to qualify for a quota. There were a lot of sharecroppers back then, many of them minorities, who did not own their land. Who were these quotas given to? They were given to these local associations to distribute around to their buddies and themselves. It is no shock that a lot of the unwashed never ended up with any quotas. This is a system that, from its origin, is rife with injustice, injustice to the people who grow peanuts, injustice to the consumers who have to pay higher prices as a result.

What we are trying to do here is put one little—little—restriction in, to say

$125,000 of guaranteed income from the Federal Government of 50 percent more than what your peanuts are really worth is a pretty good deal. Take it. Be happy. And sell some of those quotas to other people who can use them and maybe benefit from them a little bit more.

If I was a Senator from the peanut States, I would say this is a good amendment because what this will do is divest a lot of these peanut quotas and give more people a stake in this program. That means more people who want to see this program survive. There are a lot of people in peanut-growing States who do not have quotas who would very much like to see this program go away. We are giving you an opportunity to say let us get some of these benefits, if they are going to continue. I know the powerful Senator from Alabama—and I will miss him, I will miss him as a person, I will not miss him as an adversary on this issue because he whips me every time we come to the floor—but I will tell the Senator from Alabama that he has an opportunity here to broaden his coalition, to get more folks to participate in the quota system because of the limitation on what people can benefit from the program.

I would think, if you are truly concerned about small- and medium-size farms, farms of 100 or 200 acres, if you really are concerned about those folks, then give them a chance here. They will be fine under this amendment. They will not be hurt at all under this amendment. They will not be hurt one bit by this amendment.

I am hopeful that maybe we can get this amendment accepted. It is a change to the peanut program. I know nobody likes to change programs. I heard the Senator from Idaho come down here and say: You know we have 7-year farm bills and 5-year farm bills for a reason. We do not like to change and monkey with these programs year by year, and we want to keep the farm communities stable.

I do not think this will have a major impact on the farm communities. I think what it will do, it will have a major impact on small farmers, on farmers who do not have quotas right now, who will be able now to go out and have quotas available to them because a lot of these wealthy quota barons will have to divest themselves of all these quotas they hold.

Who are they going to sell them to? They are going to sell them to folks who right now have to sweat, toil as hard as the folks who get $650 a ton for their peanuts, and they sweat and toil for $350 a ton for their peanuts. Now we are going to give them a chance at the pot at the end of the rainbow that Washington has created in this program. We are going to get the small and medium-size farmers in Alabama, in Georgia, in Mississippi, in Oklahoma, in Texas, in New Mexico, all over the United States where they grow, now we are going to have people who have heretofore never had the opportunity to enjoy the fruits and benefits of this very generous program, to participate in it. I am hopeful that we can get this amendment accepted.

I think this is an amendment that probably, contrary to my own good, will broaden the base of support of this program by including a lot of small farmers who have heretofore been boxed out by folks who have gobbled up, used their masses of wealth to gobble up these quotas and make money out of this Federal program.

Now we are going to get this money out of the boardrooms in Pittsburgh and in Concord and Boston and Paris and all the other places they own these quotas, and get them back into the hands of the folks who go out everyday and till that soil and make sure those crops are healthy and produce a good yield.

That is the way it should be. If we are going to have a program—and I am resigned to the fact that the Senator from Alabama, the Senators from Georgia and the others, have whopped me fair and square—but I am saying, if we are going to continue this program, let's continue this program to where it benefits everyone—all of the small farmers, all of the medium-size farmers.

If you folks really believe that is who you are representing and you are not representing the big peanut interests, the big guys who come down here in force and lobby and the big guys who are very influential lobbyists, very influential in the political process in these States, if that is not who you are representing, then you will be for this amendment. You will be for an amendment that says "get the big guys out of the big money of big Government and put it back to the little guy who really needs the help."

Mr. President, I yield the floor.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, let me say that one aspect of his argument was agreed to in the recently passed farm bill, when he talks about these people who had quotas and lived in Boston and farmed in Alabama. There was a provision in the farm bill where production was shifted to the family farm, and that was one of the accomplishments that the Senator from Pennsylvania brought about.

He has already brought about several changes in this bill which was in the farm bill. The production will shift to the family farms. Public entities and the out-of-State nonproducers are ineligible now for participation in the program.

What he was talking about, in giving his illustration, he has already accomplished. So that argument, I do not think, is applicable to this amendment.

Originally, the amendment had a $40,000 figure on it. We figured up at 2,500 pounds of production per acre that this would come out to about a farm of about 52 acres, and the national average of the peanut farmer is 98 acres. But he then, in effect, by raising it to 125, has tripled it, which means that basically he is talking about a farm of about 156 acres which would be involved.

The Senator from Pennsylvania confuses payments with a loan. They are two separate and distinct things. You put a commodity in loan; therefore, it is sort of like going to the bank, you get some money. But the commodity is in loan, and it is designed for farmers to use in order that if the price goes up, then they can make money. It is a sort of hedge. The loan program is a Government program designed to allow for generally and, in most of the commodities, for 12 months that it stays in the loan. During that time, the price may go up and down, and the farmer can choose when he wants to sell. It is sort of an aid and assistance, it is not a payment.

Payment limitations, as we have it, have been in the past, up until this farm bill was passed, a limitation on what is known as target prices in a deficiency payment, and that is where the limitations came in as to how much a farmer could draw relative to a deficiency payment.

For example, in cotton, there was a target price that they hoped a cotton farmer might be able to obtain in order to be able to meet the cost of production. As I recall, up until this year, it was 72.9 cents a pound. If the cotton price per pound fell below that price, then that deficiency payment paid the difference between the market price and the target price, but there was a limitation in that.

Loans are different. They are not any type of limitation relative to that. It is a different situation.

Now the farm bill came along and we have a contract price, and there is a limitation relative to contract price. But peanuts have never had any deficiency payments. It has only had a loan; therefore, it is entirely different. You are mixing apples with oranges here, and, therefore, it is a confusing situation.

In regard to peanuts and the fact that he is talking about these people who have these quotas and they do not farm, that is more of the factor of what is known as tenants or leasing. In regard to all of the commodities—these are based on the Bureau of Census figures—actually there are more farmers who farm their land in peanuts than there are in wheat, than there are in soybeans, than there are in cotton. So that argument relative to that, I think, is one that is just misunderstood and a lot of people misunderstand it because of the fact of quotas.

In regard to price, this next chart shows the relationship between the peanuts and the peanut support price and the farm value and the retail price of a 16-ounce jar of peanut butter over a period from 1984 to 1992. That is basically the same as to the present time. The blue shows the support price. The red shows the farm price. And then the green here shows the retail price.

Well, note that really that in the loan price, it has always in each of these years been lower than the farm price that they got on the market. In none of these years has it been where the loan rate of where the Government is involved in it, with the payment—that could be made in the event that the peanuts have defaulted to the loan to the CCC—but in all of those years, the price has always been above the loan rate where he wants to put a limitation in regard to it. So again, that is a misunderstanding of the program as it has occurred over the years relative to this.

Then the argument is made that you have to have a license to sell peanuts in the domestic market. I think you find here that this is a chart which shows that we have had a substantial increase from 1986 now here to 1995 of the number of new farms that receive quotas.

Farmers have easy access into the peanut program. More than 10,000 new farmers received quotas under the peanut program over the last 10 years, proving the point that the program is not closed to outsiders. And so we have had a situation that has developed over the years that has shown that you can grow peanuts, you can start growing peanuts, you can gain quotas, you can do it. And the people that grow peanuts can sell in the U.S. market.

There is, in regard to the national eatable market, restrictions relative to that. But as to the other aspects of it, they can be sold. And you do not have to have a license. You can start growing additional peanuts today anywhere you want to. There are many farmers that are doing that that have started growing it.

In the new farm bill that we had, the peanut is open to new producers, more so than even in the past. Access to the program has been made easier for producers desiring to grow peanuts. So I think there is some confusion.

I think, No. 1, that the Senator from Pennsylvania is to be congratulated relative to the fact that out-of-State people in these nonentities, that are public entities, that held it before —he moved and was able, with the help of his staff, to get that changed.

But we now find that we are in a situation where I think there is confusion here, particularly on a payment as opposed to a loan. They are just two different things. He wants to limit the ability to use the loan. And what he is saying, in arguing on all the rest of the commodities, they have a payment limitation on Government payments to them. So I think there is a distinction there that has sort of been overlooked relative to this.

So we are really talking about small farmers here, when the average peanut farm in the country is 98 acres. And we are talking about here at the utmost this would apply to a farm of about 150 acres. And those are not big farmers, the people involved in it. They are just slightly above what is the average farmer in this country. I yield the floor.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. The Senator from Alabama is a clever man. And he focuses in on a number of farmers. I have never said that there are not a lot of farmers who have a little quota. The point I have tried to make is 22 percent of the farmers own 80 percent of the quota. Sure there are people who have, you know, a little quota here, a little quota there. But it does not amount to much. This program is stacked with the big farmers.

So he makes these arguments that, you know, well, you look at peanuts and cotton and soybeans and that, you know, peanut farmers are a disproportionate number of them, more of them own the farms that they grow peanuts on than cotton, soybeans, and the like. What he does not say in the chart—maybe it is true—he does not say whether those peanut farmers are quota holders or nonquota holders.

Probably a lot of these peanut farmers do own their land but they did not own a quota. He said, well, you know, there are some restrictions. I know it was an euphemism, but he said there are some restrictions on the domestic sale of additional peanuts. I will tell you what those "some restrictions" are. You cannot sell them for eatable use. That is some restriction. I think maybe he meant to say that is sum restriction instead of saying that is some restriction. Maybe it was the emphasis. But that is a complete restriction. You cannot sell them here. You have to sell them overseas. And you have to sell them at a heck of a lot less than what the quota price is.

He said there are, you know, there are no restrictions. Everybody wants to go out and plant peanuts. That is right. No restrictions. Go out and plant peanuts and sell them at $350 a ton, if you own quota, at $400 a ton or $700 a ton, but there is no restriction to sell your peanuts for half the price to the guy next door that has a quota. You are absolutely right. It is a good deal.

But I would just suggest that this amendment, which says that every person who owns a quota of peanuts can put on loan up to $125,000 worth of peanuts, and get a price double the world market, that that is a pretty good deal. I mean, that is a pretty generous offer.

How many peanut growers are we talking about? How many would be covered by this amendment? Oh, about 1,900. So 1,900 farmers would be limited as to how much they could put on loan, a very select few of the tens of thousands, and maybe hundreds of thousands of peanut growers in this country. Talking about 1,900 of the wealthiest farms.

I have made this sound like this is a dramatic change for those folks who are the 1,900 select few. The point of fact is, and the Senator from Alabama knows this, this is not. This is not a substantial amendment. The Senator from Alabama, and folks who know this issue, realize that the only reason you would put your peanuts on loan is if you could not sell your peanuts for more than the quota price.

As we know, as a result of the farm bill, the Secretary of Agriculture has an interest in keeping demand above supply, in other words, shorting the market, keeping the price well above the quota price. Why? Because in the farm bill we say we want peanuts to be a no-cost program. We do not want peanuts to be put on loan and have the Federal Government buy this crop. That is what "put on loan" means. That means the quota holder will sell the peanuts to the Government for that quota price.

We do not want that to happen. The only way you can stop that from happening is to control the amount of peanuts that are open. If you short the market, prices go up. So the only time that this might—this amendment, as minor as it is, as limited as it is to the number of farmers that we are talking about—the only time that this could even have an impact is if there is a huge crop of peanuts in excess of what the Secretary thought could be grown by the number of quota holders.

In that case you are talking about a lot of farmers who have a lot of product, who will sell a goodly amount at the quota price. And they have to sell the rest out on the market and make, I suggest, well above what additional farmers are making. So this is an amendment that is fair.

This is an amendment that has limited scope with respect to the number of people involved and is limited to an occurrence that is not likely to happen, given the controls of the Secretary of Agriculture over the amount of peanuts grown in this country. This truly is an amendment that is more principle than it is of tremendous substance.

That is why I was hoping the Senator from Alabama, who made a lot of arguments about the difference between loans and deficiency payments—and I understand the difference—that is why deficiency payments were limited to $50,000 and I put $125,000 as a loan payment. It is substantially more. There is a reason: Because there is a difference. I recognize that difference. I set a limit that was a very small percentage of the people who farm peanuts. I wanted to get at the hoi polloi of the peanut growers. We have done that. I think this is a fair amendment.

Mr. President, I ask unanimous consent to set aside amendment 4995.

AMENDMENT NO. 4967

(Purpose: To prohibit the use of funds to carry out a peanut program that is operated by a marketing association if the Secretary of Agriculture determines that a member of the Board of Directors of the association has a conflict of interest with respect to the program)

Mr. SANTORUM. I send to the desk an amendment No. 4967.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] proposes an amendment numbered 4967.

Mr. SANTORUM. Mr. President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

SEC. . PROHIBITION ON CONFLICTS OF INTEREST IN PEANUT PRICE SUPPORT PROGRAM.

None of the funds appropriated or otherwise made available by this Act may be used to carry out a peanut program under section 155 of the Agricultural Market Transition Act (7 U.S.C. 7271) or part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) that is operated by a marketing association if the Secretary of Agriculture determines, using standards established to carry out title II of the Ethics in Government Act of 1978 (5 U.S.C. App.), that a member of the Board of Directors of the association has a conflict of interest with respect to the program.

Mr. SANTORUM. This is an amendment that gets, again, to what I see as a group of very influential, wealthy, graced quota holders who have been put in a position to profit extraordinarily by this program, and have put themselves in a position that is, I think, virtually unique in the agriculture industry.

Most of the commodity programs, all but a couple, have been run historically by the U.S. Department of Agriculture. That would make sense. USDA has the authority to oversee these programs, and, as a result, the USDA has taken the responsibility of running the program, of operating their loan programs or deficiency programs, of carrying out the price of programs, of penalizing wrongdoers, of promulgating regulations—all of that has been done within the Department of Agriculture, with the soybean program, the cotton program, and a whole lot of other programs. All of them have been run and operated by a bureaucrat out of USDA, but not the peanut grower. Not the peanut grower.

The Government, USDA, contracts with what are called marketing associations or cooperatives to administer the program. What does that mean? These are associations—get this—these are the people who operate the program, who oversee it, penalize wrongdoers, help promulgate regulations for the program. And who are the people who compose the marketing associations? I will give three guesses—you are right, the quota growers. The people who participate in the program run the program.

Now, some of the skeptics among us might consider that to be a conflict of interest, that people who own the quotas are responsible for overseeing the program of which they benefit, of administering the program of which they benefit, of promulgating regulations of which they benefit, of punishing the wrongdoers among them, of which they benefit.

My amendment is a very simple amendment dealing with conflicts of interest. My amendment is very straightforward. It says you have to comply with the Government standards for conflict of interest. Since you are in a sense an agency of the Federal Government carrying out this program, we will hold you to the same standards as someone who would, in fact, be a member of the Government in administering this program, and that is, you cannot have a conflict of interest.

Now, if they are, in fact, vested, as they are, with the authority to carry out this program and have, in fact, the ministerial duties and other policymaking duties and other programs reserved to USDA, they should be held to the conflict-of-interest standard of a USDA employee administering the program.

I know that sounds like a very radical idea. What that will cause is a much more arm's-length regulation of this industry than the folks who are running it now, for their benefit. Maybe you need to look back historically how these associations—and they have run them for a long time, and maybe this anomaly that has occurred with a small percentage of the farmers owning a big percentage of the quotas is a result of who runs the program. I suggest if we look at these marketing associations that run the programs locally, they probably are not a lot of the folks who have just a ton or two of quota. They are folks who have the big quotas, who have the big interest in this program, and run the program to benefit themselves.

That clearly is a conflict of interest. This has nothing to do with denying anybody a quota. This has nothing to do with, really, reforming the program per se. What this is, again, these are two amendments that I am offering today on peanuts, where I have accepted the fact this program is going to continue. We are going to have a peanut program. I will not mess around with it. Like the Senator from Idaho, Senator CRAIG said, "Do not mess around with these programs; keep them in place so we have some certainty." Well, I am for that. If that is what happens, that is the way it has to be, then that is the way it has to be, but at least have a program that does not benefit the wealthy, which is what my first amendment deals with, and, No. 2, does not have what appears to be a blatant, bald-faced conflict of interest between the people who benefit from the program who also happen to be the very same people who operate and regulate the program.

What I am offering here is an amendment that, again, I hope, given the nature of the amendment, we can get an agreement on this and maybe adopt it tonight with little discussion after mine. I yield the floor.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. There are marketing co-ops. There is the Virginia-Carolina peanut growers marketing cooperative and the Georgia-Florida-Alabama co-op, and the Southwest peanut growers co-op, who are allowed under the USDA regulation to enter into various activities pertaining to the operation of the peanut program.

In regard to this, it is my understanding that the manufacturers are in the process of having a lawsuit pertaining to this issue. They have filed a protest letter to the U.S. Department of Agriculture, but the issue over the years has been worked out with the co-op with the U.S. Department of Agriculture in such a manner as to be within the purview of the ethics rules and regulations. And therefore the concept is not a violation of a conflict of interest. The associations and co-ops are closely supervised by the U.S. Department of Agriculture personnel. They have extensive in-house audits by Government officials, which are conducted each year. It results in cost savings to the Government because the operation is contracted out. These are conducted in small towns where the cost is less than it would be if operated in Washington.

Now, there have been large groups of merchants pertaining to it that have attempted to bid for these positions and to qualify to administer the program, and that has been several years ago, but they did not qualify pertaining to this matter. This is a matter that if there is any violation or any conflict of interest, in our judgment, it ought to be determined by the courts rather than by the Congress at this time, because there is a law firm that is very much involved. They have already filed some letters, and they certainly are in the process of working themselves into a court case pertaining to this matter. But under it, the U.S. Department of Agriculture has clearly looked at this over the years, and they do not feel that this is any violation of any conflict of interest.

Mr. SANTORUM. Mr. President, I just say to the Senator from Alabama that my amendment merely says

> if the Secretary of Agriculture determines, using standards established to carry out title II of the Ethics in Government Act of 1978, that a member of the Board of Directors of the association has a conflict of interest with respect to the program.

You say that is something informally being done. If we have an agreement here, I would be happy to move the amendment and, hopefully, we can adopt it by consent.

Mr. HEFLIN. We can consult with the Department of Agriculture before any agreement relative to this matter. As I understand it, this has been submitted to them and they have objections to it.

Mr. SANTORUM. I can't hear the Senator.

Mr. HEFLIN. As I understand it, this has been shown to the Department of Agriculture, and they have reservations pertaining to this. They are in the process right now of probably becoming involved in a lawsuit. Therefore, they object to it, and because they object to it, I cannot agree to it.

Mr. SANTORUM. Mr. President, I ask for the yeas and nays on this amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4995

Mr. SANTORUM. I call up amendment No. 4995 and ask for the yeas and nays on that amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SANTORUM. I yield the floor to the Senator from Mississippi, so we can all go home.

AMENDMENTS NOS. 4979 AND 4980, WITHDRAWN

Mr. COCHRAN. Earlier tonight, the Senate adopted two amendments offered by the Senator from Nebraska, Mr. KERREY. These were modifications of previous amendments that he had filed and were at the desk.

I, therefore, ask unanimous consent to withdraw amendments Nos. 4979 and 4980, offered previously by the Senator from Nebraska, Senator KERREY.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments (Nos. 4979 and 4980) were withdrawn.

Mr. COCHRAN. Mr. President, there have been cleared two additional amendments—one we offered earlier and had withdrawn, and another amendment.

I will send one up on behalf of Mr. SMITH of New Hampshire, dealing with rural utilities assistance program, and the other offered on behalf of the Senator from Idaho, Mr. CRAIG, and others.

AMENDMENTS NOS. 5000 AND 5001, EN BLOC

Mr. COCHRAN. Mr. President, I send two amendments to the desk, en bloc, and ask for their immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

> The Senator from Mississippi [Mr. COCHRAN] proposes amendments numbered 5000 and 5001, en bloc.

Mr. COCHRAN. Mr. President, I ask unanimous consent that reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 5000

(Purpose: To provide that the town of Berlin, New Hampshire, shall be eligible during fiscal year 1997 for a grant under the rural utilities assistance program)

On page 47, line 17, before the period, insert the following: ": *Provided further*, That, notwithstanding section 306(a)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(7)), the town of Berlin, New Hampshire, shall be eligible during fiscal year 1997 for a grant under the rural utilities assistance program".

AMENDMENT NO. 5001

(Purpose: To require a review and report on the H-2A non immigrant worker program)

At the end of the matter proposed to be inserted by the amendment, insert the following:

SEC. . REVIEW AND REPORT ON H-2A NON IMMIGRANT WORKERS PROGRAM.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that the enactment of this Act may impact the future availability of an adequate work force for the producers of our Nation's labor intensive agricultural commodities and livestock.

(b) REVIEW.—The Comptroller General shall review the effectiveness of the H-2A nonimmigrant worker program to ensure that the program provides a workable safety valve in the event of future shortages of domestic workers after the enactment of this Act. Among other things, the Comptroller General shall review the program to determine—

(1) that the program ensures that an adequate supply of qualified United States workers is available at the time and place needed for employers seeking such workers after the date of enactment of this Act;

(2) that the program ensures that there is timely approval of applications for temporary foreign workers under the H-2A nonimmigrant worker program in the event of shortages of United States workers after the date of enactment of this Act;

(3) that the program ensures that implementation of the H-2A nonimmigrant worker program is not displacing United States agricultural workers or diminishing the terms and conditions of employment of United States agricultural workers; and

(4) if and to what extent the H-2A nonimmigrant worker program is contributing to the problem of illegal immigration.

(c) REPORT.— Not later than December 31, 1996, or three months after the date of enactment of this Act, whichever is sooner, the Comptroller General shall submit a report to Congress setting forth the findings of the review conducted under subsection (b);

(d) DEFINITIONS.—As used in this section—

(1) the term "Comptroller General" means the Comptroller General of the United States; and

(2) the term "H-2A nonimmigrant worker program" means the program for the admission of nonimmigrant aliens described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act.

Mr. COCHRAN. Mr. President, I am authorized to announce to the Senate on behalf of the Senator from Arkansas that these two amendments have been cleared on both sides of the aisle.

The PRESIDING OFFICER. If there is no further debate, without objection, the amendments are agreed to.

The amendments (No. 5000 and No. 5001) were agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MORNING BUSINESS

(During today's session of the Senate, the following business was transacted.)

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Monday, July 22, the Federal debt stood at $5,169,928,910,388.19.

On a per capita basis, every man, woman, and child in America owes $19,483.10 as his or her share of that debt.

REPORT OF A NOTICE CONCERNING THE CONTINUATION OF THE IRAQI EMERGENCY—MESSAGE FROM THE PRESIDENT—PM 164

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Banking, Housing, and Urban Affairs.

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the *Federal Register* and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Iraqi emergency is to continue in effect beyond August 2, 1996, to the *Federal Register* for publication.

The crisis between the United States and Iraq that led to the declaration on August 2, 1990, of a national emergency has not been resolved. The Government of Iraq continues to engage in activities inimical to stability in the Middle East and hostile to United States interests in the region. Such Iraqi actions pose a continuing unusual and extraordinary threat to the national security and vital foreign policy interests of the United States. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure on the Government of Iraq.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 22, 1996.*

MESSAGES FROM THE HOUSE

At 11:22 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3159. An act to amend title 49, United States Code, to authorize appropriations for fiscal years 1997, 1998, and 1999 for the National Transportation Safety Board, and for other purposes.

H.R. 3267. An act to amend title 49, United States Code, to prohibit individuals who do not hold a valid private pilots certificate from manipulating the controls of aircraft in an attempt to set a record or engage in an aeronautical competition or aeronautical feat, and for other purposes.

H.R. 3536. An act to amend title 49, United States Code, to require an air carrier to request and receive certain records before allowing an individual to begin service as a pilot, and for other purposes.

H.R. 3665. An act to transfer to the Secretary of Agriculture the authority to conduct the census of agriculture.

H.R. 3845. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 1997, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following bills:

H.R. 3161. An act to authorize the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of Romania.

H.R. 497. An act to create the National Gambling Impact and Policy Commission.

At 2:02 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 3107) to impose sanctions on persons making certain investments directly and significantly contributing to the enhancement of the ability of Iran or Libya to develop its petroleum resources, and on persons exporting certain items that enhance Libya's weapons or aviation capabilities or enhance Libya's ability to develop its petroleum resources, and for other purposes.

At 4:54 p.m., a message from the House of Representatives, delivered by Mr. Hays, and one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 1627. An act to amend the Federal Insecticide, Fungicide, and Rodenticide Act and the Federal Food, Drug, and Cosmetic Act, and for other purposes.

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 3267. An act to amend title 49, United States Code, to prohibit individuals who do not hold a valid private pilots certificate from manipulating the controls of aircraft in an attempt to set a record or engage in an aeronautical competition or aeronautical feat, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 3536. An act to amend title 49, United States Code, to require an air carrier to request and receive certain records before allowing an individual to begin service as a pilot, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 3845. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 1997, and for other purposes; to the Committee on Appropriations.

MEASURES PLACED ON THE CALENDAR

The following measure was read the first and second times by unanimous consent and placed on the calendar:

H.R. 3159. An act to amend title 49, United States Code, to authorize appropriations for fiscal years 1997, 1998, and 1999 for the National Transportation Safety Board, and for other purposes.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on July 18, 1996 he had presented to the President of the United States, the following enrolled bills:

S. 966. An act for relief of Nathan C. Vance, and for other purposes.

S. 1899. An act entitled the Mollie Beattie Wilderness Area Act.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3514. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "United States Standards for Grades of Frozen Green and Frozen Wax Beans," received on July 19, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3515. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Oranges and Grapefruit Grown in the Lower Rio Grande Valley in Texas," received on July 22, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3516. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Nectarines and Peaches Grown in California," received on July 22, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3517. A communication from the Administrator of the Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled "Tobacco Inspection," received on July 19, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3518. A communication from the General Counsel of the Department of Housing and Urban Development, transmitting, pursuant to law, the report of nine rules including a rule entitled "The Public Housing Management Assessment Program," (FR4048, 3567, 3970, 3447, 3977, 3331, 3957, 3902, 4069) received on July 19, 1996; to the Committee on Banking, Housing, and Urban Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JEFFORDS, from the Committee on Appropriations, with amendments:

H.R. 3845. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending September 30, 1997, and for other purposes (Rept. No. 104–328).

By Mr. HATFIELD, from the Committee on Appropriations:

Special Report entitled "Revised Allocation to Subcommittees of Budget Totals from the Concurrent Resolution for Fiscal Year 1997" (Rept. No. 104–329).

By Mr. SHELBY, from the Committee on Appropriations, with amendments:

H.R. 3756. A bill making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending September 30, 1997, and for other purposes (Rept. No. 104–330).

By Mr. STEVENS, from the Committee on Governmental Affairs, with an amendment in the nature of a substitute and an amendment to the title:

S. 88. A bill to increase the overall economy and efficiency of Government operations and enable more efficient use of Federal funding, by enabling local governments and private, nonprofit organizations to use amounts available under certain Federal assistance programs in accordance with approved local flexibility plans (Rept. No. 104–331).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HOLLINGS (for himself, Mr. THURMOND, Mr. ROBB, Mr. WARNER, Mr. ROCKEFELLER, Mr. D'AMATO, Mr. HELMS, Mr. FAIRCLOTH, Mr. COHEN, Ms. SNOWE, Mr. CAMPBELL, and Mr. FORD):

S. 1982. A bill to provide a remedy to damaging imports of men's and boys' tailored wool apparel assembled in Canada from third country fabric and imported at preferential tariff rates; to the Committee on Finance.

By Mr. INOUYE (for himself, Mr. MCCAIN, and Mr. AKAKA):

S. 1983. A bill to amend the Native American Graves Protection and Repatriation Act to provide for Native Hawaiian organizations, and for other purposes; to the Committee on Indian Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HOLLINGS (for himself, Mr. THURMOND, Mr. ROBB, Mr. WARNER, Mr. ROCKEFELLER, Mr. D'AMATO, Mr. HELMS, Mr. FAIRCLOTH, Mr. COHEN, Ms. SNOWE, Mr. CAMPBELL, and Mr. FORD):

S. 1982. A bill to provide a remedy to damaging imports of men's and boys' tailored wool apparel assembled in Canada from third country fabric and imported at preferential tariff rates; to the Committee on Finance.

THE EMERGENCY SAFEGUARD ACT OF 1996

Mr. HOLLINGS. Mr. President, I rise today to introduce legislation to correct a grievous error committed by U.S. negotiations in the final hours of the NAFTA negotiations. This error has ripped apart the social fabric of dozens of communities as factory after factory in the wool and wool apparel industry have shut their doors. Let me state for the record that I supported the Canadian Free-Trade Agreement, but I was a vigorous opponent of the North American Free-Trade Agreement. The bill I introduced today is not aimed at scuttling the NAFTA. At another time I will debate the merits of the NAFTA. Instead the bill is designed to close a loophole in the NAFTA that has exposed the wool and wool apparel industry to a tidal wave of Canadian imports and has left the industry without a fundamental right to impose a safeguard against import surges. How this industry lost its right to impose a safeguard is one of the tragic stories in the history of trade agreements. In the wee hours of the morning our negotiators bargained away the wool and wool apparel industry in order to secure the Canadians agreement to several provisions of the NAFTA. Mr. President the NAFTA contains a rule of origin for textile products that was supposed to benefit and encourage production in North America. A special tariff preference level was established for fabrics that were in short supply or unavailable. A gentleman's agreement was reached that the products coming in under the TPL would be spread out over a broad range of product categories. Instead, the Canadians have flooded the United States market in one product category, wool suits. These suits which have been dumped into the U.S. market are not made of North American fabric, which is readily available. Instead these suits are made of fabric produced in China, Turkey, and Italy. The last I checked, these countries are not in North America.

Since 1988 as a result of the abuse of the TPL, production of wool suits has declined by 40 percent. Dozens of companies have suffered losses, layed off employees, or in some cases declared bankruptcy. Grief, the third largest manufacturer of suits in the United States, was forced to close plants in Virginia and Pennsylvania. Over 1,300 workers have lost their jobs. The 500 Fashion group, makers of Botany 500, announced that it will close two plants in Pennsylvania and one plant in Florida. Over 1,000 people are now without work.

Plaid, the second largest manufacturer of suits, was forced into bankruptcy. Plants were closed in Georgia, Maryland, Delaware, and Pennsylvania, and 1,500 jobs were eliminated. The same sad story can be told in the fabric industry. Frostman Co., the second largest producer of wool fabric, was forced into bankruptcy. Burlington Industries, the largest producer of wool fabric, has suffered a 30-percent drop in its menswear wool fabric, business and laid off over 1,000 employees.

What recourse do these companies have? Can they, like every other industry in America turn to their Government to seek relief? No, that option was dealt away in the dark of night. So the bill I introduce will correct that situation. It directs the United States Trade Representative to negotiate an agreement with the Canadians. The bill would permit Canada to maintain the same overall level of wool apparel exports to the United States while at the same time preventing serious injury to the United States industry by adjusting the distribution among different product lines. If the Canadians fail to come to an agreement the bill requires that the President apply MFN duty rates to all wool apparel TPL imports from Canada as of March 1, 1997. Mr. President the men and women were unfortunate pawns in an international negotiation. It's time we stood with them and gave them there rights back and protect their jobs.

Mr. ROCKEFELLER. Mr. President, I join Senator HOLLINGS and others as a cosponsor of the Emergency Safeguard Act of 1996, and call on the Congress to move this bill with great haste. This is vitally important to over 600 employees of Corbin Limited in West Virginia, who are facing an unprecedented threat from a surge in imports of wool suits from Canada.

Those of us who opposed the North American Free-Trade Agreement [NAFTA] did not want to find ourselves with situations like this, but we certainly feared they would occur. In this case, decisive action is now needed to stand up for American workers and industries facing an unfair threat.

Three years ago, when explaining my vote against the NAFTA, I pointed to the disparities between the economies of Canada, the United States, and Mexico, as a primary reason for opposing the trade agreement. At that time, I did not think it was right to ask West Virginia and other States with fragile economies to absorb the brunt of forced integration with Mexico. I was particularly concerned that workers in our labor intensive industries would face a considerable threat from much lower wage Mexican workers.

Since that time, in the last 2-plus years, many of my concerns have proved well founded. Certainly, last year's bailout of the Mexican peso is the most conspicuous evidence of problems raised by the NAFTA, but today I am here for a wholly different reason.

Today, I am forced to discuss a problem with our neighbors to the North—specifically to textile manufacturers in Canada.

During consideration of the NAFTA, a provision was inserted at the last minute which allowed Canadian manufacturers to import fabrics from third countries nearly duty free—compared with the 36 percent duties that we pay—and then export finished garments to the United States regardless of the harm they might do to American industry and workers.

Specifically, the provision precluded taking what are known as "safeguard" measures under the NAFTA for wool apparel exported to the United States under the tariff preference levels established during the Canada-United States Free-Trade Agreement. At that time, the Canadians assured our negotiators that this loophole was needed simply to protect the existing levels of exports of various categories of low cost wool products; things such as caps, sweaters, knits and socks. At that time, 10 percent of Canadian wool exports were high end products such as suits.

However, Mr. President, since the NAFTA went into effect, nearly all Canadian wool exports have been suits, and of that, virtually all of them are coming from one Canadian company. Contrary to the stated intention of the negotiators, suits now account for 90 percent of Canada's wool exports, instead of 10 percent when the deal was made. This has done grievous harm to American suit manufacturers, who were blindsided by this shift in Canadian export patterns.

Under normal circumstances, when you have an import surge of this sort, and obvious harm is being done to a domestic, American industry, the American companies and its workers can seek relief. They can take action under the trade laws to stem the surge, and get remedies from unfair and injurious trade. You can do this in every area we trade in but one, textile and apparel from Canada. In fact, if these very same imports were from Mexico instead of Canada, the United States industry and its workers could petition the United States Government for a safeguard to prevent serious injury.

That is why this legislation is needed, and needed in a hurry. When I opposed the NAFTA I was afraid this kind of thing would happen. We may not be able to rewrite history and undo the NAFTA, but we can take reasonable steps to stem the hemorrhaging. I know the calendar shows very few days in which this body will be conducting legislative work, but I hope the majority leader will work with us to make this into law before even more harm is done.

This Senator counts the creation of new and better paying jobs for the people of West Virginia as one of the most important things he can do to help improve the way of life of the good people of his State. But just as important is maintaining the jobs we already have. This legislation is necessary, and should be passed.

Mr. THURMOND. Mr. President, I rise today to join with my colleague from South Carolina, Senator HOLLINGS, and several others Senators to sponsor the Emergency Safeguard Act of 1996. This legislation corrects a loophole created by the passage of NAFTA that has allowed Canadian suit makers an unfair advantage in the United States marketplace. Currently, over 140,000 people are employed in the textile and apparel industry in South Carolina. Several thousand of these jobs supply or manufacture men's and boys' wool suits, sport coats, and slacks. These jobs are in jeopardy due in part to a manipulation of the tariff preference level [TPL] by Canada.

The TPL, which was established under the Canadian Free-Trade Agreement, was originally designed to allow special trade benefits to wool products made in Canada from foreign wool fabric when that fabric could not be sourced in either Canada or the United States. However, Canada has begun sourcing wool fabric from other countries, despite the fact that fabric is available from NAFTA countries. Canada has been importing fabric from Turkey, Italy, China, and Korea to make items which are shipped into the United States under the favorable NAFTA tariffs.

Canada has seized on the TPL loophole to specifically target and flood the United States market with men's and boys' tailored wool apparel. The import surges are causing layoffs and is putting the future of the domestic wool apparel industry in jeopardy.

Mr. President, this legislation would place a reasonable sublimit on tailored wool apparel exported through the TPL to the United States by Canada. The size of the TPL would not change, but Canada would be prohibited from using it in a damaging way. This language is necessary because NAFTA eliminated the safeguard for U.S. industries to prevent injurious imports from flooding the U.S. market. Due to NAFTA, the domestic apparel industry has no recourse in stemming the damage caused by Canada while all other industries have this protection. Therefore, legislation is needed to correct this inequity.

Mr. President, I hope this measure can be expeditiously considered to bring relief to the domestic textile and apparel industry.

By Mr. INOUYE (for himself, Mr. McCAIN and Mr. AKAKA):

S. 1983. A bill to amend the Native American Graves Protection and Repatriation Act to provide for native Hawaiian organizations, and for other purposes; to the Committee on Indian Affairs.

THE NATIVE AMERICAN GRAVES PROTECTION AND REPATRIATION ACT AMENDMENT ACT OF 1996

Mr. INOUYE. Mr. President, I rise today to introduce a bill, cosponsored by Senators McCAIN and AKAKA, which would amend the Native American Graves Protection and Repatriation Act to clarify certain provisions of that act as they pertain to native hawaiian organizations.

In 1990, the Congress enacted the native American Graves Protection and Repatriation Act [NAGPRA] to address the growing concern among Indian tribes, Alaska Native villages, and native Hawaiian organizations associated with the disposition of thousands of native American human remains and religious objects currently in the possession of museums and Federal agencies.

The act requires museums and Federal agencies in the possession of such cultural items to compile inventories and written summaries of human remains, associated and unassociated funerary objects, sacred objects, and objects of cultural patrimony.

The act further establishes a process governing the repatriation of such items to appropriate Indian tribes or native Hawaiian organizations.

In the years since its enactment, native Hawaiians have been at the forefront in the repatriation of ancestral remains.

Hundreds of native Hawaiian kupuna (ancestors) have been returned to Hawaii —released from the confines of over twenty museums in the United States, Canada, Switzerland, and Australia —and returned to the lands of their birth.

Despite these accomplishments, native Hawaiian organizations have experienced great difficulty in ensuring the act's implementation—ironically, not abroad—but in Hawaii.

In written testimony submitted to the Committee on Indian Affairs by Hui Malama I Na Kupuna O Hawaii Nei, a Hawaiian organization recognized under the act, for a December 9, 1995, oversight hearing on the act, a number of concerns were raised—concerns which this bill seeks to address, namely—the lack of written consent where native American remains are excavated or removed for purposes of study; following an inadvertent discovery of remains, the lack of assurances that the removal of native American remains will adhere to the same requirements as an intentional excavation; and the lack of notification to native Hawaiian organizations when inadvertent discoveries are made of native American human remains on Federal lands.

As one of the original sponsors of the act, it is my view that the amendments which I propose are consistent with the original purpose, spirit, and intent of NAGPRA, and are necessary to clarify the existing law.

It is my expectation that, if adopted, these amendments will ensure better cooperation by Federal agencies in the implementation of the act in the State of Hawaii.

The responsibility born by those who choose, or who are called upon to care for the remains of their ancestors is a heavy one.

By acting favorably on this measure, I hope that we can assist these individuals and organizations as they continue in their efforts to bring their ancestors home.

Mr. President, I thank you for this time today, and I urge my colleagues to support this bill when it comes before the Senate for consideration.

ADDITIONAL COSPONSORS

S. 297

At the request of Mr. ROCKEFELLER, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 297, a bill to amend the Internal Revenue Code of 1986 to clarify the exclusion from gross income for veterans' benefits.

S. 684

At the request of Mr. HATFIELD, the names of the Senator from Idaho [Mr. CRAIG], the Senator from Colorado [Mr. CAMPBELL], and the Senator from Illinois [Ms. MOSELEY-BRAUN] were added as cosponsors of S. 684, a bill to amend the Public Health Service Act to provide for programs of research regarding Parkinson's disease, and for other purposes.

S. 969

At the request of Mr. BRADLEY, the names of the Senator from Pennsylvania [Mr. SPECTER], the Senator from Maine [Mr. COHEN], and the Senator from Oklahoma [Mr. INHOFE] were added as cosponsors of S. 969, a bill to require that health plans provide coverage for a minimum hospital stay for a mother and child following the birth of the child, and for other purposes.

S. 1118

At the request of Ms. SNOWE, the names of the Senator from West Virginia [Mr. ROCKEFELLER] and the Senator from South Carolina [Mr. HOLLINGS] were added as cosponsors of S. 1118, a bill to amend title XVIII of the Social Security Act to provide for coverage of bone mass measurements for certain individuals under part B of the medicare program.

S. 1554

At the request of Mr. COCHRAN, the name of the Senator from Idaho [Mr. CRAIG] was added as a cosponsor of S. 1554, a bill to amend the Fair Labor Standards Act of 1938 to clarify the exemption for houseparents from the minimum wage and maximum hours requirements of that Act, and for other purposes.

S. 1694

At the request of Ms. SNOWE, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1694, a bill to prohibit insurance providers from denying or canceling health insurance coverage, or varying the premiums, terms, or conditions for health insurance coverage on the basis of genetic information or a request for genetic services, and for other purposes.

S. 1740

At the request of Mr. NICKLES, the names of the Senator from Michigan [Mr. ABRAHAM], the Senator from Colorado [Mr. BROWN], the Senator from Alaska [Mr. STEVENS], and the Senator from Texas [Mr. GRAMM] were added as cosponsors of S. 1740, a bill to define and protect the institution of marriage.

S. 1830

At the request of Mr. BROWN, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 1830, a bill to amend the NATO Participation Act of 1994 to expedite the transition to full membership in the North Atlantic Treaty Organization of emerging democracies in Central and Eastern Europe.

S. 1832

At the request of Ms. MIKULSKI, the names of the Senator from Connecticut [Mr. LIEBERMAN], the Senator from Mississippi [Mr. COCHRAN], and the Senator from Mississippi [Mr. LOTT] were added as cosponsors of S. 1832, a bill to amend title II of the Social Security Act to provide that a monthly insurance benefit thereunder shall be paid for the month in which the recipient dies, subject to a reduction of 50 percent if the recipient dies during the first 15 days of such month, and for other purposes.

S. 1867

At the request of Mr. HARKIN, his name was added as a cosponsor of S. 1867, a bill to restore the American family, enhance support and work opportunities for families with children, reduce out-of-wedlock pregnancies, reduce welfare dependence, and control welfare spending.

S. 1873

At the request of Mr. INHOFE, the names of the Senator from Montana [Mr. BAUCUS] and the Senator from Florida [Mr. GRAHAM] were added as cosponsors of S. 1873, a bill to amend the National Environmental Education Act to extend the programs under the Act, and for other purposes.

S. 1879

At the request of Mr. MOYNIHAN, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 1879, a bill to amend the Internal Revenue Code of 1986 to provide for 501(c)(3) bonds a tax treatment similar to governmental bonds, and for other purposes.

S. 1885

At the request of Mr. INHOFE, the names of the Senator from Illinois [Mr. SIMON], the Senator from New Jersey [Mr. BRADLEY], and the Senator from Wyoming [Mr. THOMAS] were added as cosponsors of S. 1885, a bill to limit the liability of certain nonprofit organizations that are providers of prosthetic devices, and for other purposes.

S. 1892

At the request of Mr. LAUTENBERG, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 1892, a bill to reward States for collecting medicaid funds expended on tobacco-related illnesses, and for other purposes.

S. 1925

At the request of Mr. GORTON, the name of the Senator from Colorado [Mr. BROWN] was added as a cosponsor of S. 1925, a bill to amend the National Labor Relations Act to protect employer rights, and for other purposes.

S. 1965

At the request of Mr. HATCH, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 1965, a bill to prevent the illegal manufacturing and use of methamphetamine.

AMENDMENT NO. 4939

At the request of Mr. SHELBY the names of the Senator from Michigan [Mr. ABRAHAM] and the Senator from New York [Mr. D'AMATO] were added as cosponsors of amendment No. 4939 proposed to S. 1956, an original bill to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 1997.

AMENDMENT NO. 4971

At the request of Mr. CRAIG the names of the Senator from Oregon [Mr. WYDEN], the Senator from North Carolina [Mr. HELMS], and the Senator from Vermont [Mr. LEAHY] were added as cosponsors of amendment No. 4971 intended to be proposed to H.R. 3603, a bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes.

AMENDMENT NO. 4978

At the request of Mr. BUMPERS the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of amendment No. 4978 proposed to H.R. 3603, a bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes.

AMENDMENT NO. 4979

At the request of Mr. BUMPERS the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of amendment No. 4979 proposed to H.R. 3603, a bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes.

AMENDMENTS SUBMITTED

THE NUCLEAR WASTE POLICY ACT OF 1996

MURKOWSKI AMENDMENTS NOS. 4984–4985

(Ordered to lie on the table.)

Mr. MURKOWSKI submitted two amendments intended to be proposed by him to the bill (S. 1936) to amend the Nuclear Waste Policy Act of 1982; as follows:

AMENDMENT NO. 4984

Strike all after the first word of the language proposed to be inserted and insert in lieu thereof the following: "the Nuclear Waste Policy Act of 1982 is amended to read as follows:

"SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

"(a) SHORT TITLE.—This Act may be cited as the 'Nuclear Waste Policy Act of 1996'.

"(b) TABLE OF CONTENTS.—

"Sec. 1. Short title and table of contents.
"Sec. 2. Definitions.

"TITLE I—OBLIGATIONS

"Sec. 101. Obligations of the Secretary of Energy.

"TITLE II—INTEGRATED MANAGEMENT SYSTEM

"Sec. 201. Intermodal transfer.
"Sec. 202. Transportation planning.
"Sec. 203. Transportation requirements.
"Sec. 204. Interim storage.
"Sec. 205. Permanent repository.
"Sec. 206. Land withdrawal.

"TITLE III—LOCAL RELATIONS

"Sec. 301. Financial assistance.
"Sec. 302. On-site representative.
"Sec. 303. Acceptance of benefits.
"Sec. 304. Restrictions on use of funds.
"Sec. 305. Land conveyances.

"TITLE IV—FUNDING AND ORGANIZATION

"Sec. 401. Program funding.
"Sec. 402. Office of Civilian Radioactive Waste Management.
"Sec. 403. Federal contribution.

"TITLE V—GENERAL AND MISCELLANEOUS PROVISIONS

"Sec. 501. Compliance with other laws.
"Sec. 502. Judicial review of agency actions.
"Sec. 503. Licensing of facility expansions and transshipments.
"Sec. 504. Siting a second repository.
"Sec. 505. Financial arrangements for low-level radioactive waste site closure.
"Sec. 506. Nuclear Regulatory Commission training authority.
"Sec. 507. Emplacement schedule.
"Sec. 508. Transfer of title.
"Sec. 509. Decommissioning pilot program.
"Sec. 510. Water rights.

"TITLE VI—NUCLEAR WASTE TECHNICAL REVIEW BOARD

"Sec. 601. Definitions.
"Sec. 602. Nuclear Waste Technical Review Board.
"Sec. 603. Functions.
"Sec. 604. Investigatory powers.
"Sec. 605. Compensation of members.
"Sec. 606. Staff.
"Sec. 607. Support services.
"Sec. 608. Report.
"Sec. 609. Authorization of appropriations.
"Sec. 610. Termination of the board.

"TITLE VII—MANAGEMENT REFORM

"Sec. 701. Management reform initatives.
"Sec. 702. Reporting.
"Sec. 703. Effective date.

"SEC. 2. DEFINITIONS.

"For purposes of this Act:

"(1) ACCEPT, ACCEPTANCE.—The terms 'accept' and 'acceptance' mean the Secretary's act of taking possession of spent nuclear fuel or high-level radioactive waste.

"(2) AFFECTED INDIAN TRIBE.—The term 'affected Indian tribe' means any Indian tribe—

"(A) whose reservation is surrounded by or borders an affected unit of local government, or

"(B) whose federally defined possessory or usage rights to other lands outside of the reservation's boundaries arising out of congressionally ratified treaties may be substantially and adversely affected by the locating of an interim storage facility or a repository if the Secretary of the Interior finds, upon the petition of the appropriate governmental officials of the tribe, that such effects are both substantial and adverse to the tribe.

"(3) AFFECTED UNIT OF LOCAL GOVERNMENT.—The term 'affected unit of local government' means the unit of local government with jurisdiction over the site of a repository or interim storage facility. Such term may, at the discretion of the Secretary, include other units of local government that are contiguous with such unit.

"(4) ATOMIC ENERGY DEFENSE ACTIVITY.—The term 'atomic energy defense activity' means any activity of the Secretary performed in whole or in part in carrying out any of the following functions:

"(A) Naval reactors development.

"(B) Weapons activities including defense inertial confinement fusion.

"(C) Verification and control technology.

"(D) Defense nuclear materials production.

"(E) Defense nuclear waste and materials byproducts management.

"(F) Defense nuclear materials security and safeguards and security investigations.

"(G) Defense research and development.

"(5) CIVILIAN NUCLEAR POWER REACTOR.—The term 'civilian nuclear power reactor' means a civilian nuclear power plant required to be licensed under section 103 or 104 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134(b)).

"(6) COMMISSION.—The term 'Commission' means the Nuclear Regulatory Commission.

"(7) CONTRACTS.—The term 'contracts' means the contracts, executed prior to the date of enactment of the Nuclear Waste Policy Act of 1996, under section 302(a) of the Nuclear Waste Policy Act of 1982, by the Secretary and any person who generates or holds title to spent nuclear fuel or high-level radioactive waste of domestic origin for acceptance of such waste or fuel by the Secretary and the payment of fees to offset the Secretary's expenditures, and any subsequent contracts executed by the Secretary pursuant to section 401(a) of this Act.

"(8) CONTRACT HOLDERS.—The term 'contract holders' means parties (other than the Secretary) to contracts.

"(9) DEPARTMENT.—The term 'Department' means the Department of Energy.

"(10) DISPOSAL.—The term 'disposal' means the emplacement in a repository of spent nuclear fuel, high-level radioactive waste, other highly radioactive material with no foreseeable intent of recovery, whether or not such emplacement permits recovery of such material for any future purpose.

"(11) DISPOSAL SYSTEM.—The term 'disposal system' means all natural barriers and engineered barriers, and engineered systems and components, that prevent the release of radionuclides from the repository.

"(12) EMPLACEMENT SCHEDULE.—The term 'emplacement schedule' means the schedule established by the Secretary in accordance with section 507(a) for emplacement of spent nuclear fuel and high-level radioactive waste at the interim storage facility.

"(13) ENGINEERED BARRIERS AND ENGINEERED SYSTEMS AND COMPONENTS.—The terms 'engineered barriers' and 'engineered systems and components,' mean man-made components of a disposal system. These terms include the spent nuclear fuel or high-level radioactive waste form, spent nuclear fuel package or high-level radioactive waste package, and other materials placed over and around such packages.

"(14) HIGH-LEVEL RADIOACTIVE WASTE.—The term 'high-level radioactive waste' means—

"(A) the highly radioactive material resulting from the reprocessing of spent nuclear fuel, including liquid waste produced directly in reprocessing and any solid material derived from such liquid waste that contains fission products in sufficient concentrations; and

"(B) other highly radioactive material that the Commission, consistent with existing law, determines by rule requires permanent isolation, which includes any low-level radioactive waste with concentrations of radionuclides that exceed the limits established by the Commission for class C radioactive waste, as defined by section 61.55 of title 10, Code of Federal Regulations, as in effect on January 26, 1983.

"(15) FEDERAL AGENCY.—The term 'Federal agency' means any Executive agency, as defined in section 105 of title 5, United States Code.

"(16) INDIAN TRIBE.—The term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community of Indians recognized as eligible for the services provided to Indians by the Secretary of the Interior because of their status as Indians including any Alaska Native village, as defined in section 3(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(c)).

"(17) INTEGRATED MANAGEMENT SYSTEM.—The term 'integrated management system' means the system developed by the Secretary for the acceptance, transportation, storage, and disposal of spent nuclear fuel and high-level radioactive waste under title II of this Act.

"(18) INTERIM STORAGE FACILITY.—The term 'interim storage facility' means a facility designed and constructed for the receipt, handling, possession, safeguarding, and storage of spent nuclear fuel and high-level radioactive waste in accordance with title II of this Act.

"(19) INTERIM STORAGE FACILITY SITE.—The term 'interim storage facility site' means the specific site within Area 25 of the Nevada Test Site that is designated by the Secretary and withdrawn and reserved in accordance with this Act for the location of the interim storage facility.

"(20) LOW-LEVEL RADIOACTIVE WASTE.—The term 'low-level radioactive waste' means radioactive material that—

"(A) is not spent nuclear fuel, high-level radioactive waste, transuranic waste, or byproduct material as defined in section 11 e(2) of the Atomic Energy Act of 1954 (42 U.S.C. 2014(e)(2)); and

"(B) the Commission, consistent with existing law, classifies as low-level radioactive waste.

"(21) METRIC TONS URANIUM.—The terms 'metric tons uranium' and 'MTU' means the amount of uranium in the original unirradiated fuel element whether or not the spent nuclear fuel has been reprocessed.

"(22) NUCLEAR WASTE FUND.—The terms 'Nuclear Waste Fund' and 'waste fund' mean the nuclear waste fund established in the United States Treasury prior to the date of enactment of this Act under section 302(c) of the Nuclear Waste Policy Act of 1982.

"(23) OFFICE.—The term 'Office' means the Office of Civilian Radioactive Waste Management established within the Department prior to the date of enactment of this Act under the provisions of the Nuclear Waste Policy Act of 1982.

"(24) PROGRAM APPROACH.—The term 'program approach' means the Civilian Radioactive Waste Management Program Plan, dated May 6, 1996, as modified by this Act, and as amended from time to time by the Secretary in accordance with this Act.

"(25) REPOSITORY.—The term 'repository' means a system designed and constructed under title II of this Act for the geologic disposal of spent nuclear fuel and high-level radioactive waste, including both surface and subsurface areas at which spent nuclear fuel and high-level radioactive waste receipt, handling, possession, safeguarding, and storage are conducted.

"(26) SECRETARY.—The term 'Secretary' means the Secretary of Energy.

"(27) SITE CHARACTERIZATION.—The term 'site characterization' means activities, whether in a laboratory or in the field, undertaken to establish the geologic condition and the ranges of the parameters of a candidate site relevant to the location of a repository, including borings, surface excavations, excavations of exploratory facilities, limited subsurface lateral excavations and borings, and in situ testing needed to evaluate the licensability of a candidate site for the location of a repository, but not including preliminary borings and geophysical testing needed to assess whether site characterization should be undertaken.

"(28) SPENT NUCLEAR FUEL.—The term 'spent nuclear fuel' means fuel that has been withdrawn from a nuclear reactor following irradiation, the constituent elements of which have not been separated by reprocessing.

"(29) STORAGE.—The term 'storage' means retention of spent nuclear fuel or high-level radioactive waste with the intent to recover such waste or fuel for subsequent use, processing, or disposal.

"(30) WITHDRAWL.—The term 'withdrawal' has the same definition as that set forth in section 103(j) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702(j)).

"(31) YUCCA MOUNTAIN SITE.—The term "Yucca Mountain site" means the area in the State of Nevada that is withdrawn and reserved in accordance with this Act for the location of a repository.

"TITLE—OBLIGATIONS

"SEC. 101. OBLIGATIONS OF THE SECRETARY OF ENERGY.

"(a) DISPOSAL.—The Secretary shall develop and operate an integrated management system for the storage and permanent disposal of spent nuclear fuel and high-level radioactive waste.

"(b) INTERIM STORAGE.—The Secretary shall store spent nuclear fuel and high-level radioactive waste from facilities designated by contract holders at an interim storage facility pursuant to section 204 in accordance with the emplacement schedule, beginning not later than November 30, 1999.

"(c) TRANSPORTATION.—The Secretary shall provide for the transportation of spent nuclear fuel and high-level radioactive waste accepted by the Secretary. The Secretary shall procure all systems and components necessary to transport spent nuclear fuel and high-level radioactive waste from facilities designated by contract holders to and among facilities comprising the Integrated Management System. Consistent with the Buy American Act (41 U.S.C. 10a–10c), unless the Secretary shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, all such systems and components procured by the Secretary shall be manufactured in the United States, with the exception of any transportable storage systems purchased by contract holders prior to the effective date of the Nuclear Waste Policy Act of 1996 and procured by the Secretary from such contract holders for use in the integrated management system.

"(d) INTEGRATED MANAGEMENT SYSTEM.—The Secretary shall expeditiously pursue the development of each component of the integrated management system, and in so doing shall seek to utilize effective private sector management and contracting practices.

"(e) PRIVATE SECTOR PARTICIPATION.—In administering the Integrated Management System, the Secretary shall, to the maximum extent possible, utilize, employ, procure and contract with, the private sector to fulfill the Secretary's obligations and requirements under this Act.

"(f) PRE-EXISTING RIGHTS.—Nothing in this Act is intended to or shall be construed to modify—

"(1) any right of a contract holder under section 302(a) of the Nuclear Waste Policy Act of 1982, or under a contract executed prior to the date of enactment of this Act under that section; or

"(2) obligations imposed upon the federal government by the U.S. District Court of Idaho in an order entered on October 17, 1995 in *United States* v. *Batt* (No. 91-0054-S-EJL).

"(g) LIABILITY.—Subject to subsection (f), nothing in this Act shall be construed to subject the United States to financial liability for the Secretary's failure to meet any deadline for the acceptance or emplacement of spent nuclear fuel or high-level radioactive waste for storage or disposal under this Act.

"TITLE II—INTEGRATED MANAGEMENT SYSTEM

"SEC. 201. INTERMODAL TRANSFER.

"(a) ACCESS.—The Secretary shall utilize heavy-haul truck transport to move spent nuclear fuel and high-level radioactive waste from the mainline rail line at Caliente, Nevada, to the interim storage facility site.

"(b) CAPABILITY DATE.—The Secretary shall develop the capability to commence rail to truck intermodal transfer at Caliente, Nevada, no later than November 30, 1999. Intermodal transfer and related activities are incidental to the interstate transportation of spent nuclear fuel and high-level radioactive waste.

"(c) ACQUISITIONS.—The Secretary shall acquire lands and rights-of-way necessary to commence intermodal transfer at Caliente, Nevada.

"(d) REPLACEMENTS.—The Secretary shall acquire and develop on behalf of, and dedicate to, the City of Caliente, Nevada, parcels of land and right-of-way within Lincoln County, Nevada, as required to facilitate replacement of land and city wastewater disposal facilities necessary to commence intermodal transfer pursuant to this Act. Replacement of land and city wastewater disposal activities shall occur no later than November 30, 1999.

"(e) NOTICE AND MAP.—Within 6 months of the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall—

"(1) publish in the Federal Register a notice containing a legal description of the sites and rights-of-way to be acquired under this subsection; and

"(2) file copies of a map of such sites and rights-of-way with the Congress, the Secretary of the Interior, the State of Nevada, the Archivist of the United States, the Board of Lincoln County Commissioners, the Board of Nye County Commissioners, and the Caliente City Council. Such map and legal description shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors and legal descriptions and make minor adjustments in the boundaries.

"(f) IMPROVEMENTS.—The Secretary shall make improvements to existing roadways selected for heavy-haul truck transport between Caliente, Nevada, and the interim storage facility site as necessary to facilitate year-round safe transport of spent nuclear fuel and high-level radioactive waste.

"(g) LOCAL GOVERNMENT INVOLVEMENT.—The Commission shall enter into a Memorandum of Understanding with the City of Caliente and Lincoln County, Nevada, to provide advice to the Commission regarding intermodal transfer and to facilitate on-site representation. Reasonable expenses of such representation shall be paid by the Secretary.

"(h) BENEFITS AGREEMENT.—

"(1) IN GENERAL.—The Secretary shall offer to enter into an agreement with Lincoln County, Nevada concerning the integrated management system.

"(2) AGREEMENT CONTENT.—Any agreement shall contain such terms and conditions, including such financial and institutional arrangements, as the Secretary and agreement entity determine to be reasonable and appropriate and shall contain such provisions as are necessary to preserve any right to participation or compensation of Lincoln County, Nevada.

"(3) AMENDMENT.—An agreement entered into under this subsection may be amended only with the mutual consent of the parties to the amendment and terminated only in accordance with paragraph (4).

"(4) TERMINATION.—The Secretary shall terminate the agreement under this subsection if any major element of the integrated management system may not be completed.

"(5) LIMITATION.—Only 1 agreement may be in effect at any one time.

"(6) JUDICIAL REVIEW.—Decisions of the Secretary under this section are not subject to judicial review.

"(i) CONTENT OF AGREEMENT.

"(1) SCHEDULE.—In addition to the benefits to which Lincoln County is entitled to under this title, the Secretary shall make payments under the benefits agreement in accordance with the following schedule:

BENEFITS SCHEDULE

[Amounts in millions]

Event	Payment
(A) Annual payments prior to first receipt of spent fuel	$2.5
(B) Annual payments beginning upon first spent fuel receipt	5
(C) Payment upon closure of the intermodal transfer facility	5

"(2) DEFINITIONS.—For purposes of this section, the term—

"(A) 'spent fuel' means high-level radioactive waste or spent nuclear fuel; and

"(B) 'first spent fuel receipt' does not include receipt of spent fuel or high-level radioactive waste for purposes of testing or operational demonstration.

"(3) ANNUAL PAYMENTS.—Annual payments prior to first spent fuel receipt under paragraph (1)(A) shall be made on the date of execution of the benefits agreement and thereafter on the anniversary date of such execution. Annual payments after the first spent fuel receipt until closure of the facility under paragraph (1)(C) shall be made on the anniversary date of such first spent fuel receipt.

"(4) REDUCTION.—If the first spent fuel payment under paragraph (1)(B) is made within 6 months after the last annual payment prior to the receipt of spent fuel under paragraph (1)(A), such first spent fuel payment under paragraph (1)(B) shall be reduced by an amount equal to 1/12 of such annual payment under paragraph (1)(A) for each full month less than 6 that has not elapsed since the last annual payment under paragraph (1)(A).

"(5) RESTRICTIONS.—The Secretary may not restrict the purposes for which the payments under this section may be used.

"(6) DISPUTE.—In the event of a dispute concerning such agreement, the Secretary shall resolve such dispute, consistent with this Act and applicable State law.

"(7) CONSTRUCTION.—The signature of the Secretary on a valid benefits agreement under this section shall constitute a commitment by the United States to make payments in accordance with such agreement under section 401(c)(2).

"(j) INITIAL LAND CONVEYANCES.

"(1) CONVEYANCES OF PUBLIC LANDS.—One hundred and twenty days after enactment of this Act, all right, title and interest of the United States in the property described in paragraph (2), and improvements thereon, together with all necessary easements for utilities and ingress and egress to such property, including, but not limited to, the right to improve those easements, are conveyed by operation of law to the County of Lincoln, Nevada, unless the county notifies the Secretary of Interior or the head of such other appropriate agency in writing within 60 days of such date of enactment that it elects not to take title to all or any part of the property, except that any lands conveyed to the County of Lincoln under this subsection that are subject to a Federal grazing permit or lease or a similar federally granted permit or lease shall be conveyed between 60 and 120 days of the earliest time the Federal agency administering or granting the permit or lease would be able to legally terminate such right under the statutes and regulations existing at the date of enactment of this Act, unless Lincoln County and the affected holder of the permit or lease negotiate an agreement that allows for an earlier conveyance.

"(2) SPECIAL CONVEYANCES.—Notwithstanding any other law, the following public lands depicted on the maps and legal descriptions dated October 11, 1995, shall be conveyed under paragraph (1) to the County of Lincoln, Nevada:

Map 10: Lincoln County, Parcel M, Industrial Park Site

Map 11: Lincoln County, Parcel F, Mixed Use Industrial Site

Map 13: Lincoln County, Parcel J, Mixed Use, Alamo Community Expansion Area

Map 14: Lincoln County, Parcel E, Mixed Use, Pioche Community Expansion Area

Map 15: Lincoln County, Parcel B, Landfill Expansion Site.

"(3) CONSTRUCTION.—The maps and legal descriptions of special conveyances referred to in paragraph (2) shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors in the maps and legal descriptions and make minor adjustments in the boundaries of the sites.

"(4) EVIDENCE OF TITLE TRANSFER.—Upon the request of the County of Lincoln, Nevada, the Secretary of the Interior shall provide evidence of title transfer.

"SEC. 202. TRANSPORTATION PLANNING.

"(a) TRANSPORTATION READINESS.—The Secretary shall take those actions that are necessary and appropriate to ensure that the Secretary is able to transport safely spent nuclear fuel and high-level radioactive waste from sites designated by the contract holders to mainline transportation facilities, using routes that minimize, to the maximum practicable extent consistent with Federal requirements governing transportation of hazardous materials, transportation of spent nuclear fuel and high-level radioactive waste through populated areas, beginning not later than November 30, 1999, and, by the date shall, in consultation with the Secretary of Transportation develop and implement a comprehensive management plan that ensures that safe transportation of spent nuclear fuel and high-level radioactive waste from the sites designated by the contract holders to the interim storage facility site beginning not later than November 30, 1999.

"(b) TRANSPORTATION PLANNING.—In conjunction with the development of the logistical plan in accordance with subsection (a), the Secretary shall update and modify, as necessary, the Secretary's transportation institutional plans to ensure the institutional issues are addressed and resolved on a schedule to support the commencement of transportation of spent nuclear fuel and high-level radioactive waste to the interim storage facility no later than November 30, 1999. Among other things, such planning shall provide a schedule and process for addressing and implementing, as necessary, transportation routing plans, transportation contracting plans, transportation training in accordance with Section 203, and public education regarding transportation of spent nuclear fuel and high level radioactive waste; and transportation tracking programs.

"SEC. 203. TRANSPORTATION REQUIREMENTS.

"(a) PACKAGE CERTIFICATION.—No spent nuclear fuel or high-level radioactive waste may be transported by or for the Secretary under this Act except in packages that have been certified for such purposes by the Commission.

"(b) STATE NOTIFICATION.—The Secretary shall abide by regulations of the Commission regarding advance notification of State and local governments prior to transportation of spent nuclear fuel or high-level radioactive waste under this Act.

"(c) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance and funds to States, units of local government, and Indian tribes through whose jurisdiction the Secretary plans to transport substantial amounts of spent nuclear fuel or high-level radioactive waste for training for public safety officials of appropriate units of local government. The Secretary shall also provide technical assistance and funds for training directly to national nonprofit employee organizations which demonstrate experience in implementing and operating worker health and safety training and education programs and demonstrate the ability to reach and involve in-training programs target populations of workers who are or will be directly engaged in the transportation of spent nuclear fuel and high-level radioactive waste, or emergency response or post-emergency response with respect to such transportation. Training shall cover procedures required for safe routine transportation of these materials, as well as procedures for dealing with emergency response situations, and shall be consistent with any training standards established by the Secretary of Transportation in accordance with subsection (g). The Secretary's duty to provide technical and financial assistance under this subsection shall be limited to amounts specified in annual appropriations.

"(d) PUBLIC EDUCATION.—The Secretary shall conduct a program to educate the public regarding the transportation of spent nuclear fuel and high-level radioactive waste, with an emphasis upon those States, units of local government, and Indian tribes through whose jurisdiction the Secretary plans to transport substantial amounts of spent nuclear fuel and high-level radioactive waste.

"(e) COMPLIANCE WITH TRANSPORTATION REGULATIONS.—Any person that transports spent nuclear fuel or high-level radioactive waste under the Nuclear Waste Policy Act of 1986, pursuant to a contract with the Secretary, shall comply with all requirements governing such transportation issued by the Federal, State, and local governments, and Indian tribes, in the same way and to the same extent that any person engaging in that transportation that is in or affects interstate commerce must comply with such requirements, as required by 49 U.S.C. sec. 5126.

"(f) EMPLOYEE PROTECTION.—Any person engaged in the interstate commerce of spent nuclear fuel or high-level radioactive waste under contract to the Secretary pursuant to this Act shall be subject to and comply fully with the employee protection provisions of 49 U.S.C. 20109 and 49 U.S.C. 31105.

"(g) TRAINING STANDARD.—(1) No later than 12 months after the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary of Transportation, pursuant to authority under other provision of law, in consultation with the Secretary of Labor and the Commission, shall promulgate a regulation establishing training standards applicable to workers directly involved in the removal and transportation of spent nuclear fuel and high-level radioactive waste. The regulation shall specify minimum training standards applicable to workers, including managerial personnel. The regulation shall require that evidence of satisfaction of the applicable training standard be provided to an employer before any individual may be employed in the removal and transportation of spent nuclear fuel and high-level radioactive waste.

"(2) If the Secretary of Transportation determines, in promulgating the regulation required by subparagraph (1), that regulations promulgated by the Commission establish adequate training standards for workers, then the Secretary of Transportation can refrain from promulgating additional regulations with respect to worker training in such activities. The Secretary of Transportation and the Commission shall work through their Memorandum of Understanding to ensure coordination of worker training standards and to avoid duplicative regulation.

"(3) The training standards required to be promulgated under subparagraph (1) shall, among other things deemed necessary and appropriate by the Secretary of Transportation, include the following provisions—

"(A) a specified minimum number of hours of initial off site instruction and actual field experience under the direct supervision of a trained, experienced supervisor;

"(B) a requirement that onsite managerial personnel receive the same training as workers, and a minimum number of additional hours of specialized training pertinent to their managerial responsibilities; and

"(C) a training program applicable to persons responsible for responding to and cleaning up emergency situations occurring during the removal and transportation of spent nuclear fuel and high-level radioactive waste.

"(4) There is authorized to be appropriated to the Secretary of Transportation, from general revenues, such sums as may be necessary to perform his duties under this subsection.

"SEC. 204. INTERIM STORAGE.

"(a) AUTHORIZATION.—The Secretary shall design, construct, and operate a facility for the interim storage of spent nuclear fuel and high-level radioactive waste at the interim storage facility site. The interim storage facility shall be subject to licensing pursuant to the Atomic Energy Act of 1954 in accordance with the Commission's regulations governing the licensing of independent spent fuel storage installations, which regulations shall be amended by the Commission as necessary to implement the provisions of this Act. The interim storage facility shall commence operation in phases in accordance with subsection (b).

"(b) SCHEDULE.—(1) The Secretary shall proceed forthwith and without further delay with all activities necessary to begin storing spent nuclear fuel and high-level radioactive waste at the interim storage facility at the interim storage facility site by November 30, 1999, except that:

"(A) The Secretary shall not begin any construction activities at the interim storage facility site before December 31, 1998.

"(B) The Secretary shall cease all activities (except necessary termination activities) at the Yucca Mountain site if the President determines, in his discretion, on or before December 31, 1998, based on a preponderance of the information available at such time, that the Yucca Mountain site is unsuitable for development as a repository, including geologic and engineered barriers, because of a substantial likelihood that a repository of useful size cannot be designed, licensed, and constructed at the Yucca Mountain site.

"(C) No later than June 30, 1998, the Secretary shall provide to the President and to the Congress a viability assessment of the Yucca Mountain site. The viability assessment shall include—

"(i) the preliminary design concept for the critical elements of the repository and waste package,

"(ii) a total system performance assessment, based upon the design concept and the scientific data and analysis available by June 30, 1998, describing the probable behavior of the repository in the Yucca Mountain geologic setting relative to the overall system performance standard set forth in section 205(d) of this Act,

"(iii) a plan and cost estimate for the remaining work required to complete a license application, and

"(iv) an estimate of the costs to construct and operate the repository in accordance with the design concept.

"(D) Within 18 months of a determination by the President that the Yucca Mountain site is unsuitable for development as a repository under paragraph (B), the President shall designate a site for the construction of an interim storage facility. If the President does not designate a site for the construction of an interim storage facility, or the construction of an interim storage facility at the designated site is not approved by law within 24 months of the President's determination that the Yucca Mountain site is not suitable for development as a repository, the Secretary shall begin construction of an interim storage facility at the interim storage facility site as defined in section 2(19) of this Act. The interim storage facility site as defined in section 2(19) of this Act shall be deemed to be approved by law for purposes of this section.

"(2) Upon the designation of an interim storage facility site by the President under paragraph (1)(D), the Secretary shall proceed forthwith and without further delay with all activities necessary to begin storing spent nuclear fuel and high-level radioactive waste at an interim storage facility at the designated site, except that the Secretary shall not begin any construction activities at the designated interim storage facility site before the designated interim storage facility site is approved by law.

"(c) DESIGN.—

"(1) The interim storage facility shall be designed in two phases in order to commence operations no later than November 30, 1999. The design of the interim storage facility shall provide for the use of storage technologies, licensed, approved, or certified by the Commission for use at the interim storage facility as necessary to ensure compatibility between the interim storage facility and contract holders' spent nuclear fuel and facilities, and to facilitate the Secretary's ability to meet the Secretary's obligations under this Act.

"(2) The Secretary shall consent to an amendment to the contracts to provide for reimbursement to contract holders for transportable storage systems purchased by contract holders if the Secretary determines that it is cost effective to use such transportable storage systems as part of the integrated management system, provided that the Secretary shall not be required to expend any funds to modify contract holders' storage or transport systems or to seek additional regulatory approvals in order to use such systems.

"(d) LICENSING.—

"(1) PHASES.—The interim storage facility shall be licensed by the Commission in two phases in order to commence operations no later than November 30, 1999.

"(2) FIRST PHASE.—No later than 12 months after the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall submit to the Commission an application for a license for the first phase of the interim storage facility. The Environmental Report and Safety Analysis Report submitted in support of such license application shall be consistent with the scope of authority requested in the license application. The license issued for the first phase of the interim storage facility shall have a term of 20 years. The interim storage facility licensed in the first place shall have a capacity of not more than 15,000 MTU. The Commission shall issue a final decision granting or denying the application for the first phase license no later than 16 months from the date of the submittal of the application for such license.

"(3) SECOND PHASE.—No later than 30 months after the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall submit to the Commission an application for a license for the second phase interim storage facility. The license for the second phase facility shall authorize a storage capacity of 40,000 MTU. If the Secretary does not submit the license application for construction of a respository by February 1, 2002, or does not begin full spent nuclear fuel receipt operations at a repository by January 17, 2010, the license shall authorize a storage capacity of 60,000 MTU. The license application shall be submitted such that the license can be issued to permit the second phase facility to begin full spent nuclear fuel receipt operations no later than December 31, 2002. The license for the second phase shall have an initial term of up to 100 years, and shall be renewable for additional terms upon application of the Secretary.

"(e) ADDITIONAL AUTHORITY.—

"(1) CONSTRUCTION.—For purposes of complying with this section, the Secretary may commence site preparation for the interim storage facility as soon as practicable after the date of enactment of the Nuclear Waste Policy Act of 1996 and shall commence construction of each phase of the interim storage facility subsequent to submittal of the license application for such phase except that the Commission shall issue an order suspending such construction at any time if the Commission determines that such construction poses an unreasonable risk to public health and safety or the environment. The Commission shall terminate all or part of such order upon a determination that the Secretary has taken appropriate action to eliminate such risk.

"(2) FACILITY USE.—Notwithstanding any otherwise applicable licensing requirement, the Secretary may utilize any facility owned by the Federal Government on the date of enactment of the Nuclear Waste Policy Act of 1996 within the boundaries of the interim storage facility site, in connection with an imminent and substantial endangerment to public health and safety at the interim storage facility prior to commencement of operations during the second phase.

"(3) EMPLACEMENT OF FUEL AND WASTE.—Subject to paragraph (i), once the Secretary has achieved the annual acceptance rate for spend nuclear fuel from civilian nuclear power reactors established pursuant to the contracts executed prior to the date of enactment of the Nuclear Waste Policy Act of 1996, as set forth in the Secretary's annual capacity report dated March, 1995 (DOE/RW-0457), the Secretary shall accept, in an amount not less than 25% of the difference between the contractual acceptance rate and the annual emplacement rate for spent nuclear fuel from civilian nuclear power reactors established under section 507(a), the following radioactive materials:

"(A) spend nuclear fuel or high-level radioactive waste of domestic origin from civilian nuclear power reactors that have permanently ceased operation on or before the date of enactment of the Nuclear Waste Policy Act of 1996;

"(B) spend nuclear fuel from foreign research reactors, as necessary to promote non-proliferation objectives; and

"(C) spend nuclear fuel, including spend nuclear fuel from naval reactors, and high-level radioactive waste from atomic energy defense activities.

"(f) NATIONAL ENVIRONMENTAL POLICY ACT OF 1996.—

"(1) PRELIMINARY DECISIONMAKING ACTIVITIES.—The Secretary's and President's activities under this section, including, but not limited to, the selection of a site for the interim storage facility, assessments, determinations of designations made under section 204(b), the preparation and submittal of a license application and supporting documentation, the construction of a facility under paragraph (e)(1) of this section, and facility use pursuant to paragraph (e)(2) of this section shall be considered preliminary decisionmaking activities for purposes of judicial review. The Secretary shall not prepare an environmental impact statement under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C) or any environmental review under subparagraph (E) or (F) of such Act before conducting these activities.

"(2) ENVIRONMENTAL IMPACT STATEMENT.—

"(A) FINAL DECISION.—A final decision by the Commission to grant or deny a license application for the first or second phase of the interim storage facility shall be accompanied by an Environmental Impact Statement prepared under section 103(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). In preparing such Environmental Impact Statement, the Commission—

"(i) shall ensure that the scope of the Environmental Impact Statement is consistent with the scope of the licensing action; and

"(ii) shall analyze the impacts of the transportation of spent nuclear fuel and high-level radioactive waste to the interim storage facility in a generic manner.

"(B) CONSIDERATIONS.—Such Environmental Impact Statement shall not consider—

"(i) the need for the interim storage facility, including any individual component thereof;

"(ii) the time of the initial availability of the interim storage facility;

"(iii) any alternatives to the storage of spent nuclear fuel and high-level radioactive waste at the interim storage facility;

"(iv) any alternatives to the site of the facility as designated by the Secretary in accordance with subsection (a);

"(v) any alternatives to the design criteria for such facility or any individual component thereof, as specified by the Secretary in the license application; or

"(vi) the environmental impacts of the storage of spent nuclear fuel and high-level radioactive waste at the interim storage facility beyond the initial term of the license or the term of the renewal period for which a license renewal application is made.

"(g) JUDICIAL REVIEW.—Judicial review of the Commission's environmental impact statement under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) shall be consolidated with judicial review of the Commission's licensing decision. No court shall have jurisdiction to enjoin the construction or operation of the interim storage facility prior to its final decision on review of the Commission's licensing action.

"(h) WASTE CONFIDENCE.—The Secretary's obligation to construct and operate the interim storage facility in accordance with this section and the Secretary's obligation to develop an integrated management system in accordance with the provisions of this Act, shall provide sufficient and independent grounds for any further findings by the Commission of reasonable assurance that spent nuclear fuel and high-level radioactive waste will be disposed of safely and on a timely basis for purposes of the Commission's decision to grant or amend any license to operate any civilian nuclear power reactor under the Atomic Energy Act of 1954 (42 U.S.C. 2011, et seq.).

"(i) STORAGE OF OTHER SPENT NUCLEAR FUEL AND HIGH-LEVEL RADIOACTIVE WASTE.—No later than 18 months following the date of enactment of the Nuclear Waste Policy Act of 1996, the Commission shall, by rule, establish criteria for the storage in the interim storage facility of fuel and waste listed in paragraph (e)(3)(A) through (C), to the extent such criteria are not included in regulations issued by the Commission and existing on the date of enactment of the Nuclear Waste Policy Act of 1996. Following establishment of such criteria, the Secretary shall seek authority, as necessary, to store fuel and waste listed in paragraph (e)(3)(A) through (C) at the interim storage facility. None of the activities carried out pursuant to this paragraph shall delay, or otherwise affect, the development, construction, licensing, or operation of the interim storage facility.

"(j) SAVINGS CLAUSE.—The Commission shall, by rule, establish procedures for the licensing of any technology for the dry storage of spent nuclear fuel by rule and without, to the maximum extent possible, the need for site-specific approvals by the Commission. Nothing in this Act shall affect any such procedures, or any licenses or approvals issued pursuant to such procedures in effect on the date of enactment.

"SEC. 205. PERMANENT REPOSITORY.

"(a) REPOSITORY CHARACTERIZATION.—

"(1) GUIDELINES.—The guidelines promulgated by the Secretary and published at 10 CFR part 960 are annulled and revoked and the Secretary shall make no assumptions or conclusions about the licensability of the Yucca Mountain site as a repository by reference to such guidelines.

"(2) SITE CHARACTERIZATION ACTIVITIES.—The Secretary shall carry out appropriate site characterization activities at the Yucca Mountain site in accordance with the Secretary's program approach to site characterization. The Secretary shall modify or eliminate those site characterization activities designed only to demonstrate the suitability of the site under the guidelines referenced in paragraph (1).

"(3) SCHEDULE DATE.—Consistent with the schedule set forth in the program approach, as modified to be consistent with the Nuclear Waste Policy Act of 1996, no later than February 1, 2002, the Secretary shall apply to the Commission for authorization to construct a repository. If, at any time prior to the filing of such application, the Secretary determines that the Yucca Mountain site cannot satisfy the Commission's regulations applicable to the licensing of a geologic repository, the Secretary shall terminate site characterization activities at the site, notify Congress and the State of Nevada of the Secretary's determination and the reasons therefor, and recommend to Congress not later than 6 months after such determination further actions, including the enactment of legislation, that may be needed to manage the Nation's spent nuclear fuel and high-level radioactive waste.

"(4) MAXIMIZING CAPACITY.—In developing an application for authorization to construct the repository, the Secretary shall seek to maximize the capacity of the repository, in the most cost-effective manner, consistent with the need for disposal capacity.

"(b) REPOSITORY LICENSING.—Upon the completion of any licensing proceeding for the first phase of the interim storage facility, the Commission shall amend its regulations governing the disposal of spent nuclear fuel and high-level radioactive waste in geologic repositories to the extent necessary to comply with this Act. Subject to subsection (c), such regulations shall provide for the licensing of the repository according to the following procedures:

"(1) CONSTRUCTION AUTHORIZATION.—The Commission shall grant the Secretary a construction authorization for the repository upon determining that there is reasonable assurance that spent nuclear fuel and high-level radioactive waste can be disposed of in the repository—

"(A) in conformity with the Secretary's application, the provisions of this Act, and the regulations of the Commission;

"(B) without unreasonable risk to the health and safety of the public; and

"(C) consistent with the common defense and security.

"(2) LICENSE.—Following substantial completion of construction and the filing of any additional information needed to complete the license application, the Commission shall issue a license to dispose of spent nuclear fuel and high-level radioactive waste in the repository if the Commission determines that the repository has been constructed and will operate—

"(A) in conformity with the Secretary's application, the provisions of this Act, and the regulations of the Commission;

"(B) without unreasonable risk to the health and safety of the public; and

"(C) consistent with the common defense and security.

"(3) CLOSURE.—After emplacing spent nuclear fuel and high-level radioactive waste in the repository and collecting sufficient confirmatory data on repository performance to reasonably confirm the basis for repository closure consistent with the Commission's regulations applicable to the licensing of a repository, as modified in accordance with this Act, the Secretary shall apply to the Commission to amend the license to permit permanent closure of the repository. The Commission shall grant such license amendment upon finding that there is reasonable assurance that the repository can be permanently closed—

"(A) in conformity with the Secretary's application to amend the license, the provisions of this Act, and the regulations of the Commission;

"(B) without unreasonable risk to the health and safety of the public; and

"(C) consistent with the common defense and security.

"(4) POST-CLOSURE.—The Secretary shall take those actions necessary and appropriate at the Yucca Mountain site to prevent any activity at the site subsequent to repository closure that poses an unreasonable risk of—

"(A) breaching the repository's engineered or geologic barriers; or

"(B) increasing the exposure of individual members of the public to radiation beyond the release standard established in subsection (d)(1).

"(c) MODIFICATION OF REPOSITORY LICENSING PROCEDURE.—The Commission's regulations shall provide for the modification of the repository licensing procedure, as appropriate, in the event that the Secretary seeks a license to permit the emplacement in the repository, on a retrievable basis, of spent nuclear fuel or high-level radioactive waste as is necessary to provide the Secretary with sufficient confirmatory data on repository performance to reasonably confirm the basis for repository closure consistent with applicable regulations.

"(d) REPOSITORY LICENSING STANDARDS.—The Administrator of the Environmental Protection Agency shall, pursuant to authority under other provisions of law, issue generally applicable standards for the protection of the public from releases of radioactive materials or radioactivity from the repository. Such standards shall be consistent with the overall system performance standard established by this subsection unless the Administrator determines by rule that the overall system performance standard would constitute an unreasonable risk to health and safety. The Commission's repository licensing determinations for the protection of the public shall be based solely on a finding whether the repository can be operated in conformance with the overall system performance standard established in paragraph (1), applied in accordance with the provisions of paragraph (2), and the Administrator's radiation protection standards. The Commission shall amend its regulations in accordance with subsection (b) to incorporate each of the following licensing standards:

"(1) ESTABLISHMENT OF OVERALL SYSTEM PERFORMANCE STANDARD.—The standard for protection of the public from release of radioactive material or radioactivity from the repository shall prohibit releases that would expose an average member of the general population in the vicinity of the Yucca Mountain site to an annual dose in excess of 100 millirems unless the Commission determines by rule that such standard would constitute an unreasonable risk to health and safety and establishes by rule another standard which will protect health and safety. Such standard shall constitute an overall system performance standard.

"(2) APPLICATION OF OVERALL SYSTEM PERFORMANCE STANDARD.—The Commission shall issue the license if it finds reasonable assurance that for the first 1,000 years following the commencement of repository operations, the overall system performance standard will be met based on a probabilistic evaluation, as appropriate, of compliance with the overall system performance standard in paragraph (1).

"(3) FACTORS.—For purposes of making the finding in paragraph (2)—

"(A) the Commission shall not consider catastrophic events where the health consequences of individual events themselves can be reasonably assumed to exceed the health consequences due to the impact of the events on repository performance;

"(B) for the purpose of this section, an average member of the general population in the vicinity of the Yucca Mountain site means a person whose physiology, age, general health, agricultural practices, eating habits, and social behavior represent the average for persons living in the vicinity of the site. Extremes in social behavior, eating habits, or other relevant practices or characteristics shall not be considered; and

"(C) the Commission shall assume that, following repository closure, the inclusion of engineered barriers and the Secretary's post-closure actions at the Yucca Mountain site, in accordance with subsection (b)(4), shall be sufficient to—

"(i) prevent any human activity at the site that poses an unreasonable risk of breaching the repository's engineered or geologic barriers; and

"(ii) prevent any increase in the exposure of individual members of the public to radiation beyond the allowable limits specified in paragraph (1).

"(4) ADDITIONAL ANALYSIS.—The Commission shall analyze the overall system performance through the use of probabilistic evaluations that use best estimate assumptions, data, and methods for the period commencing after the first 1,000 years of operation of the repository and terminating at 10,000 years after the commencement of operation of the repository.

"(e) NATIONAL ENVIRONMENTAL POLICY ACT.—

"(1) SUBMISSION OF STATEMENT.—Construction and operation of the repository shall be considered a major Federal action significantly affecting the quality of the human environment for purpose of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The Secretary shall submit an environmental impact statement on the construction and operation of the repository to the Commission with the license application and shall supplement such environmental impact statement as appropriate.

"(2) CONSIDERATIONS.—For purposes of complying with the requirements of the National Environmental Policy Act of 1969 and this section, the Secretary shall not consider in the environmental impact statement the need for the repository, or alternative sites or designs for the repository.

"(3) ADOPTION BY COMMISSION.—The Secretary's environmental impact statement and any supplements thereto shall, to the extent practicable, be adopted by the Commission in connection with the issuance by the Commission of a construction authorization under subsection (b)(1), a license under subsection (b)(2), or a license amendment under subsection (b)(3). To the extent such statement or supplement is adopted by the Commission, such adoption shall be deemed to also satisfy the responsibilities of the Commission under the National Environmental Policy Act of 1969, and no further consideration shall be required, except that nothing in this subsection shall affect any independent responsibilities of the Commission to protect the public health and safety under the Atomic Energy Act of 1954. In any such statement or supplement prepared with respect to the repository, the Commission shall not consider the need for a repository, or alternate sites or designs for the repository.

"(f) JUDICIAL REVIEW.—No court shall have jurisdiction to enjoin issuance of the Commission repository licensing regulations prior to its final decision on review of such regulations.

"SEC. 206. LAND WITHDRAWAL.

"(a) WITHDRAWAL AND RESERVATION.—

"(1) WITHDRAWAL.—Subject to valid existing rights, the interim storage facility site and the Yucca Mountain site, as described in subsection (b), are withdrawn from all forms of entry, appropriation, and disposal under the public land laws, including the mineral leasing laws, the geothermal leasing laws, the material sale laws, and the mining laws.

"(2) JURISDICTION.—Jurisdiction of any land within the interim storage facility site and the Yucca Mountain site managed by the Secretary of the Interior or any other Federal officer is transferred to the Secretary.

"(3) RESERVATION.—The interim storage facility site and the Yucca Mountain site are reserved for the use of the Secretary for the construction and operation, respectively, of the interim storage facility and the repository and activities associated with the purposes of this title.

"(b) LAND DESCRIPTION.—

"(1) BOUNDARIES.—The boundaries depicted on the map entitled 'Interim Storage Facility Site Withdrawal Map,' dated March 13, 1996, and on file with the Secretary, are established as the boundaries of the Interim Storage Facility site.

"(2) BOUNDARIES.—The boundaries depicted on the map entitled 'Yucca Mountain Site Withdrawal Map,' dated July 9, 1996, and on file with the Secretary, are established as the boundaries of the Yucca Mountain site.

"(3) NOTICE AND MAPS.—Within 6 months of the date of the enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall—

"(A) publish in the Federal Register a notice containing a legal description of the interim storage facility site; and

"(B) file copies of the maps described in paragraph (1), and the legal description of the interim storage facility site with the Congress, the Secretary of the Interior, the Governor of Nevada, and the Archivist of the United States.

"(4) NOTICE AND MAPS.—Concurrent with the Secretary's application to the Commission for authority to construct the repository, the Secretary shall—

"(A) publish in the Federal Register a notice containing a legal description of the Yucca Mountain site; and

"(B) file copies of the maps described in paragraph (2), and the legal description of the Yucca Mountain site with the Congress, the Secretary of the Interior, the Governor of Nevada, and the Archivist of the United States.

"(5) CONSTRUCTION.—The maps and legal descriptions of the interim storage facility site and the Yucca Mountain site referred to in this subsection shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors in the maps and legal descriptions and make minor adjustments in the boundaries of the sites.

"TITLE III—LOCAL RELATIONS

"SEC. 301. FINANCIAL ASSISTANCE.

"(a) GRANTS.—The Secretary is authorized to make grants to any affected Indian tribe or affected unit of local government for purposes of enabling the affected Indian tribe or affected unit of local government—

"(1) to review activities taken with respect to the Yucca Mountain site for purposes of determining any potential economic, social, public health and safety, and environmental impacts of the integrated management system on the affected Indian tribe or the affected unit of local government and its residents;

"(2) to develop a request for impact assistance under subsection (c);

"(3) to engage in any monitoring, testing, or evaluation activities with regard to such site;

"(4) to provide information to residents regarding any activities of the Secretary, or the Commission with respect to such site; and

"(5) to request information from, and make comments and recommendations to, the Secretary regarding any activities taken with respect to such site.

"(b) SALARY AND TRAVEL EXPENSES.—Any salary or travel expense that would ordinarily be incurred by any affected Indian tribe or affected unit of local government may not be considered eligible for funding under this section.

"(c) FINANCIAL AND TECHNICAL ASSISTANCE.—

"(1) ASSISTANCE REQUESTS.—The Secretary is authorized to offer to provide financial and technical assistance to any affected Indian tribe or affected unit of local government requesting such assistance. Such assistance shall be designed to mitigate the impact on the affected Indian tribe or affected unit of local government of the development of the integrated management system.

"(2) REPORT.—Any affected Indian tribe or affected unit of local government may request assistance under this section by preparing and submitting to the Secretary a report on the economic, social, public health and safety, and environmental impacts that are likely to result from activities of the integrated management system.

"(d) OTHER ASSISTANCE.—

"(1) TAXABLE AMOUNTS.—In addition to financial assistance provided under this subsection, the Secretary is authorized to grant to any affected Indian tribe or affected unit of local government an amount each fiscal year equal to the amount such affected Indian tribe or affected unit of local government, respectively, would receive if authorized to tax integrated management system activities, as such affected Indian tribe or affected unit of local government taxes the non-Federal real property and industrial activities occurring within such affected unit of local government.

"(2) TERMINATION.—Such grants shall continue until such time as all such activities, development, and operations are terminated at such site.

"(3) ASSISTANCE TO INDIAN TRIBES AND UNITS OF LOCAL GOVERNMENT.—

"(A) PERIOD.—Any affected Indian tribe or affected unit of local government may not receive any grant under paragraph (1) after the expiration of the 1-year period following the date on which the Secretary notifies the affected Indian tribe or affected unit of local government of the termination of the operation of the integrated management system.

"(B) ACTIVITIES.—Any affected Indian tribe or affected unit of local government may not receive any further assistance under this section if the integrated management system activities at such site are terminated by the Secretary or if such activities are permanently enjoined by any court.

"SEC. 302. ON-SITE REPRESENTATIVE.

"The Secretary shall offer to the unit of local government within whose jurisdiction a site for an interim storage facility or repository is located under this Act an opportunity to designate a representative to conduct on site oversight activities at such site. The Secretary is authorized to pay the reasonable expenses of such representative.

"SEC. 303. ACCEPTANCE OF BENEFITS.

"(a) CONSENT.—The acceptance or use of any of the benefits provided under this title by any affected Indian tribe or affected unit of local government shall not be deemed to be an expression of consent, express, or implied, either under the Constitution of the State or any law thereof, to the siting of an interim storage facility or repository in the State of Nevada, any provision of such Constitution or laws to the contrary notwthstanding.

"(b) ARGUMENTS.—Neither the United States nor any other entity may assert any argument based on legal or equitable estoppel, or acquiesence, or waiver, or consensual involvement, in response to any decision by the State to oppose the siting in Nevada of an interim storage facility or repository premised upon or related to the acceptance or use of benefits under this title.

"(c) LIABILITY.—No liability of any nature shall accrue to be asserted against any official of any governmental unit of Nevada premised solely upon the acceptance or use of benefits under this title.

"SEC. 304. RESTRICTIONS ON USE OF FUNDS.

"None of the funding provided under this title may be used—

"(1) directly or indirectly to influence legislative action on any matter pending before Congress or a State legislature or for any lobbying activity as provided in section 1913 of title 18, United States Code;

"(2) for litigation purposes; and

"(3) to support multistate efforts or other coalition-building activities inconsistent with the purpose of this Act.

"SEC. 305. LAND CONVEYANCES.

"(a) CONVEYANCES OF PUBLIC LANDS.—One hundred and twenty days after enactment of this Act, all right, title and interest of the United States in the property described in subsection (b), and improvements thereon, together with all necessary easements for utilities and ingress and egress to such property, including, but not limited to, the right to improve those easements, are conveyed by operation of law to the County of Nye, Nevada, unless the county notifies the Secretary of the Interior or the head of such other appropriate agency in writing within 60 days of such date of enactment that it elects not to take title to all or any part of the property, except that any lands conveyed to the County of Nye under this subsection that are subject to a Federal grazing permit or lease or a similar federally granted permit or lease shall be conveyed between 60 and 120 days of the earliest time the Federal agency administering or granting the permit or lease would be able to legally terminate such right under the statutes and regulations existing at the date of enactment of this Act, unless Nye County and the affected holder of the permit or lease negotiate an agreement that allows for an earlier conveyance.

"(b) SPECIAL CONVEYANCES.—Notwithstanding any other law, the following public lands depicted on the maps and legal descriptions dated October 11, 1995, and on file with the Secretary shall be conveyed under subsection (a) to the County of Nye, Nevada:

Map 1: Proposed Pahrump Industrial Park Site

Map 2: Proposed Lathrop Wells (Gate 510) Industrial Park Site

Map 3: Pahrump Landfill Sites

Map 4: Amargosa Valley Regional Landfill Site

Map 5: Amargosa Valley Municipal Landfill Site

Map 6: Beatty Landfill/Transfer Station Site

Map 7: Round Mountain Landfill Site

Map 8: Tonopah Landfill Site

Map 9: Gabbs Landfill Site.

"(3) CONSTRUCTION.—The maps and legal descriptions of special conveyances referred to in subsection (b) shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors in the maps and legal descriptions and make minor adjustments in the boundaries of the sites.

"(4) EVIDENCE OF TITLE TRANSFER.—Upon the request of the County of Nye, Nevada, the Secretary of the Interior shall provide evidence of title transfer.

"TITLE IV—FUNDING AND ORGANIZATION

"SEC. 401. PROGRAM FUNDING.

"(a) CONTRACTS.—

"(1) AUTHORITY OF SECRETARY.—In the performance of the Secretary's functions under this Act, the Secretary is authorized to enter into contracts with any person who generates or holds title to spent nuclear fuel or high level radioactive waste of domestic origin for the acceptance of title and possession, transportation, interim storage, and disposal of such waste or spent fuel. Such contracts shall provide for payment of annual fees to the Secretary in the amounts set by the Secretary pursuant to paragraphs (2) and (3). Except as provided in paragraphs (3), fees assessed pursuant to this paragraph shall be paid to the Treasury of the United States and shall be available for use by the Secretary pursuant to this section until expended. Subsequent to the date of enactment of the Nuclear Waste Policy Act of 1996, the contracts executed under section 302(a) of the Nuclear Waste Policy Act of 1982 shall continue in effect under this Act, provided that the Secretary shall consent to an amendment to such contracts as necessary to implement the provisions of this Act.

"(2) ANNUAL FEES.—

"(A) For electricity generated by civilian nuclear power reactors and sold between January 7, 1983, and September 30, 2002, the fee under paragraph (1) shall be equal to 1.0 mill per kilowatt hour generated and sold. For electricity generated by civilian nuclear power reactors and sold on or after October 1, 2002, the aggregate amount of fees collected during each fiscal year shall be no greater than the annual level of appropriations for expenditures on those activities consistent with subsection (d) for that fiscal year, minus—

"(i) any unobligated balance collected pursuant to this section during the previous fiscal year; and

"(ii) the percentage of such appropriation required to be funded by the Federal Government pursuant to section 403.

The Secretary shall determine the level of the annual fee for each civilian nuclear power reactor based on the amount of electricity generated and sold, except that the annual fee collected under this subparagraph shall not exceed 1.0 mill per kilowatt-hour generated and sold.

"(B) EXPENDITURES IF SHORTFALL.—If, during any fiscal year on or after October 1, 2002, the aggregate amount of fees assessed pursuant to subparagraph (A) is less than the annual level of appropriations for expenditures on those activities specified in subsection (d) for that fiscal year, minus—

"(i) any unobligated balance collected pursuant to this section during the previous fiscal year; and

"(ii) the percentage of such appropriations required to be funded by the Federal Government pursuant to section 403, the Secretary may make expenditures from the Nuclear Waste Fund up to the level of the fees assessed.

"(C) RULES.—The Secretary shall, by rule, establish procedures necessary to implement this paragraph.

"(3) ONE-TIME FEE.—For spent nuclear fuel or solidified high-level radioactive waste derived from spent nuclear fuel, which fuel was used to generate electricity in a civilian nuclear power reactor prior to January 7, 1983, the fee shall be in an amount equivalent to an average charge of 1.0 mill per kilowatt-hour for electricity generated by such spent nuclear fuel, or such solidified high-level waste derived therefrom. Payment of such one-time fee prior to the date of enactment of the Nuclear Waste Policy Act of 1996 shall satisfy the obligation imposed under this paragraph. Any one-time fee paid and collected subsequent to the date of enactment of the Nuclear Waste Policy Act of 1996 pursuant to the contracts, including any interest due pursuant to such contracts, shall be paid to the Nuclear Waste Fund no later than September 30, 2002. The Commission shall suspend the license of any licensee who fails or refuses to pay the full amount of the fee referred to in this paragraph on or before September 30, 2002, and the license shall remain suspended until the full amount of the fee referred to in this paragraph is paid. The person paying the fee under this paragraph to the Secretary shall have no further financial obligation to the Federal Government for the long-term storage and permanent disposal of spent fuel or high-level radioactive waste derived from spent nuclear fuel used to generate electricity in a civilian power reactor prior to January 7, 1983.

"(4) ADJUSTMENTS TO FEE.—The Secretary shall annually review the amount of the fees established by paragraphs (2) and (3), together with the existing balance of the Nuclear Waste Fund on the date of enactment of the Nuclear Waste Policy Act of 1996, to evaluate whether collection of the fee will provide sufficient revenues to offset the costs as defined in subsection (c)(2). In the event the Secretary determines that the revenues being collected are either insufficient or excessive to recover the costs incurred by the Federal Government that are specified in subsection (c)(2), the Secretary shall propose an adjustment to the fee in subsection (c)(2) to ensure full cost recovery. The Secretary shall immediately transmit the proposal for such an adjustment to both houses of Congress.

"(b) ADVANCE CONTRACTING REQUIREMENT.—

"(1) IN GENERAL.—

"(A) LICENSE ISSUANCE AND RENEWAL.—The Commission shall not issue or renew a license to any person to use a utilization or production facility under the authority of section 103 or 104 of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134) unless—

"(i) such person has entered into a contract under subsection (a) with the Secretary; or

"(ii) the Secretary affirms in writing that such person is actively and in good faith negotiating with the Secretary for a contract under this section.

"(B) PRECONDITION.—The Commission, as it deems necessary or appropriate, may require as a precondition to the issuance or renewal of a license under section 103 or 104 of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134) that the applicant for such license shall have entered into an agreement with the Secretary for the disposal of spent nuclear fuel and high-level radioactive waste that may result from the use of such license.

"(2) DISPOSAL IN REPOSITORY.—Except as provided in paragraph (1), no spent nuclear fuel or high-level radioactive waste generated or owned by any person (other than a department of the United States referred to in section 101 or 102 of title 5, United States Code) may be disposed of by the Secretary in the repository unless the generator or owner of such spent fuel or waste has entered into a contract under subsection (a) with the Secretary by not later than the date on which such generator or owner commences generation of, or takes title to, such spent fuel or waste.

"(3) ASSIGNMENT.—The rights and duties of contract holders are assignable.

"(c) NUCLEAR WASTE FUND.—

"(1) IN GENERAL.—The Nuclear Waste Fund established in the Treasury of the United States under section 302(c) of the Nuclear Waste Policy Act of 1982 shall continue in effect under this Act and shall consist of—

"(A) the existing balance in the Nuclear Waste Fund on the date of enactment of the Nuclear Waste Policy Act of 1996; and

"(B) all receipts, proceeds, and recoveries realized under subsections (a), and (c)(3) subsequent to the date of enactment of the Nuclear Waste Policy Act of 1996, which shall be deposited in the Nuclear Waste Fund immediately upon their realization.

"(2) USE.—The Secretary may make expenditures from the Nuclear Waste Fund, subject to subsections (d) and (e), only for purposes of the integrated management system.

"(3) ADMINISTRATION OF NUCLEAR WASTE FUND—

"(A) IN GENERAL.—The Secretary of the Treasury shall hold the Nuclear Waste Fund and, after consultation with the Secretary, annually report to the Congress on the financial condition and operations of the Nuclear Waste Fund during the preceding fiscal year.

"(B) AMOUNTS IN EXCESS OF CURRENT NEEDS.—If the Secretary determines that the Nuclear Waste Fund contains at any time amounts in excess of current needs, the Secretary may request the Secretary of the Treasury to invest such amounts, or any portion of such amounts as the Secretary determines to be appropriate, in obligations of the United States—

"(i) having maturities determined by the Secretary of the Treasury to be appropriate to the needs of the Nuclear Waste Fund; and

"(ii) bearing interest at rates determined to be appropriate by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturities of such investments, except that the interest rate on such investments shall not exceed the average interest rate applicable to existing borrowings.

"(C) EXEMPTION.—Receipts, proceeds, and recoveries realized by the Secretary under this section, and expenditures of amounts from the Nuclear Waste Fund, shall be exempt from annual apportionment under the provisions of subchapter II of chapter 15 of title 31, United States Code.

"(d) BUDGET.—The Secretary shall submit the budget for implementation of the Secretary's responsibilities under this Act to the Office of Management and Budget annually along with the budget of the Department of Energy submitted at such time in accordance with chapter 11 of title 31, United States Code. The budget shall consist of the estimates made by the Secretary of expenditures under this Act and other relevant financial matters for the succeeding 3 fiscal years, and shall be included in the budget of the United States Government.

"(e) APPROPRIATIONS.—The Secretary may make expenditures from the Nuclear Waste Fund, subject to appropriations, which shall remain available until expended.

"SEC. 402. OFFICE OF CIVILIAN RADIOACTIVE WASTE MANAGEMENT.

"(a) ESTABLISHMENT.—There hereby is established within the Department of Energy an Office of Civilian Radioactive Waste Management. The Office shall be headed by a Director, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(b) FUNCTIONS OF DIRECTOR.—The Director of the Office shall be responsible for carrying out the functions of the Secretary under this Act, subject to the general supervision of the Secretary. The Director of the Office shall be directly responsible to the Secretary.

"SEC. 403. FEDERAL CONTRIBUTION.

"(a) ALLOCATION.—No later than one year from the date of enactment of the Nuclear Waste Policy Act of 1966, acting pursuant to section 554 of title 5, United States Code, the Secretary shall issue a final rule establishing the appropriate portion of the costs of managing spent nuclear fuel and high-level radioactive waste under this Act allocable to the interim storage or permanent disposal of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors. The share of costs allocable to the management of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors shall include,

"(1) an appropriate portion of the costs associated with research and development activities with respect to development of an interim storage facility and repository; and

"(2) as appropriate, interest on the principal amounts due calculated by reference to the appropriate Treasury bill rate as if the payments were made at a point in time consistent with the payment dates for spent nuclear fuel and high-level radioactive waste under the contracts.

"(b) APPROPRIATION REQUEST.—In addition to any request for an appropriation from the Nuclear Waste Fund, the Secretary shall request annual appropriations from general revenues in amounts sufficient to pay the costs of the management of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors, as established under subsection (a).

"(c) REPORT.—In conjunction with the annual report submitted to Congress under section 702, the Secretary shall advise the Congress annually of the amount of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors, requiring management in the integrated management system.

"(d) AUTHORIZATION.—There is authorized to be appropriated to the Secretary, from general revenues, for carrying out the purposes of this Act, such sums as may be necessary to pay the costs of the management of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors, as established under subsection (a).

"TITLE V—GENERAL AND MISCELLANEOUS PROVISIONS

"SEC. 501. COMPLIANCE WITH OTHER LAWS.

"If the requirements of any Federal, State, or local law (including a requirement imposed by regulation or by any other means under such a law) are inconsistent with or duplicative of the requirements of the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) or of this Act, the Secretary shall comply only with the requirements of the Atomic Energy Act of 1954 and of this Act in implementing the integrated management system.

"SEC. 502. JUDICIAL REVIEW OF AGENCY ACTIONS.

"(a) JURISDICTION OF THE UNITED STATES COURTS OF APPEALS.—

"(1) ORIGINAL AND EXCLUSIVE JURISDICTION.—Except for review in the Supreme Court of the United States, and except as otherwise provided in this Act, the United States courts of appeals shall have original and exclusive jurisdiction over any civil action—

"(A) for review of any final decision or action of the Secretary, the President, or the Commission under this Act;

"(B) alleging the failure of the Secretary, the President, or the Commission to make any decision, or take any action, required under this Act;

"(C) challenging the constitutionality of any decision made, or action taken, under any provision of this Act; or

"(D) for review of any environmental impact statement prepared or environmental assessment pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to any action under this Act or alleging a failure to prepare such statement with respect to any such action.

"(2) VENUE.—The venue of any proceeding under this section shall be in the judicial circuit in which the petitioner involved resides or has its principal office, or in the United States Court of Appeals for the District of Columbia Circuit.

"(b) DEADLINE FOR COMMENCING ACTION.—A civil action for judicial review described under subsection (a)(1) may be brought no later than 180 days after the date of the decision or action or failure to act involved, as the case may be, except that if a party shows that he did not know of the decision or action complained of (or of the failure to act), and that a reasonable person acting under the circumstances would not have known, such party may bring a civil action no later than 180 days after the date such party acquired actual or constructive knowledge of such decision, action, or failure to act.

"(c) APPLICATION OF OTHER LAW.—The provisions of this section relating to any matter shall apply in lieu of the provisions of any other Act relating to the same matter.

"SEC. 503. LICENSING OF FACILITY EXPANSIONS AND TRANSSHIPMENTS.

"(a) ORAL ARGUMENT.—In any Commission hearing under section 189 of the Atomic Energy Act of 1954 (42 U.S.C. 2239) on an application for a license, or for an amendment to an existing license, filed after January 7, 1983, to expand the spent nuclear fuel storage capacity at the site of a civilian nuclear power reactor, through the use of high-density fuel storage racks, fuel rod compaction, the transshipment of spent nuclear fuel to another civilian nuclear power reactor within the same utility system, the construction of additional spent nuclear fuel pool capacity or dry storage capacity, or by other means, the Commission shall, at the request of any party, provide an opportunity for oral argument with respect to any matter which the Commission determines to be in controversy among the parties. The oral argument shall be preceded by such discovery procedures as the rules of the Commission shall provide. The Commission shall require each party, including the Commission staff, to submit in written form, at the time of the oral argument, a summary of the facts, data, and arguments upon which such party proposes to rely that are known at such time to such party. Only facts and data in the form of sworn testimony or written submission may be relied upon by the parties during oral argument. Of the materials that may be submitted by the parties during oral argument, the Commission shall only consider those facts and data that are submitted in the form of sworn testimony or written submission.

"(b) ADJUDICATORY HEARING.—

"(1) DESIGNATION.—At the conclusion of any oral argument under subsection (a), the Commission shall designate any disputed question of fact, together with any remaining questions of law, for resolution in an adjudicatory hearing only if it determines that—

"(A) there is a genuine and substantial dispute of fact which can only be resolved with sufficient accuracy by the introduction of evidence in an adjudicatory hearing; and

"(B) the decision of the Commission is likely to depend in whole or in part on the resolution of such dispute.

"(2) DETERMINATION.—In making a determination under this subsection, the Commission—

"(A) shall designate in writing the specific facts that are in genuine and substantial dispute, the reason why the decision of the agency is likely to depend on the resolution of such facts, and the reason why an adjudicatory hearing is likely to resolve the dispute; and

"(B) shall not consider—

"(i) any issue relating to the design, construction, or operation of any civilian nuclear power reactor already licensed to operate at such site, or any civilian nuclear power reactor to which a construction permit has been granted at such site, unless the Commission determines that any such issue substantially affects the design, construction, or operation of the facility or activity for which such license application, authorization, or amendment is being considered; or

"(ii) any siting or design issue fully considered and decided by the Commission in connection with the issuance of a construction permit or operating license for a civilian nuclear power reactor at such site, unless

"(I) such issue results from any revision of siting or design criteria by the Commission following such decision; and

"(II) the Commission determines that such issue substantially affects the design, construction, or operation of the facility or activity for which such license application, authorization, or amendment is being considered.

"(3) APPLICATION.—The provisions of paragraph (2)(B) shall apply only with respect to licenses, authorizations, or amendments to licenses or authorizations, applied for under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) before December 31, 2005.

"(4) CONSTRUCTION.—The provisions of this section shall not apply to the first application for a license or license amendment received by the Commission to expand onsite spent fuel storage capacity by the use of a new technology not previously approved for use at any nuclear power plant by the Commission.

"(c) JUDICIAL REVIEW.—No court shall hold unlawful or set aside a decision of the Commission in any proceeding described in subsection (a) because of failure by the Commission to use a particular procedure pursuant to this section unless—

"(1) an objection to the procedure used was presented to the Commission in a timely fashion or there are extraordinary circumstances that excuse the failure to present a timely objection; and

"(2) the court finds that such failure has precluded a fair consideration and informed resolution of a significant issue of the proceeding taken as a whole.

"SEC. 504. SITING A SECOND REPOSITORY.

"(a) CONGRESSIONAL ACTION REQUIRED.—The Secretary may not conduct site-specific activities with respect to a second repository unless Congress has specifically authorized and appropriated funds for such activities.

"(b) REPORT.—The Secretary shall report to the President and to Congress on or after January 1, 2007, but not later than January 1, 2010, on the need for a second repository.

"SEC. 505. FINANCIAL ARRANGEMENTS FOR LOW-LEVEL RADIOACTIVE WASTE SITE CLOSURE.

"(a) FINANCIAL ARRANGEMENTS.—

"(1) STANDARDS AND INSTRUCTIONS.—The Commission shall establish by rule, regulation, or order, after public notice, and in accordance with section 181 of the Atomic Energy Act of 1954 (42 U.S.C. 2231), such standards and instructions as the Commission may deem necessary or desirable to ensure in the case of each license for the disposal of low-level radioactive waste that an adequate bond, surety, or other financial arrangement (as determined by the Commission) will be provided by a licensee to permit completion of all requirements established by the Commission for the decontamination, decommissioning, site closure, and reclamation of site, structures, and equipment used in conjunction with such low-level radioactive waste. Such financial arrangements shall be provided and approved by the Commission, or, in the case of sites within the boundaries of any agreement State under section 274 of the Atomic Energy Act of 1954 (42 U.S.C. 2021), by the appropriate State or State entity, prior to issuance of licenses for low-level radioactive waste disposal or, in the case of licenses in effect on January 7, 1983, prior to termination of such licenses.

"(2) BONDING, SURETY, OR OTHER FINANCIAL ARRANGEMENTS.—If the Commission determines that any long-term maintenance or monitoring, or both, will be necessary at a site described in paragraph (1), the Commission shall ensure before termination of the license involved that the licensee has made available such bonding, surety, or other financial arrangements as may be necessary to ensure that any necessary long-term maintenance or monitoring needed for such site will be carried out by the person having title and custody for such site following license termination.

"(b) TITLE AND CUSTODY.—

"(1) AUTHORITY OF SECRETARY.—The Secretary shall have authority to assume title and custody of low-level radioactive waste and the land on which such waste is disposed of, upon request of the owner of such waste and land and following termination of the license issued by the Commission for such disposal, if the Commission determines that—

"(A) the requirements of the Commission for site closure, decommissioning, and decontamination have been met by the licensee involved and that such licensee is in compliance with the provisions of subsection (a);

"(B) such title and custody will be transferred to the Secretary without cost to the Federal Government; and

"(C) Federal ownership and management of such site is necessary or desirable in order to protect the public health and safety, and the environment.

"(2) PROTECTION.—If the Secretary assumes title and custody of any such waste and land under this subsection, the Secretary shall maintain such waste and land in a manner that will protect the public health and safety, and the environment.

"(c) SPECIAL SITES.—If the low-level radioactive waste involved is the result of a licensed activity to recover zirconium, hafnium, and rare earths from source material, the Secretary, upon request of the owner of the site involved, shall assume title and custody of such waste and the land on which it is disposed when such site has been decontaminated and stabilized in accordance with the requirements established by the Commission and when such owner has made adequate financial arrangements approved by the Commission for the long-term maintenance and monitoring of such site.

"SEC. 506. NUCLEAR REGULATORY COMMISSION TRAINING AUTHORIZATION.

"The Commission is authorized and directed to promulgate regulations, or other appropriate regulatory guidance, for the training and qualifications of civilian nuclear power plant operators, supervisors, technicians, and other appropriate operating personnel. Such regulations or guidance shall establish simulator training requirements for applicants for civilian nuclear power plant operator licenses and for operator requalification programs; requirements governing Commission administration of requalification examinations; requirements for operating tests at civilian nuclear power plant simulators, and instructional requirements for civilian nuclear power plant licensee personnel training programs.

"SEC. 507. EMPLACEMENT SCHEDULE.

"(a) The emplacement schedule shall be implemented in accordance with the following:

"(1) Emplacement priority ranking shall be determined by the Department's annual 'Acceptance Priority Ranking' report.

"(2) The Secretary's spent fuel emplacement rate shall be no less than the following: 1,200 MTU in fiscal year 2000 and 1,200 MTU in fiscal year 2001; 2,000 MTU in fiscal year 2002 and 2000 MTU in fiscal year 2003; 2,700 MTU in fiscal year 2004; and 3,000 MTU annually thereafter.

"(b) If the Secretary is unable to begin emplacement by January 31, 1999 at the rates specified in subsection (a), or if the cumulative amount emplaced in any year thereafter is less than that which would have been accepted under the emplacement rate specified in subsection (a), the Secretary shall, as a mitigation measure, adjust the emplacement schedule upward such that within 5 years of the start of emplacement by the Secretary,

"(1) the total quantity accepted by the Secretary is consistent with the total quantity that the Secretary would have accepted if the Secretary had begun emplacement in fiscal year 2000, and

"(2) thereafter the emplacement rate is equivalent to the rate that would be in place pursuant to paragraph (a) above if the Secretary had commenced emplacement in fiscal year 2000.

"SEC. 508. TRANSFER OF TITLE.

"(a) Acceptance by the Secretary of any spent nuclear fuel or high-level radioactive waste shall constitute a transfer of title to the Secretary.

"(b) No later than 6 months following the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary is authorized to accept all spent nuclear fuel withdrawn from Dairyland Power Cooperative's La Crosse Reactor and, upon acceptance, shall provide Dairyland Power Cooperative with evidence of the title transfer. Immediately upon the Secretary's acceptance of such spent nuclear fuel, the Secretary shall assume all responsibility and liability for the interim storage and permanent disposal thereof and is authorized to compensate Dairyland Power Cooperative for any costs related to operating and maintaining facilities necessary for such storage from the date of acceptance until the Secretary removes the spent nuclear fuel from the La Crosse Reactor site."

"SEC. 509. DECOMMISSIONING PILOT PROGRAM.

"(a) AUTHORIZATION.—The Secretary is authorized to establish a Decommissioning Pilot Program to decommission and decontaminate the sodium-cooled fast breeder experiment test-site reactor located in northwest Arkansas.

"(b) FUNDING.—No funds from the Nuclear Waste Fund may be used for the Decommissioning Pilot Program.

"SEC. 510. WATER RIGHTS.

"(a) NO FEDERAL RESERVATION.—Nothing in this Act or any other Act of Congress shall constitute or be construed to constitute either an express or implied Federal reservation of water or water rights for any purpose arising under this Act.

"(b) ACQUISITION AND EXERCISE OF WATER RIGHTS UNDER NEVADA LAW.—The United States may acquire and exercise such water rights as it deems necessary to carry out its responsibilities under this Act pursuant to the substantive and procedural requirements of the State of Nevada. Nothing in this Act shall be construed to authorize the use of eminent domain by the United States to acquire water rights for such lands.

"(c) EXERCISE OF WATER RIGHTS GENERALLY UNDER NEVADA LAWS.—Nothing in this Act shall be construed to limit the exercise of water rights as provided under Nevada State laws.

"TITLE VI—NUCLEAR WASTE TECHNICAL REVIEW BOARD

"SEC. 601. DEFINITIONS.

"For purposes of this title—

"(1) CHAIRMAN.—The term "Chairman" means the Chairman of the Nuclear Waste Technical Review Board.

"(2) BOARD.—The term "Board" means the Nuclear Waste Technical Review Board continued under section 602.

"SEC. 602. NUCLEAR WASTE TECHNICAL REVIEW BOARD.

"(a) CONTINUATION OF THE NUCLEAR WASTE TECHNICAL REVIEW BOARD.—The Nuclear Waste Technical Review Board, established under section 502(a) of the Nuclear Waste Policy Act of 1982 as constituted prior to the date of enactment of the Nuclear Waste Policy Act of 1966, shall continue in effect subsequent to the date of enactment of the Nuclear Waste Policy Act of 1996.

"(b) MEMBERS.—

"(1) NUMBER.—The Board shall consist of 11 members who shall be appointed by the President not later than 90 days after December 22, 1987, from among persons nominated by the National Academy of Sciences in accordance with paragraph (3).

"(2) CHAIR.—The President shall designate a member of the Board to serve as Chairman.

"(3) NATIONAL ACADEMY OF SCIENCES.—

"(A) NOMINATIONS.—The National Academy of Sciences shall, not later than 90 days after December 22, 1987, nominate not less than 22 persons for appointment to the Board from among persons who meet the qualifications described in subparagraph (C).

"(B) VACANCIES.—The National Academy of Sciences shall nominate not less than 2 persons to fill any vacancy on the Board from among persons who meet the qualifications described in subparagraph (C).

"(C) NOMINEES.—

"(i) Each person nominated for appointment to the Board shall be—

"(I) eminent in a field of science or engineering, including environmental sciences; and

"(II) selected solely on the basis of established records of distinguished service.

"(ii) The membership of the Board shall be representatives of the broad range of scientific and engineering disciplines related to activities under this title.

"(iii) No person shall be nominated for appointment to the Board who is an employee of—

"(I) the Department of Energy;

"(II) a national laboratory under contract with the Department of Energy; or

"(III) an entity performing spent nuclear fuel or high-level radioactive waste activities under contract with the Department of Energy.

"(4) VACANCIES.—Any vacancy on the Board shall be filled by the nomination and appointment process described in paragraphs (1) and (3).

"(5) TERMS.—Members of the Board shall be appointed for terms of 4 years, each such term to commence 120 days after December 22, 1987, except that of the 11 members first appointed to the Board, 5 shall serve for 2 years and 6 shall serve for 4 years, to be designated by the President at the time of appointment, except that a member of the Board whose term has expired may continue to serve as a member of the Board until such member's successor has taken office.

"SEC. 603. FUNCTIONS.

"The Board shall limit its evaluations to the technical and scientific validity solely of the following activities undertaken directly by the Secretary after December 22, 1987—

"(1) site characterization activities; and

"(2) activities of the Secretary relating to the packaging or transportation of spent nuclear fuel or high-level radioactive waste.

"SEC. 604. INVESTIGATORY POWERS.

"(a) HEARINGS.—Upon request of the Chairman or a majority of the members of the Board, the Board may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Board considers appropriate. Any member of the Board may administer oaths or affirmations to witnesses appearing before the Board. The Secretary or the Secretary's designee or designees shall not be required to appear before the Board or any element of the Board for more than twelve working days per calendar year.

"(b) PRODUCTION OF DOCUMENTS.—

"(1) RESPONSE TO INQUIRIES.—Upon the request of the Chairman or a majority of the members of the Board, and subject to existing law, the Secretary (or any contractor of the Secretary) shall provide the Board with such records, files, papers, data, or information that is generally available to the public as may be necessary to respond to any inquiry of the Board under this title.

"(2) EXTENT.—Subject to existing law, information obtainable under paragraph (1) may include drafts of products and documentation of work in progress.

"SEC. 605. COMPENSATION OF MEMBERS.

"(a) IN GENERAL.—Each member of the Board shall be paid at the rate of pay payable for level III of the Executive Schedule for each day (including travel time) such member is engaged in the work of the Board.

"(b) TRAVEL EXPENSES.—Each member of the Board may receive travel expenses, including per diem in lieu of subsidence, in the same manner as is permitted under sections 5702 and 5703 of title 5, United States Code.

"SEC. 606. STAFF.

"(a) CLERICAL STAFF.—

"(1) AUTHORITY OF CHAIRMAN.—Subject to paragraph (2), the Chairman may appoint and fix the compensation of such clerical staff as may be necessary to discharge the responsibilities of the Board.

"(2) PROVISIONS OF TITLE 5.—Clerical staff shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 3 of such title relating to classification and General Schedule pay rates.

"(b) PROFESSIONAL STAFF.—

"(1) AUTHORITY OF THE CHAIRMAN.—Subject to paragraphs (2) and (3), the Chairman may appoint and fix the compensation of such professional staff as may be necessary to discharge the responsibilities of the Board.

"(2) NUMBER.—Not more than 10 professional staff members may be appointed under this subsection.

"(3) TITLE 5.—Professional staff members may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS–18 of the General Schedule.

"SEC. 607. SUPPORT SERVICES.

"(a) GENERAL SERVICES.—To the extent permitted by law and requested by the Chairman, the Administrator of General Services shall provide the Board with necessary administrative services, facilities, and support on a reimbursable basis.

"(b) ACCOUNTING, RESEARCH, AND TECHNOLOGY ASSESSMENT SERVICES.—The Comptroller General and the Librarian of Congress shall, to the extent permitted by law and subject to the availability of funds, provide the Board with such facilities, support, funds and services including staff, as may be necessary for the effective performance of the functions of the Board.

"(c) ADDITIONAL SUPPORT.—Upon the request of the Chairman, the Board may secure directly from the head of any department or agency of the United States information necessary to enable it to carry out this title.

"(d) MAILS.—The Board may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

"(e) EXPERTS AND CONSULTANTS.—Subject to such rules as may be prescribed by the Board, the Chairman may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for GS–18 of the General Schedule.

"SEC. 608. REPORT.

"The Board shall report not less than 2 times per year to Congress and the Secretary its findings, conclusions, and recommendations.

"SEC. 609. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated for expenditures such sums as may be necessary to carry out the provisions of this title.

"SEC. 610. TERMINATION OF THE BOARD.

"The Board shall cease to exist not later than one year after the date on which the Secretary begins disposal of spent nuclear fuel or high-level radioactive waste in the repository.

"TITLE VII—MANAGEMENT REFORM

"SEC. 701. MANAGEMENT REFORM INITIATIVES.

"(a) In General.—The Secretary is directed to take actions as necessary to improve the management of the civilian radioactive waste management program to ensure that the program is operated, to the maximum extent practicable, in like manner as a private business.

"(b) Audits—

"(1) Standard.—The Office of Civilian Radioactive Waste Management, its contractors, and subcontractors at all tiers, shall conduct, or have conducted, audits and examinations of their operations in accordance with the usual and customary practices of private corporations engaged in large nuclear construction projects consistent with its role in the program.

"(2) Time.—The management practices and performances of the Office of Civilian Radioactive Waste Management shall be audited every 5 years by an independent management consulting firm with significant experience in similar audits of private corporations engaged in large nuclear construction projects. The first such audit shall be conducted 5 years after the enactment of the Nuclear Waste Policy Act of 1996.

"(3) Comptroller General.—The Comptroller General of the United States shall annually make an audit of the Office, in accordance with such regulations as the Comptroller General may prescribe. The Comptroller General shall have access to such books, records, accounts, and other materials of the Office as the Comptroller General determines to be necessary for the preparation of such audit. The Comptroller General shall submit to the Congress a report on the results of each audit conducted under this section.

"(4) Time.—No audit contemplated by this subsection shall take longer than 30 days to conduct. An audit report shall be issued in final form no longer than 60 days after the audit is commenced.

"(5) Public documents.—All audit reports shall be public documents and available to any individual upon request.

"(d) Value Engineering.—The Secretary shall create a value engineering function within the Office of Civilian Radioactive Waste Management that reports directly to the Director, which shall carry out value engineering functions in accordance with the usual and customary practices of private corporations engaged in large nuclear construction projects.

"(e) Site Characterization.—The Secretary shall employ, on an on-going basis, integrated performance modeling to identify appropriate parameters for the remaining site characterization effort and to eliminate studies of parameters that are shown not to affect long-term repository performance.

"SEC. 702. REPORTING.

"(a) Initial Report.—Within 180 days of enactment of this section, the Secretary shall report to Congress on its planned actions for implementing the provisions of this Act, including the development of the Integrated Waste Management System. Such report shall include—

"(1) an analysis of the Secretary's progress in meeting its statutory and contractual obligation to accept title to, possession of, and delivery of spent nuclear fuel and high-level radioactive waste beginning no later than November 30, 1999, and in accordance with the acceptance schedule;

"(2) a detailed schedule and timeline showing each action that the Secretary intends to take to meet the Secretary's obligations under this Act and the contracts;

"(3) a detailed description of the Secretary's contingency plans in the event that the Secretary is unable to meet the planned schedule and timeline; and

"(4) an analysis by the Secretary of its funding needs for fiscal years 1997 through 2001.

"(b) Annual Reports.—On each anniversary of the submittal of the report required by subsection (a), the Secretary shall make annual reports to the Congress for the purpose of updating the information contained in such report. The annual reports shall be brief and shall notify the Congress of:

"(1) any modifications to the Secretary's schedule and timeline for meeting its obligations under this Act;

"(2) the reasons for such modifications, and the status of the implementation of any of the Secretary's contingency plans; and

"(3) the Secretary's analysis of its funding needs for the ensuing 5 fiscal years.

"SEC. 703. EFFECTIVE DATE.

"This Act shall become effective one day after enactment.".

Amendment No. 4985

In lieu of the matter to be inserted, insert the following:

That the Nuclear Waste Policy Act of 1982 is amended to read as follows:

"SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

"(a) Short Title.—This Act may be cited as the 'Nuclear Waste Policy Act of 1996'.

"(b) Table of Contents.—

"Sec. 1. Short title and table of contents.
"Sec. 2. Definitions.

"TITLE I—OBLIGATIONS

"Sec. 101. Obligations of the Secretary of Energy.

"TITLE II—INTEGRATED MANAGEMENT SYSTEM

"Sec. 201. Intermodal transfer.
"Sec. 202. Transportation planning.
"Sec. 203. Transportation requirements.
"Sec. 204. Interim storage.
"Sec. 205. Permanent repository.
"Sec. 206. Land withdrawal.

"TITLE III—LOCAL RELATIONS

"Sec. 301. Financial assistance.
"Sec. 302. On-site representative.
"Sec. 303. Acceptance of benefits.
"Sec. 304. Restrictions on use of funds.
"Sec. 305. Land conveyances.

"TITLE IV—FUNDING AND ORGANIZATION

"Sec. 401. Program funding.
"Sec. 402. Office of Civilian Radioactive Waste Management.
"Sec. 403. Federal contribution.

"TITLE V—GENERAL AND MISCELLANEOUS PROVISIONS

"Sec. 501. Compliance with other laws.
"Sec. 502. Judicial review of agency actions.
"Sec. 503. Licensing of facility expansions and transshipments.
"Sec. 504. Siting a second repository.
"Sec. 505. Financial arrangements for low-level radioactive waste site closure.
"Sec. 506. Nuclear Regulatory Commission training authority.
"Sec. 507. Emplacement schedule.
"Sec. 508. Transfer of title.
"Sec. 509. Decommissioning pilot program.
"Sec. 510. Water rights.

"TITLE VI—NUCLEAR WASTE TECHNICAL REVIEW BOARD

"Sec. 601. Definitions.
"Sec. 602. Nuclear Waste Technical Review Board.
"Sec. 603. Functions.
"Sec. 604. Investigatory powers.
"Sec. 605. Compensation of members.
"Sec. 606. Staff.
"Sec. 607. Support services.
"Sec. 608. Report.
"Sec. 609. Authorization of appropriations.
"Sec. 610. Termination of the board.

"TITLE VII—MANAGEMENT REFORM

"Sec. 701. Management reform initatives.
"Sec. 702. Reporting.
"Sec. 703. Effective date.

"SEC. 2. DEFINITIONS.

"For purposes of this Act:

"(1) Accept, acceptance.—The terms 'accept' and 'acceptance' mean the Secretary's act of taking possession of spent nuclear fuel or high-level radioactive waste.

"(2) Affected Indian tribe.—The term 'affected Indian tribe' means any Indian tribe—

"(A) whose reservation is surrounded by or borders an affected unit of local government, or

"(B) whose federally defined possessory or usage rights to other lands outside of the reservation's boundaries arising out of congressionally ratified treaties may be substantially and adversely affected by the locating of an interim storage facility or a repository if the Secretary of the Interior finds, upon the petition of the appropriate governmental officials of the tribe, that such effects are both substantial and adverse to the tribe.

"(3) Affected unit of local government.—The term 'affected unit of local government' means the unit of local government with jurisdiction over the site of a repository or interim storage facility. Such term may, at the discretion of the Secretary, include other units of local government that are contiguous with such unit.

"(4) Atomic energy defense activity.—The term 'atomic energy defense activity' means any activity of the Secretary performed in whole or in part in carrying out any of the following functions:

"(A) Naval reactors development.

"(B) Weapons activities including defense inertial confinement fusion.

"(C) Verification and control technology.

"(D) Defense nuclear materials production.

"(E) Defense nuclear waste and materials byproducts management.

"(F) Defense nuclear materials security and safeguards and security investigations.

"(G) Defense research and development.

"(5) Civilian nuclear power reactor.—The term 'civilian nuclear power reactor' means a civilian nuclear power plant required to be licensed under section 103 or 104 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134(b)).

"(6) Commission.—The term 'Commission' means the Nuclear Regulatory Commission.

"(7) Contracts.—The term 'contracts' means the contracts, executed prior to the date of enactment of the Nuclear Waste Policy Act of 1996, under section 302(a) of the

Nuclear Waste Policy Act of 1982, by the Secretary and any person who generates or holds title to spent nuclear fuel or high-level radioactive waste of domestic origin for acceptance of such waste or fuel by the Secretary and the payment of fees to offset the Secretary's expenditures, and any subsequent contracts executed by the Secretary pursuant to section 401(a) of this Act.

"(8) CONTRACT HOLDERS.—The term 'contract holders' means parties (other than the Secretary) to contracts.

"(9) DEPARTMENT.—The term 'Department' means the Department of Energy.

"(10) DISPOSAL.—The term 'disposal' means the emplacement in a repository of spent nuclear fuel, high-level radioactive waste, other highly radioactive material with no foreseeable intent of recovery, whether or not such emplacement permits recovery of such material for any future purpose.

"(11) DISPOSAL SYSTEM.—The term 'disposal system' means all natural barriers and engineered barriers, and engineered systems and components, that prevent the release of radionuclides from the repository.

"(12) EMPLACEMENT SCHEDULE.—The term 'emplacement schedule' means the schedule established by the Secretary in accordance with section 507(a) for emplacement of spent nuclear fuel and high-level radioactive waste at the interim storage facility.

"(13) ENGINEERED BARRIERS AND ENGINEERED SYSTEMS AND COMPONENTS.—The terms 'engineered barriers' and 'engineered systems and components,' mean man-made components of a disposal system. These terms include the spent nuclear fuel or high-level radioactive waste form, spent nuclear fuel package or high-level radioactive waste package, and other materials placed over and around such packages.

"(14) HIGH-LEVEL RADIOACTIVE WASTE.—The term 'high-level radioactive waste' means—

"(A) the highly radioactive material resulting from the reprocessing of spent nuclear fuel, including liquid waste produced directly in reprocessing and any solid material derived from such liquid waste that contains fission products in sufficient concentrations; and

"(B) other highly radioactive material that the Commission, consistent with existing law, determines by rule requires permanent isolation, which includes any low-level radioactive waste with concentrations of radionuclides that exceed the limits established by the Commission for class C radioactive waste, as defined by section 61.55 of title 10, Code of Federal Regulations, as in effect on January 26, 1983.

"(15) FEDERAL AGENCY.—The term 'Federal agency' means any Executive agency, as defined in section 105 of title 5, United States Code.

"(16) INDIAN TRIBE.—The term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community of Indians recognized as eligible for the services provided to Indians by the Secretary of the Interior because of their status as Indians including any Alaska Native village, as defined in section 3(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(c)).

"(17) INTEGRATED MANAGEMENT SYSTEM.—The term 'integrated management system' means the system developed by the Secretary for the acceptance, transportation, storage, and disposal of spent nuclear fuel and high-level radioactive waste under title II of this Act.

"(18) INTERIM STORAGE FACILITY.—The term 'interim storage facility' means a facility designed and constructed for the receipt, handling, possession, safeguarding, and storage of spent nuclear fuel and high-level radioactive waste in accordance with title II of this Act.

"(19) INTERIM STORAGE FACILITY SITE.—The term 'interim storage facility site' means the specific site within Area 25 of the Nevada Test Site that is designated by the Secretary and withdrawn and reserved in accordance with this Act for the location of the interim storage facility.

"(20) LOW-LEVEL RADIOACTIVE WASTE.—The term 'low-level radioactive waste' means radioactive material that—

"(A) is not spent nuclear fuel, high-level radioactive waste, transuranic waste, or byproduct material as defined in section 11 e(2) of the Atomic Energy Act of 1954 (42 U.S.C. 2014(e)(2)); and

"(B) the Commission, consistent with existing law, classifies as low-level radioactive waste.

"(21) METRIC TONS URANIUM.—The terms 'metric tons uranium' and 'MTU' means the amount of uranium in the original unirradiated fuel element whether or not the spent nuclear fuel has been reprocessed.

"(22) NUCLEAR WASTE FUND.—The terms 'Nuclear Waste Fund' and 'waste fund' mean the nuclear waste fund established in the United States Treasury prior to the date of enactment of this Act under section 302(c) of the Nuclear Waste Policy Act of 1982.

"(23) OFFICE.—The term 'Office' means the Office of Civilian Radioactive Waste Management established within the Department prior to the date of enactment of this Act under the provisions of the Nuclear Waste Policy Act of 1982.

"(24) PROGRAM APPROACH.—The term 'program approach' means the Civilian Radioactive Waste Management Program Plan, dated May 6, 1996, as modified by this Act, and as amended from time to time by the Secretary in accordance with this Act.

"(25) REPOSITORY.—The term 'repository' means a system designed and constructed under title II of this Act for the geologic disposal of spent nuclear fuel and high-level radioactive waste, including both surface and subsurface areas at which spent nuclear fuel and high-level radioactive waste receipt, handling, possession, safeguarding, and storage are conducted.

"(26) SECRETARY.—The term 'Secretary' means the Secretary of Energy.

"(27) SITE CHARACTERIZATION.—The term 'site characterization' means activities, whether in a laboratory or in the field, undertaken to establish the geologic condition and the ranges of the parameters of a candidate site relevant to the location of a repository, including borings, surface excavations, excavations of exploratory facilities, limited subsurface lateral excavations and borings, and in situ testing needed to evaluate the licensability of a candidate site for the location of a repository, but not including preliminary borings and geophysical testing needed to assess whether site characterization should be undertaken.

"(28) SPENT NUCLEAR FUEL.—The term 'spent nuclear fuel' means fuel that has been withdrawn from a nuclear reactor following irradiation, the constituent elements of which have not been separated by reprocessing.

"(29) STORAGE.—The term 'storage' means retention of spent nuclear fuel or high-level radioactive waste with the intent to recover such waste or fuel for subsequent use, processing, or disposal.

"(30) WITHDRAWAL.—The term 'withdrawal' has the same definition as that set forth in section 103(j) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702(j)).

"(31) YUCCA MOUNTAIN SITE.—The term "Yucca Mountain site" means the area in the State of Nevada that is withdrawn and reserved in accordance with this Act for the location of a repository.

"TITLE—OBLIGATIONS

"SEC. 101. OBLIGATIONS OF THE SECRETARY OF ENERGY.

"(a) DISPOSAL.—The Secretary shall develop and operate an integrated management system for the storage and permanent disposal of spent nuclear fuel and high-level radioactive waste.

"(b) INTERIM STORAGE.—The Secretary shall store spent nuclear fuel and high-level radioactive waste from facilities designated by contract holders at an interim storage facility pursuant to section 204 in accordance with the emplacement schedule, beginning not later than November 30, 1999.

"(c) TRANSPORTATION.—The Secretary shall provide for the transportation of spent nuclear fuel and high-level radioactive waste accepted by the Secretary. The Secretary shall procure all systems and components necessary to transport spent nuclear fuel and high-level radioactive waste from facilities designated by contract holders to and among facilities comprising the Integrated Management System. Consistent with the Buy American Act (41 U.S.C. 10a-10c), unless the Secretary shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, all such systems and components procured by the Secretary shall be manufactured in the United States, with the exception of any transportable storage systems purchased by contract holders prior to the effective date of the Nuclear Waste Policy Act of 1996 and procured by the Secretary from such contract holders for use in the integrated management system.

"(d) INTEGRATED MANAGEMENT SYSTEM.—The Secretary shall expeditiously pursue the development of each component of the integrated management system, and in so doing shall seek to utilize effective private sector management and contracting practices.

"(e) PRIVATE SECTOR PARTICIPATION.—In administering the Integrated Management System, the Secretary shall, to the maximum extent possible, utilize, employ, procure and contract with, the private sector to fulfill the Secretary's obligations and requirements under this Act.

"(f) PRE-EXISTING RIGHTS.—Nothing in this Act is intended to or shall be construed to modify—

"(1) any right of a contract holder under section 302(a) of the Nuclear Waste Policy Act of 1982, or under a contract executed prior to the date of enactment of this Act under that section; or

"(2) obligations imposed upon the federal government by the U.S. District Court of Idaho in an order entered on October 17, 1995 in *United States* v. *Batt* (No. 91-0054-S-EJL).

"(g) LIABILITY.—Subject to subsection (f), nothing in this Act shall be construed to subject the United States to financial liability for the Secretary's failure to meet any deadline for the acceptance or emplacement of spent nuclear fuel or high-level radioactive waste for storage or disposal under this Act.

"TITLE II—INTEGRATED MANAGEMENT SYSTEM

"SEC. 201. INTERMODAL TRANSFER.

"(a) ACCESS.—The Secretary shall utilize heavy-haul truck transport to move spent nuclear fuel and high-level radioactive waste from the mainline rail line at Caliente, Nevada, to the interim storage facility site.

"(b) CAPABILITY DATE.—The Secretary shall develop the capability to commence rail to truck intermodal transfer at Caliente, Nevada, no later than November 30, 1999. Intermodal transfer and related activities are incidental to the interstate transportation of spent nuclear fuel and high-level radioactive waste.

"(c) ACQUISITIONS.—The Secretary shall acquire lands and rights-of-way necessary to commence intermodal transfer at Caliente, Nevada.

"(d) REPLACEMENTS.—The Secretary shall acquire and develop on behalf of, and dedicate to, the City of Caliente, Nevada, parcels of land and right-of-way within Lincoln County, Nevada, as required to facilitate replacement of land and city wastewater disposal facilities necessary to commence intermodal transfer pursuant to this Act. Replacement of land and city wastewater disposal activities shall occur no later than November 30, 1999.

"(e) NOTICE AND MAP.—Within 6 months of the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall—

"(1) publish in the Federal Register a notice containing a legal description of the sites and rights-of-way to be acquired under this subsection; and

"(2) file copies of a map of such sites and rights-of-way with the Congress, the Secretary of the Interior, the State of Nevada, the Archivist of the United States, the Board of Lincoln County Commissioners, the Board of Nye County Commissioners, and the Caliente City Council. Such map and legal description shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors and legal descriptions and make minor adjustments in the boundaries.

"(f) IMPROVEMENTS.—The Secretary shall make improvements to existing roadways selected for heavy-haul truck transport between Caliente, Nevada, and the interim storage facility site as necessary to facilitate year-round safe transport of spent nuclear fuel and high-level radioactive waste.

"(g) LOCAL GOVERNMENT INVOLVEMENT.—The Commission shall enter into a Memorandum of Understanding with the City of Caliente and Lincoln County, Nevada, to provide advice to the Commission regarding intermodal transfer and to facilitate on-site representation. Reasonable expenses of such representation shall be paid by the Secretary.

"(h) BENEFITS AGREEMENT.—

"(1) IN GENERAL.—The Secretary shall offer to enter into an agreement with Lincoln County, Nevada concerning the integrated management system.

"(2) AGREEMENT CONTENT.—Any agreement shall contain such terms and conditions, including such financial and institutional arrangements, as the Secretary and agreement entity determine to be reasonable and appropriate and shall contain such provisions as are necessary to preserve any right to participation or compensation of Lincoln County, Nevada.

"(3) AMENDMENT.—An agreement entered into under this subsection may be amended only with the mutual consent of the parties to the amendment and terminated only in accordance with paragraph (4).

"(4) TERMINATION.—The Secretary shall terminate the agreement under this subsection if any major element of the integrated management system may not be completed.

"(5) LIMITATION.—Only 1 agreement may be in effect at any one time.

"(6) JUDICIAL REVIEW.—Decisions of the Secretary under this section are not subject to judicial review.

"(i) CONTENT OF AGREEMENT.

"(1) SCHEDULE.—In addition to the benefits to which Lincoln County is entitled to under this title, the Secretary shall make payments under the benefits agreement in accordance with the following schedule:

BENEFITS SCHEDULE

[Amounts in millions]

Event	Payment
(A) Annual payments prior to first receipt of spent fuel	$2.5
(B) Annual payments beginning upon first spent fuel receipt	5
(C) Payment upon closure of the intermodal transfer facility	5

"(2) DEFINITIONS.—For purposes of this section, the term—

"(A) 'spent fuel' means high-level radioactive waste or spent nuclear fuel; and

"(B) 'first spent fuel receipt' does not include receipt of spent fuel or high-level radioactive waste for purposes of testing or operational demonstration.

"(3) ANNUAL PAYMENTS.—Annual payments prior to first spent fuel receipt under paragraph (1)(A) shall be made on the date of execution of the benefits agreement and thereafter on the anniversary date of such execution. Annual payments after the first spent fuel receipt until closure of the facility under paragraph (1)(C) shall be made on the anniversary date of such first spent fuel receipt.

"(4) REDUCTION.—If the first spent fuel payment under paragraph (1)(B) is made within 6 months after the last annual payment prior to the receipt of spent fuel under paragraph (1)(A), such first spent fuel payment under paragraph (1)(B) shall be reduced by an amount equal to 1/12 of such annual payment under paragraph (1)(A) for each full month less than 6 that has not elapsed since the last annual payment under paragraph (1)(A).

"(5) RESTRICTIONS.—The Secretary may not restrict the purposes for which the payments under this section may be used.

"(6) DISPUTE.—In the event of a dispute concerning such agreement, the Secretary shall resolve such dispute, consistent with this Act and applicable State law.

"(7) CONSTRUCTION.—The signature of the Secretary on a valid benefits agreement under this section shall constitute a commitment by the United States to make payments in accordance with such agreement under section 401(c)(2).

"(j) INITIAL LAND CONVEYANCES.

"(1) CONVEYANCES OF PUBLIC LANDS.—One hundred and twenty days after enactment of this Act, all right, title and interest of the United States in the property described in paragraph (2), and improvements thereon, together with all necessary easements for utilities and ingress and egress to such property, including, but not limited to, the right to improve those easements, are conveyed by operation of law to the County of Lincoln, Nevada, unless the county notifies the Secretary of Interior or the head of such other appropriate agency in writing within 60 days of such date of enactment that it elects not to take title to all or any part of the property, except that any lands conveyed to the County of Lincoln under this subsection that are subject to a Federal grazing permit or lease or a similar federally granted permit or lease shall be conveyed between 60 and 120 days of the earliest time the Federal agency administering or granting the permit or lease would be able to legally terminate such right under the statutes and regulations existing at the date of enactment of this Act, unless Lincoln County and the affected holder of the permit or lease negotiate an agreement that allows for an earlier conveyance.

"(2) SPECIAL CONVEYANCES.—Notwithstanding any other law, the following public lands depicted on the maps and legal descriptions dated October 11, 1995, shall be conveyed under paragraph (1) to the County of Lincoln, Nevada:

Map 10: Lincoln County, Parcel M, Industrial Park Site

Map 11: Lincoln County, Parcel F, Mixed Use Industrial Site

Map 13: Lincoln County, Parcel J, Mixed Use, Alamo Community Expansion Area

Map 14: Lincoln County, Parcel E, Mixed Use, Pioche Community Expansion Area

Map 15: Lincoln County, Parcel B, Landfill Expansion Site.

"(3) CONSTRUCTION.—The maps and legal descriptions of special conveyances referred to in paragraph (2) shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors in the maps and legal descriptions and make minor adjustments in the boundaries of the sites.

"(4) EVIDENCE OF TITLE TRANSFER.—Upon the request of the County of Lincoln, Nevada, the Secretary of the Interior shall provide evidence of title transfer.

"SEC. 202. TRANSPORTATION PLANNING.

"(a) TRANSPORTATION READINESS.—The Secretary shall take those actions that are necessary and appropriate to ensure that the Secretary is able to transport safely spent nuclear fuel and high-level radioactive waste from sites designated by the contract holders to mainline transportation facilities, using routes that minimize, to the maximum practicable extent consistent with Federal requirements governing transportation of hazardous materials, transportation of spent nuclear fuel and high-level radioactive waste through populated areas, beginning not later than November 30, 1999, and, by the date shall, in consultation with the Secretary of Transportation develop and implement a comprehensive management plan that ensures that safe transportation of spent nuclear fuel and high-level radioactive waste from the sites designated by the contract holders to the interim storage facility site beginning not later than November 30, 1999.

"(b) TRANSPORTATION PLANNING.—In conjunction with the development of the logistical plan in accordance with subsection (a), the Secretary shall update and modify, as necessary, the Secretary's transportation institutional plans to ensure the institutional issues are addressed and resolved on a schedule to support the commencement of transportation of spent nuclear fuel and high-level radioactive waste to the interim storage facility no later than November 30, 1999. Among other things, such planning shall provide a schedule and process for addressing and implementing, as necessary, transportation routing plans, transportation contracting plans, transportation training in accordance with Section 203, and public education regarding transportation of spent nuclear fuel and high level radioactive waste; and transportation tracking programs.

SEC. 203. TRANSPORTATION REQUIREMENTS.

"(a) PACKAGE CERTIFICATION.—No spent nuclear fuel or high-level radioactive waste may be transported by or for the Secretary under this Act except in packages that have been certified for such purposes by the Commission.

"(b) STATE NOTIFICATION.—The Secretary shall abide by regulations of the Commission regarding advance notification of State and local governments prior to transportation of spent nuclear fuel or high-level radioactive waste under this Act.

"(c) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance and funds to States, units of local government, and Indian tribes through whose jurisdiction the Secretary plans to transport substantial amounts of spent nuclear fuel or high-level radioactive waste for training for public safety officials of appropriate units of local government. The Secretary shall also provide technical assistance and funds for training directly to national nonprofit employee organizations which demonstrate experience in implementing and operating worker health and safety training and education programs and demonstrate the ability to reach and involve in-training programs target populations of workers who are or will be directly engaged in the transportation of spent nuclear fuel and high-level radioactive waste, or emergency response or post-emergency response with respect to such transportation. Training shall cover procedures required for safe routine transportation of these materials, as well as procedures for dealing with emergency response situations, and shall be consistent with any training standards established by the Secretary of Transportation in accordance with subsection (g). The Secretary's duty to provide technical and financial assistance under this subsection shall be limited to amounts specified in annual appropriations.

"(d) PUBLIC EDUCATION.—The Secretary shall conduct a program to educate the public regarding the transportation of spent nuclear fuel and high-level radioactive waste, with an emphasis upon those States, units of local government, and Indian tribes through whose jurisdiction the Secretary plans to transport substantial amounts of spent nuclear fuel and high-level radioactive waste.

"(e) COMPLIANCE WITH TRANSPORTATION REGULATIONS.—Any person that transports spent nuclear fuel or high-level radioactive waste under the Nuclear Waste Policy Act of 1986, pursuant to a contract with the Secretary, shall comply with all requirements governing such transportation issued by the Federal, State, and local governments, and Indian tribes, in the same way and to the same extent that any person engaging in that transportation that is in or affects interstate commerce must comply with such requirements, as required by 49 U.S.C. sec. 5126.

"(f) EMPLOYEE PROTECTION.—Any person engaged in the interstate commerce of spent nuclear fuel or high-level radioactive waste under contract to the Secretary pursuant to this Act shall be subject to and comply fully with the employee protection provisions of 49 U.S.C. 20109 and 49 U.S.C. 31105.

"(g) TRAINING STANDARD.—(1) No later than 12 months after the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary of Transportation, pursuant to authority under other provision of law, in consultation with the Secretary of Labor and the Commission, shall promulgate a regulation establishing training standards applicable to workers directly involved in the removal and transportation of spent nuclear fuel and high-level radioactive waste. The regulation shall specify minimum training standards applicable to workers, including managerial personnel. The regulation shall require that evidence of satisfaction of the applicable training standard be provided to an employer before any individual may be employed in the removal and transportation of spent nuclear fuel and high-level radioactive waste.

"(2) If the Secretary of Transportation determines, in promulgating the regulation required by subparagraph (1), that regulations promulgated by the Commission establish adequate training standards for workers, then the Secretary of Transportation can refrain from promulgating additional regulations with respect to worker training in such activities. The Secretary of Transportation and the Commission shall work through their Memorandum of Understanding to ensure coordination of worker training standards and to avoid duplicative regulation.

"(3) The training standards required to be promulgated under subparagraph (1) shall, among other things deemed necessary and appropriate by the Secretary of Transportation, include the following provisions—

"(A) a specified minimum number of hours of initial off site instruction and actual field experience under the direct supervision of a trained, experienced supervisor;

"(B) a requirement that onsite managerial personnel receive the same training as workers, and a minimum number of additional hours of specialized training pertinent to their managerial responsibilities; and

"(C) a training program applicable to persons responsible for responding to and cleaning up emergency situations occurring during the removal and transportation of spent nuclear fuel and high-level radioactive waste.

"(4) There is authorized to be appropriated to the Secretary of Transportation, from general revenues, such sums as may be necessary to perform his duties under this subsection.

"SEC. 204. INTERIM STORAGE.

"(a) AUTHORIZATION.—The Secretary shall design, construct, and operate a facility for the interim storage of spent nuclear fuel and high-level radioactive waste at the interim storage facility site. The interim storage facility shall be subject to licensing pursuant to the Atomic Energy Act of 1954 in accordance with the Commission's regulations governing the licensing of independent spent fuel storage installations, which regulations shall be amended by the Commission as necessary to implement the provisions of this Act. The interim storage facility shall commence operation in phases in accordance with subsection (b).

"(b) SCHEDULE.—(1) The Secretary shall proceed forthwith and without further delay with all activities necessary to begin storing spent nuclear fuel and high-level radioactive waste at the interim storage facility at the interim storage facility site by November 30, 1999, except that:

"(A) The Secretary shall not begin any construction activities at the interim storage facility site before December 31, 1998.

"(B) The Secretary shall cease all activities (except necessary termination activities) at the Yucca Mountain site if the President determines, in his discretion, on or before December 31, 1998, based on a preponderance of the information available at such time, that the Yucca Mountain site is unsuitable for development as a repository, including geologic and engineered barriers, because of a substantial likelihood that a repository of useful size cannot be designed, licensed, and constructed at the Yucca Mountain site.

"(C) No later than June 30, 1998, the Secretary shall provide to the President and to the Congress a viability assessment of the Yucca Mountain site. The viability assessment shall include—

"(i) the preliminary design concept for the critical elements of the repository and waste package,

"(ii) a total system performance assessment, based upon the design concept and the scientific data and analysis available by June 30, 1998, describing the probable behavior of the repository in the Yucca Mountain geologic setting relative to the overall system performance standard set forth in section 205(d) of this Act,

"(iii) a plan and cost estimate for the remaining work required to complete a license application, and

"(iv) an estimate of the costs to construct and operate the repository in accordance with the design concept.

"(D) Within 18 months of a determination by the President that the Yucca Mountain site is unsuitable for development as a repository under paragraph (B), the President shall designate a site for the construction of an interim storage facility. If the President does not designate a site for the construction of an interim storage facility, or the construction of an interim storage facility at the designated site is not approved by law within 24 months of the President's determination that the Yucca Mountain site is not suitable for development as a repository, the Secretary shall begin construction of an interim storage facility at the interim storage facility site as defined in section 2(19) of this Act. The interim storage facility site as defined in section 2(19) of this Act shall be deemed to be approved by law for purposes of this section.

"(2) Upon the designation of an interim storage facility site by the President under paragraph (1)(D), the Secretary shall proceed forthwith and without further delay with all activities necessary to begin storing spent nuclear fuel and high-level radioactive waste at an interim storage facility at the designated site, except that the Secretary shall not begin any construction activities at the designated interim storage facility site before the designated interim storage facility site is approved by law.

"(c) DESIGN.—

"(1) The interim storage facility shall be designed in two phases in order to commence operations no later than November 30, 1999. The design of the interim storage facility shall provide for the use of storage technologies, licensed, approved, or certified by the Commission for use at the interim storage facility as necessary to ensure compatibility between the interim storage facility and contract holders' spent nuclear fuel and facilities, and to facilitate the Secretary's ability to meet the Secretary's obligations under this Act.

"(2) The Secretary shall consent to an amendment to the contracts to provide for reimbursement to contract holders for transportable storage systems purchased by contract holders if the Secretary determines that it is cost effective to use such transportable storage systems as part of the integrated management system, provided that the Secretary shall not be required to expend any funds to modify contract holders' storage or transport systems or to seek additional regulatory approvals in order to use such systems.

"(d) LICENSING.—

"(1) PHASES.—The interim storage facility shall be licensed by the Commission in two phases in order to commence operations no later than November 30, 1999.

"(2) FIRST PHASE.—No later than 12 months after the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall submit to the Commission an application for a license for the first phase of the interim storage facility. The Environmental Report and Safety Analysis Report submitted in support of such license application shall be consistent with the scope of authority requested in the license application. The license issued for the first phase of the interim storage facility shall have a term of 20 years. The interim storage facility licensed in the first place shall have a capacity of not more than 15,000 MTU. The Commission shall issue a final decision granting or denying the application for the first phase license no later than 16 months from the date of the submittal of the application for such license.

"(3) SECOND PHASE.—No later than 30 months after the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall submit to the Commission an application for a license for the second phase interim storage facility. The license for the second phase facility shall authorize a storage capacity of 40,000 MTU. If the Secretary does not submit the license application for construction of a respository by February 1, 2002, or does not begin full spent nuclear fuel receipt operations at a repository by January 17, 2010, the license shall authorize a storage capacity of 60,000 MTU. The license application shall be submitted such that the license can be issued to permit the second phase facility to begin full spent nuclear fuel receipt operations no later than December 31, 2002. The license for the second phase shall have an initial term of up to 100 years, and shall be renewable for additional terms upon application of the Secretary.

"(e) ADDITIONAL AUTHORITY.—

"(1) CONSTRUCTION.—For purposes of complying with this section, the Secretary may commence site preparation for the interim storage facility as soon as practicable after the date of enactment of the Nuclear Waste Policy Act of 1996 and shall commence construction of each phase of the interim storage facility subsequent to submittal of the license application for such phase except that the Commission shall issue an order suspending such construction at any time if the Commission determines that such construction poses an unreasonable risk to public health and safety or the environment. The Commission shall terminate all or part of such order upon a determination that the Secretary has taken appropriate action to eliminate such risk.

"(2) FACILITY USE.—Notwithstanding any otherwise applicable licensing requirement, the Secretary may utilize any facility owned by the Federal Government on the date of enactment of the Nuclear Waste Policy Act of 1996 within the boundaries of the interim storage facility site, in connection with an imminent and substantial endangerment to public health and safety at the interim storage facility prior to commencement of operations during the second phase.

"(3) EMPLACEMENT OF FUEL AND WASTE.—Subject to paragraph (i), once the Secretary has achieved the annual acceptance rate for spend nuclear fuel from civilian nuclear power reactors established pursuant to the contracts executed prior to the date of enactment of the Nuclear Waste Policy Act of 1996, as set forth in the Secretary's annual capacity report dated March, 1995 (DOE/RW-0457), the Secretary shall accept, in an amount not less than 25% of the difference between the contractual acceptance rate and the annual emplacement rate for spent nuclear fuel from civilian nuclear power reactors established under section 507(a), the following radioactive materials:

"(A) spend nuclear fuel or high-level radioactive waste of domestic origin from civilian nuclear power reactors that have permanently ceased operation on or before the date of enactment of the Nuclear Waste Policy Act of 1996;

"(B) spend nuclear fuel from foreign research reactors, as necessary to promote non-proliferation objectives; and

"(C) spend nuclear fuel, including spend nuclear fuel from naval reactors, and high-level radioactive waste from atomic energy defense activities.

"(f) NATIONAL ENVIRONMENTAL POLICY ACT OF 1996.—

"(1) PRELIMINARY DECISIONMAKING ACTIVITIES.—The Secretary's and President's activities under this section, including, but not limited to, the selection of a site for the interim storage facility, assessments, determinations of designations made under section 204(b), the preparation and submittal of a license application and supporting documentation, the construction of a facility under paragraph (e)(1) of this section, and facility use pursuant to paragraph (e)(2) of this section shall be considered preliminary decisionmaking activities for purposes of judicial review. The Secretary shall not prepare an environmental impact statement under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C) or any environmental review under subparagraph (E) or (F) of such Act before conducting these activities.

"(2) ENVIRONMENTAL IMPACT STATEMENT.—

"(A) FINAL DECISION.—A final decision by the Commission to grant or deny a license application for the first or second phase of the interim storage facility shall be accompanied by an Environmental Impact Statement prepared under section 103(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). In preparing such Environmental Impact Statement, the Commission—

"(i) shall ensure that the scope of the Environmental Impact Statement is consistent with the scope of the licensing action; and

"(ii) shall analyze the impacts of the transportation of spent nuclear fuel and high-level radioactive waste to the interim storage facility in a generic manner.

"(B) CONSIDERATIONS.—Such Environmental Impact Statement shall not consider—

"(i) the need for the interim storage facility, including any individual component thereof;

"(ii) the time of the initial availability of the interim storage facility;

"(iii) any alternatives to the storage of spent nuclear fuel and high-level radioactive waste at the interim storage facility;

"(iv) any alternatives to the site of the facility as designated by the Secretary in accordance with subsection (a);

"(v) any alternatives to the design criteria for such facility or any individual component thereof, as specified by the Secretary in the license application; or

"(vi) the environmental impacts of the storage of spent nuclear fuel and high-level radioactive waste at the interim storage facility beyond the initial term of the license or the term of the renewal period for which a license renewal application is made.

"(g) JUDICIAL REVIEW.—Judicial review of the Commission's environmental impact statement under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) shall be consolidated with judicial review of the Commission's licensing decision. No court shall have jurisdiction to enjoin the construction or operation of the interim storage facility prior to its final decision on review of the Commission's licensing action.

"(h) WASTE CONFIDENCE.—The Secretary's obligation to construct and operate the interim storage facility in accordance with this section and the Secretary's obligation to develop an integrated management system in accordance with the provisions of this Act, shall provide sufficient and independent grounds for any further findings by the Commission of reasonable assurance that spent nuclear fuel and high-level radioactive waste will be disposed of safely and on a timely basis for purposes of the Commission's decision to grant or amend any license to operate any civilian nuclear power reactor under the Atomic Energy Act of 1954 (42 U.S.C. 2011, et seq.).

"(i) STORAGE OF OTHER SPENT NUCLEAR FUEL AND HIGH-LEVEL RADIOACTIVE WASTE.—No later than 18 months following the date of enactment of the Nuclear Waste Policy Act of 1996, the Commission shall, by rule, establish criteria for the storage in the interim storage facility of fuel and waste listed in paragraph (e)(3)(A) through (C), to the extent such criteria are not included in regulations issued by the Commission and existing on the date of enactment of the Nuclear Waste Policy Act of 1996. Following establishment of such criteria, the Secretary shall seek authority, as necessary, to store fuel and waste listed in paragraph (e)(3)(A) through (C) at the interim storage facility. None of the activities carried out pursuant to this paragraph shall delay, or otherwise affect, the development, construction, licensing, or operation of the interim storage facility.

"(j) SAVINGS CLAUSE.—The Commission shall, by rule, establish procedures for the licensing of any technology for the dry storage of spent nuclear fuel by rule and without, to the maximum extent possible, the need for site-specific approvals by the Commission. Nothing in this Act shall affect any such procedures, or any licenses or approvals issued pursuant to such procedures in effect on the date of enactment.

"SEC. 205. PERMANENT REPOSITORY.

"(a) REPOSITORY CHARACTERIZATION.—

"(1) GUIDELINES.—The guidelines promulgated by the Secretary and published at 10 CFR part 960 are annulled and revoked and the Secretary shall make no assumptions or conclusions about the licensability of the Yucca Mountain site as a repository by reference to such guidelines.

"(2) SITE CHARACTERIZATION ACTIVITIES.—The Secretary shall carry out appropriate site characterization activities at the Yucca Mountain site in accordance with the Secretary's program approach to site characterization. The Secretary shall modify or eliminate those site characterization activities designed only to demonstrate the suitability of the site under the guidelines referenced in paragraph (1).

"(3) SCHEDULE DATE.—Consistent with the schedule set forth in the program approach, as modified to be consistent with the Nuclear Waste Policy Act of 1996, no later than February 1, 2002, the Secretary shall apply to the Commission for authorization to construct a repository. If, at any time prior to the filing of such application, the Secretary determines that the Yucca Mountain site cannot satisfy the Commission's regulations applicable to the licensing of a geologic repository, the Secretary shall terminate site characterization activities at the site, notify Congress and the State of Nevada of the Secretary's determination and the reasons therefor, and recommend to Congress not later than 6 months after such determination further actions, including the enactment of legislation, that may be needed to manage the Nation's spent nuclear fuel and high-level radioactive waste.

"(4) MAXIMIZING CAPACITY.—In developing an application for authorization to construct the repository, the Secretary shall seek to maximize the capacity of the repository, in the most cost-effective manner, consistent with the need for disposal capacity.

"(b) REPOSITORY LICENSING.—Upon the completion of any licensing proceeding for the first phase of the interim storage facility, the Commission shall amend its regulations governing the disposal of spent nuclear fuel and high-level radioactive waste in geologic repositories to the extent necessary to comply with this Act. Subject to subsection (c), such regulations shall provide for the licensing of the repository according to the following procedures:

"(1) CONSTRUCTION AUTHORIZATION.—The Commission shall grant the Secretary a construction authorization for the repository upon determining that there is reasonable assurance that spent nuclear fuel and high-level radioactive waste can be disposed of in the repository—

"(A) in conformity with the Secretary's application, the provisions of this Act, and the regulations of the Commission;

"(B) without unreasonable risk to the health and safety of the public; and

"(C) consistent with the common defense and security.

"(2) LICENSE.—Following substantial completion of construction and the filing of any additional information needed to complete the license application, the Commission shall issue a license to dispose of spent nuclear fuel and high-level radioactive waste in the repository if the Commission determines that the repository has been constructed and will operate—

"(A) in conformity with the Secretary's application, the provisions of this Act, and the regulations of the Commission;

"(B) without unreasonable risk to the health and safety of the public; and

"(C) consistent with the common defense and security.

"(3) CLOSURE.—After emplacing spent nuclear fuel and high-level radioactive waste in the repository and collecting sufficient confirmatory data on repository performance to reasonably confirm the basis for repository closure consistent with the Commission's regulations applicable to the licensing of a repository, as modified in accordance with this Act, the Secretary shall apply to the Commission to amend the license to permit permanent closure of the repository. The Commission shall grant such license amendment upon finding that there is reasonable assurance that the repository can be permanently closed—

"(A) in conformity with the Secretary's application to amend the license, the provisions of this Act, and the regulations of the Commission;

"(B) without unreasonable risk to the health and safety of the public; and

"(C) consistent with the common defense and security.

"(4) POST-CLOSURE.—The Secretary shall take those actions necessary and appropriate at the Yucca Mountain site to prevent any activity at the site subsequent to repository closure that poses an unreasonable risk of—

"(A) breaching the repository's engineered or geologic barriers; or

"(B) increasing the exposure of individual members of the public to radiation beyond the release standard established in subsection (d)(1).

"(c) MODIFICATION OF REPOSITORY LICENSING PROCEDURE.—The Commission's regulations shall provide for the modification of the repository licensing procedure, as appropriate, in the event that the Secretary seeks a license to permit the emplacement in the repository, on a retrievable basis, of spent nuclear fuel or high-level radioactive waste as is necessary to provide the Secretary with sufficient confirmatory data on repository performance to reasonably confirm the basis for repository closure consistent with applicable regulations.

"(d) REPOSITORY LICENSING STANDARDS.—The Administrator of the Environmental Protection Agency shall, pursuant to authority under other provisions of law, issue generally applicable standards for the protection of the public from releases of radioactive materials or radioactivity from the repository. Such standards shall be consistent with the overall system performance standard established by this subsection unless the Administrator determines by rule that the overall system performance standard would constitute an unreasonable risk to health and safety. The Commission's repository licensing determinations for the protection of the public shall be based solely on a finding whether the repository can be operated in conformance with the overall system performance standard established in paragraph (1), applied in accordance with the provisions of paragraph (2), and the Administrator's radiation protection standards. The Commission shall amend its regulations in accordance with subsection (b) to incorporate each of the following licensing standards:

"(1) ESTABLISHMENT OF OVERALL SYSTEM PERFORMANCE STANDARD.—The standard for protection of the public from release of radioactive material or radioactivity from the repository shall prohibit releases that would expose an average member of the general population in the vicinity of the Yucca Mountain site to an annual dose in excess of 100 millirems unless the Commission determines by rule that such standard would constitute an unreasonable risk to health and safety and establishes by rule another standard which will protect health and safety. Such standard shall constitute an overall system performance standard.

"(2) APPLICATION OF OVERALL SYSTEM PERFORMANCE STANDARD.—The Commission shall issue the license if it finds reasonable assurance that for the first 1,000 years following the commencement of repository operations, the overall system performance standard will be met based on a probabilistic evaluation, as appropriate, of compliance with the overall system performance standard in paragraph (1).

"(3) FACTORS.—For purposes of making the finding in paragraph (2)—

"(A) the Commission shall not consider catastrophic events where the health consequences of individual events themselves can be reasonably assumed to exceed the health consequences due to the impact of the events on repository performance;

"(B) for the purpose of this section, an average member of the general population in the vicinity of the Yucca Mountain site means a person whose physiology, age, general health, agricultural practices, eating habits, and social behavior represent the average for persons living in the vicinity of the site. Extremes in social behavior, eating habits, or other relevant practices or characteristics shall not be considered; and

"(C) the Commission shall assume that, following repository closure, the inclusion of engineered barriers and the Secretary's post-closure actions at the Yucca Mountain site, in accordance with subsection (b)(4), shall be sufficient to—

"(i) prevent any human activity at the site that poses an unreasonable risk of breaching the repository's engineered or geologic barriers; and

"(ii) prevent any increase in the exposure of individual members of the public to radiation beyond the allowable limits specified in paragraph (1).

"(4) ADDITIONAL ANALYSIS.—The Commission shall analyze the overall system performance through the use of probabilistic evaluations that use best estimate assumptions, data, and methods for the period commencing after the first 1,000 years of operation of the repository and terminating at 10,000 years after the commencement of operation of the repository.

"(e) NATIONAL ENVIRONMENTAL POLICY ACT.—

"(1) SUBMISSION OF STATEMENT.—Construction and operation of the repository shall be considered a major Federal action significantly affecting the quality of the human environment for purpose of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The Secretary shall submit an environmental impact statement on the construction and operation of the repository to the Commission with the license application and shall supplement such environmental impact statement as appropriate.

"(2) CONSIDERATIONS.—For purposes of complying with the requirements of the National Environmental Policy Act of 1969 and this section, the Secretary shall not consider in the environmental impact statement the need for the repository, or alternative sites or designs for the repository.

"(3) ADOPTION BY COMMISSION.—The Secretary's environmental impact statement and any supplements thereto shall, to the extent practicable, be adopted by the Commission in connection with the issuance by the Commission of a construction authorization under subsection (b)(1), a license under subsection (b)(2), or a license amendment under subsection (b)(3). To the extent such statement or supplement is adopted by the Commission, such adoption shall be deemed to also satisfy the responsibilities of the Commission under the National Environmental Policy Act of 1969, and no further consideration shall be required, except that nothing in this subsection shall affect any independent responsibilities of the Commission to protect the public health and safety under the Atomic Energy Act of 1954. In any such statement or supplement prepared with respect to the repository, the Commission shall not consider the need for a repository, or alternate sites or designs for the repository.

"(f) JUDICIAL REVIEW.—No court shall have jurisdiction to enjoin issuance of the Commission repository licensing regulations prior to its final decision on review of such regulations.

"SEC. 206. LAND WITHDRAWAL.

"(a) WITHDRAWAL AND RESERVATION.—

"(1) WITHDRAWAL.—Subject to valid existing rights, the interim storage facility site and the Yucca Mountain site, as described in subsection (b), are withdrawn from all forms of entry, appropriation, and disposal under the public land laws, including the mineral leasing laws, the geothermal leasing laws, the material sale laws, and the mining laws.

"(2) JURISDICTION.—Jurisdiction of any land within the interim storage facility site and the Yucca Mountain site managed by the Secretary of the Interior or any other Federal officer is transferred to the Secretary.

“(3) RESERVATION.—The interim storage facility site and the Yucca Mountain site are reserved for the use of the Secretary for the construction and operation, respectively, of the interim storage facility and the repository and activities associated with the purposes of this title.

“(b) LAND DESCRIPTION.—

“(1) BOUNDARIES.—The boundaries depicted on the map entitled ‘Interim Storage Facility Site Withdrawal Map,’ dated March 13, 1996, and on file with the Secretary, are established as the boundaries of the Interim Storage Facility site.

“(2) BOUNDARIES.—The boundaries depicted on the map entitled ‘Yucca Mountain Site Withdrawal Map,’ dated July 9, 1996, and on file with the Secretary, are established as the boundaries of the Yucca Mountain site.

“(3) NOTICE AND MAPS.—Within 6 months of the date of the enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall—

“(A) publish in the Federal Register a notice containing a legal description of the interim storage facility site; and

“(B) file copies of the maps described in paragraph (1), and the legal description of the interim storage facility site with the Congress, the Secretary of the Interior, the Governor of Nevada, and the Archivist of the United States.

“(4) NOTICE AND MAPS.—Concurrent with the Secretary's application to the Commission for authority to construct the repository, the Secretary shall—

“(A) publish in the Federal Register a notice containing a legal description of the Yucca Mountain site; and

“(B) file copies of the maps described in paragraph (2), and the legal description of the Yucca Mountain site with the Congress, the Secretary of the Interior, the Governor of Nevada, and the Archivist of the United States.

“(5) CONSTRUCTION.—The maps and legal descriptions of the interim storage facility site and the Yucca Mountain site referred to in this subsection shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors in the maps and legal descriptions and make minor adjustments in the boundaries of the sites.

“TITLE III—LOCAL RELATIONS

“SEC. 301. FINANCIAL ASSISTANCE.

“(a) GRANTS.—The Secretary is authorized to make grants to any affected Indian tribe or affected unit of local government for purposes of enabling the affected Indian tribe or affected unit of local government—

“(1) to review activities taken with respect to the Yucca Mountain site for purposes of determining any potential economic, social, public health and safety, and environmental impacts of the integrated management system on the affected Indian tribe or the affected unit of local government and its residents;

“(2) to develop a request for impact assistance under subsection (c);

“(3) to engage in any monitoring, testing, or evaluation activities with regard to such site;

“(4) to provide information to residents regarding any activities of the Secretary, or the Commission with respect to such site; and

“(5) to request information from, and make comments and recommendations to, the Secretary regarding any activities taken with respect to such site.

“(b) SALARY AND TRAVEL EXPENSES.—Any salary or travel expense that would ordinarily be incurred by any affected Indian tribe or affected unit of local government may not be considered eligible for funding under this section.

“(c) FINANCIAL AND TECHNICAL ASSISTANCE.—

“(1) ASSISTANCE REQUESTS.—The Secretary is authorized to offer to provide financial and technical assistance to any affected Indian tribe or affected unit of local government requesting such assistance. Such assistance shall be designed to mitigate the impact on the affected Indian tribe or affected unit of local government of the development of the integrated management system.

“(2) REPORT.—Any affected Indian tribe or affected unit of local government may request assistance under this section by preparing and submitting to the Secretary a report on the economic, social, public health and safety, and environmental impacts that are likely to result from activities of the integrated management system.

“(d) OTHER ASSISTANCE.—

“(1) TAXABLE AMOUNTS.—In addition to financial assistance provided under this subsection, the Secretary is authorized to grant to any affected Indian tribe or affected unit of local government an amount each fiscal year equal to the amount such affected Indian tribe or affected unit of local government, respectively, would receive if authorized to tax integrated management system activities, as such affected Indian tribe or affected unit of local government taxes the non-Federal real property and industrial activities occurring within such affected unit of local government.

“(2) TERMINATION.—Such grants shall continue until such time as all such activities, development, and operations are terminated at such site.

“(3) ASSISTANCE TO INDIAN TRIBES AND UNITS OF LOCAL GOVERNMENT.—

“(A) PERIOD.—Any affected Indian tribe or affected unit of local government may not receive any grant under paragraph (1) after the expiration of the 1-year period following the date on which the Secretary notifies the affected Indian tribe or affected unit of local government of the termination of the operation of the integrated management system.

“(B) ACTIVITIES.—Any affected Indian tribe or affected unit of local government may not receive any further assistance under this section if the integrated management system activities at such site are terminated by the Secretary or if such activities are permanently enjoined by any court.

“SEC. 302. ON-SITE REPRESENTATIVE.

“The Secretary shall offer to the unit of local government within whose jurisdiction a site for an interim storage facility or repository is located under this Act an opportunity to designate a representative to conduct on site oversight activities at such site. The Secretary is authorized to pay the reasonable expenses of such representative.

“SEC. 303. ACCEPTANCE OF BENEFITS.

“(a) CONSENT.—The acceptance or use of any of the benefits provided under this title by any affected Indian tribe or affected unit of local government shall not be deemed to be an expression of consent, express, or implied, either under the Constitution of the State or any law thereof, to the siting of an interim storage facility or repository in the State of Nevada, any provision of such Constitution or laws to the contrary notwthstanding.

“(b) ARGUMENTS.—Neither the United States nor any other entity may assert any argument based on legal or equitable estoppel, or acquiesence, or waiver, or consensual involvement, in response to any decision by the State to oppose the siting in Nevada of an interim storage facility or repository premised upon or related to the acceptance or use of benefits under this title.

“(c) LIABILITY.—No liability of any nature shall accrue to be asserted against any official of any governmental unit of Nevada premised solely upon the acceptance or use of benefits under this title.

“SEC. 304. RESTRICTIONS ON USE OF FUNDS.

“None of the funding provided under this title may be used—

“(1) directly or indirectly to influence legislative action on any matter pending before Congress or a State legislature or for any lobbying activity as provided in section 1913 of title 18, United States Code;

“(2) for litigation purposes; and

“(3) to support multistate efforts or other coalition-building activities inconsistent with the purpose of this Act.

“SEC. 305. LAND CONVEYANCES.

“(a) CONVEYANCES OF PUBLIC LANDS.—One hundred and twenty days after enactment of this Act, all right, title and interest of the United States in the property described in subsection (b), and improvements thereon, together with all necessary easements for utilities and ingress and egress to such property, including, but not limited to, the right to improve those easements, are conveyed by operation of law to the County of Nye, Nevada, unless the county notifies the Secretary of the Interior or the head of such other appropriate agency in writing within 60 days of such date of enactment that it elects not to take title to all or any part of the property, except that any lands conveyed to the County of Nye under this subsection that are subject to a Federal grazing permit or lease or a similar federally granted permit or lease shall be conveyed between 60 and 120 days of the earliest time the Federal agency administering or granting the permit or lease would be able to legally terminate such right under the statutes and regulations existing at the date of enactment of this Act, unless Nye County and the affected holder of the permit or lease negotiate an agreement that allows for an earlier conveyance.

“(b) SPECIAL CONVEYANCES.—Notwithstanding any other law, the following public lands depicted on the maps and legal descriptions dated October 11, 1995, and on file with the Secretary shall be conveyed under subsection (a) to the County of Nye, Nevada:

“Map 1: Proposed Pahrump Industrial Park Site

“Map 2: Proposed Lathrop Wells (Gate 510) Industrial Park Site

“Map 3: Pahrump Landfill Sites

“Map 4: Amargosa Valley Regional Landfill Site

“Map 5: Amargosa Valley Municipal Landfill Site

“Map 6: Beatty Landfill/Transfer Station Site

“Map 7: Round Mountain Landfill Site

“Map 8: Tonopah Landfill Site

“Map 9: Gabbs Landfill Site.

“(3) CONSTRUCTION.—The maps and legal descriptions of special conveyances referred to in subsection (b) shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors in the maps and legal descriptions and make minor adjustments in the boundaries of the sites.

“(4) EVIDENCE OF TITLE TRANSFER.—Upon the request of the County of Nye, Nevada, the Secretary of the Interior shall provide evidence of title transfer.

"TITLE IV—FUNDING AND ORGANIZATION

"SEC. 401. PROGRAM FUNDING.

"(a) CONTRACTS.—

"(1) AUTHORITY OF SECRETARY.—In the performance of the Secretary's functions under this Act, the Secretary is authorized to enter into contracts with any person who generates or holds title to spent nuclear fuel or high level radioactive waste of domestic origin for the acceptance of title and possession, transportation, interim storage, and disposal of such waste or spent fuel. Such contracts shall provide for payment of annual fees to the Secretary in the amounts set by the Secretary pursuant to paragraph (2) and (3). Except as provided in paragraphs (3), fees assessed pursuant to this paragraph shall be paid to the Treasury of the United States and shall be available for use by the Secretary pursuant to this section until expended. Subsequent to the date of enactment of the Nuclear Waste Policy Act of 1996, the contracts executed under section 302(a) of the Nuclear Waste Policy Act of 1982 shall continue in effect under this Act, provided that the Secretary shall consent to an amendment to such contracts as necessary to implement the provisions of this Act.

"(2) ANNUAL FEES.—

"(A) For electricity generated by civilian nuclear power reactors and sold between January 7, 1983, and September 30, 2002, the fee under paragraph (1) shall be equal to 1.0 mill per kilowatt hour generated and sold. For electricity generated by civilian nuclear power reactors and sold on or after October 1, 2002, the aggregate amount of fees collected during each fiscal year shall be no greater than the annual level of appropriations for expenditures on those activities consistent with subsection (d) for that fiscal year, minus—

"(i) any unobligated balance collected pursuant to this section during the previous fiscal year; and

"(ii) the percentage of such appropriation required to be funded by the Federal Government pursuant to section 403.

The Secretary shall determine the level of the annual fee for each civilian nuclear power reactor based on the amount of electricity generated and sold, except that the annual fee collected under this subparagraph shall not exceed 1.0 mill per kilowatt-hour generated and sold.

"(B) EXPENDITURES IF SHORTFALL.—If, during any fiscal year on or after October 1, 2002, the aggregate amount of fees assessed pursuant to subparagraph (A) is less than the annual level of appropriations for expenditures on those activities specified in subsection (d) for that fiscal year, minus—

"(i) any unobligated balance collected pursuant to this section during the previous fiscal year; and

"(ii) the percentage of such appropriations required to be funded by the Federal Government pursuant to section 403, the Secretary may make expenditures from the Nuclear Waste Fund up to the level of the fees assessed.

"(C) RULES.—The Secretary shall, by rule, establish procedures necessary to implement this paragraph.

"(3) ONE-TIME FEE.—For spent nuclear fuel or solidified high-level radioactive waste derived from spent nuclear fuel, which fuel was used to generate electricity in a civilian nuclear power reactor prior to January 7, 1983, the fee shall be in an amount equivalent to an average charge of 1.0 mill per kilowatt-hour for electricity generated by such spent nuclear fuel, or such solidified high-level waste derived therefrom. Payment of such one-time fee prior to the date of enactment of the Nuclear Waste Policy Act of 1996 shall satisfy the obligation imposed under this paragraph. Any one-time fee paid and collected subsequent to the date of enactment of the Nuclear Waste Policy Act of 1996 pursuant to the contracts, including any interest due pursuant to such contracts, shall be paid to the Nuclear Waste Fund no later than September 30, 2002. The Commission shall suspend the license of any licensee who fails or refuses to pay the full amount of the fee referred to in this paragraph on or before September 30, 2002, and the license shall remain suspended until the full amount of the fee referred to in this paragraph is paid. The person paying the fee under this paragraph to the Secretary shall have no further financial obligation to the Federal Government for the long-term storage and permanent disposal of spent fuel or high-level radioactive waste derived from spent nuclear fuel used to generate electricity in a civilian power reactor prior to January 7, 1983.

"(4) ADJUSTMENTS TO FEE.—The Secretary shall annually review the amount of the fees established by paragraphs (2) and (3), together with the existing balance of the Nuclear Waste Fund on the date of enactment of the Nuclear Waste Policy Act of 1996, to evaluate whether collection of the fee will provide sufficient revenues to offset the costs as defined in subsection (c)(2). In the event the Secretary determines that the revenues being collected are either insufficient or excessive to recover the costs incurred by the Federal Government that are specified in subsection (c)(2), the Secretary shall propose an adjustment to the fee in subsection (c)(2) to ensure full cost recovery. The Secretary shall immediately transmit the proposal for such an adjustment to both houses of Congress.

"(b) ADVANCE CONTRACTING REQUIREMENT.—

"(1) IN GENERAL.—

"(A) LICENSE ISSUANCE AND RENEWAL.—The Commission shall not issue or renew a license to any person to use a utilization or production facility under the authority of section 103 or 104 of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134) unless—

"(i) such person has entered into a contract under subsection (a) with the Secretary; or

"(ii) the Secretary affirms in writing that such person is actively and in good faith negotiating with the Secretary for a contract under this section.

"(B) PRECONDITION.—The Commission, as it deems necessary or appropriate, may require as a precondition to the issuance or renewal of a license under section 103 or 104 of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134) that the applicant for such license shall have entered into an agreement with the Secretary for the disposal of spent nuclear fuel and high-level radioactive waste that may result from the use of such license.

"(2) DISPOSAL IN REPOSITORY.—Except as provided in paragraph (1), no spent nuclear fuel or high-level radioactive waste generated or owned by any person (other than a department of the United States referred to in section 101 or 102 of title 5, United States Code) may be disposed of by the Secretary in the repository unless the generator or owner of such spent fuel or waste has entered into a contract under subsection (a) with the Secretary by not later than the date on which such generator or owner commences generation of, or takes title to, such spent fuel or waste.

"(3) ASSIGNMENT.—The rights and duties of contract holders are assignable.

"(c) NUCLEAR WASTE FUND.—

"(1) IN GENERAL.—The Nuclear Waste Fund established in the Treasury of the United States under section 302(c) of the Nuclear Waste Policy Act of 1982 shall continue in effect under this Act and shall consist of—

"(A) the existing balance in the Nuclear Waste Fund on the date of enactment of the Nuclear Waste Policy Act of 1996; and

"(B) all receipts, proceeds, and recoveries realized under subsections (a), and (c)(3) subsequent to the date of enactment of the Nuclear Waste Policy Act of 1996, which shall be deposited in the Nuclear Waste Fund immediately upon their realization.

"(2) USE.—The Secretary may make expenditures from the Nuclear Waste Fund, subject to subsections (d) and (e), only for purposes of the integrated management system.

"(3) ADMINISTRATION OF NUCLEAR WASTE FUND—

"(A) IN GENERAL.—The Secretary of the Treasury shall hold the Nuclear Waste Fund and, after consultation with the Secretary, annually report to the Congress on the financial condition and operations of the Nuclear Waste Fund during the preceding fiscal year.

"(B) AMOUNTS IN EXCESS OF CURRENT NEEDS.—If the Secretary determines that the Nuclear Waste Fund contains at any time amounts in excess of current needs, the Secretary may request the Secretary of the Treasury to invest such amounts, or any portion of such amounts as the Secretary determines to be appropriate, in obligations of the United States—

"(i) having maturities determined by the Secretary of the Treasury to be appropriate to the needs of the Nuclear Waste Fund; and

"(ii) bearing interest at rates determined to be appropriate by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturities of such investments, except that the interest rate on such investments shall not exceed the average interest rate applicable to existing borrowings.

"(C) EXEMPTION.—Receipts, proceeds, and recoveries realized by the Secretary under this section, and expenditures of amounts from the Nuclear Waste Fund, shall be exempt from annual apportionment under the provisions of subchapter II of chapter 15 of title 31, United States Code.

"(d) BUDGET.—The Secretary shall submit the budget for implementation of the Secretary's responsibilities under this Act to the Office of Management and Budget annually along with the budget of the Department of Energy submitted at such time in accordance with chapter 11 of title 31, United States Code. The budget shall consist of the estimates made by the Secretary of expenditures under this Act and other relevant financial matters for the succeeding 3 fiscal years, and shall be included in the budget of the United States Government.

"(e) APPROPRIATIONS.—The Secretary may make expenditures from the Nuclear Waste Fund, subject to appropriations, which shall remain available until expended.

"SEC. 402. OFFICE OF CIVILIAN RADIOACTIVE WASTE MANAGEMENT.

"(a) ESTABLISHMENT.—There hereby is established within the Department of Energy an Office of Civilian Radioactive Waste Management. The Office shall be headed by a Director, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(b) Functions of Director.—The Director of the Office shall be responsible for carrying out the functions of the Secretary under this Act, subject to the general supervision of the Secretary. The Director of the Office shall be directly responsible to the Secretary.

"SEC. 403. FEDERAL CONTRIBUTION.

"(a) Allocation.—No later than one year from the date of enactment of the Nuclear Waste Policy Act of 1966, acting pursuant to section 554 of title 5, United States Code, the Secretary shall issue a final rule establishing the appropriate portion of the costs of managing spent nuclear fuel and high-level radioactive waste under this Act allocable to the interim storage or permanent disposal of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors. The share of costs allocable to the management of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors shall include,

"(1) an appropriate portion of the costs associated with research and development activities with respect to development of an interim storage facility and repository; and

"(2) as appropriate, interest on the principal amounts due calculated by reference to the appropriate Treasury bill rate as if the payments were made at a point in time consistent with the payment dates for spent nuclear fuel and high-level radioactive waste under the contracts.

"(b) Appropriation Request.—In addition to any request for an appropriation from the Nuclear Waste Fund, the Secretary shall request annual appropriations from general revenues in amounts sufficient to pay the costs of the management of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors, as established under subsection (a).

"(c) Report.—In conjunction with the annual report submitted to Congress under section 702, the Secretary shall advise the Congress annually of the amount of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors, requiring management in the integrated management system.

"(d) Authorization.—There is authorized to be appropriated to the Secretary, from general revenues, for carrying out the purposes of this Act, such sums as may be necessary to pay the costs of the management of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors, as established under subsection (a).

"TITLE V—GENERAL AND MISCELLANEOUS PROVISIONS

"SEC. 501. COMPLIANCE WITH OTHER LAWS.

"If the requirements of any Federal, State, or local law (including a requirement imposed by regulation or by any other means under such a law) are inconsistent with or duplicative of the requirements of the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) or of this Act, the Secretary shall comply only with the requirements of the Atomic Energy Act of 1954 and of this Act in implementing the integrated management system.

"SEC. 502. JUDICIAL REVIEW OF AGENCY ACTIONS.

"(a) Jurisdiction of the United States Courts of Appeals.—

"(1) Original and Exclusive Jurisdiction.—Except for review in the Supreme Court of the United States, and except as otherwise provided in this Act, the United States courts of appeals shall have original and exclusive jurisdiction over any civil action—

"(A) for review of any final decision or action of the Secretary, the President, or the Commission under this Act;

"(B) alleging the failure of the Secretary, the President, or the Commission to make any decision, or take any action, required under this Act;

"(C) challenging the constitutionality of any decision made, or action taken, under any provision of this Act; or

"(D) for review of any environmental impact statement prepared or environmental assessment pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to any action under this Act or alleging a failure to prepare such statement with respect to any such action.

"(2) Venue.—The venue of any proceeding under this section shall be in the judicial circuit in which the petitioner involved resides or has its principal office, or in the United States Court of Appeals for the District of Columbia Circuit.

"(b) Deadline for Commencing Action.—A civil action for judicial review described under subsection (a)(1) may be brought no later than 180 days after the date of the decision or action or failure to act involved, as the case may be, except that if a party shows that he did not know of the decision or action complained of (or of the failure to act), and that a reasonable person acting under the circumstances would not have known, such party may bring a civil action no later than 180 days after the date such party acquired actual or constructive knowledge of such decision, action, or failure to act.

"(c) Application of Other Law.—The provisions of this section relating to any matter shall apply in lieu of the provisions of any other Act relating to the same matter.

"SEC. 503. LICENSING OF FACILITY EXPANSIONS AND TRANSSHIPMENTS.

"(a) Oral Argument.—In any Commission hearing under section 189 of the Atomic Energy Act of 1954 (42 U.S.C. 2239) on an application for a license, or for an amendment to an existing license, filed after January 7, 1983, to expand the spent nuclear fuel storage capacity at the site of a civilian nuclear power reactor, through the use of high-density fuel storage racks, fuel rod compaction, the transshipment of spent nuclear fuel to another civilian nuclear power reactor within the same utility system, the construction of additional spent nuclear fuel pool capacity or dry storage capacity, or by other means, the Commission shall, at the request of any party, provide an opportunity for oral argument with respect to any matter which the Commission determines to be in controversy among the parties. The oral argument shall be preceded by such discovery procedures as the rules of the Commission shall provide. The Commission shall require each party, including the Commission staff, to submit in written form, at the time of the oral argument, a summary of the facts, data, and arguments upon which such party proposes to rely that are known at such time to such party. Only facts and data in the form of sworn testimony or written submission may be relied upon by the parties during oral argument. Of the materials that may be submitted by the parties during oral argument, the Commission shall only consider those facts and data that are submitted in the form of sworn testimony or written submission.

"(b) Adjudicatory Hearing.—

"(1) Designation.—At the conclusion of any oral argument under subsection (a), the Commission shall designate any disputed question of fact, together with any remaining questions of law, for resolution in an adjudicatory hearing only if it determines that—

"(A) there is a genuine and substantial dispute of fact which can only be resolved with sufficient accuracy by the introduction of evidence in an adjudicatory hearing; and

"(B) the decision of the Commission is likely to depend in whole or in part on the resolution of such dispute.

"(2) Determination.—In making a determination under this subsection, the Commission—

"(A) shall designate in writing the specific facts that are in genuine and substantial dispute, the reason why the decision of the agency is likely to depend on the resolution of such facts, and the reason why an adjudicatory hearing is likely to resolve the dispute; and

"(B) shall not consider—

"(i) any issue relating to the design, construction, or operation of any civilian nuclear power reactor already licensed to operate at such site, or any civilian nuclear power reactor to which a construction permit has been granted at such site, unless the Commission determines that any such issue substantially affects the design, construction, or operation of the facility or activity for which such license application, authorization, or amendment is being considered; or

"(ii) any siting or design issue fully considered and decided by the Commission in connection with the issuance of a construction permit or operating license for a civilian nuclear power reactor at such site, unless

"(I) such issue results from any revision of siting or design criteria by the Commission following such decision; and

"(II) the Commission determines that such issue substantially affects the design, construction, or operation of the facility or activity for which such license application, authorization, or amendment is being considered.

"(3) Application.—The provisions of paragraph (2)(B) shall apply only with respect to licenses, authorizations, or amendments to licenses or authorizations, applied for under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) before December 31, 2005.

"(4) Construction.—The provisions of this section shall not apply to the first application for a license or license amendment received by the Commission to expand onsite spent fuel storage capacity by the use of a new technology not previously approved for use at any nuclear power plant by the Commission.

"(c) Judicial Review.—No court shall hold unlawful or set aside a decision of the Commission in any proceeding described in subsection (a) because of failure by the Commission to use a particular procedure pursuant to this section unless—

"(1) an objection to the procedure used was presented to the Commission in a timely fashion or there are extraordinary circumstances that excuse the failure to present a timely objection; and

"(2) the court finds that such failure has precluded a fair consideration and informed resolution of a significant issue of the proceeding taken as a whole.

"SEC. 504. SITING A SECOND REPOSITORY.

"(a) Congressional Action Required.—The Secretary may not conduct site-specific activities with respect to a second repository unless Congress has specifically authorized and appropriated funds for such activities.

"(b) REPORT.—The Secretary shall report to the President and to Congress on or after January 1, 2007, but not later than January 1, 2010, on the need for a second repository.

"SEC. 505. FINANCIAL ARRANGEMENTS FOR LOW-LEVEL RADIOACTIVE WASTE SITE CLOSURE.

"(a) FINANCIAL ARRANGEMENTS.—

"(1) STANDARDS AND INSTRUCTIONS.—The Commission shall establish by rule, regulation, or order, after public notice, and in accordance with section 181 of the Atomic Energy Act of 1954 (42 U.S.C. 2231), such standards and instructions as the Commission may deem necessary or desirable to ensure in the case of each license for the disposal of low-level radioactive waste that an adequate bond, surety, or other financial arrangement (as determined by the Commission) will be provided by a licensee to permit completion of all requirements established by the Commission for the decontamination, decommissioning, site closure, and reclamation of site, structures, and equipment used in conjunction with such low-level radioactive waste. Such financial arrangements shall be provided and approved by the Commission, or, in the case of sites within the boundaries of any agreement State under section 274 of the Atomic Energy Act of 1954 (42 U.S.C. 2021), by the appropriate State or State entity, prior to issuance of licenses for low-level radioactive waste disposal or, in the case of licenses in effect on January 7, 1983, prior to termination of such licenses.

"(2) BONDING, SURETY, OR OTHER FINANCIAL ARRANGEMENTS.—If the Commission determines that any long-term maintenance or monitoring, or both, will be necessary at a site described in paragraph (1), the Commission shall ensure before termination of the license involved that the licensee has made available such bonding, surety, or other financial arrangements as may be necessary to ensure that any necessary long-term maintenance or monitoring needed for such site will be carried out by the person having title and custody for such site following license termination.

"(b) TITLE AND CUSTODY.—

"(1) AUTHORITY OF SECRETARY.—The Secretary shall have authority to assume title and custody of low-level radioactive waste and the land on which such waste is disposed of, upon request of the owner of such waste and land and following termination of the license issued by the Commission for such disposal, if the Commission determines that—

"(A) the requirements of the Commission for site closure, decommissioning, and decontamination have been met by the licensee involved and that such licensee is in compliance with the provisions of subsection (a);

"(B) such title and custody will be transferred to the Secretary without cost to the Federal Government; and

"(C) Federal ownership and management of such site is necessary or desirable in order to protect the public health and safety, and the environment.

"(2) PROTECTION.—If the Secretary assumes title and custody of any such waste and land under this subsection, the Secretary shall maintain such waste and land in a manner that will protect the public health and safety, and the environment.

"(c) SPECIAL SITES.—If the low-level radioactive waste involved is the result of a licensed activity to recover zirconium, hafnium, and rare earths from source material, the Secretary, upon request of the owner of the site involved, shall assume title and custody of such waste and the land on which it is disposed when such site has been decontaminated and stabilized in accordance with the requirements established by the Commission and when such owner has made adequate financial arrangements approved by the Commission for the long-term maintenance and monitoring of such site.

"SEC. 506. NUCLEAR REGULATORY COMMISSION TRAINING AUTHORIZATION.

"The Commission is authorized and directed to promulgate regulations, or other appropriate regulatory guidance, for the training and qualifications of civilian nuclear power plant operators, supervisors, technicians, and other appropriate operating personnel. Such regulations or guidance shall establish simulator training requirements for applicants for civilian nuclear power plant operator licenses and for operator requalification programs; requirements governing Commission administration of requalification examinations; requirements for operating tests at civilian nuclear power plant simulators, and instructional requirements for civilian nuclear power plant licensee personnel training programs.

"SEC. 507. EMPLACEMENT SCHEDULE.

"(a) The emplacement schedule shall be implemented in accordance with the following:

"(1) Emplacement priority ranking shall be determined by the Department's annual 'Acceptance Priority Ranking' report.

"(2) The Secretary's spent fuel emplacement rate shall be no less than the following: 1,200 MTU in fiscal year 2000 and 1,200 MTU in fiscal year 2001; 2,000 MTU in fiscal year 2002 and 2000 MTU in fiscal year 2003; 2,700 MTU in fiscal year 2004; and 3,000 MTU annually thereafter.

"(b) If the Secretary is unable to begin emplacement by January 31, 1999 at the rates specified in subsection (a), or if the cumulative amount emplaced in any year thereafter is less than that which would have been accepted under the emplacement rate specified in subsection (a), the Secretary shall, as a mitigation measure, adjust the emplacement schedule upward such that within 5 years of the start of emplacement by the Secretary,

"(1) the total quantity accepted by the Secretary is consistent with the total quantity that the Secretary would have accepted if the Secretary had begun emplacement in fiscal year 2000, and

"(2) thereafter the emplacement rate is equivalent to the rate that would be in place pursuant to paragraph (a) above if the Secretary had commenced emplacement in fiscal year 2000.

"SEC. 508. TRANSFER OF TITLE.

"(a) Acceptance by the Secretary of any spent nuclear fuel or high-level radioactive waste shall constitute a transfer of title to the Secretary.

"(b) No later than 6 months following the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary is authorized to accept all spent nuclear fuel withdrawn from Dairyland Power Cooperative's La Crosse Reactor and, upon acceptance, shall provide Dairyland Power Cooperative with evidence of the title transfer. Immediately upon the Secretary's acceptance of such spent nuclear fuel, the Secretary shall assume all responsibility and liability for the interim storage and permanent disposal thereof and is authorized to compensate Dairyland Power Cooperative for any costs related to operating and maintaining facilities necessary for such storage from the date of acceptance until the Secretary removes the spent nuclear fuel from the La Crosse Reactor site."

"SEC. 509. DECOMMISSIONING PILOT PROGRAM.

"(a) AUTHORIZATION.—The Secretary is authorized to establish a Decommissioning Pilot Program to decommission and decontaminate the sodium-cooled fast breeder experiment test-site reactor located in northwest Arkansas.

"(b) FUNDING.—No funds from the Nuclear Waste Fund may be used for the Decommissioning Pilot Program.

"SEC. 510. WATER RIGHTS.

"(a) NO FEDERAL RESERVATION.—Nothing in this Act or any other Act of Congress shall constitute or be construed to constitute either an express or implied Federal reservation of water or water rights for any purpose arising under this Act.

"(b) ACQUISITION AND EXERCISE OF WATER RIGHTS UNDER NEVADA LAW.—The United States may acquire and exercise such water rights as it deems necessary to carry out its responsibilities under this Act pursuant to the substantive and procedural requirements of the State of Nevada. Nothing in this Act shall be construed to authorize the use of eminent domain by the United States to acquire water rights for such lands.

"(c) EXERCISE OF WATER RIGHTS GENERALLY UNDER NEVADA LAWS.—Nothing in this Act shall be construed to limit the exercise of water rights as provided under Nevada State laws.

"TITLE VI—NUCLEAR WASTE TECHNICAL REVIEW BOARD

"SEC. 601. DEFINITIONS.

"For purposes of this title—

"(1) CHAIRMAN.—The term "Chairman" means the Chairman of the Nuclear Waste Technical Review Board.

"(2) BOARD.—The term "Board" means the Nuclear Waste Technical Review Board continued under section 602.

"SEC. 602. NUCLEAR WASTE TECHNICAL REVIEW BOARD.

"(a) CONTINUATION OF THE NUCLEAR WASTE TECHNICAL REVIEW BOARD.—The Nuclear Waste Technical Review Board, established under section 502(a) of the Nuclear Waste Policy Act of 1982 as constituted prior to the date of enactment of the Nuclear Waste Policy Act of 1966, shall continue in effect subsequent to the date of enactment of the Nuclear Waste Policy Act of 1996.

"(b) MEMBERS.—

"(1) NUMBER.—The Board shall consist of 11 members who shall be appointed by the President not later than 90 days after December 22, 1987, from among persons nominated by the National Academy of Sciences in accordance with paragraph (3).

"(2) CHAIR.—The President shall designate a member of the Board to serve as Chairman.

"(3) NATIONAL ACADEMY OF SCIENCES.—

"(A) NOMINATIONS.—The National Academy of Sciences shall, not later than 90 days after December 22, 1987, nominate not less than 22 persons for appointment to the Board from among persons who meet the qualifications described in subparagraph (C).

"(B) VACANCIES.—The National Academy of Sciences shall nominate not less than 2 persons to fill any vacancy on the Board from among persons who meet the qualifications described in subparagraph (C).

"(C) NOMINEES.—

"(i) Each person nominated for appointment to the Board shall be—

"(I) eminent in a field of science or engineering, including environmental sciences; and

"(II) selected solely on the basis of established records of distinguished service.

"(ii) The membership of the Board shall be representatives of the broad range of scientific and engineering disciplines related to activities under this title.

"(iii) No person shall be nominated for appointment to the Board who is an employee of—

"(I) the Department of Energy;

"(II) a national laboratory under contract with the Department of Energy; or

"(III) an entity performing spent nuclear fuel or high-level radioactive waste activities under contract with the Department of Energy.

"(4) VACANCIES.—Any vacancy on the Board shall be filled by the nomination and appointment process described in paragraphs (1) and (3).

"(5) TERMS.—Members of the Board shall be appointed for terms of 4 years, each such term to commence 120 days after December 22, 1987, except that of the 11 members first appointed to the Board, 5 shall serve for 2 years and 6 shall serve for 4 years, to be designated by the President at the time of appointment, except that a member of the Board whose term has expired may continue to serve as a member of the Board until such member's successor has taken office.

"SEC. 603. FUNCTIONS.

"The Board shall limit its evaluations to the technical and scientific validity solely of the following activities undertaken directly by the Secretary after December 22, 1987—

"(1) site characterization activities; and

"(2) activities of the Secretary relating to the packaging or transportation of spent nuclear fuel or high-level radioactive waste.

"SEC. 604. INVESTIGATORY POWERS.

"(a) HEARINGS.—Upon request of the Chairman or a majority of the members of the Board, the Board may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Board considers appropriate. Any member of the Board may administer oaths or affirmations to witnesses appearing before the Board. The Secretary or the Secretary's designee or designees shall not be required to appear before the Board or any element of the Board for more than twelve working days per calendar year.

"(b) PRODUCTION OF DOCUMENTS.—

"(1) RESPONSE TO INQUIRIES.—Upon the request of the Chairman or a majority of the members of the Board, and subject to existing law, the Secretary (or any contractor of the Secretary) shall provide the Board with such records, files, papers, data, or information that is generally available to the public as may be necessary to respond to any inquiry of the Board under this title.

"(2) EXTENT.—Subject to existing law, information obtainable under paragraph (1) may include drafts of products and documentation of work in progress.

"SEC. 605. COMPENSATION OF MEMBERS.

"(a) IN GENERAL.—Each member of the Board shall be paid at the rate of pay payable for level III of the Executive Schedule for each day (including travel time) such member is engaged in the work of the Board.

"(b) TRAVEL EXPENSES.—Each member of the Board may receive travel expenses, including per diem in lieu of subsidence, in the same manner as is permitted under sections 5702 and 5703 of title 5, United States Code.

"SEC. 606. STAFF.

"(a) CLERICAL STAFF.—

"(1) AUTHORITY OF CHAIRMAN.—Subject to paragraph (2), the Chairman may appoint and fix the compensation of such clerical staff as may be necessary to discharge the responsibilities of the Board.

"(2) PROVISIONS OF TITLE 5.—Clerical staff shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 3 of such title relating to classification and General Schedule pay rates.

"(b) PROFESSIONAL STAFF.—

"(1) AUTHORITY OF THE CHAIRMAN.—Subject to paragraphs (2) and (3), the Chairman may appoint and fix the compensation of such professional staff as may be necessary to discharge the responsibilities of the Board.

"(2) NUMBER.—Not more than 10 professional staff members may be appointed under this subsection.

"(3) TITLE 5.—Professional staff members may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS–18 of the General Schedule.

"SEC. 607. SUPPORT SERVICES.

"(a) GENERAL SERVICES.—To the extent permitted by law and requested by the Chairman, the Administrator of General Services shall provide the Board with necessary administrative services, facilities, and support on a reimbursable basis.

"(b) ACCOUNTING, RESEARCH, AND TECHNOLOGY ASSESSMENT SERVICES.—The Comptroller General and the Librarian of Congress shall, to the extent permitted by law and subject to the availability of funds, provide the Board with such facilities, support, funds and services including staff, as may be necessary for the effective performance of the functions of the Board.

"(c) ADDITIONAL SUPPORT.—Upon the request of the Chairman, the Board may secure directly from the head of any department or agency of the United States information necessary to enable it to carry out this title.

"(d) MAILS.—The Board may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

"(e) EXPERTS AND CONSULTANTS.—Subject to such rules as may be prescribed by the Board, the Chairman may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for GS–18 of the General Schedule.

"SEC. 608. REPORT.

"The Board shall report not less than 2 times per year to Congress and the Secretary its findings, conclusions, and recommendations.

"SEC. 609. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated for expenditures such sums as may be necessary to carry out the provisions of this title.

"SEC. 610. TERMINATION OF THE BOARD.

"The Board shall cease to exist not later than one year after the date on which the Secretary begins disposal of spent nuclear fuel or high-level radioactive waste in the repository.

"TITLE VII—MANAGEMENT REFORM

"SEC. 701. MANAGEMENT REFORM INITIATIVES.

"(a) IN GENERAL.—The Secretary is directed to take actions as necessary to improve the management of the civilian radioactive waste management program to ensure that the program is operated, to the maximum extent practicable, in like manner as a private business.

"(b) AUDITS—

"(1) STANDARD.—The Office of Civilian Radioactive Waste Management, its contractors, and subcontractors at all tiers, shall conduct, or have conducted, audits and examinations of their operations in accordance with the usual and customary practices of private corporations engaged in large nuclear construction projects consistent with its role in the program.

"(2) TIME.—The management practices and performances of the Office of Civilian Radioactive Waste Management shall be audited every 5 years by an independent management consulting firm with significant experience in similar audits of private corporations engaged in large nuclear construction projects. The first such audit shall be conducted 5 years after the enactment of the Nuclear Waste Policy Act of 1996.

"(3) COMPTROLLER GENERAL.—The Comptroller General of the United States shall annually make an audit of the Office, in accordance with such regulations as the Comptroller General may prescribe. The Comptroller General shall have access to such books, records, accounts, and other materials of the Office as the Comptroller General determines to be necessary for the preparation of such audit. The Comptroller General shall submit to the Congress a report on the results of each audit conducted under this section.

"(4) TIME.—No audit contemplated by this subsection shall take longer than 30 days to conduct. An audit report shall be issued in final form no longer than 60 days after the audit is commenced.

"(5) PUBLIC DOCUMENTS.—All audit reports shall be public documents and available to any individual upon request.

"(d) VALUE ENGINEERING.—The Secretary shall create a value engineering function within the Office of Civilian Radioactive Waste Management that reports directly to the Director, which shall carry out value engineering functions in accordance with the usual and customary practices of private corporations engaged in large nuclear construction projects.

"(e) SITE CHARACTERIZATION.—The Secretary shall employ, on an on-going basis, integrated performance modeling to identify appropriate parameters for the remaining site characterization effort and to eliminate studies of parameters that are shown not to affect long-term repository performance.

"SEC. 702. REPORTING.

"(a) INITIAL REPORT.—Within 180 days of enactment of this section, the Secretary shall report to Congress on its planned actions for implementing the provisions of this Act, including the development of the Integrated Waste Management System. Such report shall include—

"(1) an analysis of the Secretary's progress in meeting its statutory and contractual obligation to accept title to, possession of, and delivery of spent nuclear fuel and high-level radioactive waste beginning no later than November 30, 1999, and in accordance with the acceptance schedule;

"(2) a detailed schedule and timeline showing each action that the Secretary intends to take to meet the Secretary's obligations under this Act and the contracts;

"(3) a detailed description of the Secretary's contingency plans in the event that the Secretary is unable to meet the planned schedule and timeline; and

"(4) an analysis by the Secretary of its funding needs for fiscal years 1997 through 2001.

"(b) ANNUAL REPORTS.—On each anniversary of the submittal of the report required by subsection (a), the Secretary shall make annual reports to the Congress for the purpose of updating the information contained in such report. The annual reports shall be brief and shall notify the Congress of:

"(1) any modifications to the Secretary's schedule and timeline for meeting its obligations under this Act;

"(2) the reasons for such modifications, and the status of the implementation of any of the Secretary's contingency plans; and

"(3) the Secretary's analysis of its funding needs for the ensuing 5 fiscal years.

"SEC. 703. EFFECTIVE DATE.

"This Act shall become effective——days after enactment.".

THE FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1997

PRESSLER AMENDMENT NO. 4986

(Ordered to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to the bill (H.R. 3540) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1997, and for other purposes; as follows:

On page 198, between lines 17 and 18, insert the following:

SENSE OF SENATE ON DELIVERY BY CHINA OF CRUISE MISSILES TO IRAN

SEC. 580. (a) FINDINGS.—The Senate makes the following findings:

(1) On February 22, 1996, the Director of Central Intelligence informed the Senate that the Government of the People's Republic of China had delivered cruise missiles to Iran.

(2) On June 19, 1996, the Under Secretary of State for Arms Control and International Security Affairs informed Congress that the Department of State had evidence of Chinese-produced cruise missiles in Iran.

(3) On at least three occasions in 1996, including July 15, 1996, the Commander of the United States Fifth Fleet has pointed to the threat posed by Chinese-produced cruise missiles to the 15,000 United States sailors and marines stationed in the Persian Gulf region.

(4) Section 1605 of the Iran-Iraq Arms Non-Proliferation Act of 1992 (title XVI of Public Law 102-484; 50 U.S.C. 1701 note) both requires and authorizes the President to impose sanctions against any foreign government that delivers cruise missiles to Iran.

(b) SENSE OF SENATE.—It is the sense of the Senate that—

(1) the Government of the People's Republic of China should immediately halt the delivery of cruise missiles and other advanced conventional weapons to Iran; and

(2) the President should enforce all appropriate sanctions under United States law with respect to the delivery by that government of cruise missiles to Iran.

THE AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

LEAHY (AND OTHERS) AMENDMENT NO. 4987

Mr. LEAHY (for himself, Ms. SNOWE, Mr. GREGG, Mr. JEFFORDS, Mr. SMITH, Mr. COHEN, Mr. MOYNIHAN, Mr. KENNEDY, and Mr. KERRY) proposed an amendment to the bill (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and related agencies programs for the fiscal year ending September 30, 1997, and for other purposes; as follows:

At the end of the bill, add the following:

SEC. ___. NORTHERN FOREST STEWARDSHIP.

(a) FINDINGS.—With respect to the Northern Forest in the States of Maine, New Hampshire, New York, and Vermont, Congress finds that—

(1) the current land ownership and management patterns have served the people and forests of the region well; public policies relating to the Northern Forest should seek to reinforce rather than replace the patterns of ownership and use that have characterized lands in the Northern Forest for decades;

(2) people have a right to participate in decisions that affect them;

(3) the rights of private property owners must be respected;

(4) natural systems must be sustained over the long term, including air, soil, water, and the diversity of plant and animal species;

(5) the history and culture of the Northern Forest and the connections between people and the land must be respected;

(6) States should work in partnership with local governments and the Federal Government;

(7) differences among the 4 Northern Forest States must be recognized;

(8) people must appreciate that the Northern Forest has values that are important beyond the boundaries of the Northern Forest;

(9) because public funds are scarce, the greatest public benefit must be secured for any additional investment;

(10) proposals must be judged by their long-term benefits, looking at least 50 years into the future;

(11) programs and regulations in existence on the date of enactment of this Act should be continually evaluated, built upon, and improved before new ones are created;

(12) the actions described in this section are most appropriately directed by the States, with assistance from the Federal Government, as requested by the States;

(13) certain Federal tax policies work against the long-term ownership, management, and conservation of forest land in the Northern Forest region, and Congress and the President should enact additional legislation to address those tax policies as soon as possible; and

(14) this section effectuates certain recommendations of the Northern Forest Lands Council that were developed with broad public input and the involvement of Federal, State, and local governments.

(b) PRINCIPLES OF SUSTAINABILITY.—

(1) IN GENERAL.—The Secretary of Agriculture, acting through the Chief of the Forest Service, is authorized, at the request of the State of Maine, New Hampshire, New York, or Vermont, to provide technical assistance for a State-based initiative directed by the State, to define the appropriate benchmarks of sustainable forest management that address the principles of sustainability, as recommended by the Northern Forest Lands Council.

(2) PRINCIPLES OF SUSTAINABILITY.—It is the sense of Congress that for the purposes of paragraph (1), principles of sustainability should include—

(A) maintenance of soil productivity;

(B) conservation of water quality, wetlands, and riparian zones;

(C) maintenance or creation of a healthy balance of forest age classes;

(D) continuous flow of timber, pulpwood, and other forest products;

(E) improvement of the overall quality of the timber resource as a foundation for more value-added opportunities;

(F) addressing scenic quality by limiting adverse aesthetic impacts of forest harvesting, particularly in high-elevation areas and vistas;

(G) conservation and enhancement of habitats that support a full range of native flora and fauna;

(H) protection of unique or fragile natural areas; and

(I) continuation of opportunities for traditional recreation.

(c) NORTHERN FOREST RESEARCH COOPERATIVE.—The Secretary of Agriculture, acting through the Northeastern Forest Experiment Station and the Chief of the Forest Service, is authorized, at the request of the State of Maine, New Hampshire, New York, or Vermont, to cooperate with the State, the land grant universities of the State, natural resource and forestry schools, other Federal agencies, and other interested parties in coordinating ecological and economic research, including—

(1) research at those universities on ecosystem health, forest management, product development, economics, and related fields;

(2) development of specific forest management guidelines to achieve principles of sustainability described in subsection (b) as recommended by the Northern Forest Lands Council;

(3) technology transfer to the wood products industry on efficient processing, pollution prevention, and energy conservation;

(4) dissemination of existing and new information to landowners, public and private resource managers, State forest citizen advisory committees, and the general public through professional associations, publications, and other information clearinghouse activities; and

(5) analysis of strategies for the protection of areas of outstanding ecological significance, high biodiversity, and the provision of important recreational opportunities, including strategies for areas identified through State land acquisition planning processes.

(d) INTERSTATE COORDINATION STRATEGY.—At the request of the States of Maine, New Hampshire, New York, and Vermont, the Chief of the Forest Service is authorized to make a representative of the State and Private Forest Program available to meet with representatives of the States to coordinate the implementation of Federal and State policy recommendations issued by the Northern Forest Lands Council and other policies agreed to by the States.

(e) LAND CONSERVATION.—.

(1) FEDERAL ASSISTANCE.—The Secretary of Agriculture (acting through the Chief of the

Forest Service) and the Secretary of the Interior (acting through the Director of the National Park Service and Director of the United States Fish and Wildlife Service) at the request of the State of Maine, New Hampshire, Vermont, or New York, is authorized to provide technical and financial assistance for a State-managed public land acquisition planning process and land acquisition initiatives directed by the State.

(2) PROGRAM DEVELOPMENT.—A goal-oriented planning process for a State described in paragraph (1) to establish a land conservation program shall include—

(A) identification of, and setting of priorities for the acquisition of, fee or less-than-fee interests in exceptional and important lands, in accordance with criteria that include—

(i) places offering outstanding recreational opportunities, including locations for hunting, fishing, trapping, hiking, camping, and other forms of back-country recreation;

(ii) recreational access to river and lake shorelines;

(iii) land supporting vital ecological functions and values;

(iv) habitats for rare, threatened, or endangered natural communities, plants, and wildlife;

(v) areas of outstanding scenic value and significant geological features; and

(vi) working private forest lands that are of such significance or so threatened by conversion that conservation easements should be purchased;

(B) acquisition of land and interests in land only from willing sellers;

(C) involvement of local governments and landowners in the planning process in a meaningful way that acknowledges their concerns about public land acquisition;

(D) recognition that zoning, while an important land use mechanism, is not an appropriate substitution for acquisition;

(E) assurances that unilateral eminent domain will only be used with the consent of the landowner to clear title and establish purchase prices;

(F) efficient use of public funds by purchasing only the rights necessary to best identify and protect exceptional values;

(G) consideration of the potential impacts and benefits of land and easement acquisition on local and regional economies;

(H) consideration of the necessity of including costs of future public land management in the assessment of overall costs of acquisition;

(I) minimization of adverse tax consequences to municipalities by making funds available to continue to pay property taxes based at least on current use valuation of parcels acquired, payments in lieu of taxes, user fee revenues, or other benefits, where appropriate;

(J) identification of the potential for exchanging public land for privately held land of greater public value; and

(K) assurances that any land or interests inland that are acquired are used and managed for their intended purposes.

(3) WILLING SELLER.—No Federal funds made available to carry out this section may be expended for acquisition of private or public property unless the owner of the property willingly offers the property for sale.

(4) LAND ACQUISITION.—

(A) FUNDING.—After completion of the planning process under paragraph (2), a Federal and State cooperative land acquisition project under this section may be carried out with funding provided exclusively by the Federal Government or with funding provided by both the Federal Government and a State government.

(B) OBJECTIVES.—A cooperative land acquisition project funded under this section shall promote State land conservation objectives that correspond with Federal goals and the recommendations of the Northern Forest Lands Council.

(5) COMPLEMENTARY PROGRAM.—The Secretary of the Interior shall conduct activities under this subsection—

(A) as a complement to the State Comprehensive Outdoor Recreation Plan for each Northern Forest State in existence on the date of enactment of this section; and

(B) with a landscape perspective.

(6) AUTHORIZATION OF APPROPRIATIONS.—

(A) IN GENERAL.—There are authorized to be appropriated, out of any funds made available for State purposes under section 6 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–8), such sums as are necessary to carry out this subsection.

(B) EFFECT ON APPORTIONMENT.—Apportionment among the States under section 6(b) of the Act (16 U.S.C. 460*l*–8(b)) shall be from funds not appropriated under subparagraph (A).

(f) LANDOWNER LIABILITY EXEMPTION.—

(1) FINDINGS.—Congress finds that—

(A) many landowners keep their land open and available for responsible recreation; and

(B) private lands help provide important forest-based recreation opportunities for the public in the Northern Forest region.

(2) SENSE OF CONGRESS.—It is the sense of Congress that States and other interested persons should pursue initiatives that—

(A) strengthen relief-from-liability laws to protect landowners that allow responsible public recreational use of their lands;

(B) update relief-from-liability laws to establish hold-harmless mechanisms for landowners that open their land to public use, including provision for payment by the State of the costs of a landowner's defense against personal injury suits and of the costs of repairing property damage and removing litter;

(C) private additional reductions in property taxes for landowners that allow responsible public recreational use of their lands;

(D) provide for purchases by the State of land in fee and of temporary and permanent recreation easements and leases, including rights of access;

(E) foster State and private cooperative recreation agreements;

(F) create recreation coordinator and landowner liaison and remote ranger positions in State government to assist in the management of public use of private lands and provide recreation opportunities and other similar services;

(G) strengthen enforcement of trespass, antilittering, and antidumping laws;

(H) improve recreation user education programs; and

(I) improve capacity in State park and recreation agencies to measure recreational use (including types, amounts, locations, and concentrations of use) and identify and address trends in use before the trends create problems.

(g) NONGAME CONSERVATION.—

(1) FINDINGS.—Congress finds that—

(A) private landowners often manage their lands in ways that produce a variety of public benefits, including wildlife habitat; and

(B) there should be more incentives for private landowners to exceed current forest management standards and responsibilities under Federal laws.

(2) SENSE OF CONGRESS.—It is the sense of Congress that Congress should make it a priority to consider legislation that creates a funding mechanism to support the conservation of nongame fish and wildlife and associated recreation activities on public and private lands and does not replace, substitute, or duplicate existing laws that support game fish and wildlife.

(h) WATER QUALITY.—The Administrator of the Environmental Protection Agency, in cooperation with the Secretary of Agriculture and the Secretary of the Interior, is authorized, at the request of the State of Maine, New Hampshire, New York, or Vermont, to provide technical and financial assistance to assess water quality trends within the Northern Forest region.

(i) RURAL COMMUNITY ASSISTANCE.—

(1) IN GENERAL.—The Secretary of Agriculture is authorized, at the request of the State of Maine, New Hampshire, New York, or Vermont, to provide technical and financial assistance to the State, working in partnership with the forest products industry, local communities, and other interests to develop technical and marketing capacity within rural communities for realizing value-added opportunities in the forest products sector.

(2) RURAL COMMUNITY ASSISTANCE PROGRAM.—Sufficient funds from the rural community assistance program under paragraph (1) shall be directed to support State-based public and private initiatives to—

(A) strengthen partnerships between the public and private sectors and enhance the viability of rural communities;

(B) develop technical capacity in the utilization and marketing of value-added forest products; and

(C) develop extension capacity in delivering utilization and marketing information to forest-based businesses.

(j) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out subsections (b), (c), (d), (e), (h), and (i) of this section and section 2371 of the Rural Economic Development Act of 1990 (7 U.S.C. 6601) in the States of Maine, New Hampshire, New York, and Vermont.

(h) APPLICABILITY.—This section shall be in effect during fiscal year 1997 and each fiscal year thereafter.

THURMOND (AND HOLLINGS) AMENDMENT NO. 4988

Mr. COCHRAN (for Mr. THURMOND, for himself and Mr. HOLLINGS) proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 12, line 25, strike "$46,330,000" and insert in lieu thereof "$46,830,000".

On page 14, line 10, strike "$418,620,000" and insert in lieu thereof "$419,120,000".

On page 21, line 4, strike "$47,517,000" and insert "$47,017,000".

FRAHM AMENDMENT NO. 4989

Mr. COCHRAN (for Mrs. FRAHM) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the appropriate place in title VII of the bill, add the following new section:

SEC. 7. RURAL HOUSING PROGRAM EXTENSIONS.

(a) EXTENSION OF MULTIFAMILY RURAL HOUSING LOAN PROGRAM.—

(1) AUTHORITY TO MAKE LOANS.—Section 515(b)(4) of the Housing Act of 1949 (42 U.S.C. 1485(b)(4)) is amended by striking "September 30, 1996" and inserting "September 30, 1997".

(2) SET-ASIDE FOR NONPROFIT ENTITIES.—The first sentence of section 515(w)(1) of the Housing Act of 1949 (42 U.S.C. 1485(w)(1)) is amended by striking "fiscal year 1996" and inserting "fiscal year 1997".

(b) EXTENSION OF HOUSING IN UNDERSERVED AREAS PROGRAM.—The first sentence of section 509(f)(4)(A) of the Housing Act of 1949 (42 U.S.C. 1479(f)(4)(A)) is amended by striking "fiscal year 1996" and inserting "fiscal year 1997".

(c) REFORMS FOR MULTIFAMILY RURAL HOUSING LOAN PROGRAM.—

(1) LIMITATION ON PROJECT TRANSFERS.—Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) is amended by inserting after subsection (g) the following new subsection:

"(h) PROJECT TRANSFERS.—After the date of the enactment of the Act entitled 'An Act making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes', the ownership or control of a project for which a loan is made or insured under this section may be transferred only if the Secretary determines that such transfer would further the provision of housing and related facilities for low-income families or persons and would be in the best interests of residents and the Federal Government.".

(2) EQUITY LOANS.—Section 515(t) of the Housing Act of 1949 (42 U.S.C. 1485(t)) is amended—

(A) by striking paragraphs (4) and (5); and

(B) by redesignating paragraphs (6) through (8) as paragraphs (4) through (6), respectively.

(3) EQUITY TAKEOUT LOANS TO EXTEND LOW-INCOME USE.—

(A) AUTHORITY AND LIMITATION.—Section 502(c)(4)(B)(iv) of the Housing Act of 1949 (42 U.S.C. 1472(c)(4)(B)(iv)) is amended by inserting before the period at the end the following: "or under paragraphs (1) and (2) of section 514(j), except that an equity loan referred to in this clause may not be made available after the date of the enactment of the Act entitled 'An Act making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes', unless the Secretary determines that the other incentives available under this subparagraph are not adequate to provide a fair return on the investment of the borrower, to prevent prepayment of the loan insured under section 514 or 515, or to prevent the displacement of tenants of the housing for which the loan was made".

(B) APPROVAL OF ASSISTANCE.—Section 502(c)(4)(C) of the Housing Act of 1949 (42 U.S.C. 1472(c)(4)(C)) is amended by striking "(C)" and all that follows through "provided—" and inserting the following:

"(C) APPROVAL OF ASSISTANCE.—The Secretary may approve assistance under subparagraph (B) for assisted housing only if the restrictive period has expired for any loan for the housing made or insured under section 514 or 515 pursuant to a contract entered into after December 21, 1979, but before the date of the enactment of the Department of Housing and Urban Development Reform Act of 1989, and the Secretary determines that the combination of assistance provided—".

(C) TECHNICAL CORRECTION.—Section 515(c)(1) of the Housing Act of 1949 (42 U.S.C. 1485(c)(1)) is amended by striking "December 21, 1979" and inserting "December 15, 1989".

(d) EQUITY SKIMMING PENALTIES.—

(1) INSURANCE OF LOANS FOR THE PROVISION OF HOUSING AND RELATED FACILITIES FOR DOMESTIC FARM LABOR.—Section 514 of the Housing Act of 1949 (42 U.S.C. 1484) is amended by adding at the end the following new subsection:

"(j) EQUITY SKIMMING PENALTY.—Whoever, as an owner, agent, or manager, or who is otherwise in custody, control, or possession of property that is security for a loan made or insured under this section willfully uses, or authorizes the use, of any part of the rents, assets, proceeds, income, or other funds derived from such property, for any purpose other than to meet actual or necessary expenses of the property, or for any other purpose not authorized by this title or the regulations adopted pursuant to this title, shall be fined not more than $250,000 or imprisoned not more than 5 years, or both.".

(2) DIRECT AND INSURED LOANS TO PROVIDE HOUSING AND RELATED FACILITIES FOR ELDERLY PERSONS AND FAMILIES IN RURAL AREAS.—Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) is amended by adding at the end the following new subsection:

"(aa) EQUITY SKIMMING PENALTY.—Whoever, as an owner, agent, or manager, or who is otherwise in custody, control, or possession of property that is security for loan made or insured under this section willfully uses, or authorizes the use, of any part of the rents, assets, proceeds, income, or other funds derived from such property, for any purpose than other than to meet actual or necessary expenses of the property, or for any other purpose not authorized by this title or the regulations adopted pursuant to this title, shall be fined not more than $250,000 or imprisoned not more than 5 years, or both.".

LEAHY AMENDMENT NO. 4990

Mr. BUMPERS (for Mr. LEAHY) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the end of the bill, add the following:

SEC. . REAUTHORIZATION OF NATIONAL AQUACULTURE ACT OF 1980.

Section 10 of the National Aquaculture Act of 1980 (16 U.S.C. 2809) is amended by striking "1991, 1992, and 1993" each place it appears and inserting "1'991 through 1997".

KERREY AMENDMENTS NOS. 4991–4992

Mr. BUMPERS (for Mr. KERREY) proposed two amendments to the bill, H.R. 3603, supra; as follows:

AMENDMENT NO. 4991

In lieu of the pending amendment insert the following:

SEC. . DEPARTMENT OF AGRICULTURE VOLUNTARY SEPARATION INCENTIVE PAYMENTS.

(a) DEFINITIONS.—For the purposes of this section—

(1) the term "agency" means the Department of Agriculture;

(2) the term "employee" means an employee (as defined by section 2105 of title 5, United States Code) who is employed by the agency (or an individual employed by a county committee established under section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5))), is serving under an appointment without time limitation, and has been currently employed for a continuous period of at least 3 years, but does not include—

(A) a reemployed annuitant under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, or another retirement system for employees of the agency;

(B) an employee having a disability on the basis of which such employee is or would be eligible for disability retirement under the applicable retirement system referred to in subparagraph (A);

(C) an employee who is in receipt of a specific notice of involuntary separation for misconduct or unacceptable performance;

(D) an employee who, upon completing an additional period of service as referred to in section 3(b)(2)(B)(ii) of the Federal Workforce Restructuring Act of 1994 (5 U.S.C. 5597 note), would qualify for a voluntary separation incentive payment under section 3 of such Act;

(E) an employee who has previously received any voluntary separation incentive payment by the Federal Government under this section or any other authority and has not repaid such payment;

(F) an employee covered by statutory reemployment rights who is on transfer to another organization; or

(G) any employee who, during the twenty four month period preceding the date of separation, has received a recruitment or relocation bonus under section 5753 of title 5, United States Code, or who, within the twelve month period preceding the date of separation, received a retention allowance under section 5754 of title 5, United States Code.

(b) AGENCY STRATEGIC PLAN.—

(1) IN GENERAL.—The head of the agency, prior to obligating any resources for voluntary separation incentive payments, shall submit to the House and Senate Committees on Appropriations and the Committee on Governmental Affairs of the Senate and the Committee on Government Reform and Oversight of the House of Representatives a strategic plan outlining the intended use of such incentive payments and a proposed organizational chart for the agency once such incentive payments have been completed.

(2) CONTENTS.—The agency's plan shall include—

(A) the positions and functions to be reduced or eliminated, identified by organizational unit, geographic location, occupational category and grade level;

(B) the number and amounts of voluntary separation incentive payments to be offered; and

(C) a description of how the agency will operate without the eliminated positions and functions.

(c) AUTHORITY TO PROVIDE VOLUNTARY SEPARATION INCENTIVE PAYMENTS.—

(1) IN GENERAL.—A voluntary separation incentive payment under this section may be paid by an agency to any employee only to the extent necessary to eliminate the positions and functions identified by the strategic plan.

(2) AMOUNT AND TREATMENT OF PAYMENTS.—A voluntary separation incentive payment—

(A) shall be paid in a lump sum after the employee's separation;

(B) shall be paid from appropriations or funds available for the payment of the basic pay of the employees;

(C) shall be equal to the lesser of—

(i) an amount equal to the amount the employee would be entitled to receive under section 5595(c) of title 5, United States Code; or

(ii) an amount determined by the agency head not to exceed $25,000 in fiscal year 1997, $20,000 in fiscal year 1998, $15,000 in fiscal year 1999, or $10,000 in fiscal year 2000;

(D) shall not be a basis for payment, and shall not be included in the computation, of any other type of Government benefit; and

(E) shall not be taken into account in determining the amount of any severance pay to which the employee may be entitled under section 5595 of title 5, United States Code, based on any other separation.

(3) LIMITATION.—No amount shall be payable under this section based on any separation occurring before the date of the enactment of this Act, or after September 30, 2000.

(d) ADDITIONAL AGENCY CONTRIBUTIONS TO THE RETIREMENT FUND.—

(1) IN GENERAL.—In addition to any other payments which it is required to make under subchapter III of chapter 83 of title 5, United States Code, the agency shall remit to the Office of Personnel Management for deposit in the Treasury of the United States to the credit of the Civil Service Retirement and Disability Fund an amount equal to 15 percent of the final basic pay of each employee of the agency who is covered under subchapter III of chapter 83 or chapter 84 of title 5, United States Code, to whom a voluntary separation incentive has been paid under this section.

(2) DEFINITION.—For the purpose of paragraph (1), the term "final basic pay", with respect to an employee, means the total amount of basic pay which would be payable for a year of service by such employee, computed using the employee's final rate of basic pay, and, if last serving on other a full-time basis, with appropriate adjustment therefor.

(e) EFFECT OF SUBSEQUENT EMPLOYMENT WITH THE GOVERNMENT.—An individual who has received a voluntary separation incentive payment under this section and accepts any employment for compensation with the Government of the United States, or who works for any agency of the United States Government through a personal services contract, within 5 years after the date of the separation on which the payment is based shall be required to pay, prior to the individual's first day of employment, the entire amount of the incentive payment to the agency that paid the incentive payment.

(f) REDUCTION OF AGENCY EMPLOYMENT LEVELS.—

(1) IN GENERAL.—The total number of funded employee positions in the agency shall be reduced by one position for each vacancy created by the separation of any employee who has received, or is due to receive, a voluntary separation incentive payment under this section. For the purposes of this subsection, positions shall be counted on a full-time-equivalent basis.

(2) ENFORCEMENT.—The President, through the Office of Management and Budget, shall monitor the agency and take any action necessary to ensure that the requirements of this subsection are met.

(g) EFFECTIVE DATE.—This section shall take effect October 1, 1996.

AMENDMENT NO. 4992

On page 25, line 16, strike "$795,000,000" and insert "$725,000,000".

On page 29, between lines 7 and 8, insert the following:

RISK MANAGEMENT

For administrative and operating expenses, as authorized by section 226A of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6933), $70,000,000, of which not to exceed $700 shall be available for official reception and representation expenses, as authorized by section 506(i) of the Federal Crop Insurance Act (7 U.S.C. 1506(i)): *Provided*, That this appropriation shall be available only to the extent that an official budget request for a specific dollar amount is submitted by the President to Congress.

BUMPERS AMENDMENT NO. 4993

Mr. BUMPERS proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 12, line 25, strike "$46,830,000: and insert in lieu thereof "$47,080,000".

On page 14, line 10, strike "$419,120,000" and insert in lieu thereof "$419,370,000".

On page 21, line 4, strike "47,017,000" and insert in lieu thereof "$46,767,000".

HEFLIN AMENDMENT NO.4994

Mr. COCHRAN (for Mr. HEFLIN) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the appropriate place, insert:

"Section 101(b) of the Agriculture and Food Act of 1981 (Public Law 97-98; 7 U.S.C. 608c note) is amended by striking "1996" and inserting "2002".

SANTORUM AMENDMENT NO. 4995

Mr. SANTORUM proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the end of the bill, add the following:

SEC. . LIMITATION ON AMOUNT OF NONRECOURSE LOANS FOR PEANUTS.

None of the funds appropriated or otherwise made available by this Act may be used to provide to a producer of a crop of quota peanuts a total amount of nonrecourse loans under section 155 of the Agricultural Market Transition Act (7 U.S.C. 7271) in excess of $125,000.

BUMPERS AMENDMENT NO. 4996

Mr. BUMPERS proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 42, line 22, after "development" add the following, "as provided under section 747 (e) of public Law 104-127".

SARBANES (AND MIKULSKI) AMENDMENT NO. 4997

Mr. BUMPERS (for Mr. SARBANES, for himself and Ms. MIKULSKI) proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 5, line 8, strike "$25,587,000" and insert "$23,505,400".

On page 5, line 10, strike "$146,135,000" and insert "$144,053,400".

On page 10, line 18, strike "$721,758,000" and insert "$722,839,600".

HATCH (AND HARKIN) AMENDMENT NO. 4998

Mr. COCHRAN (for Mr. HATCH, for himself and Mr. HARKIN) proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 55, line 7, after the colon, insert the following: "*Provided further*, That a sufficient amount of these funds shall be used to ensure compliance with the statutory deadlines set forth in section 505(j)(4)(A) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 3555(j)(4)(A)):".

SMITH AMENDMENT NO. 4999

Mr. COCHRAN (for Mr. SMITH) proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 47, line 17, before the period, insert the following: ": *Provided further*, That notwithstanding section 306(a)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(7)), the town of Berlin, New Hampshire, shall be eligible during fiscal year 1997 for a grant under the rural utilities assistance program".

SMITH AMENDMENT NO. 5000

Mr. COCHRAN (for Mr. SMITH) proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 47, line 17, before the period, insert the following: ": *Provided further*, That, notwithstanding section 306(a)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(7)), the town of Berlin, New Hampshire, shall be eligible during fiscal year 1997 for a grant under the rural utilities assistance program".

CRAIG (AND OTHERS) AMENDMENT NO. 5001

Mr. COCHRAN (for Mr. CRAIG for himself, Mr. HELMS, Mr. LEAHY, and Mr. WYDEN) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the end of the matter proposed to be inserted by the amendment, insert the following:

SEC. REVIEW AND REPORT ON H-2A NONIMMIGRANT WORKERS PROGRAM.

(a) SENSE OF THE CONGRESS.—It is the sense of the Congress that the enactment of this Act may impact the future availability of an adequate work force for the producers of our Nation's labor intensive agricultural commodities and livestock.

(b) REVIEW.—The Comptroller General shall review the effectiveness of the H-2A nonimmigrant worker program to ensure that the program provides a workable safety valve in the event of future shortages of domestic workers after the enactment of this Act. Among other things, the Comptroller General shall review the program to determine—

(1) that the program ensures that an adequate supply of qualified United States workers is available at the time and place needed for employers seeking such workers after the date of enactment of this Act;

(2) that the program ensures that there is timely approval of applications for temporary foreign workers under the H-2A nonimmigrant worker program in the event of shortages of United States workers after the date of enactment of this Act;

(3) that the program ensures that implementation of the H-2A nonimmigrant worker program is not displacing United States agricultural workers or diminishing the terms and conditions of employment of United States agricultural workers; and

(4) if and to what extent the H-2A nonimmigrant worker program is contributing to the problem of illegal immigration.

(c) REPORT.—Not later than December 31, 1996, or three months after the date of enactment of this Act, whichever is sooner, the Comptroller General shall submit a report to Congress setting forth the findings of the review conducted under subsection (b);

(d) DEFINITIONS.—As used in this section—

(1) the term "Comptroller General" means the Comptroller General of the United States; and

(2) the term "H-2A nonimmigrant worker program" means the program for the admission of nonimmigrant aliens described in section 101(a)(15)(H)(ii)(a) of the Immigration and Nationality Act.

NOTICE OF HEARING

SPECIAL COMMITTEE ON AGING

Mr. COHEN. Mr. President, I wish to announce that the Special Committee on Aging will hold a hearing on Tuesday, July 30, 1996, at 9:30 a.m., in room 628 of the Dirksen Senate Office Building. The hearing will discuss suicide among the elderly.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, July 23, at 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, July 23, 1996, at 3 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. DOMENICI. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Tuesday, July 23, at 3 p.m., for a hearing on the nomination of Franklin D. Raines, to be Director of the Office of Management and Budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON SMALL BUSINESS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Small Business be authorized to meet during the session of the Senate for an oversight hearing on Tuesday, July 23, 1996, which will begin at 3 p.m. in room 428A of the Russell Senate Office Building. The hearing is entitled "Implementation of the Small Business Regulatory Enforcement Fairness Act of 1996,"

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, July 23, 1996, at 1 p.m. to hold a closed hearing on Intelligence Matters.

The Presiding Officer. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION FEDERALISM AND PROPERTY RIGHT

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Subcommittee on the Constitution, Federalism, and Property Rights of the Senate Committee on the Judiciary, be authorized to meet during a session of the Senate on Tuesday, July 23, 1995, at 2 p.m., in Senate Dirksen room 226, to hold a hearing on, "Reauthorization of the U.S. Commission on Civil Rights."

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON INTERNATIONAL TRADE

Mr. DOMENICI. The Finance Committee requests unanimous consent for the Subcommittee on International Trade and the Caucus on International Narcotics Control to a conduct a hearing on Tuesday, July 23, 1996, beginning at 10 a.m.,in room SD 2145.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TRIBUTE TO HARRY RUTH

• Mr. McCONNELL. Mr. President, I rise today to recognize a man who has played a pivotal role in the economic growth and development of western Kentucky. Harry Ruth, president of the Greater Paducah Economic Development Council, will be able to retire with the satisfaction of a job well done.

When Ruth interviewed for the job in 1989, the committee members who interviewed him were immediately convinced that he was the right person for the job. Aubrey Lippert, a bank president in Paducah, told the Paducah Sun that Ruth "has the ability to walk into a room full of strangers and make everyone feel comfortable".

Since he became president of GPEDC, Harry Ruth has given "100 percent of his ability and energy" to making Paducah and the region a better place to live. According to the Paducah Sun, Ruth has played a large part in bringing to Paducah a great deal of infrastructure necessary to expand economic development. This includes the Paducah Information Age Park, a 600-acre high-technology park on the outskirts of the city and a University of Kentucky engineering extension program that will open in about 2 years. In addition, a new industrial park is in the planning stages and the community has improved its image considerably.

Further proof of the growth that has taken place during Ruth's tenure can be found in the general economic indicators in the community. There are more jobs in Paducah than there were 7 years ago, employment is up, unemployment is down, and retail sales are up.

Dwane Tucker, who worked closely with Ruth on the Information Age Park project, told the Paducah Sun that Ruth "gave an enormous amount of time to positioning [the] community for long-term growth . . . He put the needs of the organization above his own needs." Tucker added, "He's also exceptionally skilled at building long-term relationships with people and organizations."

It's said that a man's greatest legacy is his friends—and in that regard, Harry Ruth has a rich legacy indeed. As Harry closes this particular chapter in his life, he can take special satisfaction in the relationships he has built. It is with pleasure that I count myself among Harry Ruth's many friends in Kentucky.

Mr. President, I would like to pay tribute to Harry Ruth for his dedicated service to western Kentucky.

REV. JOHN NUTTING

• Mr. LEAHY. Mr. President, Vermont is a very small State in geography but extremely large in the quality of our people.

One of the very special people in Vermont is the Reverend John Nutting. For as long as I can remember my good friend John has been an outspoken and extremely effective advocate for those in Vermont who need him the most. An article in the Vermont Sunday Rutland Herald and the Sunday Times Argus speaks well of his lifetime service to our State. I ask that it be printed in the RECORD. Marcelle and I are among those privileged to have known and worked with John and I send him my very best as he opens his next career.

The article follows:

[From the Sunday Rutland Herald and the Sunday Times Argus, June 16, 1996]

ACTIVIST'S ACTIVIST REV. JOHN NUTTING LEAVING THE FIELD

(By Kristin Bloomer)

It's hot as heck under the studio skylights, and Rev. John Nutting is hawking one of his paintings.

"Name your price," he says, gesturing to a few of the smaller watercolors in his second-story garage studio in Waterbury. "Any price."

Nutting is walking around in his regular gear; a yellow shirt, denim shorts, white socks and sandals. No one has said anything about buying any paintings, but Nutting, 64, doesn't seem to want to take no for an answer.

"Come on. Don't be shy," he says with a broad, goofy smile and turning toward some larger forest scenes. "Hundred and fifty bucks. I have an easy payment plan. You can pay me in increments, whatever you want, 'til it's all paid up."

It's hard to say no to John Nutting, for 40 years one of Vermont's most active and visible social activists.

"He represents what has really been at the heart of what's good in Vermont," says Scudder Parker, a former minister and legislator who has known Nutting all his life. At a recent retirement party for Nutting, Gustave Seelig, executive director of the Vermont Housing and Conservation Board, called him Vermont's leader of "a conspiracy of good will."

In addition to serving as a pastor and outreach minister for the United Church of Christ since 1956 and more recently, writing a 500-page book on the church's history (on sale for $50), Nutting has served as president of the Vermont Association for Mental Health, chair of the Vermont Human Services Board, vice president of the Vermont Natural Resources Council, Vermont Housing and Conservation Board member, and consumer board member for the Vermont Program for Quality in Health Care.

He will retire from his ministry July 1. A retirement party for Nutting is set for Sunday, June 29, at the Second Congressional Church in Hyde Park. He says he has "no set plans," aside from wanting to sell his house and move with his wife to Colorado.

Nutting says he will have more time to paint—though friends, colleagues and social advocates say they will miss him.

"Good" Nutting exclaims. "That's great I love it, I love it. Weep! Weep! Worry! Gnash your teeth. * * * In a sense, I want someone else to do it. I've done it. I see it now as 'the ministry of getting out of the way.'"

"Getting out of the way," however, may be hard for Nutting.

"I'm in massive denial," he admits.

Many of the organizations and programs he founded on behalf of Vermont's poor will continue—he's made sure of that. For example, Camp Bethany Birches—an annual, free, three-day event for low-income people—has drawn as many as 200 people annually for almost 20 years, and will continue to serve as a tool for political empowerment Campers will still gather to set the coming year's lobbying/legislative agenda.

"You could say the theme through my ministry has been to create a community out of diversity, to gather people who don't naturally come together," Nutting says. "The idea is to create this new kind of community, that we all might be one."

"The Hyde Park pastor never wanted to enter the ministry until he was assigned to a congregation in West Dover for a summer. In college he had wanted to be a physician, like his father in Duluth, Minn., until senior year. Then he switched to history and enrolled at Yale Divinity School, still without a commitment to becoming a minister.

"I was interested in figuring out the Monty Python thing—the meaning of life," he says, smiling.

"His greatest theological influences were Karl Barth, a Swiss theologian who became a church leader in opposing the Nazis, and Jurgen Moltmann, one of the leading proponents of the "theology of hope," a belief that God's promise to act in the future is more important than God's action in the past. Moltmann's belief that people should not withdraw from the world but act in it to aid the coming of a better one became Nutting's inspiration.

The list of programs he has helped initiate in Vermont reads like a hippie agenda: Project Love, a series of evening dinners geared toward low-income people; Partners in Service, an adopt-a-social-worker program for churches; Vermont Assistance Inc., a corporation that hired and funded a low-income advocate when Vermont Legal Aid was prohibited from lobbying the Legislature; Vermont Campaign to End Childhood Hunger; Vermont Food Bank; Bridges to Peace, an exchange program with the Soviet Union; and Neighbors in Need, an organization that has distributed thousands of dollars worth of emergency grants to low-income people. That's just to name a few.

But Nutting, who started doing singing gigs in homes and ski areas in the nineteen fifties, predates most hippies.

"I had a Volkswagen bug, and I could get 12 folding chairs in the back, my guitar, song books, three kids and my wife," Nutting said. "We would go off to prayer meetings—the traveling church."

He also cut a record, called "Songs of Lamoille County," which begins with a spoken ballad called "Hills of Dover." Nutting's voice sounds uncannily like Pete Seeger's.

"I came to Vermont in the summer of 1954, and I've been here off an on ever since," Nutting narrates against the guitar chords. "That year, I lived with Ted Burchards on a farm in the town of West Dover."

The two worked the land together, Nutting says, and he tells how he would listen from the house as Burchards mowed the lawn and, invariably, hit a rock: "He'd stop, swear a few times, and then back it up and start over, go around that rock. That's been the story of Vermonters almost ever since they came here; they've had to back up and start over. It's been the land that's made the difference."•

LILLIAN HOFFMAN

• Mr. BROWN. Mr. President, Lillian Hoffman was a great lady who will be truly missed. She made the world a better place and brought energy, commitment, and integrity to every cause she supported. Her valiant efforts on behalf of Soviet Jewery I am convinced made a real difference in the lives of many.

As a volunteer for the American Red Cross during World War II, Lillian acquired a taste for public service and community work. Lillian committed herself to gaining freedom for Jewish refuseniks from the former Soviet Union for over 20 years. She was co-chairwoman of the Colorado Committee of Concern for Soviet Jewry since the group was formed in 1970. This committee fought for people that faced oppression in their homeland. Lillian spent endless hours writing letters and telegrams and making phone calls to Soviet and U.S. officials to help gain the release of Jewish families who were refused immigration visas. She showed what real determination was.

In 1974, Lillian went to Washington, DC to lobby for the Jackson-Vannik amendment, which linked trade with the Soviet Union with the emigration of Soviet Jews. The amendment was passed in large part thanks to Lillian's efforts.

In addition to dealing with the oppression of Jews in the Soviet Union, Lillian turned her attention to other causes. Lillian began to focus on her opposition to Israeli terroritorial concessions and to free Raoul Wallenberg. Lillian was a member of the Raoul Wallenberg Committee. Mr. Wallenberg, a Swedish diplomat, saved 100,000 Hungarian Jews during World War II from Nazi death camps. Lillian presented a bust of Wallenberg as a gift to the U.S. Government which stands in the U.S. Capitol.

Lillian was well known for her efforts nationally and internationally. Her endless contributions to our community in Colorado and around the world were truly remarkable and will never be forgotten.

Those of us who knew Lillian Hoffman will never forget her. She taught us what real commitment is all about.•

SALUTE TO ISAAC TIGRETT

• Mr. FRIST. Mr. President, I rise today to recognize an outstanding entrepreneur and a proud son of the great State of Tennessee. Isaac Tigrett has long been known for founding the world-famous Hard Rock Cafe chain, which combined rock music, memorabilia, and the all-American hamburger in locations throughout the United States and internationally. But his most recent business venture, the House of Blues, has not only gained enormous popularity in its short existence, it is showcasing a bit of Tennessee and Southern heritage for audiences on the east and west coasts.

A native west Tennessean, Isaac Tigrett grew up a stone's throw from the actual birthplace of the blues—Memphis, TN. The influence of the blues and black culture on him was strong and has stayed with him over the years. Music of all kinds, but especially the blues, actually takes center stage in his House of Blues restaurant-clubs. With restaurants in Cambridge, MA; Los Angeles; New Orleans; and the brand-new Olympic special in Atlanta, the music that had such an influence on Isaac Tigrett's life in west Tennessee is quickly finding new homes and new fans across the country.

In addition to spreading blues music, Isaac Tigrett is also working to spread a message to America's youth. Through the House of Blues Foundation, he is reaching out to inner city youth and providing a new outlook on African-American culture in the United States. His foundation brings school children to the House of Blues—either in person or by using video teleconferencing equipment—and lets them experience the history that the blues and the folk art lining the restaurants' walls so eloquently express. The House of Blues also provides college scholarships in the arts, sponsors a program for blues musicians to present workshops for kids, and supports a training center for teachers interested in the blues.

Mr. President, I want to commend Isaac Tigrett for his ingenuity and his entrepreneurship. As anyone who knows him can attest, the four House of Blues locations in the United States and the House of Blues Foundation are just the beginning for Isaac. And to me and many other Tennesseans living throughout this Nation, the House of Blues is not just great entertainment, it's a piece of home.•

ORDERS FOR WEDNESDAY, JULY 24, 1996

Mr. COCHRAN. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 a.m. on Wednesday, July 24; further, that immediately following the prayer, the Journal of the proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, the time for the two leaders be reserved for their use later in the day, and the Senate immediately resume consideration of the agriculture appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEASURE PLACED ON CALENDAR—S. 1956

Mr. COCHRAN. Mr. President, I ask unanimous consent that S. 1956 be placed back on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. COCHRAN. Mr. President, for the information of all Senators, under the previous order, the Senate will debate any amendments in order to the agriculture appropriations bill beginning at 9:30 a.m. on Wednesday. Any votes ordered will occur beginning at 11 a.m. on Wednesday.

Also, it is the majority leader's intention to conclude action on the agriculture appropriations bill during Wednesday's session of the Senate.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. COCHRAN. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 9:26 p.m., adjourned until Wednesday, July 24, 1996, at 9:30 a.m.

HOUSE OF REPRESENTATIVES—*Tuesday, July 23, 1996*

The House met at 9 a.m. and was called to order by the Speaker pro tempore [Mr. COLLINS of Georgia].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
July 23, 1996.

I hereby designate the Honorable MAC COLLINS to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of May 12, 1995, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to 25 minutes, and each Member except the majority and minority leader limited to 5 minutes, but in no event shall debate continue beyond 9:50 a.m.

The Chair recognizes the gentleman from Florida [Mr. GOSS] for 5 minutes.

OUT OF SIGHT, OUT OF MIND

Mr. GOSS. Mr. Speaker, when it comes to United States foreign policy, the deteriorating situation in Haiti is one of those news items that has been crowded off the front pages by bigger problems elsewhere, problems like the breakdown of the peace process in Ireland, the mending of fences with Mr. Netanyahu, and the Mujahidin's new foothold in the Balkans. But even so, just because it suits the White House for Haiti to be out of sight, it does not mean that it is out of mind for those of us who are interested in accounting for $3 billion in United States taxpayers' dollars the White House has spent there and those of us who are concerned about the safety of Americans and American interests in Haiti.

Because of the very special relationship between my south Florida district and Haiti, my office follows the reports and stays in touch with our contacts on the ground in Haiti. How are things going? The short answer is that there is slippage, steep slippage; a strong sense, based on events, that things in Haiti have degenerated again very rapidly. We are finding a seemingly endless litany that suggests a serious breakdown in law and order. We find institutional inadequacy, particularly in the judicial area, and serious retreat from any economic progress at all. We find no relief from the grinding poverty that is everywhere in Haiti.

Taken together this seems to prove what informed observers have said all along; that is, that throwing $3 billion and 20,000 American troops haphazardly at Haiti is not the way to bridge the deep divisions of Haitian society or to promote lasting gains on the slow path to democracy there. Divisions are deepening. Destabilization campaigns appear to be coming from all sectors across the social spectrum. The time for settling old scores and even new ones appears to have arrived and get even acts of violence and intimidation are the daily menu. The victims include former members of the military, the police, and innocent civilians. In fact, it is sad but true that the Haitian national police have participated in more than their share of altercations. Recall that this was supposed to be a hope of future law and order, that new Haitian national police, but the most damning assessments of police behavior have been coming from the Washington office on Latin America and the OAS mission in Haiti. The latest OAS report notes summary executions and allegations of ill treatment including beatings and routine use of electric shock treatment on prisoners in a Port-au-Prince police station. No place to get a parking ticket.

While these incidents are protested, the OAS also reports that the Inspector General has failed to take action against the police, giving some sectors of the Haitian population the view that the police agents enjoy the same impunity as the members of the old armed forces and former regime enjoyed. This wins the police no friends, and in some areas the police have literally been run out of town by local populations. In fact, there have been some 10 assassinations of investigators of the police, most of them off duty.

There are some other tough issues that we are not hearing much about but that clearly deserve some attention. One should ask the White House how the American citizens in Haiti who have borne the brunt of some of the violent acts are faring. Murders and kidnaping have apparently gone unanswered or uninvestigated.

Taken together, all of this adds up to instability, growing instability. It might also go a long way toward explaining why the Clinton administration went through such machinations to badger our allies to extend the U.N. mission through the month of November, the same month as the election month in our country.

Dismal as it is, law and order is only part of the stability equation. The other part of this equation is prosperity. We are long overdue for an update from the White House on the privatization process of Haiti. We understand from the media that the Parliament is having difficulty gaining a quorum to hold a vote on reform measures. Why? There are good reasons. Lack of will is one, but fear is another, brought on by threats from some of the left-leaning segments of the Haitian society and the drumbeat of opposition raised by former President Aristide.

Remember former President Aristide? We spent a lot of money and time getting him back there. Now he is opposing the economic development of his country. Any way you look at it, all of this suggests that somebody in the White House owes the American people and this Congress an explanation. After all this money, time, and effort, what have we gotten? What is going on in Haiti and why? Will American taxpayers, and incidentally American voters, agree that this was $3 billion well spent? Or is this whole episode another success story that was more successful for its spin than its substance in the White House? We shall see.

DOMESTIC VIOLENCE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from California [Ms. WOOLSEY] is recognized during morning business for 2 minutes.

Ms. WOOLSEY. Mr. Speaker, each year over 150,000 incidents of domestic violence involve a gun.

In April, a woman in the district I represent was shot to death by her husband, even though she had a restraining order against him.

Last week, a Ventura County sheriff's deputy, responding to a domestic violence call, was killed by a man with a long criminal record.

Mr. Speaker, it is time to put an end to this insanity.

That is why I am applauding President Clinton for announcing his support today for legislation, sponsored by Congressman BOB TORRICELLI, which will prohibit people convicted of a domestic violence offense from purchasing a gun.

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

I urge my colleagues to support this commonsense way to prevent tragedy.

It is simple: Wife-beaters, child abusers, and other domestic violence offenders should not have access to a gun. Period.

UPDATE ON THE 11TH CONGRESSIONAL DISTRICT IN ILLINOIS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Illinois [Mr. WELLER] is recognized during morning business for 5 minutes.

Mr. WELLER. Mr. Speaker, I have the privilege of representing the most diverse district in the State of Illinois. I represent part of the city of Chicago, the south suburbs, in Cook and Will Counties, and farm communities as well as cornfields. That means that I have a district not only that is very diverse, but time and time again I am looking for ways and issues and concerns that are very, very common throughout this very diverse district that I have the privilege of representing.

I have found over the last 17 months now that I have had the privilege of representing my district two of the most common priorities that the people of the district that I represent have. Of course, they want to see a change in how Washington works but they also want to see a Congress in Washington looking out for local concerns.

I am proud that in the last 17 months we have been working to keep our commitments, to honor those principles and to change how Washington works while looking out for local concerns. As I look back over the last 16, 17 months, I am particularly proud that some of those most basic principles that we have worked for in changing how Washington works are being honored. One of the most basic, of course, is forcing Washington to live within its means.

Of course, the deficit today is at its lowest level in 15 years, having dropped $60 to $70 billion because we have lived and worked hard to bring down that deficit, doing something that every family does, working to live within our means. We have twice sent now to the President real welfare reform that emphasizes work and family, responsibility. Unfortunately, he vetoed it. And also we sent to the President a plan which would lower taxes for working families. In my district for a family with children, that would mean almost an extra $1,000 in take-home pay had the President signed that bill rather than vetoing it. We also, because of our concern for seniors, people like my mom and dad that are on Medicare, we are working of course to prevent Medicare from going bankrupt. Everyone knows Washington does nothing and Medicare goes bankrupt in 2001.

We sent to the President this past year a plan to save Medicare, to keep it solvent for the next generation. In fact we increased funding for Medicare by 62 percent, $724 billion, as part of that plan and would have kept Medicare solvent until the next generation. Unfortunately, partisan Presidential politics got in the way and the President vetoed that plan.

But also not only are we working to keep our commitment to change how Washington works by working to balance the budget, to save Medicare, to reform welfare and, of course, lower taxes for working families, but we are also honoring the commitment to look out for local concerns.

I am particularly pleased that in the last few months alone, this House has passed and sent to the Senate as well as sent to the President legislation that looks out for local concerns important to the State that I represent, the land of Lincoln, the State of Illinois. I was particularly pleased that back in February the President signed our legislation to redevelop the Joliet Arsenal, 24,000-acre military facility to redevelop it for conservation, a veterans' cemetery and job creation. It was a bipartisan project, a bipartisan priority. Because of bipartisanship we were successful in getting it signed into law. Of course now it is time to put the money where our mouth is and to move forward and, of course, fund that priority.

I am particularly pleased that the House honored our request to provide $18.4 million which will complete development of the veterans' cemetery at the Joliet Arsenal. In fact the VA says that if that legislation is signed into law that that funding would allow the cemetery to be opened by 1999.

In the Interior appropriations bill, thanks to the help of a lot of people including the gentleman from Illinois, SID YATES, and the Illinois delegation, we have $3.35 million for continued development of the National Tall Grass Prairie. Redevelopment of the Joliet Arsenal is clearly our top conservation and veterans' priority for Illinois for many of us and I am pleased that we are making progress.

When it comes to crime which is so important to the south suburbs and the parts of the city of Chicago that I represent, we are also making some real progress. Last year the President signed our legislation which allowed Federal prison grant funds for the first time ever to be used for juvenile detention center construction and operation. In the appropriation bill that we are going to be debating today we provide $680 million for prison grants, $50 million more than the President asked for, and for the first time ever counties such as Will and Kankakee and La Salle, struggling to deal with gang problems, will now be able to apply for and use those funds for construction and operation of juvenile detention centers. That is an important issue.

We are looking out for local concerns. But one issue today I want to close with is something very important. Last Friday a number of my colleagues and I from Illinois went home to a flood-devastated Chicago region. In fact I have a photo of a news clipping here. Thousands and thousands of homes were flooded in the Chicago region. Many of those homes saw severe damage.

REVIEW OF 104TH CONGRESS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Illinois [Mr. DURBIN] is recognized during morning business for 5 minutes.

Mr. DURBIN. Mr. Speaker, I think for a moment here I would like to reflect on what the 104th Congress has not done. This 104th Congress, led by the Republicans for the first time in 4 decades, has not done several things. We can applaud the fact that they have not done a few things. For example, the Gingrich-Dole-Lott plan to cut $270 billion out of Medicare to provide tax breaks for wealthy people, thank goodness President Clinton was there to veto that effort. Because for a lot of senior citizens it would have meant higher premiums and for families it would have meant a greater economic burden. A lot of those families are middle-income families struggling to get by. The people on the Republican side of the aisle argued that these tax breaks for wealthy people would somehow fuel the economy. If you just give the rich more money, they sense that somehow this economy will move forward. Well, President Clinton disagreed with that, I disagreed with it, and many Democratic leaders did as well. What we have to show for that decision to veto the Gingrich plan is an economy that truly is moving forward. We have seen 10 million new jobs created since President Clinton was elected as President. One might say, "Well, I'm sure every President does something like that, don't they?" Take a look back at the years of President George Bush. Over a 4-year period of time, we created 2 million new jobs in America, the slowest job creation in 50 years, and the slowest economic growth in half a century. Fortunately President Clinton's plan to reduce the deficit and get the economy moving forward again worked very well in creating jobs and bringing down interest rates.

For a lot of families across America, my own family included, we were able to refinance our home mortgage which meant a lower monthly payment. In fact we now find that we have the highest home ownership rate in 15 years in the United States. If we are talking about realizing the American dream and moving the economy forward, certainly job creation and home ownership are two things that are part of it.

Let me add one other element, reducing the deficit. The Republicans like to talk about being fiscally responsible, reducing the deficit. They tend to overlook the fact that under Presidents Reagan and Bush we had the most dramatic increases in the national deficit in the history of the United States of America. President Clinton came in and said, "I'm going to push a plan that's going to bring the deficit down and yet not strangle the economy." And it worked. We are now about to see the fourth straight year of deficit reduction in Washington, with no thanks to the Republican side of the aisle which did not give the President one single vote in the House or the Senate for his deficit reduction plan. Because of the deficit plan by the President, we have seen the deficit come down 4 straight years. The last time that occurred was the 1840's, over 150 years ago.

Mr. Speaker, things are moving forward. But there are things that this Republican Congress has failed to do which should be done in the closing weeks. There will be a lot of speeches, a lot of efforts by Members on the other side to somehow paint a pretty picture about the days of NEWT GINGRICH and Bob Dole and TRENT LOTT. They want to erase the image out of people's minds of this gridlocked Congress with the two longest Government shutdowns in our history. They want to try to get this image out of their minds of petulance and arrogance and say that perhaps we have accomplished great things.

Let us hope that beyond the speeches, they will do a couple of tangible things: First, pass the increase in the minimum wage. How in the world can we say to 500,000 people in my home State of Illinois who got up this morning, went to work, got the kids off to day care or to some summer program, went to a tough job, making $4.25, $4.50 an hour, that that is as good as it gets in America? Over the years we have increased that minimum wage so that young people starting out, so that families working to try to keep things together have a fighting chance. But the Republicans tried to stop us here in the House, they have tried to stop us in the Senate, and that bill even though it has passed both Chambers now, because a few Republicans defected and joined the Democrats, is still stalled. Why in the world have we not passed this minimum wage increase? We owe it to these working families.

Health care. If you talk to families across this country, one of their biggest single concerns is health insurance. The Kennedy-Kassebaum bill, a bipartisan bill by Senator KENNEDY and Senator KASSEBAUM, passed the Senate by a margin of 100 to 0. What it says is you cannot discriminate against people because of preexisting medical conditions when you sell insurance and you ought to be able to move your insurance from job to job and not be afraid to lose it. Simple, honest principles. We should see something positive come out of this Congress for working families across America.

FOREIGN POLICY

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Nebraska [Mr. BEREUTER] is recognized during morning business for 5 minutes.

Mr. BEREUTER. Mr. Speaker, the editorialists of the Omaha World Herald have prepared, I think, a thorough and telling critique of the Clinton administration foreign policy. I would like to share with my colleagues that editorial.

The document referred to is as follows:

[From the Omaha World Herald]

NATION HAS BEEN LUCKY TO AVOID SERIOUS TEST OF U.S. FOREIGN POLICY

Americans have been lucky. The president they elected in 1992 displayed little expertise or interest in foreign policy. Still, he has held office during a time of relative stability. His administration has had to deal with few international crises.

However, the relative stability that came with the end of the Cold War may not continue. President Clinton's foreign policy is an important basis for judging his qualifications for re-election in November.

Events of the past few days have demonstrated why concerns about the president's judgment continue.

In Saudi Arabia, the monarchy has withheld evidence from U.S. investigators about a terrorist bombing in which 19 American servicemen died. The Saudis have also dismissed the suggestion that U.S. forces in that country ought to be moved into safer quarters. Saudi Arabia has been called America's closest ally in the Arab world. This is not the way a resolute United States government would allow itself to be treated by its friends.

In Israel, the voters repudiated Clinton's preferred candidate, Shimon Peres. They elected as their prime minister Benjamin Netanyahu, who promised to pursue a more confrontational policy toward the Palestinians and neighboring Arab nations.

In the former Yugoslavia, the administration has quietly distanced itself further from its promise to remove U.S. troops by the end of the year. A pullout anytime soon would cause the region to erupt once again in civil war.

The administration's bumbling efforts to eliminate the influence of Bosnian Serb leader Radovan Karadzic have been painful to watch. Moreover, it has been disclosed, the White House looked the other way as Iran's Revolutionary Guards established a strong presence, with guerrilla troops and a supply pipeline, in Bosnia. The administration informed Congress two weeks ago that the Iranians were gone, but indications are that some of them remained behind.

Riots in Northern Ireland call attention to the seemingly irreconcilable divisions that exist there. By swinging U.S. prestige to the side of the Irish Republican Army, Clinton injected the United States into a dispute in which America had no vital interests. In the process, he offended the British government. Then he made the administration look inept when the IRA broke its own cease-fire.

A contributing editor at Reason magazine, Michael McMenamin, has written that the IRA's strategy, which Clinton has aided by pressuring the British government to grant concessions, is to force the British to unilaterally withdraw from Northern Ireland, leading to sectarian war in the north.

"Any American government that doesn't understand this doesn't know Ireland, doesn't know the IRA, doesn't know the Ulster Protestants, and is helping to bring an Irish Bosnia closer," he wrote.

Clinton has presided over an unprecedented reduction in America's ability to use force as a foreign policy tool. More shrinkage lies ahead. George Melloan wrote in The Wall Street Journal that projected military spending in the next five years will be $50 billion to $100 billion short of what will be needed to achieve even the reduced force and procurement levels that Clinton military strategy envisions. Melloan noted that Bob Dole would arrest the slide in preparedness, as well as pushing promptly for a missile defense and expanding NATO.

China now has the ability to hit the U.S. mainland with intercontinental ballistic missiles. Yet Secretary of State Warren Christopher has been to Damascus 17 times and Beijing only once, Georgetown University diplomatic scholar Casimir Yost pointed out.

Concerns exist about how careful and competent this administration would be in a dangerous situation such as Presidents John Kennedy and George Bush had to face in the Cuban missile crisis and Gulf War, respectively. It's difficult to observe the Clinton approach without becoming seriously concerned about how effectively this administration would handle a major and sudden threat to vital U.S. interests.

MEDICARE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Jersey [Mr. PALLONE] is recognized during morning business for 5 minutes.

Mr. PALLONE. Mr. Speaker, I want to devote my 5 minutes to the issue of Medicare, but I could not help but just briefly comment on the previous speaker whom I greatly admire. When I was home in my district in New Jersey this weekend, I was at a church service on Sunday. As I was coming out, a couple of people commented to me, one on Medicare which I will go into soon, but the other said something about the President. He said, "You know, one thing I admire about the President is the fact that we are at peace. We are at peace throughout the world." I think that kind of says it all. I frankly think that President Clinton's foreign policy has been a major success. In fact, he has kept us out of many wars around the world and has brought peace to many parts of the world that were not at peace before. I think that says a lot about his foreign policy and its success.

I just wanted to also comment on one of my previous colleague's statements, the gentleman from Illinois [Mr. WELLER], when he berated the fact that President Clinton had vetoed the Republican Medicare legislation. All I can say is thank God that President Clinton was there and did veto that legislation. The Democrats basically in this Congress have prevented the Republican leadership from devastating Medicare. The Republican leadership has proposed major cuts in Medicare that would primarily pay for tax cuts for wealthy individuals and they have tried to change a program substantively so that essentially what would happen is that Medicare would disappear as we know it. Democrats prevented the Republican leadership last year from doubling Medicare Part B premiums and from any attempts to eliminate doctor choice which is very important to the average senior citizen. They prevented cutting Medicare premium assistance for low-income seniors, something that I actually tried to accomplish in the Committee on Commerce. A lot of people forget that the Republican leadership wanted to eliminate the current program where for low-income seniors Medicaid pays for Medicare part B premiums. We also stopped the Republicans from repealing Federal nursing home quality standards. Medicaid is a very important part of the overall program to provide quality health care for senior citizens as well. The Republican leadership tried to eliminate and gut Medicaid as well. They wanted to repeal Federal nursing home quality standards, they wanted to put homes and family farms of elderly couples at risk for nursing home care, and they wanted to force adult children to be financially responsible for their parents nursing home bills because two-thirds of Medicaid goes to pay for senior citizens who are in nursing homes. If that aid is eliminated or cut back significantly, we were going to see elderly relatives or also children having to pay for their parents or their grandparents in nursing homes.

All of this I am mentioning today because now we see the Republicans trying to basically rewrite history and say that they were not trying to devastate and eliminate Medicare. Most significantly we have gotten some criticism on our side of the aisle because we constantly quote a statement by Speaker GINGRICH. I just want to read that statement again. Speaker GINGRICH said, and this was last year on October 26:

> We don't get rid of it in round one because we don't think that that's politically smart and we don't think that's the right way to go through a transition period. But we believe it's going to wither on the vine because we think people are voluntarily going to leave it.

As many of my colleagues know, the AFL–CIO, the labor international organization, has been putting on ads where they have actual pictures, video, if you will, of Speaker GINGRICH making this quote about Medicare. Now the Republicans are trying to take it off the air because they are afraid of the truth.

Let me tell my colleagues, what could be more appropriate, what is more significant than the kind of cuts and the kind of changes in Medicare that the Republicans were trying to achieve? If those had been accomplished, if President Clinton and the Democrats had not stopped those major changes in Medicare, then indeed Medicare would have withered on the vine which is exactly what Speaker GINGRICH says that he wants to do.

For those who think that the Republicans have changed, they have not changed. In this session of Congress, I should say in this year, they have already proposed another budget that makes significant cuts and changes in Medicare. Their current plan, a little different maybe than last year, but still tries to do the same thing: It would eliminate doctor and hospital choice by forcing seniors into Medicare managed care plans, it would allow doctors to charge extra out-of-pocket costs to seniors who remain in Medicare fee-for-service, it would severely cut Medicare and Medicaid hospital funding, forcing many hospitals to close their doors on seniors, it would eliminate coverage guarantee for over 4 million elderly Americans who need nursing home care, that is the Medicaid aspect again, and would further erode Medicare solvency by creating wealthy healthy plans leaving many seniors with higher costs and less care.

What the Republicans are doing once again is cutting the amount of money that is available for Medicare which ultimately will translate into less quality care and less services for senior citizens.

TWA FLIGHT 800

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. STEARNS] is recognized during morning business for 5 minutes.

Mr. STEARNS. Mr. Speaker, I would like to say parenthetically that the gentleman from New Jersey [Mr. PALLONE] knows that that quote is out of context. In fact most of the television stations across this country are not longer running their (Democrats) ads because they know it is not the truth. The Speaker was talking about the Health Care Financing Administration, not Medicare. He was talking about trying to downsize it. Who else, Mr. Speaker, said we should scrap the Health Care Financing Administration? President Clinton and Vice President Gore in their Putting People First book. They outline exactly the same thing that they are accusing the Speaker when he talked about getting rid of the bureaucracy here in Washington with the Health Care Financing Administration. I think we need to establish the truth.

Mr. Speaker, I want to share my thoughts today about the crash of TWA Flight 800. But before I do so, I wish to say to the family and friends and loved ones of the passengers and the crew who were aboard that ill-fated flight that our prayers here in the House, in the Senate and Congress are with all of you at this very difficult time.

The tragic ending of over 230 passengers on this flight is a grim reminder of another flight, Mr. Speaker, Pan Am 103, which went down over Lockerbie, Scotland. It has yet to be established whether sabotage played a role in the crash of this flight.

Unfortunately, an overwhelmingly difficult and grim task has been made even more difficult by the inclement weather. However, when additional fuselage has been retrieved from the ocean, the antiterrorist experts that have been called in to investigate will be in a better position to render a judgment.

□ 0930

Chemical residue has been detected by the EGIS machine which was developed in the mid-1980's, which is specifically designed to detect plastic explosives. In time, we will know the cause of this disaster and if it is, as suspected, an act of terrorism, I pray to the Almighty God above that the perpetrators are caught and dealt with and the punishment will fit the crime.

Even if we find it was not an act of sabotage, the time has come for this country to treat acts of terrorism for what they are: An assault on Pan Am Flight 103 was a direct attack on this country. Mr. Speaker, Government must treat American aviation security as a national defense issue and not as a regulatory issue.

That is why I am here and I am talking about drafting a bill, a piece of legislation to do just that. One cannot help but hearken back to the tragedy at Lockerbie.

After officials, in channeling of the investigation of the Pan Am flight, determined that the plane was carrying plastic explosives which blew the plane out of the sky, Congress held hearings and passed legislation, the Aviation Security Act of 1990.

Section 108 of the public law was entitled "Deployment of Explosive Detection Equipment." Certain guidelines were put in place for the deployment of high-technology equipment which could detect plastic explosives such as used in Pan Am 103.

Mr. Speaker, on July 20, 1996, The Washington Post ran a story with the following headline: "U.S. Airports Lack High-Tech Scan Devices To Detect Explosives." This article details how the Federal Aviation Administration developed several high-technology pieces of equipment to detect plastic explosives.

Currently, the Europeans have about 90 such machines in use. Germany has approximately 50 machines like this in use, the rest being in the United Kingdom and France. That is all well and good. I think they are right to want to protect their citizens.

Do my colleagues know how many of these machines are used in the United States? None. We are now testing about four of these machines in San Francisco and Atlanta because of the large volume of visitors passing through these airports, but we have only four of these type machines in use in a testing mode in the United States.

Something is definitely wrong with this situation. We developed this high-technology equipment at taxpayers' expense here in the United States. Then we sell it overseas and we do not even use it here at home. I believe legislation to rectify this problem is long overdue because, as much as I wish I were wrong, I believe such barbarous and cowardly acts of violence will continue to be committed against the United States as well as other countries.

Machines such as the EGIS and the updated CTX-5000 that works like a CAT scan, slicing up objects visually, ensure that we will find all such bombs and plastic devices on board. We are now using 20-year-old x-ray machines that can only detect 10 percent of this. I hope all my colleagues will join me in sponsoring my legislation to protect all Americans.

MEDICARE SHOULD NOT WITHER ON THE VINE

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Texas [Mr. DOGGETT] is recognized during morning business for 5 minutes.

Mr. DOGGETT. Mr. Speaker, while I share the concerns of the last speaker about terrorism, I am amazed by his comments defending Speaker GINGRICH and his comments about Medicare and his challenge to my good friend, our colleague, the gentleman from New Jersey, Mr. PALLONE.

I wonder if the gentleman has ever listened to Speaker GRINGRIGH's exact words, because they could not be clearer in what he said, nor in how he interpreted these words himself and his press secretary interpreted these words. Furthermore, the Speaker's determination to let Medicare wither on the vine is consistent with everything he and his Republican colleagues were doing throughout this period of time.

Let me refer to his precise words. They were said on October 24, 1995. We have got a chart here with those words on it. He said, the key words, "But we believe it's going to wither on the vine because we think people are voluntarily going to leave it."

So the big debate and the attempt at intimidation of people all over in this country who would have the audacity to hold the Speaker to these words is, well, it referred to some government bureaucracy. Well, he was not talking about downsizing a Federal agency. People were not going to leave a Federal agency. They were going to leave Medicare.

But one need not take my interpretation of it today, because only 2 days later, after Speaker GINGRICH demonstrated what his gardening ability would be for the seniors of America and for generations who would rely on Medicare, he commented on it himself. The Atlanta Constitution and Journal reported on October 29 of last year that, quote, "Gingrich said he was referring to the fee-for-service portion of Medicare, which he believes seniors would leave." Fee-for-service Medicare, the Medicare system that President Johnson signed into law in 1965.

As if that verification from the Speaker himself as to what he meant when he said let Medicare wither on the vine were not enough, his press secretary, Mr. Tony Blankley and some of the only words Mr. Blankley has ever said that I found reason to agree with, told the Los Angeles Times, quote, that "it," the statement that he referred to, referred to fee-for-service Medicare. Blankley said that GINGRICH's comments were consistent with Republicans' anticipated belief that most seniors will voluntarily choose to leave this traditional form of Medicare.

Indeed, Mr. Blankley is right. The Speaker's position, which he is so desperate to run away from, as are all of his followers who here in this Republican Congress thought merely following the Speaker 90 percent of the time to cut Medicare was a sign of disloyalty, you ought to be there with him every time you get an opportunity to cut Medicare, those folks want to reinterpret his remarks this year. They want to tell television stations they will be intimidated by a crew of the biggest thick carpet lawyers that they can find to sue them if they run the Speaker's own words with him saying let Medicare wither on the vine.

This crowd of people were the same ones who cheered last year when the No. 2 Republican, DICK ARMEY of my own State of Texas, was saying that he though Medicare was an imposition on his freedom, to use his words. He said he would have never voted for Medicare in the first place and would like to see its demise. He also was demonstrating his gardening ability and the desire that Medicare wither on the vine.

But it was the very same day that Speaker GINGRICH gave this speech, October 24, 1995, that Bob Dole, the other half of the Dole-Gingrich ticket that we have this year, Bob Dole was telling a group on that same day at another part of our country that he was proud, to use his words, proud to have been 1 of 12 people who stood up and voted against Medicare because he did not think it would work in 1965.

Yes; some three decades ago and a year, Bob Dole was here in the Congress voting against Medicare because he did not think it would work. I would have to say to his credit, at least he is not trying to run away from his comments the way these Republicans are determined to run away from the comment that they want Medicare to wither on the vine, as the gentleman from New Jersey [Mr. PALLONE] commented a few minutes ago.

The are scared to death that the American people are going to understand their determination to destroy the Medicare system as soon as they can pick up a few more votes in this election cycle. Meanwhile, let us distract the American people and everything else, but come 1997, let it wither on the vine.

INTRODUCING THE WHITE HOUSE INSPECTOR GENERAL ACT OF 1996

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from New Hampshire [Mr. BASS] is recognized during morning business for 5 minutes.

Mr. BASS. Mr. Speaker, I am here to talk about a bill I am going to introduce establishing an inspector general for the White House, but I cannot help beginning by making a comment concerning the remarks of my friend from Texas a second ago.

As they say in poker, the cards speak, and the fact is that those television stations would not have removed those ads from the air if they had said what the real record shows. What NEWT GINGRICH said at that point was, and I quote,

> Okay, what do you think the Health Care Financing Administration is? That's HCFA. It is a centralized government bureaucracy, it is everything we are telling Boris Yeltsin to get rid of. No, we do not get rid of it in round one because we do not think that is politically smart, but we do it through a transition. We believe it is going to wither on the vine.

Now what does that mean? That means that the choice here is whether we protect, improve, and preserve Medicare or whether we protect a Federal bureaucracy. That is the issue before us today, and we plan to move forward.

Mr. Speaker, today I am introducing the White House Inspector General Act of 1996, to establish an Office of Inspector General in the Executive Office of the President. The White House IG, like other IG's in the executive branch, would serve as the principal watchdog of White House financial management procedures and fiscal resources. This legislation would provide the President with an essential tool for rooting out waste, fraud, and abuse in the White House.

As many of my colleagues know, the Inspector General Act of 1978 established offices of inspector general within certain Federal departments and agencies to protect the integrity of Federal programs and resources. Inspectors general are appointed without regard to political affiliation and solely on the basis of a strong background in accounting, auditing, or financial management. They are provided the authority and independence to perform audits and investigations in order to combat waste, fraud, and abuse.

More specifically, the three principal responsibilities of inspector general are, first, to conduct audits and investigations relating to Federal programs and operations; second, to issue recommendations that promote economy, efficiency, and effectiveness of Federal programs and operations; and, third, to keep agency heads and Congress fully informed of problems and deficiencies in Federal program administration and operations.

Today 61 Federal entities have an inspector general, including all 14 Cabinet departments. Of these 61 IG's, 29 are appointed by the President subject to Senate confirmation and the remaining 32, primarily in smaller agencies, are selected by their agency heads. The Presidentially appointed IG's have a total of 10,000 staff and an aggregate budget of approximately $900 million.

According to information gathered by the Committee on Government Reform and Oversight, funding for IG's is indeed a sound investment. In 1994, IG investigations and audits led to over 14,000 successful criminal and civil prosecutions. Furthermore, IG's returned $1.9 billion in investigative recoveries to the U.S. Treasury and made efficiency recommendations that could save a total of $24 billion.

As I mentioned previously, IG's have significant authority and independence to conduct their audits and investigations. They have direct access to all records and information of the agency, and possess the power to issue subpoenas and administer oaths for taking testimony.

With regard to their independence, IG's have full control over hiring and managing their own staff and resources. Moreover, they can be removed only by the President or the agency head who appointed them, and the President or agency head must communicate his reason to Congress when exercising this authority.

As I already mentioned, my legislation will establish an Office of Inspector General for the Executive Office of the President. The White House IG would be appointed by the President and could be removed without cause by the President. All the provisions of the Inspector General Act of 1978 would apply to the White House IG, but the bill also includes special provisions relating to sensitive information in matters that would protect the constitutional prerogatives and operational effectiveness of the Presidency.

The first exemption assures that the White House IG will not interfere in areas relating to policy, intelligence or national security interests, similar to the IG's in the defense area, in defense-related departments. The second broad exemption assures that the White House IG does not hinder the President in carrying out his constitutional responsibilities.

Under the IG Act of 1978, agency heads are strictly prohibited from obstructing an IG audit or investigation. However, under my bill the President would have the authority to prohibit the White House IG from conducting an audit or investigation.

I do hope my colleagues will join me in cosponsoring this important piece of legislation.

SORTING THROUGH THE REPUBLICANS' VOTING RECORD

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Colorado [Mrs. SCHROEDER] is recognized during morning business for 5 minutes.

Mrs. SCHROEDER. Mr. Speaker, as we go into any election, one of the hardest things is to figure out where the candidates really stand on issues. And when we go into any third-grade class in America and we ask the 8-year-olds, "Okay, what is the best predictor of what someone is going to do if they get elected, how they have been voting and what they have been saying or what they say in the last 6 weeks before the election?" every third-grader in America will tell us that the best predictor is what they have been doing, not what they were promising as the heat turns up in the last few weeks. So the difficulty is to find out and to sort through that voting record.

No one has ever elected a President or a Member of Congress or a Member of the Senate who was for big debts, loved war, hated kids, wanted to tromp all over the elderly, could not stand trees. No, no one has ever done that. So when we see the promises and then we see the performance, it is very different.

I must say, after saying that, I am very troubled about the debate we have been having here on the floor today, because no matter who the candidate Bob Dole selects for his Vice President, his real Vice President is going to be the Speaker of the House. People know this is a team and whatever comes out of here is going to be signed by President Dole, if he becomes President Dole. So that is why all this great concern about what the Speaker said about Medicare.

The Speaker said about Medicare, and all sorts of the written press reported it, The Washington Post and all sorts of other newspapers, he said, "we don't get rid of it in round 1 because we don't think that is politically smart." Get it? Members do not want to let them know exactly what they think about it.

Then he goes on to say we are going to go through this transition period and "we think it's going to wither on the vine," because they are going to offer these little goodies that we have seen that will lure out the wealthiest and the healthiest, so that the thing will suddenly be left with the sickest and the poorest and suddenly folks will say we cannot afford it, let them go.

Now, we know what that is. The gentleman from Texas just went through and pointed out that when his press secretary was asked about it, he indeed said yes, yes, that is what we meant, we were talking about Social Security. When he was home talking in Atlanta, the Atlanta Constitution got the same confirmation, yes, that is what he means, not Social Security but he was talking about Medicare, so he clarified it over and over again. It was on TV. We have got tapes of it.

Now there are people trying to run ads so the American people will know what President-elect or Presidential candidate Dole's real Vice President, Speaker GINGRICH, really thinks about this issue.

If they continue to try and take these ads off TV, we are going to be in the same position Red Riding Hood was, because what they are trying to do is let Speaker GINGRICH dress up in grandma's clothing. That is exactly what they are trying to do. They are trying to now take their words back and get the wolf in bed looking like sweet little old grandma until this election is over, and then they can go back to round 2 and take on Medicare the way they hope to.

So I really hope that America's news media does their research, looks at this and continues to let people know what third graders want to know when they vote, and that is what do they really think and how did they really vote and what did they really do, rather than what are they now trying to cast themselves as we go to cast our vote.

WELFARE REFORM CONCERNS OF MY CONSTITUENTS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentlewoman from Texas [Ms. JACKSON-LEE] is recognized during morning business for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Speaker, the important thing about representation is to ensure that Members go home and relate to those who have elected them. As I go home every weekend, I try to solicit from my constituents their concerns or reflections on the past week's legislative activity, and it has been eye-opening and certainly they have been extremely responsive.

Last week was, in fact, the week that was, first of all with the tragedy of TWA flight 800 and the condolences that all of us extended to their families along with our prayers. Certainly my constituents wanted to solicit from me the response that whatever was the occurrence, that if it was found to be something that was criminal in nature, that justice would be had, and I committed that to them.

But also they reflected on the welfare reform and to a one, coming from a diverse district, as I do, with African-Americans and Hispanics and Anglos and Asians in Texas, indicated that we can have welfare reform without being harsh and terminating individuals' ability to survive. So they were inclined to say that we needed job training and child care and that we needed an opportunity for those individuals to have health care and, yes, we needed a job; quite contrary to the welfare reform of our Republican friends who simply believe that the harshness of saying no, no to teenage parents, no to the seniors in senior citizens' homes who need Medicaid, no to those who need job training and child care, is the way to go.

I rise today to say there has to be a better way, so I have supported President Clinton's method of enforcement of child support payments and giving to the Nation the list of deadbeat parents, because we all must show responsibility and that is a real part of welfare reform. So I would argue to my Republican colleagues that one does not always have to hit someone upside the head, but one can soften the blow by saying we will give them an extended hand of assistance.

Then as I have listened to the debate this morning about Medicare, I think it is important to respond to those who might say that the Speaker's comments were taken out of context. I would only offer to say that when we are in places of responsibility, we have to mean what we say and say what we mean.

The Medicare proposals by the Republicans last year were in fact to eliminate $245 billion for a tax cut for those making over $100,000, $187 billion taken out of Medicaid. Might I remind Members that 60 percent of Medicaid is indigent senior citizens in nursing homes, your parents and my parents.

Mr. Speaker, it is important when we begin this debate to tell the American people the real facts so that we can get the job done.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12 of rule I, the House stands in recess until 10 a.m.

Accordingly (at 9 o'clock and 51 minutes a.m.), the House stood in recess until 10 a.m.

☐ 1000

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 10 a.m.

PRAYER

Rev. Dr. Daniel R. Leslie, Lutheran Church of the Redeemer, Vineland, NJ, offered the following prayer:

Creator God, You call us to manage the world You have made. You bless us with the abundant gifts of life, liberty, and love for which we are most grateful. You grant us a nation comprised of people from many nations. Guide those who lead our Nation, especially those who now gather in this body to deliberate and make decisions for the common good. Instill in our leaders wisdom, courage, and compassion so that the actions they take will lead to justice and peace on Earth. Empower us so that the seeds we sow never be seeds of discouragement that lead to discontent, but rather seeds of hope that lead to Your shalom. All this we pray in Your name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. HEFLEY. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. HEFLEY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to clause 5, rule I, further proceedings on this question are postponed.

The point of no quorum is considered withdrawn.

PLEDGE OF ALLEGIANCE

The SPEAKER. Will the gentleman from Ohio [Mr. CHABOT] come forward and lead the House in the Pledge of Allegiance.

Mr. CHABOT led the Pledge of Allegiance as follows:

> I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Edwin Thomas, one of his secretaries.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair will entertain fifteen 1-minutes on each side.

WELCOME TO REV. DR. DANIEL R. LESLIE

(Mr. LOBIONDO asked and was given permission to address the House for 1 minute.)

Mr. LOBIONDO. Mr. Speaker, I have the privilege of welcoming to the Chamber this morning Rev. Dr. Daniel R. Leslie. I want to take this time to thank him for initiating today's proceedings as guest Chaplain.

I first met Dr. Leslie when he and his family moved to Vineland, NJ, nearly 7 years ago. Dr. Leslie was called to serve as pastor of the Lutheran Church of the Redeemer in my hometown of Vineland, NJ. Redeemer has been involved in ministry to the greater Vineland area for more than 72 years and I was pleased to participate in its 70th anniversary festivities just 2 years ago.

In addition to Redeemer's ongoing spiritual ministry among members and family, the congregation is active in its involvement with three community outreach ministries. Dr. Leslie serves on the boards of all three.

Luther Acres is a 100-unit, low-income housing facility for senior citizens. Little Acres Learning Center provides education and day care for 200 children each day. Together with three other Vineland congregations, Redeemer sponsors the Vineland Regional Counseling Service which provides family and individual therapy to those in the community with emotional and mental distress.

Dr. Leslie also tirelessly contributes his time to important community organizations and services. He is vice president of the Vineland Ministerial Fellowship which is made up of local churches and a synagogue. The ministerium sponsors numerous programs to feed the hungry, house the homeless, advocate justice for the needy, and provide special times during the year for the people of Vineland to gather and worship God. As a matter of fact, I worship with Dr. Leslie at the communitywide Thanksgiving service each year in Vineland.

Dr. Leslie is also on the Board of Directors at the Vineland YMCA and a fellow Rotarian. Dr. Leslie is joined today by his wife, Bonnie, a math teacher at Vineland High School, and their daughters, Jennifer and Laura, who will be a freshman at Bucknell University this fall. Their son, Dan, attends medical school.

Thank you, Mr. Speaker, for giving me the opportunity to welcome Dr. Leslie to the House this morning.

GAGGING THE TRUTH ON MEDICARE

(Mr. PALLONE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PALLONE. Mr. Speaker, I wanted to express outrage over Republican efforts to take off the air a commercial that has been running by many of the labor organizations that is critical of the Republican record on Medicare.

As we know, many times Democrats have gotten up here in the House to point out that the cuts proposed by the Republican leadership in Medicare are going to hurt America's seniors and ultimately destroy and eliminate the Medicare Program as we know it. This is nothing more than another effort by the Republican leadership to gag the efforts of working Americans. Essentially, labor unions represent working Americans, who want to tell the truth about Medicare and what the Republicans are proposing to do to a program that is important for seniors, to working people, to those who have to go into nursing homes.

This is not the first time we have seen a Republican effort to gag those who want to speak the truth on the Medicare issue. When the Medicare debate began in my committee, the Committee on Commerce, there was only one hearing on the issue and the senior citizens who showed up to want to speak were arrested. Once again the Republicans are trying to gag the truth on Medicare.

THE PASSING OF HON. HAMILTON FISH, JR., A FORMER MEMBER OF CONGRESS FROM NEW YORK

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, it is my sad duty to inform this body of the passing of our former colleague who was one of the outstanding Members of this body in this century.

Hamilton Fish, Jr., served in this Chamber for over a quarter of a century, from his first election in 1968 until his retirement in 1994. Throughout his career in this House, Ham Fish earned respect on both sides of the aisle and throughout the Nation for his commitments to civil rights and justice, and to commonsense principles of government.

As a member of the House Judiciary Committee, the spotlight of the Nation shown on his wisdom during the hearings on the impeachment of President Nixon. In later years, Ham Fish served as ranking Republican on that committee, where he was known for championing the revision of immigration law and of continuing the battle against prejudice, discrimination, and hate.

Ham Fish brought to this Chamber a sense of dignity and a sense of decency. As the scion of a family whose record of public service goes back to the days of the American Revolution, he compiled a record of which we can all be proud.

Mr. Speaker, I am honored to have served with Ham Fish, and I was privileged that Ham was my friend.

To his widow, Mary Ann, to his four children, and to his grandchildren, we extend our deepest condolences. Ham Fish was a true gentleman, and he will be missed.

CAMPAIGN FINANCE REFORM

(Mrs. MALONEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. MALONEY. Mr. Speaker, the so-called Republican reform bill on campaign finance attempts to solve the problem of too much money in politics by putting much more money in politics.

The Republican bill raises the amount that wealthy contributors can give to Federal candidates to $72,500 a year. The average American family of four makes $48,000 a year. Clearly, the Republicans are out of touch with the average working American families.

In sharp contrast, the Democratic bill limits the amount of money in politics by voluntarily limiting contributions, expenditures, and soft money. We need a vote on this bill. This fall, when the American people go to vote, they need to know whether their candidate supports putting more money into politics or limiting the amount of money in politics.

REFORM WELFARE

(Mr. CHABOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHABOT. Mr. Speaker, last week this House once again passed historic welfare reform legislation. Twice before we have passed welfare reform, but twice the President has blocked that reform with his veto pen, even though candidate Clinton said he wanted to end welfare as we know it. Remember that? Mr. President, please tear down this wall to full participation in our society.

Seldom has a government devised a program which has devastated so many lives in this country and only very, very rarely has the law of unintended consequences been so brutally applied. Families have been ripped apart. Attempts to work and save have been penalized, and generation after generation of children have grown up without seeing an adult go to work. This miserable welfare system must not continue. Let us replace welfare with work. Let us replace rigid bureaucracy with community and compassion, and let us replace vetoes with a signing ceremony.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. HAYWORTH). The Chair would remind all Members it is appropriate to address remarks to the Chair and not to other persons.

UNITED STATES FINANCES CHINA'S SELLING OF NUCLEAR WEAPONS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, in 1995 China was found guilty of selling nuclear weapons to Pakistan. China was then found guilty of building poison gas factories in Iran. Now the CIA tells us that China is selling missiles to Syria. What gets me is we are financing this with $40 billion a year pumped through most-favored-nation trade status.

What is next here, Congress: Tax breaks for Chinese heroin? How about a good old-fashioned Chinese Communist Party fundraiser on the East Lawn?

I say while we keep turning the other cheek, China is starting to point missiles right at our assets. With friends like this, who needs enemies?

Mr. Speaker, I yield back the balance of any money we have left in the Pentagon budget.

GROWTH RATE OF WELFARE SPENDING ASTRONOMICALLY OUTPACED GROWTH IN POPULATION

(Mr. HEFLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HEFLEY. Mr. Speaker, since 1950 the population of the United States has increased from 151 million to roughly 260 million. This works out to a 72-percent increase.

Also, since 1950, social welfare spending at all levels of Government has increased from $18.8 billion a year to $324 billion a year. This is an increase of 1,623 percent.

In other words, the growth rate of welfare spending has astronomically outpaced the growth in population. Many liberals would argue that this probably is a good thing. But my question is this: What have we purchased with this huge investment in social welfare?

Broken families; a destroyed work ethic; rampant illegitimacy; and continued poverty. Not only is the modern welfare state economically unsound, it is spiritually and morally unsound.

We are doing our part to enact serious reform of welfare. It is time for Bill Clinton to show leadership, to keep his promises to end welfare as we know it.

□ 1015

AMERICA NEEDS A NEW GARDENER

(Mr. DOGGETT asked and was given permission to address the House for 1 minute.)

Mr. DOGGETT. Mr. Speaker, what a contrast in Speaker GINGRICH's gardening abilities. When it comes to Medicare, he says, let it wither on the vine. But when it comes to the special interest money trees here in Washington, he says, water them, fertilize them. Give them lots of fertilizer. Give them tender loving care.

He is all green thumbs for special interest campaign money, for, despite his handshake with President Clinton last year and a very pleasant smile in New Hampshire, he did nothing for months on the issue of campaign finance reform so that nothing would occur in this 1996 election. Then when he finally spoke, his view was that the independent organizations who demanded real reform of our election system, they had it all wrong. What America needs is not less campaign spending but more, lots more campaign spending.

Mr. Speaker, when we look at the issue of reforming this Congress, he said, we will have a week next year and we will call it reform week. That was last week and now it has been canceled. America needs a new gardener.

TRAGEDY HIGHLIGHTS AMERICA'S STRENGTH

(Mr. LAZIO of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAZIO of New York. Mr. Speaker, as I was leaving the memorial service for the families of the victims of TWA flight 800 yesterday, my heart was touched to see crowds of Long Islanders who could not attend the ceremony lining the roads with signs expressing love and support for those who lost loved ones in this terrible disaster.

The signs read: "We Are Praying for You." "Our Hearts Are With You."

If there is any solace in this calamity, it is that Americans from all walks of life have come together to share in this loss, to offer support, and to care for each other.

Coming together in times of need with a true sense of community is one of the great strengths of our Nation. I cannot help but think of the hundreds of people who went out on the dark ocean the night of the disaster to look for survivors and the thousands of people who have literally worked around the clock without much fanfare.

All these people, rescuers, Red Cross workers, FBI agents, NTSB officials, airline employees, local police, Coast Guard members, medical examiners, grief counselors, and citizens from all over the country who volunteer their time and energy have worked selflessly. Even though they have been burdened by very heavy hearts because of the grim work they are doing, they keep at the job.

I urge all Americans, Mr. Speaker, to acknowledge these continuing efforts on Long Island and to express pride in the spirit that makes our country so great.

REPUBLICANS AND MEDICARE

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Mr. Speaker, last year NEWT GINGRICH said he wanted Medicare to wither on the vine. At the time, both Mr. GINGRICH and his spokesperson, Tony Blankley, said he was referring to Medicare fee-for-service. But now the Republicans are trying to rewrite history. Thirteen separate times the Gingrich Republicans voted to cut Medicare for tax breaks for the wealthiest individuals and corporations in America. Now they are trying to run away from their record. I suppose next they will tell us that Bob Dole did vote for Medicare back in 1965.

This is one more attempt, I might add, Mr. Speaker, by the Republicans to shut down voices. When seniors tried to speak out against Medicare cuts, they were arrested. Now that the labor movement, which has been the champion of working people, has had the courage to tell the truth about the Gingrich agenda and speak out for working families most affected by these cuts, Republicans are trying to silence them.

Republicans can try to shut down voices all they want to, because they are never going to be able to shut down the truth.

INTRODUCTION OF LEGISLATION TO USE CECIL FIELD AS A SITE FOR A VA NATIONAL CEMETERY AND DEVELOPMENT OF A LONG TERM CARE FACILITY

(Mr. STEARNS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STEARNS. Mr. Speaker, the honorable minority whip knows that the Speaker was not talking about Medicare. He was talking about the Health Care Financing Administration. And in the book "Putting People First," by Mr. GORE and President Clinton, they talked about scrapping the Health Care Financing Administration just as the Speaker did. Now they are accusing the Speaker of talking about Medicare when he was not.

Mr. Speaker, in 1993, Cecil Field Naval Air Station was approved for closure by the President and this Congress. The base has long served the military community of Jacksonville, FL, and its surrounding area.

In order to continue to serve our veterans, I am proposing a bill that would designate 1,500 acres of Cecil Field for a veterans cemetery as well as convert the current barracks into a veterans nursing home. Florida's total veterans population is the second largest in the country and it needs these facilities. So I hope my colleagues will help me to sponsor this new bill to help Cecil Field develop a cemetery for veterans.

Mr. Speaker, in 1993, Cecil Field Naval Air Station was approved for closure by the President and this Congress. This base has long served the military community of Jacksonville, FL, and its surrounding areas. In order to continue to serve our military veterans, I am proposing a bill that will designate 1,500 acres of Cecil Field for a veterans cemetery, as well as convert the current barracks into a veterans nursing home. Florida's total veterans population is the second largest in the country, with over 274,000 veterans within a 100 mile radius of Cecil Field. The barracks are currently in use, housing naval officers and enlisted personnel, and could easily be converted to a nursing home facility for veterans. It is a tragedy that many veterans who fought to secure our freedom, have had to suffer and sometimes die at home because there was not enough room in the current VA facilities. Likewise, the cemetery would require very little money to start up, and would provide those who valiantly fought for this country with a proper burial. Please join me and support this bill to use our current resources for the good of our veterans.

CUTS IN MEDICARE

(Ms. MCCARTHY asked and was given permission to address the House for 1 minute.)

Ms. MCCARTHY. Mr. Speaker, Congress must act to ensure that the Medicare Program remains solvent for current beneficiaries as well as future generations. Cuts in the House leadership Medicare proposal would result in reductions to our seniors by decreasing services and increasing costs.

The House leadership proposal includes provisions that would allow doctors to charge seniors more out-of-pocket costs and medical savings accounts which would further exacerbate the program's solvency. We must remain committed to ensuring that seniors have access to high quality, affordable health services. It is time for Congress to get serious about protecting Medicare. We should establish an independent bipartisan commission to analyze these issues and provide recommendations to Congress that would protect the long-term solvency of this program.

Let us solve the Medicare problem by working in a bipartisan method to get the job done, not have it wither on the vine as the Speaker would have it.

THE TRUTH ABOUT MEDICARE

(Mr. KINGSTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KINGSTON. Mr. Speaker, there is an old saying that when you cannot dazzle people with your brilliance, you baffle them with your bull. Certainly that seems to be the theme of the Democrat Party today, . . . one after the other, saying that the Speaker said Medicare should wither on the vine.

They know, as do their AFL–CIO comrades, that the statement was that HCFA, the Health Care Financing Administration, would wither on the vine. This thing is so important that even television stations have taken this AFL–CIO–Democrat ad off the air because it is a lie.

It is amazing, when they speak with such forked tongue, that they come up here and ask for bipartisanship . . . .

The other thing that they are saying is that the Republican plan cuts Medicare. The Republican plan goes from $190 to $304 billion. I wish that my Democrat friends would join me in increasing Medicare from $5,000 to $7,000 per person. It would be great if they would like to join us in increasing and protecting and preserving Medicare. I ask them to . . . join us in true reform.

Mr. VOLKMER. Mr. Speaker, I demand that the gentleman's words be taken down.

□ 1030

PARLIAMENTARY INQUIRY

Mr. GENE GREEN of Texas. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore [Mr. HAYWORTH]. The gentleman will state his parliamentary inquiry.

Mr. GENE GREEN of Texas. Is the gentleman from Georgia [Mr. KINGSTON] required to be seated during this time?

The SPEAKER pro tempore The gentleman is correct. The gentleman from Georgia will be seated.

Mr. KINGSTON. Mr. Speaker, I ask unanimous consent to withdraw any reference from my speech to lying.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The demand was withdrawn.

SAY "NO" TO PAYOFFS FOR LAYOFFS

(Mr. SANDERS asked and was given permission to address the House for 1 minute.)

Mr. SANDERS. Mr. Speaker, in a time when this Congress is proposing huge cuts in Medicare, and Medicaid, and education, environmental protection, veterans programs, it is absolutely insane that we continue to provide $125 billion a year in corporate welfare, tax breaks and subsidies which go to some of the largest, the most profitable corporations in America, and that is why I am delighted that last month legislation which I offered with the gentleman from New Jersey [Mr. SMITH] passed this body and would take a major bite out of one of the most outrageous examples of corporate welfare, and that is the billions of dollars in Pentagon subsidies which taxpayers are providing to huge defense contractors, subsidies which, if my colleagues can believe it, are providing incentives to merge their companies and in the process lay off tens of thousands of American workers.

Yes, that is what we are doing: Taxpayer subsidies are going for payoffs for layoffs, to lay off tens of thousands of American workers.

Mr. Speaker, while this important legislation passed the House unfortunately it did not pass the Senate, and it will be going to conference committee. My hope is that this body will urge our conferees to say no to payoffs for layoffs.

REPUBLICANS WANT COMMONSENSE REFORM OF THE WELFARE SYSTEM

(Mrs. SEASTRAND asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SEASTRAND. Mr. Speaker, most people probably think that welfare is temporary, that people are on it for a few months and then move on to a job. This is not the case. The average stay on welfare is 13 years.

Mr. Speaker, that is plainly unacceptable. When we place people on welfare for year after year after year, you are not helping them you are hurting them. If a person is healthy and is able to work, they should work, period. It is reprehensible that our Government has devised a welfare system that pays people not to work.

Republicans have made it very clear that we want serious, commonsense reform of the welfare system. We want to emphasize work, we want to restore power to the States, and we want to encourage personal responsibility. President Bill Clinton says he wants the very same things.

I hope the President joins us in reforming welfare so that it does not become a way of life and people are not trapped on it for 13 years.

WHICH STATEMENT OF THE SPEAKER'S ARE WE TO BELIEVE?

(Mr. KLINK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KLINK. Mr. Speaker, let me just refer again, since we have had some dispute as to who is being truthful and who is misrepresenting the truth, the exact quote from Speaker GINGRICH, who said:

> We don't get rid of it in round one because we don't think that's politically smart and we don't think that's the right way to go through a transition period, but we believe it's going to wither on the vine because we think people are voluntarily going to leave it.

My colleagues on the Republican side would now say that he was referring to the Health Care Finance Administration. Who is going to voluntarily leave the Health Care Finance Administration except maybe a handful of disgruntled bureaucratic employees who do not want to work there any more?

When they talk about leaving it, the it is Medicare. We are talking about fee-for-service Medicare, indeed.

The Speaker himself, quoted in the Atlanta Journal and Constitution 3 days after this quote was in the Washington Post, said that he was in fact referring to fee-for-service Medicare which he believed seniors would leave if they will have managed care.

We have to wonder which statement of the Speaker's we are to believe.

CONGRESS IS NOT GOING TO CUT MEDICARE NO MATTER WHAT ANYBODY SAYS

(Mr. CALLAHAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CALLAHAN. Mr. Speaker, to those thousands of American senior citizens around the country that might be watching this today, I want to tell them that we are having a lot of fun seemingly at their expense. We have some people who are more interested in the Presidential race or in their own congressional races. We have some people that are using these props and some people even making up things. But to alleviate any fears that may he had in the future about this Congress cutting Medicare, I am a member of the Committee on Appropriations, and I have spoken to Democrats and Republicans on the committee, and I will guarantee everyone that we are not going to cut Medicare under any circumstance.

So listen to the debate, listen to what they have to say, keep in mind what they are saying. But if Americans want to go visit their grandchildren today, then they should go visit their grandchildren because SONNY CALLAHAN can say unequivocally that this Congress, the next Congress, or the following Congress is not going to cut Medicare no matter what anybody says.

SUPPORT INCREASED FUNDING FOR THE LEGAL SERVICES CORPORATION

(Mrs. LOWEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. LOWEY. Mr. Speaker, I rise today to voice my strong support for the Legal Services Corp. The funding cuts contained in the Commerce-Justice-State appropriations bill that we are considering today will force the Legal Services Corp. to abandon many of the critical legal services that it provides to poor women, particularly victims of domestic violence.

in 1995, legal services programs handled over 59,000 cases in which clients sought legal protection from abusive spouses and over 9,300 cases involving neglected, abused, and dependent juveniles. In fact, family law—which includes domestic violence cases—makes up one-third of the 1.7 million cases handled by legal services programs each year.

Let me tell my colleagues the story of one women who received help from a legal services program. To escape an abusive husband, this woman took her three children and fled to Texas. The husband followed her, beat her up, and held a gun to her head and threatened to kill her.

Let us support the increase for legal services. Let us not cut it for women like this one.

MOURNING THE PASSING OF THE HONORABLE HAMILTON FISH OF NEW YORK

(Mrs. KELLY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. KELLY. Mr. Speaker, I rise this morning to mourn the passing of my friend and distinguished Member of this institution, the Honorable Hamilton Fish of New York. Ham epitomized the concept of public service. He represented the 19th Congressional District of New York for 26 years. I had the pleasure of working with him for many years and came to know him for his dedication to truth and the dignity of public service. He was a true gentleman and my friend for 26 years. He left me large shoes to fill in the 19th Congressional District.

Mr. Speaker, this institution is often judged by its problems as a whole or by the misdeeds of a few, but seldom by the virtues of its individual Members. Hamilton Fish carried out his work with dignity and respect and represented the very best of this institution. Our thoughts and prayers go to his wife MaryAnn and his family. We will miss you, Ham.

BOB DOLE NEEDS MORE THAN BRAN MUFFINS TO KEEP HIS CAMPAIGN MOVING

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, today's Washington Post reported that Bob Dole is the picture of physical health for a man 73 years of age, but his electoral health is another matter. No matter how physically fit Bob Dole may be at age 73, the American voter will not support tobacco for kids, choice for no one, and assault weapons for everyone, and so to restore his political health Candidate Dole has now had to flip-flop. Bob Dole said cigarettes were not addictive and now admits they are. Bob Dole's 35-year antichoice record is replaced by the protolerance candidate today.

Repealing the assault weapons ban was a top priority when Dole was in the Senate. Now he says he might veto the same bill. The flip-flops have gotten so bad his political health has reached critical.

His handlers have reportedly forbidden Bob Dole from speaking to reporters without a script. And next week, in the ultimate desperation move, Candidate Dole will unveil a pie-in-the-sky tax cut and abandon his pledge to balance the budget.

That is right, another flip-flop.

Bob Dole's physical health may be OK, but he will need a lot more than bran muffins to get his campaign moving.

GENUINE WELFARE REFORM

(Mr. TORKILDSEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TORKILDSEN. Mr. Speaker, the time has come for President Clinton to show some leadership on welfare reform. If he really wants genuine welfare reform, if he really wants to end welfare as we know it, he will sign the bipartisan welfare plan when it reaches his desk.

Genuine welfare reform focuses on work, not welfare. It requires delinquent parents to make child care payments to support their children and also to relieve the taxpayers of that burden. Genuine welfare reform means no more welfare for illegal aliens and felons. Genuine welfare reform restores power and flexibility to the States, and genuine welfare reform encourages personal responsibility.

Mr. Speaker, the House has passed welfare reform, and the Senate is expected to do so today. Congress has shown the necessary leadership to pass this bill. President Clinton should do the same and sign the genuine welfare reform bill.

REPUBLICAN MAJORITY TRYING TO REWRITE HISTORY

(Mr. GENE GREEN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, the Republican majority last night and today; we have all heard it, is trying to rewrite history. In fact we heard it again this morning where they are trying, the Republican colleague, my Republican colleague is trying to rewrite it. Their method of operation is to threaten possible libel suits against television stations that run commercials that accurately reflect what the Speaker's views on Medicare are. The logic is: "If you can't beat them, then prevent them from broadcasting."

The question is whether the Speaker of the House said Republicans planned for Medicare to "wither on the vine." After he made that famous speech last year, it was not quite clear, and yet reporters asked the Speaker's press secretary for clarification. He confirmed to a reporter that the Speaker meant the fee-for-service medicine.

Fee-for-service medicine, that is Medicare. That is not some change in interpretation a year later.

Later, in a town hall meeting in his district the Speaker said he was referring to the "fee-for-service portion of Medicare." That sounds to me like Medicare that most of the country is familiar with.

Mr. Speaker, the Republican majority says the Democrats and the media are lying to the American people. But the record shows that the Speaker's words are what is getting Republicans in trouble.

WE MUST REFORM WELFARE

(Mr. WELLER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELLER. Mr. Speaker, let me tell my colleagues, we all came to Washington to change how Washington works, and one of the most basic, fundamental changes we need to bring, of course, is reforming our welfare system.

Between 1965 and 1994, America's taxpayers have spent $5.4 trillion on welfare, and what have we gotten? A failed welfare system.

Who suffers the most under welfare today? The children of our Nation.

In fact, as a result of our failed welfare programs are high rates of juvenile crime, more children living in poverty than ever before and higher rates of teenage illegitimacy.

Our current welfare system has failed.

Just last week this House passed real welfare reform, welfare reform that emphasizes work and family and responsibility. Twice now we have passed and sent to the President real welfare reform that emphasizes work and family and responsibility, and President Clinton vetoed it twice.

Well, let us send it again. Let us send real welfare reform that emphasizes work and family responsibility. Let us hope that the third time is the charm. Let us hope the President signs the bill this time. We need welfare reform.

THE REPUBLICAN ECONOMIC AGENDA

(Mrs. CLAYTON asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. CLAYTON. Mr. Speaker, since President Clinton took office, the deficit has been on a steady decline, now estimated by both CBO and OMB as somewhere between $117 billion. Congress has had a real opportunity to ease the economic burdens faced by so many American citizens.

Today the Republicans are gathering for an economic forum. That is indeed encouraging. However, the gentleman from Georgia [Mr. GINGRICH] has been quoted as stating that their idea is "to boost the growth and restore the American dream through capital gains relief." That is discouraging.

The Nation has clearly rejected policies that simply help only the rich and forget the rest.

I urge my Republican colleagues as they assemble today to consider all America, not just those who make over $100,000 a year, but all Americans. We can help working Americans by providing tax breaks for educating our college students, by raising the minimum wage, by passing a bipartisan health insurance reform, and now enacting tax relief for both low-income and middle-income families.

REPUBLICAN MAJORITY DOING THE PEOPLE'S WILL, ESPECIALLY THE SENIORS

(Mr. FOX of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOX of Pennsylvania. Mr. Speaker, I want to take a moment just to review some of the progress that has been made by the Republican majority in this Congress to do what is the people's will and especially with regard to our senior citizens, Mr. Speaker.

In this House, the Representatives have passed legislation to roll back the 1993 tax on Social Security. We have also had legislation that we passed here in the House to raise the income eligibility levels from $11,280 a year to $30,000 over the next 5 years without deductions from Social Security, and it is the same Republican majority trying to save Medicare, and we will accomplish that by making sure we remove the fraud, waste, and abuse.

Thirty billion dollars a year is what the figure is on fraud, waste, and abuse. By passing legislation which will, in fact, make it a crime to double bill or overbill the Government for that $30 billion in fraud, waste, and abuse, we will have the funds ready and available for this generation of seniors and the next generation of seniors so that health care for seniors will be preserved.

REPUBLICANS SAVING MEDICARE?

(Mr. WISE asked and was given permission to address the House for 1 minute.)

Mr. WISE. Mr. Speaker, let us jump into this Medicare debate because I am fascinated to hear about my colleagues on the other side of the aisle saying how they are saving Medicare. I say, "Oh, don't toss me that life preserver if you're going to be the lifeguard, because let's talk about what they do."

They say they are raising the amount over 7 years from $5,000 to $7,000 per beneficiary. What they do not tell us is that roughly it would be $8,400 under the present program, which means beneficiaries will be paying several hundred dollars more out of pocket. My colleagues may not call that a cut. I think they are going to call that a cut.

They relax some of the restrictions on balanced billing. That means that doctors can overcharge, charge more than what Medicare will permit them to charge. They will be relaxed in certain instances. I do not think that is a big help. This is the same group that, if my colleagues remember, earlier wanted to relax Federal nursing home standards. We cannot have the Federal Government involved in that, protecting seniors, can we?

□ 1045

So these are all issues. Incidentally, do we want this Medicare reform to really save Medicare? If that were the case, we need far less in Medicare reductions than what they are proposing. No; it is to pay for a tax cut for the wealthiest individuals in this country. That is not saving Medicare.

NO MORE MEDICARE UNDER THE REPUBLICANS

(Mr. VOLKMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VOLKMER. Mr. Speaker, as we have heard here and as reports have been made, the Republicans are trying to rewrite history as far as what Speaker GINGRICH said with regard to Medicare. There is no question, it is in the RECORD, what he did say:

> We do not get rid of it in round one because we don't think that that is politically smart. We don't think that is the right way to go through a transition period. But we believe it is going to wither on the vine, because we think people are voluntarily going to leave it.

That is what the Speaker said. Now what does it mean? That means he is getting rid of Medicare. That is the way they voted. If we look at all the bills they have passed through here in regard to Medicare, in 7 years, folks, there is not going to be any more Medicare.

Senior citizens out there are waking up to it. They realize it. The Republicans are trying to rewrite what the Speaker said. They are trying to say that that applies to HCFA. Mr. Speaker, that does not apply to HCFA. There is not anybody leaving HCFA. There are not any members of HCFA.

WHEN IT COMES TO MEDICARE, THE DEMOCRATS ARE SCARED TO DEATH TO GIVE CITIZENS THE RIGHT TO CHOOSE

(Mr. THOMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. THOMAS. Mr. Speaker, the gentleman from Missouri failed to inform the American people about one specific word. In the Speaker's quote he says, "We don't plan on getting rid of it." The question is, What is it? The gentleman from Missouri tells us unequivocally it is the Medicare system. He knows he is wrong.

Brooks Jackson on CNN exposed what the Democrats are doing. If we read the whole quote, what the Speaker was saying was that when seniors have an option, when Medicare is changed to allow seniors to choose the system they want, the old-fashioned, socialist, 1960's top-heavy bureaucratic system, will not be the one that seniors choose. It will, in fact, wither away. The only way to make sure that this comes about is for seniors to have choice. We had choice in the bill that passed the House and the Senate and that the President vetoed.

The Democrats are scared to death to give the seniors the right to choose. If they can choose, they would not choose a bureaucratic system. That is what the Speaker meant.

SOME ARE STILL PAYING FOR THE 1993 TAX INCREASE

(Mr. BALLENGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BALLENGER. Mr. Speaker, I do not know how many other people are in the same situation I am, but when taxes went up in 1993, and of course nobody talks about the tax increase, but a lot of us are with the people that gave you the choice: You can pay up immediately or you can spread it out over 3 years.

I just got a notice from the Internal Revenue Service that my third payment on the increase in taxes that were passed in 1993 was due. How many people in this country today are now paying, finally, the ultimate increase in taxes that was passed in 1993?

If the American people were to stop and think about the notice that they got in the mail saying "Pay up, 1993 is now due," I think we would have a whole bunch of people recognize that that increase in taxes in 1993 ran over a long period of time and some of us are still paying.

PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING 5-MINUTE RULE

Mrs. MORELLA. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole House under the 5-minute rule: the Committee on Banking and Financial Services; the Committee on Government Reform and Oversight; the Committee on International Relations; the Committee on the Judiciary; the Committee on National Security; the Committee on Resources; the Committee on Science; and the Permanent Select Committee on Intelligence.

The SPEAKER pro tempore (Mr. HAYWORTH). Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

CORRECTIONS CALENDAR

The SPEAKER pro tempore. This is the day for the call of the Corrections Calendar.

The Clerk will call the bill on the Corrections Calendar.

SAVINGS IN CONSTRUCTION ACT OF 1996

The Clerk called the bill (H.R. 2779) to provide for soft-metric conversion, and for other purposes.

The Clerk read the bill, as follows:

H.R. 2779

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Savings in Construction Act of 1995".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) The Metric Conversion Act of 1975 was enacted in order to set forth the policy of the United States to convert to the metric system. Section 3 of that Act requires that each Federal agency use the metric system of measurement in its procurements, grants and other business related activities, unless that use is likely to cause significant cost or loss of markets to United States firms, such as when foreign competitors are producing competing products in non-metric units.

(2) Currently, many Federal construction contracting officers are requiring as a condition of obtaining Federal contracts that all bidders must agree to use products measured in round metric units, materials which are known as "hard-metric" products. This requires retooling, substantial capitalization costs, and other expensive production changes for most construction firms and suppliers to physically change the size of the product.

(3) This "hard-metric" conversion requirement is often being imposed only for the purpose of achieving rounded numbers, and without regard to whether that method is impractical or likely to cause significant costs or a loss of markets to United States firms.

(4) United States businesses that manufacture basic construction products suffer great upheaval by being forced to either convert to hard-metric production, or be foreclosed from effectively bidding on Federal or federally assisted projects.

(5) This "hard-metric" conversion requirement places domestic producers at a competitive disadvantage with respect to foreign producers; reduces the number of companies that may compete for contracts with the Federal Government; and forces manufacturers to maintain double inventories of similar but incompatible products.

(6) This "hard-metric" conversion requirement raises the cost to taxpayers of Federal construction projects, since the Federal Government is often required to pay additional costs, known as a "metric premium," to procure hard-metric products.

(7) "Soft-metric" conversion would be a less costly and less intrusive way of meeting the goals of Section 3 of the Metric Conversion Act of 1975. The product itself would remain the same size; its dimensions simply would be expressed in metric units.

(8) As the application of the soft-metric conversion mandates no change in the size of the product, the goals of the Metric Conversion Act of 1975 will be achieved without excessive economic upheaval.

SEC. 3. DEFINITIONS.

Section 4 of the Metric Conversion Act of 1975 (15 U.S.C. 205c) is amended—

(1) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (6), and (8), respectively;

(2) by inserting after paragraph (1) the following new paragraph:

"(2) 'domestic manufacturer' means a manufacturer at least 51 percent of whose production occurs in the United States;";

(3) by inserting after paragraph (3), as so redesignated by paragraph (1) of this section, the following new paragraphs:

"(4) 'hard-metric product' means a material or product that is—

"(A) produced as a result of a hard-metric conversion; or

"(B) identical to a material or product described in subparagraph (A), although originally produced in metric-based dimensions;

"(5) 'hard-metric conversion' means a conversion that requires, in addition to the expression of the dimensions of a product under the metric system of measurement, a physical change in the size of that product relative to the size of that product established under existing production practices of the appropriate industry;";

(4) by striking "and" at the end of paragraph (6), as so redesignated by paragraph (1) of this section;

(5) by inserting after paragraph (6), as so redesignated by paragraph (1) of this section, the following new paragraph:

"(7) 'industry' has the meaning provided that term by the Board by regulation;";

(6) by striking the period at the end of paragraph (8), as so redesignated by paragraph (1) of this section, and inserting in lieu thereof a semicolon; and

(7) by adding at the end the following new paragraphs:

"(9) 'soft-metric product' means a material or product that is produced as a result of a soft-metric conversion;

"(10) 'soft-metric conversion' means a conversion that requires the expression of the dimensions of a product under the metric system of measurement without changing the physical size of the product relative to the size of that product established under existing production practices of the appropriate industry; and

"(11) 'small business' means a business that would be a small business under the Standard Industrial Classification codes and size standards in section 121.601 of title 13 of the Code of Federal Regulations as in effect on the date of the enactment of this paragraph.".

SEC. 4. METRIC CONVERSION.

Section 12 of the Metric Conversion Act of 1975 (15 U.S.C. 205j–1) is amended by striking subsection (b) and inserting in lieu thereof the following new subsections:

"(b) No agency of the Federal Government may develop, implement, or continue the use of construction design or procurement guidelines that require the use of a hard-metric product if a majority of the contracts that would be proposed pursuant to such guidelines would be likely to result in a certification described in subsection (c)(3)(A).

"(c) No agency of the Federal Government may establish or apply a bidding requirement or preference with respect to any federally assisted construction contract that specifies the use of a hard-metric product if—

"(1) the use of soft-metric product is technologically feasible; and

"(2) an appropriate representative (as selected pursuant to subsection (d) of the industry that manufactures the product) notifies the agency, within 30 days after enactment of this Act, that the representative makes certification or intends to make certification under paragraph (3)(A); and either—

"(3) the certification establishes or will establish that—

"(A) such industry-specific or product-specific factors exist that—

"(i)(I) the product is not readily available as a hard-metric product from 50 percent or more of the domestic manufacturers in the United States; or

"(II) a hard-metric product does not constitute 50 percent or more of the total production of that product by that industry;

"(ii) a hard-metric conversion would require domestic manufacturers that are small businesses that produce the product to incur capital outlays in an average amount greater than $25,000 per manufacturer to invest in new equipment to produce a hard-metric product; and "(iii)(I) based on the economic situation and customs of the industry, any potential offsetting benefits that could be achieved by that industry by carrying out a hard metric conversion to produce that product would be negligible or

"(II) hard metric conversion would substantially reduce competition for Federal contracts and increase by 1 percent or more the per unit cost of that product; or

"(III) hard metric conversion would create a special hardship with respect to domestic manufacturers that are small businesses by placing those manufacturers at a competitive disadvantage with respect to foreign competitors; or

"(4) less that 180 days have elapsed after the appropriate representative has been notified of a proposed contract specifying hard-metric product.

"(d) The head of each agency of the Federal Government shall establish a list of appropriate representatives of each industry that may make a certification under subsection (c)(3)(A). The agency head shall update that list on an annual basis. The list shall include appropriate professional or trade associations that are recognized as representing the industries.

"(e) When an appropriate representative submits a certification under subsection (c)(3)(A), the representative shall also submit a list of domestic manufacturers that have the capability to manufacture the product that is the subject of the certification as a soft-metric product.".

COMMITTEE AMENDMENT IN THE NATURE OF A SUBSTITUTE

The SPEAKER pro tempore. The Clerk will report the committee amendment in the nature of a substitute.

The Clerk read as follows:

Committee amendment in the nature of a substitute: strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Savings in Construction Act of 1996".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) The Metric Conversion Act of 1975 was enacted in order to set forth the policy of the United States to convert to the metric system. Section 3 of that Act requires that each Federal agency use the metric system of measurement in its procurements, grants and other business related activities, unless that use is likely to cause significant cost or loss of markets to United States firms, such as when foreign competitors are producing competing products in non-metric units.

(2) Currently, many Federal agencies are requiring as a condition of obtaining Federal construction contracts that all bidders must agree to use products measured in round metric units, materials which are known as "hard-metric" products. This can require retooling, substantial capitalization costs, and other expensive production changes for some suppliers to physically change the size of the product.

(3) This "hard-metric" conversion requirement has sometimes been imposed without appropriate regard to whether that method is impractical or likely to cause significant costs or a loss of markets to United States firms.

(4) Some United States businesses that manufacture basic construction products suffer harm by being forced to convert to hard-metric production, or by being foreclosed from effectively bidding on Federal or federally assisted projects.

(5) This "hard-metric" conversion requirement may place domestic producers at a competitive disadvantage with respect to foreign producers; may reduce the number of companies that may compete for contracts with the Federal Government; and may force manufacturers to maintain double inventories of similar but incompatible products.

(6) This "hard-metric" conversion requirement has unnecessarily raised the cost to the Government of some lighting and concrete masonry products and there is consensus that relief is in order.

(7) While the Metric Conversion Act of 1975 currently provides an exception to metric usage when impractical or when it will cause economic inefficiencies, there is need for ombudsmen and procedures to ensure the effective implementation of the exceptions.

(8) The changes made by this Act will advance the goals of the Metric Conversion Act of 1975 while eliminating significant problems in its implementation.

SEC. 3. DEFINITIONS.

Section 4 of the Metric Conversion Act of 1975 (15 U.S.C. 205c) is amended—

(1) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (6), and (7), respectively;

(2) by inserting after paragraph (1) the following new paragraph:

"(2) 'converted product' means a material or product that is produced as a result of a hard-metric conversion;";

(3) by inserting after paragraph (3) the following new paragraphs:

"(4) 'hard-metric' means measurement, design, and manufacture using the metric system of measurement, but does not include measurement, design, and manufacture using English system measurement units which are subsequently reexpressed in the metric system of measurement;

"(5) 'hard-metric conversion' means a conversion that requires, in addition to the expression of the linear dimensions of a product under the metric system of measurement, a physical change in the size of that product relative to the size of that product established under the system of English measurements in production practices of the appropriate industry;";

(4) by striking "and" at the end of paragraph (6), as so redesignated by paragraph (1) of this section;

(5) by striking the period at the end of paragraph (7), as so redesignated by paragraph (1) of this section, and inserting in lieu thereof "; and"; and

(6) by adding at the end the following new paragraph:

"(8) 'small business' has the meaning given the term 'small business concern' in section 3 of the Small Business Act (15 U.S.C. 632).".

SEC. 4. IMPLEMENTATION EXCEPTIONS.

The Metric Conversion Act of 1975 (15 U.S.C. 205a et seq.) is amended by inserting after section 11 the following new section:

"SEC. 12. (a) In carrying out the policy set forth in section 3 (with particular emphasis on the policy set forth in paragraph (2) of that section) a Federal agency may require that specifications for structures or systems of concrete masonry be expressed under the metric system of measurement, but may not require that concrete masonry units be converted products.

"(b) In carrying out the policy set forth in section 3 (with particular emphasis on the policy set forth in paragraph (2) of that section) a Federal agency may not require that lighting fixtures be converted products unless the predominant voluntary industry consensus standards are hard-metric.".

SEC. 5. OMBUDSMAN.

Section 12 of the Metric Conversion Act of 1975, as added by section 4 of this Act, is further amended by adding at the end the following new subsection:

"(c)(1) The head of each executive agency that awards construction contracts shall designate a senior agency official to serve as a construction metrication ombudsman who shall be responsible for reviewing and responding to complaints from prospective bidders, subcontractors, suppliers, or their designated representatives related to—

"(A) guidance or regulations issued by the agency on the use of the metric system of measurement in construction contracts; and

"(B) the use of the metric system of measurement for products or materials required for incorporation in individual construction projects.

The construction metrication ombudsman shall be independent of the contracting officer for construction contracts.

"(2) The ombudsman shall be responsible for ensuring that the agency is not implementing the metric system of measurement in a manner that is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms in violation of the policy stated in section 3(2), or is otherwise inconsistent with guidance issued by the Secretary of Commerce in consultation with the Interagency Council on Metric Policy.

"(3) The ombudsman shall respond to each complaint in writing within 30 days and make a recommendation to the head of the executive agency for an appropriate resolution thereto. In such a recommendation, the ombudsman shall consider—

"(A) the availability of converted products and hard metric production capacity of United States firms, or lack thereof;

"(B) retooling costs and capital investment impacts;

"(C) the impact on small business;

"(D) the impact on trade;

"(E) the impact on competition for Federal contracts;

"(F) the impact on jobs;

"(G) the impact on the competitiveness of United States firms; and

"(H) the cost to the Federal Government.

"(4) After the head of the agency has rendered a decision regarding a recommendation of the ombudsman, the ombudsman shall be responsible for communicating the decision to all appropriate policy, design, planning, procurement, and notifying personnel in the agency. The ombudsman shall conduct appropriate monitoring as required to ensure the decision is implemented, and may submit further recommendations, as needed. The head of the agency's decision on the ombudsman's recommendations, and any supporting documentation, shall be provided to affected parties and made available to the public in a timely manner.".

Amend the title so as to read: "A bill to provide for appropriate implementation of the Metric Conversion Act of 1975 in Federal construction projects, and for other purposes.".

Mrs. MORELLA (during the reading). Mr. Speaker, I ask unanimous consent that the committee amendment in the nature of a substitute be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from

Maryland [Mrs. MORELLA] and the gentlewoman from Missouri [Ms. MCCARTHY] will each be recognized for 30 minutes.

The Chair recognizes the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Committee on Science has reported H.R. 2779, the Savings in Construction Act of 1996, introduced by the gentleman from California [Mr. COX] to the House for its consideration under the Corrections Day Calendar.

H.R. 2779 provides for the appropriate implementation of the Metric Conversion Act of 1975 in Federal construction projects. The Metric Conversion Act, as amended, requires that all Federal agencies use the metric system in procurements, grants, and other business-related activities, except when such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms.

In the implementation of the act, however, certain American construction industries have suffered an adverse economic impact and the government has had to incur additional costs for using metric in certain Federal construction projects. Therefore, there is a need to correct the Metric Conversion Act by providing for flexibility in its implementation.

With H.R. 2779 we can achieve the goals of the act in Federal construction projects without closing project bids to American companies, especially small manufacturers who do not export and who cannot afford to retool their production facilities at great cost to produce products which are identical except for a slight change in size.

The Committee on Science has heard testimony from these affected companies that, under the current implementation of the act, domestic producers are at a competitive disadvantage with respect to foreign metric producers. The number of companies that compete for contracts with the Federal Government are reduced and manufacturers are forced to maintain double inventories of similar but incompatible products.

Mr. Speaker, as chairman of the Subcommittee on Technology which has jurisdiction over our Nation's technology and competitiveness policy, I am a strong supporter of encouraging the use of the metric system in the interests of our Nation's industrial competitiveness in world markets. Despite our current laws to promote metric, the United States still remains the only major industrialized country in the world which does not predominantly use metric as the standard measurement system.

Converting to the metric system is a goal that Congress has wisely decided and should be fully supported. We must continue to promote, sensibly and as vigorously as possible, the metric system to advance our Nation's long-term international competitiveness.

H.R. 2779 is a bill worthy of our support because it balances the need for the Federal Government to maintain our current efforts to promote metric while providing for appropriate implementation of the Metric Conversion Act in Federal construction projects.

Specifically, H.R. 2779 provides specific recourse for the concrete, masonry, and lighting industries in the implementation of the act. The record of the Committee on Science hearing on this bill is clear, that these two industries are suffering a demonstrated adverse economic impact under the Metric Conversion Act which necessitates immediate relief.

Second, the bill provides a mechanism through the appointment of an ombudsman in each executive branch agency for other afflicted industries to gain such relief in the future if in fact needed. The ombudsman would be obligated to balance harm to the industry and objectively apply the flexibility of the existing law to alleviate hardship.

I want to commend the sponsor of this bill, the gentleman from California [Mr. COX], for his corrective legislation providing for this less costly and less intrusive method of meeting the goals of the Metric Conversion Act.

I also want to recognize the chairman of the Committee on Science, the gentleman from Pennsylvania [Mr. WALKER], the committee's ranking member, the gentleman from California [Mr. BROWN], and the ranking member of the Subcommittee on Technology, the gentleman from Tennessee [Mr. TANNER] for their bipartisan efforts in reporting this legislation to the House, and also the gentlewoman from Missouri [Ms. MCCARTHY], who is a member of the Subcommittee on Technology, who is handling this bill across the aisle.

Mr. Speaker, I urge all of my colleagues to support H.R. 2779, and I reserve the balance of my time.

Ms. MCCARTHY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I commend our subcommittee chairwoman, the gentlewoman from Maryland [Mrs. MORELLA], for her efforts on behalf of H.R. 2779; in addition, our ranking member, the gentleman from Tennessee [Mr. TANNER], who worked diligently to make this truly a substantial bipartisan effort that shows the results of a great deal of hard work on the part of members on both sides of the aisle of the Committee on Science and on the subcommittee, as well as the staffs of the Office of Federal Procurement Policy, the Department of Commerce, and the General Services Administration.

While there are areas where we hope the Senate will clarify our actions, the problems with the original text that led the administration initially to oppose the legislation, these areas have been resolved, Mr. Speaker. We appreciate the flexibility of the gentleman from California [Mr. COX], who has shown that the can be flexible in these matters. He did not object to the current version as the administration sought, and we heartily support it.

Mr. Speaker, I will include as a general leave statement for the RECORD the more detailed views of the Committee on Science's ranking Democratic member, the gentleman from California [Mr. BROWN], who has been a leader on metric issues for over two decades.

Mr. Speaker, the current version of H.R. 2779, the Savings in Construction Act, deserves the bipartisan support of this body, and while the gentleman from California [Mr. BROWN], in his support, believes that the Committee on science's actions have improved H.R. 2779 substantially, he, too, wishes that we use this legislation as an opportunity to develop a more imaginative approach to measurements and policy questions.

Mr. Speaker, I reserve the balance of my time.

Mrs. MORELLA. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. COX], the sponsor of this bill.

Mr. COX of California. Mr. Speaker, I thank the gentlewoman for yielding time to me. Also, I thank the members of the minority for their kind comments and, more importantly, their hard work in support of a very worthwhile venture.

I think it is also important to underscore that almost to a person on the Committee on Science, and I think throughout our House of Representatives and the other body, we are supporters of the eventual conversion of the United States to the metric system. This is a decision taken by Congress in 1975. It is a course to which we are committed. It is an irrevocable course.

But it has been 8 years since Congress evaluated our progress in converting to the metric system: how well it is going, where are the shortcomings, and what is our long suit. We have found some successes, but also some problems. This bill, I think, will help the conversion to the metric system and deal with a significant problem.

Mr. Speaker, while many of us in Congress, and I think, as I said, almost all of us in Congress do support this conversion to the metric system, I should also point out that there are opponents. There are people who for reasons of history, heritage, or perhaps even romance are more attached to the system of pounds and ounces and inches and feet that we all have become so accustomed to here in America.

It is, in fact, very personal. I define myself as a person who weighs 170 pounds. I am 5 feet 10 inches tall. I took a run for 4 miles. These are parts of our daily experience. It is a very personal matter. The truth is, almost the entire world outside of the United States would not define me that way. They are using a more efficient system, frankly, of meters and grams. This is a good thing.

We can learn from history. Back when the Moors in Spain were introducing what we now call Arabic numerals to Europe, there was great resistance to that, because Roman numerals were in use everywhere. The trouble was, you could not add up Roman numbers. You could not put them in columns the way you can with Arabic numerals.

Despite the great convenience of the new system of Arabic numerals, there was great suspicion. The change was resisted, indeed for centuries, by European society. Some quarters thought Arabic numerals were, in fact, the work of the devil. But it was the shopkeepers, the traders, and the merchants who had to add up the numbers every day who eventually caused society to convert. That is the lesson of history that we need to be mindful of here today.

It will be our market system, our global trading environment, that will succeed in converting American industry and American consumers, eventually, to the metric system. It will not be sheer government edict.

Today with this legislation, the Savings in Construction Act, we are not at all backing away from the metric system. We are saying that we still want people who bid on Federal construction jobs to offer their bids in metric, but we are taking advantage of one of the features of the metric system that makes it so superior to our old system of feet and inches and so on that work on different bases than base 10.

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If we have a base 10 system like the metric system, you can work marvelously well in fractions. The government, up until today, was telling some bidders on Federal contracts not only do they have to use the metric system but everything had to be in a round number. So every block, every board, every shingle, every tile, every fixture, every window would have to be in a round metric unit.

What business is it of government whether the American people in their commerce use round numbers or not for every measurement? It is good enough that they are using metric measurements as well as the old system of pounds and ounces and feet and yards, and so on. Rather than require whole plants to retool, to remanufacture these blocks and tiles and lighting fixtures, and so on, we are letting the government say, as purchaser, if it will save the taxpayers a lot of money not to have a wholesale retooling, then we are going to save the money.

We had an experience with a Federal courthouse where out of roughly $100 million, 20 percent was going to be added cost from having building supplies furnished in round metric units. So today we are saying occasionally you can use fractions. As over time our industries are more and more competitive in the global environment, when they discover that their customers in France or in Germany or Japan will not buy things unless they are manufactured in metric, then of course that conversion will be brought about through the market. The government here is being very wise for a change. We are correcting significant government errors and mistakes that have occurred and cost jobs in many, many industries.

I would just like to draw to my colleagues' attention one example of a firm in Wilmington, MA, a small company called Lightolier of Wilmington that has manufactured light fixtures for 70 years. They employ about 200 people. The general manager of the plant told a local newspaper that their equipment could not produce fixtures in round metric units unless they retooled it at a cost of about $4.5 million. But they did not have $4.5 million in a plant of 200 workers. So their alternative was not to bid at all on these jobs. Because they would lose the work, they also would lose the jobs.

Of course, our foreign competitors do not have this problem over in Germany or Japan. So what government was doing was giving foreign competitors an advantage over our United States firms. This was a mistake. It is a mistake that we will fix with our legislation today. We will save a great deal of money in the process.

Mr. Speaker, I want to commend once again our chairman, our ranking member, and all of the people who worked so hard on this, but most of all the gentlewoman from Maryland [Mrs. MORELLA], for making this corrections day bill such a success. I expect that it will pass with flying colors.

Mrs. MORELLA. Mr. Speaker, I yield 2½ minutes to the gentleman from Massachusetts [Mr. TORKILDSEN].

Mr. TORKILDSEN. I thank the gentlewoman for yielding me this time, and I applaud her leadership and the leadership of the gentleman from California in getting this bill to the floor.

Mr. Speaker, I rise in strong support of H.R. 2779, the Soft Metric Conversion Act of 1996. This bill clarifies the 1975 Metric Act that required Federal construction projects to use a hard metric system. This bill enables companies that use soft metric conversion over hard metric conversion where applicable, and this will save many jobs in our country.

The 1975 act mandated the use of government-specific hard metric, custom sized products. Often these mandated products would have no market use at all except for the Federal Government. It would require retooling and the purchase of new expensive machinery by firms wishing to enter into a contract with the Federal Government. Many U.S. firms are unable to meet these increased costs of retooling, which are 15 to 20 percent higher than the standard method used now. These firms are missing out on the opportunity to do business with the Federal Government.

As the gentleman from California mentioned, one such company is in my district, the Lightolier Co., a company that makes light fixtures and is located in Wilmington, MA and employs 200 people. Recently I toured Lightolier and met with many of the employees there. Lightolier cannot afford the multi-million dollar cost of retooling to these arbitrary requirements.

In the past Lightolier had a steady flow of Federal Government contracts. Currently the company has had to turn down opportunities to bid on these contracts that require this hard metric conversion. Recently the company had to lay off 35 people.

If the Federal Government had not required these hard metric conversion standards, Lightolier may have been able to keep these jobs through secured Federal contracts. This bill when it passes will allow companies like Lightolier to be competitive again and bid on contracts with the Federal Government.

In addition to that, another interesting point that was mentioned in Lightolier had asked their competitors over the border in Canada what standard would you adopt, because Canada has obviously been in the metric system for some time. They said that the Canadian competition would still be manufacturing to the same size that Lightolier had been prohibited from submitting as a bid to the Federal Government.

The International Brotherhood of Electrical Workers estimates that H.R. 2779 will have an impact on 25,000 American jobs that would be threatened otherwise.

Mr. Speaker, I urge my colleagues to correct this problem and pass this bill today.

Ms. MCCARTHY. Mr. Speaker, I reserve the balance of my time.

Mrs. MORELLA. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. WICKER].

Mr. WICKER. Mr. Speaker, I thank the chairman of the subcommittee for her leadership and for yielding me this time.

Mr. Speaker, I am pleased to rise in support of the Savings in Construction Act, which I am pleased to have cosponsored along with my friend from California. This bill is consistent with bringing back common sense to regulations regarding metric design and labeling of products used in new Federal construction.

The fundamental issue here involves whether to require soft metric conversion where inches are converted to millimeters or centimeters on existing products or to require hard metric conversion where products must be redesigned to arrive at rounded metric dimensions.

Under current GSA regulations, manufacturers of a few products, such as concrete blocks and lighting fixtures, must produce their products in hard metric dimensions for Federal construction. To illustrate, a typical fluorescent lighting fixture is 4 feet by 2 feet. Tens of millions of these fixtures are used throughout the United States in these dimensions. Soft metric conversion would mean relabeling these lighting fixtures as 609.6 millimeters by 304.8 millimeters, a simple and inexpensive approach.

Instead, this industry is being required—as a condition of doing business with the Government—to completely retool their operations to produce fixtures in hard metric, measuring 600 by 300 millimeters, and only for products used in Federal construction projects. The products are not any better, but they just sound better to the Federal regulators.

Mr. Speaker, Congress has already seen fit to provide exceptions in the amended Metric Conversion Act to this hard metric requirement when production costs for hard metric conversion were too high. This bill simply puts teeth into these exceptions by providing a mechanism by which soft metric standards can be substituted.

Without this legislation, bids on all Federal projects for these products will be left to only a very few of the largest manufacturers, leaving a very in competitive marketplace. In other words, this corrections day bill is good for competition and will save money for the taxpayers.

Mr. Speaker, this is a good bill, it is commonsense legislation, and I urge my colleagues to vote for the bill.

Mrs. MORELLA. Mr. Speaker, I yield 2 minutes to the gentlewoman from Nevada [Mrs. VUCANOVICH], who actually chaired the task force on corrections day.

Mrs. VUCANOVICH. Mr. Speaker, I thank the gentlewoman from Maryland for yielding me this time.

Mr. Speaker, I am pleased to rise today in support of H.R. 2779, the 17th bill brought to the floor this session under the corrections day process.

The Corrections Day Calendar has just passed its first year anniversary. Since the commencement of corrections day, eight bills have been signed into law by the President, and eight bills have passed the House and are waiting further action in the Senate. I believe we are compiling a record of success, and that the Corrections Calendar will continue to be relied upon by the House.

The American people are demanding a more responsive Government, and corrections day is a key part in meeting their demands. H.R. 2779, the Soft Metric Conversion Act, would prohibit agencies from requiring contractors to convert masonry and lighting fixtures into hard metric sizes. This legislation would provide specific relief to the concrete masonry and lighting industries that have suffered an adverse economic impact under the Metric Conversion Act of 1975. I believe that the bill we are considering today is a good example of how the corrections day process works to correct outdated regulations that place financial burdens on many industries in the United States.

I would like to thank the members of the Corrections Day Advisory Group. I also want to recognize Chairman WALKER, Mr. COX, and the Science Committee for the expedient and hard work they did to get this bill to the floor. I am hopeful that the Senate will recognize the need for quick action and send this bill to the President without delay.

Mrs. MORELLA. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. CALVERT], who is the vice chair of the Subcommittee on Technology of the Committee on Science.

Mr. CALVERT. Mr. Speaker, I would like to thank my good friend, CHRIS COX, for his foresight and hard work on this important piece of legislation. In addition, I would also thank subcommittee Chair MORELLA for shepherding this bill through the Science Committee.

In many cases hard metric conversion requires plants to retool their facilities to produce a product that is in no way improved. It is merely a slightly different dimension.

In the construction industry, virtually no domestic U.S. manufacturers produce hard metric products.

Only Canadian and other foreign firms have the production capacity to produce sufficient hard metric products.

H.R. 2779 would put teeth into the Metric Conversion Act's impractical, inefficient, loss of markets limitation by providing a mechanism by which a soft metric standard could be substituted when problems arise.

It does not seek to prevent a metric conversion for Federal projects. This bill clarifies the law to more closely pursue its intent, providing for the most efficient and least costly conversion possible.

H.R. 2779 has broad bipartisan support. Vice President GORE's National Performance Review recommended that Federal agencies avoid Government-unique products and requirements due to excessive expense and delays.

H.R. 2779 will do just that. It will eliminate the burdensome hard metric requirement in Federal construction. This alone will reduce Federal construction costs by 15 to 20 percent.

I urge my colleagues to support this important bipartisan proposal.

Mrs. MORELLA. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Georgia [Mr. CHAMBLISS].

Mr. CHAMBLISS. Mr. Speaker, I appreciate the recognition by the gentlewoman from Maryland and I particularly appreciate the gentleman from California who introduced this bill. I was very proud to cosponsor it.

Mr. Speaker, this is another of the commonsense reforms that this Congress is trying to make with laws that we have on the books right now. This is simply a way to look at a law that really is not just an inconvenience on those folks who are trying to bid on Federal projects, but it is an inconvenience and a mandate on those folks that really causes an increase in cost to the ultimate consumer, which is the taxpayer.

Mr. Speaker, I rise in support of this bill, and I ask its passage.

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Ms. McCARTHY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to commend the gentleman from California [Mr. COX] for this support of the metric system, and again all who worked on the Committee on Science and various agencies, for coming together in this bipartisan effort.

As the gentleman from Michigan [Mr. EHLERS], a member of our Committee on Science, so eloquently pointed out during our committee deliberations on this bill, our Nation's failure to adopt the metric system of measurement in a timely manner has cost United States companies millions of dollars in lost trade opportunities. This situation is ongoing and it has the potential to get worse.

We need to work together for effective metric conversion to close the trade imbalance that now exists. We can increasingly expect our trading partners to require American exports to their countries to be designed and manufactured using the internationally accepted metric system of measurement.

H.R. 2779 exempts small companies from metric usage, and this approach is just one possible solution to the one that represents a can't-do rather than a can-do attitude. With more time, we could look for ways to solve problems while advancing the cause of metrication. We need to continue to work together to help small businesses to participate in international trade.

Mr. Speaker, perhaps the Senate will have the time to make a conscious effort to improve our work on this bill. Then we will be able to feel comfortable that the entire Congress did its best to meet the long-term needs of the companies we are trying to help. I urge support of this measure.

Mr. Speaker, I yield back the balance of my time.

Mrs. MORELLA. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I simply want to commend the gentleman from California [Mr. COX] for authoring this bill, and the Subcommittee on Technology for working in such a bipartisan manner, the full Committee on Science, the corrections committee, and urge my colleagues to support a good bipartisan bill that is certainly going to assist a number of the companies in our great country.

Mr. HASTERT. Mr. Speaker, I rise today in strong support of H.R. 2779, the Savings in Construction Act. I'd like to thank our distinguished chairs, Mrs. MORELLA and Mr. WALKER, as well as Ranking Member BROWN for moving this bill quickly through the Science Committee.

Most of all, I'd like to thank my good friend, the chairman of the Republican Policy Committee, Mr. COX, for all his hard work on this legislation. When the gentleman from California learned about the thousands of American jobs that could be lost, and the millions of tax dollars that would be wasted pursuing a hard metric standard, he responded by crafting this commonsense, bipartisan piece of legislation.

Mr. Speaker, as part of the Metric Conversion Act of 1975, the Congress required each Federal agency to "use the metric system of measurement in its procurements, grants, and other business related activities" but with the important exception of not mandating its use when "such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms." Thus, under this law, it seems clear that Federal agencies should seek to use a soft metric standard—for example, requiring that building materials be measured in metric units. This is certainly a reasonable policy.

However, a number of Federal agencies have exceeded the intent of the Metric Conversion Act and are now seeking to apply a universal hard metric standard to purchases of certain construction materials by the Federal Government. A hard metric standard stipulates that not only must materials be measured in the metric system, but that they must also be manufactured in round metric dimensions. In many cases, this would require plants manufacturing construction materials to completely retool their production facilities, and rework their product line to produce a product with slightly different dimensions.

This expensive process would satisfy only the needs and desires of a few Government bureaucrats, not the demands of the free market. Since Federal contracts account for only about 5 percent of the construction industry, only the biggest firms will go to the expense of retooling. This would effectively eliminate hundreds of American small businesses from competition for Federal contracts. The exclusion of these small businesses from the market will result in less competition, fewer bids on contracts, and greater costs to the American taxpayer. What's worse, in seeking to apply a hard metric standard, some Federal agencies are ignoring the direct warning of the Metric Act not to do so in cases where it would be impractical, inefficient, or result in a potential loss of markets.

Mr. Speaker, through the corrections process, H.R. 2779 addresses this problem by taking the existing metric law and giving it teeth. It requires the Government to use common sense in its purchasing decisions, and allows the free market to play a bigger role. It will prevent Federal bureaucrats from arbitrarily imposing a hard metric requirement for Federal contracts on key industries providing construction materials for Federal construction projects. It also creates the position of metric ombudsman, who will make decisions regarding future metric implementation using some basis commonsense standards: the availability of hard metric products, the impact on American jobs, the competitiveness of American firms, and the cost to the United States taxpayer.

Mr. Speaker, I strongly urge my colleagues on both sides of the aisle to support this commonsense legislation. By passing H.R. 2779, Congress can act to enhance the competitiveness of American industry, protect small businesses, save thousands of union jobs from foreign competition, and save the American taxpayer money. I urge my colleagues to support this bipartisan bill. I yield back the balance of my time.

Mr. BROWN of California. Mr. Speaker, I rise with mixed emotions on the bill H.R. 2779, the Savings in Construction Act. While I believe that the Science Committee's actions have improved H.R. 2779 substantially, I regret that we did not use this legislation to develop a more imaginative approach to measurement policy questions.

At the outset, I also want to make sure our colleague from Tennessee, Mr. TANNER receives credit for the pivotal role he played in the improvements in H.R. 2779. His March 5 letter to Under Secretary of Commerce Mary Good, which was co-signed by most of the other committee Democrats, began the chain of events which has permitted this bill to move forward. The end results of his efforts are a more favorable atmosphere within the administration for the concrete block and recessed lighting industries and the improved legislative language now before us. This bill is no longer harmful to the Federal procurement process, and its potential damage to our national policy of metric conversion has been limited.

H.R. 2779, as reported, does a credible job in solving $10,000 problems of a number of small businesses, but it lets a billion dollar national problem fester. As Congressman EHLERS so eloquently pointed out during Science Committee deliberations on this bill, our Nation's failure to adopt the metric system of measurement in a timely manner has cost U.S. companies billions of dollars in lost trade opportunities. This situation is ongoing and has the potential to get worse. The United States is the only industrialized nation to hold onto the English system of measurement. We can increasingly expect our trading partners to require American exports to their countries to be designed and manufactured using the internationally accepted metric system of measurement. If, as in this bill, we restate English measurements in metric terms rather than actually design and measure in metric, we will not fool anyone. American companies that are unwilling or unable to manufacture in rational metric units will lose out to foreign companies that will.

The case was made in our hearings on H.R. 2779 that some block manufacturers have difficulty bidding on construction projects which require their products to be dimensioned in rational metric. However, exempting these companies from metric usage is just one possible solution and one that represents a "can't do" rather than a "can do" attitude. With more time, we could have looked for ways to solve the block manufacturers problems while advancing the cause of metrication. We could have made sure that metric block molds are an allowable expense under Federal construction contracts. We could have funded research in the design of adjustable molds which could be used for making both metric and English-dimensioned block. As a minimum, we could have limited the duration of the metric block exemption and committed to finding a better solution to this problem during that time. I hope the Senate will take a closer look than we were able to do at alternative ways to help block manufacturers and at setting appropriate limits on the duration of this exemption.

Our solution for lighting industry metrication problems may turn out to be more appropriate. Our lighting industry is positioned to begin manufacturing metric lighting products; a number of the affected companies already have issued metric lighting catalogs. H.R. 2779, through its lighting standards trigger, will allow the exemption to be ignored when the reason for it no longer exists.

The ombudsman concept is a dramatic improvement over the procurement bureaucracy contained in section 4 of the introduced version of H.R. 2779, but the jury is still out on whether it is really necessary. The Government has built a dozen major buildings using metric measurement and only two industries have not been willing to go along. One would think if metric were a problem for other building subcontractors that the problem would have arisen by now.

The busiest time for the metric ombudsmen will probably be at the time of enactment when agencies must figure out what to do with the hundreds of metric-dimensioned construction projects which are in various stages of design and construction. H.R. 2779's silence on this point is likely to lead to problems of interpretation. I urge the Senate to come up with a set of principles to cover ongoing projects and urge the ombudsmen to use common sense in these cases.

In summary, my desire to see the concrete masonry industry get relief leads me not to oppose this bill, but I regret that we did not have more time to perfect our work product. Perhaps the Senate will have the time to make a conscious effort to improve the bill. Then we will be able to feel comfortable that the entire Congress did its best to meet the long-term needs of the companies we are all trying to help.

Mrs. MORELLA. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. HAYWORTH). Pursuant to the rule, the previous question is ordered on the committee amendment in the nature of a substitute and on the bill.

The question is on the committee amendment in the nature of a substitute.

The committee amendment in the nature of a substitute was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and (three-fifths having voted in favor thereof) the bill was passed.

The title was amended so as to read: "A bill to provide for appropriate implementation of the Metric Conversion Act of 1975 in Federal construction projects, and for other purposes.".

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mrs. MORELLA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 2779.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken after debate has concluded on all motions to suspend the rules.

NATO ENLARGEMENT FACILITATION ACT OF 1996

Mr. GILMAN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3564) to amend the NATO Participation Act of 1994 to expedite the transition to full membership in the North Atlantic Treaty Organization of emerging democracies in Central and Eastern Europe, as amended.

The Clerk read as follows:

H.R. 3564

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "NATO Enlargement Facilitation Act of 1996".

SEC. 2. FINDINGS.

The Congress makes the following findings:

(1) Since 1949, the North Atlantic Treaty Organization (NATO) has played an essential role in guaranteeing the security, freedom, and prosperity of the United States and its partners in the Alliance.

(2) The NATO Alliance is, and has been since its inception, purely defensive in character, and it poses no threat to any nation. The enlargement of the NATO Alliance to include as full and equal members emerging democracies in Central and Eastern Europe will serve to reinforce stability and security in Europe by fostering their integration into the structures which have created and sustained peace in Europe since 1945. Their admission to NATO will not threaten any nation. America's security, freedom, and prosperity remain linked to the security of the countries of Europe.

(3) The sustained commitment of the member countries of NATO to a mutual defense has made possible the democratic transformation of Central and Eastern Europe. Members of the Alliance can and should play a critical role in addressing the security challenges of the post-Cold War era and in creating the stable environment needed for those emerging democracies in Central and Eastern Europe to successfully complete political and economic transformation.

(4) The United States continues to regard the political independence and territorial integrity of all emerging democracies in Central and Eastern Europe as vital to European peace and security.

(5) NATO has enlarged its membership on 3 different occasions since 1949.

(6) Congress has sought to facilitate the further enlargement of NATO at an early date by enacting the NATO Participation Act of 1994 (title II of Public Law 103–447; 22 U.S.C. 1928 note) and the NATO Participation Act Amendments of 1995 (section 585 of Public Law 104–107).

(7) The Partnership for Peace, created in 1994 under American leadership, has fostered cooperation between NATO and the countries of Central and Eastern Europe, and offers a path to future membership in the Alliance and a permanent security relationship between participants in the Partnership for Peace and members of NATO.

(8) As new members of NATO assume the responsibilities of Alliance membership, the costs of maintaining stability in Europe will be shared more widely. The concurrent assumption of greater responsibility and development of greater capabilities by the European members of NATO in pursuit of a European security and defense identity will further reinforce burdensharing. Facilitation of the enlargement process will require current members of NATO, and the United States in particular, to demonstrate the political will needed to build on successful ongoing programs such as the Warsaw Initiative and the Partnership for Peace by making available the resources necessary to supplement efforts prospective new members are themselves undertaking.

(9) New members will be full members of the Alliance, enjoying all rights and assuming all the obligations under the Washington Treaty.

(10) In order to assist emerging democracies in Central and Eastern Europe that have expressed interest in joining NATO to be prepared to assume the responsibilities of NATO membership, the United States should encourage and support efforts by such countries to develop force structures and force modernization priorities that will enable such countries to contribute to the full range of NATO missions, including, most importantly, territorial defense of the Alliance.

(11) Cooperative regional peacekeeping initiatives involving emerging democracies in Central and Eastern Europe that have expressed interest in joining NATO, such as the Baltic Peacekeeping Battalion, the Polish-Lithuanian Joint Peacekeeping Force, and the Polish-Ukrainian Peacekeeping Force, can make an important contribution to European peace and security and international peacekeeping efforts, can assist those countries preparing to assume the responsibilities of possible NATO membership, and accordingly should receive appropriate support from the United States.

(12) NATO remains the only multilateral security organization capable of conducting effective military operations and preserving security and stability of the Euro-Atlantic region.

(13) NATO is an important diplomatic forum and has played a positive role in defusing tensions between members of the Alliance and, as a result, no military action has occurred between two Alliance member states since the inception of NATO in 1949.

(14) The process of enlarging NATO to include emerging democracies in Central and Eastern Europe should be a continuing process and progress toward the admission of additional emerging democracies in Central and Eastern Europe will depend on the degree to which these countries meet the criteria set forth in section 203(d)(3) of the NATO Participation Act of 1994.

(15) Protection and promotion of fundamental freedoms and human rights is an integral aspect of genuine security, and in evaluating requests for membership in NATO, the human rights records of the emerging democracies in Central and Eastern Europe should be evaluated in light of the obligations and commitments of these countries under the Charter of the United Nations, the Universal Declaration of Human Rights, and the Helsinki Final Act.

(16) A number of Central and Eastern European countries have expressed interest in NATO membership, and have taken concrete steps to demonstrate this commitment; including their participation in Partnership for Peace activities.

(17) Democratic civilian control of defense forces is an essential element in the process of preparation for those states interested in possible NATO membership.

(18) The security and economic stability of the Caucasus region is important to the United States, and the countries of the Caucasus region should not be precluded from future membership in NATO. The United States should continue to promote policies that encourage economic and fiscal reforms, private sector growth, and political reforms in the Caucasus region.

(19) In recognition that not all countries which have requested membership in NATO will necessarily qualify at the same pace, the accession date for each new member may vary.

(20) The process of NATO enlargement entails the consensus agreement of the governments of all 16 NATO members and ratification in accordance with their constitutional procedures.

(21) The provision of additional NATO transition assistance should include those emerging democracies most ready for closer ties with NATO and should be designed to assist other countries meeting specified criteria of eligibility to move forward toward eventual NATO membership.

(22) Lasting security and stability in Europe requires not only the military integration of emerging democracies of Central and Eastern Europe into existing European structures, but also the eventual economic

and political integration of these countries into existing European structures.

(23) The Congress of the United States finds that Poland, Hungary, and the Czech Republic have made the most progress toward achieving the stated criteria and should be eligible for the additional assistance described in this bill.

(24) The evaluation of future membership in NATO for emerging democracies in Central and Eastern Europe should be based on the progress of those nations in meeting criteria for NATO membership, which require enhancement of NATO's security and the approval of all NATO members.

SEC. 3. UNITED STATES POLICY.

It should be the policy of the United States—

(1) to join with the NATO allies of the United States to adapt the role of the NATO Alliance to the post-Cold War world;

(2) to actively assist the emerging democracies in Central and Eastern Europe in their transition so that such countries may eventually qualify for NATO membership;

(3) to ensure that all countries in Central and Eastern Europe are fully aware of the costs and responsibilities of NATO membership, including the obligation set forth in Article X of the North Atlantic Treaty that new members be able to contribute to the security of the North Atlantic area, and further to ensure that all countries admitted to NATO are capable of assuming those costs and responsibilities; and

(4) to work to define a constructive and cooperative political and security relationship between an enlarged NATO and the Russian Federation.

SEC. 4. SENSE OF THE CONGRESS REGARDING FURTHER ENLARGEMENT OF NATO.

It is the sense of the Congress that in order to promote economic stability and security in Slovakia, Estonia, Latvia, Lithuania, Slovenia, Bulgaria, Romania, Albania, Moldova, and Ukraine—

(1) the United States should continue to support the full and active participation of these countries in activities appropriate for qualifying for NATO membership;

(2) the United States Government should continue to use all diplomatic means available to press the European Union to admit as soon as possible any country which qualifies for membership; and

(3) the United States Government and the North Atlantic Treaty Organization should continue to support military exercises and peacekeeping initiatives between and among these nations and members of the North Atlantic Treaty Organization.

SEC. 5. SENSE OF THE CONGRESS REGARDING ESTONIA, LATVIA, AND LITHUANIA.

In view of the forcible incorporation of Estonia, Latvia, and Lithuania into the Soviet Union in 1940 under the Molotov-Ribbentrop Pact and the refusal of the United States and other countries to recognize that incorporation for over 50 years, it is the sense of the Congress that—

(1) Estonia, Latvia, and Lithuania have valid historical security concerns that must be taken into account by the United States; and

(2) Estonia, Latvia, and Lithuania should not be disadvantaged in seeking to join NATO by virtue of their forcible incorporation into the Soviet Union.

SEC. 6. DESIGNATION OF COUNTRIES ELIGIBLE FOR NATO ENLARGEMENT ASSISTANCE.

(a) In General.—The following countries are designated as eligible to receive assistance under the program established under section 203(a) of the NATO Participation Act of 1994 and shall be deemed to have been so designated pursuant to section 203(d) of such Act: Poland, Hungary, and the Czech Republic.

(b) Authority to Designate Other Countries Not Precluded.—The process of enlarging NATO to include emerging democracies in Central and Eastern Europe should not stop with the admission of Poland, Hungary, and the Czech Republic as full members of the NATO Alliance. Accordingly, the designation of countries pursuant to subsection (a) shall not be deemed to preclude the designation by the President of other Central and Eastern European countries pursuant to section 203(d) of the NATO Participation Act of 1994 as eligible to receive assistance under the program established under section 203(a) of such Act.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS FOR NATO ENLARGEMENT ASSISTANCE.

(a) In General.—There are authorized to be appropriated $60,000,000 for fiscal year 1997 for the program established under section 203(a) of the NATO Participation Act of 1994.

(b) Availability.—Of the funds authorized to be appropriated by subsection (a)—

(1) not less than $20,000,000 shall be available for the subsidy cost, as defined in section 502(5) of the Credit Reform Act of 1990, of direct loans pursuant to the authority of section 203(c)(4) of the NATO Participation Act of 1994 (relating to the "Foreign Military Financing Program");

(2) not less than $30,000,000 shall be available for assistance on a grant basis pursuant to the authority of section 203(c)(4) of the NATO Participation Act of 1994 (relating to the "Foreign Military Financing Program"); and

(3) not more than $10,000,000 shall be available for assistance pursuant to the authority of section 203(c)(3) of the NATO Participation Act of 1994 (relating to international military education and training).

(c) Rule of Construction.—Amounts authorized to be appropriated under this section are authorized to be appropriated in addition to such amounts as otherwise may be available for such purposes.

SEC. 8. REGIONAL AIRSPACE INITIATIVE AND PARTNERSHIP FOR PEACE INFORMATION MANAGEMENT SYSTEM.

(a) In General.—Funds described in subsection (b) are authorized to be made available to support the implementation of the Regional Airspace Initiative and the Partnership for Peace Information Management System, including—

(1) the procurement of items in support of these programs; and

(2) the transfer of such items to countries participating in these programs, which may include Poland, Hungary, the Czech Republic, Slovakia, Estonia, Latvia, Lithuania, Romania, Slovenia, Albania, Ukraine, and Bulgaria.

(b) Funds Described.—Funds described in this subsection are funds that are available—

(1) during any fiscal year under the NATO Participation Act of 1994 with respect to countries eligible for assistance under that Act; or

(2) during fiscal year 1997 under any Act to carry out the Warsaw Initiative.

SEC. 9. EXCESS DEFENSE ARTICLES.

(a) Priority Delivery.—Notwithstanding any other provision of law, the delivery of excess defense articles under the authority of section 203(c) (1) and (2) of the NATO Participation Act of 1994 and section 516 of the Foreign Assistance Act of 1961 shall be given priority to the maximum extent feasible over the delivery of such excess defense articles to all other countries except those countries referred to in section 541 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1995 (Public Law 103-306; 108 Stat. 1640).

(b) Cooperative Regional Peacekeeping Initiatives.—The Congress encourages the President to provide excess defense articles and other appropriate assistance to cooperative regional peacekeeping initiatives involving emerging democracies in Central and Eastern Europe that have expressed an interest in joining NATO in order to enhance their ability to contribute to European peace and security and international peacekeeping efforts.

SEC. 10. MODERNIZATION OF DEFENSE CAPABILITY.

The Congress endorses efforts by the United States to modernize the defense capability of Poland, Hungary, the Czech Republic, and any other countries designed by the President pursuant to section 203(d) of the NATO Participation Act of 1994, by exploring with such countries options for the sale or lease to such countries of weapons systems compatible with those used by NATO members, including air defense systems, advanced fighter aircraft, and telecommunications infrastructure.

SEC. 11. TERMINATION OF ELIGIBILITY.

(a) Termination of Eligibility.—The eligibility of a country designated pursuant to section 6(a) or pursuant to section 203(d) of the NATO Participation Act of 1994 may be terminated upon determination by the President that such country no longer meets the criteria set forth in section 203(d)(3) of the NATO Participation Act of 1994.

(b) Notification.—At least 15 days before terminating the eligibility of any country pursuant to subsection (a), the President shall notify the congressional committees specified in section 634A of the Foreign Assistance Act of 1961 in accordance with the procedures applicable to reprogramming notifications under that section.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York [Mr. Gilman] and the gentleman from Indiana [Mr. Hamilton] will each be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. Gilman].

Mr. GILMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to bring before the House H.R. 3564, the NATO Enlargement Facilitation Act.

Almost 7 years have passed since the revolutions of 1989 swept communism from most of Central and Eastern Europe. Since that date, the emerging democracies of that region have waited patiently to be invited into Western political, economic and security structures.

This bill stands for the proposition that neither we nor the emerging democracies of Central and Eastern Europe can afford to wait any longer. Only by taking this step now can we ensure that the democratic gains of the last 7 year are not going to be reversed.

After today's vote, it is hoped that we will never hear again that the Congress does not support NATO enlargement. We will support it. Indeed, for more than 2 years now, we have been criticizing the administration for moving too slowly to enlarge NATO.

On February 20 of this year, I wrote to the President urging him to implement the NATO Participation Act which we enacted into law almost 2 years ago, and I recommended in particular the designation of Poland, Hungary, and the Czech Republic as the first countries eligible to receive assistance under that act. Earlier this year, the President rejected our recommendations.

Mr. Speaker, I include for the RECORD my exchange of correspondence with the President:

COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES,
Washington, DC, February 20, 1996.

The PRESIDENT,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: On February 12th, you signed into law Public Law 104–107, the Foreign Operations, Export Financing, and Related Programs Appropriations Act for Fiscal Year 1996. Section 585 of this law amends the NATO Participation Act of 1994 (title II of Public Law 103–447) to facilitate use by you of the authorities provided by the NATO Participation Act to assist the transition to full NATO membership of certain Central and Easter European countries emerging from communist domination.

In addition, section 585 expresses the sense of the Congress that, within 60 days of enactment, you should designate the first Central and Eastern European countries eligible to receive transition assistance under the NATO Participation Act.

As the principal author of the NATO Participation Act, I have been disappointed by the fact that, over fifteen months after the enactment of that Act, the Administration has yet to utilize the authority provided by the Act to expedite expansion of the NATO alliance. In light of the revisions to that Act made by section 585 of Public Law 104–107, as well as section 585's call on you to designate the first countries eligible to receive assistance under the Act, I urge you to move quickly to designate Central and Eastern European countries to receive assistance under the Act. In particular, I urge that Poland, Hungary, and the Czech Republic be so designated.

Prompt designation by you of, at a minimum, Poland, Hungary, and the Czech Republic as eligible countries will send a powerful signal to these countries of the determination of both the Congress and your Administration to expand NATO at an early date. It also will permit you to begin providing additional forms of assistance to facilitate the transition of these countries to full NATO membership.

I am convinced that the United States can no longer afford to delay deciding which Central and Eastern European countries will be the first admitted to NATO. We are already to the point where some are beginning to ask not whether it is too early to expand NATO, but rather whether it is too late. Further delay can only heighten the risk that the countries of Central and Eastern Europe will feel abandoned by the West and will consider departing from the path of reform on which they embarked in 1989.

With best wishes,

Sincerely,

BENJAMIN A. GILMAN,
Chairman.

THE WHITE HOUSE,
Washington, DC, May 9, 1996.

Hon. BENJAMIN A. GILMAN,
House of Representatives,
Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter on the admission of new members to NATO. I am aware of your considerable efforts in support of NATO enlargement, including co-authorship of the NATO Participation Act, and I value your views on how to achieve our mutual goal. I have made this one of my top foreign policy priorities and will ensure that it remains at the top of NATO's agenda. As a result of U.S. leadership, NATO's enlargement is in progress and will happen.

At my initiative, NATO began a process in January 1994 that will result in the admission of new members to the Alliance. By taking in new members from among Europe's new democracies, NATO can help lock in the very substantial progress that has been made there in instituting democratic and market economic reforms. Enlargement will serve to erase the illegitimate lines of the Cold War and provide the security underpinning for a growing, undivided transatlantic community.

We have already made solid, steady progress, at a pace that reflects the many substantial security commitments and practical preparations necessary to admit new members to the Alliance. Last fall, NATO completed its study on the mechanisms and rationale of enlargement and presented the results to our partners in Central Europe and the New Independent States. In December, NATO agreed to move into a second phase of the process consisting of intensified preparations by both NATO and aspiring members. Practically, this means detailed, individual consultations between NATO and self-identified candidates and an enhanced program of preparatory activities, conducted nationally and through the Partnership for Peace. Eleven partners, (Albania, Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia) have thus far asked to participate in this phase.

Allies have agreed that NATO enlargement's second phase will run through 1996 and that our Foreign Ministers will address next steps at the North Atlantic Council in December. I agree that we must maintain the momentum of the NATO enlargement process. It is my objective that, as Secretary Christopher recently told his Central European counterparts, NATO will move to greater specificity on the question of enlargement's "who and when" at the December meeting and its immediate follow-on.

As NATO moves ahead, my Administration is pursuing a comprehensive strategy to ensure that enlargement succeeds. The first element for success lies in building and maintaining a durable Allied consensus in support of enlargement. Admission of any new member to NATO, precisely because of the seriousness of the security commitments involved, must have the full support of all of its current members. We must be careful that actions we undertake in support of the enlargement process do not have the inadvertent effect of undermining Allied consensus and thereby slowing progress.

A second element needed for success is to place NATO enlargement in the context of a broad, balanced and integrated approach to increasing stability and security throughout the transatlantic area by building a cooperative security structure in Europe. This includes a revitalized NATO, support for enlargement of the European Union, strengthening the OSCE and enhanced cooperation with other states not immediately aspiring to NATO membership or who may not be in the initial group of states invited to begin accession talks with the Alliance. It also includes a strong and productive relationship between the Alliance and Russia, given the key role Russia can play in shaping a stable and secure Europe.

A third element critical for success is encouraging prospective members to prepare seriously for the full range of military and political responsibilities they will need to assume if and when they become members. Aspiring Allies need adequate time to prepare for these obligations. NATO, too, faces a major task in preparing itself for enlargement. We have already begun a comprehensive review of the internal adjustments NATO must make to admit new Allies.

To their credit, partners have not waited to be "designated" as eligible for membership before undertaking the basic reforms and preparations we have made clear they must pursue. The prospect of NATO membership has proven to be a most powerful incentive for both domestic reform and the resolution of ethnic and territorial conflict. Your legislation specifically urges me to designate Poland, the Czech Republic and Hungary as eligible for assistance under the NATO Participation Act. These countries are indeed making substantial progress and I agree they will be strong candidates for early NATO membership when the Alliance decides to move forward. At this stage, however, writing into law a narrow list of countries eligible for special assistance could reduce our ability to work with other emerging democracies that are also making significant progress but may not be immediately eligible for assistance under the NATO Participation Act.

I firmly believe that my comprehensive strategy is the best means for carrying NATO's enlargement process through to a successful conclusion. Proof that it is working can be seen in the significant improvement in the ability of some partner forces to undertake joint missions with NATO, including in IFOR. Our clear sense is that the eleven partners participating in the second phase of the enlargement process understand and support our policy of steady, deliberate progress toward enlargement and in no way feel "abandoned by the West" or are considering "departing from the path of reform," as you suggest. On the contrary, they are actively and enthusiastically engaged in the second phase of the enlargement process, which, as I noted earlier, will culminate in decisions by NATO Foreign Ministers in December on important next steps in the process.

My Administration is committed to continued close cooperation with you. I welcome your efforts to build bipartisan Congressional support both for the continuing engagement of the United States in Europe and for this Administration's commitment to bringing new members into the Alliance. Secretary Christopher echoed my own sentiments when he said in Prague that we are determined to keep faith with the nations of this region and to open the door that Stalin shut when he said no to the Marshall Plan. No European nation should ever again be forced to occupy a buffer zone between great powers or be abandoned to the sphere of influence of another.

We look forward to working you on this historic task.

Sincerely,

BILL CLINTON.

It was only after I received this letter from the President that I introduced the measure that is before us today. This measure finally implements the NATO Participation Act, and I am gratified that the administration has, upon careful reflection, decided not to oppose this legislation. I continue to believe, however, that enactment of this legislation is essential if we wish to keep the pressure on the administration for prompt NATO enlargement.

Accordingly, I urge my colleagues to vote for H.R. 3564.

Mr. Speaker, I reserve the balance of my time.

Mr. HAMILTON. Mr. Speaker, I yield myself such time as I may consume, and I rise in support of H.R. 3564.

Mr. Speaker, I commend Chairman GILMAN for his leadership in bringing this bill to the House floor.

This bill helps us to begin the debate on what will become one of the most important foreign policy issues facing the United States—the question of NATO enlargement. Are we prepared to commit American lives and treasure to defend new NATO countries? I am impressed with how casually we are considering this issue. I am afraid that this bill is driven by domestic politics more than it should be.

But, I appreciate Chairman GILMAN's efforts to put this important issue before us.

At the outset I want to make clear what this bill does and does not do.

This bill takes two basic steps: It finds that three countries—Poland, Hungary, and the Czech Republic—have made the most progress toward achieving the criteria of NATO membership; and makes these three countries eligible for up to $60 million in military assistance—grants, loans, and training—to help them in the enlargement process.

Just as significant is what this bill does not do: It does not prejudice U.S. or NATO policy by stating that any specific country should be admitted to NATO; it establishes no date certain for the entry of new members into NATO.

This bill is a distinct improvement over H.R. 7, considered by the House in early 1995, as well as other efforts to dictate the nature and the timetable of NATO enlargement.

There is some common ground between the administration and the sponsors of this bill.

The administration agrees that Poland, Hungary, and the Czech Republic have made more progress than others toward NATO membership.

The administration supports the authorization of military assistance to help these countries prepare for NATO membership.

The only differences are technical. The administration opposes earmarking assistance for these countries through the NATO Participation Act, which undercuts flexibility in the use of assistance funds intended for a wider range of Partnership for Peace countries.

I intend to vote for this bill for three reasons.

First, this bill supports current U.S. policy: enlarging NATO will help integrate the democratic nations of Central and Eastern Europe into the Western family of nations.

Second, this bill highlights that NATO enlargement is a gradual and deliberate process. That process will evolve over several months and years: A NATO meeting in December 1996, will prepare the way for a NATO summit in 1997, at which certain countries will be named and accession talks begin; accession talks will likely take a year or two; and NATO governments must then approve, by consensus, the accession agreements; all 16 NATO governments must then ratify those agreements, which will require parliamentary approval.

So, as a practical matter, the actual enlargement of NATO is several years down the road. That is the prudent course.

Third, this bill contains several important findings on NATO enlargement: It states that NATO membership is not a free ride; that prospective members must be able to contribute to the security of the North Atlantic area and assume the costs and responsibilities of NATO membership; it sets out that enlargements will require agreement of all 16 NATO states; it notes the important role of Partnership for Peace in the enlargement process and in fostering cooperation between NATO and the states of Central Europe; and it states that lasting security and stability in Europe requires not just military steps but economic and political integration, especially the integration of Central and East Europe into the European Union.

I intend to vote for this bill, but I have many questions about NATO enlargement, and I want to state them briefly:

I have no doubt that NATO enlargement will advance the interests of Poland, Hungary, and the Czech Republic, but how will it advance United States interests?

Why is NATO enlargement necessary, when the threat to peace and security in Central and Eastern Europe has never been less?

Will NATO enlargement increase stability and security if NATO admits some countries—but not others countries—in Central and Eastern Europe? Or does it risk new lines of confrontation in Europe, especially if Russia believes that NATO enlargement is a new policy of containment?

Are the American people prepared to undertake the financial and security obligations that NATO enlargement will entail?

This bill may authorize a modest amount of funds, but we should not set a precedent where we pay countries to meet the conditions of NATO membership.

Should we undertake these obligations? A Congressional Budget Office study estimates that NATO enlargement could cost $60 to $125 billion over a 15-year period, with the United States paying $5 to $19 billion.

Are we ready to provide a United States nuclear guarantee, and commit American soldiers to the security of Slovakia or Slovenia?

It is clear what NATO can do for new members—but what will they contribute to NATO? So far, we don't have good answers to many of these questions.

I also share the administration's concerns about earmarking assistance, and undercutting flexibility to provide assistance to all Partnership for Peace countries.

I would hope that some compromise on this issue is possible as the legislative process moves forward.

Now, in the course of this debate, we will hear criticism that the administration is dragging its feet on NATO enlargement. That criticism is way off the mark. Whether you support or oppose NATO enlargement, let's be clear here: The administration is driving the train. The question of enlargement is a NATO's agenda only because the United States has made it such a high priority. Yet, any decision on enlargement must be by NATO consensus. The United States cannot dictate the outcome. Leadership is not the same as arm-twisting. A successful outcome on NATO enlargement will require the support of all NATO members.

In conclusion, I see common ground between this bill and administration policy, other than on details of a funding mechanism. Both agree that three countries in Central and Eastern Europe have made the most progress toward NATO membership. Both agree that a modest amount of military assistance should be provided to them to help in this process. This bill is the first step in what I hope will be a full debate on the merits of NATO enlargement.

I support the bill.

Mr. Speaker, I reserve the balance of my time.

Mr. GILMAN. Mr. Speaker, I want to thank the gentleman from Indiana [Mr. HAMILTON], the ranking minority member, for his supporting arguments on behalf of the bill.

Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska [Mr. BEREUTER], the distinguished chairman of the Subcommittee on Asia and the Pacific of our Committee on International Relations.

Mr. BEREUTER. Mr. Speaker, as original cosponsor of this legislation, and as a leader of this body's delegation to the North Atlantic Assembly, this Member rises in strong support of the NATO Enlargement Facilitation Act.

This Member would commend the distinguished gentleman from New York [Mr. GILMAN], the chairman of the Committee on International Relations, for his leadership in promoting this important national security legislation. In addition, this Member would pay tribute to the former majority leader of the other body, the distinguished former Senator from Kansas, Mr. Dole. It is clear that, were it not for the leadership of Senator Dole, we would not be considering this visionary legislation today.

Mr. Speaker, there has been a great deal of confusion, both in this body as well as among the countries and interested parties in Eastern and Central Europe, about what this legislation really does. In order to produce or eliminate any confusion, this Member would like to take a moment and attempt to succinctly explain what this legislation will do and what it will not do.

First, contrary to what has frequently been said, this legislation would not admit new countries into NATO; that is something that can be done only with the parliamentary concurrence of all 16 Members of NATO. The legislation does, however, take appropriate note of the three Central European countries Poland, the Czech Republic, and Hungary, which have made the greatest strides toward qualifying for NATO membership. For these nations, the legislation sets forth a modest training and assistance package to help them acquire some of the infrastructure items that are essential for NATO membership, for example, air defense radars, and telecommunications infrastructure.

□ 1130

The legislation also recognizes that there are other Central European nations which have taken positive steps for Partnership for Peace. That is true of Eastern European nations as well. These countries may at some future date also be qualified for NATO membership.

Second, this legislation does not establish new ideological or strategic lines or boundaries across Europe. The nations of Eastern and Central Europe, particularly those which are not cited in the first tier of eligibility, are understandably worried that they would have the option of NATO membership permanently closed to them. Some nations fear that they will be caught on the wrong side of a new Iron Curtain, forever excluded from the closer cooperation with the West.

H.R. 3564 does not set those rigid boundaries. The lessons of Yalta must not be forgotten. We fully recognize that NATO is likely to continue to enlarge in the future, but only when aspiring members are able to fulfill the conditions of membership and capable of contributing to the common defense.

Third, H.R. 3564 is not an open-ended promise of eventual NATO membership to interested Eastern and to Central European nations. The North Atlantic Treaty Organization is not a social club or paper organization; rather it is the most successful collective defensive organization in the history of mankind. It is perhaps inevitable that some nations, which have expressed an interest in NATO, may fail to meet the basic criteria for membership, but this is in part also somewhat of a self-qualification process.

The nations which have adopted free markets and adopted a full range of truly democratic institutions and practices will be more likely to be considered for membership. Those countries which fail to liberalize their economies or fail to become real democracies or repress their citizens are unlikely to enter NATO.

In addition, of course, NATO membership will only be offered to those nations which are willing to assume the shared cost and defense responsibilities of the alliance.

Last, this legislation should not be seen to threaten Russia or any other nation. The NATO alliance remains a defensive alliance. The Russian leadership must understand that NATO will not launch unprovoked attacks against a peaceful neighbor. The far more serious threat to Russian interest is internal instability and instability along her borders.

It is desperately important for the Russian people that its government complete fundamental economic and political reforms, but these reforms will be impossible if it is constantly threatened with civil war and political instability along its borders. Thus, the stability that NATO can project into Central and Eastern Europe should be helpful to Russian economic modernization and to its political stability.

Mr. Speaker, it most assuredly is true that the nature of some of the security challenges which face the NATO alliance have fundamentally changed since the days of the cold war. At that earlier time, defending Europe from Soviet or Warsaw Pact attack was NATO's paramount mission. Now projecting stability and democracy eastward is perhaps the most important function that the alliance can serve.

Where once the Warsaw Pact enforced an involuntary order, now in too many places there is merely a power vacuum. No one wants to return to a time when border conflicts, aggressive nationalism, ethnic divisions, and political intrigue was the norm in Eastern and Central Europe.

But it is clear that could well reemerge unless stability is projected into the region. It should be obvious that NATO is the best instrument to fill that power vacuum, and it can do so in a nonthreatening manner.

Mr. Speaker, as the body completes consideration of the NATO Enlargement Act, this Member would remind his colleagues that we are considering very serious future treaty commitments. As this Member already has noted, the North Atlantic Treaty Organization is the most successful defensive alliance in the history of the world. Its success is anchored in the article 5 commitment North Atlantic Treaty, which states that an attack against one is an attack against all. Members must acknowledge that the admission of a new nation to NATO means that this nation will go to war to defend that country. Thus, this Congress should voice its support for NATO expansion in the months and years ahead only after careful consideration, and only if specific expansions are in the U.S. national interest. By passage of this act, we are moving forward to facing these future decisions on countries which can better prepare themselves to take on the full responsibilities of NATO membership.

This Member believes it is indeed in the national interest to expand NATO for those nations which meet all the criteria for membership. A carefully crafted policy of NATO enlargement can project stability into a volatile region of the world without drawing new boundaries, and it can do so in a way that should not undermine stability in Russia. By providing basic assistance through H.R. 3564 to those nations which have thus far made the greatest progress toward fulfilling the criteria for membership in a defensive alliance among the democratic nations of North America and Europe.

Mr. Speaker, it is not a question of whether NATO will expand, but when it will expand. Clearly, the enactment of H.R. 3564 will speed the day when NATO expands in a responsible, stabilizing manner. This Member urges adoption of H.R. 3564.

I urge my colleagues to support this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. HAMILTON. Mr. Speaker, I yield 3 minutes to the distinguished Member from Connecticut [Mr. GEJDENSON].

Mr. GEJDENSON. Mr. Speaker, I want to commend both the gentleman from Indiana [Mr. HAMILTON], the ranking member, and the gentleman from New York, Chairman GILMAN, for the action today.

My father was in the Polish army in the late 1930's, 1939, as the war broke out. Poland, like Czechoslovakia first, saw both the Germans and the Russians coming in and divide them. Then the Russians were pushed back. The Germans took all of Poland. My father's entire family was exterminated. The the Russians came in and took over, and the dark days in Poland continued.

Czechoslovakia, of course, was Hitler's first grab with the Sudeten. Then again, as the Germans were pushed back, the Russians took it and imposed their terror on the Czech people for many years.

I think this legislation comes at the right time. There could have been a debate prior to the election in the Soviet

Union. We could have argued at that point that, while the election was going on, we should be a little cautions in doing anything that would impact the outcome. The Soviet election, the Russian election is over. These countries, Poland, Hungary, and the Czech Republic, are moving in the right direction. If we needed to learn anything from history, it is that, when we have the opportunity to put peace in place, we ought to take that opportunity.

We have seen sufficient turmoil in the post-Soviet era to understand that, just because the Soviet Union has come to an end, does not mean that we are guaranteed peace on the European continent. The worst horrors we have seen in Europe in the last 50 years occurred after the fall of the Soviet Union in the former country of Yugoslavia as it disintegrated.

I think this action will ensure stability. We need to work with the Russians and others in the region to make sure that they understand this is not a move to threaten anybody's sovereignty or security. This is a move that hopefully will use the power and the strength of the West to ensure stability in Eastern Europe and help build not just a secure Eastern Europe but a more prosperous former Soviet bloc and that goes as well for the Russians.

These people in particular, the Poles, the Hungarians, and the Czechs, have suffered significantly throughout this century. This will give them some of the security that they rightly demand.

Mr. BEREUTER. Mr. Speaker, it is my pleasure to yield 2 minutes to the distinguished gentleman from California [Mr. COX], the chairman of the Republican Policy Committee.

Mr. COX of California. Mr. Speaker, I thank the chairman for yielding.

The collapse of the Soviet empire is the most significant geopolitical event of the second half of the 20th century. It marks an enormous victory in the global struggle for freedom. Its direct beneficiaries are the liberated peoples of Europe and Asia that comprise the former captive nations so long dominated by the Warsaw Pact.

Unlike NATO, which was organized to protect and defend its members from Soviet expansionism, the Warsaw Pact subjugated its own member states, as we saw when Warsaw Pact troops invaded Hungary and Czechoslovakia to depose their governments and snuff out the people's freedom.

The captive nations, whose people fought and struggled against communism for so many dark years, deserve membership in NATO more than any other people on earth. NATO membership will accelerate the growth of their democracies and the pace of their economic reforms, and it will make our own world more secure. History demonstrates that democracies and free people do not threaten their neighbors.

This legislation is necessary now because action by the Clinton administration is long overdue, because the window of opportunity will not remain open forever. It has been 5 long years since the collapse of the Soviet empire. Let us begin this process now, in Poland, Hungary, and the Czech Republic, and let us work with the Baltic nations and the other former captive nations of central and economic Europe to expand the family of democracies and the respecters and promoters of free enterprise on our planet so that our world will indeed soon be a safer place.

Mr. HAMILTON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Florida [Mr. JOHNSTON].

Mr. JOHNSTON of Florida. Mr. Speaker, I know that I am chasing windmills when it comes to this particular bill because it has a degree of unanimity in this body, the State Department and the President. But, probably for cathartic reasons, I must oppose the bill.

For the past 36 months, I have heard a chorus from this body, both Democrats and Republicans, that we must cut foreign aid and foreign assistance, notwithstanding the fact that the United States is the lowest per capita contributor of foreign aid of all of the industrialized countries in the world. I have also heard from this podium that no American troops should be sent to Somalia, Rwanda, Haiti, or Bosnia.

How many times have you heard that the United States cannot be the policeman of the world?

Well, how many of you have read this bill? How many of you have read the NATO Charter? How many of you have any idea what the expansion of our military obligation will be when we expand NATO? Do you have any idea of the cost of equipping these armies to bring them up to NATO standards? You're talking about billions of dollars. The Marshall plan will look like petty cash compared to this expansion.

Let me read from Congressional Research Service:

> A Rand study concluded that a conservative estimate of NATO expansion to include the Visegrad States, (that's Hungary, Poland, and the Czech Republic) will require ten to fifty billion dollars over 10 years, or as much as one hundred billion dollars or more should more vigorous measures be necessary to develop a strong defense posture.

In March 1996 CBO issued a report assessing cost of NATO enlargement under five possible options ranging from assisting a new member engaged in a border skirmish, or a conflict with a regional power to the permanent stationing of forces and equipment of current member states on the territory of new members to prepare for a border conflict. The study assumed that Poland, Hungary, the Czech Republic, and Slovakia would be the initial new members and would bear the brunt of the cost of military modernization; that the cost would be spread over 1996–2010 and that current allies would pay a percentage of modernization cost equal to their proportionate share in NATO's Security Investment Program.

In such circumstances, cost at the low end for option 1 would be $60 billion with the United States share being $4.8 billion, and at the high end, $125 billion with the United States share being $18.9 billion.

Once you start the expansion—Poland, Hungary, and the Czech Repubic—politically, you cannot stop. In this bill you encourage admission to NATO of the Baltic countries—Estonia, Latvia, and Lithuania—to one previous Yugoslavian country, Slovenia, and the most insulting and offensive to the Russians, two former Soviet Union countries, Muldova and Ukraine.

Are you willing now to commit American soldiers to a border dispute between Lithuania and Russia over the enclave of Kaliningrad? Are you willing to send troops to Latvia because they have a fight with Belarus? Are you willing to send troops to Ukraine because of a conflict with Russia over the Black Sea fleet and Crimea? Think about it.

Let me make it perfectly clear. I am not an isolationist. Serving on the Foreign Affairs Committee for 8 years has given me a global view. I wanted to send troops into Rwanda long before the slaughter there. Serving on the Committee on International Relations has given me a global view. But how can you give a blank check to the white Eastern European nations and totally abandon black Africa?

This is a major step and one that should not be taken lightly.

I leave Congress in 5 months but I plan to come back and haunt you on a yearly basis.

Mr. BEREUTER. Mr. Speaker, I yield myself such time as I may consume.

No one is contemplating early NATO membership for Ukraine or Belarus, perhaps not ever. And, indeed, we are willing to use American military force when it is in the vital interest of the United States. Clearly, instability in Central and Eastern Europe would be contrary to the vital interests of the United States of America.

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New Jersey [Mr. SMITH], a member of the committee.

Mr. SMITH of New Jersey. Mr. Speaker, I thank the gentleman from Nebraska [Mr. BEREUTER], my good friend, for yielding me this time.

Mr. Speaker, I commend Chairman GILMAN for his leadership in ensuring the timely consideration of H.R. 3564, the NATO Enlargement Facilitation Act of 1996. As an original cosponsor of this legislation, a strong advocate of NATO enlargement, and Chairman of the Helsinki Commission, I have consistently emphasized the importance of human rights in the expansion process. In addition, I am keenly interested in encouraging states interested in NATO membership to take concrete steps to strengthen civilian democratic control of the military.

During the International Relations Committee's consideration of this important initiative, language which proposed on each of these aspects of enlargement was approved with the Chairman GILMAN's support, for which I am grateful.

As a result, Mr. Speaker, the bill before us today includes an unqualified statement that the protection and promotion of fundamental freedoms and human rights are integral aspects of genuine security. The legislation also makes clear that the human rights records of emerging democracies in Central and Eastern Europe interested in joining NATO should be evaluated in light of the obligations and commitments of these countries under the U.N. Charter, the Universal Declaration of Human Rights, and the Helsinki Final Act. I would note that all 27 states of the Partnership for Peace [PfP] are participating States of the Organization for Security and Cooperation in Europe [OSCE]. That membership has committed each to act in accordance with all OSCE documents, including the Helsinki Final Act.

Mr. Speaker, the enlargement process provides an excellent opportunity for countries desiring membership to demonstrate their commitment to the shared values of NATO—including respect for human rights—as well as their ability to fulfill the military and political obligations expected of all member states. Prospective members should meet the criteria set forth in the NATO Participation Act of 1994 and other relevant legislation before they are admitted as full members of NATO.

It is also important to recognize that the present process of enlargement is taking place under significantly different circumstances that existed when a limited number of states were added in the past. Given the growing number of countries actively seeking full membership in the alliance, it is essential to establish clear criteria which all new members must meet.

Mr. Speaker, in recent days there has been some discussion about including Croatia among the prospective recipients of assistance under this legislation. To set the record straight, nothing in the pending legislation precludes Croatia from receiving assistance provided that country—or any other prospective recipient—meets a series of criteria, including respect for human rights. I welcome the recent decision of the OSCE to deploy a mission to Croatia and look forward to the findings and recommendations of that group which could contribute to establishing the conditions necessary for Zegreb to pursue eventual membership in NATO. In the meantime, Croatia should press for inclusion in the PfP, widely viewed as the first step toward possible NATO membership.

Mr. Speaker, I wish to turn briefly to the issue of civilian democratic control of the military. At the outset, let me say that the countries of Central and Eastern Europe have made tremendous strides in overcoming the legacy of communism. Perhaps one of the most delicate aspects of this transition has been establishing civilian control of the military an important prerequisite for those wishing to join NATO. Significant progress has been made in the emerging democracies leading to increased transparency with respect to military activities and budgets. Another key component, in my view, is the naming of a civilian to serve as minister of defense. Beyond mere symbolism, this action underscores the willingness of the military to subordinate itself to the democratic civilian leadership—a fundamental aspect of democratic society. I applaud those countries which have already undertaken this important step and encourage others to pursue that course.

In closing, Mr. Speaker, I urge my colleagues to support this legislation as a demonstration of our determination to move NATO expansion forward and our commitment to the people of East Central Europe, including those from the Baltic States and Ukraine, as they strive to overcome the legacy of communism and pursue democracy firmly rooted in respect for the rights and freedoms of the individual.

□ 1145

Mr. HAMILTON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Minnesota [Mr. OBERSTAR].

Mr. GILMAN. Mr. Speaker, I yield 30 seconds to the gentleman from Minnesota [Mr. OBERSTAR].

The SPEAKER pro tempore (Mr. HAYWORTH). The gentleman from Minnesota [Mr. OBERSTAR] is recognized for 2 minutes and 30 seconds.

Mr. OBERSTAR. Mr. Speaker, I thank the gentlemen for yielding me the time.

Mr. Speaker, this is important legislation for the reasons already explained. Because it is important, I regret that it does not go a step further and include, along with Poland, Hungary and the Czech Republic, Slovenia.

Let me explain why. With only 8 percent of the population of former Yugoslavia, Slovenia accounted for 19 percent of the country's gross domestic product, one-third of its exports, one half of its dairy production, 40 percent of all of its taxes.

The Slovenes, post election, have been a model of parliamentary democracy. Local government has been expanded; 158 new municipalities have been created, local elections held. They have received the highest human rights respect status awarded by Amnesty International.

Inflation in the postwar, and it was only a 9-day war imposed by the Serb Army, only 68 people died, the Slovenes let the Serb Army return to its land without killing anyone, inflation was at 1,200 percent. It is now down to under 9 percent. They have a $3 billion positive international balance of payments. They have the 20th largest per capita exporting country record.

Ninety percent of the former socialist economy has been privatized. The banks have been privatized. They have balanced their budget. Unemployment rate is down to around 7 percent. Slovenia, in short, is Europe's best kept democratic secret.

When our Secretary of Defense, Mr. Perry, was in Slovenia recently, he said, Slovenia has done very well in all standards for NATO membership and is a strong candidate. Slovenia, he continued, can be a model to other Eastern Bloc and Central European countries because of its successful implementation of a democratic government, market economy, and resolving disagreements with its neighbors.

I have discussed this matter with the gentleman from New York [Mr. GILMAN] and with our ranking member, the gentleman from Indiana [Mr. HAMILTON]. I appreciate their willingness to give consideration to Slovenia at an appropriate time.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I want to assure the gentleman that we have reviewed Slovenia's progress and recognize it has made a significant amount of progress. I want to assure the gentleman that in the forthcoming session, providing we are all here, we will work toward trying to allow Slovenia to become a member of NATO.

Mr. OBERSTAR. Mr. Speaker, I very much appreciate the chairman's interest, understanding and support for this initiative.

Mr. BEREUTER. Mr. Speaker, will the gentleman yield?

Mr. OBERSTAR. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Speaker, Slovenia has made remarkable progress. We recognize that. Their emergence has been so recent it did not receive full consideration.

Mr. GILMAN. Mr. Speaker, I yield 1½ minutes to the gentleman from Pennsylvania [Mr. FOX] a member of the Committee on International Relations.

Mr. FOX of Pennsylvania. Mr. Speaker, I rise in strong support of H.R. 3564, the NATO Enlargement Facilitation Act of 1996, authored by Chairman GILMAN and Senator Dole.

One of America's most solemn obligations is to foster the growth of democracy and freedom both at home and abroad. These goals have been constants in American foreign policy since our Nation's birth—there are no two goals more clearly in our national interest and consistent with our national ideals. As Americans, we were all elated when the Communist chokehold on Eastern Europe was lifted and the cold war was won. Now we must do everything possible to encourage and protect the fragile young democracies which are emerging in Eastern Europe.

This legislation ensures that the emerging democracies will remain vital forces for freedom in Eastern Europe. This bill welcomes these nations as allies by facilitating the entrance of Poland, Hungary, and the Czech Republic into NATO and also by providing assistance toward NATO membership for Slovakia, Estonia, Latvia, Lithuania, Slovenia, Bulgaria, Romania, Albania, Moldova, and Ukraine.

Mr. Speaker, I thank Chairman GILMAN for his outstanding leadership and urge my colleagues to support this visionary legislation.

Mr. HAMILTON. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from New York [Mrs. MALONEY].

Mrs. MALONEY. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I rise in support of the NATO Enlargement Facilitation Act.

Mr. Speaker, it is difficult to imagine that less than a decade ago, the world was a very different place.

We were in the icy grip of the cold war.

The Soviet Union was the menacing patron of repression across the globe.

The winds of democracy and freedom had not yet begun to sweep over Eastern and Central Europe.

All that has now changed.

And with this change, we should change NATO.

The bill before us recognizes that three Eastern European countries—Poland, Hungary, and the Czech Republic—have made the most progress with the criteria necessary for NATO inclusion.

As the Representative of Greenpoint, Brooklyn, one of the largest and most dynamic communities of Polish-Americans in the Nation, I am particularly pleased that this bill acknowledges Poland's extraordinary transition to democracy.

The bill also authorizes up to $60 million to these countries to facilitate the NATO expansion process.

It is critical that we recognize Poland's strategic value to the West.

The admission of Poland into NATO will enhance United States interests in Europe by bringing more stability and security to the region.

I urge the adoption of the bill, and I urge the administration to work with our allies to bring about the swift admission of Poland into Europe's most important political and military institution—NATO.

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I rise in strong support of the NATO Enlargement Act of 1996. NATO, for the past 45 years, has been the cornerstone of stability in Europe and a critical element of our Nation's defense, it is the bulwark of Western democracy and free-market economics. The success of the alliance is without question.

But while I support expansion of NATO to include nations of Central and Eastern Europe, it is my unshakable conviction that NATO membership must only be granted to nations that make a fundamental commitment to democracy, the rule of law, and free market economics.

NATO membership must not be granted willy-nilly to nations that fail to make these commitments. Membership cannot be granted simply because certain nations fear their neighbors or believe that membership will enhance their prospects for democratic or economic progress or reform.

A major reason for the alliance's success has been its intolerance of authoritarian or undemocratic regimes within its ranks. Although democratic governments were overthrown by military juntas in Greece and Turkey, both countries joined NATO as democracies and both countries have reverted to democratic governments. Spain was not permitted to join NATO until it demonstrated its commitment to parliamentary democracy.

It also must be recognized that NATO is not anti-Russian. It is not even anti-Communist per se. In fact, it is not intrinsically anti anything. Rather, it is prodemocracy. NATO is and it always has been a defensive alliance under which the protection of democracies and free market economies could flourish.

Some formerly Communist nations of Central and Eastern Europe, such as the Baltic States, Poland, Hungary, and the Czech Republic, have clearly made the transition to free market democracies and should soon easily qualify to join NATO, as this bill calls for.

In addition, the early inclusion of those nations will also be a very powerful example and an incentive to encourage other Eastern European nations, such as Romania, Ukraine, Slovenia, and the Republic of Slovakia to hasten their unchangeable commitment to democratic institutions.

NATO membership by these newly democratic nations will help secure their place among the Central and Western European states. The stability and fate of those nations are of vital importance to the peace and security of Europe.

Mr. Speaker, I urge my colleagues to support this important piece of legislation.

Mr. GILMAN. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia [Mr. WOLF].

Mr. WOLF. Mr. Speaker, I want to express some reservations. I commend the leadership on both sides for what they are trying to do. Eventually these countries ought to be part of NATO, no matter what Russia thinks.

However, I have some reservations. First, Poland. In Poland I wish Lech Walesa was still the head. In Poland a former leading member of the Polish Communist government is not the new prime minister. In Hungary, foreign investors are concerned that socialism is coming back, and many people who were Communists when we knew they were Communists are now back in the government.

In Bulgaria, there are many Communists that have come back in government and, hopefully, the democratic leaning party will win in the upcoming election. In Romania, many of the same people that were in the Ceausescu government are still part of the government. So I am concerned about this.

Also I think if this does pass that we should lay the word down that we expect all of these countries to respect human rights: freedom of religion, freedom of worship, no antisemitism, freedom of movement, and freedom of expression. I am concerned that perhaps we should wait and hold out a little longer on NATO expansion to make sure these countries really do join democracy, whereby they become eligible for NATO.

So I commend the gentlemen on both sides but I want to raise some concerns. If communism comes back, these countries ought not be part of NATO.

Mr. Speaker, I rise to express concern about H.R. 3564, the NATO Enlargement Facilitation Act of 1996. I have some serious reservations about expanding this critical alliance at this time. Things are still too uncertain in the newly democratic countries in Eastern and Central Europe.

I support the concept of NATO expansion, but I think it's too early to be changing the formula that has worked to preserve peace in Western Europe for so long. More time need to pass to give these new governments a chance to show that they are truly committed to democracy, human rights, and being the kind of government necessary to be a trustworthy partner in NATO.

I am encouraged by the progress I have seen since 1989. Some countries are doing better than others, but for the most part we do not see today the kinds of human rights abuses we saw in the pre-1989 ear. Elections have taken place. Good constitutions have been put in place. Rule-of-law is advancing. Individual freedoms—such as freedom of expression, freedom of religion and freedom of association—are being preserved. But, I agree with the words of University of Illinois professor Ed Kolodziej, as reported on June 18 in an article in the Christian Science Monitor, "I don't think [these countries] are ripe by a long shot."

I am deeply concerned that in many countries in Eastern and Central Europe, former communists are in some capacity in government. In Poland, Hungary, Romania, and Bulgaria former members of the Communist party are in charge. In other countries, they are still politically active. Some of them are reformed Communists; some of them are not. It is crucial that we let enough time pass to be able to determine who is who. Actions speak louder than words. We must be able to differentiate clearly between those who are truly committed to democracy and those who are only talking the talk before we commit to protect them.

Things are better, but they are not perfect. I have heard reports that Hungarian Government representatives, at a conference in Budapest during the first week of July, adopted a provocative declaration on the status of Hungarians abroad causing concern for its neighbors. While I remain concerned over the state of Hungarian minority communities in Europe, this declaration illustrated a regrettable insensitivity toward Hungary's neighbors. There are still reports that high-profile individuals, journalists and foreigners are subject to surveillance by security agents in Romania.

When new countries join NATO, they are full-fledged partners. They are entitled to all of our military secrets and the full protection of the United States. I just do not think that the American people are ready for new commitments overseas when we can barely get support for current ones. We currently have 22,000 American troops doing a great job bringing peace to Bosnia, but I know this is not a popular idea with the American people. Would there be the support to send troops to Poland or Hungary or Romania to help governments with former Communists in power?

I don't think so. Not right now. Not before democracy has been tested and tried in Central and Eastern Europe and Communists no longer have influence.

So, Mr. Speaker, I support the concept of NATO expansion, but I don't think we should do it now. It's too early.

Mr. HAMILTON. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama [Mr. CALLAHAN], chairman of the Subcommittee on Foreign Operations, Export Financing and Related Programs.

Mr. CALLAHAN. Mr. Speaker, I thank the gentleman for yielding time to me.

I think many of my colleagues know my philosophy about Members of Congress involving themselves in foreign affairs to the extent that we try to dictate policy. But it is my understanding of this bill that we are not dictating policy. We are strongly suggesting to NATO and to the administration that they encourage the acceptance of three countries and that they expand NATO.

I might say that there is an avenue now through the Partnership for Peace where NATO can be expanded. But I think it is high time, like some of you, that we do expand NATO, that we do expedite the process, because a lot of countries have been waiting a lot of time in order to be included in there.

It is my personal philosophy that we ought to include all nations over there, because if you are going to have a successful NATO, it simply says that one of these nations will not attack another. If it does take place, then those nations that are a part of NATO will defend it. So if all of them were included, it would seem to me that we would have the best of all worlds. But we must begin with the process.

The NATO people must recognize that this process should start. It should have started a lot sooner than that. So we are not dictating to the administration. We are not dictating to NATO. We are simply saying that it is time to move on, that these three nations, specifically mentioned in here as suggestions, have been waiting a long time, that their acceptance would be an enhancement. I would encourage my colleagues to vote in favor of this measure.

Mr. BEREUTER. Mr. Speaker, will the gentleman yield?

Mr. CALLAHAN. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Speaker, the gentleman's comments gives us an opportunity to recognize that we are not barring membership for any country through this resolution, but we are providing an infrastructure and training assistance program, a modest one, by authorizing it as a part of this proposed act.

I thank the gentleman for giving me a chance to remind our colleagues that we are not dictating NATO membership for any country, only facilitating assistance to these three countries that seem to have done an outstanding job in preparing for NATO membership. I thank the gentleman for yielding to me.

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Mr. GILMAN. Mr. Speaker, I yield myself the balance of my time.

The SPEAKER pro tempore (Mr. HAYWORTH). The gentleman from New York is recognized for 2 minutes.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, in concluding our debate today I would like to note that support for this measure has grown rapidly since we first introduced it several months ago. We now have 37 co-sponsors, almost evenly divided between Members of the majority and the minority. The bill has been warmly endorsed by the coalitions representing the 23 million Americans of Central and Eastern European descent. They wrote to me stating that from their point of view this is the most important legislation we will consider this year.

And finally just this morning we received word that the administration has decided to show its support behind the bill. The administration states, and I quote: "The administration welcomes congressional support for the enlargement of NATO as reflected in H.R. 3564."

Accordingly, I appreciate the support of my colleagues and look forward to early approval of the measure.

Mr. BEREUTER. Mr. Speaker, will the gentleman yield?

Mr. GILMAN. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Speaker, I thank the distinguised chairman, the gentleman from New York [Mr. GILMAN], for yielding to me. Earlier Croatia was mentioned as a possible addition to the names of the countries that might eventually qualify for the assistance program we are authorizing by this resolutions when they moved to a greater degree of democracy and respect for human rights. That certainly is possible. Slovenia was also mentioned as a country that ought to be considered, and I fully agree that it ought to be considered for the assistance program.

Something that has not been mentioned is the recent improvements in democracy, economic reform, and human rights that has taken place in that nation which was formerly part of Yugoslavia, now called the Former Yugoslavia Republic of Macedonia [FYROM]. Its progress and potential for advancement into the front ranks for consideration for NATO membership are also to be recognized.

I thank the gentleman for recognizing me for this purpose.

Mr. DURBIN. Mr. Speaker, I rise in strong support of the NATO Enlargement Facilitation Act of 1996, H.R. 3564.

This legislation reflects strong bipartisan support in the U.S. Congress for welcoming the new democracies of Eastern and Central Europe into NATO when they are prepared to meet the responsibilities of membership. And it authorizes necessary assistance to help these new democracies prepare for NATO membership.

As cochairman of the Baltic freedom caucus in Congress, I particularly commend to my colleagues the provisions of H.R. 3564 relating to Lithuania, Latvia, and Estonia. H.R. 3564 states that it is the sense of Congress that Lithuania, Latvia, and Estonia have valid historical security concerns that must be taken into account by the United States, and the Lithuania, Latvia, and Estonia should not be disadvantaged in seeking to join NATO by virtue of their forcible incorporation into the Soviet Union. H.R. 3564 also names Lithuania, Lativa, and Estonia as countries which should participate in the Regional Airspace Initiative and the Partnership for Peace Information Management System.

The fledgling Baltic democracies, still struggling to overcome the effects of 50 years of communist domination, have made great efforts to prepare themselves for NATO membership. They are reforming their armies and instituting civilian controls and Democratic values. They have proven their ability to cooperate in multilateral efforts through the Baltic battalion. They have participated in Partnership For Peace training exercises. And they have contributed troops to the NATO-led operation in Bosnia, where they have earned the respect of their NATO allies and suffered in loss of their young soldiers.

U.S. policy in Eastern and Central Europe should be based on two goals: First, to support the security of the new democracies in the Baltics, Eastern and Central Europe; and second, to create a climate of trust in our relations with Russia, so it understands that the West has no hostile intentions toward Russia's territory or its people.

Expanding NATO membership at the appropriate time will enhance U.S. security, and strengthen democracy and free market reforms throughout Central and Eastern Europe. An expanded NATO, carefully crafted, can secure the peace for generations to come.

As a cosponsor of H.R. 3564, I urge my colleagues to support and pass the NATO Facilitation Act of 1996.

Mr. QUINN. Mr. Speaker, today we have another opportunity to promote peace and security in the world. The NATO Enlargement Facilitation Act will prepare for the eventually inclusion of Poland, Hungary, and the Czech Republic into NATO. As an original cosponsor of the bill, I want to express my strong support for this measure.

The nations of East Central Europe, particularly Poland, have suffered tremendously throughout history. Indeed, they have paid a high price for their unfortunate geographic location. Caught between aggressive neighbors, the sovereignty of these nations has continuously been threatened.

Presently, NATO is in a unique position to help these emerging nations. NATO membership can provide the stability that this region needs as it strives toward democratic institutions and market economies. There is every reason to believe that the presence of NATO will lead to the same political and economic successes that Western Europe has enjoyed in the post-war era.

I am convinced that active engagement with Poland, Hungary, and the Czech Republic is necessary in the tumultuous years following the cold war. Western institutions such as NATO are crucial to fostering a close relationship with these developing democracies and bringing East Central Europe into the community of prosperous, peaceful nations.

Mr. HOKE. Mr. Speaker, I rise to submit for the RECORD a statement by Peter Lucaci and Dr. Nicholas Dima of the Union and League of Romanian Societies of America concerning NATO enlargement and the position of American-Romanians. The Union and League of Romanian Societies of America is the largest Romanian-American organization in our country, and strongly supports expanding ties between the United States and Romania.

However, although I often agree with Mr. Lucaci and Dr. Dima's views about Romania, I do not fully share their certainty about Romania's eligibility to join NATO in the near term.

NATO, for the past 45 years, has been a cornerstone of our Nation's defense, and the bulwark of Western democracy and free-market economics. The success of the alliance is without question.

A major reason for that success has been the alliance's intolerance of authoritarian or undemocratic regimes within its ranks. Although democratic governments were overthrown by military juntas in Greece and Turkey, both countries joined NATO as democracies and both countries have reverted to democratic governments. Spain was not permitted to join NATO until it demonstrated its commitment to parliamentary democracy.

It must also be recognized that NATO is not anti-Russian, nor is it even anti-Communist; rather, it is pro-democracy. NATO is, and always has been, a defensive alliance behind which democracy and free-market economies could flourish.

It is my unshakable conviction that NATO membership must only be granted to nations that make a fundamental commitment to democracy, the rule of law, and free-market economics.

NATO membership must not be granted willy-nilly to nations that fail to make these commitments. Membership cannot be granted simply because certain nations fear their neighbors or believe that membership will enhance their prospects for democratic or economic progress or reform.

Some formerly Communist nations of Central and Eastern Europe—such as the Baltic States, Poland, Hungary, and the Czech Republic—have clearly made the transition to free-market democracy and should soon easily qualify to join NATO.

Being half Romanian by descent, I am particularly committed to seeing Romania take its place among the other Central and Western European States with which they share so many political, economic, and cultural traditions. The stability and fate of Romania is vitally important to the peace and security of Europe.

However, I am concerned that many elements of Romania's democratic institutions are fragile and weak. Many veterans of the former Communist regime remain in positions of power. In addition, the government party's financial assets and dominance of the radio and television media give it an unfair advantage over opposition parties.

Thus, I am unconvinced that Romania's progress toward becoming a full fledged democracy with a free-market economy is guaranteed, or that Romania's government is genuinely committed to joining the Western community. For that reason, at this time I have deep reservations concerning Romania's efforts to become a full member of NATO. I now submit for the RECORD the views of Mr. Lucaci and Dr. Dima.

NATO ENLARGEMENT, AND THE AMERICAN-ROMANIAN POSITION

(By Peter Lucaci)

INTRODUCTION

NATO was created as a means of common defense against the Soviet threat and as a safe mechanism to prevent further wars among its own members. In time, the organization fostered political democracy, prompted economic prosperity, and led to the European Union. Almost five decades later, NATO is seeking enlargement for more or less similar reasons. Our premise is that although no longer openly admitted, Russia continues to represent a potential danger for the stability of Europe. Therefore, the enlargement of NATO should aim at containing Russia while cultivating better relations with it. But, more importantly, NATO should aim at expanding itself to strengthen Europe and the Atlantic Alliance.

Currently, Eastern Europe is undergoing a radical transformation. If coopted by NATO and the European Union, it could become democratic, prosperous, and stable. In our opinion, this is chiefly what makes so many countries of the region eager to join the two institutions. Another reason is the continuous fear of its powerful neighbors. Eastern Europe was dominated throughout most of this century by Germany and Russia. While Germany was crushed in 1945 and completely changed its attitude afterwards, Russia did not. Even after the recent dismemberment of the Soviet Union, Moscow is still harboring resentments toward the West and designs over the East. This is another reason that makes Russia's neighbors look for security in an alliance with the West.

In the nutshell, the Romanian-American position is identical to the interests of the Romanian nation. It coincides with the American interests in the area. And to a certain degree, it overlaps with the position of the current government of Romania. We simply believe that (a) it is in the interest of Romania to join NATO; (b) it is in the interest of the United States; and (3) it is in the interest of Europe.

If Russia does not share this sentiment, it is because Moscow did not make a political commitment to become a normal member of the international community. In addition, from an economic point of view, Russia is far from offering any model of development capable of attracting other countries. Thus, one can bring stability to Eastern Europe either by changing Russia, or by linking Eastern Europe with the West.

APPROACH TO NATO ENLARGEMENT

Ideally, Russia itself should be coopted into the North Atlantic Organization, but as a culture and mentality, the Russians are not ready to join it. The Russians love their status as great power and the present generation does not appear willing to change this mentality. As a second best, NATO should bring Ukraine into its ranks. However, for the same reasons Moscow would not accept it, and Kiev does not want to challenge Russia. Consequently, if the West wishes to foster more security in this region, the best bet is to coopt as many countries as possible, and make Romania an advanced outpost of NATO.

In this light, from an American-Romanian point of view the best Western approach to any enlargement of NATO would be to bring some countries in on an individual basis if necessary, and to bring others together. If coopted together, Romania and Hungary for example, will be compelled to a more rapid mutual reconciliation, will greatly enhance the stability of the area, and will strengthen NATO position.

ROMANIA'S POSITION

According to several polls, almost the entire population of Romania, and most of its political parties and leaders, agree that Romania should strive to become a full member of both the European Union and the North Atlantic Organization. This will guarantee Romania's security and will consolidate its new democracy, market reforms, and economic development. And Romania is willing to join NATO as soon as possible.

Romania in turn will bring into NATO one of the largest medium-size European countries, an unshakable willingness to be part of Europe and to serve the organization, new resources and markets, and a very useful geo-strategic position at the eastern end of the continent. Romania is at the center of Eastern Europe and it borders the Black Sea, where it has one of the best port facilities of southern Europe. Romania also controls a long stretch of the Danube River, its main navigable channel, and a man-made canal linking the great river with the Black Sea. With this location, Romania makes one of the best links between Europe, southern Russia, and Asia Minor.

From an ethno-cultural point of view, the Romanians are a homogeneous nation of about 23 million people. Except for politics, there are no internal divisions. In addition, there are over three million Romanians living in the present Republic of Moldova. When this former Romanian province will decide to reunite with the country of origin, Romania will become even a stronger NATO member.

In Romania, the only sizeable minority that occasionally expresses dissatisfaction, is the Hungarian minority of Transylvania. It is sad that historically the two nations have had a bitter relationship because visitors perceive both Hungarians and Romanians as very hospitable and very friendly, and because individually, they get along rather well with each other.

From another point of view, the Romanians have their linguistic roots in Rome, have deep cultural affinities with Western Europe, and have developed almost exclusively under the influence of the West. The Romanians also have great admiration for America and in recent decades have had high expectations from it as well.

A NEW RUSSIAN GEO-POLITICAL THEORY

Historically, Romania suffered tremendously at the hands of the Russians. The Romanian lands have been invaded twelve times by the Russians, and the last occupation of 1944 brought along the darkest era in modern Romanian history. This era ended in December 1989, but in spite of the significant changes that followed, the economic, moral, and spiritual ruin caused by the Soviet Union, by the Russians, and by communism, is still having devastating consequences.

It is this disaster and the collective memory of the nation that make even the former communists look toward the West for help and inspiration. And what continues to worry Romanians is the new Russian geo-political attitude and Moscow's stubborness with regard to the old question of Bessarabia.

The Russian heavy-handed involvement in the non-Russian republics started immediately after the break-up of the Soviet Union. This made some researchers conclude that everything was orchestrated by Moscow, which later announced a new geo-political and military doctrine, known as "The Far Abroad" and "The Near Abroad." Once in place, even those leaders who were considered liberals and democrats subscribed to it. For example, referring to the Near Abroad, the former Russian Foreign Minister, Andrei Kozyrev, spoke of the danger of "losing geo-political positions that took centuries to conquer." And during the armed conflict in Yugoslavia, another leading Russian official made it clear that any action in the Black Sea or Danube basin required prior agreement from Moscow because these are areas of "traditional Russian interests." Such aggressive statements and threats abound these days.

In spite of its new policy, for its neighbors Russia has remained the same threatening power as before. The Republic of Moldova, for example, was the victim of an internal war in 1992 and Moscow was fully behind the russian rebels in the Trans-Dnestr area. It was a reminder that a possible reunion of former Bessarabia with Romania would come at a very expensive price. Romania could not do much, and the war was not at all reassuring.

To conclude, there is a new beginning in Romania and there is a new beginning in Eastern Europe. This is the time when the United States and Western Europe can make a significant difference.

Romania and the other Eastern European countries should be integrated into the North Atlantic Organization. They should be brought back to Europe where they belong for the benefit of peace and security of the continent, and for the best interests of the United States in this part of the world.

Mr. GILMAN. Mr. Speaker, I yield back the balance of my time.

Mr. HAMILTON. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. HAYWORTH). The question is on the motion offered by the gentleman from New York [Mr. GILMAN] that the House suspend the rules and pass the bill, H.R. 3564, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all members may have 5 legislative days within which to revise and extend their remarks on the subject of the measure just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BEREUTER. Mr. Speaker, is it still appropriate for a request for the yeas and nays to be ordered?

The SPEAKER pro tempore. Is there objection to a demand for the yeas and nays?

There was no objection.

Mr. BEREUTER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement further proceedings on this motion will be postponed.

IRAN AND LIBYA SANCTIONS ACT OF 1996

Mr. GILMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, (H.R. 3107) to impose sanctions on persons making certain investments directly and significantly contributing to the enhancement of the ability of Iran and Libya to develop its petroleum resources, and on persons exporting certain items that enhance Libya's weapons or aviation capabilities or enhance Libya's ability to develop its petroleum resources, and for other purposes, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate amendment:

Page 7, strike out all after line 7, over to and including line 20 on page 8 and insert:

(b) Mandatory Sanctions With Respect to Libya.—

(1) VIOLATIONS OF PROHIBITED TRANSACTIONS.—Except as provided in subsection (f), the President shall impose 2 or more of the sanctions described in paragraphs (1) through (6) of section 6 if the President determines that a person has, with actual knowledge, on or after the date of the enactment of this Act, exported, transferred, or otherwise provided to Libya any goods, services, technology, or other items the provision of which is prohibited under paragraph 4(b) or 5 of Resolution 748 of the Security Council of the United Nations, adopted March 31, 1992, or under paragraph 5 or 6 of Resolution 883 of the Security Council of the United Nations, adopted November 11, 1993, if the provision of such items significantly and materially—

(A) contributed to Libya's ability to acquire chemical, biological, or nuclear weapons or destabilizing numbers and types of advanced conventional weapons or enhanced Libya's military or paramilitary capabilities;

(B) contributed to Libya's ability to develop its petroleum resources; or

(C) contributed to Libya's ability to maintain its aviation capabilities.

(2) INVESTMENTS THAT CONTRIBUTE TO THE DEVELOPMENT OF PETROLEUM RESOURCES.—Except as provided in subsection (f), the President shall impose 2 or more of the sanctions described in paragraphs (1) through (6) of section if the President determines that a person has, with actual knowledge, on or after the date of the enactment of this Act, made an investment of $40,000,000 or more (or any combination of investments of at least $10,000,000 each, which in the aggregate equals or exceeds $40,000,000 in any 12-month period), that directly and significantly contributed to the enhancement of Libya's ability to develop its petroleum resources.

Mr. GILMAN (during the reading). Mr. Speaker, I ask unanimous consent the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. HAMILTON. Reserving the right to object, Mr. Speaker, I do not intend to object, but I will yield to the gentleman from New York [Mr. GILMAN] to explain the bill. I would then reclaim my time to pose some questions and make a few comments about the measure.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. HAMILTON. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I am very pleased to bring before the House H.R. 3107, the Iran and Libya Sanctions Act of 1996, as amended, which mandates sanctions on persons making investments that would enhance the ability of Iran to explore for, extract, refine, or transport by pipeline petroleum resources.

The text of this bill is identical to that adopted by the Senate on July 16 on an amendment offered by Senators KENNEDY and D'AMATO which modified the sanctions regime in regard to investments in Libya making it fully consistent with the regime in place on Iran.

Passage of the bill in its present form clears this legislation for transmittal to the President. In light of the growing possibility that a terrorist act led to the destruction of TWA Flight 800 and the growing likelihood that state-sponsored terrorism poses an increasing threat to Americans inside and outside the United States, we should have in place the strongest possible deterrent to any future acts of terrorism supported by such rogue regimes as Iran and Libya.

Enactment of this bill today will accomplish this objective.

Its other provisions would also establish a mandatory sanctions regime on foreign persons who violate U.N. Security Council Resolutions 748 and 883 by selling weapons, aviation equipment and oil equipment to Libya, a country responsible for the cowardly and unforgivable attack on Pan Am Flight 103 in December 1988.

I urge my colleagues to pass this urgently needed legislation.

Mr. HAMILTON. Reclaiming my time, Mr. Speaker, if the gentleman from New York will permit, I would like to ask him a couple of questions. My understanding is that the Senate made two major changes in the bill before sending it to the House.

First, the Senate added mandatory sanctions for certain foreign investments in Libya's energy sector. The House bill would have imposed mandatory sanctions only on certain foreign exports to Libya and on certain investments in Iran.

Second, the Senate increased from 1 to 2 the number of sanctions the President would be required to impose on firms that engaged in prohibited investment or trade with Libya. The House bill would require the President to impose only one sanction on Iran.

My impression is that as a result of the Senate amendments the sanctions in the bill before us today are tougher on Libya than they are on Iran. Is that the understanding of the gentleman from New York?

Mr. GILMAN. Mr. Speaker, if the gentleman will further yield, the Senate amendment made sanctions against investments that contribute to the development of Libya's petroleum resources mandatory rather than discretionary. It makes the investment regime toward Libya fully consistent with that adopted by this body in regard to Iran.

Mr. HAMILTON. Is it the gentleman's understanding, however, that the sanctions in this bill today are tougher on Libya than they are on Iran?

Mr. GILMAN. The gentleman is correct.

Mr. HAMILTON. I am supporting the bill, of course, but it does seem to me the rationale is less clear. Iran poses a far more serious threat to the United States national interests in my judgment than does Libya, and if the gentleman agrees with me on that point, perhaps the gentleman could explain why we should sanction foreign companies that do business with Libya more harshly than we sanction companies that do business with Iran.

Before the gentleman responds, may I simply add that the bill that passed the House last month would have imposed mandatory sanctions only on certain exports to Libya, and my understanding is that the administration and the Committee on Ways and Means opposed mandatory sanctions on investment in Libya for two reasons:

First, since there is already substantial foreign investment in Libya, they argued that hitting investment with mandatory sanctions would only have a marginal impact on Libya's energy sector but would anger many of our biggest trade partners; and, second, the administration and the Committee on Ways and Means were concerned that unilateral United States measures could jeopardize existing international cooperation in Libya.

In light of these arguments, is the gentleman from New York concerned that enactment of the bill in its current form would weaken the existing international sanctions regime against Libya?

Mr. GILMAN. If the gentleman will further yield, in response to the gentleman's query, Libya has already established a clear track record of noncompliance with the U.N. Security Council Resolutions 731, 748 and 883. The failure of the Libyan Government to hand over for trial the two suspects in the Pan Am bombing is in itself a matter of grave concern, threatening peace and security in that entire region.

The world community would appear to have very few remaining alternatives in that regard. They include additional sanctions and the imposition of penalties for noncompliance and some kind of collective security action directed against the Libyan regime.

I am certain that most of us would agree that we should try to put in place any and all measures designed to bring Libya into compliance before we undertake any effort for a collective security operation to establish a blockade or initiate some kind of military action against Libya.

I would also note that the U.N. already has in place oil field equipment sanctions against Libya. Additional sanctions in this bill on investment in Libya's oil sector simply complements and further strengthens those existing sanctions.

Furthermore, we should not lose sight of the fact that there are reports of increased violations of the existing U.N. sanctions on Libya. Adoption of these amendments today will help us to address those problems.

Mr. HAMILTON. I thank the gentleman for his answers.

Mr. Speaker, further reserving the right to object, may I say a couple of things about the bill that is before us at this moment?

I support the bill because, as the gentleman from New York has indicated, the conduct of Iran and Libya remains far outside international norms, and our allies have simply not done enough to help us change that conduct. Rhetoric alone is not sufficient, steps to increase the economic isolation of Iran and Libya are warranted, and this bill takes U.S. policy in the right direction.

The objective of economic sanctions must always be to maximize economic pressure on the target countries while minimizing economic and other costs for ourselves. If the measures in this bill are not deployed carefully, they will run the risk of causing us more harm than they cause either Iran or Libya. That is because many of our closest allies and biggest trading partners have told us they view this bill as an effort to force them to change their policies toward Iran and Libya. They consider such pressure a threat to their sovereignty; they have promised to respond.

What will they do? Nobody knows for sure, but I see two potential problems to United States national interests: One, international cooperation on Iran and Libya could be reduced rather than increased. United States policies, not the policies of Iran and Libya, could become the focus of international attention. Iran and Libya surely would take comfort in seeing our allies gang up on us rather than against them. Second, retaliatory steps by our trading partners could prove costly to American workers and firms.

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The national interest waiver in this bill will help the President steer us clear of these potential costs to U.S. interests. It is my hope that the President will be able to use waivers and the possibility of sanctions to open a window of opportunity for negotiations on multilateral steps that would be more effective than unilateral sanctions in influencing the conduct of Iran and Libya. But waivers and sanctions are blunt policy instruments. We are handing the President a difficult task and a heavy responsibility without giving him all the policy tools he may need. He will have to exercise the limited discretion this bill gives him with great skill.

This bill deserves our support, and so will our President as he seeks to carry it out.

Mr. ROTH. Mr. Speaker, first let me again commend the gentleman from New York [Mr. GILMAN] for his work on this issue. No one can question his commitment to fighting terrorism and proliferation.

Moreover, there is no doubt that Iran and Libya are rouge states. The leaders of these regimes continue to violate every standard of acceptable behavior. I share the goals of turning Iran and Libya away from terrorism, away from making weapons of mass destruction and away from brutality against their own people. And I agree that current U.S. Policy is failing badly, not achieving any of these goals. But I fear this legislation is a step backward, not forward. In my judgment, this bill will likely not work, for four reasons.

First, economic sanctions simply do not work in today's world when the United States acts alone. The Soviet grain embargo is the greatest example of a unilateral sanction with terrific goals and utterly ineffective results that cost billions in dollars of U.S. exports. But the same can be said for any number of U.S. unilateral sanctions.

Iran has 65 million people and a $300 billion economy. Libya has 5 million people and a $33 billion economy. Neither country can be isolated, geographically or economically. In both countries, exports are growing. From 1988 to 1994, Iran's exports grew nearly 50 percent, to $19 billion. Libya's exports grew nearly 10 percent, to $8 billion.

The reality is none of Iran's or Libya's major trading partners will go along with our sanctions. Not Germany. Not France. Not Italy. Not Spain. And not Japan. Without their cooperation, how will our sanctions ever work?

This brings me to the second flaw in this bill. This legislation would impose a secondary boycott on our closest allies. The sponsors argue that the bill will force Europe to choose between trading with us and trading with Iran and Libya. This will never work.

The primary effect of this bill has been to unify the European Union—all 15 members—against our policy toward Iran and Libya. Just like the extraterritorial reach of the 1982 Soviet pipeline embargo unified Europe. If this becomes law, we should expect blocking statutes to prevent European companies from complying, as well as retaliatory actions. Libya is a major source of petroleum for Western Europe. How can we expect those countries to forego Libya's oil? It simply will not happen.

Aside from Europe's interests in Libya, the Moslem countries of the Middle East, South Asia, and the Caucasus will not comply. Look what is happening with Iran. Pakistan now has an economic alliance with Iran. The Ukraine, Kazakhstan, Armenia, Turkmenistan, and Azerbaijan all are pursuing trade and investment with Iran. With these countries, Iran is likely to be a major partner in developing oil and gas resources in central Asia.

We have invested a lot in cultivating good relations with these former Soviet Republics. Are we now going to impose sanctions and throw away all our work over the past 5 years? If we do sanction these countries, how will they respond?

This legislation will not isolate Iran and Libya. It will isolate us. No one should be surprised. After all, the Arab League boycott of Israel has been a total failure. We and the Europeans all prevented our companies from complying. The same thing could happen with this legislation.

Third, this bill could prove a mistake because it provides the leaders of Iran and Libya with a convenient excuse for their own failures. Both regimes have inflicted great suffering on their people. The elites siphon off more and more money to prop up their own positions. But as the discontent rises among the Libyan and Iranian people, Qadhafi and the Ayatollahs will just point to the United States and say: "See what the Americans are doing to you."

Fourth, I am concerned that this is the easy way out for the administration. Enactment of this bill will replace the more necessary need. The administration, I'm convinced, will continue to fail to do the harder work of leading a coherent, multilateral response to the appalling policies of Iran. The test of our policy must be its impact on Iran's current regime. It is not enough that our goals are laudable. Our actions must be focused on stopping Iran's dangerous behavior, and this takes the hard work of multilateral action.

Mr. Speaker, in sum, Iran and Libya threaten international peace and security. Our goal must be to change their behavior. Whatever we do, it must be effective. We need our allies with us, not against us. There was a time when the United States could sound the alarm and Europe would rally to our side. That day is over. Economic sanctions and secondary boycotts have not—and will not—work when they are unilateral.

With enactment of this bill, I'm concerned we will have jeopardized our relations with the very countries whose support we need to eventually reach the goal of turning Iran and Libya away from their current terrorist behavior.

Mr. DEUTSCH. Mr. Speaker, I rise today in strong support of the Iran-Libya Oil Sanctions Act. This bill is important to the United States because it seeks to limit Iran's and Libya's ability to destabilize the Middle East. These sanctions will limit both countries' ability to export terrorism and upset the peace process in the Middle East.

I am a strong advocate of this bill because it will hit these parish nations where it hurts—oil production. By limiting foreign investment into the petroleum sector, this legislation will prevent both nations from funding the expansionist military policies. It will make it more difficult for Iran to purchase additional diesel submarines whose sole purpose is to close off oil exports from the gulf. It will hinder Libyan efforts to increase their stockpile of chemical weapons. And most importantly it will constrict Iran's ability to obtain a nuclear weapon.

This bill sends a clear message to both Iran and Libya that America will not sit idly and watch them build up their military capabilities for the sole purpose of regional intimidation. I urge my colleagues to support final passage of this bill.

Mr. HAMILTON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. HAYWORTH). Is there objection to the request of the gentleman from New York?

There was no objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from New York?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the legislation just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

FOOD QUALITY PROTECTION ACT OF 1996

Mr. ROBERTS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1627) to amend the Federal Insecticide, Fungicide, and Rodenticide Act and the Federal Food, Drug, and Cosmetic Act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1627

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Food Quality Protection Act of 1996".

TITLE I—SUSPENSION-APPLICATORS

SEC. 101. REFERENCE.

Whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Insecticide, Fungicide, and Rodenticide Act.

Subtitle A—Suspension

SEC. 102. SUSPENSION.

(a) SECTION 6(c)(1).—The second sentence of section 6(c)(1) (7 U.S.C. 136d(c)(1)) is amended to read: "Except as provided in paragraph (3), no order of suspension may be issued under this subsection unless the Administrator has issued, or at the same time issues, a notice of intention to cancel the registration or change the classification of the pesticide under subsection (b).".

(b) SECTION 6(c)(3).—Section 6(c)(3) (7 U.S.C. 136d(c)(3)) is amended—

(1) by inserting after the first sentence the following new sentence: "The Administrator may issue an emergency order under this paragraph before issuing a notice of intention to cancel the registration or change the classification of the pesticide under subsection (b) and the Administrator shall proceed to issue the notice under subsection (b) within 90 days of issuing an emergency order. If the Administrator does not issue a notice under subsection (b) within 90 days of issuing an emergency order, the emergency order shall expire."; and

(2) by striking "In that case" and inserting "In the case of an emergency order".

SEC. 103. TOLERANCE REEVALUATION AS PART OF REREGISTRATION.

Section 4(g)(2) (7 U.S.C. 136a-1(g)(2)) is amended by adding at the end the following:

"(E) As soon as the Administrator has sufficient information with respect to the dietary risk of a particular active ingredient, but in any event no later than the time the Administrator makes a determination under subparagraph (C) or (D) with respect to pesticides containing a particular active ingredient, the Administrator shall—

"(i) reassess each associated tolerance and exemption from the requirement for a tolerance issued under section 408 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 346a);

"(ii) determine whether such tolerance or exemption meets the requirements of that Act;

"(iii) determine whether additional tolerances or exemptions should be issued;

"(iv) publish in the Federal Register a notice setting forth the determinations made under this subparagraph; and

"(v) commence promptly such proceedings under this Act and section 408 of the Federal Food, Drug, and Cosmetic Act as are warranted by such determinations.".

SEC. 104. SCIENTIFIC ADVISORY PANEL.

Section 25(d) (7 U.S.C. 136w(d)) is amended—

(1) in the first sentence, by striking "The Administrator shall" and inserting:

"(1) IN GENERAL.—The Administrator shall"; and

(2) by adding at the end the following:

"(2) SCIENCE REVIEW BOARD.—There is established a Science Review Board to consist of 60 scientists who shall be available to the Scientific Advisory Panel to assist in reviews conducted by the Panel. Members of the Board shall be selected in the same manner as members of temporary subpanels created under paragraph (1). Members of the Board shall be compensated in the same manner as members of the Panel.".

SEC. 105. NITROGEN STABILIZER.

(a) SECTION 2.—Section 2 (7 U.S.C. 136) is amended—

(1) in subsection (a)—

(A) in paragraph (1) by striking "or" after "defoliant," and inserting ", or nitrogen stabilizer" after "desiccant";

(B) at the end of paragraph (3) by striking "and";

(C) at the end of paragraph (4) by striking the period and inserting "; and"; and

(D) at the end by adding the following:

"(5) in the case of a nitrogen stabilizer, an ingredient which will prevent or hinder the process of nitrification, denitrification, ammonia volatilization, or urease production through action affecting soil bacteria.";

(2) in subsection (u), by striking "and" before "(2)" and by inserting "and (3) any nitrogen stabilizer," after "desiccant,"; and

(3) at the end by adding the following:

"(hh) NITROGEN STABILIZER.—The term 'nitrogen stabilizer' means any substance or mixture of substances intended for preventing or hindering the process of nitrification, denitrification, ammonia volatilization, or urease production through action upon soil bacteria. Such term shall not include—

"(1) dicyandiamide;

"(2) ammonium thiosulfate; or

"(3) any substance or mixture of substances.—

"(A) that was not registered pursuant to section 3 prior to January 1, 1992; and

"(B) that was in commercial agronomic use prior to January 1, 1992, with respect to which after January 1, 1992, the distributor or seller of the substance or mixture has made no specific claim of prevention or hindering of the process of nitrification, denitrification, ammonia volatilization urease production regardless of the actual use or purpose for, or future use or purpose for, the substance or mixture.

Statements made in materials required to be submitted to any State legislative or regulatory authority, or required by such authority to be included in the labeling or other literature accompanying any such substance or mixture shall not be deemed a specific claim within the meaning of this subsection.".

(b) SECTION 3(f).—Section 3(f) (7 U.S.C. 136a(f)) is amended by adding at the end the following:

"(4) MIXTURES OF NITROGEN STABILIZERS AND FERTILIZER PRODUCTS.—Any mixture or other combination of—

"(A) 1 or more nitrogen stabilizers registered under this Act; and

"(B) 1 or more fertilizer products,

shall not be subject to the provisions of this section or sections 4, 5, 7, 15, and 17(a)(2) if the mixture or other combination is accompanied by the labeling required under this Act for the nitrogen stabilizer contained in the mixture or other combination, the mixture or combination is mixed or combined in accordance with such labeling, and the mixture or combination does not contain any active ingredient other than the nitrogen stabilizer.".

SEC. 106. PERIODIC REGISTRATION REVIEW.

(a) SECTION 6.—Section 6 (7 U.S.C. 136d) is amended—

(1) in subsection (a), by striking the heading and inserting the following:

"(a) EXISTING STOCKS AND INFORMATION.—"; and

(2) by amending paragraph (1) of subsection (a) to read as follows:

"(1) EXISTING STOCKS.—The Administrator may permit the continued sale and use of existing stocks of a pesticide whose registration is suspended or canceled under this section, or section 3 or 4, to such extent, under such conditions, and for such uses as the Administrator determines that such sale or use is not inconsistent with the purposes of this Act.".

(b) SECTION 3.—Section 3 (7 U.S.C. 136a) is amended by adding at the end the following:

"(g) REGISTRATION REVIEW.—

"(1)(A) GENERAL RULE.—The registrations of pesticides are to be periodically reviewed. The Administrator shall by regulation establish a procedure for accomplishing the periodic review of registrations. The goal of these regulations shall be a review of a pesticide's registration every 15 years. No registration shall be canceled as a result of the registration review process unless the Administrator follows the procedures and substantive requirements of section 6.

"(B) LIMITATION.—Nothing in this subsection shall prohibit the Administrator from undertaking any other review of a pesticide pursuant to this Act.

"(2)(A) DATA.—The Administrator shall use the authority in subsection (c)(2)(B) to require the submission of data when such data are necessary for a registration review.

"(B) DATA SUBMISSION, COMPENSATION, AND EXEMPTION.—For purposes of this subsection, the provisions of subsections (c)(1), (c)(2)(B), and (c)(2)(D) shall be utilized for and be applicable to any data required for registration review.".

Subtitle B—Training for Maintenance Applicators and Service Technicians

SEC. 120. MAINTENANCE APPLICATORS AND SERVICE TECHNICIANS DEFINITIONS.

Section 2 (7 U.S.C. 136), as amended by section 106, is amended by adding at the end the following:

"(jj) MAINTENANCE APPLICATOR.—The term 'maintenance applicator' means any individual who, in the principal course of such individual's employment, uses, or supervises the use of, a pesticide not classified for restricted use (other than a ready to use consumer products pesticides); for the purpose of providing structural pest control or lawn pest control including janitors, general maintenance personnel, sanitation personnel, and grounds maintenance personnel. The term 'maintenance applicator' does not include private applicators as defined in section 2(e)(2); individuals who use antimicrobial pesticides, sanitizers or disinfectants; individuals employed by Federal, State, and local governments or any political subdivisions thereof, or individuals who use pesticides not classified for restricted use in or around their homes, boats, sod farms, nurseries, greenhouses, or other noncommercial property.

"(kk) SERVICE TECHNICIAN.—The term 'service technician' means any individual who uses or supervises the use of pesticides (other than a ready to use consumer products pesticide) for the purpose of providing structural pest control or lawn pest control on the property of another for a fee. The term 'service technician' does not include individuals who use antimicrobial pesticides, sanitizers or disinfectants; or who otherwise apply ready to use consumer products pesticides.".

SEC. 121. MINIMUM REQUIREMENTS FOR TRAINING OF MAINTENANCE APPLICATORS AND SERVICE TECHNICIANS.

The Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.) is amended—

(1) by redesignating sections 30 and 31 as sections 33 and 34, respectively; and

(2) by adding after section 29 the following:

"SEC. 30. MINIMUM REQUIREMENTS FOR TRAINING OF MAINTENANCE APPLICATORS AND SERVICE TECHNICIANS.

"Each State may establish minimum requirements for training of maintenance applicators and service technicians. Such training may include instruction in the safe and effective handling and use of pesticides in accordance with the Environmental Protection Agency approved labeling, and instruction in integrated pest management techniques. The authority of the Administrator with respect to minimum requirements for training of maintenance applicators and service technicians shall be limited to ensuring that each State understands the provisions of this section.".

TITLE II—MINOR USE CROP PROTECTION, ANTIMICROBIAL PESTICIDE REGISTRATION REFORM, AND PUBLIC HEALTH PESTICIDES

SEC. 201. REFERENCE.

Whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Insecticide, Fungicide, and Rodenticide Act.

Subtitle A—Minor Use Crop Protection

SEC. 210. MINOR CROP PROTECTION.

(a) DEFINITION.—Section 2 (7 U.S.C. 136), as amended by section 120, is further amended by adding at the end the following:

"(ll) MINOR USE.—The term 'minor use' means the use of a pesticide on an animal, on a commercial agricultural crop or site, or for the protection of public health where—

"(1) the total United States acreage for the crop is less than 300,000 acres, as determined by the Secretary of Agriculture; or

"(2) the Administrator, in consultation with the Secretary of Agriculture, determines that, based on information provided by an applicant for registration or a registrant, the use does not provide sufficient economic incentive to support the initial registration or continuing registration of a pesticide for such use and—

"(A) there are insufficient efficacious alternative registered pesticides available for the use;

"(B) the alternatives to the pesticide use pose greater risks to the environment or human health;

"(C) the minor use pesticide plays or will play a significant part in managing pest resistance; or

"(D) the minor use pesticide plays or will play a significant part in an integrated pest management program.

The status as a minor use under this subsection shall continue as long as the Administrator has not determined that, based on existing data, such use may cause an unreasonable adverse effect on the environment and the use otherwise qualifies for such status.".

(b) EXCLUSIVE USE OF MINOR USE PESTICIDES.—Section 3(c)(1)(F) (7 U.S.C. 136a(c)(1)(F)) is amended—

(1) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv), respectively; and

(2) by inserting after clause (i) the following:

"(ii) The period of exclusive data use provided under clause (i) shall be extended 1 additional year for each 3 minor uses registered after the date of enactment of this clause and within 7 years of the commencement of the exclusive use period, up to a total of 3 additional years for all minor uses registered by the Administrator if the Administrator, in consultation with the Secretary of Agriculture, determines that, based on information provided by an applicant for registration or a registrant, that—

"(I) there are insufficient efficacious alternative registered pesticides available for the use;

"(II) the alternatives to the minor use pesticide pose greater risks to the environment or human health;

"(III) the minor use pesticide plays or will play a significant part in managing pest resistance; or

"(IV) the minor use pesticide plays or will play a significant part in an integrated pest management program.

The registration of a pesticide for a minor use on a crop grouping established by the Administrator shall be considered for purposes of this clause 1 minor use for each representative crop for which data are provided in the crop grouping. Any additional exclusive use period under this clause shall be modified as appropriate or terminated if the registrant voluntarily cancels the product or deletes from the registration the minor uses which formed the basis for the extension of the additional exclusive use period or if the Administrator determines that the registrant is not actually marketing the product for such minor uses.";

(3) in clause (iv), as amended by paragraph (1), by striking "and (ii)" and inserting ", (ii), and (iii)"; and

(4) at the end of the section, as amended by paragraph (1), by adding the following:

"(v) The period of exclusive use provided under clause (ii) shall not take into effect until 1 year after enactment of this clause, except where an applicant or registrant is applying for the registration of a pesticide containing an active ingredient not previously registered.

"(vi) With respect to data submitted after the date of enactment of this clause by an applicant or registrant to support an amendment adding a new use to an existing registration that does not retain any period of exclusive use, if such data relates solely to a minor use of a pesticide, such data shall not, without the written permission of the original data submitter, be considered by the Administrator to support an application for a minor use by another person during the period of 10 years following the date of submission of such data. The applicant or registrant at the time the new minor use is requested shall notify the Administrator that to the best of their knowledge the exclusive use period for the pesticide has expired and that the data pertaining solely to the minor use of a pesticide is eligible for the provisions of this paragraph. If the minor use registration which is supported by data submitted pursuant to this subsection is voluntarily canceled or if such data are subsequently used to support a nonminor use, the data shall no longer be subject to the exclusive use provisions of this clause but shall instead be considered by the Administrator in accordance with the provisions of clause (i), as appropriate.".

(c) TIME EXTENSIONS FOR DEVELOPMENT OF MINOR USE DATA.—

(1) DATA CALL-IN.—Section 3(c)(2)(B) (7 U.S.C. 136a(c)(2)(B)) is amended by adding at the end the following:

"(vi) Upon the request of a registrant the Administrator shall, in the case of a minor use, extend the deadline for the production of residue chemistry data under this subparagraph for data required solely to support that minor use until the final deadline for submission of data under section 4 for the other uses of the pesticide established as of the date of enactment of the Food Quality Protection Act of 1996, if—

"(I) the data to support other uses of the pesticide on a food are being provided;

"(II) the registrant, in submitting a request for such an extension, provides a schedule, including interim dates to measure progress, to assure that the data production will be completed before the expiration of the extension period;

"(III) the Administrator has determined that such extension will not significantly delay the Administrator's schedule for issuing a reregistration eligibility determination required under section 4; and

"(IV) the Administrator has determined that based on existing data, such extension would not significantly increase the risk of any unreasonable adverse effect on the environment. If the Administrator grants an extension under this clause, the Administrator shall monitor the development of the data and shall ensure that the registrant is meeting the schedule for the production of the data. If the Administrator determines that the registrant is not meeting or has not met the schedule for the production of such data, the Administrator may proceed in accordance with clause (iv) regarding the continued registration of the affected products with the minor use and shall inform the public of such action. Notwithstanding the provisions of this clause, the Administrator may take action to modify or revoke the extension under this clause if the Administrator determines that the extension for the minor use may cause an unreasonable adverse effect on the environment. In such circumstance, the Administrator shall provide, in writing to the registrant, a notice revoking the extension of time for submission of data. Such data shall instead be due in accordance with the date established by the Administrator for the submission of the data.".

(2) REREGISTRATION.—Sections 4(d)(4)(B), 4(e)(2)(B), and 4(f)(2)(B) (7 U.S.C. 136a–1(d)(4)(B), (e)(2)(B), and (f)(2)(B)) are each amended by adding at the end the following: "Upon application of a registrant, the Administrator shall, in the case of a minor use, extend the deadline for the production of residue chemistry data under this subparagraph for data required solely to support that minor use until the final deadline for submission of data under this section for the other uses of the pesticide established as of the date of enactment of the Food Quality Protection Act of 1996 if—

"(i) the data to support other uses of the pesticide on a food are being provided;

"(ii) the registrant, in submitting a request for such an extension provides a schedule, including interim dates to measure progress, to assure that the data production will be completed before the expiration of the extension period;

"(iii) the Administrator has determined that such extension will not significantly delay the Administrator's schedule for issuing a reregistration eligibility determination required under this section; and

"(iv) the Administrator has determined that based on existing data, such extension would not significantly increase the risk of any unreasonable adverse effect on the environment. If the Administrator grants an extension under this subparagraph, the Administrator shall monitor the development of the data and shall ensure that the registrant is meeting the schedule for the production of the data. If the Administrator determines that the registrant is not meeting or has not met the schedule for the production of such data, the Administrator may proceed in accordance with clause (iv) of section 3(c)(2)(B) or other provisions of this section, as appropriate, regarding the continued registration of the affected products with the minor use and shall inform the public of such action. Notwithstanding the provisions of this subparagraph, the Administrator may take action to modify or revoke the extension under this subparagraph if the Administrator determines that the extension for the minor use may cause an unreasonable adverse affect on the environment. In such circumstance, the Administrator shall provide written notice to the registrant revoking the extension of time for submission of data. Such data shall instead be due in accordance with the date then established by the Administrator for submission of the data.".

(d) MINOR USE WAIVER.—Section 3(c)(2) (7 U.S.C. 136a(c)(2)) is amended—

(1) by inserting "IN GENERAL.—" after "(A)";

(2) by inserting "ADDITIONAL DATA.—" after "(B)";

(3) by inserting "SIMPLIFIED PROCEDURES.— " after "(C)"; and

(4) by adding at the end the following:

"(E) MINOR USE WAIVER.—In handling the registration of a pesticide for a minor use, the Administrator may waive otherwise applicable data requirements if the Administrator determines that the absence of such data will not prevent the Administrator from determining—

"(i) the incremental risk presented by the minor use of the pesticide; and

"(ii) that such risk, if any, would not be an unreasonable adverse effect on the environment.".

(e) Expediting Minor Use Registrations.—Section 3(c)(3) (7 U.S.C. 136a(c)(3)) is amended —

(1) by inserting after "(A)" the following: "In general.—";

(2) by inserting after "(B)" the following: "Identical or substantially similar.—"; and

(3) by adding at the end the following:

"(C) Minor use registration.—

"(i) The Administrator shall, as expeditiously as possible, review and act on any complete application—

"(I) that proposes the initial registration of a new pesticide active ingredient if the active ingredient is proposed to be registered solely for minor uses, or proposes a registration amendment solely for minor uses to an existing registration; or

"(II) for a registration or a registration amendment that proposes significant minor uses.

"(ii) For the purposes of clause (i)—

"(I) the term 'as expeditiously as possible' means that the Administrator shall, to the greatest extent practicable, complete a review and evaluation of all data, submitted with a complete application, within 12 months after the submission of the complete application, and the failure of the Administrator to complete such a review and evaluation under clause (i) shall not be subject to judicial review; and

"(II) the term 'significant minor uses' means 3 or more minor uses proposed for every nonminor use, a minor use that would, in the judgment of the Administrator, serve as a replacement for any use which has been canceled in the 5 years preceding the receipt of the application, or a minor use that in the opinion of the Administrator would avoid the reissuance of an emergency exemption under section 18 for that minor use.

"(D) Adequate time for submission of minor use data.—If a registrant makes a request for a minor use waiver, regarding data required by the Administrator, pursuant to paragraph (2)(E), and if the Administrator denies in whole or in part such data waiver request, the registrant shall have a full-time period for providing such data. For purposes of this subparagraph, the term 'full-time period' means the time period originally established by the Administrator for submission of such data, beginning with the date of receipt by the registrant of the Administrator's notice of denial.".

(f) Temporary Extension of Registration for Unsupported Minor Uses.—

(1) Reregistration.—

(A) Sections 4(d)(6) and 4(f)(3) (7 U.S.C. 136a–1(d)(6) and (f)(3)) are each amended by adding at the end the following: "If the registrant does not commit to support a specific minor use of the pesticide, but is supporting and providing data in a timely and adequate fashion to support uses of the pesticide on a food, or if all uses of the pesticide are nonfood uses and the registrant does not commit to support a specific minor use of the pesticide but is supporting and providing data in a timely and adequate fashion to support other nonfood uses of the pesticide, the Administrator, at the written request of the registrant, shall not take any action pursuant to this paragraph in regard to such unsupported minor use until the final deadline established as of the date of enactment of the Food Quality Protection Act of 1996, for the submission of data under this section for the supported uses identified pursuant to this paragraph unless the Administrator determines that the absence of the data is significant enough to cause human health or environmental concerns. On such a determination the Administrator may refuse the request for extension by the registrant. Upon receipt of the request from the registrant, the Administrator shall publish in the Federal Register a notice of the receipt of the request and the effective date upon which the uses not being supported will be voluntarily deleted from the registration pursuant to section 6(f)(1). If the Administrator grants an extension under this paragraph, the Administrator shall monitor the development of the data for the uses being supported and shall ensure that the registrant is meeting the schedule for the production of such data. If the Administrator determines that the registrant is not meeting or has not met the schedule for the production of such data, the Administrator may proceed in accordance with section 3(c)(2)(B)(iv) regarding the continued registration of the affected products with the minor and other uses and shall inform the public of such action in accordance with section 6(f)(2). Notwithstanding this subparagraph, the Administrator may deny, modify, or revoke the temporary extension under this paragraph if the Administrator determines that the continuation of the minor use may cause an unreasonable adverse effect on the environment. In the event of modification or revocation, the Administrator shall provide, in writing, to the registrant a notice revoking the temporary extension and establish a new effective date by which the minor use shall be deleted from the registration.".

(B) Section 4(e)(3)(A) (7 U.S.C. 136a–1(e)(3)(A)) is amended by adding at the end the following: "If the registrant does not commit to support a specific minor use of the pesticide, but is supporting and providing data in a timely and adequate fashion to support uses of the pesticide on a food, or if all uses of the pesticide are nonfood uses and the registrant does not commit to support a specific minor use of the pesticide but is supporting and providing data in a timely and adequate fashion to support other nonfood uses of the pesticide, the Administrator, at the written request of the registrant, shall not take any action pursuant to this subparagraph in regard to such unsupported minor use until the final deadline established as of the date of enactment of the Food Quality Protection Act of 1996, for the submission of data under this section for the supported uses identified pursuant to this subparagraph unless the Administrator determines that the absence of the data is significant enough to cause human health or environmental concerns. On the basis of such determination, the Administrator may refuse the request for extension by the registrant. Upon receipt of the request from the registrant, the Administrator shall publish in the Federal Register a notice of the receipt of the request and the effective date upon which the uses not being supported will be voluntarily deleted from the registration pursuant to section 6(f)(1). If the Administrator grants an extension under this subparagraph, the Administrator shall monitor the development of the data for the uses being supported and shall ensure that the registrant is meeting the schedule for the production of such data. If the Administrator determines that the registrant is not meeting or has not met the schedule for the production of such data, the Administrator may proceed in accordance with section 3(c)(2)(B)(iv) regarding the continued registration of the affected products with the minor and other uses and shall inform the public of such action in accordance with section 6(f)(2). Notwithstanding this subparagraph, the Administrator may deny, modify, or revoke the temporary extension under this subparagraph if the Administrator determines that the continuation of the minor use may cause an unreasonable adverse effect on the environment. In the event of modification or revocation, the Administrator shall provide, in writing, to the registrant a notice revoking the temporary extension and establish a new effective date by which the minor use shall be deleted from the registration.".

(2) Data.—Section 3(c)(2)(B) (7 U.S.C. 136a(c)(2)(B)), as amended by subsection (c)(1), is further amended by adding at the end the following:

"(vii) If the registrant does not commit to support a specific minor use of the pesticide, but is supporting and providing data in a timely and adequate fashion to support uses of the pesticide on a food, or if all uses of the pesticide are nonfood uses and the registrant does not commit to support a specific minor use of the pesticide but is supporting and providing data in a timely and adequate fashion to support other nonfood uses of the pesticide, the Administrator, at the written request of the registrant, shall not take any action pursuant to this clause in regard to such unsupported minor use until the final deadline established as of the date of enactment of the Food Quality Protection Act of 1996, for the submission of data under section 4 for the supported uses identified pursuant to this clause unless the Administrator determines that the absence of the data is significant enough to cause human health or environmental concerns. On the basis of such determination, the Administrator may refuse the request for extension by the registrant. Upon receipt of the request from the registrant, the Administrator shall publish in the Federal Register a notice of the receipt of the request and the effective date upon which the uses not being supported will be voluntarily deleted from the registration pursuant to section 6(f)(1). If the Administrator grants an extension under this clause, the Administrator shall monitor the development of the data for the uses being supported and shall ensure that the registrant is meeting the schedule for the production of such data. If the Administrator determines that the registrant is not meeting or has not met the schedule for the production of such data, the Administrator may proceed in accordance with clause (iv) of this subparagraph regarding the continued registration of the affected products with the minor and other uses and shall inform the public of such action in accordance with section 6(f)(2). Notwithstanding the provisions of this clause, the Administrator may deny, modify, or revoke the temporary extension under this subparagraph if the Administrator determines that the continuation of the minor use may cause an unreasonable adverse effect on the environment. In the event of modification or revocation, the Administrator shall provide, in writing, to the registrant a notice revoking the temporary extension and establish a new effective date by which the minor use shall be deleted from the registration.".

(g) Section 6(f) (7 U.S.C. 136d(f)) is amended—

(1) in paragraph (1)(C)(ii) by striking "90-day" each place it appears and inserting "180-day"; and

(2) in paragraph (3)(A) by striking "90-day" and inserting "180-day".

(h) Utilization of Data for Voluntarily Canceled Chemicals.—Section 6(f) (7 U.S.C. 136d(f)) is amended by adding at the end the following:

"(4) UTILIZATION OF DATA FOR VOLUNTARILY CANCELED PESTICIDE.—When an application is filed with the Administrator for the registration of a pesticide for a minor use and another registrant subsequently voluntarily cancels its registration for an identical or substantially similar pesticide for an identical or substantially similar use, the Administrator shall process, review, and evaluate the pending application as if the voluntary cancellation had not yet taken place except that the Administrator shall not take such action if the Administrator determines that such minor use may cause an unreasonable adverse effect on the environment. In order to rely on this subsection, the applicant must certify that it agrees to satisfy any outstanding data requirements necessary to support the reregistration of the pesticide in accordance with the data submission schedule established by the Administrator.".

(i) ENVIRONMENTAL PROTECTION AGENCY MINOR USE PROGRAM.—The Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.), as amended by section 121, is amended by adding after section 30 the following:

"SEC. 31. ENVIRONMENTAL PROTECTION AGENCY MINOR USE PROGRAM.

"(a) The Administrator shall assure coordination of minor use issues through the establishment of a minor use program within the Office of Pesticide Programs. Such office shall be responsible for coordinating the development of minor use programs and policies and consulting with growers regarding minor use issues and registrations and amendments which are submitted to the Environmental Protection Agency.

"(b) The Office of Pesticide Programs shall prepare a public report concerning the progress made on the registration of minor uses, including implementation of the exclusive use as an incentive for registering new minor uses, within 3 years of the passage of the Food Quality Protection Act of 1996.".

(j) DEPARTMENT OF AGRICULTURE MINOR USE PROGRAM.—The Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136 et seq.), as amended by subsection (i), is amended by adding after section 31 the following:

"SEC. 32. DEPARTMENT OF AGRICULTURE MINOR USE PROGRAM.

"(a) IN GENERAL.—The Secretary of Agriculture (hereinafter in this section referred to as the 'Secretary') shall assure the coordination of the responsibilities of the Department of Agriculture related to minor uses of pesticides, including—

"(1) carrying out the Inter-Regional Project Number 4 (IR-4) as described in section 2 of Public Law 89-106 (7 U.S.C. 450i(e)) and the national pesticide resistance monitoring program established under section 1651 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5882);

"(2) supporting integrated pest management research;

"(3) consulting with growers to develop data for minor uses; and

"(4) providing assistance for minor use registrations, tolerances, and reregistrations with the Environmental Protection Agency.

"(b)(1) MINOR USE PESTICIDE DATA.—

"(A) GRANT AUTHORITY.—The Secretary, in consultation with the Administrator, shall establish a program to make grants for the development of data to support minor use pesticide registrations and reregistrations. The amount of any such grant shall not exceed ½ of the cost of the project for which the grant is made.

"(B) APPLICANTS.—Any person who wants to develop data to support minor use pesticide registrations and reregistrations may apply for a grant under subparagraph (A). Priority shall be given to an applicant for such a grant who does not directly receive funds from the sale of pesticides registered for minor uses.

"(C) DATA OWNERSHIP.—Any data that is developed under a grant under subparagraph (A) shall be jointly owned by the Department of Agriculture and the person who received the grant. Such a person shall enter into an agreement with the Secretary under which such person shall share any fee paid to such person under section 3(c)(1)(F).

"(2) MINOR USE PESTICIDE DATA REVOLVING FUND.—

"(A) ESTABLISHMENT.—There is established in the Treasury of the United States a revolving fund to be known as the Minor Use Pesticide Data Revolving Fund. The Fund shall be available without fiscal year limitation to carry out the authorized purposes of this subsection.

"(B) CONTENTS OF THE FUND.—There shall be deposited in the Fund—

"(i) such amounts as may be appropriated to support the purposes of this subsection; and

"(ii) fees collected by the Secretary for any data developed under a grant under paragraph (1)(A).

"(C) AUTHORIZATIONS OF APPROPRIATIONS.—There are authorized to be appropriated for each fiscal year to carry out the purposes of this subsection $10,000,000 to remain available until expended.".

Subtitle B—Antimicrobial Pesticide Registration Reform

SEC. 221. DEFINITIONS.

Section 2 (7 U.S.C. 136), as amended by section 210(a) is further amended—

(1) in subsection (u), by adding at the end the following: "The term 'pesticide' does not include liquid chemical sterilant products (including any sterilant or subordinate disinfectant claims on such products) for use on a critical or semi-critical device, as defined in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321). For purposes of the preceding sentence, the term 'critical device' includes any device which is introduced directly into the human body, either into or in contact with the bloodstream or normally sterile areas of the body and the term 'semi-critical device' includes any device which contacts intact mucous membranes but which does not ordinarily penetrate the blood barrier or otherwise enter normally sterile areas of the body."; and

(2) by adding at the end the following:

"(mm) ANTIMICROBIAL PESTICIDE.—

"(1) IN GENERAL.—The term 'antimicrobial pesticide' means a pesticide that—

"(A) is intended to—

"(i) disinfect, sanitize, reduce, or mitigate growth or development of microbiological organisms; or

"(ii) protect inanimate objects, industrial processes or systems, surfaces, water, or other chemical substances from contamination, fouling, or deterioration caused by bacteria, viruses, fungi, protozoa, algae, or slime; and

"(B) in the intended use is exempt from, or otherwise not subject to, a tolerance under section 408 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 346a and 348) or a food additive regulation under section 409 of such Act.

"(2) EXCLUDED PRODUCTS.—The term 'antimicrobial pesticide' does not include —

"(A) a wood preservative or antifouling paint product for which a claim of pesticidal activity other than or in addition to an activity described in paragraph (1) is made;

"(B) an agricultural fungicide product; or

"(C) an aquatic herbicide product.

"(3) INCLUDED PRODUCTS.—The term 'antimicrobial pesticide' does include any other chemical sterilant product (other than liquid chemical sterilant products exempt under subsection (u)), any other disinfectant product, any other industrial microbiocide product, and any other preservative product that is not excluded by paragraph (2).".

SEC. 222. FEDERAL AND STATE DATA COORDINATION.

Section 3(c)(2)(B) (7 U.S.C. 136a(c)(2)(B)), as amended by section 210(f)(2), is amended by adding at the end the following:

"(viii)(I) If data required to support registration of a pesticide under subparagraph (A) is requested by a Federal or State regulatory authority, the Administrator shall, to the extent practicable, coordinate data requirements, test protocols, timetables, and standards of review and reduce burdens and redundancy caused to the registrant by multiple requirements on the registrant.

"(II) The Administrator may enter into a cooperative agreement with a State to carry out subclause (I).

"(III) Not later than 1 year after the date of enactment of this clause, the Administrator shall develop a process to identify and assist in alleviating future disparities between Federal and State data requirements.".

SEC. 223. LABEL AND LABELING.

Section 3(c) (7 U.S.C. 136a(c)) is amended by adding at the end the following:

"(9) LABELING.—

"(A) ADDITIONAL STATEMENTS.—Subject to subparagraphs (B) and (C), it shall not be a violation of this Act for a registrant to modify the labeling of an antimicrobial pesticide product to include relevant information on product efficacy, product composition, container composition or design, or other characteristics that do not relate to any pesticidal claim or pesticidal activity.

"(B) REQUIREMENTS.—Proposed labeling information under subparagraph (A) shall not be false or misleading, shall not conflict with or detract from any statement required by law or the Administrator as a condition of registration, and shall be substantiated on the request of the Administrator.

"(C) NOTIFICATION AND DISAPPROVAL.—

"(i) NOTIFICATION.—A registration may be modified under subparagraph (A) if —

"(I) the registrant notifies the Administrator in writing not later than 60 days prior to distribution or sale of a product bearing the modified labeling; and

"(II) the Administrator does not disapprove of the modification under clause (ii).

"(ii) DISAPPROVAL.—Not later than 30 days after receipt of a notification under clause (i), the Administrator may disapprove the modification by sending the registrant notification in writing stating that the proposed language is not acceptable and stating the reasons why the Administrator finds the proposed modification unacceptable.

"(iii) RESTRICTION ON SALE.—A registrant may not sell or distribute a product bearing a disapproved modification.

"(iv) OBJECTION.—A registrant may file an objection in writing to a disapproval under clause (ii) not later than 30 days after receipt of notification of the disapproval.

"(v) FINAL ACTION.—A decision by the Administrator following receipt and consideration of an objection filed under clause (iv) shall be considered a final agency action.

"(D) USE DILUTION.—The label or labeling required under this Act for an antimicrobial pesticide that is or may be diluted for use may have a different statement of caution or protective measures for use of the recommended diluted solution of the pesticide than for use of a concentrate of the pesticide if the Administrator determines that —

"(i) adequate data have been submitted to support the statement proposed for the diluted solution uses; and

"(ii) the label or labeling provides adequate protection for exposure to the diluted solution of the pesticide.".

SEC. 224. REGISTRATION REQUIREMENTS FOR ANTIMICROBIAL PESTICIDES.

Section 3 (7 U.S.C. 136a), as amended by section 106(b), is further amended by adding at the end the following:

"(h) REGISTRATION REQUIREMENTS FOR ANTIMICROBIAL PESTICIDES.—

"(1) EVALUATION OF PROCESS.—To the maximum extent practicable consistent with the degrees of risk presented by a antimicrobial pesticide and the type of review appropriate to evaluate the risks, the Administrator shall identify and evaluate reforms to the antimicrobial registration process that would reduce review periods existing as of the date of enactment of this subsection for antimicrobial pesticide product registration applications and applications for amended registration of antimicrobial pesticide products, including—

"(A) new antimicrobial active ingredients;

"(B) new antimicrobial end-use products;

"(C) substantially similar or identical antimicrobial pesticides; and

"(D) amendments to antimicrobial pesticide registrations.

"(2) REVIEW TIME PERIOD REDUCTION GOAL.—Each reform identified under paragraph (1) shall be designed to achieve the goal of reducing the review period following submission of a complete application, consistent with the degree of risk, to a period of not more than —

"(A) 540 days for a new antimicrobial active ingredient pesticide registration;

"(B) 270 days for a new antimicrobial use of a registered active ingredient;

"(C) 120 days for any other new antimicrobial product;

"(D) 90 days for a substantially similar or identical antimicrobial product;

"(E) 90 days for an amendment to an antimicrobial registration that does not require scientific review of data; and

"(F) 90 to 180 days for an amendment to an antimicrobial registration that requires scientific review of data and that is not otherwise described in this paragraph.

"(3) IMPLEMENTATION.—

"(A) PROPOSED RULEMAKING.—

"(i) ISSUANCE.—Not later than 270 days after the date of enactment of this subsection, the Administrator shall publish in the Federal Register proposed regulations to accelerate and improve the review of antimicrobial pesticide products designed to implement, to the extent practicable, the goals set forth in paragraph (2).

"(ii) REQUIREMENTS.—Proposed regulations issued under clause (i) shall —

"(I) define the various classes of antimicrobial use patterns, including household, industrial, and institutional disinfectants and sanitizing pesticides, preservatives, water treatment, and pulp and paper mill additives, and other such products intended to disinfect, sanitize, reduce, or mitigate growth or development of microbiological organisms, or protect inanimate objects, industrial processes or systems, surfaces, water, or other chemical substances from contamination, fouling, or deterioration caused by bacteria, viruses, fungi, protozoa, algae, or slime;

"(II) differentiate the types of review undertaken for antimicrobial pesticides;

"(III) conform the degree and type of review to the risks and benefits presented by antimicrobial pesticides and the function of review under this Act, considering the use patterns of the product, toxicity, expected exposure, and product type;

"(IV) ensure that the registration process is sufficient to maintain antimicrobial pesticide efficacy and that antimicrobial pesticide products continue to meet product performance standards and effectiveness levels for each type of label claim made; and

"(V) implement effective and reliable deadlines for process management.

"(iii) COMMENTS.—In developing the proposed regulations, the Administrator shall solicit the views from registrants and other affected parties to maximize the effectiveness of the rule development process.

"(B) FINAL REGULATIONS.—

"(i) ISSUANCE.—The Administrator shall issue final regulations not later than 240 days after the close of the comment period for the proposed regulations.

"(ii) FAILURE TO MEET GOAL.—If a goal described in paragraph (2) is not met by the final regulations, the Administrator shall identify the goal, explain why the goal was not attained, describe the element of the regulations included instead, and identify future steps to attain the goal.

"(iii) REQUIREMENTS.—In issuing final regulations, the Administrator shall—

"(I) consider the establishment of a certification process for regulatory actions involving risks that can be responsibly managed, consistent with the degree of risk, in the most cost-efficient manner;

"(II) consider the establishment of a certification process by approved laboratories as an adjunct to the review process;

"(III) use all appropriate and cost-effective review mechanisms, including—

"(aa) expanded use of notification and non-notification procedures;

"(bb) revised procedures for application review; and

"(cc) allocation of appropriate resources to ensure streamlined management of antimicrobial pesticide registrations; and

"(IV) clarify criteria for determination of the completeness of an application.

"(C) EXPEDITED REVIEW.—This subsection does not affect the requirements or extend the deadlines or review periods contained in subsection (c)(3).

"(D) ALTERNATIVE REVIEW PERIODS.—If the final regulations to carry out this paragraph are not effective 630 days after the date of enactment of this subsection, until the final regulations become effective, the review period, beginning on the date of receipt by the Agency of a complete application, shall be —

"(i) 2 years for a new antimicrobial active ingredient pesticide registration;

"(ii) 1 year for a new antimicrobial use of a registered active ingredient;

"(iii) 180 days for any other new antimicrobial product;

"(iv) 90 days for a substantially similar or identical antimicrobial product;

"(v) 90 days for an amendment to an antimicrobial registration that does not require scientific review of data; and

"(vi) 240 days for an amendment to an antimicrobial registration that requires scientific review of data and that is not otherwise described in this subparagraph.

"(E) WOOD PRESERVATIVES.—An application for the registration, or for an amendment to the registration, of a wood preservative product for which a claim of pesticidal activity listed in section 2(mm) is made (regardless of any other pesticidal claim that is made with respect to the product) shall be reviewed by the Administrator within the same period as that established under this paragraph for an antimicrobial pesticide product application, consistent with the degree of risk posed by the use of the wood preservative product, if the application requires the applicant to satisfy the same data requirements as are required to support an application for a wood preservative product that is an antimicrobial pesticide.

"(F) NOTIFICATION.—

"(i) IN GENERAL.—Subject to clause (iii), the Administrator shall notify an applicant whether an application has been granted or denied not later than the final day of the appropriate review period under this paragraph, unless the applicant and the Administrator agree to a later date.

"(ii) FINAL DECISION.—If the Administrator fails to notify an applicant within the period of time required under clause (i), the failure shall be considered an agency action unlawfully withheld or unreasonably delayed for purposes of judicial review under chapter 7 of title 5, United States Code.

"(iii) EXEMPTION.—This subparagraph does not apply to an application for an antimicrobial pesticide that is filed under subsection (c)(3)(B) prior to 90 days after the date of enactment of this subsection.

"(4) ANNUAL REPORT.—

"(A) SUBMISSION.—Beginning on the date of enactment of this subsection and ending on the date that the goals under paragraph (2) are achieved, the Administrator shall, not later than March 1 of each year, prepare and submit an annual report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(B) REQUIREMENTS.—A report submitted under subparagraph (A) shall include a description of—

"(i) measures taken to reduce the backlog of pending registration applications;

"(ii) progress toward achieving reforms under this subsection; and

"(iii) recommendations to improve the activities of the Agency pertaining to antimicrobial registrations.".

SEC. 225. DISPOSAL OF HOUSEHOLD, INDUSTRIAL, OR INSTITUTIONAL ANTIMICROBIAL PRODUCTS.

Section 19(h) (7 U.S.C. 136q(h)) is amended—

(1) by striking "Nothing in" and inserting the following:

"(1) IN GENERAL.—Nothing in"; and

(2) by adding at the end the following:

"(2) ANTIMICROBIAL PRODUCTS.—A household, industrial, or institutional antimicrobial product that is not subject to regulation under the Solid Waste Disposal Act (42 U.S.C. 6901 et seq.) shall not be subject to the provisions of subsections (a), (e), and (f), unless the Administrator determines that such product must be subject to such provisions to prevent an unreasonable adverse effect on the environment.".

Subtitle C—Public Health Pesticides

SEC. 230. DEFINITIONS.

(a) ADVERSE EFFECTS.—Section 2(bb) (7 U.S.C. 136(bb)) is amended by adding at the end the following: "The Administrator shall consider the risks and benefits of public health pesticides separate from the risks and benefits of other pesticides. In weighing any regulatory action concerning a public health pesticide under this Act, the Administrator shall weigh any risks of the pesticide against the health risks such as the diseases transmitted by the vector to be controlled by the pesticide.".

(b) NEW DEFINITIONS.—Section 2 (7 U.S.C. 136), as amended by section 221, is amended by adding at the end the following:

"(nn) PUBLIC HEALTH PESTICIDE.—The term 'public health pesticide' means any minor use pesticide product registered for use and used predominantly in public health programs for vector control or for other recognized health protection uses, including the prevention or mitigation of viruses, bacteria, or other microorganisms (other than viruses, bacteria, or other microorganisms on or in living man or other living animal) that pose a threat to public health.

"(oo) VECTOR.—The term 'vector' means any organism capable of transmitting the causative agent of human disease or capable of producing human discomfort or injury, including mosquitoes, flies, fleas, cockroaches, or other insects and ticks, mites, or rats.".

SEC. 231. REGISTRATION.

Section 3(c)(2)(A) (7 U.S.C. 136a(c)(2)(A)) is amended—

(1) by inserting after "pattern of use," the following: "the public health and agricultural need for such minor use,"; and

(2) by striking "potential exposure of man and the environment to the pesticide" and inserting "potential beneficial or adverse effects on man and the environment".

SEC. 232. REREGISTRATION.

Section 4 (7 U.S.C. 136a–1) is amended—

(1) in subsection (i)(4), by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively, and by adding after subparagraph (A) the following:

"(B) The Administrator shall exempt any public health pesticide from the payment of the fee prescribed under paragraph (3) if, in consultation with the Secretary of Health and Human Services, the Administrator determines, based on information supplied by the registrant, that the economic return to the registrant from sales of the pesticide does not support the registration or reregistration of the pesticide.";

(2) in subsection (i)(5), by redesignating subparagraphs (F) and (G) as subparagraphs (G) and (H), respectively, and by adding after subparagraph (E) the following:

"(F) The Administrator shall exempt any public health pesticide from the payment of the fee prescribed under paragraph (3) if, in consultation with the Secretary of Health and Humans Services, the Administrator determines, based on information supplied by the registrant, that the economic return to the registrant from sales of the pesticide does not support the registration or reregistration of the pesticide.";

(3) in subsection (i)(7)(B), by striking "or to determine" and inserting ", to determine" and by inserting before the period the following: ", or to determine the volume usage for public health pesticides"; and

(4) in subsection (k)(3)(A), by striking "or" at the end of clause (i), by striking the period at the end of clause (ii) and inserting thereof "; or", and by adding after clause (ii) the following:

"(iii) proposes the initial or amended registration of an end use pesticide that, if registered as proposed, would be used for a public health pesticide.".

SEC. 233. CANCELLATION.

Section 6(b) (7 U.S.C. 136d(b)) is amended by adding after the eighth sentence the following: "When a public health use is affected, the Secretary of Health and Human Services should provide available benefits and use information, or an analysis thereof, in accordance with the procedures followed and subject to the same conditions as the Secretary of Agriculture in the case of agricultural pesticides.".

SEC. 234. VIEWS OF THE SECRETARY OF HEALTH AND HUMAN SERVICES.

Section 21 (7 U.S.C. 136s) is amended by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and by adding after subsection (a) the following:

"(b) SECRETARY OF HEALTH AND HUMAN SERVICES.—The Administrator, before publishing regulations under this Act for any public health pesticide, shall solicit the views of the Secretary of Health and Human Services in the same manner as the views of the Secretary of Agriculture are solicited under section 25(a)(2).".

SEC. 235. AUTHORITY OF ADMINISTRATOR.

Section 25(a)(1) (7 U.S.C. 136w(a)(1)) is amended—

(1) by inserting after "various classes of pesticides" the following: ", including public health pesticides,"; and

(2) by striking "and nonagricultural pesticides" and inserting ", nonagricultural, and public health pesticides".

SEC. 236. IDENTIFICATION OF PESTS.

Section 28 (7 U.S.C. 136w–3) is amended by adding at the end the following:

"(d) PUBLIC HEALTH PESTS.—The Administrator, in coordination with the Secretary of Agriculture and the Secretary of Health and Human Services, shall identify pests of significant public health importance and, in coordination with the Public Health Service, develop and implement programs to improve and facilitate the safe and necessary use of chemical, biological, and other methods to combat and control such pests of public health importance.".

SEC. 237. PUBLIC HEALTH DATA.

Section 4 (7 U.S.C. 136a–1) is amended by adding at the end the following:

"(m) AUTHORIZATION OF FUNDS TO DEVELOP PUBLIC HEALTH DATA.—

"(1) DEFINITION.—For the purposes of this section, 'Secretary' means the Secretary of Health and Human Services, acting through the Public Health Service.

"(2) CONSULTATION.—In the case of a pesticide registered for use in public health programs for vector control or for other uses the Administrator determines to be human health protection uses, the Administrator shall, upon timely request by the registrant or any other interested person, or on the Administrator's own initiative may, consult with the Secretary prior to taking final action to suspend registration under section 3(c)(2)(B)(iv), or cancel a registration under section 4, 6(e), or 6(f). In consultation with the Secretary, the Administrator shall prescribe the form and content of requests under this section.

"(3) BENEFITS TO SUPPORT FAMILY.—The Administrator, after consulting with the Secretary, shall make a determination whether the potential benefits of continued use of the pesticide for public health or health protection purposes are of such significance as to warrant a commitment by the Secretary to conduct or to arrange for the conduct of the studies required by the Administrator to support continued registration under section 3 or reregistration under section 4.

"(4) ADDITIONAL TIME.—If the Administrator determines that such a commitment is warranted and in the public interest, the Administrator shall notify the Secretary and shall, to the extent necessary, amend a notice issued under section 3(c)(2)(B) to specify additional reasonable time periods for submission of the data.

"(5) ARRANGEMENTS.—The Secretary shall make such arrangements for the conduct of required studies as the Secretary finds necessary and appropriate to permit submission of data in accordance with the time periods prescribed by the Administrator. Such arrangements may include Public Health Service intramural research activities, grants, contracts, or cooperative agreements with academic, public health, or other organizations qualified by experience and training to conduct such studies.

"(6) SUPPORT.—The Secretary may provide for support of the required studies using funds authorized to be appropriated under this section, the Public Health Service Act, or other appropriate authorities. After a determination is made under subsection (d), the Secretary shall notify the Committees on Appropriations of the House Representatives and the Senate of the sums required to conduct the necessary studies.

"(7) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the purposes of this section $12,000,000 for fiscal year 1997, and such sums as may be necessary for succeeding fiscal years.".

Subtitle D—Expedited Registration of Reduced Risk Pesticides

SEC. 250. EXPEDITED REGISTRATION OF PESTICIDES.

Section 3(c) (7 U.S.C. 136a(c)), as amended by section 223, is amended—

(1) by adding at the end of paragraph (1) the following:

"(G) If the applicant is requesting that the registration or amendment to the registration of a pesticide be expedited, an explanation of the basis for the request must be submitted, in accordance with paragraph (10) of this subsection."; and

(2) by adding at the end the following:

"(10) EXPEDITED REGISTRATION OF PESTICIDES.—

"(A) Not later than 1 year after the date of enactment of this paragraph, the Administrator shall, utilizing public comment, develop procedures and guidelines, and expedite the review of an application for registration of a pesticide or an amendment to a registration that satisfies such guidelines.

"(B) Any application for registration or an amendment, including biological and conventional pesticides, will be considered for expedited review under this paragraph. An application for registration or an amendment shall qualify for expedited review if use of the pesticide proposed by the application may reasonably be expected to accomplish 1 or more of the following:

"(i) Reduce the risks of pesticides to human health.

"(ii) Reduce the risks of pesticides to nontarget organisms.

"(iii) Reduce the potential for contamination of groundwater, surface water, or other valued environmental resources.

"(iv) Broaden the adoption of integrated pest management strategies, or make such strategies more available or more effective.

"(C) The Administrator, not later than 30 days after receipt of an application for expedited review, shall notify the applicant whether the application is complete. If it is found to be incomplete, the Administrator may either reject the request for expedited review or ask the applicant for additional information to satisfy the guidelines developed under subparagraph (A).".

TITLE III—DATA COLLECTION ACTIVITIES TO ASSURE THE HEALTH OF INFANTS AND CHILDREN AND OTHER MEASURES

SEC. 301. DATA COLLECTION ACTIVITIES TO ASSURE THE HEALTH OF INFANTS AND CHILDREN.

(a) IN GENERAL.—The Secretary of Agriculture, in consultation with the Administrator of the Environmental Protection Agency and the Secretary of Health and Human Services, shall coordinate the development and implementation of survey procedures to ensure that adequate data on food consumption patterns of infants and children are collected.

(b) PROCEDURES.—To the extent practicable, the procedures referred to in subsection (a) shall include the collection of data on food consumption patterns of a statistically valid sample of infants and children.

(c) RESIDUE DATA COLLECTION.—The Secretary of Agriculture shall ensure that the residue data collection activities conducted by the Department of Agriculture in cooperation with the Environmental Protection Agency and the Department of Health and Human Services, provide for the improved data collection of pesticide residues, including guidelines for the use of comparable analytical and standardized reporting methods, and the increased sampling of foods most likely consumed by infants and children.

SEC. 302. COLLECTION OF PESTICIDE USE INFORMATION.

(a) IN GENERAL.—The Secretary of Agriculture shall collect data of statewide or regional significance on the use of pesticides to control pests and diseases of major crops and crops of dietary significance, including fruits and vegetables.

(b) COLLECTION.—The data shall be collected by surveys of farmers or from other sources offering statistically reliable data.

(c) COORDINATION.—The Secretary of Agriculture shall, as appropriate, coordinate with the Administrator of the Environmental Protection Agency in the design of the surveys and make available to the Administrator the aggregate results of the surveys to assist the Administrator.

SEC. 303. INTEGRATED PEST MANAGEMENT.

The Secretary of Agriculture, in cooperation with the Administrator, shall implement research, demonstration, and education programs to support adoption of Integrated Pest Management. Integrated Pest Management is a sustainable approach to managing pests by combining biological, cultural, physical, and chemical tools in a way that minimizes economic, health, and environmental risks. The Secretary of Agriculture and the Administrator shall make information on Integrated Pest Management widely available to pesticide users, including Federal agencies. Federal agencies shall use Integrated Pest Management techniques in carrying out pest management activities and shall promote Integrated Pest Management through procurement and regulatory policies, and other activities.

SEC. 304. COORDINATION OF CANCELLATION.

Section 2(bb) (7 U.S.C. 136(bb)) is amended—

(1) by inserting "(1)" after "means"; and

(2) by striking the period at the end of the first sentence and inserting ", or (2) a human dietary risk from residues that result from a use of a pesticide in or on any food inconsistent with the standard under section 408 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 346a).".

SEC. 305. PESTICIDE USE INFORMATION STUDY.

(a) The Secretary of Agriculture shall, in consultation with the Administrator of the Environmental Protection Agency, prepare a report to Congress evaluating the current status and potential improvements in Federal pesticide use information gathering activities. This report shall at least include—

(1) an analysis of the quality and reliability of the information collected by the Department of Agriculture, the Environmental Protection Agency, and other Federal agencies regarding the agricultural use of pesticides; and

(2) an analysis of options to increase the effectiveness of national pesticide use information collection, including an analysis of costs, burdens placed on agricultural producers and other pesticide users, and effectiveness in tracking risk reduction by those options.

(b) The Secretary shall submit this report to Congress not later than 1 year following the date of enactment of this section.

TITLE IV—AMENDMENTS TO THE FEDERAL FOOD, DRUG, AND COSMETIC ACT

SEC 401. SHORT TITLE AND REFERENCE.

(a) SHORT TITLE.—This title may be cited as the "Food Quality Protection Act of 1996".

(b) REFERENCE.—Whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Federal Food, Drug, and Cosmetic Act.

SEC. 402. DEFINITIONS.

(a) SECTION 201(q).—Section 201(q) (21 U.S.C. 321(q)) is amended to read as follows:

"(q)(1) The term 'pesticide chemical' means any substance that is a pesticide within the meaning of the Federal Insecticide, Fungicide, and Rodenticide Act, including all active and inert ingredients of such pesticide.

"(2) The term 'pesticide chemical residue' means a residue in or on raw agricultural commodity or processed food of—

"(A) a pesticide chemical; or

"(B) any other added substance that is present on or in the commodity or food primarily as a result of the metabolism or other degradation of a pesticide chemical.

"(3) Notwithstanding paragraphs (1) and (2), the Administrator may by regulation except a substance from the definition of 'pesticide chemical' or 'pesticide chemical residue' if—

"(A) its occurrence as a residue on or in a raw agricultural commodity or processed food is attributable primarily to natural causes or to human activities not involving the use of any substances for a pesticidal purpose in the production, storage, processing, or transportation of any raw agricultural commodity or processed food; and

"(B) the Administrator, after consultation with the Secretary, determines that the substance more appropriately should be regulated under one or more provisions of this Act other than sections 402(a)(2)(B) and 408.".

(b) SECTION 201(s).—Paragraphs (1) and (2) of section 201(s) (21 U.S.C. 321(s)) are amended to read as follows:

"(1) a pesticide chemical residue in or on a raw agricultural commodity or processed food; or

"(2) a pesticide chemical; or".

(c) SECTION 201.—Section 201 (21 U.S.C. 321) is amended by adding at the end the following:

"(gg) The term 'processed food' means any food other than a raw agricultural commodity and includes any raw agricultural commodity that has been subject to processing, such as canning, cooking, freezing, dehydration, or milling.

"(hh) The term 'Administrator' means the Administrator of the United States Environmental Protection Agency.".

SEC. 403. PROHIBITED ACTS.

Section 301(j) (21 U.S.C. 331(j)) is amended in the first sentence by inserting before the period the following: "; or the violating of section 408(i)(2) or any regulation issued under that section.".

SEC. 404. ADULTERATED FOOD.

Section 402(a) (21 U.S.C. 342(a)) is amended by striking "(2)(A) if it bears" and all that follows through "(3) if it consists" and inserting the following: "(2)(A) if it bears or contains any added poisonous or added deleterious substance (other than a substance that is a pesticide chemical residue in or on a raw agricultural commodity or processed food, a food additive, a color additive, or a new animal drug) that is unsafe within the meaning of section 406; or (B) if it bears or contains a pesticide chemical residue that is unsafe within the meaning of section 408(a); or (C) if it is or if it bears or contains (i) any food additive that is unsafe within the meaning of section 409; or (ii) a new animal drug (or conversion product thereof) that is unsafe within the meaning of section 512; or (3) if it consists".

SEC. 405. TOLERANCES AND EXEMPTIONS FOR PESTICIDE CHEMICAL RESIDUES.

Section 408 (21 U.S.C. 346a) is amended to read as follows:

"TOLERANCES AND EXEMPTIONS FOR PESTICIDE CHEMICAL RESIDUES

"SEC. 408. (a) REQUIREMENT FOR TOLERANCE OR EXEMPTION.—

"(1) GENERAL RULE.—Except as provided in paragraph (2) or (3), any pesticide chemical residue in or on a food shall be deemed unsafe for the purpose of section 402(a)(2)(B) unless—

"(A) a tolerance for such pesticide chemical residue in or on such food is in effect under this section and the quantity of the residue is within the limits of the tolerance; or

"(B) an exemption from the requirement of a tolerance is in effect under this section for the pesticide chemical residue.

For the purposes of this section, the term 'food', when used as a noun without modification, shall mean a raw agricultural commodity or processed food.

"(2) PROCESSED FOOD.—Notwithstanding paragraph (1)—

"(A) if a tolerance is in effect under this section for a pesticide chemical residue in or on a raw agricultural commodity, a pesticide chemical residue that is present in or on a processed food because the food is made from that raw agricultural commodity shall not be considered unsafe within the meaning of section 402(a)(2)(B) despite the lack of a tolerance for the pesticide chemical residue in or on the processed food if the pesticide chemical has been used in or on the raw agricultural commodity in conformity with a tolerance under this section, such residue in or on the raw agricultural commodity has been removed to the extent possible in good manufacturing practice, and the concentration of the pesticide chemical residue in the processed food is not greater than the tolerance prescribed for the pesticide chemical residue in the raw agricultural commodity; or

"(B) if an exemption for the requirement for a tolerance is in effect under this section for a pesticide chemical residue in or on a raw agricultural commodity, a pesticide chemical residue that is present in or on a processed food because the food is made from that raw agricultural commodity shall not be considered unsafe within the meaning of section 402(a)(2)(B).

"(3) Residues of Degradation Products.—If a pesticide chemical residue is present in or on a food because it is a metabolite or other degradation product of a precursor substance that itself is a pesticide chemical or pesticide chemical residue, such a residue shall not be considered to be unsafe within the meaning of section 402(a)(2)(B) despite the lack of a tolerance or exemption from the need for a tolerance for such residue in or on such food if—

"(A) the Administrator has not determined that the degradation product is likely to pose any potential health risk from dietary exposure that is of a different type than, or of a greater significance than, any risk posed by dietary exposure to the precursor substance;

"(B) either—

"(i) a tolerance is in effect under this section for residues of the precursor substance in or on the food, and the combined level of residues of the degradation product and the precursor substance in or on the food is at or below the stoichiometrically equivalent level that would be permitted by the tolerance if the residue consisted only of the precursor substance rather than the degradation product; or

"(ii) an exemption from the need for a tolerance is in effect under this section for residues of the precursor substance in or on the food; and

"(C) the tolerance or exemption for residues of the precursor substance does not state that it applies only to particular named substances and does not state that it does not apply to residues of the degradation product.

"(4) Effect of Tolerance or Exemption.—While a tolerance or exemption from the requirement for a tolerance is in effect under this section for a pesticide chemical residue with respect to any food, the food shall not by reason of bearing or containing any amount of such a residue be considered to be adulterated within the meaning of section 402(a)(1).

"(b) Authority and Standard for Tolerance.—

"(1) Authority.—The Administrator may issue regulations establishing, modifying, or revoking a tolerance for a pesticide chemical residue in or on a food—

"(A) in response to a petition filed under subsection (d); or

"(B) on the Administrator's own initiative under subsection (e).

As used in this section, the term 'modify' shall not mean expanding the tolerance to cover additional foods.

"(2) Standard.—

"(A) General Rule.—

"(i) Standard.—The Administrator may establish or leave in effect a tolerance for a pesticide chemical residue in or on a food only if the Administrator determines that the tolerance is safe. The Administrator shall modify or revoke a tolerance if the Administrator determines it is not safe.

"(ii) Determination of Safety.—As used in this section, the term 'safe', with respect to a tolerance for a pesticide chemical residue', means that the Administrator has determined that there is a reasonable certainty that no harm will result from aggregate exposure to the pesticide chemical residue, including all anticipated dietary exposures and all other exposures for which there is reliable information.

"(iii) Rule of Construction.—With respect to a tolerance, a pesticide chemical residue meeting the standard under clause (i) is not an eligible pesticide chemical residue for purposes of subparagraph (B).

"(B) Tolerances for Eligible Pesticide Chemical Residues.—

"(i) Definition.—As used in this subparagraph, the term 'eligible pesticide chemical residue' means a pesticide chemical residue as to which—

"(I) the Administrator is not able to identify a level of exposure to the residue at which the residue will not cause or contribute to a known or anticipated harm to human health (referred to in this section as a 'nonthreshold effect');

"(II) the lifetime risk of experiencing the nonthreshold effect is appropriately assessed by quantitative risk assessment; and

"(III) with regard to any known or anticipated harm to human health for which the Administrator is able to identify a level at which the residue will not cause such harm (referred to in this section as a 'threshold effect'), the Administrator determines that the level of aggregate exposure is safe.

"(ii) Determination of Tolerance.—Notwithstanding subparagraph (A)(i), a tolerance for an eligible pesticide chemical residue may be left in effect or modified under this subparagraph if—

"(I) at least one of the conditions described in clause (iii) is met; and

"(II) both of the conditions described in clause (iv) are met.

"(iii) Conditions Regarding Use.—For purposes of clause (ii), the conditions described in this clause with respect to a tolerance for an eligible pesticide chemical residue are the following:

"(I) Use of the pesticide chemical that produces the residue protects consumers from adverse effects on health that would pose a greater risk than the dietary risk from the residue.

"(II) Use of the pesticide chemical that produces the residue is necessary to avoid a significant disruption in domestic production of an adequate, wholesome, and economical food supply.

"(iv) Conditions Regarding Risk.—For purposes of clause (ii), the conditions described in this clause with respect to a tolerance for an eligible pesticide chemical residue are the following:

"(I) The yearly risk associated with the nonthreshold effect from aggregate exposure to the residue does not exceed 10 times the yearly risk that would be allowed under subparagraph (A) for such effect.

"(II) The tolerance is limited so as to ensure that the risk over a lifetime associated with the nonthreshold effect from aggregate exposure to the residue is not greater than twice the lifetime risk that would be allowed under subparagraph (A) for such effect.

"(v) Review.—Five years after the date on which the Administrator makes a determination to leave in effect or modify a tolerance under this subparagraph, and thereafter as the Administrator deems appropriate, the Administrator shall determine, after notice and opportunity for comment, whether it has been demonstrated to the Administrator that a condition described in clause (iii)(I) or clause (iii)(II) continues to exist with respect to the tolerance and that the yearly and lifetime risks from aggregate exposure to such residue continue to comply with the limits specified in clause (iv). If the Administrator determines by such date that such demonstration has not been made, the Administrator shall, not later than 180 days after the date of such determination, issue a regulation under subsection (e)(1) to modify or revoke the tolerance.

"(vi) Infants and Children.—Any tolerance under this subparagraph shall meet the requirements of subparagraph (C).

"(C) Exposure of Infants and Children.—In establishing, modifying, leaving in effect, or revoking a tolerance or exemption for a pesticide chemical residue, the Administrator—

"(i) shall assess the risk of the pesticide chemical residue based on—

"(I) available information about consumption patterns among infants and children that are likely to result in disproportionately high consumption of foods containing or bearing such residue among infants and children in comparison to the general population;

"(II) available information concerning the special susceptibility of infants and children to the pesticide chemical residues, including neurological differences between infants and children and adults, and effects of in utero exposure to pesticide chemicals; and

"(III) available information concerning the cumulative effects on infants and children of such residues and other substances that have a common mechanism of toxicity; and

"(ii) shall—

"(I) ensure that there is a reasonable certainty that no harm will result to infants and children from aggregate exposure to the pesticide chemical residue; and

"(II) publish a specific determination regarding the safety of the pesticide chemical residue for infants and children.

The Secretary of Health and Human Services and the Secretary of Agriculture, in consultation with the Administrator, shall conduct surveys to document dietary exposure to pesticides among infants and children. In the case of threshold effects, for purposes of clause (ii)(I) an additional tenfold margin of safety for the pesticide chemical residue and other sources of exposure shall be applied for infants and children to take into account potential pre- and post-natal toxicity and completeness of the data with respect to exposure and toxicity to infants and children. Notwithstanding such requirement for an additional margin of safety, the Administrator may use a different margin of safety for the pesticide chemical residue only if, on the basis of reliable data, such margin will be safe for infants and children.

"(D) Factors.—In establishing, modifying, leaving in effect, or revoking a tolerance or exemption for a pesticide chemical residue, the Administrator shall consider, among other relevant factors—

"(i) the validity, completeness, and reliability of the available data from studies of the pesticide chemical and pesticide chemical residue;

"(ii) the nature of any toxic effect shown to be caused by the pesticide chemical or pesticide chemical residue in such studies;

"(iii) available information concerning the relationship of the results of such studies to human risk;

"(iv) available information concerning the dietary consumption patterns of consumers (and major identifiable subgroups of consumers);

"(v) available information concerning the cumulative effects of such residues and other substances that have a common mechanism of toxicity;

"(vi) available information concerning the aggregate exposure levels of consumers (and major identifiable subgroups of consumers) to the pesticide chemical residue and to other related substances, including dietary exposure under the tolerance and all other tolerances in effect for the pesticide chemical residue, and exposure from other non-occupational sources;

"(vii) available information concerning the variability of the sensitivities of major identifiable subgroups of consumers;

"(viii) such information as the Administrator may require on whether the pesticide chemical may have an effect in humans that is similar to an effect produced by a naturally occurring estrogen or other endocrine effects; and

"(ix) safety factors which in the opinion of experts qualified by scientific training and experience to evaluate the safety of food additives are generally recognized as appropriate for the use of animal experimentation data.

"(E) DATA AND INFORMATION REGARDING ANTICIPATED AND ACTUAL RESIDUE LEVELS.—

"(i) AUTHORITY.—In establishing, modifying, leaving in effect, or revoking a tolerance for a pesticide chemical residue, the Administrator may consider available data and information on the anticipated residue levels of the pesticide chemical in or on food and the actual residue levels of the pesticide chemical that have been measured in food, including residue data collected by the Food and Drug Administration.

"(ii) REQUIREMENT.—If the Administrator relies on anticipated or actual residue levels in establishing, modifying, or leaving in effect a tolerance, the Administrator shall pursuant to subsection (f)(1) require that data be provided five years after the date on which the tolerance is established, modified, or left in effect, and thereafter as the Administrator deems appropriate, demonstrating that such residue levels are not above the levels so relied on. If such data are not so provided, or if the data do not demonstrate that the residue levels are not above the levels so relied on, the Administrator shall, not later than 180 days after the date on which the data were required to be provided, issue a regulation under subsection (e)(1), or an order under subsection (f)(2), as appropriate, to modify or revoke the tolerance.

"(F) PERCENT OF FOOD ACTUALLY TREATED.—In establishing, modifying, leaving in effect, or revoking a tolerance for a pesticide chemical residue, the Administrator may, when assessing chronic dietary risk, consider available data and information on the percent of food actually treated with the pesticide chemical (including aggregate pesticide use data collected by the Department of Agriculture) only if the Administrator—

"(i) finds that the data are reliable and provide a valid basis to show what percentage of the food derived from such crop is likely to contain such pesticide chemical residue;

"(ii) finds that the exposure estimate does not understate exposure for any significant subpopulation group;

"(iii) finds that, if data are available on pesticide use and consumption of food in a particular area, the population in such area is not dietarily exposed to residues above those estimated by the Administrator; and

"(iv) provides for the periodic reevaluation of the estimate of anticipated dietary exposure.

"(3) DETECTION METHODS.—

"(A) GENERAL RULE.—A tolerance for a pesticide chemical residue in or on a food shall not be established or modified by the Administrator unless the Administrator determines, after consultation with the Secretary, that there is a practical method for detecting and measuring the levels of the pesticide chemical residue in or on the food.

"(B) DETECTION LIMIT.—A tolerance for a pesticide chemical residue in or on a food shall not be established at or modified to a level lower than the limit of detection of the method for detecting and measuring the pesticide chemical residue specified by the Administrator under subparagraph (A).

"(4) INTERNATIONAL STANDARDS.—In establishing a tolerance for a pesticide chemical residue in or on a food, the Administrator shall determine whether a maximum residue level for the pesticide chemical has been established by the Codex Alimentarius Commission. If a Codex maximum residue level has been established for the pesticide chemical and the Administrator does not propose to adopt the Codex level, the Administrator shall publish for public comment a notice explaining the reasons for departing from the Codex level.

"(c) AUTHORITY AND STANDARD FOR EXEMPTIONS.—

"(1) AUTHORITY.—The Administrator may issue a regulation establishing, modifying, or revoking an exemption from the requirement for a tolerance for a pesticide chemical residue in or on food—

"(A) in response to a petition filed under subsection (d); or

"(B) on the Administrator's initiative under subsection (e).

"(2) STANDARD.—

"(A) GENERAL RULE.—

"(i) STANDARD.—The Administrator may establish or leave in effect an exemption from the requirement for a tolerance for a pesticide chemical residue in or on food only if the Administrator determines that the exemption is safe. The Administrator shall modify or revoke an exemption if the Administrator determines it is not safe.

"(ii) DETERMINATION OF SAFETY.—The term 'safe', with respect to an exemption for a pesticide chemical residue, means that the Administrator has determined that there is a reasonable certainty that no harm will result from aggregate exposure to the pesticide chemical residue, including all anticipated dietary exposures and all other exposures for which there is reliable information.

"(B) FACTORS.—In making a determination under this paragraph, the Administrator shall take into account, among other relevant considerations, the considerations set forth in subparagraphs (C) and (D) of subsection (b)(2).

"(3) LIMITATION.—An exemption from the requirement for a tolerance for a pesticide chemical residue in or on food shall not be established or modified by the Administrator unless the Administrator determines, after consultation with the Secretary—

"(A) that there is a practical method for detecting and measuring the levels of such pesticide chemical residue in or on food; or

"(B) that there is no need for such a method, and states the reasons for such determination in issuing the regulation establishing or modifying the exemption.

"(d) PETITION FOR TOLERANCE OR EXEMPTION.—

"(1) PETITIONS AND PETITIONERS.—Any person may file with the Administrator a petition proposing the issuance of a regulation—

"(A) establishing, modifying, or revoking a tolerance for a pesticide chemical residue in or on a food; or

"(B) establishing, modifying, or revoking an exemption from the requirement of a tolerance for such a residue.

"(2) PETITION CONTENTS.—

"(A) ESTABLISHMENT.—A petition under paragraph (1) to establish a tolerance or exemption for a pesticide chemical residue shall be supported by such data and information as are specified in regulations issued by the Administrator, including—

"(i)(I) an informative summary of the petition and of the data, information, and arguments submitted or cited in support of the petition; and

"(II) a statement that the petitioner agrees that such summary or any information it contains may be published as a part of the notice of filing of the petition to be published under this subsection and as part of a proposed or final regulation issued under this section;

"(ii) the name, chemical identity, and composition of the pesticide chemical residue and of the pesticide chemical that produces the residue;

"(iii) data showing the recommended amount, frequency, method, and time of application of that pesticide chemical;

"(iv) full reports of tests and investigations made with respect to the safety of the pesticide chemical, including full information as to the methods and controls used in conducting those tests and investigations;

"(v) full reports of tests and investigations made with respect to the nature and amount of the pesticide chemical residue that is likely to remain in or on the food, including a description of the analytical methods used;

"(vi) a practical method for detecting and measuring the levels of the pesticide chemical residue in or on the food, or for exemptions, a statement why such a method is not needed;

"(vii) a proposed tolerance for the pesticide chemical residue, if a tolerance is proposed;

"(viii) if the petition relates to a tolerance for a processed food, reports of investigations conducted using the processing method(s) used to produce that food;

"(ix) such information as the Administrator may require to make the determination under subsection (b)(2)(C);

"(x) such information as the Administrator may require on whether the pesticide chemical may have an effect in humans that is similar to an effect produced by a naturally occurring estrogen or other endocrine effects;

"(xi) information regarding exposure to the pesticide chemical residue due to any tolerance or exemption already granted for such residue;

"(xii) practical methods for removing any amount of the residue that would exceed any proposed tolerance; and

"(xiii) such other data and information as the Administrator requires by regulation to support the petition.

If information or data required by this subparagraph is available to the Administrator, the person submitting the petition may cite the availability of the information or data in lieu of submitting it. The Administrator may require a petition to be accompanied by samples of the pesticide chemical with respect to which the petition is filed.

"(B) MODIFICATION OR REVOCATION.—The Administrator may by regulation establish the requirements for information and data to support a petition to modify or revoke a tolerance or to modify or revoke an exemption from the requirement for a tolerance.

"(3) NOTICE.—A notice of the filing of a petition that the Administrator determines has met the requirements of paragraph (2) shall be published by the Administrator within 30 days after such determination. The notice shall announce the availability of a description of the analytical methods available to the Administrator for the detection and measurement of the pesticide chemical residue with respect to which the petition is filed or shall set forth the petitioner's statement of why such a method is not needed. The notice shall include the summary required by paragraph (2)(A)(i)(I).

"(4) ACTIONS BY THE ADMINISTRATOR.—

"(A) IN GENERAL.—The Administrator shall, after giving due consideration to a petition filed under paragraph (1) and any other information available to the Administrator—

"(i) issue a final regulation (which may vary from that sought by the petition) establishing, modifying, or revoking a tolerance for the pesticide chemical residue or an exemption of the pesticide chemical residue from the requirement of a tolerance (which final regulation shall be issued without further notice and without further period for public comment);

"(ii) issue a proposed regulation under subsection (e), and thereafter issue a final regulation under such subsection; or

"(iii) issue an order denying the petition.

"(B) PRIORITIES.—The Administrator shall give priority to petitions for the establishment or modification of a tolerance or exemption for a pesticide chemical residue that appears to pose a significantly lower risk to human health from dietary exposure than pesticide chemical residues that have tolerances in effect for the same or similar uses.

"(C) EXPEDITED REVIEW OF CERTAIN PETITIONS.—

"(i) DATE CERTAIN FOR REVIEW.—If a person files a complete petition with the Administrator proposing the issuance of a regulation establishing a tolerance or exemption for a pesticide chemical residue that presents a lower risk to human health than a pesticide chemical residue for which a tolerance has been left in effect or modified under subsection (b)(2)(B), the Administrator shall complete action on such petition under this paragraph within 1 year.

"(ii) REQUIRED DETERMINATIONS.—If the Administrator issues a final regulation establishing a tolerance or exemption for a safer pesticide chemical residue under clause (i), the Administrator shall, not later than 180 days after the date on which the regulation is issued, determine whether a condition described in subclause (I) or (II) of subsection (b)(2)(B)(iii) continues to exist with respect to a tolerance that has been left in effect or modified under subsection (b)(2)(B). If such condition does not continue to exist, the Administrator shall, not later than 180 days after the date on which the determination under the preceding sentence is made, issue a regulation under subsection (e)(1) to modify or revoke the tolerance.

"(e) ACTION ON ADMINISTRATOR'S OWN INITIATIVE.—

"(1) GENERAL RULE.—The Administrator may issue a regulation—

"(A) establishing, modifying, suspending under subsection (l)(3), or revoking a tolerance for a pesticide chemical or a pesticide chemical residue;

"(B) establishing, modifying, suspending under subsection (l)(3), or revoking an exemption of a pesticide chemical residue from the requirement of a tolerance; or

"(C) establishing general procedures and requirements to implement this section.

"(2) NOTICE.—Before issuing a final regulation under paragraph (1), the Administrator shall issue a notice of proposed rulemaking and provide a period of not less than 60 days for public comment on the proposed regulation, except that a shorter period for comment may be provided if the Administrator for good cause finds that it would be in the public interest to do so and states the reasons for the finding in the notice of proposed rulemaking.

"(f) SPECIAL DATA REQUIREMENTS.—

"(1) REQUIRING SUBMISSION OF ADDITIONAL DATA.—If the Administrator determines that additional data or information are reasonably required to support the continuation of a tolerance or exemption that is in effect under this section for a pesticide chemical residue on a food, the Administrator shall—

"(A) issue a notice requiring the person holding the pesticide registrations associated with such tolerance or exemption to submit the data or information under section 3(c)(2)(B) of the Federal Insecticide, Fungicide, and Rodenticide Act;

"(B) issue a rule requiring that testing be conducted on a substance or mixture under section 4 of the Toxic Substances Control Act; or

"(C) publish in the Federal Register, after first providing notice and an opportunity for comment of not less than 60 days' duration, an order—

"(i) requiring the submission to the Administrator by one or more interested persons of a notice identifying the person or persons who will submit the required data and information;

"(ii) describing the type of data and information required to be submitted to the Administrator and stating why the data and information could not be obtained under the authority of section 3(c)(2)(B) of the Federal Insecticide, Fungicide, and Rodenticide Act or section 4 of the Toxic Substances Control Act;

"(iii) describing the reports of the Administrator required to be prepared during and after the collection of the data and information;

"(iv) requiring the submission to the Administrator of the data, information, and reports referred to in clauses (ii) and (iii); and

"(v) establishing dates by which the submissions described in clauses (i) and (iv) must be made.

The Administrator may under subparagraph (C) revise any such order to correct an error. The Administrator may under this paragraph require data or information pertaining to whether the pesticide chemical may have an effect in humans that is similar to an effect produced by a naturally occurring estrogen or other endocrine effects.

"(2) NONCOMPLIANCE.—If a submission required by a notice issued in accordance with paragraph (1)(A), a rule issued under paragraph (1)(B), or an order issued under paragraph (1)(C) is not made by the time specified in such notice, rule, or order, the Administrator may by order published in the Federal Register modify or revoke the tolerance or exemption in question. In any review of such an order under subsection (g)(2), the only material issue shall be whether a submission required under paragraph (1) was not made by the time specified.

"(g) EFFECTIVE DATE, OBJECTIONS, HEARINGS, AND ADMINISTRATIVE REVIEW.—

"(1) EFFECTIVE DATE.—A regulation or order issued under subsection (d)(4), (e)(1), or (f)(2) shall take effect upon publication unless the regulation or order specifies otherwise. The Administrator may stay the effectiveness of the regulation or order if, after issuance of such regulation or order, objections are filed with respect to such regulation or order pursuant to paragraph (2).

"(2) FURTHER PROCEEDINGS.—

"(A) OBJECTIONS.—Within 60 days after a regulation or order is issued under subsection (d)(4), (e)(1)(A), (e)(1)(B), (f)(2), (n)(3), or (n)(5)(C), any person may file objections thereto with the Administrator, specifying with particularity the provisions of the regulation or order deemed objectionable and stating reasonable grounds therefor. If the regulation or order was issued in response to a petition under subsection (d)(1), a copy of each objection filed by a person other than the petitioner shall be served by the Administrator on the petitioner.

"(B) HEARING.—An objection may include a request for a public evidentiary hearing upon the objection. The Administrator shall, upon the initiative of the Administrator or upon the request of an interested person and after due notice, hold a public evidentiary hearing if and to the extent the Administrator determines that such a public hearing is necessary to receive factual evidence relevant to material issues of fact raised by the objections. The presiding officer in such a hearing may authorize a party to obtain discovery from other persons and may upon a showing of good cause made by a party issue a subpoena to compel testimony or production of documents from any person. The presiding officer shall be governed by the Federal Rules of Civil Procedure in making any order for the protection of the witness or the content of documents produced and shall order the payment of a reasonable fees and expenses as a condition to requiring testimony of the witness. On contest, such a subpoena may be enforced by a Federal district court.

"(C) FINAL DECISION.—As soon as practicable after receiving the arguments of the parties, the Administrator shall issue an order stating the action taken upon each such objection and setting forth any revision to the regulation or prior order that the Administrator has found to be warranted. If a hearing was held under subparagraph (B), such order and any revision to the regulation or prior order shall, with respect to questions of fact at issue in the hearing, be based only on substantial evidence of record at such hearing, and shall set forth in detail the findings of facts and the conclusions of law or policy upon which the order or regulation is based.

"(h) JUDICIAL REVIEW.—

"(1) PETITION.—In a case of actual controversy as to the validity of any regulation issued under subsection (e)(1)(C), or any order issued under subsection (f)(1)(C) or (g)(2)(C), or any regulation that is the subject of such an order, any person who will be adversely affected by such order or regulation may obtain judicial review by filing in the United States Court of Appeals for the circuit wherein that person resides or has its principal place of business, or in the United States Court of Appeals for the District of Columbia Circuit, within 60 days after publication of such order or regulation, a petition praying that the order or regulation be set aside in whole or in part.

"(2) RECORD AND JURISDICTION.—A copy of the petition under paragraph (1) shall be forthwith transmitted by the clerk of the court to the Administrator, or any officer designated by the Administrator for that purpose, and thereupon the Administrator shall file in the court the record of the proceedings on which the Administrator based the order or regulation, as provided in section 2112 of title 28, United States Code. Upon the filing of such a petition, the court shall have exclusive jurisdiction to affirm or set aside the order or regulation complained of in whole or in part. As to orders issued following a public evidentiary hearing, the findings of the Administrator with respect to questions of fact shall be sustained only if supported by substantial evidence when considered on the record as a whole.

"(3) ADDITIONAL EVIDENCE.—If a party applies to the court for leave to adduce additional evidence and shows to the satisfaction of the court that the additional evidence is material and that there were reasonable grounds for the failure to adduce the evidence in the proceeding before the Administrator, the court may order that the additional evidence (and evidence in rebuttal thereof) shall be taken before the Administrator in the manner and upon the terms and conditions the court deems proper. The Administrator may modify prior findings as to the facts by reason of the additional evidence so taken and may modify the order or regulation accordingly. The Administrator shall file with the court any such modified finding, order, or regulation.

"(4) FINAL JUDGMENT; SUPREME COURT REVIEW.—The judgment of the court affirming or setting aside, in whole or in part, any regulation or any order and any regulation which is the subject of such an order shall be final, subject to review by the Supreme Court of the United States as provided in section 1254 of title 28 of the United States Code. The commencement of proceedings under this subsection shall not, unless specifically ordered by the court to the contrary, operate as a stay of a regulation or order.

"(5) APPLICATION.—Any issue as to which review is or was obtainable under this subsection shall not be the subject of judicial review under any other provision of law.

"(i) CONFIDENTIALITY AND USE OF DATA.—

"(1) GENERAL RULE.—Data and information that are or have been submitted to the Administrator under this section or section 409 in support of a tolerance or an exemption from a tolerance shall be entitled to confidential treatment for reasons of business confidentiality and to exclusive use and data compensation to the same extent provided by sections 3 and 10 of the Federal Insecticide, Fungicide, and Rodenticide Act.

"(2) EXCEPTIONS.—

"(A) IN GENERAL.—Data and information that are entitled to confidential treatment under paragraph (1) may be disclosed, under such security requirements as the Administrator may provide by regulation, to—

"(i) employees of the United States authorized by the Administrator to examine such data and information in the carrying out of their official duties under this Act or other Federal statutes intended to protect the public health; or

"(ii) contractors with the United States authorized by the Administrator to examine such data and information in the carrying out of contracts under this Act or such statutes.

"(B) CONGRESS.—This subsection does not authorize the withholding of data or information from either House of Congress or from, to the extent of matter within its jurisdiction, any committee or subcommittee of such committee or any joint committee of Congress or any subcommittee of such joint committee.

"(3) SUMMARIES.—Notwithstanding any provision of this subsection or other law, the Administrator may publish the informative summary required by subsection (d)(2)(A)(i) and may, in issuing a proposed or final regulation or order under this section, publish an informative summary of the data relating to the regulation or order.

"(j) STATUS OF PREVIOUSLY ISSUED REGULATIONS.—

"(1) REGULATIONS UNDER SECTION 406.—Regulations affecting pesticide chemical residues in or on raw agricultural commodities promulgated, in accordance with section 701(e), under the authority of section 406(a) upon the basis of public hearings instituted before January 1, 1953, shall be deemed to be regulations issued under this section and shall be subject to modification or revocation under subsections (d) and (e), and shall be subject to review under subsection (q).

"(2) REGULATIONS UNDER SECTION 409.—Regulations that established tolerances for substances that are pesticide chemical residues in or on processed food, or that otherwise stated the conditions under which such pesticide chemicals could be safely used, and that were issued under section 409 on or before the date of the enactment of this paragraph, shall be deemed to be regulations issued under this section and shall be subject to modification or revocation under subsection (d) or (e), and shall be subject to review under subsection (q).

"(3) REGULATIONS UNDER SECTION 408.—Regulations that established tolerances or exemptions under this section that were issued on or before the date of the enactment of this paragraph shall remain in effect unless modified or revoked under subsection (d) or (e), and shall be subject to review under subsection (q).

"(k) TRANSITIONAL PROVISION.—If, on the day before the date of the enactment of this subsection, a substance that is a pesticide chemical was, with respect to a particular pesticidal use of the substance and any resulting pesticide chemical residue in or on a particular food—

"(1) regarded by the Administrator or the Secretary as generally recognized as safe for use within the meaning of the provisions of subsection (a) or section 201(s) as then in effect; or

"(2) regarded by the Secretary as a substance described by section 201(s)(4);

such a pesticide chemical residue shall be regarded as exempt from the requirement for a tolerance, as of the date of enactment of this subsection. The Administrator shall by regulation indicate which substances are described by this subsection. Any exemption under this subsection may be modified or revoked as if it had been issued under subsection (c).

"(l) HARMONIZATION WITH ACTION UNDER OTHER LAWS.—

"(1) COORDINATION WITH FIFRA.—To the extent practicable and consistent with the review deadlines in subsection (q), in issuing a final rule under this subsection that suspends or revokes a tolerance or exemption for a pesticide chemical residue in or on food, the Administrator shall coordinate such action with any related necessary action under the Federal Insecticide, Fungicide, and Rodenticide Act.

"(2) REVOCATION OF TOLERANCE OR EXEMPTION FOLLOWING CANCELLATION OF ASSOCIATED REGISTRATIONS.—If the Administrator, acting under the Federal Insecticide, Fungicide, and Rodenticide Act, cancels the registration of each pesticide that contains a particular pesticide chemical and that is labeled for use on a particular food, or requires that the registration of each such pesticide be modified to prohibit its use in connection with the production, storage, or transportation of such food, due in whole or in part to dietary risks to humans posed by residues of that pesticide chemical on that food, the Administrator shall revoke any tolerance or exemption that allows the presence of the pesticide chemical, or any pesticide chemical residue that results from its use, in or on that food. Subsection (e) shall apply to actions taken under this paragraph. A revocation under this paragraph shall become effective not later than 180 days after—

"(A) the date by which each such cancellation of a registration has become effective; or

"(B) the date on which the use of the canceled pesticide becomes unlawful under the terms of the cancellation, whichever is later.

"(3) SUSPENSION OF TOLERANCE OR EXEMPTION FOLLOWING SUSPENSION OF ASSOCIATED REGISTRATIONS.—

"(A) SUSPENSION.—If the Administrator, acting under the Federal Insecticide, Fungicide, and Rodenticide Act, suspends the use of each registered pesticide that contains a particular pesticide chemical and that is labeled for use on a particular food, due in whole or in part to dietary risks to humans posed by residues of that pesticide chemical on that food, the Administrator shall suspend any tolerance or exemption that allows the presence of the pesticide chemical, or any pesticide chemical residue that results from its use, in or on that food. Subsection (e) shall apply to actions taken under this paragraph. A suspension under this paragraph shall become effective not later than 60 days after the date by which each such suspension of use has become effective.

"(B) EFFECT OF SUSPENSION.—The suspension of a tolerance or exemption under subparagraph (A) shall be effective as long as the use of each associated registration of a pesticide is suspended under the Federal Insecticide, Fungicide, and Rodenticide Act. While a suspension of a tolerance or exemption is effective the tolerance or exemption shall not be considered to be in effect. If the suspension of use of the pesticide under that Act is terminated, leaving the registration of the pesticide for such use in effect under that Act, the Administrator shall rescind any associated suspension of tolerance or exemption.

"(4) TOLERANCES FOR UNAVOIDABLE RESIDUES.—In connection with action taken under paragraph (2) or (3), or with respect to pesticides whose registrations were suspended or canceled prior to the date of the enactment of this paragraph under the Federal Insecticide, Fungicide, and Rodenticide Act, if the Administrator determines that a residue of the canceled or suspended pesticide chemical will unavoidably persist in the environment and thereby be present in or on a food, the Administrator may establish a tolerance for the pesticide chemical residue. In establishing such a tolerance, the Administrator shall take into account both the factors set forth in subsection (b)(2) and the unavoidability of the residue. Subsection (e) shall apply to the establishment of such tolerance. The Administrator shall review any such tolerance periodically and modify it as necessary so that it allows no greater level of the pesticide chemical residue than is unavoidable.

"(5) PESTICIDE RESIDUES RESULTING FROM LAWFUL APPLICATION OF PESTICIDE.—Notwithstanding any other provision of this Act, if a tolerance or exemption for a pesticide chemical residue in or on a food has been revoked, suspended, or modified under this section, an article of that food shall not be deemed unsafe solely because of the presence of such pesticide chemical residue in or on such food if it is shown to the satisfaction of the Secretary that—

"(A) the residue is present as the result of an application or use of a pesticide at a time and in a manner that was lawful under the Federal Insecticide, Fungicide, and Rodenticide Act; and

"(B) the residue does not exceed a level that was authorized at the time of that application or use to be present on the food under a tolerance, exemption, food additive regulation, or other sanction then in effect under this Act;

unless, in the case of any tolerance or exemption revoked, suspended, or modified under this subsection or subsection (d) or (e), the Administrator has issued a determination that consumption of the legally treated food during the period of its likely availability in commerce will pose an unreasonable dietary risk.

"(6) TOLERANCE FOR USE OF PESTICIDES UNDER AN EMERGENCY EXEMPTION.—If the Administrator grants an exemption under section 18 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136p) for a pesticide chemical, the Administrator shall establish a tolerance or exemption from the requirement for a tolerance for the pesticide chemical residue. Such a tolerance or exemption from a tolerance shall have an expiration date. The Administrator may establish such a tolerance or exemption without providing notice or a period for comment on the tolerance or exemption. The Administrator shall promulgate regulations within 365 days after the date of the enactment of this paragraph governing the establishment of tolerances and exemptions under this paragraph. Such regulations shall be consistent with the safety standard under subsections (b)(2) and (c)(2) and with section 18 of the Federal Insecticide, Fungicide, and Rodenticide Act.

"(m) FEES.—

"(1) AMOUNT.—The Administrator shall by regulation require the payment of such fees as will in the aggregate, in the judgment of the Administrator, be sufficient over a reasonable term to provide, equip, and maintain an adequate service for the performance of the Administrator's functions under this section. Under the regulations, the performance of the Administrator's services or other functions under this section, including—

"(A) the acceptance for filing of a petition submitted under subsection (d);

"(B) establishing, modifying, leaving in effect, or revoking a tolerance or establishing, modifying, leaving in effect, or revoking an exemption from the requirement for a tolerance under this section;

"(C) the acceptance for filing of objections under subsection (g); or

"(D) the certification and filing in court of a transcript of the proceedings and the record under subsection (h);

may be conditioned upon the payment of such fees. The regulations may further provide for waiver or refund of fees in whole or in part when in the judgment of the Administrator such a waiver or refund is equitable and not contrary to the purposes of this subsection.

"(2) DEPOSIT.—All fees collected under paragraph (1) shall be deposited in the Reregistration and Expedited Processing Fund created by section 4(k) of the Federal Insecticide, Fungicide, and Rodenticide Act. Such fees shall be available to the Administrator, without fiscal year limitation, for the performance of the Administrator's services or functions as specified in paragraph (1).

"(n) NATIONAL UNIFORMITY OF TOLERANCES.—

"(1) QUALIFYING PESTICIDE CHEMICAL RESIDUE.—For purposes of this subsection, the term 'qualifying pesticide chemical residue' means a pesticide chemical residue resulting from the use, in production, processing, or storage of a food, of a pesticide chemical that is an active ingredient and that—

"(A) was first approved for such use in a registration of a pesticide issued under section 3(c)(5) of the Federal Insecticide, Fungicide, Rodenticide Act on or after April 25, 1985, on the basis of data determined by the Administrator to meet all applicable requirements for data prescribed by regulations in effect under that Act on April 25, 1985; or

"(B) was approved for such use in a reregistration eligibility determination issued under section 4(g) of that Act on or after the date of enactment of this subsection.

"(2) QUALIFYING FEDERAL DETERMINATION.—For purposes of this subsection, the term 'qualifying Federal determination' means a tolerance or exemption from the requirement for a tolerance for a qualifying pesticide chemical residue that—

"(A) is issued under this section after the date of the enactment of this subsection and determined by the Administrator to meet the standard under subsection (b)(2)(A) (in the case of a tolerance) or (c)(2) (in the case of an exemption); or

"(B)(i) pursuant to subsection (j) is remaining in effect or is deemed to have been issued under this section, or is regarded under subsection (k) as exempt from the requirement for a tolerance; and

"(ii) is determined by the Administrator to meet the standard under subsection (b)(2)(A) (in the case of a tolerance) or (c)(2) (in the case of an exemption).

"(3) LIMITATION.—The Administrator may make the determination described in paragraph (2)(B)(ii) only by issuing a rule in accordance with the procedure set forth in subsection (d) or (e) and only if the Administrator issues a proposed rule and allows a period of not less than 30 days for comment on the proposed rule. Any such rule shall be reviewable in accordance with subsections (g) and (h).

"(4) STATE AUTHORITY.—Except as provided in paragraphs (5), (6), and (8) no State or political subdivision may establish or enforce any regulatory limit on a qualifying pesticide chemical residue in or on any food if a qualifying Federal determination applies to the presence of such pesticide chemical residue in or on such food, unless such State regulatory limit is identical to such qualifying Federal determination. A State or political subdivision shall be deemed to establish or enforce a regulatory limit on a pesticide chemical residue in or on a food if it purports to prohibit or penalize the production, processing, shipping, or other handling of a food because it contains a pesticide residue (in excess of a prescribed limit).

"(5) PETITION PROCEDURE.—

"(A) IN GENERAL.—Any State may petition the Administrator for authorization to establish in such State a regulatory limit on a qualifying pesticide chemical residue in or on any food that is not identical to the qualifying Federal determination applicable to such qualifying pesticide chemical residue.

"(B) PETITION REQUIREMENTS.—Any petition under subparagraph (A) shall—

"(i) satisfy any requirements prescribed, by rule, by the Administrator; and

"(ii) be supported by scientific data about the pesticide chemical residue that is the subject of the petition or about chemically related pesticide chemical residues, data on the consumption within such State of food bearing the pesticide chemical residue, and data on exposure of humans within such State to the pesticide chemical residue.

"(C) AUTHORIZATION.—The Administrator may, by order, grant the authorization described in subparagraph (A) if the Administrator determines that the proposed State regulatory limit—

"(i) is justified by compelling local conditions; and

"(ii) would not cause any food to be a violation of Federal law.

"(D) TREATMENT.—In lieu of any action authorized under subparagraph (C), the Administrator may treat a petition under this paragraph as a petition under subsection (d) to modify or revoke a tolerance or an exemption. If the Administrator determines to treat a petition under this paragraph as a petition under subsection (d), the Administrator shall thereafter act on the petition pursuant to subsection (d).

"(E) REVIEW.—Any order of the Administrator granting or denying the authorization described in subparagraph (A) shall be subject to review in the manner described in subsections (g) and (h).

"(6) URGENT PETITION PROCEDURE.—Any State petition to the Administrator pursuant to paragraph (5) that demonstrates that consumption of a food containing such pesticide residue level during the period of the food's likely availability in the State will pose a significant public health threat from acute exposure shall be considered an urgent petition. If an order by the Administrator to grant or deny the requested authorization in an urgent petition is not made within 30 days of receipt of the petition, the petitioning State may establish and enforce a temporary regulatory limit on a qualifying pesticide chemical residue in or on the food. The temporary regulatory limit shall be validated or terminated by the Administrator's final order on the petition.

"(7) RESIDUES FROM LAWFUL APPLICATION.—No State or political subdivision may enforce any regulatory limit on the level of a pesticide chemical residue that may appear in or on any food if, at the time of the application of the pesticide that resulted in such residue, the sale of such food with such residue level was lawful under this section and under the law of such State, unless the State demonstrates that consumption of the food containing such pesticide residue level during the period of the food's likely availability in the State will pose an unreasonable dietary risk to the health of persons within such State.

"(8) SAVINGS.—Nothing in this Act preempts the authority of any State or political subdivision to require that a food containing a pesticide chemical residue bear or be the subject of a warning or other statement relating to the presence of the pesticide chemical residue in or on such food.

"(o) CONSUMER RIGHT TO KNOW.—Not later than 2 years after the date of the enactment of the Food Quality Protection Act of 1996, and annually thereafter, the Administrator shall, in consultation with the Secretary of Agriculture and the Secretary of Health and Human Services, publish in a format understandable to a lay person, and distribute to large retail grocers for public display (in a manner determined by the grocer), the following information, at a minimum:

"(1) A discussion of the risks and benefits of pesticide chemical residues in or on food purchased by consumers.

"(2) A listing of actions taken under subparagraph (B) of subsection (b)(2) that may result in pesticide chemical residues in or on food that present a yearly or lifetime risk above the risk allowed under subparagraph (A) of such subsection, and the food on which the pesticide chemicals producing the residues are used.

"(3) Recommendations to consumers for reducing dietary exposure to pesticide chemical residues in a manner consistent with maintaining a healthy diet, including a list of food that may reasonably substitute for food listed under paragraph (2).

Nothing in this subsection shall prevent retail grocers from providing additional information.

"(p) ESTROGENIC SUBSTANCES SCREENING PROGRAM.—

"(1) DEVELOPMENT.—Not later than 2 years after the date of enactment of this section, the Administrator shall in consultation with the Secretary of Health and Human Services develop a screening program, using appropriate validated test systems and other scientifically relevant information, to determine whether certain substances may have an effect in humans that is similar to an effect produced by a naturally occurring estrogen, or such other endocrine effect as the Administrator may designate.

"(2) IMPLEMENTATION.—Not later than 3 years after the date of enactment of this section, after obtaining public comment and review of the screening program described in paragraph (1) by the scientific advisory panel established under section 25(d) of the Federal Insecticide, Fungicide, and Rodenticide Act or the science advisory board established by section 8 of the Environmental Research, Development, and Demonstration Act of 1978 (42 U.S.C. 4365), the Administrator shall implement the program.

"(3) SUBSTANCES.—In carrying out the screening program described in paragraph (1), the Administrator—

"(A) shall provide for the testing of all pesticide chemicals; and

"(B) may provide for the testing of any other substance that may have an effect that is cumulative to an effect of a pesticide chemical if the Administrator determines that a substantial population may be exposed to such substance.

"(4) EXEMPTION.—Notwithstanding paragraph (3), the Administrator may, by order, exempt from the requirements of this section a biologic substance or other substance if the Administrator determines that the substance is anticipated not to produce any effect in humans similar to an effect produced by a naturally occurring estrogen.

"(5) COLLECTION OF INFORMATION.—

"(A) IN GENERAL.—The Administrator shall issue an order to a registrant of a substance for which testing is required under this subsection, or to a person who manufactures or imports a substance for which testing is required under this subsection, to conduct testing in accordance with the screening program described in paragraph (1), and submit information obtained from the testing to the Administrator, within a reasonable time period that the Administrator determines is sufficient for the generation of the information.

"(B) PROCEDURES.—To the extent practicable the Administrator shall minimize duplicative testing of the same substance for the same endocrine effect, develop, as appropriate, procedures for fair and equitable sharing of test costs, and develop, as necessary, procedures for handling of confidential business information.

"(C) FAILURE OF REGISTRANTS TO SUBMIT INFORMATION.—

"(i) SUSPENSION.—If a registrant of a substance referred to in paragraph (3)(A) fails to comply with an order under subparagraph (A) of this paragraph, the Administrator shall issue a notice of intent to suspend the sale or distribution of the substance by the registrant. Any suspension proposed under this paragraph shall become final at the end of the 30-day period beginning on the date that the registrant receives the notice of intent to suspend, unless during that period a person adversely affected by the notice requests a hearing or the Administrator determines that the registrant has complied fully with this paragraph.

"(ii) HEARING.—If a person requests a hearing under clause (i), the hearing shall be conducted in accordance with section 554 of title 5, United States Code. The only matter for resolution at the hearing shall be whether the registrant has failed to comply with an order under subparagraph (A) of this paragraph. A decision by the Administrator after completion of a hearing shall be considered to be a final agency action.

"(iii) TERMINATION OF SUSPENSIONS.—The Administrator shall terminate a suspension under this subparagraph issued with respect to a registrant if the Administrator determines that the registrant has complied fully with this paragraph.

"(D) NONCOMPLIANCE BY OTHER PERSONS.—Any person (other than a registrant) who fails to comply with an order under subparagraph (A) shall be liable for the same penalties and sanctions as are provided under section 16 of the Toxic Substances Control Act (15 U.S.C. 2601 and following) in the case of a violation referred to in that section. Such penalties and sanctions shall be assessed and imposed in the same manner as provided in such section 16.

"(6) AGENCY ACTION.—In the case of any substance that is found, as a result of testing and evaluation under this section, to have an endocrine effect on humans, the Administrator shall, as appropriate, take action under such statutory authority as is available to the Administrator, including consideration under other sections of this Act, as is necessary to ensure the protection of public health.

"(7) REPORT TO CONGRESS.—Not later than 4 years after the date of enactment of this section, the Administrator shall prepare and submit to Congress a report containing—

"(A) the findings of the Administrator resulting from the screening program described in paragraph (1);

"(B) recommendations for further testing needed to evaluate the impact on human health of the substances tested under the screening program; and

"(C) recommendations for any further actions (including any action described in paragraph (6)) that the Administrator determines are appropriate based on the findings.

"(q) SCHEDULE FOR REVIEW.—

"(1) IN GENERAL.—The Administrator shall review tolerances and exemptions for pesticide chemical residues in effect on the day before the date of the enactment of the Food Quality Protection Act of 1996, as expeditiously as practicable, assuring that—

"(A) 33 percent of such tolerances and exemptions are reviewed within 3 years of the date of enactment of such Act;

"(B) 66 percent of such tolerances and exemptions are reviewed within 6 years of the date of enactment of such Act; and

"(C) 100 percent of such tolerances and exemptions are reviewed within 10 years of the date of enactment of such Act.

In conducting a review of a tolerance or exemption, the Administrator shall determine whether the tolerance or exemption meets the requirements of subsections (b)(2) or (c)(2) and shall, by the deadline for the review of the tolerance or exemption, issue a regulation under subsection (d)(4) or (e)(1) to modify or revoke the tolerance or exemption if the tolerance or exemption does not meet such requirements.

"(2) PRIORITIES.—In determining priorities for reviewing tolerances and exemptions under paragraph (1), the Administrator shall give priority to the review of the tolerances or exemptions that appear to pose the greatest risk to public health.

"(3) PUBLICATION OF SCHEDULE.—Not later than 12 months after the date of the enactment of the Food Quality Protection Act of 1996, the Administrator shall publish a schedule for review of tolerances and exemptions established prior to the date of the enactment of the Food Quality Protection Act of 1996. The determination of priorities for the review of tolerances and exemptions pursuant to this subsection is not a rulemaking and shall not be subject to judicial review, except that failure to take final action pursuant to the schedule established by this paragraph shall be subject to judicial review.

"(r) TEMPORARY TOLERANCE OR EXEMPTION.—The Administrator may, upon the request of any person who has obtained an experimental permit for a pesticide chemical under the Federal Insecticide, Fungicide, and Rodenticide Act or upon the Administrator's own initiative, establish a temporary tolerance or exemption for the pesticide chemical residue for the uses covered by the permit. Subsections (b)(2), (c)(2), (d), and (e) shall apply to actions taken under this subsection.

"(s) SAVINGS CLAUSE.—Nothing in this section shall be construed to amend or modify the provisions of the Toxic Substances Control Act or the Federal Insecticide, Fungicide, and Rodenticide Act.".

SEC. 406. AUTHORIZATION FOR INCREASED MONITORING.

For the fiscal years 1997 through 1999, there is authorized to be appropriated in the aggregate an additional $12,000,000 for increased monitoring by the Secretary of Health and Human Services of pesticide residues in imported and domestic food.

SEC. 407. ALTERNATIVE ENFORCEMENT.

Section 303(g) (21 U.S.C. 333(f)) is amended—

(1) by redesignating paragraphs (2), (3), and (4) as paragraphs (3), (4), and (5), respectively,

(2) by inserting after paragraph (1) the following:

"(2)(A) Any person who introduces into interstate commerce or delivers for introduction into interstate commerce an article of food that is adulterated within the meaning of section 402(a)(2)(B) shall be subject to a civil money penalty of not more than $50,000 in the case of an individual and $250,000 in the case of any other person for such introduction or delivery, not to exceed $500,000 for all such violations adjudicated in a single proceeding.

"(B) This paragraph shall not apply to any person who grew the article of food that is adulterated. If the Secretary assesses a civil penalty against any person under this paragraph, the Secretary may not use the criminal authorities under this section to sanction such person for the introduction or delivery for introduction into interstate commerce of the article of food that is adulterated. If the Secretary assesses a civil penalty against any person under this paragraph, the Secretary may not use the seizure authorities of section 304 or the injunction authorities of section 302 with respect to the article of food that is adulterated.

"(C) In a hearing to assess a civil penalty under this paragraph, the presiding officer shall have the same authority with regard to compelling testimony or production of documents as a presiding officer has under section 408(g)(2)(B). The third sentence of paragraph (3)(A) shall not apply to any investigation under this paragraph.";

(3) in paragraph (3), as so redesignated, by striking "paragraph (1)" each place it occurs and inserting "paragraph (1) or (2)";

(4) in paragraph (4), as so redesignated, by striking "(2)(A)" and inserting "(3)(A)"; and

(5) in paragraph (5), as so redesignated, by striking "(3)" each place it occurs and inserting "(4)".

TITLE V—FEES

SEC. 501. REREGISTRATION FEES.

(a) SECTION 4(i).—Section 4(i) (7 U.S.C. 136a–1(i)), as amended by section 232(2), is amended—

(1) in paragraphs (5)(H) and (6), by striking "1997" and inserting "2001"; and

(2) in paragraph (5)(C), by inserting "(i)" after "(C)" and by adding at the end the following:

"(ii) in each of the fiscal years 1998, 1999, and 2000, the Administrator is authorized to collect up to an additional $2,000,000 in a manner consistent with subsection (k)(5) and the recommendations of the Inspector General of the Environmental Protection Agency. The total fees that may be collected under this clause shall not exceed $6,000,000.".

(b) SECTION 4(k)(1).—Section 4(k)(1) (7 U.S.C. 136a–1(k)(1) is amended by inserting before the period the following: "which shall be known as the Reregistration and Expedited Processing Fund".

(c) SECTION 4(k)(2).—Section 4(k)(2) (7 136a–1(k)(2)) is amended to read as follows:

"(2) SOURCE AND USE.—

"(A) All moneys derived from fees collected by the Administrator under subsection (i) shall be deposited in the fund and shall be available to the Administrator, without fiscal year limitation, specifically to offset the costs of reregistration and expedited processing of the applications specified in paragraph (3). Such moneys derived from fees may not be expended in any fiscal year to the extent such moneys derived from fees would exceed money appropriated for use by the Administrator and expended in such year for such costs of reregistration and expedited processing of such applications. The Administrator shall, prior to expending any such moneys derived from fees—

"(i) effective October 1, 1997, adopt specific and cost accounting rules and procedures as approved by the General Accounting Office and the Inspector General of the Environmental Protection Agency to ensure that moneys derived from fees are allocated solely to the costs of reregistration and expedited processing of the applications specified in paragraph (3) in the same portion as appropriated funds;

"(ii) prohibit the use of such moneys derived from fees to pay for any costs other than those necessary to achieve reregistration and expedited processing of the applications specified in paragraph (3); and

"(iii) ensure that personnel and facility costs associated with the functions to be carried out under this paragraph do not exceed agency averages for comparable personnel and facility costs.

"(B) The Administrator shall also—

"(i) complete the review of unreviewed reregistration studies required to support the reregistration eligibility decisions scheduled for completion in accordance with subsection (l)(2); and

"(ii) contract for such outside assistance as may be necessary for review of required studies, using a generally accepted competitive process for the selection of vendors of such assistance.".

(d) SECTION 4(k)(3).—Section 4(k)(3) (7 U.S.C. 136a–1(k)(3)) is amended—

(1) in subparagraph (A), by striking out "for each of the fiscal years 1992, 1993, and 1994, ⅐th of the maintenance fees collected, up to 2 million each year" and inserting in lieu thereof "for each of the fiscal years 1997 through 2001, not more than ⅐ of the maintenance fees collected in such fiscal year"; and

(2) by adding a new subparagraph (C) to read as follows:

"(C) So long as the Administrator has not met the time frames specified in clause (ii) of section 3(c)(3)(B) with respect to any application subject to section 3(c)(3)(B) that was received prior to the date of enactment of the Food Quality Protection Act of 1996, the Administrator shall use the full amount of the fees specified in subparagraph (A) for the purposes specified therein. Once all applications subject to section 3(c)(3)(B) that were received prior to such date of enactment have been acted upon, no limitation shall be imposed by the preceding sentence of this subparagraph so long as the Administrator meets the time frames specified in clause (ii) of section 3(c)(3)(B) on 90 percent of affected applications in a fiscal year. Should the Administrator not meet such time frames in a fiscal year, the limitations imposed by the first sentence of this subparagraph shall apply until all overdue applications subject to section 3(c)(3)(B) have been acted upon.".

(e) SECTION 4(k)(5).—Section 4(k)(5) (7 U.S.C. 136a–1(k)(5)) is amended to read as follows:

"(5) ACCOUNTING AND PERFORMANCE.—The Administrator shall take all steps necessary to ensure that expenditures from fees authorized by subsection (i)(5)(C)(ii) are used only to carry out the goals established under subsection (l). The Reregistration and Expedited Processing Fund shall be designated as an Environmental Protection Agency component for purposes of section 3515(c) of title 31, United States Code. The annual audit required under section 3521 of such title of the financial statements of activities under this Act under section 3515(b) of such title shall include an audit of the fees collected under subsection (i)(5)(C) and disbursed, of the amount appropriated to match such fees, and of the Administrator's attainment of performance measure and goals established under subsection (l). Such an audit shall also include a review of the reasonableness of the overhead allocation and adequacy of disclosures of direct and indirect costs associated with carrying out the reregistration and expedited processing of the applications specified in paragraph (3), and the basis for and accuracy of all costs paid with moneys derived from such fees. The Inspector General shall conduct the annual audit and report the findings and recommendations of such audit to the Administrator and to the Committees on Agriculture of the House of Representatives and the Senate. The cost of such audit shall be paid for out of the fees collected under subsection (i)(5)(C).".

(f) GOALS.—Subsections (l) and (m) of section 4 (7 U.S.C. 136a–1), as amended by section 237, are redesignated as subsections (m) and (n) respectively and the following is inserted after subsection (k):

"(l) PERFORMANCE MEASURES AND GOAL.—The Administrator shall establish and publish annually in the Federal Register performance measures and goals. Such measures and goals shall include—

"(1) the number of products reregistered, canceled, or amended, the status of reregistration, the number and type of data requests under section 3(c)(2)(B) issued to support product reregistration by active ingredient, the progress in reducing the number of unreviewed, required reregistration studies, the aggregate status of tolerances reassessed, and the number of applications for registration submitted under subsection (k)(3) that were approved or disapproved;

"(2) the future schedule for reregistrations, including the projection for such schedules that will be issued under subsection (g)(2)(A) and (B) in the current fiscal year and the succeeding fiscal year; and

"(3) the projected year of completion of the reregistrations under this section.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Kansas [Mr. ROBERTS] and the gentleman from Texas [Mr. DE LA GARZA] will each control 20 minutes.

Mr. Chair recognizes the gentleman from Kansas [Mr. ROBERTS].

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1627, the Food Quality Protection Act, represents nearly a decade of effort to modernize the Federal pesticide regulatory system. Today the Committee on Agriculture and the Committee on Commerce will accomplish what many thought simply could not be done; that is, successful consideration on the floor of a pesticide reform bill.

Mr. Speaker, this bill has been cosponsored by over 240 Members. This bill was made possible by a recognition from all sides of the debate that the proper use of safe pesticides is a critical element in protecting public health and ensuring a safe, abundant, and affordable food supply for our American consumers. To that end, H.R. 1627 does provide wide latitude for the Environmental Protection Agency to adapt its regulatory system to meet the constantly improving scientific information that is available.

H.R. 1627 reforms the outdated Delaney clause to allow modern science, rather than arbitrary rules, to be used in evaluating pesticide risks and benefits. Just as important, because the new standard will be narrative rather than specific, this legislation will allow the regulatory process to be adjusted as scientific risks and benefit assessments simply progress.

H.R. 1627 also provides additional incentives to register new, safer pesticides through new authorities that allow the EPA to streamline the pesticide registration procedures, including antimicrobial pesticides.

In addition, the bill provides several incentives for interested parties who wish to pursue the registration of so-called "minor use" pesticides to ensure their availability in critical public health and agricultural use situations.

This bill requires the Federal Government to fully consider any special risk to infants and children in regulatory actions. Specifically, when there is not enough reliable data on the risks to infants and children submitted to support the setting of a food tolerance, the bill provides the EPA administrator the flexibility to adjust a pesticide food tolerance to ensure that infants and children are indeed safe.

In the National Academy of Sciences report, Pesticides in the Diets of Infants and Children, the NAS highlighted the EPA's current practice of applying an additional tenfold safety factor to the established thousandfold safety margin in order to ensure safety for fetal development. In addition, the bill does provide the EPA the additional flexibility to apply a safety factor of less than ten-fold if the administrator determines such a level will be safe for infants and for children.

To further protect infants and children, the bill requires the EPA, the Department of Agriculture, and the FDA to coordinate their efforts to collect accurate dietary information on the eating patterns of U.S. consumers of all ages to ensure the EPA has reliable data from which to make rational science-based regulatory decisions.

H.R. 1627 also provides the EPA the resources necessary to continue the long-delayed reregistration of existing pesticides. Over the next 5 years the EPA administrator is authorized to collect up to $76 million in reregistration fees from the pesticide industry to help the agency meet the task of completing the reviewing of the data of pesticides registered prior to 1985. To ensure these funds are used only for the reregistration program and to enable Congress to meet its oversight responsibilities relative to the program goals, this legislation requires a stringent annual financial and performance audit of the monies collected and appropriated for the reregistration program.

Everyone involved in this legislation had made significant compromises to reach the goal of passing a valuable reform, a critical reform of pesticide law. As we near the finish line, it is important to commend everyone involved on both committees in Congress and many others for the hard work that certainly brings us to this point.

I personally would like to mention the contributions of our former colleague and the former Secretary of Agriculture, the late Edward Madigan; our former colleague, the late Mr. Bill Emerson of Missouri; the chairman emeritus of the House Committee on Agriculture, the gentleman from Texas Mr. KIKA DE LA GARZA, the godfather of this entire effort; the gentleman from Texas, Mr. GEORGE BROWN; the gentleman from Texas, Mr. STENHOM, who has been a valuable help to us down through the years; the gentleman from California, Mr. CONDIT; the distinguished chairman of the Committee on Commerce, the gentleman from Virginia, Mr. BLILEY; Mr. Bruce, a former colleague from Illinois; Mr. Lehman, a former colleague from California, and Mr. Rowland, a former colleague from Georgia.

The ultimate success of this reform will rest with the professionalism and the common sense of the Environmental Protection Agency. Congress will be watching closely as we try to implement these reforms. We will, to ensure that science, not emotion, is the basis of the pesticide regulation.

Mr. Speaker, I reserve the balance of my time.

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it has been a long time in coming. I am speaking of the amendment to FIFRA and the food and drug law. Today we have a package before this House that makes amendment to how we regulate pesticides, and it is on the suspension calendar. It is hard to believe that we have come all this way.

Mr. Speaker, let me echo appreciation to all of those Chairman ROBERTS has mentioned as having worked on this effort. I would like to add only our former colleague from Iowa, Mr. Berkley Bedell, who diligently worked on this issue and had it almost to the brink of passage at one time.

Mr. Speaker, I have no objections to the present bill. However, I have concerns about how it will be implemented. One of the biggest hurdles, if not the biggest, to getting where we are today has been the infamous or famous Delaney clause.

Whatever one's perspective might be, the Delaney clause was a political outgrowth of the public's fear in the 1950's of the disease that was being increasingly diagnosed: cancer. Americans were facing this mysterious killer more frequently. Interestingly, at the same time medicine was improving and physicians were diagnosing more cancer. Today we have the capability to measure to parts per trillion. There is no justifiable reason for a test based on zero tolerance like we have with the Delaney clause.

Mr. Speaker, I would like to mention that all of the areas that have been covered by the chairman of the committee, minor use crop protection, antimicrobial pesticide registration reform, and public health pesticides, were all very diligently and studiously worked on by members of the Committee on Agriculture.

I would like to commend our friends from the Committee on Commerce, the chairman, the ranking member, and the ranking member of the Subcommittee on Health and Environment, for all the work they have done, and for their diligence in seeing that the needs of society are met to the extent that it is possible.

I have always maintained, Mr. Speaker, that Americans enjoy the safest, least expensive, and most abundant food supply in the world and that legislation is the art of the possible. We are here with that, with what is possible. It is not perfect. This is what could be agreed upon. Probably in the future it might be further looked at, but for now it is the extent of what is possible, considering all of the areas of concern. To all of those from the Committee on Commerce, we commend them and appreciate their work and cooperation.

Mr. Speaker, commending my colleagues from the Commerce Committee on the work that they have done, I yield half of my time, 10 minutes, to the gentleman from California [Mr. WAXMAN], and I ask unanimous consent he be permitted to control that time. He was chairman of the subcommittee and did tremendous work, and now is the ranking member of that committee.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. WAXMAN. Mr. Speaker, I reserve the balance of my time.

Mr. ROBERTS. Mr. Speaker, it is with great pleasure that I yield 6 minutes to the distinguished gentleman from Virginia [Mr. BLILEY], chairman of the Committee on Commerce, without whose effective leadership we would not be here today passing a critical reform on the Suspension Calendar.

Mr. BLILEY. Mr. Speaker, I thank the gentleman for his kind remarks and for yielding me the time.

Mr. Speaker, today this House has a great opportunity to strengthen America's food safety laws and improve the safety and quality of its food supply. H.R. 1627, the Food Quality Protection Act of 1996, is a landmark bipartisan agreement that will bring Federal regulations of the Nation's food producers into the 21st century.

As everyone knows, reforming America's food safety laws has been an issue in Congress for more than a decade. For as long as I can recall, Republicans and Democrats alike have tried to replace the outdated Delaney clause with a modern, workable safety standard. The Delaney clause is a holdover that reflects the science of the 1950's.

In fact, the Delaney clause has been criticized almost since its inception in 1958. How long was that? Well, consider in 1958 "At the Hop" by Danny and the Juniors, was one of America's favorite songs; "Gunsmoke" riveted millions of families to their black and white TV sets; and a gallon of gasoline cost 30 cents.

Perhaps more telling of all, 1958 was the year Fidel Castro came to power in Cuba. Like Castro, the Delaney clause has cast a long and dark shadow over the years. By establishing a counterproductive standard for food safety, the clause has frozen science for 40 years.

In 1958 our knowledge of carcinogens was in its infancy. Our ability to identify trace amounts of pesticide residues was primitive by comparison to today. We had not even begun to think about risk assessment. Where before we could detect pesticide residues in measurements of parts per million, today we do so in parts per billion, and in some cases, parts per trillion.

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We know more about cancer today than we did then and about the relative risks of trace amounts of carcinogens. In fact only one thing has remained constant since 1958, the Delaney clause itself. But despite bipartisan consensus that the Delaney clause needed reform, Congress was never able to achieve agreement on how best to do so until now.

After weeks of bipartisan negotiations, the Committee on Commerce reported out a strong bill that makes much-needed improvements to the regulation of pesticides. Under the legislation before us today, the Delaney clause will be replaced with a unified safety standard. The standard will protect our food quality standards by allowing for the approval of pesticide tolerances when there is a reasonable certainty no harm will come to the consuming public.

For the first time, we will be able to address the issue of food safety comprehensively, taking into account the safety of the consuming public, preservation of the food supply and economic benefits as well. The legislation establishes strong protections for infants and children, adopting the recommendations of the National Research Council's report.

I would like to thank particularly the staff on the minority side, Kay Holcombe and Phil Schiliro, to the administration's Dr. Goldman, Jim Adolia and Bill Schultz, and my staff, Howard Cohen and Eric Berger.

This legislation before us today contains amendments to the Food, Drug and Cosmetic Act exactly as reported by the House Committee on Commerce. I feel confident that our efforts today will improve the safety, abundance and affordability of the Nation's food supply.

We would not be here without the cooperation of everyone, particularly my friends, the gentleman from Michigan [Mr. DINGELL], the ranking member of the full committee, and the gentleman from Hollywood, CA [Mr. WAXMAN], the ranking member of the subcommittee, whom I sometimes have a slight disagreement with, and to the gentleman from Florida [Mr. BILIRAKIS], the chairman of the Subcommittee on Health and Environment of the Committee on Commerce, who has worked long and hard on this issue.

Mr. DE LA GARZA. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Speaker, I thank the distinguished gentleman from Texas [Mr. DE LA GARZA] for yielding me this time.

Mr. Speaker, it seems like some of the best decades of my life have been spent working on FIFRA, and I am very happy to see this day arrive today. I can remember quite well when the gentleman from Texas [Mr. DE LA GARZA], who had been wrestling with this problem as chairman of the appropriate subcommittee, turned that subcommittee over to me and to the gentleman from Kansas [Mr. ROBERTS], our ranking member, and we worked diligently for many years in an effort to reach the position where we are today. We had the support of Presidents of both parties, and yet we were never able to succeed.

I recite this because I think we should appreciate that this bill, along with a few others such as the telecommunications bill, have come to fruition only after generations. This may be an example—these two bills, telecommunications and this—of the benefits and the productivity of working together on a bipartisan basis to solve real problems in the most constructive possible way. I think we have done that here.

I have to pay particular tribute to the gentleman from Kansas [Mr. ROBERTS], my good friend, who never gave up, who continued to persevere. While he has praised my role, it is his role that is really the one that is most significant. I gave up years ago, and he kept on working until we have reached this day of success.

Of course I must also praise our colleagues on the Committee on Commerce, the gentleman from Michigan [Mr. DINGELL] and the gentleman from California [Mr. WAXMAN]. The Committee on Commerce will be recognized as the source of the most important and productive legislation we have passed in this Congress and, despite my occasional arguments with the gentleman from Michigan [Mr. DINGELL], I praise him for this.

This is a day that many people thought we were not going to see. But today, we are going to pass a bipartisan bill to reform our pesticide laws. H.R. 1627 replaces the Delaney clause with a commonsense alternative that is not only scientifically defensible, but will result in comprehensive protection of public health.

H.R. 1627, is a good bill. Each of the diverse array of interest groups who have followed this legislation would probably wish to have something included in, or excluded from it. So, from each of their perspectives. H.R. 1627 would not be considered a perfect bill, but they believe H.R. 1627 represents a significant improvement over current law. The bill is the result of a great deal of hard work by the Agriculture and Commerce Committees and the administration to fashion these compromises and achieve consensus.

Chairman ROBERTS and I have worked on pesticide legislation together for many years. I would like to commend him for his efforts and for conducting an inclusive, bipartisan process during the consideration of this legislation by the Agriculture Committee. This is the way the legislative process should work.

I am pleased to support H.R. 1627, and I urge my colleagues to do the same.

Mr. WAXMAN. Mr. Speaker, I yield 3 minutes to the gentleman from Michigan [Mr. DINGELL], the ranking member of the Committee on Commerce.

Mr. DINGELL. Mr. Speaker, this is quite a historic moment, for today we consider in the House a piece of legislation that literally has been pending before Congress for over a decade. This bill overhauls the way the Government regulates pesticides, and at long last deals with the thorny issue of differing standards for different kinds of food products, and with the scientifically outdated application of the Delaney clause.

It is an amazing compromise that has been reached, which has brought together some of the most staunch and bitter rivals in this debate—consumer and environmental groups, the food industry, American agriculture, and the Federal Government agencies who oversee pesticide use and safety—the Environmental Protection Agency and the Food and Drug Administration.

This bill represents the product of that successful negotiation. It meets the need of the agriculture and food industries for proper, consistent regulation of pesticides, without arbitrary standards such as the outdated and inappropriate Delaney clause.

In accomplishing that goal, the bill delicately strikes the essential balance between this legitimate need and consumer desire to continue the already high level of safety of American food.

Specifically, the legislation adopts the widely held view that special attention must be paid to dietary habits and health needs of special populations, such as children. At the same time, it provides flexibility to use methods and numbers that are appropriate and supported by valid information.

Significantly, the bill recognizes the importance of pesticides to the food supply, and builds this benefit into the evaluation of how pesticides are used.

No one group or individual will consider this to be perfect legislation, nor does it fulfill the full agenda of any one party. Its development required significant concessions from every quarter; it demonstrates that worthy goals are achievable through compromise. We are pleased that bipartisan negotiation produced good legislation.

I want to express my appreciation to my colleagues from California, Michigan, Texas, and New York—Mr. WAXMAN, Mr. STUPAK, Mr. HALL, and Mr. TOWNS.

Mr. Speaker, I commend the gentleman from Virginia [Mr. BLILEY], the chairman of the Committee on Commerce, and also the gentleman from Florida [Mr. BILIRAKIS], the chairman of the subcommittee. I also want to commend the gentleman from Kansas [Mr. ROBERTS], the gentleman from California [Mr. CONDIT], and the gentleman from Texas [Mr. DE LA GARZA]. The gentleman from Texas [Mr. DE LA GARZA] is the valuable ranking member of the Committee on Agriculture and has long been interested in this. Those gentlemen and many others, along with the staff, have made an outstanding contribution to the solution of the problems before us today. I commend them and I thank them for the outstanding job which they have done.

Mr. ROBERTS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Florida [Mr. BILIRAKIS], the chairman of the Subcommittee on Health and Environment of the Committee on Commerce.

Mr. BILIRAKIS. Mr. Speaker, I appreciate the gentleman yielding this time to me. I, too, would like to make a few brief points concerning the legislation before us today.

The Food Quality Protection Act is more than just an important reform initiative. It is, as others have already said, the culmination of intensive bipartisan negotiations and, as we have heard here today, has the strong support of Members on both sides of the aisle.

The high level of support for this bill is actually not very surprising when we stop to think about it. Food safety reform has been a primary focus of Congress for more than a decade. That is because for farmers, for processors, manufacturers and of course for consumers the zero risk standard of the Delaney clause has served to freeze 1950 science into law.

When the Delaney clause was enacted in 1958, the body of scientific knowledge on cancer was very limited. Of course we have made tremendous strides, thank God, in detecting and fighting cancer but our pesticide regulations have not been allowed to keep pace with scientific advances.

As a result, it is essential that we adopt a modern consistent standard for determining the safety of our food supply. H.R. 1627 has the support of the Food Chain Coalition which includes the American Farm Bureau Federation, the American Meat Institute, Grocery Manufacturers of America, the Independent Bakers Association, the National Cattlemen's Beef Association, the National Farmers Union, the United Fresh Fruit and Vegetable Association, and, of course, so many others that I have not mentioned.

The legislation before us is a long-overdue step forward in the Nation's efforts to produce the best food supply possible. It establishes a unified general risk-setting standard for pesticides based on a standard of safety which is defined as a reasonable certainty of no harm.

It contains requirements for tolerance setting which are directly responsible to the recommendations of the National Research Council's report on "Pesticides in the Diets of Infants and Children."

It allows the use of benefits in specific situations, such as where the risk of not using the pesticide is greater than the risk of using it, and where the pesticide is needed to avoid a significant disruption in the domestic production of an adequate, wholesome, and economic food supply.

It retains the national uniformity for Federal pesticide residue tolerance except in limited cases.

It gives the administrator the authority to require data or information to determine whether a pesticide chemical may have an effect similar to an effect produced by a naturally occurring estrogen or other endocrine effect.

It provides for a consumer information booklet to be distributed by EPA to large retail grocers.

It establishes limited civil penalties as an alternate to the current heavy-handed enforcement tools of seizure, injunctions, and criminal action.

I am very pleased, as my colleagues might imagine, Mr. Speaker, with the bipartisan spirit that has helped craft this legislation. I want to commend the gentleman from Virginia [Mr. BLILEY], the chairman, the gentleman from Michigan [Mr. DINGELL], and the gentleman from California [Mr. WAXMAN] for their great contributions to this effort and, most important, the staffs who worked long and late hours to get us to this point. This is a reform measure of which we all have reason to be proud.

Mr. WAXMAN. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I rise in strong support of H.R. 1627 and want to commend Chairmen BLILEY and ROBERTS, subcommittee Chairman BILIRAKIS, and JOHN DINGELL for their efforts to resolve this issue and bring this important legislation to the floor.

In the last 2 weeks, we have worked together to resolve a problem that has frustrated Congress for nearly two decades. And in reaching this agreement, we have found a way to reconcile fundamentally different positions into a strong bill that will benefit all Americans.

The starting point for this compromise is the repeal of the Delaney Clause and the creation of a single health-based standard that will apply to all foods. This reform gives industry needed regulatory flexibility while providing important health protections to American families.

In passing this legislation we are ensuring that pesticides will present no danger to our children. H.R. 1627 requires the Environmental Protection Agency—when establishing safety tolerances that apply to all Americans—to consider any special impacts a pesticide may have on infants and children and ensure that any aggregate exposure to a pesticide chemical residue present a reasonable certainty of no harm to them. This provision cannot be waived for eligible pesticide chemical residues.

H.R. 1627 also establishes an estrogen screening program and a right-to-know initiative that will provide vital information to consumers.

I am pleased to announce to my colleagues that H.R. 1627 is supported by a number of environmental and public health groups, including: the American Preventative Medical Association; the American Public Health Association; Center for Science in the Public Interest; Citizen Action; Citizen Health; Consumers Union; the Environmental Defense Fund; the Environmental Working Group; the National Audobon Society; the National PTA; the National Wildlife Federation; the National Resources Defense Council; Physicians for Social Responsibility; Public Voice; and World Wildlife Fund.

This is not a bill of winners and losers. It is a bill of winners. Industry wins because it receives regulatory relief and health and environmental public interest groups win because important health safeguards are guaranteed. Most importantly, H.R. 1627 is a major victory for common sense and for all Americans.

This compromise is only possible because a lot of hard work has been done by congressional staff and administration officials. And I want to commend both industry and environmental groups for their willingness to put aside long-held positions and find common ground in this proposal.

Mr. Speaker, I do want to mention that while this bill is originating in the House, there has been an enormous amount of work that has been done on this legislation in the other body, and I particularly want to single out the work that has been done by Senators KENNEDY, LEAHY, LUGAR, and KASSEBAUM. They have struggled with this issue and we hope they will now, after we pass this bill, join with us in putting the finishing touches on the work for which they have endeavored for so many years.

Our colleagues deserve commendation, particularly Chairman BLILEY, Mr. BILIRAKIS, Mr. DINGELL and others who will be addressing us.

Mr. Speaker, I reserve the balance of my time.

□ 1245

Mr. DE LA GARZA. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California [Mr. CONDIT], the ranking member of the subcommittee.

Mr. CONDIT. Mr. Speaker, this culminates over a decade of work by many

Members of Congress, and without their leadership this would not be happening today. I want to single out a few people: the gentleman from Kansas, Chairman ROBERTS, the gentleman from Virginia, Chairman BLILEY, the gentleman from Texas, Mr. DE LA GARZA, the gentleman from Michigan, Mr. DINGELL, the gentleman from California, Mr. WAXMAN, and the gentleman from Florida, Mr. BILIRAKIS. Without their hard work, we could not have accomplished what we are accomplishing here today.

I strongly believe that the resulting legislation represents the best approach for needed reform in food safety. This action sends a strong message that many Members of Congress are serious about this essential reform and we must not miss this opportunity to move forward.

The Delaney Clause, while well-intended 34 years ago, has become a problem that must be replaced by sound science and negligible risk. H.R. 1627 will finally replace the inconsistent standard that now governs pesticide residue with a single modern standard applied uniformly to pesticide residue in all foods. We cannot tell farmers that a minimum level of certain pesticide residue is safe on fresh market produce but not safe enough on such products sent to be processed.

This is an historical day. A lot of people have worked very hard, and I am delighted and honored to be a part of this solution.

Mr. ROBERTS. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. WALSH], a former member of the House Committee on Agriculture, a distinguished member of the Committee on Appropriations, and a gentleman who has worked long and hard on the Delaney Clause.

Mr. WALSH. Mr. Speaker, I would like to just take a moment to congratulate everyone, both sides of the aisle, Republicans and Democrats, chairmen and ranking members, who worked to find a reasonable solution to this problem. This is a problem that the country, our producers, our processors, our consumers, it has bedeviled them for a long, long time, and this approach to legislation is remarkable. The result is remarkable. It is good for everyone.

I carried the rider last year on the Delaney Clause that would have prevented the EPA from delicensing chemicals that did not meet the standard that the court required them to meet. That was a strong measure. We backed away from that to provide some pressure to the legislative process. The Committee on Commerce responded, and I think it is a terrific solution, and I congratulate all of you.

Mr. WAXMAN. Mr. Speaker, I yield 1 minute to the gentleman from New Mexico [Mr. RICHARDSON].

Mr. RICHARDSON. Mr. Speaker, we do a lot of bills around here that never are signed into law, but let me say that here is one that will be because it is a compromise.

Mr. Speaker, let me just say that, as a member of the Commerce Committee, this is the second major bill from the Commerce Committee—I know Agriculture has a major role—the first one being telecommunications and now this one, that is going to be signed into law. Credit goes to the gentleman from Virginia, Chairman BLILEY, the gentleman from Texas, Mr. DE LA GARZA, the gentleman from Kansas, Mr. ROBERTS, the gentleman from California, Mr. WAXMAN, and the gentleman from Michigan, Mr. DINGELL.

I have been in Congress 14 years. We started working on this bill, someone said 10 years ago, I think the gentleman from California [Mr. CONDIT]. It seems to me the first year I was here we started working, never could come together, always major divisions. The Delaney Clause is like an institution. It is like a building that you cannot take down.

It has been modified. It is a good compromise and, Mr. Chairman, I commend those that worked hard on this. It shows that we can get something done if we just work together and compromise and forget that there is an election and a presidential election, which I know is very difficult to do these days. I do want to commend the authors of this bill.

Mr. WAXMAN. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. TOWNS].

Mr. TOWNS. Mr. Speaker, I would like to begin by thanking the gentleman from Virginia [Mr. BLILEY], the gentleman from Michigan [Mr. DINGELL], the gentleman from Florida [Mr. BILIRAKIS], and of course the gentleman from California [Mr. WAXMAN], and the majority and minority staff, as well as the gentleman from Kansas [Mr. ROBERTS], and of course the gentleman from Texas [Mr. DE LA GARZA], for their outstanding job in bringing us to where we are today.

If we do not change the Delaney Clause, fruits and vegetables will become less abundant and poorer in quality. Consumers, particularly low-income consumers, will not have access to fruits and vegetables that are affordable and readily available. If we urge Americans to improve their health by changing their diets, then we must ensure that the elements of a healthy diet, like fresh fruits and vegetables, are both economical and available.

The measures before us today will ensure continued access by all Americans to safe, abundant, and affordable foods. The bipartisan support of H.R. 1627 has resulted in a balanced approach to reform of the Delaney Clause in a very positive way.

Mr. Speaker, I urge all my colleagues to vote for this bill. Failure to do so only harms the American consumers, and I think that we do not want to harm them, we want to help them. This bill is help for them.

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume. We have no further request for time on this side.

Mr. Speaker, I would like to observe this: I would like to thank the gentleman from California [Mr. BROWN] very much for his very kind comments. GEORGE BROWN has provided more expertise on FIFRA than perhaps any other Member.

The gentleman from Texas [Mr. DE LA GARZA] mentioned the gentleman from Iowa, Mr. Berkley Bedell. I can remember well when we passed a FIFRA reform on the House side. It did not pass the Senate. We had adjourned, and Berkley Bedell had me in tow over on the Senate side trying to find real live Senators to try to get this done. So this one is for Berkley.

I would like to also thank my staff. There are no self-made men or women in public office. It is your friends and staff who make you what you are, more especially Mr. Bill O'Conner, who worked long and hard for Mr. Madigan both when he was the ranking member of the committee and the Secretary of Agriculture.

I would like to mention Mr. Gary Mitchell, who is our staff director, who had the FIFRA responsibilities when I was the ranking member of the subcommittee.

And, more especially, Mr. Dale Moore. Dale is a former rodeo rider, and every time we let the FIFRA horse out of the chute, we could not even saddle him, let alone ride the full 10 seconds to finally get something done. So in this particular case where it is a rodeo of achievement, if you will, I especially want to thank Dale.

It is rare during an even-numbered year when we have had great controversy and strong differences of opinion in this Congress, that we have a situation where the gentleman from Virginia, TOM BLILEY, the gentleman from Florida, MIKE BILIRAKIS, and the gentleman from Kansas, PAT ROBERTS, stood with the gentleman from Texas, KIKA DE LA GARZA, the gentleman from Michigan, JOHN DINGELL, and the gentleman from California, HENRY WAXMAN, representing the environmental community, the agriculture community, industry, and the administration.

We have done something and we are proud of it. We have 55 different organizations who have signed on with this reform. It is good reform. It is the kind of thing that we should do more of.

Mr. Speaker, I include for the RECORD report language to accompany H.R. 1627 regarding the use of registered pesticides to protect public health and safety, and a letter from the Environmental Protection Agency on the same matter; as well as report language developed to address a concern related to the Endangered Species Act:

REPORT LANGUAGE TO ACCOMPANY H.R. 1627

USE OF REGISTERED PESTICIDES TO PROTECT PUBLIC HEALTH AND SAFETY

The Committee is aware of the potential for situations in which public health and safety may be compromised by efforts to protect endangered species. There are commercial facilities which are part of this nation's food production and distribution system, such as processing plants, warehouses, grocery stores, restaurants, etc., which are located in critical habitat areas where the use of pest control tools may be prohibited or severely restricted. While the Committee recognizes the importance of preventing the destruction of endangered species, it is concerned that unwarranted actions to protect a species could result in the unchecked spread of rodent-, insect-, or other pest vector-borne diseases that could pose serious threats to consumer and food safety.

The Committee strongly believes that preserving the safety and wholesomeness of this nation's food supply is paramount. Managers of food processing and handling facilities, and public health officials, must be able to take the steps necessary to control pests that may pose a threat to public health. The managers of these facilities generally rely on certified commercial applicators or persons under their direct supervision who are trained to apply rodenticides and other pesticides in safe manner, which helps ensure that these products are only used when and where necessary.

One of the overriding goals of H.R. 1627 is to eliminate the statutory and regulatory paradoxes that inhibit the efficient, science-based administration of FIFRA and the Federal Food, Drug, and Cosmetic Act. The Committee believes this goal should be considered when reforms to other statutes, such as the Endangered Species Act, are undertaken to make certain that the safety and wholesomeness of a consumer's food supply, especially for infants and children, is adequately protected.

The Committee recognizes this concern can be addressed rationally in many cases through the cooperative efforts of federal and state regulatory officials, and is encouraged that federal and state agencies are examining this issue. For example, the California Environmental Protection Agency's Department of Pesticide Regulation states, "A categorical exemption for food processing plants and other industrial and institutional use could probably be made with little, if any, impact on listed species. In particular, the use of toxicant inside of buildings or immediately adjacent to buildings does not seem to pose a hazard to listed species."

The Committee expects the EPA to investigate this issue and any related situations where competing regulatory actions by the Agency, other federal agencies, or state agencies pose a threat to consumers or the U.S. food supply, and to act quickly to remedy these situations. In addition, if the EPA is unable to address the situation in an efficient and fair manner, the Agency should promptly notify this and any other committee of appropriate jurisdiction. If resolution is prohibited because of competing or inconsistent provisions of law, the Committee also expects the Agency to provide legislative proposals that may be needed to ensure that the Administrator has sufficient statutory authority to address these situations in a common sense, science-based manner.

U.S. ENVIRONMENTAL
PROTECTION AGENCY,
Washington, DC, July 18, 1996.

Hon. PAT ROBERTS,
Chairman, Committee on Agriculture, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your request regarding clarification of the effect that endangered species protection measures may have on the use of pesticides to control pests in food processing or handling warehouses. We understand that some are concerned that endangered species protection measures could inappropriately restrict, within areas designated for the protection of endangered species, use of certain pesticides. Specifically, a concern was raised that use of pesticides that are important to control pests which may damage or contaminate food items may be unduly limited by endangered species protection measures in the State of California.

We believe that the federal, state and local agencies in California responsible for endangered species protection recognized this concern and have worked with all stakeholders to appropriately resolve this situation. Furthermore, the information available to us indicates that pesticide labels and the state-initiated endangered species plans do not unnecessarily restrict responsible pesticide use and do provide for both safe and effective use of pesticides in these situations.

Obviously, we understand that controlling pests in food storage and processing facilities can be a significant public health concern, and we will continue to work with the appropriate state and federal officials to make sure that important public health protection measures are not unnecessarily restricted.

In addition, we stand ready to work with you, members of your committee, and the state, local and Federal authorities to resolve legitimate concerns that may arise regarding this issue. Please let me know if I may be of further assistance.

Sincerely,

LYNN R. GOLDMAN, M.D.,
Assistant Administrator.

FOOD CHAIN COALITION,
July 23, 1996.

Hon. THOMAS J. BLILEY, Jr.,
House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR CONGRESSMAN BLILEY: Last week, representatives of the Administration, industry and the environmental community reached compromise agreement on H.R. 1627, "The Food Quality Protection Act," after several weeks of negotiations. This bill represents the best opportunity in a decade to modernize the Delaney Clause and strengthen our nation's food laws.

The House of Representatives is expected today to consider H.R. 1627, and the Senate has indicated the intention to quickly follow suit. As Americans working to produce, process and market our nation's food supply, we urge your support for this critically important bill.

There is virtually unanimous agreement that an overhaul of the outdated Delaney clause for pesticide residues is long overdue. With the very limited number of legislative days remaining this year, the need for action to accomplish that objective is now more urgent than ever.

EPA recently proposed disallowing the use of five pesticides on a number of crops under the Delaney Clause, even though the agency has repeatedly stated its belief that those pesticides pose no significant health risk to consumers. By April 1997, EPA is due to determine whether to disallow up to 40 additional uses; without corrective action, farmers could lose the use of a number of safe and effective crop protection tools that keep the American food supply abundant and affordable.

The compromise version of "The Food Quality Protection Act" has received bipartisan praise from both the House and Senate, with key Republican and Democratic leaders stating that it is their goal to see this legislation signed into law by the President this year. We urge its prompt adoption by the House.

Sincerely,

Agricultural Council of California; Agri Bank; Agri-Mark, Inc.; Agway, Inc.; American Bakers Association; American Crystal Sugar Company; American Farm Bureau Federation; American Meat Institute; American Feed Industry Association; Apricot Producers of California; and Atlantic Dairy Cooperative.

Biscuit & Cracker Manufacturers Association; Blue Diamond Growers; California Tomato Growers Association, Inc.; California Pear Growers; Chemical Specialties Manufacturers Association; Chocolate Manufacturers Association; Gold Kist, Inc.; Grocery Manufacturers of America; and Growmark.

Harvest States; Independent Bakers Association; International Apple Institute; International Dairy Foods Association; Kansas Grain and Feed Association; Kraft Foods, Incorporated; Land O'Lakes; Michigan Agribusiness Association; Milk Marketing Inc.; National Agricultural Aviation Association; and National Cattlemen's Beef Association.

National Confectioners Association; National Council of Farmer Cooperatives; National Farmers Union; National Food Processors Association; National Grain and Feed Association; National Grain Trade Council; National Grange; National Grape Co-operative Association, Inc; National Pasta Association; and Nebraska Cooperative Council.

North American Export Grain Association; Oklahoma Grain and Feed Association; Produce Marketing Association; Pro-Fac Cooperative; SF Services, Inc.; Snack Food Association; South Dakota Association of Cooperatives; and Southern States Cooperative.

Tortilla Industry Association; USA Rice Federation; United Fresh Fruit and Vegetable Association; Upstate Milk Cooperatives, Inc.; Utah Council of Farmer Cooperatives; and Wisconsin Agri-Service Association.

Mr. WAXMAN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in closing I want to point out that what we are doing here today is what the American people expect of us, to work out compromises, not to go to any extreme but to look for a middle ground. I want to particularly thank the chairman of our committee, the gentleman from Virginia [Mr. BLILEY], for this leadership, and the gentleman from Florida [Mr. BILIRAKIS], as the chairman of the subcommittee.

We do have on occasion, a difference of opinion. We have a different starting point as we look at the role of government; but they were good enough to look at this as a practical matter, to try to think through how we could make a constructive proposal work so that we could get an idea passed into law.

I want to thank all the staff of our committee, Howard Cohen, Eric Berger, Kay Holcombe; Greg Dotson, and Phil Schilirop; and the people in the administration, as well, Lynn Goldman, Jim Aidala, Larry Elsworth, Bill Schultz, and Phil Barnett.

I would point out that President Clinton put this issue on the agenda when he proposed that we do something on this very matter. The bill we are sending to the Senate and then hopefully on to him in many ways tracks what he proposed and in many ways improves and changes it.

Mr. Speaker, we have a good bill. It is a good compromise. The American people should look upon this with favor. I ask our colleagues, as well, to give their support to it.

Mr. Speaker, I yield back the balance of my time.

Mr. DE LA GARZA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me add my commendation to all of the staffs from the committees, including the hard work done by the members' staff of the Agriculture Committee.

Mr. Speaker, when I became a subcommittee chairman three decades ago, the first major bill that was referred to our subcommittee was FIFRA. I did not know what the word stood for at that time, and I have worked with FIFRA since then. As Members know, I will not be returning the next session of Congress, and I think probably with this unanimity and all this good will, that it may well be the crown of my retirement that we hopefully go through the Senate and finish with a FIFRA bill as I leave this Congress.

We worked diligently. There have been many, many long hours of hard work. There have been discussions, heated and otherwise, but to arrive at this point on a suspension calendar is something worthy to be remembered. It is historic, and I am so proud to have been a small part of this endeavor. It will be something that I can go home with and point to with pride.

With that, I ask all of the Members to give us their support and their vote on this legislation.

Mr. BUYER. Mr. Speaker, the bill before us today is long overdue. I am delighted that this legislation has not only passed two House committees but will pass the full House of Representatives today. There have been times that I never thought we would be able to get to this point. Those in the agribusiness industry know first hand what a truly historic agreement this is. I applaud the Agriculture Committee and the Commerce Committee for completing action on this legislation and bringing it to the floor of the House.

Mr. Speaker, almost 4 years ago, I formed the Fifth District Agricultural and Rural Advisory Committee. Made of those who daily work in their agribusiness and farm communities, this committee listed reforms of the Delany clause as one of their top concerns. The efforts of the 104th Congress to bring common sense to this matter without endangering the supply of food in the United States is to be commended.

H.R. 1627, the Federal Insecticide, Fungicide, and Rodenticide Act [FIFRA], reforms the outdated Delaney clause and allows sound science to prevail. It offers a framework of standards that allows the EPA the flexibility to consider pertinent public health factors when setting pesticide residue levels.

Mr. Speaker, most would agree that the United States enjoys the safest food supply in the world. The abundance and affordability is in large part due to the prudent use of pest control. Pesticides are necessary tools that when used in a responsible manner contribute significantly to the health of individuals and the environment. It is this bill, H.R. 1627, that takes into consideration both the individual and the environment.

Mr. Speaker, technology today makes zero risk a much outdated policy. This legislation provides a commonsense answer to ensuring consumer access to a healthy, abundant, affordable, and most importantly—a safe food supply. I congratulate Mr. ROBERTS and Mr. BLILEY on this historic agreement.

Mr. ROEMER. Mr. Speaker, I rise in support of H.R. 1627, the Pesticide Regulation Reform Act. I want to congratulate my colleagues who have worked so hard to produce a bill that helps our farmers while protecting public safety, and has considered the concerns of consumer and environmental groups as well.

Fixing the provision known as the Delaney clause is important. When this provision was written, only the largest percentages of carcinogens could be detected in the food supply. With modern technology now being able to detect trace quantities in the range of parts per trillion and beyond, updating this law is critical. EPA itself has tried to use a more workable, scientific standard, but the courts have ruled otherwise.

This legislation will help our farmers by using less intrusive, modern standards. In using more common-sense tolerance standards, we not only protect consumers, but may reduce the cost to farmers of getting their goods to market. This is also good for consumers. In addition, the bill observes the special needs of infants and children who may be more susceptible to the presence of pesticides in food.

Finally, the legislation achieves balance in considering the benefits of risk analysis and recognition of the public's right of access to information on Government policy. Informed consumers are happy consumers, and this bill gives badly needed aid to our farmers while helping to keep consumers aware of changes in agricultural regulations.

Mr. Speaker, America's farmers have made great sacrifices this year, not only in sharing budget cuts but in widely accepting the recently passed farm bill. This legislation is a small step in recognizing the farmer's contribution to a balanced budget and fiscal stability for our country.

Mr. BEREUTER. Mr. Speaker, this Member is concerned that H.R. 1627 did not include even a modified version of a provision that was included in the original House Agriculture Committee bill per this Member's request, which was subsequently deleted from this bill.

This Member has severe reservations and regrets and faults the administration—specifically Environmental Protection Agency Administrator Carol Browner, Department of Agriculture Secretary Dan Glickman, and Department of the Interior Secretary Bruce Babbitt—which in a letter to the House Agriculture Committee chairman, the distinguished gentleman from Kansas [Mr. ROBERTS], attempted to intimidate the committee into deleting this Member's modified provision. This Member protested this deletion strenuously and by all legitimate means.

Specifically, this Member's provision would have allowed Indian tribes to enforce FIFRA regulations for the entire area of a reservation only if at least 50 percent of the lands in the reservation are owned by the tribe or Indians. This provision is needed to address legitimate concerns raised by non-Indian landowners who own land within reservation boundaries. Non-Indians own more than one-half of the land in two Indian reservations within this Member's congressional district. In fact on one reservation in this Member's district, non-Indians won about 84 percent of the land. This provision is very important to constituents in this Member's district to assure that the relations between members of Indian tribes and non-Indians owning land within reservation boundaries are not further exacerbated.

Where we have more than one-half of the reservation owned by non-Indians—and the one case mentioned previously where about 84 percent is owned by non-Indians—it is reasonable that non-Indian lands have FIFRA enforcement by State government just as States enforce FIFRA for the rest of the State. That is what the language suggested by this Member would have done. The way it is now, non-Indian property owners will have enforcement conducted by a governmental body—the tribal council—for which they have absolutely no role in electing. Many of the Member's constituents have made it absolutely clear that this regulation of private property by officials employed by a tribal government will exacerbate Indian/non-Indian relations. This Member's language would have avoided that problem by preserving the tribal council's role in enforcing FIFRA regulation on Indian owned or tribal lands on reservations if they own more than 50 percent of the reservation land.

Mr. Speaker, nevertheless, the critical advances in this legislation, especially as they relate to the Delaney clause, argue overwhelmingly for the support of this legislation.

Mr. GUTKNECHT. Mr. Speaker, today's long-overdue passage of H.R. 1627, the Food Quality Protection Act, is further evidence that this Congress not only talks about regulatory reform, but acts on it.

Food processors and farmers in my district want to preserve the safety of our Nation's food supply. They also recognize that our technology has outgrown the regulatory demands of the Delaney Clause. For decades, they have urged Congress to update this law. I am pleased that today we have.

I hope passage of H.R. 1627 will allow the House to move forward in passing another reform bill that enjoys bipartisan support—H.R. 3338, the Antimicrobial Pesticide Registration Reform Act.

This bill allows for a separate regulatory definition for antimicrobial pesticides. Under current conditions, the EPA treats antimicrobials—substances like bleaches and cleansers that limit the growth of microogranisms—like more traditional pesticides, even though their uses differ significantly. This has caused unreasonable and unnecessary delays in getting improved products to market.

I urge the House to continue to demonstrate its commitment to commonsense regulatory reform by acting on H.R. 3338.

Mr. CAMP. Mr. Speaker, I rise in support of H.R. 1627, a commonsense environmental measure that is good for American consumers and American farmers. The bill reforms the out-of-date Delaney clause that was passed in the 1950's to protect the food supply from cancer-causing products.

The bill before us actually strengthens the objectives of the 1950's law. It strengthens regulations of raw food, while bringing balance to current standards for processed food. Why do we need the changes in this bill? Well, in the 1950's, testing equipment could detect cancer-causing residues to the range of one part per million. With today's testing equipment, we can detect parts per trillion. What does all that mean? That means with today's testing equipment, we can detect a glass of beer in Lake Michigan. And since the 1950's Delaney clause says that no traces of cancer-causing residues can exist in the food supply, and traces can be found in parts per trillion now, the EPA simply cannot enforce this impossibly high standard.

Now that we can detect residues to such minute levels, we have to give the EPA enforceable standards to protect our food supply. And our bill does just that. We tell the EPA to establish a reasonable certainty standard so that it can take advantage of the latest scientific advances to maintain our food safety, while not being bound by those very advances to impossible-to-enforce laws.

What will our bill result in? Safer and newer pesticides for our farmers. Better harvests, because farmers will not be limited to, and be forced to overuse, fewer pesticides to protect their crops. Safer food for Americans, because the EPA will finally have an enforceable food safety law. I urge support for H.R. 1627.

Mrs. LINCOLN. Mr. Speaker. I rise today in support of H.R. 1627, the Food Quality Protection Act. As an original cosponsor of this legislation, I am pleased to see that Members from both sides of the aisle have come together in a bipartisan spirit to strengthen and update our Nation's food safety laws.

When debating pesticide reform, it's easy for many to get lost in phases such as "zero tolerance," "negligible risk," and other technicalities. However, the issue is as simple as this: we must maintain a high-quality, abundant, and safe food supply to protect our Nation's most vulnerable population—our children.

Mr. Speaker, the Delaney clause has become outdated, and it is high-time that we replace these laws which are based on science and technology from the 1950's which laws based on modern science. I support H.R. 1627 which makes this reform. The bill includes the recommendation of the National Academy of Sciences regarding both the negligible risk standard for carcinogens and additional protection of infants and children which are based on sound scientific principles.

Mr. Speaker, reform of the Nation's pesticide laws has been a priority of mine since coming in Congress. I am pleased that we have worked together on this legislation which will maintain America's superior food supply while most importantly, protecting and promoting the health of our citizens. Our Nation's farmers, consumers, and especially our children deserve no less.

Mr. FAZIO of California. Mr. Speaker, I was unavoidably absent during the legislative session on Tuesday, July 23. President Clinton was my guest in my congressional district. The President made import announcements concerning privatization efforts at McClellan Air Force Base, and my proper place on Tuesday was with my constituents and the President.

But I very much wanted to be present for the unanimous vote on the Food Quality Protection Act, H.R. 1627. Had I been present, I would have supported a unanimous House in voting to approve this important legislation.

H.R. 1627 is a significant leap forward on an issue critical to the future of agriculture production in the United States.

I am proud to be a cosponsor of H.R. 1627 in this Congress and similar legislation in past congresses, and I have recently supported efforts to move this legislation forward during this session.

Many people thought that was an impossibility for several reasons. They said the 104th Congress is too partisan. They said the issues were too complex. They said no balance could be found between the health and safety of our people and the needs of our growers and others in agriculture.

But I felt all along that there was common ground. I felt we could set strong health standards and provide consumers with the information they need to make informed choices. I felt we could update the Delaney clause while preserving food safety for our citizens.

The unanimity of both the Commerce Committee and now the House demonstrates that we could indeed achieve that balance. This overwhelming support is indicative of a spirit sometimes lacking in our deliberations on other important issues, and I hope the spirit is catching.

The compromise legislation replaces the zero residue standard for raw and processed foods with one that protects consumer health. Safety standard would ensure that pesticide residues on both raw and processed foods pose no reasonable risk of harm.

Yet our growers have assurance that they can continue to use pesticides critical to domestic food production. And there will be more leeway for our companies who are developing the products of the future that will help us continue to produce the most abundant and affordable food supply in the world.

In addition, by creating a reasonable health-based national standard, uniformity is achieved that will facilitate commerce across our country. Manufacturers, suppliers and others engaged in supplying pesticides for agricultural production can do so with full knowledge of all applicable standards and regulations.

Perhaps most importantly, this bill protects our children. By treating our children and their eating habits as the special cases they are, even stricter safety rules are permitted to protect kids during critical stages of development.

In short, this bill is a "win-win" situation for our farmers and others involved in food production, and for all Americans who depend on the supply of safe, expensive, and abundant raw and processed foods from day-to-day.

I commend Chairman BLILEY, ranking Democrat JOHN DINGELL, Representative HENRY WAXMAN and other members of the Commerce Committee for putting this compromise together. I will do everything I can to see that their efforts are not in vain, and see this bill through passage by the Senate and signing by the President.

Mr. STENHOLM. Mr. Speaker, can we fault the legislative process in any way in bringing forth this bill? I don't think so.

Was a compromise reached? With much give and take, yes.

Is this the very best policy for all parties concerned? I am sure some have reservations about that.

Do I still have reservations? Most definitely. This is not same Food Quality Protection Act that I originally cosponsored.

However, knowing full well that the jury is still out, and will be for some time, on the success of this major piece of legislation, we have to first look at its evolution—years of debate and struggle to reach the middle ground and now, finally, almost overnight, the end is in sight. Perhaps this suddenness after so long of a time where nothing seemed possible has made me a little overcautious. Perhaps in hindsight too much was left on the table. Every concerned party could make these arguments today. You can about most any legislation offered that finally becomes law, but can you argue that the process was circumvented? Not very easily.

There would be few to deny that passing this legislation this year was a top priority. I have always pushed for reform based on sound science and will continue to do so. H.R. 1627 makes a move in that direction. Let us take this opportunity to address these issues in that light. I respect the process and the need to move when the opportunity presents itself, but I remind you that agriculture must be diligent in striving for a good compromise. I believe the most important thing to remember with this legislation is to hold a belief—or if you don't have the belief, work on developing one—that focuses on the future and instills faith that common sense coupled with scientific reason will always provide a reasonable solution to such complex issues as this.

Mr. DE LA GARZA. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. HAYWORTH). The question is on the motion of the gentleman from Kansas [Mr. ROBERTS] that the House suspend the rules and pass the bill, H.R. 1627, as amended.

The question was taken.

Mr. BLILEY. Mr. Speaker, on that, I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 1627, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

THE JOURNAL

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, the pending business is the question of the Speaker's approval of the Journal of the last day's proceedings.

Pursuant to clause 1, rule I, the Journal stands approved.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 5 of rule I, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today in the order in which that motion was entertained.

Votes will be taken in the following order: H.R. 3564, as amended, by the yeas and nays, and H.R. 1627, as amended, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

NATO ENLARGEMENT FACILITATION ACT OF 1996

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 3564, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York [Mr. GILMAN] that the House suspend the rule and pass the bill, H.R. 3564, as amended on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 353, nays 65, not voting 15, as follows:

[Roll No. 338]

YEAS—353

Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coleman
Collins (MI)
Combest
Condit
Costello
Cox
Coyne
Cramer
Crane
Cremeans
Cummings
Cunningham
Davis
de la Garza
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Engel
English
Eshoo
Evans
Ewing
Farr
Fawell
Fields (TX)
Flake
Flanagan
Foglietta
Foley
Forbes
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Martinez
Martini
Mascara
McCarthy
McCollum
McCrery
McHale
McInnis
McIntosh
McKeon
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (FL)
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Ney
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pomeroy
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Ramstad
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sawyer
Schaefer
Schiff
Schumer
Scott
Serrano
Shaw
Shays
Shuster
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Spence
Stearns
Stenholm
Stokes
Studds
Stupak
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Towns
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wise
Woolsey
Wynn
Young (AK)
Zeliff
Zimmer

NAYS—65

Abercrombie
Barr
Beilenson
Bryant (TX)
Buyer
Chenoweth
Coburn
Collins (GA)
Conyers
Cooley
Crapo
Cubin
Danner
Deal
DeFazio
Dellums
Duncan
Ensign
Everett
Filner
Funderburk
Furse
Hancock
Hilleary
Hutchinson
Jacobs
Johnston
LaHood
Laughlin
Markey
McDermott
McHugh
McKinney
Miller (CA)
Minge
Mink
Moran
Neumann
Norwood
Peterson (MN)
Petri
Pickett
Pombo
Poshard
Rahall
Rohrabacher
Sanders
Sanford
Scarborough
Schroeder
Seastrand
Sensenbrenner
Shadegg
Sisisky
Souder
Spratt
Stark
Stockman
Stump
Tanner
Traficant
Watt (NC)
Williams
Wolf
Yates

NOT VOTING—15

Berman
Bono
Collins (IL)
Fattah
Fazio
Fields (LA)
Ford
Lincoln
Matsui
McDade
Rangel
Saxton
Torricelli
Wilson
Young (FL)

☐ 1321

Mr. NORWOOD, Mr. RAHALL, Mrs. CHENOWETH, and Messrs. BUYER, CRAPO, DELLUMS, STOCKMAN, SANDERS, TRAFICANT, EVERETT, SPRATT, BRYANT of Texas, MILLER of California, MARKEY, and STARK changed their vote from "yea" to "nay."

Mr. McINNIS changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FOOD QUALITY PROTECTION ACT OF 1996

The SPEAKER pro tempore (Mr. HAYWORTH). The pending business is question of suspending the rules and passing the bill, H.R. 1627, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kansas [Mr. ROBERTS] that the House suspend the rules and pass the bill, H.R. 1627, as amended, on which the yeas and nays are ordered.

This is a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 417, nays 0, not voting 16, as follows:

[Roll No. 339]

YEAS—417

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fawell
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Lazio
Leach
Levin
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Zeliff
Zimmer

NOT VOTING—16

Collins (IL)
Fattah
Fazio
Fields (LA)
Ford
Laughlin
Lewis (CA)
Lincoln
Matsui
McDade
Rangel
Saxton
Torricelli
Volkmer
Wilson
Young (FL)

□ 1330

So (two-thirds having voted in favor thereof) the rules were suspended, and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on Standards of Official Conduct:

COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT,
Washington, DC, July 23, 1996.

Hon. NEWT GINGRICH,
The Speaker,
House of Representatives.

DEAR MR. SPEAKER: Pursuant to 4(e)(2)(D) of rule X, the gentleman from Washington, Mr. MCDERMOTT, has advised the Committee by letter of his ineligibility to participate as a member of the committee in a pending proceeding.

Sincerely,

NANCY L. JOHNSON,
Chairman.

DESIGNATION OF MR. STOKES TO ACT AS MEMBER OF COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT IN ANY PROCEEDING RELATING TO MR. MCDERMOTT

The SPEAKER pro tempore (Mr. HAYWORTH). Pursuant to clause 4(e)(2)(D) of rule X, the Speaker pro tempore, without objection, designates the gentleman from Ohio [Mr. STOKES] to act as a member of the Committee on Standards of Official Conduct in any proceeding relating to the gentleman from Washington (Mr. MCDERMOTT).

There was no objection.

GENERAL LEAVE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill (H.R. 3814) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1997, and for other purposes, and that I be permitted to include tables, charts, and other extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore. Pursuant to House Resolution 479 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3814.

□ 1333

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3814) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1997, and for other purposes, with Mr. GUNDERSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from Kentucky [Mr. ROGERS] and the gentleman from West Virginia [Mr. MOLLOHAN] each will control 30 minutes.

The Chair recognizes the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this $29.5 billion appropriations bill for the Departments of Commerce, Justice, State, the Judiciary, and related agencies for fiscal

1997, opens a new chapter in our effort to bring crime and drugs and our borders under control. It is a bill that puts the Congress on record as being willing to put the resources that are required to restore safety to our neighborhoods and make our citizens safe in their homes and on their streets. It is a bill that proposes funding to attack real life problems that exist today.

Let me spell out what the problems that are confronting our Nation are in this arena, Mr. Chairman. One is drugs.

The administration is sending a giant smokescreen to cover up its abject failure in the fight against drug use. All we hear is that cigarette smoking is so terrible and we have to wipe out this scourge on America's teenagers. They do not talk about the real problem with teenagers, and that is drugs, hard drugs. They are not just bad; they kill, and they cause people to kill others.

Drugs: After a decade of decline since 1992, overall drug use is on the rise again, and if my colleagues would notice on the chart the farthest away, prior to 1992 the number of Americans using illicit drugs plunged from 24.7 million in 1979 to 11.5 million in 1992, and the casual use of cocaine fell by 79 percent between 1985 and 1992. Overwhelming evidence shows a sharp and growing increase in drug use among young people since 1992, as that chart dramatically shows. Teenage drug use has increased by 50 percent from 1992 to 1994, from 2.4 million teen drug users to 3.8 million.

Do my colleagues know what happened when that valley occurred in those charts over there? That is when the Clinton administration came in and cleaned out the drug policy office of the White House, and all of a sudden teenage drug use skyrocketed and is still doing so.

Now I turn my colleagues' attention to this chart nearest to me. Since 1992, marijuana use by eighth graders has increased by 146 percent; among tenth graders, by 123 percent; and today one out of three high school seniors smoke marijuana.

The new approach to drug policy announced in September 1993, which promised to, "reinvent drug control programs" had the following effects: purity of drugs is up; supply of drugs is up; the cost of drugs is down. And we can see by the chart the results in high school marijuana use in our country.

This bill provides over $1 billion to the Drug Enforcement Administration, $173 million more than the current year, a 20-percent increase, including a major $75 million initiative on source country interdiction, restoring the policy that existed before this administration abandoned efforts to block drugs at the source, and $56 million to stop drug trafficking on the Southwest border where 70 percent of the drugs in the United States come into this country. We are reigniting the war on drugs to reverse the increase in drug use since 1992. That is problem 1: Drugs.

Problem 2: Our borders are still out of control. The administration's illegal alien strategy is leaking like a sieve. Illegal aliens are being caught and then, because we do not have the space to detain them, they are being released. INS first said they would deport 110,000 with the extra money we gave them the last 2 years. Now they are saying only 62,000 will be deported. That is half of what they first said and that is not acceptable. Seventy percent of our drugs come in across the Southwest border, yet alien drug dealers are being caught and released back across the Southwest border because they do not have the jail space to hold them for trial.

Here is what we are going to do in this bill. INS is funded at $2.2 billion, $443 million more than the current year, $30 million more than the President wants, a 26-percent increase over the current year. We provide for 1,100 new border patrol agents compared with 700 that the President has requested of us. A $114 million increase for removal of illegal aliens, $78 million more than the President wanted, including 2,700 more detention beds so that illegal aliens can be held until they are deported. We provide $405 million for Federal prisoner detention, $152 million more than the current year. That is for jail space to jail illegal alien drug smugglers until we can try them and then deport them.

With this 26-percent increase we are plugging the holes in the administration's sieve that they call a border policy. That is problem 2.

Problem 3: Violence against women and children. The administration is all talk and no action. We gave them $175 million this year. Do my colleagues know how much they have spent for violence against women? Guess. My colleagues you say 50 percent? No. Would my colleagues say a tenth? No. They have spent less than a half a million dollars out of $175 million, and they have had the program for 2 years. It is all talk, my colleagues, no action.

We provide $197.5 million for violence against women, half a million dollars more than they want, $22.5 million more than the current year, and hope that they will spend it because we cannot spent it for them. They will have to spend it in grants.

They talk about stopping violence against women. We gave them the money 2 years ago, and they sit on it.

Enough is enough. We do not want talk, we want action. That is problem 3.

Problem 4: Juvenile crime. While railing against teenagers smoking cigarettes, this administration is letting teens get by with murder and hard drugs. Talk about a real smokescreen, they really got one going here.

Let me show my colleagues by this chart to my left.

□ 1345

One of every five violent crimes is now committed in this country by a juvenile. The FBI's report on crime showed in 1994, 17 percent of all murders were committed by juveniles. Fifth-five percent of all arsons, 36 percent of all burglaries, 16 percent of aggravated assaults in 1995 were committed by juveniles.

In addition to the $150 million in juvenile justice, we provide a $30.5 million incentive under the COPS Program to States that treat 14-year-olds as adults if they commit serious violent crimes. It is time to fight fire with fire on kids who choose violence. We provide $1.4 billion for the administration's COPS Programs and $571 million for the local law enforcement block grant, $68 million over the current year. We provide $560 million for the Byrne grants for locals to use. That is a $25 million increase.

All Federal law enforcement agencies—the FBI and the DEA—all the Federal law enforcement agencies are above what the President requested of us.

Overall for the Justice Department, we provide $16.3 billion for Department of Justice law enforcement programs, a $1.6 billion increase over the current year, an 11-percent increase. For the Judiciary, we provide an increase of $177 million up 5.8 percent, and we have provided for all of these increases by scraping the bottom of the barrel in other agencies. We had no choice.

In Commerce, we provide $3.5 billion for Commerce, down $120 million. We provide $110.5 million for the advanced technology program, half the 1996 level, to provide continuation grants for small businesses, not to subsidize Fortune 500 companies, which they are doing now. We increase the Census for the year 2000 census by $55 million, and we preserve trade promotion and basic science R&D in the Commerce Department.

In the State, USIA, and Arms Control Disarmament Agency Chapter, we are under $5 billion, down $128 million from 1996. We include $50 million for payment of U.N. peacekeeping arrearages conditioned on U.N. reform.

Mr. Chairman, with regard to the ongoing U.N.-sponsored negotiations on global climate change, I understand that the United States has agreed to negotiate a protocol or other legal instrument in 1997 which may set quantified limitation and reduction objectives for greenhouse gas emissions effective after the year 2000. These negotiations take place under the auspices of the 1992 Framework Convention on Climate Change, which requires that any proposed protocol or amendment to the convention be communicated to parties to the convention at least 6 months prior to proposed adoption. Because of the impact such proposals could have on U.S. companies and workers, the State Department and other U.S. Government agencies should fully analyze the economic impact of any proposal to set binding limits and timetables before adopting a U.S. negotiating position.

We fund the Legal Services Corporation at $141 million. The Committee on Appropriations has been required to act without the benefit of needed authorization legislation that should be passed that we set the policy of how this House and this Congress want to assure access to legal services by poor people. We are providing a level of funding in this bill that will permit the current system to remain in place at reduced levels, to spur policy decisions on that issue that are not within the jurisdiction of our committee.

Funding is terminated for several smaller organizations, as we try to tighten our belt wherever we can.

In summary, Mr. Chairman, I want to thank my ranking member, the gentleman from West Virginia, Mr. MOLLOHAN, who has been very, very helpful in this process, a true partner in drawing this bill, making the tough decisions; the gentleman from Louisiana, BOB LIVINGSTON, the chairman of the full committee and a stalwart when it came to providing funding necessary in this bill; the ranking member, the gentleman from Wisconsin, Mr. OBEY, who has been helpful; and, of course, all of the hard-working members of this subcommittee. We have some of the best in this body. I thank them for all of their work.

Overall, the Commerce, Justice, State appropriations bill opens a new chapter in our effort to bring crime, drugs, and borders under control. We set priorities, we make tough decisions, and we reduce spending on low-priority programs. We assert leadership to reignite the war on drugs, to make up for the Administration that has been woefully lacking on this issue. It plugs the holes in our borders by assuring we not only apprehend illegal immigrants and drug traffickers, we incarcerate and deport them. We put our priorities where they belong: in fighting the war on crime and protecting our citizens in their homes across this great country.

I urge our colleagues to support this bill. It is one that I think they can proudly support. I certainly urge them to do so.

Mr. Chairman, I include for the RECORD the following information:

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3814)

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
TITLE I - DEPARTMENT OF JUSTICE					
General Administration					
Salaries and expenses 1/	74,181,000	83,256,000	71,493,000	-2,688,000	-11,763,000
Counterterrorism fund	16,898,000	9,688,000	9,450,000	-7,448,000	-238,000
Administrative review and appeals:					
Direct appropriation	38,791,000	73,411,000	64,000,000	+25,209,000	-9,411,000
Crime trust fund	47,780,000	52,847,000	48,000,000	+220,000	-4,847,000
Total, Administrative review and appeals	86,571,000	126,258,000	112,000,000	+25,429,000	-14,258,000
Office of Inspector General	28,960,000	51,949,000	31,960,000	+3,000,000	-19,989,000
Total, General administration	206,610,000	271,151,000	224,903,000	+18,293,000	-46,248,000
Appropriations	(158,830,000)	(218,304,000)	(176,903,000)	(+18,073,000)	(-41,401,000)
Crime trust fund	(47,780,000)	(52,847,000)	(48,000,000)	(+220,000)	(-4,847,000)
United States Parole Commission					
Salaries and expenses	5,446,000	5,201,000	4,490,000	-956,000	-711,000
Legal Activities					
General legal activities:					
Direct appropriation	401,929,000	450,277,000	420,793,000	+18,864,000	-29,484,000
(By transfer)	(12,000,000)			(-12,000,000)	
Crime trust fund	7,591,000	7,750,000	7,750,000	+159,000	
Total, General legal activities	(421,520,000)	(458,027,000)	(428,543,000)	(+7,023,000)	(-29,484,000)
Vaccine injury compensation trust fund	4,028,000	4,028,000	4,028,000		
Independent counsel (permanent, indefinite)	2,884,000	3,000,000	3,000,000	+116,000	
Antitrust Division	85,074,000	84,336,000	84,336,000	-738,000	
Offsetting fee collections - carryover	-19,360,000		-7,889,000	+11,471,000	-7,889,000
Offsetting fee collections - current year	-48,262,000	-58,905,000	-58,905,000	-10,643,000	
Direct appropriation	17,452,000	25,431,000	17,542,000	+90,000	-7,889,000
United States Attorneys:					
Direct appropriation	894,346,000	949,279,000	931,029,000	+36,683,000	-18,250,000
Crime trust fund	30,000,000	44,409,000	43,876,000	+13,876,000	-533,000
Total, United States Attorneys	924,346,000	993,688,000	974,905,000	+50,559,000	-18,783,000
United States Trustee System Fund	102,272,000	111,633,000	107,950,000	+5,678,000	-3,683,000
Offsetting fee collections	-44,191,000	-49,869,000	-49,869,000	-5,678,000	
Direct appropriation	58,081,000	61,764,000	58,081,000		-3,683,000
Foreign Claims Settlement Commission	829,000	878,000	878,000	+49,000	
United States Marshals Service:					
Direct appropriation	422,684,000	489,562,000	460,214,000	+37,530,000	-29,348,000
Crime trust fund	25,000,000	25,477,000	25,000,000		-477,000
Total, United States Marshals Service	447,684,000	515,039,000	485,214,000	+37,530,000	-29,825,000
Federal Prisoner Detention	252,820,000	405,262,000	405,262,000	+152,442,000	
(Prior year carryover)	(33,511,000)			(-33,511,000)	
(By transfer)	(9,000,000)			(-9,000,000)	
Total, Federal prisoner detention	(295,331,000)	(405,262,000)	(405,262,000)	(+109,931,000)	
Fees and expenses of witnesses	85,000,000	100,702,000	100,702,000	+15,702,000	
Alternative dispute resolution		2,000,000			-2,000,000
Total, Fees and expenses of witnesses	85,000,000	102,702,000	100,702,000	+15,702,000	-2,000,000
Community Relations Service	5,319,000	5,502,000	5,319,000		-183,000
Assets forfeiture fund	29,487,000	30,000,000	30,000,000	+513,000	
Total, Legal activities	2,237,450,000	2,605,321,000	2,513,474,000	+276,024,000	-91,847,000
Appropriations	(2,174,859,000)	(2,527,685,000)	(2,436,848,000)	(+261,989,000)	(-90,837,000)
Crime trust fund	(62,591,000)	(77,636,000)	(76,626,000)	(+14,035,000)	(-1,010,000)
Radiation Exposure Compensation					
Administrative expenses	2,655,000	2,000,000	2,000,000	-655,000	
Payment to radiation exposure compensation trust fund		13,736,000	13,736,000	+13,736,000	
Advance appropriation	16,264,000			-16,264,000	
Total, Radiation Exposure Compensation	18,919,000	15,736,000	15,736,000	-3,183,000	
Interagency Law Enforcement					
Interagency crime and drug enforcement	359,430,000	372,017,000	372,017,000	+12,587,000	

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3814)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Federal Bureau of Investigation					
Salaries and expenses 1/	1,999,539,000	2,361,838,000	2,327,225,000	+327,686,000	-34,613,000
(By transfer)	(22,000,000)			(-22,000,000)	
Counterintelligence and national security	102,345,000	102,345,000	117,081,000	+14,736,000	+14,736,000
FBI Fingerprint identification	84,400,000	84,400,000	84,400,000		
Subtotal	(2,208,284,000)	(2,548,583,000)	(2,528,706,000)	(+320,422,000)	(-19,877,000)
Crime trust fund	218,300,000	133,123,000	153,000,000	-65,300,000	+19,877,000
Telephone carrier compliance		100,000,000			-100,000,000
Construction	97,574,000	55,676,000	55,676,000	-41,898,000	
Total, Federal Bureau of Investigation	2,502,158,000	2,837,382,000	2,737,382,000	+235,224,000	-100,000,000
Appropriations	(2,283,858,000)	(2,704,259,000)	(2,584,382,000)	(+300,524,000)	(-119,877,000)
Crime trust fund	(218,300,000)	(133,123,000)	(153,000,000)	(-65,300,000)	(+19,877,000)
Drug Enforcement Administration					
Salaries and expenses	796,315,000	870,862,000	785,862,000	-10,453,000	-85,000,000
Diversion control fund	-47,241,000	-52,824,000	-52,824,000	-5,583,000	
Direct appropriation	749,074,000	818,038,000	733,038,000	-16,036,000	-85,000,000
Crime trust fund	60,000,000	138,000,000	172,000,000	+112,000,000	+34,000,000
Transfer from Office of Justice Programs			71,000,000	+71,000,000	+71,000,000
Total, Drug Enforcement Administration	809,074,000	956,038,000	976,038,000	+166,964,000	+20,000,000
Immigration and Naturalization Service					
Salaries and expenses:					
Direct appropriation	1,383,064,000	1,683,914,000	1,667,614,000	+274,550,000	-16,300,000
Border Patrol:					
Direct appropriation (earmark)	(506,800,000)			(-506,800,000)	
Crime trust fund (earmark)	(75,765,000)			(-75,765,000)	
Subtotal, Border patrol	(582,565,000)			(-582,565,000)	
Immigration initiative (crime trust fund)	316,198,000	458,168,000	500,168,000	+183,970,000	+42,000,000
Subtotal, Direct and crime trust fund	(1,709,262,000)	(2,142,082,000)	(2,167,782,000)	(+458,520,000)	(+25,700,000)
Fee accounts:					
Immigration legalization fund	(1,821,000)	(1,893,000)	(1,893,000)	(+72,000)	
Immigration user fee	(356,187,000)	(388,664,000)	(388,664,000)	(+32,477,000)	
Land border inspection fund	(5,960,000)	(11,054,000)	(11,054,000)	(+5,094,000)	
Immigration examinations fund	(439,550,000)	(511,061,000)	(511,061,000)	(+71,511,000)	
Cuban/Haitian resettlement (examinations fund)	(10,057,000)			(-10,057,000)	
Breached bond fund	(6,351,000)	(6,613,000)	(6,613,000)	(+262,000)	
Subtotal, Fee accounts	(819,926,000)	(919,285,000)	(919,285,000)	(+99,359,000)	
Construction	24,960,000	5,541,000	9,841,000	-15,119,000	+4,300,000
Total, Immigration and Naturalization Service	(2,554,148,000)	(3,066,908,000)	(3,096,908,000)	(+542,760,000)	(+30,000,000)
Appropriations	(1,418,024,000)	(1,689,455,000)	(1,677,455,000)	(+259,431,000)	(-12,000,000)
Crime trust fund	(316,198,000)	(458,168,000)	(500,168,000)	(+183,970,000)	(+42,000,000)
(Fee accounts)	(819,926,000)	(919,285,000)	(919,285,000)	(+99,359,000)	
Federal Prison System					
Salaries and expenses	2,611,143,000	2,887,816,000	2,858,316,000	+247,173,000	-29,500,000
Prior year carryover	-47,000,000		-40,500,000	+6,500,000	-40,500,000
Direct appropriation	2,564,143,000	2,887,816,000	2,817,816,000	+253,673,000	-70,000,000
Crime trust fund	13,500,000	25,224,000	25,224,000	+11,724,000	
Total, Salaries and expenses	2,577,643,000	2,913,040,000	2,843,040,000	+265,397,000	-70,000,000
Buildings and facilities	334,728,000	295,700,000	395,700,000	+60,972,000	+100,000,000
Federal Prison Industries, incorporated (limitation on administrative expenses)	(2,861,000)	(3,740,000)	(3,042,000)	(+181,000)	(-698,000)
Total, Federal Prison System	2,912,371,000	3,208,740,000	3,238,740,000	+326,369,000	+30,000,000
Office of Justice Programs					
Justice Assistance:					
Direct appropriation	99,853,000	117,797,000	100,000,000	+147,000	-17,797,000
State and local law enforcement assistance:					
Direct appropriations:					
Byrne grants (discretionary)	60,000,000		60,000,000		+60,000,000
Byrne grants (formula)	328,000,000		255,000,000	-73,000,000	+255,000,000
Weed and seed fund (earmark)	(28,500,000)	(28,500,000)	(28,500,000)		
Subtotal, Direct appropriations	388,000,000		315,000,000	-73,000,000	+315,000,000

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3814)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Crime trust fund:					
Byrne grants (formula)	147,000,000	535,000,000	245,000,000	+98,000,000	-290,000,000
Community policing	1,399,980,000	1,950,000,000	1,400,000,000	+20,000	-550,000,000
Transfer to State and local task forces/DEA			-71,000,000	-71,000,000	-71,000,000
Youth violence initiative (earmark)			(30,500,000)	(+30,500,000)	(+30,500,000)
Law enforcement scholarship program		10,000,000			-10,000,000
Police recruitment grants		1,155,000			-1,155,000
Police corps (direct)		15,000,000			-15,000,000
Police corps (earmark)	(10,000,000)		(10,000,000)		(+10,000,000)
Local law enforcement block grant	503,000,000		571,000,000	+68,000,000	+571,000,000
Drug courts (direct)		100,000,000			-100,000,000
Drug courts (earmark)	(18,000,000)		(18,000,000)		(+18,000,000)
Boys and Girls clubs (earmark)	(11,000,000)			(-11,000,000)	
D.C. Police (earmark)	(15,000,000)			(-15,000,000)	
Upgrade criminal history records	25,000,000	50,000,000	50,000,000	+25,000,000	
State prison grants	617,500,000	630,000,000	680,000,000	+62,500,000	+50,000,000
State criminal alien assistance program	300,000,000	330,000,000	330,000,000	+30,000,000	
State courts assistance		28,000,000	5,000,000	+5,000,000	-23,000,000
Violence Against Women grants 2/	174,500,000	196,500,000	196,500,000	+22,000,000	
State prison drug treatment 2/	27,000,000	36,000,000	35,000,000	+8,000,000	-1,000,000
Other crime control programs	13,600,000	18,605,000	7,400,000	-6,200,000	-11,205,000
Subtotal, Crime trust fund	3,207,580,000	3,900,260,000	3,448,900,000	+241,320,000	-451,360,000
Total, State and local law enforcement	3,595,580,000	3,900,260,000	3,763,900,000	+168,320,000	-136,360,000
Juvenile justice programs	148,500,000	149,500,000	149,500,000	+1,000,000	
Public safety officers benefits program:					
Death benefits	28,474,000	30,126,000	30,126,000	+1,652,000	
Disability benefits	2,134,000	2,200,000	2,200,000	+66,000	
Total, Office of Justice Programs	3,874,541,000	4,199,883,000	4,045,726,000	+171,185,000	-154,157,000
Appropriations	(666,961,000)	(299,623,000)	(596,826,000)	(-70,135,000)	(+297,203,000)
Crime trust fund	(3,207,580,000)	(3,900,260,000)	(3,448,900,000)	(+241,320,000)	(-451,360,000)
Total, title I, Department of Justice	14,660,221,000	16,619,092,000	16,306,129,000	+1,645,908,000	-312,963,000
Appropriations	(10,734,272,000)	(11,833,834,000)	(11,811,211,000)	(+1,076,939,000)	(-22,623,000)
Crime trust fund	(3,925,949,000)	(4,785,258,000)	(4,494,918,000)	(+568,969,000)	(-290,340,000)
(Limitation on administrative expenses)	(2,861,000)	(3,740,000)	(3,042,000)	(+181,000)	(-698,000)
TITLE II - DEPARTMENT OF COMMERCE AND RELATED AGENCIES					
TRADE AND INFRASTRUCTURE DEVELOPMENT					
Office of the United States Trade Representative					
Salaries and expenses	20,862,000	21,449,000	21,449,000	+587,000	
International Trade Commission					
Salaries and expenses	39,954,000	41,707,000	40,000,000	+46,000	-1,707,000
Total, Related agencies	60,816,000	63,156,000	61,449,000	+633,000	-1,707,000
International Trade Administration					
Operations and administration	264,885,000	268,277,000	272,000,000	+7,115,000	+3,723,000
Export Administration					
Operations and administration	38,604,000	43,651,000	38,604,000		-5,047,000
Economic Development Administration					
Economic development assistance programs	328,500,000	333,500,000	328,500,000		-5,000,000
Emergency appropriations (P.L. 104-134)	18,000,000			-18,000,000	
Salaries and expenses	20,000,000	20,036,000	20,000,000		-36,000
Total, Economic Development Administration	366,500,000	353,536,000	348,500,000	-18,000,000	-5,036,000
Minority Business Development Agency					
Minority business development	32,000,000	34,021,000	29,000,000	-3,000,000	-5,021,000
United States Travel and Tourism Administration					
Salaries and expenses (P.L. 104-99)	2,000,000			-2,000,000	
Total, Trade and Infrastructure Development	764,805,000	762,641,000	749,553,000	-15,252,000	-13,088,000
ECONOMIC AND INFORMATION INFRASTRUCTURE					
Economic and Statistical Analysis					
Salaries and expenses	45,900,000	53,510,000	45,900,000		-7,610,000

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3814)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Bureau of the Census					
Salaries and expenses	133,617,000	150,665,000	133,617,000	....	-17,048,000
Periodic censuses and programs	150,100,000	248,690,000	205,100,000	+55,000,000	-43,590,000
Total, Bureau of the Census	283,717,000	399,355,000	338,717,000	+55,000,000	-60,638,000
National Telecommunications and Information Administration					
Salaries and expenses	17,000,000	18,478,000	15,000,000	-2,000,000	-3,478,000
Public broadcasting facilities, planning and construction	15,500,000	8,000,000	10,250,000	-5,250,000	+2,250,000
Endowment for Children's Educational Television	....	2,497,000	....	....	-2,497,000
Information infrastructure grants	21,500,000	59,000,000	21,490,000	-10,000	-37,510,000
Total, National Telecommunications and Information Administration	54,000,000	87,975,000	46,740,000	-7,260,000	-41,235,000
Patent and Trademark Office					
Salaries and expenses	81,252,000	115,000,000	100,000,000	+18,748,000	-15,000,000
Total, Economic and Information Infrastructure	464,869,000	655,840,000	531,357,000	+66,488,000	-124,483,000
SCIENCE AND TECHNOLOGY					
National Institute of Standards and Technology					
Scientific and technical research and services	258,670,000	270,744,000	268,000,000	+9,330,000	-2,744,000
Industrial technology services	300,927,000	450,000,000	200,400,000	-100,527,000	-249,600,000
Construction of research facilities	59,977,000	105,240,000	....	-59,977,000	-105,240,000
Total, National Institute of Standards and Technology	619,574,000	825,984,000	468,400,000	-151,174,000	-357,584,000
National Oceanic and Atmospheric Administration					
Operations, research and facilities 3/	1,793,784,000	1,974,215,000	1,738,200,000	-55,584,000	-236,015,000
Offsetting collections - fees	-3,000,000	-3,000,000	-3,000,000	....	....
Direct appropriation	1,790,784,000	1,971,215,000	1,735,200,000	-55,584,000	-236,015,000
(By transfer from Promote and Develop Fund)	(63,000,000)	(61,068,000)	(66,000,000)	(+3,000,000)	(+4,932,000)
(By transfer from Damage assessment and restoration revolving fund, permanent)	3,900,000	6,000,000	6,000,000	+2,100,000	....
(Damage assessment and restoration revolving fund)	-3,900,000	-6,000,000	-6,000,000	-2,100,000	....
Total, Operations, research and facilities	1,790,784,000	1,971,215,000	1,735,200,000	-55,584,000	-236,015,000
Coastal zone management fund	(7,800,000)	(7,800,000)	(7,800,000)	....	....
Mandatory offset	(-7,800,000)	(-7,800,000)	(-7,800,000)	....	....
Construction	50,000,000	37,366,000	36,000,000	-14,000,000	-1,366,000
Emergency appropriations (P.L. 104-134)	7,500,000	....	....	-7,500,000	....
Fleet modernization, shipbuilding and conversion	8,000,000	12,000,000	6,000,000	-2,000,000	-6,000,000
Fishing vessel and gear damage fund	1,032,000	200,000	200,000	-832,000	....
Fishermen's contingency fund	999,000	1,002,000	1,000,000	+1,000	-2,000
Foreign fishing observer fund	196,000	196,000	196,000	....	....
Fishing vessel obligations guarantees	250,000	250,000	250,000	....	....
Total, National Oceanic and Atmospheric Administration	1,858,761,000	2,022,229,000	1,778,846,000	-79,915,000	-243,383,000
Technology Administration					
Salaries and expenses	7,000,000	9,531,000	5,000,000	-2,000,000	-4,531,000
Total, Science and Technology	2,485,335,000	2,857,744,000	2,252,246,000	-233,089,000	-605,498,000
General Administration					
Salaries and expenses	29,100,000	29,100,000	27,400,000	-1,700,000	-1,700,000
Office of Inspector General	19,849,000	20,849,000	19,445,000	-404,000	-1,404,000
Working capital fund (by transfer)	....	(3,000,000)	(3,000,000)	(+3,000,000)	....
Total, General administration	48,949,000	49,949,000	46,845,000	-2,104,000	-3,104,000
National Institute of Standards and Technology					
Construction of research facilities (rescission)	-75,000,000	....	....	+75,000,000	....
National Oceanic and Atmospheric Administration					
Operations, research and facilities (rescission)	....	....	-10,000,000	-10,000,000	-10,000,000
Total, Department of Commerce	3,628,142,000	4,263,018,000	3,508,552,000	-119,590,000	-754,466,000
Total, title II, Department of Commerce and related agencies	3,688,958,000	4,326,174,000	3,570,001,000	-118,957,000	-756,173,000
(By transfer)	(63,000,000)	(64,068,000)	(69,000,000)	(+6,000,000)	(+4,932,000)

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3814)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
TITLE III - THE JUDICIARY					
Supreme Court of the United States					
Salaries and expenses:					
Salaries of justices	1,662,000	1,704,000	1,704,000	+42,000	
Other salaries and expenses	24,172,000	25,453,000	25,453,000	+1,281,000	
Total, Salaries and expenses	25,834,000	27,157,000	27,157,000	+1,323,000	
Care of the building and grounds	3,313,000	3,313,000	2,490,000	-823,000	-823,000
Total, Supreme Court of the United States	29,147,000	30,470,000	29,647,000	+500,000	-823,000
United States Court of Appeals for the Federal Circuit					
Salaries and expenses:					
Salaries of judges	1,892,000	1,898,000	1,898,000	+6,000	
Other salaries and expenses	12,396,000	14,080,000	13,115,000	+719,000	-965,000
Total, Salaries and expenses	14,288,000	15,978,000	15,013,000	+725,000	-965,000
United States Court of International Trade					
Salaries and expenses:					
Salaries of judges	1,413,000	1,447,000	1,447,000	+34,000	
Other salaries and expenses	9,446,000	9,667,000	9,667,000	+221,000	
Total, Salaries and expenses	10,859,000	11,114,000	11,114,000	+255,000	
Courts of Appeals, District Courts, and Other Judicial Services					
Salaries and expenses:					
Salaries of judges and bankruptcy judges	226,024,000	225,956,000	225,956,000	-68,000	
Other salaries and expenses	2,207,117,000	2,521,390,000	2,325,000,000	+117,883,000	-196,390,000
Direct appropriation	2,433,141,000	2,747,346,000	2,550,956,000	+117,815,000	-196,390,000
Crime trust fund	30,000,000	35,000,000	30,000,000		-5,000,000
Total, Salaries and expenses	2,463,141,000	2,782,346,000	2,580,956,000	+117,815,000	-201,390,000
Vaccine Injury Compensation Trust Fund	2,318,000	2,390,000	2,390,000	+72,000	
Defender services	267,217,000	318,905,000	297,000,000	+29,783,000	-21,905,000
(Prior year carryover)	(28,544,000)			(-28,544,000)	
Total, Defender services	(295,761,000)	(318,905,000)	(297,000,000)	(+1,239,000)	(-21,905,000)
Fees of jurors and commissioners	59,028,000	68,083,000	66,000,000	+6,972,000	-2,083,000
Court security	102,000,000	131,885,000	125,000,000	+23,000,000	-6,885,000
Total, Courts of Appeals, District Courts, and Other Judicial Services	2,893,704,000	3,303,609,000	3,071,346,000	+177,642,000	-232,263,000
Administrative Office of the United States Courts					
Salaries and expenses	47,500,000	53,523,000	48,500,000	+1,000,000	-5,023,000
Federal Judicial Center					
Salaries and expenses	17,914,000	19,625,000	17,495,000	-419,000	-2,130,000
Judicial Retirement Funds					
Payment to Judiciary Trust Funds	32,900,000	30,200,000	30,200,000	-2,700,000	
United States Sentencing Commission					
Salaries and expenses	8,500,000	9,200,000	8,300,000	-200,000	-900,000
Total, title III, the Judiciary	3,054,812,000	3,473,719,000	3,231,615,000	+176,803,000	-242,104,000
Appropriations	(3,024,812,000)	(3,438,719,000)	(3,201,615,000)	(+176,803,000)	(-237,104,000)
Crime trust fund	(30,000,000)	(35,000,000)	(30,000,000)		(-5,000,000)
TITLE IV - DEPARTMENT OF STATE					
Administration of Foreign Affairs					
Diplomatic and consular programs	1,716,196,000	1,747,209,000	1,705,450,000	-10,746,000	-41,759,000
Registration fees	700,000	700,000	700,000		
Total, Diplomatic and consular programs	1,716,896,000	1,747,909,000	1,706,150,000	-10,746,000	-41,759,000
Salaries and expenses	364,698,000	358,159,000	352,300,000	-12,398,000	-5,859,000
Capital investment fund	16,384,000	32,800,000	16,400,000	+16,000	-16,400,000
Office of Inspector General	27,330,000	27,369,000	27,495,000	+165,000	+126,000
Representation allowances	4,500,000	4,656,000	4,490,000	-10,000	-166,000
Protection of foreign missions and officials	8,579,000	8,332,000	8,332,000	-247,000	
Security and maintenance of United States missions	385,043,000	386,060,000	370,000,000	-15,043,000	-16,060,000
Emergencies in the diplomatic and consular service	6,000,000	5,800,000	5,800,000	-200,000	
International center, Washington DC		594,000			-594,000

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3814)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Repatriation Loans Program Account:					
Direct loans subsidy	593,000	593,000	593,000		
Administrative expenses	183,000	663,000	663,000	+480,000	
Total, Repatriation loans program account	776,000	1,256,000	1,256,000	+480,000	
Payment to the American Institute in Taiwan	15,145,000	15,001,000	15,001,000	-144,000	
Payment to the Foreign Service Retirement and Disability Fund	125,402,000	126,491,000	126,491,000	+1,089,000	
Total, Administration of Foreign Affairs	2,670,753,000	2,714,427,000	2,633,715,000	-37,038,000	-80,712,000
International Organizations and Conferences					
Contributions to international organizations, current year assessment	892,000,000	1,045,000,000	875,000,000	-17,000,000	-170,000,000
Advance appropriation, FY 1998		43,076,000			-43,076,000
Advance appropriation, FY 1999		43,076,000			-43,076,000
Advance appropriation, FY 2000		43,076,000			-43,076,000
Advance appropriation, FY 2001		43,076,000			-43,076,000
Contributions for international peacekeeping activities, current year	359,000,000	425,000,000	332,400,000	-26,600,000	-92,600,000
Advance appropriation, FY 1998		150,070,000			-150,070,000
Advance appropriation, FY 1999		150,070,000			-150,070,000
Advance appropriation, FY 2000		150,070,000			-150,070,000
Advance appropriation, FY 2001		150,070,000			-150,070,000
International conferences and contingencies	2,996,000	5,820,000		-2,996,000	-5,820,000
Total, International Organizations and Conferences	1,253,996,000	2,248,404,000	1,207,400,000	-46,596,000	-1,041,004,000
International Commissions					
International Boundary and Water Commission, United States Mexico:					
Salaries and expenses	12,044,000	18,516,000	18,490,000	+6,446,000	-26,000
Construction	6,625,000	7,322,000	6,463,000	-162,000	-859,000
American sections, international commissions	5,791,000	5,627,000	5,490,000	-301,000	-137,000
International fisheries commissions	14,666,000	14,669,000	10,450,000	-4,216,000	-4,219,000
Total, International commissions	39,126,000	46,134,000	40,893,000	+1,767,000	-5,241,000
Other					
Payment to the Asia Foundation	5,000,000	5,000,000	8,000,000	+3,000,000	+3,000,000
Total, Department of State	3,968,875,000	5,013,965,000	3,890,008,000	-78,867,000	-1,123,957,000
RELATED AGENCIES					
Arms Control and Disarmament Agency					
Arms control and disarmament activities	38,638,000	48,455,000	38,495,000	-143,000	-9,960,000
United States Information Agency					
Salaries and expenses	445,371,000	468,016,000	439,300,000	-6,071,000	-28,716,000
Technology fund	5,050,000	10,000,000	5,050,000		-4,950,000
Educational and cultural exchange programs	199,727,000	202,412,000	185,000,000	-14,727,000	-17,412,000
Eisenhower Exchange Fellowship Program, trust fund	509,000	600,000	600,000	+91,000	
Israeli Arab scholarship program	397,000	400,000	400,000	+3,000	
International Broadcasting Operations	324,858,000	365,406,000	335,700,000	+10,842,000	-29,706,000
Radio Free Asia: Operations (earmark)	(5,000,000)	(10,000,000)	(5,000,000)		(-5,000,000)
Broadcasting to Cuba (direct)	24,775,000			-24,775,000	
Broadcasting to Cuba (earmark)		(25,000,000)	(13,775,000)	(+13,775,000)	(-11,225,000)
Radio construction	39,946,000	39,164,000	39,000,000	-946,000	-164,000
East-West Center	11,750,000	8,800,000		-11,750,000	-8,800,000
North/South Center	2,000,000	970,000		-2,000,000	-970,000
National Endowment for Democracy	30,000,000	30,000,000	30,000,000		
Total, United States Information Agency	1,084,383,000	1,125,768,000	1,035,050,000	-49,333,000	-90,718,000
Total, related agencies	1,123,021,000	1,174,223,000	1,073,545,000	-49,476,000	-100,678,000
Total, title IV, Department of State	5,091,896,000	6,188,188,000	4,963,553,000	-128,343,000	-1,224,635,000
TITLE V - RELATED AGENCIES					
DEPARTMENT OF TRANSPORTATION					
Maritime Administration					
Operating-differential subsidies (liquidation of contract authority)	(162,610,000)	(148,430,000)	(148,430,000)	(-14,180,000)	
Maritime Security Program	46,000,000	100,000,000	63,000,000	+17,000,000	-37,000,000
Operations and training	66,600,000	78,097,000	62,300,000	-4,300,000	-15,797,000

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3814)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Maritime Guaranteed Loan Program Account:					
Guaranteed loans subsidy	40,000,000	40,000,000	37,450,000	-2,550,000	-2,550,000
Administrative expenses	3,500,000	4,000,000	3,450,000	-50,000	-550,000
Total, Maritime guaranteed loan program account	43,500,000	44,000,000	40,900,000	-2,600,000	-3,100,000
Total, Maritime Administration	156,100,000	222,097,000	166,200,000	+10,100,000	-55,897,000
Commission for the Preservation of America's Heritage Abroad					
Salaries and expenses	206,000	206,000	206,000	....	....
Commission on Civil Rights					
Salaries and expenses	8,740,000	11,400,000	8,740,000	....	-2,660,000
Commission on Immigration Reform					
Salaries and expenses	1,894,000	2,498,000	2,196,000	+302,000	-302,000
Commission on Security and Cooperation in Europe					
Salaries and expenses	1,090,000	1,090,000	1,090,000	....	....
Competitiveness Policy Council					
Salaries and expenses	50,000	897,000	....	-50,000	-897,000
Equal Employment Opportunity Commission					
Salaries and expenses	232,740,000	268,000,000	232,740,000	....	-35,260,000
Federal Communications Commission					
Salaries and expenses	185,619,000	222,538,000	185,619,000	....	-36,919,000
Offsetting fee collections - current year	-126,400,000	-152,523,000	-126,400,000	....	+26,123,000
Direct appropriation	59,219,000	70,015,000	59,219,000	....	-10,796,000
Federal Maritime Commission					
Salaries and expenses	14,836,000	15,000,000	11,000,000	-3,836,000	-4,000,000
Federal Trade Commission					
Salaries and expenses	98,889,000	93,819,000	93,819,000	-5,070,000	....
Offsetting fee collections - carryover	-19,360,000	....	-7,889,000	+11,471,000	-7,889,000
Offsetting fee collections - current year	-48,262,000	-58,905,000	-58,905,000	-10,643,000	....
Direct appropriation	31,267,000	34,914,000	27,025,000	-4,242,000	-7,889,000
Japan - United States Friendship Commission					
Japan - United States Friendship Trust Fund	1,247,000	1,250,000	....	-1,247,000	-1,250,000
(Foreign currency appropriation)	(1,420,000)	(1,420,000)	....	(-1,420,000)	(-1,420,000)
Legal Services Corporation					
Payment to the Legal Services Corporation	278,000,000	340,000,000	141,000,000	-137,000,000	-199,000,000
Marine Mammal Commission					
Salaries and expenses	1,189,000	1,334,000	975,000	-214,000	-359,000
Martin Luther King, Jr. Federal Holiday Commission					
Salaries and expenses	350,000	....	....	-350,000	....
National Bankruptcy Review Commission					
Salaries and expenses	....	500,000	500,000	+500,000	....
Ounce of Prevention Council					
Direct appropriation	1,500,000	....	....	-1,500,000	....
Crime trust fund	....	9,000,000	....	....	-9,000,000
Securities and Exchange Commission					
Salaries and expenses 4/	297,021,000	308,189,000	297,021,000	....	-11,168,000
Offsetting fee collections	-184,293,000	....	-193,974,000	-9,681,000	-193,974,000
Offsetting fee collections - carryover	-9,667,000	....	-20,000,000	-10,333,000	-20,000,000
Direct appropriation	103,061,000	308,189,000	83,047,000	-20,014,000	-225,142,000
Small Business Administration					
Salaries and expenses	222,144,000	238,701,000	220,419,000	-1,725,000	-18,282,000
Offsetting fee collections	-3,300,000	-3,300,000	-6,000,000	-2,700,000	-2,700,000
Direct appropriation	218,844,000	235,401,000	214,419,000	-4,425,000	-20,982,000
Office of Inspector General	8,500,000	9,985,000	8,900,000	+400,000	-1,085,000

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, 1997 (H.R. 3814)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Business Loans Program Account:					
Direct loans subsidy	4,500,000	2,792,000	2,792,000	-1,708,000	
Guaranteed loans subsidy	155,010,000	316,263,000	160,660,000	+5,650,000	-155,603,000
Micro loan guarantees	1,216,000	2,317,000	1,216,000		-1,101,000
Administrative expenses	92,622,000	94,090,000	93,485,000	+863,000	-605,000
Total, Business loans program account	253,348,000	415,462,000	258,153,000	+4,805,000	-157,309,000
Disaster Loans Program Account:					
Direct loans subsidy	34,432,000	65,800,000	105,432,000	+71,000,000	+39,632,000
Emergency appropriations (P.L. 104-134)	71,000,000			-71,000,000	
Administrative expenses	71,578,000	78,000,000	100,578,000	+29,000,000	+22,578,000
Emergency appropriations (P.L. 104-134)	29,000,000			-29,000,000	
Contingency fund (emergency)		100,000,000			-100,000,000
Total, Disaster loans program account	206,010,000	243,800,000	206,010,000		-37,790,000
Surety bond guarantees revolving fund	2,530,000	3,730,000	3,730,000	+1,200,000	
Total, Small Business Administration	689,232,000	908,378,000	691,212,000	+1,980,000	-217,166,000
State Justice Institute					
Salaries and expenses 5/	5,000,000	13,550,000		-5,000,000	-13,550,000
Total, title V, Related agencies	1,585,721,000	2,208,318,000	1,425,150,000	-160,571,000	-783,168,000
Appropriations	(1,585,721,000)	(2,199,318,000)	(1,425,150,000)	(-160,571,000)	(-774,168,000)
Crime trust fund		(9,000,000)			(-9,000,000)
(Liquidation of contract authority)	(162,610,000)	(148,430,000)	(148,430,000)	(-14,180,000)	
TITLE VI - RESCISSIONS					
DEPARTMENT OF JUSTICE					
General Administration					
Working capital fund (rescission)	-65,000,000			+65,000,000	
DEPARTMENT OF STATE					
Administration of Foreign Affairs					
Acquisition and maintenance of buildings abroad (rescission)	-64,500,000			+64,500,000	
RELATED AGENCIES					
United States Information Agency					
Radio construction (rescission)	-7,400,000			+7,400,000	
Total, title VI, Rescissions	-136,900,000			+136,900,000	
Scorekeeping adjustments	-144,688,000	-856,320,000	16,264,000	+160,952,000	+872,584,000
Grand total:					
New budget (obligational) authority	27,800,020,000	31,959,171,000	29,512,712,000	+1,712,692,000	-2,446,459,000
Appropriations	(24,055,971,000)	(27,129,913,000)	(24,997,794,000)	(+941,823,000)	(-2,132,119,000)
Rescissions	(-211,900,000)		(-10,000,000)	(+201,900,000)	(-10,000,000)
Crime trust fund	(3,955,949,000)	(4,829,258,000)	(4,524,918,000)	(+568,969,000)	(-304,340,000)
(By transfer)	(106,000,000)	(64,068,000)	(69,000,000)	(-37,000,000)	(+4,932,000)
(Limitation on administrative expenses)	(2,861,000)	(3,740,000)	(3,042,000)	(+181,000)	(-698,000)
(Liquidation of contract authority)	(162,610,000)	(148,430,000)	(148,430,000)	(-14,180,000)	
(Foreign currency appropriation)	(1,420,000)	(1,420,000)		(-1,420,000)	(-1,420,000)

1/ Does not include "Health care fraud enforcement" legislative proposal to be transmitted later.

2/ Included under Justice Assistance in FY 1996.

3/ Does not include legislative proposals to be transmitted later.

4/ Does not include legislative proposal regarding fees to be transmitted later.

5/ President's budget proposes $5,000,000 for State Justice Institute.

6/ FY 1996 Enacted reflects administrative reductions from P.L. 104-134.

Mr. Chairman, I reserve the balance of my time.

Mr. MOLLOHAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 3814. Although imperfect, this bill is a vast improvement over that which we considered last year. I commend the chairman, the gentleman from Kentucky [Mr. ROGERS], as well as his able staff, Jim Kulikowski, Therese McAuliffe, Jennifer Miller, Mac Coffield, in addition to Pat Schlueter, the minority staffer.

Chairman ROGERS has conducted the affairs of this subcommittee in an exemplary manner. He has acted in an open and fair fashion toward all members. I want to express to the chairman, Mr. ROGERS, my gratitude for his openness and our ability to work together on this bill.

There are parts of this bill where we are in agreement, particularly in the crime-fighting and law enforcement area. I would like to take this opportunity to remind my colleagues that this is the real crime-fighting bill. This bill provides extremely robust funding levels, $1.6 billion more than the appropriations for the current fiscal year, for the Department of Justice and its law enforcement functions.

If Members like law enforcement, they are going to love this bill. Let me give Members some appreciation for just what I am talking about. First, let me say that President Clinton's requests in the justice area, the law enforcement and crime-fighting area, the law enforcement and crime-fighting area, were very strong, very generous. This bill provides a bit more funding.

We can anticipate, that the Senate side, if pattern holds, will provide more funding than is in our House bill. In other words, this is a game of up-the-ante. But that is fine, because in the end we really do end up with strong funding for law enforcement efforts.

This bill provides $7.1 billion for drug enforcement initiatives, including a 21-percent increase over fiscal year 1996 funding for the Drug Enforcement Administration.

The bill also provides funds for 1,100 more border patrol agents; 2,700 additional detention beds for safe holding of illegal aliens until deportation, a $51 million increase is provided for U.S. attorneys, a $37.5 million increase is provided for the Marshal Service, and $255 million in increased funding is provided for the Federal Bureau of Investigation.

Of special note, I want my colleagues to know that $1.4 billion is provided for the COPS program, the cornerstone of the President's crime-fighting strategy. Let me take a moment to address specifically the COPS program.

As many of the Members know, during his 1994 State of the Union address, President Clinton pledged to put an additional 100,000 police officers on our Nation's streets. Authorization was provided, $8.8 billion over 6 years, in the 1994 crime bill. The COPS program is now a reality, with funding now approved for over 44,000 cops on the beat.

Mr. Chairman, I think everybody in this body and everybody across this Nation understands what a significant accomplishment it has been to get the President's COPS program up, and operating. I commend the President for his leadership in this regard.

The impact of community policing has been strong and swift. Crime is down, Mr. Chairman. That is the good news. There is not doom and gloom about crime statistics. Crime is down. Members can spin these statistics any way they want, but the bottom line is, crime is down. We can take a category, we can look at a spike.

It is absolutely true that in the last year or so drug use in juveniles is up. That is a matter that everybody is concerned with, and all of a sudden, everybody is turning to focus specific attention on that issue. We have to fight it. This bill does it, and this administration supports that effort.

Preliminary crime figures released by the FBI in December 1995 show a dramatic decline in serious crime in the first half of 1995, compared with the same period in 1994.

In New York City, for instance, overall crime has dropped by 14.5 percent, according to FBI figures. Just last month it was reported that the COPS program is providing dollars for an additional 500-plus new cops on the beat. That is significant. It is difficult to argue with results like this. Simply put, community policing works, it works well, and I am pleased that the bill before us provides funding to continue our march down the road to 100,000 more cops on the beat, in accordance with the President's program and his commitment. We are ahead of schedule.

Mr. Chairman, I want to compliment our law enforcement agencies for the good job they have done in managing and applying the new resources we have given them, and also I want to compliment the unprecedented level of cooperation going on between our law enforcement agencies.

I know of no time, certainly during my service, when, for example, the FBI and the DEA and the other Federal law enforcement agencies are working more closely together. They are cooperating, they are focusing, they are sharing information, and it is having a wonderful effect in crime-fighting.

Mr. Chairman, I would also point out to my colleagues that substantial funds are provided in this bill for State and local law enforcement assistance and juvenile justice programs. The Violence Against Women Act programs are fully funded at $197.5 million. I want to compliment my chairman, the gentleman from Kentucky [Mr. ROGERS] for that funding.

He does express concerns about the fact that the Violence Against Women grants are not already out there. Perhaps, in a way, that is a fair consideration. We are all impatient as appropriators that this money get out and get expended. I would add, however, that we could have helped those who were managing those grant programs last year if we did not have some 10, 12, 15, or however many continuous resolutions. No administrator can develop a grant program for a 2-week continuing resolution, and I do not think the Congress would want them to try.

In addition, the States could not respond to grant applications for a 2-week continuing resolution. After 2 weeks that money expired, and we went into another continuing resolution. In other words, there was considerable legislative instability that the administration and the States were trying to work successfully within last year. This perfectly well explains why the Violence Against Women grants were not let out. Mr. Chairman, the good news is that since obtaining their fiscal year 1996 appropriations, the Office of Justice programs has mailed out application kits to all the States in this Violence Against Women Program. They were due back July 1 of this year, and awards will be made on a rolling basis within 30 days of receipt of the applications. Most of the Violence Against Women grants will be awarded by August 15, within 4 months of the signing of the omnibus appropriations bill, making those funds available. That is timely, and I know they have been working hard to make sure those grants do get out to fight violence against women.

I am very pleased with the very generous funding levels with the Department of Justice.

However, Mr. Chairman, I must note the areas in this bill with which I have serious concerns. First, I am extremely concerned with the level of funding provided for the programs under the Department of Commerce. This bill would cut the Department by $756 million below the administration's request and $119 million below the level provided in fiscal year 1996.

The bill does not provide adequate funding for the Department of Commerce' technology initiatives. The most egregious example is the advanced technology program. There is only $110.5 million for the ATP in this bill, not nearly enough for the Federal Government to fulfill its obligations in prior-year grant awards. In other words, there is not enough money in this bill to meet obligations already incurred by the Government. While I realize there is a philosophical difference of opinion regarding the advanced technology program, this program is a critical part of the President's competitiveness agenda, and deserves to be funded robustly. While I am pleased with the increases this bill provides for the NIST internal programs, it is simply not a substitute for ATP.

I also regret the majority's decision to zero out NIST's construction account. The current laboratory facilities are woefully inadequate to today's mission, and such an action only serves to perpetuate the problem.

Also in Commerce, I want to make note of the funding level available for the Census Bureau. This bill provides a funding level which is $60 million below the President's request. It does not provide much-needed funding increases for the current economic statistics, and cuts in half the requested increase for the ramp-up for the 2000 census. I know every American is concerned that the census is done accurately, done properly, done on time, and we are cutting money in that vital area.

There are several other areas for Commerce's budget which this bill does not fund adequately, Mr. Chairman.

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With regard to the Small Business Administration, this bill does not provide the requested and needed increase for the 7(a) loan program. I am concerned that without necessary changes to the program's subsidy rate, this bill may limit capital available to small businesses. I plan to work with the chairman during the conference to increase funding for this vital agency.

In addition, while I am pleased that the bill offers a first step at reducing our peacekeeping debt, I am concerned that it does not go far enough and will put us further behind in the long run in meeting this international obligation. My colleagues will be pleased to know that the committee has remained firm in its resolve to seek continued reform at the United Nations. This is an issue that Chairman ROGERS has worked on for many years and he has been successful in bringing the United Nations to a reform posture, or at least in providing incentives to bring them to a reform posture.

My only concern is not with the incentives, but the fact that we are not funding peacekeeping arrearages enough. I think we could do much more and still maintain the momentum with regard to reform at the United Nations.

Further, I must take a moment to express a reservation about reductions in USIA's accounts, especially in salaries and expenses and educational and cultural exchanges. At the same time, I have serious concerns about providing additional funds for Radio Free Asia. The Broadcasting Board of Governors has not produced an operating plan or provided any meaningful operation about transmission or other operating costs and, in addition, the newly assembled Radio Free Asia staff either is unable or unwilling to provide the committee with estimates of just how much Radio Free Asia Pacific broadcasting will grow to cost in the out years. In addition, I express concerns about the funding for Radio and TV Marti, some of which we have addressed in the full committee.

I have saved my biggest concern, Mr. Chairman, about this bill for last, the shameful cut made to funding for the Legal Services Corporation. I will at the appropriate time be offering an amendment to increase funding for this account, so I shall not spend time now detailing my concerns. I will do so during consideration of the amendment to increase funding for legal services.

Mr. Chairman, this list by no means represents every deficiency in the bill, but with limited time here I wanted to highlight my biggest concerns. I intend to work hard with the majority to make improvements. Let me emphasize again that the chairman has labored hard, with scarce resources, to come up with a fair bill. I am most appreciative for his hard work and for his attitude of cooperation as this bill has been drafted and moved to the floor. I look forward to that kind of relationship as we finalize this legislation through the process.

Mr. Chairman, I reserve the balance of my time.

Mr. ROGERS. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. REGULA], a very hardworking member of our subcommittee.

Mr. REGULA. Mr. Chairman, I thank the gentleman for yielding me this time. I would commend the chairman and the ranking member. They have done an excellent job of working with some very important aspects of our Government responsibility.

The matter of crime and rising use of drugs among young people has been recognized in the committee bill and in the increase of $1.6 billion for the Justice Department activities. Likewise antidrug programs, a serious problem, and we have tried to recognize that need by some additional initiatives on antidrug programs, including a $75 million increase for that type of program.

Illegal aliens: We have increased the funding to speed up the deportation of illegal aliens that have been apprehended. It provides significant funding for grants to State and local governments. I think we should recognize that the States and local governments are often the incubators of good ideas. And so we try to give them a little more opportunity to be innovative in their programs so that we can develop ideas that work well for others.

For example, in Ohio the attorney general has recently developed a new program that would identify and provide accelerated delinquency intervention services to high-risk youth who attend a middle school or junior high school. It is called Ohio's accelerated school based intervention solution. The subcommittee urges the Justice Department to carefully review this innovative early intervention approach when it disburses juvenile justice grants. That is just one example of trying to get to the problems with young people before they develop into much larger difficulties.

As chairman of the Steel Caucus, I am pleased to note that we recognize the importance of promoting U.S. exports abroad and enforcing our U.S. trade laws. Therefore, we provided a modest $7 million increase for the International Trade Administration. That may provide the assistance that is needed in ensuring that we do not have dumping or countervailing and the enforcement of our antidumping and countervailing duties laws.

Mr. Chairman, I certainly urge the support of the bill. I think it recognizes a lot of important policies and funds them adequately.

Mr. MOLLOHAN. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Colorado [Mr. SKAGGS], a member of the subcommittee.

Mr. SKAGGS. Mr. Chairman, I thank the gentleman for yielding me the time.

I, too, want to commend our chairman, the ranking member, and their staffs, for a commendable job under very, very difficult circumstances in fashioning this bill.

It is a real improvement over the fiscal 1996 bill in several areas. We do have funding for ATP. It is too low, but it is better than the zero we started our with last year. There is substantial funding for the COPS Program, rather than no funding, where we started out last year. There is good funding for the core programs at the National Institute for Standards and Techonolgy, very, very robust funding for law enforcement and immigration and many, many other important areas.

But there are some real deficiencies here. And without wanting to exaggerate those relative to the pluses in the bill, I do want to touch on several of them.

The gentleman from West Virginia [Mr. MOLLOHAN] has already mentioned a serious shortcoming with regard to funding for Legal Services. We will all be addressing that later on at the time of his amendment, but it is an egregious problem for us to remedy later on in this debate.

The Advanced Technology Program is at 32 percent of the administration's request, half of last year's funding level. That is a very important investment in the economic and technological future of the country. We need to be doing better there.

Also in the Commerce Department, several accounts within the National Oceanic and Atmospheric Administration that are critical for this Nation's leadership internationally, as well as providing for the safety and well-being and economic health of our own people, whether the Climate and Global Change Program, the Space Environmental Laboratory or several other areas, need to be beefed up.

I would like to take just a moment to talk about the international accounts in this bill and particularly the overall funding to the Department of State. I think that we have lost sight of the fact that diplomacy in behalf of the United States is preventive medicine. It is designed to avoid the kind of cataclysmic international problems that require us to then call on the Defense Department. It is very much like preventative care rather than surgery. Yet we have seen over the last several budget cycles a continuing contraction of our resources going into that very, very important area of looking out for our national interests abroad. We cannot afford a further erosion of our diplomatic preparedness, whether it is in the State Department directly, the Arms Control Agency, which is doing very, very important work for this country in so many important fields, with proliferation and other areas, or the USIA, representing the ideas and the culture of this country abroad.

One of the areas that is a plus as this bill comes to the floor is that it contains no funding for that failed activity known as TV Marti, where all objective accounts have confirmed what is the unfortunate reality; that is, there is no audience for the broadcasts of TV Marti into the island of Cuba. As pathetic as is the record of TV Marti, as insulting as its waste of over $100 million is to the American taxpayer, who is hard pressed enough, still the apologists for this abject failure say that they have gotten the commitment to restore funding later on in the process. That would be a huge mistake, Mr. Chairman, and a classic example of a victory of special interests and special influence over common sense. I hope we will be on alert to avoid making that mistake as this bill moves through the process.

Again, let me just close by offering my congratulations to our chairman and our ranking member for the job they and their staffs have done.

I thank the chairman. I commend Chairman ROGERS, Ranking Member MOLLOHAN and their staff members for their efforts in trying to balance the disparate competing interests represented in this bill. Their impossible task was to somehow provide adequate funding under the restrictions of the new budget resolution for our Nation's important research, technology, crime fighting, judiciary, and international activities.

In some ways, the bill we are considering today is better than last year's House version of the Commerce, Justice, and State Departments appropriations bill.

For one thing, it omits further wasteful spending on the TV Marti boondoggle. And, in other areas, it provides some funding for the National Institute of Standards and Technology's [NIST] Advanced Technology Program [ATP], instead of no funding. It provides most of the requested funding for the COPS community policing program, instead of no funding. It provides full funding for the core research activities at NIST. And this bill generously funds law enforcement accounts, most above last year's level and many above the administration's request.

There are, however, serious problems with this bill that I hope can be addressed through the amendment and conference process.

First, this bill cuts funding for the Legal Services Corporation by almost 50 percent. This cut comes on top of a funding reduction of 30 percent for fiscal year 1996. These funding cuts represent an unconscionable abandonment by this Congress of the Nation's commitment to equal justice for all citizens regardless of economic status. LSC provides low-income Americans access to the legal system on basic matters of family law, consumer issues, housing disputes, and other issues affecting veterans and the elderly. The funding cut included in this bill will cripple LSC's ability to carry out its important mission.

This bill funds the ATP Program at 32 percent of the administration's request and only one-half of the final conference funding level of last year. The ATP Program provides a private industry/government partnership to nurture cutting edge industrial technology that is either too high risk or too broad based for a single private company alone to afford to develop. It provides small, competitive grants to consortia of large and small companies for development of preproduct technology. These grants are matched by private funds and motivate private industry to take risks in product and technology development that otherwise would not occur, not because they lack merit or profit-making potential, but because the pay-back in the short term is too problematic for purely private capital. This program promotes America's long-term economic interests and deserves full support.

I'm also concerned about the committee's effort to restrict ATP funding to only small businesses. ATP grants often go to a consortium made up of small and large businesses working together on a single project. Separating funding and, therefore, grantees according to size could end up disrupting the valuable partnerships forged between small and large businesses through previous ATP projects.

I'm also disappointed that the committee was unable to meet the administration's funding requests for many of the National Oceanic and Atmospheric Administration's [NOAA] programs. NOAA's work contributes to a more productive and competitive nation. NOAA's mission is to protect life, property, marine and fisheries resources, and our Nation's coasts and oceans. It accomplishes its mission through research and monitoring of the condition of the atmosphere, oceans, and Great Lakes. NOAA predicts the weather, climate, and fisheries' productivity. In addition to the obvious importance of NOAA to the health of industries tied to coastal and marine life conditions, the work at NOAA is important to agribusiness, industries that have an impact on air quality, and the transportation and communications industries.

While I understand that these are difficult budgetary times and that for most accounts the committee bound itself to the authorization bill produced by the Science Committee earlier this year, NOAA's atmosphere and ocean programs are important to the economic and environmental future of the Nation and should be fully supported.

In particular I'm disappointed that the committee didn't move closer to the administration's funding request for the Climate and Global Change Program which conducts research to develop long-term climate observation and prediction techniques, particularly for North America. This program also examines the role of ocean conditions on long-term climate changes and provides information on which to base important policy choices about the necessity or results of environmental and industry regulation.

Another particular concern is the small, but significant cut in the Solar/Geomagnetic Research Program. The Space Environmental Laboratory funded under this account forecasts solar and geomagnetic activity which can damage satellites and electrical power systems. The warnings provided by SEL provide the valuable time needed to take steps to limit the damage caused by unusual solar and geomagnetic activity.

I am also very concerned about the effects of this bill's cuts in the budgets of the State Department, the U.S. Information Agency and the Arms Control and Disarmament Agency. This year's reductions come after many years of downsizing and restructuring in these agencies. Since 1984, our international affairs budget has fallen 51 percent in real terms. By the end of the current fiscal year, the State Department alone will have reduced the size of its work force by 1,900 full-time employees and will have closed 30 posts worldwide.

These funding reductions have already eroded our diplomatic preparedness. Further cuts to foreign affairs agencies will threaten our ability to protect and promote our national interests. The cuts come at a time when our foreign policy agenda is increasingly dominated by such issues as access to overseas markets, control of weapons of mass destruction, protection of the environment, and the promotion of democracy. In these areas, our country needs effective diplomatic efforts to negotiate agreements and build coalitions among governments.

I am worried that the cuts contained in this bill may force the State Department to close additional foreign posts. Before we continue to diminish our overseas presence, we should make certain that we won't be severely undermining our ability to gather critical information and intelligence and to support American commercial interests abroad. We also need to be certain that the needs of the Defense Department, the CIA, and other State Department tenants have been fully considered in decisions to close posts.

The bill provides an inadequate downpayment on the enormous debt we have run up by failing to pay our dues to the United Nations and other international organizations. This is not just a matter of being an international deadbeat. It will harm our ability to promote our interests in international organizations and will undermine our credibility in pressing for further U.N. reforms. It also would scuttle a bold initiative of our Ambassador to the U.N. Madeleine Albright, to convince U.N. members to reduce from 25 percent to 20 percent the U.S. share of the U.N.'s regular budget in return for a multiyear American commitment to make good on our debt.

Another area of concern is the low level of funding the bill provides for the Arms Control and Disarmament Agency. The budget for this small but crucial agency has been slashed almost 30 percent in the last 3 years. At the same time, we in Congress, along with the President, have continued to give the agency more tasks. While the level of funding provided this year is close to the bare bones budget provided last year, the agency then had significant carryover funds that are no longer available. I fear that the funding in the bill will not enable the agency to fulfill crucial responsibilities like completing negotiations on banning nuclear testing, ensuring that all nuclear weapons are removed from Ukraine, Kazakstan, and Belarus by the end of the year, and monitoring the elimination of hundreds of bombers and missiles from Russia.

On a positive note, as I mentioned earlier, the bill reflects the overwhelming bipartisan support expressed in the full committee for a measure to kill funding for TV Marti, the United States Information Agency's television broadcasts to Cuba.

TV Marti is a failed experiment. After 8 years and the waste of $100 million in taxpayer's money, virtually no one in Cuba sees these United States Government television broadcasts.

TV Marti is on the air only between 3:30 a.m. and 8:00 a.m. Unfortunately, the Castro government is very successful in jamming the broadcasts. The result? No one sees TV Marti.

The objective evidence is overwhelming. In 1994, a Federal advisory panel stated

> categorically that at present TV Martis broadcasts are not consistently being received by a substantial number of Cubans.* * * Whatever TV Marti's [other] shortcomings they are negligible compared to its inability to reach its intended audience.

A report from the Appropriations own committee staff investigation concluded there was virtually no audience or policy purpose for continuing TV Marti broadcasts.

It's bad enough that TV Marti accomplishes nothing. But that's not the end of the story. National security and drug interdiction efforts can suffer when TV Marti preempts use of Federal balloons—used for TV Marti and radar surveillance—on the Florida Keys. That's why in 1993 a defecting Cuban MiG pilot wasn't detected until right before his plane landed at Key West Naval Air station. Fortunately, his intentions were friendly.

The elimination of TV Marti won't diminish our ability to send United States Government broadcasts to Cuba. Even without TV Marti, Radio Marti will continue—and many Cubans listen to it. Killing the TV Marti boondoggle doesn't score a propaganda victory for Castro. It does score a victory for the American taxpayer.

In conclusion, while I believe the chairman should be commended for his diligent efforts under such difficult budgetary constraints, I must say that I have grave reservations about this bill.

Mr. ROGERS. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. KOLBE], a very hardworking member of this subcommittee who has given us a lot of help in constructing this bill.

Mr. KOLBE. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of this legislation, H.R. 3814, the Commerce, Justice, State and Judiciary Appropriations Act for Fiscal Year 1997. We are nearing the end of our appropriations work on the floor of the House but we have saved one of the more important bills here for the end.

I especially want to commend Chairman ROGERS for his excellent work through a very difficult fiscal climate. Despite the hurdles, the chairman and subcommittee, I think, brought to the floor of the House a bill worthy of support. I also want to thank and applaud the gentleman from West Virginia [Mr. MOLLOHAN], the ranking minority member, for the bipartisan and cooperative spirit that he has adopted in working on this bill.

Downsizing Government does mean making choices in spending priorities and this bill does that. It does it by channeling funds to programs that we think are in the taxpayers' interest. I do not agree, of course, with every single decision that is made here but on balance this is a good bill, a responsible bill, and one that I am proud to be associated with.

This bill takes a giant step toward addressing the issue of border enforcement, something that is very important to those of us along the southwest border. It provides funding to put an additional 1,100 Border Patrol agents and inspectors on the front lines of the border. Overall it provides $2.8 billion for the enforcement of our immigration laws. Funding is also provided for 2,700 more detention cells to ensure that we can hold for deportation illegal aliens in the United States. That is 2,000 more beds than have been requested by the administration.

The bill provides $500 million for the State Criminal Alien Assistance Program that reimburses States for the costs associated with incarcerating criminal aliens. The General Accounting Office estimates that the nationwide cost incurred by States for this could exceed $650 million. This appropriation takes a huge step toward addressing that problem.

Mr. Chairman, we must recognize that illegal immigration is a national problem, that it is not just a State problem. This Congress must reaffirm its commitments to States and local communities because they are the ones that must contend with the failed immigration policies of the past. To turn our back on that would be wrong.

The Federal Government does not have all the answers when it comes to combating the crime we are most concerned about. I do not believe the Congress should try to manage State and local law enforcement agencies. Rather, we need to support measures that empower local law enforcement—H.R. 3814 does just that. This legislation gives maximum flexibility to local law enforcement officials to administer $571 million for law enforcement and prevention programs instead of mandating that money be used for specific purposes. The bill will allow local officials to use funds to put more police on the streets, purchase needed equipment, fund youth prevention programs, provide drug court programs, or other urgent needs, according to the priorities determined by 39,000 State and local entities—not Washington. Additionally, this bill provides nearly $500 million for the Byrne grant program that has been used very effectively by local law enforcement. In my own district, very successful law enforcement alliances have succeeded because of the availability of Byrne grant moneys.

Let me shift gears for a moment to address what this bill does with funding for the Commerce Department. I support restructuring the Commerce Department. Over the years, this agency has become the dumping ground for every new function of the Federal Government that didn't fit someplace else. While this bill does not dismantle the Commerce Department, it cuts it by nearly 17 percent for fiscal year 1995 levels—a clear signal to Congress to reorder its functions. I will support amendments to this legislation making further cuts in certain areas of Commerce.

I am pleased the committee funded the Small Business Administration's microloan program which has helped create hundreds of jobs in Arizona at little or no cost to the Government. Organizations like Project PPEP help to effectively administer these startup loans in areas where this type of assistance is effectively used and where loan defaults are almost nonexistent.

The bill provides resources for the State Department to continue its vital functions across the globe. H.R. 3814 does cut funding just below last year's spending levels. Contributions to U.N. peacekeeping operations are kept in check while affording the executive branch maximum flexibility and the legislative branch maximum oversight.

I encourage all of my colleagues to support this legislation that is both fiscally responsible and attentive to the needs of the American people.

Mr. MOLLOHAN. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. I thank the gentleman from West Virginia [Mr. MOLLOHAN] and likewise thank the chairman, but I thank the ranking member for his continued hard work on this issue.

Mr. Chairman, I wish that I could rise in overwhelming enthusiasm for the effort that has been put forward. I do believe, however, there is room for improvement. In particular I would like to note that we have been successful. We have stood in the way of the obliteration and dissolution of the Commerce Department, one of the few departments in this Nation that is in the

Constitution, one of the few that have been able to claim over billions of dollars of job opportunities and business opportunities for American businesses, and yet we find that this appropriation bill gives $756 million below the administration request, even though the Commerce Department has done its own internal downsizing.

Juvenile justice grants: I appreciate the funding of such grants and certainly the funding of violence-against-women grants and the successful keeping of the 100,000 cops on the beat.

I am concerned, however, when it comes to the Advanced Technology Program under the Department of Commerce, that we would not consider the importance of technology creating the jobs of the 21st century and would be shortsighted in underfunding opportunities for innovative technology projects to be successfully funded. Our support falls short in comparison to what is done by our neighbors like Japan and Germany in investing in technology. It is important to recognize that in order to have businesses succeed, the government must be a successful partner to business.

I likewise rise, Mr. Chairman, to speak against the drastic and draconian cuts in the Legal Services Corporation: Only $141 million given to this agency—over a 50-percent cut.

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What that says is the number of clients will fall from 2.1 million to 1.1 million, that we are saying to America that you can have your access to justice, but those individuals who are poor, who are indigent, who are women, who are children, who are the elderly, cannot have the ability to receive the kind of legal services that the Constitution provides. Twenty-six thousand poor Americans will get to access one lawyer with the legal services cuts.

I think it is important, Mr. Chairman, that we recognize the commitment of this government to be a government of laws and not of men and women. And so these services should be provided by the Legal Services Corporation, 323 guarantees provided services to almost 2.1 million clients from 1,100 locations last year, approximately 24 million families are poor enough to qualify for free services. In 1995, the legal services fund provided 1 lawyer for every 200 low-income families. Without sufficient funding this year these families cannot be served.

Legal Services helps us in defending against spousal abuse or child abuse. It helps us with divorce and separation for indigent families and women. The Legal Services lawyers help poor people with wage claims, discrimination, termination, unlawful termination, and unemployment claims

Frankly, Mr. Chairman, what it does is it simply says you are an American, too. I am concerned that we do not sufficiently fund the Legal Services Corporation to serve the poor, so I am supporting the Mollohan-Fox amendment to increase legal services because that is the right thing to do, and that would add to a better Commerce, Justice Department, State Department appropriations bill.

Mr. Chairman, I would have risen to offer an amendment to the Commerce-Justice-State appropriations bill. This amendment would restore $20 million for the Legal Services Corp. [LSC], which distributes Federal funds to more than 300 local legal aid organizations to pay for the representation of low-income individuals in civil legal matters, such as landlord-tenant disputes, domestic relations, and Social Security matters. However, I now rise to support the Mollohan-Fox amendment to increase Legal Services to almost to last year's funding and if it passes, I will not offer my amendment.

This program provides desperately needed assistance to our Nation's poor families and individuals. Without some kind of legal aid our poorest citizens would have no recourse against unscrupulous merchants, no help in arranging adoptions or enforcing child support orders, and no protection against abusive spouses.

The U.S. Bureau of Justice Statistics reports that over 1 million women a year are victims of violence at the hands of husbands or boyfriends. Poor women and children, who frequently lack access to support networks, are especially vulnerable to the vicious cycle of domestic abuse.

Family law, which includes the representation of victims of domestic violence, is the single largest category of cases handled by the 278 local Legal Services programs across the Nation. In 1995, Legal Services programs handled over 59,000 cases in which clients sought legal protection from abusive spouses and over 9,300 cases involving neglected, abused, and dependent juveniles.

Legal Services attorneys assist victims of domestic violence in a variety of ways: obtaining orders of protection, child support, and divorces from abusive spouses; representing them in child custody proceedings; assisting them with applications for emergency housing or other benefits that enable them to escape violent situations; and helping them make a realistic plan for moving from dependency to self-sufficiency.

H.R. 3814 would fund the LSC in fiscal year 1997 at $141 million, which is an extreme cut from the fiscal year 1995 level of $415 million. This cut will result in the virtual abandonment of this country's longstanding Federal commitment to the legal protection of low-income individuals, including victims of domestic violence. Withdrawing aid for this program will effectively shut millions of Americans out of the justice system.

Cutting the fiscal year 1997 funding level to $114 million will most likely result in the following: the number of clients served will fall from 2.1 million in fiscal year 1995 to 1.1 million; the number of neighborhood officers will fall from 1,100 in fiscal year 1995 to approximately 550; the number of LSC attorneys serving the poor will fall from 4,871 in fiscal year 1995 to 2,150; there will be only one LSC lawyer for every 23,600 poor Americans; there will be no legal assistance for clients in thousands of counties throughout the country; millions of poor people in rural areas in the South, Southwest, and large parts of the Midwest, which have virtually no non-LSC funding, will have extremely limited resources to obtain meaningful access to justice; and Legal Services programs will be forced to severely limit their services, resulting in the substitution of brief advice and referral for complete legal representation in most cases.

By restoring some funding for this vital program, the Jackson-Lee amendment will help soften the bill's negative impact on the LSC. My amendment would provide $20 million for the LSC by taking $20 million from the U.S. Information Agency—International Broadcasting Operations [USIA], which receives $346.7 million under the bill, and $2 million from the National Endowment for Democracy, which receives $30 million under the bill.

The Legal Services Corp. is a representation of this country's commitment to the ideal of equal justice. By providing access to justice for millions of Americans, the LSC has given them a stake in the justice system and a sense that government is meant to be a servant of the people rather than a master. We must not allow this program to be gutted—it is fundamental to our Nation's sense of fair play.

Support the Jackson-Lee amendment and help make good on this country's promise of liberty and justice for all.

Mr. ROGERS. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. GILMAN], the very able chairman of the Committee on International Relations of this House.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I am pleased to rise in support of the bill before us. Under tight budgetary allocations, the gentleman from Kentucky, Chairman ROGERS, and the gentleman from West Virginia, Mr. MOLLOHAN, ranking minority member, have responsibly crafted a good bill. I appreciate the gentleman from Kentucky's close consultation with our Committee on International Relations.

I have been informed there may be amendments to further reduce operations funding U.S. Information Agency, which I strongly oppose. I oppose reductions in those activities and point out to my colleagues that in the budget, the USIA already has been reduced by $6 million below the fiscal year 1996 appropriated level. The 2-year cumulative reduction in USIA operating account is now $36 million.

It is gratifying that this bill contains important new directions and guidance in our war against illicit drugs, and I applaud the gentleman from Kentucky, Chairman ROGERS, the gentleman from Illinois, Mr. HASTERT, the gentleman from New Hampshire, Mr. ZELIFF, and all those who have enhanced funding for international strategy against drugs and provided direction to the

DEA and the source nations. The result is that there will be more DEA agents on the ground, improvements in intelligence collection, and more vetted units aimed at the problem of systematic corruption in many of these nations of illicit drugs and the traffickers.

In recent years the battle against drugs has not progressed under the present administration. This is particularly evident in the alarming soaring drug use since 1992, especially among our young people. This rise in drug use followed administration decisions that diminished interdiction resources by nearly one-half while also neglecting source country eradication efforts. The results have been disastrous.

Mr. Chairman, today's bill reverses some of those unwise decisions that will help take the battle to the traffickers and the source and transit zones long before that poison hits our streets and destroys our young people and adds billions to our societal costs.

Mr. MOLLOHAN. Mr. Chairman, I yield 2 minutes to the distinguished gentlewoman from New York [Mrs. LOWEY].

Mrs. LOWEY. Mr. Chairman, I would like to address two issues in this bill which directly affects women and their families.

First, I would like to thank the gentleman from Kentucky, Chairman ROGERS, for fully funding the Violence Against Women Act. These funds are needed desperately, and we appreciate the attention to this issue. However, I would like to reiterate the concerns of the gentleman from West Virginia [Mr. MOLLOHAN] which were mentioned previously. Because the bill was so late and was not signed until April, the funds for 1996 are just being processed. The Department of Justice is doing a valiant job in getting these funds out.

Many of my colleagues may not think of legal services as a women's issue, but it clearly is. The funding cuts contained in this bill will force the Legal Services Corporation to abandon many of the critical legal services that it provides to poor women, particularly victims of domestic violence.

In 1995, legal services programs handled over 59,000 cases in which clients sought legal protection from abuse of spouses and over 9,300 cases involving neglect and abused and dependent juveniles. In fact, family law, which includes domestic violence cases, makes up one-third of the 1.7 million cases handled by legal services programs each year.

In addition to helping victims of domestic violence, the lawyers of the Legal Services Corporation help poor women with many necessary legal services. For example, the lawyers at legal services assists mothers and their children to enforce child support orders against deadbeat dads. They also help women with employment discrimination cases and parents who are trying to protect their children's educational interests.

If we slash funding to the Legal Services Corporation, we will be abandoning hundreds of thousands of women who desperately need legal help. These women have nowhere else to turn. So please, I ask my colleagues, let us make sure that we do not short-shrift the women of America and not turn our back on their families.

Mr. ROGERS. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. HASTERT], the very distinguished chief deputy majority whip.

Mr. HASTERT. Mr. Chairman, thank you for reversing a trend that has happened in this country over the last 5 years. This bill changes a trend that has seen a reduction in drug interdiction. It has seen a reduction in the ability to stop children from using drugs. Your work, Mr. Chairman, has changed this whole issue.

What we do in this bill is increase the ability for the Drug Enforcement Administration to renew counternarcotics attacks on those countries who grow the drugs and manufacture drugs. We have given our country the ability to go into those countries and crush those drug growing and manufacturing areas.

Let me just say one very simple illustration. If you have seen on TV the last couple nights about ruby red, a new type of heroin that teenagers use, they smoke it because the purity has gone from 4 to 90 percent. We will be able to stop the infusion through Colombia, who used to use cocaine, now using ruby red, a more devastating drug to teenagers then anything we have ever seen.

This bill will help us stop that. I support its passage and really salute the chairman of the committee who has made this happen.

Mr. MOLLOHAN. Mr. Chairman, I yield 2 minutes to the gentleman from Oregon [Mr. BLUMENAUER].

Mr. BLUMENAUER. Mr. Chairman, I strongly agree with the comments that my colleague from West Virginia has made regarding the bill and its benefits and deficiencies. Among other things, I appreciate the additional resources included in the bill for community policing, a program which has made such a difference in communities in my district and around the country.

But, I do want to spend a moment speaker about a grave area of deficiency dealing with the Advanced Technology Program. This is one program that promotes partnerships and boosts competitiveness by encouraging innovation. It is worthy of bipartisan support and adequate funding. The partnerships created by the ATP allow the U.S. Government to work with businesses and universities, helping existing technological leaders to leverage their talent and expertise.

I have seen this take place in my State of Oregon. In the last several years, we have watched as the companies—which must match Federal funds—have invested approximately the same amount in ATP projects as they have received from the Federal Government. These recipients are developing broad-based technologies, which will not only make them more competitive globally, but will be creating new industries and new jobs. In Oregon over the last 5 years, 10 Oregon participants have joined in ATP projects. Five of these participants have been small businesses.

For example, Precision Cast Parts in my district is working on developing large-scale industrial gas turbines which can operate at higher temperatures. These higher operating temperatures mean increased fuel efficiency and the option of using a larger variety of fuels.

At Tektronix, over the last 3 years they have been developing the ADVANCED Program, the Advanced Digital Video Network for Creative Editing and Distribution Program, a new technology which allows video to be used just like other electronic data. These programs attract expertise to the region and to the State. And they create new jobs.

I hope we will take another hard look at this program as this bill wends its way through the legislative process. The ATP Program needs to be restored in order for this bill to be worthy of our support.

Mr. ROGERS. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. SMITH], the chairman of the Subcommittee on Immigration and Claims of the Committee on the Judiciary.

Mr. SMITH of Texas. Mr. Chairman, I rise in strong support of a Commerce, Justice, State, and judiciary appropriations bill.

This bill provides $2.1 billion in funding for the Immigration and Naturalization Service. That is $30 million more than the administration requested. The funds for the INS in fact represent a 25-percent increase over last year, and they demonstrate Republicans' commitment to reducing illegal immigration.

H.R. 3814 provides the necessary funding to hire 1,100 new Border Patrol agents. The administration's request would only have funded 700 new Border Patrol agents. This bill also contains a significant funding increase for the detention and removal of illegal aliens, including 2,700 new detention beds. The administration's request would only have funded 700 detention beds. Funding is critical to the effective implementation of America's immigration policies.

I thank Chairman ROGERS for the tireless efforts he has made to secure our borders.

There is another bill which passed the House in March of this year by a vote of 333 to 87 that also advances immigration reform. H.R. 2202, the Immigration in the National Interest Act, will soon go to conference with the Senate. It will benefit American families, taxpayers and workers by securing the borders, removing criminal and illegal aliens from the country, and ensuring that immigrants are self-reliant.

Mr. Chairman, the American people are demanding that we pass comprehensive immigration reform. I urge my colleagues to provide sufficient funding for border security by voting "yes" on this bill.

Mr. MOLLOHAN. Mr. Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Chairman, I appreciate the work done on this bill, but regrettably the bill sharply reduces critical law enforcement resources by underfunding the COPS community policing initiative and legal services and cuts research and technology investments.

Community Policing Services has its roots in New Haven, CT. The New Haven Police Department began a groundbreaking experiment in community policing in the early 1990's in response to an extremely high crime rate. Community policing worked in New Haven to make streets safer. Because of its success in my district and others, the previous Congress passed a national community policing initiative as part of the 1994 Crime Control Act. Since its enactment, COPS grants have put over 55 new police officers on the beat in my district, helping to reduce crime on the streets and providing increased security to the citizens in my community. This bill level funds COPS and impedes the ability of police departments in cities like New Haven to do their difficult job.

I am equally distressed about the bill's attack on the Legal Services Corporation, which provides essential legal representation to indigent families in my district, especially courageous women escaping an abusive partner. Dismantling the Legal Services Corporation will keep women and children in violent settings and perpetuate domestic violence.

Finally, I strongly oppose this bill's provision to kill the ATP public-private partnership that helps small businesses grow and generate good-paying, high-technology jobs. Health Information Systems in Wallingford, CT, CuraGen Corp. in Branford, and Alexion Pharmaceuticals in New Haven are but three examples in my district of how ATP works to generate good jobs. I strongly oppose killing ATP.

Mr. Chairman, these priorities need to be restored. I urge my colleagues to restore these important priorities as we consider this bill.

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Mr. ROGERS. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. FORBES], a very able and hard-working member of our subcommittee.

Mr. FORBES. Mr. Chairman, I rise in strong support of this Commerce, Justice, and State, the Judiciary, and related agencies appropriations bill, and I also rise to thank both the ranking minority and majority members for the conciliatory and balanced effort that this bill represents.

There has been every effort to move the spending bills in this Congress forward in a very dramatic and dynamic way, and I believe all of us can appreciate the fact that this bill really is a bipartisan effort to get a balanced spending plan in an environment where we have dwindling resources.

This is a excellent bill, and I want to compliment not just the gentleman from Kentucky, Chairman ROGERS, and the gentleman from West Virginia, Mr. MOLLOHAN, but also the chairman of the full committee, the gentleman from Louisiana, Mr. LIVINGSTON, and of course the gentleman from Wisconsin, Mr. OBEY.

We are all working very, very hard, in a very tough environment, where we have fewer dollars and great needs, unending needs, and this is a good bill and I urge its adoption.

Mr. ROGERS. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. GEKAS], the chairman of the Subcommittee on Commercial and Administrative Law of the Committee on the Judiciary.

Mr. GEKAS. Mr. Chairman, I thank the gentleman for yielding me this time.

The Susquehanna River begins in New York State, flows through Pennsylvania and then Maryland, and empties into the Chesapeake Bay. It is a gorgeous river. Everyone loves it. Those who live on either side of it are happy people. But last January, like many other times in the history of the Susquehanna Valley, the Susquehanna River turned on us and in a rage destroyed billions of dollars worth of property and killed 16 people.

Why do I tell my colleagues this? Because the flood warning system that we had in place, which this committee was able to put in place several years ago, was responsible, we believe, for preventing even further damage. I want to thank the chairman of the committee for recognizing that pattern of behavior on the part of the Susquehanna River and for his efforts in making a $1 billion appropriation, upwards from the 669, where it rested before, in recognition of how dangerous the Susquehanna can become.

Mr. ROGERS. Mr. Chairman, I yield 1 minute to the gentleman from New Hampshire [Mr. ZELIFF].

Mr. ZELIFF. Mr. Chairman, I thank the gentleman for yielding me this time.

I thank the gentleman from Kentucky [Mr. ROGERS] for his commitment and strong support to our Nation's drug war. In the past 2 years I have worked very hard, traveling through the transit zone and parts of South America and source country programs and we have seen firsthand the people out there putting their lives on the line every day with limited resources.

The sad reality is that we have witnessed a record increase in drug use among America's children between 1992 and 1995, amounting to an aggregate increase of nearly 200 percent. This reverses a downward trend that lasted from 1979 through 1992. That reversal, as everyone knows, or should know, paralleled unprecedented cuts in drug interdiction, international programs and other supply reduction efforts.

The sudden rise in youth drug use and drug related violence is also accompanied by a dramatic increase in drug availability on America's streets, and a major increase in the potency of these drugs, especially cocaine, heroine, marijuana flowing into the United States from Colombia, Bolivia, Peru, and Mexico.

Mr. Chairman, for the best interest of our children and grandchildren, we need a balanced effort of education, prevention, treatment, interdiction, and source country programs. Thanks to the gentleman from Kentucky and his leadership we will have that balanced effort.

Mr. MOLLOHAN. Mr. Chairman, I yield the balance of my time, 1 minute, to the gentleman from Kentucky [Mr. ROGERS] so that he may yield it to the gentlewoman from Maryland [Mrs. MORELLA].

Mr. ROGERS. Mr. Chairman, I yield 2 minutes to the gentlewoman from Maryland [Mrs. MORELLA].

Mrs. MORELLA. Mr. Chairman, I thank the chairman of the subcommittee for yielding me this time and the ranking member of the subcommittee for yielding to me.

Mr. Chairman, I do appreciate the difficulties in preparing this appropriations bill, and I want to commend the gentleman from Kentucky, Chairman ROGERS, and the ranking member, the gentleman from West Virginia, Mr. MOLLOHAN, for the work that they have done in trying to bring a bill before us that will make a difference.

I applaud the more than full funding of $197,500,000 for the Violence Against Women Act. It will go a long way.

I am, however, concerned about cuts in the Legal Services Corporation and the elimination of the superb NOAA corps of commissioned officers before the forthcoming GAO report. This is certainly premature.

While I support funding for the Technology Administration, the National Institute of Standards and Technology Laboratories, the Advanced Technology Program, the MEP program, I am deeply troubled by lack of funding for the NIST construction of research facilities account, especially since a $30 million rescission was experienced in fiscal year 1995 and a further $24 million rescission in fiscal year 1996. I believe these rescissions, along with zeroing this out, would be absolutely detrimental to NIST's meeting its mission.

I look forward to continuing to work with the subcommittee to develop funding for the completion of NIST's 10-year plan to construct and renovate facilities to allow the National Institute of Standards and Technology to fulfill its important missions and to live up to U.S. industries' needs for the new millennium and thereafter.

Mr. Chairman, I appreciate the difficulties in preparing this appropriations bill and I commend Chairman ROGERS for his efforts.

I wish to speak regarding a few provisions in the bill, with particular emphasis on funding for the National Institute of Standards and Technology [NIST].

While I support the committee's funding for the technology administration, and for the NIST laboratories, its advanced technology program, and its manufacturing extension program, I do have very strong concerns about the committee's lack of funding for NIST's construction of research facilities account.

Failure to fund this account would adversely affect NIST and its ability to meet its mission, and by extension, our Nation's industries which rely on NIST to compete in the global marketplace.

Mr. Chairman, an independent study in 1991 found that the overwhelming majority of NIST's facilities will fail to meet program needs within this decade unless steps are taken immediately to renovate and construct its facilities.

NIST's specialized research buildings, needed for world-class measurement and standards research in support of industry, are fast becoming scientifically obsolete.

In addition, they suffer from environmental, systems, and safety flaws.

The decaying state of NIST's facilities already has made it impossible to provide some of our Nation's industries with essential services, such as state-of-the-art calibrations urgently needed to maintain production-line quality controls on a par with overseas competitors.

Environmental controls which were more than adequate when the buildings were first constructed over three decades ago are now completely inadequate for advanced atomic-level research.

Also, the poor quality of NIST power supplies regularly results in inaccurate measurements, costly delays, rework, and loss of data.

NIST identified $42 million in facilities safety and capacity projects requiring major retrofitting in that 1991 report.

The project list for this much-needed renovation, since then, has continued to grow.

In the years since the report was developed, high priority facilities maintenance problems, requiring an additional $285 million have been identified.

These projects, now totaling $327 million represent only the most critical retrofit requirements.

NIST must continue to receive construction funding in fiscal year 1997 to address the highest priority projects from this list.

Mr. Chairman, no one has legitimately disputed the need for NIST's modernization and renovation. In past years, the Appropriations Committee has provided funding which keeps NIST's necessary 10-year modernization project on schedule.

I believe that not providing funding for the construction account at this time, especially since there was a $30 million rescission in fiscal year 1995 funding and a further $24 million rescission in fiscal year 1996, would be absolutely detrimental to NIST's ability to meet its mission.

I look forward to continue working with the chairman of the subcommittee to develop funding for the completion of NIST's 10-year plan to construct and renovate facilities which will bring NIST up to U.S. industry's needs for the beginning of the 21st century and beyond.

In addition, I am concerned that cuts in The Legal Services Corp. threaten to abandon impoverished women and children, particularly those who are victims of domestic violence. LSC has provided critical legal assistance to these women and children, assuring that they are not trapped in a violent relationship by helping to get protection orders, file for divorce, and receive child support. I hope that we will be able to increase this account before the bill is presented to the President.

I am pleased that this bill includes $197,500,000 for implementation of the Violence Against Women Act. This represents more than full funding and will go a long way in the fight against domestic violence in our neighborhoods and communities all across this Nation.

The bill underscores the important role of the Federal Government—working with State and local authorities—in combating domestic violence, child abuse, and sexual assaults against women in this country.

Under this bill, funding will be provided to train judges and court personnel about domestic violence; to train law enforcement personnel in targeting crimes against women and in implementing effective arrest policies with regard to domestic violence. The funding will also strengthen services to women and children who are victimized by these terrible crimes.

Mr. Chairman, the NOAA Commissioned Corps, one of our Nation's seven uniformed services, was established at the beginning of the First World War. It will be celebrating its 80th birthday in 1997, the year that the administration and Congress have planned its extinction.

A General Accounting Office report has been completed and will be released in the very near future. I believe that it is premature to eliminate the Corp by the end of fiscal year 1997, and I urge my colleagues to wait for this report before taking this irrevocable step.

NOAA Corps' 333 commissioned officers, down already from 370 a year ago, all have engineering or science degrees, and have been actively recruited from among students with a grade point average of 3.1 or better. The Corps boasts an up or out promotion system, and officers are subject to transfer anywhere throughout NOAA. This traditionally includes multiple assignments in the air, on land, or prolonged sea service, often as the commanding officer or chief scientist. Their home base, however, is most often in Seattle, WA; Norfolk, VA; Tampa, FL; or at NOAA headquarters in Silver Spring, MD.

I have serious reservations over the wisdom of eliminating this superb Corps of commissioned officers, who were earlier this month flying into the eye of Hurricane Bertha, giving invaluable information to responsible officials up and down the east coast. There is no way to quantify the number of lives that were potentially saved, or the number of buildings and homes that were protected, by emergency personnel having access to this incredibly accurate weather information. Many of you may remember the picture of the hurricane on the front page of the July 12 Washington Post. This was taken from an NOAA Hurricane Hunter aircraft, flown by two retirement-eligible NOAA Corps officers. The present version of the fiscal year 1997 Commerce Department appropriations bill, page 54, would retire these flyers and eliminate their positions.

However, these are only 2 of the 333 officers throughout NOAA—all in positions of great responsibility and with many years of experience—that would have to be replaced by civilians or contractors. In addition, we would lose the backbone of the Nation's nautical charting program, which is manned by Corps officers. What advantage is there to eliminate this resource and hire or subcontract replacement, replacements which may well cost more, and almost surely not have the same sense of duty and sacrifice that has for 80 years been instilled in the NOAA Corps?

I have to believe that this scenario is not the result of rational planning but, sadly, of misinterpreted good intentions. The language in the National Performance Review asks NOAA to reduce the Corps by 130 officers by fiscal year 1999, and only eventually eliminate the service. A study conducted by the accounting firm of Arthur Anderson failed to indicate any monetary benefit, at least in the near future, should the Corps be eliminated. I fail to see why accelerating this process at this time, can be anything but detrimental.

Last, Mr. Chairman, I would like to briefly pay homage to this extraordinary Corps of dedicated men and women, who by terms of their employment, are subject to frequent and prolonged periods away from home, extremely dangerous, rigorous, or hardship postings—including a winter's stay in the Antarctic, and who exemplify some of the most dedicated public servants anywhere in the world.

As one of my constituents wrote me, "The Nation benefits significantly from their sacrifice, since uniformed service members can be sent anywhere at any time to meet any mission, without incurring the expense or other limitations inherent in a civilian work force." Although the uniformed service pay system under title 37 of the United States Code was designed to compensate for the Corps mobility and field operations, it can hardly compensate for their dedication in performing difficult tasks.

I regret that this provision was included in the bill, and I urge my colleagues to join me in working to ensure that the Senate bill, and the final conference report, delay this action—allowing time for the GAO report, requested by

Budget Committee Chairman KASICH, to provide Congress with guidance on how best to shape the Corps' future.

Mr. ROGERS. Mr. Chairman, I yield 2 minutes to the gentlewoman from Kansas [Mrs. MEYERS], the very able chairwoman of the Committee on Small Business of this House, a Member who is departing this House after this term, regrettably.

Mrs. MEYERS of Kansas. Mr. Chairman, as Chair of the authorizing committee for the Small Business Administration, I rise in strong support of H.R. 3814 and commend the gentleman from Kentucky, Chairman ROGERS, for the excellent work he has done on this appropriations measure, as well as the ranking member, the gentleman from West Virginia, Mr. MOLLOHAN.

Mr. Chairman, the Committee on Small Business has had a very good working relationship with the Commerce, Justice, State Appropriations Subcommittee. We communicated our priorities for funding vital SBA programs, and Chairman ROGERS gave careful consideration to our recommendations. I am pleased to say that, in most instances, he accepted our recommendations.

On Thursday, the Committee on Small Business completed its markup of H.R. 3719, legislation making significant changes and improvements to a number of SBA programs. These changes were needed to keep the subsidy rates on our loan programs low, to provide long-term capital to small business at the least possible cost, and in some cases no costs, to the taxpayer.

In addition, the committee initiated several pilot programs to move the liquidation function from SBA employees to the private sector. The authorizers and Chairman ROGERS' subcommittee have had to labor under the dilemma of sudden increases in the loan subsidy rates. These increases are largely due to a reduction in SBA's recoveries. We have found a number of deficiencies in SBA's liquidation practices, with liquidations taking far longer than in the private sector. Moving more of the loan servicing and liquidation functions to the private sector is, in my opinion, the best way to increase recoveries. These pilot initiatives will allow us to test that theory in the 7(a), 504, and disaster loan programs.

The authorization changes contained in H.R. 3719 will work hand in hand with the funding levels provided in H.R. 3814, to continue the essential services of the SBA, but at a much reduced funding level from the administration's unrealistic request. Again, I commend my friend, Chairman ROGERS, and I urge my colleagues to support this legislation.

Mr. ROGERS. Mr. Chairman, I yield 1 minute to the very able gentleman from Illinois [Mr. WELLER].

Mr. WELLER. Mr. Chairman, I of course want to thank the gentleman from Kentucky, Chairman ROGERS, for yielding me this time, and I rise in strong support of this bill. I also want to commend the bipartisan leadership in the subcommittee for producing a good bill.

Let us make it very, very clear, this legislation fights crime. Not only does it increase funding or provide funding to train and equip new police officers and provide for better enforcement along our borders, but it does something else that is very, very important, and that is, it provides $680 million in funding for prisons and juvenile detention center development. In fact, that is $50 million more than the President asked for.

That is particularly important to States like Illinois, which I represent, and there is a reason why. If we look at crime statistics, the biggest increases are in juvenile crime. In fact, in Illinois, unfortunately, while we are seeing an increase in juvenile crime, there are only 351 juvenile detention center beds outside of Cook County. Counties such as Grundy, Kankakee, and La Salle, which I represent, are seeing an increase in youth crime but no place to put them.

Thanks to this Republican Congress we passed legislation, signed into law this year, which allows these funds to be used for juvenile detention center jails. I urge an "aye" vote, and look forward to working with local law enforcement. This is a good bill.

Mr. ROGERS. Mr. Chairman, I yield the balance of my time to the gentlewoman from California [Mrs. SEASTRAND].

Mrs. SEASTRAND. Mr. Chairman, I rise in strong support of the fiscal year 1997 Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, and also to say to the chairman that I really appreciate his taking the time and his staff taking the time, and for the hard work and openness they have put into this bill. The chairman has kept us on track toward reducing our Federal deficiencies, and these reductions have made it possible and responsible with an environmental conscience.

Now, within the National Oceanographic and Atmospheric Administration [NOAA], the budget for the National Marine Sanctuary Program is maintained at fiscal year 1996 levels. This is very important because America's 13 marine sanctuaries protect and preserve some of the Nation's most significant ocean resources.

I am fortunate to have two marine sanctuaries within my district, the Channel Islands National Marine Sanctuary and the southern tip of the Monterrey National Marine Sanctuary. These and the 11 other sanctuaries provide safe habitats for many threatened and endangered marine species.

Furthermore, NOAA's National Ocean Service monitors the health of the coast and probes how our use of the Nation's near shore waters affects the environment. This critical information is used to help assess the effects of oil spills and coastal pollution.

Again, I thank the gentleman from Kentucky [Mr. ROGERS] and his staff for his hard work on this appropriations bill and for the wise manner in which he has kept us on track.

Mr. CRAMER. Mr. Chairman, I want to take particular note today of a small item in the Department of Justice budget—the Office of Juvenile Justice and Delinquency Prevention. This agency, which began in 1974 with a focus on noncriminal juvenile offenders and four programs, now addresses a full range of juvenile issues, from violent juvenile crime to the victimization of children through child abuse and neglect. The office administers 13 programs under the Juvenile Justice and Delinquency Prevention Act and the Victims of Child Abuse Act. The budget which totals a modest $162 million, returns huge dividends for America's children and families.

We are at a critical time in the history of our juvenile justice system. It is facing a surge in violent crime and spiraling increase in reports of child abuse and neglect. It is under attack as not being effective in dealing with these problems.

America is frightened of crime and violence, and more specifically, of violent crime committed by youth. Indeed, to a certain degree, America is becoming frightened of many of its youth. Is there good reason for this fear? In looking at recent arrest data for violent offenders, the greatest increase is in the category of offenders under the age of 15. As to weapons offenses, there was a 23.2 percent increase for offenders under the age of 15, as opposed to a 4.8 percent increase for offenders over 18.

OJJDP has taken a two-pronged approach to addressing these issues, stressing the need to provide safety in our communities through accountability and sanctions programs, while at the same time making every possible effort in the areas of prevention, early intervention and rehabilitation. In addition OJJDP has recognized that this society must support its families in their attempts to provide the care their children need. This approach is supported by recent research sponsored by OJJDP and others that clearly demonstrates the linkages between abuse and neglect, delinquency and violence.

Dr. Terry Thornberry, in his causes and correlates study sponsored by OJJDP, found that adolescents from families with two or more forms of abuse present, are close to three times as likely to report committing violent offenses as their peers from nonviolent families. Cathy Spatz Widom, in her cycle of violence study sponsored by the National Institute of Justice, found that childhood abuse and neglect increases the likelihood of arrest as a juvenile and as an adult. The direct connection between child neglect and violence is striking—12.5 percent of neglected children will be arrested for a violent offense by the time they reach age 25. The connection between physical abuse and later violence is even high at 15.8 percent.

These correlations are significant, for they tell us that while we must provide for the immediate safety needs of our communities, through adequate law enforcement efforts and accountability and sanctions, we must also intervene early in the lives of our children and help to enrich the life experience of our youth if we are to have a chance to dramatically reduce our crime rate. That is why OJJDP is fostering such programs as: parent training classes to give parents the tools they need to be effective in dealing with and nurturing their children; Head Start to make certain high-risk children are ready for school and have a fair chance to succeed; community public health teams; after school programs to give children a positive activity in which to participate; mentoring to provide positive role models; conflict resolution in schools, the community, and juvenile justice settings; home visitation programs to help new families nurture and care for their children; truancy and dropout reduction programs designed to keep kids in school and give them the tools they need to be self-sufficient; and community policing efforts to bring many of these interventions together as part of a strategy to provide safe and supportive neighborhoods.

That is why OJJDP's child protection programs—missing and exploited children, court-appointed special advocates, improvement of the dependency court system, prosecutor training on child abuse and neglect, and the establishment, expansion and improvement of a network of children's advocacy centers across the country are so important. They will serve to prevent the next generation from becoming violent delinquents and from abusing their own children.

In fiscal year 1996, OJJDP announced a $3 million competitive program funded by OJJDP, the Violence Against Women Office and the Weed and Seed Program. Entitled "Safe Kids/Safe Streets: Community Approaches to Reducing Abuse and Neglect and Preventing Delinquency," this $2.7 million program seeks to reduce juvenile delinquency by helping to break the cycle of child and adolescent abuse and neglect. It will do this by coordinating community services, both public and private, in order to make the system more accountable by providing a continuum of services.

This is just 1 of 11 new competitive programs funded by the office in fiscal year 1996. The others include: Juvenile mentoring; community assessment centers; juvenile gun violence reduction; native American, disproportionate minority confinement, and gender-specific services training and technical assistance programs; field-initiated research; and four independent evaluations of the mentoring, child abuse and neglect, assessment center, and juvenile gun violence reduction programs.

These exciting new initiatives respond to identified State and local needs to prevent and reduce violence and improve the juvenile justice system's ability to respond to juvenile violence and victimization. They join an array of prevention, early intervention, graduated sanctions, and system improvement programs that will be continued in fiscal year 1997 with funds under this appropriation.

I encourage my House colleagues to learn more about this important program and the outstanding work OJJDP is doing on behalf of America's children.

Mr. FAZIO of California. Mr. Chairman, I wish the record to reflect my opposition to the measure before us. Let me state at the outset that there are provisions in this bill that I strongly support, namely the committee's focus on the growing problems created by methamphetamine. I am hopeful that these provisions, coupled with the President's national methamphetamine strategy, will begin to turn the tide on this highly destructive drug. I also support the committee's efforts to strengthen the ability of the Immigration and Naturalization Service to patrol our Nation's borders.

However, I must oppose the bill because it contains unacceptably severe cuts to the Legal Services Corporation [LSC]. The LSC is a not-for-profit organization which provides legal access to poor and indigent citizens who would normally be shut out of our country's legal system. This bill contains a cut of $137 million from the fiscal year 1996 level and is almost $200 million below the President's request.

Since 1975, the LSC has worked to ensure access to the justice system for millions of Americans who otherwise could not afford assistance with urgent civil legal problems. Legal services programs provide representation and counseling for people facing issues such as substandard housing, domestic violence, child custody disputes, and the myriad needs of victims of natural disasters.

The cuts contained in the bill will take a very real human toll on our citizens. What these cuts mean, as the First Lady wrote recently, is that—

> Somewhere a couple and their young children will have to sleep in an unheated car or on the street because of an unlawful eviction; a woman will be forced to cower in her bedroom, a victim of domestic violence; and a child will go hungry because his father refuses to pay child support.

In my State of California, LSC-funded programs are major providers of civil legal services. In fact, LSC funds accounted for approximately 45 percent of the funds available for civil legal services to the poor in California in 1995.

Access to justice is the great equalizer in American society. Equal Justice Under Law is not only one of our Nation's founding precepts; it is also the promise inscribed on the pediment of the Supreme Court building itself.

The serious reduction in the fiscal year 1997 LSC appropriation effectively undercuts this promise, and I urge my colleagues to support an increase to the LSC budget.

I am also troubled by the $110.5 million cut to the Advanced Technology Program [ATP]. ATP has enjoyed wide bipartisan support in the past and has been extremely effective in building partnerships between industry and government. Using modest Federal funds to leverage private sector contributions has resulted in many successful efforts in the fields of high technology and scientific research.

ATP is the very sort of program utilized by our global competitors to achieve important advances in the industries of tomorrow. I believe that the substantial cut to the ATP budget is very short-sighted.

I am also disappointed that the committee has funded the COPS office at $576 million below the President's request. COPS has been a tremendous success nationwide. It has provided funding for over 44,000 positions across the country. In my congressional district, over 230 law enforcement positions have been funded and more are on the way. The COPS Program has assisted communities large and small, rural and urban, in funding the best and most effective deterrent to crime—the officer on the beat. COPS funds not only the hiring of officers, but also the purchase of equipment and technology, the hiring of civilians, and the payment of overtime.

Mr. Chairman, this bill contains several provisions that I strongly support. On balance, however, I must oppose this bill.

Mr. GEKAS. Mr. Chairman, I rise today to recognize the fine work of the House Appropriations Subcommittee on Commerce, Justice, State, and Judiciary under the leadership of Chairman HAROLD ROGERS for their support for the Susquehanna River basin flood warning system [SRBFWS].

Mr. Chairman, as many of my colleagues know, this past January the Commonwealth of Pennsylvania, along with other Mid-Atlantic and Northeastern States, were devastated by one of the Nation's worst floods on record. By the time the waters subsided in Pennsylvania, more than $1 billion in property damages were sustained and 16 lives were lost. According to the U.S. Geological Survey's Water Resources Division: "The Susquehanna River Basin in central Pennsylvania was hit hardest by the January 19–21 flood." If it were not for the 24 hour monitoring provided by the SRBFWS, thousands of people living along the river would not have been evacuated and brought to safety.

Mr. Chairman, I rise today because contained in the bill before us, H.R. 3814, the Department of Commerce, Justice, and State, the Judiciary, and related agencies appropriations bill, is an increase in funding for the SRBRWS from the fiscal year 1996 level of $669,000 to a fiscal year 1997 level of $1 million. This increase funding is significant when considering that the Federal Government has already obligated more than $100 million in disaster relief to the Commonwealth of Pennsylvania for the January 1996 floods. A dollar spent on flood warning today will save us from spending far more in disaster relief tomorrow; clearly, this is money well spent.

Mr. Chairman, it is important to point out to the Members of the House that Chairman ROGERS provided this funding after meeting his subcommittee's overall budgetary restriction consistent with our balanced budget goal. Once again, I thank Chairman ROGERS for his work and leadership.

Mr. TAYLOR of North Carolina. Mr. Chairman, I rise in strong support of this legislation. I wish to add my compliments and thanks to Chairman ROGERS and the staff for their hard work in crafting a bill that has such widespread support. The chairman and the subcommittee staff have put together a very solid bill. Although discretionary spending is above last year's level, it remains below the level enacted 2 years ago. The members of the subcommittee faced extremely difficult decisions in determining the funding levels for the various programs funded in this bill.

The bill reflects the Republican commitment to public safety and law enforcement by targeting resources toward the war on drugs, important crime initiatives, and the protection of our Nation's borders.

Over $7.1 billion is included in the bill to restart the war on drugs, including a $167 million increase for the Drug Enforcement Administration. This includes a new $75 million initiative targeted at source countries, restoring successful international drug efforts to 1992 levels, and a $56 million initiative to stop trafficking on the Southwest border.

We are seeing increased drug activity and illegal alien immigration occurring on Federal forest lands along the Southwest border. In response, the committee report urges both INS and DEA to work collaboratively with the Forest Service to reduce illegal alien and drug activity on Federal forest lands. With the increased resources provided to both agencies, the committee expects additional efforts will be undertaken to address this pressing problem.

I was pleased that the bill continues the 3-year phase-out of the Legal Services Corporation and continues the restrictions we placed on LSC's activities. I am aware of at least one amendment that will be offered later today to increase the funds provided to LSC. I urge all of my colleagues to vote against such an attempt and continue the phase-out of Federal funding.

Finally, I appreciate the chairman working with me so that a provision dealing with religious broadcasters could be included in the bill. The language in the bill simply prevents the FCC from using appropriated funds to deny a license, license transfer or assignment, or license renewal for any religious entity on the grounds that its recruitment and hiring of employees is limited to persons of a particular religion, or persons having particular religious knowledge, training, or interest.

I would like to address the provisions of this addition, which I authored and which is strongly supported by a number of our colleagues on the Appropriations Committee. I wish to outline the intent of the provision, and the direction we have provided to the Federal Communications Commission. First, I wish to be sure that the requirements of the provision are not misrepresented as the debate over this bill continues to the other body. Second, and perhaps more importantly, I wish to provide clear direction to the FCC, and do everything possible to assure that the agency understands, and can execute the direction we have provided.

The Commerce, Justice, State, Judiciary Subcommittee has discussed the matter in the past with the FCC. Last year, I offered a similar amendment but chose to withdraw the legislative solution to the problem in favor of report language. Unfortunately, we saw no response to the direction the committee provided the Commission, and this year bill language was included in the appropriations legislation.

In January 1994, Chairman HUNDT announced that the agency's priority would be to promote diversity in broadcasting. Because the policy came on the heels of a 2-year FCC inquiry into NAACP allegations that several radio stations had not fully complied with the FCC's equal employment opportunity [EEO] rule, the policy was apparently aimed at stations that discriminated against minorities.

In reality, the FCC has used its new charge to challenge and deny radio license applications or renewals for religious broadcasters on the grounds that they discriminate by requiring religious knowledge, training or expertise for employees.

In secular stations, there is a fundamental necessity to hire people who have a certain level of knowledge of the format and content of the station's programming. For example, an all-sports station hires people with adequate knowledge of sports. Financial and economic news stations require staff with an education or experience in such issues. And classic rock stations need people who know the difference between Frank Sinatra and Led Zeppelin.

The absurdity in the FCC's diversity policy is that it discriminates against religious broadcast stations for attempting to insure some knowledge or expertise by employees of the station's content. The conflict lies in the FCC's determination of which positions have substantial connection with program content.

For example, the FCC believes that a receptionist is not connected with the espousal of a licensee's religious views, and therefore, a knowledge of the station's position is an inappropriate job preference. However, when the public calls in to comment on a program or to question a particular aspect of a broadcast, the receptionist is usually the first person at the station with whom they have contact. A basic knowledge of the station's programming would certainly be useful.

My provision exempts a case currently pending at the Federal Communications Commission. In Lutheran Church/Missouri Synod, the Commission designated for hearing the license renewal applications of two radio stations owned by the Lutheran Church/Missouri Synod [LCMS]. Although the FCC staff concluded that there was no evidence of any intentional discrimination by the church, the staff recommended to an administrative law judge that the church lose its license for the station despite the station's exemplary compliance record with all other commission rules and regulations. The FCC staff contend that the church violated the Commission's equal employment opportunity rule by requiring knowledge of Lutheran Church doctrine and practices for many positions at the station. The ALJ did not find denial of the renewal applications to be appropriate given the lack of evidence of intentional discrimination against minorities. The ALJ's decision was appealed to the Commission's Review Board, which adopted a decision affirming the ALJ's decision and ordering the license renewal applications granted for a short term.

Although the Lutheran Church/Missouri Synod case was exempted in the provision, this case was the impetus for inquiries to the FCC and the basis for the legislative language. In my opinion, this case is in more need of the bill language than any other. I agreed to the exemption so that Congress would not be interfering with an ongoing case at the FCC. However, I hope that the Commissioners and staff will take note of the strong congressional support for the bill language and will move forward expeditiously to settle this matter with the Lutheran Church/Missouri Synod.

It is my understanding that a number of license renewals are pending before the Commission. This limitation language will only apply to religious broadcasters and their recruitment and hiring of employees based on religious knowledge, training or interest. This language does not limit the Commission's ability to deny a license for other reasons, including EEO violations.

The CHAIRMAN. All time for debate has expired.

Pursuant to the rule, the bill shall be considered for amendment under the 5-minute rule.

Before consideration of any other amendment, it shall be in order to consider the amendment printed in House Report 104-678 if offered by the gentleman from Kentucky [Mr. ROGERS] or his designee. That amendment shall be considered read, shall be debatable for the time specified in the report, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

Pursuant to the order of the House of Wednesday, July 17, 1996, it shall be in order immediately after disposition of the amendment printed in the report to consider an amendment relating to the advanced technology program, if offered by the gentleman from Kentucky [Mr. ROGERS].

During consideration of the bill for further amendment, the Chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered read.

The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment and may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than 15 minutes.

After the reading of the final lines of the bill, a motion that Committee of the Whole rise and report the bill to the House with such amendments as may have been adopted shall, if offered by the majority leader or a designee, have precedence over a motion to amend.

The Clerk will read.

☐ 1445

The Clerk read as follows:

H.R. 3814

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1997, and for other purposes, namely:

The CHAIRMAN. It is now in order to consider the amendment printed in House Report 104-678.

AMENDMENT OFFERED BY MR. ROGERS

Mr. ROGERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. ROGERS: In title I, under the heading "Violent Crime Reduction Programs, State and Local Law Enforcement", after "and of which $12,500,000 shall be available for the Cooperative Agreement Program" insert the following: ": *Provided further*, That funds made available for Violent Offender Incarceration and Truth in Sentencing Incentive Grants to the State of California may, at the discretion of the recipient, be used for payments for the incarceration of criminal aliens".

In title II, under the heading "Economic Development Administration, Economic Development Assistance Programs", after "September 30, 1982," insert the following: "and for trade adjustment assistance,".

In title II, under the heading "National Oceanic and Atmospheric Administration, Operations, Research, and Facilities", strike "$180,975,000" and insert "$182,660,000", and strike "$431,582,000" and insert "$429,897,000".

In title V, after the matter under the heading "Administrative Provisions—Maritime Administration", insert the following:

"COMMISSION ON THE ADVANCEMENT OF FEDERAL LAW ENFORCEMENT

"SALARIES AND EXPENSES

"For necessary expenses of the Commission on the Advancement of Federal Law Enforcement, as authorized by the Antiterrorism and Effective Death Penalty Act of 1996, $2,000,000, to remain available until September 30, 1998.".

The CHAIRMAN. Pursuant to House Resolution 479, the gentleman from Kentucky [Mr. ROGERS] and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Chairman, I yield myself such time as I may consume.

This is a noncontroversial amendment that all parties are in agreement with. It provides four main items which I will summarize and then hopefully yield back the balance of our time so that we can proceed.

This is a manager's amendment that, first, provides flexibility to California so that they can use their State prison grant funds to fully fund the cost of incarcerating illegal aliens in the State, a particular problem in California.

Second, it allows the Economic Development Administration funding to be used for trade adjustment assistance centers, as has been the case in past years.

Third, it increases funding for the national marine sanctuaries program by $1.68 million to last year's level, offset by decreasing funding for satellites by the same amount.

Fourth and finally, it provides $2 million for the Commission on the Advancement of Federal Law Enforcement recently authorized under the Antiterrorism and Effective Death Penalty Act of 1996.

Those are the four main provisions in the amendment, Mr. Chairman. They are noncontroversial. I am prepared shortly to yield back the balance of my time, unless there are other Members who desire to be heard.

The CHAIRMAN. Does any Member seek time in opposition to the amendment?

Mr. MOLLOHAN. Mr. Chairman, we support the amendment.

Mr. ROGERS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. ROGERS].

The amendment was agreed to.

The CHAIRMAN. Pursuant to the order of the House of Wednesday, July 17, 1996, it is now in order to consider the amendment relating to the Advanced Technology Program, if offered by the gentleman from Kentucky [Mr. ROGERS].

AMENDMENT OFFERED BY MR. ROGERS

Mr. ROGERS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS: On page 54, strike the language on lines 3 through 15, and insert the following:

"In addition, for necessary expenses of the Advanced Technology Program of the National Institute of Standards and Technology, $110,500,000, to remain available until expended, of which not to exceed $500,000 may be transferred to the "Working Capital Fund": *Provided*, That none of the funds made available under this heading may be used for the purposes of carrying out additional program competitions under the Advanced Technology Program: *Provided further*, That funds made available for the Advanced Technology Program under this heading and any unobligated balances available from carryover of prior year appropriations for such program may be used only for the purposes of providing continuation grants for competitions completed prior to October 1, 1995: *Provided further*, That such continuation grants shall be provided only to single applicants or joint venture participants which are small businesses: *Provided further*, That such funds for the Advanced Technology Program are provided for the purposes of closing out all commitments for such program."

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. ROGERS. Mr. Chairman, this amendment represents a compromise reached with the authorization committee chairman, the gentleman from Pennsylvania [Mr. WALKER], regarding the use of funding provided for the Advanced Technology Program under NIST. The bill funds ATP at $110.5 million, an amount sufficient to provide final year funding to close out commitments for awards previously made to small businesses under the ATP program. The amendment modifies language in the bill to clarify that funds are being provided only for this purpose.

Specifically, the amendment adds language to the bill to clarify that, first, funds provided for continuation grants are only for small businesses and only for those small businesses who were awarded an ATP grant prior to fiscal year 1996 and, second, funds are being provided for the purpose of closing out all commitments for the ATP program.

Under the rule, if my amendment is adopted, points of order will be waived against all provisions in the bill, including the Advanced Technology Program and the Technology Administration.

The amendment further clarifies congressional intent regarding the ATP program and ensures that Congress will have an opportunity to fully consider and debate these programs.

Mr. Chairman, I urge adoption of the amendment.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding to me and for working with the authorizing committee on implementing our policies and priorities regarding NIST and NOAA as passed by the House on May 30 as a part of H.R. 3322, the Omnibus Civilian Science Authorization Act.

I just want to clarify and confirm the intent and effect of the chairman's amendment. If passed, the language will provide the terms and conditions for the termination of the Advanced Technology Program in fiscal year 1997; is that correct?

Mr. ROGERS. Mr. Chairman, the authorization chairman is correct. My amendment adds language to the bill which specifies that the funds provided in the bill are only for the purpose of closing out all commitments under the ATP program.

Mr. WALKER. Mr. Chairman, if the gentleman will continue to yield, I appreciate the chairman's confirmation. With the adoption of this ATP termination language, I have agreed to drop the point of order striking the ATP closeout funding of $110.5 million. The language of the manager's amendment which he drafted with me sets the statutory ground rules for ending this program. It is consistent with the authorization committee's action not to authorize continuation of ATP.

I thank the gentleman.

The CHAIRMAN. Does any Member seek time in opposition to the amendment?

Mr. MOLLOHAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise to speak on the gentleman's amendment. This amendment is the result of an agreement reached among Chairman ROGERS, Mr. WALKER, the distinguished chairman of the Committee on Science, and myself.

Mr. Chairman, I have an extended statement that I will submit for the

RECORD. I only want to say that I support this amendment, but I stand here today as a staunch supporter also of the Advanced Technology Program. I will only vote in favor of the amendment because it is the only alternative to zero funding for ATP as this bill moves forward in this process. So I ask my colleagues to join me in support of this amendment.

Mr. Chairman, I rise to speak on the gentleman's amendment.

This amendment is the result of an agreement reached among Chairman ROGERS, Mr. WALKER, the distinguished chairman of the Science Committee, and myself.

If this amendment is adopted, the funding contained in the bill for the Commerce Department's Advanced Technology Program and the Technology Administration will be protected from a point of order. Without this amendment, funding for these critical initiatives will be stricken from the bill.

I agree to support this amendment only as a means to protect funding for ATP and TA, not because I agree with it in principal. In fact, I am extremely opposed to placing any additional restrictions on the funding provided for ATP. I believe this program should be a national priority.

ATP is about investing in our Nation's competitiveness in the global market place. It does nothing more than put U.S. industry on a level playing field with our major global competitors.

As we sit here today foolishly placing more restrictions on ATP and severely cutting the program's funding, our foreign competitors are pouring money into similar initiatives.

The European nations are accelerating investment in commercial technologies. Japan has plans to double its government science and technology budget. And China is planning to triple its investment in R&D by the year 2000, targeting computers, software, telecommunications, and infrastructure.

Simply stated, the United States is in a battle for global markets, where the spoils are jobs and national prosperity. And we are in a dead heat. Funding ATP helps give us the competitive edge we need.

I realize that some of you on the other side of the aisle are ATP skeptics. But I continue to assert that ATP is critical to our Nation's long-term competitiveness. And although the program is young, there are already numerous success stories.

For example: As a result of an ATP grant award, a small company in Woburn, MA, has developed a cost-effective method for inactivating viruses in human blood plasma products. Currently, there are no commercially available technologies for inactivating protein-encased viruses in biological products. You can imagine the impact this technology will have in both economic and human terms. Aphios Corp., has gone from employing only 2 people to providing jobs for more than 20 virologists, molecular and cell biologists, and biomedical, chemical and mechanical engineers. That is pretty impressive high-technology job growth.

But—contrary to what a few of my Republican colleagues would have you think—the commercialization of this technology will not be financed by the Federal Government. The CEO of Aphios predicts it will take an additional $5 million to get the technology to the commercial phase. This will be private sector money—leveraged by the initial investment made by the Federal Government.

Another success story—X-ray Optical Systems, Inc., a small company in Albany, NY, has developed a new type of lens that focuses x-rays in a concentrated beam. It allows users to control where the beam is directed. Using infusions of private capital, that it was able to leverage as a result of its ATP award, the company began sales of neutron-focusing optics and x-ray optics for material analysis. According to officials at the company, ATP has provided about a 5- to 8-year jump on the technology development and allowed it to stay in the United States.

These are just two of many success stories resulting from ATP grant awards.

So, I stand here today a staunch supporter of the Advanced Technology Program. However, I will vote in favor of this amendment. It is the only alternative to zero funding for ATP as this bill goes to conference. I ask my colleagues to join me in my support of this important initiative.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. ROGERS].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE I—DEPARTMENT OF JUSTICE

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For expenses necessary for the administration of the Department of Justice, $71,493,000; of which not to exceed $3,317,000 is for the Facilities Program 2000, to remain available until expended: *Provided*, That not to exceed 43 permanent positions and 44 full-time equivalent workyears and $7,477,000 shall be expended for the Department Leadership Program only for the Offices of the Attorney General and the Deputy Attorney General, exclusive of augmentation that occurred in these offices in fiscal year 1996: *Provided further*, That not to exceed 71 permanent positions and 85 full-time equivalent workyears and $8,987,000 shall be expended for the Offices of Legislative Affairs, Public Affairs and Policy Development: *Provided further*, That the latter three aforementioned offices shall not be augmented by personnel details, temporary transfers of personnel on either a reimbursable or non-reimbursable basis or any other type of formal or informal transfer or reimbursement of personnel or funds on either a temporary or long-term basis.

COUNTERTERRORISM FUND

For necessary expenses, as determined by the Attorney General, $9,450,000, to remain available until expended, to reimburse any Department of Justice organization for (1) the costs incurred in reestablishing the operational capability of an office or facility which has been damaged or destroyed as a reuslt of the bombing of the Alfred P. Murrah Federal Building in Oklahoma City or any domestic or international terrorist incident, (2) the costs of providing support to counter, investigate or prosecute domestic or international terrorism, including payment of rewards in connection with these activities, and (3) the costs of conducting a terrorism threat assessment of Federal agencies and their facilities: *Provided*, That funds provided under this heading shall be available only after the Attorney General notifies the Committees on Appropriations of the House of Representatives and the Senate in accordance with section 605 of this Act.

AMENDMENTS OFFERED BY MR. ROGERS

Mr. ROGERS. Mr. Chairman, I offer several amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments.

The Clerk read as follows:

Amendments offered by Mr. ROGERS: On page 14, line 21, under the heading "Federal Bureau of Investigation, Salaries and Expenses", strike "$117,081,000" and insert "$133,081,000".

On page 2, line 24, at the end of the paragraph under the heading "General Administration, Salaries and Expenses", insert the following new paragraph:

"In addition, for reimbursement of expenses associated with implementation of drug testing initiatives for persons arrested and convicted of Federal offenses, $7,000,000, to remain available until expended.".

On page 25, line 20, at the end of the paragraph under the heading "Justice Assistance", insert the following new paragraph:

"In addition, for local firefighter and emergency services training grants, $5,000,000, to remain available until expended, as authorized by section 819 of the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104–132; 110 Stat. 1316).".

On page 69, line 10, strike "$125,000,000" and insert "$131,000,000".

Mr. ROGERS (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. ROGERS. Mr. Chairman, this amendment provides funding for three important crime and security initiatives.

First, it provides $7 million for Federal drug testing initiatives to address the use of illegal drugs by defendants who cycle through the Federal criminal justice system. The bill already provides $25 million under the Byrne formula grant program for State drug testing initiatives. The Federal drug testing program will augment current drug testing that is performed by the courts during pretrial custody and during probationary periods.

It will ensure that prosecutors are aware of the drug status of the defendants they prosecute and that appropriate measures are taken before drug-using defendants in pretrial detention or probationary status are released back into the community.

Second, the amendment provides $5 million for training of firefighters and public safety officials in order to better equip them to assist law enforcement officials in response to terrorist attacks. Funding for this training program was authorized in the antiterrorism bill.

Third, the amendment provides $6 million in funding for court security under the Federal Judiciary to respond to concerns expressed by the judiciary that adequate funding be available to fully equip and staff courthouses that are scheduled to come on line in fiscal year 1997.

This funding is provided by moving $16 million from nondefense discretionary spending to defense discretionary spending within funding provided for the FBI in order to free up discretionary funds for these important crime initiatives.

Mr. Chairman, I urge adoption of this amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I rise to engage in a colloquy with the chairman of the subcommittee, the gentleman from Kentucky [Mr. ROGERS].

I, first of all, want to thank Mr. ROGERS for his diligent efforts on behalf of this bill. Having included in this bill $7 million for the establishment of a Federal drug testing initiative for prisoners, arrestees, and those recently released from Federal prison and on probation, the chairman has been a reasonable and thoughtful legislator, and I appreciate the work of him and his staff.

Essentially, we are going to set aside about $7 million to enable the Federal drug testing program to take place, an effort that I believe the gentleman from West Virginia [Mr. MOLLOHAN] made at the subcommittee level and was intended certainly by the administration.

Second, it would set aside, within the $25 million that the bill currently sets aside for the purposes of drug testing, that comes out of the Byrne grant program. The concern is that the moneys would be so diluted and otherwise diverted that States and local governments would not be able to establish drug testing programs of any significance.

If the States distribute the drug testing programs using strict formula distribution practices, no jurisdiction in the country will have enough money to implement a workable statewide or systemwide program.

It is also my understanding that the original administration proposal, as developed by the Justice Department and others, was intended to be made available under a competitive grant process where jurisdictions would compete for funds made available in only those amounts which would allow for comprehensive drug testing.

What are the intentions of the chairman as the House goes into conference with the Senate with respect to the implementation of the $25 million Byrne grant program?

Mr. ROGERS. Mr. Chairman, with respect to the $25 million included in the committee report under the formula funds of the Byrne grant program, it is my intention to see that these funds be made available under the formula distribution. Under the bill, States and localities decide their own priorities. Under this bill, these priorities may include drug testing.

It is also my intention to see that those States seeking to encourage drug testing initiatives at the local level should establish a competitive grant program with interested local jurisdictions.

It is my intention to work with the gentleman from Massachusetts and others who have an interest in the program to clarify this further in the expected conference with the Senate. I thank the gentleman for his comments.

Mr. KENNEDY of Massachusetts. Mr. chairman, if the gentleman will continue to yield, I appreciate the chairman's comments. I appreciate he and his staff's willingness to make certain that we divide these moneys. If you take the $25 million and simply divide it around the country and provide $500,000, $400,000, or $800,000 per State, you are never going to have the kind of comprehensive system that we are looking to create.

I appreciate the chairman's willingness to devise a program that can actually work at the local level. We will not have enough money to make this a national program. In the localities where the program actually goes into existence, there will be the necessary funds to make the program comprehensive and successful. I appreciate the chairman's willingness to make this program a reality.

□ 1500

Mr. WELDON of Pennsylvania. Mr. Chairman, I move to strike the last word.

I want to rise to thank the gentleman from Kentucky [Mr. ROGERS] for working with the gentleman from New York [Mr. SCHUMER] and I to reach a compromise on this important amendment dealing with the fire and emergency services in this country.

As our colleagues know, terrorism is no longer a foreign problem, it has hit American soil, and we must better prepare ourselves to deal with it. We all know the situations that have occurred over the past several years involving attack to the World Trade Center, the attack at the Oklahoma Murrah Federal Building and, most recently, TWA flight 800. In each of these tragic cases our Nation's first responders were the first on the scene to actively work to save lives.

While I applaud the work of the fire and emergency services personnel from New York and Oklahoma, overall our Nation's first responders are unprepared and untrained on how to respond to terrorist events.

Accordingly, fire and emergency service providers, especially in metropolitan areas, unfortunately need specialized training, strategic and tactical training, on how to handle the gamut of known types of terrorist attacks.

Last year, Congress recognized the importance of terrorism training and acted to provide our Nation's first responders with crucial funding. In fact, Mr. Chairman, right now in the defense conference we are working on Nunn-Lugar II, which my panel is overseeing to deal with this issue to further enhance the lead taken in this particular bill.

I applaud the work of the gentleman from New York [Mr. SCHUMER] for his leadership in this effort, and I especially applaud the subcommittee for their aggressive effort to provide funding in the form of the chairman's amendment or mark to provide funding for the Nation's fire and emergency service.

We have 1.5 million men and women in this country, Mr. Chairman, from 32,000 departments who respond to disasters every day. What this amendment will do is allow FEMA to provide some training in the area of dealing with these most difficult situations that face this country and our metropolitan areas.

So with that I rise to thank the gentleman from Kentucky [Mr. ROGERS] and thank the gentleman from New York [Mr. SCHUMER].

Mr. SCHUMER. Mr. Chairman, I move to strike the requisite number of words.

First I want to thank the gentleman from Kentucky [Mr. ROGERS], the gentleman from West Virginia [Mr. MOLLOHAN] and the gentleman from Pennsylvania [Mr. WELDON] for their support of this first responders amendment.

Mr. Chairman, when I drafted this amendment last week I had no idea that it would take place in the shadow of the tragedy of TWA flight 800. The fact is, whether my colleagues think the downing of the TWA flight was an accident or an act of terror, it is inevitable that some day our Nation's firefighters, paramedics and emergency response teams will be put to the test. They will have to respond to an emergency terrorist situation that may involve lethal chemical, biological and nuclear materials. My amendment funds a modest grant program created in this year's terrorism bill to help them prepare for a terrorist attack. It strongly supported by fire chiefs and firefighters who know firsthand how much more work needs to know done in this area.

Why is the amendment needed? Well, we know that the first 3 to 6 hours after the terrorist attack are the most crucial period for treating the injured, containing damage and searching for survivors. In this short time frame Federal help can usually not get to the scene. Local responders will be the linchpin for the entire operation.

Recently in three cities, my city of New York, Los Angeles and New Orleans undertook surprise preparedness tests for different kinds of terrorist attacks. In New York the test was a simulation of a deadly gas like that used in the recent terrorist attack in Japan. It was leaked into the subway, but because they had not received the proper training, every first responder would have perished had the gas been real. In L.A. and New Orleans the results were the same. With the first line of defense out of the way, a terrorist attack involving chemical, biological or nuclear weapons will be that much more deadly to civilians.

In conclusion, Mr. Chairman, it would be wonderful if we could turn back the clock to a time when terrorism was someone else's problem. But we cannot. We cannot hide and pretend that terrorism will not touch our lives. America unfortunately faces an increasing threat from terrorism within our borders, and those who are first on the scene must be prepared.

I am pleased and grateful that the gentleman from Kentucky [Mr. ROGERS], the chairman, and the ranking Democrat, the gentleman from West Virginia [Mr. MOLLOHAN], have agreed to support this amendment and include it in the manager's amendment. Let us put the odds of surviving a terrorist attack in our favor.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Kentucky [Mr. ROGERS].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. ROGERS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 416, noes 1, not voting 16, as follows:

[Roll No. 340]

AYES—416

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Coleman
Collins (GA)
Collins (MI)
Combest
Condit
Conyers
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wynn
Yates
Young (AK)
Zeliff
Zimmer

NOES—1

Taylor (MS)

NOT VOTING—16

Collins (IL)
Fazio
Ford
Gallegly
Istook
Lincoln
Matsui
McDade
Peterson (FL)
Rose
Saxton
Tauzin
Waters
Williams
Wise
Young (FL)

□ 1523

Mr. OLIVER changed his vote from "no" to "aye."

So the amendments were agreed to.

The result of the vote was announced as above recorded.

Mr. ROGERS. Mr. Chairman, I move to strike the last word.

Mr. FOX of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Pennsylvania.

Mr. FOX of Pennsylvania. Mr. Chairman, I rise to enter into a colloquy with the chairman of the committee.

Mr. Chairman, I had intended to offer an amendment to this bill aimed at restoring funds to an important program known as the Trade Adjustment Assistance Program. The Trade Adjustment Assistance Program helps small- to medium-sized manufacturing firms, most of which have been impacted by either GATT or NAFTA. Trade adjustment assistance is a tool used to help companies compete with foreign competition without interfering with trade. It is the only program in the Federal Government that does not directly interfere with free and open trade and is not a trade barrier.

TAA has helped save 597 companies between 1989 and 1995, saving and creating over 78,800 jobs, 12.2 percent job growth, and among those firms assisted, Mr. Chairman, sales have increased by $1.8 billion.

Originally the language in the bill and the accompanying report would have provided no funding for the trade adjustment assistance program. However, it is my understanding that the gentleman from Kentucky [Mr. ROGERS], the chairman of the subcommittee, has included language within his manager's amendment to allow funds under the Economic Development

Agency to be used for the trade adjustment assistance.

Mr. Chairman, I would ask the chairman of the committee, will he confirm this?

Mr. ROGERS. That is correct, Mr. Chairman. The gentleman will note we have included language within the manager's amendment which will allow the EDA to use funds available for the Trade Adjustment Assistance Program.

Mr. FOX of Pennsylvania. Mr. Chairman, is it the gentleman's position that the House will urge in conference committee that the trade adjustment assistance program should be funded at least at the same level as in fiscal year 1996?

Mr. ROGERS. I would say to the gentleman, yes, the committee will clarify that it is the position of the House to fund all EDA programs, including the trade adjustment program, at the fiscal 1996 level.

Mr. FOX of Pennsylvania. I thank the chairman.

As a point of further clarification, is it the understanding of the chairman that the Trade Adjustment Assistance Program is authorized to receive appropriations through fiscal year 1998, as detailed in the Omnibus Reconciliation Act of 1993?

Mr. ROGERS. That is correct. The Omnibus Budget Reconciliation Act of 1993 provided an extension of authority for the Trade Adjustment Assistance Program through fiscal year 1998.

Mr. FOX of Pennsylvania. I thank the chairman for that further clarification, and I commend him for his willingness to work with Members on issues that have concerned them. In particular, I thank the chairman for his leadership, and his staffers for their diligence and cooperation on this issue dealing with trade adjustment assistance.

Mr. ROGERS. I thank the gentleman for his interest and his hard work on behalf of these centers.

Mr. DAVIS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Virginia.

Mr. DAVIS. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, my colleagues, the gentleman from Virginia and I, would like to engage our colleague, the gentleman from Kentucky, the chairman of the subcommittee in a brief colloquy regarding the District of Columbia's Department of Corrections facility in Lorton, VA.

□ 1530

Without reviewing the entire troubled history of the correctional complex at Lorton, I would like to share with my colleagues some very compelling facts. First, as the gentleman from Kentucky is aware, the D.C. government has allowed the prison population there to double over the last 12 years, and at the same time the appropriation level today is the same as it was 12 years ago, double the population, same appropriation, and during that time we have had intervening court decisions requiring more upkeep, inflation and the like.

We have had the head of the D.C. Department of Corrections, Margaret Moore, before our Subcommittee on the District of Columbia coming forward and just saying they need help. The city right now is swimming in a sea of red ink and they cannot handle this complex by themselves. They have asked us for help. The Mayor's plan calls for the downsizing and closing of most of this facility over the last 5 years.

What we would do, Mr. Chairman, is appreciate your support for including a statement of managers language in the conference report that would direct the Attorney General of the United States to undertake a joint review with the Federal Bureau of Prisons, the U.S. Marshals Service and the District of Columbia for immediate steps necessary to first address the security problems at the Lorton corrections complex as identified in current and ongoing studies by the National Institute of Corrections, and frankly I would also think we should ask of the Bureau of Prisons to work with the Department of Corrections in the District to work out a strategy to close this complex and perhaps rebuild it, hopefully somewhere else, over a given time period, the next 5 to 7 years.

That is what I would like to see from my perspective. I know Mr. WOLF and Mr. MORAN have some equally compelling feelings and arguments on this.

Mr. ROGERS. My colleagues from Virginia have been tenacious in bringing the problems at Lorton prison to my attention. It is certainly a situation which needs to be addressed in the near future. As the gentleman have requested, I will work in conference to secure language directing the Attorney General to look at this problem with the D.C. Department of Corrections and report to the Congress on necessary steps.

Mr. WOLF. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I just want to second what the gentleman from Virginia [Mr. DAVIS] said and hope that we can work together with the chairman of this committee, but also some of the other committees, to see how we can do what the gentleman from Virginia [Mr. MORAN] and the gentleman from Virginia [Mr. DAVIS] and others like, and that is to shut Lorton Reformatory down in a set period of time.

Most of the major crimes that are committed in the District of Columbia and this region are committed by people who have served time in Lorton. There is no rehabilitation down at Lorton. There is no drug treatment down at Lorton. You cannot put men in a prison for 10 and 12 years with no training, no rehabilitation, and expect them to come out and be good citizens.

I share the concerns of the gentleman from Virginia [Mr. DAVIS] and also the gentleman from Virginia [Mr. MORAN]. I look forward to working with the chairman of this committee and other committees to see what we can do in very short order to deal with this issue.

Mr. DAVIS. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from Virginia.

Mr. DAVIS. Mr. Chairman, I think it is important to note, no other city in the United States is responsible for housing the felony prisoners, no other city in the United States. We have put this burden on the District of Columbia, and they have, I think to their credit, come forward and said they do not have the financial wherewithal to handle it under their current financial circumstances.

That is why we need to engage the Bureau of Prisons, working with the city, with the National Institute of Corrections, with the Congress, to find a way that we can handle this situation in a more equitable manner than it is being handled today, along the lines that I have outlined.

Mr. MORAN. Mr. Chairman, will the gentleman yield?

Mr. WOLF. I yield to the gentleman from Virginia.

Mr. MORAN. Mr. Chairman, I appreciate the gentleman yielding to me.

In this very bill, Mr. Chairman, 2 years ago I put money in for the National Institute of Corrections to study Lorton, to determine how bad it was and what could be done. They finished their report. We have their report. It says the situation is real bad. They suggest that dramatic action needs to be taken. The time to take dramatic action was yesterday, or last year, or several years ago.

I see my good friend and colleague, Ms. NORTON, standing, who represents the District of Columbia so ably. She has a plan to reduce the tax rate to 15 percent, which would cost about $700 million. I think the chances of getting that are problematic, but I wish her luck in trying to push it forward.

There are other solutions, another more obvious solution right in front of us. That is to relieve the District of Columbia of responsibilities that it should not have to and cannot maintain. It cannot run the kind of a prison that a State would be expected to run. Yet Lorton Reformatory, Lorton Prison is burying the District in debt, in embarrassment, in all kinds of horror stories in the paper. It further undermines the credibility of the District government.

They should not have to maintain this prison. It is too much. It is a State responsibility, we think, I think, and I think a lot of others feel this is a Federal Bureau of Prisons responsibility, that it should be put under the Bureau of Prisons. It should probably be closed and moved to a place, for example, in Pennsylvania. We have some districts that feel it is a win-win situation. They would love to have the jobs, to rebuild it somewhere like that, where it is still accessible, it is not as close but it is still accessible.

We can do a good job. We can put in real rehabilitation, not teach prisoners how to farm and to milk cows, and so on, which might have been appropriate generations ago, but certainly not now. We need to teach them the most modern skills in construction, electronics, and the like.

We need to start all over again with Lorton. We need to move at least the maximum security people to a new prison. We need to build that new prison. We need to start doing that today. To put this off another year is irresponsible. We cannot even afford toilet paper for the prisoners, for crying out loud. Every day you read about the situation worsening. It is our responsibility to do something about it. The vendors have not been paid in months. They are not going to continue providing the necessary supplies. Every day that this goes forward it is our responsibility to do something about it.

I really wish that we would put more attention to this possibility of putting it on the Bureau of Prisons. I think we should have had an amendment on this appropriations bill. I would hope we would in the future, and maybe we can get something in the District of Columbia bill.

Ms. NORTON. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I have no objection to the colloquy now in progress. I would say to my good friend on this side of the aisle from Virginia, any comparison between what you now desire here and my tax bill is nonapt. These are the only nontaxpayers leaving the District that we do not welcome back. But this is also the only State responsibility that any Member of this Congress has stood to help the District with. We are the only city in the United States that bears responsibility for State prisoners along with Medicaid and every other State responsibility.

I welcome the attention that this matter is now given, even if it comes from the fact that it is in the State of Virginia. When mutual interests come together, that may be the best way to solve a problem. My good friends are correct that conditions at Lorton are detestable and that it is irresponsible to wait until a prison crisis develops, even as we have waited until a financial crisis has developed in the District. Everyone knows that the District is powerless at the moment to do anything about conditions at Lorton because of the insolvency of the city. The mayor and I have indicated that we would accept some measure of Federal responsibility despite the fact that home rule figures large for all of us. But we have also said that that Federal responsibility must come with Federal funds and those funds have not even been requested and there is very little movement, when there could have been some, to find a practical way to get there.

We do not expect that the Bureau of Prisons where the Federal prisons lie will simply eat D.C. prisoners. These are felony inmates of a kind that are fairly rare in the Federal system. The Federal system is beyond capacity. We have to bring a problem-solving approach here. I have absolutely no objection to what the Members are trying to do. As long as they include me and the District in what they are trying to do, they will find that I have no objection. But we have to do more than simply beat up on the Bureau of prisons. We have to in fact analytically make our way through this problem step by step until we find a way for Federal responsibility consistent with home rule and funding to obtain in this matter. I thank the gentlemen for their concern.

Mr. MORAN. Mr. Chairman, will the gentleman yield?

Ms. NORTON. I yield to the gentleman from Virginia.

Mr. MORAN. Would the gentlewoman from the District of Columbia agree to a proposal that we set a 5-year time limit, at which time we would hope to have at least part of Lorton, perhaps the maximum detention, moved?

Ms. NORTON. Time limits without a way to get to that point are meaningless, especially when the city is insolvent.

Mr. MORAN. What we are talking about is not making the Bureau of Prisons eat it but building a prison that would house Lorton but with Federal funding, because there are different sentencing rules that apply to D.C. versus other Federal sentencing guidelines. So we probably need to keep them as a discrete population. We are talking about building a new facility, for example. If we could do that and do that within a reasonable period of time, the gentlewoman would not object to that.

Ms. NORTON. I would have no objection to a plan that takes us toward that goal step by step and year by year with a funding bill to that end.

Mr. MORAN. Does the gentlewoman agree that we have done enough studying, that it is time for action?

Ms. NORTON, Absolutely. It is time for an implementation plan. That is what has been missing from this issue.

Mr. DAVIS. Mr. Chairman, will the gentlewoman yield?

Ms. NORTON. I yield to the gentleman from Virginia.

Mr. DAVIS. I think once again to resolve this problem in a way favorable to the inmates, to the surrounding communities and everybody else, it takes a joint effort. So far what is missing from this debate is a Federal presence thought the Bureau of Prisons. The city has gone overboard in trying to look at privatization alternatives and the like and the Mayor's visionary plan, in fact, calls for the downsizing, if not the elimination, of the Lortion complex. But we are going to need some help.

What we are asking the chairman of the committee to do in this particular case is to direct the Bureau of Prisons to become engaged in this process so that we can come up with a proposal. Last year's District of Columbia appropriations bill had some language where we have asked the city to come up with a 5-year plan to close it. Now we need to see what BOP can take and if it is going to take money, we need to know what it is, but we need their involvement. It is unrealistic to ask the city government to do this by themselves. It is the only city in the country that does it.

Mr. ROGERS. Mr. Chairman, I ask unanimous consent that the bill through page 12, line 18, be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The text of the bill through page 12, line 18 is as follows:

ADMINISTRATION REVIEW AND APPEALS

For expenses necessary for the administration of pardon and clemency petitions and immigration related activities, $64,000,000.

VIOLENT CRIME REDUCTION PROGRAMS, ADMINISTRATIVE REVIEW AND APPEALS

For activities authorized by section 130005 of the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322), as amended, $48,000,000, to remain available until expended, which shall be derived from the Violent Crime Reduction Trust Fund.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $31,960,000; including not to exceed $10,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of, and to be accounted for solely under the certificate of, the Attorney General; and for the acquisition, lease, maintenance, and operation of motor vehicles, without regard to the general purchase price limitation for the current fiscal year.

UNITED STATES PAROLE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the United States Parole Commission as authorized by law, $4,490,000.

LEGAL ACTIVITIES

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

For expenses, necessary for the legal activities of the Department of Justice, not otherwise provided for, including not to exceed $20,000 for expenses of collecting evidence, to be expended under the direction of, and to be accounted for solely under the certificate of, the Attorney General; and rent of private or Government-owned space in the District of Columbia; $420,793,000; of which not to exceed $10,000,000 for litigation support contracts shall remain available until expended: *Provided*, That of the funds available in this appropriation, not to exceed $17,525,000 shall remain available until expended for office automation systems for the legal divisions covered by this appropriation, and for the United States Attorneys, the Antitrust Division, and offices, funded through "Salaries and Expenses", General Administration: *Provided further*, That of the total amount appropriated, not to exceed $1,000 shall be available to the United States National Central Bureau, INTERPOL, for official reception and representation expenses: *Provided further*, That notwithstanding 31 U.S.C. 1342, the Attorney General may accept on behalf of the United States, and credit it to this appropriation, gifts of money, personal property and services, for the purposes of hosting the International Criminal Police Organization's (INTERPOL) American Regional Conference in the United States during fiscal year 1997.

In addition, for reimbursement of expenses of the Department of Justice associated with processing cases under the National Childhood Vaccine Injury Act of 1986 as amended, not to exceed $4,028,000, to be appropriated from the Vaccine Injury Compensation Trust Fund.

VIOLENT CRIME REDUCTION PROGRAMS, GENERAL LEGAL ACTIVITIES

For the expeditious deportation of denied asylum applicants, as authorized by section 130005 of the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322), as amended, $7,750,000, to remain available until expended, which shall be derived from the Violent Crime Reduction Trust Fund.

SALARIES AND EXPENSES, ANTITRUST DIVISION

For expenses necessary for the enforcement of antitrust and kindred laws, $76,447,000: *Provided*, That notwithstanding any other provision of law, not to exceed $58,905,000 of offsetting collections derived from fees collected for premerger notification filings under the Hart-Scott-Radino Antitrust Improvements Act of 1976 (15 U.S.C. 18(a)) shall be retained and used for necessary expenses in this appropriation, and shall remain available until expended: *Provided further*, That the sum herein appropriated from the General Fund shall be reduced as such offsetting collections are received during fiscal year 1997, so as to result in a final fiscal year 1997 appropriation from the General Fund estimated at not more than $17,542,000: *Provided further*, That any fees received in excess of $58,905,000 in fiscal year 1997, shall remain available until expended, but shall not be available for obligation until October 1, 1997.

SALARIES AND EXPENSES, UNITED STATES ATTORNEYS

For necessary expenses of the Office of the United States Attorneys, including intergovernmental agreements, $931,029,000; of which not to exceed $2,500,000 shall be available until September 30, 1998, for the purposes of (1) providing training of personnel of the Department of Justice in debt collection, (2) providing services to the Department of Justice related to locating debtors and their property, such as title searches, debtor skiptracing, asset searches, credit reports and other investigations, (3) paying the costs of the Department of Justice for the sale of property not covered by the sale proceeds, such as auctioneers' fees and expenses, maintenance and protection of property and businesses, advertising and title search and surveying costs, and (4) paying the costs of processing and tracking debts owed to the United States Government: *Provided*, That of the total amount appropriated, not to exceed $8,000 shall be available for official reception and representation expenses: *Provied further*, That not to exceed $10,000,000 of those funds available for automated litigation support contracts shall remain available until expended: *Provided further*, That in addition to reimbursable full-time equivalent workyears available to the Office of the United States Attorneys, not to exceed 8,758 positions and 8,989 full-time equivalent workyears shall be supported from the funds appropriated in this Act for the United States Attorneys.

VIOLENT CRIME REDUCTION PROGRAMS, UNITED STATES ATTORNEYS

For activities authorized by sections 40114, 130005, 190001(b), 190001(d) and 250005 of the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322), as amended, and section 815 of the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104–132), $43,876,000, to remain available until expended, which shall be derived from the Violent Crime Reduction Trust Fund, of which $22,166,000 shall be available to help meet the increased demands for litigation and related activities, $500,000 for telemarketing fraud, $10,577,000 for Southwest Border Control, $1,000,000 for Federal victim counselors, and $9,633,000 for expeditious deportation of denied asylum applicants.

UNITED STATES TRUSTEE SYSTEM FUND

For necessary expenses of the United States Trustee Program, as authorized by 28 U.S.C. 589a(a), $107,950,000, to remain available until expended and to be derived from the United States Trustee System Fund: *Provided*, That notwithstanding any other provision of law, deposits to the Fund shall be available in such amounts as may be necessary to pay refunds due depositors: *Provided further*, That notwithstanding any other provision of law, $107,950,000 of offsetting collections derived from fees collected pursuant to 28 U.S.C. 589a(b) shall be retained and used for necessary expenses in this appropriation and remain available until expended: *Provided further*, That the sum herein appropriated from the Fund shall be reduced as such offsetting collections are received during fiscal year 1997, so as to result in a final fiscal year 1997 appropriation from the Fund estimated at $0: *Provided further*, That any such fees collected in excess of $107,950,000 in fiscal year 1997 shall remain available until expended but shall not be available for obligation until October 1, 1997.

SALARIES AND EXPENSES, FOREIGN CLAIMS SETTLEMENT COMMISSION

For expenses necessary to carry out the activities of the Foreign Claims Settlement Commission, including services as authorized by 5 U.S.C. 3109, $878,000.

SALARIES AND EXPENSES, UNITED STATES MARSHALS SERVICE

For necessary expenses of the United States Marshals Service; including the acquisition, lease, maintenance, and operation of vehicles and aircraft, and the purchase of passenger motor vehicles for policy-type use, without regard to the general purchase price limitation for the current fiscal year, $460,214,000, as authorized by 28 U.S.C. 561(i); of which not to exceed $6,000 shall be available for official reception and representation expenses; and of which not to exceed $4,000,000 for development, implementation, maintenance and support, and training for an automated prisoner information system, and $2,200,000 to support the Justice Prisoner and Alien Transportation System, shall remain available until expended: *Provided*, That, with respect to the amounts appropriated above, the service of maintaining and transporting State, local, or territorial prisoners shall be considered a specialized or technical service for purposes of 31 U.S.C. 6505, and any prisoners so transported shall be considered persons (transported for other than commercial purposes) whose presence is associated with the performance of a governmental function for purposes of 49 U.S.C. 40102.

VIOLENT CRIME REDUCTION PROGRAMS, UNITED STATES MARSHALS SERVICE

For activities authorized by section 190001(b) of the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322), as amended, $25,000,000, to remain available until expended, which shall be derived from the Violent Crime Reduction Trust Fund.

FEDERAL PRISONER DETENTION

For expenses, related to United States prisoners in the custody of the United States Marshals Service as authorized in 18 U.S.C. 4013, but not including expenses otherwise provided for in appropriations available to the Attorney General, $405,262,000, as authorized by 28 U.S.C. 561(i), to remain available until expended: *Provided*, That this appropriation hereafter shall not be available for expenses authorized under 18 U.S.C. 4013(a)(4).

FEES AND EXPENSES OF WITNESSES

For expenses, mileage, compensation, and per diems of witnesses, for expenses of contracts for the procurement and supervision of expert witnesses, for private counsel expenses, and for per diems in lieu of subsistence, as authorized by law, including advances, $100,702,000, to remain available until expended; of which not to exceed $4,750,000 may be made available for planning, construction, renovations, maintenance, remodeling, and repair of buildings, and the purchase of equipment incident thereto, for protected witness safesites; of which not to exceed $1,000,000 may be made available for the purchase and maintenance of armored vehicles for transportation of protected witnesses; and of which not to exceed $4,000,000 may be made available for the purchase, installation and maintenance of a secure, automated information network to store and retrieve the identities and locations of protected witnesses.

SALARIES AND EXPENSES, COMMUNITY RELATIONS SERVICE

For necessary expenses of the Community Relations Service, established by title X of the Civil Rights Act of 1964, $5,319,000: *Provided*, That notwithstanding any other provision of law, upon a determination by the Attorney General that emergent circumstances require additional funding for conflict prevention and resolution activities of the Community Relations Service, the Attorney General may transfer such amounts to the Community Relations Service, from available appropriations for the current fiscal year for the Department of Justice, as may be necessary to respond to such circumstances: *Provided further*, That any transfer pursuant to this paragraph shall be treated as a reprogramming under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

The CHAIRMAN. Are there amendments to that portion of the bill?

If not, the Clerk will read.

The Clerk read as follows:

ASSETS FORFEITURE FUND

For expenses authorized by 28 U.S.C. 524(c)(1)(A)(ii), (B), (C), (F), and (G), as amended, $30,000,000, to be derived from the Department of Justice Assets Forfeiture Fund.

AMENDMENT OFFERED BY MR. MOLLOHAN

Mr. MOLLOHAN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 32 offered by Mr. MOLLOHAN: On page 12, line 21, after the dollar amount, insert the following: "(reduced by $14,000,000)".

On page 21, line 9, after the dollar amount, insert the following: "(reduced by $45,000,000)".

On page 53, line 6, after the dollar amount, insert the following: "(reduced by $33,748,000)".

On page 66, line 23, after the dollar amount, insert the following: "(reduced by $12,000,000)".

On page 73, line 1 after the dollar amount, insert the following: ("reduced by $14,000,000)".

On page 99, line 14, after the dollar amount, insert the following: "(increased by $109,000,000)".

On page 99, line 15, after the dollar amount, insert the following: "(increased by $109,000,000)".

On page 103, line 17, after the dollar amount, insert the following: "(reduced by $10,000)".

On page 103, line 25, after the dollar amount, insert the following: "(reduced by $25,000,000)".

On page 106, line 7, after the dollar amount, insert the following: "(reduced by $25,000,000)".

Mr. ROGERS. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 1 hour and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The gentleman from West Virginia [Mr. MOLLOHAN] will be recognized for 30 minutes in support of his amendment. Who seeks to control the time in opposition?

Mr. TAYLOR of North Carolina. Mr. Chairman, I seek the time in opposition.

The CHAIRMAN. The gentleman from North Carolina [Mr. TAYLOR] will be recognized for 30 minutes.

Mr. MOLLOHAN. Mr. Chairman, I yield 12 minutes to the gentleman from Pennsylvania [Mr. FOX], the co-author of this amendment, and I ask unanimous consent that he be permitted to control that time.

The CHAIRMAN. Without objection, the gentleman from Pennsylvania will control 12 minutes in support of the amendment.

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. MOLLOHAN].

□ 1545

Mr. MOLLOHAN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I rise today to join my distinguished colleague from Pennsylvania [Mr. FOX] in offering an amendment to increase funding for the Legal Services Corporation. Simply put, the Mollohan-Fox amendment increases funding for the Legal Services Corporation from $141 million to $250 million.

As many of my colleagues know well, the Legal Services Corporation was created in 1974 as a private, nonprofit corporation. Since then, the Legal Services Corporation has worked to ensure access to our judicial system for Americans unable to afford assistance with their civil legal problems. The Legal Services Corporation, for many of our poorest, most vulnerable citizens, has helped make the most basic tenet of our judicial system, equal justice under the law, a reality.

About 34 percent of the cases closed by Legal Services Corporation attorneys in 1995 were in the realm of family law, 22 percent were housing related, 16 percent were related to income maintenance, and 10 percent were consumer problem oriented.

The Legal Services Corporation provides grants to about 280 programs operating over 900 neighborhood law offices serving every county in the United States. In 1995, Legal Services Corporation handled over 2.1 million cases across this Nation.

I cannot stand before my colleagues today without acknowledging the fact that in the past the Legal Services Corporation has not been without its share of problems, some of which have occurred in my own home State of West Virginia. But over the last year, the Legal Services Corporation has undergone major changes. The omnibus appropriations bill, which included the fiscal year 1996 appropriations for legal services, contained many new legislative requirements for the Legal Services Corporation. This bill contained restrictions on legal services which were more or less agreed to on a bipartisan basis, although not unanimously.

For example, a competitive grant process was put in place, and grantees are now required to provide audited financial statements. They must also maintain strict timekeeping records.

Many restrictions are in place governing the type of cases that the Legal Services Corporation lawyers can work on. These restrictions prohibit cases in many areas. Many of these areas go to the core of the major concerns of most Members of this body about Legal Services Corporation. They include restrictions on legal services lawyers taking such cases as drug-related evictions from public housing. Legal Services Corporation lawyers now cannot take class action litigation. They cannot deal with abortion-related activity.

Legal Services Corporation cannot deal with redistricting questions or political demonstrations. Legal Services Corporation cannot get involved in strikes or union organizing activities. They cannot get involved in litigation to influence welfare reform initiatives.

Those are just a few of the examples of the restrictions that we placed on Legal Services Corporation and under which their lawyers operate today. I note to my colleagues that the Mollohan-Fox amendment does not change in any way a single one of these restrictions. They are still in place and will be in place after the passage of this amendment.

The Mollohan-Fox amendment simply increases funding for grants to the basic field programs by $109 million, raising the total funding for legal services for fiscal year 1997 to $250 million.

Mr. Chairman, it was an excruciatingly difficult exercise to go through and find the offsets for this $109 million amendment. The offsets for the amendment are as follows: Department of Justice, assets forfeiture fund, $14 million; Bureau of Prisons, $45 million; Patent and Trademark Office, $34 million; Court of Appeals and District Courts, $12 million; Diplomatic and Consular Affairs, $14 million; Securities and Exchange Commission, $25 million; and the National Bankruptcy Review Commission, $10,000.

I would now like to take this opportunity to turn to the issue of what happens if we do not pass this amendment. What happens if funding remains at the level of $141 million as provided in H.R. 3814? What needs, Mr. Chairman, go unmet?

Without increased funding, it is expected that the 2.1 million clients served in fiscal year 1995 will fall to about 1.1 million. The number of neighborhood offices will decrease from 1,100 in 1995 to 550.

Mr. Chairman, I urge adoption of this amendment. The harm will be to the most needy for legal services, and it will be great if our amendment is not adopted.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would agree with the gentleman from West Virginia that he is not attempting to change any of the restrictions that were placed on legal services last year. But part of the deal, part of the agreement that was placed in legal services was there was to be a reduction, a gradual reduction. Rather then zeroing out legal services, we agreed that it would be taken down to $141 million.

Now the gentleman proposes to nearly double that amount, breaking that agreement. How long will it be that we say those other restrictions placed on legal services are unnecessary and then we will be wanting to take those off.

Let us look at the history, 20 years of history of an organization that did not help the poor. It in fact punished the poor and used them as an excuse for a very liberal agenda. The Legal Services Corporation supported drug dealers against public housing authorities, tax-paid public housing authorities. It voted to keep illegal immigrants in even while we were paying the INS and other Federal agencies to try to stem the flow of illegal immigrants.

It supported appeals and worked against the prison systems of this country to separate patients with AIDS from other prisoners in order to stem the spread of AIDS inside prison systems. It moved in other areas, in one case to support a rapist to get custody of the child, the product of his rape, even though that rapist had two other illegitimate children, was in jail, and his psychiatrist said he was in no position to be a parent of any children.

All of this is the legacy and the history of the Legal Services Corporation. I would like to point out, Mr. Chairman, that legal services in this Nation will not end if we maintain the reduction, agreed upon reduction to $141 million.

First of all, let us talk about legal services. It is really two areas of legal services in this country. First of all, there is the Big Government legal services that the gentleman from West Virginia [Mr. MOLLOHAN] wants to double the funding for, the one that has had 20 years of abuse in this country.

There is the great portion, the majority of legal services, which are small community-based legal services organizations. The poor will not be denied free legal services. Even legal service organizations, nontaxpayer organizations receive more than the majority of the funding of all legal services, as a matter of fact in this country, and comes from non-tax paid sources.

In the last 5 years, nonfederal funds for legal services grew by 82 percent and continues to grow. The American Bar Association's directory of 1993–94 listed over 900 pro bono legal services organizations, services not funded by the U.S. taxpayer, not part of the Big Government legal services that is being debated here today. There are millions of dollars of increases in interest on lawyers' trust accounts; IOLTA is the term.

Over 25 States including California and New York have increased their IOLTA grants by 21 percent. North Carolina alone increased its grant by $1.2 million. These funds are increases. These go into community-based legal services programs. There are not funded by the U.S. taxpayers. These are not Big Government programs. Numerous national organizations contribute to legal services aids today: United Way, the NAACP, the ACLU and others.

Eighty percent of the bar still is not participating in pro bono programs. There is room, plenty of room with 80 percent of the bar to participate and increase its pro bono service. The difference in efficiency between the Big Government program being advocated and my friend from West Virginia wants to double the funding for, it is much more inefficient than the local community-based organization.

Now, is that not a surprise when the Federal Government gets involved, it always costs more. For instance in Chicago, the private legal services in Chicago, some 25,000 inquiries, the average price was about $80 per case. In Chicago they operated that service with nine staff people. The 79-person staff, nationally funded, Big Government legal services supported program cost $250 per case. And that is really no surprise when we consider that, any time the Federal Government is involved, there is usually more cost, and it moves more toward political correctness and liberalism than it does toward service for the poor. Taxpayer money is being used in the Big Government legal services to fight tax-paid organizations. Let me give my colleagues an instance.

In one case there was a woman, an unmarried woman with a child, a drug addict. The child was taken away by the social services for its protection because the woman clearly was incapable of handling the child. Legal services sues the social services agency to get the child back. The woman then beats the child to death within 2 weeks after getting the child back. Here is a tax-paid organization, in this particular case, who used their best judgment, the medical authorities. They had to make a ruling on behalf of the citizens of the country in removing the child for its safety. Here is the taxpayer, large government, legal services suing the social services for the mother to get the child back.

What I am saying, we do not have the information to support that kind of suit. There was a suit to give the child back, not what the measure of damage was or threat to the child or anything else. This was strictly a suit to get the child returned to the mother.

Now, there are many other cases that we can show where legal services fights federally funded agencies with tax-paid dollars. It would make much more sense to reform those agencies if necessary. Where does the gentleman from West Virginia [Mr. MOLLOHAN] suggest we get the funds to shift to the Big Government legal services? First of all, he wants to take $12 million from our Federal courts even as we put more and more cases on our courts, and it is necessary for those court cases to be had to get violent criminals off the street.

Mr. Chairman, $14 million would come from the State Department's consular services although we would slow down drastically visitation and legal immigration into this country; $45 million from the Federal prison system at a time when we need to increase prison system funding, here again to address the question of violent criminals.

I remind the House that this program never has been authorized in its history, that for 20 years it did not keep time records. It did not allow auditing, and the agreement that was made last year to bring about those reforms also called for the reduction to go to $141 million which we should keep in this House.

I urge the House to vote against the Mollohan amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. FOX of Pennsylvania. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, I rise today to join the gentleman from West Virginia in offering the Mollohan-Fox amendment to restore vital funding to legal services for the poor in the United States. I can speak with firsthand knowledge of the benefits of these legal services having served on the board of directors of my own local legal aid office in Montgomery County, PA.

In every district throughout this country, there are citizens who find a need for legal services and assistance at trying times in their lives. While there may be some private resources available in some areas, there is no guarantee that a private lawyer or group will be there to offer pro bono service.

□ 1600

The Philadelphia Bar Association raised $100,000 in private donations last year to direct toward legal services. However, this valiant effort cannot even scratch the surface of need that exists among our poor.

There are 40 million Americans at or below the poverty level. In State after State studies show that no more than 20 percent of the legal needs of the poor are being met. Even with full funding for the Legal Services Corporation and the efforts of the private bar, the legal needs for low-income Americans exceed all available resources. Even with full funding, no one can argue the poor will have equal access to the courts. In offering this amendment, we are merely attempting to ensure that the indigent of our Nation have some access to the courts.

This Congress, through the appropriations process, made significant changes to the structure of the administration of the Legal Services Corporation. Most, if not all, of the concerns and objections about the program were responded to. Legislative language, including the appropriations bills, included appropriate restrictions on class action lawsuits, legal assistance to illegal aliens, or representing individuals evicted from public housing due to sale of drugs. These were all changed.

Now it is time to let the program operate to fulfill the purposes which we all endorsed, to meet the day-to-day legal problems of the poor. The program helps millions of poor Americans stay self-sufficient and productive citizens. Properly structured and supervised as it can be, this is a fundamentally conservative program, one which facilitates the peaceful resolution of disputes in our society and reinforces the rule of law.

Further cuts in funding will constitute a denial of equal justice under the law to millions of low-income citizens who have no other access to the courts. For this reason, I urge Members to support Legal Services and to support the Mollohan-Fox amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. BALLENGER].

Mr. BALLENGER. Mr. Chairman, the Legal Services Corporation is a Government bureaucracy that is out of control, and it must be tamed. The spending cut reflected in this appropriations bill is based on an agreement reached in July of last year between appropriators and House leaders. The proposed $141 million level is the agreed upon second step in this process.

Legal Services has long been involved in political advocacy with tax dollars. For example, over the years, Legal Services has committed vast resources to litigation to stop public housing authorities from evicting dangerous drug dealers. This is a perfect example of why critics argue that Legal Services works harder to protect the rights of criminals than it does to protect their victims. After years of abuse, the Corporation has become a place for attorneys to put forth their liberal agenda, not defend poor people.

Many Legal Services supporters are not aware that sufficient private alternatives already exist to provide more effective legal assistance to the poor. Lawyers have a long history of providing free legal service to the poor; for example, the American Bar Association's 1993-94 directory of pro bono legal services listed over 900 programs. This does not include the innumerable lawyers who perform these services on an individual basis. These private-sector programs are much more effective and do not waste the taxpayers' money.

The House should continue to abide by the agreed level of appropriations for Legal Services. Reject the Mollohan amendment and support the funding level in the bill.

Mr. MOLLOHAN. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Chairman, I rise in support of the Mollohan-Fox amendment. For over a decade now the gentleman from Florida, Representative BILL McCOLLUM, and I have worked to reform the Legal Services Corporation, with a lot of considerable help from the gentleman from Kentucky, Chairman ROGERS, and it has been like pulling teeth.

Our intention all along has been to make sure that the folks in our country who cannot afford legal assistance in civil matters have access to the courts, the original intent of LSC. Last year we introduced H.R. 1806, a bill to reauthorize LSC for 5 years at $250 million per year. In addition, our legislation proposes tough, smart restrictions on the corporation.

The full Committee on the Judiciary marked up its bill, H.R. 2277, with the gentleman from Pennsylvania, Chairman GEKAS, and reported it out last September. This is a 4-year authorization which recommends $250 million in fiscal year 1997 to provide legal services to the poor.

That notwithstanding, we have not had the opportunity to debate this or any other authorization bill here in the full House. In fact, Legal Services has not been reauthorized since 1980, yet here we are today trying to decide its fate in a 1-year appropriation bill.

Let us let the process work the way it is supposed to. Let us take the authorizing committee's recommendation of $250 million with appropriate restrictions for fiscal year 1997, and come back next year and address the future of LSC through the authorization process, the right way.

All of the arguments we will hear today come down to one fundamental question: whether we believe that the Federal Government has a role to play in ensuring that the poor have access to the courts. I will be the first one to tell my colleagues that the Legal Services Corporation has had its share of problems over the years, and we will hear many of them today. In fact, if the program is ever killed, it will be by some of its supporters.

Absent any other well-developed approach to caring for the people that depend on legal assistance in their daily lives, I am not yet willing to demolish the LSC. That is precisely the direction we will be heading if we cut the fund to $141 million.

As a lifelong supporter of a balanced budget, I understand budget realities and know we cannot fund every program at the level we want. That is why I commend the sponsors of this amendment, who have worked extremely hard in finding the offsets to pay for this amendment in a fair and reasonable manner.

Additionally, I am very pleased that they specify that all the increased funding will go to field programs, not to management and administration. We continue all of the restrictions agreed to on the LSC in the effort to make sure that this program works for its original purpose.

There can be no denying that there are a large number of indigent individuals who desperately need legal assistance in their daily lives. We cannot become a country where just treatment in the courts depends on economic status.

For this reason, and in agreement with many of those who will find things that have gone wrong with Legal Services, this is not the time and the place to make that decision. Let us allow the program to continue and allow the full changing of the program to take place in an orderly manner, so that we do not end up doing more harm than good for all the right reasons.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield myself such time as I may consume to remind this body that the Committee on the Budget only approved $95 million for Legal Services, and the CJS committee is putting up a 50-percent increase over that, and now it would be a 250 percent increase if we adopt this amendment.

Mr. Chairman, I yield 6 minutes to the gentleman from Indiana [Mr. BURTON].

(Mr. BURTON of Indiana asked and was given permission to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Chairman, my colleague from Texas just talked about the changes that were made in the Legal Services Corporation and how Legal Services was going to be restricted for its original intended purpose. Let me read to my colleagues what a Legal Services grantee in California said about the new restrictions. He said, "If Congress can screw people with technicalities, we can unscrew them with technicalities. That is why we are lawyers and not social workers. Two can play this game."

Now, Congress prohibited Legal Services Corporation from doing certain things. Legal Services grantees are getting around these restrictions by forming new shell organizations to accept Federal grants so that the original groups can continue to pursue their liberal agenda with private funds.

For example, the Philadelphia Legal Assistance Center and the Legal Aid Society of Santa Clara, in many cases the two organizations have the same board of directors, many of the same lawyers, and they share office space. They are two separate organizations in name only. They are just getting around the restrictions so they can do whatever they damn well please.

Let me just ask my colleagues a question. If there is a child and we are concerned about that child being molested by a sex offender, we would like to know if that sex offender moved into the neighborhood because we do not want a 2, 3, 4, or 5-year-old child running around with a known sex offender moving into the neighborhood.

Well, President Clinton supports what is called Megan's Law. On May 17, President Clinton signed Megan's Law into effect, which requires convicted sex offenders to register their addresses with local communities after being released from prison.

The Legal Services Corporation is fighting that law. On March 6 the Legal Aid Society of New York, an LSC grantee, sued on behalf of three sex offenders to block New York's version of Megan's Law, which includes a 900 number for community notification. They won a restraining order delaying the implementation for months.

Legal Services lawyer Thomas O'Brien called sex offenders, listen to this, the Legal Services lawyer Thomas O'Brien called sex offenders "the victims of a unilateral decision made by the State."

Now, what about that parent that does not want their child molested by that sex offender? They want to know if he is in the neighborhood. Everybody agreed to it. We passed a law, and the Legal Services Corporation, funded by this Government and the taxpayers of this country, is defending that sex offender and protecting his right not to be known in a new neighborhood by the parents who have kids that might be molested by him.

Does that sound right? I do not think we want our taxpayer dollars spent for that.

Welfare reform. President Clinton supports Wisconsin's welfare reform plan. On May 18 President Clinton announced his strong support for Wisconsin's bold welfare reform plan.

The LSC is fighting the welfare reform plan in Wisconsin. Legal Action of Wisconsin, and LSC grantee, has filed numerous suits to frustrate and block welfare reform in Wisconsin, even though this Congress and the President of the United States say that support it.

Why are taxpayers' dollars being used to fight the very things we think are important?

Then we take people who live in public housing projects. One of the problems we have in major urban areas around this country is that drug dealers are taking over in public housing projects, and they are taking kids and they are making them become deliverers of narcotics. If the kids do not join the gangs, they shoot them, they beat them up or they scare them to death. Mothers are afraid to let their kids go outside in public housing projects.

Now, the Legal Services Corporation is defending the right of the drug dealers to stay in the public housing projects. They are trying to frustrate the local government officials in trying to get those people out of there so that people who live in those public housing projects will be able to protect their kids and protect themselves.

Some of those people have been in their living rooms and dining rooms when bullets have come through the windows and they have to get down on the floor to protect themselves, yet the Legal Services Corporations in many parts of the country are defending the rights of the drug dealers to stay in there, in public housing, and not to be evicted.

What kind of nonsense is that? It makes absolutely no sense whatsoever.

Now, an agreement was reached to phase Legal Services Corporation out over a 3-year period. We gave them $280 million or so last year, we agreed to $141 million this year and zero next year. The leadership signed onto it and the appropriations leadership signed onto it, and today we are seeing a move to increase it to $250 million and to keep this organization in effect.

It is the wrong thing to do. The right thing to do is protect the people of this country and get rid of the Legal Services Corporation.

Mr. FOX of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from Pennsylvania.

Mr. FOX of Pennsylvania. Mr. Chairman, I would say to the gentleman from Indiana, Congressman BURTON, that I understand his arguments and the situation he is talking about, but I would ask him if he is aware there are new restrictions now on these Legal Services Corporations not to be involved in suits dealing with welfare reform litigation and with the prison lawsuits? There are not involved in that any more.

Mr. BURTON of Indiana. Mr. Chairman, reclaiming my time, I do not know whether the gentleman heard the first part of my argument, but the Legal Services Corporations around the country are forming shell corporations to get around that provision so they can use Federal dollars for one thing and the private dollars for another.

I gave two examples: The Philadelphia Legal Aid Center and the Legal Aid Society of Santa Clara. I will quote once again what a Legal Services grantee in California said. He said, and I quote, "If Congress can screw people with technicalities, we can unscrew them with technicalities. That is why we are lawyers and not social workers. Two can play this game."

They are getting around what we tried to do by putting constraints on them in this Congress of the United States.

Mr. FOX of Pennsylvania. Mr. Chairman, if the gentleman would continue to yield, I think the facts show otherwise.

☐ 1615

Mr. BURTON of Indiana. Mr. Chairman, I do not think the facts do show otherwise.

Mr. FOX of Pennsylvania. Mr. Chairman, the gentleman is trying to make emotional arguments about the facts and problems of the inner cities.

Mr. BURTON of Indiana. Mr. Chairman, these are not emotional arguments.

Mr. FOX of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. RAMSTAD].

Mr. RAMSTAD. Mr. Chairman, I thank the gentleman for yielding me the time.

I rise today in strong support of the Mollohan-Fox amendment to restore critical funding for the Legal Services Corporation. I think it is important, Mr. Chairman, that we put this in perspective.

The bill before us today contains a 50-percent cut for legal services. This 50-percent cut follows on last year's cut in funding of 33 percent. These cuts, Mr. Chairman, are extreme and they are unconscionable because they mean that our poorest and most vulnerable citizens will be unable to have legal representation in civil matters.

In Minnesota alone, Mr. Chairman, these cuts meant that 25,000 eligible people who needed legal help have already been turned away. Because of last year's cut, Legal Services in Minnesota will close 4,000 fewer cases. Some claim that the private bar can step in and make the difference.

Well, Mr. Chairman, in Minnesota, over 3,000 attorneys last year donated over 30,000 hours of legal services. The Minnesota lawyers and firms contributed over $500 thousand, but they cannot meet these critical legal needs alone any more than doctors can meet the critical medical needs of indigent people across this country.

Many government entities are not known for efficiency. We all know that, and charges have been made today by opponents of this amendment. Let me tell you the facts. Mr. Chairman, 97 cents of every LSC dollar goes directly to the delivery of legal assistance, and Federal oversight accountability of these dollars is ensured.

I take a back seat to nobody in this body in terms of cutting wasteful spending. Last year it was announced, or this year rather, that I have the best rating from Citizens Against Government Waste for cutting wasteful spending.

Mr. Chairman, we are not talking about cutting wasteful spending here. We are talking about honoring those words on the front of the Supreme Court across the way, "Equal justice under law."

There has been overheated rhetoric from those who want to kill legal services for the poor. I would just remind my colleagues that the restrictions are in place from last year. Some of these anecdotal references refer to horror stories in the past. There have been abuses; we all know that. But the following restrictions are in place: No class action suits by LSC, no lobbying, no legal assistance to illegal aliens, no political activities, no prisoner litigation, no redistricting representation, no representation of people evicted from public housing due to drugs. That is all in the past. Those restrictions are on LSC as a result of last year's bill.

Mr. Chairman, I plead with Members of this body, do not gut the words etched on the Supreme Court building, "Equal justice under law." Support basic fairness and equality under the law. Support the Mollohan-Fox amendment to restore legal services funding. Let us do the right thing.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. HUNTER].

Mr. HUNTER. Mr. Chairman, I have friends on both sides of this argument. I understand there are merits on both sides of the argument. But let me give you my humble opinion as a guy who used to practice law in the barrio in San Diego about 5 blocks south of Chicano Park in half of a barber shop.

There is merit to the argument that Legal Services did go far past the bounds that we set for them when we first initiated this program. We know that we had legal services to get Aunt Flossie's car out of hock, to do domestic law, allow people to have access to court for personal injury when they did not have the up front money that was necessary if they went to a paid lawyer. But what some legal services devolved into was a legal services operation that went for the sexier lawsuits. They liked the class action suits. They like innovating, and they liked lawsuits that drew headlines. And they liked to move away from what I call the ham and eggs things.

I think we have to strike a balance. I think the money that we have in the bill right now is a balance. It does balance the need to have legal services for people who cannot afford them, but it also leaves a little need there so the local bars will step forward and pick up the slack.

One thing that I say as a lawyer who never got any Government money was the fact that when you do have these Government programs, you do have a lessening of the private bar's interest in protecting the poor and in doing pro bono suits. You do have a reduction in that area. So we have to maintain a balance.

I think the money that we have in the bill does maintain a balance, and the reason that we have gotten away from class action suits and gotten away from these abuses is because this Congress has monetarily and in a policy sense constrained Legal Services. We have constrained them from doing the class action suits.

I am sorry to see that, if it is true that some shell corporations are being formed to allow them to continue to pursue a social policy, I am sorry to see that because they are supposed to be doing ham and eggs work for poor people. I like the balance. Let us stick with what we have got.

Mr. MOLLOHAN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Missouri [Ms. MCCARTHY].

Ms. McCARTHY. Mr. Chairman, I rise in support of the Mollohan-Fox amendment.

Mr. Chairman, I rise in support of the Mollohan-Fox amendment. This amendment is a significant improvement from the base bill.

Since 1974, the Legal Services Corporation has provided poor families access to our justice system, thus putting into practice the principle of equal justice for all. The proposed fiscal year 1997 funding level represents a 49-percent reduction from the current appropriation.

This is an unacceptable funding level, particularly given the fact that last year's 30 percent funding reduction forced the Kansas City Legal Aid to eliminate 10 percent of the staff. These reductions leave 80 workers to tackle approximately 22,000 cases a year. In addition, legal aid attorneys are forced to turn away applicants desperately seeking assistance. Further dramatic reductions in funding would make it even more difficult for many communities, like Kansas City, to keep their legal aid offices open.

I am dedicated to balancing the budget, but we must do so in a responsible manner. Slashing legal services for poor families is not responsible. I urge my colleagues to support the Mollohan-Fox bipartisan amendment.

Mr. MOLLOHAN. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Colorado [Mr. SKAGGS], a member of the subcommittee.

Mr. SKAGGS. Mr. Chairman, this amendment would restore just a portion of what is needed for the basic functions of the Legal Services Corporation, and it ought to command the support of every Member of this body.

The Constitution holds out the promise of equal justice under law to every American. But that promise is made real only as our citizens have effective access to the courts to enforce their rights. For the poor these rights often exist only in theory because they cannot afford the lawyers to get into court. Legal Services provides that legal representation.

Access to the legal system is more than a matter of equal justice. It is also a key ingredient in maintaining a civil society based on the rule of law. If people are expected to respect the rule of law, they must have some expectation of its protections, as well as of its discipline. Legal Services plays an essential role in that.

Mr. Chairman, Legal Services work is accomplished by staff lawyers who work for low pay, supported last year by 150,000 volunteer lawyers providing pro bono services. I used to be one of those volunteers. I can tell you, the staff lawyers can not possibly do anything more than provide the basic representation that they are charged with under the law as it now stands. There is simply no rational basis to assert that additional pro bono work by the private bar can make up the difference for Legal Services. That makes as much sense as suggesting we are going to get volunteer doctors to make up for eliminating Medicaid. It will not happen.

Cuts in legal services funding in this bill will hurt those who can least afford it and betray America's promise of equal justice. Support the Mollohan-Fox amendment. It is fundamental to American justice.

This amendment to restore but a portion of the basic funding for the Legal Services Corporation [LSC] should command the support of every Member.

While I certainly support this amendment, I must say that it is only a start. It will bring LSC funding to a level 10 percent below last year's level, which itself took a 30 percent cut from 1995. We need to do more, much more than is provided for in this amendment, to bring LSC funding back to a level where the Nation's poor can have reasonable access to the civil justice system.

As my colleagues know, LSC provides legal representation to our poorest citizens. When LSC was established under President Richard Nixon's leadership in 1974, it was intended to become a permanent, vital part of the American justice system.

The Constitution holds out the promise of equal justice under law. That promise is made real as American citizens have effective access to the courts to enforce their rights. For the poor, these rights often exist only in theory because they can't afford the lawyers necessary to get their day in court. LSC provides that legal representation. If we are going to ensure that the quality of American justice isn't primarily a function of wealth, the work of LSC must continue.

Access to the legal system is more than a matter of equal justice. It is an important factor in maintaining civil society based on the rule of law. If people are expected to respect the rule of law, they must have some expectation of its protection, as well as of its discipline.

Last year, LSC closed 1.7 million cases. About one-third or 558,000 of those involved family law, including representation of almost 60,000 individuals seeking protection from battering by their spouses. LSC helped over 200,000 older Americans with legal problems involving their health and income. It helped thousands of low-income military veterans and family farmers, representing them before banks and government bureaucracies that would otherwise have overwhelmed them.

Cases concerning families, housing, income, and consumer protection alone account for over 80 percent of LSC's work. This bill would cut LSC by almost half. It is not hard to figure who will pay the price—women, children, and low-income older Americans, farmers, and veterans.

Mr. Chairman, LSC's work is accomplished by staff lawyers who are willing to work for low pay, supported last year by almost 150,000 private attorneys who participated by providing pro bono representation as volunteers. As a former volunteer attorney myself, I can tell you, the lawyers I worked with were too busy trying to meet the basic legal needs of their clients to engage in some of the activities that detractors claim. And there's simply no rational basis to assert that additional pro bono work by the private bar can replace Legal Services lawyers. That makes as much sense as expecting volunteer work by doctors to make up for ending Medicaid.

Mr. Chairman, the cuts in LSC funding in this bill will hurt those who can least defend themselves and betray our Nation's promise of equal protection under law for all Americans. This amendment is the right thing to do; it is the least we can do.

I strongly urge a "yes" vote.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. DOOLITTLE].

Mr. DOOLITTLE. Mr. Chairman, I rise to oppose this amendment. We had an agreement worked out. Many of us thought this should have been zeroed out immediately rather than phased out, as was the agreement that was worked out. Now we have an amendment before us that will approximately double the funding provided.

The fact of the matter is, we have got a budget to balance. It seems like in this body there is no program that can be eliminated. Every single thing has its adherents. I would submit if we ranked the things this Federal Government funds, Legal Services would be at or near the bottom just on the merits of the relative order of importance.

Yet here we go again, there is always some group of individuals within this body that feels they have got to try and maintain another one of these programs. This is what is sinking America, Mr. Chairman: All these programs designed to help somebody and, in fact, they are crushing everybody by destroying our economic growth.

We talk about helping those who need legal services. Where in the Constitution in the powers given under article I to the Congress is that one of our responsibilities?

We are a Nation made up of sovereign States. If these things are important, let the States handle them. That, in fact, is what was the practice until whenever Legal Services came into being, I think some time in the 1970's.

I do not know if the Members are aware but there are over 900 organizations that provide pro bono services, lawyers that donate their time, that do not get Legal Services Corporation funding. Why do we have to have the Federal Government involved in everything?

The answer is simple. The reason a lot of Members want to keep this is because it is an advocacy group for liberal causes, as we have heard the gentleman from North Carolina [Mr. TAYLOR] and the gentleman from Indiana [Mr. BURTON] allude to.

The fact of the matter is, we cannot afford it. We do not need it. It should be terminated. Certainly this amendment should be rejected.

Let me share a couple of examples here, in terms of the ample resources that are available to the poor in the event they need legal help:

Chicago Volunteer Legal Services provides legal aid to the poor without LSC funding by using seven staff attorneys and 1,500 pro bono lawyers. The Indianapolis Legal Aid Society last year received all of its $458,000 budget from private sources, primarily the United Way.

In Tampa, FL, the Courthouse Assistance Project, which receives no Government support, assists 300 low income individuals a month right in the county courthouse. Similar programs are being set up in 14 other cities. In New York State every county has set up a community dispute resolution center to handle legal disputes through mediation and arbitration. Each center receives half of its budget from the State and half from local governments and private groups.

In 1994, the center handled 25,000 cases at a cost of $68 per case. The United Charities Legal Aid Bureau of Chicago handled 25,000 inquiries last year with a staff of only nine attorneys and a budget of less than $2 million. Its cost per case ratio was $80 compared to $250 for the 79 staff Legal Assistance Foundation of Chicago, which receives over 60 percent of its $10 million budget from the Legal Services Corporation.

Mr. Chairman, this is an amendment we ought to reject. We ought to maintain the agreement entered into. We ought to phase down this funding as proposed in the bill, and we ought to let Americans have a smaller and better and more efficient Federal Government.

Mr. BERMAN. Mr. Chairman, will the gentleman yield?

Mr. DOOLITTLE. I yield to the gentleman from California.

Mr. BERMAN. Mr. Chairman, I was wondering if the gentleman could tell me, other than the hortatory language in a budget resolution, which does not appropriate funds and which is not authorizing legislation, what agreement is the gentleman talking about that we reached regarding the eventual elimination of the Legal Services Corporation?

Mr. DOOLITTLE. This was an agreement amongst the Republicans with the Republican leadership.

Mr. BERMAN. The appropriations process each year funds that Legal Services Corporation, am I not correct?

Mr. DOOLITTLE. Mr. Chairman, the gentleman is correct. And I would observe that we have been on track. In fact, the figure in this bill reflects the agreement. Now it is being changed.

Mr. BERMAN. Mr. Chairman, if the gentleman will continue to yield, is it the same agreement among Republicans that was going to eliminate the Department of Commerce, eliminate cops on the beat, eliminate the advanced technology program. Is that the agreement we are talking about?

Mr. DOOLITTLE. Different agreement but the same philosophy, the philosophy that returns power to the people and cuts their taxes, not bigger and more expensive government.

Mr. FOX of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from New Mexico [Mr. SCHIFF].

□ 1630

Mr. SCHIFF. Mr. Chairman, I thank the gentleman for yielding this time to me.

I rise in support of this amendment. I believe that the Federal Government has a role in insuring access to the courts in our system. In the first place, litigation can occur over Federal rights. The Federal Government has provided, through many types of legislation, rights for individuals. Those rights sometimes can only be vindicated in court. Therefore, there is specifically a Federal role in ensuring that people, poor people, indigent people have an ability to go into Federal court and exercise their rights.

Second of all on the same lines, the Federal Government has a role in insuring that we have a democratic system, and a democratic system means that we resolve our disputes in court and not on the streets.

I have heard three arguments basically against this amendment. The first is that there is an agreement among Republicans to the funding levels as proposed.

I am a Republican. I never reached any agreement with anybody. If other Republicans did make such an agreement, and they have to honor their agreement, then they should vote against this amendment. But I do not think all of us Republicans were ever asked to reach this agreement. I know I certainly was not.

Second of all, the issue is just made we have to balance our budget. I agree we have to balance the budget. I agree that the Federal Government should not have the sole responsibility for legal services. But Legal Services has already been reduced in budget. About 2 years ago the budget was, I believe, well over $400 million. The amendment before us today asks for funding for next fiscal year of $250 million. I think that that is a recognition that all programs have to make their contribution toward reaching a balanced budget, and, further, this amendment is funded by making other adjustments in the bill before us so it does not cost any additional funds.

Finally, I want to address the fact that it has been brought to our attention that a number of unpopular individuals have brought unpopular lawsuits through the Legal Aid Society. Well, I can top those examples. We use taxpayers' money to defend people accused of murder. We use taxpayers' money to defend people accused of armed robbery and all the horrendous crimes we can think of through the Federal Public Defender Program. And we do so for the exact same philosophy, that people have a right to present their case in court. And lawyers only represent clients, they did not raise them, and they do not go home and live with them usually.

The fact of the matter is the lawyer is providing a mechanism where even the most unpopular individual can present their case in court and have a judge and jury render a decision. It seems to be that is what American justice is all about.

Mr. TAYLOR of Mississippi. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. WELDON].

Mr. WELDON of Florida. Mr. Chairman, I thank the gentleman for yielding this time to me.

I did take the time to meet with some of the Legal Services Corporation representatives in my congressional district to discuss this issue last year after we debated it at some length. I did hear about some of the good things they do representing people who are being unfairly evicted from their housing, helping out the poor. But I did get them to acknowledge that there are Legal Services Corporation lawyers in some localities, unfortunately it was not in mine, that engage in what I would call public advocacy to basically thwart the will of the people. And we have heard examples from the gentleman from Indiana [Mr. BURTON] and some of my other colleagues of some of the horrendous cases where the people of the United States want welfare reform, and Legal Services Corporation lawyers are fighting welfare reform in some localities.

We heard about Megan's law that gives parents the ability to be notified when sex offenders are moving into their neighborhood. We hear about Legal Services Corporation attorneys advocating against this legislation. I have in front of me a whole list after list of examples of where Legal Services Corporation attorneys are engaging in left-wing liberal advocacy and in many cases going exactly against the will of the people.

I guess a great example here is we voted 432 to 0 requiring that criminals give restitution to victims if they have the ability to do so, and, lo and behold, what happens immediately.

Now what we are doing, I say to my colleagues, in this body, the people in my district, the majority of the people in my district, have trouble making ends meet. At the end of the month, when they have paid the rent and they have paid the bill, they do not have much money left. They do not like the amount of money that is coming out of their paycheck with taxes. What we are doing is taking taxpayer dollars and applying it to this sort of thing, and I think it is wrong.

Oppose this amendment.

Mr. MOLLOHAN. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. FLAKE].

Mr. FLAKE. Mr. Chairman, we need to focus this debate on the people who are involved. They include Zelma Brooks, A 65-year-old grandmother who was only able to overturn an unfair eviction after 6 months of diligent work by LSC. If this happened today Legal Services Corporation would only be able to listen and offer advice.

As much as critics try to make this about the liberal activists who support LSC, this is about Zelma Brooks and all of the people like her. This Congress has placed handcuffs on an organization that has been doing great work under already strained finances. Arguments about deficiencies in LSC are nothing more than rhetoric and exaggerations being used to mask the fact that we are trying to lock the doors of the civil courtrooms to a class of people.

Anyone who wishes to destroy any organization can hold it up to the microscope and exploit imperfections. However, no amount of partisan attacks and criticism can mask the fact that millions of people who would normally be without courtroom access have received legal representation in gaining benefits which they were denied, overturning illegal evictions, and separating from abusive spouses. Can we in good conscience allow the poorest and most defenseless of our communities to be left without any protection against civil injustice?

Emblazoned on the front of the Supreme Court are the words "Equal Justice Under Law." Nowhere does it say that Americans can only seek redress of grievances if they have the personal resources to do it by themselves. Let's not say that today.

Mr. Mollohan. Mr. Chairman, I yield 1 minute to the distinguished gentleman from California [Mr. DIXON], a very effective member of the subcommittee.

Mr. DIXON. Mr. Chairman, I thank the gentleman for yielding this time to me.

I rise, too, in strong support of the Mollohan-Fox amendment. I do not know where the concept arises that, if we are to have equal justice under the law and access to the courts for people who cannot afford otherwise to hire an attorney, that we must agree on the legal theory on which they bring their lawsuit. That to me seems to be contrary to the theory of equal justice under the law.

The Legal Services Corporation has done so many things in a way that is reflective of the innovative ideas of the new majority. They have local control, they have volunteerism, they have public private partnerships, they have decentralization with low administrative cost, and they have limited budgets. It seems to me that after the cuts of last year and after the restrictions that we have placed on the Legal Services Corporation by some members who felt that some of their activities were objectionable, the least we can do for the poorest of our society is to give them an opportunity to have access.

I support and urge my colleagues to vote for the Mollohan-Fox amendment.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. MOORHEAD], chairman of the Subcommittee on Courts and Intellectual Property.

Mr. MOORHEAD. Mr. Chairman, I am not going to talk today about the benefits or lack of them in the Legal Services Corporation. I support legal service agencies and was a leader for 16 years, so I believe that we have to help the poor. But I am going to talk about where the money is coming from.

The Committee on Appropriations of the House of Representatives in reporting H.R. 3814, the Departments of Commerce, Justice, State, and Judiciary and Related Agencies Appropriations Act of 1997, proposed to take $15 million from the fees which will be paid by patent applicants in 1997 to fund other activities. This $15 million comes directly from the pockets of America's innovators and will directly reduce the services that they will receive from the Patent and Trademark Office. This is an unconscionable tax on innovation, a tax on American inventors for seeking to share with the American public the results of their creativity.

This amendment offered by the gentleman from West Virginia [Mr. MOLLOHAN] proposes to take another $34 million from America's patent applicants to fund the Legal Services Corporation. If my colleagues believe in the Legal Services Corporation, take it from the taxpayers and not one specific group of people who pay entirely for the support of their own agency. This tax on innovation, this theft from American inventors, must be rejected.

While the Nation's inventive community may disagree on some aspects of patent legislation, there is no disagreement that this victimization of our inventors must stop. We should not force our inventors to pay more for a program out of their user fees than we refuse to fund with taxpayer dollars.

I urge my colleagues to vote against this amendment.

Mr. FOX of Pennsylvania. Mr. Chairman, I yield a minute and a half to the distinguished gentleman from Maine [Mr. LONGLEY].

Mr. LONGLEY. Mr. Chairman, the debate this afternoon is not necessarily about the Legal Services Corporation. It is about the Federal obligation to provide legal assistance to those who need it. And, yes, that is a Federal responsibility.

I have no love necessarily for the corporation per se. I think we have made progress in the last year in terms of reforming it to get it out of the advocacy business and into the business of effectively representing the men and women of this country who cannot afford legal services who need help. I do not think it is fair to say that the private sector can pick up this burden. Lawyers in Maine are currently devoting tens of thousands of hours on a pro bono basis, but they cannot shoulder that burden by themselves.

I think it is a question of how we provide the resources. To the extent I have any disappointment about this debate this afternoon, it is that it obscures the central question. We cannot afford to stay in a situation where we are either supporting legal services or eliminating it. To me the question is how do we provide the resources. I question whether the Legal Services Corporation is the most effective way of doing it, but in the absence of any alternative such as block grants or other methods that would provide greater local control and State control to the provision of legal service on a more effective basis, then I must side with the sponsors of this amendment.

The question is resources and many of the details. Right now the question really is whether we are going to provide resources given the cuts that we have made in the last year, and I think that we need to provide flat funding for this important program.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. Mr. Chairman, I thank the gentleman for yielding this time to me.

When the task came to me to try to fashion an authorization bill on this very vital subject, I announced for the whole world to hear that I am in favor of legal services for the poor, in favor of the delivery system that works and in favor of a system that makes sure that the needs are met of the poor, not the abstract needs that the Legal Services Corporation itself had delved into over the years. And so we devised a block grant.

If indeed this amendment that we are considering right now was one in which we take $250 million and turn it over to the States in a block grant system that we had devised in my committee, I would vote for it. But what we are doing here is perpetuating the Legal Services Corporation, which in my judgment is the cause, the root cause, of all the anecdotes of abuse that we have heard on this floor here today. I might say that the anecdotes which are derived as being mere anecdotes are volumes now. Fifty witnesses had 50 anecdotes in 2 days of hearings in my committee.

Mr. MOLLOHAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Maryland [Mr. CUMMINGS].

Mr. CUMMINGS. Mr. Chairman, I rise today in strong support of this bipartisan amendment offered by my colleagues to increase funding for the Legal Services Corporation.

Prior to my election to Congress, I practiced law for almost 20 years. It is through my experiences with the American legal system that I feel confident and qualified to comment on this amendment.

As a lawyer, I represented all types of people in all kinds of situations.

And there is one hard fact that I have witnessed and learned throughout my years of practice—our system of justice belongs to the wealthy and privileged. Rare is the day when indigents or poor citizens receive equitable treatment in their representation.

I believe that ours is the best judicial process in the world. But everyday across this country, citizens with meager resources have little or no voice in the process.

Last year's bill quieted the voices of the needy, this year's bill silences those voices. As a result of the fiscal year 1996 cut, Maryland's Legal Aid Bureau lost $1.4 million this year. If the House adopts the fiscal year 1997 levels, Maryland will lose $1.5 million more, which leaves thousands of Maryland residents without adequate legal representation.

I urge my colleagues on both sides of the aisle to vote in favor of this amendment. The funding we will provide today ensures that our poorest citizens will have equal justice under law.

Mr. MOLLOHAN. Mr. Chairman, I yield 30 seconds to the gentleman from Texas [Mr. EDWARDS].

Mr. EDWARDS. Mr. Chairman, each morning Members of this House with hand over heart turn to this flag and give a pledge: One nation under God, indivisible, with liberty and justice for all.

In a few moments with our votes we will decide whether justice for all is simply words to be recited, an ideal worth defending. I believe in the Pledge of Allegiance, I believe it is worth reciting, and I believe it is worth defending.

Vote "yes" on this amendment.

□ 1645

Mr. FOX of Pennsylvania. Mr. Chairman, I yield 1½ minutes to the distinguished gentleman from Connecticut [Mr. SHAYS].

Mr. SHAYS. Mr. Chairman, I thank the gentleman for yielding time to me. I support the Fox-Mollohan amendment, this bipartisan amendment.

I voted for the Commerce-Justice-State bill last year, reducing support for the Legal Services Corporation from $400 million to $278 million. I never in my wildest imagination thought I would be voting to reduce it even further, yet even with this amendment we are seeking to restore funds to $250 million. I hope and pray that this Congress seeks to do that.

Mr. Chairman, I believe American citizens should have access to the courts, no matter how much money they make. I think a mother should be able to seek child support in the courts, if necessary, regardless of income. I think a tenant should be able to sue for decent housing, regardless of income. I know that we got rid of what all of us wanted to get rid of, or most of us, the class-action suits funded by the taxpayers against their own governments. I can understand that issue, but we dealt with that issue last year.

What I cannot understand is why we blame Legal Services for seeking to enforce the laws we pass and the Constitution of the United States we would die defending. If we do not like the end result of the court decisions, then maybe we have to look at the laws we pass.

What Legal Services attempts to do is make sure that all citizens, the poorest, in fact, have the same right to defend themselves in court. I hope and pray, I truly pray, that we have the good sense to pass this amendment.

Mr. MOLLOHAN. Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. BECERRA].

Mr. BECERRA. Mr. Chairman, I rise in support of the Mollohan-Fox amendment and in opposition to the bill's dramatic cuts to Legal Services.

Mr. MOLLOHAN. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. BERMAN].

Mr. BERMAN. Mr. Chairman, first, I think it is fair to say this fight is not about money. It is about implementing an effort by some Members of the other party to eliminate the Legal Services program.

My friend, the gentleman from Pennsylvania [Mr. GEKAS] says "If there were $250 million in a block grant, I would support it." We have been waiting for a year and 3 months for the authorization bill which turned this program into a block grant program to come to the floor. It is not us, it is not the supporters of this amendment who have fought that. It is the leadership who has kept that from coming to the floor.

We talk about class warfare. Let me suggest, I understand why some apartment owners, some growers, some government officials do not want Legal Services programs, because they do not want to afford the rights that the law gives. The right move is not to eliminate the poor's access to lawyers. The right way to do it is to change the laws that we do not like that accords substantive rights to people. Surely once those rights are accorded, we would agree that everyone should have access to them.

Mr. FOX of Pennsylvania. Mr. Chairman, I yield 30 seconds to the distinguished gentleman from Florida [Mr. HASTINGS].

Mr. HASTINGS of Florida. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise today in support of the Mollohan-Fox amendment, and to express my dismay with the fax that I received from the Christian Coalition urging that I oppose this amendment.

Mr. Chairman, I am a Christian and I support this amendment, because following the Christian teachings that I was taught, I believe that helping the poor is a Christian thing to do. Helping the poor access the same legal system to which people with money can access at will is, I believe, a very Christian thing to do.

I am dismayed that the Christian Coalition intimates that they speak for Christians. Clearly they do not speak for the poor or the charitable, for if they did, they would not urge us to kill this amendment.

Mr. MOLLOHAN. Mr. Chairman, I am pleased to yield 1 minute to the distinguished gentleman from Pennsylvania [Mr. FOGLIETTA].

Mr. FOGLIETTA. Mr. Chairman, I rise in support of the Mollohan-Fox amendment. I know that Legal Services work. My office and I work with people every day in helping poor people, especially women and children.

I ask my colleagues, if you cut Legal Services funding again, where will a poor woman in my district and in many of your districts go for help when her husband is abusing her? Where will a poor family go when they are illegally tossed out of their home? Where will the disabled people go when their Social Security or SSI benefits are improperly denied?

The answer is nowhere. You are cutting one more strand out from under the safety net for the people of this Nation. This is not the time to cut legal aid for the most vulnerable people in America.

I urge my colleagues to support the amendment and restore funding to this very important program.

Mr. MOLLOHAN. Mr. Chairman, I yield such time as he may consume to the gentleman from South Carolina [Mr. SPRATT].

(Mr. SPRATT asked and was given permission to revise and extend his remarks.)

Mr. SPRATT. Mr. Chairman, I rise in support of the Mollohan amendment to restore funding for the Legal Services Corporation.

I helped found the Piedmont Legal Services office in my home County of York in South Carolina. I did so because I discovered early in my private practice that pro bono work wasn't enough to meet the needs of the poor. I tried to do a lot of this work myself, but I quickly reached my limit. Legal services are necessary for any but the smallest fraction of poor people to have access to legal help.

The cut to legal services proposed in the bill before us is designed to destroy LSC. Last year, Congress cut the program by over 30 percent and this bill calls for another 50 percent cut this year. These cuts clearly are on a path to zero, and no one should kid themselves that today's vote is about anything other than survival of the program. With the meager funding allowed in this bill, only about 10 percent of the eligible poor in South Carolina will be able to obtain legal services.

The bar in South Carolina has a successful pro bono program which last year drew over 3,000 volunteers who closed almost 1,000 cases. But the 44 Legal Services attorneys in South Carolina closed over 16,000 cases. And LSC funding of other programs helped close another 2,000 cases for a total of 18,000. Undoubtedly a lot of pro bono work goes unreported, but it is clear that the private bar cannot make up for LSC.

If we lose this fight today, and let Legal Services be reduced to irrelevance, the need will not go away. Within several years, I am convinced we will see our mistake, but it will take another generation to re-establish 343 local legal aid programs; to restaff their offices; to rebuild the resource centers; and to do something right for poor people and our legal system that we should never have quit doing in the first place.

Mr. MOLLOHAN. Mr. Chairman, I am pleased to yield 1 minute to the distinguished gentleman from Massachusetts [Mr. OLVER].

Mr. OLVER. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in support of the Mollohan-Fox amendment. Mr. Chairman, every day we do indeed pledge allegiance to the flag, which ends "with liberty and justice for all." Every American should have access to our judicial system, and none can have justice without that access. For millions of low-income Americans, the only chance for access to justice is through the Legal Services Corporation. Many Americans already assume and believe that only the rich benefit from our legal system.

Mr. Chairman, this cut makes that assumption and that belief a reality. I urge a "yes" vote on the amendment.

Mr. FOX of Pennsylvania. Mr. Chairman, I yield 30 seconds to the distinguished gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Mr. Chairman, I thank the gentleman for yielding time to me.

I rise in support of the Mollohan-Fox amendment. The numbers are pretty simple. In fiscal year 1995 there was $400 for the Legal Services Corporation. In fiscal year 1996 we properly, I think, cut it to $278 million, and we added restrictions on what they could do. If the bill passes as it is today, it would be $141 million, a 65-percent reduction from fiscal year 1995. With the amendment, it is still a reduction to $250 million or a 37½-percent reduction from fiscal year 1995.

We should support this amendment. We do need Legal Services for the poor. They simply cannot afford it otherwise. I urge everyone to support the amendment.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield 1½ minutes to the gentleman from California [Mr. DORNAN].

Mr. DORNAN. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I would agree with my distinguished colleague and friend, the gentleman from California, it is not about money. I also do not think it is about that beautiful last line in the Pledge of Allegiance, liberty and justice for all.

There are some of us that can make a compelling case that not only has Legal Services been arrogant and corrupt and done things to exacerbate illegal immigration and has actually hurt the poor by not letting people evict drug dealers from public housing, but past administrations have attempted without success to place any restrictions on LSC.

Their current President, Alexander Forger, has been particularly arrogant about his intention to resist any future congressional limitations. At a board meeting on April 11, 1995, he says this proudly; he said, "There is a legal case, if we choose to assert it, that the committee," in this case a House and Senate committee, "does not have any authority to make the decision over what cases we take."

Mr. Chairman, under the pretense of providing the impoverished with access to the legal system, the Legal Services Corporation has cost American taxpayers untold billions of dollars in politically motivated litigation costs—some say nearly $2 trillion! Many of these lawsuits are legal sleights of hand designed to undermine existing laws that limit welfare and other entitlements as well as prevent restrictions on LSC activities.

I will not go into the long list of cases that demonstrate the flagrant abuses of this agency. But I will tell you that in way too many cases, the LSC has an appalling and inexcusable record of all too often taking money from law-abiding, hard-working taxpayers and then giving it to the likes of convicted felons, delinquent fathers, illegal aliens, and even to drug dealers. And they do this without any accountability to the taxpayers who subsidize their outrageous behavior.

Here are just a few examples:

First, the LSC engages in litigation that actually harms the poor—such as preventing the eviction of drug dealers from public housing!

Second, the LSC promotes illegal immigration by suing for public benefits to illegal aliens and litigating on behalf of criminal aliens the Federal Government wants to deport.

Third, the LSC is too often anti-family. The program's hostility toward even the most basic family values is most evident in grantees' aggressive advocacy of abortion, support for homosexual rights, opposition to parental authority and a general disdain for the traditional family unit.

Fourth, LSC grantees spend significant resources on behalf of criminals in prison. In addition to suing prisons for disciplining criminals guilty of planning riots, escapes and other offenses, legal services lawyers have also engaged in extensive litigation demanding special and unreasonable privileges for convicts such as a constitutional right to, of all things, hot pots.

Mr. Chairman, Congress and past administrations have already attempted without success to place restrictions on LSC activities and behavior. Because money is fungible in the hands of private groups that have more than one funding source, LSC and its grantees have cleverly avoided these restrictions or any other attempt to make them accountable to the taxpayers that finance their activities. The LSC's current president, Alexander Forger, is particularly arrogant about his intention to resist future congressional limitations. At a LSC board meeting on April 11, 1995, in response to questions about the ability of House and Senate conferees to impose certain limitations on allocations of LSC funds, Forger said, "There is a legal case—if we chose to assert it—that the Committee does not have the authority to make that decision."

Mr. Chairman, I agree with those of my colleagues who want to ensure that the impoverished have access to the legal system. You will be hard-pressed to find a member of this Congress who feels otherwise. But while supporters of the LSC contend that the agency is the only source of legal services for the indigent, many people are not aware that sufficient private alternatives already exist to provide more effective legal assistance to the poor, such as pro bono work and non-LSC service providers. In fact, lawyers have a long and distinguished history of providing free legal services to the poor. The American Bar Association's 1993–94 directory of pro bono legal services listed over 900 programs! Of course, this does not include the hundreds of thousands of lawyers who prefer to do pro bono work on an individual basis. The ABA should recognize and encourage more of this type of charity work.

But that's not all. Since 1984, the ABA has issued a directory of literally hundreds upon hundreds of private bar involvement programs, including all legal service programs involving private attorneys, reduced-fee programs, judicare programs—in which private attorneys who take cases for the poor are reimbursed by the Government according to a set schedule of fees—private attorney referral programs, and programs in which attorneys do a specified amount of legal work for the poor under Government contract. LSC grantees did not create and do not direct the majority of these programs.

Although a complete inventory of all legal resources available to the needy does not exist, available information shows that ample resources are indeed available for the poor to turn to for legal help. Here are some specific examples:

First, Chicago Volunteer Legal Services provides legal aid to the poor without LSC funding by using seven staff attorneys and 1,500 pro bono lawyers.

Second, the Indianapolis Legal Aid Society last year received all of its $458,000 budget from private sources, primarily the United Way.

Third, in Tampa, FL, the courthouse assistance project, which receives no Government support, assists 300 low-income individuals a month right in the county courthouse. Similar programs are being set up in 14 other cities.

Fourth, in New York State, every county has set up a community dispute resolution center to handle legal disputes through mediation and arbitration. Each center receives half of its budget from the State and half from local governments and private groups. In 1994, the center handled 25,000 cases at a cost of $68 per case.

Fifth, the United Charities Legal Aid Bureau of Chicago handled 25,000 inquiries last year with a staff of only nine attorneys and a budget of less than $2 million. Its cost-per-case ratio is $80, compared to $250 for the 79-staff Legal Assistance Foundation of Chicago, which receives over 60 percent of its $10 million budget from the LSC.

Mr. Chairman, the Federal Government can no longer afford to maintain this agency, especially when so many resources already exist for the poor to turn to for legal aid when they need it. It's time to defund the left, to defund the failed Legal Services Corporation. In the words of a former hero President, "If not us, who? If not now, when?"

Mr. MOLLOHAN. Mr. Chairman, will the gentleman yield?

Mr. DORNAN. I yield to the gentleman from West Virginia.

Mr. MOLLOHAN. Mr. Chairman, I thank the gentleman from California for yielding to me.

Mr. Chairman, I take that quote at face value, but as a matter of fact, would the gentleman agree that those restrictions are in place and that they have been followed? I have not heard anybody say those restrictions to be put on Legal Services have in any way been violated. Would the gentleman agree with that?

Mr. DORNAN. I would say when they are getting the cuts we are giving them, they would be smart to live up to them.

Mr. MOLLOHAN. They have.

Mr. DORNAN. Mr. Chairman, I think we have to reinvent the wheel here. I think we have to have a whole new structure to help the poor so those without the benefit of good legal counsel can get it. But I think Legal Services Corporation is part of defunding the left that has almost bankrupted this country.

Mr. MOLLOHAN. Mr. Chairman, I am pleased to yield 1 minute to the distinguished gentleman from Maine [Mr. BALDACCI].

Mr. BALDACCI. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I am deeply opposed to the enormous funding cut this bill contains for the Legal Services Corporation, and I rise in strong support of this amendment to restore funding to Legal Services.

In 1989, the late Senator Ed Muskie chaired the Maine Commission on Legal Needs. In his preface to the Commission's report Senator Muskie wrote, "Assurances of equal justice, appear to the poor, to be meant for others. Their experience in the pursuit of justice has been frustration, loss of dignity, and all too often denial. Understandably, their faith in our legal system has been shaken. The problem carries implications for all in our society. It concerns the most basic principles of our social and legal order."

Mr. Chairman, this effort to eviscerate the Legal Services Corporation takes us a giant leap backward in our efforts to make "equal justice under the law" a reality for all Americans. Federal funds are needed to ensure that at least a minimum level of legal assistance is available to every American, regardless of their income.

In my State, Pine Tree Legal Service is the only Legal Services Corporation grantee. Pine Tree Legal provides outstanding legal support to Maine's poorest citizens. More than 230,000 Mainers—roughly 20 percent of the State's population—have incomes close to the Federal poverty guidelines. They cannot afford to retain a lawyer when they have a civil legal problem. They rely on Pine Tree Legal for help.

In 1994, Pine Tree helped more than 15,000 individuals in more than 380 Maine communities to address their civil legal problems. Because of Pine Tree's effective advocacy, families were reunited or able to remain together; women obtained protection from abuse on behalf of their children and themselves, and individuals with disabilities were given dignity and respect. Children were able to stay in school, and wage earners who lost their jobs were able to continue to support their families while they looked for new work.

The people who are represented by Pine Tree Legal generally have no where else to turn. Although the vast majority of the private bar in Maine does pro bono work, they simply cannot meet the entire demand. Pine Tree Legal complements the efforts of the private bar.

Unfortunately, due to the extraordinary cuts to the Legal Services Corporation previously adopted by this Congress, Pine Tree Legal's staffing currently stands at its lowest level since 1969. The need for services has not declined, however, and evidence indicates that for every person Pine Tree is able to help, five are not served.

The need for public funding of basic legal services was identified by the Nixon administration when it established the Legal Services Corporation. In the past 20 years, nothing has intervened to make that need less compelling. We must ask ourselves the fundamental question: "Can there be justice for any of us if there is not justice for all?" I believe the answer is no, and I urge my colleagues to support this effort to restore critical funds to the Legal Services Corporation.

Mr. MOLLOHAN. Mr. Chairman, I ask unanimous consent that I be given 1 additional minute in this debate, and that the gentleman from North Carolina [Mr. TAYLOR] be likewise given 1 additional minute. The reason I want it is I have a colloquy that I would like to enter into which will take about 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Ms. LOFGREN. Mr. Chairman, I have heard a lot of very excited comments today about misbehavior and horrible things that are happening with the representation of bad people across the country by legal aid societies. However, I think it is important to note that there are restrictions on the use of Federal funds that are made available. This amendment has no effect on them.

Legal aid societies who take Federal funds cannot accept juvenile or criminal law cases. They cannot do legislative or political advocacy. They cannot do lobbying. They cannot do class actions. There is no evidence that I have seen as a member of the Committee on the Judiciary, and we held hearings, that indicates that any of that is happening.

The gentleman from Indiana said earlier there are shell organizations that have been created, and that there is something illegal or wrong about this. I am sure he spoke sincerely, but I am from Santa Clara County. He did mention the Santa Clara County situation, and I am personally familiar with it. His comments were not accurate.

He mentioned a comment from a man who said, "That is why we are lawyers, not social workers." That person is not a he, it is a she. Her name is Liz Shivell, and she practices law in San José. I also have copies here, and I would be happy to share them with Members, of the articles of incorporation of the Legal Aid Society of Santa Clara County and the Community Legal Services Corp. They are two separate corporations. I have copies of the boards of directors of the Community Legal Services, which is the Legal Services Corp. grantee, and the Legal Aid Society, which is a private corporation that receives not one penny of Legal Services Corp. funding.

Mr. Chairman, I also have a copy of the brochure from the LSC-funded organization that says they cannot accept the following cases, and it lists all the prohibitions that this Congress has placed on legal aid societies.

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There was some controversy in Santa Clara County when the restrictions came down because many lawyers felt that they could not ethically practice under the restrictions that Congress had imposed. So leaders in the local legal community formed a separate corporation that does the work allowed under the Federal rules, and the Legal Aid Society now does whatever it wants to do as lawyers, as separately funded lawyers.

I helped raise money for the Legal Aid Society which receives no Legal Services money, along with our district attorney who is a tough prosecutor and, I would add, also a Republican. However, he believes, our prosecutor does, as do I, that we need to be able to do such things as provide restraining orders to victims of domestic violence without asking for their financial statements. That is one of the many reasons why I support the Mollohan amendment, and I am glad to be able to offer facts in support of it.

Mr. FOX of Pennsylvania. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Pennsylvania is recognized for 30 seconds.

Mr. FOX of Pennsylvania. Mr. Chairman, I think it has been very clear from the discussion this afternoon that Legal Services Corporation deserves the increase that is in the Mollohan-Fox amendment. We have seen the appropriate restrictions on the use of funds by LSC to only those legal cases for the poor. We also know that it is revenue neutral. There is no further tax increase here. There is an offset, which is appropriate.

Finally we have already seen the last 2 years such a downsizing cut that we cannot survive any further cut and still represent those in our society who need the assistance the most legally. I would ask my colleagues to please support this amendment and do right by all Americans.

Mr. MOLLOHAN. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from West Virginia is recognized for 1 minute.

Mr. MOLLOHAN. Mr. Chairman, I yield to the gentlewoman from California [Ms. ESHOO].

Ms. ESHOO. Mr. Chairman, I thank the gentleman from West Virginia [Mr. MOLLOHAN] for the work that he has done, as well as the gentleman from Pennsylvania [Mr. FOX], on this amendment. I share my colleagues' desire to adequately fund the Legal Services Corp.

However, as a member of the Committee on Commerce that has jurisdiction over the Securities and Exchange Commission and our Nation's securities markets, I believe it is also essential to maintain adequate oversight over the life savings of millions of Americans. I see that the amendment will reallocate funds from a variety of agencies, including the SEC which performs that oversight function and I believe does it very well.

Is it the gentleman's intention that carryover funds received by the SEC be available to it to compensate for the reduction in its budget called for in your amendment?

Mr. MOLLOHAN. I am pleased to assure the gentlewoman that the answer is yes.

Ms. ESHOO. I am pleased about the assurance. I support the amendment, and I thank the gentleman from West Virginia. I think this is an important issue to have a part of the record.

The CHAIRMAN. The gentleman from North Carolina [Mr. TAYLOR] has 2 minutes remaining and the right to close.

Mr. TAYLOR of North Carolina. Mr. Chairman, I yield myself the balance of my time.

Mr. MOLLOHAN. Mr. Chairman, will the gentleman yield?

Mr. TAYLOR of North Carolina. I yield to the gentleman from West Virginia.

Mr. MOLLOHAN. Mr. Chairman, I would just like to make the point that the authorizing committee authorized $250 million for this program.

Mr. TAYLOR of North Carolina. Reclaiming my time, Mr. Chairman, a former chairman of the Legal Services Corporation several years ago, seeing the multitude of abuses in the big government Legal Services Corporation, tried to reform it. He was sued with taxpayers' money by the Legal Services Corporation and never got through any of those reforms. Today he stands as a strong opponent to the big government Legal Services Corporation that the gentleman wants funded for $250 million.

I would say most of the people on this side of the aisle who have spoken to increase the funding amount to $250 million voted for the budget amendment that actually would hold it at $95 million, while we are talking about $141 million today. I would say also to the question, they will go where they go now, which is the great majority of legal services in this country is provided by non-Federal Government programs, the over 900 programs that are out there that are private programs, the millions of dollars that fund other non-Federal funded programs and pro bono programs.

The myth is these folks think legal services will come to a halt if we do not keep the Federal Government, that is, the big government that is hurting the poor more than it is helping, involved. That just is not true. We will continue to have legal services programs. In fact, the 82 percent increase that we have shown in nonlegal service funds, Federal big government funds, and the 21 percent in IOLTA funds will continue to increase, so we shall continue to have good programs for the poor, but without the big government national meddling that has embarrassed and in fact turned much of this Nation against Legal Services because of hat mismanagement.

The gentleman also suggests taking $57 million from our Federal Prison Program and our courts. That will keep more violent criminals on the street. So while he is working for a national program, a big government program, we in fact will be hurting the justice system of this country. I urge Members to vote "no" on the Mollohan amendment.

Ms. MILLENDER-McDONALD. Mr. Chairman, I am in support of the Mollohan amendment to increase funding for the Legal Services Corporation. We live in a litigious society, and all people may need legal counsel. Legal counsel is not a luxury to be available to only a portion of society, it is a necessity for all.

My colleagues on the other side of the aisle have not provided adequate funding to the Legal Services Corporation, and I applaud Mr.

MOLLOHAN for bringing this amendment forward to protect the least fortunate among us.

This amendment addresses an issue of fairness. It is not fair to allow people of means to have counsel and not provide it to the poor, simply because they lack the means.

We have experienced other instances of unfair treatment of people in the history of our Nation and it would be wrong to go down that path again here.

I urge my colleagues to support the Mollohan amendment to increase funding for the Legal Services Corporation by $109 million.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in support of the amendment to restore funding for the Legal Services Corporation [LSC] under these Commerce, Justice, State fiscal year 1997 appropriations, H.R. 3814.

The Dole-Gingrich Republicans' proposed funding to the LSC, which provides legal services to low-income families and individuals, is yet another demonstration that they are out of touch with the American people. If they think by some wildly distorted imagination that they are, they are dreaming; but their dream is a nightmare to many Americans. Dole-Gingrich Republicans and their fat-cat supporters don't benefit from the Legal Services Corporation, so it's not surprising that they have targeted the LSC as a prime agency to starve to death by severely cutting off its funding. Since their fat-cat supporters have incomes that make them ineligible for the free or reduced-fee legal services, that could be one explanation for why this bill guts the LSC funding.

The original bill proposes funding which is $137 million—49 percent—less than the current appropriation for LSC and $199 million less than the President's request. Such drastically reduced funding as well as Republican mandated policy restrictions on the use of LSC funds, tie the hands of this valuable public service program. For example, under the Republican plan, slum landlords will have fewer effective opponents to object to being victimized; worse still, victims of domestic violence—usually women—will be denied their best and often only resource to escape an abusing partner. Family law, which includes the representation of victims of domestic violence, is the single largest category of cases handled by the 278 local legal services programs across the Nation. We need to be reminded that 1 out of every 3 of the 1.7 million cases that legal services programs handle each year concerns family law.

In 1995, legal services programs handled over 59,000 cases in which clients sought legal protection from abusive spouses, representation in their child custody proceedings to assure fairness in all matters including child support and enforcement provisions, assistance in locating services and funding for emergency and permanent housing or other benefits enabling them and their children to escape violent situations. Over 9,300 cases involved neglected, abused and dependent juveniles.

I am especially pleased that in Chicago an innovative program targeted at domestic violence has been developed by local legal services programs as part of the National Legal Services Corps, one of the first national initiatives funded through the AmericCorps national service effort.

Since its creation in 1974, the Legal Services Corporation has come to represent a chance, not a guarantee, but just a chance to receive fairness in our society and from our judicial system. Unfortunately, that change is not even a dream without adequate funding. In creating the LSC, the Congress determined that the Federal Government had an important interest in ensuring all persons have access to their system of justice in America. The concept of equal justice is fundamental to our system of government, economy, personal relations and just plain personal security and peace of mind. Without sufficient funding, legal equality will be a dream of the past. Once again, only the rich and the powerful will have access to the legal system and the poor, weak, vulnerable, and disenfranchised will slip down another rung on the cultural, economic, and justice ladder of individual liberties.

Many of my constituents rely on the LSC for a chance at fair treatment in the judicial system, and the high-priced private lawyers support the LSC because it means that they don't have to feel as guilty about charging their high hourly rates. While many lawyers in private practice do provide their legal services on a pro bono basis, but not nearly enough to provide the amount of services that are needed.

In many LSC programs, the core Federal funding provides the structure for client intake and screening referral of cases, handling emergency matters, training of pro bono lawyers, and handling of cases when no private lawyers can do so. LSC leverages and facilitates the utilization and maximization of private resources, both in-kind, pro bono services and private funding. With only 3 percent of its budget spent on administration, and with its unique ability to leverage private resources, the LSC deserves more, not fewer, resources. It is a well-run corporation that is cost effective and programmatically extraordinarily successful.

Increased funding for LSC is supported by many notable organizations. Two stellar examples are the American Bar Association [ABA] and the American Civil Liberties Union [ACLU]. The ABA has said that without the core Federal resources to train lawyers and put them in touch with needy clients, the members of the ABA couldn't continue to provide the level or quality of pro bono services that they do. The ABA credits those among the reasons for the ABA supporting the creation of the LSC over three decades ago. The ACLU has long maintained that the promise of equal protection under the law cannot be fully realized without a federally funded legal services program, and strenuously oppose the legislative restrictions sought under this appropriations bill, which would create categories of speech and litigation that unfairly discriminate against LSC employees as well as their clients.

For these reasons and more, I urge my colleagues to support this amendment to adequately fund the Legal Services Corporation.

I yield back the balance of my time.

Ms. PELOSI. Mr. Chairman, I rise to support the Mollohan amendment to restore funding to the Legal Services Corporation.

Among its services, the LSC provides crucial legal assistance for victims of domestic violence. Over 1 million women a year are victims of violence by husbands or boyfriends. Domestic violence is a problem at all income levels, and legal services clinics are often the only means by which low-income women can legally protect themselves from their batteries.

Legal Services assist victims of domestic violence in a variety of ways, including obtaining protection orders, child support, child custody, divorces from abusive spouses, and emergency housing.

San Fernando Valley Legal Services estimates that, as a result of reduction in staff because of these cuts, at least 1,000 victims of domestic violence in that area alone will be denied assistance in obtaining emergency temporary restraining orders.

This Congress has shown a strong bipartisan commitment to important implications for the future. I urge you to support the Mollohan-Fox amendment to restore funding to the Legal Services Corporation.

Mr. PAYNE of New Jersey. Mr. Chairman, as chairman of the Congressional Black Caucus, I rise to express my strong support for restoration of funding for the Legal Services Program.

As Americans, we should strive to make the words "equal justice under the law" not just a concept, but a reality.

Unfortunately, Americans who lack financial resources do not have equal footing in our system of justice. All over the country, thousands of people seeking legal help are being turned away because legal service programs have been forced to cut staff and to reduce the services they are able to offer.

Many of those served are abused women and their children who turn to the courts for protection. As we continue the national dialog on family values, shouldn't we be helping these families who have no where else to turn?

Legal services programs are prohibited from engaging in legislative or administrative advocacy, thus addressing concerns raised by some Members of Congress.

We are all aware of the fiscal constraints under which Congress is operating, but should we put a price on the American principle of equal justice? Let me point out that in this comprehensive Commerce, State, Justice appropriations bill, funding for legal services represents less than one-half of 1 percent of the $29.5 billion in the Commerce, State, Justice.

I urge my colleagues to join me in restoring funds for the Legal Services Corporation.

Mr. COSTELLO. Mr. Chairman, today this House will consider legislation that represents another attack on services that directly affect the poor and vulnerable members of our society. The Committee-Justice-State appropriations bill for fiscal year 1997 cuts funding for the Legal Services, Corporation by nearly 50 percent. This is the lowest funding level in the history of the program—a program that works to protect the legal rights of citizens who otherwise could not afford legal assistance. The drastic cut in the Legal Services Corporation included in this appropriations bill curtails a much-needed program and threatens the legal rights of every poor or near-poor person in this country. I urge my colleagues not to abandon critical legal recourse for the poor and to support the Mollohan-Fox amendment which will restore $109 million to the LSC to ensure that legal help is available to those who need it the most.

The Legal Services Corporation is a good example of a Federal program that is effectively being administered at the local level. The leadership of this House claims to want to expand the role of State and local authority while shrinking the size of the Federal Government. The Legal Services Corporation is a prime example of how local control of a federal program is working. The creators of the LSC recognized that decisions about how legal services should be allocated are best made not by officials in Washington, but at a local level, by the people who understand the problems that face their communities.

The Legal Services Corporation, begun in 1974 and supported by President Nixon, has had bi-partisan support and has served millions of people since its inception. Today, the LSC provides funds to operate programs in approximately 1,100 communities nationwide. Together, these offices provide services to every county in the Nation. LSC programs provide services to more than a million clients per year, benefitting approximately 5 million individuals, the majority of them children living in poverty. Family law makes up one-third of all of the cases handled by LSC programs each year. In 1995, legal services programs handled over 9,300 cases involving abused and neglected children.

Today the Legal Services Corporation also plays an important role in providing legal representation for victims of domestic violence. Legal service programs have been successful in helping victims of domestic violence protect themselves by obtaining orders of protection and granting divorces. Legal service attorneys also work to retain child support from absent parents. By providing quality legal services to the poor, the Legal Services Corporation assures that no woman is condemned to a violent and dangerous marriage because she cannot afford a lawyer. I cannot stand by quietly and watch this body endanger women and children by limiting their access to our legal system.

Studies have shown that most poor people do not currently receive proper legal advice when confronted with legal problems. The Legal Services Corporation helps remedy this shameful inequity. Clearly, the Legal Services Corporation needs to be expanded, not scaled down on a path toward elimination as under this bill. Again, I urge my colleagues to oppose cuts in legal services and to support the Mollohan-Fox amendment.

Mrs. MALONEY. Mr. Chairman, I rise to speak to the proposed irresponsible cuts to the Legal Services Corporation.

The Legal Services Corporation acts as a founding principle of this country—equal justice under law—by supplying legal representation to those who would not otherwise be able to afford it.

Those affected by the loss of legal services are the same people the Contract With America has made a career of attacking: seniors, women, children, and low-income Americans.

This bill renders the Legal Services Corporation ineffective because it so strictly limits what they can do.

It cuts their funding and prohibits their ability to bring class action suits.

This is just another way for the Republican majority to systematically disinvest in the poor.

Mr. Chairman, we should fully fund the Legal Services Corporation.

If we don't make equal justice under the law a reality for all Americans, who will?

Mr. DIXON. Mr. Chairman, I rise in strong support of the amendment offered by Representatives MOLLOHAN and FOX. The reduction in funding for the Legal Services Corporation [LSC] included in H.R. 3814 is an affront to one of this Nation's most sacred promises to its people—the promise of equal justice under law.

It is also a very unfortunate continuation of the assault on the Nation's have nots that we have witnessed over the past 2 years. It is essential that the 50-percent cut in funding to the LSC be restored to ensure that poor Americans have some reasonable chance of access to the legal system enjoyed by the majority of Americans.

LSC has done an exemplary job for over 30 years of providing access to the legal system for lower income Americans. It has done so in a manner which reflects many of the guiding principles of Government reinvention to which the majority adheres: local control, volunteerism, public-private partnerships, and decentralization with low administrative costs and limited bureaucracy.

Yet, once again, we are forced to acquiesce to opponents of LSC who use isolated and anecdotal claims to insist that the Corporation's main activity has been to pursue a political and social agenda. It was not enough to implement broad restrictions on grantee activities, and reduce funding for LSC programs by over 30 percent, as we did the last appropriations bill. Today, the legislation before us includes a draconian 50-percent reduction in LSC funding from fiscal year 1996 which will devastate the access of poor Americans to adequate legal representation.

In the face of new political realities, legal services advocates have been willing to bend over backwards to accept far reaching restrictions on attorney activities to ensure the continued existence of a viable core program. Efforts to comply with restrictions and cope with funding reductions have apparently done little to appease the agency's critics. It appears that it was never the Corporation's involvement in specific kinds of cases that so infuriated opponents—it was just the mere existence of any Federal effort to facilitate access to legal services for the poor.

Make no mistake—the $141 million funding level provided in this bill will have severe consequences for access to the legal system for lower income Americans. Neither State and local governments nor the private bar can be expected to pick up the caseload of the LSC Program. It is completely unrealistic to assume that already hard pressed State and local governments will shift funds to legal aid programs, particularly as we in Washington continue to shift other competing responsibilities back to the States.

Likewise, it is estimated that even if the present level of pro bono services were doubled or tripled, only a fraction of the services now provided by legal services attorneys would be retained. Indeed, the LSC now leverages greater utilization of private resources, in addition to providing critical training and support for pro bono programs.

We all support increased activity on the part of the private bar to meet the legal needs of the poor. But saying it should be so, does not make it so.

In my own State of California, the impacts of further cuts in the LSC budget will devastate LSC-funded programs which account for approximately 45 percent of the funds available for civil legal services to the poor. In all parts of the State, the Corporation's programs provide the majority of legal services to low-income Californians.

In 1995, 14 California pro bono programs were LSC subgrantees in 1995. If grants are cut by the amount proposed in this legislation, almost $2 million in funds which support private attorney involvement will be lost in California alone.

I urge my colleagues to take a careful look at what we have already done to the Legal Services Corporation. We have already cut funding to the LSC by over 30 percent. We have already enacted restrictions to forbid LSC involvement in class action suits, welfare reform, prisoner representation, and a host of other activities which some Members found objectionable.

If we now accept the $141 million funding level in this bill, we drastically erode the core mission of the LSC which I believe the majority of House Members support: providing access to legal assistance for low-income Americans who may be the victims of domestic violence; who face landlord-tenant disputes; who are wrongfully denied certain benefits; or who are the victims of consumer fraud without the means to seek legal recourse that most of us take for granted. These are the core activities of the Legal Services Corporation that demand our continued support.

I urge my colleagues to support the Mollohan-Fox amendment. Funding the Legal Services Corporation at $250 million is the very least we can do to ensure some continued access to legal representation for the poor.

Mr. TORKILDSEN. Mr. Chairman, I rise in strong support of this amendment and in support of legal services for all Americans.

Regardless of party or ideology, we can all agree that legal services are beyond the grasp of many hardworking Americans, particularly those struggling to provide their families with the very basic necessities of life. Without the Legal Services Corporation, the very poor in this Nation will have nowhere to go when that eviction notice arrives, or an abusive husband threatens a wife's life.

This bill represents a 33-percent reduction, which is above and beyond the 50-percent reduction the LSC absorbed last year.

We need to think of legal services in terms of the people who benefit. In my district, 1,800 people were served by community legal service groups last year. Most cases dealt with domestic abuse, evictions, other housing issues, and assistance for those with disabilities.

These are bread-and-butter services—not high-profile class-action suits. In fact, last year's bill fully addressed the criticisms of the Legal Services Corporation, focusing the program on what matters most—basic legal protection for the poor.

Let's not punish people twice; I urge my colleagues to support legal services and support this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from West Virginia [Mr. MOLLOHAN].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. BURTON of Indiana. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 247, noes 179, not voting 7, as follows:

[Roll No. 341]

AYES—247

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bilbray
Bishop
Blumenauer
Blute
Boehlert
Bonilla
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Camp
Canady
Cardin
Castle
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Ehlers
Engel
Eshoo
Evans
Farr
Fattah
Fawell
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Foley
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Gonzalez
Goodlatte
Gordon
Green (TX)
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hoke
Holden
Horn
Houghton
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
Klug
LaFalce
LaHood
Lantos
Latham
LaTourette
Lazio
Leach
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Longley
Lowey
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
McCarthy
McCollum
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Moran
Morella
Murtha
Nadler
Neal
Nethercutt
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Pickett
Pomeroy
Porter
Poshard
Pryce
Quinn
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Rivers
Roemer
Ros-Lehtinen
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Saxton
Schiff
Schroeder
Schumer
Scott
Serrano
Shays
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Walsh
Ward
Waters
Watt (NC)
Waxman
Weldon (PA)
Williams
Wilson
Wise
Woolsey
Wynn
Yates
Zimmer

NOES—179

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilirakis
Bliley
Boehner
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Campbell
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Deal
DeLay
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehrlich
English
Ensign
Everett
Ewing
Fields (TX)
Forbes
Funderburk
Gallegly
Ganske
Gekas
Gillmor
Goodling
Goss
Graham
Greene (UT)
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson, Sam
Jones
Kasich
Kim
King
Kingston
Knollenberg
Kolbe
Largent
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Lucas
Manzullo
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Myers
Myrick
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pombo
Portman
Quillen
Radanovich
Riggs
Roberts
Rogers
Rohrabacher
Roth
Royce
Salmon
Sanford
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Vucanovich
Walker
Wamp
Watts (OK)
Weldon (FL)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Zeliff

NOT VOTING—7

Collins (IL)
Fazio
Lincoln
Matsui
McDade
Peterson (FL)
Young (FL)

☐ 1724

Mr. McINTOSH and Mr. CALLAHAN changed their vote from "aye" to "no."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

RADIATION EXPOSURE COMPENSATION

ADMINISTRATIVE EXPENSES

For necessary administrative expenses in accordance with the Radiation Exposure Compensation Act, $2,000,000.

PAYMENT TO RADIATION EXPOSURE COMPENSATION TRUST FUND

For payments to the Radiation Exposure Compensation Trust Fund, $13,736,000, not to be available for obligation until September 30, 1997.

INTERAGENCY LAW ENFORCEMENT

INTERAGENCY CRIME AND DRUG ENFORCEMENT

For necessary expenses for the detection, investigation, and prosecution of individuals involved in organized crime drug trafficking not otherwise provided for, to include intergovernmental agreements with State and local law enforcement agencies engaged in the investigation and prosecution of individuals involved in organized crime drug trafficking, $372,017,000, of which $50,000,000 shall remain available until expended: *Provided*, That any amounts obligated from appropriations under this heading may be used under authorities available to the organizations reimbursed from this appropriation: *Provided further*, That any unobligated balances remaining available at the end of the fiscal year shall revert to the Attorney General for reallocation among participating organizations in succeeding fiscal years, subject to the reprogramming procedures described in section 605 of this Act.

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

For necessary expenses of the Federal Bureau of Investigation for detection, investigation, and prosecution of crimes against the United States, including purchase for police-type use of not to exceed 2,706 passenger motor vehicles, of which 1,945 will be for replacement only, without regard to the general purchase price limitation for the current fiscal year, and hire of passenger motor vehicles, acquisition, lease, maintenance, and operation of aircraft; and not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of, and to be accounted for solely under the certificate of, the Attorney General; $2,528,706,000, of which not to exceed $50,000,000 for automated data processing and telecommunications and technical investigative equipment and $1,000,000 for undercover operations shall remain available until September 30, 1998; of which not less than $117,081,000 shall be for counterterrorism investigations, foreign counterintelligence, and other activities related to our national security; of which not to exceed $98,400,000 shall remain available until expended; of which not to exceed $10,000,000 is authorized to be made available for making payments or advances for expenses arising out of contractual or reimbursable agreements with State and local law enforcement agencies while engaged in cooperative activities related to violent crime, terrorism, organized crime, and drug investigations; and of which $1,500,000 shall be available to maintain an independent program office dedicated solely to the relocation of the Criminal Justice Information Services Division and the automation of fingerprint identification services: *Provided*, That not to exceed $45,000 shall be available for official reception and representation expenses.

VIOLENT CRIME REDUCTION PROGRAMS

For activities authorized by the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103-322) as amended ("the 1994 Act"), and the Antiterrorism and Effective Death Penalty Act of 1996 ("the Antiterrorism Act"), $153,000,000, to remain available until expended, which shall be derived from the Violent Crime Reduction

Trust Fund; of which $56,077,000 shall be for activities authorized by section 190001(c) of the 1994 Act and section 811 of the Antiterrorism Act; $76,423,000 shall be for activities authorized by section 190001(b) of the 1994 Act, of which $20,240,000 shall be for activities authorized by section 103 of the Brady Handgun Violence Prevention Act (Public Law 103–159), as amended; $4,000,000 shall be for training and investigative assistance authorized by section 210501 of the 1994 Act; $9,500,000 shall be for grants to States, as authorized by section 811(b) of the Antiterrorism Act; $5,500,000 shall be for establishing DNA quality-assurance and proficiency-testing standards, establishing an index to facilitate law enforcement exchange of DNA identification information, and related activities authorized by section 210501 of the 1994 Act; and $1,500,000 shall be for investigative support for Senior Citizens Against Marketing Scams, as authorized by section 250005 of the 1994 Act.

CONSTRUCTION

For necessary expenses to construct or acquire buildings and sites by purchase, or as otherwise authorized by law (including equipment for such buildings); conversion and extension of federally-owned buildings; and preliminary planning and design of projects; $55,676,000, to remain available until expended.

DRUG ENFORCEMENT ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Drug Enforcement Administration, including not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of, and to be accounted for solely under the certificate of, the Attorney General; expenses for conducting drug education and training programs, including travel and related expenses for participants in such programs and the distribution of items of token value that promote the goals of such programs; purchase of not to exceed 1,158 passenger motor vehicles, of which 1,032 will be for replacement only, for police-type use without regard to the general purchase price limitation for the current fiscal year; and acquisition, lease, maintenance, and operation of aircraft; $733,038,000, of which not to exceed $1,800,000 for research and $15,000,000 for transfer to the Drug Diversion Control Fee Account for operating expenses shall remain available until expended, and of which not to exceed $4,000,000 for purchase of evidence and payments for information, not to exceed $4,000,000 for contracting for automated data processing and telecommunications equipment, and not to exceed $2,000,000 for laboratory equipment, $4,000,000 for technical equipment, and $2,000,000 for aircraft replacement retrofit and parts, shall remain available until September 30, 1998; and of which not to exceed $50,000 shall be available for official reception and representation expenses.

□ 1730

AMENDMENT OFFERED BY MR. RADANOVICH

Mr. RADANOVICH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. RADANOVICH: Page 17, line 8, after the dollar amount, insert the following: "(increased by $109,000,000)".

Page 99, line 14, after the dollar amount, insert the following: "(reduced by $109,000,000)".

Page 99, line 15, after the dollar amount, insert the following: "(reduced by $109,000,000)".

Mr. RADANOVICH (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROGERS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky.

There was no objection.

The CHAIRMAN. The gentleman from California [Mr. RADANOVICH] will be recognized for 5 minutes in support of this amendment.

Who seeks time in opposition?

Mr. MOLLOHAN. Mr. Chairman, I rise in opposition.

The CHAIRMAN. The gentleman from West Virginia [Mr. MOLLOHAN] will be recognized for 5 minutes in opposition.

The Chair recognizes the gentleman from California [Mr. RADANOVICH].

Mr. RADANOVICH. Mr. Chairman, just earlier today the House voted to increase funding for the Legal Services Corporation by $109 million. My amendment would take this $109 million increase from the LSC and transfer it to salaries and expenditures for the Drug Enforcement Administration.

Mr. Chairman, the question this amendment poses is simple. Would Members rather further line the pockets of lawyers with $109 million of taxpayers' dollars or would they rather see this $109 million spent fighting drugs? In my mind the answer is simple. These taxpayers' dollars would be much better spent fighting the war on drugs.

Today's proponents of increasing funding for the Legal Services Corporation have spoken about restrictions placed upon the LSC in last year's appropriations bill. They claim that these restrictions have placed new limits upon the LSC and have forced it to act more responsibly. But these proponents have failed to note that the LSC is not a Federal agency of the Federal Government, so Congress has no way of enforcing these restrictions. So in effect, Congress is providing funding for the LSC, but we have no real control over this organization.

The Legal Services Corporation is a portrait of Government mismanagement. It has wreaked havoc in rural communities by bringing numerous frivolous lawsuits against America's farmers. The Federal Government can no longer afford to maintain a reckless and irresponsible agency that engages in politically motivated litigation at the expense of all the poor and all the taxpayers.

The LSC has hampered the country's fight against illegal drug use. It has worked to prevent the eviction of drug dealers from public housing. In contrast, the DEA has worked on behalf of the public, not against it, to get drug dealers out of the public household and off the streets.

Recent polls have shown an increase in illicit drug use by Americans during the past several years. I am certain that the American people would prefer to see their taxpayer dollars spent fighting the threat that illegal drugs pose to their children. They do not want to see even more of their tax dollars go toward public funding of lawyers.

Mr. Chairman, I urge my colleagues to vote sensibly, vote to take the funds away from the irresponsible Legal Services Corporation and use these funds to fight drug abuse.

Mr. MOLLOHAN. Mr. Chairman, will the gentleman yield?

Mr. RADANOVICH. I yield to the gentleman from West Virginia.

Mr. MOLLOHAN. Mr. Chairman, I do not recall the gentleman participating in the debate on the previous amendment. Did the gentleman?

Mr. RADANOVICH. Mr. Chairman, reclaiming my time, I would respond to the gentleman that I did not.

Mr. MOLLOHAN. Mr. Chairman, if the gentleman would continue to yield, I think those arguments which were made during the last debate would probably be better focused at that because that is where the issue was formed about whether the body wanted to increase funding for Legal Services up, incidentally, to the $250 million mark that is contained in the authorization, which is not law but it is contained in the authorization.

Mr. Chairman, I just would like to point out that that is where that debate occurred, and I am wondering why is the gentleman now participating in the same debate?

Mr. RADANOVICH. Mr. Chairman, what we have a responsibility to do is represent the interests in our district, and the LSC is not well thought of, and when they begin penalizing farmers for providing housing and bringing up frivolous lawsuits that are politically motivated, then I do not think any increase in that order is in good order and I think the money is better spent in drug enforcement.

Mr. MOLLOHAN. Mr. Chairman, if the gentleman will continue yielding, getting back into the substance of the debate, I just wonder if the gentleman is aware that last year it was actually this subcommittee, under the leadership of the gentleman from Kentucky, Chairman ROGERS, that placed in the Commerce-Justice-State appropriations bill restrictions upon the Legal Services Corporation that the Legal Services Corporation is living under.

Again, we have already had that debate, and the body just voted to take from the offsets that we have.

Mr. RADANOVICH. Mr. Chairman, reclaiming my time, the gentleman has his time and he is welcome to respond to this.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. RADANOVICH. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, during the debate to which the gentleman from West Virginia [Mr. MOLLOHAN] refers, it was made very clear that many legal services corporations that did not want to abide by the new rules were forming shell corporations to get around that, so they could still involve themselves in social issues rather than really dealing with the problems of the poor.

That is a fact, and I wanted to clarify that point. I think the gentleman for yielding.

Mr. RADANOVICH. Mr. Chairman, I yield back the balance of my time.

Mr. MOLLOHAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in the debate, which was really on the Legal Services Corporation amendment, I actually tried to get the gentleman from Indiana [Mr. BURTON] to yield. If he is available I would be pleased to engage him in the discussion. I would be pleased to engage the gentleman from California likewise during my time on this issue.

I want to thank the gentleman from California for yielding. I know some of the folks came around and told him not to yield, but I think it is really in the best interest of debate in order for him to do so.

Why now is the gentleman offering this amendment and making these points when the debate occurred here just a while ago on this issue?

Mr. RADANOVICH. Mr. Chairman, will the gentleman yield?

Mr. MOLLOHAN. I yield to the gentleman from California.

Mr. RADANOVICH. Mr. Chairman, I would respond to the gentleman, because that amendment passed.

I guess the bottom line is that we have a disagreement on whether or not a corporation such as LSC, that has recklessly spent that money, should be further funded beyond this point.

Mr. MOLLOHAN. Mr. Chairman, reclaiming my time, there were some legitimate concerns raised about the activities that the Legal Services Corporation was engaged in in the past.

I would suggest to the gentleman the clear victory last year. The gentleman from Kentucky [Mr. ROGERS] put real restrictions in the bill. Is the gentleman familiar with the restrictions put in the bill last year?

And I yield to the gentleman to answer that question.

Mr. RADANOVICH. Mr. Chairman, I thank the gentleman for continuing to yield, and, yes, I would rather see fruit come from that bill rather than further fund them in areas where we have no proof that they backed off some of the politically motivated stuff they are doing right now.

Mr. MOLLOHAN. Does the gentleman acknowledge, or is the gentleman aware of the restrictions put in last year that address some of the concerns he mentioned when he spoke in favor of his amendment?

Mr. RADANOVICH. Mr. Chairman, I am not aware of any of the benefits experienced yet of those restrictions. Until I see benefits resulting from those changes in the law, then I do not support an increase in funding for LSC.

Mr. MOLLOHAN. Is the gentleman familiar with the restrictions put there?

Mr. RADANOVICH. That is my response, Mr. Chairman. Until we see some benefit from the changes in this thing, I think it is totally ridiculous to be funding LSC.

Mr. MOLLOHAN. Mr. Chairman, reclaiming my time, I would suggest to the gentleman that the legal services corporations are abiding by these restrictions.

Now, Mr. Chairman, the gentleman from Indiana, in his debate on the floor, when he would not yield to me on his time——

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. MOLLOHAN. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, I did not yield to the gentleman only because I did not have the time, or I would have been happy to do so.

Mr. MOLLOHAN. Mr. Chairman, reclaiming my time, I appreciate that.

The gentleman from Indiana indicated that legal services corporations would set up separate entities. My response to the gentleman from Indiana is that this is America. Anybody can set up corporations anywhere for a legal purpose, which may or may not have been done. But let us focus here. This is funding for the Legal Services Corporation, created, I believe, in 1974 for this purpose. This is funding to them.

They are not, at least based upon what I heard in the gentleman's debate, they are not engaged in activities that would violate these restrictions. We are talking about funding entities, the Legal Services Corporation, that are abiding by these restrictions.

Mr. BURTON of Indiana. Mr. Chairman, if the gentleman will continue to yield, I can give the gentleman at least two examples where they were deliberately setting up shell organizations to circumvent the intent of the rules passed by the gentleman from Kentucky.

May I give the gentleman examples?

Mr. MOLLOHAN. Mr. Chairman, the gentleman gave them in debate.

Mr. BURTON of Indiana. Well, I want to give them in a little more detail, if the gentleman wants that.

Mr. MOLLOHAN. Mr. Chairman, let me reclaim my time and let me stipulate that some entities are set up. That gets back to this point. Any group, which for a lawful purpose sets up activities outside of these corporations, can do that. We cannot stop them from doing that here.

But let me ask the gentleman, is there a commingling of funds?

Mr. BURTON of Indiana. Mr. Chairman, if the gentleman will continue to yield, they are doing it deliberately to circumvent the law and the rules passed by the gentleman from Kentucky. That is the problem.

☐ 1745

Mr. MOLLOHAN. Mr. Chairman, we have had this debate.

Now let me get back to the gentleman from California. He is taking the $109 million that we took in offsets. Had he intended to offer this amendment prior to the legal services amendment?

Mr. RADANOVICH. Mr. Chairman, if the gentleman will continue to yield, it was not my intention to try to do that because this legislation passed.

The CHAIRMAN. The time of the gentleman from West Virginia [Mr. MOLLOHAN] has expired.

The question is on the amendment offered by the gentleman from California [Mr. RADANOVICH].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. RADANOVICH. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 169, noes 254, not voting 10, as follows:

[Roll No. 342]

AYES—169

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilirakis
Bliley
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Campbell
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Deal
Dickey
Doolittle
Dornan
Dreier
Duncan
Ehrlich
English
Ensign
Everett
Ewing
Fields (TX)
Funderburk
Gallegly
Ganske
Gilchrest
Gillmor
Goodling
Goss
Graham
Greene (UT)
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hostettler
Hunter
Hutchinson
Inglis
Istook
Johnson, Sam
Jones
Kasich
Kim
Kingston
Knollenberg
Kolbe
Largent
Laughlin
Lewis (KY)
Lightfoot
Linder
Livingston

Lucas
Manzullo
Martini
McCrery
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Molinari
Montgomery
Moorhead
Myers
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pombo
Portman
Quillen
Radanovich
Riggs
Roberts
Rohrabacher
Royce
Salmon
Sanford
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Tiahrt
Vucanovich
Walker
Wamp
Weldon (FL)
Weller
White
Wicker
Wolf
Zeliff

NOES—254

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bilbray
Bishop
Blumenauer
Blute
Boehlert
Bonior
Borski
Boucher
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Coleman
Collins (MI)
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Conyers
Costello
Coyne
Cramer
Cummings
Danner
Davis
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Diaz-Balart
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dunn
Durbin
Edwards
Ehlers
Engel
Eshoo
Evans
Farr
Fattah
Fawell
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilman
Gonzalez
Goodlatte
Gordon
Green (TX)
Greenwood
Gunderson
Gutierrez
Hall (OH)
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Hastings (FL)
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Hilliard
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Hoyer
Hyde
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
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King
Kleczka
Klink
Klug
LaFalce
LaHood
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Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Longley
Lowey
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Mascara
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McCollum
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Millender-McDonald
Miller (CA)
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Mollohan
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Nethercutt
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Obey
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Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
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Ramstad
Rangel
Reed
Regula
Richardson
Rivers
Roemer
Rogers
Ros-Lehtinen
Rose
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Saxton
Schiff
Schroeder
Schumer
Scott
Serrano
Shays
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Walsh
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (PA)
Whitfield
Williams
Wilson
Wise
Woolsey
Wynn
Yates
Young (AK)
Zimmer

NOT VOTING—10

Collins (IL)
DeLay
Fazio
Gekas
Lincoln
Matsui
McDade
Myrick
Roth
Young (FL)

□ 1803

Messrs. DINGELL, SAXTON, and LoBIONDO changed their vote from "aye" to "no."

Mr. ALLARD, Mr. BARTON of Texas, Ms. GREENE of Utah, Mr. SMITH of Texas, and Mr. SPENCE changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. WATTS of Oklahoma. Mr. Chairman, on rollcall No. 342, I inadvertently pushed the "nay" button. I meant to vote "yes" and I would like the RECORD to reflect this statement.

PERSONAL EXPLANATION

Mrs. MYRICK. Mr. Speaker, on Tuesday, July 23, 1996, due to a malfunction of my congressional beeper, I missed rollcall vote No. 342, an amendment to H.R. 3814, the Commerce, Justice, State and the Judiciary Appropriations Act for fiscal year 1997, offered by Representative GEORGE RADANOVICH. I intended to vote "Yea" on Mr. RADANOVICH's amendment, as I fully support increased efforts to combat the escalating use of drugs in our country.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

VIOLENT CRIME REDUCTION PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

For activities authorized by sections 180104 and 190001(b) of the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322), as amended, and section 814 of the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104–132), and for the purchase of passenger motor vehicles for police-type use, as otherwise authorized in this title, $243,000,000, to remain available until expended, which shall be derived from the Violent Crime Reduction Trust Fund: *Provided*, That $71,000,000 shall be derived by transfer from Community Oriented Policing Services, Violent Crime Reduction Programs, for the purpose of providing State and local police officers with equipment, conveyances, overtime and other expenses associated with their participation on drug task forces.

IMMIGRATION AND NATURALIZATION SERVICE

SALARIES AND EXPENSES

For expenses, not otherwise provided for, necessary for the administration and enforcement of the laws relating to immigration, naturalization, and alien registration, including not to exceed $50,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of, and to be accounted for solely under the certificate of, the Attorney General; purchase for police-type use (not to exceed 2,691, of which 1,711 are for replacement only), without regard to the general purchase price limitation for the current fiscal year, and hire of passenger motor vehicles; acquisition, lease, maintenance and operation of aircraft; and research related to immigration enforcement; $1,667,614,000, of which not to exceed $400,000 for research shall remain available until expended; and of which not to exceed $10,000,000 shall be available for costs associated with the training program for basic officer training, and $5,000,000 is for payments or advances arising out of contractual or reimbursable agreements with State and local law enforcement agencies while engaged in cooperative activities related to immigration; *Provided*, That none of the funds available to the Immigration and Naturalization Service shall be available to pay any employee overtime pay in an amount in excess of $30,000 during the calendar year beginning January 1, 1997: *Provided further*, That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year; *Provided further*, That not to exceed $5,000 shall be available for official reception and representation expenses: *Provided further*, That none of the funds provided in this or any other Act shall be used for the continued operation of the San Clemente and Temecula checkpoints unless the checkpoints are open and traffic is being checked on a continuous 24-hour basis: *Provided further*, That the Land Border Fee Pilot Project scheduled to end September 30, 1996, is extended to September 30, 1999 for projects on both the northern and southern borders of the United States, except that no pilot program may implement a universal land border crossing toll.

VIOLENT CRIME REDUCTION PROGRAMS

For activities authorized by sections 130002, 130005, 130006, 130007, and 190001(b) of the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322), as amended, and section 813 of the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104–132), $500,168,000, to remain available until expended, which will be derived from the Violent Crime Reduction Trust Fund, of which $95,784,000 shall be for expeditious deportation of denied asylum applicants, $287,857,000 shall be for improving border controls, and $116,527,000 shall be for detention and deportation proceedings: *Provided*, That amounts not required for asylum processing provided under the expeditious deportation of denied asylum applicants shall also be available for other deportation program activities.

CONSTRUCTION

For planning, construction, renovation, equipping and maintenance of buildings and facilities necessary for the administration and enforcement of the laws relating to immigration, naturalization, and alien registration, not otherwise provided for, $9,841,000, to remain available until expended.

FEDERAL PRISON SYSTEM

SALARIES AND EXPENSES

For expenses necessary for the administration, operation, and maintenance of Federal penal and correctional institutions, including purchase (not to exceed 836, of which 572 are for replacement only), and hire of law enforcement and passenger motor vehicles; and for the provision of technical assistance and advice on corrections related issues to foreign governments; $2,817,816,000: *Provided*, That the Attorney General may transfer to the Health Resources and Services Administration such amounts as may be necessary for direct expenditures by that Administration for medical relief for inmates of Federal penal and correctional institutions: *Provided further*, That the Director of the Federal Prison System (FPS), where necessary, may enter into contracts with a fiscal agent/fiscal intermediary claims processor to determine the amounts payable to persons who, on behalf of the FPS, furnish health services to individuals committed to the custody of the FPS: *Provided further*, That uniforms may be purchased without regard to the general purchase price limitation for the current fiscal year: *Provided further*, That not to exceed $6,000 shall be available for official reception and representation expenses: *Provided further*, That not to exceed $50,000,000 for the activation of new facilities shall remain available until September 30, 1998: *Provided further*, That of the amounts provided for Contract Confinement, not to exceed $20,000,000 shall remain available until expended to make payments in advance for grants, contracts and reimbursable agreements, and other expenses authorized by section 501(c) of the Refugee Education Assistance Act of 1980, as amended, for the care and security in the United States of Cuban and Haitian entrants: *Provided further*, That notwithstanding section 4(d) of the Service Contract Act of 1965 (41 U.S.C. 353(d)), FPS may enter into contracts and other agreements with private entities for periods of not to exceed 3 years and 7 additional option years for the confinement of Federal prisoners: *Provided further*, That the National Institute of Corrections hereafter shall be included in the FPS Salaries and Expenses budget, in the Contract Confinement program and shall continue to perform its current functions under 18 U.S.C. 4351, et seq., with the exception of its grant program and shall collect reimbursement for services whenever possible: *Provided further*, That any unexpended balances available to the "National Institute of Corrections" account shall be credited to and merged with this appropriation, to remain available until expended.

AMENDMENT OFFERED BY MRS. SCHROEDER

Mrs. SCHROEDER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mrs. SCHROEDER: Page 21, line 9, after the dollar amount, insert the following: "(reduced by $14,000,000)".

Page 95, line 25, after the dollar amount, insert the following: "(increased by $13,000,000)".

Mr. ROGERS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes and that the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The gentlewoman from Colorado [Mrs. SCHROEDER] will be recognized for 10 minutes in support of her amendment, and a Member in opposition will be recognized for 10 minutes.

The Chair recognizes the gentlewoman from Colorado [Mrs. SCHROEDER].

Mrs. SCHROEDER. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, this amendment, I think, is absolutely essential if we are serious about justice. I truly believe that this body has been guilty of giving people rights but not giving them a remedy, and if we do not give them a remedy, we really have not given them a right.

Now, what am I talking about?

This amendment very simply adds enough money to the Equal Employment Opportunity Commission that they at least will not have to furlough anybody. It does not bring it anywhere near what the President requested, it just brings it up from the slashing that was done by the committee by adding $13 million so we will not have to furlough anybody.

Now, why is that important?

Mr. Chairman, in 1990 the Equal Employment Commission had an average of 51 cases per person. In 1995 that was up to 122.7 cases per person. So we have loaded and loaded and loaded cases on.

Second, we have added all sorts of things to their work load. Since 1990 we have passed the Americans With Disabilities Act that the EEOC is to enforce, the Civil Rights Act of 1991, and many other things that we have deferred to them. At the end of 1995 this agency had a backlog of 96,000 cases. These are people waiting to be treated equally. This goes to the core of what we are talking about.

If we do not pass my amendment, what we will be doing is forcing that agency to cut the personnel that is needed to tend these cases. If we do not pass this amendment, my colleagues are going to be going along with the management of Mitsubishi. Remember Mitsubishi who said, "In your face," put the people in the bus, they paid them to go, they paid them to go to the EEOC, and they paid them to be out there and just defy people to really enforce the law. That is shocking in Amercia.

But if this Congress allows this cut, we are going to be saying that is OK, that we are going to yield to that kind of corporate pressure.

So I end as I begin. We will have given people rights, but they do not mean anything because there would not be anybody there to get them a remedy.

So I really hope Members think about this and add this $13 million to this so we at least hold it equally.

The Equal Employment Opportunity Commission is basically all salaries, it is all personnel, and we need these people to be able to work off this backlog. I bet there is not a Member in this room who has not had people complain about the slow attendance to attention to sexual harassment cases, to equal opportunity cases, to disability cases because of this huge, huge backlog.

So, Mr. Chairman, I know it is late and people want to be done with this, but if we do not at least hold it equal, and again I remind my colleagues this does not even bring it up to what the administration asked for, I think it will be shameful.

The CHAIRMAN. The time of the gentlewoman from Colorado [Mrs. SCHROEDER] has expired.

Who seeks time in opposition?

Mr. ROGERS. I do, Mr. Chairman.

The CHAIRMAN. The gentleman from Kentucky [Mr. ROGERS] is recognized for 10 minutes in opposition to the amendment.

Mr. ROGERS. Mr. Chairman, I yield myself such time as I may consume. Mr. Chairman, I rise in opposition to the gentlewoman's amendment.

Mr. Chairman, the amendment would take $14 million out of vitally needed resources to open new prisons. The bill already reduces the amount requested for prisons by $70 million because we take into account slippages of activation of new prisons and carryover that the Bureau of Prisons has estimated.

In addition, the Mollohan amendment that just passed reduced the Bureau of Prisons by another $45 million. There is simply no more there.

The Bureau of Prisons will open five new prisons this coming year. We built five new prisons. They are waiting to be opened. Unless we approve the salaries and expenses portion out of which my colleague is taking this money, we cannot open those prisons. They will sit there empty.

Is that what the gentlewoman wants? I submit that she should not.

These five new prisons, for example, a high security; that is, maximum security facility in Beaumont, TX; a medical center in Butner, NC; medium and minimum security prisons in Edgefield, SC; detention facility in Seattle, WA; and a minimum and low security prison in Elkton, OH. Those new prisons will provide over 6,000 new prison beds that are vital to relieve the terrible overcrowding that exists in the present prisons, not to mention the heavy influx of new prisoners that are expected in 1997.

□ 1815

The activations of some or all of these prisons would be jeopardized by the gentlewoman's amendment.

Furthermore, the funding level of the EEOC is maintained at 1996 levels, like all other regulatory agencies in this bill. It is not treated differently. There are all sorts of regulatory agencies in this bill that decide people's rights and obligations. We could start with the SEC, the FCC, all of the Justice regulatory agencies. And portions of the Federal courts that are also in this bill.

Yes, we do not have enough money to finance a good portion or all of these agencies, including the EEOC. But I say to the Members, we treated them fairly. We kept them at level funding in 1996, like all other regulatory agencies in the bill. Other agencies have been reduced below 1996 in order to provide increases for fighting crime and illegal aliens on our borders, and drugs. But we held EEOC harmless from those reductions.

For that reason, Mr. Chairman, I urge a "no" vote on this amendment.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. First of all, Mr. Chairman, let me thank the chairman for his comments, but let me also point out two things. My understanding is this can come easily out of that category because some of the prisons are not finished yet, so they do not need all the personnel that they thought they would when the budget was set up.

Mr. ROGERS. Reclaiming my time, that is just not correct. We already have reduced the amount they requested by $70 million, as I said, for that very reason. Some of the prisons were slipping on the opening time. We are accounting for that. We reduced their budget by $70 million below what they wanted. We cannot take any more. The Mollohan amendment already takes $45 million. The gentlewoman would take another $14 million. We simply cannot accept that. We do not have the money.

Mrs. SCHROEDER. Mr. Chairman, if the gentleman will continue to yield, I would disagree with the gentleman, but let me go one step further. The reason I feel the EEOC is very different from other regulatory agencies is we have piled a bigger and bigger workload on them. If we are going to pile a bigger workload on a regulatory agency but treat it the same as SEC when it has a 96,000 case backlog, that is wrong. This goes right to the core of citizenship.

Mr. ROGERS. Reclaiming my time, Mr. Chairman, they have made tremendous progress in their backlog reduction. I commend them for that. They are working hard. I think if we keep things as they are, that backlog is going to continue to decrease.

One, we kept EEOC at level funding, and held them harmless from cuts; two, the money would come from the Bureau of Prisons, and we would not be able to open the five new prisons that we have built, perhaps, next year.

Mr. Chairman, I urge a "no" vote, and I reserve the balance of my time.

Mrs. SCHROEDER. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Chairman, I thank the gentlewoman from Colorado for yielding to me.

Mr. Chairman, this amendment is about putting the money where our mouths have been. If we ask any Member of Congress whether or not they are opposed to sexism, racism, ageism, and discrimination against the disabled, they will all say yes. But rhetoric is one thing. If in fact Members are against all of these things, they must ensure that we have the kind of agency that can investigate the complaint, that can take this cases.

We have heard the gentlewoman from Colorado say as of 1995 there are 96,000 cases backlogged. The only way we are going to reduce that caseload is by providing the necessary resources to do the work.

The offset makes good sense. The prisons are opening later than anticipated, so they will not need as much money to staff the new prisons as quickly as was believed in the past. So if the money is not needed, why put money over there when it will not be utilized, it will not be used? Put the money into EEOC. Make sure that we address the problems of racism, sexism, ageism, and take care of the disabled.

Mrs. SCHROEDER. Mr. Chairman, I yield 1 minute to the gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Mr. Chairman, this amendment makes abundantly good sense for very good and practical reasons. If indeed we believe in our laws, we must have a structure for the enforcement. The EEOC is the structure that we have committed ourselves to for the enforcement of all the rights now that we have put on the books.

To put laws to protect workers in the workplace, to put laws to protect against discrimination, to put laws against age discrimination and not have any mechanism for enforcement is to say to the American people, "We really were not serious when we put those laws on," or to take the structure away from them. So this amendment allows for us to keep our commitment, making sure it is, indeed, enforced.

Beyond that, it is also a fiscally responsible way of enforcing our laws. What rights do we have? We have the rights to go into courts. We can ameliorate these, or we can fine-tune these for dispute resolutions. It is the EEOC that does that.

So not only for good constitutional reasons, but also for very practical reasons, I ask Members to support this amendment.

Mrs. SCHROEDER. Mr. Chairman, I yield 1 minute to the gentlewoman from Texas, Ms. SHEILA JACKSON-LEE.

Ms. JACKSON-LEE of Texas. Mr. Chairman, the good news is, and I thank the gentlewoman from Colorado for yielding time to me, the good news is there is a crack in the logjam. The bad news is that without this amendment offered by the gentlewoman from Colorado, we will have a reversing of the progress that has been made by the EEOC by furloughing employees when they are most needed.

They are most needed for cases involving discrimination against those who are physically challenged. They are most needed for age discrimination cases. They are most needed for race discrimination cases. They are most needed for sexual harassment cases, and in particular, let us not try to hide behind confusion.

We know that one of the major cases in this Nation has just gotten before the EEOC. In fact, they have been forceful and effective. That is the Mitsubishi case. We should not be afraid of this case, there are such cases in this Nation, businesses that have not remedied voluntarily charges of sexual harassment against women in the workplace.

Why are we not undermining the EEOC when we most need them? It is clearly important that people in America find that their Government is concerned about equal opportunity, and that the Government has the real resources to fight discrimination.

Mr. Chairman, I would simply say this is a good amendment. It does not make us soft on crime, it makes the workplaces of America free of discrimination the way it should be!

Mrs. SCHROEDER. Mr. Chairman, I yield the balance of my time to the distinguished gentlewoman from the District of Columbia, Ms. ELEANOR HOLMES NORTON, who at one time headed the EEOC.

The CHAIRMAN. The gentlewoman from the District of Columbia [Ms. NORTON] is recognized for 4 minutes.

Ms. NORTON. Mr. Chairman, I thank the gentlewoman for yielding time to me, and for cosponsoring this amendment with me.

What we are trying to do here is very straightforward. The President sees an emergency at the EEOC. The backlog is out of control. He asked for $35 million. We have asked for only $13 million.

The chairman of the subcommittee says that EEOC was left at level funding. The problem is they were left at level funding in 1996, they were left at level funding in 1995, and they are being left at level funding now. The law does not give them the right to leave complaints level, however.

Mr. Chairman, we learned of the emergency conditions at the EEOC as a result of the investigation by some women Members on both sides of the aisle of the Mitsubishi case, which broke into the open when the company, for the first time that I know, in history, led a retaliation against its own employees by paying for people to protest the mere filing of complaints.

Mr. Chairman, what we learned was that the number of employees had actually decreased since I left the commission, or to quote Chairman Casellas, "The EEOC has not received any significant increase in funding since the late 1970's when it was chaired by Delegate Norton."

When I left the EEOC there were 3,390 employees. Now there are 2,813 employees. They will have a furlough, the Chairman says, that is what is left of them. Now they will be cutting staff, closing offices, and turning down cases. We are talking about everybody's district, because these complaints come from everybody's district. We are talking about setting back the Chairman's—Gilbert Casellas, EEOC Chair—very commendable effort to put alternative dispute resolution into place.

When I was at the EEOC we used that, and that is how I got rid of the backlog. This new Chair has come forward and is making great strides, and we are tying his hands behind him. When I was at the EEOC I had many more employees, and yet I did not have the large number of sexual harassment complaints, thousands and thousands of such complaints; I did not have the Americans With Disabilities Act. That act has almost nothing in common with other EEOC complaints, and EEOC must develop a brand new methodology. I did not have the Civil Rights Act of 1991, which essentially was a rewrite of the statute.

Mr. Chairman, we may disagree on civil rights matters. Some of us are for affirmative action, some of us oppose it. Some of us are for goals and timetables, others oppose it. But everyone in this body believes in the right to file a complaint when there has been sexual discrimination, race discrimination, discrimination based on religion.

To vote against this increase is to vote for sexual harassment, to vote for Mitsubishi. The fastest growing complaints at EEOC are, first, sex discrimination complaints, and then retaliation complaints. The EEOC is 100,000 cases down. In a bipartisan way they now have an approach. The chairman of the subcommittee himself admits they are moving forward. The amount in this appropriation will move them backward. They are helping themselves. We must not leave them alone.

What we have done for the last several years is to defund EEOC at a time when women, very frankly, are pressing the agency beyond its capability. Do not kill the EEOC. This is the time for Members who may be voting against us on civil rights measure after civil rights measure to stand up and say, When it comes to whether or not people in my district can go down and file a complaint of age discrimination at a time of downsizing of the Government, I'll be darned, I'm going to give these folks enough money to process those complaints.

This $13 million will not hurt the Bureau of Prisons one jot or tittle. We can count on them to be behind in construction. Please help the EEOC. Vote for this small increase.

Mr. ROGERS. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Kentucky [Mr. ROGERS] is recognized for 5 minutes.

Mr. ROGERS. Mr. Chairman, we would think that, from the debate from the other side, that we were shutting down the Equal Employment Opportunity Commission. As I have said before, we give the EEOC the same amount of money in this bill as they have this year. They are making great progress on working off their backlog. I see no reason why that will not continue with the funding that is provieded in this bill.

So they have adequate funding, while we cut practically every other agency in this bill. Ask the State Department, ask the Commerce Department, ask every agency, practically, within both of those organizations, that have been cut. They did not get requested funding, they were slashed in order for us to find money to keep agencies like the EEOC operating at uncut levels. So the EEOC has adequate funding. We made sure of that in this bill.

No, they did not get an increase, but hardly anyone else did. But we think the money is adequate to satisfy the demand placed upon the EEOC so people will get reasonably adequate coverage.

Mr. Chairman, where does the money come from if the amendment passes? Again, let me emphasize, they would take money from the Bureau of Prisons salaries and expenses account. That would keep us from possibly opening the five brand new prisons that are ready to open in 1997. They would sit there empty, gleaming behemoths, empty of the prisoners that are crowded in other prisons in this country.

□ 1830

We would be in violation perhaps of the Constitution and the Supreme Court's edicts on overcrowding if we did not occupy these prisons that we have spent hundreds of millions of dollars to build. Please do not take that money. There is hardly anything more important than relieving the overcrowded Federal prisons we have and not being able to house the new prisoners that will be entering prison this year. These are convicted murderers and drug dealers and all sorts of heinous crimes that we need space for in these prisons. I urge the Committee and all the Members to reject this amendment.

Mrs. MORELLA. Mr. Chairman, I rise to urge my colleagues to support the Schroeder amendment to increase the budget for the Equal Employment Opportunity Commission [EEOC] by $13 million.

Under this appropriations bill, the EEOC would get approximately the same amount of money that it received in the fiscal year 1996 appropriations bill. While that may seem adequate, it is not enough to allow the EEOC to continue its operations without making serious cutbacks that will hamper the effectiveness of the agency.

Each year, the Commission receives an unprecedented number of complaints from the private sector. When the present Commissioner, Gilbert Casellas, took over in 1994, there was a backlog of more than 100,000 cases. There still is a backlog, because EEOC is understaffed and underfunded. Keeping the agency's funding at the same level as last year will force an agencywide furlough and may necessitate the closing of some field offices, increasing the already overwhelming backlog of cases.

From October 1994 through the first half of this year, the EEOC resolved 518 lawsuits and achieved a number of highly visible successes. The agency was responsible for the largest sexual harassment settlement—$18.25 million—against Del Laboratories of Long Island, NY. In 1995, the EEOC prevailed in its first trial involving a male being subjected to harassment by a female. The court ordered Domino's to pay damages of $237,000 to a male worker who had been harassed by his immediate supervisor.

Recently, the EEOC has authorized participation in a class action sexual harassment lawsuit against Mitsubishi Motors Manufacturing of America which has the potential to be the largest sexual harassment litigation case in U.S. history. However, if EEOC is inadequately funded, the agency will be unable to pursue the case against Mitsubishi, and thousands of other cases will fall by the wayside, unresolved.

I urge my colleagues to support the Schroeder amendment which will allow the EEOC to continue to address the problems of discrimination and sexual harassment that still exist in the American marketplace.

The CHAIRMAN pro tempore (Mr. LAHOOD). The question is on the amendment offered by the gentlewoman from Colorado [Mrs. SCHROEDER].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. ROGERS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN pro tempore. Pursuant to House Resolution 479, further proceedings on the amendment offered by the gentlewoman from Colorado [Mrs. SCHROEDER] will be postponed.

Are there further amendments to this portion of the bill?

If not, the Clerk will read.

The Clerk read as follows:

VIOLENT CRIME REDUCTION PROGRAMS

For substance abuse treatment in Federal prisons as authorized by section 32001(e) of the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103-322), as amended, $25,224,000, to remain available until expended, which shall be derived from the Violent Crime Reduction Trust Fund.

BUILDINGS AND FACILITIES

For planning, acquisition of sites and construction of new facilities, leasing the Oklahoma City Airport Trust Facility; purchase and acquisition of facilities and remodeling, and equipping of such facilities for penal and correctional use, including all necessary expenses incident thereto, by contract or force account; and constructing, remodeling, and equipping necessary buildings and facilities at existing penal and correctional institutions, including all necessary expenses incident thereto, by contract or force account; $395,700,000, to remain available until expended, of which not to exceed $14,074,000 shall be available to construct areas for inmate work programs: *Provided*, That labor of United States prisoners may be used for work performed under this appropriation: *Provided further*, That not to exceed 10 percent of the funds appropriated to "Buildings and Facilities" in this Act or any other Act may be transferred to "Salaries and Expenses", Federal Prison System, upon notification by the Attorney General to the Committees on Appropriations of the House of Representatives and the Senate in compliance with provisions set forth in section 605 of this Act: *Provided further*, That of the total amount appropriated, not to exceed $36,570,000 shall be available for the renovation and construction of United States Marshals Service prisoner-holding facilities.

FEDERAL PRISON INDUSTRIES, INCORPORATED

The Federal Prison Industries, Incorporated, is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available, and in accord with the law, and to make such contracts and commitments, without regard to fiscal year limitations as provided by section 9104 of title 31, United States Code, as may be necessary in carrying out the program set forth in the budget for the current fiscal year for such corporation, including purchase of (not to exceed five for replacement only), and hire of passenger motor vehicles.

LIMITATION ON ADMINISTRATIVE EXPENSES, FEDERAL PRISON INDUSTRIES, INCORPORATED

Not to exceed $3,042,000 of the funds of the corporation shall be available for its administrative expenses, and for services as authorized by 5 U.S.C. 3109, to be computed on an accrual basis to be determined in accordance with the corporation's current prescribed accounting system, and such amounts shall be exclusive of depreciation, payment of claims, and expenditures which the said accounting system requires to be capitalized or charged to cost of commodities acquired or produced, including selling and shipping expenses, and expenses in connection with acquisition, construction, operation, maintenance, improvement, protection, or disposition of facilities and other property belonging to the corporation or in which it has an interest.

OFFICE OF JUSTICE PROGRAMS

JUSTICE ASSISTANCE

For grants, contracts, cooperative agreements, and other assistance authorized by title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, and the Missing Children's Assistance Act, as amended, including salaries and expenses in connection therewith, and with the Victims of Crime Act of 1984, as amended, $100,000,000, to remain available until expended, as authorized by section 1001 of title I of the Omnibus Crime Control and Safe Streets Act, as amended by Public Law 102-534 (106 Stat. 3524).

AMENDMENT OFFERED BY MR. SCHUMER

Mr. SCHUMER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHUMER:

Page 25, line 17, after the dollar amount, insert the following: "(increased by $20,000,000)".

Page 84, line 21, after the dollar amount, insert the following: "(reduced by $20,000,000)".

Mr. SCHUMER. Mr. Chairman, before I proceed, we may have a substitute within a few minutes coming from the gentleman from Kentucky, which has been agreed to; but awaiting that substitute, I will explain what this amendment does and then it will be obvious what the substitute does.

This amendment is a very straightforward one, Mr. Chairman. When we passed the terrorism bill into law 3 months ago, we authorized $20 million in funds for research and development of new technology that would help us in our fight against terrorism. The amendment which I am offering with my friend, the gentleman from New Mexico [Mr. SCHIFF], simply implements that plan in this appropriations measure.

When I first planned this amendment, Mr. Chairman, I had no idea we would be debating in the shadow of a tragedy like the crash of TWA Flight 800. We still do not know for sure what caused that disaster but the speculation about possible terrorism only strengthens the principal reason to support this amendment. Simply put, America faces an increasing threat from terrorism within our borders and we are not as well prepared as we should be.

The World Trade Center bombing showed us how easy it is to launch a terrorist attack in our country and the tragedy in Oklahoma City reminded us that a terrorist can strike in any city on any day. The recent attack in Saudi Arabia proved that even when you are anticipating an attack, terrorists can still strike.

Whatever the cause of last week's crash off Long Island, the speculation underscores once more how vulnerable we are. Whether this was a bombing or an accident, we cannot shut our eyes and hope this threat will go away. There will be a next time, and we must be ready.

In everything that we do to fight terrorism, technology is a crucial tool. The current investigation of Flight 800's crash involves sonar, chemical testing of residue, and computer simulations programmed to match the patterns of debris on the ocean floor.

We can be using that same sophisticated technology to stop terrorism before it happens. We simply must decide to make funding for research and development a priority and then stick to that promise.

Here are just a few examples of technology we could help develop with this money:

New bomb detection systems that could be deployed in airports, government buildings and other high threat facilities.

Specially strengthened cargo holds on airplanes that could partially or even completely contain the percussive impact of an explosion. Imagine, having an airplane be safe from any explosion that might go off in its cargo bay.

More sensitive sensors and registers to measure and specifically identify chemical or biological agents that could be used by terrorists.

It is not that far away. We can, if we put a little money and a little effort in, actually come up with detection systems that would stop the worst tools that terrorists use against us, and technology to enter buildings silently so that SWAT teams can quickly and silently deal with hostage situations.

Any one of these advances would give us fantastic new tools to fight terrorism. Experts believe all of them might be feasible if we are willing to devote some resources to them.

Mr. Chairman, I suspect someone might say that $20 million is too much money to spend on this research, but let us get a little perspective on this. Every year the Pentagon spends about $35 billion, that is billion with a B, to fund R&D technology to fight enemies in other countries. Under this amendment we still will not even spend $25 million on technology to protect us from terrorists.

Someone else might say that the bill before us already provides $50 million for research and that is true, but none of that money is specifically dedicated to antiterrorism. About 40 percent is earmarked for some other purpose. And much of it will go to policy studies that, while valuable, have nothing to do with technology or terrorism.

In short, Mr. Chairman, we need a concerted national effort to develop antiterrorism technology, not a token effort. We need a Manhattan project, not Mr. Wizard's junior high school fair.

The new terrorism law was only the first step in our efforts to make Americans safer. We should make sure that we do something with that proposal. The terrorism bill set aside $20 million and this bill should set aside $20 million. That would be my ideal.

For that reason I would urge my colleagues to support the Schumer-Schiff amendment and keep our promises on the terrorism bill.

AMENDMENT OFFERED BY MR. ROGERS AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. SCHUMER

Mr. ROGERS. Mr. Chairman, I rise in opposition to the gentleman's amendment, I offer an amendment as a substitute for the amendment, and I ask unanimous consent that the amendment offered as a substitute for the amendment be considered as read and printed in the RECORD.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The text of the amendment offered as a substitute for the amendment is as follows:

Amendment offered by Mr. ROGERS as a substitute for the amendment offered by Mr. SCHUMER:

On page 25, line 20, at the end of the paragraph and before the period, insert the following: ": Provided, That of the amount made available from the local law enforcement block grant for technology programs, $10,000,000 shall be available for programs under section 820 and section 821 of the Antiterrorism and Effective Death Penalty Act of 1996 (Public Law 104–132)."

Mr. ROGERS. Mr. Chairman, what the substitute does and it has been discussed with the gentleman from New York [Mr. SCHUMER] and the gentleman from New Mexico [Mr. SCHIFF], is provide $10 million rather than $20 million for counterterrorism technology and take it out of the $20 million that is already available for technology programs under the local law enforcement block grant that is already in the bill. This is a sensible way to do it.

Obviously there is a recognized need for this money. Both the fiscal year 1996 bill and this bill already include, as I said, a $20 million increase for National Institute of Justice programs from the local law enforcement block grant program. That is a 67-percent increase, by the way, for NIJ technology programs.

As the gentleman is aware, this $20 million was an unexpected windfall for the NIJ as a result of the manner in which the law enforcement block grant formula was drafted. This money is available for a variety of technology initiatives, including terrorism-related technology. We ensure in this substitute by providing language, that $10 million of these funds will be used for terrorism. We will ensure that the money is available.

Mr. Chairman, this substitute would provide that $10 million out of the $20 million that is available for technology programs from the local law enforcement block grant program will be available for counterterrorism. We agree to it and think it is a good idea.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, as I understand the gentleman's amendment, there is $50 million for this OJP block grant account, some of it is earmarked, but out of $20 million that is not earmarked, statutorily we require that $10 million go to this antiterrorism effort; is that correct?

Mr. ROGERS. The gentleman is correct.

Mr. SCHUMER. If the gentleman will continue to yield, that would mean that nothing could get in the way of this $10 million, I presume?

Mr. ROGERS. I think it is pretty plain.

Mr. SCHUMER. I thank the gentleman.

One other thing I would ask the gentleman, just given his knowledge, given the fact that the Senate will allocate a larger amount of money, it is pretty certain that in the conference we would get at least this $10 million if the Senate on this specific account allocates a larger amount of money for this; is that a good guess? I am not asking the gentleman for a commitment.

Mr. ROGERS. Let me get this straight. Is the gentleman asking me to guess what the Senate is going to do on this?

Mr. SCHUMER. No. I am asking what the gentleman is going to do in conference if the Senate puts a higher amount in there.

Mr. ROGERS. We will do the right thing.

Mr. SCHUMER. I trust the gentleman will do the right thing, and I appreciate that.

Mr. Chairman, I would just like to say that this is an amendment that the gentleman from New Mexico and I worked on and the fact that we can come to an amiable agreement. I want to thank the gentleman from Kentucky and the gentleman from West Virginia for helping facilitate that.

Mr. SCHIFF. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from New Mexico.

Mr. SCHIFF. I thank the gentleman for yielding. I want to say I have worked with the gentleman from new York and with the chairman too. He has been very gracious in this matter and I appreciate it.

I wonder if the chairman would just say again, the $10 million the chairman is proposing for antiterrorism research and development, that is going to come out of the $30 million that is not earmarked in the NIJ budget?

Mr. ROGERS. The gentleman is correct.

Mr. SCHIFF. But that means that some other programs that NIJ had funded might not be funded, then? Because $30 million was their last year's budget.

Mr. ROGERS. They have a huge increase. This will not be a problem. There is $20 million in the bill for technology programs and $10 million related to anti-terrorism. This amendment would simply ensure that $10 million of that must go for this purpose.

Ms. HARMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to join this very polite and bipartisan debate in favor of more technology spent on law enforcement, in this case specifically to fight terrorism. I would commend the bill's sponsor for the plus-up in NIJ technology programs. I think that moves us in the right direction. I would point out to my colleagues that the NIJ now commits substantial funding to something that is very important: making defense technology available for law enforcement purposes.

It has probably occurred to the sponsors of this bipartisan compromise amendment that there is much to learn from the defense sector that might impact positively on our fight against urban terrorism. That is why numbers of us on the Committee on National Security joined together to introduce legislation that is partially addressed by an amendment earlier today offered by the gentleman from New York [Mr. SCHUMER] and partially addressed by this amendment.

Let me say that the gentleman from New York just talked about the disparity between funds spent on defense R&D, approximately $35 billion, with a B, versus funds spent on efforts for R&D in the law enforcement sector, which he pointed out are in the millions of dollars. I hope that we will share more of that $35 billion in defense R&D money, which I fully support, with the law enforcement effort and would point out that many of the things that the gentleman from New York [Mr. SCHUMER] listed as possible derivatives of the expenditure of law enforcement R&D moneys, may be effectively provided for by technologies developed in the defense sector.

Mr. SCHUMER. Mr. Chairman, will the gentlewoman yield?

Ms. HARMAN. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, I think the gentlewoman is exactly right. Some of this money would well be used to take all the research, the formidable research that is done under the Defense Department and translate it into civilian uses which could make us all safer.

Ms. HARMAN. Hear, hear. Reclaiming my time, I would say that I applaud what he said and point out to my colleagues that we have established over the past few years law technology centers around the country. There are five of them. One of them is in New York. Another of them is in southern California located in El Segundo, CA, in my district. What these centers do is to canvas what defense technologies are available and then figure out whether there are law enforcement applications that would be useful and help generate a market for the development of those technologies for law enforcement.

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I have been calling this a win-win-win. It is a win for the defense sector, which has new markets to sell into. It is a win for law enforcement, which has much better tools. And it is a win for the public, which is much safer.

So I think this compromise, bipartisan amendment puts us $10 million closer to better solutions. Maybe it is also a small gesture to the families of those who tragically lost their lives on the TWA plane to Paris, those lives may not have been lost in vain. This Congress appreciates the magnitude of the loss, and we are working as hard as we can to prevent another one.

Mr. SCHIFF. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise for two reasons. First of all, I did not get a chance earlier and I wanted to say now that I express my commendation to the gentleman from Kentucky, Chairman ROGERS, to the gentleman from West Virginia, Mr. MOLLOHAN, to all the members of the appropriations subcommittee for the fine job they did with respect to this appropriations bill. Although I do not think it has been discussed at length, there is significant funding for agencies like the FBI, the DEA and for the U.S. attorneys who prosecute criminal offenses.

As a former career prosecutor, I have to say I had an enduring frustration with legislative bodies that would pass new law after new law against crime and tougher penalties and all that but would not provide the resources to enforce those laws. So it would sound like great rhetoric and you could go back to your constituents and say: Look what I have done to fight crime. And it had little meaning if there was not enough money put behind the system to bring an effect to those few criminal statutes and higher penalties.

The subcommittee of the gentleman from Kentucky, Chairman ROGERS, I think, has very strenuously labored to recognize that problem to meet the goals of adequate funding for law enforcement. With that having been said generally, I want to say on the specifics, I think that we are now of one mind to try to direct $10 million toward specifically antiterrorism research. Of all the law enforcement duties of the Federal Government, it seems to me that antiterrorism is among the highest because clearly that is an area that needs Federal intervention and cannot simply be done city by city and State by State.

I want to say to Chairman ROGERS that I personally will support the amendment that he has offered.

Mr. SCHUMER. Mr. Chairman, will the gentleman yield?

Mr. SCHIFF. I yield to the gentleman from New York.

Mr. SCHUMER. Mr. Chairman, I want to commend the gentleman for his leadership on the issue. He worked hard on this in the antiterrorism proposal, the authorization, and the compromise that we have reached here is not as much money as we would want but it is real money and it is there. It will give us a good start. I want to thank the gentleman for his leadership on it.

Mrs. MALONEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, tragedy hit close to home last week for my family when one of our neighbors on our block fell victim to the crash of TWA flight 800. Let us be clear, we do not know whether or not terrorism was the cause, but, either way, the crash is one more wake-up call that terrorism can happen in America. We must all take care not to politicize this tragedy, but we must also not forget that we made a promise to the American people when we enacted the antiterrorism bill to develop more advanced bomb detection systems, stronger cargo holds on airplanes, more sensitive sensors to identify biological and chemical agents, and new technology that will allow our swat teams to enter buildings silently and deal with hostage situations more quickly.

The Schumer-Schiff amendment makes sure we have some of the funding that is necessary to fulfill this promise. If we can afford the space station or star wars, I know we can afford $10 million more to protect ourselves against a real danger within our shores, terrorism.

This amendment alone is not the answer to terrorism. We need to do much more. My colleagues from New York and New Mexico have been fighting for more money and for this cause all year, but this amendment is one large step in the right direction. Let us not wait for the next wake-up call, the next tragedy without enacting it. I strongly support the Schumer-Schiff amendment and I commend both of the gentleman for their hard work on this amendment.

Mr. KASICH. Mr. Chairman, will the gentlewoman yield?

Mrs. MALONEY. I yield to the gentleman from Ohio.

Mr. KASICH. Mr. Chairman, I just wanted to take a moment to compliment the Members that are on the floor here today because I think it is becoming painfully obvious in 1996, something that has been obvious to a number of us for many, many years, that unfortunately we are engaged in a war against people around this globe who are simply interested in targeting Americans, who are simply interested in spreading terror to make political statements, trying to break down society frankly as we understand it, know it, and love it in the United States of America.

I think, frankly, the frightening message to Americans is that we in fact, innocent men, women, and children in this country, are targets of some of these terrorists. I think that what is critically important for those who have looked at these issues, and I do not know that we have many Members that we would describe as experts, but when we talk to the experts, obviously the key to stopping terrorism is to get it right at its root, where it exists.

I think that being aware of the fact that we are in this war and in this battle can remove some of the fear and replace the fear with a steely resolve that America will not tolerate this kind of brutal violence against its citizens and that the citizens of the civilized world, the leaders of the civilized world are going to have to band together, take very tough action to let the terrorist outlaws around the world know that they are not safe. They are not safe anywhere because civilized people on this globe cannot tolerate this kind of wanton violence.

This is just one small step. I think we have taken a number of steps over the last several years to fund the kind of programs we need to fund in order to have the kind of surveillance and intelligence that we need.

I want to compliment the gentleman from New York [Mr. SCHUMER], my friend. I want to compliment the gentleman from New Mexico [Mr. SCHIFF] and also the gentleman from Kentucky [Mr. ROGERS] for their interest in this. Frankly, I think this Congress needs to do its own assessment of all the various agencies involved in counterterrorism. Are we in fact doing as well as we can be doing?

I have questions in my mind and I am sure many Members have questions in their minds about this, but I do not think there is anything that is a higher priority for our country than to win the war or to wage the war, maybe we can never win the war, but to wage the war against terrorism for all the innocent people that frankly need to be stood up for.

Mrs. SCHROEDER. Mr. Chairman, I rise in support of the Schiff-Schumer amendment.

Good technology is an important key to a successful counterterrorism policy.

Look at how the Wall Street Journal characterized our antiterrorism effort in their headlines yesterday:

> Despite Tough Words, Antiterrorism Effort in U.S. is Still Flawed—Political, Legal Constraints, Old Technology Hinder FBI as Threat Grows.

This amendment today is about correcting one of those flaws—old technology.

The money in the Schiff amendment is crucial to the United States effort to research and develop explosive detection and weapons detection devices that can be applied to prevent terrorism from occuring.

We have to be smarter than the terrorists. We have the technological capability to outsmart them. There are several technologies in the pipeline on explosive detection and weapons detection that are more than promising—they are probable.

But we need to get money to NIJ to speed up the process of getting them to a point where law enforcement officers can use them.

The Schiff-Schroeder amendment puts money that the Congress has already authorized for counter-terrorism research into the hands of our law enforcement technology experts. This amendment would tell them to accelerate the good work they are doing on explosive detection and weapons detection. This is a race for a vaccine—a vaccine against terrorism.

This Congress has done a remarkable job of beefing up law enforcement technology. It has been one area where partisanship has not infiltrated. I'm proud to have worked with Mr. SCHIFF, Mr. MCCOLLUM, and Mr. BOEHLERT, and Mr. SCHUMER to craft this bipartisan initiative to update law enforcement with the best technology available. This amendment is part of that effort. It's good for America's safety. Please support it.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I move to strike the last word.

Mr. Chairman, this is bipartisanship at its best. We have had a very somber week, and it would be certainly inappropriate for any of us to come to this House and this time to seek opportunity. This legislation and amendment proposed by the gentleman from New York [Mr. SCHUMER] and the gentleman from New Mexico [Mr. SCHIFF] answers and begins to answer an effort to make our country safe and our citizens safer.

I rise in support of this amendment in order to ensure that we begin what has to be a long progress or a long journey, and that journey includes securing large and open areas where citizens find themselves open and unprotected. The monies that will be allowed will help us have new bomb detection systems that can be used in high-threat facilities. That includes airports and Federal buildings, especially strengthening cargo holds on airplanes.

It makes more sensitive sensors to measure and identify chemical or biological agents that could be used by terrorists. It also provides in the technology to interbuild them silently so that SWAT teams can deal with hostage situations quietly and silently. It is appropriate as we look at appropriating for the Department of Justice that we also ensure that it has the highest level of technology, as we have begun to recognize that the important role of this government is to provide for the safety of its citizens, wherever they might be.

Mr. Chairman, I thank the gentleman from Kentucky [Mr. ROGERS] for his efforts on behalf of this amendment. I would hope that we would find this amendment again being the first step to what has to be a very, very long journey, more technology and more dollars to wage the fight against terrorism, both in this Nation but as well around the world.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. ROGERS] as a substitute for the amendment offered by the gentleman from New York [Mr. SCHUMER].

The amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SCHUMER] as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE

For grants, contracts, cooperative agreements, and other assistance authorized by part E of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, for State and Local Narcotics Control and Justice Assistance Improvements, notwithstanding the provisions of section 511 of said Act, $315,000,000, to remain available until expended, as authorized by section 1001 of title I of said Act, as amended by Public Law 102–534 (106 Stat. 3524), of which $60,000,000 shall be available to carry out the provisions of chapter A of subpart 2 of part E of title I of said Act, for discretionary grants under the Edward Byrne Memorial State and Local Law Enforcement Assistance Programs.

VIOLENT CRIME REDUCTION PROGRAMS, STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE

For assistance (including amounts for administrative costs for management and administration, which amounts shall be transferred to and merged with the "Justice Assistance" account) authorized by the Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103–322), as amended ("the 1994 Act"); the Omnibus Crime Control and Safe Streets Act of 1968, as amended ("the 1968 Act"); and the Victims of Child Abuse Act of 1990, as amended ("the 1990 Act"); $2,119,900,000, to remain available until expended, which shall be derived from the Violent Crime Reduction Trust Fund; of which $571,000,000 shall be for Local Law Enforcement Block Grants, pursuant to H.R. 728 as passed by the House of Representatives on February 14, 1995, except that for purposes of this Act, the Commonwealth of Puerto Rico shall be considered a "unit of local government" as well as a "State", for the purposes set forth in paragraphs (A), (B), (D), (F), and (I) of section 101(a)(2) of H.R. 728 and for establishing crime prevention programs involving cooperation between community residents and law enforcement personnel in order to control, detect, or investigate crime or the prosecution of criminals: *Provided*, That no funds provided under this heading may be used as matching funds for any other Federal grant program: *Provided further*, That notwithstanding any other provision of this title, the Attorney General may transfer up to $18,000,000 of this amount for drug courts pursuant to title V of the 1994 Act, consistent with the reprogramming procedures outlined in section 605 of this Act: *Provided further*, That funds may also be used to defray the costs of indemnification insurance for law enforcement officers; of which $50,000,000 shall be for grants to upgrade criminal records, as authorized by section 106(b) of the Brady Handgun Violence Prevention Act of 1993, as amended, and section 4(b) of the National Child Protection Act of 1993; of which $245,000,000 shall be available as authorized by section 1001 of title I of the 1968 Act, to carry out the provisions of subpart 1, part E of title I of the 1968 Act, notwithstanding section 511 of said Act, for the Edward Byrne Memorial State and Local Law Enforcement Assistant Programs; of which $330,000,000 shall be for the State Criminal Alien Assistance Program, as authorized by section 242(j) of the Immigration and Nationality Act, as amended; of which $680,000,000 shall be for Violent Offender Incarceration and Truth in Sentencing Incentive Grants pursuant to subtitle A of title II of the 1994 Act, of which $170,000,000 shall be available for payments to States for incarceration of criminal aliens, and of which $12,500,000 shall be available for the Cooperative Agreement Program; of which $6,000,000 shall be for the Court Appointed Special Advocate Program, as authorized by section 218 of the 1990 Act; of which $1,000,000 shall be for Child Abuse Training Programs for Judicial Personnel and Practitioners, as authorized by section 224 of the 1990 Act; of which $145,000,000 shall be for Grants to Combat Violence Against Women to States, units of local government and Indian tribal governments, as authorized by section 1001(a)(18) of the 1968 Act; of which $33,000,000 shall be for Grants to Encourage Arrest Policies to States, units of local government, and Indian tribal governments, as authorized by section 1001(a)(19) of the 1968 Act; of which $8,000,000 shall be for Rural Domestic Violence and Child Abuse Enforcement Assistance Grants as authorized by section 40295 of the 1994 Act; of which $1,000,000 shall be for training programs to assist probation and parole officers who work with released sex offenders, as authorized by section 40152(c) of the 1994 Act; of which $550,000 shall be for grants for televised testimony, as authorized by section 1001(a)(7) of the 1968 Act; of which $1,750,000 shall be for national stalker and domestic violence reduction, as authorized by section 40603 of the 1994 Act; of which $35,000,000 shall be for grants for residential substance abuse treatment for State prisoners as authorized by section 1001(a)(17) of the 1968 Act; of which $3,000,000 shall be for grants to States and units of local government for projects to improve DNA analysis, as authorized by section 1001(a)(22) of the 1968 Act; of which $1,000,000 shall be for Law Enforcement Family Support Programs, as authorized by section 1001(a)(21) of the 1968 Act; of which $900,000 shall be for the Missing Alzheimer's Disease Patient Alert Program, as authorized by section 240001(c) of the 1994 Act; of which $500,000 shall be for Motor Vehicle Theft Prevention Programs, as authorized by section 220002(h) of the 1994 Act; of which $5,000,000 shall be for State Courts Assistance Grants, as authorized by section 210602 of the 1994 Act; of which $200,000 shall be for a National Baseline Study on Campus Sexual Assault, as authorized by section 40506(e) of the 1994 Act; and of which $2,000,000 shall be for public awareness programs addressing marketing seams aimed at senior citizens, as authorized by section 250005(3) of the 1994 Act: *Provided further*, That funds made available in fiscal year 1997 under subpart 1 of part E of title I of the Omnibus Crime Control and Safe Streets Act of 1968, as amended, may be obligated for programs to assist States in the litigation processing of death penalty Federal habeas corpus petitions and for drug testing initiatives: *Provided further*, That any 1996 balances for these programs shall be transferred to and merged with this appropriation: *Provided further*, That if a unit of local government uses any of the funds made available under this title to increase the number of law enforcement officers, the unit of local government will achieve a net gain in the number of law enforcement officers who perform nonadministrative public safety service.

AMENDMENT OFFERED BY MR. SCOTT

Mr. SCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCOTT: Page 26, line 20, after the dollar amount, insert "(reduced by $497,500,000)".

Page 28, line 6, after the dollar amount, insert the following: "(reduced by $497,500,000)".

Page 33, line 10, after the dollar amount, insert the following: "(increased by $497,500,000)".

Page 33, line 22, after the dollar amount, insert the following: "(increased by $497,500,000)".

Mr. ROGERS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 20 minutes and the time be equally divided.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The gentleman from Virginia [Mr. SCOTT] and a Member opposed, each will control 10 minutes.

The Chair recognizes the gentleman from Virginia [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment transfers $497,500,000 from the Prison Grant Program under this bill to the Incentive Grants for local delinquency prevention programs, also funded under the bill. It is drawn so that it will not affect money for State criminal alien incarceration or money for the cooperative agreement program funded under this section.

Mr. Chairman, this Nation spends tens of billions of dollars every year addressing crime after it has already been committed. In the last 15 years, the number of inmates in State and Federal prisons more than tripled, from 319,000 in 1980 to over one million in 1994. During the same period, the population in local jails increased 165 percent, while the United States population increased just 15 percent.

As a result of these sharp increases in incarceration, the United States has become the most prolific incarcerator in the world. The average incarceration rate, internationally, is about 100 percent 100,000 population. The United States already locks up over 500 per 100,000 population, and in inner cities, the rate goes over 3,000 per 100,000. Yet, the crime rate has not abated and crime remains one of the top concerns of the American public.

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We now have experience as well as research that shows that increasing incarceration after a point has no effect on reducing crime. We have long passed that point. At the same time we have simple evidence from research and experience showing that prevention programs aimed at at-risk youth and children significantly reduces crime. Yet, compared to the tens of billions we spend on crime after the fact, we spend very little focused on preventing young people from becoming criminals in the first place.

Recently, the Subcommittee on Crime of the Committee on the Judiciary went around the country holding hearings on how to reduce juvenile crime. The Congressional Black Caucus crime and youth braintrusts held a whole day of hearings on the subject. I attended all of those hearings. During those hearings, witness after witness, including law enforcement officials, talked about an impending crime wave over the next decade due to the expected increases in the number of teenagers, and many indicated that our best hope for reducing the crime was to focus on at-risk youth and children while they are young and before they become serious criminals.

Mr. Chairman, I am not saying that we ought to incarcerate any less than we do today. Based on our current policies, if we do nothing to our incarceration levels, we will continue to lock up more people per every 100,000 population than any other country on Earth. I am saying that, having more than tripled the incarceration in this country in the last 15 years, at great expense to the taxpayer and with little effect on crime, that we are already incarcerating high enough levels to get all of the crime reduction benefits we can hope to get from incarceration and, in spite of the emotional sound bite appeal of more and more incarceration, more and more incarceration just will not reduce crime.

The amount of money in this amendment will be a drop in the bucket in terms of financing incarceration. It amounts to about $1 million per congressional district if divided equally around the country. Now, the State of Virginia has already committed itself to spend $11 billion, about $1 billion per congressional district, over the next 10 years as a result of new policies. This amendment, therefore, would be less than 1 percent of what Virginia will be spending.

As we have already shown, that incarceration will not reduce crime, but that money would have a great effect if it is spent on prevention programs. Dropout prevention, afterschool programs, summer recreation, drug abuse programs, even the much vilified midnight basketball program all have been shown to save much more money than they cost in later prison and welfare expenditures. Those, by the way, who trash midnight basketball fail to point out that it is a program which uses participation in an organized basketball league as a hook to get young people into education courses, drug avoidance counseling and job training, and they also fail to point out, as a recent Rand Corp. study confirmed, that when midnight basketball programs are established, the crime rate goes down dramatically in that neighborhood.

With an average of about $1 million per congressional district targeted toward at-risk youth, each congressional district could provide about 1,500 latchkey children with afterschool care for a year, or 2,000 children with a summer camp program, or 600 drug addicted youth with drug treatment, or fund five $200,000 juvenile mentoring programs, which is what many of the at-risk funds are used for now, or any combination of these programs which have been proven to reduce crime.

We can do all of these things, which will reduce crime, or we can waste the money by throwing it into the bottomless pit of prison construction, which will do nothing to reduce crime.

I ask, Mr. Chairman, for support for this amendment and put the interest of crime victims and taxpayers ahead of political expediency.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does the gentleman from Kentucky [Mr. ROGERS] seek time in opposition?

Mr. ROGERS. Yes, Mr. Chairman, I do.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. ROGERS] for 10 minutes.

Mr. ROGERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in opposition to the gentleman's amendment, which would eliminate $497.5 million from the State prison grant program to increase funding for juvenile justice programs.

I would point out to the Members that the State prison grant program is a formula program. Every State would receive moneys under the prison grant program. This is a half a billion dollars that States will not get if this amendment is successful.

While the gentleman's intent to increase funds to address youth violence is a laudable one, the bill we have before us already provides a $30.5 million increase over what the administration requested to provide additional grants to States that are implementing get tough prosecution policies for juveniles who commit violent crimes. The bill already is a "macho man" on violent crime, I would say to the gentleman from Virginia.

The Scott amendment would increase that amount $497.5 million at the expense of the State prison grant program, which would be eliminated and which would have provided funds to States to ensure that violent offenders, including violent juvenile offenders, are locked up.

Last year this Congress passed a significant reform to the State prison grant program, which the gentleman from Florida [Mr. MCCOLLUM] pursued, which would ensure that funds would be available to States that are getting tough on crime and keeping violent criminals locked up. This program was designed to address the frightening fact that violent criminals in State prisons serve an average of only 38 percent of their actual sentence. Convicted murderers are given an average prison sentence of 20 years in length, but they serve only 8½ years. And for rape the sentence is 13 years, but the time served is only 5 years on average.

States are enacting laws that require violent criminals to serve longer sentences and in some cases at least 85 percent of their sentences. They deserve the support of this Congress to ensure that adequate bed space is available to maintain those policies. The State prison grant program provides that support, and the gentleman's amendment would take it away completely.

The prison grant program is one of the most effective deterrents to crime. It provides the assurance that if an individual commits a crime they will serve time. Without the prison grant program, the result of increased law enforcement and prosecution will not be real.

Mr. Chairman, I urge a "no" vote on the Scott amendment.

Mr. McCOLLUM. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I would be happy to yield to the gentleman from Florida [Mr. McCOLLUM], the chairman of the Subcommittee on Crime and also the author of this law that we passed last year.

Mr. McCOLLUM. Chairman, I thank the gentleman for yielding, and I want to concur in everything that he said.

As much as I respect the gentleman from Virginia [Mr. SCOTT], who is a member of my subcommittee, and he and I talk a lot about these issues, I do not agree with this amendment at all. He is robbing Peter to pay Paul.

The prison grant program we passed, and that the gentleman is funding, I think very adequately with some $680 million in this bill, is absolutely essential to stop that revolving door the gentleman just described, where all too often we get criminals into the system who commit these violent crimes and they serve only a fraction of their sentence, then go back out again and commit more violent crimes.

Half of this grant money goes to an incentive program that says, State, if you pass a law that requires the repeat violent offender to serve at least 85 percent of his or her sentence, then you will be eligible to get the prison grant money, this extra incentive grant money, from the Federal Government to help you build and have the space to house them, because we want States to move in that direction. And many are doing that, thank goodness.

I say to my colleagues, when that happens, when they start serving 85 percent of their sentences and we take these violent repeat offenders and lock them up and throw away the keys, the murder rate and the violent crime rate in this country is going to go down far more than it is today because it is these people committing these violent crimes.

The latest statistics show there are an average of 700 violent crimes per 100,000 in our population every year. Even though we have marginally seen the violent crime rate go down over the last 3 or 4 years, only marginally, that 700 per 100,000 per year is way too high. It is far greater than it was 30 years ago when it was 200 violent crimes per every 100,000 of our population. The primary reason it is so is because of this violent repeat offender that the special provisions of the prison grant program are designed to correct.

States should move to require the abolition of parole and to make those who commit these violent crimes serve most of their sentences, lock them up, get them off the streets, and crime would inevitably be less.

With all due respect, I cannot support the analysis that Mr. SCOTT has made in support of his amendment. He wants to gut the truth in sentencing grant program that is in the chairman's bill. I am all for helping the juvenile justice system along. In fact, I am working on an authorization bill now to complement the chairman's bill here today, but, by golly, we cannot do it if we are robbing Peter to pay Paul.

We have to do both things. We cannot do just one. What Mr. SCOTT would do would be to eliminate the incarceration of these violent repeat offenders, or the money for that, and that is just not right, and I join the chairman in opposing this amendment, and I thank him for yielding.

Mr. ROGERS. Mr. Chairman, reclaiming my time, I thank the gentleman for his leadership in this area. He is the author of the Truth in Sentencing Act, which we passed in this bill last year and which is the parent of the State prison grant program. It is perfect because it takes Federal dollars and says to each State if they will jail their violent criminals up to 85 percent of the sentence they get, we will give them money with which to build prisons and buy the beds to keep them in jail. We will pay the bill.

That is an effective way to get at violent crime, and I think it is going to have tremendous payoff down the way.

Mr. McCOLLUM. Mr. Chairman, if the gentleman will continue to yield, it is indeed happening that way. My State of Florida has recently changed their laws, and States all over the country are doing this. This would be absolutely the wrong time to cut the legs out from under this program. States are making that move.

Mr. ROGERS. Mr. Chairman, I would also point out that the Scott amendment, taking a half billion dollars out of this program, is money all of our States would no longer have available to them. We could not fund the Truth in Sentencing Act that the Congress passed last year if this amendment passes.

No. 2, we have already got $180 million plus in our bill for juvenile justice programs. That is $30.5 million more than President Clinton requested. And so there is plenty of money in this bill available for juvenile justice programs that the gentleman from Virginia wants and that we all want.

I just do not want the gentleman to gut a very effective violent crime fighting program that we fund in this bill, that will get the violent criminals, adults as well as juveniles, around the country, off the streets. I urge the defeat of the amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. SCOTT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I would just like to make a couple of comments. The gentleman from Kentucky has indicated the States will not get the money. The money will go back to the States. The money will be spent. Instead of prisons, it will be spent on juvenile justice prevention.

The gentleman from Florida [Mr. McCOLLUM], the chair of the Subcommittee on Crime, has done an outstanding job in having hearings across the country, and I want to congratulate him for the unique hearings that he has had. He has had several attorneys general, heads of crime agencies within the States come to testify about what needs to be done, and I want to congratulate him for having those open hearings.

The gentleman is exactly right, the purpose of the amendment is to gut the truth in sentencing provision. I like to call it not the truth in sentencing but the half truth in sentencing provision, because when we have truth in sentencing, the half truth is we cannot let people out early, but the whole truth is we cannot hold people longer either.

The most heinous violent criminals are held by denying parole time after time after time. When everybody gets the average sentence, they are all let out at the same time: the heinous criminals, those that we know are going to be recidivist and those that are low risk all get out at the same time.

I would say that the gentleman from Kentucky said that there is plenty of "macho man" in this bill, and that is the point. It is all "macho" but no effect. This amendment will not delete the prison construction. If they are serving 38 percent of the time now, if this amendment passes or fails, they will serve 38 percent later. There is just not enough money in this amendment to make any difference in State prison construction.

We talk about the revolving door and people unaccountable. The fact is that 10 percent of young African-American males are in jail today, more in jail than in college. We need to do something about crime. Waiting for incarceration to make a difference means we have to wait for the crime to be committed, wait for people to get caught, prosecuted, convicted, sentenced, serve the time they are to serve and then add some more time.

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This amendment would deal with them before they commit the crime in the first place. All of the studies show that it is a much more effective way of dealing with crime than waiting for it to occur. I hope that we will adopt the amendment.

Ms. MILLENDER-McDONALD. Mr. Chairman, I am today in support of the Scott Amendment. There is an old adage—an ounce of prevention is worth a pound of cure.

Statistics indicate its costs around $30,000 a year to house an inmate in a correctional facility. Those same statistics show that it costs $3,000 a year to educate a child. We need to invest in our children before they become adversely involved in our criminal justice system rather than after.

The very fact that a legislative body, such as this one, would cut funding for education, and then block grant funds to the States to build more prisons flies in the face of good, moral, judgment and sound fiscal management.

The at-risk youth programs of the Department of Justice, provide communities with the means to involve those at-risk youth in tutoring and mentoring programs for schools in high crime communities and summer recreational programs for at-risk youth before they have the misfortune of stumbling into a criminal justice system that is incapable of rehabilitating them.

The Scott amendment takes a commonsense, front-end-solution approach to providing programs for our Nation's youth. I urge my colleagues to support the Scott amendment.

Mr. SCOTT. Mr. Chairman, I yield back the balance of my time.

Mr. ROGERS. Mr. Chairman, I urge a "no" vote, and I yield back the balance of my time.

The CHAIRMAN. The questions is on the amendment offered by the gentleman from Virginia [Mr. SCOTT].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. SCOTT. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 479, further proceedings on the amendment offered by the gentleman from Virginia [Mr. SCOTT] will be postponed.

The Clerk will read.

The Clerk read as follows:

WEED AND SEED PROGRAM FUND

For necessary expenses, including salaries and related expenses of the Executive Office for Weed and Seed, to implement "Weed and Seed" program activities, $28,500,000 which shall be derived from discretionary grants provided under the Edward Byrne Memorial State and Local Law Enforcement Assistance Programs, to remain available until expended for intergovernmental agreement, including grants, cooperative agreements, and contracts, with State and local law enforcement agencies engaged in the investigation and prosecution of violent crimes and drug offenses in "Weed and Seed" designated communities, and for either reimbursements or transfers to appropriation accounts of the Department of Justice and other Federal agencies which shall be specified by the Attorney General to execute the "Weed and Seed" program strategy: *Provided*, That funds designated by Congress through language for other Department of Justice appropriation accounts for "Weed and Seed" program activities shall be mandated and executed by the Attorney General through the Executive Office for Weed and Seed: *Provided further*, That the Attorney General may direct the use of other Department of Justice funds and personnel in support of "Weed and Seed" program activities only after the Attorney General notifies the Communities on Appropriations of the House of Representatives and the Senate in accordance with section 605 of this Act.

Community Oriented Policing Services

VIOLENT CRIME REDUCTION PROGRAMS

For activities authorized by the Violent Crime Control and Law Enforcement Act of 1994, Public Law 103–322 ("the 1994 Act") (including administrative costs), $14,400,000,000, to remain available until expended, which shall be derived from the Violent Crime Reduction Trust Fund, for Public Safety and Community Policing Grants pursuant to title I of the 1994 Act: *Provided*, That of this amount, $10,000,000 shall be available for programs of Police Corps education, training and service as set forth in sections 200101–200113 of the 1994 Act: *Provided further*, That of this amount, $71,000,000 shall be transferred to the Drug Enforcement Administration for the purpose of providing State and local police officers with equipment, conveyances, overtime and other expenses associated with their participation on drug task forces: *Provided further*, That of this amount, $30,500,000 shall be for additional grants authorized by part B of title II of the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, to remain available until expended, for the purpose of providing additional formula grants under part B, for innovative local law enforcement and community policing programs to States that provide assurances to the Administrator that the State has in effect (or will have in effect not later than 1 year after date of application) policies and programs, that ensure that juveniles who commit an act after attaining 14 years of age, that would be a serious violent crime if committed by an adult, are treated as adults for purpose of prosecution: *Provided further*, That not to exceed 130 permanent positions and 130 full-time equivalent workyears and $14,602,000 shall be expended for program management and administration.

JUVENILE JUSTICE PROGRAMS

For grants, contracts, cooperative agreements, and other assistance authorized by the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, including salaries and expenses in connection therewith to be transferred to and merged with the appropriations for Justice Assistance, $145,000,000, to remain available until expended, as authorized by section 299 of part I of title II and section 506 of title V of the Act, as amended by Public Law 102–586, of which (1) $100,000,000 shall be available for expenses authorized by parts A, B, and C of title II of the Act; (2) $11,000,000 shall be available for expenses authorized by sections 281 and 282 of part D of title II of the Act for prevention and treatment programs relating to juvenile gangs; (3) $10,000,000 shall be available for expenses authorized by section 285 of part E of title II of the Act; (4) $4,000,000 shall be available for expenses authorized by part G of title II of the Act for juvenile mentoring programs; and (5) $20,000,000 shall be available for expenses authorized by title V of the Act for incentive grants for local delinquency prevention programs: *Provided*, That upon the enactment of reauthorization legislation for Juvenile Justice Programs under the Juvenile Justice and Delinquency Prevention Act of 1974, as amended, funding provided in this Act shall from that date be subject to the provisions of that legislation and any provisions in this Act that are inconsistent with that legislation shall no longer have effect.

In addition, for grants, contracts, cooperative agreements, and other assistance authorized by the Victims of Child Abuse Act of 1990, as amended, $4,500,000, to remain available until expended, as authorized by sections 214B of the Act.

PUBLIC SAFETY OFFICERS BENEFITS

For payments authorized by part L of title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796), as amended, such sums as are necessary, to remain available until expended, as authorized by section 6093 of Public Law 100–690 (102 Stat. 4339–4340), and, in addition, $2,200,000, to remain available until expended, for payments as authorized by section 1201(b) of said Act.

GENERAL PROVISIONS—DEPARTMENT OF JUSTICE

SEC. 101. In addition to amounts otherwise made available in this title for official reception and representation expenses, a total of not to exceed $45,000 from funds appropriated to the Department of Justice in this title shall be available to the Attorney General for official reception and representation expenses in accordance with distributions, procedures, and regulations established by the Attorney General.

SEC. 102. Authorities contained in the Department of Justice Appropriation authorization Act, Fiscal Year 1980 (Pub. L. 96–132, 93 Stat. 1040 (1979)), as amended, shall remain in effect until the termination date of this Act or until the effective date of a Department of Justice Appropriation Authorization Act, whichever is earlier.

SEC. 103. None of the funds appropriated by this title shall be available to pay for an abortion, except where the life of the mother would be endangered if the fetus were carried to term, or in the case of rape: *Provided*, That should this prohibition be declared unconstitutional by a court of competent jurisdiction, this section shall be null and void.

SEC. 104. None of the funds appropriated under this title shall be used to require any persons to perform, or facilitate in any way the performance of, any abortion.

SEC. 105. Nothing in the preceding section shall remove the obligation of the Director of the Bureau of Prisons to provide escort services necessary for a female inmate to receive such service outside the Federal facility: *Provided*, That nothing in this section in any way diminishes the effect of section 104 intended to address the philosophical beliefs of individual employees of the Bureau of Prisons.

SEC. 106. Notwithstanding any other provision of law, not to exceed $10,000,000 of the funds made available in this Act may be used to establish and publicize a program under which publicly-advertised, extraordinary rewards may be paid, which shall not be subject to spending limitations contained in sections 3059 and 3072 of title 18, United States Code: *Provided*, That any reward of $100,000 or more, up to a maximum of $2,000,000, may not be made without the personal approval of the President or the Attorney General and such approval may not be delegated.

SEC. 107. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Department of Justice in this Act, including those derived from the Violent Crime Reduction Trust Fund, may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers: *Provided*, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation except in compliance with the procedures set forth in that section.

SEC. 108. Section 524(c)(8)(E) of title 28, United States Code, is amended by striking the year in the date therein contained and replacing the same with "1996".

Mr. ROGERS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, we have Members who have amendments that have been filed in this portion of the bill that are not the floor at the moment, having been called to other duties. I hope that they would be allowed to offer their amendments at the appropriate time.

The CHAIRMAN. This may be the appropriate time.

Mr. ROGERS. Mr. Chairman, I know that. I am trying to do a little song and dance while we wait for them to get to the floor.

Mr. Chairman, I wonder if the Chair could inform the Members what the procedure is for the evening. The Chair has been rolling votes. I would assume that at some point in time we will be resuming the votes and taking those rollcalls that have been reserved; is that correct?

The CHAIRMAN. At some point the Committee will resume those proceeding as unfinished business

PARLIAMENTARY INQUIRY

Mr. ROGERS. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ROGERS. Can the Chair inform the Members how late the session will be going this evening?

The CHAIRMAN. No, the Chair cannot.

The Clerk will read.

The Clerk read as follows:

SEC. 109. (a) Section 1930(a) of title 28, United States Code, is amended in paragraph (6), by striking everything after "total less than $15,000;" and inserting in lieu thereof: "$500 for each quarter in which disbursements total $15,000 or more but less than $75,000; $750 for each quarter in which disbursements total $75,000 or more but less than $150,000; $1,250 for each quarter in which disbursements total $150,000 or more but less than $225,000; $1,500 for each quarter in which disbursements total $225,000 or more but less than $300,000; $3,750 for each quarter in which disbursements total $300,000 or more but less than $1,000,000; $5,000 for each quarter in which disbursements total $1,000,000 or more but less than $2,000,000; $7,500 for each quarter in which disbursements total $2,000,000 or more but less than $3,000,000; $8,000 for each quarter in which disbursements total $3,000,000 or more but less than $5,000,000; $10,000 for each quarter in which disbursements total $5,000,000 or more. The fee shall be payable on the last day of the calendar month following the calendar quarter for which the fee is owed.".

(b) Section 589a of title 28, United States Code, is amended to read as follows:

"§ 589a. United States Trustee System Fund

"(a) There is hereby established in the Treasury of the United States a special fund to be known as the 'United States Trustee System Fund' (hereinafter in this section referred to as the 'Fund'). Monies in the Fund shall be available to the Attorney General without fiscal year limitation in such amounts as may be specified in appropriations Acts for the following purposes in connection with the operations of United States trustees—

"(1) salaries and related employee benefits;

"(2) travel and transportation;

"(3) rental of space;

"(4) communication, utilities, and miscellaneous computer charges;

"(5) security investigations and audits;

"(6) supplies, books, and other materials for legal research;

"(7) furniture and equipment;

"(8) miscellaneous services, including those obtained by contract; and

"(9) printing.

"(b) For the purpose of recovering the cost of services of the United States Trustee System, there shall be deposited as offsetting collections to the appropriation 'United States Trustee System Fund', to remain available until expended, the following—

"(1) 23.08 percent of the fees collected under section 1930(a)(1) of this title;

"(2) one-half of the fees collected under section 1930(a)(3) of this title;

"(3) one-half of the fees collected under section 1930(a)(4) of this title;

"(4) one-half of the fees collected under section 1930(a)(5) of this title;

"(5) 100 percent of the fees collected under section 1930(a)(6) of this title;

"(6) three-fourths of the fees collected under the last sentence of section 1930(a) of this title;

"(7) the compensation of trustees received under section 330(d) of title 11 by the clerks of the bankruptcy courts; and

"(8) excess fees collected under section 586(e)(2) of this title.

"(c) Amounts in the Fund which are not currently needed for the purposes specified in subsection (a) shall be kept on deposit or invested in obligations of, or guaranteed by, the United States.

"(d) The Attorney General shall transmit to the Congress, not later than 120 days after the end of each fiscal year, a detailed report on the amounts deposited in the Fund and a description of expenditures made under this section.

"(e) There are authorized to be appropriated to the Fund for any fiscal year such sums as may be necessary to supplement amounts deposited under subsection (b) for the purposes specified in subsection (a).".

(c) Notwithstanding any other provision of law or of this Act, the amendments to 28 U.S.C. 589a made by subsection (b) of this section shall take effect upon enactment of this Act.

SEC. 110. Public Law 103-414 (108 Stat. 4279) is amended by inserting at its conclusion a new title IV, as follows:

"TITLE IV—TELECOMMUNICATIONS CARRIER COMPLIANCE PAYMENTS

"SEC. 401. DEPARTMENT OF JUSTICE TELECOMMUNICATIONS CARRIER COMPLIANCE FUND.

"(a) ESTABLISHMENT OF FUND.—There is hereby established in the United States Treasury a fund to be known as the Department of Justice Telecommunications Carrier Compliance Fund (hereafter referred to as 'the Fund'), which shall be available without fiscal year limitation to the Attorney General for making payments to telecommunications carriers, equipment manufacturers, and providers of telecommunications support services pursuant to section 109 of this Act.

"(b) DEPOSITS TO THE FUND.—Notwithstanding any other provision of law, any agency of the United States with law enforcement or intelligence responsibilities may deposit as offsetting collections to the Fund any unobligated balances that are available until expended, upon compliance with any Congressional notification requirements for reprogrammings of funds applicable to the appropriation from which the deposit is to be made.

"(c) TERMINATION.—

"(1) The Attorney General may terminate the Fund at such time as the Attorney General determines that the Fund is no longer necessary.

"(2) Any balance in the Fund at the time of its termination shall be deposited in the General Fund of the Treasury.

"(3) A decision of the Attorney General to terminate the Fund shall not be subject to judicial review.

"(d) AVAILABILITY OF FUNDS FOR EXPENDITURE.—Funds shall only be available for obligation after submission of an implementation plan as set forth in subsection (e), to the Committees on the Judiciary and Appropriations of both the House of Representatives and the Senate and shall be treated as a reprogramming of funds under section 605 of the Department of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1997, and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

"(e) IMPLEMENTATION PLAN.—The implementation plan shall include:

"(1) law enforcement assistance capability features including an explanation of how proposed interface and assistance capability requirements exceed or differ from the law enforcement assistance currently provided by carriers;

"(2) the actual and maximum number of simultaneous surveillances/intercepts that law enforcement agencies expect to perform (capacity requirements), as well as the "historical baseline electronic surveillance activity" on which the proposed capacity requirements are based;

"(3) a detailed county by county listing of proposed actual and maximum capacity requirements;

"(4) the proposed network switch and other assistance capability features requested by law enforcement that would be required to be installed by telecommunications carriers;

"(5) a complete estimate of the full costs of development and deployment of the assistance capability features, the full costs of the proposed actual and maximum capacities requested by law enforcement, the full cost of training telecommunications carrier personnel in the use of such capabilities and capacities, and to what extent funding of $500,000,000 will be sufficient to fully reimburse telecommunications carriers for the reasonable cost of compliance with this Act; and

"(6) a complete estimate of the full and reasonable costs associated with the modification to be performed by telecommunications carriers of their network equipment and facilities installed or deployed after January 1, 1995, which are not proposed for reimbursement.

"(f) ANNUAL REPORT TO THE CONGRESS.—The Attorney General shall submit to the Congress each year a report specifically detailing all deposits and expenditures made pursuant to his Act in each fiscal year. This report shall be submitted to each member of the Committees on the Judiciary and Appropriations of both the House of Representatives and the Senate, and to the Speaker and minority leader of the House of Representatives and to the majority and minority leaders of the Senate, no later than 60 days after the end of each fiscal year."

AMENDMENT OFFERED BY MR. BARR OF GEORGIA

Mr. BARR of Georgia. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARR of Georgia: Page 41, beginning on line 24, strike "Funds" and everything that follows through "to the Committees" on page 42, line 1, and insert the following: "Funds shall not be available for obligation unless an implementation plan as set forth in subsection (e) is submitted to each member of the Committees".

Page 42, line 3 strike "and shall" and insert "and the Congress does not, within the 60 days after the date of such submission, by law block or prevent the obligation of such funds. Such funds shall".

Page 42, line 8, insert before the period the following: "and this section".

Mr. BARR of Georgia [during the reading]. Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BARR of Georgia. Mr. Chairman, I would like to first of all thank both the chairman and the ranking member and members on both sides of the aisle that have worked on this amendment, which I believe is acceptable to both sides and which simply is really, Mr. Chairman, more in the nature of a perfecting amendment than anything else.

It simply addresses, Mr. Chairman, language which would apply to title IV, the telecommunications carrier compliance payments, which has to do, Mr. Chairman, with CALEA, the Compliance with Law Enforcement Act, Communications Assistance Law Enforcement Act which was passed by this body in the last Congress.

The language, Mr. Chairman, that this amendment proposes, which we have worked out and which I again, Mr. Chairman, believe is acceptable to both sides, simply elaborates on language currently contained in subsection (d) of this provision of this section.

It simply makes very clear that the implementation plan for the fund that would be set up in order to fund the CALEA, C-A-L-E-A, Mr. Chairman, the fund shall not be made available until the implementation plan, Mr. Chairman, has been very clearly laid out to the Congress of the United States, not only generally speaking but to the appropriate committees and committee memberships so that these committees, namely the Committee on the Judiciary and the Committee on Appropriations, Mr. Chairman, will have a chance to review it and ensure that the provisions that the Department of Justice is seeking to fund, the funding mechanism that it is seeking to set up and the funds that would thereafter be used according to the terms of the language that is currently in this legislation, really set forth the parameters within which the companies, the telecommunications carriers and equipment manufacturers know that they must operate.

It lays out for the people of the United States through their representatives on the appropriate committees of the Congress the general scope of what the Government believes is necessary in order to effectuate the purposes already set forward in CALEA and which would be carried out pursuant to this fund.

The legislation simply provides a 60-day period within which the Congress shall be able to consider the implementation plan and after, therefore, if no objections are raised, then it would go into effect and the Department of Justice would be able to move forward with the plan.

Mr. Chairman, I thank the distinguished chairman of this committee and the subcommittee.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. BARR of Georgia. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I thank the gentleman for yielding to me.

I compliment the gentleman for his perseverance on this issue. He knows this issue better than anyone else does. He has been very helpful in constructing the portions of the bill that relate to digital telephony. We have no objection to the amendment that he has offered. In fact, we commend him for it. We urge its adoption.

Mr. MOLLOHAN. Mr. Chairman, will the gentleman yield?

Mr. BARR of Georgia. I yield to the gentleman from West Virginia.

Mr. MOLLOHAN. Mr. Chairman, we have just seen this language. Will the gentleman explain the purpose of this language? Why do you want to do this?

Mr. BARR of Georgia. Mr. Chairman, the purpose of the language is to clarify that the implementation plan which would set out the parameter within which the funds under CALEA would be used shall be made specifically available to the membership of the Committee on the Judiciary and the Committee on Appropriations, and that the Congress would have 60 days within which to raise any objection to it. If within those 60 days the Congress does not act, then the implementation plan, again as laid out already in the legislation, would go into effect and the funds would be available to implement the plan.

Mr. MOLLOHAN. Mr. Chairman, if the gentleman will continue to yield, what is the gentleman wanting to achieve by this?

Mr. BARR of Georgia. Mr. Chairman, really the only thing that this amendment provides over and above the existing language of the legislation is somewhat greater accountability and specificity in the plan that would be set forward, and to make sure that it is specifically available to Members of the Congress so that they have full opportunity to review it, raise any questions about it, consult with the FBI and the DOJ. If there are any questions that the Members of Congress, particularly on these two committees which have very clear interest, the Committee on the Judiciary, substantively, and the Committee on Appropriations, because of the large amount of funding that would go into this fund, that they have full and fair opportunity to review it.

Mr. MOLLOHAN. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. BARR of Georgia. Mr. Chairman, I urge my colleagues on both sides of the aisle to adopt this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. BARR].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

This title may be cited as the "Department of Justice Appropriations Act, 1997".

AMENDMENT OFFERED BY MS. MOLINARI

Ms. MOLINARI. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Ms. MOLINARI: In title I, at the end of the item relating to "GENERAL PROVISIONS—DEPARTMENT OF JUSTICE", insert the following new section:

SEC. . It is the sense of the Congress that the Drug Enforcement Administration, together with other appropriate Federal agencies, should take such actions as may be necessary to end the illegal importation into the United States of Rohypnol (flunitrazepam), a drug frequently distributed with the intent to facilitate sexual assault and rape.

Ms. MOLINARI. Mr. Chairman, this amendment is just a very straightforward sense-of-Congress resolution that the Drug Enforcement Agency and other Federal agencies should take whatever action necessary to end the illegal importation of a drug called Rohypnol.

Today Congress acknowledges a drug problem that strikes its victims twice, by rendering them unconscious—for as much as 24 hours—allowing their attacker to rape and brutalize them. Second, the victim is so impaired that they cannot even remember anything about the attack. They are defenseless during the attack and after the attack they are equally as helpless to prosecute their attacker.

The drug called Rohypnol, also known as roofies, roachies, or Mexican Valium, is not manufactured or sold in the United States, but is very available. So available that in a recent story by a national news program more than 30 women were raped in Ft. Lauderdale after this drug was slipped into their drink. Of course, this only accounts for reported rapes where a toxicology study was performed. There might be many others and we do not know. But what we do know is that this drug, which may not be sold or manufactured in the United States, is a serious threat to women.

The drug is tasteless, odorless, and colorless, so its victims never know what has happened until after it's too late. In addition, it is 10 times more powerful than Valium.

This sense-of-Congress resolution is a small, but first step toward combating the importation and dissemination of Rohypnol. It says to all Americans, including any potential users, the government treats this drug as a serious threat to the safety of women, and will take any necessary actions to prevent its use. We recognize that Rohypnol is more than just a strong sleeping pill—it's a weapon used to commit rape.

Rape is just one use of Rohypnol. On the street, it is combined with drugs such as cocaine and heroin which induce a quick high. The user then ingests Rohypnol to bring them down. Drug addicts do not need another drug to combat their addiction, they need treatment and where applicable, incarceration.

This appropriations bill directs $197.5 million for the Violence Against Women Act—a 12-percent increase from last year and nearly a 700-percent increase from the previous Congress. I am proud to be one of the original supporters of this initiative, and I am proud to say that this year's total funding far exceeds any prior appropriation—Chairmen LIVINGSTON, ROGERS, and PORTER are to be commended for their hard work. But a new problem is on the horizon and moving quickly toward us. We must stand up now, recognize the threat is real, and do all that we can do to keep it out and prosecute those who bring it into our country for criminal purposes.

Mr. Chairman, let me also conclude by commending the gentleman from New York, Chairman SOLOMON, who has taken the initiative to combat this drug by increasing the penalties for someone who uses this drug or any other controlled substance in the commission of a rape or sexual battery.

Again, in closing, I urge my colleagues to adopt this very important small step toward sending a sense of Congress to Federal agencies that something must be done and something must be done quickly.

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Mr. ROGERS. Mr. Chairman, will the gentlewoman yield?

Ms. MOLINARI. I yield to the gentleman from Kentucky.

Mr. ROGERS. Let me commend the gentlewoman for bringing this matter to the attention of the Congress, a matter of great importance to so many around our country, and the gentlewoman again, as she has in the past, has put her finger on a very severe problem in this country, and I hope that her efforts will be rewarded.

Ms. MOLINARI. Mr. Chairman, I thank the gentleman from Kentucky for using his leadership on this committee and his leadership in Congress to make sure that when areas of grave concern are brought to his attention that he acts immediately and swiftly, and without that immediate action none of these problems would be resolved, nevertheless brought to the public's attention.

Mr. SOLOMON. Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from New York.

It is so terribly important.

My colleagues, there is something happening in this country for the first time. As my colleagues know, for years we have been haunted with this serious problem of drug abuse, illegal drug abuse in this country, but primarily in the past it has only affected those people that were bringing it on themselves, those people using the drugs. Today an entire new generation of young women and children are being threatened now with a drug that is being used as a weapon against them. It is a terrible thing.

I have introduced legislation, and on Thursday at 1 o'clock we will be holding a press conference, the gentlewoman from New York [Ms. MOLINARI] and myself and a number of others who sponsor this legislation, concerning legislation we are introducing mandating severe penalties for anyone, anyone convicted of using controlled substances, not just this terrible drug Rohypnol, but any controlled substance, whether legal or illegal, for using that as weapon to commit rape or even for the intent of committing rape. And it includes, again, the drug rohypnol. For the first time, this drug is being used as a weapon against unsuspecting women and children.

Let me just tell my colleagues how bad this is. As my colleagues know, illegal drug use in this country is increasing. Fifty percent among young adults in the last 4 years. But let me tell my colleagues what is happening even worse. For 12- and 13-year-olds in this country, the increase in marijuana use alone has gone up 137 percent. Those are 12- and 13-year-olds. For the ages 14 and 15, it has increased 200 percent in marijuana use and other illegal drugs. That is how serious it is.

And, as my colleagues know, illegal drug use causes 75 percent of all of the violent crime against women and children in this country today, and that has been bad enough, but now these unsuspecting young children, young kids 12, 13, 14, 15 years old, along with young adult women are first plied with alcohol, and then marijuana, and then they have this drug like Rohypnol slipped into a drink. It renders them unconscious, but awake, and they have to lie there and helplessly watch what is happening to them. Last week I testified before Senator COVERDELL and his subcommittee on this issue, and I heard firsthand testimony about the terrible things that have happened to these young women. It was absolutely heartrending.

Mr. Chairman, to help put an end to these terrible atrocities we are introducing legislation requiring a 20-year mandatory minimum sentence for anyone who is convicted of committing rape while using these kinds of controlled substances as a weapon.

Mr. Chairman, that has got to stop and that is exactly what my legislation will do. For the first conviction, they get 20 years with no parole, 20 years mandatory sentence, and if they are convicted the second time, it is life imprisonment.

This amendment is supported by Senator COVERDELL and Senator BIDEN over in the other body, the ranking member of the Judiciary Committee. We need to pass this legislation, and we need to do it now to stop this new generation of victims from taking place.

So I thank the gentlewoman for her amendment. It is a great amendment, and we look forward to the press conference that we will hold on the revision of our legislation that is going to be introduced on Thursday.

Mr. HEINEMAN. Mr. Chairman, I move to strike the last word.

I rise in strong support of the Molinari-Solomon amendment.

We have heard in this Chamber tonight talk about terrorism. We have heard talk about crime prevention in the communities as opposed to other alternatives. Well, we have to talk about both of those issues when we refer to this legislation.

This is a form of domestic terrorism. It is terrorism when people are held at bay, held at bay as young females in middle school and high school and in college, held at bay because they go out on a date, and the first thing they know is they do not know what is going on. But the next morning they do know, but they cannot remember fully because of this powerful drug.

What is crime prevention? Sure, people say it is midnight basketball. I say it is strong law that is crime prevention. We have to make a strong statement on this. Those sanctions of 20 years, that is not excessive. We have to bring fear into the hearts of the criminals and fear in the hearts of the potential criminals.

Every day we are creating victims, and that is what we have to keep in mind. We have to be concerned about the victims in this country and those victims that are helpless, those victims that are vulnerable, those children, those teenagers, the elderly, we have to take care of that. We are the ones that make law across these States.

This drug Rohypnol is a powerful tranquilizer known as the "date rape drug" because it is used by rapists to incapacitate their victims. This drug is illegal in the United States, yet it comes to here in this country from Mexico and other Latin American States. It is 10 times more potent than Valium, and it is odorless, colorless and tasteless.

I commend the gentlewoman from New York [Ms. MOLINARI] and the gentleman from New York [Mr. SOLOMON] for their leadership in this important issue. I look forward to working together with them in this legislation.

Federal law enforcement agencies need to move quickly and take strong action to prevent the illegal importation of this drug. There is an ever increasing number of unsuspecting women being victimized by rape, by criminals who use this powerful sedative. The drug enforcement agency, the DEA, has reported that Rohypnol has become a problem in 26 Southeastern and Southwestern States. This drug has been growing in popularity among young people because of its low cost. There are growing numbers of middle school, high school, and college students abusing this drug for many reasons. If we fail to act now, I fear that this drug will continue to spread and place a larger number of women in danger.

Again I would like to commend the gentlewoman from New York [Ms. MOLINARI] and my colleague, the gentleman from New York [Mr. SOLOMON], for their efforts on this behalf, and I urge my colleagues to vote for this amendment.

Mr. SHAW. Mr. Chairman, I rise in support today of Ms. MOLINARI's amendment affirming the opposition of this Congress to the pernicious drug commonly known as roofies or the rape drug. In my district, Ft. Lauderdale, already more than 30 women have been raped after this drug was slipped into their drink. Ten times more powerful than Valium, this colorless, odorless, and tasteless depressant has the effect of rendering an unknowing victim susceptible to suggestion and thus vulnerable to sexual assault or rape. Because amnesia is one of roofies major side effects, victims may have the frightening experience of not being able to completely recall what happened to them.

Roofies are illegally trafficked in from Mexico and Colombia and are quickly becoming a critical problem in the Southern States, from California all the way to Florida. Particularly in my own State of Florida, high school students not realizing the addictive nature and adverse side effects of the drug are buying the widely available roofies on the streets for as little as $2.50.

Mr. Speaker, we must take a stand against the illegal importation of roofies. We must not continue to let our women and teenage children be so appallingly vulnerable to sexual assault. I urge you to please support Ms. MOLINARI's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York [Ms. MOLINARI].

The amendment was agreed to.

Ms. NORTON. Mr. Chairman, I ask unanimous consent to offer an amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from the District of Columbia?

Mr. SMITH of New Jersey. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The amendment is not timely. The Chair is assuming the gentlewoman from the District of Columbia [Ms. NORTON] is asking unanimous consent to return to a previous section.

Ms. NORTON. I am, Mr. Chairman.

May I move to strike the last word then, Mr. Chairman?

The CHAIRMAN. The gentlewoman is recognized for 5 minutes.

Ms. NORTON. Mr. Chairman, I had published an amendment that would allow an exception to our policy of using Federal funds for abortion for women who are incarcerated. I ask for that exception because under no circumstances do these women have access to any personal funds or to any State and local funds. Even though they were not incarcerated, they might obtain an abortion through their own jurisdiction. I asked for this exception because the average annual growth in the Federal prisons has been significantly greater than in State prisons. Annually it has been almost 10 percent a year, and it is amazing when the Federal sector now outpaces the State sector where, after all, most of the criminal law is, the increase in female inmates has significantly outpaced those of male inmates.

I am talking about voluntary abortions only. I myself am writing a bill that would make it easier for women in prison to have their children adopted. Now, with voluntary abortions before this was lifted during this Congress, there was counseling, there was the right of staff objections. These are the least responsible parents by the documented evidence that they are in prison. Theirs are the most vulnerable offspring, and the story of what happens to both women and children when the children are born in prison is one of the great horror stories of America.

Most of these women are in prison because of the use of drugs and alcohol. More than half committed an offense, the offense for which they are incarcerated, under the influence of drugs or alcohol, and almost 40 percent were using crack.

The problem was spiraling out of control because of the huge growth of numbers. The number of inmates in the Federal prison in the last decade grew by 75 percent. Women grew at twice that rate while only 10 percent of the prison population; their jump was 137 percent.

What I am asking is for an exception comparable to that we have made for rape or incest. Otherwise what we have here is forced childbirth.

The rate of infection, HIV infection for women in prison, actually exceeds the rate of infection for men in prison. This is truly an astonishing development. To be sure, women in prison forfeit their rights, they forfeit their rights to, every right to which they are entitled. But they also forfeit their rights to decent prenatal care, the right to a diet that would nourish the embryo.

Mr. Chairman, we have denied the right of choice to Federal workers who, after all, have other alternatives, to women in the military who have other alternatives, but when we deny it here, we act in a barbaric fashion. We force childbirth on a woman who is incarcerated.

Taxpayers should pay for these abortions for the same reason that taxpayers must pay for everything else these women get in prison. They pay for food, they pay for shelter, and we should not have to pay for that either, but since they are incarcerated we have no choice, and we should have no choice as well but not to compound the tragedy involved in their being in prison and pregnant by forcing childbirth on them in a democratic and humane society.

This is not only the bed they have made to lie in. Far more is at stake, given the rising number of women who are now in our Federal prisons. I ask for this exception in the name of humanity.

Mr. SMITH of New Jersey. Mr. Chairman, I move to strike the last word.

Mr. Chairman, abortion on demand is child abuse and in no way can be construed as humane or compassionate. A child's worth is not determined by who his or her mother happens to be, and the value of a baby is not diminished one iota because mom happens to be an inmate.

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As a matter of fact, her God-given value is not diminished, either. The

Norton amendment which would have been offered tonight and will not be offered because that point in the legislation has passed. This would have forced taxpayers to subsidize violence against children; in this case, the child of an inmate.

Mr. Chairman, many Americans are either uninformed or living in a state of denial on the general issue of abortion, especially as it relates to the gruesome reality of abortion. Abortion methods include dismembering innocent children with razor blade tip suction devices or injections of chemical poisons designed to kill the baby. If the abortion President, Bill Clinton, has his way, both partial birth abortions will remain legal and available for taxpayer subsidy as well as the newest form of baby poison, RU–486.

Mr. Chairman, abortion on demand treats pregnancy as a sexually transmitted disease. The growing child is viewed as a tumor, as a wart, a piece of trash to be destroyed. Earlier today my dad underwent some major surgery to remove cancer from his stomach. Every member of my family has been deep in prayer all day and over the last week, hoping that the surgeon removes every vestige of that horrible disease. My dad's courage—and I just say this parenthetically—his faith in God throughout all of this has been absolutely inspiring, and he is now in intensive care.

But the whole ordeal reminds me anew that the role of medicine is to heal. The role of medicine is to heal and to nurture, to cure a disease, to excise life-threatening tumors. It is not to destroy innocent unborn babies as if they were cancer.

Mr. Chairman, if you have ever watched an unborn child's image on an ultrasound or sonogram screen, you cannot help but be awed by the miracle of human life, by the preciousness of a child's being, and moved to pity by the helplessness and vulnerability of that child, by the fragility of those tiny fingers and toes. To see an unborn child turning, twisting, kicking and sucking his or her thumb while still in utero shatters the myth that abortion merely removes tissue or the products of conception.

Peel away the euphemisms that sanitize abortion and the cruelty to children, and yes, the cruelty to their mothers as well, becomes readily apparent to anyone with an open mind. The entire smoke screen of choice turns the baby into property, a thing, a commodity, and not a someone. The whole rhetoric of choice dehumanizes our brothers and sisters in the womb and puts them in the same category as cars, TV sets, stereos, and toasters. The whole rhetoric of choice reduces unborn babies to objects. The feminists had it right: Do not treat women as objects. The unborn are not objects, either, that can be killed by chemical injections or by dismemberment.

Finally, Mr. Chairman, Mother Teresa was right when she said the greatest destroyer of peace today is abortion because it is a war against the child, a direct killing of an innocent child. Any country that accepts abortion, as she goes on to say, is not teaching its people to love, but to use violence to get what they want. That is why the greatest destroyer of love and peace is abortion, and she pleads and says, "Please don't kill the baby".

Last year the Norton amendment was voted down by 281 members. It probably would have had the same fate tonight. It will not be considered by the House because of the lateness in arriving, but just let me say this amendment and others like that use taxpayer funds to subsidize the killing of unborn babies always ought to be defeated.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. The Chair wishes to point out to the membership that there is no amendment pending at this time.

Ms. WOOLSEY. Mr. Chairman, I ask unanimous consent that the gentlewoman from the District of Columbia [Ms. NORTON] be allowed to present her amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

Mr. SMITH of New Jersey. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Ms. WOOLSEY. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am going to make a prediction. When historians write books on the Gingrich Congress, they are going to write chapter upon chapter about the new majority's assault on reproductive choice.

In the first session of the Gingrich Congress, the House of Representatives voted 21 times to compromise a woman's right to choose; 21 votes to undermine a constitutionally guaranteed right, in just 1 year.

This is a new appropriations season and the march continues. But this time the anti-choice forces are making sure that not only will they maintain what they gained last year, but they want to expand on every one of their gains, including prohibition of abortion services in Federal prisons.

There are really two main reasons why passage of the amendment of the gentlewoman from the District of Columbia [Ms. NORTON] was important. First, this is a pro-choice vote. If Members say they are pro-choice, how can they in good conscience not vote for the Norton amendment, an amendment which affirms reproductive choice for women in prison?

I know that speaking on behalf of women in prison may be unpopular. Obviously these are women who have committed crimes. They are serving their punishment. They are incarcerated. But the Norton amendment is not only about women in prison, it is about fundamental protection for Roe versus Wade. If Members are truly pro-choice, then they cannot support the language in this bill, language that will make the right to choose ring hollow for one more group of American women.

Second, Mr. Chairman, I want to talk about the women who need abortion services in prison. Many women prisoners are victims of physical and sexual abuse. In fact, many of them may have had that drug, that date rape drug that the gentleman was referring to in the last amendment. These women have almost no access to prenatal care. They are isolated from family and friends and they face almost certain loss of custody of their child once the child is born. To require that imprisoned women bring unwanted children into wretched circumstances is wrong because we are not considering who will support these children once they are born, wrong because women in prison are not able to care for these children, wrong because denying women in prison abortion services undermines the fundamental principle of reproductive choice.

I urge all of my colleagues to consider the Norton amendment, to pay attention to it, to accept the issue as an affirmation of the right to choose because, Mr. Chairman, it is the right thing to do.

Mrs. SCHROEDER. Mr. Chairman, I ask unanimous consent that the gentlewoman from the District of Columbia [Ms. NORTON] be allowed to offer her amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Colorado?

Mr. SMITH of New Jersey. I object, Mr. Chairman.

The CHAIRMAN. Objection is heard.

PARLIAMENTARY INQUIRY

Mr. ROGERS. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. ROGERS. Mr. Chairman, what is pending before the body?

The CHAIRMAN. There is an amendment pending before the Committee at this point.

Mr. ROGERS. Mr. Chairman, may we be able to move on and do pending business?

The CHAIRMAN. The Chair suggested, a couple of speakers previous to this, that that would be a good idea. The Chair will recognize the gentlewoman from Colorado [Mrs. SCHROEDER], if recognition is sought. After that the Chair will intend to recognize the gentleman from Florida for the purposes of his colloquy.

Mrs. SCHROEDER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, how sad I am that now for the third time we have seen Members on this floor denying the gentlewoman from the District of Columbia the right to offer her amendment. I think this Gingrich Congress is going to go down as one of the most anti-women Congresses we have ever seen.

The gentlewoman was in the dining room trying to pay her bill before she ran up here. Is that a crime? My guess is if she were a guy, they would allow this to happen. But the gentlewoman sits down there trying to pay her bill and please, sometimes the service is not the fastest downstairs, because she is a very honorable woman, and she gets up here and everybody goes, ha, ha, ha, you are just 2 seconds too late. That is it. Have a nice day.

What is the consequence? The consequence is that women in prison will not be allowed to have abortions. Let me tell the Members, women in prison very often have been the subject of abuse. They could be drug victims, they could be HIV-positive, they could have the same kind of physical problems that women outside of prison have.

I do not know how to break it to you guys, but pregnancy is not necessarily a 9-month cruise. You do not just lay around the swimming pool eating bonbons. This could be a physically life-threatening situation. But to not even allow it in the cases of rape and incest, and to be so gleeful, and to have now denied for the third time the gentlewoman's right to come forward and offer this amendment in this chaotic situation where we are bundling things and moving things and all sorts of things, makes me really very sad.

I have to say, shame, shame on this body. This is unbelievable. I would never stand up and do this to another Member. We talk about how uncivilized this place is. This is the ultimate of how uncivilized we have become, that we think everybody has to sit here, and I sat here for 3 hours, for 3 hours, they kept saying, your amendment is up any minute, your amendment is up any minute. The gentlewoman sat here with me, because she was very active on our amendment, to try and make sure that the EEOC was at least staffed up to this year's level because they are so far behind.

What we continue to say around here is rights are okay for the men, but for women we say we are for rights but we are not interested in remedies. Women have to be here 24 hours a day because if they miss one glitch, we cannot wait to roll over them like a tank.

So I really want the record to show that three times tonight we have stood up for an issue that nobody wants to particularly stand up for: women in prison. But we have said, why are we going to federally mandate motherhood to women in prison no matter what the circumstances, no matter what her physical circumstance, no matter whether she was the subject of incest or drugs or rape; no matter what, we have now federally mandated motherhood for that women?

Ms. NORTON. Mr. Chairman, will the gentlewoman yield?

Mrs. SCHROEDER. I yield to the gentlewoman from the District of Columbia.

Ms. NORTON. Mr. Chairman, I do want the RECORD to show that the gentlewoman from New York [Ms. MOLINARI] was on her feet and I was on my feet, and I believe the chairman believed that he could come back to me, because I motioned to the chairman that I was here as the last item, and I am talking about the Speaker now, as the last item in Justice, and the gentlewoman from New York [Ms. MOLINARI] was called on.

If I had been called on this, objection to my even offering my amendment could have been raised. I do not think it was my error, I think it was the error of the Speaker.

Mrs. SCHROEDER. I am so glad the gentlewoman said that, Mr. Chairman. I was with the gentlewoman having dinner downstairs. I heard her say, have the cloakroom call me. She had staff on alert. She had the phones going so she could be called up here the moment she was to be here. That is why I was stunned to walk on this floor and find out that this had happened.

I just want to say to people who continue to think it is real cute to object to her being able to bring this up: This is wrong. This is how women in this body are treated by the other Members. We are not equal. You would not do this to male colleagues, and you bloody well know it, and you would not do it to issues that dealt with male citizens, and you bloody well know it.

I think it is really very sad that you think it is so cute to continue to object when you have now done it three times, three times, to the gentlewoman, and she now has stated she was here, and you continue to roll over her. I do not know what else we can do. We wear bright colors. We hope you can see us. We know there are not many of us. But this is, indeed, a very sad night.

ANNOUNCEMENT BY THE CHAIRMAN

Mr. CHAIRMAN. The Chair would simply point out that throughout the process of this bill the bill has been read section by section. That process has not changed unless there has been an unanimous-consent request to go to a specific point in the bill, and that unanimous-consent request has been agreed to by both sides.

The Chair has attempted to be very fair to every Member of both sides, and will continue to do so.

The Chair recognizes the gentleman from Florida [Mr. DEUTSCH].

Mr. DEUTSCH. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had an amendment at the desk in title I. The reason that I was offering this amendment is to increase the funds available in the missing children's program account by $2.417 million, and reducing the State Department's internal organizations and conferences by the same amount.

I was seeking this shifting of funds to establish the Jimmy Ryce Law Enforcement Training Center, which will launch the most comprehensive intensive training program on missing and exploited children in American history, touching every State in 18 months.

This very targeted initiative is undertaken in the memory of Jimmy Ryce, a 9-year-old boy from my district who was abducted sodomized, and killed by a sexual predator last September. Jimmy's parents, Donna and Horton Ryce, poured their hearts and souls into their child's investigation. Some of the most frustrating, heart-wrenching moments for the Ryces came from a lack of resources coordination between national and local law enforcement.

In a letter the Ryces wrote to every Member of Congress this winter, they explained it this way:

> During the 3 months we looked for Jimmy, we discovered that well-intentioned law enforcement officers spent a lot of the critical first days and weeks to figure out what would be done and what resources outside the local community were available to help.

In working with the Ryce family, the National Center for Missing and Exploited Children, the Justice Department, and members of the South Florida delegation, we developed a coordinated plan to provide hands-on training for State and local law enforcement on how best to use national resources.

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This money will be channeled to the National Center for Missing and Exploited Children, the FBI's National Crime Information Center and Child Abduction and Serial Killer Unit, the Morgan P. Hardiman Task Force on Missing and Exploited Children, and the Office on Juvenile Justice and Delinquency Prevention who will work in partnership to create a single, massive, targeted national training program in 1997 and 1998.

Over the last several decades, Congress has made it a national priority to help States in the safe recovery of endangered children. But until the Federal Government equips law enforcement with the tools necessary to understand and utilize these national resources, we will continue to undermine the Federal role in missing children investigations as well as our chance for the safe recovery of endangered children.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. DEUTSCH. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, the gentleman has gone a long way to bring to the attention of this body and the subcommittee the problem of missing and exploited children. As the gentleman has indicated, Congress has made it a national priority to help States in the safe recovery of endangered children, and in addition to the $6 million in funds already provided as an earmark under the justice assistance account for the missing children's program in this bill, the Office of Juvenile Justice and Delinquency Prevention has established a Federal agency task force for Missing and Exploited Children and provides research, training, and technical assistance to prosecutors, law enforcement, and child protective services personnel. In addition, the Criminal Division and the FBI also dedicate significant resources to this problem, including forensic expertise, violent crime analysis, behavioral science profiling, trial preparation, and prosecutorial strategies.

But as the gentleman points out, additional training is still necessary to ensure that State and local law enforcement authorities have the ability to respond to this problem using the Federal and national resources available to them. This can be done through a combination of additional funding earmarked directly for the Missing Children Program and increasing efforts within resources already available to the FBI and the Office of Juvenile Justice and Delinquency.

I will assure the gentleman that I will work during the conference on this bill to provide additional resources for this important program. I commend him for his work.

Mr. DEUTSCH. Mr. Chairman, I appreciate the pledge of the gentleman from Kentucky. I look forward to working through the conference.

The CHAIRMAN. The time of the gentleman from Florida [Mr. DEUTSCH] has expired.

(By unanimous consent, Mr. DEUTSCH was allowed to proceed for 5 additional minutes.)

Ms. WOOLSEY. Mr. Chairman, will the gentleman yield?

Mr. DEUTSCH. I yield to the gentlewoman from California.

Ms. WOOLSEY. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I want to express my strong support for increasing funds for the National Center for Missing and Exploited Children. Mr. Chairman, 3 years ago, 12-year-old Polly Klaas was kidnapped from her bedroom in Petaluma, CA. That is where I live, that is part of my district. She was later found brutally murdered.

While it is too late to help Polly, it is not too late to help others like her. Since Polly's death, thousands more children have been abducted and many are still missing. Today we have an opportunity to help these children by creating a National Training Center for the Recovery of Missing and Exploited Children, and by improving reporting procedures that the Deutsch amendment has incorporated in the bill it will improve the likelihood that these children will be returned safely to their families.

For Polly, for 9-year-old Jimmy Ryce, it is too late. But for the thousands of children that are still missing, by our support of this important amendment we will have made a great difference.

Mr. RAMSTAD. Mr. Chairman, will the gentleman yield?

Mr. DEUTSCH. I yield to the gentleman from Minnesota.

Mr. RAMSTAD. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the Deutsch amendment to provide additional funding for a national training initiative to improve the law enforcement response in cases of missing and exploited children.

As the author of the Jacob Wetterling Crimes Against Children Act, which became law in 1994, I feel a special burden for children who are vulnerable to crime.

The Wetterling Act provides for the registration of convicted child sex offenders and violent sexual predators. The Wetterling Act is a critical resource for law enforcement for investigating child abduction and molestation cases. But more needs to be done.

The subject of this amendment, the Jimmy Ryce Law Enforcement Training Act, has three crucial components that will provide needed training to law enforcement in missing and exploited children cases.

Adequate funding is absolutely critical for each of these initiatives. I understand a promise has been made to fight for increased funding for this initiative in conference committee, and I am very grateful to Chairman Rogers for his commitment.

Mr. Chairman, I look forward to continued progress on making our communities a safer place for our kids to grow up.

Mr. BARCIA. Mr. Chairman, I move to strike the last word, and I would like to engage in a colloquy with the chairman regarding the Boys and Girls Clubs of America.

Mr. Chairman, in the fiscal 1996 appropriation bill, an $11 million earmark was provided for the Boys and Girls Clubs of America for the establishment of clubs in public housing facilities and other areas of need in cooperation with State and local law enforcement. This earmark was in addition to $4.35 million also included under Byrne discretionary grants.

The Boys and Girls Clubs of America have provided outstanding leadership in constructively providing and offering meaningful activities for our young people. If we are going to effectively deal with the challenges and temptations our young people face, we need to increasingly depend upon volunteer-based organizations like the Boys and Girls Clubs of America. Government cannot do it alone.

As I understand the history of this provision, Mr. Chairman, the intent was for that amount to be the first installment on a multiyear program.

I am great supporter of Boys and Girls Clubs generally and of this effort to bring constructive activity to additional young people in particular.

While the bill before us today includes $4.35 million for Boys and Girls Clubs under the Byrne discretionary grant program, it does not include the additional $11 million earmark under the local law enforcement block grant. Can the gentleman provide me with assurances that the conferees on this appropriations bill can provide similar positive consideration when the other body completes its action?

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. BARCIA. I yield to the gentleman from Kentucky.

Mr. ROGERS. I appreciate the gentleman's concerns and I assure him that we will provide similar favorable consideration when we conference this bill with the Senate, as we provided last year, for additional funding for the Boys and Girls Clubs of America.

Mr. BARCIA. I want to thank the chairman for his leadership on this issue and especially the Boys and Girls Clubs of America. I thank the chairman for this additional show of support from the Congress.

Mr. ROGERS. Mr. Chairman, I ask unanimous consent that the committee be allowed to go back to section 103 to allow the gentlewoman from the District of Columbia [Ms. NORTON] to offer the amendment which she was prepared to offer, and that debate on the amendment be limited to 10 minutes, 5 minutes for each side.

The CHAIRMAN. Is there objection to the request of the gentleman of Kentucky?

There was no objection.

The CHAIRMAN. The Clerk will redesignate section 103.

The Clerk redesignated section 103.

AMENDMENT OFFERED BY MS. NORTON

Ms. NORTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 12 offered by Ms. NORTON: In title I, under the heading "GENERAL PROVISIONS—DEPARTMENT OF JUSTICE", strike section 103.

The CHAIRMAN. The gentlewoman from the District of Columbia [Ms. NORTON] and a Member opposed will each control 5 minutes.

The Chair recognizes the gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Chairman, I yield myself such time as I may consume.

First, I want to thank the body for the courtesies that are being shown me on the issues I have raised. Above all, I want to indicate to the Chairman that I did not mean to impugn his fairness. He is a man whose reputation for fairness is unmarred in this body, and I think there was honest confusion. Moreover, I should have been here. Even though I was here before the end of the Justice section, I should have been here absolutely on time and I apologize to the body that I was not here. I would hope only that the issue that I raised would not be sacrificed because of my own tardiness.

I appreciate that my friends on the other side have given me the opportunity to offer the amendment. Unanimous consent is one of the few privileges that remains almost sacrosanct in this form in this body. It is an indication of the civility that remains in this body, although it is not always apparent. I had never intended to ask for a rollcall vote.

As has been indicated, I offered this amendment last year. For me it is a matter of principle just as those who do not support choice find it a matter of principle. For me it is deeply felt because my own district is one that is riddled with AIDS, crack, and alcohol, which is destroying parts not only of my own district but destroying parts of my own black community. It is devastating women of every race.

Mr. Chairman, I wished simply to offer the amendment in order to press upon us all that women now have a higher rate of incarceration, growth rate of incarceration, then men in Federal prisons for the first time in our history, that AIDS among them is significantly greater even than AIDS among men, an astonishing fact.

Mr. Chairman, I want to say to my friends on the other side of the aisle, I appreciate the opportunity to offer this amendment. I will look for opportunities to respond in kind.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Who seeks time in opposition?

Mr. SMITH of New Jersey. Mr. Chairman, I claim the time in opposition.

The CHAIRMAN. The gentleman from New Jersey [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of New Jersey. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, just so the record clearly reflects what is happening here, there were some bogus assertions made earlier that somehow the pro-life side was trying to box the gentlewoman from the District of Columbia from offering her amendment. Yet the simple fact of the matter is that we all have to abide by the rules here. There was a clear window of time here. Mrs. NORTON's amendment was clearly in order but she physically was not here to offer.

Many Members have done that over the years. I've been here for 16 years there have been times that bills have moved so fast that members have missed their opportunity. When that happens they have sought unanimous consent to bring it up, sometimes consent is granted, sometimes not. They did not then claim foul, though. If one knows what the rules are then its incumbent on a member to get here on time, and many Members have found this to be the case. But, really, if you're late getting here, don't turn around and cry foul.

I want the record to show clearly that right now by bringing this amendment up out of order we are providing special treatment, to the gentlelady. Last year when the Norton amendment was offered it was defeated with 281 noes. I think the outcome was very predictable and would have been predictable if we had indeed had a rollcall vote.

Mr. Chairman, the issue is one of whether or not we will provide funding in prisons and also for women detained by the Marshals Service and the Immigration and Naturalization Service, the INS. This language that the chairman has wisely put into the bill provides for abortion funding only in cases of rape or endangerment to the life of the mother section 103. It is a carryover from last year. I believe it is very good legislation.

Finally, and I said this earlier in this debate, why do we seek to proscribe funding for abortion? It is very simple. Many of us have come to the inescapable conclusion based on all of the available documentation that is out there that abortion kills babies, plain and simple. It dismembers babies' bodies. It results in the injection of chemical poisoning. I hope that a comprehensive debate on abortion occurs in this country, that this sense of denial that so many Americans are living with regarding abortion gets stripped away. The partial-birth abortion ban and the fight that occurred on this floor regarding that hideous procedure where the so-called doctor stabs the child's head with a scissors then hooks up a suction device to suck the brains out of the baby.

Many people began to see abortion not as freedom but cruelty to children. The other methods are equally gruesome. It just happens in utero.

You do not see the baby get dismembered unless you do what Dr. Nathanson did and utilize a sonogram and watch, as he did in his movie "The Silent Scream," a child actually getting picked apart by a loop-shaped knife which is as sharp as a razor blade.

Abortion kills babies. That is why we fight it. We also believe very strongly—and I know many women who have had abortions, many women—I believe that they are exploited, they are victims, they are covictims with the baby. Our real concern and love and compassion is for them. Reconciliation for those who have had abortions and efforts to try to prevent those who might be in a vulnerable situation from going forward with that irreversible decision to have her baby killed.

Mr. Chairman, I am glad we had this short debate and we are able to accommodate the gentlewoman from the District. Let me make it very clear however that had she been here at the right time when the reading of the appropriate paragraph occurred, she would have easily offered her amendment. Still, I am glad to be accommodative in providing this opportunity again for her to offer her amendment.

I urge Members to defeat it and yield back the balance of my time.

Mr. Chairman, I yield back the balance of my time.

Mrs. MORELLA. Mr. Chairman, I rise in support of the Norton amendment which would remove the ban on access to abortion services for incarcerated women, except in cases of rape or life endangerment.

There are currently almost 6,000 women incarcerated in Federal Bureau of Prisons facilities, the majority—68 percent—of whom are serving sentences for drug offenses. Most of the women are young, have been frequently unemployed, and many have been victims of physical or sexual abuses. According to a recent survey, 6 percent of women in prisons and 4 percent of women in jail were pregnant when admitted. Limited prenatal care, isolation from family and friends, and the certain loss of custody of the infant upon birth present unusual circumstances that exacerbate an already difficult situation if the pregnancy is unintended.

Because Federal prisons are totally dependent on health care services provided by the Bureau of Prisons, this ban, in effect, prevents these women from exercising their constitutional right to abortion. Most women prisoners were poor when they entered prison, and they do not earn any meaningful compensation from prison jobs. This ban then closes off their only opportunity to receive such services, and thereby denies then their rights under the Constitution.

I urge my colleagues to support the Norton amendment.

Mrs. MALONEY. Mr. Chairman, I rise in support of the Norton amendment.

A member of the new majority says that they plan to outlaw abortion, "procedure by procedure." Today's votes prove they are sticking by their word.

If the Radical right has its way, passage of the Commerce/State/Justice bill will include the 30th and 31st votes on choice in this Congress. The Norton amendment seeks to correct one of these attacks on American women.

Federal prisoners must rely on the Bureau of Prisons for all of their health care. So, if this ban passes, it would prevent these women from seeking needed reproductive health care.

In this bill, the new majority has attacked women who are often poor, uneducated, isolated, and beaten down. Most women prisoners are victims of physical or sexual abuse. Most women, if pregnant in prison, became pregnant from rape or abuse before they entered prison. Most women prisoners are poor and cannot rely on anyone for financial assistance.

These women already face limited prenatal care, isolation from family and friends, a bleak future, and the certain loss of custody of the infant.

The ban on reproductive health services for women in prison closes off their only opportunity to receive such care, it denies them their constitutional rights, but most importantly, it denies them their dignity.

Mr. Chairman, don't intensify an already difficult situation; support the Norton amendment.

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The CHAIRMAN. The question is on the amendment offered by the gentlewoman from the District of Columbia [Ms. NORTON].

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE II—DEPARTMENT OF COMMERCE AND RELATED AGENCIES

TRADE AND INFRASTRUCTURE DEVELOPMENT

RELATED AGENCIES

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

SALARIES AND EXPENSES

For necessary expenses of the Office of the United States Trade Representative, including the hire of passenger motor vehicles and the employment of experts and consultants as authorized by 5 U.S.C. 3109, $21,449,000, of which $2,500,000 shall remain available until expended: *Provided*, That not to exceed $98,000 shall be available for official reception and representation expenses.

INTERNATIONAL TRADE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the International Trade Commission, including hire of passenger motor vehicles, and services as authorized by 5 U.S.C. 3109, and not to exceed $2,500 for official reception and representation expenses, $40,000,000, to remain available until expended.

DEPARTMENT OF COMMERCE

INTERNATIONAL TRADE ADMINISTRATION

OPERATIONS AND ADMINISTRATION

For necessary expenses for international trade activities of the Department of Commerce provided for by law, and engaging in trade promotional activities abroad, including expenses of grants and cooperative agreements for the purpose of promoting exports of United States firms, without regard to 44 U.S.C. 3702 and 3703; full medical coverage for dependent members of immediate families of employees stationed overseas and employees temporarily posted overseas; travel and transportation of employees of the United States and Foreign Commercial Service between two points abroad, without regard to 49 U.S.C. 1517; employment of Americans and aliens by contract for services; rental of space abroad for periods not exceeding ten years, and expenses of alteration, repair, or improvement; purchase or construction of temporary demountable exhibition structures for use abroad; payment of tort claims, in the manner authorized in the first paragraph of 28 U.S.C. 2672 when such claims arise in foreign countries; not to exceed $327,000 for official representation expenses abroad; purchase of passenger motor vehicles for official use abroad, not to exceed $30,000 per vehicle; obtain insurance on official motor vehicles; and rent tie lines and teletype equipment; $272,000,000, to remain available until expended: *Provided*, That the provisions of the first sentence of section 105(f) and all of section 108(c) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2455(f) and 2458(c)) shall apply in carrying out these activities without regard to section 5412 of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4912); and that for the purpose of this Act, contributions under the provisions of the Mutual Educational and Cultural Exchange Act shall include payment for assessments for services provided as part of these activities.

EXPORT ADMINISTRATION

OPERATIONS AND ADMINISTRATION

For necessary expenses for export administration and national security activities of the Department of Commerce, including costs associated with the performance of export administration field activities both domestically and abroad; full medical coverage for dependent members of immediate families of employees stationed overseas; employment of Americans and aliens by contract for services abroad; rental of space abroad for periods not exceeding ten years, and expenses of alteration, repair, or improvement; payment of tort claims, in the manner authorized in the first paragraph of 28 U.S.C. 2672 when such claims arise in foreign countries; not to exceed $15,000 for official representation expenses abroad; awards of compensation to informers under the Export Administration Act of 1979, and as authorized by 22 U.S.C. 401(b); purchase of passenger motor vehicles for official use and motor vehicles for law enforcement use with special requirement vehicles eligible for purchase without regard to any price limitation otherwise established by law; $28,604,000, to remain available until expended: *Provided*, That the provisions of the first sentence of section 105(f) and all of section 108(c) of the Mutual Educational and Cultural Exchange Act of 1961 (22 U.S.C. 2455(f) and 2458(c)) shall apply in carrying out these activities: *Provided further*, That payments and contributions collected and accepted for materials or services provided as part of such activities may be retained for use in covering the cost of such activities, and for providing information to the public with respect to the export administration and national security activities of the Department of Commerce and other export control programs of the United States and other governments.

ECONOMIC DEVELOPMENT ADMINISTRATION

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

For grants for economic development assistance as provided by the Public Works and Economic Development Act of 1965, as amended, Public Law 91-304, and such laws that were in effect immediately before September 30, 1982, $328,500,000: *Provided*, That none of the funds appropriated or otherwise made available under this heading may be used directly or indirectly for attorneys' or consultants' fees in connection with securing grants and contracts made by the Economic Development Administration: *Provided further*, That, notwithstanding any other provision of law, the Secretary of Commerce may provide financial assistance for projects to be located on military installations closed or scheduled for closure or realignment to grantees eligible for assistance under the Public Works and Economic Development Act of 1995, as amended, without it being required that the grantee have title or ability to obtain a lease for the property, for the useful life of the project when in the opinion of the Secretary of Commerce, such financial assistance is necessary for the economic development of the area: *Provided further*, That the Secretary of Commerce may, as the Secretary considers appropriate, consult with the Secretary of Defense regarding the title to land on military installations closed or scheduled for closure or realignment.

AMENDMENT OFFERED BY MR. HOSTETTLER

Mr. HOSTETTLER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. HOSTETTLER: In title II, strike the item relating to "DEPARTMENT OF COMMERCE—ECONOMIC DEVELOPMENT ADMINISTRATION—ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS".

Mr. ROGERS. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 20 minutes and that the time be equally divided on the issue.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The gentleman from Indiana [Mr. HOSTETTLER] will be recognized for 10 minutes in support of his amendment. Who seeks time in opposition?

Mr. ROGERS. Mr. Chairman, I seek the time in opposition and I yield half of that time to the gentleman from West Virginia [Mr. MOLLOHAN] and I ask unanimous consent that he be permitted to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. HOSTETTLER].

Mr. HOSTETTLER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today to offer an amendment to eliminate funding for the Economic Development Administration.

The Economic Development Administration, known as the EDA, which is a part of the Department of Commerce, was created in 1965 to assist in the development of depressed areas an encouraged increased employment through loans and grants to State and local communities.

Although the original intent sounds reasonable, it is not reality. EDA money has been used for many projects that have nothing to do with jobs or economic development for depressed areas.

As we struggle to balance the budget, it is critical that we terminate funding for EDA, an irreparable program that wastes millions of precious Federal dollars every year. We simply cannot afford to continue funding this program.

Throughout the history of the EDA, there can be found any number of examples of Federal spending for unreasonable projects. The Inspector General audited a number of EDA projects and found fault with almost every one.

Some examples of taxpayers dollars being wasted include: $800,000 for a golf course that washed away, $5,000,000 was awarded in 1976 to an economic development district that built a cash reserve of almost $2 million and wasted and misused over $1 million; and $850,000 was awarded in 1987 to help fund a $1 million 3-year industrial park expansion. Eight years later the project was barely started but $670,000 of the money had been spent.

The EDA has proven itself to be a failure at meeting its objective. This program has become a $348 million drain on scarce and valuable Federal resources. Reform of the program is not the answer. Eliminating funding is the answer.

If you support eliminating the Department of Commerce, you should support this amendment. The fact is when EDA was created, 12 percent of the Nation was eligible, today it is estimated 90 percent of the Nation is eligible.

There has been a tendency to base projects more on political influence rather than true need. The 17 States represented by the members of the relevant House and Senate subcommittees received $1.10 per capita in EDA grants in 1994, compared to 68 cents for the rest of the Nation.

EDA's programs are very costly and too slow. An analysis of The Emergency Jobs Act of 1983 revealed that only 84 previously unemployed people received jobs under the program at a cost of $307,000 per job—seven times the cost of a job created in the private sector.

A study conducted by the General Accounting Office failed to establish a strong link between a positive economic effect in a community and an agency's economic development assistance.

Even proponents of this program admit the problems I have mentioned exist. As a solution to the waste of Federal funds and other problems with the EDA, they have offered up reform efforts as the answer. However, a year later, we are still spending the same amount of money and no reform has taken place to address these concerns.

To quote the Commerce Department's Inspector General regarding reform legislation, "H.R. 2145 simply reenacts substantial portions of the Public Works and Economic Development Act of 1965, and changes the program delivery mechanism by reverting to a regional commission structure similar to the one discontinued nearly 15 years ago with the repeal of the former Title V of the 1965 act. We are concerned that the bill does not directly address the types of deficiencies we have noted over the years with respect to EDA, particularly issues of overly broad eligibility criteria and problems stemming from inadequate programmatic oversight."

It is obvious the EDA has failed at its intended mission. Due to the budgetary constraints and the lack of a justifiable Federal role in these programs, it makes good sense to zero out this agency within the Department of Commerce.

I ask for your vote to strike EDA funding in the fiscal year 1997 Commerce-State-Justice appropriations bill.

Mr. Chairman, I reserve the balance of my time.

Mr. ROGERS. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, this amendment would eliminate the Economic Development Administration, and I urge a "no" vote.

We debated this issue on this bill last year and the year before and the year before that. Last year 310 members, representing a majority of both Republicans and Democrats, voted resoundingly to support the work of this agency.

I urge the House to turn back this effort to eliminate the EDA for the same reasons we have done for the last several years.

First, we have drastically cut this agency back and forced it to target its dollars on projects in truly distressed communities. Right now EDA funding is 21-percent below last year because of the work of this committee and this House. We proposed not one penny more in this bill, and in fact we provide less than the Administration requested. We also tell EDA it must continue targeting its money at the most distressed communities, in line with the reforms the House has already passed.

Second, if we do not vote this amendment down, we will deprive hard-hit communities in every State of the vital assistance these programs provide. EDA helps our poorest urban and rural communities to provide for themselves and to raise their standards of livings.

EDA also helps communities recover from sudden and severe jobs losses, like factory shutdowns or other disasters. And if your district has suffered from cutbacks in the defense industry, EDA is the major Federal program responsible for helping communities recover from those closed bases. EDA helps fund projects on military bases scheduled for closure so that communities and workers can reuse the base for another purpose.

We have cut EDA by almost $100 million from where it was in 1995. We have cut the bureaucracy by over 35 percent. The agency has been streamlined and downsized, and the development and selection of projects has been moved out of Washington, back towards the local and State levels.

We have worked closely with the authorizers to achieve those reforms, and they are working. The EDA is helping our truly needy areas to attract the private investments that lead to permanent jobs.

Mr. Chairman, I urge a "no" vote on the amendment.

Mr. HOSTETTLER. Mr. Chairman, I yield 2 minutes to the gentleman from Colorado [Mr. HEFLEY].

Mr. HEFLEY. Mr. Chairman, the Economic Development Administration was created in 1965 to promote the recovery of economically distressed areas. The EDA must not be doing its job very well because 31 years later, 90 percent of the country is eligible for EDA grants.

Does that mean that 90 percent of the country is seriously economically distressed, or does it mean that the EDA is no longer running according to its original noble goals? Regardless of the answer, something must be wrong with the EDA.

We are being asked today to spend over $300 million on projects that do not live up to the scrutiny placed on them by the Commerce Department Inspector General. We have reports of rampant fraud and abuse with EDA funds, and this is nothing new. This is something that has been going on for at least a decade. We keep getting the reports over and over again. We keep getting the reports of the misuse of funds on the part of the EDA.

Almost everyone that looks at the EDA except this body says that the EDA is a waste and is one of the chief means of funneling pork into Members' districts. I am not surprised that over 300 people voted against doing away with the EDA last year. I have been down here time and time again, trying to get rid of the EDA year after year, and the votes are strong anyway. Why not? It is pork for your districts, and that is why we support the EDA.

The EDA has shown that as long as we continue to fund them at these levels, they will continue to abuse taxpayer funds. Mr. Chairman, it is time we take away the EDA's gold card.

Mr. MOLLOHAN. Mr. Chairman, I rise in strong opposition to this amendment.

Mr. Chairman, I yield 2 minutes to the very distinguished gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, several years ago a book was written entitled, "We've Been Down So Long, It Looks Like Up." It described much of Appalachia during the 1970's and 1980's. It described much of rural America that is benefiting from the Economic Development Administration.

The previous speaker talked about 90 percent of the country being eligible for EDA. That is a figment. That is a fiction. The bill that we have repeatedly passed in this House from the Committee on Transportation and Infrastructure revamps the whole EDA program, but we have never been able to get it enacted into law. But the program is administered so that not 90 percent but a vastly smaller number of the country, only those most distressed areas are actually eligible and benefit from the program.

Several years ago when I chaired the Economic Development Subcommittee and Investigations and Oversight Subcommittee, we conducted hearings on the effectiveness of the EDA program. In the first 15 years of EDA, $4.7 billion was invested. That leveraged $9 billion in non-Federal funds, creating 1.5 million jobs, and from those jobs every year $6.5 billion in taxes are being paid to Federal, State and local governments.

Every year the taxes generated by EDA are greater than the total investment in this program in 31 years. Those jobs are still there, they are real, people are still working.

Take the Fort Holabird Industrial Park in Baltimore, abandoned by the military, re-created into an industrial park, $11 million from the city and a total investment of $42 million, an EDA grant of $11 million, 1,000 new jobs created, 4,000 jobs retained. Take the Mohawk Valley Economic Development District in New York, 1,600 jobs created at a cost per job of $1,500. Good jobs, real jobs.

Let us keep EDA. It is a locally controlled program.

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Mr. ROGERS. Mr. Chairman, I yield 1 minute to the gentleman from Maryland [Mr. GILCHREST].

Mr. GILCHREST. Mr. Chairman, I thank the gentleman for yielding me this time.

I would like to ask the body this question: Are there any areas in their districts that are depressed? Is there any section of their district that they would consider in poverty; in need of jobs? If the answer is "yes," then I would like them to find an answer to the following question: What is the Federal Government's role in economic development?

I want to give my colleagues three ideas about the Federal Government's role in economic development and include in that a vastly reformed Economic Development Administration where there is no pork.

No. 1, the Federal Government's role is to create an environment conducive for economic productivity in the private sector. We would agree with that.

No. 2, the Federal Government should enhance the competitive nature of the market economy. Nobody would deny that.

And No. 3, our role in that mix is to act as a team player with the community, with superintendents of schools, for example, to create a job base.

EDA ensures a market economy. Vote against the amendment.

Mr. HOSTETTLER. Mr. Chairman, may I ask how much time I have remaining?

The CHAIRMAN. The gentleman from Indiana [Mr. HOSTETTLER] has 4 minutes remaining, the gentleman from Kentucky [Mr. ROGERS] has 2 minutes remaining, and the gentleman from West Virginia [Mr. MOLLOHAN] has 3 minutes remaining.

Mr. HOSTETTLER. Mr. Chairman, I reserve the balance of my time.

Mr. MOLLOHAN. Mr. Chairman, I yield 1 minute to the distinguished gentlewoman from Florida [Mrs. MEEK].

Mrs. MEEK of Florida. Mr. Chairman, I rise in strong opposition to the gentleman's amendment to eliminate funding from the economic development assistance program.

I know of no other agency, no other program of the Federal Government more critical to the needs of communities around this Nation than the Economic Development Administration.

EDA programs target funds to areas in need of assistance and responds to the special needs of each individual town and city. EDA has programs which benefit communities in almost every stage of the development process.

For those communities experiencing structural economic changes, such as my community, EDA provides flexible assistance to help them design and implement their own local recovery strategies.

This is a local effort, Mr. Chairman. It is nothing that is going to hurt the Federal Government. They can keep up this initiative. We need to stop killing proven programs that have met a need. We need to keep the EDA going, and I ask this Congress to vote against this amendment.

Mr. ROGERS. Mr. Chairman, I yield 1 minute to the gentleman from Mississippi [Mr. WICKER].

Mr. WICKER. Mr. Chairman, I rise in opposition to the amendment. My friend from Colorado said this program is pork for our districts. That is not accurate. This program is jobs and infrastructure and economic development for our districts.

Most of EDA's funds go toward important grants and low-cost loans. Let me give my colleagues one success story. When the Canadian-owned Norbord Company invested $88 million in a new Mississippi plant last year, it was an EDA grant for a water supply system that made that new plant possible.

Now that water system is helping to keep more than 250 workers employed in good jobs, generating tax revenues and contributing to the local and national economies.

EDA helps economically distressed communities build a solid base on which sustainable economic development can be established and maintained. I urge my colleagues to support this valuable government program and defeat the amendment.

Mr. MOLLOHAN. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from West Virginia [Mr. WISE], my good friend and colleague, to close for our part.

Mr. WISE. Mr. Chairman, I thank the gentleman from West Virginia for yielding me this time.

EDA. We are talking water systems, we are talking sewer systems, we are talking industrial parks, we are talking of job creation, we are talking technical assistance; we are talking, if you have the misfortune of having a defense base close down, we are talking defense conversion assistance, something a lot of Members have had to draw upon here.

I am proud this is a bipartisan effort to fight for EDA because it is to let people know that EDA generates more than $3 in private sector dollars for every $1 of Federal money that goes into it.

I have heard the concern about EDA not applying to low-income areas. Ladies and gentlemen, in the public works part of EDA 100 percent of the money has gone to low-income, high-unemployment areas and 94 percent of the money has gone into areas as defined under our much tougher authorization bill that unfortunately has not passed the other body but has passed here a number of years.

In terms of audits, I am fascinated, since in the first half of 1996 the IG reviewed 292 independent audits of EDA projects and questioned only 10. I want to read to my colleagues, though. I asked a lot of constituents to tell me what they thought of EDA, and the chairman of the Eastern West Virginia Regional Airport Authority in Martinsburg wrote,

> Without the $2 million in Economic Development Administration funding, the creation of our airport industrial park would not have been possible. As it is, Phase I is now under construction, and we anticipate that in Phase I as many as 3,000 high-income jobs will be created. Phase II may see that number swell as high as 5,000 jobs in total.

The average public works expenditure per job created by EDA is $1,922, which compares very favorably with the private sector. In fact, it is better. So all this stuff about 300,000—and, incidentally, those projects the gentleman mentioned a while back, they were under previous administrations by Presidents who were not favorable, ironically, to the EDA. That has not been the case under the tighter standards of the past few years.

So I would urge Members on a bipartisan basis to reject this ill-timed amendment. We want economic growth in this country, not economic retreat. EDA is one of the few agencies providing that.

The CHAIRMAN. The gentleman from Kentucky [Mr. ROGERS] has the right to close; therefore, the gentleman from Indiana [Mr. HOSTETTLER] is recognized to utilize the remainder of his time.

Mr. HOSTETTLER. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida [Mr. GOSS].

Mr. GOSS. Mr. Chairman, I rise in support of this amendment.

Mr. Chairman, the Hostettler amendment is simple—it seeks to eliminate all funding for the Economic Development Administration [EDA]. The EDA, an agency within the Department of Commerce, has long been a source of contention. In fact, the Nixon, Reagan, and Bush Administrations all attempted to abolish EDA on the grounds that the agency was limited in scope and its initiatives should be funded by State and local governments.

EDA's programs, while well-intentioned, are at best duplicative and at worst downright wasteful. Four separate Departments—along with the ARC, TVA, and SBA—fund similar development programs.

And there is no evidence to show that EDA's programs on the whole are a good investment. An April 1996 GAO report was unable to find any study that established a strong causal linkage between a positive economic effect in a community and Federal economic development assistance. In other words, GAO was unable to find any study to justify the core mission of EDA.

What we do know and what has been documented in the Inspector General's semiannual reports to Congress is the high volume of wasteful and misused funds in EDA projects. Some lowlights: A 1993 audit of a New York grant revealed over $12 million in questionable costs. In this case, $10.2 million was used to build a hockey rink for the U.S. Olympic hockey team that the team never used and city officials admitted created no new jobs. The audit is also replete with accounts of sweetheart deals and corrupt public officials.

A 1993 audit of an Oklahoma grant questioned the entire $2.4 million of Federal reimbursement. These funds were supposed to be used to provide water and sewer facilities so that a local company could construct a deboning plant. I quote from the report. "The EDA public improvements increasing water and sewer capacity had no impact in the creation of plant jobs * * * and all of the 300 jobs could have been created without the EDA-funded improvements."

Like most Government spending programs, EDA has its committed advocates in Congress. They will tell you that the Federal Government is better equipped to create jobs than the private sector. They will acknowledge the waste and abuse in EDA's programs, yet they will insist that EDA has been reformed. They will argue that EDA is needed to correct economic displacement caused by base closures even though less than a tenth of all EDA money goes to defense adjustment assistance, and a good deal of that money is wasted as well.

What the EDA proponents will not answer is this: As we struggle to balance the budget in a responsible manner, how can we continue to spend taxpayer money on an agency that has such a dubious track record? I encourage my colleagues to ignore the red herrings and stand up for the American taxpayer. Support the Hostettler amendment and fold the tent at the EDA.

Mr. HOSTETTLER. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, I thank the gentleman for yielding me the time.

Ladies and gentleman, it is kind of disheartening when we look at what has happened to the deficits in this country. We do have a $5 trillion deficit that has accumulated over the years. If we had let things continue the way they were, with President Clinton's projected 5-year budgets, we would have increased that to $1 trillion more. That would have raised the annual debt service from, say $250 billion up to almost $300. That is $50 billion less that we do not have to help truly needy people.

My district has benefited by the EDA over the years. We have fought hard to try to get money there. Got a village by the name of Ticondoroga, or rather the town of Moriah, that just got a $1 million grant, and that is going to help. But the truth of the matter is we have to tighten our belts somewhere.

We have to bring these programs together and to merge them. If we do not do that, that debt is going to continue to grow. We have the Farmers Home Administration, the Rural Development Agency, the Community Development Block Grants, and a number of other Federal programs that can do the same things as the EDA. In the States many of my colleagues come from, and New York State where I come from, there are a number of programs out there that are duplicative and do the same thing. Where are we going to cut?

Look at the vote on the Legal Services Corporation a little while ago. That was so disheartening. We added money back instead of cutting. Where are we going to balance the budget? Do may colleagues not worry about their children and their grandchildren? I worry about my four grandchildren. I do not know how in the world or what kind of country they are going to live in if we do not have the guts around here to tighten our belts a little bit like the American people are doing.

I support this amendment. It does not mean we are going to knock off all these programs. They are going to be there because we are merging and bringing these programs together in other forms. If we eliminate the Department of Commerce, that saves 36,000 jobs and pensions that go with them.

These are the things we have to do, ladies and gentleman. I urge my colleagues to support the amendment. As much as I understand there are some good programs in it, there is an awful lot of waste there, too. Like one program that costs $307,000 per newly created job. $307,000? That is a shame.

Mr. HOSTETTLER. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, in the beginning, I would just like to address a point that was made earlier with regard to base closure. In an August 2 update to the subcommittee earlier, the Office of the Inspector General stated that although EDA was complying with congressional mandates in administering a program with regard to base closures, they had two preliminary concerns that had been expressed to the agency.

First of all, the project's ability to mitigate the effect of military base closures or convert defense technology to civilian applications appeared limited.

Second, a disproportionate share of the projects were concentrated in a few States, which speaks to the point I made earlier with regard to the number of dollars that go to States that are represented on the relevant House and Senate subcommittees.

In closing, I would just like to say this. There has been a lot of touting with regard to economic development and these monies used for that, but the fact is, Mr. Chairman, where do these monies come from? They are tax dollars that have to be taken either from other companies who would like to create jobs in their particular district, or from individuals who are trying to raise a family on what is becoming a more and more limited income as a result of the size and intrusiveness of the Federal Government.

I guess the point is this. If Members think economic development should be done by the public sector, then they do not want to support this amendment. But if they think real jobs are created in the private sector, long-lasting jobs, not, for example, 800,000 golf courses that get washed away, but if Members think real long-term job growth happens in the private sector, then we need to let businesses and individuals keep more of the money they earn that they use to create jobs and wealth in this country.

Mr. GILCHREST. Mr. Chairman, will the gentleman yield?

Mr. HOSTETTLER. I yield to the gentleman from Maryland.

Mr. GILCHREST. I thank the gentleman for yielding, Mr. Chairman.

One quick example. There was a defense contractor in my district that made harnesses for F–14 jets. They shut down, 200 jobs out. Leveraging EDA loans we created a high-technology center which now employs about 200 people that does the same kind of thing in the private sector.

The CHAIRMAN. The gentleman from Kentucky [Mr. ROGERS] is recognized for 1 minute for the purpose of closing.

Mr. ROGERS. Mr. Chairman, I yield the balance of my time to the gentleman from Pennsylvania [Mr. SHUSTER], the chairman of the Committee on Transportation and Infrastructure of the House, who has reformed EDA.

Mr. SHUSTER. Mr. Chairman, I rise in strong opposition to this amendment.

Now, the criticisms that we are hearing about EDA are accurate. They are accurate but they are in the past tense. We have reformed this agency. We heard tonight about 90 percent of the country being eligible. That is the way is was, but that is not the way it is based on the instructions given to EDA from both the authorizers and the appropriating committee. Only distressed communities are getting the money. It is not 90 percent. Only about 45 percent are even considered, and the actual money is flowing to only about 20 percent. The most needy. This is job creation.

With regard to the issue of local businesses and governments participating, we now have a 50 percent match requirement. So this is not the Federal Government handing out dollar bills, it is the Federal Government saying we will match you, but you put up your local money.

Defeat this amendment, Save the EDA.

Mr. OLVER. Mr. Chairman, I rise in opposition to the Hostettler amendment and in strong support of targeted economic development.

My largely rural district in central and western Massachusetts has endured some major economic shifts, including a significant portion of New England's losses in the paper industries.

My communities need new jobs, but they do not always have the resources to begin economic growth in a new direction.

That's where the EDA comes in.

Economic development seed money—often grants of relatively modest amounts—can make a world of difference to a sluggish local economy.

The EDA injects economic life into an area by: Creating industrial parks by funding utilities construction; or providing hard to come by capital for revolving small business loans; or by funding the regional economic planning necessary for small communities to coordinate their job-creating efforts.

And the EDA is the only Federal agency that helps implement strategies to adjust to defense downsizing, turning abandoned military bases into hubs for new businesses.

My district has benefited greatly from these types of critical investment.

The development of Summit Industrial Park in Gardner, MA, and economic dislocation lending to small businesses by the Franklin County Community Development Corporation are two examples of current EDA-funded projects in my area.

These projects are partnerships, with the State and local governments contributing their fair share.

Termination of the EDA would do little to balance the budget.

Three hundred and forty-nine million dollars in this bill is one-fiftieth of 1 percent of the total Federal budget for fiscal year 1997.

What terminating the EDA would do is kill a great catalyst for economic renewal, and the best hope many of my constituents have for a future paycheck.

I urge a no vote on the Hostettler amendment.

Mr. HINCHEY. Mr. Chairman, I rise in opposition to this amendment which would eliminate funding for the Economic Development Administration.

The EDA is a lean, efficient Government agency that promotes economic development in distressed communities throughout the Nation.

The agency helps communities improve their infrastructure, adjust to the impact of defense downsizing, and recover from natural disasters such as floods and earthquakes.

EDA is also an agency that has effectively reinvented itself during the last several years by streamlining its regulations, reducing staff levels and overhead expenses, and strengthening the public-private partnership to create jobs and promote local economic development.

In my district, the agency is a proven success in creating jobs and revitalizing an economy, which has been devastated by the impact of defense downsizing.

EDA has funded the Small Business Resource Center in Kingston, NY, for example, a program that assists small business start-ups and provides technical and market information to local businesses seeking to expand.

Since its opening just over a year ago, the resource center has helped many small businesses in the area improve their operations and their profitability.

The center has also facilitated the start up of 15 new businesses in just 12 months.

EDA's support for the resource center has helped Ulster County recover from the impact of defense downsizing, and in that regard the agency is somewhat unique at the Federal level.

It is the only agency that maintains a major program solely dedicated to assisting communities that have suffered due to defense cutbacks.

The Defense Adjustment Assistance Program assists economically-distressed communities build a solid base on which sustainable economic development can be established and maintained.

This helps explain how EDA has saved almost 10 thousand jobs in the State of New York in less than 4 years.

Is this really the best economic development strategy that the sponsors of this amendment can come up with?

I urge my colleagues to join me and Chairman ROGERS in opposing this unwise amendment.

Mr. PACKARD. Mr. Chairman, I rise in strong support of the bipartisan effort to retain the Economic Development Administration and in opposition to the amendment to eliminate funding for the EDA.

We certainly need to downsize government and focus our resources on the priorities which help our people and the communities in which they live. So while all agencies must help us tighten their belts and move toward a balanced budget, I would argue the EDA is more than worthy of our continued support at an appropriate level of funding.

I represent a coal mining district that has been severely impacted by the Federal Clean Air Act. We are desperately trying to diversify our economy, and in that effort the EDA has been extremely helpful by investing in basic infrastructure which brings in new industry and jobs.

The State of illinois has received funds through the EDA for nearly 150 projects since fiscal year 1992. It is the EDA that helps to provide essential services such as sewer lines and water towers to communities with substantial and persistent economic needs. In addition, these projects have helped to create thousands of greatly needed jobs in my State.

Last year 309 members of this body agreed that the EDA deserved appropriate funding, albeit at a 21 percent cut from the 1995 level. The EDA is scheduled to receive that same amount this year. I again purpose that we can, and should, continue to show support for the EDA by opposing any measure eliminating its funding.

Mr. CRAMER. Mr. Chairman, I rise in support of the Economic Development Administration [EDA]. The EDA has been continually active throughout the country, especially in my district. Through public works, technical assistance, planning, community investments, and revolving loan fund programs, EDA has established local partnerships that have provided critical infrastructure development and other economic incentives that have stimulated local growth, created jobs and generated revenues.

EDA's Trade Adjustment Assistance Program for Firms and Industries [TAA] has been an effective tool in helping U.S. firms and industries injured by international trade. By stemming firms' losses in sales and employment and by restoring growth, the program preserved and created a total of over 62,000 jobs in 500 companies studied.

Without EDA's National Technical Assistance program, many successful innovative economic development projects and activities would never be undertaken. This program stimulates technology development and transfer and helps U.S. manufacturers and industries develop new products and processes and utilize appropriate product and production technologies.

The Economic Development Administration's role in disaster recovery is to provide assistance to communities to achieve long-term economic recovery through the strategic investment of local resources. In the last 3 years, at least 13 States have been victims of natural disasters that EDA has assisted in rebuilding their communities and revitalizing their local economies.

EDA operates the largest Federal program for defense adjustment. The Department of Defense's Office of Economic Adjustment does an excellent job of supporting base reuse and community planning, only EDA can support the implementation of these plans. Over the next few years, communities affected by BRAC will be approaching EDA for critical base reuse funds.

Under EDA's Economic Adjustment Program, communities are provided with unique flexibility to design local strategies that achieve economic change and stability, and multicomponent projects to implement those strategies. This program serves a unique role in the nation's response to post-disaster economic recovery, base closure and defense industry downsizing as well as prolonged, persistent economic deterioration.

The administration's Infrastructure and Development Facilities Program aids economically distressed communities. It assists with construction of projects that improve opportunities for the establishment and expansion of commercial and industrial plants and facilities among other things. Since 1965 when EDA was created, this program has created more than 1.5 million jobs across the country.

I urge my colleagues opposition to amendments threatening EDA's funding.

Mr. RAHALL. Mr. Chairman, I rise in strong opposition to any amendment that would terminate and/or cut funding for the Economic Development Administration—the EDA.

Mr. Chairman, this year's recommended funding level for the EDA is but $328.5 million. This is identical to the funding for fiscal year 1996—reflecting a 20-percent cut in EDA funding since fiscal 1995.

This is surely representative of EDA's fair share of reduced Federal spending we are called upon to make.

One of the most important features of EDA funding is that it provides vital funding to communities that have had, and are still experiencing, base closures and defense downsizing.

If it were not for the EDA, defense conversion funds, set at $95 million in fiscal year 1997, where bases have been closed and Defense industry jobs lost—communities would not have the money to pick themselves up and dust themselves off—and get back on their feet again.

While West Virginia has had no base closures, and so Defense conversion funds do not assist my constituents, I know that many States depend upon the EDA's Defense conversions for economic development assistance, and I want them to have this $95 million set aside for that purpose.

EDA funds also go to local development districts and university centers, and to areas that have been devastated by spring floods, and winter blizzards, and earthquakes, and hurricanes and tornadoes.

But such funds are also spent on communities faced with both chronic and sudden economic downturns that result in massive job losses.

Over the past 30 years, EDA has created almost 40,000 economic development projects, generated more than $2 billion of private sector capital through revolving loan funds, supported more than 7,000 businesses, and leveraged $3 for every Federal dollar invested. That doesn't sound like golden fleece awards to me.

My colleagues, listen to what is being said around you by Members of this body about how much EDA means to their economically distressed areas, and defeat any amendment to kill or reduce the EDA program, just as you defeated their twins last year.

☐ 2045

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. HOSTETTLER].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. HOSTETTLER. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 479, further proceedings on the amendment offered by the gentleman from Indiana [Mr. HOSTETTLER] will be postponed.

Mr. ROGERS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. GOSS) having assumed the chair, Mr. GUNDERSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3814) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1997, and for other purposes, had come to no resolution thereon.

PROVIDING FOR FURTHER CONSIDERATION OF H.R. 3814, DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that during the further consideration of H.R. 3814, in the Committee of the Whole, pursuant to House Resolution 479 and the order of the House of July 17, 1996: First, the remainder of the bill be considered as read; and second no amendment shall be in order except for the following amendments, which shall be considered as read, shall not be subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole, and shall be debatable for the time specified, and equally divided and controlled by the proponent and a Member opposed:

Amendment No. 10 by Mr. HOSTETTLER for 10 minutes;

An amendment by Mrs. JACKSON-LEE (regarding the National Telecommunications and Information Administration) for 15 minutes;

Amendment No. 11 by Mrs. MINK for 10 minutes;

An amendment by Mr. ROGERS (regarding NOAA) for 10 minutes;

An amendment by Mr. ENGEL (regarding public broadcasting grants) for 10 minutes;

Amendment No. 20 by Mr. BROWN of California for 20 minutes;

An amendment by Mr. ALLARD (regarding the Technology Administration) for 10 minutes;

An amendment by Mr. GOSS (regarding EDA) for 10 minutes;

An amendment by Mr. PORTER (regarding Asia Broadcasting) for 20 minutes;

An amendment by Mr. OBEY (regarding ABM Treaty) for 15 minutes;

Amendment No. 19 by Mr. TRAFICANT for 5 minutes;

Amendment No. 28 by Mr. GUTKNECHT for 20 minutes;

An amendment by Mr. DEUTSCH (regarding COPS) for 10 minutes;

An amendment by Mr. ENSIGN (regarding sexually explicit material in prisons) for 10 minutes;

Amendment No. 5 by Mr. FRANK of Massachusetts for 20 minutes;

Amendment No. 6 by Mr. FRANK of Massachusetts for 20 minutes;

Amendment No. 16 by Mr. GANSKE for 20 minutes;

Amendment No. 17 by Mr. GEKAS for 10 minutes;

Amendment No. 33 by Mrs. NORTON for 20 minutes;

An amendment by Mrs. FOWLER (regarding COPS) for 10 minutes;

An amendment by Mr. COLLINS of Georgia (regarding Federal Prison Industries) for 15 minutes;

An amendment by Mr. HUTCHINSON (regarding deaths in prisons) for 10 minutes; and

An amendment by Mr. MILLER of Florida for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2391

Mr. SOLOMON. Mr. Speaker, my name was inadvertently placed on H.R. 2391 as a cosponsor. I ask unanimous consent to remove my name as a cosponsor of H.R. 2391.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore. Pursuant to House Resolution 479 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3814.

☐ 2049

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3814) making appropriations for the Department of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1997, and for other purposes, with Mr. GUNDERSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When of the Committee of the Whole rose earlier today, a demand for the recorded vote on the amendment offered by the gentleman from Indiana [Mr. HOSTETTLER] had been postponed and the bill had been read through page 49, line 2.

SEQUENTIAL VOTES POSTPONED IN THE COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 479, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: amendment No. 38 offered by the gentlewoman from Colorado [Mrs. SCHROEDER]; an amendment offered by the gentleman from Virginia [Mr. SCOTT]; and amendment No. 9 offered by the gentleman from Indiana [Mr. HOSTETTLER].

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT OFFERED BY MRS. SCHROEDER

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentlewoman from Colorado [Mrs. SCHROEDER], on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 159, noes 265, not voting 9, as follows:

[Roll No. 343]

AYES—159

Abercrombie
Ackerman
Andrews
Baldacci
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Blumenauer
Bonior
Borski
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Clay
Clayton
Clement
Clyburn
Coleman
Collins (MI)
Conyers
Costello
Coyne
Cummings
Danner
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dixon
Doggett
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fields (LA)
Filner
Flake
Foglietta
Ford
Fox
Frank (MA)
Franks (CT)
Frost
Furse
Gejdenson
Gephardt
Gibbons
Gonzalez
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
LaFalce
Lantos
Levin
Lewis (GA)
Lofgren
Lowey
Luther
Maloney
Markey
Martinez
McCarthy
McDermott
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Moran
Morella
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pomeroy
Radanovich
Rangel
Reed
Richardson
Rivers
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Shays
Skaggs
Slaughter
Stark
Stokes
Studds
Stupak
Tejeda
Thompson
Thurman
Torkildsen
Torres
Torricelli
Towns
Velazquez
Vento
Volkmer
Ward
Waters
Watt (NC)
Waxman
Woolsey
Wynn
Yates
Zimmer

NOES—265

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Dicks
Dingell
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Ehlers
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Goodling
Gordon
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klink
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lucas
Manton
Manzullo
Martini
Mascara
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Orton
Oxley
Packard
Parker
Paxon
Peterson (MN)
Petri
Pickett
Pombo
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Rahall
Ramstad
Regula
Riggs
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thornton
Tiahrt
Traficant
Upton
Visclosky
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Young (AK)
Zeliff

NOT VOTING—9

Collins (IL)
Ehrlich
Fazio
Lewis (CA)
Lincoln
Matsui
McDade
Spratt
Young (FL)

□ 2108

Messrs. KIM, WISE, and RAHALL changed their vote from "aye" to "no."

Mr. PAYNE of New Jersey and Mr. SCHUMER changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. SCOTT

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Virginia [Mr. SCOTT], on which further proceedings were postponed and on which the noes prevailed by a voice vote.

The Clerk will designate the amendment.

The Clerk designated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were ayes 99, noes 326, not voting 8, as follows:

[Roll No. 344]

AYES—99

Abercrombie
Barrett (WI)
Becerra
Beilenson
Bishop
Bonior
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Clay
Clayton
Clyburn
Coleman
Collins (MI)
Conyers
Coyne
Cummings
de la Garza
DeFazio
Dellums
Dingell
Dixon
Doyle
Engel
Eshoo
Evans
Farr
Fattah
Fields (LA)
Filner
Flake
Foglietta
Ford
Fox
Frank (MA)
Gibbons
Gonzalez
Green (TX)
Gutierrez
Hastings (FL)
Hilliard
Hinchey
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson, E. B.
Kennedy (RI)
Kildee
Klink
LaFalce
Lantos
LaTourette
Lewis (GA)
Lofgren
Markey
Martinez
McDermott
McKinney
McNulty
Meehan
Meek
Millender-McDonald
Mink
Moran
Olver
Ortiz
Owens
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Quinn
Rangel
Rose
Roybal-Allard
Rush
Sabo
Sanders
Schroeder
Scott
Serrano
Shays
Sisisky
Slaughter
Stark
Stokes
Studds
Tejeda
Thompson
Torres
Towns
Vento
Waters
Watt (NC)
Williams
Woolsey
Wynn
Yates

NOES—326

Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bono
Borski
Boucher
Brewster
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Danner
Davis
Deal
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Doggett
Dooley
Doolittle
Dornan
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Goodlatte
Goodling
Gordon
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennelly
Kim
King
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
Laughlin
Lazio
Leach
Levin
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Martini
Mascara
McCarthy
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
Menendez
Metcalf
Meyers
Mica
Miller (CA)
Miller (FL)
Minge
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Orton
Oxley
Packard
Pallone
Parker
Paxon
Peterson (FL)
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Radanovich
Rahall
Ramstad
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schumer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shuster
Skaggs
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Thomas
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torricelli
Traficant
Upton
Velazquez
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Zeliff
Zimmer

NOT VOTING—8

Collins (IL)
Fazio
Gilman
Lewis (CA)
Lincoln
Matsui
McDade
Young (FL)

□ 2116

Messrs. NADLER, MILLER of California, and BALDACCI changed their vote from "aye" to "no."

Mr. BROWN of Ohio changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. HOSTETTLER

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Indiana [Mr. HOSTETTLER], on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 99, noes 328, not voting 6, as follows:

[Roll No. 345]

AYES—99

Allard
Armey
Bachus
Baker (CA)
Ballenger
Barr
Barrett (NE)
Bereuter
Bilirakis
Bliley
Boehner
Brownback
Bunning
Burton
Chabot
Chenoweth
Christensen
Chrysler
Coble
Combest
Cooley
Cox
Crane
Crapo
Cubin
Doolittle
Dornan
Dreier
Dunn
Ehrlich
Ensign
Fawell
Fields (TX)
Foley
Goss
Greene (UT)
Gutknecht
Hancock
Hastert
Hayworth
Hefley
Hoekstra
Hoke
Hostettler
Hunter
Hutchinson
Inglis
Istook
Johnson, Sam
Kasich
Kim
Klug
Kolbe
Largent
Leach
Manzullo
McCollum
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moorhead
Myrick
Nethercutt
Neumann
Paxon
Petri
Pombo
Porter
Pryce
Radanovich
Ramstad
Rohrabacher
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Smith (MI)
Solomon
Souder
Stearns
Stockman
Stump
Tate
Thornberry
Tiahrt
Walker
Weller
White
Wolf
Zeliff
Zimmer

NOES—328

Abercrombie
Ackerman
Andrews
Archer
Baesler
Baker (LA)
Baldacci
Barcia
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Berman
Bevill
Bilbray
Bishop
Blumenauer
Blute
Boehlert
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TN)
Bryant (TX)
Bunn
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chambliss
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coburn
Coleman
Collins (GA)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Cremeans
Cummings
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Duncan
Durbin
Edwards
Ehlers
Engel
English
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Forbes
Ford
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Graham
Green (TX)
Greenwood
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hansen
Harman
Hastings (FL)
Hastings (WA)
Hayes
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Holden
Horn
Houghton
Hoyer
Hyde
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Jones
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
King
Kingston
Kleczka
Klink
Knollenberg
LaFalce
LaHood
Lantos
Latham
LaTourette
Laughlin
Lazio
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
McCarthy
McCrery
McDermott
McHale
McHugh
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moran
Morella
Murtha
Myers
Nadler
Neal
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Portman
Poshard
Quillen
Quinn
Rahall
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schiff
Schroeder
Schumer
Scott
Serrano

Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Spence
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Talent
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Whitfield
Wicker
Williams
Wilson
Wise
Woolsey
Wynn
Yates
Young (AK)

NOT VOTING—6

Collins (IL)
Fazio
Lincoln
Matsui
McDade
Young (FL)

□ 2124

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. ROGERS. Mr. Chairman, I move to strike the last word. Mr. Chairman, let me make an announcement. There will be no more recorded votes tonight. However, we will be proceeding with several amendments and then roll the votes until tomorrow, and we are asking the authors and speakers who would like to be heard on these six amendments to stay around tonight and let us work. Then we will roll the votes until tomorrow, should any votes be required.

The following amendments will be taken up tonight, and we are asking all speakers and authors to remain on hand; the amendment to be offered by the gentleman from Florida [Mr. GOSS], the EDA amendment to be offered by the gentlewoman from Hawaii [Mrs. MINK]; the amendment to be offered by the gentleman from New York [Mr. ENGEL]; the amendment to be offered by the gentleman from Florida [Mr. MILLER]; the amendment to be offered by the gentleman from Illinois [Mr. PORTER]; and the amendment to be offered by the gentleman from Ohio [Mr. TRAFICANT].

Those amendments will be offered tonight. Any votes will be rolled until tomorrow.

The CHAIRMAN. Pursuant to the order of the House of today, the bill is considered as read.

The text of the remainder of the bill is as follows:

SALARIES AND EXPENSES

For necessary expenses of administering the economic development assistance programs as provided for by law, $20,000,000: *Provided*, That these funds may be used to monitor projects approved pursuant to title I of the Public Works Employment Act of 1976, as amended, title II of the Trade Act of 1974, as amended, and the Community Emergency Drought Relief Act of 1977.

Minority Business Development Agency

MINORITY BUSINESS DEVELOPMENT

For necessary expenses of the Department of Commerce in fostering, promoting, and developing minority business enterprise, including expenses of grants, contracts, and other agreements with public or private organizations, $29,000,000: *Provided*, That of the total amount provided, $3,000,000 shall be available for obligation and expenditure only for projects jointly developed, implemented and administered with the Small Business Administration.

Economic and Information Infrastructure

Economic and Statistical Analysis

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, of economic and statistical analysis programs of the Department of Commerce, $45,900,000, to remain available until September 30, 1998.

ECONOMICS AND STATISTICS ADMINISTRATION REVOLVING FUND

The Secretary of Commerce is authorized to disseminate economic and statistical data products as authorized by sections 1, 2, and 4 of Public Law 91–412 (15 U.S.C. 1525–1527) and, notwithstanding section 5412 of the Omnibus Trade and Competitiveness Act of 1988 (15 U.S.C. 4912), charge fees necessary to recover the full costs incurred in their production. Notwithstanding 31 U.S.C. 3302, receipts received from these data dissemination activities shall be credited to this account, to be available for carrying out these purposes without further appropriation.

Bureau of the Census

SALARIES AND EXPENSES

For expenses necessary for collecting, compiling, analyzing, preparing, and publishing statistics, provided for by law, $133,617,000.

PERIODIC CENSUSES AND PROGRAMS

For expenses necessary to collect and publish statistics for periodic censuses and programs provided for by law, $205,100,000, to remain available until expended.

National Telecommunications and Information Administration

SALARIES AND EXPENSES

For necessary expenses, as provided for by law, of the National Telecommunications and Information Administration, $15,000,000 to remain available until expended: *Provided*, That notwithstanding 31 U.S.C. 1535(d), the Secretary of Commerce shall charge Federal agencies for costs incurred in spectrum management, analysis, and operations, and related services and such fees shall be retained and used as offsetting collections for costs of such spectrum services, to remain available until expended: *Provided further*, That the Secretary of Commerce is authorized to retain and use as offsetting collections all funds transferred, or previously transferred, from other Government agencies for all costs incurred in telecommunications research, engineering, and related activities by the Institute for Telecommunication Sciences of the NTIA, in furtherance of its assigned functions under this paragraph, and such funds received from other Government agencies shall remain available until expended.

PUBLIC BROADCASTING FACILITIES, PLANNING AND CONSTRUCTION

For grants authorized by section 392 of the Communications Act of 1934, as amended, $10,250,000, to remain available until expended as authorized by section 391 of the Act, as amended: *Provided*, That not to exceed $1,500,000 shall be available for program administration as authorized by section 391 of the Act: *Provided further*, That notwithstanding the provisions of section 391 of the Act, the prior year unobligated balances may be made available for grants for projects for which applications have been submitted and approved during any fiscal year.

INFORMATION INFRASTRUCTURE GRANTS

For grants authorized by section 392 of the Communications Act of 1934, as amended, $21,490,000, to remain available until expended as authorized by section 391 of the Act, as amended: *Provided*, That not to exceed $3,000,000 shall be available for program administration and other support activities as authorized by section 391: *Provided further*, That of the funds appropriated herein, not to exceed 5 percent may be available for telecommunications research activities for projects related directly to the development of a national information infrastructure: *Provided further*, That notwithstanding the requirements of section 392(a) and 392(c) of the Act, these funds may be used for the planning and construction of telecommunications networks for the provision of educational, cultural, health care, public information, public safety, or other social services.

Patent and Trademark Office

SALARIES AND EXPENSES

For necessary expenses of the Patent and Trademark Office provided for by law, including defense of suits instituted against the Commissioner of Patents and Trademarks, $100,000,000, to remain available until expended: *Provided*, That the funds made available under this heading are to be derived from deposits in the Patent and Trademark Office Fee Surcharge Fund as authorized by law: *Provided further*, That the amounts made available under the Fund shall not exceed amounts deposited; and such fees as shall be collected pursuant to 15 U.S.C. 1113 and 35 U.S.C. 41 and 376, shall remain available until expended.

Science and Technology

National Institute of Standards and Technology

SCIENTIFIC AND TECHNICAL RESEARCH AND SERVICES

For necessary expenses of the National Institute of Standards and Technology, $268,000,000, to remain available until expended, of which not to exceed $1,625,000 may be transferred to the "Working Capital Fund".

INDUSTRIAL TECHNOLOGY SERVICES

For necessary expenses of the Manufacturing Extension Partnership of the National Institute of Standards and Technology, $89,900,000, to remain available until expended, of which not to exceed $300,000 may be transferred to the "Working Capital Fund".

In addition, for necessary expenses of the Advanced Technology Program of the National Institute of Standards and Technology, $110,500,000, to remain available until expended, of which not to exceed $500,000 may be transferred to the "Working Capital Fund": *Provided*, That none of the funds made available under this heading may be used for the purposes of carrying out additional program competitions under the Advanced Technology Program: *Provided further*, That any unobligated balances available from carryover of prior year appropriations under the Advanced Technology Program may be used only for the purposes of providing continuation grants.

National Oceanic and Atmospheric Administration

OPERATIONS, RESEARCH, AND FACILITIES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of activities authorized by law for the National Oceanic and Atmospheric Administration, including acquisition, maintenance, operation, and hire of aircraft; not to exceed 200 commissioned officers on the active list as of April 1, 1997, and no commissioned officers on the active list as of September 30, 1997; grants, contracts, or other payments to nonprofit organizations for the purposes of conducting activities pursuant to cooperative agreements; and alteration, modernization, and relocation of facilities as authorized by 33 U.S.C. 883i; $1,738,200,000, to remain available until expended: *Provided*, That notwithstanding 31 U.S.C. 3302 but consistent with other existing law, fees shall be assessed, collected, and credited to this appropriation as offsetting collections to be available until expended, to recover the costs of administering aeronautical charting programs: *Provided further*, That the sum herein appropriated from the general fund shall be reduced as such additional fees are received during fiscal year 1997, so as to result in a final general fund appropriation estimated at not more than $1,735,200,000: *Provided further*, That any such additional fees received in excess of $3,000,000 in fiscal year 1997 shall not be available for obligation until October 1, 1997: *Provided further*, That fees and donations received by the National Ocean Service for the management of the national marine sanctuaries may be retained and used for the salaries and expenses associated with those activities, notwithstanding 31 U.S.C. 3302: *Provided further*, That in addition, $66,000,000 shall be derived by transfer from the fund entitled "Promote and Develop Fishery Products and Research Pertaining to American Fisheries": *Provided further*, That grants to States pursuant to sections 306 and 306A of the Coastal Zone Management Act of 1972, as amended, shall not exceed $2,000,000: *Provided further*, That of the $1,837,176,000 provided for in direct obligations under this heading (of which $1,735,200,000 is appropriated from the general fund, $71,276,000 is provided by transfer, and $30,700,000 is derived from unobligated balances and deobligations from prior years), $180,975,000 shall be for the National Ocean Service, $292,907,000 shall be for the National Marine Fisheries Service, $231,826,000 shall be for Oceanic and Atmospheric Research, $633,010,000 shall be for the National Weather Service, $431,582,000 shall be for the National Environmental Satellite, Data, and Information Service, $66,876,000 shall be for Program Support.

COASTAL ZONE MANAGEMENT FUND

Of amounts collected pursuant to section 308 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1456a), not to exceed $7,800,000, for purposes set forth in sections 308(b)(2)(A), 308(b)(2)(B)(v), and 315(e) of such Act.

CONSTRUCTION

For repair and modification of, and additions to, existing facilities and construction of new facilities, and for facility planning and design and land acquisition not otherwise provided for the National Oceanic and Atmospheric Administration, $36,000,000, to remain available until expended.

FLEET MODERNIZATION, SHIPBUILDING AND CONVERSION

For expenses necessary for the repair, acquisition, leasing, or conversion of vessels, including related equipment to maintain and modernize the existing fleet and to continue planning the modernization of the fleet, for the National Oceanic and Atmospheric Administration, $6,000,000, to remain available until expended.

FISHING VESSEL AND GEAR DAMAGE COMPENSATION FUND

For carrying out the provisions of section 3 of Public Law 95-376, not to exceed $200,000, to be derived from receipts collected pursuant to subsections (b) and (f) of section 10 of the Fishermen's Protective Act of 1967 (22 U.S.C. 1980), to remain available until expended.

FISHERMEN'S CONTINGENCY FUND

For carrying out the provisions of title IV of Public Law 95-372, not to exceed $1,000,000, to be derived from receipts collected pursuant to that Act, to remain available until expended.

FOREIGN FISHING OBSERVER FUND

For expenses necessary to carry out the provisions of the Atlantic Tunas Convention Act of 1975, as amended (Public Law 96-339), the Magnuson Fishery Conservation and Management Act of 1976, as amended (Public Law 100-627), and the American Fisheries Promotion Act (Public Law 96-561), to be derived from the fees imposed under the foreign fishery observer program authorized by these Acts, not to exceed $196,000, to remain available until expended.

FISHING VESSEL OBLIGATIONS GUARANTEES

For the cost of guaranteed loans, $250,000, as authorized by the Merchant Marine Act of 1936, as amended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That none of the funds made available under this heading may be used to guarantee loans for any new fishing vessel that will increase the harvesting capacity in any United States fishery.

TECHNOLOGY ADMINISTRATION

UNDER SECRETARY FOR TECHNOLOGY/OFFICE OF TECHNOLOGY POLICY

SALARIES AND EXPENSES

For necessary expenses for the Under Secretary for Technology/Office of Technology Policy, $5,000,000.

GENERAL ADMINISTRATION

SALARIES AND EXPENSES

For expenses necessary for the general administration of the Department of Commerce provided for by law, including not to exceed $3,000 for official entertainment, $27,400,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended (5 U.S.C. App. 1-11 as amended by Public Law 100-504), $19,445,000.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

OPERATIONS, RESEARCH, AND FACILITIES

(RESCISSION)

Of the unobligated balances available under this heading, $10,000,000 are rescinded.

GENERAL PROVISIONS—DEPARTMENT OF COMMERCE

SEC. 201. During the current fiscal year, applicable appropriations and funds made available to the Department of Commerce by this Act shall be available for the activities specified in the Act of October 26, 1949 (15 U.S.C. 1514), to the extent and in the manner prescribed by the Act, and, notwithstanding 31 U.S.C. 3324, may be used for advanced payments not otherwise authorized only upon the certification of officials designated by the Secretary that such payments are in the public interest.

SEC. 202. During the current fiscal year, appropriations made available to the Department of Commerce by this Act for salaries and expenses shall be available for hire of passenger motor vehicles as authorized by 31 U.S.C. 1343 and 1344; services as authorized by 5 U.S.C. 3109; and uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902).

SEC. 203. None of the funds made available by this Act may be used to support the hurricane reconnaissance aircraft and activities that are under the control of the United States Air Force or the United States Air Force Reserve.

SEC. 204. None of the funds provided in this or any previous Act, or hereinafter made available to the Department of Commerce, shall be available to reimburse the Unemployment Trust Fund or any other fund or account of the Treasury to pay for any expenses paid before October 1, 1992, as authorized by section 8501 of title 5, United States Code, for services performed after April 20, 1990, by individuals appointed to temporary positions within the Bureau of the Census for purposes relating to the 1990 decennial census of population.

SEC. 205. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Department of Commerce in this Act may be transferred between such appropriations, but no such appropriation shall be increased by more than 10 percent by any such transfers: *Provided*, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 206. (a) Should legislation be enacted to dismantle or reorganize the Department of Commerce, the Secretary of Commerce, no later than 90 days thereafter, shall submit to the Committees on Appropriations of the House and the Senate a plan for transferring funds provided in this Act to the appropriate successor organizations: *Provided*, That the plan shall include a proposal for transferring or rescinding funds appropriated herein for agencies or programs terminated under such legislation: *Provided further*, That such plan shall be transmitted in accordance with section 605 of this Act.

(b) The Secretary of Commerce or the appropriate head of any successor organization(s) may use any available funds to carry out legislation dismantling or reorganizing the Department of Commerce to cover the costs of actions relating to the abolishment, reorganization, or transfer of functions and any related personnel action, including voluntary separation incentives if authorized by such legislation: *Provided*, That the authority to transfer funds between appropriations accounts that may be necessary to carry out this section is provided in addition to authorities included under section 205 of this Act: *Provided further*, That use of funds to carry out this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 207. Any costs incurred by a Department or agency funded under this title resulting from personnel actions taken in response to funding reductions included in this title shall be absorbed within the total budgetary resources available to such Department or agency: *Provided*, That the authority to transfer funds between appropriations accounts as may be necessary to carry out this section is provided in addition to authorities included elsewhere in this Act: *Provided further*, That use of funds to carry out this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 208. None of the funds appropriated under this Act or any other Act may be used to develop new fishery management plans, amendments, or regulations which create new individual fishing quota, individual transferable quota, or new individual transferable effort allocation programs, or to implement any such plans, amendments, or regulations approved by a Regional Fishery Management Council or the Secretary of Commerce after January 4, 1995, until offsetting fees to pay for the cost of administering such plans, amendments, or regulations are expressly authorized under the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.). This restriction shall not apply in any way to any such programs approved by the Secretary of Commerce prior to January 4, 1995.

SEC. 209. The Secretary may award contracts for hydrographic, geodetic, and photogrammetric surveying and mapping services in accordance with title IX of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 541 et seq.).

SEC. 210. There is hereby established the Bureau of the Census Working Capital Fund, which shall be available without fiscal year limitation, for expenses and equipment necessary for the maintenance and operation of such services and projects as the Director of the Census Bureau determines may be performed more advantageously when centralized: *Provided*, That such central services shall, to the fullest extent practicable, be used to make unnecessary the maintenance of separate like services in the divisions and offices of the Bureau: *Provided further*, That a separate schedule of expenditures and reimbursements, and a statement of the current assets and liabilities of the Working Capital Fund as of the close of the last completed fiscal year, shall be prepared each year: *Provided further*, That notwithstanding 31 U.S.C. 3302, the Working Capital Fund may be credited with advances and reimbursements from applicable appropriations of the Bureau and from funds of other agencies or entities for services furnished pursuant to law: *Provided further*, That any inventories, equipment, and other assets pertaining to the services to be provided by such funds, either on hand or on order, less the related liabilities or unpaid obligations, and any appropriations made hereafter for the purpose of providing capital, shall be used to capitalize the Working Capital Fund: *Provided further*, That the Working Capital Fund shall provide for centralized services at rates which will return in full all expenses of operation, including depreciation of fund plant and equipment, amortization of automated data processing software and hardware systems, and an amount necessary to maintain a reasonable operating reserve as determined by the Director.

This title may be cited as the "Department of Commerce and Related Agencies Appropriations Act, 1997".

TITLE III—THE JUDICIARY

SUPREME COURT OF THE UNITED STATES

SALARIES AND EXPENSES

For expenses necessary for the operation of the Supreme Court, as required by law, excluding care of the building and grounds, including purchase or hire, driving, maintenance, and operation of an automobile for the Chief Justice, not to exceed $10,000 for the purpose of transporting Associate Justices, and hire of passenger motor vehicles as authorized by 31 U.S.C. 1343 and 1344; not to exceed $10,000 for official reception and representation expenses; and for miscellaneous expenses, to be expended as the Chief Justice may approve; $27,157,000.

CARE OF THE BUILDING AND GROUNDS

For such expenditures as may be necessary to enable the Architect of the Capitol to carry out the duties imposed upon him by the Act approved May 7, 1934 (40 U.S.C. 13a–13b), $2,490,000, of which $260,000 shall remain available until expended.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

SALARIES AND EXPENSES

For salaries of the chief judge, judges, and other officers and employees, and for necessary expenses of the court, as authorized by law, $15,013,000.

UNITED STATES COURT OF INTERNATIONAL TRADE

SALARIES AND EXPENSES

For salaries of the chief judge and eight judges, salaries of the officers and employees of the court, services as authorized by 5 U.S.C. 3109, and necessary expenses of the court, as authorized by law, $11,114,000.

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

SALARIES AND EXPENSES

For the salaries of circuit and district judges (including judges of the territorial courts of the United States), justices and judges retired from office or from regular active service, judges of the United States Court of Federal Claims, bankruptcy judges, magistrate judges, and all other officers and employees of the Federal Judiciary not otherwise specifically provided for, and necessary expenses of the courts, as authorized by law, $2,550,956,000 (including the purchase of firearms and ammunition); of which not to exceed $13,454,000 shall remain available until expended for space alteration projects; of which not to exceed $10,000,000 shall remain available until expended for furniture and furnishings related to new space alteration and construction projects; and of which $500,000 is to remain available until expended for acquisition of books, periodicals, and newspapers, and all other legal reference materials, including subscriptions.

In addition, for expenses of the United States Court of Federal Claims associated with processing cases under the National Childhood Vaccine Injury Act of 1986, not to exceed $2,390,000, to be appropriated from the Vaccine Injury Compensation Trust Fund.

VIOLENT CRIME REDUCTION PROGRAMS

For activities of the Federal Judiciary as authorized by law, $30,000,000, to remain available until expended, which shall be derived from the Violent Crime Reduction Trust Fund, as authorized by section 190001(a) of Public Law 103–322.

DEFENDER SERVICES

For the operation of Federal Public Defender and Community Defender organizations; the compensation and reimbursement of expenses of attorneys appointed to represent persons under the Criminal Justice Act of 1964, as amended; the compensation and reimbursement of expenses of persons furnishing investigative, expert and other services under the Criminal Justice Act (18 U.S.C. 3006A(e)); the compensation (in accordance with Criminal Justice Act maximums) and reimbursement of expenses of attorneys appointed to assist the court in criminal cases where the defendant has waived representation by counsel; the compensation and reimbursement of travel expenses of guardians ad litem acting on behalf of financially eligible minor or incompetent offenders in connection with transfers from the United States to foreign countries with which the United States has a treaty for the execution of penal sentences; and the compensation of attorneys appointed to represent jurors in civil actions for the protection of their employment, as authorized by 28 U.S.C. 1875(d); $297,000,000, to remain available until expended as authorized by 18 U.S.C. 3006A(i).

FEES OF JURORS AND COMMISSIONERS

For fees and expenses of jurors as authorized by 28 U.S.C. 1871 and 1876; compensation of jury commissioners as authorized by 28 U.S.C. 1863; and compensation of commissioners appointed in condemnation cases pursuant to rule 71A(h) of the Federal Rules of Civil Procedure (28 U.S.C. Appendix Rule 71A(h)); $66,000,000, to remain available until expended: *Provided*, That the compensation of land commissioners shall not exceed the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code.

COURT SECURITY

For necessary expenses, not otherwise provided for, incident to the procurement, installation, and maintenance of security equipment and protective services for the United States Courts in courtrooms and adjacent areas, including building ingress-egress control, inspection of packages, directed security patrols, and other similar activities as authorized by section 1010 of the Judicial Improvement and Access to Justice Act (Public Law 100–702); $125,000,000, to be expended directly or transferred to the United States Marshals Service which shall be responsible for administering elements of the Judicial Security Program consistent with standards or guidelines agreed to by the Director of the Administrative Office of the United States Courts and the Attorney General.

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

SALARIES AND EXPENSES

For necessary expenses of the Administrative Office of the United States Courts as authorized by law, including travel as authorized by 31 U.S.C. 1345, hire of a passenger motor vehicle as authorized by 31 U.S.C. 1343(b), advertising and rent in the District of Columbia and elsewhere, $48,500,000, of which not to exceed $7,500 is authorized for official reception and representation expenses.

FEDERAL JUDICIAL CENTER

SALARIES AND EXPENSES

For necessary expenses of the Federal Judicial Center, as authorized by Public Law 90–219, $17,495,000; of which $1,800,000 shall remain available through September 30, 1998, to provide education and training to Federal court personnel; and of which not to exceed $1,000 is authorized for official reception and representation expenses.

JUDICIAL RETIREMENT FUNDS

PAYMENT TO JUDICIARY TRUST FUNDS

For payment to the Judicial Officers' Retirement Fund, as authorized by 28 U.S.C. 377(o), $21,000,000, to the Judicial Survivors' Annuities Fund, as authorized by 28 U.S.C. 376(c), $7,300,000, and to the United States Court of Federal Claims Judges' Retirement Fund, as authorized by 28 U.S.C. 178(l), $1,900,000.

UNITED STATES SENTENCING COMMISSION

SALARIES AND EXPENSES

For the salaries and expenses necessary to carry out the provisions of chapter 58 of title 28, United States Code, $8,300,000, of which not to exceed $1,000 is authorized for official reception and representation expenses.

GENERAL PROVISIONS—THE JUDICIARY

SEC. 301. Appropriations and authorizations made in this title which are available for salaries and expenses shall be available for services as authorized by 5 U.S.C. 3109.

SEC. 302. Appropriations made in this title shall be available for salaries and expenses of the Special Court established under the Regional Rail Reorganization Act of 1973, Public Law 93–236.

SEC. 303. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Judiciary in this Act may be transferred between such appropriations, but no such appropriation, except "Courts of Appeals, District Courts, and other Judicial Services, Defender Services" and "Courts of Appeals, District Courts, and other Judicial Services, Fees of Jurors and Commissioners", shall be increased by more than 10 percent by any such transfers: *Provided*, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 304. Notwithstanding any other provision of law, the salaries and expenses appropriation for district courts, courts of appeals, and other judicial services shall be available for official reception and representation expenses of the Judicial Conference of the United States: *Provided*, That such available funds shall not exceed $10,000 and shall be administered by the Director of the Administrative Office of the United States Courts in his capacity as Secretary of the Judicial Conference.

SEC. 305. Section 612(l) of title 28, United States Code, shall be amended as follows: strike "1997", and insert in lieu thereof "1998".

This title may be cited as "The Judiciary Appropriations Act, 1997".

TITLE IV—DEPARTMENT OF STATE AND RELATED AGENCIES

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS

DIPLOMATIC AND CONSULAR PROGRAMS

For necessary expenses of the Department of State and the Foreign Service not otherwise provided for, including expenses authorized by the State Department Basic Authorities Act of 1956, as amended; representation to certain international organizations in which the United States participates pursuant to treaties, ratified pursuant to the advice and consent of the Senate, or specific Acts of Congress; acquisition by exchange or purchase of passenger motor vehicles as authorized by 31 U.S.C. 1343, 40 U.S.C. 481(c) and 22 U.S.C. 2674; and for expenses of general administration; $1,705,000,000: *Provided*, That notwithstanding section 140(a)(5), and the second sentence of section 140(a)(3), of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236), not to exceed $150,000,000 of fees may be collected during fiscal year 1997 under the authority of section 140(a)(1) of that Act: *Provided further*, That all fees collected under the preceding proviso shall be deposited in fiscal year 1997 as an offsetting collection to appropriations made under this heading to recover the costs of providing consular services and shall remain available until expended: *Provided further*, That in fiscal year 1998, a system shall be in place that allocates to each department and agency the full cost of its presence outside of the United States.

Of the funds provided under this heading, $24,856,000 shall be available only for the Diplomatic Telecommunications Service for operation of existing base services and not to exceed $17,230,000 shall be available only for the enhancement of the Diplomatic Telecommunications Service and shall remain available until expended. Of the latter amount, $2,500,000 shall not be made available until expiration of the 15 day period beginning on the date when the Secretary of State and the Director of the Diplomatic Telecommunications Service submit the pilot program report required by section 507 of Public Law 103–317.

In addition, not to exceed $700,000 in registration fees collected pursuant to section 38 of the Arms Export Control Act, as amended, may be used in accordance with section 45 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2717); and in addition not to exceed $1,223,000 shall be derived from fees collected from other executive agencies for lease or use of facilities located at the International Center in accordance with section 4 of the International Center Act (Public Law 90–553), as amended; and in addition, as authorized by section 5 of such Act, $450,000, to be derived from the reserve authorized by that section, to be used for the purposes set out in that section; and in addition not to exceed $15,000 which shall be derived from reimbursements, surcharges, and fees for use of Blair House facilities in accordance with section 46 of the State of Department Basic Authorities Act of 1956 (22 U.S.C. 2718(a)).

Notwithstanding section 402 of this Act, not to exceed 20 percent of the amounts made available in this Act in the appropriation accounts "Diplomatic and Consular Programs" and "Salaries and Expenses" under the heading "Administration of Foreign Affairs" may be transferred between such appropriation accounts: *Provided*, That any transfer pursuant to this sentence shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SALARIES AND EXPENSES

For expenses necessary for the general administration of the Department of State and the Foreign Service, provided for by law, including expenses authorized by section 9 of the Act of August 31, 1964, as amended (31 U.S.C. 3721), and the State Department Basic Authorities Act of 1956, as amended, $352,300,000.

CAPITAL INVESTMENT FUND

For necessary expenses of the Capital Investment Fund, $16,400,000, to remain available until expended, as authorized in Public Law 103–236: *Provided*, That section 135(e) of Public Law 103–236 shall not apply to funds appropriated under this heading.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended (5 U.S.C. App.), $27,495,000, notwithstanding section 209(a)(1) of the Foreign Service Act of 1980, as amended (Public Law 96–465), as it relates to post inspections: *Provided*, That notwithstanding any other provision of law, (1) the Office of Inspector General of the United States Information Agency is hereby merged with the Office of Inspector General of the Department of State; (2) the functions exercised and assigned to the Office of Inspector General of the United States Information Agency before the effective date of this Act (including all related functions) are transferred to the Office of Inspector General of the Department of State; and (3) the Inspector General of the Department of State shall also serve as the Inspector General of the United States Information Agency.

REPRESENTATION ALLOWANCES

For representation allowances as authorized by section 905 of the Foreign Service Act of 1980, as amended (22 U.S.C. 4085), $4,490,000.

PROTECTION OF FOREIGN MISSIONS AND OFFICIALS

For expenses, not otherwise provided, to enable the Secretary of State to provide for extraordinary protective services in accordance with the provisions of section 214 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 4314) and 3 U.S.C. 208, $8,332,000, to remain available until September 30, 1998.

SECURITY AND MAINTENANCE OF UNITED STATES MISSIONS

For necessary expenses for carrying out the Foreign Service Buildings Act of 1926, as amended (22 U.S.C. 292–300), and the Diplomatic Security Construction Program as authorized by title IV of the Omnibus Diplomatic Security and Antiterrorism Act of 1986 (22 U.S.C. 4851), $370,000,000, to remain available until expended as authorized by section 24(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696(c)): *Provided*, That none of the funds appropriated in this paragraph shall be available for acquisition of furniture and furnishings and generators for other departments and agencies.

EMERGENCIES IN THE DIPLOMATIC AND CONSULAR SERVICE

For expenses necessary to enable the Secretary of State to meet unforeseen emergencies arising in the Diplomatic and Consular Service pursuant to the requirement of 31 U.S.C. 3526(e), $5,800,000, to remain available until expended as authorized by section 24(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696(c)), of which not to exceed $1,000,000 may be transferred to and merged with the Repatriation Loans Program Account, subject to the same terms and conditions.

REPATRIATION LOANS PROGRAM ACCOUNT

For the cost of direct loans, $593,000, as authorized by section 4 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2671): *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974. In addition, for administrative expenses necessary to carry out the direct loan program, $663,000 which may be transferred to and merged with the Salaries and Expenses account under Administration of Foreign Affairs.

PAYMENT TO THE AMERICAN INSTITUTE IN TAIWAN

For necessary expenses to carry out the Taiwan Relations Act, Public Law 96–8 (93 Stat. 14), $15,001,000.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the Foreign Service Retirement and Disability Fund, as authorized by law, $126,491,000.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

For expenses, not otherwise provided for, necessary to meet annual obligations of membership in international multilateral organizations, pursuant to treaties ratified pursuant to the advice and consent of the Senate, conventions or specific Acts of Congress, $875,000,000: *Provided*, That any payment of arrearages shall be directed toward special activities that are mutually agreed upon by the United States and the respective international organization: *Provided further*, That 20 percent of the funds appropriated in this paragraph for the assessed contribution of the United States to the United Nations shall be withheld from obligation and expenditure until a certification is made under section 401(b) of Public Law 103–236 for fiscal year 1997: *Provided further*, That certification under section 401(b) of Public Law 103–236 for fiscal year 1997 may only be made if the Committees on Appropriations and Foreign Relations of the Senate and the Committees on Appropriations and International Relations of the House of Representatives are notified of the steps taken, and anticipated, to meet the requirements of section 401(b) of Public Law 103–236 at least 15 days in advance of the proposed certification: *Provided further*, That none of the funds appropriated in this paragraph shall be available for a United States contribution to an international organization for the United States share of interest costs made known to the United States Government by such organization for loans incurred on or after October 1, 1984, through external borrowings: *Provided further*, That of the funds appropriated in this paragraph, $80,000,000 may be made available only on a quarterly basis and only after the Secretary of State certifies on a quarterly basis that the United Nations has taken no action to increase funding for any United Nations program without identifying an offsetting decrease elsewhere in the United Nations budget and cause the United Nations to exceed its no growth budget for the biennium 1996–1997 adopted in December, 1995: *Provided further*, That notwithstanding section 402 of this Act, not to exceed $10,000,000 may be transferred from the funds made available under this heading to the "International Conferences and Contingencies" account for assessed contributions to new or provisional international organizations: *Provided further*, That any transfer pursuant to this paragraph shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

CONTRIBUTIONS FOR INTERNATIONAL PEACEKEEPING ACTIVITIES

For necessary expenses to pay assessed and other expenses of international peacekeeping activities directed to the maintenance or restoration of international peace and security, $332,400,000, of which $50,000,000 is for payment of arrearages accumulated in 1995, and which shall be available only upon certification by the Secretary of State that at least two of the following have been achieved: (1) savings of at least $100,000,000 will be achieved in the biennial expenses of the following United Nations divisions and activities—the United Nations Conference on Trade and Development, the Regional Economic Commissions, the Department of Public Information, and the Department of Conference Services, travel and overtime; (2) the number of professional and general service staff employed by the United Nations Secretariat at the conclusion of the 1996–1997 biennium will be at least ten percent below the number of such positions on January 1, 1996; and (3) the United Nations has adopted a budget outline for the 1998–1999 biennium that is below $2,608,000,000; as part of a five-year program to achieve major cost-saving reforms in the United Nations and specialized agencies: *Provided*, That none of the funds made available under this Act shall be obligated or expended for any new or expanded United Nations peacekeeping mission unless, at least fifteen days in advance of voting for the new or expanded mission in the United Nations Security Council (or in an emergency, as far in advance as is practicable), (1) the Committees on Appropriations of the House of Representatives and the Senate and other appropriate Committees of the Congress are notified of the estimated cost and length of the mission, the vital national interest that will be served, and the planned exit strategy; and (2) a reprogramming of funds pursuant to section 605 of this Act is submitted, and the procedures therein followed, setting forth the source of funds that will be used to pay for the cost of the new or expanded mission: *Provided further*, That funds shall be available for peacekeeping expenses only upon a certification by the Secretary of State to the appropriate committees of the Congress that American manufacturers and suppliers are being given opportunities to provide equipment, services, and material for United Nations peacekeeping activities equal to those being given to foreign manufacturers and suppliers.

INTERNATIONAL COMMISSIONS

For necessary expenses, not otherwise provided for, to meet obligations of the United States arising under treaties, or specific Acts of Congress, as follows:

INTERNATIONAL BOUNDARY AND WATER COMMISSION, UNITED STATES AND MEXICO

For necessary expenses for the United States Section of the International Boundary and Water Commission, United States and Mexico, and to comply with laws applicable to the United States Section, including not to exceed $6,000 for representation; as follows:

SALARIES AND EXPENSES

For salaries and expenses, not otherwise provided for, $18,490,000.

CONSTRUCTION

For detailed plan preparation and construction of authorized projects, $6,463,000, to remain available until expended, as authorized by section 24(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696(c)).

AMERICAN SECTIONS, INTERNATIONAL COMMISSIONS

For necessary expenses, not otherwise provided for the International Joint Commission and the International Boundary Commission, United States and Canada, as authorized by treaties between the United States and Canada or Great Britain, and for the Border Environment Cooperation Commission as authorized by Public Law 103–182; $5,490,000, of which not to exceed $9,000 shall be available for representation expenses incurred by the International Joint Commission.

INTERNATIONAL FISHERIES COMMISSIONS

For necessary expenses for international fisheries commissions, not otherwise provided for, as authorized by law, $10,450,000: *Provided*, That the United States' share of such expenses may be advanced to the respective commissions, pursuant to 31 U.S.C. 3324.

OTHER

PAYMENT TO THE ASIA FOUNDATION

For a grant to the Asia Foundation, as authorized by section 501 of Public Law 101–246, $8,000,000, to remain available until expended, as authorized by section 24(c) of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2696(c)).

RELATED AGENCIES

ARMS CONTROL AND DISARMAMENT AGENCY

ARMS CONTROL AND DISARMAMENT ACTIVITIES

For necessary expenses not otherwise provided, for arms control, nonproliferation, and disarmament activities, $38,495,000, of which not to exceed $50,000 shall be for official reception and representation expenses as authorized by the Act of September 26, 1961, as amended (22 U.S.C. 2551 et seq.).

UNITED STATES INFORMATION AGENCY

SALARIES AND EXPENSES

For expenses, not otherwise provided for, necessary to enable the United States Information Agency, as authorized by the Mutual Educational and Cultural Exchange Act of 1961, as amended (22 U.S.C. 2451 et seq.), the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1431 et seq.), and Reorganization Plan No. 2 of 1977 (91 Stat. 1636), to carry out international communication, educational and cultural activities; and to carry out related activities authorized by law, including employment, without regard to civil service and classification laws, of persons on a temporary basis (not to exceed $700,000 of this appropriation), as authorized by section 801 of such Act of 1948 (22 U.S.C. 1471), and entertainment, including official receptions, within the United States, not to exceed $25,000 as authorized by section 804(3) of such Act of 1948 (22 U.S.C. 1474(3)); $439,300,000: *Provided*, That not to exceed $1,400,000 may be used for representation abroad as authorized by section 302 of such Act of 1948 (22 U.S.C. 1452) and section 905 of the Foreign Service Act of 1980 (22 U.S.C. 4085): *Provided further*, That not to exceed $7,615,000, to remain available until expended, may be credited to this appropriation from fees or other payments received from or in connection with English teaching, library, motion pictures, student advising and counseling, and publication programs as authorized by section 810 of such Act of 1948 (22 U.S.C. 1475e): *Provided further*, That not to exceed $1,100,000 to remain available until expended may be used to carry out projects involving security construction and related improvements for agency facilities not physically located together with Department of State facilities abroad.

TECHNOLOGY FUND

For expenses necessary to enable the United States Information Agency to provide for the procurement of information technology improvements, as authorized by the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1431 et seq.), the Mutual Educational and Cultural Exchange Act of 1961, as amended (22 U.S.C. 2451 et seq.), and Reorganization Plan No. 2 of 1977 (91 Stat. 1636), $5,050,000, to remain available until expended.

EDUCATIONAL AND CULTURAL EXCHANGE PROGRAMS

For expenses of educational and cultural exchange programs, as authorized by the Mutual Educational and Cultural Exchange Act of 1961, as amended (22 U.S.C. 2451 et seq.), and Reorganization Plan No. 2 of 1977 (91 Stat. 1636), $185,000,000, to remain available until expended as authorized by section 105 of such Act of 1961 (22 U.S.C. 2455).

EISENHOWER EXCHANGE FELLOWSHIP PROGRAM TRUST FUND

For necessary expenses of Eisenhower Exchange Fellowships, Incorporated, as authorized by sections 4 and 5 of the Eisenhower Exchange Fellowship Act of 1990 (20 U.S.C. 5204–5205), all interest and earnings accruing to the Eisenhower Exchange Fellowship Program Trust Fund on or before September 30, 1997, to remain available until expended: *Provided*, That none of the funds appropriated herein shall be used to pay any salary or other compensation, or to enter into any contract providing for the payment thereof, in excess of the rate authorized by 5 U.S.C. 5376; or for purposes which are not in accordance with OMB Circulars A–110 (Uniform Administrative Requirements) and A–122 (Cost Principles for Non-profit Organizations), including the restrictions on compensation for personal services.

ISRAELI ARAB SCHOLARSHIP PROGRAM

For necessary expenses of the Israeli Arab Scholarship Program as authorized by section 214 of the Foreign Relations Authorization Act, Fiscal Years 1992 and 1993 (22 U.S.C. 2452), all interest and earnings accruing to the Israeli Arab Scholarship Fund on or before September 30, 1997, to remain available until expended.

INTERNATIONAL BROADCASTING OPERATIONS

For expenses necessary to enable the United States Information Agency, as authorized by the United States Information and Educational Exchange Act of 1948, as amended, the United States International Broadcasting Act of 1994, as amended, the Radio Broadcasting to Cuba Act, as amended, and Reorganization Plan No. 2 of 1977, to carry out international communication activities, including the purchase, installation, rent, construction, or improvement of facilities and equipment for radio transmission and reception to Cuba; $335,700,000, of which not to exceed $16,000 may be used for official receptions within the United States as authorized by section 804(3) of such Act of 1948 (22 U.S.C. 1474(3)), not to exceed $35,000 may be used for representation abroad as authorized by section 302 of such Act of 1948 (22 U.S.C. 1452) and section 905 of the Foreign Service Act of 1980 (22 U.S.C. 4085), and not to exceed $39,000 may be used for official reception and representation expenses of Radio Free Europe/Radio Liberty; and in addition, not to exceed $250,000 from fees as authorized by section 810 of such Act of 1948 (22 U.S.C. 1475e), to remain available until expended for carrying out authorized purposes; and in addition, notwithstanding any other provision of law, not to exceed $1,000,000 in monies received (including receipts from advertising, if any) by or for the use of the United States Information Agency from or in connection with broadcasting resources owned by or on behalf of the Agency, to be available until expended for carrying out authorized purposes.

RADIO CONSTRUCTION

For the purchase, rent, construction, and improvement of facilities for radio transmission and reception, and purchase and installation of necessary equipment for radio and television transmission and reception as authorized by section 801 of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1471), $39,000,000, to remain available until expended, as authorized by section 704(a) of such Act of 1948 (22 U.S.C. 1477b(a)).

NATIONAL ENDOWMENT FOR DEMOCRACY

For grants made by the United States Information Agency to the National Endowment for Democracy as authorized by the National Endowment for Democracy Act, $30,000,000, to remain available until expended.

GENERAL PROVISIONS—DEPARTMENT OF STATE AND RELATED AGENCIES

SEC. 401. Funds appropriated under this title shall be available, except as otherwise provided, for allowances and differentials as authorized by subchapter 59 of 5 U.S.C.; for services as authorized by 5 U.S.C. 3109; and hire of passenger transportation pursuant to 31 U.S.C. 1343(b).

SEC. 402. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Department of State in this Act may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers: *Provided*, That not to exceed 5 percent of any appropriation made available for the current fiscal year for the United States Information Agency in this Act may be transferred between such appropriations, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 10 percent by any such transfers: *Provided further*, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 403. Funds hereafter appropriated or otherwise made available under this Act or any other Act may be expended for compensation of the United States Commissioner of the International Boundary Commission, United States and Canada, only for actual hours worked by such Commissioner.

SEC. 404. Funds appropriated by this Act for the United States Information Agency, the Arms Control and Disarmament Agency, and the Department of State may be obligated and expended notwithstanding section 701 of the United States Information and Educational Exchange Act of 1948 and section 313 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995, section 53 of the Arms Control and Disarmament Act, and section 15 of the State Department Basic Authorities Act of 1956.

SEC. 405. Any costs incurred by a Department or agency funded under this title resulting from personnel actions taken in response to funding reductions included in this title shall be absorbed within the total budgetary resources available to such Department or agency: *Provided*, That the authority to transfer funds between appropriations accounts as may be necessary to carry out this section is provided in addition to authorities included elsewhere in this Act: *Provided further*, That use of funds to carry out this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 406. None of the Funds made available by this Act or any other Act may be made available to support the negotiating activities of the Standing Consultative Commission (SCC) or to implement agreements, amendments, or understandings to the Anti-Ballistic Missile Treaty of 1972 (hereafter referred to as the "ABM Treaty") reached after January 1, 1996 by the Standing Consultative Commission or pursuant to United States-Russian bilateral discussions regarding the establishment of a demarcation between theater missile defense systems and anti-ballistic missile systems for the purposes of the ABM Treaty or multilateralization of the ABM Treaty unless the President certifies to the Congress that any amendments, agreements, or understandings reached pursuant to these activities or discussions will be submitted to the Senate for its advice and consent.

This title may be cited as the "Department of State and Related Agencies Appropriations Act, 1997".

TITLE V—RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

MARITIME ADMINISTRATION

OPERATING-DIFFERENTIAL SUBSIDIES

(LIQUIDATION OF CONTRACT AUTHORITY)

For the payment of obligations incurred for operating-differential subsidies, as authorized by the Merchant Marine Act, 1936, as amended, $148,430,000, to remain available until expended.

MARITIME SECURITY PROGRAM

For necessary expenses to maintain and preserve a U.S.-flag merchant fleet to serve the national security needs of the United States, $63,000,000, to remain available until expended: *Provided*, That these funds will be available only upon enactment of an authorization for this program.

OPERATIONS AND TRAINING

For necessary expenses of operations and training activities authorized by law, $62,300,000: *Provided*, That reimbursements may be made to this appropriation from receipts to the "Federal Ship Financing Fund" for administrative expenses in support of that program in addition to any amount heretofore appropriated.

MARITIME GUARANTEED LOAN (TITLE XI) PROGRAM ACCOUNT

For the cost of guaranteed loans, as authorized by the Merchant Marine Act, 1936, $37,450,000, to remain available until expended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $1,000,000,000.

In addition, for administrative expenses to carry out the guaranteed loan program, not to exceed $3,450,000, which shall be transferred to and merged with the appropriation for Operations and Training.

ADMINISTRATIVE PROVISIONS—MARITIME ADMINISTRATION

Notwithstanding any other provision of this Act, the Maritime Administration is authorized to furnish utilities and services and make necessary repairs in connection with any lease, contract, or occupancy involving Government property under control of the Maritime Administration, and payments received therefor shall be credited to the appropriation charged with the cost thereof: *Provided*, That rental payments under any such lease, contract, or occupancy for items other than such utilities, services, or repairs shall be covered into the Treasury as miscellaneous receipts.

No obligations shall be incurred during the current fiscal year from the construction fund established by the Merchant Marine Act, 1936, or otherwise, in excess of the appropriations and limitations contained in this Act or in any prior appropriation Act, and all receipts which otherwise would be deposited to the credit of said fund shall be covered into the Treasury as miscellaneous receipts.

COMMISSION FOR THE PRESERVATION OF AMERICA'S HERITAGE ABROAD

SALARIES AND EXPENSES

For expenses for the Commission for the Preservation of America's Heritage Abroad, $206,000, as authorized by Public Law 99–83, section 1303.

COMMISSION ON CIVIL RIGHTS

SALARIES AND EXPENSES

For necessary expenses of the Commission on Civil Rights, including hire of passenger motor vehicles, $8,740,000: *Provided*, That not to exceed $50,000 may be used to employ consultants: *Provided further*, That none of the funds appropriated in this paragraph shall be used to employ in excess of four full-time individuals under Schedule C of the Excepted Service exclusive of one special assistant for each Commissioner: *Provided further*, That none of the funds appropriated in this paragraph shall be used to reimburse Commissioners for more than 75 billable days, with the exception of the Chairperson who is permitted 125 billable days.

COMMISSION ON IMMIGRATION REFORM

SALARIES AND EXPENSES

For necessary expenses of the Commission on Immigration Reform pursuant to section 141(f) of the Immigration Act of 1990, $2,196,000, to remain available until expended.

COMMISSION ON SECURITY AND COOPERATION IN EUROPE

SALARIES AND EXPENSES

For necessary expenses of the Commission on Security and Cooperation in Europe, as authorized by Public Law 94–304, $1,090,000, to remain available until expended as authorized by section 3 of Public Law 99–7.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Equal Employment Opportunity Commission as authorized by title VII of the Civil Rights Act of 1964, as amended (29 U.S.C. 206(d) and 621–634), the Americans with Disabilities Act of 1990, and the Civil Rights Act of 1991, including services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles as authorized by 31 U.S.C. 1343(b); non-monetary awards to private citizens; not to exceed $26,500,000, for payments to State and local enforcement agencies for services to the Commission pursuant to title VII of the Civil Rights Act of 1964, as amended, sections 6 and 14 of the Age Discrimination in Employment Act, the Americans with Disabilities Act of 1990, and the Civil Rights Act of 1991; $232,740,000: *Provided*, That the Commission is authorized to make available for official reception and representation expenses not to exceed $2,500 from available funds.

FEDERAL COMMUNICATIONS COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Communications Commission, as authorized by law, including uniforms and allowances therefor, as authorized by 5 U.S.C. 5901–02; not to exceed $600,000 for land and structure; not to exceed $500,000 for improvement and care of grounds and repair to buildings; not to exceed $4,000 for official reception and representation expenses; purchase (not to exceed sixteen) and hire of motor vehicles; special counsel fees; and services as authorized by 5 U.S.C. 3109; $185,619,000, of which not to exceed $300,000 shall remain available until September 30, 1998, for research and policy studies: *Provided*, That $126,400,000 of offsetting collections shall be assessed and collected pursuant to section 9 of title I of the Communications Act of 1934, as amended, and shall be retained and used for necessary expenses in this appropriation, and shall remain available until expended: *Provided further*, That the sum herein appropriated shall be reduced as such offsetting collections are received during fiscal year 1997 so as to result in a final fiscal year 1997 appropriation estimated at $59,219,000: *Provided further*, That any offsetting collections received in excess of $126,400,000 in fiscal year 1997 shall remain available until expended, but shall not be available for obligation until October 1, 1997: *Provided further*, That none of the funds appropriated by this Act shall be used to deny or delay action on a license, license transfer or assignment, or license renewal for any religious or religiously affiliated entity on the basis that its recruitment or hiring of full or part time employees for any position at a broadcast facility licensed to such entity is or was limited to persons of a particular religion or having particular religious knowledge, training, or interests: *Provided further*, That the preceding proviso shall not apply with respect to any appeal from a decision of any administrative law judge rendered on September 15, 1995.

FEDERAL MARITIME COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Maritime Commission as authorized by section 201(d) of the Merchant Marine Act of 1936, as amended (46 App. U.S.C. 1111), including services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles as authorized by 31 U.S.C. 1343(b); and uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–02; $11,000,000: *Provided*, That not to exceed $2,000 shall be available for official reception and representation expenses.

FEDERAL TRADE COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Trade Commission, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; and not to exceed $2,000 for official reception and representation expenses; $85,930,000: *Provided*, That not to exceed $300,000 shall be available for use to contract with a person or persons for collection services in accordance with the terms of 31 U.S.C. 3718, as amended: *Provided further*, That notwithstanding any other provision of law, not to exceed $58,905,000 of offsetting collections derived from fees collected for premerger notification filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (15 U.S.C. 18(a)) shall be retained and used for necessary expenses in this appropriation, and shall remain available until expended: *Provided further*, That the sum herein appropriated from the General Fund shall be reduced as such offsetting collections are received during fiscal year 1997, so as to result in a final fiscal year 1997 appropriation from the General Fund estimated at not more than $27,025,000, to remain available until expended: *Provided further*, That any fees received in excess of $58,905,000 in fiscal year 1997 shall remain available until expended, but shall not be available for obligation until October 1, 1997: *Provided further*, That none of the funds made available to the Federal Trade Commission shall be available for obligation for expenses authorized by section 151 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (Public Law 102–242, 105 Stat. 2282–2285).

LEGAL SERVICES CORPORATION

PAYMENT TO THE LEGAL SERVICES CORPORATION

For payment to the Legal Services Corporation to carry out the purposes of the Legal Services Corporation Act of 1974, as amended, $141,000,000, of which $134,575,000 is for basic field programs and required independent audits; $1,125,000 is for the Office of the Inspector General, of which such amounts as may be necessary may be used to conduct additional audits of recipients; and $5,300,000 is for management and administration.

ADMINISTRATIVE PROVISIONS—LEGAL SERVICES CORPORATION

SEC. 501. (a) CONTINUATION OF COMPETITIVE SELECTION PROCESS.—None of the funds appropriated in this Act to the Legal Services Corporation may be used to provide financial assistance to any person or entity except through a competitive selection process conducted in accordance with regulations promulgated by the Corporation in accordance with the criteria set forth in subsections (c), (d), and (e) of section 503 of Public Law 104–134 (110 Stat. 1321–130 et seq.).

(b) INAPPLICABILITY OF NONCOMPETITIVE PROCEDURES.—For purposes of the funding provided in this Act, rights under sections 1007(a)(9) and 1011 of the Legal Services Corporation Act (42 U.S.C. 2996f(a)(9) and 42 U.S.C. 2996j) shall not apply.

SEC. 502. (a) CONTINUATION OF REQUIREMENTS AND RESTRICTIONS.—None of the funds appropriated in this Act to the Legal Services Corporation shall be expended for any purpose prohibited or limited by, or contrary to any of the provisions of—

(1) sections 501, 502, 505, 506, and 507 of Public Law 104–134 (101 Stat. 1321–127 et seq.), and all funds appropriated in this Act to the Legal Services Corporation shall be subject to the same terms and conditions as set forth in such sections, except that all references in such sections to 1995 and 1996 shall be deemed to refer instead to 1996 and 1997, respectively; and

(2) section 504 of Public Law 104–134 (101 Stat. 1321–132 et seq.), and all funds appropriated in this Act to the Legal Services Corporation shall be subject to the same terms and conditions set forth in such section, except that—

(A) subsection (c) of such section 504 shall not apply;

(B) paragraph (3) of section 508(b) of Public Law 104–134 (101 Stat. 1321–147) shall apply with respect to the requirements of subsection (a)(13) of such section 504, except that all references in such section 508(b) to the date of enactment shall be deemed to refer to April 26, 1996; and

(C) subsection (a)(11) of such section 504 shall not be construed to prohibit a recipient from using funds derived from a source other than the Corporation to provide related legal assistance to—

(i) an alien who has been battered or subjected to extreme cruelty in the United States by a spouse or a parent, or by a member of the spouse's or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty; or

(ii) an alien whose child has been battered or subjected to extreme cruelty in the United States by a spouse or parent of the alien (without the active participation of the alien in the battery or extreme cruelty), or by a member of the spouse's or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, and the alien did not actively participate in such battery or cruelty.

(b) DEFINITIONS.—For purposes of subsection (a)(2)(C):

(1) The term "battered or subjected to extreme cruelty" has the meaning given such term under regulations issued pursuant to subtitle G of the Violence Against Women Act of 1994 (Pub. L. 103–322; 108 Stat. 1953).

(2) The term "related legal assistance" means legal assistance directly related to the prevention of, or obtaining of relief from, the battery or cruelty described in such subsection.

SEC. 503. (a) CONTINUATION OF AUDIT REQUIREMENTS.—The requirements of section 509 of Public Law 104–134 (101 Stat. 1321–146 et seq.), other than subsection (l) of such section, shall apply during fiscal year 1997.

(b) REQUIREMENT OF ANNUAL AUDIT.—An annual audit of each person or entity receiving financial assistance from the Legal Services Corporation under this Act shall be conducted during fiscal year 1997 in accordance with the requirements referred to in subsection (a).

MARINE MAMMAL COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Marine Mammal Commission as authorized by title II of Public Law 92–522, as amended, $975,000.

NATIONAL BANKRUPTCY REVIEW COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the National Bankruptcy Review Commission, as authorized by the Bankruptcy Reform Act of 1994, $500,000.

SECURITIES AND EXCHANGE COMMISSION

SALARIES AND EXPENSES

For necessary expenses for the Securities and Exchange Commission, including services as authorized by 5 U.S.C. 3109, the rental of space (to include multiple year leases) in the District of Columbia and elsewhere, and not to exceed $3,000 for official reception and representation expenses, $277,021,000, of which not to exceed $10,000 may be used toward funding a permanent secretariat for the International Organization of Securities Commissions, and of which not to exceed $100,000 shall be available for expenses for consultations and meetings hosted by the Commission with foreign governmental and other regulatory officials, members of their delegations, appropriate representatives and staff to exchange views concerning developments relating to securities matters, development and implementation of cooperation agreements concerning securities matters and provision of technical assistance for the development of foreign securities markets, such expenses to include necessary logistic and administrative expenses and the expenses of Commission staff and foreign invitees in attendance at such consultations and meetings including (1) such incidental expenses as meals taken in the course of such attendance, (2) any travel and transportation to or from such meetings, and (3) any other related lodging or subsistence: *Provided*, That immediately upon enactment of this Act, the rate of fees under section 6(b) of the Securities Act of 1933 (15 U.S.C. 77f(b)) shall increase from one-fiftieth of one percentum to one-thirty-third of one percentum, and such increase shall be deposited as an offsetting collection to this appropriation, to remain available until expended, to recover costs of services of the securities registration process: *Provided further*, That immediately upon enactment of this Act or September 1, 1996, whichever occurs later, every national securities association shall pay to the Commission a fee at a rate of one-eight-hundredth of one percentum for each $1,000,000 of the aggregate dollar amount of sales transacted by or through any member of such association otherwise than on a national securities exchange (other than bonds, debentures, and other evidences of indebtedness) subject to prompt last sale reporting pursuant to the rules of the Commission or a registered national securities association, excluding any sales for which a fee is paid under section 31 of the Securities Exchange Act of 1934 (15 U.S.C. 78ee), and such increase shall be deposited as an offsetting collection to this appropriation, to remain available until expended, to recover the costs to the Government of the supervision and regulation of securities markets and securities professionals: *Provided further*, That the fee due from every national securities association shall be paid (1) on or before March 15, 1997, with respect to transactions occurring during the period beginning immediately upon enactment of this Act or September 1, 1996, whichever occurs later, and ending at the close of December 31, 1996; and (2) on or before September 30, 1997, with respect to transactions and sales occurring during the period beginning on January 1, 1997, and ending at the close of August 31, 1997: *Provided further*, That the total amount appropriated for fiscal year 1997 under this heading shall be reduced as all such offsetting fees are deposited to this appropriation so as to result in a final total fiscal year 1997 appropriation from the General Fund estimated at not more than $83,047,000: *Provided further*, That any such fees collected in excess of $193,974,000 shall remain available until expended but shall not be available for obligation until October 1, 1997.

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the Small Business Administration as authorized by Public Law 103–403, including hire of passenger motor vehicles as authorized by 31 U.S.C. 1343 and 1344, and not to exceed $3,500 for official reception and representation expenses, $214,419,000, of which $94,218,000 shall be available for the non-credit programs of the Small Business Administration, including $3,000,000 which shall only be available for obligation and expenditure for projects jointly developed, implemented and administered with the Minority Business Development Agency of the Department of Commerce: *Provided*, That the Administrator is authorized to charge fees to cover the cost of publications developed by the Small Business Administration, and certain loan servicing activities: *Provided further*, That notwithstanding 31 U.S.C. 3302, revenues received from all such activities shall be credited to this account, to be available for carrying out these purposes without further appropriations.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended (5 U.S.C. App. 1–11, as amended by Public Law 100–504), $8,900,000.

BUSINESS LOANS PROGRAM ACCOUNT

For the cost of direct loans, $2,792,000, and for the cost of guaranteed loans, $161,876,000, as authorized by 15 U.S.C. 631 note, of which $1,216,000, to be available until expended, shall be for the Microloan Guarantee Program, and of which $40,510,000 shall remain available until September 30, 1998: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That during fiscal year 1997, commitments to guarantee loans under section 503 of the Small Business Investment Act of 1958, as amended, shall not exceed the amount of financings authorized under section 20(n)(2)(B) of the Small Business Act, as amended.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, $93,485,000, which may be transferred to and merged with the appropriations for Salaries and Expenses.

DISASTER LOANS PROGRAM ACCOUNT

For the cost of direct loans authorized by section 7(b) of the Small Business Act, as amended, $105,432,000, to remain available until expended: *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.

In addition, for administrative expenses to carry out the direct loan program, $100,578,000, including not to exceed $500,000 for the Office of Inspector General of the Small Business Administration for audits and reviews of disaster loans and the disaster loan program, and said sums may be transferred to and merged with appropriations for Salaries and Expenses and Office of Inspector General.

SURETY BOND GUARANTEES REVOLVING FUND

For additional capital for the "Surety Bond Guarantees Revolving Fund", authorized by the Small Business Investment Act, as amended, $3,730,000, to remain available without fiscal year limitation as authorized by 15 U.S.C. 631 note.

ADMINISTRATIVE PROVISION—SMALL BUSINESS ADMINISTRATION

SEC. 504. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Small Business Administration in this Act may be transferred between such appropriations, but no such appropriation shall be increased by more than 10 percent by any such transfers: *Provided*, That any transfer pursuant to this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

TITLE VI—GENERAL PROVISIONS

SEC. 601. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes not authorized by the Congress.

SEC. 602. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 603. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 604. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the remainder of the Act and the application of each provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

SEC. 605. (a) None of the funds provided under this Act, or provided under previous appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year 1997, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds which (1) creates new programs; (2) eliminates a program, project, or activity; (3) increases funds or personnel by any means for any project or activity for which funds have been denied or restricted; (4) relocates an office or employees; (5) reorganizes offices, programs, or activities; or (6) contracts out or privatizes any functions, or activities presently performed by Federal employees; unless the Appropriations Committees of both Houses of Congress are notified fifteen days in advance of such reprogramming of funds.

(b) None of the funds provided under this Act, or provided under previous appropriations Acts to the agencies funded by this Act that remain available for obligation or expenditure in fiscal year 1997, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this Act, shall be available for obligation or expenditure for activities, programs, or projects through a reprogramming of funds in excess of $500,000 or 10 percent, whichever is less, that (1) augments existing programs, projects, or activities; (2) reduces by 10 percent funding for any existing program, project, or activity, or numbers of personnel by 10 percent as approved by Congress; or (3) results from any general savings from a reduction in personnel which would result in a change in existing programs, activities, or projects as approved by Congress; unless the Appropriations Committees of both Houses of Congress are notified fifteen days in advance of such reprogramming of funds.

SEC. 606. None of the funds made available in this Act may be used for the construction, repair (other than emergency repair), overhaul, conversion, or modernization of vessels for the National Oceanic and Atmospheric Administration in shipyards located outside of the United States.

SEC. 607. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

SEC. 608. None of the funds made available in this Act may be used to implement, administer, or enforce any guidelines of the Equal Employment Opportunity Commission covering harassment based on religion, when it is made known to the Federal entity or official to which such funds are made available that such guidelines do not differ in any respect from the proposed guidelines published by the Commission on October 1, 1993 (58 Fed. Reg. 51266).

SEC. 609. None of the funds appropriated or otherwise made available by this Act may be obligated or expended to pay for any cost incurred for (1) opening or operating any United States diplomatic or consular post in the Socialist Republic of Vietnam that was not operating on July 11, 1995; (2) expanding any United States diplomatic or consular post in the Socialist Republic of Vietnam that was operating on July 11, 1995; or (3) increasing the total number of personnel assigned to United States diplomatic or consular posts in the Socialist Republic of Vietnam above the levels existing on July 11, 1995, unless the President certifies within 60 days, based upon all information available to the United States Government that the Government of the Socialist Republic of Vietnam is cooperating in full faith with the United States in the following four areas:

(1) Resolving discrepancy cases, live sightings and field activities,

(2) Recovering and repatriating American remains,

(3) Accelerating efforts to provide documents that will help lead to fullest possible accounting of POW/MIA's.

(4) Providing further assistance in implementing trilateral investigations with Laos.

SEC. 610. None of the funds made available by this Act may be used for any United Nations undertaking when it is made known to the Federal official having authority to obligate or expend such funds (1) that the United Nations undertaking is a peacekeeping mission, (2) that such undertaking will involve United States Armed Forces under the command or operational control of a foreign national, and (3) that the President's military advisors have not submitted to the President a recommendation that such involvement is in the national security interests of the United States and the President has not submitted to the Congress such a recommendation.

SEC. 611. None of the funds made available in this Act shall be used to provide the following amenities or personal comforts in the Federal prison system—

(1) in-cell television viewing except for prisoners who are segregated from the general prison population for their own safety;

(2) the viewing of R, X, and NC-17 rated movies, through whatever medium presented;

(3) any instruction (live or through broadcasts) or training equipment for boxing, wrestling, judo, karate, or other martial art, or any bodybuilding or weightlifting equipment of any sort;

(4) possession of in-cell coffee pots, hot plates, or heating elements; or

(5) the use or possession of any electric or electronic musical instrument.

SEC. 612. None of the funds made available in title II for the National Oceanic and Atmospheric Administration under the heading "Fleet Modernization, Shipbuilding and Conversion" may be used to implement sections 603, 604, and 605 of Public Law 102-567.

SEC. 613. None of the funds made available in this Act may be used for "USIA Television Marti Program" under the Television Broadcasting to Cuba Act or any other program of United States Government television broadcasts to Cuba, when it is made known to the Federal official having authority to obligate or expend such funds that such use would be inconsistent with the applicable provisions of the March 1995 Office of Cuba Broadcasting Reinventing Plan of the United States Information Agency.

SEC. 614. Any costs incurred by a Department or agency funded under this Act resulting from personnel actions taken in response to funding reductions included in this Act shall be absorbed within the total budgetary resources available to such Department or agency: *Provided*, That the authority to transfer funds between appropriations accounts as may be necessary to carry out this section is provided in addition to authorities included elsewhere in this Act: *Provided further*, That use of funds to carry out this section shall be treated as a reprogramming of funds under section 605 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

This Act may be cited as the "Departments of Commerce, Justice, and State, the Judiciary, and Related Agencies Appropriations Act, 1997.".

The CHAIRMAN. No further amendments shall be in order except the following amendments, which shall be considered read, shall not be subject to amendment or to a demand for division of the question, and shall be debatable for the time specified, equally divided and controlled by the proponent and a Member opposed:

Amendment No. 10 by the gentleman from Indiana [Mr. HOSTETTLER], for 10 minutes.

An amendment by the gentlewoman from Texas [Ms. JACKSON-LEE], regarding the National Telecommunications and Information Administration, for 15 minutes;

Amendment No. 11 by the gentlewoman from Hawaii [Mrs. MINK], for 10 minutes;

An amendment by the gentleman from Kentucky [Mr. ROGERS], regarding NOAA, for 10 minutes;

An amendment by the gentleman from New York [Mr. ENGEL], regarding Public Broadcasting grants, for 10 minutes;

An amendment No. 20 by the gentleman from California [Mr. BROWN], for 20 minutes;

An amendment by the gentleman from Colorado [Mr. ALLARD], regarding the Technology Administration, for 10 minutes;

An amendment by the gentleman from Florida [Mr. GOSS], regarding EDA, for 10 minutes;

An amendment by the gentleman from Illinois [Mr. PORTER], regarding Asia Broadcasting, for 20 minutes;

An amendment by the gentleman from Wisconsin [Mr. OBEY], regarding the ABM Treaty, for 15 minutes;

An amendment No. 19 by the gentleman from Ohio [Mr. TRAFICANT], for 5 minutes;

Amendment No. 28 by the gentleman from Minnesota [Mr. GUTKNECHT], for 20 minutes;

An amendment by the gentleman from Florida [Mr. DEUTSCH], regarding COPS, for 10 minutes;

An amendment by the gentleman from Nevada [Mr. ENSIGN], regarding sexually explicit material in prisons, for 10 minutes;

Amendment No. 5 by the gentleman from Massachusetts [Mr. FRANK], for 20 minutes;

Amendment No. 6 by the gentleman from Massachusetts [Mr. FRANK], for 20 minutes;

Amendment No. 16 by the gentleman from Iowa [Mr. GANSKE], for 20 minutes;

Amendment No. 17 by the gentleman from Pennsylvania [Mr. GEKAS], for 10 minutes;

Amendment No. 33 by the gentlewoman from the District of Columbia [Ms. NORTON], for 20 minutes;

An amendment by the gentlewoman from Florida [Mrs. FOWLER], regarding COPS, for 10 minutes;

An amendment by the gentleman from Georgia [Mr. COLLINS], regarding Federal prison industries, for 15 minutes;

An amendment by the gentleman from Arkansas [Mr. HUTCHINSON], regarding deaths in prisons, for 10 minutes; and

An amendment by the gentleman from Florida [Mr. MILLER], for 10 minutes.

□ 2130

Pursuant to the announcement just made by the gentleman from Kentucky, there are six amendments which will be considered yet this evening.

Does the gentleman from Kentucky intend to suggest one amendment over another or does he wish it simply be subject to recognition by the Chair?

Mr. ROGERS. Mr. Chairman, I would prefer the latter, that we would call them up as we see fit, as they become ready. Let me reiterate, though, that the only six amendments that we plan to bring up tonight are the ones that I read off: The gentleman from Florida [Mr. GOSS], the gentlewoman from Hawaii [Mrs. MINK], the gentleman from Florida [Mr. MILLER], the gentleman from New York [Mr. ENGEL], the gentleman from Illinois [Mr. PORTER], and the gentleman from Ohio [Mr. TRAFICANT]. No votes will be taken tonight. If any votes are required, we will roll them until tomorrow. All other amendments other than these six will be brought up tomorrow, so Members can feel free, if they do not want to participate in these six amendments, to go to their offices or retire.

AMENDMENT OFFERED BY MR. GOSS

Mr. GOSS. Mr. Chairman, I offer an amendment.

Mr. CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. Goss: Page 48, line 7, after the dollar amount, insert the following: "(reduced by $98,550,000)".

The CHAIRMAN. Pursuant to the order of the House today, the gentleman from Florida [Mr. GOSS] will be recognized for 5 minutes and a Member in opposition will be recognized for 5 minutes.

The Chair recognizes the gentleman from Florida [Mr. GOSS].

Mr. GOSS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment cuts 30 percent from the Economic Development Administration assistance programs. This would provide the American taxpayer with $98.5 million dollars in discretionary savings. Citizens Against Government Waste has endorsed this amendment.

As we work to balance the budget, I think it is imperative that we prioritize our limited resources. When considering further funding for any program or agency, we must ask ourselves some very basic questions. Is this a Federal responsibility? Does it work? Can we afford it? As noted during debate on the Hostettler amendment, I contend the EDA failed on all three counts.

The EDA's programs do not provide a good return on investment. An April 1996 GAO report could not find a single study that showed a causal relationship between Federal economic development assistance and a community's economic growth, not a single instance in a GAO April 1996 report.

The EDA's programs are too costly and too slow to do much good. An analysis of the Emergency Jobs Act of 1983 revealed that only 84 previously unemployed people received jobs under the program at a cost of $307,000 per job, which is frankly about 7 times the cost of a job created in the private sector, and indefensible.

Inspector General reports demonstrate the volume of EDA grants and programs. Through an EDA grant in New York, the Federal Government helped to construct an Olympic hockey rink that the team never used, created no new jobs and was so replete with sweetheart deals and corruption that the county executive was convicted in Federal court on three felony counts. All of this for a cost of $10.2 million of the taxpayers dollars.

While EDA's impact has been dubious at best, funding in this bill has been maintained at last year's level. My amendment is simple. I seek a responsible cut for EDA to ensure that we target our resources on what are truly vital and effective programs while phasing out the low-priority ones.

EDA boosters have claimed money is needed to offset job losses caused by base closures. Under my amendment, more than enough money would remain for this purpose. I understand that less than one-tenth of their money has gone for that purpose. There have been claims that money is needed for natural disasters. Again, more than enough money would remain for this function under my amendment.

The House voted last year to eliminate EDA as part of our congressional budget resolution. The agency has gone without authorization since 1982. Let me repeat that. This has not been authorized since 1982. Over 100 Members have cosponsored legislation to eliminate the Commerce Department and EDA as well, of course.

Given these facts, I certainly think a 30-percent cut is appropriate and reasonable toward an eventual phaseout. This is a responsible cut consistent with our efforts to balance the budget and streamline wasteful agencies and programs. The EDA needs to be scaled back. I encourage a "yes" vote on my amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Who seeks time in opposition?

Mr. ROGERS. Mr. Chairman, I do.

The CHAIRMAN. The gentleman from Kentucky [Mr. ROGERS] is recognized for 5 minutes.

Mr. ROGERS. Mr. Chairman, I yield 2 minutes of that 5 minutes to the gentleman from West Virginia [Mr. MOLLOHAN], and I ask unanimous consent that he be permitted to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. ROGERS. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. Mr. Chairman, there is a very basic reason why this House by a vote of 328–99 just rejected an amendment to eliminate funding from EDA. Let me point out that this is an increase in support for EDA over last year. Why? Because EDA is an agency who has as its mission preserving existing jobs and creating additional jobs in areas of distress. Let me point out that we are cutting back military installations all over this country to save dollars. EDA has 27 percent of its total budget allocated to help these distressed communities recover from this devastating blow.

Mr. Chairman, the favorite four-letter word of many of us in this Chamber, and it is a word you can use in polite company, that favorite four-letter word is jobs. EDA, the Economic Development Administration, is an agency that has proven year after year that it is working with communities in partnership to help preserve jobs, to help create new jobs, and it very much deserves our support.

Mr. MOLLOHAN. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Virginia [Mr. PAYNE].

Mr. PAYNE of Virginia. Mr. Chairman, I rise in strong opposition to this amendment. The Economic Development Administration is extremely effective in helping distressed communities attract industries and jobs.

One stellar example of this effectiveness can be found in my own Congressional District. Henry County, Virginia, used an EDA grant to prepare a site for an industrial park. The EDA grant was matched by $740,000 in state and local money and attracted private sector investment of $68 million. As a result, 550 people now work at the site in 6 different businesses. The site would be an empty lot today if not for that initial commitment from the EDA.

Mr. Chairman, my district is not unique. The EDA is targeted, effective and locally-driven. The EDA works in partnership with local leaders and the private sector to foster economic growth for our citizens in distressed areas. Since its inception, the EDA has helped to create and retain nearly 3 million private sector jobs. Clearly, the EDA is an important, cost-effective agency—one that we should support, not cut.

I urge my colleagues to oppose the amendment.

Mr. GOSS. Mr. Chairman, I yield 1 minute to the distinguished gentleman form Colorado [Mr. HEFLEY].

Mr. HEFLEY. Mr. Chairman, I will give you the four-letter word that the EDA stands for, and that is pork. That is pork, my friends. The reason that there is such support for it, there is no other program we fund that gives you the opportunity to take home to your constituents the pork that can show them what a great job you are doing for them than the EDA.

In 1991 the Economic Development Administration received $209 million. In the years that have followed the EDA has averaged about double that amount. This year the Committee on Appropriations is scaling down the EDA by giving it only $348 million.

Is this what Congress calls balancing the budget? Is promulgating a wasteful and mismanaged agency like the EDA considered fiscally responsible? Surely this was not what was intended when the EDA was created to assist the most economically distressed communities in the Nation.

By cutting the EDA by 30 percent, it will be forced to focus its attention on the truly needy areas of the country. Okay, so the complete cutout of it was not acceptable to this body, but certainly the 30 percent cut in this climate of trying to balance the budget is reasonable. I encourage Members to support the Goss amendment.

Mr. ROGERS. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. BLUTE].

Mr. BLUTE. Mr. Chairman, last year the House sent a message that we believe in the Economic Development Administration's success in stimulating the economies of cities and towns all cross this country. By an overwhelming margin of 310 to 115, the House voted for investing in our economy and creating more jobs and against shortsighted cuts.

Over the years the EDA has helped create or retain more than 2.9 million jobs. In my own State, a minor investment in equipment for a biotechnology incubator has resulted in the creation of more than 20 companies and 2,000 jobs. These jobs pay income taxes to the States as well as the Federal Government, helping to boost revenues and create jobs.

Building on examples like that, the EDA has achieved an outstanding record of leveraging its funds to attract private dollars at a ratio of 3-to-1. In addition, the EDA has managed to keep overhead below 8 percent, guaranteeing that $12 of every $13 appropriated is invested in the States. I oppose this amendment.

Mr. MOLLOHAN. Mr. Chairman, I yield 1 minute to the distinguished gentleman from West Virginia [Mr. WISE].

Mr. WISE. Mr. Chairman, I oppose a one-third cut in the EDA. First of all, you can cut it back so that it is not effective at all, and that is what this amendment would do. This bill is also less than what the President requested. The EDA has taken already a 13-percent reduction in force in its headquarters staff, for an effective total of a 20-percent reduction already in its employees.

But I would ask, would you deny communities across the country the kind of successful projects, for instance, such as the Putnam County feasibility study to look at the feasibility of building a multimillion-dollar airport or the Randolph County Wood Technology Institute, already listed by one company as a major reason for moving to Randolph County? Or the water system extension in Hardy County that permitted hundreds of new jobs in poultry processing to be created? Or the grant to the Martinsburg Eastern Regional Airport that will create hundreds of jobs in a jet production facility? Would you deny those to future communities that are looking to create jobs? I think not. That is why this cut of this magnitude should not be passed.

Mr. GOSS. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, we are not denying those jobs. Those are jobs that are worthwhile. They will stand on their own merit and there will be plenty of money in this program under this amendment should it pass and it should.

I have been told that this is about need. Here I am looking at a community where the average per capita income is $37,500, they got a grant for $750,000 for a storm sewer system. I think they could afford it themselves.

I am taking a look at a GAO report that says, "In our review of the literature available, we were unavailable to find any study that established a strong causal linkage between a positive economic effect and an agency's economic development assistance."

Here we have got an IG report that says with regard to base closings that "base closures or convert defense technology to civilian applications appeared limited" and a disproportionate share were in a few areas. What we have got is a program that does not work very well. It is time to prioritize it. It is time to understand it. It is time to start phasing it back.

□ 2145

That is all we seek to do. We do not seek to remove any good jobs. We all are for good jobs. I urge support of this amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. ROGERS. Mr. Chairman, I urge a "no" vote on this amendment.

Mr. Chairman, I yield the balance of my time to the gentleman from Maryland [Mr. GILCHREST].

Mr. GILCHREST. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, I would say something about the GAO report. They themselves have concluded that the standards they set for EDA were impossible to meet because no other Federal agency or department in the Federal Government could meet those standards. Can poor communities, poor families build industrial parks? The answer to that is no. We target these resources not only to closed bases, but we target these resources to defense contractors that have left communities. Almost all the increase in these dollars over the past few years have gone to defense adjustment assistance programs where communities need these monies. We vote to cut defense, we vote to close bases. We as a Federal Government should be a part of the team that helps enhance job creation. I urge a "no" vote on this amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Florida [Mr. GOSS].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. GOSS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 479, further proceedings on the amendment offered by the gentleman from Florida [Mr. GOSS] will be postponed.

AMENDMENT OFFERED BY MR. PORTER

Mr. ROGERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. PORTER: Page 88, line 6, insert before the period the following: ": *Provided*, That, of the amount provided under this heading, $9,300,000 may be made available for grants for the operating costs of Radio Free Asia under section 309 of the United States International Broadcasting Act of 1994".

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from Illinois [Mr. PORTER] and a Member opposed each will be recognized for 10 minutes.

The Chair recognizes the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, for all the time I have been in Congress I have been a very strong supporter of the Voice of America and the surrogate radios. Two years ago, the Congress authorized the creation of Radio Free Asia, Asia Pacific Radio that would broadcast messages of hope and truth and freedom to the repressive societies in China, Burma, the Chinese in Tibet, in Laos, Cambodia, North Korea, and Vietnam.

We funded Radio Free Asia for $5 million in 1995, in 1996, and we now have agreed to a funding level of up to $9.3 million in the amendment that I have offered. While there is a great deal of discussion about how Radio Free Asia will be organized and will conduct its business, there has been, I think, great progress made in the selection of Richard Richter as its chair and progress in pulling together a staff that I think will be very, very worthy of the surrogate radios that we have seen broadcasting in the past.

I would say that this Congress and most particularly this administration has done very little to address the ongoing human rights abuses in that part of the world and that a surrogate radio, Radio Free Asia, Asia Pacific Radio, will go a great deal of the way toward preserving hope for those people who believe in freedom and democracy and human rights and the rule of law in a part of the world where all too often authoritarian regimes prevail. I would commend the adoption of this amendment to the House.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I think the gentleman has offered an excellent amendment. We are in favor of the amendment. I urge its adoption and commend the gentleman for his careerlong work on this project.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, let me just say I really commend the gentleman for bringing this here. Mr. Chairman, we all know the great success of surrogate broadcasting to the former Soviet bloc by Radio Liberty and Radio Free Europe. It was so effective, just ask any freedom fighter in that part of the world, and they will say that democracy would not be breaking out all over Europe today if it were not for Radio Free Europe.

We still have these oppressive regimes like the military dictatorship in Burma, the totalitarian Communist regimes in North Korea, Indochina, and Mainland China. Literally billions of people are still oppressed and largely cut off from the outside world. We need this legislation, and my heart goes out to the gentleman for offering this amendment. It is badly needed.

Mr. PORTER. Mr. Chairman, I rise in strong support of this amendment by the gentleman from Illinois [Mr. PORTER] to increase funding for Radio Free Asia for up to $9.3 million.

Mr. Chairman, we all know the great success of surrogate broadcasting to the former Soviet bloc by Radio Liberty and Radio Free Europe.

There just isn't a freedom fighter in that part of the world who won't tell you how instrumental those radios were in keeping the flame of freedom burning in the hearts of the peoples of those former captive nations.

Unfortunately, we still have captive nations and many of them are in Asia.

From the harsh military dictatorship in Burma to the totalitarian Communist regimes in North Korea, Indochina, and mainland China, literally billions of people are still oppressed and largely cut off from the outside world.

Surrogate broadcasting in the form of Radio Free Asia is the beacon of hope that these people need and that their rulers fear.

That is why Congress created it with bipartisan support in 1994.

With the radio scheduled to come on line in the near future, now is no time to shortchange its funding.

That is why we need the Porter amendment.

Mr. Chairman, we've heard a lot of talk recently about engagement with certain Asian countries.

Well, this is real engagement—direct contact with the broad masses of Asia, without government interference.

It will go a long way toward bringing freedom to that part of the world, and that is why I lend my strong support to this amendment.

Mr. Chairman, I include the following "Dear Colleague" for the RECORD:

HOUSE OF REPRESENTATIVES,
Washington, DC, July 23, 1996.

THE FRUITS OF ENGAGEMENT, CONT'D

DEAR COLLEAGUE: Last month, defenders of the status quo insisted that the only way to stem Communist China's proliferation activities was to continue "engaging" them. Meanwhile, the "engaged" Communist Chinese were at that very moment "engaged" with the terrorist nation of Syria in yet another perfidious arms transaction. There is something very, very wrong with this picture.

Sincerely,

GERALD B. SOLOMON.

CIA SUSPECTS CHINESE FIRM OF SYRIA MISSILE AID

(By Bill Gertz)

The Chinese manufacturer of M-11 missiles sent a shipment of military cargo to Syria last month that the CIA believes may have contained missile-related components, agency sources said.

The CIA detected the delivery to Syria early in June from the China Precision Machinery Import-Export Corp., described as "China's premier missile sales firm."

The suspect military delivery raises questions about China's pledge to the United States in 1994 not to export missiles or missile components that would violate the Missile Technology Control Regime.

It also follows China's recent export of nuclear-weapons technology to Pakistan in violation of U.S. anti-proliferation laws, which was disclosed by The Washington Times in February.

The Syrian company that received the Chinese cargo was identified as the Scientific Studies and Research Center, which conducts work on Syria's ballistic missiles, weapons of mass destruction and advanced conventional arms programs, the CIA said in a classified report circulated to senior U.S. officials.

The Syrian center is in charge of programs to build Scud C ballistic missiles and a program to upgrade anti-ship missiles.

U.S. intelligence agencies said the Syrian center has received help from the China Precision Machinery Import-Export Corp. in recent years for both missile programs.

"The involvement of CPMIEC and the Syrian end user suggests the shipments [last month] are missile-related," one source said.

The exact nature of the equipment was not identified, but it was described as "special and dangerous," the source said.

CIA and State Department spokesmen declined to comment.

Chinese officials promised the State Department in 1994 not to export M-11s or their technology in exchange for a U.S. agreement to lift sanctions against Chinese Precision Machinery and the Pakistani Defense Ministry, which were involved in M-11-related transfers.

The missile-control agreement bars transfers of missiles and technology for systems that travel farther than 186 miles and carry warheads heavier than 1,100 pounds. Transfers of both the Chinese M-11 and Syria's Scud C are banned under the accord.

Syria has purchased Scud C missiles in the past from North Korea and is working on developing production capabilities for them according to U.S. officials.

The delivery of Chinese missiles or components to Syria, if confirmed, would trigger sanctions against China because Syria is classified by the State Department as a state sponsor of international terrorism.

William C. Triplett, a China specialist and former Republican counsel for the Senate Foreign Relations Committee, said the administration does not need hard evidence to impose sanctions because the sales involved Syria.

A 1994 amendment to the Arms Export Control Act, sponsored by Sen. Larry Pressler, South Dakota Republican, says the president may presume a transfer violates the 31-nation missile-control agreement if it goes to a nation that supports terrorism.

"If it goes to a terrorist country, we consider that a much more significant event than if it goes some other place," Mr. Triplett said.

China Precision Machinery already is under intense scrutiny within the U.S. government over the earlier M-11 sales to Pakistan.

U.S. intelligence agencies concluded earlier this year that Chinese M-11s are operational in Pakistan, but the State Department is challenging the intelligence conclusion to avoid having to impose sanctions on China.

U.S.-China relations have been strained over Beijing's proliferation activities, as well as disputes concerning human rights and widespread copyright infringement.

In May, the Clinton administration decided not to impose sanctions on China for violating U.S. anti-proliferation laws with sales of nuclear weapons technology to Pakistan because Chinese officials claimed they did not know the sale took place.

China Precision Machinery has been slapped with U.S. economic sanctions twice in the past. The Bush administration in 1991 sanction the company, which is part of the official Chinese government defense-industrial complex, for selling missile technology to Pakistan. Sanctions also were imposed in 1993, again for the transfer of M-11 technology.

Kenneth Timmerman, director of the consulting firm Middle East Data Project, said the Syria center that received the June shipments from China is a major agency involved in weapons research, procurement and production.

Mr. Timmerman said that North Korea and China have helped to build two missile-production centers in Syria and that Syrian missile technicians have been trained in China.

Israel's government said in 1993 that Chinese technicians were working in Syria to develop production facilities for missile guidance systems, according to Mr. Timmerman.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I want to thank the gentleman for his longstanding effort on behalf of Radio Free Asia. I want to thank the gentleman from Kentucky [Mr. ROGERS], the chairman of the committee, for accepting the amendment.

This is an extremely important project to help democratize some of the oppressive governments in the Asian Area, and I urge my colleagues to fully support the measure. I thank the gentleman for yielding.

Mr. Chairman, while the Berlin Wall fell, Chinese tanks rolled over the students calling for freedom in China. Nothing could describe the need for Radio Free Asia [RFA].

Like its cousins which Soviet emigres reported was so successful, Radio Free Asia promises to bring the rarest commodity to Asia's closed societies—information and free debate.

I strongly support the Porter amendment to increase funding for Radio Free Asia. This is program that deserves full support and I appreciate the gentleman from Illinois's effort to secure broadcasting into countries in Asia.

The House-passed authorizing bill conference report from my committee would have funded FRA at the $10 million level. This amendment nearly reaches that goal.

Unfortunately, Asia is still home to many closed societies. This broadcasting program can penetrate into those countries, giving them access to information and free debate. We owe the students of Tianammen this effort. I urge Members to fully support the Porter amendment.

Mr. PORTER. Mr. Chairman, reclaiming my time, I would say to the gentleman, who is the chairman of the Committee on International Affairs, that his leadership in providing authority for this very important program has been absolutely outstanding. I thank him for his ongoing commitment to human rights all across this globe.

Mr. MOLLOHAN. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from West Virginia.

Mr. MOLLOHAN. Mr. Chairman, we are in agreement with the chairman with regard to this amendment, understanding that this amendment relates to funding only. It increases, I believe, from $5 million to $9.3 million funding for this account. That does not mean, I hope, the committee is any less concerned about the expenditure of these funds and the development of a rational feasibility plan prior to the expenditure of the funds.

This concern is spoken to in the report at page 118, and I would just note that the International Broadcasting Act of 1994 mandated that the new Broadcasting Board of Governors submit to Congress a plan concerning the feasibility of establishing an independent Radio Free Asia.

In addition, we have requested an operating plan, an implementation plan. The committee has not yet received that and we certainly expect to see that, understand how this program will be implemented, what are the cost estimates projected into the outyears prior to the expenditure of this increased funding that the gentleman from Illinois [Mr. PORTER] has worked so hard on.

Mr. Chairman, I will commend the gentleman. He has been excellent on the subject. He is knowledgeable and very concerned. My concern really goes to the expenditure of the funds in a responsible way, and I look forward to working with him and with the chairman as this process moves forward.

Mr. PORTER. Reclaiming my time, I would say to the gentleman that we are well aware of the language in the report and the committee's desire to see a plan that would show how the funds are going to be expended over the next 5 years. The amendment, of course, addresses the expenditure of funds through the Board for International Broadcasting as funds are normally expended, but I have been assured by Radio Free Asia that their plan for expenditures will be forthcoming and I am sure the committee will look at it.

Mr. SMITH of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from New Jersey.

Mr. SMITH of New Jersey. Mr. Chairman, first of all, I want to commend the gentleman for his outstanding amendment and the gentleman from Kentucky, Chairman HAL ROGERS, for his good work in accepting it, my friend from West Virginia, as well, for accepting this language. I urge a "yes" vote, and I think that is a given now since there is a consensus.

Just let me say that throughout human history, the most important battles have not been those whose object was to control territory. The battles that really matter have always been about values and ideas. When the history of our century is written, it will be in large part the story of a long struggle for the soul of the world, the struggle between the values of the free would on the one hand and those of communism, fascism, and other forms of totalitarianism on the other.

Throughout most of the world, the values of the free world have been victorious, not only because we had better values but because we were not afraid to stand up for them.

Some say we no longer need the presence of surrogate broadcasting now that the cold war is over, but just let me remain Members, and everyone is increasingly aware of this, that in Asia there is a major problem with human rights. We have, unfortunately, reneged in our responsibility on these issues. MFN has been conferred for another year without linkage. Radio Free Asia, it seems to me, is the least we can do.

H.R. 1561, the authorization bill, was vetoed by the President, provided $10 million per year. So this is well within the range what we have already done on the floor of the House, and that legislation again was vetoed. But this will not be and this will become law and I commend the gentleman for his amendment.

Mr. Chairman, I urge a "yes" vote on this amendment to save Radio Free Asia.

Throughout human history the most important battles have not been those whose object was to control territory. The battles that really matter have always been about values and ideas. When the history of our century is written, it will be in large part the story of a long struggle for the soul of the world—a struggle between the values of the free world on the one hand, and those of communism, fascism, and other forms of totalitarianism on the other, Throughout most of the world, the values of the free world have been victorious—not only because we had better values, but because we were not afraid to stand up for them.

Some say that we no longer need a presence in the world now that the cold war is over. I think this view is misguided, for several reasons.

First, there are places in the world where the values of freedom have not yet been victorious. These places include the few remaining Communist countries, such as Cuba, China, Vietnam, and North Korea, as well as an increasing number of countries governed by "rogue regimes," such as Burma, Iraq, and Libya. This is why we still need Radio Free Europe, Radio Liberty, and freedom broadcasting to Cuba. And this is why we need Radio Free Asia.

Mr. Chairman, the repeated cuts, rescissions, delays, and consistent underfunding of Radio Free Asia since Congress ordered its creation in 1994 appear to be evidence that this important profreedom program is being subjected to the old Washington two-step: If you don't like a program but don't have the votes to kill it, first you render it ineffective. Then you can kill it by pointing out how ineffective it is.

In H.R. 1561—the Foreign Relations Authorization Act, passed by the House and Senate but vetoed by President Clinton—we authorized $10 million for a no-year account for fiscal year 1996 and fiscal year 1997, as in fiscal year 1995. This was based on the estimates of those who conceived Radio Free Asia—distinguished human rights advocates such as Ambassador Charles Lichtenstein, who was our principal Deputy Ambassador to the United Nations under Jeane Kirkpatrick—that it would take at least $30 million to get Radio Free Asia up and running. Because it was fairly clear that the process would take at least 2 years, only $10 million was authorized for a no-year account in fiscal year 1995. The idea was that over the 3 years it would take to establish Radio Free Asia, the necessary $30 million would accumulate in the account. Through a series of rescissions and reductions, this start-up amount has been reduced to less than $10 million—which will be insufficient to establish Radio Free Asia as an effective voice against tyranny in the region.

The Clinton administration, which has taken deep cuts in international broadcasting over the last 3 years, nevertheless recognizes that Radio Free Asia needs at least $14.4 million—that is, $10 million in fiscal year 1997 in addition to the $4.4 million already appropriated in a no-year account from fiscal year 1996—in order to survive its crucial first year of operations.

The bill before us cuts this amount in half, to $5 million. The subcommittee report points out that the Board of Broadcasting Governors should have filed a more detailed report by now about its plans for Radio Free Asia. I agree with this criticism. But let's not blame the victim. If we must impose punishment for the failure to file a better report, let's find a way to impose it on the bureaucrats who should have filed the report—not on the innocent and freedom-loving people of China, Vietnam, Burma, and other countries who have been waiting 2 years already for Radio Free Asia to get up and running.

In order to avoid killing this important human rights program without increasing the Federal budget deficit, it was necessary to find a $5 million offset from another program. This has been done by taking a tiny reduction—less than three-tenths of 1 percent—in the State Department's largest operating account, the $1.7 billion Diplomatic and Consular Services. Don't be fooled by the title of this account: it is simply the State Department's way of describing its largest salaries and expenses account.

The State Department's operating accounts have remained essentially level since fiscal year 1994, at a time when other international relations activities have taken far deeper cuts. During these same 3 years, our freedom broadcasting programs have been cut over 20 percent. So the choice is simple: will we kill a voice for freedom in Asia in order to fund a few more bureaucrats?

Mr. Chairman, the free world needs Radio Free Asia, and so do the enslaved peoples of the last outposts of the evil empire. I urge a "yes" vote on this amendment.

Mr. PORTER. Reclaiming my time, let me say that the gentleman from New Jersey [Mr. SMITH] has been an absolute exemplary leader on human rights in the House and a supporter of the surrogate radios. I certainly thank him for support this evening.

Ms. PELOSI. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentlewoman from California.

Ms. PELOSI. Mr. Chairman, I rise in support of the amendment of the gentleman from Illinois [Mr. PORTER]. I commend the chairman and the ranking member of the committee for their cooperation on this.

Mr. Chairman, I rise today in support of the amendment offered by Representative PORTER to increase the funding for international broadcasting to $9.3 million. This funding is urgently needed for the Asia Pacific Network/Radio Free Asia.

We have seen the success of Radio Free Europe and Radio Liberty in broadcasting the message of freedom and democratic principles to people fighting for freedom. Radio Free Asia which has been designed to emulate Radio Free Europe/Radio Liberty's success, is now critical to the efforts of those in Asia struggling against authoritarian leaders.

In 1991, Radio Free Asia was endorsed by President Bush's Task Force on U.S. Government International Broadcasting. In 1992, it was endorsed by the Congressional Commission on Broadcasting to the People's Republic of China, which recommended the establishment of a new broadcasting service. President Clinton identified Radio Free Asia as a centerpiece of his new China policy when he delinked trade from human rights in 1994. Unfortunately, the real commitment to establishing this important service has been lacking.

Some may ask why we need APN/RFA when we have the Voice of America. The answer is independence. VOA is an official broadcasting service of the United States Government. In terms of its editorial orientation, VOA serves as an instrument to project U.S. policy at a particular time. Given that the State Department's goal is generally the maintenance of bilateral relations between the United States and any other country, it is unrealistic to expect the State Department to encourage, or even to support, a surrogate radio station which may be viewed with disapproval by the other country.

Working within our overall objectives of promoting democratic freedoms, human rights, and open markets, APN/Radio Free Asia must have the independence to broadcast its own message. This independence is beneficial both to the radio, which is freed from political interference in its message; it is also beneficial to the State Department, which can disavow any connection to the broadcasts coming from APN/RFA.

The fiscal year 1997 Commerce-Justice-State bill would have cut funding for APN/RFA by 50 percent to $5 million. This major cut would seriously undermine the program. I understand the concerns of Chairman ROGERS and Ranking Member MOLLOHAN.

However, in all fairness, I would like to note for the Record that the members of the Broadcasting Board of Governors were not sworn in until September 1995. At that time, they immediately hired a distinguished China scholar, Orville Schell, to undertake a preliminary report on APN/RFA, which was submitted, on time, in November 1995. At that time, the Board started the search for a director. They chose Richard Richter, who started on March 12. He then hired a distinguished journalist, Dan Southerland, who was brought on to focus on content. Mr. Southerland started during the second week of July. APN/RFA's budget has now been completed and is being reviewed by OMB. The target date for starting to broadcast is September 22. Things are on track at APN/RFA. Cutting the funding now will pull the rug out from under the program.

We, as a Nation, can and must help those fighting for freedom in Asia. I do not believe that many of my colleagues fully understand the lock on information which China's dictators maintain. The vast majority of people in China still only hear what China's government wants them to hear, they only see what the government wants them to see, they only read what the government allows them to read. It is through this stranglehold on information that the Chinese government is so successful in fueling growing nationalism. There are no independent voices in China. Those who speak out are arrested, exiled or killed.

Radio Free Asia is an important instrument to help to break the Chinese government' stranglehold on news. It can provide an effective and peaceful mechanism to provide news of reform in China and of freedom around the world. It can promote democratic reforms, human rights and basic freedom. I thank Mr. ROGERS and Mr. MOLLOHAN for their support of the Porter amendment.

Mr. PORTER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. PORTER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. TRAFICANT: Page 112, after line 11, insert the following:

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from Ohio [Mr. TRAFICANT] and a Member opposed each will be recognized for 2½ minutes.

The Chair recognizes the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment is straightforward. Anybody places a fraudulent "made in America" label on any import, they shall ineligible to receive any contract or subcontract made with funds under this bill.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I think the gentleman offers a very good amendment. We are delighted to accept it and urge its adoption.

Mr. MOLLOHAN. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from West Virginia.

Mr. MOLLOHAN. Mr. Chairman, I add to the chairman's sentiments.

Mr. TRAFICANT. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

AMENDMENT OFFERED BY MRS. MINK OF HAWAII

Mrs. MINK of Hawaii. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment Offered by Mrs. MINK of Hawaii: In title II, under the item relating to "NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION—OPERATIONS, RESEARCH, AND FACILITIES", after the first, second, sixth, and seventh dollar amounts insert "(increased by $760,500)".

In title IV, under the item relating to "United States Information Agency—national endowment for democracy", after the dollar amount insert "(reduced by $760,500)".

The CHAIRMAN. Pursuant to the order of the House of today, the gentlewoman from Hawaii [Mrs. MINK] and a Member opposed each will be recognized for 5 minutes.

The Chair recognizes the gentlewoman from Hawaii [Mrs. MINK].

Mrs. MINK of Hawaii. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise today to take note of an omission in this appropriation bill which I consider very serious, not simply to my constituents or to my State but to this Nation as a whole. So I am taking this time again to raise an issue which we raised last year when the committee also zero funded this program.

However, in the conference committee, the full level funding of nearly $740,000 was restored for this program. It is my hope again to enable this program to continue. It is for the purpose of saving two very endangered species that are located off the shores of the Pacific area, not simply in my State.

It has to do with the Hawaiian monk seal, which is the only endangered marine mammal located entirely in U.S. waters. It was last seen recently on my shores where a pup was born. It is extremely precious. There are three monk seals in the world. One was in the Caribbean; it no longer exists. It is totally extinct. There is another in the Mediterranean and that is very likely soon to be extinct. So the Hawaiian monk seal is a very, very important, extremely threatened species.

The National Marine Fisheries Service has been working on this program for 16 years and it would be a tragedy to have this program discontinued. I hope that attention will be brought on this matter. Although it is not funded in this bill, when the matter goes to conference, I have every confidence that the matter would be restored.

Cooperative studies are ongoing with the National Geographic Society, the University of Minnesota, as well as the University of Hawaii, and great efforts are being pursued in order to save these two species. We have the green turtle in Hawaiian waters as well, which is also equally endangered.

Mr. Chairman, I yield 1½ minutes to my colleague, the gentleman from Hawaii [Mr. ABERCROMBIE].

Mr. ABERCROMBIE. Mr. Chairman, I thank the gentlemen from Kentucky [Mr. ROGERS] for taking up this bill. I want to emphasize in the time given to me, this cannot be done without the Federal Government. This is not the responsibility of a State. The monk seal is the only species of its kind in U.S. waters, and it is up to us as stewards in this environment, in this ocean environment to take up this cause.

□ 2200

So it is very, very important. The same with the green sea turtle. This also affects not only Hawaii, but areas around Florida as well as other sites throughout the world.

My principal emphasis here is that this extinction is a very real possibility, and yet the National Marine Fisheries Service has done extraordinarily great service for this Nation in terms of the stewardship to which I referred. It is bringing back the species. It is now into the thousands, coming back up as far as the monk seal is concerned.

With the investigations of biology, ecology, and life history of these species being examined by the National Marine Fisheries, with the chairman's good efforts on our behalf, I think that we will find that the whole Nation will be the beneficiary and we will have done by these species what is required of us as a human species looking out in our capacity and responsibility for species throughout the world.

Mrs. MINK of Hawaii. Mr. Chairman, reclaiming my time, I thank my colleague for his comments.

Mr. ROGERS. Mr. Chairman, will the gentlewoman yield?

Mrs. MINK of Hawaii. I yield to the gentleman from Kentucky [Mr. ROGERS], the chairman of the subcommittee, for a colloquy.

Mr. ROGERS. Mr. Chairman, I appreciate the work of the gentlewoman from Hawaii and the gentleman from Hawaii and commend them for their concern for these two programs.

As the gentlewoman knows, we were under very severe funding constraints this year; however, although we are unable to restore funding for these programs today, I can assure the gentlewoman that as we proceed to conference I will work with her to identify funding for these two programs as best we can.

Mrs. MINK of Hawaii. Mr. Chairman, I want to thank the chairman for his comments and I ask unanimous consent to withdraw my amendment at this time.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Hawaii?

There was no objection.

AMENDMENT OFFERED BY MR. ENGEL

Mr. ENGEL. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. ENGEL: Page 51, line 25, after the dollar amount, insert the following: "(increased by $5,000,000)".

Page 53, line 6, after the dollar amount, insert the following: "(reduced by $5,000,000)".

The CHAIRMAN. Pursuant to the order of the House of earlier today, the gentleman from New York [Mr. ENGEL] and a Member opposed will each control 5 minutes.

The Chair now recognizes the gentleman from New York [Mr. ENGEL].

Mr. ENGEL. Mr. Chairman, I rise today to offer an amendment to restore funding for the Public Telecommunications Facilities Program. I say to my colleagues if they are for public broadcasting they should to be for this amendment. The bill before us allocates $10 million for this program, which is a $5 million cut from last year. My amendment would retain the current level of funding for public telecommunications by restoring $5 million to the program.

Let me say that program was halved last year, $14 million was cut, and now it is proposed to cut an additional $5 million. Public broadcasting simply cannot continue to exist with these kinds of cuts.

CBO has scored my amendment and has determined that the budget authority and the outlays are budgetary neutral.

Mr. Chairman, I am offering this amendment because I feel this is yet another attempt to continue the assault on public broadcasting that has occurred in large part during this Congress. Last year there were efforts by some in the majority to zero out funding for the Corporation for Public Broadcasting. We were able to prevent that from happening, but CPB still received major cuts. The cuts in the facilities program are further evidence of the contempt that some in the majority have for public broadcasting. However, the American people see and know the positive results in the quality and integrity of public broadcasting. If support for public broads and the facilities program are severely cut or eliminated, the quality of programming and the educational value they provide will suffer as a result.

Public broadcasting and the facilities program are private-public partnerships that work. This is a success story that demonstrates what the government and the private sector can accomplish when they work together. The facilities program is a matching grants plan for public radio and television stations. It helps stations purchase equipment to extend their signals to unserved areas; by the way, many of whom are rural areas, as well as replacing outdated hardware, such as transmitters, master control rooms or towers. Many of these stations, as I mentioned, are in rural areas and do not have the resources without these grants to upgrade their systems or receive signals.

This program has been an unqualified success because it has helped extend public TV and public radio stations to most of this country. It has been estimated that 10 million Americans still do not receive a reliable public television signal and approximately 25 million Americans do not receive a reliable public radio signal.

On hundred forty-two public telecommunications grants that were rewarded in fiscal year 1995 went to noncommercial telecommunications awards in 44 States, extending public radio signals to 2.8 million previously unserved persons and public TV to 500,000 unserved persons. PTFP is the sole program in the Federal Government that assists in the maintenance of the vast public broadcasting inventory which now exceeds an estimated 1 billion in value. Cutting this public telecommunications facilities program will only weaken the ability of the public broadcasting community to continue providing a technically reliable service to the public while simultaneously limiting the ability of public radio and TV to reach unserved and underserved audiences, especially in rural areas but in urban areas as well.

Weakening this program will represent the loss of a considerable investment that has already been made in public broadcasting's infrastructure, an infrastructure that is nearly universal and ready to be augmented by new technologies. Since its inception, public telecommunications has invested $500 million in public telecommunications facilities that deliver informational, cultural and educational programming to the American people. That is a significant investment in a system that is now nearly universal, reaching communities as diverse as Point Barrow, Alaska; Jackson, Mississippi; and Los Angeles, California.

This universality provides an amazing potential for communication among Americans as we move further into the information age. We must not let it deteriorate by further cutting this program.

In addition, maintenance of this system is especially important as we develop the information highway. Public radio and television have an important role in linking schools, libraries, health care facilities, governments and other public information producers. These are areas that will not be filed by the void that would be left if public broadcasting services do not survive. It does not make sense to allow the existing framework of equipment and services that are currently available to hard-to-reach areas to fall into disrepair while the information highway is in development.

It is a small program but an important one. Investing in our infrastructure is vital to serve those customers who rely on public broadcasting for information and education and it must be maintained if we are to move forward in today's world. Let us stop the assault on public broadcasting and let us invest in our future.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I want to accept the gentleman's amendment.

Mr. ENGEL. Mr. Chairman, then I will certainly yield to the chairman.

Mr. ROGERS. Mr. Chairman, we can cut this short. I want to commend the gentleman. I have no objection to the gentleman's amendment.

Mr. MOLLOHAN. Mr. Chairman, will the gentleman yield?

Mr. ENGEL. I yield to the gentleman from West Virginia.

Mr. MOLLOHAN. Mr. Chairman, if I might say, the gentleman has stated his position well, and I would like to associate myself with his comments in support of this program, and I am pleased the chairman is going to accept the amendment.

Mr. ENGEL. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Does any Member seek time in opposition?

If not, the question is on the amendment offered by the gentleman from New York [Mr. ENGEL].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. MILLER OF FLORIDA

Mr. MILLER of Florida. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. MILLER of Florida: Page 56, line 9, insert "including $1,000,000 for red tide research," after "National Ocean Service,".

Mr. CHAIRMAN. Pursuant to the order of the House of earlier today, the gentleman from Florida [Mr. MILLER] and a Member opposed will each control 5 minutes.

The Chair recognizes the gentleman from Florida [Mr. MILLER].

Mr. MILLER of Florida. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment is simply to take $1 million out of the National Ocean Service Program and specifically target it for red tide research.

At this time I want to ask if I may engage the chairman of the subcommittee with a colloquy on the subject of red tide research.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Florida. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I appreciate the efforts of the gentleman from Florida as well as the gentleman from New York [Mr. FORBES] and their subcommittee to bring this issue to the attention of the House.

As the gentleman knows, we are under tremendous fiscal constraints this year; however, he raises a very important issue, and I assure the gentleman that I will continue to work with him as we move the bill through the process to further address this very important issue the gentleman has so ably brought before us.

Mr. MILLER of Florida. Mr. Chairman, reclaiming my time, I thank the chairman.

I want to discuss this for a minute, if I may. This is a very important issue for those of us in Florida. This red tide is of importance to many coastal areas around the United States.

Red tide is known as a nuisance problem because it gives people headaches, makes people nauseous when they are around it, but because we see the dead fish washing up on the beach, it concerns the tourism of our area. But now it has come to the attention of scientists that red tide is now a killer of endangered species.

A direct link was established by the University of Miami this summer. Their study concluded that red tide was definitely the cause of death of over 150 manatees along the coast of Florida this past spring. The manatee is a harmless sea cow which roams the Florida waterways searching for warm water and food. However, this food, once tainted with large amounts of red tide algae, can cause respiratory damage and a breakdown of the nervous system. Eventually the red tide causes the manatees to suffocate.

We have always known that red tidal algae can cause death in fish and birds, and after particularly long periods of red tide the beaches are littered with dead fish. The manatee which traditionally roams the inner waterways are usually immune from the toxins which occur in the open ocean. However, this past spring the west coast of Florida experienced a severe case of red tide. It was during this time that an excessive amount of manatees began to die. This spring alone there were 304 manatees found dead. That is 198 more than any previous record, and it amounts to an 11 percent reduction in the population of manatees in the United States.

At this rate the entire population of manatees in the United States will be wiped out in a little over 9 years. A loss such as this cannot be tolerated especially if we can come up with a way to help address that problem.

That is why I have requested that this amendment today allocate special money for red tide research. There are several programs currently in the Commerce-Justice appropriation bill that provide incentives for research into causes and effects of red tide, and I want to thank the chairman for his assistance in getting language in the bill which would direct the proper officials at NOAA to consider the problem of red tide.

However, since we now realize the direct links between the deaths of manatees and the growth of red tide, we must be proactive in our quest to save an important and valued endangered species. By increasing the funding for red tide, we address many issues. We can help find the cause of these algae blooms not only for red tide, but also the associated brown tide, a big concern of my colleagues from New York and from California, and we can perhaps develop a network for working together on this problem.

I am sure the manatees are not the only species endangered from these toxins. We now know red tide is a real threat to an endangered species. We have less than 2,300 manatees today and we have no time to waste to address this problem.

I appreciate the chairman's efforts to find more resources for harmful algae bloom research. With his assurance that we can look for ways to bring more resources to this problem when we go to conference with the Senate, I intend to withdraw this amendment.

Mr. Chairman, I yield such time as he may consume to the gentleman from Florida [Mr. GOSS].

(Mr. GOSS asked and was given permission to revise and extend his remarks.)

Mr. GOSS. Mr. Chairman, I thank my distinguished colleague and friend from Florida for recognizing me.

Forty years ago, if we were talking about red tide, it would be a foreign affairs or a national defense issue. Now it is very much a domestic issue. Members may not think they care, but sooner or later they will probably be in Florida or at the seashore somewhere and they may experience part of the problems of the killer red tides that we are trying to deal with.

We have learned a lot. We need to know a lot more. It is not just the manatees, although they are critically endangered and critically ill because of the tide. It is dolphins, it is all kinds of fish, shellfish, which create health hazards.

We have economy problems for beach front communities and fishing communities. We have tourist problems. This is a good area for an investment in quality of life.

Mr. Chairman, I urge that we support this.

Mr. MILLER of Florida. Mr. Chairman, I ask unanimous consent to withdraw the amendment at the suggestion of the chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. Without objection, the gentlewoman from Connecticut [Mrs. JOHNSON] is recognized for 5 minutes.

There was no objection.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I wish to engage the chairman of the committee in a colloquy with regard to the women's demonstration program within the Small Business Administration.

I strongly support this program which has established 54 nonprofit business centers in 28 states since it began in 1988. Since then, these business centers have provided training and technical assistance to more than 60,000 women hoping to start their own businesses. Each business center tailors itself to the particular needs of the community and assures that women have the resources they need to plan, organize and expand their business.

□ 2215

This level of business development is vital to our national economic well-being, offering more opportunities to women than corporations where the glass ceiling is still prevalent.

These business centers have proven to be a good investment as well, averaging one new business and four new jobs for every 10,000 Federal dollars invested. Because of the unique funding structure of this program, 35 sites are now entirely self-sufficient, providing needed assistance without Federal funding. Three years after a business center is established, it must become by law financially self-sufficient. Therefore, the program creates independent support sites that successfully foster the growth of women-owned businesses and job opportunities for thousands.

Despite the advances that women have made in the small business arena, women-owned businesses continue to face unique challenges when seeking capital, competing for government grants, and getting the technical assistance they need to succeed. A program focused solely on clearing these hurdles for women on businesses is a vital enterprise.

I understand, Mr. Chairman, that the gentleman from Kentucky [Mr. ROGERS] is well familiar with this program.

Mr. ROGERS. Mr. Chairman, will the gentlewoman yield?

Mrs. JOHNSON of Connecticut. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, let me assure the gentlewoman that the goals of the women's demonstration program are certainly worthy and deserve our support.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I would also like to point out that despite the great gains women have made in their ownership and operation of small businesses, 52 percent of women-owned businesses are financed by credit cards; only 11 percent of men's businesses are funded that way.

Therefore, we must continue to mentor women and offer them individualized counseling that takes them through the workings of the business world step by step. The one-size-fits-all, one-time business plan offered by other programs will not ensure that these female entrepreneurs get the help they need on the road to success.

Women who have benefited from the expertise offered at Connecticut's one business center have commented on how hungry they were for information and how relevant and practical the information they have received from the center has been. Over and over these women have told the business center, I could not have done it without you.

On that note, I want to express my hope that the women's demonstration program which received a $2.8 million reduction in this year's Commerce, Justice, and State appropriation bill, will be fully funded as the bill moves through conference with the Senate.

Mr. ROGERS. Mr. Chairman, if the gentlewoman will continue to yield, given the very strong support this program has within the Senate and the worthy goals of the women's demonstration program, I am committed to working with the gentlewoman to ensure that this program receives the necessary funding as the bill moves through conference with the Senate.

Mrs. JOHNSON of Connecticut. Mr. Chairman, I thank the chairman for his time and consideration regarding this program. I greatly appreciate his commitment.

Mr. ROGERS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. HUTCHINSON) having assumed the chair, Mr. GUNDERSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3814) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1997, and for other purposes, had come to no resolution thereon.

CONTINUATION OF NATIONAL EMERGENCY WITH RESPECT TO IRAQ—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

To the Congress of the United States:

Section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)) provides for the automatic termination of a national emergency unless, prior to the anniversary date of its declaration, the President publishes in the Federal Register and transmits to the Congress a notice stating that the emergency is to continue in effect beyond the anniversary date. In accordance with this provision, I have sent the enclosed notice, stating that the Iraqi emergency is to continue in effect beyond August 2, 1996, to the Federal Register for publication.

The crisis between the United States and Iraq that led to the declaration on August 2, 1990, of a national emergency has not been resolved. The Government of Iraq continues to engage in activities inimical to stability in the Middle East and hostile to United States interests in the region. Such Iraqi actions pose a continuing unusual and extraordinary threat to the national security and vital foreign policy interests of the United States. For these reasons, I have determined that it is necessary to maintain in force the broad authorities necessary to apply economic pressure on the Government of Iraq.

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 22, 1996.*

APPOINTMENT TO NATIONAL COMMISSION ON ADVANCEMENT OF FEDERAL LAW ENFORCEMENT

The SPEAKER pro tempore. Without objection, and pursuant to the provisions of section 801(c)(1) of public law 104–132, the chair announces the speaker's appointment to the National Commission on the Advancement of Federal Law Enforcement the following member on the part of the House: Ms. Victoria Toensing, Washington, DC.

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

CYPRUS—22 YEARS OF DIVISION

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, the gentleman from Florida [Mr. BILIRAKIS] is recognized for half the time until the hour of midnight as the designee of the majority leader.

Mr. BILIRAKIS. Mr. Speaker, here we are again, year after year, doing this special order marking the 22 years of division of the Republic of Cyprus as the result of an unlawful invasion 22 years go by the Turkish military.

I am saddened by this so-called anniversary but, of course, we are all hopeful that this will be the year that the division of Cyprus is finally resolved. And I guess year after year after year we are always hopeful that this will be the year. And, of course, it never turns out to be that way. And then here we are again, the esteemed gentleman from New York [Mr. GILMAN], the esteemed gentleman from Illinois [Mr. PORTER], the esteemed gentleman from Pennsylvania [Mr. KLINK], so many others, doing this. We will continue to do it because we feel that possibly we may penetrate the consciousness of the people responsible.

GENERAL LEAVE

Mr. BILIRAKIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks regarding the subject of my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida [Mr. BILIRAKIS]?

There was no objection.

Mr. BILIRAKIS. Mr. Speaker, I yield to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Speaker, today's Special Order on Cyprus comes on the 22d anniversary of the brutal invasion by Turkish troops. I commend my friend the gentleman from Florida [Mr. BILIRAKIS] for organizing this Special Order. Today, the international community is still confronted with the fact that in excess of 30,000 Turkish military personnel remain on the island of Cyprus to enforce an illegal partition and to protect a self-proclaimed government that has been recognized by only one other country—Turkey itself.

Those of us in the Congress who have supported a negotiated settlement to the dispute which has led to the division of Cyprus are painfully aware of the complexities of the issue, the injustices committed, and particularly the suffering over these many long years of the Cypriot people on both sides of the Green line.

Indeed, Cyprus has become a codeword for stale-mate and intractability in international diplomacy.

This year, new governments in Greece and Turkey had led to hopes and expectations that a fresh start in improving relations between the two countries could be made, and lead to the mutual confidence that could produce a settlement for Cyprus.

Those hopes were dashed when Turkish war ships attempted to challenge Greek sovereignty over Imia. Because of concerns over increasing instability in the Aegean we placed a hold on the transfer of three U.S. naval frigates to Turkey.

I hope that our hold will send a strong signal to Ankara that the patience of the Congress has just about run out, and that we want to see movement on getting Turkish troops out of Cyprus, among other things.

I am distressed that the Clinton administration seems more interested in coddling Turkey's military than in finding a solution for Cyprus.

Last year, we were hopeful that the Administration under the guidance of former Assistant Secretary Richard Holbrooke would take on the Cyprus question, just as Holbrooke had taken on the job of finding peace in Bosnia. Regrettably Mr. Holbrooke has left the Administration, but it is hoped that one of our other talented diplomats could produce a breakthrough in the region.

The shape of a possible settlement is out there. I believe that both President Clerides and Mr. Denktash are men who can rise above the recent enmity that has developed between the two communities, and find a way to reunite the island based on mutual good-will and confidence.

Regrettably, following the elections this past December, the Turkish government appears to be in a weakened position and thus less able to reign-in recalcitrant elements among Turkey's political and military establishment. Recent developments in Turkey have led to an Islamist government coming to power in Ankara. The willingness of that government to engage in dialog and compromise on the Cyprus question is not yet clear. But the fortunes of the people of Cyprus must not be held hostage to internal Turkish political problems.

Old history and grievances must be placed behind us as we seek to resolve the division of Cyprus. I hope and pray that both sides of the problem will reach within themselves to find the resolve to settle this persistent problem. The Greek Cypriots have demonstrated flexibility and the spirit of compromise in recent rounds of U.N. sponsored talks. The international community and the U.N. should recognize this as we re-evaluate our tactics in the light of the most recent failure to move beyond the current situation.

Twenty-two years is a long time. There are now young people coming of age in Cyprus who know nothing other than the experience of living in a divided society. For this next generation what can guide them in learning to accept life with a neighboring but different culture? Time is running out for the possibility of achieving a peaceful settlement, and the people of Cyprus now have to ask themselves if the enmity between the two communities is truly worth the price of a divided nation.

□ 2230

Mr. BILIRAKIS. Mr. Speaker, nobody deserves more credit than the gentleman from New York [Mr. GILMAN] on the issue of human rights all over the world, and I really thank the gentleman.

Mr. Speaker, Cyprus is roughly the same size as the State of Connecticut with approximately 660,000 inhabitants. Turkish and Greek Cypriots lived together on the island side by side for almost five centuries. However, the landscape, Cyprus, was dramatically changed when Turkey invaded the island in 1974. On July 20 of that year Turkish forces, some 6,000 troops and 40 tanks, landed on the north coast of Cyprus and captured almost 40 percent of the island, and the international community has strongly condemned the military invasion from the beginning. On the very day of the invasion the United Nations adopted Resolution 353, which called upon all states to respect the sovereignty, independence, and territorial integrity of Cyprus and demanded an immediate end to military intervention in the Republic of Cyprus. However, Turkey ignored the edict of the international community and launched a second offensive in August, 1974.

Mr. Speaker, I yield to the gentleman from Illinois [Mr. PORTER] at this time.

Mr. PORTER. I very much thank the gentleman from Florida for arranging this special order on Cyprus and commend him for his great leadership in attempting to once again bring us together to address this very, very serious matter.

Mr. Speaker, I come to the floor today, as I have many times before, to commemorate the sad anniversary of the tragic separation of Cyprus by Turkish troops. This past Saturday, July 20, marks the 22d year of the separation.

On July 20 1974, over 6,000 Turkish troops and 40 tanks landed on the north coast of Cyprus and heavy fighting took place between them and the Cypriot National Guard. Turkish troops pressed on to the capital city of Nicosia, where they engaged in heavy street fighting with Cypriot National Guardsmen and Cypriot irregulars. Throughout the battles, the Turkish air force bombed and strafed Greek-Cypriot positions and attacked the Nicosia airport. By the time a cease fire had been arranged on August 16, Turkish forces had taken the northern third of the country.

Throughout the battles subsequent occupation, tales of atrocities, abductions, rapes, and executions were heard. It was only as those abducted or taken prisoner of war began to filter back to their homes after the cease fire that it became apparent that hundreds were missing.

The Congressional Human Rights Caucus, which I have co-chaired with the gentleman from California [Mr. LANTOS] for over a decade, has held numerous briefings on this issue. Always, we hear wrenching testimony of violations and subsequent coverups by the Turks. The coverup continues to this very day.

Over 1,600 Greek Cypriots and 5 Americans are still among the missing, and a generation has grown up in Cyprus not knowing unity and peace. Over 35,000 Turkish troops occupy the northern third of this beautiful country, despite the fact that this military occupation is recognized to be illegal and in violation of numerous United Nations resolutions.

Since we stood here on this same date 1 year ago, Congress and the administration have repeatedly indicated that a Cyprus solution is long over due. The House has passed a resolution, of which I was an original cosponsor, reaffirming that the status quo on Cyprus is unacceptable and calling for the demilitarization of Cyprus. In addition, the House reduced economic assistance to Turkey for fiscal year 1996 from the administration request of $100 million to $33.5 million because of their ongoing human rights violations, including their illegal military occupation of Cyprus. The administration has repeatedly said that 1996 is to be the year of the "big push" on Cyprus.

But, Mr. Speaker, we are over half way through 1966 and a Cyprus solution still seems a distant reality. We talk, and talk, and talk some more about what needs to be done to bring peace and unity to this tiny, beautiful Mediterranean country. According to a recent Washington Times article, the Cyprus problem has been reviewed at least 150 times during the past 22 years to no avail. I would argue that 150 is a very conservative estimate.

But, Mr. Speaker, most significantly talks are scheduled to begin in 1998 regarding Cyprus' entry into the European Union. Their approach should galvanize serious negotiations now that lead Greek and Turkish Cypriots of goodwill to find the keys to unlock a lasting peace and reunite a divided country.

Mr. Speaker, we cannot suffer another round of failed talks between the parties. I would urge not only an extra strong push by the administration to raise this issue to the highest priority, but that our military talk directly with their counterparts in the Turkish military to gain their cooperation in finding a way to begin withdrawing Turkish troops as a first step toward unification.

Obviously, Mr. Speaker, our country cannot and, in fact, must not involve itself in the negotiations themselves. But we can and should do everything possible to encourage the parties to find common ground and to establish an environment in which agreement can take place.

Mr. Speaker, let us all hope that next year, at this time, we no longer have the need to gather once again on the House floor to reiterate our deep frustration at the ongoing Turkish military occupation of Cyprus. Twenty-two years is much too long to see a divided island and divided people. It is my deepest hope, that the next special order on Cyprus will be to commemorate and celebrate a new found lasting peace and unity in Cyprus.

I thank my good friend and colleague, the gentleman from Florida [Mr. BILIRAKIS], for calling this special order and for bringing us together in this ongoing effort to solve this very, very difficult problem.

Mr. BILIRAKIS. Long before I got here you were very much interested in this issue, and you are the chairman of the Human Rights Caucus, ranking member of that caucus for many, many years, and I know your interest in human rights, and this is a human rights issue. It is an issue of right versus wrong, but also very much so human rights, and I know that it is something that you have been greatly concerned with.

As a result, Mr. Speaker, of Turkey's illegal invasion, 1,619 people are missing. Among these missing, five are U.S. citizens. In addition, more than 200,000 Cypriots were forcibly driven from their homes and are now refugees, a people without a home. To date, Turkey continues its illegal occupation of the northern portion of Cyprus, maintaining more than 35,000 troops and some 80,000 settlers there. Clearly, this occupation continues to serve as a wedge among Cyprus, Turkey, and Greece. In fact, relations among these three countries have recently deteriorated from the dispute over the island of Imia, as Mr. GILMAN mentioned, this past January, to the shooting of an unarmed Greek teenager by the Turkish occupation army in Cyprus this June.

These incidents, Mr. Speaker, are just a few of the many hostile actions taken by Turkey and are indicative of

Turkey's aggressive behavior towards Cyprus and Greece.

Mr. Speaker, I would yield to the gentleman from Pennsylvania, my fellow Greek American, Mr. KLINK.

Mr. KLINK. I thank the gentleman from Florida, Mr. BILIRAKIS for yielding to me, and like Mr. PORTER and Mr. GILMAN, I have the desire that the next time we stand to talk about Cyprus it will be because the right thing has been done and that the international community, European Union and others have forced the hand of the Turks to finally do what is right.

Mr. Speaker, since we stood here 1 year ago, many things have happened that have changed that part of the Aegean where Cyprus is or the island of Imia is, and not many of them have been good. In fact, on March 1 of this year Turkish Cypriot leader Rauf Denktash finally made the comment that those Greek Cypriots that the gentleman from Florida [Mr. BILIRAKIS] referred to who were captured during Turkey's 1974 invasion of Cyprus were murdered, were murdered, he said, by Turkish Cypriot paramilitary forces, which would be, I would remind you, in violation of the Geneva accords.

When he was asked about the fate of the Greek Cypriots, and we assume also the five Americans who are listed as missing, including, I would mention, one 17-year-old boy from Michigan who was taken away from his family with his American passport in his hand, and Denktash told a Greek Cypriot television station; this is a direct quote, Mr. Speaker; what happened, he said, was this:

"As the Turkish army moved and captured Greek Cypriots, unfortunately they were handed to our fighters;" an aside here, Mr. Speaker, he was speaking of the Turkish Cypriot militia; he said, "Among whom were people that had lost family over the years. Instead of taking them to the police station or the prison camps, they were killed."

Well, President Clerides of Cyprus said if the Turkish side claims that the missing are dead, then we demand to know the circumstances of their death, and we want to know where they were buried. Their families deserve to know. The world deserves to know. As of yet we do not know. We have not had an answer.

This comment, I would remind you, was made March 1 of this year. A Cyprus government spokesman said the government was considering whether or not to press for the prosecution of these acts as war crimes, saying if prisoners of war were executed in cold blood, that would violate the Geneva Convention on the treatment of prisoners of war. He also disputed the claims of the Turkish Cypriot leaders that prisoners taken to Turkey were all accounted for. He said even among the people taken to Turkey and registered by the International Red Cross some of them never came back and questioned whether or not Denktash was now attempting to exonerate the Turkish Army which, under the Geneva Convention, bore the sole responsibility for prisoners of war.

Now, strong condemnation of the Turkish admission came from leaders across Europe. They said again that the main responsibility for the disappearance of these persons still lies with the Turkish Army, a fact that has been verified by international organizations.

I will remind you that over hundreds of years it has been Turkey that has been the provocateurs. The incident of the invasion of Cyprus 22 years ago does not stand alone in the annals of history of this part of the world. My own family's name, as they lived on the island of Kalymnos, which is where Mr. BILIRAKIS's family also came from, was changed to Giavasis by the Turks, as they had control of Greece for hundreds of years, and it was always the Turks who came as the provocateurs, and they showed us again, I mentioned at the beginning of my statement, that during the past year many things have occurred. Well, it was not only having to do with Cyprus, but the Turks moved to make a claim on a tiny island by the name of Imia, small island, uninhabited except for some goats or for some sheep.

Many people say, "Well, why fight about it?" Well, I would argue that there were parts of south Texas that are virtually uninhabited except by jack rabbits and snakes and scorpions, but if the Mexicans tried to occupy that, we would be at war.

This island is Greek. This island was controlled, as part of the Dodecanese, by Italy by the Lausanne peace treaty of 1923, and subsequently the Italians granted this to Greek sovereignty in the Paris Peace Treaty of 1947 following World War II.

There is no question about this, and yet in the past year the Turks once again being the provocateurs, having been successful for 22 years at occupying Cyprus, at raping, at pillaging, at creating hundreds of people who are refugees in their own land, were not happy. They moved in a provocative way toward the island of Imia, and it is up to the United States and to the Congress and to the President to not allow this to occur, to not stand idly by. It is up to the European Union to not look at this as happening to Greece, that Greece is one country alone, but this is an attack upon the European Union just as the movement against Cyprus was a movement against all the Aegean.

☐ 2245

If you go to islands like Khios, you will find out that tens of thousands of natives of the island of Khios were massacred 175 years ago by the Turks. When the Turks moved against Cyprus in 1974, tens of thousands of those living on the island 150 years after the massacre left because they were afraid of what was going to happen.

That island still bears the scars of Turkish violence towards them, of the 3,000 Greeks who were burned to death when they fled to a church on Khios, and the Turks burned the church down around them. And you can see the bloody imprints of the faces and hands of children, of small Greek children, still today, on the floor, on the marble floors of this church, as they have rebuilt it. You can see the charred bones. They have been kept there for Greeks to be able to remember these hostilities that were brought against them by the Ottoman Empire.

So what we are looking at today is not something that can be blamed on the fact that Turkey has tough economic times. Of course, Greece has tough economic times. They are one of the poorest of the European Union. Yet they are forced year after year to spend 6 to 7 percent of their gross national product on defense, because they stand alone against the Turks, and the world and the European Union has not forced the Turks to find a solution on the island of Cyprus.

Mr. Speaker, I will be very thankful tonight to the many Members who have stayed here on the floor because they have justice in their heart. It would be very easy for Members and for the staff here in the House Chamber to go home, but the fact of the matter is that, while we may be a little bit tired tonight, while we may not like working long hours, we are talking about hours. To the Greek Cypriots it is years.

I thank my friends on both sides of the aisle who have had justice and the feeling for their fellow humankind in their hearts for these years that have time after time come to this floor to speak on behalf of not constituents of theirs, but for people of a nation who have been wronged.

I thank my dear friend, the gentleman from Florida, MIKE BILIRAKIS, again for leading us, and for being the voice of reason of Greeks around the world, and I hope that before the next year's anniversary comes we have some kind of positive solution to the problems of Cyprus.

Mr. BILIRAKIS. Mr. Speaker, I thank the gentleman. Obviously, that is the hope we all have. I cannot say how proud I am to be working with the gentleman on this issue, as well as so many others.

Mr. Speaker, I yield to the gentleman from Rhode Island [Mr. REED].

Mr. REED. Mr. Speaker, I first want to commend the gentleman from Florida [Mr. BILIRAKIS], for his leadership in organizing this special order, and for his leadership on all of these vital issues of importance, not only to our country but to the country of Greece and to the country of Cyprus.

Mr. Speaker, I rise today to call attention to the 22nd anniversary of the Turkish invasion and occupation of the Republic of Cyprus. July 20, 1996, marks 22 long years of Turkish military presence in Cyprus. This anniversary serves as a reminder that continued efforts on the part of the United States are essential in trying to establish a lasting, peaceful solution to the Cyprus dispute.

On July 20, 1974, 6,000 Turkish troops launched the invasion of Cyprus, an invasion that would ultimately conclude with the occupation of 40 percent of the island and its 660,000 inhabitants. Moreover, the installation of Turkish troops on Cyprus wrote an end to centuries of peaceful cohabitation between the Cypriot and Turkish Cypriot communities.

Since then thousands of Cypriots have lost their lives over the years as a result of horrific acts imposed upon them by the Turkish military. Today Turkey maintains more than 35,000 troops in northern Cyprus, further straining the unstable and tumultuous environment of the region.

I commend President Clinton for designating 1996 as the year of Cyprus. Indeed, I wrote to the President earlier this year urging him to seek a permanent, peaceful settlement of the Cyprus dispute. I am encouraged by the recent developments as a result of the administration's efforts in Cyprus last week. The recent visit of U.S. presidential envoy Richard Beattie and Ambassador Albright was a positive one. Discussions aimed at reducing military tensions between the parties are expected to begin in the near future. It is extremely important that the administration continue to work with the parties to reduce tensions and move the peace process forward.

The 22nd anniversary of the Turkish invasion of Cyprus comes at a time when other formerly embattled nations are at last finding common ground upon which to reach a lasting peace. The U.S. has the ability to play a critical role in helping the people of Cyprus and stabilizing relations in the eastern Mediterranean.

Mr. Speaker, the settlement of the Cyprus dispute should be the highest priority for the United States. I urge the support of my colleagues in moving this important initiative forward, and once again commend the gentleman from Florida [Mr. BILIRAKIS], for his leadership, his endurance, and his great commitment to the cause of peace, both here and in Cyprus.

Mr. Speaker, I include for the RECORD a letter from President Clinton regarding U.S. efforts towards peace in Cyprus:

The letter referred to is as follows:

THE WHITE HOUSE,
Washington, DC, July 17, 1996.

Hon. JACK REED,
House of Representatives,
Washington, DC.

DEAR JACK: Thank you for your letter concerning our Cyprus initiative. I value your expressions of support for our efforts to end the division of that island.

We have long appreciated the adverse effect that the Cyprus problem has on relations between Greece and Turkey. A negotiated solution would remove a serious source of tensions between the two countries. We made this point to Presidents Demirel and Stephanopoulos, Prime Minister Simitis and Foreign Minister Gonensay during their recent visits to Washington. We solicited and received their support for our planned efforts to work toward an eventual negotiated settlement.

I completed my series of personal consultations with regional leaders when I hosted President Clerides at the White House on June 17. I reaffirmed to him my commitment to assist in the search for a Cyprus solution. After meeting President Clerides, I announced that I would send my Special Emissary, Richard Beattie, to the region this month to begin discussions on the key issues involved in a comprehensive settlement, with special emphasis on security. I expect cooperation from all the parties when Mr. Beattie and his delegation arrive in Turkey, Greece and Cyprus.

As we undertake our efforts to advance a solution, you can be assured of my commitment to continued U.S. leadership on what I consider one of our highest priorities in Europe.

Sincerely,

BILL CLINTON.

Mr. BILIRAKIS. I thank the gentleman for joining us in this very important special order, Mr. Speaker.

Mr. Speaker, I yield to the gentleman from California [Mr. HORN].

Mr. HORN. Mr. Speaker, I thank my distinguished colleague, the gentleman from Florida, Mr. BILIRAKIS, for arranging this colloquy. I thank my colleagues on both sides of the aisle for our common participation on what is basic American policy. We hope it will reach fruition and implementation.

Mr. Speaker, this past weekend marked the 22d anniversary of the Turkish invasion of Cyprus. Once again, this body marks an annual remembrance of the suffering of the Cypriot people and the division of Cyprus.

Following a long investigation, the European Commission of Human Rights concluded that there were "very strong indications" of killings "committed on a substantial scale" by the Turkish Army during its invasion. Actions by Turks and Turkish Cypriots included wholesale and repeated rapes of women of all ages, systematic torture, savage and humiliating treatment of hundreds of people, including children, women, pensioners, during their detention by the Turkish forces, as well as looting and robbery on an extensive scale by Turkish troops and Turkish Cypriots.

It is because of these atrocities that the world has held the Turkish occupation of one-third of Cyprus in scorn and contempt. Turkey is the only country in the world that recognizes the "Turkish Republic of Northern Cyprus." The government of Turkey must accept that its actions in Cyprus are simply wrong, and its continued presence as an occupying force is illegitimate.

While Turkey may see the status quo as an acceptable alternative, the world, and its American ally, does not see it as an acceptable alternative. Turkey's intransigence is a threat to the North Atlantic Treaty Organization and to stability in the Mediterranean.

We all hope that recent tensions in Cyprus, including the shooting of a Greek Cypriot guardsman by Turkish soldiers and rock-throwing by Turkish troops at other Greek Cypriots, is only a rough spot in the road to peace and a return to normal. These tragic deaths should bring everybody to their senses on this matter.

Recent diplomatic activity is encouraging, and I hope that the administration will be successful in its efforts. But the United States must also be very clear, that it has never accepted, it never will accept, a continuation of the Turkish occupation of part of Cyprus. It violates the United Nations charter, it violates the rule of law, it violates international law, and it violates human rights.

Mr. BILIRAKIS. I thank the gentleman for joining us this evening, this late evening, Mr. Speaker.

Mr. Speaker, Turkey also deployed, in addition to all of these other transgressions that we have heard here tonight, nearly 100 American-made tanks on northern Cyprus this past January; I repeat, nearly 100 American-made tanks on northern Cyprus, this is the occupied territory, this past January, in direct violation of agreements between Turkey and the United States.

We have to ask ourselves, finally we have to ask ourselves, what are we doing in protest of these violations? Rhetoric after rhetoric, and nothing is being done. I am not just referring to the administration, but I am referring to the Congress, even though we have had a couple of votes in the last couple of years particularly focusing on human rights violations which would be sending a message to Turkey.

Turkey's recent actions have caused me, as I am sure I speak for all members in this House, great concern. I am still particularly troubled about the claims Turkey made over Imia. It has been mentioned twice already tonight two or three times.

I have followed this dispute closely, and in fact recently returned from Greece, where I had the opportunity to visit not only my ancestral homeland, Kalymnos, the island the ancestors of the gentleman from Pennsylvania [Mr. KLINK] also come from, but also this disputed island of Imia.

I was accompanied by the gentleman from Florida, Mr. PORTER GOSS, and the gentleman from Chicago, Illinois, Mr. BOBBY RUSH. As we sailed through the Dodecanese Islands, a group of 12 islands down in that southern part of the Aegean, I wanted my colleagues to understand that Imia is Greek. Indeed, it has always been considered, and, as the gentleman from Pennsylvania [Mr. KLINK] said, as Greek by those living nearby and by the international community.

Despite these recent tensions, I am confident that they will not hinder, I am hopeful they will not hinder the administration's push to resolve the Cyprus issue. Cyprus is the only country in Europe, the only country in Europe with 37 percent of its land under the occupation of an invading force. Resolving the division of Cyprus will not only reunite Cypriots, but will also help lay the foundation for better relations between Greece and Turkey.

Mr. Speaker, I yield to the gentleman from New Jersey [Mr. MENENDEZ] who was also in Cyprus on my last trip there.

Mr. MENENDEZ. Mr. Speaker, I want to thank the gentleman for yielding, and also for his leadership in bringing us together on the commemoration of what many of my colleagues have already stated is an incredible 32 years of invasion, of separation of families, of a division of a country in an artificial means, and at the same time of a continuous occupation. And as the gentleman just pointed out, 37 percent of the island remains under occupation by Turkish troops, which, in defiance of United Nations resolutions, now number 35,000. This makes Cyprus one of the most militarized areas in the world, considering its overall size.

The fact of the matter is that despite the tragic history, we hope there is reason to be optimistic. We believe the Cyprus problem is resolvable. The Clinton administration announced a new initiative to reunite Cyprus, and last week Ambassador Madeleine Albright and special envoy Dick Beattie arrived in Cyprus to kick off what they have termed as the big push, and that is exactly what our Cyprus policy needs.

It is time to dispose of all of the arguments and excuses which have postponed progress on the Cyprus problem. There is never a perfect time, and certainly this is a time to go ahead and have a solution.

Mr. Speaker, I empathize with this issue because I believe, having visited Cyprus nearly a year ago, when the gentleman from Florida was there himself, having crossed the green line, a line that divides, artificially, northern Cyprus and the rest of it from the Greek side to the Turkish side, having brought constituents of mine, the Zambas family from my district, who for the first time after all of these years got to return to what to them in essence is their homeland, their homeland, to be able to see their roots, to be able to go to what was their church, to see their village, their neighborhoods.

The interesting part of that trip was the tremendous resistance that we got first of all in trying to cross, although if you hear the Turkish authorities on the other side, they claim that it is easy to go back and forth across the green line. It is not. As a Member of the United States Congress, with the United States Embassy in Cyprus behind us in an effort to get a few people to cross to see what their homeland was, we were told it was going to be easy, but it was very difficult. In addition to that we ended up with a whole group of people with us as a security force well beyond our numbers. It made it every step of the way.

What was interesting was that when the Americans of Greek Cypriot descent got together with the Turkish Cypriots, those who were native Turkish Cypriots on the northern side, and started communicating with each other, they were fine. It was only those people, the Turkish authorities who were not originally Cypriots, who came from Turkey to settle in the area, that created difficulties and division between what is naturally two people, and left to those two people, Greek and Turkish Cypriots who believe in one Cyprus and an opportunity to co-exist with each other, this problem could be resolved.

In closing, Mr. Speaker, let me just simply say that having seen that chemistry between the people, having seen this artificial division in person, having seen the beauty of the country and its enormous possibilities and its importance to the United States in terms of security in that part of the world, and its importance to others of our allies in terms of their security in that part of the world, and the opportunity that Cyprus has geographically in being a gateway to the West from that part of the world, the United States must put its full diplomatic effort and every tool of peaceful diplomacy it has at work to come to a solution.

That includes having our military, which is intricately involved with the Turkish military, to have an enormous say, even though it is a democratic government, but it has a tremendous influence in that government, to come to a solution on the Cyprus question. It can be done. The people of Cyprus, Greek and Turkish alike, want a solution, and the fact of the matter is the United States has the wherewithal, I believe, in this matter to be an honest and efficient participant in bringing peace with justice in Cyprus.

I close by reading a brief poem that was written by Cypriot Nese Yasin, which I feel probably best characterizes the sentiments of the Cypriot people.

It says "My father says love your country. My country is divided into two. Which part should I love?"

☐ 2300

Hopefully a year from now that question will no longer need to be posed, Mr. Chairman, and I thank you for the opportunity to participate with you in this historic moment.

Mr. BILIRAKIS. I certainly agree with the gentleman. His points are very well taken and you are right, we have the power, we have the wherewithal to do what needs to be done there. It is so very frustrating that we are not really trying. There is an awful lot of rhetoric, an awful lot of words to the effect that we will try, we are going to continue to try. We can do it if we really want to. All we have to do is put our mind to it and basically roll up our sleeves and put our energy behind our words.

Mr. MENENDEZ. We are committed to working with the gentleman to make sure that happens.

Mr. BILIRAKIS. Mr. Speaker, the green line that the gentleman just refers to divides northern and southern Cyprus. It not only divides a nation but it divides a people. I might add since the Berlin Wall went down, it is the only wall left in the entire world that divides a people, and we sit back and talk about it, do not do anything about it. The invasion and subsequent illegal occupation of Cyprus by Turkey left thousands, thousands without a home, and because it is late the gentlewoman wants to get home, I know where I would like to go in a few minutes, I will yield at this point to the gentlewoman from New York [Mrs. MALONEY], who has just been a wonderful partner on all of the issues involving Greece and Cyprus.

Mrs. MALONEY. Mr. Speaker, once again as I have every year that I have been a Member of Congress, it is my distinct honor and great privilege to stand with the gentleman from Florida and commemorate the tragic invasion and occupation of Cyprus. I am sure Mr. BILIRAKIS will agree with me when I state that a lot has transpired in the year since we stood in this well to discuss the fate of this beautiful island.

First, I am pleased of the success that the gentleman and I had in the formation of the Congressional Caucus on Hellenic Issues. This has become a large and active organization. We now have 50 Members from both parties from all regions of the country and from all political ideologies. Democrats, Republicans, liberals, and conservatives have all joined together to pursue our common objectives of justice, human rights and stronger ties between the United States and its strong democratic allies, Cyprus and Greece. The Hellenic Caucus has organized important and informative meetings with Greek President Stephanopoulos and Ambassador Tsilas, with Cypriot President Clerides, as well as a touching and very special meeting with this Eminence Archbishop Iakavos, who retired this year after 37 years of service to the community.

In addition, the Hellenic Caucus members have strongly urged President Clinton to forcefully condemn hostile Turkish actions regarding the Greek Islands of Imia and Gavdos and other aggressive actions in the eastern Mediterranean. Many members of the Hellenic Caucus wrote to the Turkish foreign minister in protest of his country's attacks on the human rights foundation of Turkey which treats victims of torture.

Mr. BILIRAKIS and I joined with Senator SARBANES in a successful effort to stop the proposed sale of 12 deadly Super Cobra helicopters to Turkey. Several of us have kept up the pressure on Turkey to stop its persecution of Christians and Kurds. Hellenic Caucus members are well represented on the list of cosponsors of House Concurrent Resolution 42, which passed the House. This bill puts the United States on record in support of the demilitarization of Cyprus and highlights Congress' continuing interest in achieving a solution to the Cypriot situation.

This brings me to perhaps the greatest victory for those of us who support Cypriot and Greek causes. On June 5, by a resounding vote of 303 to 115, the House passed the Visclosky amendment, which would end United States economic aid to Turkey unless it ends its inhumane blockade of Armenia.

Mr. Speaker, we all know what Turkey's response was to this House action. Turkey announced that it would rather forgo our generous assistance than end the suffering caused by this cruel and callous blockade. Tragically, it is the same intransigence that has marked Turkey's attitude on the Cyprus issue.

Let us not forget the facts: 22 years ago, Turkey brutally invaded Cyprus. 200,000 Greek Cypriots were expelled from their homes, their property was confiscated. Worst of all, 1,614 Cypriots and 5 American citizens were seized by Turkish troops and remain missing to this day.

Mr. Speaker, it has become somewhat of a cliche to refer to these so-called missing, but to me this phrase has a distinctly human face. I have met many, many times with constituents of mine in the Astoria neighborhoods whose family members are still among the missing. I have seen the great pain on the faces of the families of Chris Loizoi, Andrew Kassapis, and George Anastasiou. I resolved never to give up my quest to see that the fates of their family members are accounted for. Human decency demands that we use all the means at our disposal, including special orders like this one in this great Hall of democracy, to hold Turkey accountable for all of the missing. The simple cause of justice demands that Turkey pull back from the third of Cyprus that it now illegally occupies with 35,000 troops who are armed to the teeth.

Mr. Speaker, last week President Clinton dispatched our able U.N. Ambassador Madeleine Albright to Cyprus, Greece, and Turkey to restart talks on resolving the dispute. I wish my friend the Ambassador the best of luck in this extremely important mission, and I look forward to hearing her report and that of the Special Envoy Richard Beatty—22 years of brutality, human rights buses and illegal occupation is far, far too long.

I commend my colleagues who are speaking this evening for taking the time to go on the record in opposition to war and suffering and in favor of peace and justice. All of us owe it to those who have endured a terrible fate on this beautiful island to speak up and speak out. Tonight we say to the people of Cyprus and the families of the missing we will never forget you. We will always continue working for peace and justice on Cyprus.

I want to conclude by thanking my dear friend Congressman BILIRAKIS for his extreme effort on the Cyprus issue and on all Greek causes. He not only supports it with his rhetoric, with his legislation, with his heart, but also with his physical time. He is the only Member of Congress that has initiated a voyage to the island if Imia, who has gone into the enclaves on Cyprus and has attended almost every CECA conference in Cyprus. I thank you for your strong, strong commitment to these issues, your hard work and for organizing this special order tonight. My constituents thank you. The families of the missing thank you.

Mr. BILIRAKIS. Well, I thank the gentlewoman. She has just been great to work with, and I am just proud again to be a cochair of the Hellenic Caucus with the gentlewoman.

Mr. Speaker, while chairing hearings of the Congressional Human Rights Caucus in 1992, I had the opportunity to hear first-hand the heart-wrenching stories of people who had relatives abducted during and after the illegal Turkish invasion. Throughout these hearings, a common theme emerged: The families want concrete answers regarding the fates of their loved ones.

Mr. Denktash, the Turkish Cypriot leader, made a recent statement referred to by the gentleman from Pennsylvania [Mr. KLINK] on a Greek Cypriot television station that the missing in Cyprus were turned over to the Turkish militia and killed. While shocked by this statement I question it, given the fact that there is much evidence to the contrary. We must know conclusively what happened to the five Americans and the 1,614 Greek Cypriots that have been missing since 1974.

I have sent a letter to President Clinton urging him to do everything possible to determine once and for all the fate of the missing in Cyprus.

In addition to the missing, as the gentlewoman from New York [Mrs. MALONEY] just mentioned, I also have serious concerns about the enclaved people in Cyprus. I am pleased to have cosponsored H.R. 2223, the Freedom and Human Rights for the Enclaved People of Cyprus Act.

I would advise my colleagues that the enclaved are a group of people in a certain part of Cyprus who have refused to leave their homes. Those who have left their homes over the years have lost all of their property. These people just do not want to leave their homes and, consequently, they have stayed there and we call them "enclaved" because that is exactly what they are. This legislation will implement efforts to eliminate restrictions on the enclaved people of Cyprus.

Besides cosponsoring the bill, I also am very proud to say one of the finest experiences of my life, I visited this area last August accompanied by the gentleman from Ohio, MARTIN HOKE. We visited the area. We saw and heard firsthand the life experiences of these people. We were accompanied by a couple of top leaders from the Turkish side who were delegated by Mr. Denktash to accompany us. Both of these people were born, as I understand it, as I remember it, but in any case raised in a part of southern Cyprus, the nonoccupied part of Cyprus called Paphos. They speak Greek fluently. I might add that they visited these coffee houses with us. They spoke Greek so very fluently that when the people, in the process of communicating with us regarding all of their problems and sharing with us all their problems and the enslaved nature of them all, they also communicated the same thing to them because they thought that they were also Americans, or at least they thought that they were Greek Cypriots rather than Turkish Cypriots because they spoke Greek so very well.

The point was made, I think, by the gentleman from New Jersey [Mr. MENENDEZ], the fact that these people got along over the years and it was these outside forces that basically split everything up. But we visited this coffee house there, we sat down and had coffee with the people and heard their problems.

We visited a monastery, we call it Apostle Andrew, which is Apostle Andrew. It was a monastery that was the subject of pilgrimages by families over the years. The monastery had been closed for better than 20 years, had not been opened, and to the credit of the people in charge, they opened it for us. We visited, we went into the monastery, we lit candles, we drank of the holy water, and we also captured some of the holy water that came from the base of the monastery. The story goes that the Apostle Andrew struck his staff against the rocks on the side of the mountain and water came out just as fresh and as cool and as beautiful as could be.

We visited a schoolteacher by the name of Eleni Foka, we call her Kitty Eleni. That means Miss Helen Foka, F-O-K-A, a lady who is very vocal, a lady who is, based on what Mr. Denktash told me personally, is a thorn in the side. She still teaches school, I might add there. We asked her, "Well, since you live under these types of conditions, why do not you just get up and leave? Why do not you just go over the line into the Greek Cypriot side where there is freedom at least?" She very tearfully and very emotionally said to us, "This is my paradise. Why should I leave it?" That I think says it all. "This is my paradise, why should I leave it?"

I would add that just this week I received a letter from this lady that I have had interpreted. My Greek is not good enough to be able to do too well with it, so I was able to have it interpreted. It is addressed to me and I would like to read this.

"First I would like to thank you for your great interest and love and also thank you for your visit to our enslaved village, where you saw with your own eyes our living conditions. You witnessed a very cruel reality, that we are living under 'medieval' conditions that nowhere in the civilized world can be found. We are denied the right to religion, education, movement, correspondence and so much more; in a few words, our human rights are flagrantly violated.

The barbarian Turkish invaders appear to fear no one, because none of the powerful people in the world," and I think we know who she is referring to when she says that, "and no international organization compels them to respect international law and order, human rights and freedom.

"On June 3, while we are absent from the school, Turkish occupation soldiers and settlers went to my school and with wood cutting machines cut the trees and with excavators destroyed all the area." She sent me photographs of the area as it was destroyed. "Their target was to demolish the school and force me to leave my occupied village, thus, closing down the school forever. They claim that the property of the Greek school belongs to them after the invasion and, therefore, they can do whatever they want. In addition, they provocatively tell me that they will turn the school into a field for them to play soccer. This is their respect for education. The photographs I am sending to you are speaking for themselves. Unfortunately, I do not have the strength and the courage to describe all that is happening.

"After your visit here," she is referring to our visit there," the conquerors, declared that they would improve our living conditions. However, the situation is becoming worse and worse. Moreover, myself and many other enslaved Greeks are being threatened, blackmailed and humiliated. Recently, for instance, some people that are not even 'policemen', visited us and asked to take pictures of us, saying that they were going to issue us their so-called "State's" photo IDs. They want us to denounce our ethnicity and our identity as enslaved Greeks to become Turkish citizens.

"For all of the above, we call you, our free brothers and Greeks all over the world, to help us. Our brothers, we ought not to waste precious time; 23 years of slavery are too long; we are begging you to find ways to save our country. Today is Cyprus, tomorrow is the Aegean sea, later will be Thrace; please do not delay, you can help us.

"We wish the best for you and for ourselves. We wish only freedom.

"With my best regards, your enslaved sister, Eleni Foka."

And she goes on with a note, "Please accept this small gift that was made by an enslaved sister in an enslaved Agia Triada Karpasias. It is made on a black background, symbolizing our black slavery, using silk which symbolizes the strength of our endurance. Please to not be late. Unfortunately, as you realized yourself during your visit, we are facing a deadline."

Mr. Speaker, although the rights of those enclaved are intended to be protected by the 1975 Third Vienna Agreement which States that the Greek Cypriots, and I quote, that the Greek Cypriots present in the north are free to stay and they will be given every help to lead a normal life, end quotes, a recent United Nations report paints a far different picture of their fate.

According to the report, the life of the Greek Cypriots is anything but normal. In fact, according to the report, quote from that full report, "Much of the time they live in trepidation and even fear, due to the constant Turkish Cypriot police presence in their lives."

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I would tell my colleagues that the focal theme of all the remarks that we received from those people at the coffeehouse and throughout that entire area was fear. They lived constantly in fear.

Mr. Speaker, the time has come to reunite Cypriots who have been separated from their brothers and sisters by an arbitrary boundary for so long. Surely it is in Turkey's best interest, surely it has to be in their best interest to resolve this conflict as expeditiously as possible. Turkey's actions are keeping it from becoming an accepted part of the European Community. Meanwhile, Cyprus is moving forward with its aspirations for membership in the European Community.

As Cyprus takes steps to improve itself, so, too, must we. We must do our utmost. We have to do our utmost to end the division of Cyprus. The administration's push to settle the Cyprus issue was slated to begin after the May 26 parliamentary elections in Cyprus, and I am hopeful those efforts will complement our own in the House.

As we in Congress focus on settling this issue, I am reminded of what Alexis Galanos, president of the Cyprus House of Representatives, has stressed, and I quote him:

> Any initiative that is not focused on the respect of Cyprus' sovereignty, on respect for the rule of law, on basic freedoms and on the termination of any foreign intervention, including the termination of the policy of illegal settlers in Cyprus is bound to fail.

As many of my colleagues may know, the gentlewoman from New York [Mrs. MALONEY] and I recently formed—she referred to it proudly, as I am proud of it too—formed a Hellenic Caucus to foster and improve relations between the United States and our important ally, Greece. A principal purpose of the caucus is to educate more Members of Congress about the need to resolve the long-standing dispute on Cyprus.

I am pleased to announce, and I think she has already done so, that the caucus already has over 40 Members. I know there are many others out there who would like to join. I guess they need an invitation. We have sent out the "Dear Colleagues" and some of these things sometimes fall in the cracks, but we have held meetings with His Eminence, Greek Ambassador Tsilas, Greek Speaker Kaklamanis, and Hellenic President Stephanopoulos.

This important caucus gives Hellenic and Cypriot causes additional clout so that, along with grassroots efforts, we can better succeed in our constant effort to achieve justice for Cyprus. As co-chair, I look forward to working with my colleagues to ensure that justice for Cyprus is achieved.

We have a responsibility, Mr. Speaker, to use our influence to see Cyprus made whole again, to rescue the thousands of Greek Cypriots who have become refugees in the land of their birth. Unbelievable, refugees in the land of their birth.

Like those faithful Cypriots in my district, in Clearwater and Tarpon Springs, FL, and my entire district of the Tampa Bay area and elsewhere, we must stand up for the values so important to us.

We must continue to press for a just resolution to this long-standing dispute. Every year since first coming to Congress, I and so many others haveworked hard to give Cyprus the attention it deserves, and this year will be no exception.

Mr. Speaker, before I close I would like to particularly thank and express my apologies, I guess, to the reporters, to the members of the staff, to you, and to so many others who we have kept here late tonight, but this is a very important cause and I think you all understand that.

Mr. PALLONE. Mr. Speaker, I want to thank my colleagues, Mr. BILIRAKIS and Mrs. MALONEY, the co-chairs of the Congressional Caucus on Hellenic issues, for their tireless efforts on behalf of the Greek-American community and for putting together this special order to mark the 22d anniversary of Turkey's illegal invasion and occupation of Cyprus. Restoring independence and freedom to the island nation of Cyprus is, in my opinion, one of the most important foreign policy challenges the United States continues to face and I am saddened that yet another year has gone by without much progress.

I am, however, as equally determined to keep Congress actively involved in this issue until a just settlement for the Cypriot people is reached. Accordingly, I would like to commend the American delegation dispatched by the administration to Greece, Cyprus, and Turkey last week for their dedication. Headed by our Permanent Ambassador to the United Nations Madeleine Albright and the President's Special Emissary for Cyprus Richard Beattie, as well as other high level State Department officials working on the Cyprus problem, the delegation is once again offering American assistance in breaking the now 22-year-old stalemate and bringing peace to the region.

The history of this issue is well known to all of us. On July 20, 1974, 6,000 Turkish troops invaded Cyprus, stealing its independence after a campaign of pillaging, terror, and murder.

Over the next 22 years, the Turkish Government fortified its illegal occupation force, defiantly ignoring the calls from the international community—including multiple U.N. resolutions—to allow the Cypriot people to live a free and sovereign life. Today 1,619 people, including 5 American citizens, remain missing as a result of the invasion, and the Turkish occupying force stands at some 35,000 troops. A barbed wire fence, moreover, divides the island in two, prohibiting thousands of Greek Cypriots the freedom to live on and travel to some 37 percent of their own country.

Mr. Speaker, during the 22 years the Turkish Government has been fortifying its illegal occupation force and thumbing its nose at the international community, the United States has reviewed the Cyprus problem at least 150 times. And while we all hope, as we do each time the United States intensifies its focus on the Cyprus issue, that the current delegation's effort will lead to a breakthrough, we must convey to the Turks in no uncertain terms that we are prepared to return 150 more times, or as many times as it takes to secure a just resolution for the Cypriot people. It is a message the Turks have always found hard to swallow.

The Turkish Government has found this message hard to digest because agreeing to a just settlement on Cyprus is a solution rooted in the larger acceptance of international law—a principle which the Turks openly, and hostily, rebuke. Indeed, since we gathered here last year to mark this occasion, the Turks nearly introduced yet more armed conflict into an already unstable area with their unfounded claim to the Creek islet Imia in the Agean Sea. This extremely volatile claim has, in fact, elevated Turkey's disregard for international law to a new level. As Greece's foreign minister, Theodore Pangalos stated "this is the first time that Turkey has actually laid claim to Creek territory." Though violence was averted through the personal intervention of President Clinton in the matter, Turkey remains opposed to Greece's offer to submit the dispute by itself to the International Court at The Hague for a peaceful, legal resolution.

It is precisely this type of intransigence—ignoring opportunities to resolve disputes in peaceful manners—that has now stretched the Cyprus problem into its 22d year. Just last year Cyprus' President extended an olive branch to the Turks and suggested that Cyprus be demilitarized as part of an effort to create a peaceful environment under which negotiations for a comprehensive solution to the dispute could be conducted. The House of Representatives strongly endorsed the idea last year, passing House Concurrent Resolution 42, echoing the Cypriot President's call to demilitarize the island. The Turks have so far rejected the idea.

In response, many of us in the House joined forces to send Turkey a strong message. As was the case during consideration of the fiscal year 1996 budget, we were successful again this year in passing amendments to the fiscal year 1997 foreign appropriations bill that cuts aid to Turkey in response to its continued illegal occupation of Cyprus, its inhumane blockade of Armenia, its campaign of oppression against its own Kurdish population and its general disregard of human rights.

As these measures indicate, we are steadfastly committed to once again seeing a free an independent Cyprus. We will continue to ensure Congress plays an active role in pressuring Turkey to abide by all relevant U.N. resolutions and insist that any solution to the Cyprus problem must be based on the establishment of a single sovereign state with a single citizenship.

Mr. Speaker, over the last 2 years the United States has used its influence to help further the causes of peace and freedom in some of the world's most intractable, bitter disputes, such as in the Middle East, Bosnia, and Northern Ireland. Let us hope that in the coming year our work will allow us to add Cyprus to that list so that when we gather next, it will be to celebrate the island's liberation instead of to mark yet another year of division.

Mr. VISCLOSKY. Mr. Speaker, I rise today to mark the 22d anniversary of Turkey's invasion, and subsequent occupation, of Cyprus.

Having gained its independence from Great Britain in 1960, Cyprus enjoyed a proud, albeit short, period of political independence. On July 20, 1974, this independence was shattered when 6,000 Turkish troops and 40 tanks invaded the north coast of Cyprus and proceeded to occupy nearly 40 percent of the island.

The ensuing fighting killed thousands of Cypriots and forced hundreds of thousands from their homes. Today, there are 1,619 people still missing, 5 of whom are United States citizens.

Twenty-two years after the invasion, 35,000 Turkish troops continue to occupy Cyprus in violation of international law. A barbed wire fence cuts across the island, separating families from their property and splitting this once beautiful country in half.

Despite efforts by the United States and the United Nations to bring about an acceptable resolution to this situation, Turkey continues to stonewall negotiations. It has continuously refused to either return or pay restitution for any of the land that is captured, and sporadic fighting on the island continues to this day.

The occupation of Cyprus is one of the reasons that I offered an amendment to the fiscal year 1997 Foreign Operations appropriations bill to cut $25 million in United States economic aid to Turkey. This amendment, which the House overwhelmingly approved by a vote of 301 to 118, sends a clear message to Turkey that its illegal and immoral occupation of Cyprus will not be tolerated by this country.

Mr. Speaker, I am proud to join with my colleagues in standing up against Turkish tyranny in Cyprus. I would especially like to extend my thanks to the gentleman from Florida, Mr. BILIRAKIS, for his tireless work to ensure that the people of Cyprus are not forgotten. Twenty-two years is a long time to wait, but it is my sincerest hope that our actions will help persuade Turkey to end its unlawful occupation of Cyprus and return the island to its rightful owners.

Mr. KENNEDY of Massachusetts, Mr. Speaker, July 20, 1996 marked the 22d year of Turkey's illegal invasion and continued occupation of the Island of Cyprus. On July 20, 1974, 6,000 Turkish troops attacked the island, destroying nearly five centuries of peaceful coexistence between Turkish and Greek Cypriots.

As a result, almost 40 percent of the island came under Turkish rule—even though Turkish Cypriots make up less than 20 percent of the total population of that island. And the Turks employed deliberately cruel and harsh measures to intimidate the Greek Cypriots. There are reports of extensive killings, rape of women of all ages, torture, looting, and robberies.

Despite countless efforts by the Greek communities and the United Nations to settle this dispute, a solution has not been found. Turkey is the only nation that recognizes the Turkish claim to the island—yet the Greeks are still held victims of the Turkish invasion. The current situation is one of gridlock.

This situation cannot be allowed to continue. We must have peace on the Island of Cyprus. And peace requires that foreign troops withdraw from their occupation of Cyprus.

Cyprus has been a divided country since 1974—22 years too long. I urge all of my colleagues to focus their attention on finding a just and lasting solution for the Island of Cyprus.

Mr. BONIOR. Mr. Speaker, we should all be thankful for our distinguished colleagues, Mr. BILIRAKIS and Mrs. MALONEY, cochairs of the Hellenic Issues Caucus, for organizing this observance of a sad and frustrating anniversary.

Today, there are 35,000 Turkish troops on the island of Cyprus who occupy one-third of the island. Since their invasion 20 years ago, those troops have patrolled the Green Line, a barbed wire fence that cuts across Cyprus, separating thousands of Greek Cypriots from the towns and communities in which their families have lived for generations.

Mr. Speaker, ending the military occupation of Cyprus is among the greatest challenges the international community faces today. But we must have the cooperation of Turkey to make progress and bring unity and freedom to Cypriots on the island.

For it was on July 20, 1974, that Turkish troops invaded the island of Cyprus and began a military occupation. Thousands of people were killed, more than 200,000 people were expelled from their homes, and today, more than 1,600 remain missing—including 5 Americans.

The Turkish Government must know that the division and occupation of Cyprus will continue to be an obstacle to better relations with the United States.

Until Turkey begins to remove its troops from Cyprus, we have no business sending aid to Turkey. That is why I strongly supported the limitation on aid to Turkey in the foreign operations appropriations bill passed last month.

Mr. Speaker, there are encouraging developments to report. Our Ambassador to the United Nations, Madeleine Albright, traveled last week to Greece, Turkey, and Cyprus to begin talks aimed at demilitarizing and reuniting the island. Joining her was President Clinton's special envoy for Cyprus, Richard Beattie.

Ambassador Albright secured a commitment from the parties to begin a dialog on reducing the military forces along the Green Line. Talks between the military commanders of the Cypriot national guard and the Turkish forces occupying northern Cyprus would be the first ever held.

We should all wish them well as this initiative by the United States may represent our best opportunity to resolve this difficult and agonizing problem. Let us hope and pray that this anniversary will be the final time we join together with Cyprus as an occupied island.

Mr. KENNEDY of Rhode Island. Mr. Speaker, I would like first to thank my colleagues from Florida and New York for their continued diligence in recognizing the illegal invasion and occupation of the Island of Cyprus.

Their work in founding the Congressional Caucus on Hellenci Issues and commitment to initiating this special order provide an essential forum in speaking out against the atrocious crimes Cyprus has endured under the hands of Turkey, while honoring our close relationship with the nation of Greece and commitment to our constituents of Hellenic descent.

In beginning their struggle for freedom from the Ottoman Empire in March 1821, the nation of Greece embarked on a fragile struggle to embody democratic ideals of their most famous philosopher, Plato envisioned.

The Turkish invasion of Cyprus over two decades ago marks the return to an occupied state, a situation unprecedented since the 19th century and clearly unacceptable in the 20th.

We can no longer remain silent on this issue. We must not ignore the injustice occurring in Cyprus.

The reasoning behind Turkey's actions echo those used by the fathers of genocide in the past.

And the situation warrants the attention we have always provided our closest allies.

The famous philosophers of Greece provided our democratic nation with the ideas upon which it now stands, I hope we can return the gift in restoring those ideals to where they most belong.

I join my colleagues in calling for peace and a prompt resolution of the current situation.

Mrs. LOWEY. Mr. Speaker, I rise this evening to pay tribute to a dubious anniversary. As we sit here, after 22 years of Turkish occupation of Cyprus, it is especially appropriate to recognize the struggle for the freedom of all Cypriots that has been waged for more than two decades.

It was over two decades ago that 6,000 Turkish troops and 40 tanks landed on the north coast of Cyprus, and more than 200,000 Cypriots were driven from their homes and forced to live under foreign occupation. Over two decades ago, and still Turkey has more than 35,000 troops on the island. Over two decades ago, and we still don't know what became of the 1,614 Greek Cypriot and 5 American citizens missing since the Turkish invasion.

That is why I'm pleased that we have this opportunity today. Today we remember what happened in Cyprus 22 years ago and we pledge to fight to end the occupation. We must continue to fight against injustice in Cyprus. We must continue to provide aid to Cyprus to help that country deal with the terrible problems caused by more than two decades of Turkish occupation. And, above all, we must continue to keep the plight of the Cypriots on the minds of everyone around the world.

Mr. LEVIN. Mr. Speaker, I would like to thank the distinguished gentlemen from Florida, Mr. BILIRAKIS, for organizing this special order in commemoration of a very sad day in history. I refer to the anniversary of the 22-year occupation of the island of Cyprus by Turkey.

In 1974, Turkey shocked the world and invaded Cyprus. As a result of this invasion, 200,000 Cypriots have been made refugees and over 1,619 people, including 5 Americans, were missing without explanation until just recently. In March, Turkish-Cypriot leader Rauf Danktash admitted in a televised interview that those missing since the invasion were slaughtered.

After 22 years and numerous attempts to resolve the matter by the United Nations, the United States, and other countries, 37 percent of the island is still illegally occupied by 35,000 Turkish troops and over 80,000 transplanted "colonists" from Turkey—almost outnumbering the original Turkish Cypriots.

During this time, the Turkish Cypriots have engaged in an effort to cleanse the cultural heritage of the occupied territory. The names of villages and towns have been given Turkish names and Greek churches have been looted, desecrated, or converted to mosques or, in some instances, stables. In addition, the two portions of the country are divided by barbed wire fence known as the "Green Line."

For years, negotiations to end the stalemate and resolve the issues between the two countries have been stonewalled by the Turkish-Cypriot leadership who refuse to negotiate in good faith.

This fact has only been compounded by the steady escalation of aggression by Turkey against Greece and Cyprus over the past year. During this time, Turkey has initiated a number of very serious provocations including the January attempt to annex Imia, an island in the Aegean which is internationally recognized as Greek territory. In addition, overflights of Greek territories by Turkish combat aircraft has escalated from an average of 21 per year from 1988–1992, to an incredibly provocative 852 per year.

On Cyprus last month, Turkish soldiers shot an unarmed Greek teenager and then prevented U.N. peacekeepers from rescuing the boy by firing upon them.

Finally, in a direct violation of agreements between the United States and Turkey on the use of American made and leased equipment, the Turkish Government has begun using U.S.-made military equipment in their campaign of intimidation. In January of this year, Turkish Armed Forces landed nearly 100 American-made tanks on occupied Cyprus.

The United States cannot continue to let this egregious behavior to go on without a strong response.

I am pleased by the President's decision to send special envoy, Richard Beattie to Cyprus to help bring an end to the island's partition. This the first attempt in nearly 5 years undertaken by the United States to mediate the dispute. It is my hope this endeavor will be more fruitful than the last and finally bring an end to this terrible incident.

In the meantime, the United States needs to take a firm stand against these provocations and urge the Turkish Government to cease its acts of aggression against its neighbor and to agree to resolve the issue of Cyprus. If the situation is not dissolved soon, we stand the very real chance of an even larger conflict in south central Europe and the possibility of it rekindling the flames of war throughout the Balkans.

Mr. ACKERMAN. Mr. Speaker, I rise today to commemorate the 22nd Anniversary of Turkey's illegal occupation of the island of Cyprus on July 20, 1974. The Turkish military invasion resulted in an involuntary division of this once harmonious Mediterranean state. Greek residents in northern Cyprus have since suffered innumerable restrictions on freedom and human rights at the hands of their Turkish invaders and more than 35,000 Turkish troops continue to occupy the northern portion.

The effects of this invasion has included the deaths of more than 6,000 Greek-Cypriots, the displacement of over 200,000 refugees from towns and communities once occupied by their ancestors, and the capture of thousands more. Sadly, 1619 people, including five Americans, are still missing today.

The current situation in Cyprus is of great importance to the United States and specifically the Greek-American community. Members of Congress have finally begun taking steps to ensure that this illegal and inhumane state of affairs is resolved peacefully. The Clinton Administration has also turned its attention to Cyprus, demonstrating with Congress a joint commitment to demilitarizing this divided island.

Today, we not only commemorate the anniversary of this invasion, but remind America that the injustices created by Turkey's military aggression are as pervasive today as they were 22 years ago. The enclaved Greek population, living within the Turkish occupied zone, live without many of the rights and privileges implicit within a democratic society, and will continue to do so until Turkey's military presence is no more.

I commend Mr. BILIRAKIS in holding this very important Special Order, and I ask my colleagues to join me in remembering the Turkish invasion of Cyprus as well as continue to support efforts being made to end this wrongful occupation, so that we may one day commemorate the restoration of Cyprus to a peaceful, harmonious and united nation.

Mr. TORRICELLI. Mr. Speaker, I rise today to draw this country's attention to Turkey's continued occupation of Cyprus. This gross violation of human rights is now in its twenty-second year, and gives no indication of abating in the near future. It is for this reason that I speak today, in an effort to heighten the international community's awareness of the situation and bring some relief to the people of Cyprus.

July 20, 1974 is a day that will forever be embedded in the hearts of the Cyprus people. Since then, Cyprus has been divided nearly in half as Turkish troops maintain control of almost forty percent of the island. Families have been torn apart and loved ones separated from one another by the brutal line which rends the country in two.

A list of some of the more blatant abuses comes easily to mind. The occupying forces have evicted people from their homes and confiscated Cypriot property in order to give it to Turkish citizens. Citizens who disappeared during the occupation have yet to be accounted for. These and other offenses have been directed against a population which has no recourse for justice except to gain the sympathetic ears of states like ours.

Rather than heed, or even acknowledge, the international community's requests to resolve the situation in Cyprus, Turkey has chosen to flagrantly ignore calls for moderation. Suppression of Cyprus' cultural heritage has become the order of the day as the Turkish government seeks to change the face of the Cypriot population. Villages and towns in the occupied area of the island now bear Turkish names. Churches that have not been looted or destroyed have been converted into mosques or stables.

Little respect has been shown by the Turkish government toward the Cypriot community, a situation that any concerned individual should find unconscionable. It is time for the international community to band together in condemnation of the Turkish Government's policy. The people of Cyprus look to us to make it be known to Turkey that this behavior shall not pass unnoticed nor unsanctioned.

Mr. MANTON. Mr. Speaker, this Saturday, July 20, will mark the twenty-second anniversary of Turkey's illegal invasion of Cyprus. I rise today to join my colleagues and thank Mr. BILIRAKIS for organizing this important special order to commemorate this anniversary.

The division of Cyprus has the distinction of being one of the most intractable in the world today. Since Turkey first invaded Cyprus in 1974, 1,619 people, including five Americans, last seen alive in the occupied areas of Cyprus have never been accounted for. We must not let the passage of years weaken our resolve to pressure the Turkish government to provide answers for the families of the missing. We cannot forget their suffering continues.

Mr. Speaker, last year, when marking this solemn anniversary, many of us felt hopeful that this conflict would soon be resolved peacefully through the auspices of the United Nations. Unfortunately, the northern portion of Cyprus is still illegally occupied by 35,000 Turkish troops.

In December of 1993, in an effort to facilitate a peaceful resolution, President Clerides submitted to the United Nations a thoughtful and innovative proposal calling for the demilitarization of Cyprus. In exchange for the withdrawal of Turkish troops, Cyprus would disband its national guard; transfer the national guard's military equipment to the United Nations peacekeeping force; and the money saved from defense spending for development projects that would benefit both communities. Demilitarization would alleviate the security concerns of all parties and substantially enhance the prospects for peaceful resolution of the problem. Once again the Turkish side rejected Cyprus' efforts toward ending the tragic unacceptable status quo.

I am proud to join my colleagues as a cosponsor of H. Con. Res. 42, which calls for the demilitarization of Cyprus. In addition, I am a cosponsor of H.R. 2223, the Freedom of Human Rights for the enclaved people of Cyprus Act. This legislation would establish and implement efforts to eliminate restrictions on the enclaved people of Cyprus. I urge my colleagues to join me as a cosponsor of these very important pieces of legislation.

The United States Government has always supported a just and lasting solution to the Cyprus problem. It is important for the Congress to continue to firmly support the people of Cyprus by pressing Turkey to end its illegal occupation and to work constructively for a resolution in accordance with the relevant U.N. Resolutions and agreements between the two sides. In addition, after the meeting with President Clerides of Cyprus on June 17 of this year, President Clinton promised to send his emissary, Richard Beattie to discuss issues involved in a comprehensive settlement, with special emphasis on security. I hope this planned discussion will bring closer a resolution to the issue of Turkish occupation in Cyprus.

A just and lasting solution to the problem will benefit both communities on Cyprus, stabilize the often tenuous relationship between Greece and Turkey, as well as constitute a significant step toward peace in the unstable eastern Mediterranean region.

It is my hope that this will be the last year Members must join to discuss the longstanding problems of the people of Cyprus and that next year we may join to celebrate the end of this conflict. Until that happens, the Turkish government must know we in the United States will continue to recognize this anniversary by speaking out for the rights of the missing.

Mr. MARTINEZ. Mr. Speaker, I would first like to commend the distinguished gentleman from Florida for organizing this special order on Cyprus. MIKE BILIRAKIS has truly been a tireless champion for the peaceful resolution of the Cypriot problem.

Mr. Speaker, I join my colleagues tonight in observing the 22d anniversary of Turkey's illegal invasion and continued occupation of the island of cyprus. On July 20, 1974, Turkey unleashed its army on the Cypriot people. Turkey's violent and bloody invasion of this Mediterranean island state has been rightfully condemned by the United Nations and all peace loving nations of the world.

This anniversary should weigh heavily on the conscience of all civilized people of the world who share in the belief that states must eschew the destructive path of naked aggression and abide by the rules of international law. It is time for the world to tell Turkey that the status quo in Cyprus is unacceptable.

Mr. Speaker, the status quo must be broken. The paralysis in U.N. sponsored negotiations must be broken. And the intercommunal strife that has torn Cypriots apart must be settled peacefully. But none of these worthy objectives can occur as long as Turkey continues to violate international law and flout U.N. resolutions condemning its oppressive occupation of one-third of Cypriot territory.

It is indeed a sad testament to the intransigence of Turkey's position that 22 years after its invasion of northern Cyprus, it still maintains over 30,000 troops on the island. The Ankara government must come to the realization that its troops in northern Cyprus stand as an obstacle to a just and permanent resolution of the Cypriot problem.

President Glafcos Clerides deserves to be commended for his honesty, flexibility and good faith efforts to broach the great divide that needlessly separates Greek Cypriots from Turkish Cypriots. I would also like to commend the efforts of our special Presidential envoy for Cyprus, Richard Beattie, who has actively been soliciting the good will and support of the international community to bring to an end what has thus far proven to be one of the most intractable problems in Europe.

Mr. SCHUMER. Mr. Speaker, I would like to applaud and express my gratitude to my fellow colleagues for conducting this special order to acknowledge the 22d anniversary of the Turkish occupation of Cyprus.

This year the Members of the House meet again to remember this sad day and to denounce the atrocities taking place in Cyprus. There are still 1,619 people missing as a result of the occupation. Five of these missing persons are American citizens. This is an outrage.

In the time since the Turks have taken over Cyprus the situation there has steadily worsened. The widespread violence and violations of human rights can not be ignored. Action must be taken to amend these horrible travesties.

For some time I have been interested in the situation in Cyprus. I have supported legislation which would require an investigation into the whereabouts of the United States citizens and others missing from Cyprus. Another bill I have supported would prohibit all United States military and economic assistance for Turkey until the Turkish Government takes responsibility for its actions in Cyprus and complies with its obligations under international law. I have also cosponsored a concurrent resolution supporting a settlement of the dispute regarding Cyprus. I hope there will soon be a resolution to the problems in Cyprus once and for all.

Ms. ROS-LEHTINEN. Mr. Speaker, the island of Cyprus was invaded by a foreign army on July 20, 1974.

As we remember this sad anniversary, we must renew our determination to do whatever is in our power to achieve the restoration of a united Cyprus, free from foreign military control of one-third of its territory.

For 22 years now, the people of the Republic of Cyprus have lived with a foreign army in their country in violation of all international norms.

Two hundred thousand Greek Cypriots were forced from their homes in the northern third of the island by the invading army. The invaders engaged in massive violations of the human rights of the Cypriot people, including murder, rape, and looting, according to the European Human Rights Commission report in 1976.

The world community is in agreement that the State of Cyprus must remain a single sovereignty and international personality, with a single citizenship, and with its independence and territorial integrity preserved.

The continued presence of 30,000 foreign troops in Cyprus prevents the people of that island from reaching a settlement of these political differences.

These troops must be withdrawn as soon as possible.

Demilitarization of the Republic of Cyprus would meet the security concerns of all parties involved and would enhance prospects for a peaceful and lasting solution that would benefit all the people of Cyprus.

This can only be achieved if the invading army withdraws from Cyprus and returns to its own territory—where it belongs.

The great tragedy of the foreign invasion of Cyprus is that the people of that island have lived together for centuries, and can work out their differences as fellow Cypriots.

They did not need a foreign army and an outside government to come into their country and seek to impose a foreign solution to their problems.

A continuation of a divided Cyprus is not in the interest of any of the Cypriots.

Since the invasion and occupation of the northern third of the island in 1974, the people living in the free two-thirds have seen their economy soar and per capita incomes increase from $1,500 in 1973 to over $10,000 today. The free people of Cyprus are negotiating with the European Union to join the Union as full and respected members of modern European society.

Meanwhile, in the occupied territories, living standards have stagnated—an inevitable consequence of the lack of real freedom and justice.

That all Cypriots will one day again live in freedom under a just and democratic government, free from foreign military domination and control, is the goal that we must have.

Today, as we remember the events of 22d years ago, I reiterate my firm support for that goal.

Mr. FAZIO. Mr. Speaker, I am glad to have the opportunity to participate in the special order on Cyprus and I commend the gentleman from Florida [Mr. BILIRAKIS] for calling this special order.

This month marks the 22 year of Turkey's illegal invasion and occupation of the island of Cyprus. In an area that has seen the collapse of communism, the fall of the Berlin Wall, the dismantling of apartheid in South Africa, and even a tentative peace between Israel and its neighbors, the sovereign Republic of Cyprus continues to remain occupied by over 35,000 Turkish troops.

In my years in Congress, I have long supported an end to Turkey's violent occupation of Cyprus. In this Congress, I cosponsored a House resolution calling for an end to Turkey's occupation of Cyprus and for the demilitarization of the island. I am pleased that this resolution was passed by the House last September.

There can be no peaceful democratic settlement of the Cyprus question as long as Turkish troops continue their occupation. Moreover, the relationship between our NATO allies, Turkey and Greece, will not improve significantly as long as the Cyprus dispute continues. Turkey must withdraw its troops from Cyprus.

My colleagues, as Representative BILIRAKIS has eloquently demonstrated, Turkey's occupation of Cyprus represents over two decades of unanswered questions, over two decades of division, over two decades of human rights violations, and over two decades of cultural destruction.

The United States has not only a strategic interest in the eastern Mediterranean, but more importantly, we have a humanitarian interest in seeking peace in Cyprus. I look forward to continuing the dialog that we have shared tonight to ensure that peace in Cyprus is one day a reality.

Ms. FURSE. Mr. Speaker, I rise to address the need for a peaceful resolution of the situation in Cyprus.

The 18 percent Turkish-Cypriot and over 80 percent Greek-Cypriot population of [Cyprus lived in harmony on Cyprus for centuries. Twenty-two years ago this month, Turkish troops invaded Cyprus and continue their occupation of the northern portion of Cyprus today. A barbed-wire fence cuts across the island separating thousands of Greek Cypriots from the towns and communities in which they and their families had previously lived for generations.

Last month, I was among the 91 Members of Congress signing letters to President Clinton expressing strong support for this administration's efforts to promote a just and viable solution to the long-standing Cyprus dispute.

A resolution calling for demilitarization in Cyprus had already been adopted by voice vote in the House. Our letter to President Clinton stated that this solution must be based on the principles adopted in United Nations Security Council Resolution 939 and in our Cyprus Demilitarization Resolution. Both state that a solution must be based on a State of Cyprus with a single sovereignty and international personality. It must comprise two politically equal communities in bicommunal and bizonal federation.

Meetings with high-level United States administration officials have taken place in Turkey, Greece, and Cyprus. In addition, President Clinton has met with the President of Turkey and the President and Prime Minister of Greece. I would also note the very important work that has been done by my friend, Ambassador John McDonald and Louise Diamond of the Institute for Multi-Track Diplomary in facilitating numerous contacts between Cypriots on both sides of the dispute.

I believe we are in the process of solving this long-standing problem, and I stress the need to do so nonviolently. I look forward to continuing to work with my colleagues on this very important issue.

Mr. ZIMMER. Mr. Speaker, I thank my colleague, Mr. BILIRAKIS , for once again arranging this special order on Cyprus. I join my colleagues in calling for a swift and peaceful end to the illegal occupation of nearly 40 percent of Cyprus by Turkey.

That occupation has persisted since Turkey invaded Cyprus in July 1974. And, for 22 years, Turkey has ignored or rejected every effort to end that occupation and to resolve the agony it has created.

There are 1,614 Greek Cypriots who were abducted by Turkish troops in that 1974 invasion and who remain missing today. I was appalled by comments made by Turkish Cypriot leader Rauf Danktash that these people must be presumed dead, and that some were killed by vengeful Turkish Cypriot irregulars who were under command of none other than Danktash himself.

Given these revelations, the United Nations ought to conduct an immediate and thorough investigation to learn once and for all the fate of the persons reported as missing, including five Americans.

Ms. PELOSI. Mr. Speaker, I rise today to join with my colleagues in marking the 22d year of Turkey's illegal invasion and partition of the Republic of Cyprus. I commend Mr. BILIRAKIS for his diligence on this issue and thank him for calling this special order.

This anniversary is not a happy occasion, Mr. Speaker, but it is one which serves to remind us of the continuing strife that the people of Cyprus have faced day-in and day-out for over two decades.

In 1974, using United States military equipment, Turkey invaded the Republic of Cyprus, killing 4,000 Greek Cypriots and capturing over 1,600 others, including 5 United States citizens. Though the Turkish Government has been condemned by this Congress and the international community time and time again, it has not halted its unjustified occupation. Today, Cyprus remains cruelly divided. A barbed-wire fence known as the green line cuts across the island separating thousands of Greek Cypriots from the towns and communities in which they and their families had previously lived for generations.

The human rights violations by the Turkish Government on the people of Cyprus also continue. The freedoms of religion and assembly are frequently stifled, and intimidation by the military is ongoing and ever present.

Mr. Speaker, it is appropriate today for us to reiterate our commitment to a resolution of the Cypriot situation, and to commend Greek Cypriots for their dedication to a peaceful settlement of the island's armed conflict. A peaceful resolution of this conflict is long overdue.

Mr. FUNDERBURK. Mr. Speaker, in the summer of 1974, 6,000 Turkish troops and 40 tanks formed the invasion force and occupied more than a third of the island of Cyprus. One of the tragedies of the Cyprus invasion is the missing persons. Since 1974, five Americans and 1,493 Greek Cypriots and perhaps 803 Turk Cypriots are missing. To put the current tragedy into better perspective, I quote my good friend Congressman MICHAEL BILIRAKIS—the Turkish force "occupied almost 40 percent of the island, representing 70 percent of the country's economic health." Cyprus is the only country in the world that is divided by a barbed wire fence—the Green Line. This barbed wire fence forcibly keeps more than 200,000 Greek Cypriots away from their traditional homes.

There are no easy solutions to this thorny question. The presence of 35,000 Turkish troops garrisoned in northern Cyprus makes it more difficult to resolve. Both Greece and Turkey are NATO allies of the United States. However, we must call for the cessation of all violations of human rights on the island of Cyprus.

While some individuals may have great historical memory, on the whole, our collective memory is very short. Other than the Armenians, how many people remember what happened to the Armenians. Similarly, we must not forget what the Turks did in Cyprus. Before the term ethnic cleansing became popular and common usage in Bosnia, the Turkish army in Cyprus practiced it against the Greek Cypriots. The atrocities of the Turkish army were so notorious—wholesale and repeated rapes of women of all ages, systematic torture, savage and humiliating treatment of Greek Cypriots as well as extensive robbery and looting—that their approach caused thousands of Greek Cypriots to abandon their homes and take flight.

In this context, a comprehensive proposal by Mr. Glafcos Clerides, the President of Cyprus, in December 1993, called for the complete demilitarization of the Republic of Cyprus. This would have the effect of breaking the vicious cycle of fear and mistrust and leading Cyprus into negotiated settlement by:

1. Disbanding the Cyprus armed forces, the National Guard, and handing over its equipment to the U.N. forces in Cyprus;

2. Establishing an enlarged U.N. peacekeeping force, funded by the Government of Cyprus;

3. Creating a fund, under U.N. supervision for development projects benefiting both communities in Cyprus—as recommended by Andrew J. Jacovides, Ambassador of Cyprus to the United States to the Foreign Service Institute of U.S. Department of State, Feb. 6, 1996.

It is hard to find a solution for the situation in Cyprus acceptable to all parties. For the United States our primary goal must be to seek an end to the injustice that has fallen on the people of Cyprus. We must see that justice for the Cypriots prevails in the end. Doing the right thing in this case means demanding an end to Turkish occupation on the island, putting in place a U.N. peacekeeping force, ensuring property restoration, and a full accounting of the missing persons. Nothing less will suffice.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SAXTON (at the request of Mr. ARMEY) for today until 4 p.m., on account of family illness.

Mrs. COLLINS of Illinois (at the request of Mr. GEPHARDT) for today and the balance of the week, on account of personal business.

Mr. FIELDS of Louisiana (at the request of Mr. GEPHARDT) for today from 1 p.m. until 2:30 p.m., on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following members (at the request of Mr. PORTER) to revise and extend their remarks and include extraneous material:)

Mr. CLINGER, for 5 minutes each day, on July 25 and 29.

Mr. EHLERS, for 5 minutes each day, today and on July 24 and 25.

Mr. ENGLISH of Pennsylvania, for 5 minutes, today.

Mr. SHAYS, for 5 minutes each day, today and on July 24.

Mr. LEACH, for 5 minutes, today.

Mr. KINGSTON, for 5 minutes, today.

Mr. RIGGS, for 5 minutes, on July 24 and 26.

(The following Member (at the request of Mr. KLINK) to revise and extend her remarks and include extraneous material:)

Ms. NORTON, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. KLINK) and to include extraneous matter:)

Mr. SKELTON.
Mr. JACOBS.
Mr. CONDIT.
Mr. KENNEDY of Massachusetts.
Mr. LAFALCE.
Mr. MINK of Hawaii.
Mr. PALLONE.
Mr. DEUTSCH.
Mr. RAHALL.

(The following Members (at the request of Mr. PORTER) and to include extraneous matter:)

Mr. LEWIS of California.
Mr. TALENT.
Mr. ROTH.
Mr. BUYER.
Mr. GEKAS.
Mr. GALLEGLY.
Mr. CLINGER.
Mr. SOLOMON.
Mr. GILMAN.

(The following Members (at the request of Mr. BILIRAKIS) and to include extraneous matter:)

Mr. CONDIT.
Mr. KIM.
Mr. MORAN.
Mr. FILNER.
Mr. KLINK.
Mr. ENGLISH of Pennsylvania.

ENROLLED BILLS SIGNED

Mr. THOMAS, from the Committee on House Oversight, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 497. An act, to create the National Gambling Impact and Policy Commission.

H.R. 3161. An act to authorize the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of Romania.

H.R. 3107. An act to impose sanctions on persons making certain investments directly and significantly contributing to the enhancement of the ability of Iran or Libya to develop its petroleum resources, and on persons exporting certain items from enhance Libya's weapons or aviation capabilities or enhance Libya's ability to develop its petroleum resources, and for other purposes.

ADJOURNMENT

Mr. HORN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock and 23 minutes p.m.) the House adjourned until Wednesday, July 24, 1996, at 10 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports concerning the foreign currencies and U.S. dollars utilized by various committees, House of Representatives, during the 1st and 2d quarters of 1996 in connection with official foreign travel, pursuant to Public Law 95-384, are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING AND FINANCIAL SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1996

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
James McCormick	2/6	2/8	Hong Kong		0.00						0.00
	2/8	2/10	Thailand		434.00						434.00
	2/10	2/12	Malaysia		406.00						406.00
	2/12	2/14	Indonesia		450.00						450.00
	2/14	2/16	Singapore		506.00						506.00
	2/16	2/18	Cambodia		417.75		110.00				527.75
	2/6	2/18			.00		4,850.95				4,850.95
Sean Peterson	3/22	3/30	Argentina		1,660.00		2,521.95				4,181.95
Committee total					3,873.75		7,482.90				11,356.65

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JAMES A. LEACH, Chairman, July 11, 1996.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1996

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. F. James Sensenbrenner	3/31	4/04	Japan		1,695.00		4,264.95				5,959.95
Shana Dale	3/31	4/04	Japan		1,695.00		4,264.95				5,959.95
Harlan Watson	5/26	6/02	Switzerland		620.00		4,888.55				5,508.55
			Germany		136.00						136.00
			England		576.00						576.00
David D. Clement	5/24	6/06	Italy		1,420.00		3,556.25		926.17		5,092.42
			France		1,216.00						1,216.00
			England		864.00						864.00
Barry C. Beringer	6/22	6/26	Germany		950.00		725.25				1,675.25
Mason Wiggins	6/23	6/29	Germany		1,450.00		862.25				2,312.25
Committee total					10,622.00		18,562.20		926.17		30,110.37

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

ROBERT S. WALKER, Chairman, June 17, 1996.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 1996

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. E. Clay Shaw, Jr.	4/7	4/9	Chile		581.00		[3]				581.00
	4/9	4/11	Argentina		548.00		[3]				548.00
	4/11	4/14	Brazil		597.00		[3]				597.00
Hon. Nancy L. Johnson	4/7	4/9	Chile		581.00		[3]				581.00
	4/9	4/11	Argentina		548.00		[3]				548.00
	4/11	4/14	Brazil		597.00		[3]				597.00
Committee total					3,452.00						3,452.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

BILL ARCHER, Chairman, July 26, 1996.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4281. A letter from the Secretary of Defense, transmitting a report on the United States-People's Republic of China Joint Defense Conversion Commission [JDCC] for the period August 10, 1995–February 9, 1996, pursuant to Public Law 104–106, section 1343(a) (110 Stat. 487); to the Committee on National Security.

4282. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance [LOA] to Japan for defense articles and services (Transmittal No. 96–59), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

4283. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a copy of the report on the program recommendations of the Riyadh Accountability Review Board (Riyadh Board), pursuant to 22 U.S.C. 4834(d)(1); to the Committee on International Relations.

4284. A letter from the Secretary of Transportation, transmitting, the semiannual report on activities of the inspector general for the period ended March 31, 1996, pursuant to 5 U.S.C. app. (Insp. Gen. Act) section 5(d); to the Committee on Government Reform and Oversight.

4285. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—General Services Administration Acquisition Regulation; Implementation of FAC 90–39 and Miscellaneous Changes [APD 2800.12A, CHGE 72] (RIN: 3090–AF97) received July 23, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4286. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Amendment of FIRMR Provisions Relating to GSA's Role In Screening Excess and Exchange/Sale Federal Information Processing (FIP) Equipment [FIRMR Amendment 8] (RIN: 3090–AF32) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4287. A letter from the Director, Executive Office for Immigration Review, Department of Justice, transmitting the Department's final rule—Motions and Appeals in Immigration Proceedings [EOIR No. 102F; AG Order No. 2020–96] (RIN: 1125–AA01) received July 23, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

4288. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Low-Income Housing Credit (Revenue Ruling RR–237026–95) received July 22, 1996, pursuant to 5 U.S.C.

801(a)(1)(A); to the Committee on Ways and Means.

4289. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Determination of Issue Price in the Case of Certain Debt Instruments Issued for Property (Revenue Ruling 96-37) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

4290. A letter from the Chief, Regulations Unit, Internal Revenue Service, transmitting the Service's final rule—Administrative, Procedural, and Miscellaneous—Closing Agreements (Revenue Procedure 96-41) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

4291. A letter from the National Director, Tax Forms and Publications Division, Internal Revenue Service, transmitting the Service's final rule—Tax Year 1996 Information Returns for Submission to the Internal Revenue Service (Revenue Procedure 96-36) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

4292. A letter from the Labor Member, Railroad Retirement Board, transmitting a letter in writing, dated June 6, 1996, stating: "On March 19, 1996, the Chairman and Management Member of the Railroad Retirement Board submitted for consideration by the Congress a draft bill restricting the statute of limitations that applies to the creditability of compensation under the Railroad Retirement Act, as Labor Member of the Railroad Retirement Board, on behalf of Rail Labor, I must oppose that draft bill" (written dissent enclosed, dated April 25, 1996); jointly, the Committees on Transportation and Infrastructure and Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SPENCE; Committee on National Security. H.R. 3237. A bill to provide for improved management and operation of intelligence activities of the Government by providing for a more corporate approach to intelligence, to reorganize the agencies of the Government engaged in intelligence activities so as to provide an improved Intelligence Community for the 21st century, and for other purposes; with an amendment (Rept. 104-620 Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. ARCHER: Committee on Ways and Means. H.R. 2823. A bill to amend the Marine Mammal Protection Act of 1972 to support the International Dolphin Conservation Program in the eastern tropical Pacific Ocean, and for other purposes (Rept. 104-665 Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. BLILEY: Committee on Commerce. H.R. 1627. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act and the Federal Food, Drug, and Cosmetic Act, and for other purposes; with an amendment (Rept. 104-669, Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. HYDE: Committee on the Judiciary. S. 531. An act to authorize a circuit judge who has taken part in an in banc hearing of a case to continue to particiate in that case after taking senior status, and for other purposes (Rept. 104-697). Referred to the Committee of the Whole House on the State of the Union.

DISCHARGE OF COMMITTEE

Pursuant to clause 5 of rule X the Committee on Government Reform and Oversight discharged from further consideration. H.R. 3237 referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HYDE: Committee on the Judiciary. H.R. 1886. A bill for the relief of John Wesley Davis; with an amendment (Rept. 104-696). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FRISA (for himself, Mr. BLILEY, Mr. DINGELL, Mr. BILIRAKIS, Mr. TOWNS, Mr. GREENWOOD, Mr. STUDDS, and Ms. ESHOO):

H.R. 3867. A bill to amend the Developmental Disabilities Assistance and Bill of Rights Act to extend the act, and for other purposes; to the Committee on Commerce.

By Mr. SCHAEFER:

H.R. 3868. A bill to extend certain programs under the Energy Policy and Conservation Act through September 30, 1996; to the Committee on Commerce.

By Mr. HORN (for himself, Mrs. MALONEY, Mr. BASS, Mr. CLINGER, Mr. EHLERS, Mr. FLANAGAN, Mr. FOX, Mr. SHAYS, Mr. STEARNS, and Mr. TATE):

H.R. 3869. A bill to amend the Federal Advisory Committee Act to direct the Director of the Office of Management and Budget to conduct a negotiated rulemaking for the purpose of establishing electronic data reporting standards for the electronic interchange of certain data that is required to be reported under existing Federal law; to the Committee on Government Reform and Oversight, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GILMAN:

H.R. 3870. A bill to authorize the Agency for International Development to offer voluntary separation incentive payments to employees of that agency; to the Committee on Government Reform and Oversight, and in addition to the Committee on International Relations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TOWNS (for himself, Mr. GREENWOOD, and Mr. FRANKS of Connecticut):

H.R. 3871. A bill to waive temporarily the Medicaid enrollment composition rule for certain health maintenance organizations; to the Committee on Commerce.

By Mr. BASS (for himself, Mr. CLINGER, and Mr. HORN):

H.R. 3872. A bill to amend the Inspector General Act of 1978 to establish an office of inspector general in the Executive Office of the President; to the Committee on Government Reform and Oversight.

By Mr. BROWN of California (for himself, Mr. YATES, Mr. DELLUMS, Mr. BEILENSON, Ms. ESHOO, Ms. ROYBAL-ALLARD, Mr. ZIMMER, Mr. WILSON, Mr. WAXMAN, Mr. BECERRA, Ms. WOOLSEY, Mr. BERMAN, Ms. LOFGREN, Mr. FILNER, Mr. CLAY, Mr. HINCHEY, Ms. NORTON, Mr. OLVER, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. FALEOMAVAEGA, and Ms. SLAUGHTER):

H.R. 3873. A bill to establish a National Forest Preserve consisting of certain Federal lands in the Sequoia National Forest in the State of California to protect and preserve remaining Giant Sequoia ecosystems and to provide increased recreational opportunities in connection with such ecosystems; to the Committee on Resources.

By Mr. CANADY:

H.R. 3874. A bill to reauthorize the U.S. Commission on Civil Rights, and for other purposes; to the Committee on the Judiciary.

By Mr. COOLEY:

H.R. 3875. A bill to redesignate the dam located at mile 153.6 on the Rogue River in Jackson County, OR, and commonly known as the Lost Creek Dam Lake Project, as the "William L. Jess Dam and Intake Structure"; to the Committee on Transportation and Infrastructure.

By Mr. CUNNINGHAM:

H.R. 3876. A bill to amend the Juvenile Justice and Delinquency Prevention Act of 1974 to authorize appropriations for fiscal years 1997, 1998, 1999, 2000; and for other purposes; to the Committee on Economic and Educational Opportunities.

By Mr. DICKEY (for himself, Mr. HUTCHINSON, Mrs. LINCOLN, and Mr. THORNTON):

H.R. 3877. A bill to designate the U.S. post office building in Camden, AR, as the "Honorable David H. Pryor Post Office Building"; to the Committee on Government Reform and Oversight.

By Mr. FRANKS of New Jersey (for himself, Mr. MEEHAN, Mr. ZIMMER, Mr. MARTINI, Mr. FRELINGHUYSEN, Mr. SAXTON, Mr. FOLEY, Mr. KLUG, Mr. KENNEDY of Massachusetts, and Mr. BARRETT of Wisconsin):

H.R. 3878. A bill to privatize the Federal Power Marketing Administrations and certain facilities of the Tennessee Valley Authority and, in the interim, to provide for a transition to market-based rates for such power, and for other purposes; to the Committee on Resources, and in addition to the Committees on Transportation and Infrastructure, and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. GALLEGLY (for himself, Mr. YOUNG of Alaska, Mr. UNDERWOOD, and Mr. FALEOMAVAEGA):

H.R. 3879. A bill to provide for representation of the Northern Mariana Islands by a nonvoting Delegate in the House of Representatives; to the Committee on Resources.

By Mr. OBERSTAR:

H.R. 3880. A bill to provide for the establishment of the Voyageurs National Park Intergovernmental Council, to provide for improved access to and use of the Boundary Waters Canoe Area Wilderness, and for other purposes; to the Committee on Resources.

By Mr. STEARNS (for himself, Mr. WOLF, Mr. MCHUGH, Mr. GIBBONS, Mr. MONTGOMERY, and Mr. ROHRABACHER):

H.R. 3881. A bill to establish the Bipartisan Commission on the Future of Medicare to make findings and issue recommendations on the future of the Medicare Program; to the Committee on Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. STEARNS:

H.R. 3882. A bill to require the Secretary of the Navy to transfer jurisdiction over a portion of Cecil Field Naval Air Station, FL, to the Secretary of Veterans Affairs for use as a national cemetery and for development of a long-term care or nursing home facility for veterans; to the Committee on National Security, and in addition to the Committee on Veterans' Affairs, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. TORRICELLI:

H.R. 3883. A bill to grant the United States a copyright to the flag of the United States and to impose criminal penalties for the destruction of a copyrighted flag; to the Committee on the Judiciary.

By Mr. HEFNER:

H.J. Res. 186. Joint resolution proposing an amendment to the Constitution of the United States restoring the right of Americans to pray in public institutions, including public school graduation ceremonies and athletic events; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 95: Mr. FOX.

H.R. 96: Mr. FOX.

H.R. 98: Ms. PRYCE.

H.R. 351: Mrs. CUBIN.

H.R. 491: Mr. FRANKS of New Jersey and Mr. YOUNG of Alaska.

H.R. 513: Mr. STEARNS.

H.R. 777: Mr. GREEN of Texas, Mr. CALVERT, Mr. DE LA GARZA, and Mr. MYERS of Indiana.

H.R. 778: Mr. GREEN of Texas, Mr. CALVERT, Mr. DE LA GARZA, and Mr. MYERS of Indiana.

H.R. 790: Mr. CRAMER.

H.R. 791: Mr. STEARNS.

H.R. 953: Mr. SPRATT and Mr. TORRICELLI.

H.R. 1000: Mr. MARTINEZ.

H.R. 1003: Mrs. SEASTRAND.

H.R. 1010: Mr. TORRES.

H.R. 1161: Mr. WICKER, Mr. STENHOLM, and Mr. WYNN.

H.R. 1222: Mr. STEARNS.

H.R. 1291: Mr. STEARNS.

H.R. 1627: Mr. DINGELL and Mr. WAXMAN.

H.R. 1749: Mr. STEARNS.

H.R. 1791: Mr. NETHERCUTT.

H.R. 2009: Mrs. MEEK of Florida, Mr. HINCHEY, Mr. ACKERMAN, Mr. YATES, Ms. LOFGREN, and Mr. FRAZER.

H.R. 2011: Mr. ORTON and Mr. GREEN of Texas.

H.R. 2270: Ms. GREENE of Utah.

H.R. 2489: Mrs. MEYERS of Kansas.

H.R. 2508: Mr. EDWARDS and Mr. NUSSLE.

H.R. 2578: Mr. YOUNG of Alaska.

H.R. 2579: Mr. BLUMENAUER.

H.R. 2789: Mr. HOUGHTON, Mr. BEREUTER, and Mr. ACKERMAN.

H.R. 2875: Mr. THOMPSON.

H.R. 3000: Mr. HASTERT.

H.R. 3077: Mr. DURBIN, Mr. LAZIO of New York, and Mrs. MORELLA.

H.R. 3111: Mr. JOHNSTON of Florida and Ms. FURSE.

H.R. 3182: Mr. OBEY.

H.R. 3199: Mrs. LINCOLN, Mr. ORTON, and Mr. BUNNING of Kentucky.

H.R. 3201: Mr. BONO, Mrs. ROUKEMA, Ms. GREENE of Utah, Mr. LAUGHLIN, Mr. NEAL of Massachusetts, Mr. EHRLICH, Mr. NEY, and Mr. ORTON.

H.R. 3211: Mr. MCKEON and Mr. MILLER of Florida.

H.R. 3252: Mr. TORRES and Mr. HINCHEY.

H.R. 3338: Mr. MYERS of Indiana, Mr. JACOBS, Mr. EHLERS, Ms. ROYBAL-ALLARD, Mr. ALLARD, Mr. INGLIS of South Carolina, Mrs. ROUKEMA, Mr. HOEKSTRA, Mr. CAMP, and Mr. BOEHNER.

H.R. 3357: Ms. MCKINNEY, Mr. LIPINSKI, Ms. WOOLSEY, and Mrs. MEEK of Florida.

H.R. 3358: Ms. MCKINNEY, Mr. LIPINSKI, Ms. WOOLSEY, and Mrs. MEEK of Florida.

H.R. 3359: Ms. MCKINNEY, Mr. LIPINSKI, Ms. WOOLSEY, and Mrs. MEEK of Florida.

H.R. 3360: Ms. MCKINNEY, Mr. LIPINSKI, Ms. WOOLSEY, and Mrs. MEEK of Florida.

H.R. 3361: Ms. MCKINNEY, Mr. LIPINSKI, Ms. WOOLSEY, and Mrs. MEEK of Florida.

H.R. 3391: Mr. TAYLOR of North Carolina, Mr. LIVINGSTON, Mr. LUCAS, and Mr. SPRATT.

H.R. 3398: Mr. DEFAZIO and Mr. CALVERT.

H.R. 3410: Mr. WATTS of Oklahoma.

H.R. 3427: Mr. GREEN of Texas and Mr. SMITH of New Jersey.

H.R. 3468: Mr. SENSENBRENNER.

H.R. 3480: Mr. HOSTETTLER and Mr. BURTON of Indiana.

H.R. 3504: Mr. CALVERT, Mr. DE LA GARZA, Mr. GREEN of Texas, and Mr. THORNBERRY.

H.R. 3508: Mr. DEAL of Georgia, Mr. STOCKMAN, and Mrs. MEYERS of Kansas.

H.R. 3511: Mr. RANGEL, Mr. BERMAN, Mr. WYNN, Mr. TORRICELLI, Mr. EVANS, Mr. FOX, Mr. ANDREWS, Mr. FAZIO of California, and Ms. MILLENDER-MCDONALD.

H.R. 3521: Mr. DELLUMS and Mr. JEFFERSON.

H.R. 3551: Mr. FRELINGHUYSEN.

H.R. 3571: Mrs. LOWEY.

H.R. 3590: Mr. FAZIO of California, Mr. WYNN, and Mr. FRANK of Massachusetts.

H.R. 3601: Mr. MONTGOMERY and Mr. DOOLITTLE.

H.R. 3606: Mr. FROST.

H.R. 3646: Ms. ROYBAL-ALLARD, Mr. STUPAK, Mr. FOX, and Miss COLLINS of Michigan.

H.R. 3647: Mr. CALVERT and Ms. LOFGREN.

H.R. 3648: Mr. OWENS.

H.R. 3700: Mrs. MEYERS of Kansas, Mr. CAMPBELL, and Mr. FIELDS of Texas.

H.R. 3710: Miss. COLLINS of Michigan, Mr. WOLF, Mr. SKELTON, Mr. BARRETT of Wisconsin, Mr. KLECZKA, Mr. FILNER, and Mr. SABO.

H.R. 3714: Mr. WYNN, Mr. FORD, Mr. ORTON, and Mr. CAMP.

H.R. 3715: Mr. LIPINSKI and Mr. CUNNINGHAM.

H.R. 3724: Mr. PACKARD.

H.R. 3733: Mr. DEFAZIO, Mr. STUPAK, Mr. JEFFERSON, Mr. PASTOR, Mr. FOX, and Mr. SPRATT.

H.R. 3744: Mr. STARK, Mr. HILLIARD, Ms. SLAUGHTER, Mr. MCNULTY, Mrs. MORELLA, Mr. NETHERCUTT, and Ms. ROYBAL-ALLARD.

H.R. 3748: Mr. LEWIS of Georgia.

H.R. 3750: Mr. LAHOOD and Mr. JOHNSON of South Dakota.

H.R. 3752: Mr. STUMP, Mr. SOLOMON, Mr. TAYLOR of North Carolina, Ms. DUNN of Washington, and Mr. HUTCHINSON.

H.R. 3783: Mr. HOSTETTLER, Mr. ALLARD, Mr. CALVERT, Mrs. CHENOWETH, Mr. GILCHREST, Mr. ROSE, Mr. BARTLETT of Maryland, Mr. HEINEMAN, Mr. GUTKNECHT, Mr. MCHUGH, Mr. LUCAS, Mr. BREWSTER, Mr. BAKER of California, Mr. LATHAM, Mr. JONES, Mrs. CUBIN, Mr. WATTS of Oklahoma, Mr. RIGGS, Mr. MICA, Mr. SAXTON, Mr. LEWIS of Kentucky, Mr. LEWIS of California, Mr. LEACH, Mr. KINGSTON, Mr. DURBIN, Mr. COMBEST, Mr. COLLINS of Georgia, Mr. CHRYSLER, Mr. BARCIA of Michigan, Mr. PETERSON of Minnesota, and Mr. FUNDERBURK.

H.R. 3796: Mr. OWENS, Mr. LIPINSKI, Mr. CLYBURN, Mr. WYNN, and Miss COLLINS of Michigan.

H.R. 3798: Mr. ENSIGN and Mr. PARKER.

H.R. 3807: Mr. ACKERMAN, Ms. MCKINNEY, Mr. FORD, and Mr. FROST.

H.R. 3843: Mr. SERRANO, Mr. OWENS, Ms. MCKINNEY, Ms. DELAURO, and Ms. NORTON.

H.R. 3846: Mr. HAMILTON, Mr. GEJDENSON, Mr. HOUGHTON, Mrs. MEEK of Florida, Mr. ORTON, Mr. MCDERMOTT, Mr. COYNE, Mr. ACKERMAN, Mr. SPENCE, Mr. FRAZER, Mrs. SCHROEDER, Mr. HASTINGS of Florida, Mr. CALVERT, and Mr. CHABOT.

H.R. 3849: Mr. GUNDERSON, Mr. HUTCHINSON, Mr. SPRATT, and Mr. BARTON of Texas.

H.R. 3857: Ms. NORTON, Ms. KAPTUR, Mr. FOX, and Mr. FAZIO of California.

H.J. Res. 70: Mr. BROWN of California and Mr. ACKERMAN.

H. Con. Res. 51: Mr. CALVERT, Mr. CHRYSLER, and Mr. BOEHNER.

H. Con. Res. 83: Mr. MARTINEZ, Mr. PAYNE of New Jersey, and Mr. SAWYER.

H. Con. Res. 185: Mr. COX, Mr. HORN, and Mr. CAMPBELL.

H. Res. 359: Ms. FURSE.

H. Res. 441: Mr. VISCLOSKY and Mr. REED.

H. Res. 449: Mr. GORDON, Mr. JACOBS, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. MOLINARI, Mr. MONTGOMERY, Mrs. SEASTRAND, and Mr. SKELTON.

H. Res. 470: Mr. DUNCAN, Mrs. ROUKEMA, Mr. ENGLISH of Pennsylvania, Mr. MEEHAN, Mr. WELDON of Pennsylvania, Mrs. LOWEY, Mr. KENNEDY of Massachusetts, and Mr. BALDACCI.

H. Res. 478: Mrs. MYRICK and Ms. DUNN of Washington.

H. Res. 480: Ms. DUNN of Washington.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

[Omitted from the Record of July 22, 1996]

H.R. 3816

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 11: Page 34, after line 24, insert the following:

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If it has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

[Submitted July 23, 1996]

H.R. 2391

OFFERED BY: MR. GRAHAM

AMENDMENT NO. 1: Page 8, insert after line 15 the following:

SEC. 4. OVERTIME EXEMPTION FOR FEDERAL GOVERNMENT CONTRACTOR AND SUBCONTRACTOR EMPLOYEES.

(a) AMENDMENT.—Section 13(b) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(b)) is amended by striking the period at the end of paragraph (30) and inserting "; or" and by adding after paragraph (30) the following:

"(31) any employee of a contractor or subcontractor of a department, agency, instrumentality, or establishment of the Federal Government while the employee is employed on a contract with the Federal Government and is employed in a professional capacity under regulations of the Secretary.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act and shall apply to any cause of action relating to overtime compensation for the employees referred to in section 13(b)(31) of the Fair Labor Standards Act of 1938 which arose before, on, or after the date of the enactment of this Act.

H.R. 3814

OFFERED BY: MR. COLLINS OF GEORGIA

AMENDMENT NO. 42: Page 116, after line 2, insert the following:

SEC. 615. None of the funds made available by this Act may be obligated or expended to administer Federal Prison Industries except when it is made known to the Federal official having authority to obligate or expend such funds that Federal Prison Industries—

(1) considers 20 percent of the Federal market for a new product produced by Federal Prison Industries after the date of the enactment of this Act as being a reasonable share of total purchases of such product by Federal departments and agencies; and

(2) uses, when describing in any report or study a specific product produced by Federal Prison Industries—

(A) the 7-digit classification for the product in the Standard Industrial Classification (SIC) Code published by the Office of Management and Budget (or if there is no 7-digit code classification for a product, the 5-digit code classification); and

(B) the 13-digit National Stock Number assigned to such product under the Federal Stock Classification System (including group, part number, and section), as determined by the General Services Administration.

H.R. 3814

OFFERED BY: MR. DEUTSCH

AMENDMENT NO. 43: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . Of the funds appropriated in this Act under the heading "OFFICE OF JUSTICE PROGRAMS—state and local law enforcement assistance", not more than ninety percent of the amount to be awarded to an entity under part Q of title I of the Omnibus Crime Control and Safe Streets Act of 1968 shall be made available to such an entity when it is made known to the Federal official having authority to obligate or expend such funds that the entity that employs a public safety officer (as such term is defined in section 1204 of title I of the Omnibus Crime Control and Safe Streets Act of 1968) does not provide such a public safety officer who retires or is separated from service due to injury suffered as the direct and proximate result of a personal injury sustained in the line of duty while responding to an emergency situation or a hot pursuit (as such terms are defined by State law) with the same or better level of health insurance benefits that are paid by the entity at the time of retirement or separation.

H.R. 3814

OFFERED BY: MR. HUTCHINSON

AMENDMENT NO. 44: Page 116, after line 2, insert the following:

SEC. . None of the funds appropriated in this Act may be used in any way for a municipal or county jail, State or Federal prison, or other similar facility for the confinement of individuals in connection with crime or criminal proceedings, when it is made known to the Federal official having authority to obligate or expend such funds that the authorities of such jail, prison, or other facility have not reported to the Attorney General each death of any individual who dies in custody in that jail, prison, or facility.

H.R. 3814

OFFERED BY: MR. SCOTT

AMENDMENT NO. 45: Page 26, line 20, after the dollar amount, insert "(reduced by $497,500,000)".

Page 28, line 6, after the dollar amount, insert the following: "(reduced by $497,500,000)".

Page 31, line 25, after the dollar amount, insert the following: "(increased by $497,500,000)".

Page 32, line 13, after the dollar amount, insert the following: "(increased by $497,500,000)".

H.R. 3816

OFFERED BY: MR. BARTON OF TEXAS

AMENDMENT NO. 12: Page 20, line 18, insert "(reduced by $1,000,000)" after "$195,000,000".

Page 21, line 21, insert "(increased by $1,000,000)" after "$24,000,000".

H.R. 3816

OFFERED BY: MR. BEREUTER

AMENDMENT NO. 13: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. 506. None of the funds made available in this Act may be used to revise the Missouri River Master Water Control Manual when it is made known to the Federal entity or official to which the funds are made available that such revision provides for an increase in the springtime water release program during the spring heavy rainfall and snow melt period in States that have rivers draining into the Missouri River below the Gavins Point Dam.

H.R. 3816

OFFERED BY: MR. HILLEARY

AMENDMENT NO. 94: At the appropriate place in the bill, insert the following:

SEC. . None of the funds made available to the Tennessee Valley Authority by this Act may be appropriated when it is made known to the Federal official having authority to obligate or expend such funds that the Tennessee Valley Authority is imposing a performance deposit on persons constructing docks or making other residential shoreline alterations.

H.R. 3816

OFFERED BY: MR. MARKEY

AMENDMENT NO. 15: Page 17, line 21, insert "(reduced by $5,000,000)" after "$2,648,000,000".

H.R. 3816

OFFERED BY: MR. MARKEY

AMENDMENT NO. 16: Page 22, line 22, insert "(reduced by $15,000,000)" after "$5,409,310,000".

H.R. 3816

OFFERED BY: MR. PETRI

AMENDMENT NO. 17: Page 12, line 23, after the dollar amount, insert "(reduced by $10,000,000)".

Page 12, line 24, after the dollar amount, insert "(reduced by $9,500,000)".

H.R. 3816

OFFERED BY: MR. ROEMER

AMENDMENT NO. 18: Page 17, line 21, insert "(reduced by $10,000,000)" after "$2,648,000,000".

H.R. 3816

OFFERED BY: MR. ROEMER

AMENDMENT NO. 19: Page 17, line 21, insert "(reduced by $9,600,000)" after "$2,648,000,000".

H.R. 3816

OFFERED BY: MR. ZIMMER

AMENDMENT NO. 20: Page 17, line 21, after the dollar amount, insert the following: "(increased by $3,420,000)".

Page 20, line 18, after the dollar amount, insert the following: "(reduced by $3,420,000)".

EXTENSIONS OF REMARKS

THE 401(k) PENSION PROTECTION ACT OF 1996

HON. GARY A. CONDIT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. CONDIT. Mr. Speaker, recently I introduced H.R. 3688, the 401(k) Pension Protection Act of 1996. This legislation will protect the retirement savings of approximately 30 million Americans in 20 to 30 million households. Senator BARBARA BOXER previously introduced this bill in the U.S. Senate.

Under current law, traditional, defined benefit, pension plans are prohibited by the Employee Retirement Income Security Act [ERISA] from investing more than 10 percent of their assets in securities and real estate of the company sponsoring the pension plan. ERISA also requires diversification of employer investments made by traditional pension plans. Such plans are protected by Federal Pension Benefit Guaranty Corporation [PBGC] insurance in the event of the bankruptcy of the sponsoring company.

These rules and protections do not apply to 401(k)-type plans, exposing their participants to greater investment risk; 401(k)'s are not insured by the PBGC. Market risk is completely borne by participants.

In early June, a Wall Street Journal lead story illustrated the dangers that uneven application of conflict-of-interest rules presents to 401(k)'s. Color Tile, Inc., a nationwide retailer, sought bankruptcy protection in January. Color Tile closed 234 of 723 stores and fired hundred of employees.

The employees were shocked to learn that 83 percent of their 401(k) assets were invested in 44 Color Tile stores, some of which were closed. Color Tile's only retirement plan is the 401(k). The bankruptcy put not only the employees's jobs, but their pension savings, in jeopardy.

The danger to 401(k)'s permitted by the lack of a 10-percent limitation is also illustrated by the 1992 failure of Carter Hawley Hale stores, a major California department store chain. Carter Hawley's 401(k) was invested in Carter stock. The bankruptcy wiped out 92 percent of 14,000 employees' 401(k) plan assets.

This was unintended and unforeseen. ERISA originally contained no 401(k); 401(k) was added in 1978 to the section covering profit sharing plans, which are exempt from the 10-percent limitations on employer investment. At the time, the limitations were not seen as relevant. Experts predicted that the 401(k)'s would be small, profit-sharing plans. The defined benefit pension plan already protected by the conflict rules, was considered the vehicle for delivery of retirement security.

These expectations proved wide of the mark; 401(k) plans have become in many cases the predominant pension plan for Americans, not supplemental, profit-sharing plans. They enroll approximately 30 to 35 million Americans, hold $675 billion in assets, and are growing dramatically. It is time to protect 401(k) plans as ERISA intended retirement security vehicles to be protected.

H.R. 3688 applies the same employer conflict-of-interest and diversification rules to both 401(k) and traditional pension plans. Both would be prohibited from investing more than 10 percent of their assets in employer securities and real estate. Plans which hold no more than 10 percent of the retirement assets for all qualified pension plans of an employer would continue to be exempt. This permits smaller, supplementary, profit-sharing plans to be 100 percent invested in employer securities and property.

Investments in excess of the 10-percent limitation on the date of enactment would be grandfathered, allowing those plans to gradually reduce the amount in excess as they make new investments and receive new contributions. Current law allowing the Secretary of Labor to grant exemptions from conflict rules would continue.

Participant-directed 401(k) plans would be exempt, allowing employees to assume the risk of investing more than 10 percent of their assets in their employer. Employers could contribute stock in excess of the limit but only to employee directed accounts, requiring employers to compete in the financial marketplace with other investments, e.g., mutual funds, to retain the employee's investment.

Mr. Speaker, this legislation is needed to protect the retirement savings of Americans and I urge our colleagues to cosponsor this legislation.

H.R. 3688

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "401(k) Pension Protection Act of 1996".

SEC. 2. CERTAIN PROHIBITED TRANSACTIONS APPLIED TO 401(k) PLANS.

(a) IN GENERAL.—Paragraph (3) of section 407(d) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1107(d)) is amended by adding at the end the following new sentence: "Such term also excludes an individual account plan that includes a qualified cash or deferred arrangement described in section 401(k) of the Internal Revenue Code of 1986, if such plan, together with all other individual account plans maintained by the employer, owns more than 10 percent of the assets owned by all pension plans maintained by the employer. For purposes of the preceding sentence, the assets of such plan subject to participant control (within the meaning of section 404(c)) shall not be taken into account.".

(b) EFFECTIVE DATE; TRANSITION RULE.—

(1) EFFECTIVE DATE.—Except as provided in paragraph (2), the amendment made by this section shall apply to plans on and after the date of the enactment of this Act.

(2) TRANSITION RULE FOR PLANS HOLDING EXCESS SECURITIES OR PROPERTY.—In the case of a plan which on the date of the enactment of this Act has holdings of employer securities and employer real property (as defined in section 407(d) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1107(d)) in excess of the amount specified in such section 407, the amendment made by this section shall apply to any acquisition of such securities and property on or after such date of enactment, but shall not apply to the specific holdings which constitute such excess during the period of such excess.

[From Newsweek, July 8, 1996]

WHEN A 401(K) IS NOT OK

(By Jane Bryant Quinn)

Everyone loves the 401(K)—including me, most of the time. Unseen hands pluck money out of your paycheck and invest it for your future, tax-deferred. If you leave the job early, you carry this portable pension with you. More than 22 million workers were covered by 228,000 plans in 1995, according to Access Research in Windsor, Conn. That's the only private retirement plan that a large percentage of them have.

But something is rotten in 401(k)-land, and it's going to cost some trusting employees much of the money they've put aside. These otherwise excellent plans have leaks. Unscrupulous, careless or foolish employers are despoiling some accounts.

Let me hasten to say that most of the 401(k)s today seem safe from harm. Those are the plans where workers can choose their own investments and follows their progress. But for about 20 percent of the plans (some small, some large), the boss or his minions handle part or all of the money. That's where the temptations lie. If the company gets into trouble, the boss might borrow recklessly from the 401(k). If he thinks he can outinvest anybody in the house, he might plunge into risky new issues that don't belong in the average worker's plan. He can even toy with showoff "investments" like Persian carpets or Kewpie dolls.

For a good example of what can go wrong, consider the luckless workers at Carter Hawley Hale, which filed for bankruptcy in 1991. They had no investment choice. Their entire 401(k) was invested in nearly worthless Carter stock. And then there's Color Tile, a $700 million floor-covering firm in Ft. Worth, Texas, that entered bankruptcy this year. A committee run by Color Tile's former chairman invested more than 90 percent of the 401(k) in Color Tile stores, according to a lawsuit filed on behalf of the plan. Color Tile didn't return calls. No one knows what the plan is currently worth. The employees can't get their money out.

Déjà vu: A generation ago, the same kinds of abuses poisoned traditional pension plans (the kind that pay retirees a monthly income for life). Employers could promise pensions but not provide all the money needed to pay. They could make workers wait for 15 or 20 years to receive any benefits, then fire them just before they qualified. For a while, most lawmakers shrugged off these tragedies as "small stuff." It took a mount of injury to win ERISA, today's pension-protection law.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

How big does the next Color Tile have to be, for holders of 401(k)s to win protection, too? Here's an agenda, for any legislator of conscience:

Ban collectibles as 401(k) investments (art, antiques, stamps, gems, memorabilia). They're not permitted for Individual Retirement Accounts, Keogh plans or the 403(b) plans used by schools, hospitals and other nonprofits. So why should 401(k) savers be exposed to so nutty a risk? If the boss wants to cuddle up to a carpet, let him buy it on his own dime, not with money from the plan. I don't care if the plan gets lucky and the carpet's value flies. It's an unconscionable "investment" to force on workers of modest means.

Ban employers from putting more than 10 percent of plan money into the company's own securities or real estate. That's already the rule for traditional pension plans. A bill just proposed by Sen. Barbara Boxer, a California Democrat, would give the same protection to a 401(k) if the plan lets the boss make all the investment decisions.

Boxer's opponents are quick to say that the pension law shouldn't be rewritten just because of a smelly plan like Color Tile's. But there's a lot more rot in this barrel than anyone knows. Doctors and dentists, for example, may use a 401(k) to buy the building they practice in. That's fine for a well-to-do doc who also has other investments. But it's contemptuous of the nurse whose small savings are now tied up in one piece of real estate. Rick Shoff, president of NRP Financial Group in Jamison, Pa., and a recordkeeper for 401(k)s, advises employer-directed plans to put one or two employees on the investment committee. They deserve a say in where their money goes.

If I were czar, I'd stop plans from investing more than 10 percent of their assets in any real-estate or nonpublic business venture. These deals are illiquid and their value uncertain, says Normal Stein, professor of law at the University of Alabama. When you get a payout from such a plan, you may or may not receive a fair share, depending on how accurate the appraisal was. On rare occasions, you can't even get your share in cash. The plan might hand you a piece of paper attesting that part of the property is yours—and a fat lot of good that will do you if you want to sell.

Require a warning label on plans that let workers invest in company shares. The shares themselves may be low-risk, but it's high-risk to overinvest in them. In general, you should put no more than 10 percent of your money there, even when business is good. If employers use stock to match employee contributions, the employees should be free to swap into something else.

Offer an investment alternative to employees who hate their 401(k)s. You'd lose your company match, but who cares, if it's buying the equivalent of Carter Hawley shares? At present, you can switch to a tax-deferred Individual Retirement Account, but only if (1) no funds went toward 401(k)s this year, for you or your spouse, and (2) neither has a traditional pension plan. Employees with modest incomes can take an IRA write-off even if they're in a plan. But that's worth only $2,000 a year. Why not pressure plans to improve by creating real competition? Let unhappy workers put the same dollars into some sort of independent 401(k).

Under current law, those responsible for a 401(k) are supposed to act prudently and invest for the good solely of the participants. "But noncompliance is an option for small employers," says attorney Michael Gordon of Washington, D.C. "Nobody thinks the government's going to knock on their door and enforce the law."

Skunks like that might not pay attention to reform (complain to the Labor Department at 202-219-8776). But new laws could save the many plans whose sponsors aren't devious, just dumb.

THE DEFENSE OF MARRIAGE ACT

HON. JAMES M. TALENT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. TALENT. Mr. Speaker, marriage is older than the Government, older than the Constitution and the Union, older than the political traditions from which our Republic springs. It originated with human civilization; it is rooted in and sanctioned by the precepts of all the great monotheistic religions and in particular the Judeo-Christian religion. It strikes me as an enormous act of presumption to treat the institution of marriage as if it were infinitely malleable, like silly putty that can be turned and twisted into any shape without destroying it. If marriage means anything, it means nothing, and if it means nothing then our society fades away like a flower with no roots. I support this bill because it does what it says it will do; it defends marriage insofar as it is appropriate in our Federal system for the Congress to do so.

I want primarily today to concentrate on the arguments offered against the bill.

First, it is said that the bill discriminates against loving homosexual partners. Well, Mr. Chairman, this bill maintains the standards of our society; and whenever you maintain a standard, you necessarily place a burden on those who don't meet the standard. Our society has a standard against polygamy; that means that loving polygamous couples cannot all marry each other. We have a rule against incest. That discriminates against adult incestuous couples who wish to marry. Mr. Chairman, our society is hurting so badly that I'm for almost any kind of real love or commitment. But there is a limit to how much we can change the organic institutions of our society in response to the alienation some people feel. We live in a free country, where people can live pretty much as they want. It is free precisely because we have standards, because our society has successfully socialized most Americans in the values of love, charity, and tolerance; and the institution on which we depend to socialize these values is the institution of marriage. Those who oppose this bill are either seeking no standards or a standard vastly different from that sanctioned by millennia of tradition, the teachings of all the monotheistic religions, and in particular the teachings of Judeo-Christian religion on which our culture is based.

It is also argued that supporting this bill and defending traditional marriage is equivalent to racial bigotry. Here I have to offer the House a personal complaint. I don't speak very often on the House floor, and it seems like every time I do somebody is calling me a racial bigot. I was for a balanced budget and that made me the same as a racist. I'm for welfare reform and in the eyes of some that was the equivalent of racism. Now I'm for the traditional standards of marriage and once again the other side is calling me a bigot. Well, if supporting heterosexual marriage is the equivalent of racism, then Pope John Paul is the equivalent of a racist and so are a lot of black pastors around the country because they all support traditional marriage, too. Mr. Chairman, it is precisely this kind of incoherence, this substitute of moral posturing for moral reasoning, that is at the heart of the cultural decline in America today.

Finally, we are told that this bill is divisive. Mr. Chairman, there is a division in our society over whether homosexuality should be treated in all respects as equivalent to heterosexuality. Those who support this agenda are attacking the marriage institution in support of their cultural goals. We do not call you divisive because you are attacking the institution of marriage. Why do you call us divisive for defending it? The question isn't whether any of us are being divisive; it is what side of the division you are on, and whether you want this dispute to be resolved for every State by the Supreme Court of one State. If you respect marriage, if you cherish the traditions of our society, if you want to nurture the most basic institutions of our culture, then vote against these amendments and for the Defense of Marriage Act.

INTRODUCTION OF THE NORTHERN MARIANA ISLANDS DELEGATE ACT

HON. ELTON GALLEGLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. GALLEGLY. Mr. Speaker, I am introducing today a bill to provide for a nonvoting Delegate to the House of Representatives to represent the Commonwealth of the Northern Mariana Islands.

I do so with the original cosponsorship of Chairman DON YOUNG. Both of us have set the goal of clearing away the old, traditional ways of dealing with the territories of our Nation. The Northern Mariana Islands Delegate bill serves that goal. This measure enjoys broad bipartisan support and I want to acknowledge members of the minority who are also original cosponsors.

I believe in fairness and political justice. Every U.S. citizen living within the borders of this Nation should have a voice in Congress. Only the people of the Northern Marianas do not. My bill corrects that. It provides for a Delegate to represent the Northern Marianas here in the House of Representatives.

Historically, Congress has provided for representation by Delegate for over 30 U.S. territories. Today, four of five territories and the District of Columbia, or the six areas of our Nation which have permanent populations but are not States, are so represented. My bill provides representation for the sixth, the Northern Mariana Islands.

I also believe in reducing the influence of Washington in local affairs and in increasing local responsibility for local actions. During the last two Congresses, I urged the closing of the Interior Department office that has for years been a kind of territorial overseer. With the bipartisan support of my colleagues, the 104th Congress has terminated the Office of Territorial and International Affairs, eliminated the Assistant Secretary political position for that office, and reduced the bureaucracy in half. That office was no longer required since the territories have their own elected officials at home and their own elected official in Congress. However, only the Northern Marianas lacks an elected representative in Congress and the legislation I have introduced corrects that. With passage of the Northern Mariana Islands Delegate Act, all these territories will be able to speak for themselves and will be responsible for their own actions.

Many of us in this Congress have concerns about local law enforcement and protection of fundamental human rights in the Northern Marianas and there is no intention to lessen the commitment in these areas. At the same time, we can also see that the society and economy of the islands have flourished as part of the United States. We should have a Delegate, elected by the people of the Northern Marianas, here in Congress, to whom other Members can go to answer our concerns. We should have a Delegate here who can legitimately advise Congress of what Federal actions are appropriate and necessary in the Northern Marianas.

In introducing this bill today, I want to remind Members of the special circumstances under which the Northern Marianas became a part of the United States after World War II. The Marianas were one of four Micronesian archipelagoes in the United Nations Trust Territory of the Pacific Islands administered by the United States. The other three areas voted in self-determination referenda to become separate sovereigns in free association, with separate nationality and citizenship. However, unlike the other areas, the people of the Northern Marianas chose to be part of the American political family. In 1975, they did so by an overwhelming vote of 79 percent approving a Covenant of political union negotiated by their representatives and representatives of Presidents Nixon and Ford. In 1976, Congress approved that Covenant with Public Law 94–241.

Despite this birth by democratic self-determination and having gained U.S. citizenship on November 3, 1986, the people of the Northern Marianas have never had representation here in the House of Representatives. In 1985, a Commission appointed by President Reagan and including Congressman Robert J. Lagomarsino, long an expert on insular affairs in this House, recommended a Northern Marianas Delegate. His predecessor on the Commission, former Congressman Phillip Burton, was another advocate of the U.S.-Marianas relationship, and supported eventual representation for the islands.

The Northern Marianas Legislature has three times in the last 6 years petitioned Congress for a Delegate. The speaker of the NMI Legislature, Diego T. Benavente, recently appeared before a congressional hearing I conducted which addressed this issue, and affirmed that the NMI is prepared to enact the necessary implementing legislation for the election of a Delegate. The elected official who represents the islands here, Resident Representative Juan N. Babauta, has untiringly sought the voice in Congress his people want.

Today, I am responding to the Commission's recommendation, the clear desire of the people of the Northern Marianas, and to my own sense of what is right. I hope that the House of Representatives and the Senate will act on this legislation in this session, so that the new Americans of the Northern Mariana Islands can cast their votes for the election of a Delegate to Congress on their 10th anniversary of U.S. citizenship. I urge my colleagues to cosponsor the Northern Mariana Islands Delegate Act. Following is the text of the legislation.

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Northern Mariana Islands Delegate Act".

SEC. 2. DELEGATE TO HOUSE OF REPRESENTATIVES FROM THE NORTHERN MARIANA ISLANDS.

The Joint Resolution entitled "Joint Resolution to approve the 'Covenant To Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America', and for other purposes" approved March 24, 1976 (48 U.S.C. 1801 et seq.), is amended by adding at the end the following new section:

"SEC. 6. DELEGATE TO THE HOUSE OF REPRESENTATIVES.

"(a) IN GENERAL.—The Northern Mariana Islands shall be represented in the United States Congress by a nonvoting Delegate to the House of Representatives. The Resident Representative of the Northern Mariana Islands, as authorized by section 901 of the foregoing Covenant and upon election pursuant to subsection (c) of this section, after the date of the enactment of this section, shall be the Delegate.

"(b) COMPENSATION, PRIVILEGES, AND IMMUNITIES.—Until the Rules of the House of Representatives are amended to provide otherwise, the Delegate from the Northern Mariana Islands shall receive the same compensation, allowances, and benefits as a Member of the House of Representatives and shall be entitled to whatever privileges and immunities are, or hereafter may be, granted to the Delegate from Guam to the House of Representatives.

"(c) ELECTION OF DELEGATE.—The Delegate from the Northern Mariana Islands shall be elected, but not appointed, as authorized by section 901 of the foregoing Covenant and the Constitution and laws of the Northern Mariana Islands so long as such authorization complies with the Federal election criteria for, and provides for elections in sequence with, the election of other Delegates to the House of Representatives.

"(d) VACANCY.—In case of a permanent vacancy in the office of Delegate, by reason of death, resignation, or permanent disability, the office of Delegate shall remain vacant until a successor is elected and qualified.

"(e) LACK OF EFFECT ON COVENANT.—This section shall not be construed to alter, amend, or abrogate any provision, other than section 901, of the foregoing Covenant.".

RECOGNIZING MEMBERS OF THE NEWS MEDIA

HON. JAY KIM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. KIM. Mr. Speaker, I rise today to recognize the accomplishments and achievements of several members of the news media in my district. I have the distinct advantage of representing a district of California that is served by reporters who not only respect a difference of opinion, but who feel an obligation to make their readers aware of both sides of an issue.

Recently, several of these journalists, and the newspaper for which they write, were recognized for their uncompromised integrity and journalistic ability, something that far too frequently goes unrecognized in today's tabloid, sensational news environment. Gannett newspapers has chosen to recognize the best of its organization and I would like to second their selection of Mr. Arnold Garson and the San Bernardino County Sun as being the Best of Gannett in 1995.

The Sun took a gold medal for outstanding achievement and news performance, while Mr. Garson was honored as one of the Editors of the Year. In addition, reporters Michael Diamond, M.S. Enkoji, Cassie MacDuff, Mark Muckenfuss, John Whitehair, and Mark Zaleski were all recognized for excellence in news reporting. As a public figure, and I'm sure many of my colleagues in Congress would agree, I do not readily give praise to members of the press, but having read the Sun for these many years, I can say that the Sun has maintained the type of professionalism and commitment to accurate news reporting that make it deserving of these awards.

DEPARTURE OF LINCOLN UNIVERSITY PRESIDENT WENDELL RAYBURN

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. SKELTON. Mr. Speaker, today I pay tribute Wendell Rayburn, president of Lincoln University, who will be leaving after 8½ years of service. A leader in education in our State, President Rayburn has also been active in the community of Jefferson City. His most important achievement has been his commitment to greater stress on scholarship and academics. President Rayburn successfully led Lincoln University from its budget deficit and put it on a solid fiscal basis.

Further, his leadership led to new construction and higher level of maintenance. Dormitories were renovated and a new library was completed. Also he introduced new technology into the classroom. Wendell Rayburn's leadership and commitment to excellence will be missed.

WASHINGTON WONDERLAND

HON. ANDREW JACOBS, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. JACOBS. Mr. Speaker, the eloquence and penetrating logic of the Taxpayers Unions' Sid Taylor graces the CONGRESSIONAL RECORD once again.

MONEY, SYSTEMS AND YOUR HEALTH

(By Sid Taylor)

About 2,000 years ago, Jesus Christ chased the money changers out of the Temple. Today, they're back.

This time, and in our Space Age temple of finance and fiscal systems, the money changers have computers, satellite communications networks and instant money transfer. With a national debt now around $5.5 trillion—I have the feeling that our American temple of democracy is about to experience Fiscal Shock.

Our American capitalistic system is now running on "funny money". A government can do this for so long and then the law of "supply and demand" begins to move in. When you print about 5 trillion paper dollars, the excess supply of these bills begins to degrade the value of this kind of unfunded currency.

The future problem of American citizens today is not that the stock market might collapse. It probably won't. There's too much "funny money" now in circulation that's holding it up. The real problem is not an unexpected decline in the value of American stocks, but rather a decline in the value of the American "dollar" itself. The dollar is the Common Stock in USA Incorporated a national business that now has about 255 million citizen/taxpayer shareholders. I'm one of them.

As a student of history, I feel that the shekel of ancient days and our Space Age American dollar may have much in common. With federal budget deficits in the $164 billion a year range, and interest alone on the national debt now heading for around $344 billion a year, this is what I mean by Fiscal Shock. We're being strangled by red tape and drowning in red ink.

Shakespeare wrote "All the world's a stage, and all the men and women are merely players." Right? No, wrong. He lived in the Elizabethan era, not today's high-tech Space Age. All the world's a system, and all the men and women are merely subsystems, activators, linkages or controls.

The current battle in Congress over reform of our $1 trillion dollar national health care "system" illustrates the point.

This system is so big and complicated I feel that if we taxpayers, the White House and Congress aren't careful we may unwittingly legislate ourselves a medical "Tower of Babel". The keyword is complexity. In computer software, for example, W. Wayt Gibbs, staff writer for the Scientific American has pointed out: "When a system becomes so complex that no one manager can comprehend the entirety, traditional development processes break down." He also adds "The challenge of complexity is not only large but also growing."

Can you imagine the complexity problem that we American taxpayers are about to face in reforming our trillion dollar national health care system? We're going to need wits and wisdom. This is why I keep preaching that what this country needs is not a good 5-cent cigar, but rather a large dose of System Simplification (SYSIM) in the planning, design and operation of many of our billion (or trillion) dollar federal programs or networks.

Your life, liberty and the pursuit of happiness will be affected by the final design of the national health care SYSTEM. At the least, it's going to affect your health and your taxes. And on the subject of abortion, it's even going to involve a religious issue. This is what I mean by complexity. The Devil hides in red tape, red lights and red ink. Or to put it another way, delays, defects and deficits can create "hell" in any big system or network.

The message? Simplify, simp, sim, s.

P.S. COLA-Indexation of federal pay scales, pension rates, Social Security and other government entitlements is, in my opinion, a form of fiscal cancer that eventually consumes the entire economic body. It started around 1972. It's now time to UN-COLA our federal fiscal system.

NO TO BILINGUAL BALLOTS

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. ROTH. Mr. Speaker, today this body scored an important victory in the battle to keep America one Nation, one people. This afternoon, the House Judiciary Committee passed legislation that repeals the Federal mandate for bilingual voting ballots.

In the spirit of so-called "multiculturalism", the Federal Government has mandated since 1965 that voting ballots and materials be printed in dozens of languages other than English.

Today, some 375 voting districts across the country are required to print ballots in foreign languages. In a classic example of an unfunded Federal mandate, politicians in Washington force States and localities to provide multilingual ballots without providing any money to pay for them.

The legislation that created this mandate is the Voting Rights Act of 1965. Under this law, counties must provide multilingual voting information and ballots in the language of any minority group with more than 10,000 eligible voters in the county.

In theory, these services should not be needed at all. Voting rights are extended to citizens of this country, and one needs to demonstrate some fluency in English to become a U.S. citizen. In practice, this requirement for citizenship is often unenforced, but that doesn't change the facts: by law, English is a requirement for citizenship in this country. We should not be providing Government services in direct contradiction with the spirit, if not the letter, of this requirement.

Moreover, these services are expensive and unnecessary. It might surprise supporters of multilingual ballots to know that very few people actually request such special treatment. By and large, multilingual ballots are rarely requested and even less often used, even when they are provided. That is what makes their costs to the local taxpayers all the more shocking.

Election officials in Alameda County, CA told me recently that they spent almost $100,000 to produce ballots in Spanish and Chinese for the entire county, yet only 900 were ultimately requested. We can all do the math: The taxpayers of Alameda county spent over $100 for every multilingual ballot that was actually used in their June 1994 election.

This appears to be a trend. The last election in Los Angeles saw ballots printed in 6 languages other than English, among them Spanish, Chinese, Japanese, Vietnamese, Tagalog, and Korean. It cost the city government over $125,000 to prepare the materials, and yet only 927 ballots were used. Los Angeles spent over $135 for each voter the city helped.

Even small communities are not immune. Long Beach spent a relatively modest $6,200 preparing multilingual materials for its eligible voters. When only 22 requests came in, the township had spent over $280 per multilingual voter. As a frustrated election official told me recently, "this is a lot of money to help a few people." That official could not be more right.

These ballots have other, more serious costs associated with them. Providing these special services creates the fiction that newcomers to this country can enjoy the full benefits of citizenship without learning the language of the land—English. We know this is not true. How can a citizen cast an informed ballot in a foreign language when most candidate platforms, stump speeches, and media coverage are in English? Exercising one's rights of citizenship involves more than just casting a vote; it means making a thoughtful decision regarding an issue or a candidate. Multilingual voting ballots give individuals the right to vote without granting the power to cast an informed vote.

The logical extent of the argument behind multilingual ballots is to provide these services in all of the languages spoken in this country. After all, why should we privilege one linguistic minority over another? And shouldn't we provide news reports and election coverage in all these languages, so that these citizens have access to all of the information they need to vote?

The simple and obvious answer is that we can't, my friends. There are 327 languages spoken in the United States today, and we can't provide these services in all of these languages. What's more, we should not. It should not be the Government's responsibility to perform these tasks. Government is too big, and it costs too much. Government should not provide services that individuals or private groups can perform just as well.

It's time that citizens look more to themselves and to their communities and less to Government for the answers to these problems. Spouses, families, friends, and community groups should bridge the gap if voting materials need to be translated. It can be done informally, as when a grandson translates an election flyer for a grandmother who speaks little English. Or it can be done more formally, through privately-funded groups that perform these services for an entire ethnic community. But the lesson to be drawn is that Government is not always the answer. In this case, Government is the problem.

Mr. Speaker, multilingual ballots and voting materials are unnecessary and inexpensive. Moreover, they fall outside the realm of Government's traditional responsibilities. Multilingual ballots are another vestige of the

1960's obsession with the Great Society and the caretaker state. This vision of Government is bankrupt, and we must dismantle the legislative relics of that era. I commend Chairman HYDE and the Judiciary Committee for their wisdom in the taking the first important step in that direction. I urge my colleagues to support this bill when it comes to the House floor.

A TRIBUTE TO DR. C. KUMAR N. PATEL

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. LEWIS of California. Mr. Speaker, I would like to bring to your attention the fine work and outstanding achievements of Dr. C. Kumar N. Patel, the vice chancellor of research and a professor of physics, chemistry, and electrical engineering at UCLA. Dr. Patel has been awarded the 1996 National Medal of Science, America's highest scientific honor, by President Clinton.

The National Medal of Science recognizes Dr. Patel's leadership and innovative contributions to science for the betterment of society. In announcing his selection, the White House noted Patel's invention of the carbon dioxide laser, which the White House described as a "major scientific and technological breakthrough which continues to be an important tool in manufacturing, medical treatment, scientific investigations, and materials processing."

Dr. Patel, who holds 35 major scientific patents, came to UCLA after 32 years at AT&T Bell Laboratories. Among his many achievements, he has made significant research contributions in the fields of gas lasers, nonlinear optics, molecular spectroscopy, pollution detection, and laser surgery. He maintains active research in the spectroscopy of highly transparent liquids and soils, and surgical, medical, and industrial applications of carbon dioxide and other high power gas lasers.

After beginning his career at AT&T Bell Laboratories in 1961, Dr. Patel became head of the Bell Laboratories Infrared Physics and Electronics Research Department in 1967 and director of the Electronics Research Laboratory in 1970. He became director of the Physical Research Laboratory in 1976, and executive director of the Research, Physics, and Academic Affairs Division in 1981. In 1987, he became executive director of the Research, Materials Science, Engineering, and Academic Affairs Division. Dr. Patel came to UCLA in 1992 and was touted by the UCLA search committee as "one of the most extraordinary scientists in America."

Mr. Speaker, I ask that you join me and our colleagues in congratulating Dr. Patel for his leadership and commitment to the advancement of science. It is only fitting that the House pay tribute to this outstanding National Medal of Science recipient.

CONGRATULATIONS TO JOSEPH O'BRIEN

HON. JOSEPH P. KENNEDY II

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. KENNEDY of Massachusetts. Mr. Speaker, I rise today to pay tribute to Joseph P. O'Brien for cycling 3,800 miles to support the National Scoliosis Foundation research to find a cure for scoliosis. I would also like to congratulate the foundation itself for its 20 years of service to the scoliosis community.

Over the years this foundation has earned recognition and enormous respect for its dedication to educate and support the scoliosis community and its ongoing research to find a cure. Joe is both the president and CEO of the National Scoliosis Foundation. Through a football injury in high school, 1966, it was discovered that Joe had scoliosis. However at the age of 16 his condition had progressed so that it was necessary that he undergo two spinal surgeries. He spent 12 months of his life in a hospital, 11 of which were in a body cast. This ailment had a profound effect on Joe where he dealt with his physical deformity and was considered handicapped. Twelve years later Joe needed a third spinal surgery when his lower back started to twist and curve which split his original fusion. Joe decided to cycle a 3,800 mile journey, "cycling for the cause", from San Francisco, CA to Boston, MA, to create awareness about scoliosis and reach out to the 6 million people in the United States affected with it. He began his trip June 2, 1996 in spite of his three spinal fusion. Joe saw this as an opportunity to create awareness about scoliosis and reach out to the 6 million people in the United States affected with it. Joe, also sees this trip as a way to commemorate the 20th anniversary of the National Scoliosis Foundation and the 30th year of his first scoliosis surgery. The Foundation [NSF] should be commended for its efforts to help raise funds for supporting research into the cause and treatment of scoliosis.

Mr. Speaker, Joseph O'Brien is an outstanding individual and I know you will join me in congratulating him for his contribution to find a cure for scoliosis and other spinal deformities.

CLIFTON PARK ELKS LODGE CELEBRATES 25TH ANNIVERSARY

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. SOLOMON. Mr. Speaker, I wanted to take this time to commend the good people who make up the Clifton Park Lodge of the Benevolent and Protective Order of Elks. This month, they are celebrating 25 years of existence in the Clifton Park area.

But Mr. Speaker, they have done more than just exist during the past quarter century. In fact, the membership in Elks Lodge No. 2466 has soared to an incredible 600 members. But aside from that, over the coarse of the years, the members of this lodge have made great strides in expanding and improving their facilities, thus being able to attract and secure more and more of their neighbors in the area as brother Elks. They have added a pavilion to host topnotch outdoor events and gatherings, a softball field and now, they have opened a new, larger lodge.

Mr. Speaker, the members of the Clifton Park Elks Lodge have a great deal for which to be proud considering all that they have accomplished in their relatively brief history. And as a brother Elk myself, I can't tell you how proud I personally am of their achievements. That's because, every time the Elks grow in numbers, that means there is another patriot out there to promote pride, patriotism, and citizenship among our fellow Americans. I can't say enough about how much this organization and the members like those from Clifton Park in my congressional district do on behalf of flag, country, and community. In fact, Mr. Speaker, it is the Elks who raise awareness of our flag and remind us what it means to America. I'm proud to say the Elks stood by my side as part of the Citizens Flag Alliance and lent their support to my constitutional amendment to prohibit the physical destruction of our flag. As you know, that measure was overwhelmingly approved here in the House, and failed by just three votes in the Senate. But I know with the support of lodges like those in Clifton Park and the more than 1.2 million Elks around the country that the fight to protect Old Glory is not over.

Mr. Speaker, we all owe a tremendous debt of gratitude to organizations like the Elks and lodges like No. 2466. Their activities act as a constant reminder to all of us of our roots and what it took to get our great Nation where we are today. For that Mr. Speaker, I ask that you and all Members of the House join me in paying tribute to the Clifton Parks Elks Lodge and all they've accomplished.

TRIBUTE TO CAPTAIN JOHN WILLIAM KENNEDY

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. MORAN. Mr. Speaker, I rise today to pay tribute to a brave Virginian and proud member of the U.S. Air Force, who gave his life in service to his country. Capt. John William Kennedy known to his family and friends as Jack will complete his long awaited journey home to be laid to rest in Arlington Cemetery, Friday August 2, 1996.

Capt. John William Kennedy was lost while flying a visual reconnaissance mission in an O–2A over Quangtin Province of South Vietnam. Captain Kennedy was a forward air controller with the 20th Tactical Air Support Squadron based in Chu Lai, Vietnam in support of the 23d Infantry Division.

On August 16, 1971, radio contact was lost with Captain Kennedy's plane during normal radio communication check-in. There were no radio calls, no crash site found, and no eye witnesses. However, there were reports of a North Vietnamese regiment operating in the area. Captain Kennedy was listed as "Missing in Action" a status he carried until July of 1978, when the Air Force re-evaluated his status to "Presumed Killed in Action." In May of this year, Captain Kennedy's family was contacted by the U.S. Air Force with a positive identification of Captain Kennedy's remains.

Born in Washington, DC, Captain Kennedy was raised in Arlington and graduated from Wakefield High School in 1965. He then went on to the prestigious Virginia Military Institute and graduated in 1969, with a degree in Civil Engineering. In 1969 he was named Southern Conference Wrestling Champion in the 160 pound weight class. He was cocaptain of the varsity wrestling and soccer teams, a member of the VMI Honor Court, inducted into the Who's Who in American Colleges and Universities and Kappa Alpha. In 1980, Captain Kennedy was inducted into the Virginia Military Institutes Sports Hall of Fame.

Captain Kennedy's military awards include the Distinguished Flying Cross, the Purple Heart, the Air Medal with two Oak Leaf Clusters, National Defense Service Medal, the Vietnam Service Medal, and the Republic of Vietnam Campaign Medal.

Captain Kennedy is survived by his mother Sally Chewning Kennedy of Lake Ridge, VA and his brother Daniel E. Kennedy, Jr. of Dumfries, VA.

I offer the heartfelt appreciation of all Americans to Captain Kennedy's family and hope that they find solace in knowing America appreciates the profound loss they have experienced and the turmoil they have been through in bringing Captain Kennedy home.

ARMSTRONG CABLE SERVICES DESERVES THANKS

HON. PHIL ENGLISH

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. ENGLISH of Pennsylvania. Mr. Speaker, every year, for the past 5 years, a local company based in the 21st District of Pennsylvania, Armstrong Cable, has sponsored the Senior Classic Golf Tournament which has raised funds to help the people of the Meadville, PA, area. The tournament itself and the auction of autographed gold memorabilia has raised over $50,000 for charity. On August 8, the classic will tee off again.

The tournament demonstrates the good that individuals, businesses, and our communities can do when they join together to help those less fortunate than themselves. This year the tournament, at Oakland Beach Golf Course in Conneaut Lake, will benefit Habitat for Humanity, the READ Program, CASA—a child's advocate court program, the Meadville Public Library, the Martin Luther King, Jr., Scholarship Fund, and Meadville Community Theater. Armstrong is also supporting renovation of the community's historic Academy Theater.

I applaud Armstrong Cable Services for continuing the deep community involvement of its predecessor, Meadville Master Antenna, and I commend all of the individuals who will make this charitable function succeed. Joan Kocan, of Armstrong Cable Services, has tirelessly worked to host the tournament and to draft many generous corporate sponsors. She and the other Armstrong workers deserve our gratitude for volunteering during the entire function.

I hope my colleagues will join me in wishing success to the Armstrong Cable Senior Classic.

100TH ANNIVERSARY CELEBRATION OF CALVARY BAPTIST CHURCH

HON. FRANK PALLONE, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. PALLONE. Mr. Speaker, on Sunday, July 28, Calvary Baptist Church of Belmar, NJ, will celebrate its 100th anniversary. The celebration will begin with a worship service Sunday morning, followed by a luncheon at the Belmar Elks Club.

Mr. Speaker, Calvary Baptist Church was founded on Christmas Day 1894 by a group of families who desired to worship together in the Baptist tradition. The official organization as a church was completed on July 1, 1896, and the first communion was held July 26 of that year. The original name was Memorial Baptist Church, and the building was originally erected at the corner of Main Street and 12th Avenue. In July 1925, the name was changed to Calvary Baptist Church and the building was moved to its present location at 13th Avenue and E Street. A Sunday school wing and fellowship hall were later added to the facility.

Several descendants of the original families still attend the church, while new families continue to join the church all the time. Under the leadership of the Reverend Grace I. Scarle, pastor of the church, Calvary Baptist seeks to be a community church, following the call in Ephesians 4:11-6 "To prepare believers in Jesus Christ for works of service in His name." In that spirit, Calvary Baptist Church holds Sunday worship services in both the morning and the evening, Sunday school, vacation Bible school, and prayer and Bible study. The church also hosts a variety of community functions, including youth groups, Alcoholics Anonymous meetings and the Catacombs Coffee House, and provides a food pantry ministry for the community.

Mr. Speaker, on this occasion, it gives me great pride to offer my congratulations to Reverend Scarle and all the members of Calvary Baptist Church as they celebrate the 100th anniversary of this great center of spiritual strength and community service on the Jersey shore.

SEVERANCE PAYMENTS TO AID PERSONNEL WHO VOLUNTARILY RESIGN

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. GILMAN. Mr. Speaker, today I am pleased to introduce H.R. 3870, to authorize severance payments to AID personnel who voluntarily resign.

I am introducing this bill at the request of the administration to allow AID to offer up to 100 employees, who voluntarily resign, severance payments up to a cap of $25,000. In the Foreign Service employees are entitled 1 month severance per year of service. Civil Service employees are entitled to 1 week severance per year of service.

Over the past few years, AID personnel reduced in size from approximately 11,000 to 8,000 employees mainly using hiring freezes that cause AID to lose at least 120 employees per year. Due to further cuts in the President's fiscal year budget request, AID had to accelerate the reductions and is currently in the process of laying off 200 employees by conducting a formal reduction in force [RIF] of 97 Foreign Service and 103 Civil Service employees.

Rather than layoff all 200 employees, AID would like to offer up to 100 employees who voluntarily resign—and are not already eligible to retire—the opportunity to receive the severance payment they would have received if they had been laid off, up to a cap of $25,000. In this way, AID hopes to have 100 volunteers take the place of at least half of those people scheduled to be laid off.

This bill is supported by the administration, the American Foreign Service Association, the chairman of the House Government Reform Subcommittee on Civil Service, JOHN L. MICA, and the Senate chairman of the Government Affairs Committee, TED STEVENS. I urge Members to support this measure.

TRIBUTE TO THE CITY OF ARNOLD, PA

HON. RON KLINK

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. KLINK. Mr. Speaker, I rise today to congratulate the city of Arnold, PA, on its 100th anniversary. The land upon which Arnold currently rests was first settled by Maj. Andrew Arnold. Major Arnold, an Army veteran of the Black Hawk War, served for more than 20 years, and for a short period in 1832, served under the command of then Capt. Abraham Lincoln.

With his military career behind him, Major Arnold moved to western Pennsylvania in 1852. Here he was the first settler to inhabit the land that would be incorporated in 1896 and named in his honor.

Fueled by a strong glass industry in the region, Arnold grew from its humble beginnings as a solitary train station to its current population of 6,200. With the establishment of the Chambers Glass Co. in 1891, and the skill of the Arnold employees, the city of Arnold became one of the premier glassmaking centers in the United States. Arnold's success in the industry earned the city its current nickname, "Glass City."

Under the leadership of Mayor William DeMao, Arnold's mayor since 1964, Arnold continues to serve as a glowing example of an optimistic American town looking forward to another successful century. So today, Mr.

Speaker, I join with all my colleagues in the House in congratulating Arnold on the momentous occasion of its 100th anniversary.

CYPRUS HAS SUFFERED FOR 22 YEARS

HON. BOB FILNER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. FILNER. Mr. Speaker, I rise today to join my colleagues in commemorating a tragic event—Turkey's military invasion of the Republic of Cyprus in July 1974. But I think we all agree that the even greater tragedy is the fact that 21 years later, Turkey's illegal occupation of northern Cyprus remains in place and the suffering of the people of Cyprus continues.

Driven from their homes and villages, brutalized, and denied information as to the fate of over 1,600 loved ones missing since the invasion, the people of Cyprus have patiently cooperated with international negotiators—for 21 years—in the hopes of securing a peaceful coexistence.

Mr. Speaker, Greek-Americans in San Diego and across the United States also share in the agony created by the occupation of Cyprus. They agonize about missing friends and family, the destruction of the Greek Cypriot culture and the denial of access to ancestral homelands now occupied by the Turkish army. These people have suffered too long!

And so, together with the Greek-American community, I urge Congress and the administration to adopt a far more active role in pressing the Turkish Government to withdraw its troops from Cyprus, end the human rights abuses there and provide a full accounting of those who are missing.

It's time we let Turkey know that a peaceful resolution to this crisis is tragically overdue.

ISTEA REAUTHORIZATION AND THE FALLACY OF THE STEP 21 PROPOSAL

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 23, 1996

Mr. RAHALL. Mr. Speaker, the Subcommittee on Surface Transportation has been holding a series of hearings on the reauthorization of the Federal Highway and Transit Programs as embodied in the Intermodal Surface Transportation Efficiency Act of 1991 [ISTEA], which expires at the end of fiscal year 1997.

One of the most contentious issues raised so far involves the formula by which Federal highway funds are distributed to the States. Since the inception of modern Federal Highway Program in 1956 when the Highway Trust Fund was established, there have always been some States which contribute more into the Fund than they receive back, known as donor States, and others which receive back more than contributed, known as donee States. This arrangement is necessary because a national highway system simply cannot be constructed and maintained without it.

In this regard, there are basically two delivery mechanisms through which Federal highway money is distributed to the States: Funds are either apportioned or allocated. Apportioned funds are divvied out by formula, and each State is assured of a minimum 90 percent return on the amount of its estimated contributions to the Highway Trust Fund.

It is important to note that out of all of the Federal highway funds available to States in a given year, the vast majority—89 percent—are apportioned by formula for such major programs as the NHS, Interstate Maintenance, the Surface Transportation Program and the Bridge Program.

Allocated funds, on the other hand, are discretionary in nature. Allocated funding categories include such items as the Bridge Discretionary Program and the Interstate Maintenance Discretionary Program. These monies, which only account for 11 percent of the amount of Federal highway funds available to the States, are primarily allocated on a needs basis.

A group of donor States, however, are seeking to change the existing highway funding distribution formula. Their basic contention is that while they receive back 90 percent of apportioned funds, when the discretionary (allocated) funds are taken into account they allege that they often receive back less than 90 percent of their contributions to the Highway Trust Fund. These States, which have organized as the step 21 coalition, are seeking a number of changes in ISTEA, including a new formula that assures them a 95-percent return on payments made to the Highway Trust Fund.

It should be noted, however, that the step 21 proposed formula for distributing funds to the States is based on using a percentage of a percentage. In other words, each State would receive 95 percent of its share of contributions to the Highway Trust Fund without requiring that the total amount distributed in a given year equal the total amount received. Shades of voodoo economics. Of course the step 21 formula paints such a rosy picture for donor States. It is premised upon a formula which has as an assumption that more money could be paid out than received into the Highway Trust Fund.

The more appropriate and fiscally prudent way of measuring how each State is faring under the Federal highway program is to calculate the ratio of its payments to the Highway Trust Fund against what it receives. This is the method that has traditionally been used and is the most widely accepted.

Recently, the Federal Highway Administration calculated the amount each State has received compared to its contributions under ISTEA to date, fiscal years 1992 through 1995. It is interesting to note that of the 22 States who are members of step 21, only two, Georgia and South Carolina, received back less than 90 cents on the dollar contributed to the Highway Trust Fund.

Morever, seven step 21 coalition States received back a dollar or more on each dollar contributed: Arizona, Minnesota, Nebraska, Ohio, Oregon, Virginia, and Wisconsin. And another six step 21 coalition States—Louisiana, Michigan, Mississippi, Missouri, North Carolina and Oklahoma—are receiving back between 95 cents and 99 cents on the dollar. The other 7 States all received at least 90 cents on the dollar. These calculations, it should be noted, include returns with the discretionary accounts factored in.

It seems to me, then, that the only step 21 coalition States who have a bona fide beef with the current highway funds distribution formula are Georgia and South Carolina.

If you believe that there is still a national interest in the highways of this country—the Interstate System and the new National Highway System—then the step 21 proposal poses some danger to the integrity of that system.

Not only is the step 21 formula based on unrealistic assumptions, but it would deprive the ability of the Nation to construct the new high-priority corridors authorized by ISTEA as part of the National Highway System as well as other NHS routes of an interstate nature. Simply put, under step 21, there would not be funds available to construct and maintain roads of an interstate nature, highways of a national interest, as well as to fulfill other Federal obligations, such as building and improving roads in units of our National Park System.

I would urge all of my colleagues to consider these facts when deliberating the reauthorization of ISTEA.

SENATE—*Wednesday, July 24, 1996*

The Senate met at 9:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, and Lord of our lives, we come into Your presence and fall on the knees of our hearts with praise and adoration. It is with awe and wonder that we behold Your signature in the natural world and the sheer majesty of Your creation of human life. You have given us minds to think Your thoughts, emotions to express Your love, wills to discern and do Your will, and bodies intricately made to reflect Your glory. We thank You for all our faculties, but especially for the gift of hearing. Help us never to take for granted the amazing process by which sounds are registered on our eardrums, and carried through the audio nerve to our cerebral cortex to be translated into thoughts of recognition, comprehension, and response. Through the wondrous gift we can hear the song of a lark, majestic music of a sonata, loved one's words of love and hope, and Your own Word in the Scriptures as they are read or proclaimed from across the reaches of time.

We ask You to give us a hearing heart like Solomon prayed for so fervently. May we spend quality time with You so that You may speak to the ears of our minds and hearts. We want to make no decision until we have asked for and received Your guidance. Speak Lord, Your servants are listening. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator LOTT, is recognized.

Mr. LOTT. Good morning Mr. President.

SCHEDULE

Mr. LOTT. Mr. President, the Senate this morning will immediately resume consideration of the Agriculture appropriations bill. Under the provisions of the agreement reached last night, any votes ordered on the pending amendments to that bill will occur at 11 a.m. this morning. I understand there will be some votes at 11 o'clock. There are a limited number of amendments in order to the Agriculture appropriations bill.

I encourage Members who still intend to offer those amendments to be prepared to do so as early as possible today to enable the Senate to complete action on this bill this afternoon. The managers of the bill are here. Senator COCHRAN from Mississippi, of course, and Senator BUMPERS of Arkansas are ready to go to work.

It is my intention to begin consideration of the foreign operations appropriations bill today as soon as the Agriculture appropriations bill has been completed. All Senators should expect votes throughout the day and evening as we continue to try to make progress on the appropriations bills.

I also want to serve notice that it is my intention in the next day, either today or tomorrow, to move to go to conference on the health insurance reform package and on the small business tax relief package which is coupled with the minimum wage bill. In order to get those two bills into and out of conference before we leave next weekend for the August recess, we are going to have to get them into the conference. So we are really down to the point where we have to take action to move these two bills to conference, and I will be making an attempt to do that within the next 2 days.

I yield the floor.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT FOR FISCAL YEAR 1997

The PRESIDENT pro tempore. The clerk will report the pending business.

The assistant legislative clerk read as follows:

A bill (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Bryan amendment No. 4977, to establish funding limitations for the market access program.

Kerrey amendment No. 4978, to increase funding for the Grain Inspection, Packers and Stockyards Administration and the Food Safety and Inspection Service.

Leahy amendment No. 4987, to implement the recommendations of the Northern Forest Lands Council.

Santorum amendment No. 4995, to prohibit the use of funds to provide a total amount of nonrecourse loans to producers for peanuts in excess of $125,000.

Santorum amendment No. 4967, to prohibit the use of funds to carry out a peanut program that is operated by a marketing association if the Secretary of Agriculture determines that a member of the board of directors of the association has a conflict of interest with respect to the program.

Mr. COCHRAN addressed the Chair.

The PRESIDENT pro tempore. The able Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, we made good progress yesterday afternoon and last evening in the debate of several amendments. We resolved some of the issues that were presented to us in the form of amendments. We have votes ordered on amendments which will begin at 11 a.m. We have pending other amendments that have been debated on which the yeas and nays have not been ordered but which may require rollcall votes.

There are also some on the list of amendments that are in order that are yet to be offered. We hope that Senators who are planning to offer those amendments will please come to the floor as soon as possible so we can begin consideration of those amendments.

Let me say this in addition to comments that have already been made about one pending amendment. I think the first amendment that was offered that has not been resolved and on which the yeas and nays have not yet been ordered is an amendment offered by the Senator from Nevada, [Mr. BRYAN], to limit the funds available to the Department for the Market Access Program in the next fiscal year to $70 million. I think that is what the amendment seeks to do. I feel constrained to point out that since this bill was considered by the Senate last year, in last year's appropriations bill for the Department of Agriculture, we enacted a farm bill which has been signed by the President which is now the law. The 1996 farm bill reduced the authorized mandatory funding level from $110 million to $90 million annually. It also prohibits funding for non-U.S. for-profit corporations, and for foreign-produced products. Funding for the Market Access Program is limited to small businesses, nonprofit trade associations, and cooperatives. I was not excited about the reduction in the authorization level that was made by the legislative committee. But, nonetheless, it is a fact.

The way the law is written now, there will be spent—there "shall" be spent—the sum of $90 million annually on market access promotion. So that leaves the Senate with a new set of facts.

The argument has been made that we cut funding in the previous years, and the Senate did approve reductions in funding. But the Senate also was a

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

party to the writing of that farm bill. There were amendments offered on the subject of the funding level. The conference report contained the funding level of $90 million, and that was signed by the President. That ought to be considered and understood by the Senate before we vote on the amendment proposed by the Senator from Nevada.

I am not suggesting that it is inappropriate for him to offer that amendment. I am just pointing out that the Senate has already decided that issue. They decided the issue when the farm bill was written and that provision was included in the farm bill.

I put in the RECORD a copy of a letter that was written to me as chairman of the subcommittee by a coalition of groups and associations who are interested in export promotion and who know how important funds of this kind are to our efforts to deal with unfair trade practices and efforts by foreign competitors to keep us out of markets, to deny us market share.

It is a tough competitive environment out there. The global economy has been made more competitive because of the General Agreement on Tariffs and Trade and the Uruguay Round Agreement that has broken down barriers to trade and prohibited a number of trading practices that in the past had made it impossible for us to compete in some markets. But now that the playing field has been made more level and access has been made more available, we are seeing other countries increase the amount of funding and activity in this kind of effort to enlarge market share and to create market access for their agriculture commodities and foodstuff.

Some countries spend as much on promoting just one kind of foodstuff as we have to appropriate and make available for the Foreign Agriculture Service to go around to all commodities and foodstuffs that are exported by the United States. But in spite of that, we are doing well. We are increasing our dollar volume of export sales. This year it is estimated that we will sell 60 billion dollars worth of U.S. agriculture commodities and foodstuffs in the international marketplace. That is a tremendous amount of volume. It means jobs here in America. It means better pay. It means a healthier economy for the United States. This is the only program of its type that makes funds available to promote specific commodities or brand-name items in the international market.

I have talked in our Embassies in other countries to those who have had experience with the use of these funds in special situations, and they tell me that it is very effective and without this program we would end up losing out to other competitors from other countries that are competing in those markets.

So it seems to me, Mr. President, we ought not limit the funding for this program with the adoption of the Bryan amendment. I hope that the additional information that I have been able to give the Senate on that subject is helpful. Senators have voted on this issue time and time again in various forms.

My good friend from Arkansas is one of the most eloquent and persuasive Senators who take the other side of the issue, and so it is with some trepidation and the knowledge that I am going to have a rebuttal here on my hands that I rose this morning to give that additional information. But it is important for the Senate to understand the difference between the state of the funding question and the issue this year as compared to last year when we voted on a number of different amendments designed to change this program and reform it. It has been reformed. It has been changed. There are limitations now on the eligibility for funds from the Foreign Agriculture Service for these purposes.

Associations are still eligible for these funds. Small businesses can get funds to promote their products in overseas trade. But a major complaint and the thing that made this program controversial has been reformed by law with the enactment of the farm bill earlier this year.

I am hopeful that we will not keep beating on this program and slandering it and causing Senators to have to vote to cut the program. It is mandated by law that it will be funded at $90 million a year, and the changes have been made that reform the program and take care of some of the complaints that had been levied against it in the past.

At some point I will move to table that amendment and ask for the yeas and nays, but I do not want to do that and cut off the right of any other Senator to speak on the issue, particularly the Senator from Nevada [Mr. BRYAN], who is the author of the amendment. He did not know I was going to say these things this morning. I did not know that I was going to say them either, but it occurred to me that this has not been the subject of any discussion except the few minutes of debate we had when he first proposed the amendment. And it was the first amendment, one of the first amendments proposed to the bill, and it seems like that has been a long time ago. I think it was a long time ago. We need to wrap this bill up. We are going to start voting at 11, and I am not sure how many votes we are going to have. We have, I know, two peanut amendments that Senator SANTORUM offered last night. The yeas and nays have been ordered on those. Senator KERREY has an amendment on which the yeas and nays have been ordered. We approved two of his amendments. Maybe he will withdraw this one. Two-thirds—that is pretty good—of what he wanted he has gotten.

So I hope Senators will come to the floor. I see the Senator from Colorado here, and I am prepared to yield the floor, Mr. President.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER (Mr. ASHCROFT). The Senator from Arkansas.

Mr. BUMPERS. Mr. President, I do not want to shock my colleague too much, but I am not going to offer a rebuttal to the arguments he just made on the Market Promotion Program. I think I first offered an amendment to strike those funds 5 years ago, and the Senate has heard that debate many, many times and so I will not belabor it again. But I did want to point out to my colleagues that there was a very interesting op-ed piece in the Post this morning by Daniel Greenberg who is editor and publisher of Science & Government Report, a Washington newsletter.

Yesterday, in the Chamber, I pointed out that last year is the first year in modern history that yields per acre on a same-crop basis did not increase. Every year in the lifetime of every single person in the Senate soybean yields have gone up, wheat yields have gone up, cotton yields have gone up, and particularly food yields have gone up to feed an ever-expanding population in the world. As you know, one of the reasons corn and wheat are as high as they are right now is because there was a genuine concern that we were going to run out of wheat and corn in this country.

I will not bore the Senate by reading it to them, but there are a couple of paragraphs I think ought to be emphasized.

> Pre-harvest stocks of grain—

That means the carryover; preharvest stocks are what we have on hand when we start harvesting the next crop.

> Pre-harvest stocks of grain have declined for the third straight year and now are at the lowest levels on record, according to Worldwatch Institute. To satisfy its growing appetite for meat, China has shifted from a net exporter to a net importer of grain, even as urban growth takes over farmlands.

Another big problem, Mr. President.

> In the United States and elsewhere, increases in per-acre yields have leveled off from the fabulous gains from the past three decades. Throughout the world, food prices have risen substantially as supply fails to keep pace with population growth and upscale tastes.
>
> Worrisome? Yes. But history records the capacity of science to mock Malthusian gloom with miracles of productivity. Surely it will deliver a late-century encore for the Green Revolution and other science-based breakthroughs in agriculture.
>
> It can, but don't count on it.

He goes on to point out—we had an amendment offered here which may be withdrawn or voted on a voice vote to cut research money in this bill, agricultural research. And here is what he says. These are statistics that maybe Senator COCHRAN and I are not as familiar with as we should have been.

At about $1.2 billion this year, the research budget of the United States Department of Agriculture accounts for a mere 2 percent of all Federal research and is lower in purchasing power than it was 5 years ago. In Washington politics, agricultural research is barely noticed among such giants of Federal research as defense ($35 billion),—

That is pure research in defense.

Space ($14 billion) and health ($12 billion).

That is a combined total of $61 billion in those areas compared to $1.2 billion for agriculture research, and the population of the world is now calculated to be 5½ billion people and growing at 100 million per year.

The fishermen all around the world, particularly in littoral nations that depend almost exclusively on the oceans, are draining the oceans. When I was a child, I can remember one of my elementary school teachers saying: Do not worry about it. The oceans will always supply enough food to feed the world. No matter how many droughts we have, no matter how many other devastating things happen to our crops—hail, flood, whatever—the oceans will feed us.

Right here at our back door, the New England fisheries have had to virtually shut down in order to give the fisheries there a chance to replenish themselves, which they have not yet done. Yesterday morning the front page of the Metro section of the Washington Post pointed out that the crab supply in the Chesapeake Bay is down dramatically, 500 people out of work, and a few crab-picking operations working 3 days a week.

Mr. President, I always have a tendency to get a little too dramatic about these things, but you cannot overdramatize a problem like this. My complaint, in the 22 years I have been in the Senate, is that we have a serious misplacement of priorities. We deal with the politics of issues instead of what the real issue is.

Senator COCHRAN and I were talking early yesterday afternoon. He told me he had been reading "The Adams Family," the chronicle of the John Adams and John Quincy Adams family, all of whom were brilliant. They believed, about public service, it was a place to do good, just like the ministry. In the old days, people went into public service, politics, because it was a place where they could serve their fellow man. They did not worry about the politics of the issues they debated. I said on welfare, it is a tragedy it has to be passed in such a highly volatile, political climate.

But my father, as I have said many times, was probably the last man who ever lived who encouraged his sons to go into politics. He did not encourage my sister, because in those days it was unthinkable for a woman to go into politics. But he urged my brothers and me to go into politics because he considered politics a noble calling. He considered it a noble calling because he studied Edmund Burke, he studied John Adams, he had studied all the Founding Fathers who went to Philadelphia and crafted a Constitution to give this country guidance for 200-plus years and who were not worrying about somebody accosting them on the street when they got home about some uncrossed t or undotted i.

So we have come a very long way in politics in this country. While most of it has been good, an awful lot of it has not been. We have put our priorities on things that have been politically popular. Nobody wants to curb the $35 billion expenditure on defense because nobody wants to see a 30-second attack ad when they run again that they are soft on defense. Nobody wants to vote against welfare reform because welfare is very unpopular. If you ask the ordinary man on the street—80 percent of them say they hate welfare. Yes, it ought to be reformed; yes, it ought to be changed. So it is not easy for me to be one of 24 Senators who voted no yesterday. I am not saying I am all right. I am saying the bill could have been an awful lot better.

One of the things that disturbed me was the total lack of compassion during the entire debate. People love to go to church on Sunday morning and read the Sermon on the Mount on "blessed are the poor," but when it comes to worrying about children and people who are kicked off welfare, we could not seem to be punitive enough around here. So I still believe those old Methodist Sunday school stories I learned as a child. I also did not like the formula which I thought discriminated against my State tragically—tragically.

Back to the point I was going to make a moment ago on misplaced priorities. Science can only do so much—and it can do a lot more. But we are not going to solve the world's food problem, which is developing right as I speak, by putting $1.2 billion in agriculture research and $35 billion into making something explode and $14 billion on sending a space station up which has absolutely no merit whatever.

Mr. President, I ask unanimous consent to have the Daniel S. Greenberg article, to which I referred, printed in the RECORD, and I yield the floor.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A DROUGHT WE CAN'T AFFORD

(By Daniel S. Greenberg)

Science will provide. That's the confident assurance of the optimists in response to worrisome indications that demand is en route to outpacing food production.

Pre-harvest stocks of grain have declined for the third straight year and now are at the lowest level on record, according to Worldwatch Institute. To satisfy its growing appetite for meat, China has shifted from a net exporter to a net importer of grain, even as urban growth takes over farmlands. In the United States and elsewhere, increases in per-acre yield have leveled off from the fabulous gains of the past three decades. Throughout the world, food prices have risen substantially as supply fails to keep pace with population growth and upscale tastes.

Worrisome? Yes. But history records the capacity of science to mock Malthusian gloom with miracles of productivity. Surely it will deliver a late-century encore for the Green Revolution and other science-based breakthroughs in agriculture.

It can, but don't count on it.

The scientific enterprise that revolutionized American agriculture is decaying from political and fiscal neglect, though alarms have been sounding all across the political spectrum and in independent think tanks for at least a decade. Nonetheless, agricultural science consistently ranks near the bottom in government research priorities, and that's what hurts, since Washington provides the bankroll for the fundamental science that ignites agricultural revolutions.

At about $1.2 billion this year, the research budget of the U.S. Department of Agriculture accounts for a mere 2 percent of all federal research spending and is lower in purchasing power than it was five years ago. In Washington politics, agricultural research is barely noticed among such giants of federal research as defense ($35 billion), space ($14 billion) and health ($12 billion).

One reason for the absence of broad interest is that the economics of agriculture research is dominated by entrenched insiders. The system for distributing research money to universities is largely preordained by ancient formulas that guarantee shares for each of 76 land-grant colleges and universities, regardless of the scientific quality or relevance of their research.

Decades of efforts to enliven agricultural research with the competitive requirements built into medical research have produced grudgingly small funds from Congress. Whereas university scientists must scramble to get research money from the National Institutes of Health, the bulk of agriculture's academic research money simply comes in the mail for just being there. Agricultural research was years behind in joining the biotechnology revolution.

Continuing a White House tradition, the Clinton administration has devoted little attention to agricultural research. The top research post in the Department of Agriculture has been filled on an acting basis by one or another temporary appointee throughout most of the Clinton administration. The only full-fledged occupant left recently after less than a year on the job. Given the logjam of nominees on Capitol Hill, the post is not likely to be filled before Election Day.

What's striking about the many recent studies of agricultural research is their unanimity of dismay about the inadequacy of government support. A review of agricultural research published late last year by the conservative American Enterprise Institute concludes that a "significant increase in federal funding, or federal government action to stimulate increased funding by state government or industry, seems to be warranted." The study also sounded the customary reformist call for more competition for research funds.

Similar recommendations are contained in a report soon to be published by the nonpartisan, scholarly National Academy of Sciences.

No one disagrees with these findings—except the dug-in beneficiaries of our antiquated system of agricultural research.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. BROWN. Mr. President, what is the current business before the Senate?

The PRESIDING OFFICER. The current business of the Senate is the Santorum amendment No. 4967.

Mr. BROWN. Mr. President, I rise to offer an amendment. I ask unanimous consent to set aside the pending amendment so I may proceed with an amendment at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 5002

Mr. BROWN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Colorado [Mr. Brown] proposes an amendment numbered 5002.

Mr. BROWN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following new section:

"SEC. . INTERIM MORATORIUM ON BYPASS FLOWS.

"(a) Moratorium.—Section 389(a) of Public Law 104–127 is amended by striking "an 18-month" after the word "be" and inserting "a 20-month".

"(b) Report.—Section 389(d)(4) of Public Law 104–127 is amended by striking "1 year" after the word "than" and inserting "14 months".

"(c) Extension for Delay.—Section 389 of Public Law 104–127 is amended by adding at the end the following new subsection—

"(e) Extension for Delay.—There shall be a day-for-day extension to the 20-month moratorium required by subsection (a) and a day-for-day extension to the report required by subsection (d)(4)—

(1) for every day of delay in implementing or establishing the Water Rights Task Force caused by a failure to nominate Task Force members by the Administration or by the Congress; or

(2) for every day of delay caused by a failure by the Secretary of Agriculture to identify adequate resources to carry out this section.'"

Mr. BROWN. Mr. President, the Senate has been most indulgent with a problem that is extremely serious to Colorado and, I believe, to many other States. On the Agriculture appropriations bill last year, the ranking member and the chairman of the subcommittee were kind enough to help us with an amendment that was urgently needed. It related to a policy that the Agriculture Department calls "bypass flows." What that has meant is Colorado has asked for a renewal of easements which cross Federal grounds. The Forest Service has informed the State, "You will have to forfeit a third of your water in order to achieve a renewal of an easement."

The concept of someone being landlocked is recognized in most State laws and those State laws provide a way out of that. Whereas, if someone absolutely needs a way out across that ground, there are provisions under State law where fair compensation can be paid and they achieve that easement. What we are dealing with here is cities that have their reservoirs in the mountains surrounded by Federal ground and have no choice but to cross Federal ground to get that drinking water to those citizens. Colorado is a very dry State. Without reservoirs and without that water supply, literally, people do not have water to drink. It is not just a question of water to maintain the beautiful environments of the homes and lawns and parks. It is literally drinking water we are talking about.

What the Forest Service has said is we will not renew your permit to cross Federal ground in order to deliver the drinking water to your homes unless you agree to forfeit a third of your drinking water. As I think every Senator can imagine, this is devastating. It is devastating to the environment of the State. It is devastating to the people and to the cities. It has already cost our cities some millions of dollars in attorney's fees to litigate this. And the Forest Service continues on with this practice.

When we drew this problem to the attention of Secretary Madigan, Secretary Madigan acted immediately. He put forth a directive and a policy that this would no longer be the policy of the Department of Agriculture. It is clearly not authorized by law. If it were litigated to the Supreme Court, I think it would be one of those things that would be found to be out of compliance with the authorization of the Forest Service itself. But the problem of appealing this to the Supreme Court is not just the tens of millions of dollars in attorney's fees it would take. The problem is the cutoff of water in the meantime if the permits are not renewed. It is an absolutely devastating problem. This Chamber was kind enough to help us out last year with a moratorium.

That policy of Secretary Madigan, though, would have solved the problem. He set forth, in a letter on October 6, 1992, a clear policy that this was not to be the course of the Forest Service. It was not to be followed and they were not to condition the renewal of permits on the forfeiture of waters.

No one complains about paying rent. But let me point out, these are not necessarily new easements. Many of these easements in Colorado predate the very existence of the Forest Service. These are easements that have been in use for over 100 years, in some cases. They are talking about cutting off a pipeline that has been in existence longer than the very Forest Service has been in existence.

That policy, the Madigan policy, remained the law of the land, at least in terms of the policy of the Forest Service. On February 15, 1995, almost 3 years later, Under Secretary Jim Lyons testified before the House Agriculture Committee and was asked if the Madigan policy was still in effect. Under Secretary Lyons was the one who had the responsibility for that area. He indicated flatly that that policy still was in effect.

Shortly thereafter, in March 1995, Secretary Glickman also testified that the Madigan policy was still in effect. What is unusual about that is that the Madigan policy was not in effect.

In August 1994, they had revoked it, and yet the leaders of the Agriculture Department had testified publicly to Congress that it was still in effect.

Mr. President, I want to make it very clear that Secretary Glickman is an honorable person. I know him well. I respect him a great deal. And I am convinced that he merely repeated what his staff had advised him when he checked with them on the question.

We have already dealt extensively with Under Secretary Lyons and some of the concerns this Chamber has had about him. I don't think that bears reopening. The point is, we ought to be setting out trying to solve this problem.

That resulted, though, in an action last year on this very bill where we enacted a 1-year moratorium. That measure passed in October of last year, a moratorium on the activity of requiring people to forfeit their water in order to renew an easement or permit for an easement.

In the meantime, we tried to enact permanent legislation, and did enact compromise legislation, on the farm bill. That farm bill compromise was not what I wanted, because what I wanted was a flat prohibition in law against extorting water from people as payment for renewing their easements.

What we did get, though, at the request of the Secretary, is a compromise, and that compromise allows for the appointment of a seven-member water rights task force to study the problem and report back. That report will be a year following the date of the enactment of the act, and the moratorium will run out in 18 months.

The danger with agreeing to that on my part is that if they simply stalled on appointing the task force, the moratorium would run out and the Forest Service would then be in the position of cutting off people's water, and they would have no further protection. But I believed in the good faith of the parties involved, and we went ahead with that compromise.

Now what has happened is the administration has failed to appoint their member to the task force. Moreover, in violation of the law, they have failed to allocate resources to the task force to do their job. Certainly, some modest travel fees are important and other fees are vital to have that task force act. In other words, what is happening, even though the act was passed on April 4 and all the task force members were supposed to be appointed by June 4, the administration has not acted to even appoint the members of their task force, nor have they acted to allocate funds for the task force.

Obviously, this is of enormous concern. Going on the background of the Under Secretary misleading Congress in testimony about the problem, it is even of greater concern. The concern is flatly that instead of dealing with this problem and developing a compromise, they will simply stonewall it, allow the moratorium to run out and wreak havoc upon people's drinking water.

Let me be clear about this. The primary people impacted by this action are not private developers, they are not agriculture, because they have a separate provision of law that flatly prohibits this kind of activity in agriculture that was instituted years ago. Those impacted by this are the cities and the towns and the taxpayers of the State, and, I might say, Mr. President, in cities and States across the Nation as well. The precedent this establishes is devastating.

Let me say that the forfeiture required is a forfeiture of a third of your water—at least that is what they have asked for in some cases—a third of your water just for the temporary renewal of the permit. This is not a permanent easement. This is simply for its temporary renewal. Presumably when it comes up in 5 years or 20 years, they can again ask for additional water.

This is a problem that is not going to go away and cannot be ignored by either Democrats or Republicans in the State of Colorado or other States where the impact is felt.

As Members may recall, the senior Senator from Nebraska and I had worked hard to find a compromise on this. His first inclination was not to support this measure. I had drafted and intended to offer this morning an extension of that moratorium for 5 years. A 5-year extension of the moratorium would give us plenty of time to work on it and plenty of time for Congress to act on it.

The senior Senator from Nebraska has indicated to me that he felt very strongly that 5 years was inappropriate. I must say, I think what is appropriate is for the task force to settle down and find an answer. I believe personally there is an answer. We ought to do more to encourage and support minimum stream flow in our streams and rivers.

I have been a strong advocate of minimum stream flow all of my political life. I was a prime sponsor of Colorado's minimum stream flow bill that addresses this problem specifically. I believe there are a number of things the task force can recommend for Congress that will help.

One of the things is to buy water rights and to use the water rights that are owned for that purpose when dry seasons come along. It is worth exploring. It is worth developing. It does have a positive impact.

But one of the ironies of all of this is that the forfeiture of water rights that the Forest Service has called for in this case would destroy minimum stream flow, not help it. Our stream flow comes in the spring when there are floods. The function of the reservoirs and storage projects is to save that spring flood flow so it is usable year round. Increasing the flood flow will not only cause damage to property, but the Forest Service policy will mean there is less water in the river to mitigate the dry periods in the year.

Mr. President, in the interest of saving the Senate time and of reaching a fair compromise on this, I have tried to work with the Senators from Nebraska. The amendment that is before the Senate this morning is one that is a compromise. Instead of the 5 years I had asked for, it is only an extension of 2 months. So we have gone from 5 years to 2 months in the way of an extension. But there is an added provision.

That added provision addresses additional delays. If there are any delays beyond the time set forth in the original bill, that is 2 months to appoint people and the time required to submit the report, there will be a day-for-day extension of the 20-month moratorium that is in the legislation.

So while this is not as strong an amendment as I hoped for, it at least attempts to make up for the parts that are lost.

Having said that, let me add this thought. This is a terribly important issue, and it is one that cannot be swept under the rug. It is one that needs the full cooperation of all parties if we are going to find an answer. It has gotten off on a bad foot by the administration refusing even to appoint their member to the task force and refusing to allocate the money that the law required them to allocate.

My hope is not only that the amendment is adopted, which I believe has the support of Senator KERREY, the junior Senator from Nebraska, but that it is a sign of a new attitude in the Department of Agriculture and the administration. Dan Glickman is an honorable person who knows how to work problems out and solve problems. This is not his style. He is a problem solver, not a problem maker. My hope is that the Glickman attitude, the Glickman approach to these problems will prevail in the Department of Agriculture in the months and the years ahead, or, I should say, at least the months ahead.

Mr. President, I do not know if the compromise amendment has any opposition. I had been assured by Senator KERREY's office that he supports it. At least I don't know of further opposition to it. Our office is trying to check with Senator EXON's office, but pending hearing from Senator EXON, I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I hope we can accept the amendment offered by the Senator from Colorado. He has made a substantial change in the proposal that he is making to accommodate concerns of others, including the administration and other Senators who expressed concerns earlier. We are trying to clear the amendment. We are not able at this time to announce whether or not we will be able to take it on a voice vote.

I hope other Senators will come to the floor and offer their amendments. We have a number of amendments that should be offered and resolved. We would appreciate very much the cooperation of the Senators in that regard. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SANTORUM). The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. KYL). Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, in an effort to clarify the situation we have two amendments that had been offered and debated last night by the Senator from Pennsylvania [Mr. SANTORUM]. And to advise Senators of a specific time when they can expect a vote to occur under the order there was to be no vote this morning before the hour of 11 a.m. But it will be my intention to have votes on motions to table the Santorum amendments beginning at 11 a.m. Under the order entered last night by the majority leader there was to be 4 minutes of time available for debate on those peanut amendments before the votes would occur.

So, hoping to clarify when these votes will occur, I am going to propound a unanimous-consent agreement which has been cleared.

I ask unanimous consent that time between now and 11 a.m. be equally divided on Santorum amendments Nos. 4995 and 4967, and at 11 a.m. I be recognized to move to table amendment No. 4995, as under the previous order, to be followed immediately by a motion to table amendment No. 4967.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. COCHRAN. I thank the Chair.

This means that there is opportunity for further debate on these amendments between now and 11 a.m. So it protects that right. If other Senators want to talk about other amendments they can certainly do that as well.

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HEFLIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HEFLIN. Mr. President, last evening, Senator SANTORUM laid down two amendments that were to be voted on, as I understand, around 11, but because of some problems with some of the Senators, it probably will be delayed for a while. But as I understand it, unanimous consent has been granted for us to debate between now and that time the peanut amendments that have been laid down. So I want to take advantage of it. I understand that the author and proponent of the amendments knows of the unanimous consent, and I will be glad to divide time if he wants it. But whatever it is, we can accommodate Senators equally with the time.

There are two amendments. The first amendment, I understand, that will be called up is one in which he alleges there is a conflict of interest in regard to the peanut program by the fact that co-ops and marketing associations which are run by farmers are involved in the administration of the peanut program. We understand there has been filed with the Department of Agriculture various letters by a law firm or law firms here in Washington in which it is anticipated there would possibly be some lawsuit pertaining to this matter. We feel that is an issue which ought to be determined by the courts.

We have contacted the Department of Agriculture. The Department of Agriculture tells us they have authority and they constantly monitor it. They have a responsibility that is carried out to see that there are no conflicts of interest. The idea that farmers participate in carrying out the program is universal. You have committees composed of farmers that are elected at the county level to carry out the program. There are State committees composed of farmers that carry out the program. It is a matter that farmers participate in, the theory here being that at the local level they know the local problems and that they are better equipped than Washington.

This seems to me to be a program that has been carried out for years to allow for those who are closest to the farmers to understand the individual problems of farmers and to work them out. Therefore, the concept of contracting out, the concept of local government, the concept of no big Government in Washington is carried out in regard to the present program if there is any problem that is involved.

The Department says this is entirely unnecessary. They administer the program. There is no conflict of interest. They audit. They monitor. They carry on in a very proper and businesslike manner if there is a matter that ought to be determined, such as a court case that may arise in regard to this program.

Certainly, right now we have a situation where we are in the middle of a growing season. We saw that the peanut program was reformed. There was some matter pertaining to a substantial cut, some cut that amounts to about 30 percent of the revenues that go to the peanut farmers, and we ought to allow it to work.

So I think this is a matter that is unnecessary. If it is, then it is across the board in every commodity because the farmers are on committees. The conservation committees have local participants in every county.

I see that Senator SANTORUM is here, and if he wants some time—and I see also Senator COVERDELL is here—I will be glad to yield the floor at this time. I will reserve my 2 minutes before the vote is taken as we had in the previous unanimous-consent agreement.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I want to share my feelings on this amendment with those of my distinguished colleague from Alabama. The Senator has made an eloquent case against the amendment which he began last night and has echoed again this morning.

I am going to be reasonably brief. I understand that the chairman, the Senator from Mississippi, will move to table this amendment, and I will support that motion. I think it is entirely appropriate. These issues were fought extensively in the early part of this year when we dealt with the farm bill. Farm policy was settled by the passage of that landmark bill.

At the time we were debating that bill, Mr. President, we were hearing from the farm community not only from my State and the State of the Senator from Alabama but across the Nation that we had to get the farm policy settled so that people could get into the fields, so that they could make their financial transactions and deal with the planting season and the farm season. We were already late. We passed this in early April, but that was late into the spring. Nevertheless, we got it done. In the ensuing 4 months, the entire farm community, including those who deal with peanuts extensively in my State and the State of the Senator from Alabama and others, everybody has been to the bank. Everybody has made their financial transactions. Everybody made their plans according to what the Congress of the United States and the President said the rules of the road would be for the next 7 years. Here we are 3 to 4 months later and we are talking about, through these amendments, changing the rules of the road. I have argued that this Congress, this Government does that in far too many ways every time it engages in retroactivity—retroactivity on the minimum wage, retroactivity on taxes, and now retroactivity on farm policy.

So, I would argue that policy should be set in the farm bill. It was debated and passed in early April and the farming community, no matter what their goals or products, engaged their financial decisions, made their family decisions, made their business decisions, and this is neither the appropriate place nor the appropriate time to alter that policy.

I thank the Chair for allowing me a few moments to express my agreement with this motion, to come and to share my remarks with the Senator from Alabama.

I yield the floor.

The PRESIDING OFFICER. Under the previous agreement, time has expired. The hour of 11 o'clock having arrived, the Senator from Mississippi is recognized.

Mr. COCHRAN. Mr. President, I ask unanimous consent the distinguished Senator from Pennsylvania be recognized for up to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Pennsylvania is recognized.

AMENDMENT NO. 4967

Mr. SANTORUM. Mr. President, the second amendment we will be voting on today is not a peanut amendment. It is an ethics amendment. It has nothing to do with the peanut program. It does not change the peanut program. It does not retroactively or prospectively alter anything in the peanut program. This is an ethics amendment. This amendment is very simple. It says the people who are the quota holders, the people who benefit from the program, should not also be the people who manage the program, who operate the program, who help promulgate regulations to oversee the program, who also do the enforcement for the program. That is virtually unprecedented in ag policy.

I am not changing anything in the peanut program with this amendment, not one thing. All I am saying is the Secretary of Agriculture—this is what the amendment says—the Secretary of Agriculture shall determine whether these co-ops who oversee the program, who also are the beneficiaries of the program, violate the Federal ethics law. That is all this amendment says. That is not a change in the peanut program. That is just saying we should have some ethics in dealing with this issue.

There have already been letters filed, to the Secretary of Agriculture, back on June 5 requesting the Secretary to take action. The Secretary has not responded. What we are suggesting is the Secretary should respond. They should make a determination whether these co-ops, that—again I remind my colleagues—they oversee the program, they enforce the program, they help promulgate regulations on the program, and they are also the beneficiaries of the program. That is apparent, to me, a conflict of interest. But I am not suggesting that. I am not saying that it is. I am saying the Secretary should determine it. That is all this amendment does.

So we can have all this debate, as I am sure you will hear from others that this is an amendment that hurts the peanut program, that changes the rules of the game halfway through—it is just not the case. The case is this is an ethics amendment about how the Federal Government should run its ag programs and I hope we could get very strong support for something that is, I think, a relatively simple amendment that I was hoping we could have agreed to.

AMENDMENT NO. 4995

The first amendment I am going to talk about is another equity amendment. This is an amendment that simply says that peanut quota holders, unlike any other ag commodity, should be limited as to the amount of Government largess that they receive. Historically, all of the other crop programs, and now in the future all the other payments to farmers under the new freedom to farm bill, are limited to $40,000 per person. There is no limit in the peanut program. There are peanut farmers who can put their peanuts on loan and collect $6 million from the Federal Government. And we are saying they should be limited to $125,000.

The limit on the subsidy payments to all other crops is up to $40,000. I am saying $125,000. That affects less than 2,000 quota holders. Mr. President, 2,000 quota holders are affected by this, the wealthiest, the biggest. If you hear the argument, as you will from the other side: Wait a minute, this program is designed to help these small- to medium-size peanut growers who are really struggling, who are in poor areas—fine. We do not touch them. All we say is those who are the big quota holders, many of whom do not even farm their own land, they rent their quota to someone else to do the work for them—what we are saying is they can only avail themselves of the largess of getting twice what the world pays for peanuts for their peanuts up to $125,000.

I think that is, again, a very minor adjustment to the program. I will admit that is an adjustment to who benefits from the program. But we do not fundamentally restructure the peanut program here. All we are doing is redefining how much people can benefit from it. We do not change the program. We just change how much people benefit from it. I think $125,000 of guaranteed income from the Federal Government at twice the rate of what people will get paid everyplace else in the world for peanuts, is a pretty good deal for most of these quota holders and they should be happy with that limitation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, under the order, I now move to table amendment No. 4995.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4967

Mr. COCHRAN. Mr. President, under the previous order I now move to table amendment No. 4967.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4995

Mr. HEFLIN. Do I get my 4 minutes?

The PRESIDING OFFICER. There now is 4 minutes debate equally divided on the first motion to table, on amendment 4995. Who seeks recognition?

Mr. HEFLIN. Does the proponent seek to go first with his 2 minutes?

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. HEFLIN. Mr. President, there is a little confusion as to which vote will be held, but I have to call this Santorum amendment the confusion amendment. We have, of course, argued in the past that we reformed it. And we have reformed it, the peanut program. But now we are having here, where the Senator from Pennsylvania argues that, since other commodities have a payment limitation, therefore peanuts ought to.

First, the confusion is that peanuts have never had a payment. They have not had a payment. The confusion here is that he is confusing a loan program with a payment program. You had deficiency payments, which were based upon a target price in all the commodities. But peanuts never had that. And that is where the limitation was on, was on the payments. Now you have, under the new farm bill, direct payments. You do not even have to plant in order to get your payment. You preserve your history. But the limit there is on the direct payment, the money that comes to you, the mailbox money, regardless of whether you plant or not plant. And there is a confusion there.

The loan program is a program which has been designed over the years to help temporarily. When a farmer says, "All right, I need the money, I have to pay my bills, I put it in loan and therefore I take the chance. If the price goes up, I will sell it at the time I think is the most appropriate time in order to sell." That is a loan basis.

In regards to this, we show over the years——

The PRESIDING OFFICER. The 2 minutes of the Senator has expired.

Mr. HEFLIN. I ask unanimous consent for 30 seconds.

The PRESIDING OFFICER (Mr. BROWN). Is there objection? Without objection, it is so ordered. The Senator is recognized for 30 additional seconds.

Mr. HEFLIN. Mr. President, this chart shows the loan rate in blue over here. Throughout the years, the farmer's price, the market price has always been above the loan rate. So it is a matter being confused relative to this matter. Therefore, I urge that we vote against this matter and not be confused.

New farmers are coming into the program all of the time, which shows that 10,000 have come into the program over the last 10 years.

I thank the Chair for giving me the extra 30 seconds.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, the reason the market price is always above the quota price is because the peanut program is not just a price program, it is also a quota program. It limits the supply.

So, of course, the Secretary tells peanut growers how much they can plant, and they tell them to make sure that the demand is always higher than the supply. Therefore, the price, yes, is always higher than the quota price because the program makes it that way. That is No. 1.

With respect to these deficiency payments, I would be happy to meet in the back with the Senator from Alabama and would be very willing to get rid of the loan program that peanuts have and turn it into a target pricing scheme. I would love to do that. In fact, it has been offered many times to the peanut growers to do that, but they don't do that. Why? Because the system they have right now is so ridiculously lucrative, they would never opt for something like that.

Peanut quota holders get twice—twice—per ton for their peanuts than what the world market price is. They get almost $700 a ton for their peanuts, and the world price is $350 a ton. No wonder they don't want to go to a target pricing scheme or some other scheme. They have the best deal in town.

What we want to do is say, "OK, you've got the best deal in town." I can't beat him. The Senator from Alabama, bless his heart, whops me every time I come to the floor on this amendment. I say, if we are going to have this program, at least limit the benefits to the folks who deserve the benefits, and that is the small- and medium-size farmers. Quit subsidizing, to the tune of—and there is a farm out there that gets $6 million of guaranteed prices, twice what the world market is for peanuts.

Now, is that what we want to do? Is that what this program is all about? It certainly is not what the arguments of the folks who support the peanut program are all about. What they say it is all about is helping these small farmers, these poor dirt farmers in rural areas that really need this to make ends meet.

Fine, this is not going to bother them. Mr. President, $125,000 is not a small dirt farmer. That is about 150 to 200 acres. What we are talking about here are the big guys, less than 2,000. I remind Senators that 22 percent of the quota holders in peanuts own 80 percent of the quotas—22 percent, a little over 6,000 quota holders own 80 percent of the poundage for peanuts. The big guys are what drive this program, who lobby here, who contribute the money.

What I am saying is let's get these big guys out of the picture and let them divest from some of these quotas they hold and spread it around a little bit, give it to some of these additional growers who are dirt farmers who don't get a lot of money for their peanuts, let them have a little bit of it.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. SANTORUM. I ask unanimous consent for my additional 30 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANTORUM. Mr. President, let these little guys get a little piece of the pie here. If you are really for the small- and medium-size peanut farmer in Alabama or Georgia, then what you want to do is you want these folks to divest from these big quotas and start spreading it around a little bit for the little guys to have a bite of the Federal largess.

If we are going to have a Federal largess, at least let more people benefit from it, let the little guy benefit. That is what this amendment does, this is a vote for the little guy. It actually will expand your base of support for the program and more will benefit from it.

Mr. HELMS. Mr. President, needless to say, I oppose both Senator SANTORUM's amendments, which are renewed assaults on the livelihoods of America's family farmers who produce peanuts. I should reiterate that there are more than 20,000 North Carolinians involved in various aspects of the peanut industry.

We've been down this road time and time again, Mr. President. However, this time, even the fiercest critics of the peanut program should acknowledge the extensive changes made by Congress in the 1996 farm bill. The most important change was the conversion of the peanut program into a no-net cost commodity program.

Mr. President, the burden of these changes is being borne by America's peanut farmers who understood the necessity of revamping the program in order for it to survive. The support price was cut by 10 percent, from $678 per ton to $610 and because of many other changes, peanut farmers anticipate that their incomes will decline by more than 20 percent.

So clearly, Mr. President, America's peanut farmers have agreed to—indeed, participated in reforming the program that has served the consumers of America so well. And, by the way, in North Carolina alone, the peanut industry generates more than $100 million in revenue. Moreover, Mr. President, the American taxpayers will save more than $434 million as a result of the reforms in the program.

It is discouraging that opponents of the program, not satisfied with the farm bill's reforms, now seek to go further in hindering peanut farmers in making their livings.

As for the Santorum amendments, they will not—and cannot —guarantee lower prices to consumers. Instead, they will disrupt the work of Congress which constructed a farm program to produce a reasonable price, an abundant supply, and the highest quality of peanuts in the world.

Mr. President, it was clearly established during the Agriculture Committee's debates on the 1996 farm bill that even if the peanut program were to be abolished, candymakers would not reduce the price of a candy bar, nor would the price of peanut butter be reduced by one red cent.

The pending after-the-fact amendments do not deserve serious consideration. The Senate should reject them unhesitatingly.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi to table amendment No. 4995. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Alaska [Mr. STEVENS] is necessarily absent.

I also announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 64, nays 34, as follows:

[Rollcall Vote No. 234 Leg.]

YEAS—64

Abraham
Akaka
Baucus
Bennett
Bingaman
Bond
Breaux
Bumpers
Burns
Byrd
Campbell
Cochran
Conrad
Coverdell
Craig
Daschle
Dodd
Domenici
Dorgan
Exon
Faircloth
Feinstein
Ford
Frahm
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kempthorne
Kerrey
Leahy
Levin
Lott
Mack
McConnell
Mikulski
Moseley-Braun
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Pryor
Robb
Rockefeller
Sarbanes
Shelby
Simon
Simpson
Thomas
Thurmond
Warner
Wyden

NAYS—34

Ashcroft
Biden
Boxer
Bradley
Brown
Bryan
Chafee
Coats
Cohen
D'Amato
DeWine
Feingold
Frist
Glenn
Gorton
Grams
Gregg
Kennedy
Kerry
Kohl
Kyl
Lautenberg
Lieberman
Lugar
McCain
Moynihan
Reid
Roth
Santorum
Smith
Snowe
Specter
Thompson
Wellstone

NOT VOTING—2

Kassebaum
Stevens

The motion to lay on the table the amendment (No. 4995) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

Mr. BUMPERS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4967

The PRESIDING OFFICER. By previous agreement, there are 2 minutes per side on amendment number 4967.

The PRESIDING OFFICER. Who seeks recognition?

Mr. SANTORUM. Mr. President, this is a very simple amendment that has nothing to do with the peanut program. This does not change the peanut program at all. This actually does not change anything in law. All this amendment does is ask the Secretary of Agriculture to determine whether the regulatory body that oversees the peanut program is in violation of the Government ethics statute. That is all this amendment does.

Why do I ask the Secretary to do that? The reason I ask the Secretary to do that is, unlike virtually any other agriculture commodity program, the folks who oversee the program, who manage the loan policies, who help promulgate the regulations, the very same people who regulate this program, who enforce the program, who actually impose penalties on the quota holders are, themselves, the quota holders. The people who benefit from the program run the program. That is unlike any other program, with the exception of one, in this country.

What we want to do is simply ask the Secretary of Agriculture to examine the applicable Federal statutes to determine whether there is a conflict of interest here, and then take action. Frankly, the reason I am here on the floor with this amendment, some additional growers out West in Texas, New Mexico, Oklahoma, and a lot of other places, had asked the Secretary to make this determination 2 months ago. They asked him in a letter. He has not responded to that letter. So what we are trying to do is say, Mr. Secretary, let us look and see if there is a conflict of interest. We do not prejudge it. We ask them to examine to see whether this is a proper setup for the regulation of this program. It does not change the program. It does not alter it in midstream. It simply asks the Secretary to take a look at a potential conflict of interest.

I hope we can get very strong support for this.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. HEFLIN. Mr. President, the largest law firm in Washington, DC, is trying to have a lawsuit, and this is in connection with the lawsuit. If there is any problem, it ought to be determined in the lawsuit. The Department, for years, has had participation by farmers in every phase of the program. You elected farm committeemen to the old ASCS, which is now the Farmers' Service, and they carry out the program. They make decisions in regard to it. The Soil Conservation Agency has district commissioners that are elected, and they carry out the various programs. That is nothing different.

The Department says this is unnecessary. They have, over the years, developed guidelines to ensure that there is no conflict of interest. This is just another attack on the peanut program with an effort to try to have a lawsuit, and these people have hired the biggest law firm in Washington to bring the lawsuit. They have filed a protest letter and involved that. The program is now in operation.

The farmers have gone to the bank, they have made their plans, and they are moving forward. Now is not the time to change it. So I urge you to vote against this amendment.

The PRESIDING OFFICER. The motion to table amendment No. 4967 offered by the Senator from Pennsylvania is now before the body.

The yeas and nays have been ordered.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Alaska [Mr. STEVENS] is necessarily absent.

I also announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

The result was announced—yeas 61, nays 37, as follows:

[Rollcall Vote No. 235 Leg.]

YEAS—61

Akaka
Ashcroft
Baucus
Bennett
Bingaman
Bond
Breaux
Bryan
Bumpers
Burns
Byrd
Campbell
Cochran
Conrad
Coverdell
Craig
Daschle
Dodd
Domenici
Dorgan
Exon
Faircloth
Feinstein
Ford
Frahm
Glenn
Graham
Gramm
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kempthorne
Kerrey
Leahy
Lott
Mack
McConnell
Moseley-Braun
Moynihan
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Pryor
Robb
Rockefeller
Shelby
Simon
Simpson
Thurmond
Warner

NAYS—37

Abraham
Biden
Boxer
Bradley
Brown
Chafee
Coats
Cohen
D'Amato
DeWine
Feingold
Frist
Gorton
Grams
Grassley
Gregg
Kennedy
Kerry
Kohl
Kyl
Lautenberg
Levin
Lieberman
Lugar
McCain
Mikulski
Reid
Roth
Santorum
Sarbanes
Smith
Snowe
Specter
Thomas
Thompson
Wellstone
Wyden

NOT VOTING—2

Kassebaum
Stevens

The motion to lay on the table the amendment (No. 4967) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HEFLIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4972

Mr. COCHRAN. Mr. President, at this point we are prepared to move to table the amendment previously offered by the distinguished Senator from Nevada, [Mr. BRYAN] on the Market Access program. My understanding would be that there would be 2 minutes available equally divided for discussion of that before we actually go to a vote on the motion to table.

With that understanding, I move to table the Bryan amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. The Senator's understanding is correct.

Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Who seeks recognition?

The Senator from Nevada.

Mr. BRYAN. Thank you, very much, Mr. President. I reserve myself 1 minute, and I will yield the remaining minute to the distinguished ranking member.

Mr. President, this is an issue that has been before the Senate for a number of years. It deals with the program formerly known as the market promotion program, now referred to as market access program. This is a program in which taxpayer dollars are provided to some of the largest corporations in America to subsidize their advertising account under the dubious proposition that this is for export of American agricultural products abroad.

In February of this year, the Senate, by a vote of 59 to 37, approved an amendment which this Senator, together with the distinguished Senator from Arkansas and others, offered that would limit the level of funding, previously at $110 million, to $70 million, and we did so on the basis that we were able to eliminate some $40 million that previously had gone to foreign companies.

So the thrust of the Bryan-Bumpers amendment was to say that no longer could this money be allocated to foreign companies and by reason of the fact that we eliminated foreign company allocations $70 million kept the program constant.

Mr. President, I hope that my colleagues will support us as they did in February, and I simply say that this will keep the program level.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BRYAN. The proposal before us is $90 million. That is a 29 percent increase.

I yield the floor.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Mississippi.

Mr. COCHRAN. Mr. President, this is a motion that we have actually already debated. Let me point out that under the farm bill there is a prescribed mandate for $90 million of funds to be allocated for this program. So unlike previous years, this is not a discretionary program any longer. The reforms that were made sought to address the complaints that had been made about corporate welfare and all the other allegations in previous years, but those no longer lie against the program as it is operated now. Only trade associations and small businesses are entitled to funds under this program. They are allocated by the Foreign Agriculture Service. They help break down barriers to U.S. exports. They provide us access to markets that we would not have otherwise. They are good for American jobs, the American economy. They help us export more of what we produce on our farms and in our factories in foodstuffs and the like. All the testimony shows that this program is very helpful and needed, and I urge Senators to vote yea on the motion to table.

Mr. MCCONNELL. Mr. President, the Market Access Program [MAP] is critical to the success of the 1996 farm bill and to continued agricultural growth. MAP is one of the few programs specifically allowed under the Uruguay Round agreement and not subject to any reduction. Many countries are increasingly pursuing policies to help their agricultural industries to maintain and expand their share of the world market. Now is not the time for the United States to continue to unilaterally eliminate or reduce MAP.

MAP is a key to helping boost U.S. agricultural exports, strengthening farm income, promoting economic growth and creating jobs. I urge your support to ensure programs such as MAP be fully funded. Again, I urge my colleagues to vote "yes" on the motion to table the Bryan amendment.

The PRESIDING OFFICER. The question before the body is on agreeing to the motion to table by the Senator from Mississippi. Those who are in favor of that motion should vote yea. Those who are opposed to that motion should vote nay. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Alabama [Mr. SHELBY] and the Senator from Alaska [Mr. STEVENS] are necessarily absent.

I also announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 55, nays 42, as follows:

[Rollcall Vote No. 236 Leg.]

YEAS—55

Akaka
Baucus
Bennett
Bond
Boxer
Breaux
Burns
Campbell
Coats
Cochran
Cohen
Conrad
Craig
Daschle
Domenici
Dorgan
Exon
Feinstein
Ford
Frahm
Frist
Gorton
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Heflin
Helms
Hutchison
Jeffords
Kempthorne
Kerrey
Kohl
Leahy
Lott
Mack
McConnell
Moseley-Braun
Murkowski
Murray
Pressler
Pryor
Robb
Santorum
Sarbanes
Simon
Simpson
Snowe
Specter
Thomas
Thurmond
Wellstone
Wyden

NAYS—42

Abraham
Ashcroft
Biden
Bingaman
Bradley
Brown
Bryan
Bumpers
Byrd
Chafee
Coverdell
D'Amato
DeWine
Dodd
Faircloth
Feingold
Glenn
Grams
Gregg
Hollings
Inhofe
Inouye
Johnston
Kennedy
Kerry
Kyl
Lautenberg
Levin
Lieberman
Lugar
McCain
Mikulski
Moynihan
Nickles
Nunn
Pell
Reid
Rockefeller
Roth
Smith
Thompson
Warner

NOT VOTING—3

Kassebaum
Shelby
Stevens

The motion to lay on the table the amendment (No. 4977) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PRECISION AGRICULTURE

Mr. CRAIG. Mr. President, I rise to stress the importance of ongoing research in the area of precision agriculture. Precision agriculture is also commonly referred to as site specific agriculture or intelligent farm systems. Precision agriculture is an exciting area of agriculture that enables farmers to produce in a manner that conserves fertilizer, energy, fuel and water while still producing a high quality and high yield crop.

In a bill that Mr. MCCONNELL recently introduced, precision agriculture is given additional attention. I commend Senator MCCONNELL for his efforts and note for the RECORD that myself, Senator KEMPTHORNE and Senator COCHRAN are all original cosponsors. I ask Senator COCHRAN, is this his understanding?

Mr. COCHRAN. Yes, I am very supportive of precision agriculture and Senator MCCONNELL's legislation.

Mr. KEMPTHORNE. Mr. President, in addition, I would like to clarify the intentions of the Fund for Rural America [FRA] under the Federal Agriculture Improvement and Reform Act. The FRA specifically designated one-third of the funding go toward research, extension, and education grants that, among other goals, will increase international competitiveness, efficiency, and farm profitability, and conserve and enhance natural resources. Further, the FRA research section clearly encourages interdepartment and interagency cooperation by allowing Federal agencies and national laboratories to be eligible. This is a solid step toward making the most efficient use of limited Federal research resources, and will facilitate new and unique applications of technologies to the agriculture industries.

I would like to clarify that research to develop precision agriculture, to apply remote sensing and information management technologies to agriculture, is an example of the type of research that the Secretary of Agriculture should support under the FRA. I ask the chairman, is that the case?

Mr. LUGAR. It is, and I look forward to working with my colleagues from Idaho and Mississippi to find appropriate ways to support development of precision agriculture.

VALUE-ADDED PRODUCTS

Mr. PRESSLER. Mr. President, South Dakota farmers and ranchers are looking to value-added products as one way to better market their commodities and products. By adding value to the basic commodity, farmers and ranchers can realize higher prices and improved income. This is being witnessed for all of agriculture, from grain farmers to livestock producers.

South Dakota is a leading State in finding innovative ways to add value to agricultural products. For example, South Dakota is a leader in the production of ethanol and more ethanol facilities are being planned to be built in South Dakota.

By the end of the year a new soybean processing plant will begin production in a new facility in Volga, SD. Currently there are serious negotiations underway for a new beef packing plant which would service South Dakota and regional livestock producers.

Another venture in western South Dakota is a plan for the Nation's first lamb packing facility that would combine slaughtering, breaking, packing, and shipping under one roof. The facility would provide fresh lamb products to wholesalers and distributors within the food industry. The facility would be called Monument Meats and be located in Belle Fourche, SD.

This effort would be a producer cooperative where producers would be contracted to provide lambs. The facility, when completed, would include and incorporate the suppliers of lamb with the distributors of the final product into the overall process of the proposed facility.

One area where Federal taxpayer dollars are efficiently spent is the Rural Business Enterprise Grants Program. These grants can be used to finance and facilitate development of small and emerging business enterprises. Promotion and support of a viable U.S. lamb industry by establishing the proposed facility would certainly meet the objectives of these grants.

The proposed lamb processing facility for Belle Fourche, SD, certainly meets the test of a promising breakthrough in promoting U.S. lamb production. A key role of the Federal Government is to promote innovative and new business opportunities. A $50,000 grant for a feasibility study of the proposed lamb processing plant would be helpful to demonstrate to producers and distributors the benefits that could be accrued from such a facility.

Supporters of this facility are only looking for assistance from the Federal Government just for the feasibility study. Once completed, there are no intentions of further requests for Federal funding. This seems to me to be a worthwhile investment.

If I could, I would like to ask a few questions to my distinguished colleague from Mississippi, the chairman of the Appropriations Subcommittee on Agriculture.

I recognize that the bill currently under consideration does not contain funding for a feasibility study for the lamb processing plant conceived to be built in Belle Fourche, SD. However, is it the chairman's belief that this is the type of venture where rural business enterprise grants could come into play?

Mr. COCHRAN. That is correct.

Mr. PRESSLER. Is it also correct to say that the U.S. Department of Agriculture could utilize this type of grant to establish value-added processing plants in the United States, like the one planned for in Belle Fourche, SD?

Mr. COCHRAN. That is my understanding.

Mr. PRESSLER. Finally, I would like to ask the chairman if he would work with me to secure future funding for a feasibility study to be done for a lamb processing facility in Belle Fourche, SD.

Mr. COCHRAN. I will continue working with my colleague from South Dakota to find funding for projects like the proposed lamb processing facility in South Dakota.

Mr. PRESSLER. I thank my colleague and friend.

Again, Mr. President, the proposed lamb processing plant can bring higher prices to lamb producers. The facility can bring economic growth and jobs to the community of Belle Fourche, SD. Finally, the facility can go a long way to promote the entire U.S. lamb industry. I will continue working to secure $50,000 for a Federal feasibility study for this much needed project.

Mr. COCHRAN. Mr. President, we are working to accommodate Senators by working on amendments that have been proposed that we hope can be resolved without rollcall votes. There are some which may require a rollcall vote if Senators insist on a vote.

Senator BUMPERS and I are here and available to discuss these proposals. We hope those who want to offer their amendments will come forward. We would like to complete action on this bill. I suggest this is a good time to resolve differences, if we can, and then proceed to vote on those we can't agree on and finish the bill. We are not going to stay in all afternoon sitting and waiting. For those who want to present amendments, we will offer them for you and vote on them, and then we can get to the end of the bill, if we can get the cooperation of Senators at an early time this afternoon.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. BUMPERS. Mr. President, I don't have anything to add to what the distinguished Senator from Mississippi said. It is very frustrating, frankly, to sit here hoping somebody will show up with an amendment you know has an amendment and is going to come charging in at the last minute if you try to go to third reading.

So we have about four amendments here, and I might just mention, there is a Mikulski amendment on crab meat study by FDA, which I think is agreeable; there is a Wellstone amendment on wild rice under the farm bill of last year, which I think has been agreed to; there is an emergency drought assistance and Hurricane Bertha assistance by Senator DOMENICI, which I think has been cleared on both sides; Senator LUGAR on double cropping. I am told that is not quite worked out. The Brown amendment I think has about been worked out. A Hatfield amendment on rural development has been worked out.

So we can offer those on behalf of those people if they do not want to offer them themselves. But I would like for those people to know that they need to get over here. If they have been cleared, they need to offer them unless they want to bring them to us and let us offer them for them.

The amendments that are probably going to require rollcall votes are one by Senator KENNEDY dealing with Medguide. I do not know if Senator SANTORUM has any more peanut amendments or not. I understand he had eight. He has offered two so far. But anyway, the Kennedy amendment, an amendment by Senator SIMPSON dealing with wetlands, an amendment by Senator LEAHY on northeast forestry, and the barley amendment by the Senators from North Dakota. So that leaves us about four amendments that could possibly require rollcalls unless we get them worked out.

But if we can get those we have agreed on passed, and which will just leave us those four that could require rollcall votes, we ought to be through here by close to the middle of the afternoon or late afternoon. So with that admonition and plea to our colleagues to get over here to offer their amendments, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—S. 1936

Mr. LOTT. Mr. President, I am very happy to say we have a unanimous-consent agreement with regard to how we handle the nuclear waste issue. There has been a lot of discussion and give and take.

I ask unanimous consent that, notwithstanding the consent agreement with respect to S. 1936, the cloture vote scheduled to occur on Thursday, July 25 be vitiated and the Senate proceed to the bill at 9 a.m. on Wednesday, July 31 under the following time agreement: 8 hours total for debate on the bill and all amendments, to be equally divided in the usual form: That there be four first-degree amendments in order to be offered by the Democratic leader for his designee; that there be 4 first-degree amendments in order to be offered by the majority leader or his designee; that all amendments be limited to 1 hour to be equally divided in the usual form; that all amendments be in order notwithstanding the adoption of any earlier amendment and all amendments must have been filed by the close of business on Thursday, July 25; provided further, that no amendment dealing with the storage of nuclear materials on Palmyra Atoll or some other U.S. Pacific island be in order; that all amendments must be germane to S. 1936 and in accordance with rule 22, and not subject to second-degree amendments, with no motions to refer in order; and following the conclusion or the debate time and the disposition of the amendments, the bill be immediately advanced to third reading and final passage occur all without further action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. BRYAN. Mr. President, I indicate to the majority leader that this has been cleared on this side of the aisle. We have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRAIG addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CRAIG. Mr. President, I will take but a brief moment. Let me thank the majority leader and our colleagues from Nevada for the kind of work that has produced this unanimous-consent agreement. I trust now that we will be able to move expeditiously on the issue of nuclear waste.

While it is an issue of great contention on the part of some of our Members—and certainly our colleagues from Nevada have great concern about what ultimately occurs here—I think we have, with this UC, an opportunity for a final conclusion and to express the will of the Senate—and, hopefully, the House—on an issue that is of national importance. I thank the Senators for their cooperation.

Mr. MURKOWSKI addressed the Chair.

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from Alaska.

Mr. MURKOWSKI. Mr. President, I would like to add, as chairman of the Energy and Natural Resource Committee, my satisfaction with the negotiations. I know the agony associated with this issue relative to Nevada. Unfortunately, we simply have to put this waste somewhere, and this question will now be resolved with a vote, at least in this body. I think, further, the willingness to try and work toward a solution enables the majority leader to move on with the business of the Senate, rather than tie it up in an extended filibuster, which, obviously, every Member has a right to proceed with. Nevertheless, we have a responsibility to resolve these issues in a manner that suggests some expeditious process.

I thank the Senators for their cooperation, ensuring that they will leave no stone unturned to pursue their convictions, but yet allowing the Senate majority leader to proceed. That is indicative of not just their good nature, but a recognition of what this body is all about.

I thank the majority leader.

Mr. LOTT. Mr. President, I want to make certain. No objection was heard, so the agreement was reached, is that correct?

Mr. REID. Mr. President, first, if I could briefly say something. I want to personally extend my appreciation to our leader, who spent a great deal of time with the majority leader trying to work this out. I think it shows good faith that we are trying to move things over here. We feel comfortable with the agreement and especially appreciate the work of the leadership.

Mr. LOTT. Mr. President, I believe there was no objection heard, is that correct? Has this been agreed to?

The PRESIDING OFFICER. Yes, that is correct.

Mr. LOTT. I want to thank all the parties involved, including the two Senators from Nevada, for their fairness and knowing how important this is to them, and for the involvement of the Senators from Alaska and Idaho, for their work.

My colleague from Nevada is absolutely right to say that Senator DASCHLE was helpful in this. In fact, he first initiated the idea on how this might be handled. It took a lot of discussion and coordination on your part. He has been involved in a constructive way. I appreciate that type of work across the aisle. That is how we get things done in the best interests of our country.

I yield the floor.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

AMENDMENT NO. 5002, AS MODIFIED

Mr. BROWN. Mr. President, in discussing the Brown amendment on the Agriculture appropriations bill, the junior Senator from Nebraska had recommended that we go with the modified version instead of the 5-year moratorium I suggested. He suggested a 2-month moratorium with an allowance for an additional time period in the event that there were delays in the process. So I have incorporated that aspect into my amendment and go from 5 years down to the 2 months, plus the additional time.

In addition, the senior Senator from Nebraska has suggested that we modify the provision regarding funding by the Secretary of Agriculture so that the funding relates to an amount which he feels is appropriate. That is very open-ended language and not very tight. But I must say that I have a great deal of confidence and faith in the Secretary of Agriculture and in his sense of fairness.

So I ask unanimous consent that my amendment be modified to incorporate those changes which I filed at the desk.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The amendment (No. 5002), as modified, is as follows:

At the appropriate place in the bill, insert the following new section:

"SEC. . INTERIM MORATORIUM ON BYPASS FLOWS.

"(a) MORATORIUM.—Section 389(a) of P.L. 104–127 is amended by striking "an 18-month" after the word "be" and inserting "a 20-month".

"(b) REPORT.—Section 389(d)(4) of P.L. 104–127 is amended by striking "1 year" after the word "than" and inserting "14 months".

"(c) EXTENSION FOR DELAY.—Section 389 of P.L. 104–127 is amended by adding at the end the following new subsection:

"'(e) EXTENSION FOR DELAY.—There shall be a day-for-day extension to the 20-month moratorium required by subsection (a) and a day-for-day extension to the report required by subsection (d)(4)—

"'(1) for every day of delay in implementing or establishing the Water Rights Task Force caused by a failure to nominate Task Force members by the Administration or by the Congress; or

"'(2) for every day of delay caused by a failure by the Secretary of Agriculture to identify adequate resources as determined by the Secretary of Agriculture to carry out the purposes of the Task Force.'"

Mr. BROWN. Mr. President, it is my understanding that, while neither Nebraska Senators now have concerns about the amendment—or perhaps I should say will not object to the amendment—the senior Senator from Vermont does not want it passed prior to an amendment which he will offer.

So I ask unanimous consent that the yeas and nays be ordered and that the timing of the amendment be set at such time as the ranking Member and the chairman of the subcommittee would recommend to the body.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BROWN. Mr. President, I note the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I ask unanimous consent that Pearl O'Rourk and Osvaldo Percira, legislative fellows, be permitted access to the floor during the consideration of H.R. 3603, the agriculture appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I suggest the absence of a quroum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I would like to speak to an issue that is included in the agricultural appropriations bill that deals with public health, and address the Senate for a short time this afternoon. I would then like to introduce the amendment that deals with that particular issue and then to move on from there.

The legislation before us includes a proposal to cripple the FDA's ability to protect the public against one of the most costly and deadly tragedies suffered by Americans. Every year millions—millions—of our fellow citizens are injured or killed by this silent epidemic. It results in over 2 million Americans being hospitalized each and every year. It results in 3 million Americans having to visit their doctor each and every year for problems that could be avoided. It costs the American economy an estimated $100 billion—$100 billion—a year in additional health costs and lost productivity.

What is this epidemic? It is a wave of illnesses, injuries, and even deaths caused by prescription drugs. Millions of Americans are affected and billions of dollars are spent on medical problems caused by prescription drugs. The Nation spends as much to cure the illnesses caused by prescription drugs as we spend on the drugs themselves.

The vast majority of these adverse drug reactions can be avoided if patients have basic information about the prescription drugs they are taking. That information will allow patients to understand the proper use of the drugs their doctors prescribe. It will alert them to the symptoms of adverse reactions that can occur with their medication. This basic information would be a written reminder of what doctors tell their patients when the drug is prescribed. That information is often hard to remember, often not followed, and often misunderstood.

We should do all we can to end these tragic, costly, and unnecessary illnesses, injuries, and deaths. Who can be against providing patients with basic information about the prescription drugs they take? Unfortunately, a powerful group of special interests has been fighting for two decades to prevent patients from getting this basic information. They have been fighting for almost 20 years to prevent patients from getting the information that could prevent needless injuries, illnesses, and deaths.

The latest battle in this long war by the special interests is this appropriations bill. Buried on page 58 of this 81-page bill is a provision that prohibits the FDA from assuring that drugstores and pharmaceutical companies provide their customers with the simple, basic information they need to protect themselves against drug-induced illnesses.

This provision would forbid FDA from going forward with a proposed regulation, called the medication guidance regulation, which would require that patients receive adequate information when they fill a prescription. The Food and Drug Administration is America's premier consumer protection agency. It has been working with private industry for many years to implement a program to achieve this objective. Time and time again, for more than 17 years, private industry has promised to get that information to patients. It has promised to stop these millions of needless injuries, illness, and deaths. It has promised to prevent these unnecessary hospitalizations and doctors' visits.

But, year after year, as millions of individuals are injured and billions of dollars are wasted, these tragedies continue. Why? Because all of these promises have been broken.

So, these tragedies continue, even though it costs only a few cents per prescription to add this basic information. Rather than spend a few cents per prescription, these special interests cause billions of dollars in tragedies year-in and year-out. Time and again, they put profit and self-interest ahead of public health.

As the result of these efforts the FDA is being muzzled by an unholy alliance of drugstores and pharmaceutical companies. And, the patients are the losers. This provision is nothing more than a gag order preventing the FDA from making sure that patients get basic, minimal information about the prescription drugs they are taking. We are no longer in the dark ages when people mistakenly believed that patients needed to be protected from basic medical information.

It is almost inconceivable, Mr. President, but going back to the ethical statute of the Royal College of Physicians in 1555:

> Let no physician teach the people about medicines or even tell them the names of the medicines, particularly the more potent ones such as purgatives, opiates, narcotics, abortifacients, emetics or any other which are particularly dangerous: For the people may be harmed by their improper use. This under the penalty of 40 shillings.

That used to be the old method, deny individuals and consumers information about the types of treatment they were receiving.

Then as recently as 1934 a statement published in the Federal Register, stated that drug labeling should be written "* * * only in such medical terms as are not likely to be understood by the ordinary individual." I repeat, that was in 1934.

We have transitioned a long way. The American consumer wants to know what they are ingesting, what is going into their bodies. They want to know about the food they eat. They want to know about the air they breathe and the water they drink. They want to know about prescription drugs. They want to know about over-the-counter drugs. It is a bygone day when we should deny the American consumer the best information that we have available. That is really what this issue is all about. Are we going to make sure that, for each and every prescription drug, the individual is going to get the best information that is available. They need this information in order to know how take their prescription drugs safely and to know if they are going to interact with any other types of prescription or over-the-counter drugs that they may be taking?

As billions of dollars are wasted each year, as millions of Americans are needlessly hospitalized each year, as millions of patients suffer adverse reactions each year, these special interests claim that their voluntary efforts are adequate to protect consumers. The body count goes up, but they claim that they have been doing all that is necessary.

But, their claims are false, and they know it. The clear facts show that Americans do not get enough information about the prescriptions they are taking. We know that because the hospitalizations, the doctors' visits, the injuries, the illnesses, and the deaths continue. Those are facts that the special interests do not want to talk about.

But the problem is even worse than that. American consumers get more information from a box of cereal than they do from the prescription drugs they buy. In fact, almost half of all consumers get no written information at all of the kind they need to use their prescriptions properly. And when the information is provided, it is too often inadequate or incomplete.

Approximately half of all consumers get some form of information. Half of them do not. But of the 50 percent that do, much of the information is incomplete. We have waited for industry to present their plans for providing this important information to the consumer: this is exactly what the Food and Drug Administration had requested. Industry was to voluntarily create a system and be able to show that 75 percent of prescription drug consumers received reliable information by the year 2000 and, hopefully 95 percent by the year 2006.

The Food and Drug Administration was going to make an assessment of the progress in the year 2000 and decide if additional steps were needed or if the industry should just continue with their efforts. The hope was that industry would provide this program voluntarily. But as you can see by the information presented here, the needed information is not forthcoming. This bill allows industry to continue as is and would not allow the Food and Drug Administration to meaningfully evaluate the process of information flow to consumers.

The Food and Drug Administration looked at the information that was provided to drug stores by eight commercial vendors. Drug stores that want to provide information to their customers can buy information systems from such commercial vendors. The FDA examined the information that these eight vendors provided on three commonly prescribed drugs: a sedative, an antibiotic, and a drug used to treat high blood pressure.

While there are a number of vendors, for this study, the FDA selected eight of the better ones.

Remember, we are talking about common medications that can result in life-threatening complications. We are talking about providing people with basic information and warnings that the drug that they are about to take could result in serious birth defects or could cause a fatal allergic reaction.

Mr. President, these drugs each have potentially dangerous side effects. One of these drugs can cause severe birth defects, but only four of the eight vendors even warned about use in pregnancy. And only one vendor commented on birth defects when that was the real danger.

One drug, the antibiotic, has the potential of causing a fatal allergic reaction. While six of the eight vendors provided information on the possibility of an allergic reaction, only one told "What to do if an allergic reaction occurs."

There were eight sources. This scorecard on this chart should have read "8,8,8,8,8" all the way down. That is the only score that should be acceptable. For each one of these three commonly used medications, they ought to provide the appropriate warnings about side effects, contraindications, the possibility of serious drug reactions. Anything less is unacceptable.

This is one of the more recent studies done by the FDA on the adequacy or inadequacy of information provided on important, commonly used prescription drugs. I remind you, for half of the prescription drugs no information is provided; while information is provided for the other half, this is an example of what that information may be.

Let me show you a specific example. This is a prescription for a drug called Macrobid, which is an antibiotic used for chronic therapy.

On the left is an enlargement of the information that one patient received when she had this prescription filled. It sounds pretty simple and certainly safe. It says, "Take one capsule twice a day with food for 30 days. Then decrease dose to one capsule once a day. Take with food to lessen stomach upset. Must use for full length of treatment. May interfere with urine glucose test in diabetics."

But is something missing? Is there information that is generally available and scientifically sound that would be of value to any consumer? What is missing is the fact that this drug is contraindicated in term pregnancies and during labor and delivery. If a baby is exposed to this drug during such time, there is the possibility of precipitating a rapid destruction of red blood cells that could be fatal for the baby.

So if a pregnant woman were taking this drug, she should know that if she takes it in the last stages of pregnancy or during labor and delivery she is risking the health of her child.

It is contraindicated in mothers who are breastfeeding infants less than 1 month of age. The drug gets into the breast milk and causes the same destruction of red blood cells.

Here you see it is also contraindicated in people with G6PD deficiency. G6PD deficiency is a type of blood disorder, reasonably rare, but nonetheless noteworthy. If you take this medicine and you have this kind of blood disorder, you may experience a fatal hemolytic anemia which is the breakdown of red blood cells. So this would obviously be valuable information for a patient who knows they have G6PD deficiency.

This drug can also cause lung disease. "Should consult your physician in the event of pulmonary symptoms." Physicians suggest that patients who take this drug for more than 6 months should have routine lung examinations.

This is the kind of information that should be available. This is the kind of information that could easily be available. We are not talking about overly extensive pages of data. We are talking about the kind of information that is readily available and accessible to both the company and to the FDA. This is the kind of information that is not being routinely provided today on these prescription drugs.

What is it that the FDA thinks is necessary? Here is a prototype designed by the FDA which includes the information they believe the consumer should be told. This one uses Cardizem, as an example. This provides all the information. We have it blown up here. "What is the most important information that I should know about Cardizem?"

"Used to treat angina pectoris—chest pain. May lower blood pressure. If you get dizzy while using, call your doctor. Can interact with certain medications. Check with your doctor if using beta blocker, digitalis. If you notice very low heart rate, palpitations or feel very weak, call your doctor."

Then there is a description of what Cardizem is. It is a relaxant that dilates blood vessels in the body, increases blood flow to the heart and helps reduce chest plain. A drug known as calcium channel blockers.

It has, "Who should not take it?" It indicates if you have heart problems, your doctor needs to know. If you have low blood pressure or heart block, a pacemaker, heart failure or any other heart problem; if you have liver or kidney problems, your doctor needs to know. If you are pregnant—the use of Cardizem in pregnant women has not been studied. Studies with animals suggest, however, that Cardizem may cause miscarriages.

So it points out if you have a heart problem, if you have liver or kidney problems or if you are expecting you should not take this medication. And it also says, "If you are nursing, Cardizem is passed on through the breast milk. If you take, use some form of infant feeding." Change from breast to infant feeding.

Then it talks about how I should take Cardizem. "Take before meal, if possible. If you miss a dose, take it as soon as possible. However, if it is almost time for your next dose, skip the missed dose and take your medicine as scheduled. Do not take double your prescribed dose."

This is very important. Many people, when they are on prescription drugs, will fail to take it at the time prescribed, and they wonder whether they ought to double up. Maybe they forget for a day, maybe they forget to take a morning, noon or evening dose, and they wonder, "Should I take it double tomorrow because I forgot to take today." Say I forget this morning's dose? Do I take two this afternoon? And this tells what to do if you do miss a dose.

"What should I avoid taking with Cardizem?" It interacts with other medications. Your doctor may need to change the dosage for the medicine. Check with your doctor before taking the beta blocker drugs, ulcer drugs, and digitalis for heart failure.

So it mentions the types of health challenges that you might face, the sort of chronic problems that you might face, it gives you a warning and a heads up. And then it talks about other types of medicines that would have an adverse reaction.

"What are the side effects?" It gets into the side effects. The swelling of the legs, headache, rash, weakness, a small number, less than a half-percent get heart palpitations. So it says, ask your doctor if you have difficulty breathing or have dizziness. This goes on. This is the type of information that we are talking about. This is scientific information presented to consumers in readable, understandable form that responds, by and large, to the everyday kind of questions that a consumer would have with regard to this particular medication.

I think all of us have seen the information for over-the-counter drugs. You know, the insert for Tylenol, Excedrin. Very few people, unless you are a chemist, can really understand it. That is not what we are talking about here. We are talking about valuable, readable information that could be of such great importance to consumers.

It is readable. It is understandable. And it is enormously valuable for patients. And yet, 50 percent of the American people do not get this kind of information. And the other 50 percent, in too many instances, get information that is inadequate.

This is the type of thing that we want to encourage. We want the industry to do this in a voluntary way. As I say, they are doing 50 percent now. We were hopeful to get them to 75 percent, working with the industry, working with the FDA to permit them to move through that process by the year 2000.

So this provision of the pending bill tells patients—the provision I mentioned earlier—that they do not need these warnings. All they need is to trust the industry to take care of them. But the industry is not providing the warnings, is not telling the patients the drug they are about to take will cause a serious birth defect or fatal allergic reaction.

The industry promised for years to provide the patients with the information. There are many, many examples of why industry cannot be trusted to do what is right.

In 1992 the FDA required a box warning—those are the warnings that are printed on the various boxes, the most serious kinds of warnings—on the labeling provided doctors and pharmacies for Seldane and Hismanal, two of the most popular prescription antihistamines for allergies. When taken in association with certain antibiotics or antifungals, which are two other classes of frequently prescribed drugs, there were deaths and serious cardiovascular reactions.

Let me tell you about one 29-year-old woman who was taking Seldane for allergies. She went to her podiatrist for athlete's foot and was given a prescription for Ketoconazole. Two days later she went to an emergency room complaining of a blackout. They could find nothing wrong with her, told her to return if it happened again. The next morning she was found dead in bed. Apparently, the cause of death was cardiac arrhythmia and death. The blackout episodes were most likely caused by arrhythmias.

If she was given patient labeling, she could have easily identified the warning against using the two drugs together. Her death was preventable.

The needed warnings even appeared in FDA-approved consumer advertising in magazines, such as People, Newsweek and Time.

Here in the Washington Post, on April 16, 1996 it talks about a warning: "Seldane and Popular Antibiotics Equals Trouble." And the point of this chart, Mr. President, is this:

> American pharmacists fill about 2 billion prescriptions a year, and the market is more complex than ever, with more diseases treated by multiple drugs. Retail pharmacists have more financial incentive to sell prescriptions than to spend time talking to customers about possible drug interactions," Shulke said.
>
> They rely increasingly on computer programs to catch potentially dangerous drug interactions. Unfortunately, "these software programs are lagging behind the state of the art" and fail to keep up with [the] latest Food and Drug Administration and pharmaceutical [company] warnings.
>
> * * * * *
>
> Much of the information that doctors and patients receive about drugs comes from the companies themselves. Such information, while useful, tends to present "one side of the story"—emphasizing the benefits of medications more than the risks.

So, Mr. President, this is something that was pointed out. This is by the pharmacists themselves, the American Pharmaceutical Association. The Director of Policy and Regulatory Affairs made those observations.

All of us would believe that when a prescription drug is given, that the patient has the best protection because he or she has the doctor. I think all of us understand that. We have come to rely on that doctor. The doctor is not going to obviously put this person at risk. But what we are finding out, what every indication is, particularly with elderly people, is that people either forget after a few days, a week, a month, several months, they get easily confused between various different kinds of information that they may have been told or that they have forgotten, all against a background where that kind of information is easily available, accessible, and understandable and should be provided to the consumer.

The warnings against taking these drugs in combination did not appear on the information sheets that pharmacists gave to consumers. Consumers were given better information in magazine ads than they were given by the pharmacists who dispensed their prescriptions.

Even today, after concerted efforts to educate physicians and pharmacists about the dangers of prescribing Seldane with certain antibiotics, tens of thousands of patients are still given coprescriptions written in conjunction with one of those antibiotics.

We have been promised that the pharmaceutical industry and retail pharmacies will take care of keeping the public informed. What is happening in the Washington, DC, area? Well, Dr. Woolsey from Georgetown recently completed a study. Fifty pharmacies were selected out of the yellow pages. An investigator was sent to each of these stores with a prescription of Seldane and Erythromycin. Thirty-four of the pharmacies either refused to fill them or warned that the two drugs should not be taken together. But 16, or nearly a third, filled both prescriptions without any comment or warning, the very kind of situation we are talking about here.

A third of the pharmacies issued both of these drugs even though there are these extraordinary dangers. And 14 of those were asked if there were any problems taking the two drugs together. Nine said they could be taken together—that there was no problem.

Only nine of the prescriptions were accompanied by a written note suggesting a patient check with a doctor if these two drugs were taken together or to "report any other drugs you take or disease you have."

These are the warnings we have for a fatal reaction. Think of the information we would get for reactions that merely cause disease or discomfort.

Yet the current underlying legislation will allow industry to independently provide this information. This is the same industry that has so overtly failed in just this one situation of the fatal reaction of Seldane and Erythromycin. I ask you, how often have you been on an antihistamine and an antibiotic at the same time? What about your children?

So the rollcall of patients harmed or injured because they did not receive adequate warnings is a long one, and includes children and adults from every walk of life. Senior citizens, as I mentioned, are particularly victimized. The best estimate is 17 percent of all hospital admissions for senior citizens is as a result of an adverse drug reaction, about 5 percent for children. But no American can be confident that a member of their family will not be the next to suffer.

Let me give you several examples.

A 69-year-old man was prescribed an antibiotic called Cipro to treat a kidney infection. He took the pills for 10 days and failed to notice any improvement. When he returned to his physician, a repeat urine culture showed that the infection was still present. The physician changed it to another antibiotic.

The problem was not the antibiotic. This man was also taking Maalox for indigestion, which he had not been told that Maalox or other antacids prevent the antibiotic Cipro from being absorbed. Even though he was swallowing the right dose, not enough entered the bloodstream.

This should have been included on a drug information sheet.

A 48-year-old man was diagnosed as having a mild form of diabetes which can be treated by taking pills that will lower the amount of sugar in the blood. He had been taking these pills for 4 months. During that time his physician had changed the dose in order to maintain a good blood sugar level. He had been stable without any change in dosage for 2 months.

Then one day he twisted his ankle. To treat the pain he started taking Advil every 4 to 6 hours. The next morning he awoke feeling sweaty and light-headed and fainted as he got out of bed. He was rushed to the hospital where his blood sugar was measured at an extremely low level.

This man should have been warned that Advil and other related drugs increase the effect of the diabetes medication he was taking. What had been a good dose of medication in the past now lowered his blood sugar level to a dangerous level.

This should have been included on a drug information sheet.

A 58-year-old man who was otherwise very healthy developed diarrhea and abdominal cramping. He was diagnosed as having irritable bowel syndrome and was placed on a strong tranquilizer medication to calm down his intestines. Six months after being on this medication, he developed the symptoms of Parkinson's disease. His doctor started him on a medication for Parkinson's disease.

For 7 years, he took both drugs. Then a neurologist specializing in Parkinson's disease evaluated him and recognized that the real problem was the tranquilizer. Both drugs were discontinued.

Four months after seeing the neurologist, this man was on no medication and all of the Parkinson's symptoms had disappeared.

This man suffered from a side effect of the tranquilizer. The neurologist who made the correct diagnosis says that in 3 years he had seen 38 other patients who had drug-induced Parkinson's disease.

A 60-year-old woman was started on a drug called propranolol to treat her high blood pressure. The physician had prescribed a large dose considering her age and her size.

Two days after starting the drug she began feeling very weak. This got worse and on the third day she went to the emergency room where on arrival her pulse rate was only 36 beats per minute. This low heart rate was a result of the propranolol.

If she had received an adequate drug information guide, she would have recognized that her symptoms were likely a response to the medication, and she could have called her physician rather than going to an emergency room. She was lucky. If she had any heart disease, lowering her heart rate to such a level could have produced severe heart failure.

Mr. President, the list goes on. Leaving out critical warnings is unacceptable. In these types of life-and-death cases, FDA oversight is clearly warranted. The health and lives of too many patients is at stake.

FDA has rightly decided consumers deserve more protection than the status quo. The medguide regulation is intended to correct this gross deficiency in our consumer protection laws.

Today, we go into a supermarket to buy a loaf of bread, a carton of milk, or a box of cereal. Complete nutritional information is provided on the package. Here we have the package label for Wheaties, "Breakfast of Champions." We see that, under the Food and Labeling Act we passed just a few years ago, we have the calories, total fat, cholesterol, sodium, potassium, all of the vitamins that are listed, the carbohydrates. All of this is printed in an easily and understandable form that is welcomed by every mother, every parent, every child.

When we buy over-the-counter drugs like aspirin or Tylenol, the FDA regulations require the drugs to have complete information, so those who take the pills understand what they are taking, how to take them, what side effects to watch out for, and what food or drugs it interacts with. Anyone who goes to the drugstore this afternoon will find that information available.

But, if we buy a prescription drug in the pharmacy of one of these same grocery stores, there is no guarantee that we will get the same kind of information when the prescription is filled. Current laws require more information about breakfast cereals than about dangerous prescription drugs, even though the necessary information can be provided simply and cheaply.

The results of this neglect are predictable and shocking. Mr. President, 30 to 50 percent of adult patients do not use their medications properly. In children, improper use exceeds 50 percent. Just look at this dog food label, Alpo puppy food. Friskies Alpo puppy food has all the information—protein, fat, fiber, moisture, calcium, phosphorous. It lists the various ingredients and how the minerals and vitamins have been added, talks about the weight and age of the dog, talks about recommended amounts and how many different feedings ought to be included. We provide it on dog food, cat foot, pet food. We provide it at the grocery store on the box of cereal and just about every other item in the grocery store under the food labeling provisions. We provide it for over-the-counter drugs. But the one area where we do not provide assurance is in the prescription drugs.

The FDA is attempting to provide and encourage the industry to get to 75 percent information by the year 2000—not by requiring—by working with them. We have seen the attempt in the House of Representatives and the Senate of the United States to bar that type of action. That is not acceptable.

Mr. President, in the elderly, who rely most heavily on medication, noncompliance is often higher. They do not often understand the problems of missing doses or changing doses. This is more dramatic in low-income elderly. There are economically induced compliance problems, and patients sometimes attempt to stretch their medication by cutting back on their required daily dose. They have not been warned such action endangers their health.

You cannot have a meeting with senior citizens in any part of this country without, when you ask them how many spend $25 or more per month on prescription drugs, 80 percent of their hands going up. Ask who spends $50 or $75 a month, and a third of the hands go up that are taking prescription drugs. In many instances, there are a number of seniors who are dividing those prescription drugs to make them last over a longer period of time and who have no understanding or awareness of what that is doing in terms of endangering their health.

The patients taking medications are not the only losers. Public health is put at risk if uncured infections are transmitted and resistant infections develop.

The economic and human costs are staggering: 2 million avoidable hospitalizations, 3 million avoidable doctor visits, $20 billion in additional health care costs, and $100 billion in total costs to society. The need for action is clear, yet this legislation will stop the FDA from doing what is needed. Here it is, $20 billion, effectively, for avoidable hospital admissions because of adverse drug use—$20 billion a year. The best estimate is that it is $100 billion in terms of either direct or indirect costs. It has health implications and cost implications in terms of individuals and the community.

The medication guidelines this legislation would block would establish concrete goals for industry to meet. By the end of the year 2000, FDA seeks to ensure that at least 75 percent of patients with new prescriptions would obtain adequate, useful, easily understood written information. By the year 2006, 95 percent of patients with new prescriptions would receive this information. There is nothing radical about these targets. They are the same commonsense objectives established in the landmark "Healthy People 2000" goals developed under the Reagan-Bush administrations.

Working with drug companies, pharmacists, physicians, and consumers, FDA was planning to establish nonbinding guidelines on such information. These guidelines will help pharmacies ensure that the written information they provide is adequate.

If the goals in the proposed regulation are not met, FDA would have a choice—either institute a mandatory program or seek public comment on what steps to take next.

This approach is reasonable. It gives the private sector the opportunity to achieve compliance without regulatory requirements over the next 4 years. Yet the industry still objects. It claims that neither the medguide regulation nor binding requirements are necessary.

Inadvertent misuse of prescription drugs is not a new problem. FDA first starting tackling the problem on a broad scale in the mid-1970's.

In 1975, after examining the issue in-depth by studying existing labels, interviewing consumers, conferring with experts in the different health care fields, FDA published a notice in the Federal Register asking for public comments to help formulate a policy on patient labeling for prescription drugs.

In 1979, the FDA issued a proposed regulation to require drug manufacturers to write patient labeling for their drugs and provide it to pharmacists for dispensing with the drug. In comments on this proposal, consumers favored the proposal, while manufacturing pharmacists and the medical professions opposed it.

In 1980, after considering the comments, FDA issued a final rule. It decided that the evidence in the rulemaking record amply demonstrated that labeling would improve the benefits that consumers receive from prescription drugs in a number of ways. The information would increase compliance, which would in turn decrease injuries from misuse. The regulation required manufacturers to provide labeling to pharmacists, but it also allows pharmacists to write their own labeling.

In 1981, the incoming Reagan administration delayed the implementation of the FDA regulation. This is an issue that has been around for a long period of time. But the regulation was revoked altogether. Its justification was that the private sector had promised to implement a voluntary program to do the job. So here we are—15 years later—and industry is saying, once again, "We don't need Federal regulation. Give us a few more years and we'll do the job."

But the results of the industry's past 15 years of nonaction are crystal clear—too many deaths, too many injuries, and not enough patient information. Almost half of all patients receive no written information of the kind they need to monitor their use of medications. Too often, the information they receive is shockingly inadequate.

FDA rightly concluded that consumers are not being served. They developed a proposal and took it to industry, before even beginning a rulemaking proceeding. In a letter to Senator COCHRAN, FDA explains:

> We originally envisioned mandating that drug manufacturers develop patient leaflets which would be distributed with most prescription drugs, informing patients of such

> things as how to take the drug, what it was used for, what side effects to watch for, and what to do if problems were experienced with the drug.
>
> However, before issuing such a proposal, we met with the medical and pharmacy professions, representative of the nation's drug stores, drug manufacturers, consumers groups, and others. Many told us that new patient information systems, most using computer technology, had been developed and were being implemented that could accomplish our goal at little cost to pharmacies and consumers, and that by the end of the decade, most patients would be getting such information through these private sector mechanisms.
>
> We accepted their argument, and our subsequent proposal of August 1995 announced that we would defer consideration of a mandatory comprehensive Federal program until at least the year 2000, to give the private sector time to fulfill that commitment. We believe the proposed rule is very consistent with the concept stated in your letter of giving the marketplace a chance to meet our mutual objective. We are currently reviewing the comments submitted in response to the proposed rule, and recognize that revisions may be necessary to respond to some of the specific concerns raised by those who manufacture, prescribe, dispense prescription drugs.

So FDA's regulation, developed after consultation with the affected industries, is entirely reasonable. It sets a performance standard and goal of 75 percent of consumers receiving accurate, complete, helpful, and legibly written information by the year 2000. The 75 percent goal takes into account the existence of the small corner drug store that may not be able to meet the target as readily as large firms. The underlying mandatory regulation will not go into effect if this goal is met by the year 2000. In addition, it does not apply to drugs dispensed in doctors' offices, or hospitals, or in an emergency. In addition, there is special consideration for small retail pharmacies.

The FDA has gone the extra mile. Consumers deserve the protection. Fifteen years of inaction under so-called voluntary guidelines established by the industry is already too long. Now the industry will have another 5 years to show it can do the job voluntarily. But even that is not enough for the majority of Congress. They want to prohibit the FDA from implementing even this modest approach.

The provision in the bill states that if the private sector develops a plan within 120 days of enactment, FDA's rulemaking is suspended. However, the Secretary of HHS and the Commissioner of FDA cannot review the voluntary program to determine if it is, in fact, adequate. The only action that HHS or FDA is allowed to take is to audit the program to see if it meets the goals set by the industry—not the goals set by FDA or Healthy People 2000. The bill further hamstrings FDA by precluding any activity, such as guidelines, that might assist the private sector or assure that its program is adequate.

This provision is an abdication of Congress's responsibility to protect the public health. Instead of responsible action by FDA, an industry with an unsatisfactory track record is permitted to regulate itself—without any FDA oversight to make sure that the industry program is adequate.

How many more people must be injured or killed before Congress does the right thing? How many more billions of dollars in health care costs must be squandered before we decide that the public interest should take precedence over these special interests.

The offensive provision in this bill is also part of the overall FDA reform bill reported by the Labor Committee. That legislation is the subject of continuing negotiations between Congress and the administration. The administration has identified modifying this provision as one of its highest priorities. We have been negotiating in good faith in the hope of reaching bipartisan agreement on a responsible FDA reform bill. Yet in the middle of these negotiations, this particular proposal is suddenly being rushed through Congress on this appropriations bill.

This FDA gag order does not belong on the agriculture appropriations bill. We all know what is going on here.

Special interests have brought and paid for this provision with political campaign contributions. Anti-FDA companies have contributed $1.3 million to the sponsors of several so-called FDA reform bills in the 3 years ending December 31, 1995. Of that sum, $888,000 were contributed by political action committees of FDA-regulated companies to the sponsors of these anti-FDA bills.

And those are only the campaign contributions made through last December. The money hasn't stopped flowing. In fact, in 1996 the money has continued to pour into the Republicans: Eli Lilly & Co., gave $305,000 to the Republican National Committee in the first 4 months of 1996. Bristol Myers-Squibb contributed $275,000 to the Republican National Committee in the first 4 months of 1996. And now they have their payoff.

The American people deserve a strong and independent FDA—an FDA that has the authority and ability to assure that the food we eat is nutritious and healthy, that the medicines we take will cure, not kill, and that the medical devices we rely on will sustain and improve life, not harm it.

By rejecting the proposal in the bill before us today, the Senate can send a message of reassurance to the American people. Public health is not negotiable. The FDA is not for sale to the highest bidder, and neither is Congress. No amount of campaign contributions can possibly justify selling out the FDA and jeopardizing the lives and health of the American people. The people have the right to useful and necessary information about the drugs they take—and FDA should have the chance to make sure they get it.

I yield the floor.

Mr. SIMON addressed the Chair.

The PRESIDING OFFICER (Mr. THOMAS). The Senator from Illinois is recognized.

Mr. SIMON. Mr. President, first, I want to commend Senator KENNEDY for all his work with the Food and Drug Administration. He has been a bulldog in fighting to protect the public interest.

I stopped at the little store over in the Dirksen Building on the way over here. In the Dirksen Building, I saw pretzels, and I looked on the back of the pretzels and I saw how much sodium and everything else was there. A bag of pretzels gives us that information. When you pick up a candy bar, you have the information. But unless there is an agreement—and I understand some negotiations are taking place, and we may have an agreement here shortly, and I hope we do—what is going to happen is we are going to continue to not give people information on prescriptions.

Some companies do it voluntarily, but a great many do not. What the FDA has worked out is that, by the year 2000, 75 percent of prescriptions will have to provide that information. Frankly, I think the FDA, instead of being undermined, as this bill would do, ought to be criticized for not moving further than 75 percent. I cannot believe we would accept that 75 percent of pretzel bags is adequate. We insist that 100 percent of pretzels or dog food or breakfast food have this information. Why shouldn't people who buy prescriptions have this information? It just boggles the mind.

When you take a look at the reactions that come, which Senator KENNEDY was talking about, to people—and I can remember one of our colleagues just yesterday in the Democratic Caucus talking about a reaction that he got to drugs that were prescribed to him. Fortunately, he had information there, and he found out by reading the information that it was a reaction to the drug. By all means, we ought to protect the American public. What the Kennedy amendment does, and what the FDA is proposing, is that 75 percent of prescriptions should be covered by the year 2000, which is 4 years from now, and that 95 percent be covered by the year 2006, which is 10 years from now. If there is something wrong with this, it is that we are not covering everybody by the year 2000, all prescriptions, and, much less, by the year 2006, 10 years from now, still having 1 out of 20 prescriptions not covered.

I have to ask the question, Mr. President: Why do we have this here? Why would a pharmaceutical company want to prevent the American public from having this information? I assume it is that they may want to make a few more dollars and not have a liability here. I don't know. But, frankly, it seems to me that it protects them from the liability to have that information provided. What we do not need is an FDA gag order. That is what this bill is without an amendment. I am hopeful, from a report I just received from a staff member, that some kind of a compromise is being worked out. I do not know. But to say that the industry can set its own standards, I do not know how many prescriptions there are out here for various medicines. Let us say there are a thousand different kinds of things that could be out there. According to this bill right now, if each year they add one more where they would give the information, then it would take 1,000 years in order to meet that industry standard. And that would comply with this bill as it now is.

Mr. President, clearly we have to protect the public. This bill without an amendment does just the opposite. It protects pharmaceutical companies and not the public. Our aim ought to be to protect the public. I want good pharmaceutical companies. I want companies that invest in research and do other things. But we cannot do that and jeopardize the public. We can both protect the public and encourage a healthy pharmaceutical industry.

Mr. KENNEDY. Will the Senator yield for a question?

Mr. SIMON. I am pleased to yield to my colleague.

Mr. KENNEDY. My good friend serves with me on our Human Resources Committee. We had been considering an FDA reform legislation, had we not, over the period of recent weeks? And the House of Representatives Commerce Committee also had been in the process of marking up over there even as we meet here this afternoon. As a matter of fact, I understood they are going to try to work out in a bipartisan way a number of the areas in that FDA bill. And the Senator understands I believe that this whole question of the Medguide has been included in the alleged FDA reform. So it was a matter that was going to come on up here on the floor of the Senate under the FDA reform both in the House and in the Senate.

I am just wondering whether the Senator was as surprised as I was to find out that this provision was taken out of the FDA reform. It had been a matter of some considerable discussion and difference in the Human Resources Committee. We had good debate on it for some of the reasons that have been outlined here this afternoon. Then to find out that it is tacked onto an agriculture appropriations bill, I do not know whether the Senator was as surprised as I was to find that out. The Senator might remember that we used to have the understanding that there was not going to be legislation on appropriations. That was ruled out, and now we permit it evidently under the various precedents on legislation on appropriations.

I am just wondering whether the Senator was as surprised as I was to see this measure on this bill. I would think the Senator, representing the great State of Illinois which is industrial in the north and agricultural in the south, is eager to see this legislation go forward.

I do think that it is important to note that this would be a matter that was going to be considered in a timely fashion we had hoped with the FDA reform. Now it is on an agriculture appropriations bill that is some distance from both committees of jurisdiction and subject matter. And I am just wondering if the Senator is somewhat surprised to see this emerge in this form.

Mr. SIMON. The Senator from Massachusetts knows that we were all surprised—most of us were surprised—that it emerged here. We had been working, as he indicated, in a bipartisan way in our committee to try to deal with some of these problems, and they are very complex. But to say I was surprised is factual. I have to say I am also puzzled. Why does this happen to hit on an agriculture appropriations bill? To my knowledge no one on that agriculture appropriations bill has been called in any of these negotiations. Does the senior Senator from Massachusetts have any idea how it happened to come on this agriculture bill?

Mr. KENNEDY. No; I do not. And I think this is an issue that deserves a full debate and discussion. I would be hopeful that we could work out some measure that would defer at least full debate so we would be able to permit the agriculture appropriations bill to move ahead without interfering with the current status. That was certainly our hope earlier in the day because I think that is really the best way to make sure that we are going to get the agriculture appropriations. None of us are interested in seeing this delayed at all, because of the importance of it. But I must say having this legislation which is of such enormous importance I think is a matter of importance, and we want to make sure that the Senate is fully apprised of it.

So it is my hope that we can still work something out. We have been in contact with a number of Senators who are interested in it, and we will have a chance to see if we cannot resolve this so that we can get back to considering some of the agriculture amendments.

Mr. SIMON. Mr. President, I simply want to again commend my colleague from Massachusetts for his leadership in this whole area, not just on this amendment but he has made a huge contribution in protecting the American public as we look at the FDA.

Mr. President, if no one else seeks the floor, I question the presence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GREGG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. THOMAS). Without objection, it is so ordered.

Mr. GREGG. Mr. President, I ask to proceed as if in morning business for a period of approximately 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GREGG. I appreciate the courtesy of the managers of the bill in allowing me to proceed in morning business.

RETIREMENT SECURITY

Mr. GREGG. Mr. President, I rise to talk a little bit about an issue that is absolutely critical, obviously, to the future of America. It is on the minds of many. And that is the issue of retirement of Americans and how we are going to pay for it.

This has become increasingly an issue that is receiving some visibility in a substantive way verses in a political and demagogic way as a number of proposals have been discussed over the last few months regarding the issue of how we are going to pay for retirement for our senior citizens who are presently receiving funds from the Social Security fund or from private pensions and also for those who are headed toward some sort of retirement benefit.

The reason that the visibility of the issue has increased is probably because the largest generation in America, in American history, I guess—the postwar baby boom generation—is starting to see the whites of the eyes of retirement coming over the hill and it is necessary for the postwar baby boom generation to focus on how its retirement years are going to be paid for. It is a very big issue, and it is one that needs to be addressed.

This Republican Congress has actually passed a series of major proposals in the area of retirement security. Most of these major proposals were included in last year's Balanced Budget Act, and they were aimed at making pensions more available and at making personal savings more attractive and at improving the Medicare system.

The President, regrettably, vetoed that proposal, which would have gone a long way toward assuring solvency specifically of the Medicare system. Perhaps as a result of that veto, the White House has become concerned about their culpability in not addressing the important issue of how we protect the retirement systems of this country, especially Medicare, which, we have heard from the trustees, is going to go bankrupt in the year 2001, potentially 2000.

And so, as a result of that, the President has now put forward a proposal. Of course, he puts forward a proposal on something almost every day, recognizing that most of it is not going to become law or enacted. Although it is really political in nature, it is still at least of some value in that he has put forward a proposal called the Retirement Security and Savings Act. The congressional leadership on the Democratic side of the aisle has also decided to put forward some proposals in this area called pension security bills—well, they were pension security bills. In May of this year, they put them forward and they were part of their families first agenda.

My concern is that many of these ideas which are being initiated on the other side of the aisle not only miss the mark, but they actually aggravate the problem because, for the most part, most of these ideas come out of the position of big government resolves problems and it is to the big-government approach that we should turn in order to address the problems. They are ideas born in the 1930's, which should have died with the passage of the Berlin Wall but, unfortunately, continue to engender themselves on the other side of the aisle.

However, at the same time that those ideas have been put forward, during the past year myself and Senator SIMPSON have been holding a series of coordinated hearings on the Nation's retirement policy, both in the Finance Committee and in the Labor Committee, where we chair the various subcommittees that are charged with this responsibility, I being responsible for the Committee on Aging, and he is responsible for Social Security.

So we have examined the current status of the Nation's public and private retirement system and the nature and magnitude of the challenge that system confronts as the baby boom generation moves towards retirement.

We have learned some important facts that provide a message of perspective on the current retirement security debate. These facts tell us that the scope of the problem we confront is enormous and, if anything, the American public is underestimating the problem and is underanxious about the problem.

Fact No. 1 is that the Social Security system presents a major problem in its present structure. Within 35 years, our country as a whole will have more senior citizens than Florida does today. Think about that. In 35 years, the average age of the American population generally will exceed today's average age of Florida's population. This wave of senior citizens will have a life expectancy 8 years longer than current seniors, which is good, obviously, but it also creates issues.

Social Security is terribly unprepared to cope with this change in demographics. The program operates on a pay-as-you-go basis, which works all right today when about 4.5 workers support each retiree, but by the year 2030 the ratio will have fallen to 2 workers supporting each retiree, and the program will simply collapse. Absent reform, nearly $8 trillion of unfunded liability exists today—$8 trillion. That is more than the national debt. That is what the unfunded liability is. Tomorrow's workers and the economy will never be able to withstand the taxes necessary to sustain an unreformed program once the baby boom generation begins to draw its retirement.

Fact No. 2: Our private pension regime presents a major problem. Keeping in mind Social Security's future, it should be considered a national crisis that just half of today's full-time workers participate in employer-sponsored pension plans or that 45 million Americans have no access to a private pension plan or that over the past decade corporate contributions to pension plans have declined by 50 percent.

These sad facts are driven by the even sadder state of the pension access in smaller businesses and for lower income workers.

We passed a law just a few weeks ago which will correct some of this problem, but it does not solve all the problem, and it has not been signed by the President so we do not know that it will be agreed to. Today only 15 percent of the firms with less than 25 workers offer pensions to their employees. Whereas almost 80 percent of today's work force earning over $50,000 have pension plans, only 44 percent of the workers earning between $10,000 and $25,000 have pensions, and only 9 percent of those earning less than $10,000 have a pension. While many likely theories underlie our Federal pension system regime, the fact remains that the marketplace's reaction to it is failing our workers. Proposals that we did pass just in the last few weeks will help alleviate this to some degree, but it will not correct the fundamental problem.

Fact No. 3, personal savings presents a major problem. The typical working American retires with less than $10,000 of personal savings. Baby boomers now earning $75,000 a year, those doing well under the current pension statistics and expected to receive a typical employer-provided pension, would have to triple their current savings rate to maintain their current standard of living upon retirement. It is just logic that tells you this. The fact is, people today work for about 30 years. But because life expectancy has been extended, they also retire for about 30 years. So you cannot save just a few dollars while you are working and expect to have enough to cover you during your retirement when your retirement years are actually almost equaling your working years.

The majority of Americans are very unprepared in the area of pensions. Americans do not save anywhere near the rate required to sustain themselves. The reasons for this likely vary—the triumph of consumerism over thrift, the increase in family tax burdens, the welfare state's culture of dependency, the burdens of repaying student or other loans which now exist at levels unheard of for prior generations—but the effects are all too real. We simply are not saving enough as a culture.

These three basic facts concerning the three legs of the retirement stool—Social Security, private pensions, and savings—when viewed in combination, present a startling and disheartening picture. They also lead to some important lessons for judging the adequacy of any retirement security proposals the Congress may address over the next year.

Lesson No. 1: We can no longer ignore the Social Security problems. We have a lot of faith in the common sense of the American people, at least we do in New Hampshire, and believe that the true root of their retirement anxiety is the fear that Social Security will not be there for them. They are right to be scared. Continuing to ignore Social Security reform because the program is now running a surplus is inexcusable. Retirement policy is long-term policy. We must allow the public adequate time to adjust their pension and savings activities to any Social Security changes we may enact. Every additional year of delay makes any change not only more Draconian but also less fair and less likely to succeed.

Further, any reforms to Social Security should complement and reinforce the changes that must also be made to address today's savings and pension inadequacies. Those who champion "retirement security" but steadfastly ignore the Social Security problems not only mislead the American public but also now present a real danger to the retirement security of today's workers.

Lesson No. 2: We must act to buttress the private pension and personal savings activity of Americans. While the need for Social Security reform has gained some national attention and numerous reform proposals have been made, Social Security is just one portion of our national retirement policy. We must also reform the other components with similar zeal and creativity. Just as the debate on Medicare was taken to a new level last year, with a general consensus developing that more individual choices should be offered, and just as the debate on Social Security is moving toward a new level with the discussion gravitating toward personalized savings options, the debate on employer-provided pension reform must move to another level as well.

Our current pension structure does nothing for roughly half of our working population and neglects mainly the poorer workers at that. We do not need further tinkering, but we need new ways of thinking. We must also move with similar urgency and innovation to address the significant inadequacies in personal savings. While new tax incentives for savings seem to be the standard for the solution, increasing education on the need to save and changing the cultural attitude toward thrift may be even more effective and at a lower price in some regards.

Lesson No. 3: We do not have time for political silliness. Our most basic lesson is that we must consider and deal with the totality of the problem. Any retirement reform proposal must be looked at through a comprehensive, long-term lens. The fundamental test for each private pension or personal savings proposal must be: Will it really expand pension coverage or savings? And a key test for Social Security reforms must be: Will they complement, not undermine, our pension and savings goals?

Based on the facts I have just discussed, we do not have time to pass feel-good proposals that will end up making a bad situation even worse. We believe that many of the Democratic proposals would fail this test. While in theory they may work to give workers more pension security, in practice we know increased mandates, administrative expenses, and regulation causes businesses—and particularly small businesses—to opt out of pension activities. We have seen that in the defined benefit area especially.

Some Republican proposals should be reexamined as well. If tax incentives like IRA's only cause shifting of savings and not new savings, a tax cut that offers working folks new money to save may be a better approach.

It is important to keep in mind that the problems we confront result from an excess of good news. Americans are living ever longer, the Nation is prosperous, and we have come to expect a relatively comfortable retirement lifestyle. Our senior population is, as a whole, a generation that is in better financial shape than the other generations within the country.

These expectations, however, are running head-on into unavoidable demographic facts. Thus, we believe the Nation's retirement structure, a public program designed in the 1930's and which has become a Rube Goldberg hodge-podge of tax and regulatory provisions built up over time, must be overhauled and restructured in light of the population pressures the Nation confronts. Continuing a process of incremental changes will continue failure. Outdated structures offer little hope for achieving what must be achieved.

During the next few weeks, it is my intention to offer specific options which will lead to a comprehensive response to the problems which we have in the Social Security accounts, the pension accounts, and the savings area. I do not expect these proposals to be the end of the discussion but rather to be an effort to energize and promote the discussion. What is critical, however, is that we dedicate ourselves to the fact that we have to take action and we have to take it within the context of the next Congress. During this election year, when many politicians are putting their heads in the sand on this issue, we cannot afford that type of action.

As we go into this election cycle, there should be a significant national debate and discussion of just what we are going to do in the area of retirement security.

Mr. President, I yield the remainder of my time and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mrs. FEINSTEIN. I thank the Chair.

(The remarks of Mrs. FEINSTEIN and Mrs. HUTCHISON pertaining to the introduction of S. 1985 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")

Mr. BRADLEY addressed the Chair.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from New Jersey is recognized.

Mr. BRADLEY. Mr. President, I ask unanimous consent to proceed as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. BRADLEY and Mr. WELLSTONE pertaining to the submission of Senate Resolution 282 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

Mr. BRADLEY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

Mr. EXON. Mr. President, I wonder if the Senator from Nebraska might inquire from the managers of the bill as to the status of the Ag appropriations bill.

I had the false impression earlier that there were not many matters to be resolved. I would simply observe the obvious, that not a great deal has taken place since noon when we had some votes. I would just like to know, for the schedule of the Senator from Nebraska, if the managers could advise as to the status of negotiations going on, whatever they are. What are the remaining matters of controversy on the Ag appropriations bill, which I thought had been so ably managed out of the committee by the managers of the bill, that we probably were down to not a great many contentious issues.

We have not had a vote since noon, and since I have been around here a long time, I know I get the signal when you do not vote from noon until 5 o'clock in the afternoon, that means we might not vote by 8 or 9 o'clock tonight. I know that my friend from Mississippi has been struggling with this bill. The Senator from Nebraska has had some interest in some side issues that have basically been resolved. I inquire of the managers of the bill if they could enlighten this Senator as to what likely might happen the rest of the waking hours today or in the evening.

Mr. COCHRAN. Mr. President, if the Senator will yield, my impression is that we are making progress in negotiating some proposed amendments with various Senators. There is a likelihood that we can resolve most of these issues without rollcall votes. There probably will be a vote on final passage, a rollcall vote on final passage. Senators can be assured of that. Depending upon how the negotiations go over the next several minutes, we should know soon about how many votes are likely to be required before we finally dispose of the bill.

I think we have made good progress and I am encouraged we will be able to complete this bill today sometime. I hope we do not have to go into the evening tonight. I see no justification for that. We cannot control that. If some Senator wants to talk about an amendment, he or she can start talking and, unless we have 60 votes to cut off debate, we cannot stop them. But I do not see that as happening. I think things are progressing in a way that will lead us to conclude this bill sometime this afternoon.

Mr. EXON. I certainly appreciate that optimistic report from my friend. That would mean the Senator from

Mississippi holds out the hope we maybe would have final passage by 6 o'clock? Is that a fair assumption on the part of the Senator from Nebraska?

Mr. COCHRAN. Mr. President, if the Senator will yield further, I do not predict any particular time. I am hopeful we will be able to complete action sometime this afternoon, certainly before evening.

Mr. BUMPERS. Senator, I suggest if you have plans after 6 o'clock, cancel them. We have been here since 12 clock without one single amendment being offered, without anything happening. As the Senator from Mississippi said, a lot of negotiations are going on. I assume some progress is being made. But we have about four pretty contentious amendments and I do not know whether they are resolvable or not. If they are not, obviously each one of them is going to require a rollcall.

We have a number of other amendments that we could offer right now that have been cleared but, as I say, we have four or five that are pretty contentious. I do not know whether any progress is being made. But, if it is not, we are obviously going to be here for a while.

Mr. EXON. I thank both of my friends. I find myself in a similar position they are from time to time. It is very frustrating to manage bills on the floor of the Senate: Nobody offers any amendments; nothing is accomplished.

I wondered about this earlier, since we have not voted since noon. As far as I know, no amendments have been offered since noon. I would simply say, we get into these ruts from time to time. I am certainly not blaming either of the managers of the bill. They are the ones who have been here. It is most frustrating on their part. I was simply making inquiry to maybe jar things along, to help the managers of the bill. I know they are trying to break the deadlock.

I hope it takes place, and I appreciate their frankness with regard to what I think is a rather dark prospect for early resolution of these matters this afternoon. I hope we can dispose of them sometime during the daylight hours.

I thank the managers of the bill.

Mr. FEINGOLD. Mr. President, yesterday, the Senate approved by unanimous consent an amendment to reauthorize USDA's authority to allow seasonal base plans under Federal milk marketing orders. Producers in Wisconsin have no quarrels with seasonal base plans but they want assurances that they will not exacerbate what they believe to be an already discriminatory pricing structure within Federal orders. Farmers in Wisconsin seek assurances that seasonal base plans for milk marketing orders are neither intended to nor will have the effect of increasing milk prices or production on an average annual basis. Mr. President, I ask the managers of H.R. 3603, Is it their understanding that seasonal base plans under milk marketing orders will increase neither overall prices levels nor milk production in orders in which they are implemented?

Mr. BUMPERS. Mr. President, the Senator from Wisconsin is correct. The seasonal base plans reauthorized by this bill are merely intended to level production and prices over the year to stabilize the market and are not intended to provide any price enhancement or production incentives, measured on a yearly basis, to dairy farmers in those orders. The Secretary of Agriculture should administer any seasonal base plans consistent with that understanding.

Mr. COCHRAN. Mr. President, that is my understanding as well. Seasonal base plans are merely a stabilization tool, not a price enhancement mechanism, and should be administered as such.

Mr. FEINGOLD. I thank my colleagues.

NORTHERN PLAINS POLICY RESEARCH CENTER

Mr. CONRAD. Mr. President, I would like to discuss a matter of some importance to the Northern Great Plains and my State of North Dakota with the chairman and ranking member of the Appropriations Subcommittee. I note their presence on the floor, and ask if they would be willing to engage in a colloquy at this time.

Mr. DORGAN. I too would appreciate the ability to discuss the bill before us with the distinguished Senators from Mississippi and Arkansas.

Mr. COCHRAN. I would be pleased to discuss this bill with the Senators from North Dakota.

Mr. CONRAD. First, let me thank the chairman and ranking member for putting together this important piece of legislation. They have an extremely difficult task balancing many important programs funded in this bill in the context of a very difficult funding situation. I know the committee receives many requests each year for worthwhile projects, and of course budget restraints make it impossible to fund all those projects.

One of the projects I believe the Senators considered this year was the development of a Northern Plains policy research center. As the Senators know, research models currently available provide important information to farmers and others in rural America regarding issues that affect rural economies. Unfortunately, the data collected through current research models, as valuable as it is, does not capture the special characteristics of Northern Great Plains agriculture.

Mr. DORGAN. I share the sentiments expressed by my colleague, and also would like to commend the Senators for the work they have done with this legislation. I would like to offer a few additional thoughts on the proposed Northern Plains policy research center. This center would conduct a wide range of policy-related research and outreach activities focused on policy changes for agricultural producers, agribusiness firms, and the rural economies of the Northern Plains States. The center would identify and evaluate alternative policies for Northern Plains commodities and value-added products; evaluate the impact of policies on international competitiveness, on rural business development, and on farm structure and sustainability; and examine the impact of cross-border policy inconsistencies in North America and strategies to improve export opportunities.

As the Senators know, these are not easy times for rural America. The center would play a critical role in the economic vitality of Northern Plains States. Would the chairman and ranking member be willing to indicate their thoughts on the establishment of a Northern Plains policy research center?

Mr. COCHRAN. The Senator from North Dakota is correct when they say this was one of the many issues considered by the committee this year. I agree that the data provided by the proposed center would be valuable to Northern Plains States. Unfortunately, the committee's funding allocation did not allow us to provide funding.

Mr. BUMPERS. I agree with the chairman's assessment.

Mr. CONRAD. Would the chairman and ranking member be willing to indicate whether they would support the USDA using funds provided in this bill for markets, trade, and policy research under the Competitive Grants Program to develop such a center?

Mr. BUMPERS. Let me say to the Senator that I would encourage USDA to assist in establishing a Northern Plains policy research center using funds provided in this bill, as the Senator indicated.

Mr. COCHRAN. I share the view expressed by my colleague from Arkansas. I would just add that the committee expects the Department to consider only those applications judged meritorious when subjected to the established review process.

Mr. CONRAD. I thank the Senators for their support and for their comments.

Mr. DORGAN. I also want to express my deep thanks to Senator COCHRAN and Senator BUMPERS.

RURAL TELEMEDICINE AND DISTANCE LEARNING SERVICES GRANT AND LOAN PROGRAM

Mr. CONRAD. Mr. President, would the Senators be willing to engage in a colloquy regarding the Rural Telemedicine and Distance Learning Services Grant Program at this time?

Mr. COCHRAN. I would be happy to engage in a colloquy with the Senator from North Dakota.

Mr. CONRAD. I appreciate the subcommittee's support for the Rural

Telemedicine and Distance Learning Services Grant Program, and am pleased to see that the subcommittee has provided $10 million for this important program. In 1993, the University of North Dakota School of Medicine and Health Sciences made a major commitment to the education and training of rural and frontier health care providers. To support this commitment, the school invested considerably in distance education technology in the form of satellite transmission equipment, upgraded telecommunications equipment, and advanced computer networks to develop the North Dakota Health Education Network. This network is an important component of the overall health education communication program that serves the State of North Dakota. However, the system would better serve educators, students, and the citizens of North Dakota if it had access to additional computer technology, two-way video technology, additional satellite downlink sites, and funds for additional medical and medical education programs.

I wish to make the subcommittee aware that the University of North Dakota School of Medicine and Health Sciences may submit an application for a rural telemedicine and distance learning grant to accomplish the additional activates I just described. Do the distinguished chairman and ranking member of the subcommittee agree that this grant application, if submitted, would be appropriate for consideration under the Rural Telemedicine and Distance Learning Services Grant Program?

Mr. COCHRAN. I agree that it would be appropriate for USDA to consider this application, if submitted, and I encourage the Department to give full consideration to an application for a rural telemedicine and distance learning grant from the University of North Dakota. Additionally, I expect the Department to consider only applications judged meritorious when subjected to the established review process.

Mr. BUMPERS. I share the chairman's view.

Mr. CONRAD. I thank the Senators for their support.

GRANTS TO BROADCASTING SYSTEMS

Mr. HATFIELD. Mr. President, the fiscal year 1997 Agriculture appropriations report references a Grants to Broadcasting Systems Program that I would like to discuss with the chairman of the Agriculture Committee, Mr. Lugar, and with the Senator from North Dakota, Mr. Conrad, who was the original sponsor of the program when it was authorized in the 1989 Rural Development Partnership Act.

It is my understanding that the program statutorily restricts eligibility for the program to statewide, private, nonprofit public television systems whose coverage is predominantly rural. In order to further clarify the statute, a new provision was added at my request to the 1996 Federal Agriculture Improvement and Reform Act of 1996 [FAIR] Act that defined statewide as having a coverage area of not less than 90 percent of the population of a State and not less than 80 percent of the rural land area of the State. Is my understanding of the statute correct?

Mr. LUGAR. Yes, the Senator from Oregon is correct. The new provision became effective upon enactment of the FAIR Act on April 14, 1996.

Mr. HATFIELD. Am I correct, then, in assuming that an applicant that meets the statutory eligibility criteria of the program as it was amended by the act would be considered eligible for the program upon the date of the act's enactment?

Mr. LUGAR. Yes, the chairman of the Appropriations Committee is correct. In addition, given the clear statutory eligibility requirements of this particular program, I can see no reason why eligibility could not be determined in the application process.

Mr. CONRAD. As the original sponsor of the provision that authorized the program in the Rural Development Partnership Act of 1989, I commend the Senator from Oregon in his efforts to not only further define the statute, but also to clarify the effective date of eligibility for applicants for fiscal year 1996 funding. It is my understanding that the definitional clarification offered by the Senator to the 1996 farm bill will not significantly increase the number of eligible applicants for the program. In that regard, I am providing for the Record a letter from America's Public Television Stations [APTS] which provides a list of those public television systems that, given the amended statutory criteria, would be eligible for the program. I ask unanimous consent the letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

America's Public
Television Stations,
Washington, DC, July 22, 1996.

Hon. Kent Conrad,
U.S. Senate,
Washington, DC.

Dear Senator Conrad: I am writing in response to your request for assistance in identifying public television stations that may be eligible for the "Grants to Broadcasting Systems" program administered by the United States Department of Agriculture.

As I understand, to be eligible for the program a public television licensee must be a private, non-profit entity that provides statewide coverage that is predominantly rural. Based on a copy of the states considered "rural" by the Secretary of Agriculture and the statutory definition of statewide coverage as outlined in your letter, the following public television licensees would meet the statutory eligibility criteria:

Maine Public Broadcasting Corporation,
Prairie Public Broadcasting, Inc., North Dakota,
Oregon Public Broadcasting, and
Vermont ETV, Inc.

Please let me know if I can provide you with any further assistance.

Sincerely,

David J. Brugger,
President.

Mr. CONRAD. My colleagues are aware that I serve on both the Senate Budget and Agriculture Committees, and that I have long been concerned about efficiency in Government. One effective method of reducing Government administrative expenses is writing regulations only when interpretive guidelines are necessary. In the case of the Grants to Broadcasting Systems Program, the statute, as amended, clearly speaks for itself, and the amendment offered by the Senator from Oregon clarifying the definition of statewide does not change the program substantively. Finally, I would like to associate myself with the statement by the chairman of the Agriculture Committee that there should be no reason why eligibility for this program could not be determined in the application process.

Mr. HATFIELD. I appreciate the comments of my colleagues from North Dakota and Indiana, and assume that the USDA will be attentive to the discussion that we have had with regard to this program.

AMENDMENT NO. 4997

Mr. SARBANES. Mr. President, I am pleased that the managers of the bill have agreed to accept the amendment which I offered on behalf of myself and Senator Mikulski to continue three important research programs at Beltsville Agricultural Research Center. My amendment restores $458,700 to the Regulation of Chilling Injury By Polyamines and Membranes in Apple, Tomato, Squash, and Pepper Program; $240,000 to the production and evaluation of tissue cultured fruit crops; and nondestructive sonic sensing of firmness and/or condition of apples and other agricultural commodities. These programs are critical to growers, to maintaining a nutritious and safe food supply for our consumers, to Beltsville's mission and to the Department's overall research objectives. I want to thank the distinguished chairman and ranking member for their support and help with this amendment.

Mr. BAUCUS. Mr. President, I rise today to express my support for the Agricultural appropriations bill before the Senate. I commend the chairman and the ranking member of the subcommittee for their hard work on this bill and I thank them for their efforts.

The bill before us includes a number of very important items. While the legislation is replete with programs which are of great benefit for the Nation as a whole, there are a number of provisions which are especially critical to Montana. And I'd like to address those issues right now.

Mr. President, I am pleased that the bill contains adequate funding for the animal damage control activities conducted by the U.S. Department of Agriculture. For livestock producers this is a vital program. And in Montana and the other Western States which are home to the reintroduction of wolves this program is essential—to both the producers in the affected region and to the wolves.

In the area of research I am pleased that the Senate mark has funded the Agricultural Research Service at a level above the level of appropriations for 1996. I feel that is appropriate. The Federal Agriculture Improvement and Reform Act of 1996 laid the foundation for a transition to dramatically decreased Federal involvement in agriculture production. That transition will result in a greater need to be competitive in agricultural production. Research holds the key to enhancing that competitiveness.

The research conducted and supported by USDA will help ensure that American agriculture continues the success that has characterized this industry over the past century. One facility which will play a role in this research effort is the Center of Excellence which is being established in Sidney, MT. I am pleased that the report language encourages the direction of adequate resources to this center.

This bill also provides for the continued funding of a number of research efforts which are underway in Big Sky country. These efforts which are largely cooperative efforts engaged in with other institutions will yield the technological advances which will carry Great Plains agriculture into the 21st century.

But Mr. President, it is important to note that there is one item which is not completely provided for in this bill. While I recognize the chairman's desire to avoid revisiting the farm bill, there is considerable need for a technical corrections package, but that package has not been forthcoming. And I am uncomfortable waiting until next year to repair some of these problems.

In one instance—regarding the payment rate for barley producers—there is an inequity which has not been totally resolved. While the initial payment rate projections for all commodities have been reduced from their initial projected levels, through no fault of their own, barley producers were dealt an exceptionally hard blow. Their payment levels which were lower than most commodities to begin with were dramatically impacted by calculations predicting the economic effect by 0/85 program acreage enrollment.

While this program had an effect on all commodities, due to high enrollment of barley acres it had a far greater negative impact on the barley payment rates than on other commodity rates.

So the barley producers have come to their Senators—those of us from barley producing regions of this Nation—and asked for our assistance. I want to give them the fair treatment they deserve.

I would thank the chairman and the ranking member for their assistance in reaching agreement on an amendment to repair this. But I would ask that this issue—this question of fairness for all commodities—be considered for further refinement in the conference. I think we can find a better solution to this issue and I look forward to working with the conferees on that effort.

Mr. President, I would conclude my remarks by urging my colleagues to support this bill—with the change I have mentioned. And I thank the managers for their work on this matter.

Mr. President, I yield the floor.

Mrs. BOXER. Mr. President, this is a very important bill for my State of California as we are the number one ranking agricultural State in the U.S.

While there are many issues addressed in this bill that are important for my State, I would like to highlight three California specific issues:

METHYL BROMIDE ALTERNATIVES RESEARCH

I am pleased that the Senate agreed to my request of an additional $1 million for methyl bromide alternatives research.

Methyl bromide is critically important to California agriculture for control of pre-plant and post-harvest pests, and is to date, the only cost-effective material for controlling a variety of soil-borne pathogens and weeds that can seriously impact crop yields. These uses are particularly significant for commodities such as strawberries, almonds, walnuts, raisins, and numerous other field and row crops.

Methyl bromide was listed as a Class I ozone depleting sub- stance in December 1993, and according to Section 602 of the Clean Air Act, it must be withdrawn from production, importation and distribution in the U.S. by the year 2001.

My "Sense of the Senate" on methyl bromide included in the farm bill sent a clear message to the U.S. Department of Agriculture that research into alternatives to methyl bromide must be a top priority.

The additional $1 million will bring the total up to $14.889 in 1997.

AVOCADOS

I support the concurrence of the Senate Committee on Appropriations with the House report language regarding the regulation of importation of Mexican avocados.

Last year the U.S. Department of Agriculture's Animal and Plant Health Inspection Service issued a proposed rule governing the importation of Mexican Hass avocados into the United States. The proposed rule would allow Hass avocados to be imported into the Northeastern United States during the winter months of November through February.

California avocado growers have expressed their continued concerns that the USDA proposed rule inadequately protects their industry from harmful pests or disease that imported avocados may carry.

Importation of Mexican avocados has been prohibited for over 80 years because of the presence of at least nine known quarantined pests of economic significance. If pest-infested avocados are allowed into the United States, not only avocados but other crops such as citrus, apples, peaches and pears will be placed at risk.

In light of new scientific data which indicates that the incidence of avocado pests in Mexico is significantly higher than previously thought, it is very important that the Department of Agriculture determine whether the original data it relied on is sound and complete. If the Secretary cannot make this determination, I urge the Department to reopen the rulemaking record on the proposed rule, and undertake the procedures stated in the House report language before issuing a final rule.

FRESH-FROZEN CHICKEN LABELLING COMPROMISE

National poultry producers have in the past always put fresh labels on frozen chickens. They freeze their chicken rock solid, label it fresh, transport it across the U.S., thaw it out locally, and sell it to consumers as if it had never been frozen.

As the author of the Truth in Poultry Labeling Act, I have for years worked to disallow the use of the fresh label where a poultry product has been previously frozen.

Last year, after many years of public debate, we achieved a hard-fought victory for consumers when the U.S. Department of Agriculture promulgated a common sense rule on labeling fresh and frozen poultry. The rule which had been scheduled to take effect this August sets out three labeling categories: fresh poultry products which have never been chilled below poultry's freezing point—26 degrees Fahrenheit—would be labelled "fresh"; 2) poultry products which have been chilled below 26 degrees but above 0 degrees would be labelled "hard chilled" or "previously hard chilled"; and 3) poultry products which have been at 0 degrees or below would be labelled "frozen" or "previously frozen."

I believe that the implementation of the USDA-promulgated rule would eliminate consumer confusion, save consumers millions of dollars in premiums paid for frozen poultry they believe is fresh, and further restore consumer trust in the integrity of food labels.

However, language was included in the 1996 Agriculture Appropriations bill, that blocked implementation of the rule. My attempt to remove the language in order to allow USDA implementation of the rule was voted down by a vote of 31 to 68.

Since then, industry and consumer groups have reached a compromise which, while not perfect, is a significant step forward.

The compromise included in this bill is based on the requirement that the Department of Agriculture issue a revised final regulation based on a compromise that is supported by industry and many consumer groups.

The key positive development is the agreement that only poultry which has not been cooled below 26 degrees Fahrenheit can be labelled "fresh." While this is a very significant step forward, I remain concerned about the clear labelling of products that are cooled to temperatures below 26 degrees but above 0 degrees Fahrenheit. The compromise would not require these products to bear any specific alternative labelling.

Mr. MCCONNELL. Mr. President, I want to commend subcommittee Chairman COCHRAN for his work on the Agriculture Appropriations bill for fiscal year 1997. This bill provides funding for all the activities under the jurisdiction of the Department of Agriculture, except for the U.S. Forest Service. It also funds the activities of the Food and Drug Administration, the Commodity Futures Trading Commission, and the Farm Credit System.

This has been one of the most difficult years to date and I congratulate Senator COCHRAN for his leadership in working through the difficult decisions in crafting this bill. In particular, Chairman COCHRAN and his staff are to be commended for the clarity that this bill provides for the budget of the Food and Drug Administration. That accomplishment required countless hours of hard work, but is just the sort of good government effort we have come to expect from the subcommittee chairman and the staff working under his direction.

FDA's core mission is to protect the health of the American people. A critical part of FDA's core mission is to provide Americans with timely access to drugs, medical devices, and food technologies that can improve public health. The Federal Food, Drug, and Cosmetic Act requires FDA to review and approve or deny petitions and applications for foods, drugs, and medical devices within specified timeframes. Yet, FDA routinely ignores its statutory deadlines. According to the agency's own numbers, FDA, on average, fails to review applications and petitions for every FDA-regulated product category within the prescribed timeframes. FDA's failure to comply with its statutory deadlines hurts patients and consumers waiting for market introduction of new therapies and technologies that can significantly improve public health. The report accompanying this bill, like similar directives from the House, makes clear the congressional expectation that FDA protect public health by performing product reviews within the timeframes prescribed by law.

This bill also directs FDA to complete several rulemakings that have been pending at the agency for as many as 6 years. Although I, like my colleagues, oppose overregulation, I do appreciate the need for regulations required to protect public health. Currently pending at FDA are several rulemakings that have fallen victim to unreasonable agency delay. FDA has identified each of these rulemakings as agency priorities. Yet, the agency's record of follow-through on these rulemakings is terribly lax. I commend subcommittee Chairman COCHRAN for including language in this bill that directs the agency to complete rulemakings necessary for the protection of public health without unreasonable delay.

During fiscal year 1997, this Senator will be closely watching FDA's performance. It is my hope that the agency will heed congressional directives to comply with statutory review times, as well as complete action on several rulemakings that the agency has identified as important for the protection of public health. Regrettably, over the last few years FDA does not have an impressive record of responsiveness to Congress. If FDA's failure in these areas continues, it is my expectation that the committee will revisit the issue with the intention of compelling FDA compliance with its statutory obligations.

Timely access to new therapies and technologies can significantly enhance public health. FDA must meet the requirements of the Food, Drug, and Cosmetic Act in its review of petitions and applications.

I am grateful that language concerning the regulation of commercial transportation of equine to slaughter is included. The committee urges the Department to expeditiously act to implement this regulation. Often these horses are transported for long periods, in overcrowded conditions, and often in vehicles that have inadequate head room. The implementation of regulations would allow horses to get to a slaughter facility safely and as quickly as possible with the least amount of stress to the animal.

Again, Mr. President, I congratulate Chairman COCHRAN on his leadership in developing a well balanced bill that addresses food safety, research, nutrition, conservation, market promotion, and development, and rural development.

Mr. BYRD. Mr. President, we have before the Senate the fiscal year 1997 appropriations bill for Agriculture, Rural Development, the Food and Drug Administration, and Related Agencies. This bill, as reported by the Senate Committee on Appropriations provides $54,276,792,000 in total obligational authority for the coming fiscal year. This amount is $1,224,755,000 more than provided in the House bill, but it is nevertheless $4,040,522,000 below the President's request and nearly $10 billion below the amount provided for fiscal year 1996.

This bill provides funding necessary to support a wide variety of programs that are very important to all Americans. These programs include food and nutrition programs, environmental protection and conservation, rural development, export promotion, assurance that we have a safe food and drug supply, and research and education programs necessary for the production of agricultural products and equally important to consumers of those products. In fact this bill provides funding for all programs at the U.S. Department of Agriculture, except the Forest Service, and also includes funding for the Food and Drug Administration and the Commodity Futures Trading Commission.

While West Virginia may not reach the levels of traditional farm commodity production of some states in the Midwest or other regions of the country, this bill is very important to my state. West Virginia is on the cutting edge of new methodologies in aquacultural production for species that thrive in cool and cold water environments. There is a growing demand for these products and it is vitally important that we develop the tools and methods to increase production to meet this demand. This bill helps us to achieve that goal.

Conservation is important to all Americans. Without proper conservation practices, erosion would sweep our prime farmland into rivers and streams. Water quality would suffer, aquatic species would fail, and community costs for clean water would escalate. Proper conservation practices also mean better management of water resources in order to reduce the threat of floods. Recent events in West Virginia, and other states, remind us of the need to invest in flood protection and this bill helps forge the relationships necessary between federal agencies and local communities to best meet their water and soil management needs.

The Department of Agriculture provides a variety of programs important to rural communities. The Rural Development title of this bill contains a number of loan and grant programs to provide housing assistance, rural business and community development, basic utilities such as water and sewer services, and distance learning programs for improved rural communication.

Last year, the U.S. Department of Agriculture completed Water 2000, a study of safe drinking water needs in the United States. I hope everyone will take note of the results. Nearly 3 million families, representing 8 million people, do not have access to safe drinking water. Let me repeat that. Eight million citizens of the United

States of America do not have access to a reliable source of clean drinking water. Every day, every night, millions of Americans can not turn on their faucets and drink safe water.

Regreattably, in my own state of West Virginia, the study reports that it would take $162.3 million to clean up and provide potable water to approximately 79,000 West Virginians. It would take another $405.7 million to meet the worsening drinking water supply situation of some 476,000 West Virginians. Many other states are facing similarly serious situations.

This bill provides nearly $659 million in budget authority for water and sewer programs. I am happy to note that this is a great improvement from last year's bill and is nearly the amount of the President's request. But our House counterparts recently approved their version of the FY 1997 Agriculture appropriations bill in which they provided only $496,868,000 for water and sewer programs. I urge my colleagues to stand firm on the Senate level of funding for these critically important programs. The bill also contains provisions to allow the transfer of funds from other programs to the water and sewer accounts, which represents the broad-based recognition that these services are very basic to all our people and deserve our attention.

I would also like the speak about a provision in the recently passed farm bill that involves rural development opportunities, the so-called Fund for Rural America. The Fund for Rural America, which is referenced in the report accompanying this bill, provides the Secretary of Agriculture $100 million directly out of the Commodity Credit Corporation to use, at his discretion, in a manner designed to assist rural Americans. Among the types of programs the Secretary can use through this Fund are rural housing, water and sewer loans and grants, rural business loans and grants, and a variety of research program initiatives.

Mr. President, this Fund presents the Secretary of Agriculture with rare opportunity. Over the past several decades, a number of Federal programs have been developed to assist rural America in a variety of ways. Unfortunately, budgetary constraints have limited the Secretary's ability to focus these programs on specific areas so that they can be utilized to their full potential. An unfortunate reality of our current fiscal condition is that scarce resources tend to be spread thin.

The Fund for Rural America gives the Secretary of Agriculture the opportunity to showcase what can be done for rural America, given adequate resources. There are rural areas throughout the Nation that are in desperate need of the types of assistance the Department of Agriculture can provide. There are such areas in West Virginia, there are such areas in the Western United States, there are such areas along the Lower Mississippi River Delta of which both the chairman and ranking member managing this bill are very familiar.

While I recognize the importance of providing the Secretary full discretion in how the Fund for Rural America is to be managed, I hope, and I believe, he shares my view that this Fund provides the type of opportunity I have just described. I am confident the programs administered by the Secretary can make a great difference in the lives of West Virginians, as well as in the lives of other rural citizens in all regions of the country. I hope the Fund for Rural America will give us the chance to see exactly what kind of difference it can be.

Mr. President, there are many other programs in this bill that are important. Obviously, food and nutrition are important to us all. Food safety and confidence in our drug and blood supply are also vitally important to every American. Agricultural trade continues to be a very bright star in our Nation's balance of trade. Protection of investors in the commodity futures markets is becoming increasingly challenging as the market place continues to develop new and innovative forms of transactions. All these areas of importance are touched on by programs funded in this bill.

I am pleased to express my support for this bill and I want to congratulate the very capable chairman and the equally capable ranking member of the Agriculture and Rural Development Subcommittee, Senators COCHRAN and BUMPERS, for crafting this bill and bringing it to the floor. As is too often the case, I wish we were able to do more to increase funding for these important programs beyond the levels contained in this bill. However, given all the budget constraints with which we are faced, I believe an admirable job has been done. I fully expect a strong show of support in Senate passage of this bill, a successful conference with the House, and approval by the President.

I also thank the subcommittee staff for their fine work: Galen Fountain and Carole Geagley for the minority, and Rebecca Davies, Jimmie Reynolds, and Hunt Shipman for the majority.

Mr. DASCHLE. Mr. President, I support the agricultural appropriations bill that we are considering today and want to commend the chairman, the Senator from Mississippi, and the ranking member, the Senator from Arkansas, for their work on this important legislation. They and their staffs have spent countless hours under enormous pressure trying to ensure that discretionary agriculture programs are adequately funded. Considering the fiscal constraints with which they have been forced to comply, they have done a commendable job.

The appropriations process is never easy, as the committee faces a number of difficult choices. For this reason, the bill does contain some provisions that are troublesome to me. For example, I regret the decision to provide less than full funding for the food safety inspection system at the same time the USDA is implementing the new science-based meat and poultry inspection system, the hazard analysis of critical control points [HACCP]. Also, the potential reduction in Federal outlays for lending programs that benefit our Nation's farmers, ranchers, and rural communities could jeopardize the rural economy. These issues deserve further attention.

Mr. President, I am not entirely pleased with the shape of this legislation. However, I am hopeful that it can be improved in conference with the House. Therefore, I urge my colleagues' support of the bill.

Mr. HATCH. Mr. President, after listening to our debate today, it strikes me that the agriculture appropriations bill is really fundamental to the heart of the Food and Drug Administration [FDA] reform initiative that so many of us in the Congress believe is drastically needed.

I think that a majority of Americans would be surprised, perhaps even shocked, to learn that the FDA routinely ignores deadlines set forth in the law, deadlines for reviews of products vital to public health such as approvals of new medical devices or generic drugs.

The committee, in fact, recognized this disregard of the law and its dramatic impact in its report this year. The committee noted in part:

> The Committee expects the FDA to meet statutory review times for the review and approval of various food, drug and device applications and petitions . . . Extensive testimony has been presented about how the delay in approval of new drugs and medical devices has hurt American public health because U.S. patients do not have access to the latest technologies. Also, slow approval times are driving research and manufacturing jobs in these industries overseas, where earlier approvals are routinely expected.

The committee went on to say:

> The problem is this agency often disregards its statutory obligation to approve or deny various applications and petitions within specified timeframes. As a result, many applications disappear into FDA for years.

For the edification of my colleagues, I want to point out a few examples of statutory mandates which the FDA has failed to meet.

Section 409(c)(2) of the Federal Food, Drug, and Cosmetic Act stipulates that FDA consideration of food additive petitions must normally be completed within 90 days. The FDA performance is so pathetic in this area that the Department of Health and Human Services fiscal year 1997 budget justifications do not even contain quantification of the backlog in this area. The

FDA report merely states, "The backlog currently includes approximately 300 petitions, with 11 classified as 'novel or important.'"

However, a report by the House Committee on Government Reform and Oversight in December 1995 indicated that since 1970 the average time to approval of a direct food additive has been at least 20 months.

It is interesting to note that at the time of the House committee's June 22, 1995, hearing on food additives, there were 295 pending food additive petitions. Seven percent of them were filed between 1971 and 1979.

The story is not much better for drugs and devices.

For human drugs, the mean approval time for new drug applications [NDA's] in 1995 is 25.7 months; that is 428 percent greater than the statutory deadline of 6 months.

For animal drugs, the comparable 1995 figure is 39 months, which is 6 times the statutory timeframe of 6 months.

For generic animal drugs, the time is 31 months, 5 times the limit of 6 months.

For human generic drugs, the average approval time is 34.2 months, an incredible 570 percent greater than the statutory deadline of 6 months.

Although the pioneer and generic animal drug approvals exceed their statutory deadlines by substantial amounts, it is puzzling why the agency allocates its resources so that generic animal drugs are approved faster than generic human drugs.

Let me turn now to medical devices.

Approval of 510(k) applications is running at 137 days on average, which is 47 days beyond the statutory 90-day timeframe.

For pre-market approvals, the 1995 statistic is 276 days, which is nearly 100 days beyond the law's 180-day mandate.

In perhaps the most blatant disregard of congressional directives, the Appropriations Committee was forced to note this year that the FDA did not even honor the Committee's request for quarterly reports on its plans to refocus resources and make a greater priority completion of ongoing product reviews.

Mr. President, I have devoted a good deal of my congressional career to study and advocacy of FDA related issues.

I consider FDA to exemplify what is best in government—and, unfortunately, what is worst.

This agency can work miracles to protect the public health.

This agency can also go off on a tangent, with a bureaucratic, one-way/my-way attitude that rivals none in its ability to obfuscate and circle the wagons.

In my experience, FDA responds to much of such criticism by citing that it does not have the resources it needs to do the job.

Mr. President, I will take a back seat to no one in my support for adequate funds and facilities for the FDA. As a member of the Labor and Human Resources Committee for 18 years, I fought hard for improved resources for this agency.

But, today, the FDA's plaint of inadequate resources is only in part truth—in part it is bunk.

The FDA does, in fact, have the resources it needs to accomplish its core mission, such as product review.

The Appropriations Committee has worked hard to review the FDA's accounting in great detail and provide them with necessary funding in the bill we consider today.

What FDA does not have resources for is to self-generate work or expand its mission.

Moreover, the fallacy of the FDA's "we don't have the resources" defense can be found in this simple question: "If you don't have the resources, why don't you request them?"

If the agency is serious about product reviews and can't meet deadlines, then why don't they seek the resources to do the job?

Those of us who take a great interest in the FDA have struggled for years to find a method to compel the agency to focus its priorities. We must find a way to discourage them from adopting that infamous kid-in-the-candy-store attitude which has led to an ever-expanding empire at the expense of meeting statutorily mandated deadlines. The FDA never met an issue it didn't like, no matter how small or how large.

That is the central issue of the debate on FDA reform.

And as I listen to our debate today, I have realized that the will of the FDA follows its resources.

With the Prescription Drug User Fee Act of 1992, the Congress provided a new source of income for new drug approvals —industry-funded user fees— and suddenly new drug approval times are coming down dramatically.

Unfortunately, though, the agency—which during our GATT debate was such a staunch defender of the generic drug industry —seems to have abandoned its commitment to that industry when you look at the budget for next year, which presumes decreases in FTE's for generic drug reviews and increases in product approval times.

That is why we are seeing such a bitter debate today over issues such as the Medguide regulations.

I think that any objective study of Medguide will show that the FDA has taken an old regulation off the shelves, dusted it off, and attempted to move it forward almost 20 years later.

When challenged about the initiative, they have resorted to their public health defense, exhorting their allies in the Senate to throw up the special interest shield, the most common FDA tool to block legislative activities the agency dislikes.

If there is such a pressing public health need for the Medguide regulation, then why has it laid dormant for almost 20 years?

Perhaps the publicity this debate has engendered is the real answer.

But the bottom line is that the FDA must get serious about using its resources more wisely. That would do a lot to restore its credibility with the Congress.

Let me turn now to some specifics in the bill we are considering today.

The legislation contains three technical amendments to the recently enacted FDA Export Reform and Enhancement Act that the committee included on behalf of Senator GREGG and myself.

The purpose of the Export Act is to increase the opportunities for U.S. firms to export their medical products to our trading partners around the world. This new law will result in jobs for Americans and will help keep our country as the leader in developing new medical technologies.

Consistent with the intent of the new export law, these technical amendments, included in the Appropriations Committee mark, would make three clarifications. The first is that products which have not been approved in the United States may be imported for further processing, such as sterilization, and then exported.

The second change clarifies that FDA-approved insulin, antibiotic drugs, and animal drugs which may be exported, subject to section 801(e)(1) of the Federal Food, Drug, and Cosmetic Act, for other than FDA-approved indications need not also meet the labeling requirements of section 801(f).

The final change explains that products exported under section 802 must, consistent with the requirements of section 201(m), include the labeling required by the approving and importing country.

Next, I would like to discuss briefly the issue of the patent extension for the drug lodine that is contained in the House companion to this bill. We are all sensitive to the issue of legislating on appropriations bills. We all recognize the need to respect the process by which authorizing committees develop legislation.

But given the realities of the legislative calendar, we also know there will be very limited opportunities to pass any new free-standing bills during the remainder of this session.

The plain truth of the matter is that between now and adjournment there will be extraordinary pressures to attach amendments to any active legislative vehicles and many of these will be appropriations measures.

During consideration of the issue related to pharmaceutical patents and GATT, the Senate Judiciary Committee, at the request of Senator SPECTER, included a lodine patent extension provision and the bill was approved by the committee on May 2. In response to Senator PRYOR's attempt to attach his version of pharmaceutical patent legislation on the Department of Defense authorization bill, S. 1745, I offered the Judiciary Committee compromise legislation, further modified by an amendment by Senator SPECTER. This amendment, which was adopted on June 27 by a 53-45 vote, also included the Iodine amendment.

In my view, should it be considered advisable to retain Iodine provisions in the agriculture appropriations bill, I believe that the language of the Judiciary Committee compromise amendment, already passed by the full Senate, is preferable to the House-passed language.

This is so because some have read the Iodine provision adopted by the House to suspend the operation of the Bolar provisions of the Hatch-Waxman Act with respect to this one drug. This is the exception to the general rule against patent infringement that allows generic drug firms—and only generic drug firms—to test and seek FDA regulatory approval for their products prior to the expiration of the patent of the pioneer product.

If this is the correct reading of the House language, the effect would be to extend the exclusivity period for Iodine for 2 to 5 years beyond the 2 years nominally stated in the amendment. Two years should mean 2 years, not 5 or 7 years.

The Senate-passed Iodine provision closely parallels the daypro provision signed into law. We should retain this approach with Iodine by adopting the Senate language contained in the DOD authorization.

I wish to also make a few comments about saccharin. The House bill contains a 5-year extension on the ban to prevent FDA taking saccharin off the market. The Senate bill provides a 1 year extension for saccharin.

Unless the Congress acts, the FDA will be compelled to enforce the mindless zero risk standard imposed by the Delaney Clause and ban saccharin.

While I believe that this matter should be addressed through the authorization process and that the Delaney Clauses be repealed, in the short term, I believe it prudent to adopt the House's 5-year extension.

Let me say again that there are strong arguments to be made that an appropriations bill is not the best mechanism to legislate on such controversial matters as the Delaney Clauses. But some believe that the Delaney Clauses are too controversial to address in a comprehensive fashion when the FDA reform bill is taken up in the next weeks. This raises the question of whether the FDA authorizing statute—the Federal Food, Drug, and Cosmetic Act—can be said to be truly reformed if the Delaney Clauses are left intact.

I know how I come out on that question because I am among those who believe that the Delaney Clauses are among the most illogical, unwarranted laws on the books.

In this regard, I must salute our colleagues in the House, who voted last night 417 to 0 to do away with the Delaney provision in the context of pesticide residues. Our colleagues have much to be proud of in their unanimous decision to reject the zero risk stranglehold of Delaney with the new reasonable-certainty-of-no harm test.

It seems to me that the Congress should act favorably on the pesticide provision and expeditiously act on the other areas affected by Delaney Clauses: food and color additives and animal drug residues.

Frankly, Congress long ago recognized, based on the established science on the issue, that the benefits of saccharin exceed the risk.

While saccharin in high doses caused tumors in laboratory animals, FDA recognized that there is no evidence that this product has harmed humans. Despite this, the law would have required FDA to ban the product unless the Congress overrode this particular application of the Delaney Clause.

Subsequent to the initial congressional action on this matter in 1977, the Saccharin Study and Labeling Act, this moratorium was extended by Congress 6 more times, many times at my initiative and with bipartisan support.

Because, to my knowledge, no evidence has come to light that the risk of saccharin is any greater than previously thought, I see no more reason to ban this product today than existed in 1977. In fact, I understand that more recent studies indicate saccharin does not pose the cancer risk in animals that it was thought to pose 20 years ago.

I do see many good reasons to change the Delaney Clause.

As a realist, I know that some would be tempted to take to the floor and debate this at length, so I cannot be certain that this battle will be won quickly, or even this year. For that reason, I believe that the 5-year extension in the House bill is preferable to the 1-year provision currently in the Senate bill.

In closing, Mr. President, I commend my colleagues, Senators HATFIELD, COCHRAN, BYRD and BUMPERS, for their hard work in bringing forward these FDA provisions and also for their diligence in making certain the agency is made more accountable to the public. These are the first, and most important, steps in FDA reform.

Mr. COCHRAN. Mr. President, we are prepared now to announce that the indications are encouraging, that a number of amendments that have been pending and are to be offered have been or are being resolved. We do have a couple of amendments that we had hoped could be worked out but we do not think can be worked out.

Senators are deciding now whether to withdraw those amendments, look for another vehicle to offer the amendment on later, or offer the matters as freestanding legislation. Let me just say, most of these issues—I think maybe all of them—involve legislation and really do not deal with the funding levels in the bill.

We also have one other problem that has arisen because, since this bill funds the Department of Agriculture, Senators have amendments that come under the jurisdiction of the U.S. Forest Service, legislative in nature. And the Forest Service really is not funded in this bill. The Forest Service is funded in the Interior appropriations bill. So we are trying to encourage Senators who do have amendments that cannot be accepted on this bill, to consider offering them as amendments to the Interior appropriations bill or as freestanding bills on another day.

Having said that, I think it is likely we are going to proceed very soon, presenting those amendments, announcing the decision of Senators, and voting on those that require rollcall votes.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, I listened carefully to my good friend from Mississippi. I have a feeling that my amendment, while it comes close to his description, I am hoping it is somewhat outside the pale—an expression that he, with his cosmopolitan and erudite upbringing, his education in another part of the world dear to both of us, would understand, the expression, "beyond the pale." So, I might try to bring it within the pale of acceptability. Since the managers are not too pressed for time, I was thinking, perhaps to give the Reporter of Debates a chance to rest a bit, I may suggest the absence of a quorum for just a couple of moments so that we might reason together.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. COATS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ABRAHAM). Without objection, it is so ordered.

Mr. COATS. Mr. President, what is the current status of the legislation?

The PRESIDING OFFICER. The pending amendment before the Senate is Brown amendment No. 5002.

Mr. COATS. Mr. President, I ask unanimous consent that that amendment be temporarily set aside so that I may speak on the bill in general.

The PRESIDING OFFICER (Mr. SMITH). Without objection, it is so ordered.

Mr. COATS. Mr. President, earlier there was discussion—not discussion, a statement on this floor—by a Senator on the Medguide. The Medguide issue is an issue that arose in the Labor and Human Resources Committee discussion of the Food and Drug Administration reform effort.

Medguide is an attempt by pharmacies and pharmacists to provide consumers information relative to the drugs that are prescribed by those pharmacists. The industry has attempted in the last few years to prepare software which would allow them to prepare leaflets and information for distribution to their patients, those seeking to have their prescriptions filled at the pharmacies, which would provide those consumers with information about the impact of those drugs on their health, the dosage, what contraindications might be necessary; in other words, warnings as to what the side effects are, warnings to not mix these drugs with certain other drugs that the patient may be taking, and so forth.

An example of these are—I hold these up. Here is one from Eckerd, "RX Adviser," for the drug Novolin. It is easily readable. It describes the prescription number, the date on which the prescription was filled, the directions to the individual taking the prescription, and then it lists how to use this medicine. It is formatted in bold type. It has cautions and possible side effects, and it is very consumer friendly. It catches your eye. It grabs your attention. It is in different colors.

Here is one from another pharmacy, CVS for Zantac, 300 milligram tablet. It again tells the prescription number, the name of the individual it is prescribed for, how to take this medication, what the uses are, side effects, precautions, notes to the consumer—very helpful information.

I have a whole raft of these that are currently being distributed and handed out by pharmacies across the country. In fact, in 1995, it is estimated that nearly 65 percent of all patients received this information from their pharmacist, up from just 20 percent 3 years ago.

Now, many in the industry believe we have gone beyond that point. I think that is a conservative estimate. Many believe we have already reached the 75-percent level of consumers receiving this information, which happens to be the goal set by Health and Human Services Healthy People 2000 Goal Program. So we are 4 years ahead of schedule with private industry. But now along comes the FDA saying: Oh, no. No, no, no. We do not trust the professionals to advise those taking these medicines to do a competent job to provide necessary warnings, to provide appropriate consumer information. We think this is something that the Government needs to step in and regulate. And so we, the FDA, need to make sure that these consumer information guides which are in addition to, by the way, the manufacturer's required printing of all of the compounds that go into the drug—all of us have seen those. You get your bottle of prescription drugs, and you pull out a piece of paper and you extend it out 2, 3, 4 feet and the print is so small that those of us over the age of 20 do not have the eyesight to read that. If we could read it, we would not understand what it says. And so the pharmacies have said let us boil this down into everyday common language and make sure the consumers get the right information. But the FDA says we do not trust the industry to do that; we need to make sure that we have a plan that will ensure that the information given to consumers fits our requirements. And by the way, we are going to have to approve all of these proposals of information to make sure that it is not violating anything that the FDA wants to check. And so they have put out these nice, big, thick rules and regulations called "Prescription Drug Product Labeling, Medication Guide Requirements, Proposed Rule," issued on August 24, 1995.

If you thought it was hard to read and understand the drug manufacturer's instructions about drugs, you ought to try reading FDA's proposed rule. On and on it goes for page after page—nearly 100 pages of fine print now that everybody is going to have to sort through, every manufacturer is going to have to sort through, adjust all of their information to the Government regulated point size of lettering, to the Government regulated headings. They are going to tell you what headings you have to use. They are going to tell you what size of type you are going to have to use.

Interestingly enough, the samples that FDA puts out which follow their recommended guidelines are only about one-tenth as intelligible as the information currently being distributed to the patients when they receive their prescriptions. Typical Government bureaucratic ineptitude, mediocrity, and obfuscation that we find in Government agency after Government agency advising consumers as to how to use a product or how not to use a product.

And so we bring in another Government agency to tell private industry what to do, and in telling them what to do they are going to turn a readable, consumer-friendly product into your typical Government, IRS, unintelligible form of how to do all this.

Let me find this section here that describes some of the requirements:

> Format for Medication Guide.
>
> The medication guide shall be printed in accordance with all the following specifications:
>
> A. The letter height or type shall be no smaller than 10 points.

And they point out here that one point equals 0.0138 inches. See all these people measuring with a little ruler here, is this greater than 10 times 0.0138 inches?

> For all sections of the medication guide except the manufacturer's name and address and revision date.

Interestingly enough, they do not say how big the manufacturer's name and revision date are, probably the two most important pieces of information are not described here:

> B. The medication guide shall be legible and clearly presented.

Well, the current industry forms are very legible and very clearly presented. But does that satisfy the FDA? Oh, no. Oh, no. It has to be printed and legible like the FDA forms that they provide as samples which, if anybody cares to look, are illegible and unintelligible. So we are going to go to the Government format for that. On and on it goes:

> The words "Medication Guide" must appear—

So forth and so on. And then here is the killer. Here is the killer. And this is why people ought to be concerned about FDA sticking its head in here where it does not need to. This medication guide has to have this verbatim statement.

> This medication guide has been approved by the U.S. Food and Drug Administration.

And that has to appear on the bottom of every medication guide.

The whole purpose for FDA reform is because you cannot get anything approved at FDA. And so instead of consumers receiving helpful information, they are going to be sitting around waiting for month after month after month after month or year after year after year for FDA to approve the guide that tells them how to use the medicine. Now, FDA says: Oh, no. We can handle this without a problem.

They cannot handle anything else without a problem. Consumers not only are unable to get the medications they need because FDA takes years to approve it, now they are not even going to be able to get the information to use the medication because the FDA once again has to approve all of the information.

On and on this goes with prescription after prescription as to just how these advisories should be put together.

I guarantee you, anybody who has had experience with FDA, anybody who has listened to drug manufacturers or medical device manufacturers tell the horror stories about getting even the most simple of medical devices approved or even drugs that have been tested clinically approved, used for years in other countries without problem, yet cannot receive approval here in the United States, will quickly realize the problem that we are developing here.

So FDA now will create a whole new bureaucracy. They will create a whole new process of making sure they approve all of the Medguide statements.

Now, we took this issue up in committee, and in committee after significant discussion it was determined by a majority of members on a bipartisan basis—I believe the vote was 13 to 3. Members need to understand this is not a politically partisan debate. This is a debate between those who want to hold on to the status quo of mediocre, inept Government bungling and bureaucracy and those who think that maybe private industry has a more efficient, effective way to do it and perhaps can even protect the consumer a little more efficiently and effectively than FDA has been able to protect the consumer.

We have gone through several decades now of denying effective treatment and drugs and devices to American consumers because FDA does not have the capacity to adequately and on a timely basis examine and approve or disapprove submittals of either drugs or devices that can benefit the consumer. I have a lot of manufacturers that would simply say, if they would just call us up and tell us they would disapprove it, they would not have to go through this year after year after year of inept bureaucratic bungling to determine whether or not our product is going to be allowed to be marketed in the United States.

So, here we have another Big Government stride into a brand new area of regulation, regulation that currently is handled at the State level. State pharmacy boards traditionally regulate pharmacists, have the authority to regulate pharmacists. They have been providing services to the patients and consumers for a long, long time in this country.

We have now an FDA that will, again, issue a regressive regulation which will stifle innovation and changes in pharmacy information. We have an FDA which will provide a one-size-fits-all, bureaucratically uniform style of type, style of heading, style of verbiage. Any of you who have to struggle through, as I do every year, trying to read the IRS instructions as to how to fill out your income tax will understand that somehow Government just cannot seem to get instructions into common, everyday language. I am afraid we will see more of that out of FDA.

The most ironic thing here is that people have been pleading with FDA for more focus on their necessary items. No one is saying we ought to close down FDA. We are simply saying, can you focus more of your resources and your effort on the more essential elements of your business here? Yet now we are going to take already scarce, depleted resources and shift them and divert them from their primary focus of providing safety and efficacy for drugs and devices and protecting the Nation's food supply, to making sure that the information handed to the consumer, which is a duplicate, which is in addition to all the requirements that the drug manufacturer has to put in the medicine, consumer-friendly information—we now have to make sure this complies and gets approval from the Food and Drug Administration. I think they ought to spend more time approving drugs, more time approving devices, and less time worrying about whether this is 10-point type or 12-point type.

How interesting to note that the advisories that we have examples of here are far more readable, far more presentable and far more legible than what the FDA, in their regulation, says it ought to be. The last thing a pharmacist or a pharmacy wants to do is hand its own customers something that is illegible. What they really want to do is hand them something that they can read and understand, because if they do that, they will come back.

I get frustrated over this whole process, as you probably can tell. I am frustrated that we cannot proceed on meaningful FDA reform when we have such a bipartisan consensus on doing this. The vote in the Labor and Human Resources Committee was 13 to 3. We had solid support from both Democrats and Republicans on the need to do this. Yet, because FDA reform is stalled and cannot seem to work its way before the U.S. Senate, the Senator from Mississippi, whose committee has jurisdiction over the appropriations, took this portion of the proposal, which would impose some requirements and restrictions to make sure these private advisories comply with what is necessary, and incorporated that language in the agriculture appropriations bill. Suddenly we have had this big holdup here over whether or not this language ought to be here.

Mr. President, my understanding is that some agreement has been reached on a watered down but hopefully still effective change in the language, which will be the subject, apparently, of a colloquy that will be coming shortly between the chairman of the committee and the Senator from Massachusetts. I hope the agreement which is reached is not one that the FDA will find another excuse not to implement, because my understanding is that the agreement is subject to the approval of the Commissioner of the FDA, who is probably the biggest problem we have at FDA right now.

One of the amendments I offered in committee was to limit the terms of FDA Commissioners because I think, if there is ever an argument for term limitations, it is the current FDA Commissioner and the way that agency is being run. Hopefully, we can move forward now with something that is of great benefit to the consumers of this country—nearly 65 to 75 percent now receive these advisories—and not grind ourselves down into a bureaucratic excuse for something that does not begin to measure up to the advisories that are currently out there. When are we going to learn that all wisdom, all professionalism, does not rest in a Government agency; that industry has its own, the private sector has its own motivations for protecting the consumer? Besides, States have the ability, and State pharmacy boards have the ability, to impose some reasonable regulations on their own pharmacists and their own pharmacies.

Mr. President, I wish we were debating FDA reform, because it looks like we may go another session of Congress without any meaningful reforms in a process that denies patients and consumers in this country sometimes life-saving drugs.

The question is asked, what if FDA did not take this time to approve some of these medicines? The question also has to be asked, how many people have suffered, or perhaps needlessly died, because FDA was not able, on a timely basis, to approve life-saving drugs or devices? There is a backlog that is staggering at FDA. There is an ineptitude that is staggering out there. I do not trace it to the good scientists who are working there and clinicians who are working there. I trace it to an inept bureaucracy which often seems to have motivations beyond the health and safety of consumers. I think it is time we did something about it, and I am glad we are taking this one small step to benefit the consumers. I congratulate the Senator from Mississippi for working out an agreement here so we can accept this.

I yield the floor.

Mr. GREGG. Mr. President, I rise today in support of the original MedGuide provision that was included as part of the Agriculture Appropriations bill. The Agriculture Appropriations bill contained the language on the MedGuide issue that was overwhelmingly passed by the Labor Committee by a vote of 13 to 3 during the markup of S. 1477, the FDA reform bill, in March.

This provision in the Agriculture bill required the Secretary of HHS to request, within 30 days after enactment, that national consumer, industry and practitioner groups work together to develop a plan for the distribution of high quality, helpful consumer information about prescription drugs, such as adverse reactions and product combination problems.

It provided the opportunity for the private sector to continue building on its marked successes in this area over the last several years. By FDA's own survey, the percentage of consumers receiving substantial written information about their prescription increased from 32 percent to 59 percent between 1992 and 1994. There is no reason to believe that pharmacists will either suddenly begin to perform this task more poorly, nor any reason to think that the goal of 75 percent by the year 2000—shared by FDA and professionals practicing pharmacy—will not be voluntarily achieved, without FDA getting involved.

It called for an approach to public policy that is flexible, sufficiently specific and comprehensive so as to meet consumers' needs, and neither promotional nor so technical that it is of no use to the consumer. The information has to be legible, comprehensible, and accurate.

This amendment did not do one thing—it did not allow the FDA to expend its limited funds to implementing its MedGuide regulation.

The FDA cannot afford diversions from their mission to review and approve quality, and often life-saving, products. This is clear from the numerous hearings we have held, reports that have published, and complaints we have heard from the FDA itself—"Give us more resources. Give us more time to do our job."

The FDA regulation would require every pharmacist to provide specific information to patients each time they fill a prescription. While FDA claims the regulation is voluntary, if 75 percent of consumers are not receiving the formatted information by 2000, the regulation becomes mandatory.

Well, there is nothing voluntary about this regulation—pharmacists will no longer be able to craft written information to meet individual patients' needs if this regulation is imposed. There is also nothing voluntary about imposing a $121 million cost annually on pharmacists and manufacturers, according to the FDA's own calculation. FDA's calculation determined the program would cost individual pharmacies at least $1,500 to comply, equaling $106.7 million a year. Manufacturers are expected to spend $5,000 to $12,000 per medication guide developed, or at least $14.4 million annually.

And who do you think those costs will be passed on to? The consumer.

One must also consider that the practice of pharmacy has always been regulated at the State level—FDA may not regulate the practice of medicine. FDA only has product labeling authority, not the accompanying information.

There is also a great deal of concern that this regulation also has not taken into account the expanded liability it imposes on pharmacists. Pharmacists not only have the ability to tailor information to suit the patient, they are able to phrase—and sometimes rephrase—information in a way that the patient understands. Going to a one-size-fits-all information standard will defeat this important purpose of pharmacy as the pharmacist will be prevented from serving as the learned intermediary.

The provision in the underlying bill would have had the same goals as MedGuide: 75 percent consumer receipt by the year 2000; a way to assess the effectiveness of any consumer information distribution system; and a measure of the quality of the information being distributed. This provision would not have simply cut the FDA out of the process—instead, it provided a 120-day stay of execution from the FDA rule. After that, if the private sector failed to respond, the Secretary of HHS could proceed with the detailed regulation proposed by the FDA.

This regulation is not only a poor priority for the Commissioner—he has stated it is his No. 1 issue—and an inappropriate use of limited funding, it is also beyond the general authority of the FDA. While we all would agree that it is important that the consumer get the information they need, as their circumstances call for, I don't understand how the FDA can believe it is somehow more capable of telling Americans what they must, and cannot, know than the pharmacists serving consumers on a daily basis.

Mr. President, I think the FDA has enough to do already without breaking new regulatory ground, especially where the private sector is already rising to the task at hand.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

Amendment No. 5003

(Purpose: To protect the public health)

Mr. KENNEDY. Mr. President, I ask unanimous consent that the pending amendments be laid aside for an amendment that I now send to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 5003.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 59, line 6, after "consumers)." insert:

"(b) GOALS.—Goals consistent with the proposed rule described in subsection (a) are the distribution of useful written information to 75% of individuals receiving new prescriptions by the year 2000 and to 95% by the year 2006."

On page 59, line 16 insert the following: "(4) contain elements necessary to ensure the transmittal of useful information to the consuming public, including being scientifically accurate, non-promotional in tone and content, sufficiently specific and comprehensive as to adequately inform consumers about the use of the product, and in an understandable, legible format that is readily comprehensible and not confusing to consumers expected to use the product." and

On page 60, line 5, insert after the word "if" the following: "(1)".

On page 60, line 8, strike the words "and begin to implement" and insert the following: "and submit to the Secretary for Health and Human Services".

On page 60, line 10, strike the words "regarding the provision of oral and written prescription information." and insert the following: "which shall be acceptable to the Secretary of Health and Human Services; (2) the aforementioned plan is submitted to the Secretary of Health and Human Services for review and acceptance (provided that the Secretary shall give due consideration to the submitted plan and that any such acceptance shall not be arbitrarily withheld); and (3) the implementation of (a) a plan accepted by the Secretary commences within 30 days of the Secretary's acceptance of such plan, or (b) the plan submitted to the Secretary commences within 60 days of the submission of such plan if the Secretary fails to take any action on the plan within 30 days of the submission of the plan. The Secretary shall accept, reject or suggest modifications to the plan submitted within 30 days of its submission. The Secretary may confer with and assist private parties in the development of the plan described in sub-sections (a) and (b)."

On page 60, line 20 through line 22, strike "The Secretary shall not delegate such review authority to the Commissioner of the Food and Drug Administration."

On page 59, line 7, re-letter sub-section (b) to sub-section (c), and on page 59, line 16, renumber subparagraph (4) to subparagraph (5), and on page 59, line 21, re-number subparagraph (5) to subparagraph (6), and on page 59, line 23, re-letter sub-section (c) to sub-section (d), and on page 60, line 12, re-letter sub-section (d) to sub-section (e).

Mr. KENNEDY. Mr. President, I want to say how pleased I am that we have managed to work through our concerns with my friends from Mississippi and Indiana on the language relating to adequate consumer labeling for prescription drugs that is in the Agricultural Appropriations bill. The changes that they have graciously agreed to will address my concerns that the provisions need to contain safeguards to ensure that the voluntary plan developed by organizations representing health care professionals, consumers, pharmaceutical companies, pharmacies, database companies, and other interested parties will be adequate.

I am concerned, however, that when this provision goes to conference with the different House language, that all our hard work in coming to this agreement may go by the wayside. It is critical that I have the word of my friend from Mississippi that the conference not limit the authority of the Secretary and the FDA to assure provision of information to the public beyond the provisions of section 601 as amended.

Mr. COCHRAN. I agree with my colleague from Massachusetts, and I can assure him that, while I am not able to speak for the entire conference committee, I will do my best to reach a compromise on this issue that will not place further limits on the authority on the Secretary and the FDA with regard to this important public health issue.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the amendment be agreed to and the motion to reconsider be laid upon the table.

Mr. COCHRAN. Mr. President, there is no objection. We have reviewed it, and we thank very much the distinguished Senator from Massachusetts and the Senator from Indiana and others who have worked to negotiate this agreement.

Mr. BUMPERS. Mr. President, let me just say, the amendment has been cleared on this side. It has taken all afternoon to craft this amendment in a form which is acceptable to all sides.

I compliment Senator KENNEDY for his tenacity and determination in getting this accomplished. It is a very, very worthwhile amendment in this Senator's opinion.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 5003) was agreed to.

Mr. KENNEDY. Mr. President, I see other colleagues on the floor. I appreciate the cooperation of all in working through this amendment—Senator COCHRAN, Senator BUMPERS, Senator COATS and others.

I will not delay the Senate, but I must say, I will add a word of commendation for Dr. Kessler. I have a strong difference of opinion about his service in the FDA. The FDA has been a whipping boy, particularly in recent times, but I do think if we look at the most recent GAO reports, look at the breakthroughs of new drugs getting out to the people in this country and look at the assault that has been made on the FDA by the tobacco industry and other groups, his service will go down as a distinguished one.

Just a final point, Mr. President. This whole issue really is not about bureaucracy, it is about information—useful, readable, understandable information about prescription drugs that can make a difference in terms of an individual's quality of health.

Mr. President, we do it with regard to dog food, we do it with regard to Wheaties, we do it with over-the-counter drugs. We can do a better job.

I am very hopeful the job will be done through the voluntary systems that are being set up now; that it will be given a reasonable time, although all of us are very hopeful that will be successful.

I am grateful to the floor managers for accepting this amendment. I thank the Chair. I yield the floor.

Mr. BUMPERS. Mr. President, has the Kennedy amendment been accepted?

The PRESIDING OFFICER. It has been agreed to.

The PRESIDING OFFICER. The Senator from Vermont.

AMENDMENT NO. 4987

(Purpose: To implement the recommendations of the Northern Forest Lands Council)

Mr. LEAHY. Mr. President, I ask unanimous consent it be in order to call up amendment No. 4987, which is at the desk. It is the Northern Forests Stewardship Act, which is sponsored by me and cosponsored by Senators JEFFORDS, GREGG, SMITH, SNOWE, COHEN, MOYNIHAN, KENNEDY, and KERRY.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, very briefly, this amendment, which affects the Northern Forests of the States of Vermont, New Hampshire, and Maine especially, makes sure the rights and responsibilities of the landowners are emphasized. The primacy of our States, that means very much to each of us, is reinforced, the traditions of the region are protected, but we have the advantage of using new ways of achieving our goals in forestry and the use of our land and ways to do it that did not even exist a few years ago. It is a case where we have had citizens, landowners, foresters, and everybody else come together with a plan that actually works.

Mr. President, I thank the distinguished chairman and ranking member and others who worked with us this afternoon to get this through. I yield the floor.

Ms. SNOWE. Mr. President, I rise in support of the amendment offered by Senator LEAHY to include a revised version of S. 1163, the Northern Forest Stewardship Act, in H.R. 3603. I thank my colleague from Vermont, Senator LEAHY, for his hard work on this legislation, and I thank the other cosponsors of the bill for their efforts. I would also like to thank Senator LUGAR, chairman of the Agriculture Committee, and the managers of the bill before us, Senator COCHRAN and Senator BUMPERS, for their cooperation and acceptance of this amendment.

Let me state at the outset what this amendment is not because I would like to clear up any misconceptions that may exist. This amendment does not, in any way, provide the Federal Government with new regulatory authority. This amendment does not, in any way, permit the Federal Government to intrude, uninvited, upon the affairs of any State. This amendment does not, in any way, allow the Federal Government to assume control over private timberlands in the Northern Forest region. This amendment does not, in any way, impose Federal mandates on the Northern Forest States. In actuality, the amendment reaffirms the primacy of the Northern Forest States in the management of their forests, and it is intended to help the States do what they want to do on these issues. That is why the affected States support this bill. A simple reading of the legislation will make these facts abundantly evident.

Six years ago, the States of Maine, New Hampshire, Vermont, and New York created the Northern Forest Lands Council to study problems facing the Northern Forest region, and to issue recommendations for State and Federal policies that would help to maintain the traditional patterns of land ownership and use in the region. The council was formed in response to public fears of significant conversion of the Northern Forest Lands to nonforest uses. These fears had been stoked by the attempted sale of Diamond International's timberland holdings by Sir James Goldsmith, who had acquired Diamond in a hostile takeover in 1987.

It goes without saying that the 26-million-acre Northern Forest region is an extraordinary resource. It provides the largest expanse of unbroken forestland east of the Mississippi River. These forests provide excellent outdoor recreational opportunities, abundant wildlife habitat, and breathtaking scenic vistas. But these lands also form the foundation of the livelihoods of thousands of people in the region who harvest trees from the forest, and who convert the trees into valuable products like paper, lumber, and furniture. The Northern Forest is, and always has been, a multiple use forest.

The council, which consisted of representatives from each State and from each of the major stakeholder groups with an interest in the forest, spent roughly 4 years and millions of dollars collecting and analyzing data, consulting with State officials, and holding many meetings and discussions with the public throughout the region. The council completed its recommendations in September 1994, and then disbanded. In its final report, the council requested that the U.S. Congress enact legislation to implement its Federal recommendations beginning in 1995. This legislation is the culmination of the council process, a process, I might add, that fostered very beneficial new working relationships between industry, landowners, and the environmental community on the critical issues related to our forests.

The Leahy amendment embodies the latest version of S. 1163. This bill has undergone a series of revisions based on numerous comments from a diverse collection of individuals, organizations, businesses, and States in the region. And I think this bill responds to the opinions and recommendations of such a diverse group as well as any one bill can. The Northern Forest Lands process has always operated out of a strong desire for consensus, and the legislation before us reflects the desire of Senators from the Northern Forest region to maintain that practice.

At its most basic, the Northern Forest Stewardship Act is designed to help conserve the Northern Forest lands, and its many values, for future generations. But unlike some past approaches to resource conservation in the Congress, this bill puts States in the driver's seat, which is most appropriate in this case because the great majority of these lands are privately-owned. In effect, the legislation assigns the Federal Government a role as cooperator in the region, consistent with the council's recommendations. It authorizes Federal agencies, primarily the State and Private Forestry division of the U.S. Forest Service, to provide technical and financial assistance to the Northern Forest States for activities such as developing benchmarks of sustainable forest management, conducting forest research, conserving valuable forest lands, and assessing water quality trends in the region. But the bill makes clear that this assistance can only be provided if the individual States request it. If the States do not request it, then no assistance can be provided under this legislation.

As a region characterized by the private ownership of timberland, the legislation is replete with references and provisions reaffirming private property rights. The Land Conservation section, for instance, prohibits the use of any Federal funds authorized by this legislation for State land acquisition projects unless the owner willingly offers the property for sale.

Recognizing the economic importance of the forest to the people who live in the region, the Leahy amendment also authorizes technical and financial assistance to the States, the forest products industry, and local communities to help expand value-added production and create sustainable new jobs in the forest products sector.

Mr. President, as I said before, the basic purpose of this legislation is to implement the council's recommendations, and I think the bill succeeds on that account. But I want to point out that one very important component of the council's report has been necessarily omitted from this bill, and that is Federal tax policy.

The council recognized that Federal taxes can create negative incentives that discourage landowners from maintaining their lands as forest, and it recommended changes to the Internal Revenue Code that would help reverse these incentives and encourage landowners to keep their lands forested. The council's recommendations emphasized reforms of estate taxes, capital gains taxes on timber sales, and passive loss rules for forest management, and they have been incorporated in a separate bill, S. 692, which was introduced by Senator GREGG, and which I have cosponsored. As a tax bill, this legislation will obviously have to proceed on a separate track through the Finance Committee, and, therefore, we were not able to include it in this amendment. But the Northern Forest Senators remain committed to it, and, in fact, we included language in the findings section of this legislation stating that Congress and the President should enact additional legislation to address the tax policies that negatively influence the stewardship of our forest lands. We hope to get these tax changes included in the next major tax bill that comes before the Senate.

Mr. President, I would also like to address a few specific criticisms of the original version of S. 1163, and describe the way in which we have modified the bill language as a result. The cosponsors agreed to revise the Principles of Sustainability section so that it now reads as a sense-of-the-Congress resolution. Concern had been expressed that the provision, as previously drafted, could be loosely interpreted to impose a set of national best management practices for private timberlands, and that was not our intent at all. The latest change eliminates the possibility of such an interpretation in the future. We changed the Congressional "Declarations" section to a "Findings" section, conforming it to the traditional format for Federal legislation, and making it clear that this provision does not, in any way, create any new legal authorities.

In the Land Conservation section, the legislation has been modified to clarify that Federal funding for land acquisition under the act can only be provided as part of a State-managed public land acquisition process, which is a policy with which most stakeholders in the region agree.

What we have before us today, Mr. President, is a responsible proposal to encourage and facilitate the conservation of the Northern Forest resource for its outstanding ecological, economic, and recreational values. In keeping with longstanding tradition in the region, the States will lead the effort on Northern Forest-related policy issues, but the Federal Government should be available to assist the States in their efforts if called upon to do so, and this bill will help to ensure that appropriate assistance is available. The Northern Forest Stewardship Act offers a reasonable, constructive, and consensus-oriented approach to forest management in our region.

This legislation enjoys the support of the four Northern Forest States, a wide range of environmental organizations, the Maine Forest Products Council, and major newspapers in Maine. This is one bill that is truly both pro-environment and pro-economy. I hope all of my colleagues will support the Leahy amendment.

Mr. COCHRAN. Mr. President, let me state this amendment has been reviewed. It has been cleared on this side. I commend and thank the distinguished Senator from Vermont for his cooperation.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4987) was agreed to.

Mr. LEAHY. Mr. President, I move to reconsider the vote.

Mr. COCHRAN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BURNS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

AMENDMENT NO. 5004

Mr. BURNS. Mr. President, I send an amendment to the desk and ask for its immediate consideration. I think this has been cleared by both sides.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BURNS] proposes an amendment numbered 5004.

Mr. BURNS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, add the following new section:

SEC. . BARLEY PAYMENTS.

Section 113 of Public Law 104–127 is amended by inserting a new subsection (g) that reads:

"(g) ADJUSTMENT IN BARLEY ALLOCATION.—In addition to the adjustments required under subsection (c), the amount allocated under subsection (b) for barley contract payments shall be increased by $20,000,000 in fiscal year 1998, and shall be reduced by $5,000,000 in each of fiscal years 1999–2002."

Mr. BURNS. Mr. President, this is an adjustment in the barley allocation in the farm bill. It seemed as though when we were making the transition payments on all commodities and program crops, barley and their producers were penalized more than anybody else in making the adjustments. In fact, all other commodities, all other program crops were adjusted just slightly lower, with the exception of rice, and it actually went up. The barley payment was adjusted a good whopping 30 percent lower, 14 cents a bushel.

What this amendment does is it moves money from the outyears to the nearby years: $20 million in this fiscal year and then taking from the next 4 years, the outyears, $5 million. In other words, we are going to increase the payment about a nickel this year, and then we will be subtracting about a penny from the outyears in year 2, 3, 4 and 5.

So with that, it will make an adjustment this year. I think this is a short-term solution. After talking with my colleague from Montana and my friends from North Dakota, we realize this is a short-term solution, and I think we have to look at a longer term to make the adjustment to make it fair. That is all we are asking for barley producers across America, is fairness. I think there has to be a long-term solution made.

Mr. President, I ask for its adoption, and I yield the floor.

Mr. CONRAD addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota.

Mr. CONRAD. Mr. President, I support the effort of my colleague from Montana, Senator BURNS. This is not any of our preferred solutions to the problem faced by our barley producers. Very frankly, the barley farmers have been left short. They were told very clearly last year that if the new farm bill passed, they would get 46 cents a bushel. Somebody made a mistake. It is still not clear to me who did or precisely how they did, but the fact is, a mistake was made. Instead of getting 46 cents, barley producers are going to get 32 cents, 30 percent less.

Very clearly, farmers were told 46 cents. They were told the prices and amounts that were going to be paid were estimates, no question about that. But they were told, and told repeatedly, that the amounts that they would actually receive would be close to those estimates. I was in dozens of meetings where they were told it would be close to those estimates; maybe a few cents difference.

And, indeed, if you look at corn, they were told it was going to be 27 cents. It turned out to be 24 cents. On wheat, they were told it was going to be 92 cents. It turned out to be 87 cents. Everybody understood those differences. But when it comes to barley, they were told 46 cents, and it turned out to be 32 cents. Not a 5-percent difference, not a 10-percent difference, a 30-percent difference. Is there any wonder that barley producers across the country are wondering, is there anything straight that comes out of Washington?

They were told clearly and directly that if they signed up to this farm bill that 46 cents is what they could expect to receive. That is not what they are getting, that is not what they are receiving, and it is not right.

There ought to be an adjustment. Many of us prefer we make this adjustment up front, clearly, and we take it out of the EEP program, or we take it out of some other approach, some other way of paying for it, but that it be paid for. In discussing it with our colleagues, it was clear that at this stage, that was not going to be acceptable.

So the Senator from Montana has come up with an approach to bring money from later years up front to reduce this differential on the hope and the expectation that perhaps as we go through the process, we can get this problem solved in a more appropriate way.

I think on that basis this approach deserves support, because, hopefully, in the conference committee, we can get a better resolution. Again, I think it is just a fundamental question of whether or not we treat our barley producers in this country in a fair way.

I salute my colleague from Montana for his efforts. I thank the Chair and yield the floor.

Mr. DORGAN addressed the Chair.

The PRESIDING OFFICER. The Senator from North Dakota, Mr. DORGAN.

Mr. DORGAN. Mr. President, let me ever so briefly agree with my colleagues. I support the efforts of the Senator from Montana. We had a number of meetings today with the Senator from Montana, Senator BURNS, Senator BAUCUS, Senator LARRY CRAIG, Senator CONRAD, myself, and others. This is not the preferred solution. I do not view this as a destination. I view this as a step on the way to where we want to get to solve this issue.

Senator CONRAD said it clearly. The proposal was made that barley growers would receive fixed payments and the first year would be 46 cents. That turns out not to be 46 cents at all but instead 32 cents a bushel. That may not mean much to people, unless you raise some barley and discover that your expected income is now 30 percent lower than you anticipated when you heard about this program and developed support for the program based on the representation of what the fixed payments would be in the farm program.

So we will go to conference. This is a device and a mechanism by which this issue can go to conference. My hope is that this issue will be resolved in conference the way it should be resolved. It should be resolved by providing for barley producers what they were told they would receive as fixed payments in the farm bill. The failure to do that, it seems to me, really places at risk the credibility with respect to this farm program.

I again support the efforts of the Senator from Montana as a step toward a destination that would make the barley producers whole. Mr. President, with that, I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, let me thank Senators who have been working to resolve this issue for their efforts. A great deal of work has gone into crafting this amendment. I compliment particularly the Senator from Montana [Mr. BURNS]. I ask unanimous consent that the Senator from Idaho [Mr. CRAIG] be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, we are going to continue to monitor this situation. We hope that this is helpful. As we go into conference, we will work to resolve the issue to the satisfaction of the Senate. With that, I know of no objections to the legislation. I hope that we can proceed to adopt it on a voice vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment (No. 5004) was agreed to.

Mr. COCHRAN. Mr. President, I move to reconsider the vote.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CONRAD. Will the Senator yield for one moment so I might thank the chairman and the ranking member for their patience as we worked to resolve this matter? We very much appreciate your assistance.

Mr. COCHRAN. I thank the distinguished Senator for his kind comments. We appreciate his good efforts, as well.

AMENDMENT NO. 5002, AS MODIFIED

Mr. COCHRAN. Mr. President, as I understand it, the pending amendment now is the Brown amendment, as modified. I know of no objection to the amendment. I ask unanimous consent that we adopt the amendment and that the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered. The yeas and nays are vitiated. The amendment, as modified, is agreed to.

The amendment (No. 5002), as modified, was agreed to.

AMENDMENT NO. 4978, WITHDRAWN

Mr. COCHRAN. Mr. President, I know that the next amendment is the KERREY amendment No. 4978. Senator KERREY has offered this along with two other amendments. Those other amendments were agreed to. I have been authorized to ask that the KERREY amendment No. 4978 be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4978) was withdrawn.

AMENDMENTS NOS. 5005 THROUGH 5009, EN BLOC

Mr. COCHRAN. Mr. President, I now have a series of amendments which I will send to the desk en bloc and ask that they be reported and agreed to en bloc; an amendment on behalf of Senator SIMPSON; an amendment on behalf of Senator HATFIELD; an amendment I send to the desk for and on behalf of the Senator from Idaho, Mr. KEMPTHORNE; an amendment I send to the desk on behalf of the Senator from Alabama, Mr. SHELBY; an amendment by Senator DOMENICI which is cosponsored by Senators HELMS, THURMOND, FAIRCLOTH, and BINGAMAN.

The PRESIDING OFFICER. Without objection, the clerk will report.

The assistant legislative clerk read as follows:

The Senator from Mississippi [Mr. COCHRAN] proposes amendments numbered 5005 through 5009, en bloc.

Mr. COCHRAN. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments (Nos. 5005 through 5009), en bloc, are as follows:

AMENDMENT NO. 5005

At the end of the bill, add the following:

SEC. . EASEMENTS ON INVENTORIED PROPERTY

None of the funds appropriated or otherwise made available by this Act may be used by the Secretary of Agriculture to establish a wetland conservation easement under section 335(g) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(g)) on an inventoried property that was used for farming (including haying and grazing) at any time during the period beginning on the date 5 years before the property entered the inventory of the Secretary and ending on the date the property entered the inventory of the Secretary. To the extent that land would otherwise be eligible for an easement haying and grazing must be done according to a plan approved by the Natural Resources Conservation Service.

AMENDMENT NO. 5006

On page 42, line 26 before the colon, insert the following: "*provided further*, That of the total amount appropriated, not less than $2 million shall be available for grants in accordance with section 310B(f) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(f))"

AMENDMENT NO. 5007

(Purpose: To provide that the Secretary of Agriculture may use funds in the Fund for Rural American for grants to develop and apply precision agricultural technologies)

At the appropriate place in the bill, add the following:

SEC. . GRANTS FOR PRECISION AGRICULTURAL TECHNOLOGIES.

Section 793(c)(2)(A) of the Federal Agriculture improvement and Reform Act of 1996 (7 U.S.C. 2204f(c)(2)(A)) is amended—

(1) in clause (vii),by striking "and" at the end;

(2) in clause (viii), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(ix) develop and apply precision agricultural technologies.".

AMENDMENT NO. 5008

(Purpose: To make additional funding available for fiscal year 1996 for investigations of arson at religious institutions)

At the appropriate place in the bill, add the following:

TITLE VIII—SUPPLEMENTAL APPROPRIATIONS AND RESCISSION FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1996

DEPARTMENT OF THE TREASURY

BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS

SALARIES AND EXPENSES

For an additional amount for "Salaries and Expenses," to be used in connection with investigations of arson or violence against religious institutions, $12,001,000, to remain available until expended.

INTERNAL REVENUE SERVICE

INFORMATION SYSTEMS

(RESCISSION)

Of the funds made available under this heading in Public Law 104-52, $16,500,000 are rescinded.

AMENDMENT NO. 5009

At the appropriate place in the bill, insert the following:

DEPARTMENT OF AGRICULTURE

FARM SERVICE AGENCY

For an additional amount for the Agricultural Credit Insurance Fund Program Account for the additional cost of emergency insured loans authorized by 7 U.S.C. 1928–1929, including the cost of modifying such loans as defined in section 502 of the Congressional Budget Act of 1974, resulting from droughts in the Western United States, Hurricane Bertha, and other natural disasters, to remain available until expended, $25,000,000: *Provided*, That these funds are available to subsidize additional gross obligations for the principal amount of direct loans of $85,208,000: *Provided further*, That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further*, That the amount shall be available to the extent that the President notifies Congress of his designation of any or all of these amounts as an emergency requirement under section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.

EMERGENCY SUPPLEMENTAL APPROPRIATION FOR EMERGENCY DISASTER LOANS

Mr. DOMENICI. Mr. President, there is nothing more precious to New Mexico, and to the arid Southwest in general, than water. Unfortunately, precipitation in the Southwest this year has been, in a word, disastrous. Precipitation and snow melts in almost every New Mexico basin are dangerously below average. Despite recent rains, stream flows in New Mexico are still predicted to be 33 to 100 percent below average through the summer, with no end in sight. If the drought continues, and there is every indication that it will, the consequences to New Mexico will be truly devastating.

No sector in New Mexico has been hit harder by the drought than its farmers and ranchers. Water levels in the Middle Rio Grande have dropped severely, leading to radically decreased water availability for the hundreds of irrigators depending on that water. Farmers in the southern part of the State are being forced to go to water wells, thus depleting the already-taxed aquifer. And in northeastern New Mexico, winter wheat is failing for the first time in anyone's memory.

Additionally, the drought has wiped out forage for New Mexico's livestock producers, causing an industry already hit hard by high feed prices to hurt even more. In fact, this drought has devastated crops and livestock in my State to such an extent that every single county in New Mexico is currently eligible for USDA's disaster assistance programs.

Mr. President, one of the programs that has been crucial in helping the farmers and ranchers of my State cope with this disaster is the USDA's emergency disaster loan program. Funding for this program this year may soon run out, however. As a consequence, the Western Governors' Association has identified supplemental funding for emergency disaster loans as a top priority.

Our amendment will ensure that this much-needed emergency loan program remains funded in the event of a shortfall in this fiscal year. The contingency funding will also remain available in the event of a shortfall in fiscal year 1997. Specifically, our amendment provides an additional $25 million for the program as an emergency supplemental appropriation, which will allow for an additional $98 million in emergency disaster loans. The additional funding in the amendment would only become available if the administration determines that other funding sources have been exhausted.

In closing, Mr. President, let me reiterate that this drought is one of the worst calamities to hit my State, and the Southwest in general, in the last 50 years. Our amendment for supplemental funding of USDA's emergency loan program will ensure that desperately needed relief will continue to be given to those people who have been hardest hit by this disaster.

Mr. HELMS. Mr. President, on behalf of the eastern North Carolina farmers whose crops were devastated by Hurricane Bertha, I am happy to cosponsor this proposal to provide emergency loan assistance to farmers.

On July 12, Hurricane Bertha ripped through the eastern part of North Carolina, destroying an estimated 80 percent of the State's tobacco crop and up to 90 percent of the corn crops in some counties. Cotton and soybeans also were damaged.

Bertha was particularly devastating because it hit right before harvest season, ravaging crops in their most vulnerable stages. Estimates of the total damage to North Carolina agriculture continue to climb and currently stand at $188 million. Many North Carolina farmers suffered total losses of their 1996 crops.

Mr. President, this amendment will provide emergency loans, approved by the USDA for farmers seeking a way to recover from the financial losses imposed by the hurricane. It will enable farmers to purchase the inputs such as fertilizer, seed, and equipment needed to put crops back into the ground.

The early extension of credit to qualified farmers is essential to move them beyond this natural tragedy. I've been contacted by many of these farmers, Mr. President; for example, Ronnie and W.C. Cox who are fifth generation corn, cotton, and tobacco farmers in Onslow County. Their 300 acres of corn were totally destroyed along with 75 percent of their 225 acres of their tobacco crop. Cotton and other crops were likewise severely damaged.

These farmers aren't asking for a free ride, Mr. President. The Coxes in Onslow County wrote to me saying, "We do not want grants or handouts. But, we do need to borrow $750,000 or $1 million for 3 to 5 years at a low interest rate."

Mr. President, this amendment will extend a helping hand to these embattled farmers and thereby help them to help themselves. It's the right thing to do—at the right time.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the amendments be agreed to en bloc and the motions to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments (Nos. 5005 through 5009), en bloc, were agreed to.

AMENDMENTS NOS. 5010 THROUGH 5014, EN BLOC

Mr. BUMPERS. Mr. President, I send a series of amendments to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Arkansas [Mr. Bumpers] proposes amendments numbered 5010 through 5014, en bloc.

Mr. BUMPERS. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments (Nos. 5010 through 5014), en bloc, are as follows:

AMENDMENT NO. 5010

(Purpose: To increase funding for the Grain Inspection, Packers and Stockyards Administration and the Food Safety and Inspection Service, with an offset)

On page 23, line 8, strike "$22,728,000" and insert "$23,928,000".

On page 46, line 14, strike "$657,942,000" and insert "$656,742,000".

AMENDMENT NO. 5011

(Purpose: To express the sense of the Senate regarding Canadian wheat and barley exports to the United States)

At the end of the bill, add the following:

SEC. . SENSE OF SENSE ON CANADIAN WHEAT AND BARLEY EXPORTS.

It is the sense of the Senate that—

(1) the United States Trade Representative should continue to carefully monitor the export of wheat and barley from western Canada to the United States;

(2) the bilateral Memorandum of Understanding with Canada clearly states that the United States—

(A) will not accept market disruptions from imports of Canadian grains; and

(B) will use its trade laws if it appears likely that market disruptions will occur;

(3) the United States Trade Representative should monitor any policy changes by the Canadian Government, acting through the Canadian Wheat Board, that have the potential for increasing the exports of Canadian grains to the United States;

(4) family farmers of the United States should not be subject to increases in the 1-way channel of Canadian grain exports to the United States that unfairly disrupt the grain transportation systems and depress the prices received by farmers; and

(5) the United States Trade Representative should be prepared to support the use of antidumping laws, countervailing duty laws, section 301 of the Trade Act of 1974 (19 U.S.C. 4211), and other United States laws consistent with the international obligations of the United States, if—

(A) the Canadian Government implements the changes described in paragraph (3) without a resolution of the underlying cross-border grain trading issues between the United States and Canada; and

(B) the changes lead to unfair and injurious exports of Canadian grain to the United States.

AMENDMENT NO. 5012

At the appropriate place insert the following:

Not later than 180 days after enactment of this Act, the Administrator of the Food and Drug Administration, in consultation with the States and other appropriate Federal agencies shall report to the Chairman and Ranking Member of the Committee on Appropriations of the House and Senate on the feasibility of applying DNA testing or other testing procedures to determine the adulteration, blending, mixing or substitution of crab meat other than *Callinectes sapidus* offered for sale in the United States. The Administrator also shall report on the feasibility of developing a database of imported crab meat shipments from port of entry to final wholesaler to be made available to State agencies to aid enforcement and public health protection.

AMENDMENT NO. 5013

At the appropriate place, insert the following:

"No funds appropriated or otherwise made available to the Secretary of Agriculture may be used to administer section 118(b)(2)(A) of the Agricultural Marketing Transition Act unless the planting of a fruit or vegetable on contract acreage, if planted subsequent to the failure of a contract commodity on the same acreage within the same crop year is permitted on contract acreage: *Provided*, That this provision shall take effect upon the date of enactment of this Act into law."

AMENDMENT NO. 5014

(Purpose: To prohibit the use of funds to administer the provision of contract payments to a producer for contract acreage on which wild rice is planted unless the contract payment is reduced by an acre for each contract acre planted to wild rice)

At the end of the bill, add the following:

SEC. . PLANTING OF WILD RICE ON CONTRACT ACREAGE.

None of the funds appropriated in this Act may be used to administer the provision of contract payments to a producer under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) for contract acreage on which wild rice is planted unless the contract payment is reduced by an acre for each contract acre planted to wild rice.

Mr. COCHRAN. Mr. President, I ask for the yeas and nays on the final passage of the bill.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Kansas [Mrs. KASSEBAUM] is absent due to a death in the family.

Mr. FORD. I announce that the Senator from New York [Mr. MOYNIHAN] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 97, nays 1, as follows:

[Rollcall Vote No. 237 Leg.]

YEAS—97

Abraham
Akaka
Ashcroft
Baucus
Bennett
Biden
Bingaman
Bond
Boxer
Bradley
Breaux
Brown
Bumpers
Burns
Byrd
Campbell
Chafee
Coats
Cochran
Cohen
Conrad
Coverdell
Craig
D'Amato
Daschle
DeWine
Dodd
Domenici
Dorgan
Exon
Faircloth
Feingold
Feinstein
Ford
Frahm
Frist
Glenn
Gorton
Graham
Gramm
Grams
Grassley
Gregg
Harkin
Hatch
Hatfield
Heflin
Helms
Hollings
Hutchison
Inhofe
Inouye
Jeffords
Johnston
Kempthorne
Kennedy
Kerrey
Kerry
Kohl
Kyl
Lautenberg
Leahy
Levin
Lieberman
Lott
Lugar
Mack
McCain
McConnell
Mikulski
Moseley-Braun
Murkowski
Murray
Nickles
Nunn
Pell
Pressler
Pryor
Reid
Robb
Rockefeller
Roth
Santorum
Sarbanes
Shelby
Simon
Simpson
Smith
Snowe
Specter
Stevens
Thomas
Thompson
Thurmond
Warner
Wellstone
Wyden

NAYS—1

Bryan

NOT VOTING—2

Kassebaum
Moynihan

The bill (H.R. 3603), as amended, was passed.

Mr. COCHRAN. Mr. President, I move to reconsider the vote by which the bill, as amended, was passed.

Mr. BUMPERS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. COCHRAN. Mr. President, I move that the Senate insist on its amendments to H.R. 3603, and request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to.

The PRESIDING OFFICER (Mr. SMITH) appointed Mr. COCHRAN, Mr. SPECTER, Mr. BOND, Mr. GORTON, Mr. MCCONNELL, Mr. BURNS, Mr. HATFIELD, Mr. BUMPERS, Mr. HARKIN, Mr. KERREY, Mr. JOHNSTON, Mr. KOHL, and Mr. BYRD, conferees on the part of the Senate.

Mr. COCHRAN. Mr. President, I thank all Senators for their cooperation during our management and handling of this bill on the floor of the Senate. I especially want to thank and compliment the distinguished Senator from Arkansas for his strong leadership and for his efforts to get a good bill passed by the Senate. We could not have done it either without the capable staff assistants: Becky Davies, Hunt Shipman, Jimmie Reynolds, Galen Fountain—all of whom worked very diligently, expertly, and professionally. They reflect credit on the Senate. We are very proud of them.

Mr. BUMPERS. Mr. President, let me echo what the distinguished Senator from Mississippi has just said.

First, let me say—I do not say this to be all that gracious but to simply state as fact—that the Senator from Mississippi's patience is much greater than mine. There were times this afternoon when I grew terribly frustrated about the pace of the proceedings, and the Senator from Mississippi kept assuring me that negotiations would pay off and that we would get the bill passed in due time. Of course, he was dead right. But more importantly than that, he is a very gifted legislator and a man of great patience and intellect. And it is a real pleasure for me to work with him as the ranking member on this committee. I thank him for his really truly magnificent work on the bill.

I would be remiss if I did not thank Becky Davies, Jimmy Reynolds, and Hunt Shipman of Senator COCHRAN's staff; and my own staff, Galen Fountain. If we choose to tell the truth, we will admit that is where most of the work was done. We could not have done it without them. I want to pay special tribute to the staff.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, Mr. President, I believe the distinguished Senator from Arkansas wishes to conclude his remarks.

Mr. BUMPERS. Mr. President, I ask unanimous consent that the distinguished Senator from Montana, Senator BAUCUS, be added as a cosponsor of the Burns barley amendment that passed immediately preceding the passage of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I thank my distinguished colleague from Mississippi, Senator COCHRAN, for his outstanding work on this major piece of legislation. He showed real leadership once again and, of course, his colleague, the ranking member on the Agriculture Appropriations Subcommittee, Senator BUMPERS, did a great job.

Earlier today it was not clear at all how long this was going to take. But the fact of the matter is they only spent just a little over a day getting this job done even though it spread out over 3 days. It is a very important major accomplishment, and I thank them for their work. I commend all of our colleagues who worked through a lot of very difficult issues that affect a lot of States. They came to conclusion, and I appreciate very much the good work that they did.

As a result of that our intent now is to go to the foreign ops appropriations bill. The manager, the chairman, the Senator from Kentucky, Senator MCCONNELL, is here, and the ranking member is ready to go. We will go right to that.

There will be no further rollcall votes tonight. We wanted to confirm that this is the last vote of tonight.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1997

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate turn to the consideration of H.R. 3540, the foreign ops appropriations bill.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3540) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1997, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Appropriations, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1997, and for other purposes, namely:

TITLE I—EXPORT AND INVESTMENT ASSISTANCE

EXPORT-IMPORT BANK OF THE UNITED STATES

The Export-Import Bank of the United States is authorized to make such expenditures within the limits of funds and borrowing authority available to such corporation, and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations, as provided by section 104 of the Government Corporation Control Act, as may be necessary in carrying out the program for the current fiscal year for such corporation: Provided, That none of the funds available during the current fiscal year may be used to make expenditures, contracts, or commitments for the export of nuclear equipment, fuel, or technology to any country other than a nuclear-weapon State as defined in Article IX of the Treaty on the Non-Proliferation of Nuclear Weapons eligible to receive economic or military assistance under this Act that has detonated a nuclear explosive after the date of enactment of this Act.

SUBSIDY APPROPRIATION

For the cost of direct loans, loan guarantees, insurance, and tied-aid grants as authorized by section 10 of the Export-Import Bank Act of 1945, as amended, $730,000,000 to remain available until September 30, 1998: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That such sums shall remain available until 2012 for the disbursement of direct loans, loan guarantees, insurance and tied-aid grants obligated in fiscal years 1997 and 1998: Provided further, That up to $50,000,000 of funds appropriated by this paragraph shall remain available until expended and may be used for tied-aid grant purposes: Provided further, That none of the funds appropriated by this paragraph may be used for tied-aid credits or grants except through the regular notification procedures of the Committees on Appropriations: Provided further, That funds appropriated by this paragraph are made available notwithstanding section 2(b)(2) of the Export-Import Bank Act of 1945, in connection with the purchase or lease of any product by any East European country, any Baltic State, or any agency or national thereof.

ADMINISTRATIVE EXPENSES

For administrative expenses to carry out the direct and guaranteed loan and insurance programs (to be computed on an accrual basis), including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109, and not to exceed $20,000 for official reception and representation expenses for members of the Board of Directors, $40,000,000: Provided, That necessary expenses (including special services performed on a contract or fee basis, but not including other personal services) in connection with the collection of moneys owed the Export-Import Bank, repossession or sale of pledged collateral or other assets acquired by the Export-Import Bank in satisfaction of moneys owed the Export-Import Bank, or the investigation or appraisal of any property, or the evaluation of the legal or technical aspects of any transaction for which an application for a loan, guarantee or insurance commitment has been made, shall be considered nonadministrative expenses for the purposes of this heading: Provided further, That, none of the funds made available by this or any other Act may be made available to pay the salary and any other expenses of the incumbent Chairman and President of the Export-Import Bank unless and until he has been confirmed by the United States Senate: Provided further, That, notwithstanding subsection (b) of section 117 of the Export Enhancement Act of 1992, subsection (a) thereof shall remain in effect until October 1, 1997.

OVERSEAS PRIVATE INVESTMENT CORPORATION

NONCREDIT ACCOUNT

The Overseas Private Investment Corporation is authorized to make, without regard to fiscal year limitations, as provided by 31 U.S.C. 9104, such expenditures and commitments within the limits of funds available to it and in accordance with law as may be necessary: Provided, That the amount available for administrative expenses to carry out the credit and insurance programs (including an amount for official reception and representation expenses which shall not exceed $35,000) shall not exceed $32,000,000: Provided further, That project-specific transaction costs, including direct and indirect costs incurred in claims settlements, and other direct costs associated with services provided to specific investors or potential investors pursuant to section 234 of the Foreign Assistance Act of 1961, shall not be considered administrative expenses for the purposes of this heading.

PROGRAM ACCOUNT

For the cost of direct and guaranteed loans, $72,000,000, as authorized by section 234 of the Foreign Assistance Act of 1961, to be derived by *transfer from the Overseas Private Investment Corporation Noncredit Account: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That such sums shall be available for direct loan obligations and loan guaranty commitments incurred or made during fiscal years 1997 and 1998: Provided further, That such sums shall remain available through fiscal year 2005 for the disbursement of direct and guaranteed loans obligated in fiscal year 1997, and through fiscal year 2006 for the disbursement of direct and guaranteed loans obligated in fiscal year 1998. In addition, such sums as may be necessary for administrative expenses to carry out the credit program may be derived from amounts available for administrative expenses to carry out the credit and insurance programs in the Overseas Private Investment Corporation Noncredit Account and merged with said account.*

FUNDS APPROPRIATED TO THE PRESIDENT

TRADE AND DEVELOPMENT AGENCY

For necessary expenses to carry out the provisions of section 661 of the Foreign Assistance Act of 1961, $40,000,000: Provided, That the Trade and Development Agency may receive reimbursements from corporations and other entities for the costs of grants for feasibility studies and other project planning services, to be deposited as an offsetting collection to this account and to be available for obligation until September 30, 1997, for necessary expenses under this paragraph: Provided further, That such reimbursements shall not cover, or be allocated against, direct or indirect administrative costs of the agency.

TITLE II—BILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

For expenses necessary to enable the President to carry out the provisions of the Foreign Assistance Act of 1961, and for other purposes, to remain available until September 30, 1997, unless otherwise specified herein, as follows:

AGENCY FOR INTERNATIONAL DEVELOPMENT

DEVELOPMENT ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the provisions of sections 103 through 106 and chapter 10 of part I of the Foreign Assistance Act of 1961, title V of the International Security and Development Cooperation Act of 1980 (Public Law 96–533) and the provisions of section 401 of the Foreign Assistance Act of 1969, $1,290,000,000, to remain available until September 30, 1998: Provided, That of the amount appropriated under this heading, up to $18,000,000 may be made available for the Inter-American Foundation and shall be apportioned directly to that agency: Provided further, That of the amount appropriated under this heading, up to $10,500,000 may be made available for the African Development Foundation and shall be apportioned directly to that agency: Provided further, That of the funds appropriated under title II of this Act that are administered by the Agency for International Development and made available for family planning assistance, not less than 65 percent shall be made available directly to the agency's central Office of Population and shall be programmed by that office for family planning activities: Provided further, That of the funds appropriated under this heading and under the heading "Population, Development Assistance" that are made available by the Agency for International Development for development assistance activities, the amount made available for sub-Saharan Africa should be in at least the same proportion as the amount identified in the fiscal year 1997 draft congressional presentation document for development assistance for sub-Saharan Africa is to the total amount requested for development assistance for such fiscal year: Provided further, That funds appropriated under this heading shall be made available, notwithstanding any other provision of law, to assist Vietnam to refom its trade regime through, among other things, reform of its commercial and investment legal codes: Provided further, That up to $5,000,000 of the funds appropriated under this heading may be made available for necessary expenses to carry out the provisions of section 667 of the Foreign Assistance Act of 1961: Provided further, That none of the funds made available in this Act nor any unobligated balances from prior appropriations may be made available to any organization or program which, as determined by the President of the United States, supports or participates in the management of a program of coercive abortion or involuntary sterilization: Provided further, That none of the funds made available under this heading or under the heading "Population, Development Assistance", may be used to pay for the performance of abortion as a method of family planning or to motivate or coerce any person to practice abortions; and that in order to reduce reliance on abortion in developing nations, funds shall be available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services: Provided further, That in awarding grants for natural family planning under section 104 of the Foreign Assistance Act of 1961 no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning; and, additionally, all such applicants shall comply with the requirements of the previous proviso: Provided further, That for purposes of this or any other Act authorizing or appropriating funds for foreign operations, export financing, and related programs, the term "motivate", as it relates to family planning assistance, shall not be construed to prohibit the provision, consistent with local law, of information or counseling about all pregnancy options: Provided further, That nothing in this paragraph shall be construed to alter any existing statutory prohibitions against abortion under section 104 of the Foreign Assistance Act of 1961: Provided further, That, notwithstanding section 109 of the Foreign Assistance Act of 1961, of the funds appropriated under this heading in this Act, and of the unobligated balances of funds previously appropriated under this heading, up to $30,000,000 shall be transferred to "International Organizations and Programs" for a contribution to the International Fund for Agricultural Development (IFAD), and that any such transfer of funds shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That of the funds appropriated under this heading that are made available for assistance programs for displaced and orphaned children and victims of war, not to exceed $25,000, in addition to funds otherwise available for such purposes, may be used to monitor and provide oversight of such programs: Provided further, That not less than $650,000 of the funds made available under this heading should be made available for support of the United States Telecommunications Training Institute.

POPULATION, DEVELOPMENT ASSISTANCE

For necessary expenses to carry out the provisions of section 104(b) of the Foreign Assistance Act of 1961, $410,000,000, to remain available until September 30, 1998.

CYPRUS

Of the funds appropriated under the headings "Development Assistance" and "Economic Support Fund", not less than $15,000,000 shall be made available for Cyprus to be used only for scholarships, administrative support of the scholarship program, bicommunal projects, and measures aimed at reunification of the island and designed to reduce tensions and promote peace and cooperation between the two communities on Cyprus.

BURMA

Of the funds appropriated by this Act to carry out the provisions of chapter 8 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $2,500,000 shall be made available to support activities in Burma, along the Burma-Thailand border, and for activities of Burmese student groups and other organizations located outside Burma, for the purposes of fostering democracy in Burma, supporting the provision of medical supplies and other humanitarian assistance to Burmese located in Burma or displaced Burmese along the borders, and for other purposes: Provided, That of this amount, not less than $200,000 shall be made available to support newspapers, publications, and other media activities promoting democracy inside Burma: Provided further, That funds made available under this heading may be made available notwithstanding any other provision of law: Provided further, That provision of such funds shall be made available subject to the regular notification procedures of the Committees on Appropriations.

PRIVATE AND VOLUNTARY ORGANIZATIONS

None of the funds appropriated or otherwise made available by this Act for development assistance may be made available to any United States private and voluntary organization, except any cooperative development organization, which obtains less than 20 per centum of its total annual funding for international activities from sources other than the United States Government: Provided, That the requirements of the provisions of section 123(g) of the Foreign Assistance Act of 1961 and the provisions on private and voluntary organizations in title II of the "Foreign Assistance and Related Programs Appropriations Act, 1985" (as enacted in Public Law 98–473) shall be superseded by the provisions of this section, except that the authority contained in the last sentence of section 123(g) may be exercised by the Administrator with regard to the requirements of this paragraph.

Funds appropriated or otherwise made available under title II of this Act should be made available to private and voluntary organizations at a level which is equivalent to the level provided in fiscal year 1995. Such private and voluntary organizations shall include those which operate on a not-for-profit basis, receive contributions from private sources, receive voluntary support from the public and are deemed to be among the most cost-effective and successful providers of development assistance.

INTERNATIONAL DISASTER ASSISTANCE

For necessary expenses for international disaster relief, rehabilitation, and reconstruction assistance pursuant to section 491 of the Foreign Assistance Act of 1961, as amended, $190,000,000, to remain available until expended.

DEBT RESTRUCTURING

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of modifying direct loans and loan guarantees, as the President may determine, for which funds have been appropriated or otherwise made available for programs within the International Affairs Budget Function 150, including the cost of selling, reducing, or canceling amounts, through debt buybacks and swaps, owed to the United States as a result of concessional loans made to *eligible Latin American and Caribbean countries, pursuant to part IV of the Foreign Assistance Act of 1961; of modifying direct loans extended to least developed countries, as authorized under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended; and of modifying concessional loans authorized under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended, as authorized under subsection (a) under the heading "Debt Reduction for Jordan" in title VI of Public Law 103–306, $27,000,000, to remain available until expended: Provided, That none of the funds appropriated under this heading shall be obligated except through the regular notification procedures of the Committee on Appropriations.*

MICRO AND SMALL ENTERPRISE DEVELOPMENT PROGRAM ACCOUNT

For the subsidy cost of direct loans and loan guarantees, $1,500,000, as authorized by section 108 of the Foreign Assistance Act of 1961, as amended: Provided, That such costs shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That guarantees of loans made under this heading in support of microenterprise activities may guarantee up to 70 percent of the principal amount of any such loans notwithstanding section 108 of the Foreign Assistance Act of 1961. In addition, for administrative expenses to carry out programs under this heading, $500,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: Provided further, That funds made available under this heading shall remain available until September 30, 1998.

HOUSING GUARANTY PROGRAM ACCOUNT

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of guaranteed loans authorized by sections 221 and 222 of the Foreign Assistance Act of 1961, $4,000,000, to remain available until September 30, 1998: Provided, That these funds are available to subsidize loan principal, 100 percent of which shall be guaranteed, pursuant to the authority of such sections. In addition, for administrative expenses to carry out guaranteed loan programs, $6,000,000, all of which may be transferred to and merged with the appropriation for Operating Expenses of the Agency for International Development: Provided further, That commitments to guarantee loans under this heading may be entered into notwithstanding the second and third sentences of section 222(a) and, with regard to programs for central and Eastern Europe and programs for the benefit of South Africans disadvantaged by apartheid, section 223(j) of the Foreign Assistance Act of 1961.

PAYMENT TO THE FOREIGN SERVICE RETIREMENT AND DISABILITY FUND

For payment to the "Foreign Service Retirement and Disability Fund", as authorized by the Foreign Service Act of 1980, $43,826,000.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

For necessary expenses to carry out the provisions of section 667, $495,000,000: Provided, That notwithstanding any other provision of law, none of the funds appropriated or otherwise made available by this Act may be made available for expenses necessary to relocate the Agency for International Development, or any part of that agency, to the building at the Federal Triangle in Washington, District of Columbia.

OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT OFFICE OF INSPECTOR GENERAL

For necessary expenses to carry out the provisions of section 667, $28,000,000, to remain available until expended, which sum shall be available for the Office of the Inspector General of the Agency for International Development.

OTHER BILATERAL ECONOMIC ASSISTANCE

ECONOMIC SUPPORT FUND

For necessary expenses to carry out the provisions of chapter 4 of part II, $2,340,000,000, to remain available until September 30, 1998: Provided, That of the funds appropriated under this heading, not less than $1,200,000,000 shall be available only for Israel, which sum shall be available on a grant basis as a cash transfer and shall be disbursed within thirty days of enactment of this Act or by October 31, 1996, whichever is later: Provided further, That not less than $815,000,000 shall be available only for Egypt, which sum shall be provided on a grant basis, and of which sum cash transfer assistance may be provided, with the understanding that Egypt will undertake significant economic reforms which are additional to those which were undertaken in previous fiscal years, and of which not less than $200,000,000 shall be provided as Commodity Import Program assistance: Provided further, That in exercising the authority to provide cash transfer assistance for Israel and Egypt, the President shall ensure that the level of such assistance does not cause an adverse impact on the total level of non-military exports from the United States to each such country: Provided further, That it is the sense of the Congress that the recommended levels of assistance for Egypt and Israel are based in great measure upon their continued participation in the Camp David Accords and upon the Egyptian-Israeli peace treaty: Provided further, That of the funds appropriated under this heading, $3,000,000 shall be made available to establish an independent radio broadcasting service to Iran: Provided further, That none of the funds appropriated under this heading shall be made available for Zaire.

ASSISTANCE FOR EASTERN EUROPE AND THE BALTIC STATES

(a) For necessary expenses to carry out the provisions of the Foreign Assistance Act of 1961 and the Support for East European Democracy (SEED) Act of 1989, $475,000,000, to remain available until September 30, 1998, which shall be available, notwithstanding any other provision of law, for economic assistance and for related programs for Central and Eastern Europe and the Baltic States.

(b) Funds appropriated under this heading or in prior appropriations Acts that are or have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the Fund's disbursement of such funds for program purposes. The Fund may retain for such program purposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(c) Funds appropriated under this heading shall be considered to be economic assistance under the Foreign Assistance Act of 1961 for purposes of making available the administrative authorities contained in that Act for the use of economic assistance.

(d) With regard to funds appropriated or otherwise made available under this heading for the economic revitalization program in Bosnia and Herzegovina, and local currencies generated by such funds (including the conversion of funds appropriated under this heading into currency used by Bosnia and Herzegovina as local currency and local currency returned or repaid under such program)—

(1) the Administrator of the Agency for International Development shall provide written approval for grants and loans prior to the obligation and expenditure of funds for such purposes, and prior to the use of funds that have been returned or repaid to any lending facility or grantee; and

(2) the provisions of section 534 of this Act shall apply.

(e) With regard to funds appropriated under this heading that are made available for economic revitalization programs in Bosnia and Hercegovina, 50 percent of such funds shall not be available for obligation unless the President determines and certifies to the Committees on Appropriations that the Federation of Bosnia and Hercegovina has complied with article III of annex 1–A of the General Framework Agreement for Peace in Bosnia and Hercegovina concerning the withdrawal of foreign forces, and that intelligence cooperation on training, investigations, and related activities between Iranian officials and Bosnian officials has been terminated.

ASSISTANCE FOR THE NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION

(a) For necessary expenses to carry out the provisions of chapter 11 of part I of the Foreign Assistance Act of 1961 and the FREEDOM Support Act, for assistance for the new independent states of the former Soviet Union and for related programs, $640,000,000, to remain available until September 30, 1998: Provided, That the provisions of such chapter shall apply to funds appropriated by this paragraph.

(b) None of the funds appropriated under this heading shall be transferred to the Government of Russia—

(1) unless that Government is making progress in implementing comprehensive economic reforms based on market principles, private ownership, negotiating repayment of commercial debt, respect for commercial contracts, and equitable treatment of foreign private investment; and

(2) if that Government applies or transfers United States assistance to any entity for the purpose of expropriating or seizing ownership or control of assets, investments, or ventures.

(c) Funds may be furnished without regard to subsection (b) if the President determines that to do so is in the national interest.

(d) None of the funds appropriated under this heading shall be made available to any government of the new independent states of the former Soviet Union if that government directs any action in violation of the territorial integrity or national sovereignty of any other new independent state, such as those violations included in the Helsinki Final Act: Provided, That such funds may be made available without regard to the restriction in this subsection if the President determines that to do so is in the national security interest of the United States: Provided further, That the restriction of this subsection shall not apply to the use of such funds for the provision of assistance for purposes of humanitarian, disaster and refugee relief.

(e) None of the funds appropriated under this heading for the new independent states of the former Soviet Union shall be made available for any state to enhance its military capability: Provided, That this restriction does not apply to demilitarization or nonproliferation programs.

(f) Funds appropriated under this heading shall be subject to the regular notification procedures of the Committees on Appropriations.

(g) Funds made available in this Act for assistance to the new independent states of the former Soviet Union shall be subject to the provisions of section 117 (relating to environment and natural resources) of the Foreign Assistance Act of 1961.

(h) Funds appropriated under this heading may be made available for assistance for Mongolia.

(i) Funds made available in this Act for assistance to the New Independent States of the

former Soviet Union shall be provided to the maximum extent feasible through the private sector, including small- and medium-size businesses, entrepreneurs, and others with indigenous private enterprises in the region, intermediary development organizations committed to private enterprise, and private voluntary organizations: Provided, That grantees and contractors should, to the maximum extent possible, place in key staff positions specialists with prior on the ground expertise in the region of activity and fluency in one of the local languages.

(j) In issuing new task orders, entering into contracts, or making grants, with funds appropriated under this heading or in prior appropriations Acts, for projects or activities that have as one of their primary purposes the fostering of private sector development, the Coordinator for United States Assistance to the New Independent States and the implementing agency shall encourage the participation of and give significant weight to contractors and grantees who propose investing a significant amount of their own resources (including volunteer services and in-kind contributions) in such projects and activities.

(k) Of the funds made available under this heading, not less than $225,000,000 shall be made available for Ukraine, of which funds not less than $25,000,000 shall be made available to carry out United States decommissioning obligations regarding the Chornobyl plant made in the Memorandum of Understanding between the Government of Ukraine and the G–7 Group: Provided, That not less than $35,000,000 shall be made available for agricultural projects, including those undertaken through the Food Systems Restructuring Program, which leverage private sector resources with United States Government assistance: Provided further, That $5,000,000 shall be available for a small business incubator project: Provided further, That $5,000,000 shall be made available for screening and treatment of childhood mental and physical illnesses related to Chornobyl radiation.

(l) Of the funds made available for Ukraine, under this Act or any other Act, not less than $50,000,000 shall be made available to improve safety at nuclear reactors: Provided, That of this amount $20,000,000 shall be provided for the purchase and installation of, and training for, safety parameter display or control systems at all operational nuclear reactors: Provided further, That of this amount, $20,000,000 shall be made available for the purchase, construction, installation and training for Full Scope and Analytical/Engineering simulators: Provided further, That of this amount such funds as may be necessary shall be made available to conduct Safety Analysis Reports at all operational nuclear reactors.

(m) Of the funds made available by this Act, not less than $95,000,000 shall be made available for Armenia.

(n) Of the funds made available by this or any other Act, $25,000,000 shall be made available for Georgia.

(o) None of the funds appropriated under this heading may be made available for Russia unless the President determines and certifies in writing to the Committees on Appropriations that the Government of Russia has terminated implementation of arrangements to provide Iran with technical expertise, training, technology, or equipment necessary to develop a nuclear reactor or related nuclear research facilities or programs.

(p) Of the funds appropriated under this heading, $15,000,000 shall be provided for hospital partnership programs, medical assistance to directly reduce the incidence of infectious diseases such as diphtheria or tuberculosis, and a program to reduce the adverse impact of contaminated drinking water.

(q) Of the funds appropriated under this heading and under the heading "Assistance for Eastern Europe and the Baltic States", not less than $12,000,000 shall be made available for law enforcement training and exchanges, and investigative and technical assistance activities related to international criminal activities: Provided, That of this amount, not less than $1,000,000 shall be made available for training and exchanges in Russia to combat violence against women.

(r) Of the funds appropriated under this heading, not less than $50,000,000 should be provided to the Western NIS and Central Asian Enterprise Funds: Provided, That obligation of these funds shall be consistent with sound business practices.

(s) Of the funds made available under this heading, not less than $10,000,000 shall be made available for a United States contribution to the Trans-Caucasus Enterprise Fund.

(t) Funds appropriated under this heading or in prior appropriations Acts that are or have been made available for an Enterprise Fund may be deposited by such Fund in interest-bearing accounts prior to the disbursement of such funds by the Fund for program purposes. The Fund may retain for such program proposes any interest earned on such deposits without returning such interest to the Treasury of the United States and without further appropriation by the Congress. Funds made available for Enterprise Funds shall be expended at the minimum rate necessary to make timely payment for projects and activities.

(u) Funds appropriated under this heading may not be made available for the Government of Ukraine if the President determines and reports to the Committees on Appropriations that the Government of Ukraine is engaged in military cooperation with the Government of Libya.

(v) Of the funds appropriated under this heading, not less than $15,000,000 shall be available only for a family planning program for the New Independent States of the former Soviet Union comparable to the family planning program currently administered by the Agency for International Development in the Central Asian Republics and focusing on population assistance which provides an alternative to abortion.

(w) Funds made available under this Act or any other Act (other than assistance under title V of the FREEDOM Support Act) may not be provided to the Government of Azerbaijan until the President determines, and so reports to the Congress, that the Government of Azerbaijan is taking demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabakh.

(x) Of the funds appropriated under this heading, not less than $2,500,000 shall be made available for the American-Russian Center.

INDEPENDENT AGENCY

PEACE CORPS

For expenses necessary to carry out the provisions of the Peace Corps Act (75 Stat. 612), $205,000,000, including the purchase of not to exceed five passenger motor vehicles for administrative purposes for use outside of the United States: Provided, That none of the funds appropriated under this heading shall be used to pay for abortions: Provided further, That funds appropriated under this heading shall remain available until September 30, 1998.

DEPARTMENT OF STATE

INTERNATIONAL NARCOTICS CONTROL

For necessary expenses to carry out the provisions of section 481 of the Foreign Assistance Act of 1961, $160,000,000: Provided, That during fiscal year 1997, the Department of State may also use the authority of section 608 of the Foreign Assistance Act of 1961, without regard to its restrictions, to receive non-lethal excess property from an agency of the United States Government for the purpose of providing it to a foreign country under chapter 8 of part I of that Act subject to the regular notification procedures of the Committees on Appropriations.

MIGRATION AND REFUGEE ASSISTANCE

For expenses, not otherwise provided for, necessary to enable the Secretary of State to provide, as authorized by law, a contribution to the International Committee of the Red Cross, assistance to refugees, including contributions to the International Organization for Migration and the United Nations High Commissioner for Refugees, and other activities to meet refugee and migration needs; salaries and expenses of personnel and dependents as authorized by the Foreign Service Act of 1980; allowances as authorized by sections 5921 through 5925 of title 5, United States Code; purchase and hire of passenger motor vehicles; and services as authorized by section 3109 of title 5, United States Code, $650,000,000: Provided, That not more than $12,000,000 shall be available for administrative expenses: Provided further, That not less than $80,000,000 shall be made available for refugees from the former Soviet Union and Eastern Europe and other refugees resettling in Israel.

UNITED STATES EMERGENCY REFUGEE AND MIGRATION ASSISTANCE FUND

For necessary expenses to carry out the provisions of section 2(c) of the Migration and Refugee Assistance Act of 1962, as amended (22 U.S.C. 260(c)), $50,000,000, to remain available until expended: Provided, That the funds made available under this heading are appropriated notwithstanding the provisions contained in section 2(c)(2) of the Migration and Refugee Assistance Act of 1962 which would limit the amount of funds which could be appropriated for this purpose.

NONPROLIFERATION, ANTI-TERRORISM, DEMINING AND RELATED PROGRAMS

For necessary expenses for nonproliferation, anti-terrorism and related programs and activities, $140,000,000 to carry out the provisions of chapter 8 of part II of the Foreign Assistance Act of 1961 for anti-terrorism assistance, section 504 of the FREEDOM Support Act for the Nonproliferation and Disarmament Fund, section 23 of the Arms Export Control Act for demining activities, notwithstanding any other provision of law, including activities implemented through nongovernmental and international organizations, section 301 of the Foreign Assistance Act of 1961 for a voluntary contribution to the International Atomic Energy Agency (IAEA) and a voluntary contribution to the Korean Peninsula Energy Development Organization (KEDO), and for the acquisition and provision of goods and services, or for grants to Israel necessary to support the eradication of terrorism in and around Israel: Provided, That of this amount not to exceed $15,000,000, to remain available until expended, may be made available for the Nonproliferation and Disarmament Fund, notwithstanding any other provision of law, to promote bilateral and multilateral activities relating to nonproliferation and disarmament: Provided further, That such funds may also be used for such countries other than the new independent states of the former Soviet Union and international organizations when it is in the national security interest of the United States to do so: Provided further, That such funds shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That funds appropriated under this heading may be made available for the International Atomic Energy Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency: Provided further, That not to exceed $13,000,000 may be made available to the Korean

Peninsula Energy Development Organization (KEDO) only for administrative expenses and heavy fuel oil costs associated with the Agreed Framework: Provided further, That of the funds made available to KEDO for heavy fuel oil costs associated with the Agreed Framework, not more than one-third of such funds may be obligated within ninety days after the date of enactment of this Act, not more than two-thirds of such funds may be obligated within 180 days after the date of enactment of this Act and the remaining funds may not be obligated until August 1, 1997: Provided further, That funds may be obligated for such heavy fuel oil costs only if, prior to each obligation of funds, the President certifies and so reports to the Committees on Appropriations that North Korea is using all fuel oil financed by the parties to the Agreed Framework for purposes allowed by the Agreed Framework: Provided further, That the obligation of such funds shall be subject to the regular notification procedures of the Committees on Appropriations.

TITLE III—MILITARY ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL MILITARY EDUCATION AND TRAINING

For necessary expenses to carry out the provisions of section 541 of the Foreign Assistance Act of 1961, $40,000,000: Provided, That up to $100,000 of the funds appropriated under this heading may be made available for grant financed military education and training for any high income country on the condition that that country agrees to fund from its own resources the transportation cost and living allowances of its students: Provided further, That the civilian personnel for whom military education and training may be provided under this heading may also include members of national legislatures who are responsible for the oversight and management of the military, and may also include individuals who are not members of a government: Provided further, That none of the funds appropriated under this heading shall be available for Zaire and Guatemala: Provided further, That funds appropriated under this heading for grant financed military education and training for Indonesia may only be available for expanded military education and training.

FOREIGN MILITARY FINANCING PROGRAM

(INCLUDING TRANSFERS OF FUNDS)

For expenses necessary for grants to enable the President to carry out the provisions of section 23 of the Arms Export Control Act, $3,224,000,000: Provided, That of the funds appropriated by this paragraph not less than $1,800,000,000 shall be available for grants only for Israel, and not less than $1,300,000,000 shall be available for grants only for Egypt: Provided further, That the funds appropriated by this paragraph for Israel shall be disbursed within thirty days of enactment of this Act or by October 31, 1996, whichever is later: Provided further, That to the extent that the Government of Israel requests that funds be used for such purposes, grants made available for Israel by this paragraph shall, as agreed by Israel and the United States, be available for advanced weapons systems, of which not less than $475,000,000 shall be available for the procurement in Israel of defense articles and defense services, including research and development: Provided further, That Poland, Hungary, and the Czech Republic shall be designated as eligible for the program established under section 203(a) of the NATO Participation Act of 1994: Provided further, That of the funds made available under this paragraph, $30,000,000 shall be available for assistance on a grant basis for Poland, Hungary, and the Czech Republic to carry out title II of Public Law 103-477 and section 585 of Public Law 104-107: Provided further, That funds made available under this paragraph shall be nonrepayable notwithstanding any requirement in section 23 of the Arms Export Control Act: Provided further, That, for the purpose only of providing support for NATO expansion and the Warsaw Initiative Program, of the funds appropriated by this Act under the headings "Assistance for Eastern Europe and the Baltic States" and "Assistance for the New Independent States of the Former Soviet Union", up to a total of $20,000,000 may be transferred, notwithstanding any other provision of law, to the funds appropriated under this paragraph: Provided further, That none of the funds made available under this heading shall be available for any non-NATO country participating in the Partnership for Peace Program except through the regular notification procedures of the Committees on Appropriations.

For the cost, as defined in section 502 of the Congressional Budget Act of 1974, of direct loans authorized by section 23 of the Arms Export Control Act as follows: cost of direct loans, $60,000,000: Provided, That these funds are available to subsidize gross obligations for the principal amount of direct loans of not to exceed $540,000,000: Provided further, That the rate of interest charged on such loans shall be not less than the current average market yield on outstanding marketable obligations of the United States of comparable maturities: Provided further, That of the funds appropriated under this paragraph $20,000,000 shall be made available to Poland, Hungary, and the Czech Republic: Provided further, That funds appropriated under this heading shall be made available for Greece and Turkey only on a loan basis, and the principal amount of direct loans for each country shall not exceed the following: $122,500,000 only for Greece and $175,000,000 only for Turkey.

None of the funds made available under this heading shall be available to finance the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act unless the foreign country proposing to make such procurements has first signed an agreement with the United States Government specifying the conditions under which such procurements may be financed with such funds: Provided, That all country and funding level increases in allocations shall be submitted through the regular notification procedures of section 515 of this Act: Provided further, That funds made available under this heading shall be obligated upon apportionment in accordance with paragraph (5)(C) of title 31, United States Code, section 1501(a): Provided further, That none of the funds appropriated under this heading shall be available for Zaire, Sudan, Peru, Liberia, and Guatemala: Provided further, That none of the funds appropriated or otherwise made available for use under this heading may be made available for Colombia or Bolivia until the Secretary of State certifies that such funds will be used by such country primarily for counternarcotics activities: Provided further, That funds made available under this heading may be used, notwithstanding any other provision of law, for activities related to the clearance of landmines and unexploded ordnance, and may include activities implemented through nongovernmental and international organizations: Provided further, That not more than $100,000,000 of the funds made available under this heading shall be available for use in financing the procurement of defense articles, defense services, or design and construction services that are not sold by the United States Government under the Arms Export Control Act to countries other than Israel and Egypt: Provided further, That only those countries for which assistance was justified for the "Foreign Military Sales Financing Program" in the fiscal year 1989 congressional presentation for security assistance programs may utilize funds made available under this heading for procurement of defense articles, defense services or design and construction services that are not sold by the United States Government under the Arms Export Control Act: Provided further, That, subject to the regular notification procedures of the Committees on Appropriations, funds made available under this heading for the cost of direct loans may also be used to supplement the funds available under this heading for grants, and funds made available under this heading for grants may also be used to supplement the funds available under this heading for the cost of direct loans: Provided further, That funds appropriated under this heading shall be expended at the minimum rate necessary to make timely payment for defense articles and services: Provided further, That the Department of Defense shall conduct during the current fiscal year nonreimbursable audits of private firms whose contracts are made directly with foreign governments and are financed with funds made available under this heading (as well as subcontractors thereunder) as requested by the Defense Security Assistance Agency: Provided further, That not more than $23,250,000 of the funds appropriated under this heading may be obligated for necessary expenses, including the purchase of passenger motor vehicles for replacement only for use outside of the United States, for the general costs of administering military assistance and sales: Provided further, That not more than $355,000,000 of funds realized pursuant to section 21(e)(1)(A) of the Arms Export Control Act may be obligated for expenses incurred by the Department of Defense during fiscal year 1997 pursuant to section 43(b) of the Arms Export Control Act, except that this limitation may be exceeded only through the regular notification procedures of the Committees on Appropriations.

PEACEKEEPING OPERATIONS

For necessary expenses to carry out the provisions of section 551 of the Foreign Assistance Act of 1961, $65,000,000: Provided, That none of the funds appropriated under this paragraph shall be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

TITLE IV—MULTILATERAL ECONOMIC ASSISTANCE

FUNDS APPROPRIATED TO THE PRESIDENT

INTERNATIONAL FINANCIAL INSTITUTIONS

CONTRIBUTION TO THE GLOBAL ENVIRONMENT FACILITY

For payment to the International Bank for Reconstruction and Development by the Secretary of the Treasury, for the United States contribution to the Global Environment Facility (GEF), $35,000,000, to remain available until September 30, 1998.

CONTRIBUTION TO THE INTERIM TRUST FUND AT THE INTERNATIONAL DEVELOPMENT ASSOCIATION

For payment to the Interim Trust Fund administered by the International Development Association by the Secretary of the Treasury, $626,000,000, to remain available until expended.

CONTRIBUTION TO THE INTERNATIONAL FINANCE CORPORATION

For payment to the International Finance Corporation by the Secretary of the Treasury, $6,656,000, for the United States share of the increase in subscriptions to capital stock, to remain available until expended.

CONTRIBUTION TO THE INTER-AMERICAN DEVELOPMENT BANK

For payment to the Inter-American Development Bank by the Secretary of the Treasury, for the United States share of the paid-in share *portion of the increase in capital stock, $25,610,667, and for the United States share of the increase in the resources of the Fund for Special Operations, $10,000,000, to remain available until expended.*

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Inter-American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $1,503,718,910.

CONTRIBUTION TO THE ENTERPRISE FOR THE AMERICAS MULTILATERAL INVESTMENT FUND

For payment to the Enterprise for the Americas Multilateral Investment Fund by the Secretary of the Treasury, for the United States contribution to the Fund to be administered by the Inter-American Development Bank, $27,500,000 to remain available until expended.

CONTRIBUTION TO THE ASIAN DEVELOPMENT BANK

For payment to the Asian Development Bank by the Secretary of the Treasury for the United States share of the paid-in portion of the increase in capital stock, $13,221,596, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the Asian Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $647,858,204.

CONTRIBUTION TO THE ASIAN DEVELOPMENT FUND

For the United States contribution by the Secretary of the Treasury to the increases in resources of the Asian Development Fund, as authorized by the Asian Development Bank Act, as amended (Public Law 89–369), $100,000,000, to remain available until expended.

CONTRIBUTION TO THE EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT

For payment to the European Bank for Reconstruction and Development by the Secretary of the Treasury, $11,916,447, for the United States share of the paid-in share portion of the initial capital subscription, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the European Bank for Reconstruction and Development may subscribe without fiscal year limitation to the callable capital portion of the United States share of such capital stock in an amount not to exceed $27,805,043.

NORTH AMERICAN DEVELOPMENT BANK

For payment to the North American Development Bank by the Secretary of the Treasury, for the United States share of the paid-in portion of the capital stock, $56,250,000, to remain available until expended.

LIMITATION ON CALLABLE CAPITAL SUBSCRIPTIONS

The United States Governor of the North American Development Bank may subscribe without fiscal year limitation to the callable capital portion of the United States share of the capital stock of the North American Development Bank in an amount not to exceed $318,750,000.

INTERNATIONAL ORGANIZATIONS AND PROGRAMS

For necessary expenses to carry out the provisions of section 301 of the Foreign Assistance Act of 1961, and of section 2 of the United Nations Environment Program Participation Act of 1973, $295,000,000: Provided, That none of the funds appropriated under this heading shall be made available for the United Nations Fund for Science and Technology: Provided further, That not less than $3,000,000 of the funds appropriated under this heading shall be made available for the World Food Program: Provided further, That none of the funds appropriated under this heading may be made available to the Korean Peninsula Energy Development Organization (KEDO) or the International Atomic Energy Agency (IAEA): Provided further, That none of the funds appropriated under this heading that are made available to the United Nations Population Fund (UNFPA) shall be made available for activities in the People's Republic of China: Provided further, That not more than $35,000,000 of the funds appropriated under this heading may be made available to the UNFPA: Provided further, That not more than one-half of this amount may be provided to UNFPA before March 1, 1997, and that no later than February 15, 1997, the Secretary of State shall submit a report to the Committees on Appropriations indicating the amount UNFPA is budgeting for the People's Republic of China in 1997: Provided further, That any amount UNFPA plans to spend in the People's Republic of China in 1997 shall be deducted from the amount of funds provided to UNFPA after March 1, 1997 pursuant to the previous provisos: Provided further, That with respect to any funds appropriated under this heading that are made available to UNFPA, UNFPA shall be required to maintain such funds in a separate account and not commingle them with any other funds.

TITLE V—GENERAL PROVISIONS

OBLIGATIONS DURING LAST MONTH OF AVAILABILITY

SEC. 501. Except for the appropriations entitled "International Disaster Assistance", and "United States Emergency Refugee and Migration Assistance Fund", not more than 15 per centum of any appropriation item made available by this Act shall be obligated during the last month of availability.

PROHIBITION OF BILATERAL FUNDING FOR INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 502. None of the funds contained in title II of this Act may be used to carry out the provisions of section 209(d) of the Foreign Assistance Act of 1961.

LIMITATION ON RESIDENCE EXPENSES

SEC. 503. Of the funds appropriated or made available pursuant to this Act, not to exceed $126,500 shall be for official residence expenses of the Agency for International Development during the current fiscal year: Provided, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars.

LIMITATION ON EXPENSES

SEC. 504. Of the funds appropriated or made available pursuant to this Act, not to exceed $5,000 shall be for entertainment expenses of the Agency for International Development during the current fiscal year.

LIMITATION ON REPRESENTATIONAL ALLOWANCES

SEC. 505. Of the funds appropriated or made available pursuant to this Act, not to exceed $95,000 shall be available for representation allowances for the Agency for International Development during the current fiscal year: Provided, That appropriate steps shall be taken to assure that, to the maximum extent possible, United States-owned foreign currencies are utilized in lieu of dollars: Provided further, That of the funds made available by this Act for general costs of administering military assistance and sales under the heading "Foreign Military Financing Program", not to exceed $2,000 shall be available for entertainment expenses and not to exceed $50,000 shall be available for representation allowances: Provided further, That of the funds made available by this Act under the heading "International Military Education and Training", not to exceed $50,000 shall be available for entertainment allowances: Provided further, That of the funds made available by this Act for the Inter-American Foundation, not to exceed $2,000 shall be available for entertainment and representation allowances: Provided further, That of the funds made available by this Act for the Peace Corps, not to exceed a total of $4,000 shall be available for entertainment expenses: Provided further, That of the funds made available by this Act under the heading "Trade and Development Agency", not to exceed $2,000 shall be available for representation and entertainment allowances.

PROHIBITION ON FINANCING NUCLEAR GOODS

SEC. 506. None of the funds appropriated or made available (other than funds for "Nonproliferation, Anti-terrorism, Demining and Related Programs") pursuant to this Act, for carrying out the Foreign Assistance Act of 1961, may be used, except for purposes of nuclear safety, to finance the export of nuclear equipment, fuel, or technology.

PROHIBITION AGAINST DIRECT FUNDING FOR CERTAIN COUNTRIES

SEC. 507. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance or reparations to Cuba, Iraq, Libya, North Korea, Iran, Serbia, Sudan, or Syria: Provided, That for purposes of this section, the prohibition on obligations or expenditures shall include direct loans, credits, insurance and guarantees of the Export-Import Bank or its agents.

MILITARY COUPS

SEC. 508. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance directly any assistance to any country whose duly elected Head of Government is deposed by military coup or decree: Provided, That assistance may be resumed to such country if the President determines and reports to the Committees on Appropriations that subsequent to the termination of assistance a democratically elected government has taken office.

TRANSFERS BETWEEN ACCOUNTS

SEC. 509. None of the funds made available by this Act may be obligated under an appropriation account to which they were not appropriated, except for transfers specifically provided for in this Act, unless the President, prior to the exercise of any authority contained in the Foreign Assistance Act of 1961 to transfer funds, consults with and provides a written policy justification to the Committees on Appropriations of the House of Representatives and the Senate: Provided, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations, except for transfers specifically referred to in this Act.

DEOBLIGATION/REOBLIGATION AUTHORITY

SEC. 510. (a) Amounts certified pursuant to section 1311 of the Supplemental Appropriations Act, 1955, as having been obligated against appropriations heretofore made under the authority of the Foreign Assistance Act of 1961 for the same general purpose as any of the headings under title II of this Act are, if deobligated, hereby continued available for the same period as the respective appropriations under such headings or until September 30, 1997, whichever is later, and for the same general purpose, and for countries within the same region as originally obligated: Provided, That the Appropriations Committees of both Houses of the Congress are notified fifteen days in advance of the deobligation and reobligation of such funds in accordance with regular notification procedures of the Committees on Appropriations.

(b) Obligated balances of funds appropriated to carry out section 23 of the Arms Export Control Act as of the end of the fiscal year immediately preceding the current fiscal year are, if deobligated, hereby continued available during the current fiscal year for the same purpose under any authority applicable to such appropriations under this Act: Provided, That the authority of this subsection may not be used in fiscal year 1997.

AVAILABILITY OF FUNDS

SEC. 511. No part of any appropriation contained in this Act shall remain available for obligation after the expiration of the current fiscal year unless expressly so provided in this Act: Provided, That funds appropriated for the purposes of chapters 1, 8 and 11 of part I, section 667, and chapter 4 of part II of the Foreign Assistance Act of 1961, as amended, and funds provided under the heading "Assistance for Eastern Europe and the Baltic States", shall remain available until expended if such funds are initially obligated before the expiration of their respective periods of availability contained in this Act: Provided further, That, notwithstanding any other provision of this Act, any funds made available for the purposes of chapter 1 of part I and chapter 4 of part II of the Foreign Assistance Act of 1961 which are allocated or obligated for cash disbursements in order to address balance of payments or economic policy reform objectives, shall remain available until expended: Provided further, That the report required by section 653(a) of the Foreign Assistance Act of 1961 shall designate for each country, to the extent known at the time of submission of such report, those funds allocated for cash disbursement for balance of payment and economic policy reform purposes.

LIMITATION ON ASSISTANCE TO COUNTRIES IN DEFAULT

SEC. 512. No part of any appropriation contained in this Act shall be used to furnish assistance to any country which is in default during a period in excess of one calendar year in payment to the United States of principal or interest on any loan made to such country by the United States pursuant to a program for which funds are appropriated under this Act: Provided, That this section and section 620(q) of the Foreign Assistance Act of 1961 shall not apply to funds made available in this Act or during the current fiscal year for Nicaragua, and for any narcotics-related assistance for Colombia, Bolivia, and Peru authorized by the Foreign Assistance Act of 1961 or the Arms Export Control Act.

COMMERCE AND TRADE

SEC. 513. (a) None of the funds appropriated or made available pursuant to this Act for direct assistance and none of the funds otherwise made available pursuant to this Act to the Export-Import Bank and the Overseas Private Investment Corporation shall be obligated or expended to finance any loan, any assistance or any other financial commitments for establishing or expanding production of any commodity for export by any country other than the United States, if the commodity is likely to be in surplus on world markets at the time the resulting productive capacity is expected to become operative and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

(b) None of the funds appropriated by this or any other Act to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 shall be available for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States: Provided, That this subsection shall not prohibit—

(1) activities designed to increase food security in developing countries where such activities will not have a significant impact in the export of agricultural commodities of the United States; or

(2) research activities intended primarily to benefit American producers.

SURPLUS COMMODITIES

SEC. 514. The Secretary of the Treasury shall instruct the United States Executive Directors of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the International Monetary Fund, the Asian Development Bank, the Inter-American Investment Corporation, the North American Development Bank, the European Bank for Reconstruction and Development, the African Development Bank, and the African Development Fund to use the voice and vote of the United States to oppose any assistance by these institutions, using funds appropriated or made available pursuant to this Act, for the production or extraction of any commodity or mineral for export, if it is in surplus on world markets and if the assistance will cause substantial injury to United States producers of the same, similar, or competing commodity.

NOTIFICATION REQUIREMENTS

SEC. 515. For the purposes of providing the Executive Branch with the necessary administrative flexibility, none of the funds made available under this Act for "Development Assistance", "Population, Development Assistance", "International organizations and programs", "Trade and Development Agency", "International narcotics control", "Assistance for Eastern Europe and the Baltic States", "Assistance for the New Independent States of the Former Soviet Union", "Economic Support Fund", "Peacekeeping operations", "Operating expenses of the Agency for International Development", "Operating expenses of the Agency for International Development Office of Inspector General", "Nonproliferation, Anti-terrorism, Demining and Related Programs", "Export-Import Bank of the United States", "Foreign Military Financing Program", "International military education and training", "Peace Corps", "Migration and refugee assistance", and for the "Inter-American Foundation" and the "African Development Foundation", shall be available for obligation for activities, programs, projects, type of materiel assistance, countries, or other operations not justified or in excess of the amount justified to the Appropriations Committees for obligation under any of these specific headings unless the Appropriations Committees of both Houses of Congress are previously notified fifteen days in advance: Provided, That comparable requirements of any similar provision in any other Act shall be applicable only to the extent that funds appropriated by this Act have been previously authorized: Provided further, That the President shall not enter into any commitment of funds appropriated for the purposes of section 23 of the Arms Export Control Act for the provision of major defense equipment, other than conventional ammunition, or other major defense items defined to be aircraft, ships, missiles, or combat vehicles, not previously justified to Congress or 20 per centum in excess of the quantities justified to Congress unless the Committees on Appropriations are notified fifteen days in advance of such commitment: Provided further, That this section shall not apply to any reprogramming for an activity, program, or project under chapter 1 of part I of the Foreign Assistance Act of 1961 of less than 10 per centum of the amount previously justified to the Congress for obligation for such activity, program, or project for the current fiscal year: Provided further, That the requirements of this section or any similar provision of this Act or any other Act, including any prior Act requiring notification in accordance with the regular notification procedures of the Committees on Appropriations, may be waived if failure to do so would pose a substantial risk to human health or welfare: Provided further, That in case of any such waiver, notification to the Congress, or the appropriate congressional committees, shall be provided as early as practicable, but in no event later than three days after taking the action to which such notification requirement was applicable, in the context of the circumstances necessitating such waiver: Provided further, That any notification provided pursuant to such a waiver shall contain an explanation of the emergency circumstances.

Drawdowns made pursuant to section 506(a)(2) of the Foreign Assistance Act of 1961 shall be subject to the regular notification procedures of the Committees on Appropriations.

LIMITATION ON AVAILABILITY OF FUNDS FOR INTERNATIONAL ORGANIZATIONS AND PROGRAMS

SEC. 516. Notwithstanding any other provision of law or of this Act, none of the funds provided for "International Organizations and Programs" shall be available for the United States proportionate share, in accordance with section 307(c) of the Foreign Assistance Act of 1961, for any programs identified in section 307, or for Libya, Iran, or, at the discretion of the President, Communist countries listed in section 620(f) of the Foreign Assistance Act of 1961, as amended: Provided, That, subject to the regular notification procedures of the Committees on Appropriations, funds appropriated under this Act or any previously enacted Act making appropriations for foreign operations, export financing, and related programs, which are returned or not made available for organizations and programs because of the implementation of this section or any similar provision of law, shall remain available for obligation through September 30, 1997.

ECONOMIC SUPPORT FUND ASSISTANCE FOR ISRAEL

SEC. 517. The Congress finds that progress on the peace process in the Middle East is vitally important to United States security interests in the region. The Congress recognizes that, in fulfilling its obligations under the Treaty of Peace Between the Arab Republic of Egypt and the State of Israel, done at Washington on March 26, 1979, Israel incurred severe economic burdens. Furthermore, the Congress recognizes that an economically and militarily secure Israel serves the security interests of the United States, for a secure Israel is an Israel which has the incentive and confidence to continue pursuing the peace process. Therefore, the Congress declares that, subject to the availability of appropriations, it is the policy and the intention of the United States that the funds provided in annual appropriations for the Economic Support Fund which are allocated to Israel shall not be less than the annual debt repayment (interest and principal) from Israel to the United States Government in recognition that such a principle serves United States interests in the region.

PROHIBITION ON FUNDING FOR ABORTIONS AND INVOLUNTARY STERILIZATION

SEC. 518. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations. None of the funds *made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be used to pay for any biomedical research which relates in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning. None of the funds made available to carry out part I of the Foreign Assistance Act of 1961, as amended, may be obligated or expended for any country or organization if the President certifies that the use of these funds by any such country or organization would violate any of the above provisions related to abortions and involuntary sterilizations: Provided, That none of the funds made available under this Act may be used to lobby for or against abortion.*

POPULATION PLANNING ASSISTANCE LIMITATIONS

SEC. 519. (a) PROHIBITION ON ABORTION FUNDING.—None of the funds made available under this Act may be used to pay for the performance of abortion as a method of family planning, or to coerce or motivate any person to practice abortions.

(b) PROHIBITION ON ABORTION LOBBYING.—None of the funds made available under this Act may be used to lobby for or against abortion.

(c) ELIGIBILITY.—In determining eligibility for assistance from funds appropriated to carry out section 104 of the Foreign Assistance Act of 1961, nongovernmental and multilateral organizations shall not be subjected to requirements more restrictive than the requirements applicable to foreign governments for such assistance.

REPORTING REQUIREMENT

SEC. 520. The President shall submit to the Committees on Appropriations the reports required by section 25(a)(1) of the Arms Export Control Act.

SPECIAL NOTIFICATION REQUIREMENTS

SEC. 521. None of the funds appropriated in this Act shall be obligated or expended for Colombia, Guatemala, Haiti, Liberia, Pakistan, Sudan, or Zaire except as provided through the regular notification procedures of the Committees on Appropriations.

DEFINITION OF PROGRAM, PROJECT, AND ACTIVITY

SEC. 522. For the purpose of this Act, "program, project, and activity" shall be defined at the Appropriations Act account level and shall include all Appropriations and Authorizations Acts earmarks, ceilings, and limitations with the exception that for the following accounts: Economic Support Fund and Foreign Military Financing Program, "program, project, and activity" shall also be considered to include country, regional, and central program level funding within each such account; for the development assistance accounts of the Agency for International Development "program, project, and activity" shall also be considered to include central program level funding, either as (1) justified to the Congress, or (2) allocated by the executive branch in accordance with a report, to be provided to the Committees on Appropriations within thirty days of enactment of this Act, as required by section 653(a) of the Foreign Assistance Act of 1961.

CHILD SURVIVAL AND AIDS ACTIVITIES

SEC. 523. Up to $8,000,000 of the funds made available by this Act for assistance for family planning, health, child survival, and AIDS, may be used to reimburse United States Government agencies, agencies of State governments, institutions of higher learning, and private and voluntary organizations for the full cost of individuals (including for the personal services of such individuals) detailed or assigned to, or contracted by, as the case may be, the Agency for International Development for the purpose of carrying out family planning activities, child survival activities and activities relating to research on, and the treatment and control of, acquired immune deficiency syndrome in developing countries: Provided, That funds appropriated by this Act that are made available for child survival activities or activities relating to research on, and the treatment and control of, acquired immune deficiency syndrome may be made available notwithstanding any provision of law that restricts assistance to foreign countries: Provided further, That funds appropriated by this Act that are made available for family planning activities may be made available notwithstanding section 512 of this Act and section 620(q) of the Foreign Assistance Act of 1961.

PROHIBITION AGAINST INDIRECT FUNDING TO CERTAIN COUNTRIES

SEC. 524. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated to finance indirectly any assistance or reparations to Cuba, Iraq, Libya, Iran, Syria, North Korea, or the People's Republic of China, unless the President of the United States certifies that the withholding of these funds is contrary to the national interest of the United States.

RECIPROCAL LEASING

SEC. 525. Section 61(a) of the Arms Export Control Act is amended by striking out "1996" and inserting in lieu thereof "1997".

NOTIFICATION ON EXCESS DEFENSE EQUIPMENT

SEC. 526. Prior to providing excess Department of Defense articles in accordance with section 516(a) of the Foreign Assistance Act of 1961, the Department of Defense shall notify the Committees on Appropriations to the same extent and under the same conditions as are other committees pursuant to subsection (c) of that section: Provided, That before issuing a letter of offer to sell excess defense articles under the Arms Export Control Act, the Department of Defense shall notify the Committees on Appropriations in accordance with the regular notification procedures of such Committees: Provided further, That such Committees shall also be informed of the original acquisition cost of such defense articles.

AUTHORIZATION REQUIREMENT

SEC. 527. Funds appropriated by this Act may be obligated and expended notwithstanding section 10 of Public Law 91-672 and section 15 of the State Department Basic Authorities Act of 1956.

PROHIBITION ON BILATERAL ASSISTANCE TO TERRORIST COUNTRIES

SEC. 528. (a) Notwithstanding any other provision of law, funds appropriated for bilateral assistance under any heading of this Act and funds appropriated under any such heading in a provision of law enacted prior to enactment of this Act, shall not be made available to any country which the President determines—

(1) grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or

(2) otherwise supports international terrorism.

(b) The President may waive the application of subsection (a) to a country if the President determines that national security or humanitarian reasons justify such waiver. The President shall publish each waiver in the Federal Register and, at least fifteen days before the waiver takes effect, shall notify the Committees on Appropriations of the waiver (including the justification for the waiver) in accordance with the regular notification procedures of the Committees on Appropriations.

COMMERCIAL LEASING OF DEFENSE ARTICLES

SEC. 529. Notwithstanding any other provision of law, and subject to the regular notification procedures of the Committees on Appropriations, the authority of section 23(a) of the Arms Export Control Act may be used to provide financing to Israel, Egypt and NATO and major non-NATO allies for the procurement by leasing (including leasing with an option to purchase) of defense articles from United States commercial suppliers, not including Major Defense Equipment (other than helicopters and other types of aircraft having possible civilian application), if the President determines that there are compelling foreign policy or national security reasons for those defense articles being provided by commercial lease rather than by government-to-government sale under such Act.

COMPETITIVE INSURANCE

SEC. 530. All Agency for International Development contracts and solicitations, and subcontracts entered into under such contracts, shall include a clause requiring that United States insurance companies have a fair opportunity to bid for insurance when such insurance is necessary or appropriate.

STINGERS IN THE PERSIAN GULF REGION

SEC. 531. Except as provided in section 581 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990, the United States may not sell or otherwise make available any Stingers to any country bordering the Persian Gulf under the Arms Export Control Act or chapter 2 of part II of the Foreign Assistance Act of 1961.

DEBT-FOR-DEVELOPMENT

SEC. 532. In order to enhance the continued participation of nongovernmental organizations in economic assistance activities under the Foreign Assistance Act of 1961, including endowments, debt-for-development and debt-for-nature exchanges, a nongovernmental organization which is a grantee or contractor of the Agency for International Development may place in interest bearing accounts funds made available under this Act or prior Acts or local currencies which accrue to that organization as a result of economic assistance provided under title II of this Act and any interest earned on such investment may be used for the purpose for which the assistance was provided to that organization.

COMPETITIVE PRICING FOR SALES OF DEFENSE ARTICLES

SEC. 533. Direct costs associated with meeting a foreign customer's additional or unique requirements will continue to be allowable under contracts under section 22(d) of the Arms Export Control Act. Loadings applicable to such direct costs shall be permitted at the same rates applicable to procurement of like items purchased by the Department of Defense for its own use.

SEPARATE ACCOUNTS

SEC. 534. (a) SEPARATE ACCOUNTS FOR LOCAL CURRENCIES.—(1) If assistance is furnished to the government of a foreign country under chapters 1 and 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961 under agreements which result in the generation of local currencies of that country, the Administrator of the Agency for International Development shall—

(A) require that local currencies be deposited in a separate account established by that government;

(B) enter into an agreement with that government which sets forth—

(i) the amount of the local currencies to be generated, and

(ii) the terms and conditions under which the currencies so deposited may be utilized, consistent with this section; and

(C) establish by agreement with that government the responsibilities of the Agency for International Development and that government to monitor and account for deposits into and disbursements from the separate account.

(2) USES OF LOCAL CURRENCIES.—As may be agreed upon with the foreign government, local currencies deposited in a separate account pursuant to subsection (a), or an equivalent amount of local currencies, shall be used only—

(A) to carry out chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), for such purposes as—

(i) project and sector assistance activities, or

(ii) debt and deficit financing; or

(B) for the administrative requirements of the United States Government.

(3) PROGRAMMING ACCOUNTABILITY.—The Agency for International Development shall take all appropriate steps to ensure that the equivalent of the local currencies disbursed pursuant to subsection (a)(2)(A) from the separate account established pursuant to subsection (a)(1) are used for the purposes agreed upon pursuant to subsection (a)(2).

(4) TERMINATION OF ASSISTANCE PROGRAMS.—Upon termination of assistance to a country under chapters 1 or 10 of part I or chapter 4 of part II (as the case may be), any unencumbered balances of funds which remain in a separate account established pursuant to subsection (a) shall be disposed of for such purposes as may be agreed to by the government of that country and the United States Government.

(5) CONFORMING AMENDMENTS.—The provisions of this subsection shall supersede the tenth and eleventh provisos contained under the heading "Sub-Saharan Africa, Development Assistance" as included in the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1989 and sections 531(d) and 609 of the Foreign Assistance Act of 1961.

(b) SEPARATE ACCOUNTS FOR CASH TRANSFERS.—(1) If assistance is made available to the government of a foreign country, under chapters 1 or 10 of part I or chapter 4 of part II of the Foreign Assistance Act of 1961, as cash transfer assistance or as nonproject sector assistance, that country shall be required to maintain such funds in a separate account and not commingle them with any other funds.

(2) APPLICABILITY OF OTHER PROVISIONS OF LAW.—Such funds may be obligated and expended notwithstanding provisions of law which are inconsistent with the nature of this assistance including provisions which are referenced in the Joint Explanatory Statement of the Committee of Conference accompanying House Joint Resolution 648 (H. Report No. 98–1159).

(3) NOTIFICATION.—At least fifteen days prior to obligating any such cash transfer or nonproject sector assistance, the President shall submit a notification through the regular notification procedures of the Committees on Appropriations, which shall include a detailed description of how the funds proposed to be made available will be used, with a discussion of the United States interests that will be served by the assistance (including, as appropriate, a description of the economic policy reforms that will be promoted by such assistance).

(4) EXEMPTION.—Nonproject sector assistance funds may be exempt from the requirements of subsection (b)(1) only through the notification procedures of the Committees on Appropriations.

COMPENSATION FOR UNITED STATES EXECUTIVE DIRECTORS TO INTERNATIONAL FINANCIAL INSTITUTIONS

SEC. 535. (a) No funds appropriated by this Act may be made as payment to any international financial institution while the United States Executive Director to such institution is compensated by the institution at a rate which, together with whatever compensation such Director receives from the United States, is in excess of the rate provided for an individual occupying a position at level IV of the Executive Schedule under section 5315 of title 5, United States Code, or while any alternate United States Director to such institution is compensated by the institution at a rate in excess of the rate provided for an individual occupying a position at level V of the Executive Schedule under section 5316 of title 5, United States Code.

(b) For purposes of this section, "international financial institutions" are: the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the Asian Development Fund, the African Development Bank, the African Development Fund, the International Monetary Fund, the North American Development Bank, and the European Bank for Reconstruction and Development.

COMPLIANCE WITH UNITED NATIONS SANCTIONS AGAINST IRAQ

SEC. 536. (a) DENIAL OF ASSISTANCE.—None of the funds appropriated or otherwise made available pursuant to this Act to carry out the Foreign Assistance Act of 1961 (including title IV of chapter 2 of part I, relating to the Overseas Private Investment Corporation) or the Arms Export Control Act may be used to provide assistance to any country that is not in compliance with the United Nations Security Council sanctions against Iraq, Serbia or Montenegro unless the President determines and so certifies to the Congress that—

(1) such assistance is in the national interest of the United States;

(2) such assistance will directly benefit the needy people in that country; or

(3) the assistance to be provided will be humanitarian assistance for foreign nationals who have fled Iraq and Kuwait.

(b) IMPORT SANCTIONS.—If the President considers that the taking of such action would promote the effectiveness of the economic sanctions of the United Nations and the United States imposed with respect to Iraq, Serbia, or Montenegro, as the case may be, and is consistent with the national interest, the President may prohibit, for such a period of time as he considers appropriate, the importation into the United States of any or all products of any foreign country that has not prohibited—

(1) the importation of products of Iraq, Serbia, or Montenegro into its customs territory, and

(2) the export of its products to Iraq, Serbia, or Montenegro, as the case may be.

POW/MIA MILITARY DRAWDOWN

SEC. 537. (a) Notwithstanding any other provision of law, the President may direct the drawdown, without reimbursement by the recipient, of defense articles from the stocks of the Department of Defense, defense services of the Department of Defense, and military education and training, of an aggregate value not to exceed $15,000,000 in fiscal year 1997, as may be necessary to carry out subsection (b).

(b) Such defense articles, services and training may be provided to Vietnam, Cambodia and Laos, under subsection (a) as the President determines are necessary to support efforts to locate and repatriate members of the United States Armed Forces and civilians employed directly or indirectly by the United States Government who remain unaccounted for from the Vietnam War, and to ensure the safety of United States Government personnel engaged in such cooperative efforts and to support United States Department of Defense-sponsored humanitarian projects associated with the POW/MIA efforts. Any aircraft shall be provided under this section only to Laos and only on a lease or loan basis, but may be provided at no cost notwithstanding section 61 of the Arms Export Control Act and may be maintained with defense articles, services and training provided under this section.

(c) The President shall, within sixty days of the end of any fiscal year in which the authority of subsection (a) is exercised, submit a report to the Congress which identifies the articles, services, and training drawn down under this section.

MEDITERRANEAN EXCESS DEFENSE ARTICLES

SEC. 538. For the four year period beginning on October 1, 1996, the President shall ensure that excess defense articles will be made available under section 516 and 519 of the Foreign Assistance Act of 1961 consistent with the manner in which the President made available excess defense articles under those sections during the four year period that began on October 1, 1992, pursuant to section 573(e) of the Foreign Operations, Export Financing, Related Programs Appropriations Act, 1990.

CASH FLOW FINANCING

SEC. 539. For each country that has been approved for cash flow financing (as defined in section 25(d) of the Arms Export Control Act, as added by section 112(b) of Public Law 99–83) under the Foreign Military Financing Program, any Letter of Offer and Acceptance or other purchase agreement, or any amendment thereto, for a procurement in excess of $100,000,000 that is to be financed in whole or in part with funds made available under this Act shall be submitted through the regular notification procedures to the Committees on Appropriations.

AUTHORITIES FOR THE PEACE CORPS, THE INTER-AMERICAN FOUNDATION AND THE AFRICAN DEVELOPMENT FOUNDATION

SEC. 540. Unless expressly provided to the contrary, provisions of this or any other Act, including provisions contained in prior Acts authorizing or making appropriations for foreign operations, export financing, and related programs, shall not be construed to prohibit activities authorized by or conducted under the Peace Corps Act, the Inter-American Foundation Act, or the African Development Foundation Act. The appropriate agency shall promptly report to the Committees on Appropriations whenever it is conducting activities or is proposing to conduct activities in a country for which assistance is prohibited.

IMPACT ON JOBS IN THE UNITED STATES

SEC. 541. None of the funds appropriated by this Act may be obligated or expended to provide—

(a) any financial incentive to a business enterprise currently located in the United States for the purpose of inducing such an enterprise to relocate outside the United States if such incentive or inducement is likely to reduce the number of employees of such business enterprise in the United States because United States production is being replaced by such enterprise outside the United States;

(b) assistance for the purpose of establishing or developing in a foreign country any export processing zone or designated area in which the tax, tariff, labor, environment, and safety laws of that country do not apply, in part or in whole, to activities carried out within that zone or area, unless the President determines and certifies that such assistance is not likely to cause a loss of jobs within the United States; or

(c) assistance for any project or activity that contributes to the violation of internationally recognized workers rights, as defined in section 502(a)(4) of the Trade Act of 1974, of workers in the recipient country, including any designated zone or area in that country: Provided, That in recognition that the application of this subsection should be commensurate with the level of development of the recipient country and sector, the provisions of this subsection shall not preclude assistance for the informal sector in such country, micro and small-scale enterprise, and smallholder agriculture.

AUTHORITY TO ASSIST BOSNIA AND HERZEGOVINA

SEC. 542. (a) The President is authorized to direct the transfer, subject to prior notification of the Committees on Appropriations, to the government of Bosnia and Herzegovina, without reimbursement, of defense articles from the stocks of the Department of Defense and defense services of the Department of Defense of an aggregate value of not to exceed $100,000,000 in fiscal years 1996 and 1997: Provided, That the President certifies in a timely fashion to the Congress that the transfer of such articles would assist that nation in self-defense and thereby promote the security and stability of the region.

(b) Within 60 days of any transfer under the authority provided in subsection (a), and every 60 days thereafter, the President shall report in writing to the Speaker of the House of Representatives and the President pro tempore of the Senate concerning the articles transferred and the disposition thereof.

(c) There are authorized to be appropriated to the President such sums as may be necessary to reimburse the applicable appropriation, fund, or account for defense articles provided under this section.

RESTRICTIONS ON THE TERMINATION OF SANCTIONS AGAINST SERBIA AND MONTENEGRO

SEC. 543. (a) RESTRICTIONS.—Notwithstanding any other provision of law, no sanction, prohibition, or requirement described in section 1511 of the National Defense Authorization Act for Fiscal Year 1994 (Public Law 103–160), with respect to Serbia or Montenegro, may cease to be effective, unless—

(1) the President first submits to the Congress a certification described in subsection (b); and

(2) the requirements of section 1511 of that Act are met.

(b) CERTIFICATION.—A certification described in this subsection is a certification that—

(1) there is substantial progress toward—

(A) the realization of a separate identity for Kosova and the right of the people of Kosova to govern themselves; or

(B) the creation of an international protectorate for Kosova;

(2) there is substantial improvement in the human rights situation in Kosova;

(3) international human rights observers are allowed to return to Kosova; and

(4) the elected government of Kosova is permitted to meet and carry out its legitimate mandate as elected representatives of the people of Kosova.

(c) WAIVER AUTHORITY.—The President may waive the application in whole or in part, of subsection (a) if the President certifies to the Congress that the President has determined that the waiver is necessary to meet emergency humanitarian needs or to achieve a negotiated settlement of the conflict in Bosnia-Herzegovina that is acceptable to the parties.

SPECIAL AUTHORITIES

SEC. 544. (a) Funds appropriated in title II of this Act that are made available for Afghanistan, Lebanon, and Cambodia, and for victims of war, displaced children, displaced Burmese, humanitarian assistance for Romania, and humanitarian assistance for the peoples of Bosnia and Herzegovina, Croatia, and Kosova, may be made available notwithstanding any other provision of law: Provided, That any such funds that are made available for Cambodia shall be subject to the provisions of section 531(e) of the Foreign Assistance Act of 1961 and section 906 of the International Security and Development Cooperation Act of 1985: Provided further, That none of the funds appropriated by this Act may be made available, and funds previously obligated may not be expended, for assistance for any country or organization that the Secretary of State determines is cooperating, tactically or strategically, with the Khmer Rouge in their military operations, or to the military of any country that is not acting vigorously to prevent its members from facilitating the export of timber from Cambodia by the Khmer Rouge: Provided further, That the Secretary of State shall submit reports to the Committees on Appropriations on February 15, 1997 and September 15, 1997, on whether there are any countries, organizations, or militaries for which assistance is prohibited under the previous proviso, the basis for such conclusions and, if appropriate, the steps being taken to terminate assistance.

(b) Funds appropriated by this Act to carry out the provisions of sections 103 through 106 of the Foreign Assistance Act of 1961 may be used, notwithstanding any other provision of law, for the purpose of supporting tropical forestry and energy programs aimed at reducing emissions of greenhouse gases, and for the purpose of supporting biodiversity conservation activities: Provided, That such assistance shall be subject to sections 116, 502B, and 620A of the Foreign Assistance Act of 1961.

(c) During fiscal year 1997, the President may use up to $40,000,000 under the authority of section 451 of the Foreign Assistance Act of 1961, notwithstanding the funding ceiling contained in subsection (a) of that section.

(d) The Agency for International Development may employ personal services contractors, notwithstanding any other provision of law, for the purpose of administering programs for the West Bank and Gaza.

POLICY ON TERMINATING THE ARAB LEAGUE BOYCOTT OF ISRAEL

SEC. 545. It is the sense of the Congress that—

(1) the Arab League countries should immediately and publicly renounce the primary boycott of Israel and the secondary and tertiary boycott of American firms that have commercial ties with Israel; and

(2) the President should—

(A) take more concrete steps to encourage vigorously Arab League countries to renounce publicly the primary boycotts of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel as a confidence-building measure;

(B) take into consideration the participation of any recipient country in the primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel when determining whether to sell weapons to said country;

(C) report to Congress on the specific steps being taken by the President to bring about a public renunciation of the Arab primary boycott of Israel and the secondary and tertiary boycotts of American firms that have commercial relations with Israel; and

(D) encourage the allies and trading partners of the United States to enact laws prohibiting businesses from complying with the boycott and penalizing businesses that do comply.

ANTI-NARCOTICS ACTIVITIES

SEC. 546. (a) Of the funds appropriated or otherwise made available by this Act for "Economic Support Fund", assistance may be provided to strengthen the administration of justice in countries in Latin America and the Caribbean in accordance with the provisions of section 534 of the Foreign Assistance Act of 1961, except that programs to enhance protection of participants in judicial cases may be conducted notwithstanding section 660 of that Act.

(b) Funds made available pursuant to this section may be made available notwithstanding the third sentence of section 534(e) of the Foreign Assistance Act of 1961. Funds made available pursuant to subsection (a) for Bolivia, Colombia and Peru may be made available notwithstanding section 534(c) and the second sentence of section 534(e) of the Foreign Assistance Act of 1961.

ELIGIBILITY FOR ASSISTANCE

SEC. 547. (a) ASSISTANCE THROUGH NONGOVERNMENTAL ORGANIZATIONS.—Restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance in support of programs of nongovernmental organizations from funds appropriated by this Act to carry out the provisions of chapters 1 and 10 of part I of the Foreign Assistance Act of 1961: Provided, That the President shall take into consideration, in any case in which a restriction on assistance would be applicable but for this subsection, whether assistance in support of programs of nongovernmental organizations is in the national interest of the United States: Provided further, That before using the authority of this subsection to furnish assistance in support of programs of nongovernmental organizations, the President shall notify the Committees on Appropriations under the regular notification procedures of those committees, including a description of the program to be assisted, the assistance to be provided, and the reasons for furnishing such assistance: Provided further, That nothing in this subsection shall be construed to alter any existing statutory prohibitions against abortion or involuntary sterilizations contained in this or any other Act.

(b) PUBLIC LAW 480.—During fiscal year 1997, restrictions contained in this or any other Act with respect to assistance for a country shall not be construed to restrict assistance under the Agricultural Trade Development and Assistance Act of 1954: Provided, That none of the funds appropriated to carry out title I of such Act and made available pursuant to this subsection may be obligated or expended except as provided through the regular notification procedures of the Committees on Appropriations.

(c) EXCEPTION.—This section shall not apply—

(1) with respect to section 620A of the Foreign Assistance Act or any comparable provision of law prohibiting assistance to countries that support international terrorism; or

(2) with respect to section 116 of the Foreign Assistance Act of 1961 or any comparable provision of law prohibiting assistance to countries that violate internationally recognized human rights.

EARMARKS

SEC. 548. (a) Funds appropriated by this Act which are earmarked may be reprogrammed for other programs within the same account notwithstanding the earmark if compliance with the earmark is made impossible by operation of any provision of this or any other Act or, with respect to a country with which the United States has an agreement providing the United States with base rights or base access in that country, if the President determines that the recipient for which funds are earmarked has significantly reduced its military or economic cooperation with the United States since enactment of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1991; however, before exercising the authority of this subsection with regard to a base rights or base access country which has significantly reduced its military or economic cooperation with the United States, the President shall consult with, and shall provide a written policy justification to the Committees on Appropriations: Provided, That any such reprogramming shall be subject to the regular notification procedures of the Committees on Appropriations: Provided further, That assistance that is reprogrammed pursuant to this subsection shall be made available under the same terms and conditions as originally provided.

(b) In addition to the authority contained in subsection (a), the original period of availability of funds appropriated by this Act and administered by the Agency for International Development that are earmarked for particular programs or activities by this or any other Act shall be extended for an additional fiscal year if the Administrator of such agency determines and reports promptly to the Committees on Appropriations that the termination of assistance to a country or a significant change in circumstances makes it unlikely that such earmarked funds can be obligated during the original period of availability: Provided, That such earmarked funds that are continued available for an additional fiscal year shall be obligated only for the purpose of such earmark.

CEILINGS AND EARMARKS

SEC. 549. Ceilings and earmarks contained in this Act shall not be applicable to funds or authorities appropriated or otherwise made available by any subsequent Act unless such Act specifically so directs.

EXCESS DEFENSE ARTICLES

SEC. 550. (a) During fiscal year 1997, the authority of section 519 of the Foreign Assistance Act of 1961, as amended, may be used to provide nonlethal excess defense articles to countries for which United States foreign assistance has been requested and for which receipt of such articles was separately justified for the fiscal year, without regard to the restrictions in subsection (a) of section 519.

(b) During fiscal year 1997, the authority of section 516 of the Foreign Assistance Act of 1961, as amended, may be used to provide defense articles to Jordan, Estonia, Latvia, Lithuania, and to countries eligible to participate in the Partnership for Peace and to receive assistance under Public Law 101–179.

(c) Section 516(f) of the Foreign Assistance Act of 1961, as amended, is repealed.

(d) Section 31(d) of the Arms Export Control Act is amended by deleting the words "or pursuant to sales under this Act".

PROHIBITION ON PUBLICITY OR PROPAGANDA

SEC. 551. No part of any appropriation contained in this Act shall be used for publicity or propaganda purposes within the United States not authorized before the date of enactment of this Act by the Congress: Provided, That not to exceed $750,000 may be made available to carry out the provisions of section 316 of Public Law 96–533.

USE OF AMERICAN RESOURCES

SEC. 552. To the maximum extent possible, assistance provided under this Act should make full use of American resources, including commodities, products, and services.

PROHIBITION OF PAYMENTS TO UNITED NATIONS MEMBERS

SEC. 553. None of the funds appropriated or made available pursuant to this Act for carrying out the Foreign Assistance Act of 1961, may be used to pay in whole or in part any assessments, arrearages, or dues of any member of the United Nations.

CONSULTING SERVICES

SEC. 554. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order pursuant to existing law.

PRIVATE VOLUNTARY ORGANIZATIONS—DOCUMENTATION

SEC. 555. None of the funds appropriated or made available pursuant to this Act shall be available to a private voluntary organization which fails to provide upon timely request any document, file, or record necessary to the auditing requirements of the Agency for International Development.

PROHIBITION ON ASSISTANCE TO FOREIGN GOVERNMENTS THAT EXPORT LETHAL MILITARY EQUIPMENT TO COUNTRIES SUPPORTING INTERNATIONAL TERRORISM

SEC. 556. (a) None of the funds appropriated or otherwise made available by this Act may be available to any foreign government which provides lethal military equipment to a country the government of which the Secretary of State has determined is a terrorist government for purposes of section 40(d) of the Arms Export Control Act. The prohibition under this section with respect to a foreign government shall terminate 12 months after that government ceases to provide such military equipment. This section applies with respect to lethal military equipment provided under a contract entered into after the date of enactment of this Act.

(b) Assistance restricted by subsection (a) or any other similar provision of law, may be furnished if the President determines that furnishing such assistance is important to the national interests of the United States.

(c) Whenever the waiver of subsection (b) is exercised, the President shall submit to the appropriate congressional committees a report with respect to the furnishing of such assistance. Any such report shall include a detailed explanation of the assistance to be provided, including the estimated dollar amount of such assistance, and an explanation of how the assistance furthers United States national interests.

WITHHOLDING OF ASSISTANCE FOR PARKING FINES OWED BY FOREIGN COUNTRIES

SEC. 557. (a) IN GENERAL.—Of the funds made available for a foreign country under part I of the Foreign Assistance Act of 1961, an amount equivalent to 110 percent of the total unpaid fully adjudicated parking fines and penalties owed to the District of Columbia by such country as of the date of enactment of this Act shall be withheld from obligation for such country until the Secretary of State certifies and reports in writing to the appropriate congressional committees that such fines and penalties are fully paid to the government of the District of Columbia.

(b) DEFINITION.—For purposes of this section, the term "appropriate congressional committees" means the Committee on Foreign Relations and the Committee on Appropriations of the Senate and the Committee on International Relations and the Committee on Appropriations of the House of Representatives.

LIMITATION ON ASSISTANCE FOR THE PLO FOR THE WEST BANK AND GAZA

SEC. 558. None of the funds appropriated by this Act may be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza unless the President has exercised the authority under section 604(a) of the Middle East Peace Facilitation Act of 1995 (title VI of Public Law 104–107) or any other legislation to suspend or make inapplicable section 307 of the Foreign Assistance Act of 1961 and that suspension is still in effect: Provided, That if the President fails to make the certification under section 604(b)(2) of the Middle East Peace Facilitation Act of 1995 or to suspend the prohibition under other legislation, funds appropriated by this Act may not be obligated for assistance for the Palestine Liberation Organization for the West Bank and Gaza.

EXPORT FINANCING TRANSFER AUTHORITIES

SEC. 559. Not to exceed 5 percent of any appropriation other than for administrative expenses made available for fiscal year 1997 for programs under title I of this Act may be transferred between such appropriations for use for any of the purposes, programs and activities for which the funds in such receiving account may be used, but no such appropriation, except as otherwise specifically provided, shall be increased by more than 25 percent by any such transfer: Provided, That the exercise of such authority shall be subject to the regular notification procedures of the Committees on Appropriations.

WAR CRIMES TRIBUNALS

SEC. 560. If the President determines that doing so will contribute to a just resolution of charges regarding genocide or other violations of international humanitarian law, the authority of section 552(c) of the Foreign Assistance Act of 1961, as amended, may be used to provide up to $25,000,000 of commodities and services for the United Nations War Crimes Tribunal established with regard to the former Yugoslavia by the United Nations Security Council or such other tribunals or commissions as the Council may establish to deal with such violations, without regard to the ceiling limitation contained in paragraph (2) thereof: Provided, That the determination required under this section shall be in lieu of any determinations otherwise required under section 552(c): Provided further, That 60 days after the date of enactment of this Act, and every 180 days thereafter, the Secretary of State shall submit a report to the Committees on Appropriations describing the steps the United States Government is taking to collect information and intelligence regarding allegations of genocide or other violations of international law in the former Yugoslavia and to furnish that information to the United Nations War Crimes Tribunal for the former Yugoslavia.

TRANSPORTATION OF EXCESS DEFENSE ARTICLES

SEC. 561. Notwithstanding section 519(f) of the Foreign Assistance Act of 1961, during fiscal year 1997, funds available to the Department of Defense may be expended for crating, packing, handling and transportation of excess defense articles transferred under the authority of sections 516 and 519 to countries eligible to participate in the Partnership for Peace and to receive assistance under Public Law 101–179.

LANDMINES

SEC. 562. Notwithstanding any other provision of law, demining equipment available to any department or agency and used in support of the clearing of landmines and unexploded ordnance for humanitarian purposes may be disposed of on a grant basis in foreign countries, subject to such terms and conditions as the President may prescribe: Provided, That section 1365(c) of the National Defense Authorization Act for Fiscal Year 1993 (Public Law 102–484; 22 U.S.C., 2778 note) is amended by striking out "During the five-year period beginning on October 23, 1992" and inserting in lieu thereof "During the eight-year period beginning on October 23, 1992".

MORATORIUM ON USE OF ANTIPERSONNEL LANDMINES

SEC. 563. (a) UNITED STATES MORATORIUM.—Notwithstanding any other provision of law, for a period of one year beginning three years after the date of enactment of Public Law 104–107, the United States shall not use antipersonnel landmines except along internationally recognized national borders or in demilitarized zones within a perimeter marked area that is monitored by military personnel and protected by adequate means to ensure the exclusion of civilians.

(b) DEFINITION AND EXEMPTIONS.—For the purposes of this section:

(1) ANTIPERSONNEL LANDMINE.—The term "antipersonnel landmine" means any munition placed under, on, or near the ground or other surface area, delivered by artillery, rocket, mortar, or similar means, or dropped from an aircraft and which is designed, constructed or adapted to be detonated or exploded by the presence, proximity, or contact of a person.

(2) EXEMPTIONS.—The term "antipersonnel landmine" does not include command detonated Claymore munitions.

RESTRICTIONS CONCERNING THE PALESTINIAN AUTHORITY

SEC. 564. None of the funds appropriated by this Act may be obligated or expended to create in any part of Jerusalem a new office of any department or agency of the United States Government for the purpose of conducting official United States Government business with the Palestinian Authority over Gaza and Jericho or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles: Provided, That this restriction shall not *apply to the acquisition of additional space for the existing Consulate General in Jerusalem: Provided further, That meetings between officers and employees of the United States and officials of the Palestinian Authority, or any successor Palestinian governing entity provided for in the Israel-PLO Declaration of Principles, for the purpose of conducting official United States Government business with such authority should continue to take place in locations other than Jerusalem. As has been true in the past, officers and employees of the United States Government may continue to meet in Jerusalem on other subjects with Palestinians (including those who now occupy positions in the Palestinian Authority), have social contacts, and have incidental discussions.*

PROHIBITION OF PAYMENT OF CERTAIN EXPENSES

SEC. 565. None of the funds appropriated or otherwise made available by this Act under the heading "INTERNATIONAL MILITARY EDUCATION AND TRAINING" or "FOREIGN MILITARY FINANCING PROGRAM" for Informational Program activities may be obligated or expended to pay for—

(1) alcoholic beverages;

(2) food (other than food provided at a military installation) not provided in conjunction with Informational Program trips where students do not stay at a military installation; or

(3) entertainment expenses for activities that are substantially of a recreational character, including entrance fees at sporting events and amusement parks.

HUMANITARIAN ASSISTANCE

SEC. 566. The Foreign Assistance Act of 1961 is amended by adding immediately after section 620H the following new section:

"SEC. 620I. PROHIBITION ON ASSISTANCE TO COUNTRIES THAT RESTRICT UNITED STATES HUMANITARIAN ASSISTANCE.—

"(a) IN GENERAL.—No assistance shall be furnished under this Act or the Arms Export Control Act to any country when it is made known to the President that the government of such country prohibits or otherwise restricts, directly or indirectly, the transport or delivery of United States humanitarian assistance.

"(b) EXCEPTION.—Assistance may be furnished without regard to the restriction in subsection (a) if the President determines that to do so is in the national security interest of the United States.".

PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS

SEC. 567. (a) SENSE OF CONGRESS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

LIMITATION OF FUNDS FOR NORTH AMERICAN DEVELOPMENT BANK

SEC. 568. None of the funds appropriated in this Act under the heading "North American Development Bank" and made available for the Community Adjustment and Investment Program shall be used for purposes other than those set out in the binational agreement establishing the Bank.

LIMITATION ON FUNDS FOR BURMA

SEC. 569. Until such time as the President determines and certifies to the Committees on Appropriations that an elected government of Burma has been allowed to take office, the following sanctions shall be imposed on Burma:

(1) No national of the United States shall make any investment in Burma;

(2) United States assistance to Burma is prohibited;

(3) The Secretary of the Treasury shall instruct the United States executive director of each international financial institution to vote against any loan or other utilization of the funds of the respective bank to or for Burma; and

(4) Except as required by Treaty obligations, any Burmese national who formulates, implements, or benefits from policies which hinder the transition of Burma to a democratic country shall be ineligible to receive a visa and shall be excluded from admission to the United States.

SPECIAL DEBT RELIEF FOR THE POOREST

SEC. 570. (a) AUTHORITY TO REDUCE DEBT.—The President may reduce amounts owed to the United States (or any agency of the United States) by an eligible country as a result of—

(1) guarantees issued under sections 221 and 222 of the Foreign Assistance Act of 1961; or

(2) credits extended or guarantees issued under the Arms Export Control Act.

(b) LIMITATIONS.—

(1) The authority provided by subsection (a) may be exercised only to implement multilateral official debt relief and referendum agreements, commonly referred to as "Paris Club Agreed Minutes".

(2) The authority provided by subsection (a) may be exercised only in such amounts or to such extent as is provided in advance by appropriations Acts.

(3) The authority provided by subsection (a) may be exercised only with respect to countries with heavy debt burdens that are eligible to borrow from the International Development Association, but not from the International Bank for Reconstruction and Development, commonly referred to as "IDA-only" countries.

(c) CONDITIONS.—The authority provided by subsection (a) may be exercised only with respect to a country whose government—

(1) does not have an excessive level of military expenditures;

(2) has not repeatedly provided support for acts of international terrorism;

(3) is not failing to cooperate on international narcotics control matters;

(4) (including its military or other security forces) does not engage in a consistent pattern of gross violations of internationally recognized human rights; and

(5) is not ineligible for assistance because of the application of section 527 of the Foreign Relations Authorization Act, fiscal years 1994 and 1995.

(d) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading "Debt restructuring".

(e) CERTAIN PROHIBITIONS INAPPLICABLE.—A reduction of debt pursuant to subsection (a) shall not be considered assistance for purposes of any provision of law limiting assistance to a country. The authority provided by subsection (a) may be exercised notwithstanding section 620(r) of the Foreign Assistance Act of 1961.

AUTHORITY TO ENGAGE IN DEBT BUYBACKS OR SALES

SEC. 571. (a) LOANS ELIGIBLE FOR SALE, REDUCTION, OR CANCELLATION.—

(1) AUTHORITY TO SELL, REDUCE, OR CANCEL CERTAIN LOANS.—Notwithstanding any other provision of law, the President may, in accordance with this section, sell to any eligible purchaser any concessional loan or portion thereof made before January 1, 1995, pursuant to the Foreign Assistance Act of 1961, to the government of any eligible country as defined in section 702(6) of that Act or on receipt of payment from an eligible purchaser, reduce or cancel such loan or portion thereof, only for the purpose of facilitating—

(A) debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps; or

(B) a debt buyback by an eligible country of its own qualified debt, only if the eligible country uses an additional amount of the local currency of the eligible country, equal to not less than 40 percent of the price paid for such debt by such eligible country, or the difference between the price paid for such debt and the face value of such debt, to support activities that link conservation and sustainable use of natural resources with local community development, and child survival and other child development, in a manner consistent with sections 707 through 710 of the Foreign Assistance Act of 1961, if the sale, reduction, or cancellation would not contravene any term or condition of any prior agreement relating to such loan.

(2) TERMS AND CONDITIONS.—Notwithstanding any other provision of law, the President shall, in accordance with this section, establish the terms and conditions under which loans may be sold, reduced, or canceled pursuant to this section.

(3) ADMINISTRATION.—The Facility, as defined in section 702(8) of the Foreign Assistance Act of 1961, shall notify the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961 of purchasers that the President has determined to be eligible, and shall direct such agency to carry out the sale, reduction, or cancellation of a loan pursuant to this section. Such agency shall make an adjustment in its accounts to reflect the sale, reduction, or cancellation.

(4) LIMITATION.—The authorities of this subsection shall be available only to the extent that appropriations for the cost of the modification, as defined in section 502 of the Congressional Budget Act of 1974, are made in advance.

(b) DEPOSIT OF PROCEEDS.—The proceeds from the sale, reduction, or cancellation of any loan sold, reduced, or canceled pursuant to this section shall be deposited in the United States Government account or accounts established for the repayment of such loan.

(c) ELIGIBLE PURCHASERS.—A loan may be sold pursuant to subsection (a)(1)(A) only to a purchaser who presents plans satisfactory to the President for using the loan for the purpose of engaging in debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(d) DEBTOR CONSULTATIONS.—Before the sale to any eligible purchaser, or any reduction or cancellation pursuant to this section, of any loan made to an eligible country, the President shall consult with the country concerning the amount of loans to be sold, reduced, or canceled and their uses for debt-for-equity swaps, debt-for-development swaps, or debt-for-nature swaps.

(e) AVAILABILITY OF FUNDS.—The authority provided by subsection (a) may be used only with regard to funds appropriated by this Act under the heading "Debt Restructuring".

SANCTIONS AGAINST COUNTRIES HARBORING WAR CRIMINALS

SEC. 572. (a) BILATERAL ASSISTANCE.—Funds appropriated by this Act under the Foreign Assistance Act of 1961 or the Arms Export Control Act may not be provided for any country described in subsection (c).

(b) MULTILATERAL ASSISTANCE.—The Secretary of the Treasury shall instruct the United States executive directors of the international financial institutions to work in opposition to, and vote against, any extension by such institutions of financing or financial or technical assistance to any country described in subsection (c).

(c) SANCTIONED COUNTRIES.—A country described in this subsection is a country the government of which knowingly grants sanctuary to persons in its territory for the purpose of evading prosecution, where such persons—

(1) have been indicted by the International Criminal Tribunal for the former Yugoslavia, the International Criminal Tribunal for Rwanda, or any other international tribunal with similar standing under international law, or

(2) have been indicted for war crimes or crimes against humanity committed during the period beginning March 23, 1933 and ending on May 8, 1945 under the direction of, or in association with—

(A) the Nazi government of Germany;

(B) any government in any area occupied by the military forces of the Nazi government of Germany;

(C) any government which was established with the assistance or cooperation of the Nazi government; or

(D) any government which was an ally of the Nazi government of Germany.

LIMITATION ON ASSISTANCE FOR HAITI

SEC. 573. (a) None of the funds appropriated or otherwise made available by this Act, may be provided to the Government of Haiti until the President reports to Congress that—

(1) the Government is conducting thorough investigations of extrajudicial and political killings; and

(2) the Government is cooperating with United States authorities in the investigations of political and extrajudicial killings.

(b) Nothing in this section shall be construed to restrict the provision of humanitarian, development or electoral assistance.

(c) The President may waive the requirements of this section if he determines and certifies to the appropriate committees of Congress that it is in the national interest of the United States or necessary to assure the safe and timely withdrawal of American forces from Haiti.

LIMITATION ON FUNDS TO THE TERRITORY OF THE BOSNIAC-CROAT FEDERATION

SEC. 574. Funds appropriated by this Act for activities in the internationally-recognized borders of Bosnia and Herzegovina (other than refugee and disaster assistance and assistance for restoration of infrastructure, to include power grids, water supplies and natural gas) may only be made available for activities in the territory of the Bosniac-Croat Federation.

UNITED STATES GOVERNMENT PUBLICATIONS

SEC. 575. Beginning in fiscal year 1997, all United States Government publications shall refer to the capital of Israel as Jerusalem.

EXTENSION OF CERTAIN ADJUDICATION PROVISIONS

SEC. 576. The Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1990 (Public Law 101–167) is amended—

(1) in section 599D (8 U.S.C. 1157 note)—

(A) in subsection (b)(3), by striking "and 1996" and inserting "1996, and 1997"; and

(B) in subsection (e), by striking out "October 1, 1996" each place it appears and inserting "October 1, 1997"; and

(2) in section 599E (8 U.S.C. 1255 note) in subsection (b)(2), by striking out "September 30, 1996" and inserting "September 30, 1997".

TRANSPARENCY OF BUDGETS

SEC. 577. (a) LIMITATION.—Beginning three years after the date of the enactment of this Act, the Secretary of the Treasury shall instruct the United States Executive Director of each international financial institution to use the voice and vote of the United States to oppose any loan or other utilization of the funds of their respective institution, other than to address basic human needs, for the government of any country which the Secretary of the Treasury determines—

(1) does not have in place a functioning system for a civilian audit of all receipts and expenditures in the portions of its budget that fund activities of the armed forces and security forces;

(2) has not provided a summary of a current audit to the institution; and

(3) has not provided to the institution an accounting of the ownership and financial interest in revenue-generating enterprises of the armed forces and security forces.

(b) DEFINITION.—For purposes of this section, the term "international financial institution" shall include the institutions identified in section 535(b) of this Act.

PROMOTION OF HUMAN RIGHTS

SEC. 578. A senior official, or former senior official, of a government that receives funds appropriated by this Act, who applies for a visa to travel to the United States, shall be denied such visa if the Secretary of State has credible evidence that such official has committed, ordered or attempted to thwart the investigation of a gross violation of an internationally recognized human right: Provided, That for purposes of this section "senior official" includes an officer of the armed forces or security forces: Provided further, That the Secretary of State may waive the restrictions of this section on a case-by-case basis if he determines and reports to the Committees on Appropriations that to do so is important to the national interest of the United States.

GUARANTEES

SEC. 579. Section 251(b)(2)(G) of the Balanced Budget and Emergency Deficit Control Act of 1985 is amended by striking "fiscal year 1994 and 1995" and inserting in lieu thereof "fiscal years 1994, 1995, and 1997" in both places that this appears.

This Act may be cited as the "Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1997".

Mr. LOTT. Mr. President, the managers of the bill will do their opening statements now. I believe that they have some amendments that they can clear.

I yield to the chairman for any explanation of how they intend to proceed tonight, or the first thing in the morning.

Mr. MCCONNELL. I thank the leader. In addition to doing our opening statements, Senator COVERDELL has an amendment which he is prepared to lay down and we could schedule a vote at whatever time you think appropriate.

Mr. LOTT. Mr. President, 9:30 in the morning would be the appropriate time. I believe that we can get the Members here and continue to have serious work and complete this very important bill very quickly; hopefully, tomorrow.

Mr. President, I have another unanimous-consent request then, unless there is something else to be said about the foreign ops appropriations bill.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate immediately proceed to executive session to consider the following nominations on the Executive Calendar: No. 574 and No. 589.

I further ask unanimous consent that the nominations be confirmed en bloc, the motions to reconsider be laid upon the table, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

Nanette K. Laughrey, of Missouri, to be United States District Judge for the Eastern and Western Districts of Missouri.

Dean D. Pregerson, of California, to be United States District Judge for the Central District of California.

NOMINATION OF DEAN D. PREGERSON

Mrs. BOXER. Mr. President, I want to thank the majority and minority leaders as well as the Judiciary Committee chairman, ORRIN HATCH, and ranking member, Senator BIDEN, for moving an outstanding judicial nominee, Dean Douglas Pregerson, to the floor for confirmation to the United States District Court for the Central District of California.

The Central District of California includes the counties of Los Angeles, Orange, Riverside, San Bernardino, San Luis Obispo, Santa Barbara and Ventura.

Dean Pregerson has been a practicing attorney in California and in the Territory of Guam for the past 18 years. He has tremendous experience in a broad range of legal issues and a record of exceptional performance in many different aspects of the practice of law. He has been a public defender, a legal aid lawyer, and a litigator of a wide variety of civil and criminal matters in both State and Federal courts. He is currently a partner in the Los Angeles law firm of Pregerson, Richman and Luna, where he has personally litigated many issues, including contract and commercial actions, intellectual property matters, and personal injury disputes.

Mr. Pregerson has a long record of service to his community. For the past 5 years, he has been a board member of Bet Tzedek Legal Services, which provides free legal help to about 12,000 Los Angelenos a year. He is on the advisory board of the GSA/Salvation Army homeless shelter of Bell, CA, which provides food, housing, and other services to more than 200 men and women each day. He began his service for the Recreation and Parks Commission of Los Angeles in 1989, and served a term as its president. He has been a member of the Los Angeles Memorial Coliseum Commission.

Dean Pregerson has garnered high praise from many colleagues and associates. Los Angeles Mayor Richard Riordan, in a letter to Judiciary Committee Chairman HATCH in February of this year, said he, "strongly supports Dean's nomination" and believes that he will be a judge "who combines legal talents with a firm commitment to uphold the traditional and proper role of the judiciary." Los Angeles Sheriff Sherman Block writes that Dean

Pregerson will be "tough, fair-minded, and committed to enforcing the law" as a Federal judge and he conveys his strong support for his confirmation.

Again, I commend our leaders for bringing this nomination to the floor and confirming an individual who will be a great asset to the Federal bench and to the State of California.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

Mr. LOTT. I yield the floor, Mr. President.

Mr. McCAIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1997

The Senate continued with the consideration of the bill.

Mr. McCONNELL. Mr. President, this year the foreign operations bill provides $12.246 billion to administer our foreign assistance programs. This slightly exceeds the bill signed into law last year but is more than $700 million below the administration's request. Although this is a substantial reduction, I believe we have crafted a bill which addresses congressional concerns about balancing the budget while continuing to serve vital U.S. national security priorities.

Let me briefly review both the funding levels and policy provisions which advance our common international interests.

In title I, we have provided $632 million for export promotion programs. The Trade Development Agency and the Overseas Private Investment Corporation are fully funded, and the Export-Import Bank is near the request level.

Virtually all of us have learned of the direct benefit these programs have had in securing new markets and opportunities for American business. While some people have expressed concern about our subsidizing American corporations, this support we offer in this bill is a reflection of how competitive the international market has become. I believe our export promotion programs are essential to our long-term economic security.

If you have any doubt about the significance of this funding, there is one statistic which makes clear how important our competition thinks these programs are. Last year the Export-Import Bank extended $2.9 billion in loans. Its Japanese counterpart provided $19.3 billion in support.

While I am a strong supporter of the Bank, I have been deeply concerned about recent management problems. Both the Office of Personnel Management and the General Accounting Office investigated the Bank's misuse of certain salary-related authorities. In a 1995 audit, OPM concluded that retention allowances have been granted to approximately 200 of the Bank's 450 employees "contrary to law and regulation." Instead of meeting the legal requirement of establishing an employee's unique qualifications and intent to leave Government service, the current management at the Bank treated retention allowances as performance bonuses.

While the problem was drawn to White House attention, the acting Chairman's nomination pending before the Banking Committee was resubmitted as a recess appointment. This has prompted the committee to limit funding for the Chairman's salary until this matter can be fully reviewed in the context of a nomination hearing.

Let me now turn to title II. We have provided $1.7 billion in funding for development assistance, including child survival programs, and the Development Fund for Africa, the Inter-American Foundation and the African Development Foundation. This level is close to the administration's request and was a high priority of Senator LEAHY and a majority of the members of the committee.

Within the bilateral aid account there are a handful of earmarks including funds for Camp David Partners, Burma and Cyprus.

Given our strong interest in securing the transition of free market democracies, we have fully funded the administration's request for the New Independent States of the former Soviet Union. In addition to earmarking levels of support for Ukraine, Armenia, and Georgia, the bill provides funding for safety programs at nuclear reactors, small business development, strengthening agricultural productivity, and treatment for children who are victims of the Chernobyl disaster.

While not in statute, I want to take note of important report language regarding Russia.

President Yeltsin has made a lot of extravagant financial pledges on the campaign trail which must be reconsidered if the nation is to stay within IMF fiscal guidelines and sustain economic reforms. The committee points out that the outcome of the elections reflects U.S. assistance is less important than the political and economic choices Russia's citizens and leaders will make in the coming months.

The report states that this is an important transition year for Russia. With over $10 billion in IMF loan commitments and $4.2 billion in United States bilateral support, it is the committee's expectation that most aid will be phased out and that Russia will graduate from our foreign operations programs in fiscal 1997.

Let me now address the independent agencies which are also funded in title II. Given the strong bipartisan support for the Peace Corps, we were able to come close to the administration's request and provide a total in resources of $217 million.

The International Narcotics and Law Enforcement Program has been increased substantially over last year's level from $115 million to $160 million. I continue to be deeply concerned that the administration made the decision to shift resources away from transit countries to source countries. Long-term, this approach may make sense, but the reductions in the transit country effort seem to have been made well before the source country strategy and programs had been put in place. Hopefully, the strong funding level will assure we can maintain an aggressive effort in both transit and source countries.

Mr. President, in consultation with the House, we have established a consolidated account which includes proliferation, demining and some of the related international organization programs. Within this account, we have provided funding to complete our commitment to Israel's counterterrorism effort.

This account also provides funding at last year's level for the Korea Peninsula Energy Development Organization also known as KEDO. As the report reflects, the committee supported the administration's request to leave the actual funding number out of last year's bill in order not to impede global fundraising efforts.

I thought we had a clear understanding as to precisely what level had been justified and was permissible. Unfortunately, the administration took advantage of our effort to help them and substantially exceeded justified levels of spending.

In documents submitted last year the administration suggested we planned to contribute 20 percent or $10 million toward the annual costs of 500,000 tons of heavy fuel oil. Subsequently, without submitting required reprogramming notifications, the White House announced it intended to provide $22 million to cover fuel oil. I think it is important that there is no further confusion on the burden the United States is willing to assume, so we have included a specific level of funding.

We have also included a requirement that oil may only be made available subject to confirmation that the North Koreans are not diverting it for military or other illegal uses. This is consistent with the Secretary of State's pledge to the subcommittee to assure compliance on oil use.

Turning now to our military assistance programs in title III, we have earmarked resources for the Camp David partners and provided sufficient funds to cover the transfer of F–16's to Jordan. In other areas, we have funded IMET at $40 million and provided $65 million for voluntary peacekeeping activities.

For several years, the subcommittee has been supportive of programs under the Partnership for Peace and Warsaw Initiative. This year we moved forward and consistent with the NATO Participation Act and subsequent similar legislation, the bill designates Poland, Hungary, and the Czech Republic eligible for NATO admission. The committee has made $20 million in loans and $30 million in grants available to these three nations to improve their military capabilities. This is an initiative crafted in conjunction with the former majority leader and in which there had been strong bipartisan interest.

Finally, with regard to title IV which funds the international financial institutions, we have done the best we could given the enormous size of the administration's request. In response to interest expressed by a majority of the committee, we have provided $295 million to cover our international organizations and programs. This will allow the administration to fully fund our pledge to UNICEF.

Our treatment of the International Development Association bears some explanation. For the first time in history, this administration agreed to vote for an arrangement which segregated $3.3 billion in contributions in a new interim trust fund to be managed by IDA. The ITF will allow only corporations and suppliers from those nations contributing to the fund to compete for contracts. Like many of my colleagues, I oppose the administration's decision to vote to exclude U.S. suppliers from competition for contracts. Thus, we have provided $626 million as a U.S. contribution to the interim trust fund. This assures American companies will continue to have access to resources we invest in the banks.

There is one further item worth drawing attention to. In the general provisions section of the bill we have included sanctions legislation regarding Burma. I recognize this is unusual in an appropriations bill and expect some debate here on the floor on that issue. However, it is my view, a view shared by the elected leader of Burma, Aung San Suu Kyi, that the time has come for the United States to exercise leadership on this issue.

That basically completes my summary of the bill.

I would like to hear from my friend and colleague Senator LEAHY. We will have a couple of amendments to lay down tonight, one of which we expect to be able to get a vote on at 9:30 in the morning.

With that overview, I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. LEAHY. Mr. President, I am prepared to go to third reading right now, if the distinguished chairman would want it, and save having to come in at 9:30 in the morning, but I suspect there are some who may disagree.

Mr. President, this is a balanced bill. It is a balanced bill only within an allocation which, frankly, does not meet our needs. Foreign aid would never win a popularity contest. In fact, we were able to pass foreign aid bills in the past because the funds in the bills were distributed among diverse constituencies. This year is no exception. It is fast becoming more difficult because there is less money to go around.

The bill is more than $700 million below the President's request. To put that in perspective, President Clinton has requested for foreign aid about 40 percent less than President Reagan used to request. It is not that somehow there is a Democrat foreign aid giveaway. This administration is requesting about 40 percent less than either the Reagan or Bush administrations did, but it is also $1.5 billion below the level for foreign operations in fiscal year 1995.

Each year, what we do is we take a larger and larger share of the overall pie and we earmark it for the Middle East. Unquestionably that is a major priority of the United States. But, of course, it does leave less and less for the United States to carry out any policies in other parts of the world.

We should ask what that means. For example, last week the Agency for International Development laid off 200 employees. Some of these were among the finest in or out of government, people who had a decade, sometimes even two decades, of exemplary experience, exemplary and loyal service to the United States. Some programs, including ones that everyone here strongly supports—in agriculture, in the environment, in education—they lost half their staff. A number of these programs directly or indirectly created jobs here in the United States through our export programs. They are gone—to say nothing of what it does to our security.

There is actually a crisis in our foreign aid programs that few people even know about. Senators on both sides of the aisle, Democrats and Republicans, need to understand this. Both Senator McCONNELL and I had some very difficult choices to make. This bill represents a delicate compromise. Any attempt to alter that balance by shifting significant amounts of money from one account to another, I believe, would seriously threaten its prospects for passage.

We have worked with Republicans and Democrats across the political spectrum, in this body, to try to use what small allocations we had to make them work. In doing that, we have had to basically rob from almost every single allocation except for one area. And now if we try to change those, a lot of the support this bill has disappears.

Senator McCONNELL has made clear what his priorities are and what the priorities of the Republican side are. Let me give one example. Despite a lower allocation than last year and cuts in many programs, funding for counternarcotics activities in this bill is increased. It is increased by $45 million. That is a 39-percent increase for the 1996 level.

I believe the evidence is indisputable that despite huge amounts of money over the past 6 years, over $1 billion, the program really has not reduced the flow of illegal drugs into this country. I know this is a priority of my friend from Kentucky and that we do need to support this effort, although other programs will have to be cut short to fund the increase. I would not want to see them cut further.

There are many, some on the other side, who would like to cut further our support for international development programs. Now we shift to a priority on this side of the aisle. In fact, it is not only a priority of mine, but a priority of Senators on both sides. Some of these programs were cut by as much as half this year.

So there is a balance. I want to preserve that balance. I know Senator McCONNELL would want to.

Basically, what we have been told to do by the Senate is to take an allocation which is way below what is necessary, but within the realities it is the only allocation we could have, take a foreign aid program which is about 40 percent less than what we had in the past two Republican administrations, and make it work. We have done the best we can. I hope Senators on both sides of the aisle will refrain from taking apart that balance.

The statement of administration policy in this bill is relative to what I have just said. The White House said they can live with most of the budgetary levels in the bill as Senator McCONNELL and I presented it. If a couple of problems are solved, the President's advisers will recommend he signs the bill even though it is funded far below his request levels. They know the allocation left us no alternative.

But understand the reality: The bill does not meet our international needs and responsibilities. That is not the fault of the managers of this bill. We did the best we could with too little money. We face enormous challenges and opportunities in a dangerous and competitive world.

Our foreign policy has suffered from a lack of strategic thinking since the cold war. We seem to lurch from crisis to crisis without a clear sense of where we are going or how to get there. It is a concern of mine and should be a concern of every Member of the Senate of either party.

We are now the most powerful democracy history has ever known. Much of the rest of the world looks to us for direction and guidance, but we seem to determine our direction and our guidance based on what is on the evening news. We must have a clear policy. We must have a clear policy of our foreign policy, our foreign aid, our foreign involvement as we go into the next century.

Certainly, every other country does. Japan does. Japan spends more money in this area than we do but creates more jobs as a result of it. They know where they are going. A lot of other countries do. We have the world's largest economy, but our future hinges on building foreign markets in supporting democracy. If we want to create jobs for Americans, export jobs in other countries, we have to help create those jobs. They are not going to happen all by themselves. That is why Japan and the Netherlands and all these other countries go out and create the jobs. We cut back the money so we don't do it.

If we don't want to find ourselves caught up in wars around the world, we should be supporting democracies. That is what less powerful nations do. Yet, we cut back. We spend less than 1 percent of our budget on foreign aid, and we continue to cut it. Other countries see an opening. Japan and others spend a lot more.

In fact, a dozen or more countries spend more, a higher percentage of their budget than we do on foreign aid. Several spend more money in actual dollars. Why? Because they figure if the United States does not want to go after those jobs, if the United States does not want to go after the influence in other parts of the world, they will. So they spend the money, their products get sold, jobs in their countries are created, we lose the jobs, they create the expertise in foreign policy, we fire and get rid of the people having the expertise in this country, and they get the influence.

There are several things in this bill that concern me. None of us are going to get everything we want. Some things will be revisited in conference. I do want to mention one item. The bill caps the United States contribution to the Korea Economic Development Corporation at $12 million below the President's request.

The administration said this could undermine our nuclear agreement with North Korea. I would not want to see that agreement unravel. It is in our national security interest, it is in our regional interest in that part of the world that that agreement go through. I hope that we will resolve this, but I also compliment Senator McCONNELL and his staff for the way they have worked with us on this bill, and I hope perhaps before the end of this week, we can have this bill finished.

I yield the floor.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. Mr. President, it is my understanding Senator McCAIN and Senator COVERDELL both have amendments to lay down. The McCain amendment is the one we will be able to schedule a vote on at 9:30 in the morning. It is my understanding the distinguished Senator from Arizona would like to proceed first.

Mr. McCAIN. If that is agreeable with the distinguished managers of the bill.

AMENDMENT NO. 5017

(Purpose: To require information on cooperation with United States anti-terrorism efforts in the annual country reports on terrorism)

Mr. McCAIN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Arizona [Mr. McCAIN], for himself, Mr. COATS, Mr. CRAIG, Mr. D'AMATO, Mr. FAIRCLOTH, Mrs. FEINSTEIN, Mr. FRIST, Mr. GRAMS, Mr. INHOFE, Mr. LEVIN, Mr. LOTT, and Ms. MOSELEY-BRAUN, proposes an amendment numbered 5017.

Mr. McCAIN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

Mr. LEAHY. Reserving the right to object, and I will not object, I would like to see, however, a copy of it.

The PRESIDING OFFICER. Is there objection? Does the Senator from Vermont still reserve the right to object?

Mr. LEAHY. I have no objection. I understand a copy is on its way.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 198, between lines 17 and 18, insert the following:

INFORMATION ON COOPERATION WITH UNITED STATES ANTI-TERRORISM EFFORTS IN ANNUAL COUNTRY REPORTS ON TERRORISM

SEC. 580. Section 140 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (22 U.S.C. 2656f) is amended—

(1) in subsection (a)—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting a semicolon; and

(C) by adding at the end the following:

"(3) with respect to each foreign country from which the United States Government has sought cooperation during the previous five years in the investigation or prosecution of an act of international terrorism against United States citizens or interests, the certification of the Secretary—

"(A) whether or not the government of the foreign country is cooperating fully with the United States Government in apprehending, convicting, and punishing the individual or individuals responsible for the act; and

"(B) whether or not the government of the foreign country is cooperating fully with the United States Government in preventing further acts of terrorism against United States citizens in the foreign country; and

"(4) with respect to each foreign country from which the United States Government has sought cooperation during the previous five years in the prevention of an act of international terrorism against such citizens or interests, the certification of the Secretary described in paragraph (3)(B)."; and

(2) in subsection (c)—

(A) by striking "The report" and inserting "(1) Except as provided in paragraph (2), the report";

(B) by indenting the margin of paragraph (1), as so designated, 2 ems; and

(C) by adding at the end the following:

"(2) If the Secretary determines that the transmittal of a certification with respect to a foreign country under paragraph (3) or (4) of subsection (a) in classified form would make more likely the cooperation of the government of the foreign country as specified in such paragraph, the Secretary may transmit the certification under such paragraph in classified form.".

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. McCAIN. Mr. President, it is my understanding, if it is agreeable with the distinguished managers of the bill, that we will debate this in the morning at about 9 or 9:15, whatever is agreeable to the managers of the bill.

Mr. McCONNELL. Mr. President, I say to my friend from Arizona, the leader was hoping to schedule a vote at 9:30. You graciously agreed to let it be on this amendment. As to when the debate occurs, we can accommodate the Senator from Arizona on that.

Mr. McCAIN. I ask both the Senator from Kentucky and the Senator from Vermont, if it is agreeable, I don't need more than 10 minutes. We could start, say, at 9:10 with the amendment, if the leader insists on a vote at 9:30, if that is agreeable.

Mr. McCONNELL. Mr. President, let me suggest we have the vote at 9:45 and start at 9:30.

Mr. LEAHY. Mr. President, I would like to see the amendment. I hate to agree to a time, and I am sorry to upset the clerk by saying that, but it is a little bit difficult to get the exact time when we might vote. I am not sure exactly what the amendment is. I hate to cut off other people.

Why don't we agree on an hour evenly divided? The amendment I now have in my hand ends "this transmits certification such paragraph in."

Mr. McCAIN. I have a better copy for the Senator.

Mr. LEAHY. I thank the Senator. The Senator from Arizona has given me another copy. He may want to send that one to the desk. I believe the one at the desk may have had a typo. I certainly have no objection to having him substitute.

Mr. McCAIN. Mr. President, I ask unanimous consent to send a revised version of the amendment to the desk.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is revised.

Mr. LEAHY. Mr. President, if this is agreeable with the distinguished Senator from Kentucky, why don't we have the vote, say, at 9:45, either a vote on it or a vote on tabling. I expect it will be a vote up or down. I just don't want to give up that right. I am sure the Senator from Arizona can understand that. And maybe have, prior to the vote, 20 minutes on each side. Will that be agreeable?

Mr. McCAIN. That is certainly agreeable. I only need 10 minutes on this side.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCONNELL. Mr. President, the Senator from Arizona and the distinguished Senator from Vermont are going to discuss the amendment that is currently at the desk. What we would like to do at this point is to have an opening statement from Senator COVERDELL on the amendment that he is going to be offering, which will be laid aside and will be taken up subsequent to the vote on the McCain amendment.

So, Mr. President, the order will be, we will hopefully vote on the McCain amendment sometime as early as possible in the morning and then go to the Coverdell amendment which Senator COVERDELL is now prepared to discuss. I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I wonder if the Senator from Kentucky would yield for a moment. Would it be appropriate to go ahead and lay the amendment down, and then I would make an opening statement? At the time they resolve that, you can set mine aside and proceed with the other amendment.

Mr. McCONNELL. I suggest to my friend from Georgia, go on and make the statement. By the time you finish, it will probably be ready to be laid down.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. COVERDELL. Mr. President, at the appropriate time, I will be sending to the desk an amendment that deals with international narcotics and law enforcement.

As you know, Mr. President, the President of the United States and this Senator have been in extended disagreement about drug policy in the United States. I have been exceedingly critical of the reduction of an investment in drug interdiction. I have been critical of the reduction of our resources available for international narcotics law enforcement. I have been critical of the fact that the drug czar's office was virtually closed. I have been critical of the fact that the message coming from the White House has been less than clear to the young people of our country on how dangerous drugs are to them.

I find myself tonight in the unusual circumstance of defending President Clinton's policy for his 1997 budget request for international narcotics and law enforcement.

Mr. President, President Clinton requested that $213 million be appropriated for international narcotics and law enforcement. That figure is only half what the investment in this arena was in 1992, which is just another example of the downsizing of the drug role. But unfortunately, the House bill only appropriates $150 million in international narcotics and law enforcement, and the Senate, as we have it before the floor, is $160 million.

The purpose of my amendment will be to restore the President's request, to honor the President's request. He has requested $213 million. I think it should be more, but it certainly, in my judgment, should not be less.

My amendment restores $53 million to this effort. Where does it come from? Mr. President, the Senate's position that is before us assigns $356 million to international operations and programs, a significant program. That is $31 million higher than the President's request, $31 million more than the President requested for international operations and programs.

So my proposal would take $28 million from this proposal and shift it to international narcotics and law enforcement. In other words, we are taking money from an account for which the President requested less, but we would put in more and shift it over to where he requested more but got less. Second, we take $25 million from development assistance, that is AID, which is requiring only a 2 percent reduction in the Senate-proposed appropriations, which is $1.929 billion. Having accomplished these two shifts, $28 million from international operations programs, $25 million from AID or development assistance, we would have the effect at the end of the day of having restored—restored—this very important function, international narcotics and law enforcement.

Mr. President, in the last 3 years, as an underpinning for my amendment and for the President's request, which I am trying to fulfill, we have created in the United States a full-fledged drug epidemic. Until I had seen the figures I could not believe it. From 1980 to 1992, drug use among our teenagers was cut in half. In the last 36 months it has doubled. Every statistic—marijuana use, heroin use—we are seeing a war flash across our country. In fact, Mr. President, if the casualties we are taking were from people in uniform, we would have declared war in our hemisphere by what is happening across the board.

What am I talking about, Mr. President? What I am talking about is that 2 million—2 million—more teenagers are into drugs tonight than there were 3 years ago—2 million. That is as large as the city of Atlanta, the host of the 1996 Olympics. Two million sisters, brothers, fathers, mothers, 2 million friends, associates, folks who live next door, somebody in the workplace, whose lives are stunted, tragically altered, and the line is going straight up.

The drug war was shut off. It needs to be turned back on. We need to be concerned about what is happening to children in our own country. Mr. President, this is the first war that has been waged against children. In the 1960's and 1970's, the target audience was 17 to 21 years old. Today the drug war is waged against kids who are 8 to 13 years of age. It is a tragedy occurring right before our eyes.

The President has appointed a new drug czar. He has called for new international narcotics money. While we may disagree on the policies that got us here, I agree with his effort to get the war back on.

Mr. President, I yield for a moment. Apparently the Senator from Arizona and the Senator from Vermont have worked out their differences. I will yield and return and submit my amendment officially after they have concluded their work.

Mr. McCAIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

AMENDMENT NO. 5017

Mr. McCAIN. Mr. President, I understand the managers have agreed to a unanimous consent that we have a vote at 10 tomorrow with one-half hour equally divided.

Mr. LEAHY addressed the Chair.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. LEAHY. Mr. President, the agreement was—I understand that the Republican leader has a scheduling concern—that we would go to the amendment of the distinguished Senator from Arizona at 9:30 in the morning, that we would have one-half hour equally divided in the usual form, but obviously we could yield that back. I mean, technically we could be on the vote at 9:31.

I say that only because I do not want the two leaders, my distinguished friends from Mississippi and South Dakota, to suddenly have to hear from Members, why are we having a vote at 9:30, not 10? But my understanding is that the distinguished chairman will soon ask unanimous consent on behalf of the distinguished majority leader that we would be on the McCain amendment at 9:30, one-half hour equally divided, though we can yield back.

Mr. McCONNELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. McCONNELL. Mr. President, in fairness to the Members, I think it is better to have a time certain for the first vote.

Mr. President, I ask unanimous consent that that vote occur on or in relation to the McCain amendment no later than 10 a.m., Thursday, and that the time between 9:30 and 10 a.m., be equally divided in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. LEAHY. Mr. President, I understand that would be a McCain amendment, and that there would be no second-degrees in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCAIN. Mr. President, I also ask, if I could have unanimous consent, that a modification would be in order tomorrow morning, as we are still in negotiations with the Senator from Vermont concerning, perhaps, modifications for the amendment.

I ask unanimous consent I be allowed to modify the amendment tomorrow morning in agreement with the Senator from Vermont.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEAHY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COVERDELL. Mr. President, I ask unanimous consent the McCain amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 5018

(Purpose: To increase the amount of funds available for international narcotics control programs, offset by reductions in other appropriations)

Mr. COVERDELL. Mr. President, I send an amendment to the desk that amends the bill in more than one place, and I ask unanimous consent that it be immediately considered, and no second-degree amendments be in order.

Mr. LEAHY. Mr. President, reserving the right to object, I did not hear.

Mr. McCONNELL. Let me say that the amendment of the Senator from Georgia will be laid aside after he finishes his discussion.

We will vote first in the morning on the amendment of the Senator from Arizona, Senator McCAIN, and no time agreement will be entered into tonight for a time certain on a vote on the Coverdell amendment.

I yield the floor.

The PRESIDING OFFICER. Without objection, the request of the Senator from Georgia is agreed to.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Georgia [Mr. COVERDELL], for himself, Mr. LOTT, Mr. HELMS, and Mr. GRASSLEY, proposes an amendment numbered 5018.

The amendment is as follows:

On page 104, line 19, strike "$1,290,000,000" and insert "$1,262,000,000".

On page 124, line 20, strike "$160,000,000" and insert "$213,000,000".

On page 138, line 5, strike "$295,000,000" and insert "$270,000,000".

Mr. COVERDELL. Mr. President, I have basically concluded my opening statement on the proposal, and explained that we are restoring funding to the President's request in the arena of international narcotics.

I did misspeak when I said we were taking $28 million, the figure is $25 million for international narcotics; and I said $25 million from development and assistance, and it is $28 million. I got them reversed.

Just to reiterate, we are in the midst of a drug epidemic. This is not a time to undercut the Presidential request for direct funding to the war on narcotics and the war on 8- to 13-year-olds in America—8 to 13 years of age. They are the target. The havoc that we would pay for this is immeasurable and indescribable.

I yield the floor.

Mr. McCONNELL. I commend the Senator from Georgia for his amendment. I support it.

As far as I know, there is no further business to be conducted this evening, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. McCONNELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

(During today's session of the Senate, the following morning business was transacted.)

FOREIGN OIL CONSUMED BY THE UNITED STATES? HERE'S WEEKLY BOX SCORE

Mr. HELMS. Mr. President, the American Petroleum Institute reports that for the week ending July 19, the United States imported 7,800,000 barrels of oil each day, 1,100,000 barrels more than the 6,700,000 barrels imported during the same week a year ago.

Americans relied on foreign oil for 54.9 percent of their needs last week, and there are no signs that this upward spiral will abate. Before the Persian Gulf war, the United States obtained about 45 percent of its oil supply from foreign countries. During the Arab oil embargo in the 1970's, foreign oil accounted for only 35 percent of America's oil supply.

Anybody else interested in restoring domestic production of oil—by U.S. producers using American workers? Politicians had better ponder the economic calamity sure to occur in America if and when foreign producers shut off our supply—or double the already enormous cost of imported oil flowing into the United States—now 7,800,000 barrels a day.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, too many Americans have not the foggiest notion about the enormity of the Federal debt. Every so often, I ask various groups, how many millions of dollars are there in a trillion? They think about it, voice some estimates, most of them not even close.

They are stunned when they learn the facts, such as the case today. To be exact, as of the close of business yesterday, July 23, the total Federal debt—down to the penny—stood at $5,171,664,148,836.91.

Another astonishing statistic is that on a per capita basis, every man, woman, and child in America owes $19,489.11.

As for how many millions of dollars there are in a trillion, there are a million in a trillion, which means that the Federal Government owes more than $5 million million.

TRIBUTE TO E.R. "BOB" MORRISSETTE, JR.

Mr. HEFLIN. Mr. President, people all over my State of Alabama are deeply saddened by the death of E.R. "Bob" Morrissette, Jr., who passed away on Sunday, July 21 in Mobile. Bob, who had served for many years on my State staff working out of the Mobile office, was a trusted friend, loyal ally, and close adviser. He was the kind of dedicated public servant who was a natural at the art of forging agreement and building bridges. He truly loved people and prided himself on being able to get along with just about anyone with whom he came in contact. People responded and warmed up to him because of his gentlemanly manner, his humor, and his genuineness. Two of his great passions were people and politics. He enjoyed politics in any shape or form.

Another of his passions was the newspaper business. Before joining my staff, he spent over 3 decades covering the news as a reporter, editor, and publisher. After serving in the Army during World War II, Bob earned a journalism degree at the University of Alabama. This is where I first met and became close friends with him some 50 years ago. After college, he embarked on a career in journalism at the Baldwin Times paper in Bay Minette, AL. He took over the Atmore Advance in Atmore, a small town in South Alabama, in 1959, serving there as owner, editor, and publisher of the paper for the next 20 years. He plunged into civic life, always wanting to do his very best for the community he served. Bob always considered himself a newspaper man in the traditional sense and saw to it that he knew everything and everybody in his community.

In 1976, Bob received the Distinguished Alumnus in Journalism Award from the University of Alabama. Two years later, he was named president of the Alabama Press Association. Shortly after I came to the Senate, he sold the Advance and I persuaded him to accept a position as my executive assistant for southwestern Alabama, heading up my Mobile office. He was an indispensable and energetic member of my staff who represented me at various meetings and events and handled many projects over the years. He served right up until the time of his death. I will always fondly remember the many barnstorming trips we went on together in Mobile and surrounding counties.

The importance of family and relationships was something he understood fully. I was present at Bob and Joyce Henley Morrissette's wedding many years ago. They loved each other intensely and constantly. They were so close they knew intuitively the thoughts of the other; they could communicate without speaking. Each brought out the best in the other. They were spouses, best friends, superb parents, and tireless workers for the public good.

Unfortunately, Joyce became ill and was not able to continue doing so many of the things she loved and enjoyed. But Bob was always devoted to her and cared for her in many different ways. His devotion to Joyce never wavered. His loyalty to her reminds me of a line from Elizabeth Barrett Browning's "Love Song from the Portuguese": "Chance cannot change my love nor time impair."

Bob was an outstanding family man. He had an unqualified love for all of his family and a reverence for his roots. Not only did he show this by his love for Joyce and his two daughters, Martha and Lulie, but he loved to talk about his relatives—close and distant. He loved to tell stories about members of his family. I believe he had more cousins than any one man in all of Alabama. He was extremely proud of his heritage. From my perspective as an office seeker, I could not have hoped for a better friend and campaign worker who could persuade so many kissing cousins.

Bob Morrissette had an enormous number of friends across the State and his familiar presence will be sorely missed. His life was a testament to the very best qualities to be found in the journalism business and in government. He proved that people can be involved in these fields and be highly successful while still maintaining a level of civility, friendliness, integrity, decorum, and respect that is often absent from the public sphere today.

He derived a great deal of satisfaction from helping others. He was an optimist by nature, always believing we can find the way to a better world and that each of us can be a valuable participant in the process. I cannot begin to list the ways that Bob improved the lives of others or to discuss the numerous people he touched and how he promoted the public good. Only those of us fortunate to have been the closest to him can begin to appreciate the thoughtfulness and kindness he displayed on a daily basis for so many people. He touched an infinite number of lives through his words, whether they were delivered over the phone, in writing, or in person. He had a rich and colorful south Alabama accent that had a way of putting people at ease and even disarming those who were upset or angry about something. Happiness was an integral part of his life because he was always doing things for other people. He knew that one does not become happy by pursuing happiness for its own sake. Bob understood that genuine happiness is a byproduct of living a meaningful and productive life. He was a genuinely happy man who used his talents fully and wisely and shared them generously.

I extend my sincerest condolences to Joyce Morrissette and her entire family in the wake of this tremendous loss. This is not only a loss for his family, but for his community, State, and Nation as well. We are all infinitely better off for having had his service, his friendship, his dedication, and his spirit over the course of these many years.

PIONEER DAY

Mr. HATCH. Mr. President, today is July 24—an ordinary day to millions of Americans and 98 percent of this body.

But to Utahns, July 24, Pioneer Day, is a big State celebration. Offices and businesses are closed; there are parades and pageants in most Utah communities; and families gather for picnics and games.

Mr. President, July 24 was the day in 1847 when Brigham Young stood atop a rise in Emigration Canyon, gazed at the Salt Lake valley below, and announced to the Mormon pioneers who had followed him across the Plains and across the Rocky Mountains that "This is the Place."

Today is the 149th anniversary of Pioneer Day. It is a day Utahns celebrate so enthusiastically because it commemorates the determination and faith that brought our ancestors into the place Mormons call Zion.

It commemorates the triumph over the hardships inherent in such a journey. It commemorates the sense of community that kept them together as a people.

And, it commemorates the fact that the religious persecution suffered by my Mormon ancestors did not achieve its purpose. Prejudice and bigotry may have forced the early members of the Church of Jesus Christ of Latter-day Saints out of the Midwest, but the faith could not be killed.

Today, Utah stands as a shining example of commerce, the arts, science, and education. It is an example of solid work ethic, sound management, and good stewardship in both public and private arenas. It is also a model of tolerance. All of these blessings and present-day values are manifestations of the character and achievements of the Utah pioneers.

That is why today Utah celebrates the "Days of '47." I ask my colleagues to join me and Senator BENNETT in observing this seminal event in Utah history.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. McCathran, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORT OF U.S. PARTICIPATION IN THE UNITED NATIONS FOR CALENDAR YEAR 1995—MESSAGE FROM THE PRESIDENT—PM 165

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Foreign Relations.

To the Congress of the United States:

I am pleased to transmit herewith a report of the activities of the United States Government in the United Nations and its affiliated agencies during calendar year 1995. The report is required by the United Nations Participation Act (Public Law 264, 79th Congress; 22 U.S.C. 287b).

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 24, 1996.*

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 10:15 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 3107. An act to impose sanctions on persons making certain investments directly and significantly contributing to the enhancement of the ability of Iran or Libya to develop its petroleum resources, and on persons exporting certain items that enhance Libya's weapons or aviation capabilities or enhance Libya's ability to develop its petroleum resources, and for other purposes.

At 11:58 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2779. An act to provide for appropriate implementation of the Metric Conversion Act of 1975 in Federal construction projects, and for other purposes.

H.R. 3564. An act to amend the NATO Participation Act of 1994 to expedite the transition to full membership in the North Atlantic Treaty Organization of emerging democracies in Central and Eastern Europe.

The message also announced that pursuant to the provisions of section 801(c)(1) of Public Law 104Y132, the Speaker appoints as a member from private life on the part of the House to the National Commission on the Advancement of Federal Law Enforcement Ms. Victoria Toensig of Washington, DC.

MEASURES PLACED ON THE CALENDAR

The following measures were read the first and second times by unanimous consent and placed on the calendar:

H.R. 3564. An act to amend the NATO Participation Act of 1994 to expedite the transition to full membership in the North Atlantic Treaty Organization of emerging democracies in Central and Eastern Europe.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3519. A communication from the General Counsel of the Department of Transportation transmitting, pursuant to law, the report of four rules entitled "Excess Flow Valve Customer," (RIN2137–AB97, 2137–AC55, 2137–AC25, 2137–AR38) received on July 22, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3520. A communication from the General Counsel of the Department of Transportation transmitting, pursuant to law, the report of seven rules entitled "Airworthiness Directives," (RIN2120–A64, 2120–AA66, 2120–AA65) received on July 22, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3521. A communication from the Assistant Secretary of Policy, Management and Budget, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Administrative and Audit Requirements and Cost Principles for Assistance Programs," (RIN1090–AA58) received on July 22, 1996; to the Committee on Energy and Natural Resources.

EC–3522. A communication from the Administrator, Health Care Financing Administration, Department of Health and Human Services, transmitting, pursuant to law, the report of a final rule entitled "Reporting of Interest From Zero Coupon Bonds," (RIN0938–AH11) received on July 19, 1996; to the Committee on Finance.

EC–3523. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, a report relative to the rule entitled "Revenue Ruling 96–37," received on July 22, 1996; to the Committee on Finance.

EC–3524. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, a report relative to the rule entitled "Revenue Ruling RR–237026–95," received on July 22, 1996; to the Committee on Finance.

EC–3525. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, a report relative to the rule entitled "Revenue Ruling 96–36," received on July 22, 1996; to the Committee on Finance.

EC–3526. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of Treasury, transmitting, pursuant to law, a report relative to the rule entitled "Revenue Ruling 96–41," received on July 19, 1996; to the Committee on Finance.

EC–3527. A communication from the Chief of the Regulations Branch, Customs Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Centralized Examination Stations," received on July 22, 1996; to the Committee on Finance.

EC–3528. A communication from the Administrator, Small Business Administration, transmitting, pursuant to law, a report relative to minority small business and capital ownership development; to the Committee on Small Business.

EC–3529. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–300 adopted by the Council on July 3, 1996; to the Committee on Governmental Affairs.

EC–3530. A communication from the Deputy Associate Administrator for Acquisition Policy, Office of Policy, Planning and Evaluation, General Services Administration, transmitting, pursuant to law, the report of a rule entitled "Amendment of FIRMR Provisions Relating to GSA's Role in Screening Excess and Exchange/Sale Federal Information Processing Equipment," (RIN3090–AF32) received on July 22, 1996; to the Committee on Governmental Affairs.

EC–3531. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of D.C. Act 11–298 adopted by the Council on July 3, 1996; to the Committee on Governmental Affairs.

EC–3532. A communication from the Deputy Associate Administrator for Acquisition Policy, Office of Policy, Planning and Evaluation, General Services Administration, transmitting, pursuant to law, the report of a rule entitled "General Services Administration Acquisition Regulation," (RIN3090–AF97) received on July 22, 1996; to the Committee on Governmental Affairs.

EC–3533. A communication from the Secretary of Transportation, transmitting, pursuant to law, the report under the Inspector General Act for the period October 1, 1995 through March 31, 1996; to the Committee on Governmental Affairs.

EC–3534. A communication from the Director of the Office of Regulatory Management and Information, transmitting, pursuant to law, the report of three rules including a rule entitled "Approval and Promulgation of Implementation Plans," (FRL5539–1, 5541–3, 5527–6) received on July 19, 1996; to the Committee on Environment and Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PRESSLER, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 1645. A bill to regulate United States scientific and tourist activities in Antarctica, to conserve Antarctic resources, and for other purposes (Rept. No. 104–332).

By Mr. CHAFEE, from the Committee on Environment and Public Works, without amendment:

H.R. 2909. A bill to amend the Silvio O. Conte National Fish and Wildlife Refuge Act to provide that the Secretary of the Interior may acquire lands for purposes of that Act only by donation or exchange, or otherwise with the consent of the owner of the lands.

By Mr. HELMS, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Res. 270. A resolution urging continued and increased United States support for the efforts of the International Criminal Tribunal for the former Yugoslavia to bring to justice the perpetrators of gross violations of international law in the former Yugoslavia.

By Mr. HELMS, from the Committee on Foreign Relations, with an amendment and with a preamble:

S. Res. 275. A resolution to express the sense of the Senate concerning Afghanistan.

By Mr. HELMS, from the Committee on Foreign Relations, without amendment and with a preamble:

S. Res. 276. A resolution congratulating the people of Mongolia on embracing democracy in Mongolia through their participation in the parliamentary elections held on June 30, 1996.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GRAHAM (for himself and Mr. MOYNIHAN):

S. 1984. A bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to require a 10 percent reduction in certain assistance to a State under such title unless public safety officers who retire as a result of injuries sustained in the line of duty continue to receive health insurance benefits; to the Committee on the Judiciary.

By Mrs. FEINSTEIN (for herself and Mrs. HUTCHISON):

S. 1985. A bill to increase penalties for sex offenses against children; to the Committee on the Judiciary.

By Mr. HATFIELD:

S. 1986. A bill to provide for the completion of the Umatilla Basin Project, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. FAIRCLOTH:

S. 1987. A bill to amend titles II and XVIII of the Social Security Act to prohibit the use of social security and medicare trust funds for certain expenditures relating to union representatives at the Social Security Administration and the Department of Health and Human Services; to the Committee on Finance.

By Mr. MACK (for himself, Mr. Lieberman, Mr. Abraham, Mr. Lott, Mr. Hatch, and Mr. Bennett):

S. 1988. A bill to amend the Internal Revenue Code of 1986 to provide for individuals who are residents of the District of Columbia a maximum rate of tax of 15 percent on income from sources within the District of Columbia, and for other purposes; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BRADLEY (for himself, Mr. Specter, Mr. Wellstone, Mr. Frist, Mr. Levin, Ms. Snowe, Mr. Akaka, Mr. DeWine, Mrs. Boxer, Mr. Thurmond, Mr. Moynihan, Mr. Biden, Mrs. Murray, Mr. Glenn, Mr. Reid, Mr. Simon, Mr. Kohl, Mr. Lautenberg, Mr. Dodd, Mr. Chafee, Mr. Bennett, Mr. McCain, Mr. Coats, Mr. D'Amato, Mr. Brown, Mrs. Kassebaum, Mr. Grassley, Mr. Inouye, Mr. Burns, Mr. Graham, Mr. Nickles, Mr. Conrad, Mr. Roth, Mr. Dorgan, Mrs. Hutchison, Mr. Pryor, Mr. Simpson, Mr. Lieberman, Mr. Faircloth, Mr. Bumpers, Mr. McConnell, Mr. Rockefeller, Mr. Thompson, Mr. Kerry, Mr. Cohen, Mr. Johnston, Mr. Gorton, Mr. Kennedy, Mr. Craig, Mr. Robb, Mr. Kempthorne, Ms. Moseley-Braun, Mr. Mack, Mr. Wyden, Mr. Grams, Mr. Hollings, Mr. Jeffords, Mr. Daschle, Mr. Campbell, Ms. Mikulski, Mr. Cochran, Mr. Heflin, Mrs. Frahm, Mr. Exon, Mr. Abraham, Mr. Ford, Mr. Ashcroft, Mr. Byrd, Mr. Gregg, Mr. Sarbanes, Mr. Hatfield, Mrs. Feinstein, Mr. Lugar, Mr. Kerrey, Mr. Santorum, Mr. Nunn, Mr. Thomas, Mr. Bingaman, Mr. Warner, Mr. Leahy, Mr. Helms, Mr. Breaux, Mr. Bryan, and Mr. Pell):

S. Res. 282. A resolution to designate October 10, 1996, as the "Day of National Concern About Young People and Gun Violence"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GRAHAM (for himself and Mr. Moynihan):

S. 1984. A bill to amend title I of the Omnibus Crime Control and Safe Streets Act of 1968 to require a 10 percent reduction in certain assistance to a State under such title unless public safety officers who retire as a result of injuries sustained in the line of duty continue to receive health insurance benefits; to the Committee on the Judiciary.

THE ALU-O'HARA PUBLIC SAFETY OFFICERS HEALTH BENEFITS ACT

• Mr. GRAHAM. Mr. President, almost 1 year ago today, Officer Joseph Alu and Detective James O'Hara responded to an emergency hostage situation.

When the officers had arrived at the scene—they found that the assailant had cordoned himself off in a bedroom of a house and had taken two teenaged girls for hostages.

The officers broke down the bedroom door, only to discover that the assailant had doused himself, the hostages, and the entire house in gasoline.

At that moment, the assailant dropped a lighter on the floor, setting the room ablaze, killing himself and the two hostages. Officers Alu and O'Hara were critically wounded—receiving severe burns over most of their bodies.

Both officers remained in the hospital for the better part of a year fighting for their lives.

Officer O'Hara was so badly burned that while he struggled for his life in the intensive care unit for over 6 months, his wife was told to expect and prepare for his imminent death.

Miraculously, Officer Alu and Officer O'Hara survived. But, while still in the hospital, the city of Plantation Police Department notified the officers that since they would not be physically able to return to work—they and their families would lose their health insurance benefits.

Imagine fighting for your life in a hospital, in excruciating pain, knowing that your family is going to be left unprotected.

When these heroes returned home—that is exactly what they found: no job, disability payments of approximately $1,200 a month, prohibitively expensive COBRA insurance which would run out in 18 months, and no private health insurance for them and their families.

For over 5 months, Officer Alu's wife, Sheila, stayed home to care for her husband during his rehabilitation—herself unable to work to bring in badly needed extra income.

Further complicating their situation was their 5-year-old daughter Christina, who was battling chronic asthma without health insurance.

Detective O'Hara's family was in a similar situation. In fact, his wife still must care for his everyday needs almost 1 year later.

But instead of giving up hope, officers Alu and O'Hara fought hard. They brought their case to the Florida Legislature—and won.

The legislature, with a Republican Senate and a Democratic House, unanimously passed this legislation at the State level—requiring that localities continue whatever health insurance benefits the officer had prior to the injury.

Mr. President, although they have won personal victories, officers Alu and O'Hara have continued their fight—taking their case to Congress—asking us to make sure that other officers not go through the same pain, uncertainty, and feelings of shame as they did when they were unable to provide for their families.

Across the Nation, unlike veterans who have risked their lives to protect our national security, those who protect our homes and streets have their insurance canceled by municipalities or States when they can no longer do the job.

Mr. President, my legislation, endorsed by all major police and firefighter organizations, would create a safety net for injured officers by requiring municipalities that receive Federal crime dollars to continue to maintain the same level of benefits that an officer had prior to being injured in the line of duty.

If a locality chooses not to offer health insurance to these public safety officers, it would only be able to receive 90 percent of its full complement of community-oriented policing services funding.

Mr. President, the scope of this bill is extremely narrow. It would apply only to a handful of public safety officers, estimated at approximately 100 nationwide per year.

And it is not costly. CBO has already stated that this bill is not an unfunded mandate.

But its message is unmistakeably clear.

We need laws which protect our valiant men and women on the front lines. When they go down in the line of duty protecting us, we have a corresponding duty to care for them.

Mr. President, this bill would provide only the most basic package of benefits. It does not grant any enhanced or increased benefits over what the officer had at the time of the injury.

The bill requires State and local governments to offer only the minimum level of health insurance necessary to maintain the health coverage the officer had prior to the disabling injury.

For instance, if an officer or firefighter did not have family coverage prior to the injury, he would not be entitled to family coverage after the injury.

Mr. President, I am proud of my State of Florida. But it should not take a terrible incident like this to make sure that our public safety officers are protected.

We can prevent this situation from ever happening to officers like Alu and O'Hara by passing this legislation this year, in a bipartisan fashion.

Mr. President, allow me to conclude by commending both Officer Alu and

Detective O'Hara and their families for their bravery, sacrifice, and dedication to public service.

Without their perseverance we would not be here today discussing this most critical issue.

I know that police officers and firefighters across the Nation share my gratitude for their courage and selflessness.

Mr. President, in passing this bill, we will honor our commitment to all of our public safety officers: to protect and care for them after they have done so much to protect and care for us.●

By Mrs. FEINSTEIN (for herself and Mrs. HUTCHISON):

S. 1985. A bill to increase penalties for sex offenses against children; to the Committee on the Judiciary.

THE AMBER HAGERMAN CHILD PROTECTION ACT OF 1996

Mrs. FEINSTEIN. Mr. President, I rise today for two reasons. First, I want to talk about two little girls whose short lives have had an impact far beyond their youthful imaginings. Unlike their families and friends, we do not know them for the love they gave, nor do we know of them for their academic ability or artistic talents. Sadly, unlike their families and friends, we did not know them while they were alive—we know them only because of their tragic deaths.

The second reason I rise today is to introduce legislation with Senator HUTCHISON which is designed to prevent other children from suffering their fate, the Amber Hagerman Child Protection Act of 1996. I ask that a copy of the bill be printed in full following my remarks. An earlier version of this bill was introduced in the House by Representative MARTIN FROST of Texas.

The first little girl I want to tell you about is Polly Klaas. Many people throughout our Nation have come to know about this 12-year-old girl from Petaluma, CA, a small, close-knit community north of San Francisco, and the tragic circumstances of her death.

Polly was kidnaped from her bedroom on October 1, 1993, by a bearded, knife-wielding man who tied her up and threatened to slit her friends' throats as her mother slept in a nearby room. Polly and her friends—who were over for a slumber party—were playing a board game at the time of the abduction.

Immediately after the assailant had fled with Polly, her two friends awakened her mother, Eve Nichols, and she called 911: "Apparently, a man just broke into our house," she said, her voice rising in panic, "and they say he took my daughter."

Richard Allen Davis, a 41-year old parolee with two previous kidnaping convictions and a history of psychotic behavior, was arrested on November 30, 1993, and 4 days later, police say, he led them to her body, dumped beside a highway. Next to Polly's body, police found a specialty condom identical to one Davis had bought at the adult novelty store Seductions a day or two before the kidnapping, according to the store's former owner. Polly's clothes were pushed up to her waist.

At Davis' trial, prosecutors presented expert testimony that Davis' abduction of Polly was motivated by a desire to gratify his sexual tastes for bondage.

Last month, Davis was convicted of all ten counts against him, including attempting a lewd act with a minor.

The second little girl I want to tell you about, Amber Hagerman, was visiting her grandparents on January 13 of this year, the day she was kidnaped. An eyewitness later told police that he saw a white or Hispanic man pull the child from her pink tricycle and drag her into a black pickup truck.

She was found dead 4 days later—her clothes stolen from her lifeless little body—in a creek behind an apartment complex. Police have made no arrests for the murder of Amber Hagerman, but are continuing to follow every lead.

Amber's killer is still free and her family continues to feel the pain caused by the loss of their beloved daughter. Just a few weeks ago, Amber's grief stricken mother, Donna Whitson, released an open letter to her daughter's unknown assailant. In it, she said:

> [I]t has now been 122 days since I last saw my daughter alive. One hundred twenty-two days since I felt her happiness in my life. One hundred and twenty-two days ago, you tore my baby girl from her family's love * * * [Y]ou destroyed forever the happiness, harmony and dreams that my children and I had been working so hard to bring to fruition. Our plans for the future altered because of you."

Imagine if you can, trying to comprehend what your own child's last moments of life were like, or trying to fathom the pain and fear felt by your own flesh and blood as they lived them. Donna Whitson has probably done so every day since the loss of her daughter. In her open letter, she asked her daughter's killer:

> At what point between the time you stole my baby and the time she was returned did you murder my child? Why had you drained the life from her body? How could you steal the clothes from her lifeless body and dump her like trash thrown along the wayside?

Mr. President, it is for these two children and their families that we must join with Donna Whitson to say loud and clear that the abduction of children and child sexual abuse will not be tolerated by this society.

THE CRIME BILL

Two years ago, Congress acknowledged that action must be taken to stop child sexual abuse when it passed the President's crime bill.

The Violent Crime Control Act contained several tough provisions to combat child sexual abuse. More specifically, the crime bill:

Established guidelines for State programs that require persons convicted of crimes against children, including sexual misconduct with a minor, to register their addresses with an appropriate State law enforcement agency for 10 years after their release from prison;

Sexually violent predators must remain registered until a court determines that they no longer suffer from a mental abnormality that would make a predatory sexually violent offense likely.

The crime bill also doubled the maximum prison term for offenders who commit a sexual abuse or sexual contact offense under Federal law after one or more prior convictions for a Federal or State sexual abuse or sexual contact offense.

I strongly believe that this landmark legislation will go a long way toward protecting our Nation's children.

Earlier this year, the President signed Megan's Law, which requires that State law enforcement agencies release information that is necessary to protect the public from convicted sex offenders in their midst. This change in the law was part of the Amber Hagerman Child Protection Act as it was introduced in the House.

Yet, much more needs to be done.

THE AMBER HAGERMAN CHILD PROTECTION ACT

Clearly, too many children suffer the physical and emotional impact of kidnaping and it must be stopped before more kids like Polly Klaas and Amber Hagerman fall victim to its tragic effects.

Child sexual abuse must be stopped by taking sexual predators off our streets. Swift, sure action must be taken to stop child sexual abuse, and penalties must be increased for those who commit this heinous crime.

The Amber Hagerman Child Protection Act will help accomplish this goal in several ways:

The heart of the bill is a tough "two strikes and you're out" provision for child sex offenders. First, the bill adds life imprisonment for a second offense where the second offense is a Federal one. Second, this legislation also reduces Byrne grant funding by 10 percent to States which do not pass a similar two strikes provision to ensure that all States take this important step to help save our children from sexual abuse.

This legislation expands Federal child sexual abuse statutes to cover instances when the perpetrator crosses State lines with the intent to commit the offense, or commits the offense in interstate or foreign commerce.

Lastly, the bill establishes a national database for sex offenders and child kidnappers to be maintained by the FBI; and makes that database accessible to appropriate State law enforcement officials.

The bill that we are introducing today differs from the House bill in two ways. First, because enhanced community notification has, fortunately, been enacted into law as Megan's Law, that provision is no longer necessary. Second, the House bill contains an explicit death penalty for killing a child in the course of a Federal sex offense. I agree that such an evil and perverted act deserves the death penalty; however, I believe that the death penalty which already exists in Federal law, and which would apply to this heinous act under our bill, is preferable, as it is slightly broader than the penalty in the House bill.

CONCLUSION

Mr. President, the sick, tragic deaths of Polly Klaas and Amber Hagerman serve as stark reminders that from tragedy and grief can come constructive action and effective solutions, such as the crime bill's three strikes initiative to incarcerate for life the most dangerous criminals in our society.

We have much work to do to ensure the safety of our children from abduction and sexual abuse; passing this bipartisan legislation is a vital part of that effort. As a banner across the building in which the Polly Klaas Foundation is headquartered says: "We ache. We grieve. We're angry. We're not done."

I urge all of my colleagues to give their support to the Amber Hagerman Child Protection Act.

Mr. President, on behalf of Senator HUTCHISON and myself, I send the bill to the desk.

The PRESIDING OFFICER. The bill will be received and referred to the appropriate committee.

Mrs. FEINSTEIN. Mr. President, on behalf of Senator HUTCHISON and myself, I have just sent to the desk the Amber Hagerman Child Protection Act. The purpose is to try to provide a Federal response to those who molest children.

Recently, a study showed about 40 percent of the child molesters are recidivists. I, frankly, think that could well be even higher than that.

In virtually every community throughout the United States, there is a story to tell. Senator HUTCHISON will speak in a moment about a story from Texas. I can speak about a story from California. I can speak of Polly Klaas, and the person who was just convicted of abducting, kidnaping, raping and killing her had a prior record.

The bill we are proposing today attacks the problem of sex offenders on both the State and Federal level. The purpose of the bill is to require life imprisonment for a repeat, two-time child sex offender and to provide an opportunity for the second offense to be heard in a Federal court.

The purpose of this bill is that if an individual is convicted of child molestation and repeats that felony, either on Federal land or in the crossing of State lines, that it will become a Federal offense and subject to life imprisonment.

This is a harsh bill. It is a tough bill. It has been introduced in the House by Representative FROST. It is my hope, and I believe Senator HUTCHISON's hope, that tomorrow in the Judiciary Committee I will offer it as an amendment to the child pornography bill. If it fails there, we will try at a later time to offer it as an amendment on the floor to a bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1985

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Amber Hagerman Child Protection Act of 1996".

SEC. 2. INCREASED PENALTIES FOR FEDERAL SEX OFFENSES AGAINST CHILDREN.

(a) AGGRAVATED SEXUAL ABUSE OF A MINOR.—Section 2241(c) of title 18, United States Code, is amended—

(1) by inserting "whoever in interstate or foreign commerce or" before "in the special";

(2) by inserting "crosses a State line with intent to engage in a sexual act with a person who has not attained the age of 12 years, or" after "Whoever"; and

(3) by adding at the end the following: "If the defendant has previously been convicted of another Federal offense under this subsection or under section 2243(a), or of a State offense that would have been an offense under either such provision had the offense occurred in a Federal prison, unless the death penalty is imposed, the defendant shall be sentenced to life in prison.".

(b) SEXUAL ABUSE OF A MINOR.—Section 2243(a) of title 18, United States Code, is amended—

(1) by inserting "whoever in interstate or foreign commerce or" before "in the special";

(2) by inserting "crosses a State line with intent to engage in a sexual act with a person who, or" after "Whoever"; and

(3) by adding at the end the following: "If the defendant has previously been convicted of another Federal offense under this subsection or under section 2241(c), or of a State offense that would have been an offense under either such provision had the offense occurred in a Federal prison, unless the death penalty is imposed, the defendant shall be sentenced to life in prison.".

SEC. 3. CONDITION FOR BYRNE GRANTS.

Section 170101(f) of the Violent Crime Control and Law Enforcement Act of 1994 is amended—

(1) by redesignating subparagraph (B) as subparagraph (C); and

(2) inserting after subparagraph (A) the following:

"(B) In order not to reduce the funds available under part E of title I of the Omnibus Crime Control and Safe Streets Act of 1968 by 10 percent, a State shall, on the first day of each fiscal year beginning 2 years after the date of the enactment of the Amber Hagerman Child Protection Act of 1996, have in effect throughout the State in such fiscal year a law which requires a court to sentence a defendant in a State prosecution who is convicted of an offense that would have been an offense if such offense occurred in a Federal prison under section 2241(c) or 2243(a) of title 18, United States Code, and who has previously been convicted for such an offense to life in prison without the possibility of parole.".

SEC. 4. RELEASE OF REGISTRATION INFORMATION.

Section 170101 of the Violent Crime Control and Law Enforcement Act of 1994 is amended by adding at the end the following:

"(g) SEPARATE DATA BASE.—The Federal Bureau of Investigation shall maintain a separate data base for information submitted to the Bureau under this section and make that data base accessible to appropriate State law enforcement officials. The Bureau shall inform appropriate local law enforcement officials on each occasion that a person registered under this section changes registration to that locality.".

Mrs. FEINSTEIN. I yield to my colleague, the distinguished Senator from Texas.

Mrs. HUTCHISON addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mrs. HUTCHISON. Mr. President, I thank Senator FEINSTEIN for working on this bill, for putting it together, for carrying it through the Judiciary Committee on which she serves, because this is something that we can truly do in a bipartisan fashion.

I know that when our Dear Colleague letter goes out to all of the Senators that we will have probably 75 or 80 cosponsors, because this is a bill that I think everyone will see the need for and want to support.

In fact, as Senator FEINSTEIN mentioned, this bill is named for the 9-year-old victim of a tragic killing that was so unnecessary and, unfortunately, is still unsolved. Nine-year-old Amber Hagerman was abducted while riding her bicycle outside her grandparents' home in Arlington, TX, earlier this year. She was kept alive for at least 48 hours before being murdered. Her nude, slashed body was found in a creek bed behind an Arlington apartment complex on January 17, 4 days after she was snatched away from her friends and family by a man driving a truck.

The killer of this much-beloved and innocent child has never been identified. Her family and friends still are not comprehending why this could have happened to such a child. The entire community remains stunned, saddened and enraged. They have the chilling certainty that there is a child killer on the loose in their community, in our State, in our country.

Although we do not know the name of this monster who kidnaped, molested, and murdered this 9-year-old child, we do know several unpleasant facts about sexual predators who prey on children, like Amber, in communities across this country.

Twenty percent of those in State prisons convicted of violent crimes—

65,000 people—report having victimized a child. More than half of these victims were 12 years old or younger, 75 percent of them were female.

Thirty percent of these sexual predators report having committed their crimes against multiple victims. Sixty-six percent of prisoners convicted of sexual assaults committed their crime against a child.

The repeat crime rate for sex offenders is estimated to be as much as 10 times higher than the recidivism rate of other criminals.

Mr. President, we know that more than 40 percent of convicted sex offenders will repeat their crimes. We must begin to act on the information that we have. The revolving doors of our criminal justice system have to stop sending violent criminals out on the streets and back into our neighborhoods to prey on those least able to take care of themselves—our children.

Justice must be made to serve the young and most vulnerable among us, as well as those who repeatedly violate the law. So it is in Amber Hagerman's memory that I am cosponsoring Senator FEINSTEIN's legislation today to protect this Nation's children from sex offenders.

As Senator FEINSTEIN said, the purpose of the bill is tough. It is to require life imprisonment for two-time child sex offenders when their cases are heard in Federal court, and it encourages States to do likewise.

It provides for a nationwide system of tracking sex offenders to be administered by the FBI.

This legislation would establish new Federal jurisdiction over sexual offenses against children when a person commits a crime after crossing State lines with the intent of committing a sex offense.

So, Mr. President, I think Senator FEINSTEIN told us what is in the bill. I will not go into it any further. But I do want to say that it is a primary responsibility of our Government to protect our citizens, and especially the youngest and most vulnerable citizens.

We are going to send a message today to the monsters in our society who would murder children that there is going to be a price to pay. Hopefully, we will get these people off the streets, out of our neighborhoods, out of our parks and begin to get serious about personal security in this country, especially for our children. Thank you.

I thank Senator FEINSTEIN for working on this bill and for allowing me to be the cosponsor of it in honor and memory of my constituent, 9-year-old Amber Hagerman, so that her legacy will be that she will be a part of protecting children like her from meeting her fate. Thank you, Mr. President. I thank Senator FEINSTEIN. I yield the floor.

Mrs. FEINSTEIN addressed the Chair.

The PRESIDING OFFICER (Mr. THOMPSON). The Senator from California.

Mrs. FEINSTEIN. Mr. President, if I may, I thank the distinguished Senator from Texas. It is a great pleasure to work with her. I hope we have success in this measure. Thank you, Mr. President. I yield the floor.

By Mr. HATFIELD:

S. 1986. A bill to provide for the completion of the Umatilla Basin project, and for other purposes; to the Committee on Energy and Natural Resources.

THE UMATILLA BASIN PROJECT COMPLETION ACT

• Mr. HATFIELD. Mr. President, almost 20 years ago, I traveled to Pendleton, OR, to hold a hearing on longstanding water disputes in the Umatilla River Basin. These disputes were somewhat typical of other water conflicts throughout the western United States, in that, I was lucky to get out of that hearing room alive. The tension between all sides at that 1977 hearing was so high, I was almost certain that a small war would break out right there in the room. Fortunately, that meeting was the low point in the effort to resolve water conflicts in that northeast Oregon river basin. Since that time, we have experienced many high points.

In the ensuing 11 years since that fateful meeting of 1977, local leaders were successful in bringing irrigators, Indian tribes, environmentalists, elected officials and government bureaucrats together on one of the most successful fishery restoration projects this Nation has ever seen, the Umatilla Basin project. In 1988, Congress enacted the Umatilla Basin Project Act in an effort to develop a pragmatic, least-cost approach to meeting the Federal Government's treaty obligations in the basin without devastating the area's valuable agricultural economy. This project has truly been a model of cooperation between those seeking to utilize water for agricultural purposes and those whose historical way of life and culture hinged on the restoration of healthy fish runs in the Umatilla River.

The Umatilla Basin project has been a product of years of debate and grassroots consensus building. Its two main purposes have been to restore a healthy anadromous fishery to the Umatilla River and to provide irrigated agriculture with a predictable water supply. On both counts, the project has been a tremendous success.

Under the 1988 act, new pumping facilities were authorized to allow three irrigation districts, which previously withdrew their water from the Umatilla River, to leave the water instream for fish. In exchange, the irrigation districts received an equal volume of water from the adjacent Columbia River to irrigate their crop lands. The project has had no impact on Columbia River flows and has restored strong, healthy fish runs to the Umatilla River for the first time in decades. In fact, in the first 6 months of 1996 already, over 4,000 fish have returned to a river that in the 1960's lost its native salmon. In fact, prior to the authorization of the Umatilla Basin project, irrigation withdrawals from the Umatilla River literally dried the river up during the summer months.

While the Umatilla Basin project has been a huge success for all parties involved, the 1988 act provided Columbia River exchanges for only half of the Umatilla River irrigation withdrawals. In order to make the project whole and satisfy the Federal Government's treaty fishery obligations to the Umatilla Tribes, the remainder of the project must be built. Today, I am introducing legislation which achieves this goal, while at the same time, resolves a longstanding dispute regarding the delivery of water to lands not officially within Bureau of Reclamation project boundaries.

The bill I am introducing today, entitled the "Umatilla Basin Project Completion Act," incorporates the key components of a general agreement reached last April in meetings between the Confederated Tribes of the Umatilla, irrigation districts, State water resources department, locally elected officials and Federal agencies. My bill has three major provisions. First, it calls for the construction of the third and final phase of the Umatilla project, which will exchange Columbia River water for an equivalent amount of irrigation water now taken out of the Umatilla River. This final phase, known as phase 3, will cost $71 million and will fully satisfy all obligations of the Federal Government to provide the Confederated Tribes of the Umatilla Indian Reservation with water for fishery needs in the Umatilla River below the mouth of McKay Creek, as recognized by their 1855 treaty with the United States. The 1988 Umatilla Basin Project Act authorized the construction of phases 1 and 2. Phase 3 alone will provide almost as much water to the fishery resources of the Umatilla River as did the previous two phases.

Second, my bill adjusts the boundaries of three of the four irrigation districts in the Umatilla project to include lands irrigated with project water prior to 1988. The three districts for which these boundary adjustments will be legislatively granted, are already exchanging Umatilla River for Columbia River water, as authorized under phases 1 and 2. The fourth district, Westland Irrigation District, was not included in phases 1 and 2 of the 1988 Act and is still withdrawing water from the Umatilla River. My bill does not grant a boundary adjustment for Westland until the phase 3 Columbia River water exchange is fully up and running.

Finally, my legislation calls for the preparation of a comprehensive water management plan for the Umatilla River Basin. As a followup to last April's meetings, all of the affected parties—the State, Federal and local Governments, the tribes, and the irrigation districts—agreed to cooperate in preparing a comprehensive water management plan for the Umatilla Basin. The Plan would serve as a guide in allocating water to maximize the fishery benefits while recognizing valid existing uses. My bill authorizes $500,000 to assist this most promising and valuable effort.

It should be noted at this time that not all of the items identified in last April's consensus process were included in my legislation. While I felt that each of these items had merit, fiscal realities and the short time frame remaining prior to sine die adjournment of the 104th Congress precluded me from including them in this bill.

Mr. President, I recognize that large authorizations for new construction projects are not particularly popular at this time. This bill, however, is far preferable to the traditional mode of meeting our Nation's treaty fishery obligations to Indian tribes. To date, the standard mode of operation has been protracted litigation and adjudication of rights, followed by construction of costly projects. In the Yakima River Basin, for example, the Federal Government and irrigators spent nearly 20 years and $50 million just adjudicating the tribe's treaty fishery rights. During that time, the Yakima River salmon runs continued to decline, and Congress passed legislation authorizing another $150 million to restore the Yakima River fishery. Unfortunately, similar sad tales reverberate throughout the Pacific Northwest. Our experience in the Umatilla River Basin, to date, has been more positive and successful.

The bill I am introducing today reflects the general consensus reached by Tribes, irrigation districts, local communities, environmentalists, and State, local, and Federal governments. These groups came together in the same cooperative spirit that characterized the 1988 Umatilla Basin Project Act to reach agreement that the final phase of the Umatilla Basin Project should be completed and that, once and for all, the longstanding debate over authorized water deliveries for irrigation purposes should be resolved. I am proud of the work these groups have done and look forward to working with them to resolve their remaining issues and concerns with this legislation.

I ask unanimous consent that a copy of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1986

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be referred to as the "Umatilla Basin Project Completion Act."

SEC. 2. Title II of Public Law 100–557 is amended by adding at the end thereof:

"SEC. 214. AUTHORIZATION OF PROJECT COMPLETION.

"For purposes of completing the Columbia River water exchanges and other mitigation efforts necessary to restore the Umatilla River Basin fishery, and to provide for the expansion of Umatilla Basin Project district boundaries, the Secretary of the Interior (hereinafter referred to as the Secretary), acting pursuant to the Federal reclamation laws (Act of June 17, 1902, and Acts amendatory thereof and supplementary thereto), is authorized to complete construction and to operate and maintain the integrated Umatilla River Basin Project, including pump exchange projects known as Phases I, II, and III.

"SEC. 215. UMATILLA RIVER PHASE III EXCHANGE

"(a)(1) The Secretary is hereby authorized to construct a third and final phase of the Umatilla River Basin Project to provide additional flows in the Umatilla River for anadromous fish through a water exchange with Westland Irrigation District.

"(2) Prior to construction, the Secretary shall complete a feasibility study to identify alternatives within the authorized ceiling to provide Westland Irrigation District exchange flows of approximately 220 cubic feet per second, or greater.

"(3) The feasibility study for the Phase III exchange facilities shall include an analysis of inclusion of other irrigators in the exchange, appropriate backup systems, water conservation opportunities, and such other analyses as the Secretary may deem appropriate to improve the exchange project for fishery restoration purposes.

"(4) Prior to completion of Phase III facilities, the Secretary shall negotiate and execute an exchange agreement with the Westland Irrigation District and any other participating irrigators to allow the use of Columbia River water in exchange for an equal amount of Umatilla River or Mckay Reservoir water: *Provided*, that the irrigation districts shall continue to be eligible to receive the same volume of water as they received under their respective contracts with the Bureau of Reclamation dated July 6, 1954 for Hermiston Irrigation District, November 18, 1949 for Stanfield Irrigation District, July 6, 1954 for West Extension Irrigation District, and November 18, 1949 for Westland Irrigation District.

"(5) Phase III facilities may pump Columbia River water for exchange purposes only, and not for conjunctive use.

"(b) OPERATION OF MCKAY RESERVOIR.—The Secretary shall operate Mckay Reservoir in accordance with Federal and State law and water rights filed pursuant to State law. The Secretary is authorized to continue to designate and deliver Mckay Reservoir water for Umatilla River fishery purposes. This Title shall not alter any party's rights or obligations under existing contracts for Mckay Reservoir water.

"(c) Operation and Maintenance Costs.—All exchange system operation and maintenance costs and any increased operation and maintenance costs to the Project caused by the Phase III Exchange shall be the responsibility of the Federal Government and shall be non-reimbursable.

"(d) POWER FOR PROJECT PUMPING.—The Administrator of the Bonneville Power Administration, consistent with provisions of the Columbia River Basin Fish and Wildlife Program established pursuant to the Pacific Northwest Electric Power Planning and Conservation Act (94 Stat. 2697), shall provide for project power needed to effect the Phase III water exchange for purposes of mitigating anadromous fishery resources. The cost of power shall be credited to fishery restoration goals of the Columbia River Basin Fish and Wildlife Program.

"SEC. 216. UMATILLA BASIN PROJECT BOUNDARY ADJUSTMENT.

"(a) Upon enactment of the Umatilla Basin Project Completion Act, the boundaries of the three irrigation districts with functioning Columbia River water exchange facilities are adjusted by operation of law as follows:

"(1) Hermiston Irrigation District's boundaries are adjusted to include the 1,091 acres identified in its 1993 request to the Bureau of Reclamation;

"(2) Stanfield Irrigation District's boundaries are adjusted to include the 230.99 acres receiving water under 1995 and 1996 temporary contracts with the Bureau of Reclamation; and

"(3) West Extension Irrigation District's boundaries are adjusted to include the 2,436.8 acres identified in its 1993 request to the Bureau of Reclamation and are classified as irrigable in the Bureau of Reclamation's Land Classification Report.

"(b)(1) When the Umatilla Basin Project's Phase III Exchange is completed and fully functional, the Westland Irrigation District's boundaries shall be adjusted to include the 7,023 acres receiving water under 1995 and 1996 temporary contracts with the Bureau of Reclamation: *Provided*, That any analysis required by the National Environmental Policy Act of 1969 on the boundary expansion request shall be accomplished in conjunction with similar analysis on the Phase III exchange facilities. The Westland Irrigation District shall pay analysis costs associated with boundary adjustment, not to exceed $300,000, and any additional costs shall be non-reimbursable.

"(2) The Westland Irrigation District's temporary contract with the Bureau of Reclamation is hereby extended for an additional ten-year period. All other terms of the temporary contract, including the payment, water delivery, and mitigation provisions, shall remain the same. A riparian project, as described in the 1996 temporary contract, will be designed and completed by the Westland Irrigation District. If Phase III is not fully functional when this temporary contract, as extended, expires, the Secretary is authorized to enter into additional extensions on such terms and conditions as may be mutually agreeable.

"(c) Notwithstanding any other provision of this title, no parcel may receive Project water unless it has a valid existing State water right and is classified as irrigable in the Bureau of Reclamation's Land Classification Report.

"(d) Upon approval of each irrigation district's boundary adjustment request and adjustment of the boundary, a legal description of the new district boundaries, including land classification and project boundary maps, shall be provided as an attachment to all four Irrigation District's existing contracts.

"(e) No alteration in the ability to pay determination for the Umatilla River Basin Project districts may be made as a result of the Project boundary expansions authorized by this Title.

"SEC. 217. TREATY OBLIGATIONS.

"The Federal Government and the Confederated Tribes of the Umatilla Indian Reservation jointly recognize that completion of

Phase III and perpetual operation of the integrated Project, including Phases I, II, and III, meets all obligations of the Federal Government to provide the Confederated Tribes of the Umatilla Indian Reservation with water for fishery needs in the Umatilla River below the mouth of McKay Creek, as recognized by their 1855 Treaty with the United States.

"SEC. 218. WATER PROTECTION AND MANAGEMENT.

"(a) The Secretary shall continue working in cooperation with the State of Oregon, the Confederated Tribes of the Umatilla Indian Reservation, the irrigation districts, and the affected public toward developing a Comprehensive Water Management Plan to assist in restoring the Umatilla River Basin's anadromous fishery. The Secretary shall develop an integrated groundwater/surface water model of the Upper Umatilla River Basin for use in developing the Comprehensive Water Management Plan.

"(b) Project facilities and features authorized by this title shall be integrated and coordinated, from an operational standpoint, into existing features of the Umatilla Basin Project.

"(c) The Secretary shall enter into appropriate agreements with the State of Oregon, the relevant irrigation districts, and the Confederated Tribes of the Umatilla Indian Reservation, as appropriate, to provide funding for monitoring and administration, including regulation, of project-related water supplies for the purposes herein identified.

"SEC. 219. AUTHORIZATION FOR APPROPRIATION.

"(a) There is authorized to be appropriated to the Secretary, plus or minus such amounts as may be justified by reason of ordinary fluctuations of applicable cost indexes, the following sums, without fiscal year limitation:

"(1) not to exceed $71,000,000 for feasibility studies, environmental studies, and construction of the Phase III Exchange: *Provided*, That all costs of Phase III planning and construction, including operation and maintenance costs allocated to the mitigation of anadromous fish species and the study authorized in Section 215 of this Act, shall be non-reimbursable, *Provided further*, That not less than 80 per centum of such funds shall be used for actual construction;

"(2) not to exceed $500,000 for the development of a Comprehensive Water Management Plan and integrated groundwater/surface water model, as provided for in §218(a) of this title; and

"(3) not to exceed $400,000 annually for enforcement and protection of Phases I, II, and III exchange water for instream uses, as provided for in §218(c) of this title."

SEC. 3. WATER RIGHTS.

Nothing in this Act shall:

(a) Impair the validity of or preempt any provision of State law with respect to water or water rights, or of any interstate compact governing water or water rights;

(b) Create a right to the diversion or use of water other than as established pursuant to the substantive and procedural requirements of State law and as recognized under State law;

(c) Impair or affect any valid water right; or

(d) Establish or create any water rights for any party, nor may any provision be construed to create directly or indirectly an express or implied federal reserved water right for any purpose.•

By Mr. MACK (for himself, Mr. LIEBERMAN, Mr. ABRAHAM, Mr. LOTT, Mr. HATCH, and Mr. BENNETT):

S. 1988. A bill to amend the Internal Revenue Code of 1986 to provide for individuals who are residents of the District of Columbia a maximum rate of tax of 15 percent on income from sources within the District of Columbia, and for other purposes; to the Committee on Finance.

THE DISTRICT OF COLUMBIA ECONOMIC RECOVERY ACT

Mr. MACK. Mr. President, I am pleased to introduce with my colleagues Senators LIEBERMAN, ABRAHAM, LOTT, and HATCH the District of Columbia Economic Recovery Act. The social, administrative, and fiscal problems of our Nation's Capital are well documented: High crime rates, poor schools, deteriorating infrastructure, and inadequate delivery of basic public services, just to name a few. The District of Columbia is facing its greatest economic crisis since it was established in 1790. Congress has taken major steps, including the creation of a financial control board, to assist the city during this current financial crisis. But despite these efforts, the city has a long way to go to achieve economic self-sufficiency.

The root of the District's problems is an ever-eroding middle class. Since 1950, Washington's population has declined by nearly 250,000 residents: In fact, 68,000 people left between 1988 and 1993 alone. The vast majority were middle-class families whose taxes funded the city's operations. So far, D.C.'s response to this decline has been misguided: even-higher taxes. But this has only led to even more residents leaving the city in search of lower tax rates, better schools, and safer streets.

We believe that the best way to help the District is to promote economic growth, and the best way to promote economic growth is to significantly reduce the tax burden on its residents. Economic growth will mean more jobs, more opportunity, greater private sector investment, and ultimately a better quality of life in the Nation's Capital.

There is a large and growing consensus that our current income tax system has become a tremendous obstacle to economic growth and an improved standard of living. After eight decades of misuse by lawmakers, lobbyists, and special interests, today's tax system is unfair, complex, costly, and punishes work, savings, and investment.

Therefore, we as a nation need to fundamentally rethink the manner in which income is taxed in order to construct a system that is equitable, efficient, and can support economic growth. This effort, which perhaps appropriately begins in the Nation's Capital, is an important first step.

In order to achieve genuine tax reform, we must take the blinkers off, special interests must give way to the overriding national concerns, partisan class warfare must end, and the defenders of the status quo must step aside to make way for positive change. Mere tinkering with the Tax Code, or simply reshuffling the existing tax burden is not genuine tax reform. We must create a new tax structure that allows everyone to benefit from economic growth. The flat tax encompasses this new thinking and fundamental change needed to create a fair, simple, and pro-growth tax system.

The D.C. Economic Recovery Act is an important step in luring middle-class taxpayers back to the District of Columbia. It provides tax incentives, including a 15-percent flat income tax rate for all District residents and deductions of $15,000 for individual filers; $25,000 for head of household filers; and $30,000 for married filers.

This will benefit everyone, especially the poor and middle class. Our bill includes a $5,000 first-time home buyers provision designed to assist middle-class families in purchasing homes within the District of Columbia. Second, we have established a zero capital gains tax rate on investments within the District, to help spur investment in the District, so middle-class residents won't be hurt by onerous capital gains taxes when they decide to sell their homes. In addition to these incentives, we have included a brown-fields provision that is sure to improve the city's quality of life by encouraging companies to clean up environmentally damaged District land.

This bill also provides the opportunity for all Americans to participate in the economic revitalization of the District of Columbia by extending to everyone a zero capital gains rate for all investments made within the District. We believe the American people want to take pride in this city, and want it to represent all the best this Nation has to offer. For too long, the city's economy has been locked into the growth and declines of the Federal Government. Our bill offers the chance to spur nongovernmental economic investment in the District of Columbia.

The District of Columbia is not only home to the people who live here, it is truly the Nation's city. Historically, Congress has recognized this fact, and assured the financial integrity of the District. However, we now realize that simply throwing money at the problem is not the answer. We must find a way to fundamentally improve the city without demanding additional financial commitments from American taxpayers.

We believe that these incentives, along with responsible and sensible financial management, are just what the District needs to become self-sufficient.

Mr. LIEBERMAN. Mr. President, I am delighted to join with Senator MACK as an original cosponsor of this important legislation, the District of Columbia Economic Recovery Act of 1996 [DCERA].

The District of Columbia belongs to each and every one of us. As citizens of the United States, we have a stake in the successes, and a stake in the failures, of Washington, DC. It is America's city.

For a variety of reasons, not all of them easily explained, Washington is in desperate financial straits. The here and now financial prospects are grim for the city and the future gets grimmer. This is largely because middle-class families, the backbone of any successful community, are fleeing the District in alarming numbers.

The legislation we are introducing today would instantly transform our Nation's capital, making it a more appealing place to live, to invest, to build, to buy, and to work. This bill is designed to reverse the flow of middle-class residents and businesses, who are currently fleeing the city for the suburbs. Those still in the District would have new incentives to stay. And many others now living elsewhere would have a very strong incentive to move into the District with their families and with their businesses.

We cannot make the schools better in the District overnight. We cannot promise crime-free streets overnight. What we can do is provide middle-class tax relief in the District, as a way to lure these middle-class taxpayers to the District as a way to reestablish a tax base in the District. And once we bring these people back, safer streets and better schools can follow.

Surely we can wait. We can wait until the situation in the district is so dire, when nearly all of the tax base in the District has fled and we will be asked to take over the city altogether. Waiting strikes me as penny wise and pound foolish.

Instead of waiting, we should consider the merits of the DCERA which we are introducing today. This legislation is modeled on legislation which has been introduced in the House with broad, bipartisan support, by Representative ELEANOR HOLMES NORTON. Both the House and the Senate version of the DCERA establish a maximum Federal tax rate of 15 percent. Both bills double the personal exemption which would eliminate Federal income taxes for single residents who make up to $15,000 a year and married couples filing jointly who make up to $30,000 a year. At the same time, the bill retains the mortgage and charitable deductions and would allow a taxpayer to file under the old system, if preferred.

In contrast to Representative NORTON's bill, our legislation establishes a zero capital gains rate for D.C. investments held by D.C. or non-D.C. residents for 3 years. Representative NORTON's bill restricts this capital gains treatment to investments held by D.C. residents only. In crafting our version of this legislation, we were concerned this would limit potential investment in the District. For this reason, the Senate treatment is broader.

Also in contrast to the House DCERA, our bill includes a $5,000 credit for first time District home purchases and includes a provision to clean up abandoned brownfields within the District. Members of Congress not representing the District could not take advantage of the tax incentives in the bill and we are working toward an explicit understanding that the District would not take advantage of the Federal tax incentives in this bill by raising local taxes.

I very much see this bill as a first step. Some of the urban problems Washington faces are unique to Washington because Washington has no State, no broader tax base, to draw on. At the same time, many of Washington's problems are problems that are faced by cities all across this country. If this approach works in Washington, I hope we can try it in Bridgeport, New Haven, and Hartford as well.

I should note that, unlike some proponents of this legislation, I am at best an agnostic on a flat tax. I believe progressivity in our tax rates is inherently fair and am pleased that the legislation we are introducing today has elements of that progressivity by providing such a generous personal exemption. At the same time, a good number of our cities are facing the loss of their middle-class population and the only way to rebuild that base may be through bold measures like a flat tax which has clear and compelling benefits for the middle class. The people we are really anxious to bring back to our cities are the 28 percenters. Under the current Tax Code a typical family in the 28-percent bracket would be a couple with two children who make roughly between $39,000 and $95,000 after deductions. Our bill would create a very favorable tax incentive for these people to stay in, or move to, the District.

Mr. President, the most important thing there is to say about urban policy in this country is that we really do not have an urban policy. We know what has not worked; today we are introducing legislation that we believe will work and there is no better place to start than in Washington, DC, a city that belongs to all Americans.

I urge my colleagues to join us in cosponsoring this important legislation.

Mr. HATCH. Mr. President, I rise today to join Senators MACK and LIEBERMAN in sponsoring legislation designed to spur economic growth in the District of Columbia. The economic circumstances in the District have eroded so significantly that they can no longer be casually dismissed. Failure to act now with investment incentives would cost the District even more in lost financial opportunities—financial opportunities the District, and indeed our entire Nation, cannot afford to miss.

Opponents of this legislation may be critical of the special treatment given to the District of Columbia as opposed to other areas of the country. Yet, this should be the greatest city in the world—east of Salt Lake City.

In all seriousness, however, I believe that it is imperative that the Capital of our Nation stand for democracy, economic development, and security. It is difficult for the District of Columbia to represent these qualities when it has become nearly unmanageable and is on the brink of financial ruin. Something must be done to breathe new life into Washington, DC. Otherwise, I've got some ghost towns in Utah I can show you.

And, I want to emphasize that we are not talking about an infusion of Federal funds. We are talking about encouraging private sector investment in the city. We are talking about incentives for people to live here. This legislation provides a way to bring both the capital and stability needed to start the healing process.

The components included in this bill are specifically designed to revitalize our Nation's Capital. First, the bill would tax all D.C. residents at a flat rate of 15 percent and significantly increase their standard deductions, yet retain both the charitable contribution deduction and the home mortgage deduction. This provision would give the middle class who left because of rising taxes a new incentive to return to the District and once again call it home. In fact, this recovery plan also establishes a $5,000 tax credit for first-time home buyers for residences purchased within the District of Columbia. These types of incentives would have a real and immediate impact on the District and would help replace the middle-class base that has slowly been eroding.

In addition to these provisions, Mr. President, this legislation eliminates the capital gains tax on any investment made within the District of Columbia by residents and greatly reduces it for nonresidents. This part of the bill provides the District access to a tremendous source of capital, otherwise unavailable.

Not only would this proposal begin to restore the financial viability of our Nation's capital city, it would also provide a testing ground for studying the effects of the basic principles of fundamental tax reform. Our current system of taxation has been much criticized over the past year and a half, and I agree that steps should be taken toward a fairer, simpler, and more efficient tax system. However, while change may be necessary, it must also be done carefully and deliberately. Initiating a flat tax system in the District of Columbia could give legislators much-needed insight into tax reform on a national scale. Success in the District would result in ideas that could be applied nationwide. Thus, this legislation would benefit the District of Columbia, as well as every citizen of America.

Mr. President, this bill is far from perfect. It is a bold idea designed to reverse the fall of a once-great city. Legitimate concerns about the impact of this bill have been raised in recent days by members of the House Ways and Means Committee and other. For one thing, skeptics of this idea worry that the provisions of this bill would give current residents of the District of Columbia a windfall. Other concerns that have been expressed include taxpayers moving into the District for only a short period to take advantage of the benefits of this proposal, then moving out again. Other critics contend that the root of the District's problems is not the lack of money, but poor management of the resources already present and that therefore, an infusion of new money and new residents would not change things significantly.

I agree that the bill we are sponsoring today will not, by itself, solve all of the problems of the District of Columbia. I also agree that much work needs to be done in further crafting this bill as it goes through the legislative process to ensure that concerns about loopholes and unintended benefits are met. And, I also completely agree that the citizens of the District of Columbia must hold its elected leaders accountable for waste and mismanagement.

It is important, however, that the general concepts of this bill are put before the Congress. This bill is certainly not set in stone, and I would anticipate that many Members of Congress and outside groups will have a number of good ideas on how it can be improved. My goal is that Congress start taking a serious look at ways to solve the problems of our Nation's capital. One of these ways must include expanding the local economy and, therefore, the local tax base. And, serious problems often require bold solutions.

Washington, DC is the capital of the United States of America. Every day there are buses of people who come to view the monuments, study the historical treasures, and participate in their Federal Government. Every day there are people from foreign nations who may get their first and, in some cases, only taste of America from visiting our capital. Unfortunately, a city rife with pot holes, dilapidated police cars, and drug dealers and prostitutes openly offering their wares is not the impression of our country most Americans wish to leave with visitors from foreign countries, let alone tolerate themselves.

I quote Washington Post columnist James Glassman when I say that it is time to act courageously and adopt a proposal that could help save this city. I urge my colleagues to become actively involved in the debate and in searching for ways to revitalize and reinvigorate a city that is as important to Floridians as it is to Utahns, as important to Californians as to Pennsylvanians.

I urge my colleagues to join us in this bold effort to jump start both the economy and civic pride of the District of Columbia.

ADDITIONAL COSPONSORS

S. 684

At the request of Mr. HATFIELD, the names of the Senator from Utah [Mr. BENNETT] and the Senator from Georgia [Mr. NUNN] were added as cosponsors of S. 684, a bill to amend the Public Health Service Act to provide for programs of research regarding Parkinson's disease, and for other purposes.

S. 864

At the request of Mr. GRASSLEY, the name of the Senator from Arkansas [Mr. PRYOR] was added as a cosponsor of S. 864, a bill to amend title XVIII of the Social Security Act to provide for increased medicare reimbursement for nurse practitioners and clinical nurse specialists to increase the delivery of health services in health professional shortage areas, and for other purposes.

S. 949

At the request of Mr. GRAHAM, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 949, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 200th anniversary of the death of George Washington.

S. 1675

At the request of Mr. BIDEN, the name of the Senator from Iowa [Mr. HARKIN] was added as a cosponsor of S. 1675, a bill to provide for the nationwide tracking of convicted sexual predators, and for other purposes.

S. 1965

At the request of Mr. BIDEN, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 1965, a bill to prevent the illegal manufacturing and use of methamphetamine.

SENATE RESOLUTION 282 RELATIVE TO THE DAY OF NATIONAL CONCERN ABOUT YOUNG PEOPLE AND GUN VIOLENCE

Mr. BRADLEY (for himself, Mr. SPECTER, Mr. WELLSTONE, Mr. FRIST, Mr. LEVIN, Ms. SNOWE, Mr. AKAKA, Mr. DEWINE, Mrs. BOXER, Mr. THURMOND, Mr. MOYNIHAN, Mr. BIDEN, Mrs. MURRAY, Mr. GLENN, Mr. REID, Mr. SIMON, Mr. KOHL, Mr. LAUTENBERG, Mr. DODD, Mr. CHAFEE, Mr. BENNETT, Mr. MCCAIN, Mr. COATS, Mr. D'AMATO, Mr. BROWN, Mrs. KASSEBAUM, Mr. GRASSLEY, Mr. INOUYE, Mr. BURNS, Mr. GRAHAM, Mr. NICKLES, Mr. CONRAD, Mr. ROTH, Mr. DORGAN, Mrs. HUTCHISON, Mr. PRYOR, Mr. SIMPSON, Mr. LIEBERMAN, Mr. FAIRCLOTH, Mr. BUMPERS, Mr. MCCONNELL, Mr. ROCKEFELLER, Mr. THOMPSON, Mr. KERRY, Mr. COHEN, Mr. JOHNSTON, Mr. GORTON, Mr. KENNEDY, Mr. CRAIG, Mr. ROBB, Mr. KEMPTHORNE, Ms. MOSELEY-BRAUN, Mr. MACK, Mr. WYDEN, Mr. GRAMS, Mr. HOLLINGS, Mr. JEFFORDS, Mr. DASCHLE, Mr. CAMPBELL, Ms. MIKULSKI, Mr. COCHRAN, Mr. HEFLIN, Mrs. FRAHM, Mr. EXON, Mr. ABRAHAM, Mr. FORD, Mr. ASHCROFT, Mr. BYRD, Mr. GREGG, Mr. SARBANES, Mr. HATFIELD, Mrs. FEINSTEIN, Mr. LUGAR, Mr. KERREY, Mr. SANTORUM, Mr. NUNN, Mr. THOMAS, Mr. BINGAMAN, Mr. WARNER, Mr. LEAHY, Mr. HELMS, Mr. BREAUX, Mr. BRYAN, and Mr. PELL) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 282

Whereas violent crime among juveniles in American society has dramatically escalated in recent years;

Whereas between 1989 and 1994, juvenile arrest rates for murder in this country skyrocketed 42 percent;

Whereas in 1993, more than 10 children were murdered each day in America;

Whereas America's young people are this country's most important resource, and Americans have a vested interest in helping children survive, free from fear and violence, to become healthy adults;

Whereas America's young people can, by taking individual and collective responsibility for their own decisions and actions, help chart a new and less violent direction for the entire country;

Whereas American school children will be invited to participate in a national observance involving millions of their fellow students and will thereby be empowered to see themselves as the agents of positive social change; and

Whereas this observance will give American school children the opportunity to make a solemn decision about their future and control their destiny by voluntarily signing a pledge promising that they will never take a gun to school, will never use a gun to resolve a dispute, and will use their influence to prevent friends from using guns to settle disputes: Now, therefore, be it

Resolved, That the Senate designates October 10, 1996, as the "Day of National Concern About Young People and Gun Violence". The President is authorized and requested to issue a proclamation calling upon the school children of the United States to observe such day with appropriate activities.

Mr. BRADLEY. Mr. President, I rise today, along with my colleagues, Senator SPECTER and Senator WELLSTONE, who initially joined me to serve as original cosponsors, to submit a resolution designating October 10, 1996, as a day of national concern about young people and gun violence.

This resolution has enjoyed broad bipartisan support over the last several days. I have been asking other Members of the Senate if they would like to join as original cosponsors of this resolution. As of today, the date of its introduction, there are 81 additional cosponsors of this resolution to declare October 10 as a national day of concern about young people and gun violence.

Mr. President, we are in a crisis in this country. America is losing a generation of young people to crime and violence. Last July, Cindy Villalba, a 20-year-old Rutgers University student, was slain in Paterson, NJ, when a bullet from a .25-caliber semiautomatic pistol careened into her chest. The assailant, Corie Miller, was 17 years old.

The murder was a senseless tragedy. Ms. Villalba was sitting in a car talking to a friend, Julissa Vargas. Miller, along with two other teenagers, aged 19 and 18, approached the vehicle and demanded money. When the two women insisted they did not have any money and began screaming, Miller cocked the pistol and struck Vargas in the back of the head. The pistol then discharged, and a bullet struck Villalba in the chest, killing her instantly. Villalba, a catechism teacher at St. John the Baptist Cathedral, had just returned from Costa Rica, where she was teaching English to schoolchildren as a part of a Rutgers University program.

A few months after the murder of Ms. Villalba, Desmond Carberry, then 12 years old, took a loaded gun and pointed it at his 10-year-old neighborhood playmate's head. He squeezed the trigger, killing Noel DaRoja. The children were playing unsupervised with a .22-caliber handgun at a third friend's house in Berkeley Township, NJ, on a day when school was let out early because of teacher conferences. They had a dispute, and use of the gun resulted from the dispute.

Mr. President, the common theme in the murders of Cindy Villalba and Noel DaRoja is that children are killing and being killed at an alarming rate in this country. The number of juveniles murdered in 1994 was 47 percent greater than the number in 1980.

Mr. President, juvenile homicides involving firearms tripled from 1980 to 1994. Ask any police chief of any major city in this country, and they will tell you the problem in violence is that now the weapons are more powerful and they are used more frequently.

Teenage violence is skyrocketing. In 1994, one in five murdered juveniles were known to be killed by a juvenile offender. Juveniles were responsible for 14 percent of all violent crimes cleared in 1994, and young people were 17 percent of all persons arrested for murder that same year. Among young African-American males, murder is the No. 1 cause of death.

Mr. President, young people in this country are understandably frightened. In 1993, 42 percent of students in grades 6 to 12 reported knowing of weapons in their school. That same year, nearly 75 percent of students were aware of incidents of physical attack, robbery or bullying. Almost one-third of the students had witnessed such attacks, and at least one-fourth were worried about being the victims of such attacks.

Mr. President, this is not simply an urban problem. It is a national problem. During the 3-month period between December 1995 and February of this year, 31 teenagers were murdered in the largely suburban New Jersey counties of Monmouth, Ocean, Middlesex, Somerset and Union.

In January, 18-year-old Torrance Turner of suburban Lakewood, NJ, died after being shot in the face after a confrontation outside an apartment complex.

In September 1994, 20-year-old George Corbett biked to a park in suburban Old Bridge with a .22-caliber rifle swung over his shoulder. Once at the park, he shot 14-year-old Christopher Shrimpton in the head, killing him instantly. This deadly confrontation resulted from a dispute between the boys after the Old Bridge police caught them trying to break into a car the summer before the shooting.

Mr. President, the epidemic of violence is ensnaring our children at an alarming rate. I could go on and I could go on and on with story after heartbreaking story about kids killing kids and being killed. It is time to reverse this deadly trend because, if we do not, the future of America will perish before our eyes.

It is time to make it unfashionable to carry a gun to school. It is time to make it unacceptable to resolve a dispute with a gun. It is time to give young people in this country a chance to stand up and retake their schools and their neighborhoods.

Mr. President, the resolution that I am introducing today is designed to give American young people a chance to stop the carnage that is taking place on the streets that they often frequent. The resolution designates October 10, 1996, as a day of national concern about young people and gun violence.

October 10 will mark a national observance, giving young people throughout the country the chance to sign a voluntary pledge. On this day young people will be asked to sign the pledge. Across this country, they will be asked to raise their hand in urban centers and small towns alike. They will be asked to raise their hand and say, "I pledge that I will never bring a gun to school; that I will never use a gun to settle a dispute; and that I will use my influence with my friends to keep them from using guns to settle disputes."

That is the pledge.

Mr. President, by taking individual and collective responsibility for their decisions and actions, American young people can help chart a less violent future. Through the power of their collective voices, young people can demonstrate that the country, through their initiative and resolve, has come to terms with a crisis.

A couple of years ago there was something called Hands Across America, where on one day, at one time, literally millions of Americans joined hands to make a very important point. It is my hope that every local television station, that local radio stations, that local institutions on that day, October 10, will cover young people in schools, raising their hand, and take this pledge.

Mr. President, the distribution of the national pledge will give local communities and residents of those communities the power to control their own destiny. Instead of looking to Washington to stop the scourge of violence, young people will take the pledge, and they themselves, by their action, will stop the violence.

Mr. President, this resolution does not concern the issue of gun control. It does not prevent someone from becoming a police officer, joining a State patrol, using a gun in hunting. It is designed simply for one purpose, and one purpose only. That is to curb the epidemic of gun violence and its deadly consequences for America's young people.

This bipartisan resolution is supported by the American Federation of Teachers, who frequently are the targets of some of this gun touting, the National Education Association, the Council of Great City Schools, the National League of Women Voters, Mothers Against Violence in America, the National Parent Teachers Association, Physicians for Social Responsibility, the National Association of Secondary School Principals, the American Association of School Administrators, the Presbyterian Church of the USA, United Church of Christ Office for Church in Society, the National School Board Association, the United Methodist Church and the General Board of Church and Society.

Mr. President, young people are our most important resource. As a society, we have a vested interest in helping people survive, free from fear and violence, and survive into healthy adulthood. It is my hope, my sincere hope that all 84 Senators who have supported this resolution and cosponsored it, will share in their communities and States on this day of October 10, 1996, and oversee and participate with young people taking this pledge.

Some people say, well, what is a little resolution, a little resolution designating a day? It is a focus, that is what it is. It is a focus. It is a focus that allows young people, wherever they are, to take some control over their school, to give those who want it to be a safer place a chance to organize around an action, a simple pledge. "I pledge never to tell a lie"—we have all heard that before. It has some impact when it is taken seriously. "I pledge never to take a gun to school, never to use a gun to resolve a dispute, and to use my influence to keep my friends from using a gun to resolve a dispute." A very simple idea. If adhered to, a very positive and successful idea.

Mr. WELLSTONE. Mr. President, we are here today simply to ask students to sign a pledge declaring that they will never bring a weapon to school, they will not use a weapon to settle disputes, and they will use their influence to prevent their friends from using weapons to settle disputes.

Mr. President, I am deeply disturbed that homicides and suicides are the leading causes of death for young people in Minnesota's largest county, Hennepin County. For teenagers between the ages of 15 and 19, 77 percent of the homicides involve guns.

I am deeply disturbed that juvenile aggravated assaults tripled in Minnesota in the 10 years between 1980 and 1990. Half of these crimes involve guns. I was horrified to find out that, of the 105 school-associated deaths between 1992 and 1994, 75 percent were committed with guns, according to the National School Safety Center.

Mr. President, I was dismayed to read in the Minneapolis Star Tribune, "More children in Minnesota are going to school angry and armed." More than 3,700 students reported carrying a gun to school at least once during the month the survey was taken by the Department of Children, Families and Learning. One Minnesota official said that they are "swimming upstream when it comes to growing violence among young people."

Every State in the Nation, every school district whether rural, suburban or urban has these kinds of stories, these kinds of statistics. That's why we have got to urge students to sign a pledge declaring that they will never bring a weapon to school, they will not use a weapon to settle disputes, and they will use their influence to prevent their friends from using weapons to settle disputes.

Clearly, the pledge is only a small step in preventing gun violence. But we have got to start with changing children's perceptions and helping them avoid crime and violence. If kids are using guns, if kids are bringing guns to school, those are signs of much deeper crises we have got to work hard to address.

One effort we have tried with great success is the Safe and Drug Free Schools initiative. This helps schools become safer, more disciplined and drug-free. Parents, teachers, and law enforcement officials tell us it is one of the most effective programs they have seen.

However, the extremist Republicans in the House want to spend $99 million less in 1997 nationwide, and $1.08 million less in Minnesota alone, than the President wants to spend to keep schools safe and drug free.

Earlier in June, I met with Chuck Anderson. He is a violence intervention trainer at Black Hawk Middle School in Eagan, MN. He has taught since 1970. The program that he coordinates, which is funded under Safe and Drug Free Schools, trains both teachers and students to effectively resolve conflicts in the school as an alternative to disciplinary policy. This program Mr. Anderson directs provides appropriate proactive plans for students to learn means by which to avoid violence and fighting through peaceful intervention. Along with this gun pledge, we have got to support teachers like Chuck Anderson if we truly want to reduce violence in our schools and our society.

AMENDMENTS SUBMITTED

THE AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

BROWN AMENDMENT NO. 5002

Mr. BROWN proposed an amendment to the bill (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and related agencies programs for the fiscal year ending September 30, 1997, and for other purposes; as follows:

At the appropriate place in the bill, insert the following new section:

"SEC. . INTERIM MORATORIUM ON BYPASS FLOWS.

"(a) MORATORIUM.—Section 389(a) of P.L. 104–127 is amended by striking "an 18-month" after the word "be" and inserting "a 20-month".

"(b) REPORT.—Section 389(d)(4) of P.L. 104–127 is amended by striking "1 year" after the word "than" and inserting "14-months".

"(c) EXTENSION FOR DELAY.—Section 389 of P.L. 104–127 is amended by adding at the end the following new subsection:

"'(e) EXTENSION FOR DELAY.—There shall be a day-for-day extension to the 20-month moratorium required by subsection (a) and a day-for-day extension to the report required by subsection (d)(4)—

"'(1) for every day of delay in implementing or establishing the Water Rights Task Force caused by a failure to nominate Task Force members by the Administration or by the Congress; or

"'(2) for every day of delay caused by a failure by the Secretary of Agriculture to identify adequate resources to carry out this section.'"

KENNEDY AMENDMENT NO. 5003

Mr. KENNEDY proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 59, line 6, after "consumers)." insert:

"(b) GOALS.—Goals consistent with the proposed rule described in subsection (a) are the distribution of useful written information to 75% of individuals receiving new prescriptions by the year 2000 and to 95% by the year 2006."

On page 59, line 16 insert the following "(4) contain elements necessary to ensure the transmittal of useful information to the consuming public, including being scientifically accurate, non-promotional in tone and content, sufficiently specific and comprehensive as to adequately inform consumers about the use of the product, and in an understandable, legible format that is readily comprehensible and not confusing to consumers expected to use the product."

On page 60, line 5, insert after the word "if" the following: "(1)".

On page 60, line 8, strike the words "and begin to implement" and insert the following: "and submit to the Secretary for Health and Human Services".

On page 60, line 10, strike the words "regarding the provision of oral and written prescription information." and insert the following: "which shall be acceptable to the Secretary of Health and Human Services; (2) the aforementioned plan is submitted to the Secretary of Health and Human Services for review and acceptance (provided that the Secretary shall give due consideration to the submitted plan and that any such acceptance shall not be arbitrarily withheld); and (3) the implementation of (a) a plan accepted by the Secretary commences within 30 days of the Secretary's acceptance of such plan, or (b) the plan submitted to the Secretary commences within 60 days of the submission of such plan if the Secretary fails to take any action on the plan within 30 days of the submission of the plan. The Secretary shall accept, reject or suggest modifications to the plan submitted within 30 days of its submission. The Secretary may confer with and assist private parties in the development of the plan described in sub-sections (a) and (b)."

On page 60, line 20 through line 22, strike "The Secretary shall not delegate such review authority to the Commissioner of the Food and Drug Administration."

On page 59, line 7, re-letter sub-section (b) to sub-section (c), and on page 59, line 16, renumber subparagraph (4) to subparagraph (5), and on page 59, line 21, re-number subparagraph (5) to subparagraph (6), and on page 59, line 23, re-letter sub-section (c) to sub-section (d), and on page 60, line 12, re-letter sub-section (d) to sub-section (e).

BURNS (AND OTHERS) AMENDMENT NO. 5004

Mr. BURNS (for himself, Mr. BAUCUS, and Mr. CRAIG) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the appropriate place in the bill, add the following new section.

SEC. . BARLEY PAYMENTS.

Section 113 of Public Law 104–127 is amended by inserting a new subsection (g) that reads:

"(g) ADJUSTMENT IN BARLEY ALLOCATION.—In addition to the adjustments required under subsection (c), the amount allocated under subsection (b) for barley contract payments shall be increased by $20,000,000 in fiscal year 1998, and shall be reduced by $5,000,000 in each of fiscal years 1999–2002."

SIMPSON AMENDMENT NO. 5005

Mr. COCHRAN (for Mr. SIMPSON) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the end of the bill, add the following:

SEC. . EASEMENTS ON INVENTORIED PROPERTY

None of the funds appropriated or otherwise made available by this Act may be used by the Secretary of Agriculture to establish a wetland conservation easement under section 335(g) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(g)) on an inventoried property that was used for farming (including haying and grazing) at any time during the period beginning on the date 5 years before the property entered the inventory of the Secretary and ending on the date the property entered the inventory of the Secretary. To the extent that land would otherwise be eligible for one easement haying and grazing must be done according to a plan approved by the Natural Resources Conservation Service.

HATFIELD AMENDMENT NO. 5006

Mr. COCHRAN (for Mr. HATFIELD) proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 42, line 26 before the colon, insert the following: ": *Provided further,* That of the total amount appropriated, not less than $2 million shall be available for grants in accordance with section 310B(f) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(f))"

KEMPTHORNE AMENDMENT NO. 5007

Mr. COCHRAN (for Mr. KEMPTHORNE) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the appropriate place in the bill, add the following:

SEC. . GRANTS FOR PRECISION AGRICULTURAL TECHNOLOGIES.

Section 793(c)(2)(A) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 2204f(c)(2)(A)) is amended—

(1) in clause (vii), by striking "and" at the end;

(2) in clause (viii), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(ix) develop and apply precision agricultural technologies.".

SHELBY AMENDMENT NO. 5008

Mr. COCHRAN (for Mr. SHELBY) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the appropriate place in the bill, add the following:

TITLE VIII—SUPPLEMENTAL APPROPRIATIONS AND RESCISSION FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1996

DEPARTMENT OF THE TREASURY

BUREAU OF ALCOHOL, TOBACCO, AND FIREARMS

Salaries and Expenses

For an additional amount for "Salaries and Expenses," to be used in connection with investigations of arson or violence against religious institutions, $12,011,000, to remain available until expended.

INTERNAL REVENUE SERVICE

Information Systems

(Rescission)

Of the funds made available under this heading in Public Law 104-52, $16,500,000 are rescinded.

DOMENICI (AND OTHERS) AMENDMENT NO. 5009

Mr. COCHRAN (for Mr. DOMENICI, for himself, Mr. HELMS, Mr. THURMOND, Mr. FAIRCLOTH, and Mr. BINGAMAN) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the appropriate place in the bill, insert the following:

DEPARTMENT OF AGRICULTURE

FARM SERVICE AGENCY

For an additional amount for the Agricultural Credit Insurance Fund Program Account for the additional cost of emergency insured loans authorized by 7 U.S.C. 1928–1929, including the cost of modifying such loans as defined in section 502 of the Congressional Budget Act of 1974, resulting from droughts in the western United States, Hurricane Bertha, and other natural disasters, to remain available until expended, $25,000,000: *Provided,* That these funds are available to subsidize additional gross obligations for the principal amount of direct loans of $85,208,000: *Provided further,* That the entire amount is designated by Congress as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended: *Provided further,* That the amount shall be available to the extent that the President notifies Congress of his designation of any or all of these amounts as an emergency requirement under section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985.

KERREY AMENDMENT NO. 5010

Mr. BUMPERS (for Mr. KERREY) proposed an amendment to the bill, H.R. 3603, supra; as follows:

On page 23, line 8, strike "$22,728,000" and insert "$23,928,000".

On page 46, line 14, strike "$657,942,000" and insert "$656,742,000".

DORGAN (AND CONRAD) AMENDMENT NO. 5011

Mr. BUMPERS (for Mr. DORGAN, for himself and Mr. CONRAD) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the end of the bill, add the following:

SEC. . SENSE OF SENSE ON CANADIAN WHEAT AND BARLEY EXPORTS.

It is the sense of the Senate that—

(1) the United States Trade Representative should continue to carefully monitor the export of wheat and barley from western Canada to the United States;

(2) the bilateral Memorandum of Understanding with Canada clearly states that the United States—

(A) will not accept market disruptions from imports of Canadian grains; and

(B) will use its trade laws if it appears likely that market disruptions will occur;

(3) the United States Trade Representative should monitor any policy changes by the Canadian Government, acting through the Canadian Wheat Board, that have the potential for increasing the exports of Canadian grains to the United States;

(4) family farmers of the United States should not be subjected to increases in the 1-way channel of Canadian grain exports to the United States that unfairly disrupt the grain transportation systems and depress the prices received by farmers; and

(5) the United States Trade Representative should be prepared to support the use of antidumping laws, countervailing duty laws, section 301 of the Trade Act of 1974 (19 U.S.C. 2411), and other United States laws consistent with the international obligations of the United States, if—

(A) the Canadian Government implements the changes described in paragraph (3) without a resolution of the underlying cross-border grain trading issues between the United States and Canada; and

(B) the changes lead to unfair and injurious exports of Canadian grain to the United States.

MIKULSKI AMENDMENT NO. 5012

Mr. BUMPERS (for Ms. MIKULSKI) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the appropriate place insert the following:

Not later than 180 days after enactment of this Act, the Administrator of the Food and Drug Administration, in consultation with the States and other appropriate Federal agencies shall report to the Chairman and Ranking Member of the Committee on Appropriations of the House and Senate on the feasibility of applying DNA testing or other testing procedures to determine the adulteration, blending, mixing or substitution of crab meat other than Callinectes Sapidus offered for sale in the United States. The Administrator also shall report on the feasibility of developing a database of imported crab meat shipments from port of entry to final wholesaler to be made available to State agencies to aid enforcement and public health protection.

LEAHY AMENDMENT NO. 5013

Mr. BUMPERS (for Mr. LEAHY) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the appropriate place insert the following:

"No funds appropriated or otherwise made available to the Secretary of Agriculture may be used to administer Section 118(b)(2)(A) of the Agricultural Marketing Transition Act unless the planting of a fruit or vegetable on contract acreage, if planted subsequent to the failure of a contract commodity on the same acreage within the same crop year is permitted on contract acreage: Provided, That this provision shall take effect upon the date of enactment of this Act into law."

WELLSTONE (AND GRAMS) AMENDMENT NO. 5014

Mr. BUMPERS (for Mr. WELLSTONE, for himself and Mr. GRAMS) proposed an amendment to the bill, H.R. 3603, supra; as follows:

At the end of the bill, add the following:

SEC. . PLANTING OF WILD RICE ON CONTRACT ACREAGE.

None of the funds appropriated in this Act may be used to administer the provision of contract payments to a producer under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) for contract acreage on which wild rice is planted unless the contract payment is reduced by an acre for each contract acre planted to wild rice.

THE NUCLEAR WASTE POLICY ACT OF 1996

MURKOWSKI AMENDMENTS NOS. 5015–5016

(Ordered to lie on the table.)

Mr. MURKOWSKI submitted two amendments intended to be proposed by him to the bill (S. 1936) to amend the Nuclear Waste Policy Act of 1982; as follows:

AMENDMENT NO. 5015

Beginning on page 1, line 3, strike "Nuclear" and all that follows, and insert in lieu thereof the following: "Nuclear Waste Policy Act of 1982 is amended to read as follows:

"SECTION 1. SHORT TITLE AND TABLE OF CONTENTS"

"(a) SHORT TITLE.—This Act may be cited as the 'Nuclear Waste Policy Act of 1996'.

"(b) TABLE OF CONTENTS.—

"Sec. 1. Short title and table of contents.
"Sec. 2. Definitions.

"TITLE I—OBLIGATIONS

"Sec. 101. Obligations of the Secretary of Energy.

"TITLE II—INTEGRATED MANAGEMENT SYSTEM

"Sec. 201. Intermodel transfer.
"Sec. 202. Transportation planning.
"Sec. 203. Transportation requirements.
"Sec. 204. Interim storage.
"Sec. 205. Permanent repository.
"Sec. 206. Land withdrawal.

"TITLE III—LOCAL RELATIONS

"Sec. 301. Financial assistance.
"Sec. 302. On-site representative.
"Sec. 303. Acceptance of benefits.
"Sec. 304. Restrictions on use of funds.
"Sec. 305. Land conveyances.

"TITLE IV—FUNDING AND ORGANIZATION

"Sec. 401. Program Funding.
"Sec. 402. Office of Civilian Radioactive Waste Management.
"Sec. 403. Federal contribution.

"TITLE V—GENERAL AND MISCELLANEOUS PROVISIONS

"Sec. 501. Compliance with other laws.
"Sec. 502. Judicial review of agency actions.
"Sec. 503. Licensing of facility expansions and transshipments.
"Sec. 504. Siting a second repository.
"Sec. 505. Financial arrangements for low-level radioactive waste site closure.
"Sec. 506. Nuclear Regulatory Commission training authority.
"Sec. 507. Emplacement schedule.
"Sec. 508. Transfer of title.
"Sec. 509. Decommissiong pilot program.
"Sec. 510. Water rights.

"TITLE VI—NUCLEAR WASTE TECHNICAL REVIEW BOARD

"Sec. 601. Definitions.
"Sec. 602. Nuclear Waste Technical Review Board.
"Sec. 603. Functions.
"Sec. 604. Investigatory powers.
"Sec. 605. Compensation of members.
"Sec. 606. Staff.
"Sec. 607. Support services.
"Sec. 608. Report.
"Sec. 609. Authorization of appropriations.
"Sec. 610. Termination of the board.

"TITLE VII—MANAGEMENT REFORM

"Sec. 701. Management reform initiatives.
"Sec. 702. Reporting.
"Sec. 703. Effective date.

"SEC. 2. DEFINITIONS.

"For purposes of this Act:

"(1) ACCEPT, ACCEPTANCE.—The terms 'accept' and 'acceptance' mean the Secretary's act of taking possession of spent nuclear fuel or high-level radioactive waste.

"(2) AFFECTED INDIAN TRIBE.—The term 'affected Indian tribe' means any Indian tribe—

"(A) whose reservation is surrounded by or borders an affected unit of local government, or

"(B) whose federally defined possessory or usage rights to other lands outside of the reservation's boundaries arising out of congressionally ratified treaties may be substantially and adversely affected by the locating of an interim storage facility or a repository if the Secretary of the Interior finds, upon the petition of the appropriate governmental officials of the tribe, that such effects are both substantial and adverse to the tribe.

"(3) AFFECTED UNIT OF LOCAL GOVERNMENT.—The term 'affected unit of local government' means the unit of local government with jurisdiction over the site of a repository or interim storage facility. Such term may, at the discretion of the Secretary, include other units of local government that are contiguous with such unit.

"(4) ATOMIC ENERGY DEFENSE ACTIVITY.—The term 'atomic energy defense activity' means any activity of the Secretary performed in whole or in part in carrying out any of the following functions:

"(A) Naval reactors development.

"(B) Weapons activities including defense inertial confinement fusion.

"(C) Verification and control technology.

"(D) Defense nuclear materials production.

"(E) Defense nuclear waste and materials byproducts management.

"(F) Defense nuclear materials security and safeguards and security investigations.

"(G) Defense research and development.

"(5) CIVILIAN NUCLEAR POWER REACTOR.—The term 'civilian nuclear power reactor' means a civilian nuclear power plant required to be licensed under section 103 or 104 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134(b)).

"(6) COMMISSION.—The term 'Commission' means the Nuclear Regulatory Commission.

"(7) CONTRACTS.—The term 'contracts' means the contracts, executed prior to the date of enactment of the Nuclear Waste Policy Act of 1996, under section 302(a) of the Nuclear Waste Policy Act of 1982, by the Secretary and any person who generates or holds title to spent nuclear fuel or high-level radioactive waste of domestic origin for acceptance of such waste or fuel by the Secretary and the payment of fees to offset the Secretary's expenditures, and any subsequent contracts executed by the Secretary pursuant to section 401(a) of this Act."

"(8) CONTRACT HOLDERS.—The term 'contract holders' means parties (other than the Secretary) to contracts.

"(9) DEPARTMENT.—The term 'Department' means the Department of Energy.

"(10) DISPOSAL.—The term 'disposal' means the emplacement in a repository of spent nuclear fuel, high-level radioactive waste, or other highly radioactive material with no foreseeable intent of recovery, whether or not such emplacement permits recovery of such material for any future purpose.

"(11) DISPOSAL SYSTEM.—The term 'disposal system' means all natural barriers and engineered barriers, and engineered systems and components, that prevent the release of radionuclides from the repository.

"(12) EMPLACEMENT SCHEDULE.—The term 'emplacement schedule' means the schedule established by the Secretary in accordance with section 507(a) for emplacement of spent nuclear fuel and high-level radioactive waste at the interim storage facility.

"(13) ENGINEERED BARRIERS AND ENGINEERED SYSTEMS AND COMPONENTS.—The terms 'engineered barriers' and 'engineered systems and components,' mean man-made components of a disposal sytem. These terms include the spent nuclear fuel or high-level radioactive waste form, spent nuclear fuel package or high-level radioactive waste package, and other materials placed over and around such packages.

"(14) HIGH-LEVEL RADIOACTIVE WASTE.—The term 'high-level radioactive waste' means—

"(A) the highly radioactive material resulting from the reprocessing of spent nuclear fuel, including liquid waste produced directly in reprocessing and any solid material derived from such liquid waste that contains fission products in sufficient concentrations; and

"(B) other highly radioactive material that the Commission, consistent with existing law, determines by rule requires permanent isolation, which includes any low-level radioactive waste with concentrations of radionuclides that exceed the limits established by the Commission for class C radioactive waste, as defined by section 61.55 of title 10, Code of Federal Regulations, as in effect on January 26, 1983.

"(15) FEDERAL AGENCY.—The term 'Federal agency' means any Executive agency, as defined in section 105 of title 5, United States Code.

"(16) INDIAN TRIBE.—The term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community of Indians recognized as eligible for the services provided to Indians by the Secretary of the Interior because of their status as Indians including any Alaska Native village, as defined in section 3(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(c)).

"(17) INTEGRATED MANAGEMENT SYSTEM.—The term 'integrated management system' means the system developed by the Secretary for the acceptance, transportation, storage, and disposal of spent nuclear fuel and high-level radioactive waste under title II of this Act.

"(18) INTERIM STORAGE FACILITY.—The term 'interim storage facility' means a facility designed and constructed for the receipt, handling, possession, safeguarding, and storage of spent nuclear fuel and high-level radioactive waste in accordance with title II of this Act.

"(19) INTERIM STORAGE FACILITY SITE.—The term 'interim storage facility site' means the specific site within Area 25 of the Nevada Test Site that is designated by the Secretary and withdrawn and reserved in accordance with this Act for the location of the interim storage facility.

"(20) LOW-LEVEL RADIOACTIVE WASTE.—The term 'low-level radioactive waste' means radioactive material that—

"(A) is not spent nuclear fuel, high-level radioactive waste, transuranic waste, or byproduct material as defined in section 11 e.(2) of the Atomic Energy Act of 1954 (42 U.S.C. 2014(e)(2)); and

"(B) the Commission, consistent with existing law, classifies as low-level radioactive waste.

"(21) METRIC TONS URANIUM.—The terms 'metric tons uranium' and 'MTU' means the amount of uranium in the original unirradiated fuel element whether or not the spent nuclear fuel has been reprocessed.

"(22) NUCLEAR WASTE FUND.—The terms 'Nuclear Waste Fund' and 'waste fund' mean the nuclear waste fund established in the United States Treasury prior to the date of enactment of this Act under section 302(c) of the Nuclear Waste Policy Act of 1982.

"(23) OFFICE.—The term 'Office' means the Office of Civilian Radioactive Waste Management established within the Department prior to the date of enactment of this Act under the provisions of the Nuclear Waste Policy Act of 1982.

"(24) Program approach.—The term 'program approach' means the Civilian Radioactive Waste Management Program Plan, dated May 6, 1996, as modified by this Act, and as amended from time to time by the Secretary in accordance with this Act.

"(25) Repository.—The term 'repository' means a system designed and constructed under title II of this Act for the geologic disposal of spent nuclear fuel and high-level radioactive waste, including both surface and subsurface areas at which spent nuclear fuel and high-level radioactive waste receipt, handling, possession, safeguarding, and storage are conducted.

"(26) Secretary.—The term 'Secretary' means the Secretary of Energy.

"(27) Site characterization.—The term 'site characterization' means activities, whether in a laboratory or in the field, undertaken to establish the geologic condition and the ranges of the parameters of a candidate site relevant to the location of a repository, including borings, surface excavations, excavations of exploratory facilities, limited subsurface lateral excavations and borings, and in situ testing needed to evaluate the licensability of a candidate site for the location of a repository, but not including preliminary borings and geophysical testing needed to assess whether site characterization should be undertaken.

"(28) Spent nuclear fuel.—The term 'spent nuclear fuel' means fuel that has been withdrawn from a nuclear reactor following irradiation, the constituent elements of which have not been separated by reprocessing.

"(29) Storage.—The term 'storage' means retention of spent nuclear fuel or high-level radioactive waste with the intent to recover such waste or fuel for subsequent use, processing, or disposal.

"(30) Withdrawal.—The term 'withdrawal' has the same definition as that set forth in section 103(j) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702(j)).

"(31) Yucca mountain site.—The term 'Yucca Mountain site' means the area in the State of Nevada that is withdrawn and reserved in accordance with this Act for the location of a repository.

"TITLE I—OBLIGATIONS

"SEC. 101. OBLIGATIONS OF THE SECRETARY OF ENERGY.

"(a) Disposal.—The Secretary shall develop and operate an integrated management system for the storage and permanent disposal of spent nuclear fuel and high-level radioactive waste.

"(b) Interim Storage.—The Secretary shall store spent nuclear fuel and high-level radioactive waste from facilities designated by contract holders at an interim storage facility pursuant to section 204 in accordance with the emplacement schedule, beginning not later than November 30, 1999.

"(c) Transportation.—The Secretary shall provide for the transportation of spent nuclear fuel and high-level radioactive waste accepted by the Secretary. The Secretary shall procure all systems and components necessary to transport spent nuclear fuel and high-level radioactive waste from facilities designated by contract holders to and among facilities comprising the Integrated Management System. Consistent with the Buy American Act (41 U.S.C. 10a–10c), unless the Secretary shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, all such systems and components procured by the Secretary shall be manufactured in the United States, with the exception of any transportable storage systems purchased by contract holders prior to the effective date of the Nuclear Waste Policy Act of 1996 and procured by the Secretary from such contract holders for use in the integrated management system.

"(d) Integrated Management System.—The Secretary shall expeditiously pursue the development of each component of the integrated management system, and in so doing shall seek to utilize effective private sector management and contracting practices.

"(e) Private Sector Participation.—In administering the Integrated Management System, the Secretary shall, to the maximum extent possible, utilize, employ, procure and contract with, the private sector to fulfill the Secretary's obligations and requirements under this Act.

"(f) Pre-existing Rights.—Nothing in this Act is intended to or shall be construed to modify—

"(1) any right of a contract holder under section 302(a) of the Nuclear Waste Policy Act of 1982, or under a contract executed prior to the date of enactment of this Act under that section; or

"(2) obligations imposed upon the federal government by the U.S. District Court of Idaho in an order entered on October 17, 1995 in *United States* v. *Batt* (No. 91-0054-S-EJL).

"(g) Liability.—Subject to subsection (f), nothing in this Act shall be construed to subject the United States to financial liability for the Secretary's failure to meet any deadline for the acceptance or emplacement of spent nuclear fuel or high-level radioactive waste for storage or disposal under this Act.

"TITLE II—INTEGRATED MANAGEMENT SYSTEM

"SEC. 201. INTERMODAL TRANSFER.

"(a) Access.—The Secretary shall utilize heavy-haul truck transport to move spent nuclear fuel and high-level radioactive waste from the mainline at Caliente, Nevada, to the interim storage facility site.

"(b) Capability Date.—The Secretary shall develop the capacity to commence rail to truck intermodal transfer at Caliente, Nevada, no later than November 30, 1999. Intermodal transfer and related activities are incidental to the interstate transportation of spent nuclear fuel and high-level radioactive waste.

"(c) Acquisitions.—The Secretary shall acquire lands and rights-of-way necessary to commence intermodal transfer at Caliente, Nevada.

"(d) Replacements.—The Secretary shall acquire and develop on behalf of, and dedicate to, the City of Caliente, Nevada, parcels of land and right-of-way within Lincoln County, Nevada, as required to facilitate replacement of land and city wastewater disposal facilities necessary to commence intermodal transfer pursuant to this Act. Replacement of land and city wastewater disposal activities shall occur no later than November 30, 1999.

"(e) Notice and Map.—Within 6 months of the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall—

"(1) publish in the Federal Resister a notice containing a legal description of the sites and rights-of-way to be acquired under this subsection; and

"(2) file copies of a map of such sites and right-of-way with the Congress, the Secretary of the Interior, the State of Nevada, the Archivist of the United States, the Board of Lincoln County Commissioners, the Board of Nye County Commissioners, and the Caliente City Council. Such map and legal description shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors and legal descriptions and make minor adjustments in the boundaries.

"(f) Improvements.—The Secretary shall make improvements to existing roadways selected for heavy-haul truck transport between Caliente, Nevada, and the interim storage facility site as necessary to facilitate year-round safe transport of spent nuclear fuel and high-level radioactive waste.

"(g) Local Government Involvement.—The Commission shall enter into a Memorandum of Understanding with the City of Caliente and Lincoln County, Nevada, to provide advice to the Commission regarding intermodal transfer and to facilitate on-site representation. Reasonable expenses of such representation shall be paid by the Secretary.

"(h) Benefits Agreement.—

"(1) In general.—The Secretary shall offer to enter into an agreement with Lincoln County, Nevada concerning the integrated management system.

"(2) Agreement content.—Any agreement shall contain such terms and conditions, including such financial and institutional arrangements, as the Secretary and agreement entity determine to be reasonable and appropriate and shall contain such provisions as are necessary to preserve any right to participation or compensation of Lincoln County, Nevada.

"(3) Amendment.—An agreement entered into under this subsection may be amended only with the mutual consent of the parties to the amendment and terminated only in accordance with paragraph (4).

"(4) Termination.—The Secretary shall terminate the agreement under this subsection if any major element of the integrated management system may not be completed.

"(5) Limitation.—Only 1 agreement may be in effect at any one time.

"(6) Judicial review.—Decisions of the Secretary under this section are not subject to judicial review.

"(i) Content of Agreement.—

"(1) Schedule.—In addition to the benefits to which Lincoln County is entitled to under this title, the Secretary shall make payments under the benefits agreement in accordance with the following schedule:

BENEFITS SCHEDULE

[Amounts in millions]

Event	Payment
(A) Annual payments prior to first receipt of spent fuel	$2.5
(B) Annual payments beginning upon first spent fuel receipt	5
(C) Payment upon closure of the intermodal transfer facility	5

"(2) Definitions.—For purposes of this section, the term—

"(A) 'spent fuel' means high-level radioactive waste or spent nuclear fuel; and

"(B) 'first spent fuel receipt' does not include receipt of spent fuel or high-level radioactive waste for purposes of testing or operational demonstration.

"(3) Annual payments.—Annual payments prior to first spent fuel receipt under paragraph (1)(A) shall be made on the date of execution of the benefits agreement and thereafter on the anniversary date of such execution. Annual payments after the first spent fuel receipt until closure of the facility under paragraph (1)(C) shall be made on the anniversary date of such first spent fuel receipt.

"(4) REDUCTION.—If the first spent fuel payment under paragraph (1)(B) is made within 6 months after the last annual payment prior to the receipt of spent fuel under paragraph (1)(A), such first spent fuel payment under paragraph (1)(B) shall be reduced by an amount equal to 1/12 of such annual payment under paragraph (1)(A) for each full month less than 6 that has not elapsed since the last annual payment under paragraph (1)(A).

"(5) RESTRICTIONS.—The Secretary may not restrict the purposes for which the payments under this section may be used.

"(6) DISPUTE.—In the event of a dispute concerning such agreement, the Secretary shall resolve such dispute, consistent with this Act and applicable State law.

"(7) CONSTRUCTION.—The signature of the Secretary on a valid benefits agreement under this section shall constitute a commitment by the United States to make payments in accordance with such agreement under section 401(c)(2).

"(j) INITIAL LAND CONVEYANCES.—

"(1) CONVEYANCES OF PUBLIC LANDS.—One hundred and twenty days after enactment of this Act, all right, title and interest of the United States in the property described in paragraph (2), and improvements thereon, together with all necessary easements for utilities and ingress and egress to such property, including, but not limited to, the right to improve those easements, are conveyed by operation of law to the County of Lincoln, Nevada, unless the county notifies the Secretary of Interior or the head of such other appropriate agency in writing within 60 days of such date of enactment that it elects not to take title to all or any part of the property, except that any lands conveyed to the County of Lincoln under this subsection that are subject to a Federal grazing permit or lease or a similar federally granted permit or lease shall be conveyed between 60 and 120 days of the earliest time the Federal agency administering or granting the permit or lease would be able to legally terminate such right under the statutes and regulations existing at the date of enactment of this Act, unless Lincoln County and the affected holder of the permit or lease negotiate an agreement that allows for an earlier conveyance.

"(2) SPECIAL CONVEYANCES.—Notwithstanding any other law, the following public lands depicted on the maps and legal descriptions dated October 11, 1995, shall be conveyed under paragraph (1) to the County of Lincoln, Nevada;

Map 10: Lincoln County, Parcel M, Industrial Park Site

Map 11: Lincoln County, Parcel F, Mixed Use Industrial Site

Map 13: Lincoln County, Parcel J, Mixed Use, Alamo Community Expansion Area

Map 14: Lincoln County, Parcel E, Mixed Use, Pioche Community Expansion Area

Map 15: Lincoln County, Parcel B, Landfill Expansion Site.

"(3) CONSTRUCTION.—The maps and legal descriptions of special conveyances referred to in paragraph (2) shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors in the maps and legal descriptions and make minor adjustments in the boundaries of the sites.

"(4) EVIDENCE OF TITLE TRANSFER.—Upon the request of the County of Lincoln, Nevada, the Secretary of the Interior shall provide evidence of title transfer.

"SEC. 202. TRANSPORTATION PLANNING.

"(a) TRANSPORTATION READINESS.—The Secretary shall take those actions that are necessary and appropriate to ensure that the Secretary is able to transport safely spent nuclear fuel and high-level radioactive waste from sites designated by the contract holders to mainline transportation facilities, using routes that minimize, to the maximum practicable extent consistent with Federal requirements governing transportation of hazardous materials, transportation of spent nuclear fuel and high-level radioactive waste through populated areas, beginning not later than November 30, 1999, and, by that date, shall, in consultation with the Secretary of Transportation, develop and implement a comprehensive management plan that ensures that safe transportation of spent nuclear fuel and high-level radioactive waste from the sites designated by the contract holders to the interim storage facility site beginning not later than November 30, 1999.

"(b) TRANSPORTATION PLANNING.—In conjunction with the development of the logistical plan in accordance with subsection (a), the Secretary shall update and modify, as necessary, the Secretary's transportation institutional plans to ensure that institutional issues are addressed and resolved on a schedule to support the commencement of transportation of spent nuclear fuel and high level radioactive waste to the interim storage facility no later than November 30, 1999. Among other things, such planning shall provide a schedule and process for addressing and implementing, as necessary, transportation routing plans, transportation contracting plans, transportation training in accordance with Section 203, and public education regarding transportation of spent nuclear fuel and high level radioactive waste; and transportation tracking programs.

"SEC. 203. TRANSPORTATION REQUIREMENTS.

"(a) PACKAGE CERTIFICATION.—No spent nuclear fuel or high-level radioactive waste may be transported by or for the Secretary under this Act except in packages that have been certified for such purposes by the Commission.

"(b) STATE NOTIFICATION.—The Secretary shall abide by regulations of the Commission regarding advance notification of State and local governments prior to transportation of spent nuclear fuel or high-level radioactive waste under this Act.

"(c) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance and funds to States, units of local government, and Indian tribes through whose jurisdiction the Secretary plans to transport substantial amounts of spent nuclear fuel or high-level radioactive waste for training for public safety officials of appropriate units of local government. The Secretary shall also provide technical assistance and funds for training directly to national nonprofit employee organizations which demonstrate experience in implementing and operating worker health and safety training and education programs and demonstrate the ability to reach and involve in training programs target populations of workers who are or will be directly engaged in the transportation of spent nuclear fuel and high-level radioactive waste, or emergency response or post-emergency response with respect to such transportation. Training shall cover procedures required for safe routine transportation of these materials, as well as procedures for dealing with emergency response situations, and shall be consistent with any training standards established by the Secretary of Transportation in accordance with subsection (g). The Secretary's duty to provide technical and financial assistance under this subsection shall be limited to amounts specified in annual appropriations.

"(d) PUBLIC EDUCATION.—The Secretary shall conduct a program to educate the public regarding the transportation of spent nuclear fuel and high-level radioactive waste, with an emphasis upon those States, units of local government, and Indian tribes through whose jurisdiction the Secretary plans to transport substantial amounts of spent nuclear fuel or high-level radioactive waste.

"(e) COMPLIANCE WITH TRANSPORTATION REGULATIONS.—Any person that transports spent nuclear fuel or high-level radioactive waste under the Nuclear Waste Policy Act of 1986, pursuant to a contract with the Secretary, shall comply with all requirements governing such transportation issued by the federal, state and local governments, and Indian tribes, in the same way and to the same extent that any person engaging in that transportation that is in or affects interstate commerce must comply with such requirements, as required by 49 U.S.C. sec. 5126.

"(f) EMPLOYEE PROTECTION.—Any person engaged in the interstate commerce of spent nuclear fuel or high-level radioactive waste under contract to the Secretary pursuant to this Act shall be subject to and comply fully with the employee protection provisions of 49 U.S.C. 20109 and 49 U.S.C. 31105.

"(g) TRAINING STANDARD.—(1) No later than 12 months after the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary of Transportation, pursuant to authority under other provisions of law, in consultation with the Secretary of Labor and the Commission, shall promulgate a regulation establishing training standards applicable to workers directly involved in the removal and transportation of spent nuclear fuel and high-level radioactive waste. The regulation shall specify minimum training standards applicable to workers, including managerial personnel. The regulation shall require that evidence of satisfaction of the applicable training standard be provided to an employer before any individual may be employed in the removal and transportation of spent nuclear fuel and high-level radioactive waste.

"(2) If the Secretary of Transportation determines, in promulgating the regulation required by subparagraph (1), that regulations promulgated by the Commission establish adequate training standards for workers, then the Secretary of Transportation can refrain from promulgating additional regulations with respect to worker training in such activities. The Secretary of Transportation and the Commission shall work through their Memorandum of Understanding to ensure coordination of worker training standards and to avoid duplicative regulation.

"(3) The training standards required to be promulgated under subparagraph (1) shall, among other things deemed necessary and appropriate by the Secretary of Transportation, include the following provision—

"(A) a specified minimum number of hours of initial off site instruction and actual field experience under the direct supervision of a trained, experienced supervisor;

"(B) a requirement that onsite managerial personnel receive the same training as workers, and a minimum number of additional hours of specialized training pertinent to their managerial responsibilities; and

"(C) a training program applicable to persons responsible for responding to and cleaning up emergency situations occurring during the removal and transportation of spent nuclear fuel and high-level radioactive waste.

"(4) There is authorized to be appropriated to the Secretary of Transportation, from general revenues, such sums as may be necessary to perform his duties under this subsection.

"SEC. 204. INTERIM STORAGE.

"(a) Authorization.—The Secretary shall design, construct, and operate a facility for the interim storage of spent nuclear fuel and high-level radioactive waste at the interim storage facility site. The interim storage facility shall be subject to licensing pursuant to the Atomic Energy Act of 1954 in accordance with the Commission's regulations governing the licensing of independent spent fuel storage installations, which regulations shall be amended by the Commission as necessary to implement the provisions of this Act. The interim storage facility shall commence operation in phases in accordance with subsection (b).

"(b) Schedule.—(1) The Secretary shall proceed forthwith and without further delay with all activities necessary to begin storing spent nuclear fuel and high-level radioactive waste at the interim storage facility at the interim storage facility site by November 30, 1999, except that:

"(A) The Secretary shall not begin any construction activities at the interim storage facility site before December 31, 1998.

"(B) The Secretary shall cease all activities (except necessary termination activities) at the Yucca Mountain site if the President determines, in his discretion, on or before December 31, 1998, based on a preponderance of the information available at such time, that the Yucca Mountain site is unsuitable for development as a repository, including geologic and engineered barriers, because of a substantial likelihood that a repository of useful size cannot be designed, licensed, and constructed at the Yucca Mountain site.

"(C) No later than June 30, 1998, the Secretary shall provide to the President and to the Congress a viability assessment of the Yucca Mountain site. The viability assessment shall include—

"(i) the preliminary design concept for the critical elements of the repository and waste package,

"(ii) a total system performance assessment, based upon the design concept and the scientific data and analysis available by June 30, 1998, describing the probable behavior of the repository in the Yucca Mountain geologic setting relative to the overall system performance standard set forth in section 205(d) of this Act,

"(iii) a plan and cost estimate for the remaining work required to complete a license application, and

"(iv) an estimate of the costs to construct and operate the repository in accordance with the design concept.

"(D) Within 18 months of a determination by the President that the Yucca Mountain site is unsuitable for development as a repository under paragraph (B), the President shall designate a site for the construction of an interim storage facility. If the President does not designate a site for the construction of an interim storage facility, or the construction of an interim storage facility at the designated site is not approved by law within 24 months of the President's determination that the Yucca Mountain site is not suitable for development as a repository, the Secretary shall begin construction of an interim storage facility at the interim storage facility site as defined in section 2(19) of this Act. The interim storage facility site as defined in section 2(19) of this Act shall be deemed to be approved by law for purposes of this section.

"(2) Upon the designation of an interim storage facility site by the President under paragraph (1)(D), the Secretary shall proceed forthwith and without further delay with all activities necessary to begin storing spent nuclear fuel and high-level radioactive waste at an interim storage facility at the designated site, except that the Secretary shall not begin any construction activities at the designated interim storage facility site before the designated interim storage facility site is approved by law.

"(c) Design.—

"(1) The interim storage facility shall be designed in two phases in order to commence operations no later than November 30, 1999. the design of the interim storage facility shall provide for the use of storage technologies, licensed, approved, or certified by the Commission for use at the interim storage facility as necessary to ensure compatibility between the interim storage facility and contract holders' spent nuclear fuel and facilities, and to facilitate the Secretary's ability to meet the Secretary's obligations under this Act.

"(2) The Secretary shall consent to an amendment to the contracts to provide for reimbursement to contract holders for transportable storage systems purchased by contract holders if the Secretary determines that it is cost effective to use such transportable storage systems as part of the integrated management system, provided that the Secretary shall not be required to expend any funds to modify contract holders' storage or transport systems or to seek additional regulatory approvals in order to use such systems.

"(d) Licensing.—

"(1) Phases.—The interim storage facility shall be licensed by the Commission in two phases in order to commence operations no later than November 30, 1999.

"(2) First phase.—No later than 12 months after the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall submit to the Commission an application for a license for the first phase of the interim storage facility. The Environmental Report and Safety Analysis Report submitted in support of such license application shall be consistent with the scope of authority requested in the license application. The license issued for the first phase of the interim storage facility shall have a term of 20 years. The interim storage facility licensed in the first phase shall have a capacity of not more than 15,000 MTU. The Commission shall issue a final decision granting or denying the application for the first phase license no later than 16 months from the date of the submittal of the application for such license.

"(3) Second phase.—No later than 30 months after the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall submit to the Commission an application for a license for the second phase interim storage facility. The license for the second phase facility shall authorize a storage capacity of 40,000 MTU. If the Secretary does not submit the license application for construction of a repository by February 1, 2002, or does not begin full spent nuclear fuel receipt operations at a repository by January 17, 2010, the license shall authorize a storage capacity of 60,000 MTU. The license application shall be submitted such that the license can be issued to permit the second phase facility to begin full spent nuclear fuel receipt operations no later than December 31, 2002. The license for the second phase shall have an initial term of up to 100 years, and shall be renewable for additional terms upon application to the Secretary.

"(e) Additional Authority.—

"(1) Construction.—For purposes of complying with this section, the Secretary may commence site preparation for the interim storage facility as soon as practicable after the date of enactment of the Nuclear Waste Policy Act of 1996 and shall commence construction of each phase of the interim storage facility subsequent to submittal of the license application for such phase except that the Commission shall issue an order suspending such construction at any time if the Commission determines that such construction poses an unreasonable risk to public health and safety or the environment. The Commission shall terminate all or part of such order upon a determination that the Secretary has taken appropriate action to climate such risk.

"(2) Facility use.—Notwithstanding any otherwise applicable licensing requirement, the Secretary may utilize any facility owned by the Federal Government on the date of enactment of the Nuclear Waste Policy Act of 1996 within the boundaries of the interim storage facility site, in connection with an imminent and substantial endangerment to public health and safety at the interim storage facility prior to commencement of operations during the second phase.

"(3) Emplacement of fuel and waste.—Subject to paragraph (i), once the Secretary has achieved the annual acceptance rate for spent nuclear fuel from civilian nuclear power reactors established pursuant to the contracts executed prior to the date of enactment of the Nuclear Waste Policy Act of 1996, as set forth in the Secretary's annual capacity report dated March, 1995 (DOE/RW–0457), the Secretary shall accept, in an amount not less than 25% of the difference between the contractual acceptance rate and the annual emplacement rate for spent nuclear fuel from civilian nuclear power reactors established under section 507(a), the following radioactive materials:

"(A) spent nuclear fuel or high-level radioactive waste of domestic origin from civilian nuclear power reactors that have permanently ceased operation on or before the date of enactment of the Nuclear Waste Policy Act of 1996;

"(B) spent nuclear fuel from foreign research reactors, as necessary to promote non-proliferation objectives; and

"(C) spent nuclear fuel, including spent nuclear fuel from naval reactors, and high-level radioactive waste from atomic energy defense activities.

"(f) National Environmental Policy Act of 1969.—

"(1) Preliminary decisionmaking activities.—The Secretary's and President's activities under this section, including, but not limited to, the selection of a site for the interim storage facility, assessments, determinations and designations made under section 204(b), the preparation and submittal of a license application and supporting documentation, the construction of a facility under paragraph (e)(1) of this section, and facility use pursuant to paragraph (e)(2) of this section shall be considered preliminary decisionmaking activities for purposes of judicial review. The Secretary shall not prepare an environmental impact statement under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) or any environmental review under subparagraph (E) or (F) of such Act before conducting these activities.

"(2) Environmental impact statement.—

"(A) Final decision.—A final decision by the Commission to grant or deny a license application for the first or second phase of the interim storage facility shall be accompanied by an Environmental Impact Statement prepared under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). In preparing such Environmental Impact Statement, the Commission—

"(i) shall ensure that the scope of the Environmental Impact Statement is consistent with the scope of the licensing action; and

"(ii) shall analyze the impacts of the transportation of spent nuclear fuel and high-level radioactive waste to the interim storage facility in a generic manner.

"(B) CONSIDERATIONS.—Such Environmental Impact Statement shall not consider—

"(i) the need for the interim storage facility, including any individual component thereof;

"(ii) the time of the initial availability of the interim storage facility;

"(iii) any alternatives to the storage of spent nuclear fuel and high-level radioactive waste at the interim storage facility;

"(iv) any alternatives to the site of the facility as designated by the Secretary in accordance with subsection (a);

"(v) any alternatives to the design criteria for such facility or any individual component thereof, as specified by the Secretary in the license application; or

"(vi) the environmental impacts of the storage of spent nuclear fuel and high-level radioactive waste at the interim storage facility beyond the initial term of the license or the term of the renewal period for which a license renewal application is made.

"(g) JUDICIAL REVIEW.—Judicial review of the Commission's environmental impact statement under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) shall be consolidated with judicial review of the Commission's licensing decision. No court shall have jurisdiction to enjoin the construction or operation of the interim storage facility prior to its final decision on review of the Commission's licensing action.

"(h) WASTE CONFIDENCE.—The Secretary's obligation to construct and operate the interim storage facility in accordance with this section and the Secretary's obligation to develop an integrated management system in accordance with the provisions of this Act, shall provide sufficient and independent grounds for any further findings by the Commission of reasonable assurance that spent nuclear fuel and high-level radioactive waste will be disposed of safely and on a timely basis for purposes of the Commission's decision to grant or amend any license to operate any civilian nuclear power reactor under the Atomic Energy Act of 1954 (42 U.S.C. 2011, et seq.).

"(i) STORAGE OF OTHER SPENT NUCLEAR FUEL AND HIGH-LEVEL RADIOACTIVE WASTE.—No later than 18 months following the date of enactment of the Nuclear Waste Policy Act of 1996, the Commission shall, by rule, establish criteria for the storage in the interim storage facility of fuel and waste listed in paragraph (e)(3) (A) through (C), to the extent such criteria are not included in regulations issued by the Commission and existing on the date of enactment of the Nuclear Waste Policy Act of 1996. Following establishment of such criteria, the Secretary shall seek authority, as necessary, to store fuel and waste listed in paragraph (e)(3) (A) through (C) at the interim storage facility. None of the activities carried out pursuant to this paragraph shall delay, or otherwise affect, the development, construction, licensing, or operation of the interim storage facility.

"(j) SAVINGS CLAUSE.—The Commission shall, by rule, establish procedures for the licensing of any technology for the dry storage of spent nuclear fuel by rule and without, to the maximum extent possible, the need for site-specific approvals by the Commission. Nothing in this Act shall affect any such procedures, or any licenses or approvals issued pursuant to such procedures in effect on the date of enactment.

"SEC. 205. PERMANENT REPOSITORY.

"(a) REPOSITORY CHARACTERIZATION.—

"(1) GUIDELINES.—The guidelines promulgated by the Secretary and published at 10 CFR part 960 are annulled and revoked and the Secretary shall make no assumptions or conclusions about the licensability of the Yucca Mountain site as a repository by reference to such guidelines.

"(2) SITE CHARACTERIZATION ACTIVITIES.—The Secretary shall carry out appropriate site characterization activities at the Yucca Mountain site in accordance with the Secretary's program approach to site characterization. The Secretary shall modify or eliminate those site characterization activities designed only to demonstrate the suitability of the site under the guidelines referenced in paragraph (1).

"(3) SCHEDULE DATE.—Consistent with the schedule set forth in the program approach, as modified to be consistent with the Nuclear Waste Policy Act of 1996, no later than February 1, 2002, the Secretary shall apply to the Commission for authorization to construct a repository. If, at any time prior to the filing of such application, the Secretary determines that the Yucca Mountain site cannot satisfy the Commission's regulations applicable to the licensing of a geologic repository, the Secretary shall terminate site characterization activities at the site, notify Congress and the State of Nevada of the Secretary's determination and the reasons therefor, and recommend to Congress not later than 6 months after such determination further actions, including the enactment of legislation, that may be needed to manage the Nation's spent nuclear fuel and high-level radioactive waste.

"(4) MAXIMIZING CAPACITY.—In developing an application for authorization to construct the repository, the Secretary shall seek to maximize the capacity of the repository, in the most cost-effective manner, consistent with the need for disposal capacity.

"(b) REPOSITORY LICENSING.—Upon the completion of any licensing proceeding for the first phase of the interim storage facility, the Commission shall amend its regulations governing the disposal of spent nuclear fuel and high-level radioactive waste in geologic repositories to the extent necessary to comply with this Act. Subject to subsection (c), such regulations shall provide for the licensing of the repository according to the following procedures:

"(1) CONSTRUCTION AUTHORIZATION.—The Commission shall grant the Secretary a construction authorization for the repository upon determining that there is reasonable assurance that spent nuclear fuel and high-level radioactive waste can be disposed of in the repository—

"(A) in conformity with the Secretary's application, the provisions of this Act, and the regulations of the Commission;

"(B) without unreasonable risk to the health and safety of the public; and

"(C) consistent with the common defense and security.

"(2) LICENSE.—Following substantial completion of construction and the filing of any additional information needed to complete the license application, the Commission shall issue a license to dispose of spent nuclear fuel and high-level radioactive waste in the repository if the Commission determines that the repository has been constructed and will operate—

"(A) in conformity with the Secretary's application, the provisions of this Act, and the regulations of the Commission;

"(B) without unreasonable risk to the health and safety of the public; and

"(C) consistent with the common defense and security.

"(3) CLOSURE.—After emplacing spent nuclear fuel and high-level radioactive waste in the repository and collecting sufficient confirmatory data on repository performance to reasonably confirm the basis for repository closure consistent with the Commission's regulations applicable to the licensing of a repository, as modified in accordance with this Act, the Secretary shall apply to the Commission to amend the license to permit permanent closure of the repository. The Commission shall grant such license amendment upon finding that there is reasonable assurance that the repository can be permanently closed—

"(A) in conformity with the Secretary's application to amend the license, the provisions of this Act, and the regulations of the Commission;

"(B) without unreasonable risk to the health and safety of the public; and

"(C) consistent with the common defense and security.

"(4) POST-CLOSURE.—The Secretary shall take those actions necessary and appropriate at the Yucca Mountain site to prevent any activity at the site subsequent to repository closure that poses an unreasonable risk of—

"(A) breaching the repository's engineered or geologic barriers; or

"(B) increasing the exposure of individual members of the public to radiation beyond the release standard established in subsection (d)(1).

"(c) MODIFICATION OF REPOSITORY LICENSING PROCEDURE.—The Commission's regulations shall provide for the modification of the repository licensing procedure, as appropriate, in the event that the Secretary seeks a license to permit the emplacement in the repository, on a retrievable basis, of spent nuclear fuel or high-level radioactive waste as is necessary to provide the Secretary with sufficient confirmatory data on repository performance to reasonably confirm the basis for repository closure consistent with applicable regulations.

"(d) REPOSITORY LICENSING STANDARDS.—The Administrator of the Environmental Protection Agency shall, pursuant to authority under others provisions of law, issue generally applicable standards for the protection of the public from releases of radioactive materials or radioactivity from the repository. Such standards shall be consistent with the overall system performance standard established by this subsection unless the Administrator determines by rule that the overall system performance standard would constitute an unreasonable risk to health and safety. The Commission's repository licensing determinations for the protection of the public shall be based solely on a finding whether the repository can be operated in conformance with the overall system performance standard established in paragraph (1), applied in accordance with the provisions of paragraph (2), and the Administrator's radiation protection standards. The Commission shall amend its regulations in accordance with subsection (b) to incorporate each of the following licensing standards:

"(1) ESTABLISHMENT OF OVERALL SYSTEM PERFORMANCE STANDARD.—The standard for protection of the public from release of radioactive material or radioactivity from the repository shall prohibit releases that would expose an average member of the general population in the vicinity of the Yucca Mountain site to an annual dose in excess of 100 millirems unless the Commission determines by rule that such standard would constitute an unreasonable risk to health and safety and establishes by rule another standard which will protect health and safety. Such standard shall constitute an overall system performance standard.

"(2) APPLICATION OF OVERALL SYSTEM PERFORMANCE STANDARD.—The Commission shall issue the license if it finds reasonable assurance that for the first 1,000 years following the commencement of repository operations, the overall system performance standard will be met based on a probabilistic evaluation, as appropriate, of compliance with the overall system performance standard in paragraph (1).

"(3) FACTOR.—For purposes of making the finding in paragraph (2)—

"(A) the Commission shall not consider catastrophic events where the health consequences of individual events themselves can be reasonably assumed to exceed the health consequences due to the impact of the events on repository performance;

"(B) for the purpose of this section, an average member of the general population in the vicinity of the Yucca Mountain site means a person whose physiology, age, general health, agricultural practices, eating habits, and social behavior represent the average for persons living in the vicinity of the site. Extremes in social behavior, eating habits, or other relevant practices or characteristics shall not be considered; and

"(C) the Commission shall assume that, following repository closure, the inclusion of engineered barriers and the Secretary's post-closure actions at the Yucca Mountain site; in accordance with subsection (b)(4), shall be sufficient to—

"(i) prevent any human activity at the site that poses an unreasonable risk of breaching the repository's engineered or geologic barriers; and

"(ii) prevent any increase in the exposure of individual members of the public to radiation beyond the allowable limits specified in paragraph (1).

"(4) ADDITIONAL ANALYSIS.—The Commission shall analyze the overall system performance through the use of probabilistic evaluations that use best estimate assumptions, data, and methods for the period commencing after the first 1,000 years of operation of the repository and terminating at 10,000 years after the commencement of operation of the repository.

"(e) NATIONAL ENVIRONMENTAL POLICY ACT.—

"(1) SUBMISSION OF STATEMENT.—Construction and operation of the repository shall be considered a major Federal action significantly affecting the quality of the human environment for purposes of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The Secretary shall submit an environmental impact statement on the construction and operation of the repository to the Commission with the license application and shall supplement such environmental impact statement as appropriate.

"(2) CONSIDERATIONS.—For purposes of complying with the requirements of the National Environmental Policy Act of 1969 and this section, the Secretary shall not consider in the environmental impact statement the need for the repository, or alternative sites or designs for the repository.

"(3) ADOPTION BY COMMISSION.—The Secretary's environmental impact statement and any supplements thereto shall, to the extent practicable, be adopted by the Commission in connection with the issuance by the Commission of a construction authorization under subsection (b)(1), a license under subsection (b)(2), or a license amendment under subsection (b)(3). To the extent such statement or supplement is adopted by the Commission, such adoption shall be deemed to also satisfy the responsibilities of the Commission under the National Environmental Policy Act of 1969, and no further consideration shall be required, except that nothing in this subsection shall affect any independent responsibilities of the Commission to protect the public health and safety under the Atomic Energy Act of 1954. In any such statement or supplement prepared with respect to the repository, the Commission shall not consider the need for a repository, or alternate sites or designs for the repository.

"(f) JUDICIAL REVIEW.—No court shall have jurisdiction to enjoin issuance of the Commission repository licensing regulations prior to its final decision on review of such regulations.

"SEC. 206. LAND WITHDRAWAL.

"(a) WITHDRAWAL AND RESERVATION.—

"(1) WITHDRAWAL.—Subject to valid existing rights, the interim storage facility site and the Yucca Mountain site, as described in subsection (b), are withdrawn from all forms of entry, appropriation, and disposal under the public land laws, including the mineral leasing laws, the geothermal leasing laws, the material sale laws, and the mining laws.

"(2) JURISDICTION.—Jurisdiction of any land within the interim storage facility site and the Yucca Mountain site managed by the Secretary of the Interior or any other Federal officer is transferred to the Secretary.

"(3) RESERVATION.—The interim storage facility site and the Yucca Mountain site are reserved for the use of the Secretary for the construction and operation, respectively, of the interim storage facility and the repository and activities associated with the purposes of this title.

"(b) LAND DESCRIPTION.—

"(1) BOUNDARIES.—The boundaries depicted on the map entitled "Interim Storage Facility Site Withdrawal Map," dated March 13, 1996, and on file with the Secretary, are established as the boundaries of the Interim Storage Facility site.

"(2) BOUNDARIES.—The boundaries depicted on the map entitled 'Yucca Mountain Site Withdrawal Map,' dated July 9, 1996, and on file with the Secretary, are established as the boundaries of the Yucca Mountain site.

"(3) NOTICE AND MAPS.—Within 6 months of the date of the enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall—

"(A) publish in the Federal Register a notice containing a legal description of the interim storage facility site; and

"(B) file copies of the maps described in paragraph (1), and the legal description of the interim storage facility site with the Congress, the Secretary of the Interior, the Governor of Nevada, and the Archivist of the United States.

"(4) NOTICE AND MAPS.—Concurrent with the Secretary's application to the Commission for authority to construct the repository, the Secretary shall—

"(A) publish in the Federal Register a notice containing a legal description of the Yucca Mountain site; and

"(B) file copies of the maps described in paragraph (2), and the legal description of the Yucca Mountain site with the Congress, the Secretary of the Interior, the Governor of Nevada, and the Archivist of the United States.

"(5) CONSTRUCTION.—The maps and legal descriptions of the interim storage facility site and the Yucca Mountain site referred to in this subsection shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors in the maps and legal descriptions and make minor adjustments in the boundaries of the sites.

"TITLE III—LOCAL RELATIONS

"SEC. 301. FINANCIAL ASSISTANCE.

"(a) GRANTS.—The Secretary is authorized to make grants to any affected Indian tribe or affected unit of local government for purposes of enabling the affected Indian tribe or affected unit of local government—

"(1) to review activities taken with respect to the Yucca Mountain site for purposes of determining any potential economic, social, public health and safety, and environmental impacts of the integrated management system on the affected Indian tribe or the affected unit of local government and its residents;

"(2) to develop a request for impact assistance under subsection (c);

"(3) to engage in any monitoring, testing, or evaluation activities with regard to such site;

"(4) to provide information to residents regarding any activities of the Secretary, or the Commission with respect to such site; and

"(5) to request information from, and make comments and recommendations to, the Secretary regarding any activities taken with respect to such site.

"(b) SALARY AND TRAVEL EXPENSES.—Any salary and travel expense that would ordinarily be incurred by any affected Indian tribe or affected unit of local government may not be considered eligible for funding under this section.

"(c) FINANCIAL AND TECHNICAL ASSISTANCE.—

"(1) ASSISTANCE REQUESTS.—The Secretary is authorized to offer to provide financial and technical assistance to any affected Indian tribe or affected unit of local government requesting such assistance. Such assistance shall be designed to mitigate the impact on the affected Indian tribe or affected unit of local government of the development of the integrated management system.

"(2) REPORT.—Any affected Indian tribe or affected unit of local government may request assistance under this section by preparing and submitting to the Secretary a report on the economic, social, public health and safety, and environmental impacts that are likely to result from activities of the integrated management system.

"(d) OTHER ASSISTANCE.—

"(1) TAXABLE AMOUNTS.—In addition to financial assistance provided under this subsection, the Secretary is authorized to grant to any affected Indian tribe or affected unit of local government an amount each fiscal year equal to the amount such affected Indian tribe or affected unit of local government, respectively, would receive if authorized to tax integrated management system activities, as such affected Indian tribe or affected unit of local government taxes the non-Federal real property and industrial activities occurring within such affected unit of local government.

"(2) TERMINATION.—Such grants shall continue until such time as all such activities, development, and operations are terminated at such site.

"(3) ASSISTANCE TO INDIAN TRIBES AND UNITS OF LOCAL GOVERNMENT.—

"(A) PERIOD.—Any affected Indian tribe or affected unit of local government may not receive any grant under paragraph (1) after the expiration of the 1-year period following the date on which the Secretary notifies the affected Indian tribe or affected unit of local government of the termination of the operation of the integrated management system.

"(B) ACTIVITIES.—Any affected Indian tribe or affected unit of local government may not receive any further assistance under this section if the integrated management system activities at such site are terminated by the Secretary or if such activities are permanently enjoined by any court.

"SEC. 302. ON-SITE REPRESENTATIVE.

"The Secretary shall offer to the unit of local government within whose jurisdiction a site for an interim storage facility or repository is located under this Act an opportunity to designate a representative to conduct onsite oversight activities at such site. The Secretary is authorized to pay the reasonable expenses of such representative.

"SEC. 303. ACCEPTANCE OF BENEFITS.

"(A) CONSENT.—The acceptance or use of any of the benefits provided under this title by any affected Indian tribe or affected unit of local government shall not be deemed to be an expression of consent, express, or implied, either under the Constitution of the State or any law thereof, to the siting of an interim storage facility or repository in the State of Nevada, any provision of such Constitution of laws to the contrary notwithstanding.

"(b) ARGUMENTS.—Neither the United States nor any other entity many assert any argument based on legal or equitable estoppel, or acquiescence, or waiver, or consensual involvement, in response to any decision by the State to oppose the siting in Nevada of an interim storage facility or repository premised upon or related to the acceptance or use of benefits under this title.

"(c) LIABILITY.—No liability of any nature shall accrue to be asserted against any official of any governmental unit of Nevada premised solely upon the acceptance or use of benefits under this title.

"SEC. 304. RESTRICTIONS ON USE OF FUNDS.

"None of the funding provided under this title may be used—

"(1) directly or indirectly to influence legislative action on any matter pending before Congress or a State legislature or for any lobbying activity as provided in section 1913 of title 18, United States Code;

"(2) for litigation purposes; and

"(3) to support multistate efforts or other coalition-building activities inconsistent with the purposes of this Act.

"SEC. 305. LAND CONVEYANCES.

"(a) CONVEYANCES OF PUBLIC LANDS.—One hundred and twenty days after enactment of this Act, all right, title and interest of the United States in the property described in subsection (b), and improvements thereon, together with all necessary easements for utilities and ingress and egress to such property, including, but not limited to, the right to improve those easements, are conveyed by operation of law to the County of Nye, Nevada, unless the county notifies the Secretary of the Interior or the head of such other appropriate agency in writing within 60 days of such date of enactment that it elects not to take title to all or any part of the property, except that any lands conveyed to the County of Nye under this subsection that are subject to a Federal grazing permit or lease or a similar federally granted permit or lease shall be conveyed between 60 and 120 days of the earliest time the Federal agency administering or granting the permit or lease would be able to legally terminate such right under the statutes and regulations existing at the date of enactment of this Act, unless Nye County and the affected holder of the permit or lease negotiate an agreement that allows for an earlier conveyance.

"(b) SPECIAL CONVEYANCES.—Notwithstanding any other law, the following public lands depicted on the maps and legal descriptions dated October 11, 1995, and on file with the Secretary shall be conveyed under subsection (a) to the County of Nye, Nevada:

"Map 1: Proposed Pahrump Industrial Park Site

"Map 2: Proposed Lathrop Wells (Gate 510) Industrial Park Site

"Map 3: Pahrump Landfill Sites

"Map 4: Amargosa Valley Regional Landfill Site

"Map 5: Amargosa Valley Municipal Landfill Site

"Map 6: Beatty Landfill/Transfer Station Site

"Map 7: Round Mountain Landfill Site

"Map 8: Tonopah Landfill Site

"Map 9: Gabbs Landfill Site.

"(3) CONSTRUCTION.—The maps and legal descriptions of special conveyances referred to in subsection (b) shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors in the maps and legal descriptions and make minor adjustments in the boundaries of the sites.

"(4) EVIDENCE OF TITLE TRANSFER.—Upon the request of the County of Nye, Nevada, the Secretary of the Interior shall provide evidence of title transfer.

"TITLE IV—FUNDING AND ORGANIZATION

"SEC. 401. PROGRAM FUNDING.

"(a) CONTRACTS.—

"(1) AUTHORITY OF SECRETARY.—In the performance of the Secretary's functions under this Act, the Secretary is authorized to enter into contracts with any person who generates or holds title to spent nuclear fuel or high level radioactive waste of domestic origin for the acceptance of title and possession, transportation, interim storage, and disposal of such waste or spent fuel. Such contracts shall provide for payment of annual fees to the Secretary in the amounts set by the Secretary pursuant to paragraphs (2) and (3). Except as provided in paragraph (3), fees assessed pursuant to this paragraph shall be paid to the Treasury of the United States and shall be available for use by the Secretary pursuant to this section until expended. Subsequent to the date of enactment of the Nuclear Waste Policy Act of 1996, the contracts executed under section 302(a) of the Nuclear Waste Policy Act of 1982 shall continue in effect under this Act, provided that the Secretary shall consent to an amendment to such contracts as necessary to implement the provisions of this Act.

"(2) ANNUAL FEES.—

"(A) For electricity generated by civilian nuclear power reactors and sold between January 7, 1983, and September 30, 2002, the fee under paragraph (1) shall be equal to 1.0 mill per kilowatt hour generated and sold. For electricity generated by civilian nuclear power reactors and sold on or after October 1, 2002, the aggregate amount of fees collected during each fiscal year shall be no greater than the annual level of appropriations for expenditures on those activities consistent with subsection (d) for that fiscal year, minus—

"(i) any unobligated balance collected pursuant to this section during the previous fiscal year; and

"(ii) the percentage of such appropriation required to be funded by the Federal Government pursuant to section 403.

The Secretary shall determine the level of the annual fee for each civilian nuclear power reactor based on the amount of electricity generated and sold, except that the annual fee collected under this subparagraph shall not exceed 1.0 mill per kilowatt-hour generated and sold.

"(B) EXPENDITURES IF SHORTFALL.—If, during any fiscal year on or after October 1, 2002, the aggregate amount of fees assessed pursuant to subparagraph (A) is less than the annual level of appropriations for expenditures on those activities specified in subsection (d) for that fiscal year, minus—

"(i) any unobligated balance collected pursuant to this section during the previous fiscal year; and

"(ii) the percentage of such appropriations required to be funded by the Federal Government pursuant to section 403,

the Secretary may make expenditures from the Nuclear Waste Fund up to the level of the fees assessed.

"(C) RULES.—The Secretary shall, by rule, establish procedures necessary to implement this paragraph.

"(3) ONE-TIME FEE.—For spent nuclear fuel or solidified high-level radioactive waste derived from spent nuclear fuel, which fuel was used to generate electricity in a civilian nuclear power reactor prior to January 7, 1983, the fee shall be in an amount equivalent to an average charge of 1.0 mill per kilowatt-hour for electricity generated by such spent nuclear fuel, or such solidified high-level waste derived therefrom. Payment of such one-time fee prior to the date of enactment of the Nuclear Waste Policy Act of 1996 shall satisfy the obligation imposed under this paragraph. Any one-time fee paid and collected subsequent to the date of enactment of the Nuclear Waste Policy Act of 1966 pursuant to the contracts, including any interest due pursuant to such contracts, shall be paid to the Nuclear Waste Fund no later than September 30, 2002. The Commission shall suspend the license of any licensee who fails or refuses to pay the full amount of the fee referred to in this paragraph on or before September 30, 2002, and the license shall remain suspended until the full amount of the fee referred to in this paragraph is paid. The person paying the fee under this paragraph to the Secretary shall have no further financial obligation to the Federal Government for the long-term storage and permanent disposal of spend fuel or high-level radioactive waste derived from spent nuclear fuel used to generate electricity in a civilian power reactor prior to January 7, 1983.

"(4) ADJUSTMENTS TO FEE.—The Secretary shall annually review the amount of the fees established by paragraphs (2) and (3), together with the existing balance of the Nuclear Waste Fund on the date of enactment of the Nuclear Waste Policy Act of 1996, to evaluate whether collection of the fee will provide sufficient revenues to offset the costs as defined in subsection (c)(2). In the event the Secretary determines that the revenues being collected are either insufficient or excessive to recover the costs incurred by the Federal Government that are specified in subsection (c)(2), the Secretary shall propose an adjustment to the fee in subsection (c)(2) to ensure full cost recovery. The Secretary shall immediately transmit the proposal for such an adjustment to both houses of Congress.

"(b) ADVANCE CONTRACTING REQUIREMENT.—

"(1) IN GENERAL.—

"(A) LICENSE ISSUANCE AND RENEWAL.—The Commission shall not issue or renew a license to any person to use a utilization or production facility under the authority of section 103 or 104 of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134) unless—

"(i) such person has entered into a contract under subsection (a) with the Secretary; or

"(ii) the Secretary affirms in writing that such person is actively and in good faith negotiating with the Secretary for a contract under this section.

"(B) PRECONDITION.—The Commission, as it deems necessary or appropriate, may require as a precondition to the issuance or renewal of a license under section 103 or 104 of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134) that the applicant for such license shall have entered into an agreement with the Secretary for the disposal of spent nuclear fuel and high-level radioactive waste that may result from the use of such license.

"(2) DISPOSAL IN REPOSITORY.—Except as provided in paragraph (1), no spent nuclear fuel or high-level radioactive waste generated or owned by any person (other than a department of the United States referred to in section 101 or 102 of title 5, United States Code) may be disposed of by the Secretary in the repository unless the generator or owner of such spent fuel or waste has entered into a contract under subsection (a) with the Secretary by not later than the date on which such generator or owner commences generation of, or takes title to, such spent fuel or waste.

"(3) ASSIGNMENT.—The rights and duties of contract holders are assignable.

"(c) NUCLEAR WASTE FUND.—

"(1) IN GENERAL.—The Nuclear Waste Fund established in the Treasury of the United States under section 302(c) of the Nuclear Waste Policy Act of 1982 shall continue in effect under this Act and shall consist of—

"(A) the existing balance in the Nuclear Waste Fund on the date of enactment of the Nuclear Waste Policy Act of 1996; and

"(B) all receipts, proceeds, and recoveries realized under subsections (a), and (c)(3) subsequent to the date of enactment of the Nuclear Policy Act of 1996, which shall be deposited in the Nuclear Waste Fund immediately upon their realization.

"(2) USE.—The Secretary may make expenditures from the Nuclear Waste Fund, subject to subsections (d) and (e), only for purposes of the integrated management system.

"(3) ADMINISTRATION OF NUCLEAR WASTE FUND.—

"(A) IN GENERAL.—The Secretary of the Treasury shall hold the Nuclear Waste Fund and, after consultation with the Secretary, annually report to the Congress on the financial condition and operations of the Nuclear Waste Fund during the preceding fiscal year.

"(B) AMOUNTS IN EXCESS OF CURRENT NEEDS.—If the Secretary determines that the Nuclear Waste Fund contains at any time amounts in excess of current needs, the Secretary may request the Secretary of the Treasury to invest such amounts, or any portion of such amounts as the Secretary determines to be appropriate, in obligations of the United States—

"(i) having maturities determined by the Secretary of the Treasury to be appropriate to the needs of the Nuclear Waste Fund; and

"(ii) bearing interest at rates determined to be appropriate by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturities of such investments, except that the interest rate on such investments shall not exceed the average interest rate applicable to existing borrowings.

"(C) EXEMPTION.—Receipts, proceeds, and recoveries realized by the Secretary under this section, and expenditures of amounts from the Nuclear Waste Fund, shall be exempt from annual apportionment under the provisions of subchapter II of chapter 15 of title 31, United States Code.

"(d) BUDGET.—The Secretary shall submit the budget for implementation of the Secretary's responsibilities under this Act to the Office of Management and Budget annually along with the budget of the Department of Energy submitted at such time in accordance with chapter II of title 31, United States Code. The budget shall consist of the estimates made by the Secretary of expenditures under this Act and other relevant financial matters for the succeeding 3 fiscal years, and shall be included in the budget of the United States Government.

"(e) APPROPRIATIONS.—The Secretary may make expenditures from the new Nuclear Waste Fund, subject to appropriations, which shall remain available until expended.

"SEC. 402. OFFICE OF CIVILIAN RADIOACTIVE WASTE MANAGEMENT.

"(a) ESTABLISHMENT.—There hereby is established within the Department of Energy an Office of Civilian Radioactive Waste Management. The Office shall be headed by a Director, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(b) FUNCTIONS OF DIRECTOR.—The Director of the Office shall be responsible for carrying out the functions of the Secretary under this Act, subject to the general supervision of the Secretary. The Director of the Office shall be directly responsible to the Secretary.

"SEC. 403. FEDERAL CONTRIBUTION.

"(a) ALLOCATION.—No later than one year from the date of enactment of the Nuclear Waste Policy Act of 1996, acting pursuant to section 553 of title 5, United States Code, the Secretary shall issue a final rule establishing the appropriate portion of the costs of managing spent nuclear fuel and high-level radioactive waste under this Act allocable to the interim storage or permanent disposal of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors. The share of costs allocable to the management of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors shall include,

"(1) an appropriate portion of the costs associated with research and development activities with respect to development of an interim storage facility and repository; and

"(2) as appropriate, interest on the principal amounts due calculated by reference to the appropriate Treasury bill rate as if the payments were made at a point in time consistent with the payment dates for spent nuclear fuel and high-level radioactive waste under the contracts.

"(b) APPROPRIATION REQUEST.—In addition to any request for an appropriation from the Nuclear Waste Fund, the Secretary shall request annual appropriations from general revenues in amounts sufficient to pay the costs of the management of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors, as established under subsection (a).

"(c) REPORT.—In conjunction with the annual report submitted to Congress under Section 702, the Secretary shall advise the Congress annually of the amount of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors, requiring management in the integrated management system.

"(d) AUTHORIZATION.—There is authorized to be appropriated to the Secretary, from general revenues, for carrying out the purposes of this Act, such sums as may be necessary to pay the costs of the management of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors, as established under subsection (a).

"TITLE V—GENERAL AND MISCELLANEOUS PROVISIONS

"SEC. 501. COMPLIANCE WITH OTHER LAWS.

"If the requirements of any Federal, State, or local law (including a requirement imposed by regulation or by any other means under such a law) are inconsistent with or duplicative of the requirements of the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) or of this Act, the Secretary shall comply only with the requirements of the Atomic Energy Act of 1954 and of this Act in implementing the integrated management system.

"SEC. 502. JUDICIAL REVIEW OF AGENCY ACTIONS.

"(a) JURISDICTION OF THE UNITED STATES COURTS OF APPEALS.—

"(1) ORIGINAL AND EXCLUSIVE JURISDICTION.—Except for review in the Supreme Court of the United States, and except as otherwise provided in this Act, the United States courts of appeals shall have original and exclusive jurisdiction over any civil action—

"(A) for review of any final decision or action of the Secretary, the President, or the Commission under this Act;

"(B) alleging the failure of the Secretary, the President, or the Commission to make any decision, or take any action, required under this Act;

"(C) challenging the constitutionality of any decision made, or action taken, under any provision of this Act; or

"(D) for review of any environmental impact statement prepared or environmental assessment pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to any action under this Act or alleging a failure to prepare such statement with respect to any such action.

"(2) VENUE.—The venue of any proceeding under this section shall be in the judicial circuit in which the petitioner involved resides or has its principal office, or in the United States Court of Appeals for the District of Columbia Circuit.

"(b) DEADLINE FOR COMMENCING ACTION.—A civil action for judicial review described under subsection (a)(1) may be brought no later than 180 days after the date of the decision or action or failure to act involved, as the case may be, except that if a party shows that he did not know of the decision or action complained of (or of the failure to act), and that a reasonable person acting under the circumstances would not have known, such party may bring a civil action no later than 180 days after the date such party acquired actual or constructive knowledge or such decision, action, or failure to act.

"(c) Application of Other Law.—The provisions of this section relating to any matter shall apply in lieu of the provisions of any other Act relating to the same matter.

"SEC. 503. LICENSING OF FACILITY EXPANSIONS AND TRANSSHIPMENTS.

"(a) Oral Argument.—In any Commission hearing under section 189 of the Atomic Energy Act of 1954 (42 U.S.C. 2239) on an application for a license, or for an amendment to an existing license, filed after January 7, 1983, to expand the spent nuclear fuel storage capacity at the site of a civilian nuclear power reactor, through the use of high-density fuel storage racks, fuel rod compaction, the transshipment of spent nuclear fuel to another civilian nuclear power reactor within the same utility system, the construction of additional spent nuclear fuel pool capacity or dry storage capacity, or by other means, the Commission shall, at the request of any party, provide an opportunity for oral argument with respect to any matter which the Commission determines to be in controversy among the parties. The oral argument shall be preceded by such discovery procedures as the rules of the Commission shall provide. The Commission shall require each party, including the Commission staff, to submit in written form, at the time of the oral argument, a summary of the facts, data, and arguments upon which such party proposes to rely that are known at such time to such party. Only facts and data in the form of sworn testimony or written submission may be relied upon by the parties during oral argument. Of the materials that may be submitted by the parties during oral argument, the Commission shall only consider those facts and data that are submitted in the form of sworn testimony or written submission.

"(b) Adjudicatory Hearing.—

"(1) Designation.—At the conclusion of any oral argument under subsection (a), the Commission shall designate any disputed question of fact, together with any remaining questions of law, for resolution in an adjudicatory hearing only if it determines that—

"(A) there is a genuine and substantial dispute of fact which can only be resolved with sufficient accuracy by the introduction of evidence in an adjudicatory hearing; and

"(B) the decision of the Commission is likely to depend in whole or in part on the resolution of such dispute.

"(2) Determination.—In making a determination under this subsection, the Commission—

"(A) shall designate in writing the specific facts that are in genuine and substantial dispute, the reason why the decision of the agency is likely to depend on the resolution of such facts, and the reason why an adjudicatory hearing is likely to resolve the dispute; and

"(B) shall not consider—

"(i) any issue relating to the design, construction, or operation of any civilian nuclear power reactor already licensed to operate at such site, or any civilian nuclear power reactor to which a construction permit has been granted at such site, unless the Commission determines that any such issue substantially affects the design, construction, or operation of the facility or activity for which such license application, authorization, or amendment is being considered; or

"(ii) any siting or design issue fully considered and decided by the Commission in connection with the issuance of a construction permit or operating license for a civilian nuclear power reactor at such site, unless

"(I) such issue results from any revision of siting or design criteria by the Commission following such decision; and

"(II) the Commission determines that such issue substantially affects the design, construction, or operation of the facility or activity for which such license application, authorization, or amendment is being considered

"(3) Application.—The provisions of paragraph (2)(B) shall apply only with respect to licenses, authorizations, or amendments to licenses or authorizations, applied for under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) before December 31, 2005.

"(4) Construction.—The provisions of this section shall not apply to the first application for a license or license amendment received by the Commission to expand onsite spent fuel storage capacity by the use of a new technology not previously approved for use at any nuclear power plant by the Commission.

"(c) Judicial Review.—No court shall hold unlawful or set aside a decision of the Commission in any proceeding described in subsection (a) because of a failure by the Commission to use a particular procedure pursuant to this section unless—

"(1) an objection to the procedure used was presented to the Commission in a timely fashion or there are extraordinary circumstances that excuse the failure to present a timely objection; and

"(2) the court finds that such failure has precluded a fair consideration and informed resolution of a significant issue of the proceeding taken as a whole.

"SEC. 504. SITING A SECOND REPOSITORY.

"(a) Congressional Action Required.—The Secretary may not conduct site specific activities with respect to a second repository unless Congress has specifically authorized and appropriated funds for such activities.

"(b) Report.—The Secretary shall report to the President and to Congress on or after January 1, 2007, but not later than January 1, 2010, on the need for a second repository.

"SEC. 505. FINANCIAL ARRANGEMENTS FOR LOW-LEVEL RADIOACTIVE WASTE SITE CLOSURE.

"(a) Financial Arrangements.—

"(1) Standards and instructions).—The Commission shall establish by rule, regulation, or order, after public notice, and in accordance with section 181 of the Atomic Energy Act of 1954 (42 U.S.C. 2231), such standards and instructions as the Commission may deem necessary or desirable to ensure in the case of each license for the disposal of low-level radioactive waste that an adequate bond, surety, or other financial arrangement (as determined by the Commission) will be provided by a licensee to permit completion of all requirements established by the Commission for the decontamination, decommissioning, site closure, and reclamation of sites, structures, and equipment used in conjunction with such low-level radioactive waste. Such financial arrangements shall be provided and approved by the Commission, or, in the case of sites within the boundaries of any agreement State under section 274 of the Atomic Energy Act of 1954 (42 U.S.C. 2021), by the appropriate State or State entity, prior to issuance of licenses for low-level radioactive waste disposal or, in the case of licenses in effect on January 7, 1983, prior to termination of such licenses.

"(2) Bonding, surety, or other financial arrangements.—If the Commission determines that any long-term maintenance or monitoring, or both, will be necessary at a site described in paragraph (1), the Commission shall ensure before termination of the license involved that the licensee has made available such bonding, surety, or other financial arrangements as may be necessary to ensure that any necessary long-term maintenance or monitoring needed for such site will be carried out by the person having title and custody for such site following license termination.

"(b) Title and Custody.—

"(1) Authority of Secretary.—The Secretary shall have authority to assume title and custody of low-level radioactive waste and the land on which such waste is disposed of, upon request of the owner of such waste and land and following termination of the license issued by the Commission for such disposal, if the Commission determines that—

"(A) the requirements of the Commission for site closure, decommissioning, and decontamination have been met by the licensee involved and that such licensee is in compliance with the provisions of subsection (a);

"(B) such title and custody will be transferred to the Secretary without cost to the Federal Government; and

"(C) Federal ownership and management of such site is necessary or desirable in order to protect the public health and safety, and the environment.

"(2) Protection.—If the Secretary assumes title and custody of any such waste and land under this subsection, the Secretary shall maintain such waste and land in a manner that will protect the public health and safety, and the environment.

"(c) Special Sites.—If the low-level radioactive waste involved is the result of a licensed activity to recover zirconium, hafnium, and rare earths from source material, the Secretary, upon request of the owner of the site involved, shall assume title and custody of such waste and the land on which it is disposed when such site has been decontaminated and stabilized in accordance with the requirements established by the Commission and when such owner has made adequate financial arrangements approved by the Commission for the long-term maintenance and monitoring of such site.

"SEC. 506 NUCLEAR REGULATORY COMMISSION TRAINING AUTHORIZATION.

"The Commission is authorized and directed to promulgate regulations, or other appropriate regulatory guidance, for the training and qualifications of civilian nuclear power plant operators, supervisors, technicians, and other appropriate operating personnel. Such regulations or guidance shall establish simulator training requirements for applicants for civilian nuclear power plant operator licenses and for operator requalification programs; requirements governing Commission administration of requalification examinations; requirements for operating tests at civilian nuclear power plant simulators, and instructional requirements for civilian nuclear power plant licensee personnel training programs.

"SEC. 507. EMPLACEMENT SCHEDULE.

"(a) The emplacement schedule shall be implemented in accordance with the following:

"(1) Emplacement priority ranking shall be determined by the Department's annual 'Acceptance Priority Ranking' report.

"(2) The Secretary's spent fuel emplacement rate shall be no less than the following: 1,200 MTU in fiscal year 2000 and 1,200 MTU in fiscal year 2001; 2,000 MTU in fiscal year 2002 and 2000 MTU in fiscal year 2003; 2,700 MTU in fiscal year 2004; and 3,000 MTU annually thereafter.

"(b) If the Secretary is unable to begin emplacement by January 31, 1999 at the rates specified in subsection (a), or if the cumulative amount emplaced in any year thereafter is less than that which would have been accepted under the emplacement rate specified in subsection (a), the Secretary shall, as a mitigation measure, adjust the emplacement schedule upward such that within 5 years of the start of emplacement by the Secretary,

"(1) the total quantity accepted by the Secretary is consistent with the total quantity that the Secretary would have accepted if the Secretary had began emplacement in fiscal year 2000, and

"(2) thereafter the emplacement rate is equivalent to the rate that would be in place pursuant to paragraph (a) above if the Secretary had commenced emplacement in fiscal year 2000.

"SEC. 508. TRANSFER OF TITLE.

"(a) Acceptance by the Secretary of any spent nuclear fuel or high-level radioactive waste shall constitute a transfer of title to the Secretary.

"(b) No later than 6 months following the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary is authorized to accept all spent nuclear fuel withdrawn from Dairyland Power Cooperative's La Crosse Reactor and, upon acceptance, shall provide Dairyland Power Cooperative with evidence of the title transfer. Immediately upon the Secretary's acceptance of such spent nuclear fuel, the Secretary shall assume all responsibility and liability for the interim storage and permanent disposal thereof and is authorized to compensate Dairyland Power Cooperative for any costs related to operating and maintaining facilities necessary for such storage from the date of acceptance until the Secretary removes the spent nuclear fuel from the La Crosse Reactor site.

"SEC. 509. DECOMMISSIONING PILOT PROGRAM.

"(a) AUTHORIZATION.—The Secretary is authorized to establish a Decommissioning Pilot Program to decommission and decontaminate the sodium-cooled fast breeder experimental test-site reactor located in northwest Arkansas.

"(b) FUNDING.—No funds from the Nuclear Waste Fund may be used for the Decommissioning Pilot Program.

"SEC. 510. WATER RIGHTS.

"(a) NO FEDERAL RESERVATION.—Nothing in this Act or any other Act of Congress shall constitute or be construed to constitute either an express or implied Federal reservation of water or water rights for any purpose arising under this Act.

"(b) ACQUISITION AND EXERCISE OF WATER RIGHTS UNDER NEVADA LAW.—The United States may acquire and exercise such water rights as it deems necessary to carry out its responsibilities under this Act pursuant to the substantive and procedural requirements of the State of Nevada. Nothing in this Act shall be construed to authorize the use of eminent domain by the United States to acquire water rights for such lands.

"(c) EXERCISE OF WATER RIGHTS GENERALLY UNDER NEVADA LAWS.—Nothing in this Act shall be construed to limit the exercise of water rights as provided under Nevada State laws.

"TITLE VI—NUCLEAR WASTE TECHNICAL REVIEW BOARD

"SEC. 601. DEFINITIONS.

"For purposes of this title—

"(1) CHAIRMAN.—The term 'Chairman' means the Chairman of the Nuclear Waste Technical Review Board.

"(2) BOARD.—The term 'Board' means the Nuclear Waste Technical Review Board continued under section 602.

"SEC. 602. NUCLEAR WASTE TECHNICAL REVIEW BOARD.

"(a) CONTINUATION OF THE NUCLEAR WASTE TECHNICAL REVIEW BOARD.—The Nuclear Waste Technical Review Board, established under section 502(a) of the Nuclear Waste Policy Act of 1982 as constituted prior to the date of enactment of the Nuclear Waste Policy Act of 1996, shall continue in effect subsequent to the date of enactment of the Nuclear Waste Policy Act of 1996.

"(b) MEMBERS.—

"(1) NUMBER.—The Board shall consist of 11 members who shall be appointed by the President not later than 90 days after December 22, 1987, from among persons nominated by the national Academy of Sciences in accordance with paragraph (3).

"(2) CHAIR.—The President shall designate a member of the Board to serve as Chairman.

"(3) NATIONAL ACADEMY OF SCIENCES.—

"(A) NOMINATIONS.—The National Academy of Sciences shall, not later than 90 days after December 22, 1987, nominate not less than 22 persons for appointment to the Board from among persons who meet the qualifications described in subparagraph (C).

"(B) VACANCIES.—The National Academy of Sciences shall nominate not less than 2 persons to fill any vacancy on the Board from among persons who meet the qualifications described in subparagraph (C).

"(C) NOMINEES.—

"(i) Each person nominated for appointment to the Board shall be—

"(I) eminent in a field of science or engineering, including environmental sciences; and

"(II) selected solely on the basis of established records of distinguished service.

"(ii) The membership of the Board shall be representatives of the broad range of scientific and engineering disciplines related to activities under this title.

"(iii) No person shall be nominated for appointment to the Board who is an employee of—

"(I) the Department of Energy;

"(II) a national laboratory under contract with Department of Energy; or

"(III) an entity performing spent nuclear fuel or high-level radioactive waste activities under contract with the Department of Energy.

"(4) VACANCIES.—Any vacancy on the Board shall be filed by the nomination and appointment process described in paragraphs (1) and (3).

"(5) TERMS.—Members of the Board shall be appointed for terms of 4 years, each such term to commence 120 days after December 22, 1987, except that of the 11 members first appointed to the Board, 5 shall serve for 2 years and 6 shall serve for 4 years, to be designated by the President at the time of appointment, except that a member of the Board whose term has expired may continue to serve as a member of the Board until such member's successor has taken office.

"SEC. 603. FUNCTIONS.

"The Board shall limit its evaluations to the technical and scientific validity solely of the following activities undertaken directly by the Secretary after December 22, 1987—

"(1) site characterization activities; and

"(2) activities of the Secretary relating to the packaging or transportation of spent nuclear fuel or high-level radioactive waste.

"SEC. 604. INVESTIGATORY POWERS.

"(a) HEARINGS.—Upon request of the Chairman or a majority of the members of the Board, the Board may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Board considers appropriate. Any member of the Board may administer oaths or affirmations to witnesses appearing before the Board. The Secretary or the Secretary's designee or designees shall not be required to appear before the Board or any element of the Board for more than twelve working days per calendar year.

"(b) PRODUCTION OF DOCUMENTS.—

"(1) RESPONSE TO INQUIRIES.—Upon the request of the Chairman or a majority of the members of the Board, and subject to existing law, the Secretary (or any contractor of the Secretary) shall provide the Board with such records, files, papers, data, or information that is generally available to the public as may be necessary to respond to any inquiry of the Board under this title.

"(2) EXTENT.—Subject to existing law, information obtainable under paragraph (1) may include drafts of products and documentation of work in progress.

"SEC. 605. COMPENSATION OF MEMBERS.

"(A) IN GENERAL.—Each member of the Board shall be paid at the rate of pay payable for level III of the Executive Schedule for each day (including travel time) such member is engaged in the work of the Board.

"(b) TRAVEL EXPENSES.—Each member of the Board may receive travel expenses, including per diem in lieu of subsidence, in the same manner as is permitted under sections 5702 and 5703 of title 5, United States Code.

"SEC. 606. STAFF.

"(a) CLERICAL STAFF.—

"(1) AUTHORITY OF CHAIRMAN.—Subject to paragraph (2), the Chairman may appoint and fix the compensation of such clerical staff as may be necessary to discharge the responsibilities of the Board.

"(2) PROVISIONS OF TITLE 5.—Clerical staff shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 3 of such title relating to classification and General Schedule pay rates.

"(b) PROFESSIONAL STAFF.—

"(1) AUTHORITY OF CHAIRMAN.—Subject to paragraphs (2) and (3), the Chairman may appoint and fix the compensation of such professional staff as may be necessary to discharge the responsibilities of the Board.

"(2) NUMBER.—Not more than 10 professional staff members may be appointed under this subsection.

"(3) TITLE 5.—Professional staff members may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS–18 of the General Schedule.

"SEC. 607. SUPPORT SERVICES.

"GENERAL SERVICES.—To the extent permitted by law and requested by the Chairman, the Administrator of General Services shall provide the Board with necessary administrative services, facilities, and support on a reimbursable basis.

"(b) Accounting, Research, and Technology Assessment Services.—The Comptroller General and the Librarian of Congress shall, to the extent permitted by law and subject to the availability of funds, provide the Board with such facilities, support, funds and services, including staff, as may be necessary for the effective performance of the functions of the Board.

"(c) Additional Support.—Upon the request of the Chairman, the Board may secure directly from the head of any department or agency of the United States information necessary to enable it to carry out this title.

"(d) Mails.—The Board may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

"(e) Experts and Consultants.—Subject to such rules as may be prescribed by the Board, the Chairman may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for GS–18 of the General Schedule.

"SEC. 608. REPORT.

"The Board shall report not less than 2 times per year to Congress and the Secretary its findings, conclusions, and recommendations.

"SEC. 609. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated for expenditures such sums as may be necessary to carry out the provisions of this title.

"SEC. 610. TERMINATION OF THE BOARD.

"The Board shall cease to exist not later than one year after the date on which the Secretary begins disposal of spent nuclear fuel or high-level radioactive waste in the repository.

"TITLE VII—MANAGEMENT REFORM

"SEC. 701. MANAGEMENT REFORM INITIATIVES.

"(a) In General.—The Secretary is directed to take actions as necessary to improve the management of the civilian radioactive waste management program to ensure that the program is operated, to the maximum extent practicable, in like manner as a private business.

"(b) Audits.—

"(1) Standard.—The Office of Civilian Radioactive Waste Management, its contractors, and subcontractors at all tiers, shall conduct, or have conducted, audits and examinations of their operations in accordance with the usual and customary practices of private corporations engaged in large nuclear construction projects consistent with its role in the program.

"(2) Time.—The management practices and performances of the Office of Civilian Radioactive Waste Management shall be audited every 5 years by an independent management consulting firm with significant experience in similar audits of private corporations engaged in large nuclear construction projects. The first such audit shall be conducted 5 years after the enactment of the Nuclear Waste Policy Act of 1996.

"(3) Comptroller General.—The Comptroller General of the United States shall annually make an audit of the Office, in accordance with such regulations as the Comptroller General may prescribe. The Comptroller General shall have access to such books, records, accounts, and other materials of the Office as the Comptroller General determines to be necessary for the preparation of such audit. The Comptroller General shall submit to the Congress a report on the results of each audit conducted under this section.

"(4) Time.—No audit contemplated by this subsection shall take longer than 30 days to conduct. An audit report shall be issued in final form no longer than 60 days after the audit is commenced.

"(5) Public documents.—All audit reports shall be public documents and available to any individual upon request.

"(d) Value Engineering.—The Secretary shall create a value engineering function within the Office of Civilian Radioactive Waste Management that reports directly to the Director, which shall carry out value engineering functions in accordance with the usual and customary practices of private corporations engaged in large nuclear construction projects.

"(e) Site Characterization.—The Secretary shall employ, on an on-going basis, integrated performance modeling to identify appropriate parameters for the remaining site characterization effort and to eliminate studies of parameters that are shown not to affect long-term repository performance.

"SEC. 702. REPORTING.

"(a) Initial Report.—Within 180 days of enactment of this section, the Secretary shall report to Congress on its planned actions for implementing the provisions of this Act, including the development of the Integrated Waste Management System. Such report shall include—

"(1) an analysis of the Secretary's progress in meeting its statutory and contractual obligation to accept title to, possession of, and delivery of spent nuclear fuel and high-level radioactive waste beginning no later than November 30, 1999, and in accordance with the acceptance schedule;

"(2) a detailed schedule and timeline showing each action that the Secretary intends to take to meet the Secretary's obligations under this Act and the contracts;

"(3) a detailed description of the Secretary's contingency plans in the event that the Secretary is unable to meet the planned schedule and timeline; and

"(4) an analysis by the Secretary of its funding needs for fiscal years 1997 through 2001.

"(b) Annual Reports.—On each anniversary of the submittal of the report required by subsection (a), the Secretary shall make annual reports to the Congress for the purpose of updating the information contained in such report. The annual reports shall be brief and shall notify the Congress of:

"(1) any modifications to the Secretary's schedule and timeline for meeting its obligations under this Act.

"(2) the reasons for such modifications, and the status of the implementation of any of the Secretary's contingency plans; and

"(3) the Secretary's analysis of its funding needs for the ensuing 5 fiscal years.

"SEC. 703. EFFECTIVE DATE.

"This Act shall become effective two days after enactment.".

Amendment No. 5016

Beginning on page 1, line 3, strike "the Nuclear" and all that follows and insert in lieu thereof the following: "the Nuclear Waste Policy Act of 1982 is amended to read as follows:

"SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

"(a) Short Title—This Act may be cited as the 'Nuclear Waste Policy Act of 1996'.

"(b) Table of Contents.—

"Sec. 1. Short title and table of contents.
"Sec. 2. Definitions.

"TITLE I—OBLIGATIONS

"Sec. 101. Obligations of the Secretary of Energy.

"TITLE II—INTEGRATED MANAGEMENT SYSTEM

"Sec. 201. Intermodal transfer.
"Sec. 202. Transportation planning.
"Sec. 203. Transportation requirements.
"Sec. 204. Interim storage.
"Sec. 205. Permanent repository.
"Sec. 206. Land withdrawal.

"TITLE III—LOCAL RELATIONS

"Sec. 301. Financial assistance.
"Sec. 302. On-Site representative.
"Sec. 303. Acceptance of benefits.
"Sec. 304. Restrictions on use of funds.
"Sec. 305. Land conveyances.

"TITLE IV—FUNDING AND ORGANIZATION

"Sec. 401. Program funding.
"Sec. 402. Office of Civilian Radioactive Waste Management.
"Sec. 403. Federal contribution.

"TITLE V—GENERAL AND MISCELLANEOUS PROVISIONS

"Sec. 501. Compliance with other laws.
"Sec. 502 Judicial review of agency actions.
"Sec. 503. Licensing of facility expansions and transshipments.
"Sec. 504. Siting a second repository.
"Sec. 505. Financial arrangements for low-level radioactive waste site closure.
"Sec. 506. Nuclear Regulatory Commission training authority.
"Sec. 507. Emplacement schedule.
"Sec. 508. Transfer of title.
"Sec. 509. Decommissioning pilot program.
"Sec. 510. Water rights.

"TITLE VI—NUCLEAR WASTE TECHNICAL REVIEW BOARD

"Sec. 601. Definitions.
"Sec. 602. Nuclear Waste Technical Review Board.
"Sec. 603. Functions.
"Sec. 604. Investigatory powers.
"Sec. 605. Compensation of members.
"Sec. 606. Staff.
"Sec. 607. Support services.
"Sec. 608. Report.
"Sec. 609. Authorization of appropriations.
"Sec. 610. Termination of the board.

"TITLE VII—MANAGEMENT REFORM

"Sec. 701. Management reform initiatives.
"Sec. 702. Reporting.
"Sec. 703. Effective date.

"SEC. 2. DEFINITIONS.

"For purposes of this Act:

"(1) Accept, acceptance.—The terms 'accept' and 'acceptance' mean the Secretary's act of taking possession of spent nuclear fuel or high-level radioactive waste.

"(2) Affected Indian tribe.—The term 'affected Indian tribe' means any Indian tribe—

"(A) whose reservation is surrounded by or borders an affected unit of local government, or

"(B) whose federally defined possessory or usage rights to other lands outside of the reservation's boundaries arising out of congressionally ratified treaties may be substantially and adversely affected by the locating of an interim storage facility or a repository if the Secretary of the Interior finds, upon the petition of the appropriate governmental officials of the tribe, that such effects are both substantial and adverse to the tribe.

"(3) Affected unit of local government.—The term 'affected unit of local government' means the unit of local government with jurisdiction over the site of a repository or interim storage facility. Such term may, at the discretion of the Secretary, include other units of local government that are contiguous with such unit.

"(4) ATOMIC ENERGY DEFENSE ACTIVITY.—The term 'atomic energy defense activity' means any activity of the Secretary performed in whole or in part in carrying out any of the following functions:

"(A) Naval reactors development.

"(B) Weapons activities including defense inertial confinement fusion.

"(C) Verification and control technology.

"(D) Defense nuclear materials production.

"(E) Defense nuclear waste and materials byproducts management.

"(F) Defense nuclear materials security and safeguards and security investigations.

"(G) Defense research and development.

"(5) CIVILIAN NUCLEAR POWER REACTOR.—The term 'civilian nuclear power reactor' means a civilian nuclear power plant required to be licensed under section 103 or 104 b. of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134(b)).

"(6) COMMISSION.—The term 'Commission' means the Nuclear Regulatory Commission.

"(7) CONTRACTS.—The term 'contracts' means the contracts, executed prior to the date of enactment of the Nuclear Waste Policy Act of 1996, under section 302(a) of the Nuclear Waste Policy Act of 1982, by the Secretary and any person who generates or holds title to spent nuclear fuel or high-level radioactive waste of domestic origin for acceptance of such waste or fuel by the Secretary and the payment of fees to offset the Secretary's expenditures, and any subsequent contracts executed by the Secretary pursuant to section 401(a) of this Act.

"(8) CONTRACT HOLDERS.—The term 'contract holders' means parties (other than the Secretary) to contracts.

"(9) DEPARTMENT.—The term 'Department' means the Department of Energy.

"(10) DISPOSAL.—The term 'disposal' means the emplacement in a repository of spent nuclear fuel, high-level radioactive waste, or other highly radioactive material with no foreseeable intent of recovery, whether or not such emplacement permits recovery of such material for any future purpose.

"(11) DISPOSAL SYSTEM.—The term 'disposal system' means all natural barriers and engineered barriers, and engineered systems and components, that prevent the release of radionuclides from the repository.

"(12) EMPLACEMENT SCHEDULE.—The term 'emplacement schedule' means the schedule established by the Secretary in accordance with section 507(a) for emplacement of spent nuclear fuel and high-level radioactive waste at the interim storage facility.

"(13) ENGINEERED BARRIERS AND ENGINEERED SYSTEM AND COMPONENTS.—The term 'engineered barriers' and 'engineered systems and components,' mean man-made components of a disposal system. These terms include the spent nuclear fuel or high-level radioactive waste form, spent nuclear fuel package or high-level radioactive waste package, and other materials placed over and around such packages.

"(14) HIGH-LEVEL RADIOACTIVE WASTE.—The term 'high-level radioactive waste' means—

"(A) the highly radioactive material resulting from the reprocessing of spent nuclear fuel, including liquid waste produced directly in reprocessing and any solid material derived from such liquid waste that contains fission products in sufficient concentrations; and

"(B) other highly radioactive material that the Commission, consistent with existing law, determines by rule requires permanent isolation, which includes any low-level radioactive waste with concentrations of radionuclides that exceed the limits established by the Commission for class C radioactive waste, as defined by section 61.55 of title 10, Code of Federal Regulations, as in effect on January 26, 1983.

"(15) FEDERAL AGENCY.—The term 'Federal agency' means any Executive agency, as defined in section 105 of title 5, United States Code.

"(16) INDIAN TRIBE.—The term 'Indian tribe' means any Indian tribe, band, nation, or other organized group or community of Indians recognized as eligible for the services provided to Indians by the Secretary of the Interior because of their status as Indians including any Alaska Native village, as defined in section 3(c) of the Alaska Native Claims Settlement Act (43 U.S.C. 1602(c)).

"(17) INTEGRATED MANAGEMENT SYSTEM.—The term 'integrated management system' means the system developed by the Secretary for the acceptance, transportation, storage, and disposal of spent nuclear fuel and high-level radioactive waste under title II of this Act.

"(18) INTERIM STORAGE FACILITY.—The term 'interim storage facility' means a facility designed and constructed for the receipt, handling, possession, safeguarding, and storage of spent nuclear fuel and high-level radioactive waste in accordance with title II of this Act.

"(19) INTERIM STORAGE FACILITY SITE.—The term 'interim storage facility site' means the specific site within Area 25 of the Nevada Test Site that is designated by the Secretary and withdrawn and reserved in accordance with this Act for this location of the interim storage facility.

"(20) LOW-LEVEL RADIOACTIVE WASTE.—The term 'low-level radioactive waste' means radioactive material that—

"(A) is not spent nuclear fuel, high-level radioactive waste, transuranic waste, or byproduct material as defined in section 11 e.(2) of the Atomic Energy Act of 1954 (42 U.S.C. 2014(e)(2)); and

"(B) the Commission, consistent with existing law, classifies as low-level radioactive waste.

"(21) METRIC TONS URANIUM.—The terms 'metric tons uranium' and 'MTU' means the amount of uranium in the original unirradiated fuel element whether or not the spent nuclear fuel has been reprocessed.

"(22) NUCLEAR WASTE FUND.—The terms 'Nuclear Waste Fund' and 'waste fund' means the nuclear waste fund established in the United States Treasury prior to the date of enactment of this Act under section 302(c) of the Nuclear Waste Policy Act of 1982.

"(23) OFFICE.—The term 'Office' means the Office of Civilian Radioactive Waste Management established within the Department prior to the date of enactment of this Act under the provisions of the Nuclear Waste Policy Act of 1982.

"(24) PROGRAM APPROACH.—The term 'program approach' means the Civilian Radioactive Waste Management Program Plan, dated May 6, 1996, as modified by this Act, and as amended from time to time by the Secretary in accordance with this Act.

"(25) REPOSITORY.—The term 'repository' means a system designed and constructed under title II of this Act for the geologic disposal of spent nuclear fuel and high-level radioactive waste, including both surface and subsurface areas at which spent nuclear fuel and high-level radioactive waste receipt, handling, possession, safeguarding, and storage are conducted.

"(26) SECRETARY.—The term 'Secretary' means the Secretary of Energy.

"(27) SITE CHARACTERIZATION.—The term 'site characterization' means activities, whether in a laboratory or in the field, undertaken to establish the geologic condition and the ranges of the parameters of a candidate site relevant to the location of a repository, including borings, surface excavations, excavations of exploratory facilities, limited subsurface lateral excavations and borings, and in situ testing needed to evaluate the licensability of a candidate site for the location of a repository, but not including preliminary borings and geophysical testing needed to assess whether site characterization should be undertaken.

"(28) SPENT NUCLEAR FUEL.—The term 'spent nuclear fuel' means fuel that has been withdrawn from a nuclear reactor following irradiation, the constituent elements of which have not been separated by reprocessing.

"(29) STORAGE.—The term 'storage' means retention of spent nuclear fuel or high-level radioactive waste with the intent to recover such waste or fuel for subsequent use, processing, or disposal.

"(30) WITHDRAWAL.—The term 'withdrawal' has the same definition as that set forth in section 103(j) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1702(j)).

"(31) YUCCA MOUNTAIN SITE.—The term 'Yucca Mountain site' means the area in the State of Nevada that is withdrawn and reserved in accordance with this Act for the location of a repository.

"TITLE I—OBLIGATIONS

"SEC. 101. OBLIGATIONS OF THE SECRETARY OF ENERGY.

"(a) DISPOSAL.—The Secretary shall develop and operate an integrated management system for the storage and permanent disposal of spent nuclear fuel and high-level radioactive waste.

"(b) INTERIM STORAGE.—The Secretary shall store spent nuclear fuel and high-level radioactive waste from facilities designated by contract holders at an interim storage facility pursuant to section 204 in accordance with the emplacement schedule, beginning not later than November 30, 1999.

"(c) TRANSPORTATION.—The Secretary shall provide for the transportation of spent nuclear fuel and high-level radioactive waste accepted by the Secretary. The Secretary shall procure all systems and components necessary to transport spent nuclear fuel and high-level radioactive waste from facilities designated by contract holders to and among facilities comprising the Integrated Management System. Consistent with the Buy American Act (41 U.S.C. 10a–10c), unless the Secretary shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, all such systems and components procured by the Secretary shall be manufactured in the United States, with the exception of any transportable storage systems purchased by contract holders prior to the effective date of the Nuclear Waste Policy Act of 1996 and procured by the Secretary from such contract holders for use in the integrated management system.

"(d) INTEGRATED MANAGEMENT SYSTEM.—The Secretary shall expeditiously pursue the development of each component of the integrated management system, and in so doing shall seek to utilize effective private sector management and contracting practices.

"(e) PRIVATE SECTOR PARTICIPATION.—In administering the Integrated Management System, the Secretary shall, to the maximum extent possible, utilize, employ, procure and contract with, the private sector to fulfill the Secretary's obligations and requirements under this Act.

"(f) Pre-existing Rights.—Nothing in this Act is intended to or shall be construed to modify—

"(1) any right of a contract holder under section 302(a) of the Nuclear Waste Policy Act of 1982, or under a contract executed prior to the date of enactment of this Act under that section; or

"(2) obligations imposed upon the federal government by the U.S. District Court of Idaho in an order entered on October 17, 1995 in *United States* v. *Batt* (No. 91-0054-S-EJL).

"(g) Liability.—Subject to subsection (f), nothing in this Act shall be construed to subject the United States to financial liability for the Secretary's failure to meet any deadline for the acceptance or emplacement of spent nuclear fuel or high-level radioactive waste for storage or disposal under this Act.

"TITLE II—INTEGRATED MANAGEMENT SYSTEM

"SEC. 201. INTERMODAL TRANSFER

"(a) Access.—The Secretary shall utilize heavy-haul truck transport to move spent nuclear fuel and high-level radioactive waste from the mainline rail line at Caliente, Nevada, to the interim storage facility site.

"(b) Capability Date.—The Secretary shall develop the capability to commence rail to truck intermodal transfer at Caliente, Nevada, no later than November 30, 1999. Intermodal transfer and related activities are incidental to the interstate transportation of spent nuclear fuel and high-level radioactive waste.

"(c) Acquisitions.—The Secretary shall acquire lands and rights-of-way necessary to commence intermodal transfer at Caliente, Nevada.

"(d) Replacements.—The Secretary shall acquire and develop on behalf of, and dedicate to, the City of Caliente, Nevada, parcels of land and right-of-way within Lincoln County, Nevada, as required to facilitate replacement of land and city wastewater disposal facilities necessary to commence intermodal transfer pursuant to this Act. Replacement of land and city wastewater disposal activities shall occur no later than November 30, 1999.

"(e) Notice and Map.—Within 6 months of the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall—

"(1) publish in the Federal Register a notice containing a legal description of the sites and rights-of-way to be acquired under this subsection; and

"(2) file copies of a map of such sites and rights-of-way with the Congress, the Secretary of the Interior, the State of Nevada, the Archivist of the United States, the Board of Lincoln County Commissioners, the Board of Nye County Commissioners, and the Caliente City Council. Such map and legal description shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors and legal descriptions and make minor adjustments in the boundaries.

"(f) Improvements.—The Secretary shall make improvements to existing roadways selected for heavy-haul truck transport between Caliente, Nevada, and the interim storage facility site as necessary to facilitate year-round safe transport and spent nuclear fuel and high-level radioactive waste.

"(g) Local Government Involvement.—The Commission shall enter into a Memorandum of Understanding with the City of Caliente and Lincoln County, Nevada, to provide advice to the Commission regarding intermodal transfer and to facilitate on-site representation. Reasonable expenses of such representation shall be paid by the Secretary.

"(h) Benefits Agreement.—

"(1) In general.—The Secretary shall offer to enter into an agreement with Lincoln County, Nevada concerning the integrated management system.

"(2) Agreement content.—Any agreement shall contain such terms and conditions, including such financial and institutional arrangements, as the Secretary and agreement entity determine to be reasonable and appropriate and shall contain such provisions as are necessary to preserve any right to participation or compensation of Lincoln County, Nevada.

"(3) Amendment.—An agreement entered into under this subsection may be amended only with the mutual consent of the parties to the amendment and terminated only in accordance with paragraph (4).

"(4) Termination.—The Secretary shall terminate the agreement under this subsection if any major element of the integrated management system may not be completed.

"(5) Limitation.—Only 1 agreement may be in effect at any one time.

"(6) Judicial Review.—Decisions of the Secretary under this section are not subject to judicial review.

"(i) Content of Agreement.—

"(1) Schedule.—In addition to the benefits to which Lincoln County is entitled to under this title, the Secretary shall make payments under the benefits agreement in accordance with the following schedule:

BENEFITS SCHEDULE

[Amounts in millions]

Event	Payment
(A) Annual payments prior to first receipt of spent fuel	$2.5
(B) Annual payments beginning upon first spent fuel receipt	5
(C) Payment upon closure of the intermodal transfer facility	5

"(2) Definitions.—For purposes of this section, the term—

"(A) 'spent fuel' means high-level radioactive waste or spent nuclear fuel; and

"(B) 'first spent fuel receipt' does not include receipt of spent fuel or high-level radioactive waste for purposes of testing or operational demonstration.

"(3) Annual payments.—Annual payments prior to first spent fuel receipt under paragraph (1)(A) shall be made on the date of execution of the benefits agreement and thereafter on the anniversary date of such execution. Annual payments after the first spent fuel receipt until closure of the facility under paragraph (1)(C) shall be made on the anniversary date of such first spent fuel receipt.

"(4) Reduction.—If the first spent fuel payment under paragraph (1)(B) is made within 6 months after the last annual payment prior to the receipt of spent fuel under paragraph (1)(A), such first fuel payment under paragraph (1)(B) shall be reduced by an amount equal to 1/12 of such annual payment under paragraph (1)(A) for each full month less than 6 that has not elapsed since the last annual payment under paragraph (1)(A).

"(5) Restrictions.—The Secretary may not restrict the purposes for which the payments under this section may be used.

"(6) Dispute.—In the event of a dispute concerning such agreement, the Secretary shall resolve such dispute, consistent with this Act and applicable State law.

"(7) Construction.—The signature of the Secretary on a valid benefits agreement under this section shall constitute a commitment by the United States to make payments in accordance with such agreement under section 401(c)(2).

"(j) Initial Land Conveyances.—

"(1) Conveyances of public lands.—One hundred and twenty days after enactment of this Act, all right, title and interest of the United States in the property described in paragraph (2), and improvements thereon, together with all necessary easements for utilities and ingress and egress to such property, including, but not limited to, the right to improve those easements, are conveyed by operation of law to the County of Lincoln, Nevada, unless the county notifies the Secretary of the Interior or the head of such other appropriate agency in writing within 60 days of such date of enactment that it elects not to take title to all or any part of the property, except that any lands conveyed to the County of Lincoln under this subsection that are subject to a Federal grazing permit or lease or a similar federally granted permit or lease shall be conveyed between 60 and 120 days of the earliest time the Federal agency administering or granting the permit or lease would be able to legally terminate such right under the statutes and regulations existing at the date of enactment of this Act, unless Lincoln County and the affected holder of the permit or lease negotiate an agreement that allows for an earlier conveyance.

"(2) Special conveyances.—Notwithstanding any other law, the following public lands depicted on the maps and legal descriptions dated October 11, 1995, shall be conveyed under paragraph (1) to the County of Lincoln, Nevada:

Map 10: Lincoln County, Parcel M, Industrial Park Site

Map 11: Lincoln County, Parcel F, Mixed Use Industrial Site

Map 13: Lincoln County, Parcel J, Mixed Use, Alamo Community Expansion Area

Map 14: Lincoln County, Parcel E, Mixed Use, Pioche Community Expansion Area

Map 15: Lincoln County, Parcel B, Landfill Expansion Site

"(3) Construction.—The maps and legal descriptions of special conveyances referred to in paragraph (2) shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors in the maps and legal descriptions and make minor adjustments in the boundaries of the sites.

"(4) Evidence of title transfer.—Upon the request of the County of Lincoln, Nevada, the Secretary of the Interior shall provide evidence of title transfer.

"SEC. 202. TRANSPORTATION PLANNING.

"(a) Transportation Readiness.—The Secretary shall take those actions that are necessary and appropriate to ensure that the Secretary is able to transport safely spent nuclear fuel and high-level radioactive waste from sites designated by the contract holders to mainline transportation facilities, using routes that minimize, to the maximum practicable extent consistent with Federal requirements governing transportation of hazardous materials, transportation of spent nuclear fuel and high-level radioactive waste through populated areas, beginning not later than November 30, 1999, and, by that date, shall, in consultation with the Secretary of Transportation, develop and implement a comprehensive management plan that ensures that safe transportation of spent nuclear fuel and high-level radioactive waste from the sites designated by the contract holders to the interim storage facility site beginning not later than November 30, 1999.

"(b) TRANSPORTATION PLANNING.—In conjunction with the development of the logistical plan in accordance with subsection (a), the Secretary shall update and modify, as necessary, the Secretary's transportation institutional plans to ensure that institutional issues are addressed and resolved on a schedule to support the commencement of transportation of spent nuclear fuel and high-level radioactive waste to the interim storage facility no later than November 30, 1999. Among other things, such planning shall provide a schedule and process for addressing and implementing, as necessary, transportation routing plans, transportation contracting plans, transportation training in accordance with section 203, and public education regarding transportation of spent nuclear fuel and high level radioactive waste; and transportation tracking programs.

"SEC. 203. TRANSPORTATION REQUIREMENTS.

"(a) PACKAGE CERTIFICATION.—No spent nuclear fuel or high-level radioactive waste may be transported by or for the Secretary under this Act except in packages that have been certified for such purposes by the Commission.

"(b) STATE NOTIFICATION.—The Secretary shall abide by regulations of the Commission regarding advance notification of State and local governments prior to transportation of spent nuclear fuel or high-level radioactive waste under this Act.

"(c) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance and funds to States, units of local government, and Indian tribes through whose jurisdiction the Secretary plans to transport substantial amounts of spent nuclear fuel or high-level radioactive waste for training for public safety officials of appropriate units of local government. The Secretary shall also provide technical assistance and funds for training directly to national nonprofit employee organizations which demonstrate experience in implementing and operating worker health and safety training and education programs and demonstrate the ability to reach and involve in training programs target populations of workers who are or will be directly engaged in the transportation of spent nuclear fuel and high-level radioactive waste, or emergency response or post-emergency response with respect to such transportation. Training shall cover procedures required for safe routine transportation of these materials, as well as procedures for dealing with emergency response situations, and shall be consistent with any training standards established by the Secretary of Transportation in accordance with subsection (g). The Secretary's duty to provide technical and financial assistance under this subsection shall be limited to amounts specified in annual appropriations.

"(d) PUBLIC EDUCATION.—The Secretary shall conduct a program to educate the public regarding the transportation of spent nuclear fuel and high-level radioactive waste, with an emphasis upon those States, units of local government, and Indian tribes through whose jurisdiction the Secretary plans to transport substantial amounts of spent nuclear fuel or high-level radioactive waste.

"(e) COMPLIANCE WITH TRANSPORTATION REGULATIONS.—Any person that transport spent nuclear fuel or high-level radioactive waste under the Nuclear Waste Policy Act of 1986, pursuant to a contract with the Secretary, shall comply with all requirements governing such transportation issued by the federal, state and local governments, and Indian tribes, in the same way and to the same extent that any person engaging in that transportation that is in or affects interstate commerce must comply with such requirements, as required by 49 U.S.C. sec. 5126.

"(f) EMPLOYEE PROTECTION.—Any person engaged in the interstate commerce of spent nuclear fuel or high-level radioactive waste under contract to the Secretary pursuant to this Act shall be subject to and comply fully with the employee protection provisions of 49 U.S.C. 20109 and 49 U.S.C. 31105.

"(g) TRAINING STANDARD.—(1) No later than 12 months after the date of enactment of the Nuclear Waste Policy of 1996, the Secretary of Transportation, pursuant to authority under other provisions of law, in consultation with the Secretary of Labor and the Commission, shall promulgate a regulation establishing training standards applicable to workers directly involved in the removal and transportation of spent nuclear fuel and high-level radioactive waste. The regulation shall specify minimum training standards applicable to workers, including managerial personnel. The regulation shall require that evidence of satisfaction of the applicable training standard be provided to an employer before any individual may be employed in the removal and transportation of spent nuclear fuel and high-level radioactive waste.

"(2) If the Secretary of Transportation determines, in promulgating the regulation required by subparagraph (1), that regulations promulgated by the Commission establish adequate training standards for workers, then the Secretary of Transportation can refrain from promulgating additional regulations with respect to worker training in such activities. The Secretary of Transportation and the Commission shall work through their Memorandum of Understanding to ensure coordination of worker training standards and to avoid duplicative regulation.

"(3) The training standards required to be promulgated under subparagraph (1) shall, among other things deemed necessary and appropriate by the Secretary of Transportation, include the following provisions—

"(A) a specified minimum number of hours of initial off site instruction and actual field experience under the direct supervision of a trained, experienced supervisor;

"(B) a requirement that onsite managerial personnel receive the same training as workers, and a minimum number of additional hours of specialized training pertinent to their managerial responsibilities; and

"(C) a training program applicable to persons responsible for responding to and cleaning up emergency situations occurring during the removal and transportation of spent nuclear fuel and high-level radioactive waste.

"(4) There is authorized to be appropriated to the Secretary of Transportation, from general revenues, such sums as may be necessary to perform his duties under this subsection.

"SEC. 204. INTERIM STORAGE.

"(a) AUTHORIZATION.—The Secretary shall design, construct, and operate a facility for the interim storage of spent nuclear fuel and high-level radioactive waste at the interim storage facility site. The interim storage facility shall be subject to licensing pursuant to the Atomic Energy Act of 1954 in accordance with the Commission's regulations governing the licensing of independent spent fuel storage installations, which regulations shall be amended by the Commission as necessary to implement the provisions of this Act. The interim storage facility shall commence operation in phases in accordance with subsection (b).

"(b) SCHEDULE.—(1) The Secretary shall proceed forthwith and without further delay with all activities necessary to begin storing spent nuclear fuel and high-level radioactive waste at the interim storage facility at the interim storage facility site by November 30, 1999, except that:

"(A) The Secretary shall not begin any construction activities at the interim storage facility site before December 31, 1998.

"(B) The Secretary shall cease all activities (except necessary termination activities) at the Yucca Mountain site if the President determines, in his discretion, on or before December 31, 1998, based on a preponderance of the information available at such time, that the Yucca Mountain site is unsuitable for development as a repository, including geologic and engineered barriers, because of a substantial likelihood that a repository of useful size cannot be designed, licensed, and constructed at the Yucca Mountain site.

"(C) No later than June 30, 1998, the Secretary shall provide to the President and to the Congress a viability assessment of the Yucca Mountain site. The viability assessment shall include—

"(i) the preliminary design concept for the critical elements of the repository and waste package,

"(ii) a total system performance assessment, based upon the design concept and the scientific data and analysis available by June 30, 1998, describing the probable behavior of the repository in the Yucca Mountain geologic setting relative to the overall system performance standard set forth in section 205(d) of this Act,

"(iii) a plan and cost estimate for the remaining work required to complete a license application, and

"(iv) an estimate of the costs to construct and operate the repository in accordance with the design concept.

"(D) Within 18 months of a determination by the President that the Yucca Mountain site is unsuitable for development as a repository under paragraph (B), the President shall designate a site for the construction of an interim storage facility. If the President does not designate a site for the construction of an interim storage facility, or the construction of an interim storage facility at the designated site is not approved by law within 24 months of the President's determination that the Yucca Mountain site is not suitable for development as a repository, the Secretary shall begin construction of an interim storage facility at the interim storage facility site as defined in section 2(19) of this Act. The interim storage facility site as defined in section 2(19) of this Act shall be deemed to be approved by law for purposes of this section.

"(2) Upon the designation of an interim storage facility site by the President under paragraph (1)(D), the Secretary shall proceed forthwith and without further delay with all activities necessary to begin storing spent nuclear fuel and high-level radioactive waste at an interim storage facility at the designated site, except that the Secretary shall not begin any construction activities at the designated interim storage facility site before the designated interim storage facility site is approved by law.

"(c) DESIGN.—

"(1) The interim storage facility shall be designed in two phases in order to commence operations no later than November 30, 1999. The design of the interim storage facility shall provide for the use of storage technologies, licensed, approved, or certified by the Commission for use at the interim storage facility as necessary to ensure compatibility between the interim storage facility and contract holders' spent nuclear fuel and facilities, and to facilitate the Secretary's ability to meet the Secretary's obligations under this Act.

"(2) The Secretary shall consent to an amendment to the contracts to provide for reimbursement to contract holders for transportable storage systems purchased by contract holders if the Secretary determines that it is cost effective to use such transportable storage systems as part of the integrated management system, provided that the Secretary shall not be required to expend any funds to modify contract holders' storage or transport systems or to seek additional regulatory approvals in order to use such systems.

"(d) LICENSING.—

"(1) PHASES.—The interim storage facility shall be licensed by the Commission in two phases in order to commence operations no later than November 30, 1999.

"(2) FIRST PHASE.—No later than 12 months after the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall submit to the Commission an application for a license for the first phase of the interim storage facility. The Environmental Report and Safety Analysis Report submitted in support of such license application shall be consistent with the scope of authority requested in the license application. The license issued for the first phase of the interim storage facility shall have a term of 20 years. The interim storage facility licensed in the first phase shall have a capacity of not more than 15,000 MTU. The Commission shall issue a final decision granting or denying the application for the first phase license no later than 16 months from the date of the submittal of the application for such license.

"(3) SECOND PHASE.—No later than 30 months after the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall submit to the Commission an application for a license for the second phase interim storage facility. The license for the second phase facility shall authorize a storage capacity of 40,000 MTU. If the Secretary does not submit the license application for construction of a repository by February 1, 2002, or does not begin full spent nuclear fuel receipt operations at a repository by January 17, 2010, the license shall authorize a storage capacity of 60,000 MTU. The license application shall be submitted such that the license can be issued to permit the second phase facility to begin full spent nuclear fuel receipt operations no later than December 31, 2002. The license for the second phase shall have an initial term of up to 100 years, and shall be renewable for additional terms upon application of the Secretary.

"(e) ADDITIONAL AUTHORITY.—

"(1) CONSTRUCTION.—For purposes of complying with this section, the Secretary may commence site preparation for the interim storage facility as soon as practicable after the date of enactment of the Nuclear Waste Policy Act of 1996 and shall commence construction of each phase of the interim storage facility subsequent to submittal of the license application for such phase except that the Commission shall issue an order suspending such construction at any time if the Commission determines that such construction poses an unreasonable risk to public health and safety or the environment. The Commission shall terminate all or part of such order upon a determination that the Secretary has taken appropriate action to eliminate such risk.

"(2) FACILITY USE.—Notwithstanding any otherwise applicable licensing requirement, the Secretary may utilize any facility owned by the Federal Government on the date of enactment of the Nuclear Waste Policy Act of 1996 within the boundaries of the interim storage facility site, in connection with an imminent and substantial endangerment to public health and safety at the interim storage facility prior to commencement of operations during the second phase.

"(3) EMPLACEMENT OF FUEL AND WASTE.—Subject to paragraph (i), once the Secretary has achieved the annual acceptance rate for spent nuclear fuel from civilian nuclear power reactors established pursuant to the contracts executed prior to the date of enactment of the Nuclear Waste Policy Act of 1996, as set forth in the Secretary's annual capacity report dated March 1995, (DOE/RW-0457), the Secretary shall accept, in an amount not less than 25% of the difference between the contractual acceptance rate and the annual emplacement rate for spent nuclear fuel from civilian nuclear power reactors established under section 507(a), the following radioactive materials:

"(A) spent nuclear fuel or high-level radioactive waste of domestic origin from civilian nuclear power reactors that have permanently ceased operation on or before the date of enactment of the Nuclear Waste Policy Act of 1996;

"(B) spent nuclear fuel from foreign research reactors, as necessary to promote non-proliferation objectives; and

"(C) spent nuclear fuel, including spent nuclear fuel from naval reactors, and high-level radioactive waste from atomic energy defense activities.

"(f) NATIONAL ENVIRONMENTAL POLICY ACT OF 1969.—

"(1) PRELIMINARY DECISIONMAKING ACTIVITIES.—The Secretary's and President's activities under this section, including, but not limited to, the selection of a site for the interim storage facility, assessments, determinations and designations made under section 204(b), the preparation and submittal of a license application and supporting documentation, the construction of a facility under paragraph (e)(1) of this section, and facility use pursuant to paragraph (e)(2) of this section shall be considered preliminary decisionmaking activities for purposes of judicial review. The Secretary shall not prepare an environmental impact statement under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) or any environmental review under subparagraph (E) or (F) of such Act before conducting these activities.

"(2) ENVIRONMENTAL IMPACT STATEMENT.—

"(A) FINAL DECISION.—A final decision by the Commission to grant or deny a license application for the first or second phase of the interim storage facility shall be accompanied by an Environmental Impact Statement prepared under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)). In preparing such Environmental Impact Statement, the Commission—

"(i) shall ensure that the scope of the Environmental Impact Statement is consistent with the scope of the licensing action; and

"(ii) shall analyze the impacts of the transportation of spent nuclear fuel and high-level radioactive waste to the interim storage facility in a generic manner.

"(B) CONSIDERATIONS.—Such Environmental Impact Statement shall not consider—

"(i) the need for the interim storage facility, including any individual component thereof;

"(ii) the time of the initial availability of the interim storage facility;

"(iii) any alternatives to the storage of spent nuclear fuel and high-level radioactive waste at the interim storage facility;

"(iv) any alternatives to the site of the facility as designated by the Secretary in accordance with subsection (a);

"(v) any alternatives to the design criteria for such facility or any individual component thereof, as specified by the Secretary in the license application; or

"(vi) the environmental impacts of the storage of spent nuclear fuel and high-level radioactive waste at the interim storage facility beyond the initial term of the license or the term of the renewal period for which a license renewal application is made.

"(g) JUDICIAL REVIEW.—Judicial review of the Commission's environmental impact statement under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) shall be consolidated with judicial review of the Commission's licensing decision. No court shall have jurisdiction to enjoin the construction or operation of the interim storage facility prior to its final decision on the review of the Commission's licensing action.

"(h) WASTE CONFIDENCE.—The Secretary's obligation to construct and operate the interim storage facility in accordance with this section and the Secretary's obligation to develop an integrated management system in accordance with the provisions of this Act, shall provide sufficient and independent grounds for any further findings by the Commission of reasonable assurance that spent nuclear fuel and high-level radioactive waste will be disposed of safely and on a timely basis for purposes of the Commission's decision to grant or amend any license to operate any civilian nuclear power reactor under the Atomic Energy Act of 1954 (42 U.S.C. 2011, et seq.).

"(i) STORAGE OF OTHER SPENT NUCLEAR FUEL AND HIGH-LEVEL RADIOACTIVE WASTE.—No later than 18 months following the date of enactment of the Nuclear Waste Policy Act of 1996, the Commission shall, by rule, establish criteria for the storage in the interim storage facility of fuel and waste listed in paragraph (e)(3)(A) through (C), to the extent such criteria are not included in regulations issued by the Commission and existing on the date of enactment of the Nuclear Waste Policy Act of 1996. Following establishment of such criteria, the Secretary shall seek authority, as necessary, to store fuel and waste listed in paragraph (e)(3)(A) through (C) at the interim storage facility. None of the activities carried out pursuant to this paragraph shall delay, or otherwise affect, the development, construction, licensing, or operation of the interim storage facility.

"(j) SAVINGS CLAUSE.—The Commission shall, by rule, establish procedures for the licensing of any technology for the dry storage of spent nuclear fuel by rule and without, to the maximum extent possible, the need for site-specific approvals by the Commission. Nothing in this Act shall affect any such procedures, or any licenses or approvals issued pursuant to such procedures in effect on the date of enactment.

"SEC. 205. PERMANENT REPOSITORY

"(a) REPOSITORY CHARACTERIZATION.—

"(1) GUIDELINES.—The guidelines promulgated by the Secretary and published at 10 CFR part 960 are annulled and revoked and the Secretary shall make no assumptions or conclusions about the licensability of the Yucca Mountain site as a repository by reference to such guidelines.

"(2) SITE CHARACTERIZATION ACTIVITIES.—The Secretary shall carry out appropriate site characterization activities at the Yucca Mountain site in accordance with the Secretary's program approach to site characterization. The Secretary shall modify or eliminate those site characterization activities designed only to demonstrate the suitability of the site under the guidelines referenced in paragraph (1).

"(3) SCHEDULE DATE.—Consistent with the schedule set forth in the program approach, as modified to be consistent with the Nuclear Waste Policy Act of 1996, no later than February 1, 2002, the Secretary shall apply to the Commission for authorization to construct a repository. If, at any time prior to the filing of such application, the Secretary determines that the Yucca Mountain site cannot satisfy the Commission's regulations applicable to the licensing of a geologic repository, the Secretary shall terminate site characterization activities at the site, notify Congress and the State of Nevada of the Secretary's determination and the reasons therefor, and recommend to Congress not later than 6 months after such determination further actions, including the enactment of legislation, that may be needed to manage the Nation's spent nuclear fuel and high-level radioactive waste.

"(4) MAXIMIZING CAPACITY.—In developing an application for authorization to construct the repository, the Secretary shall seek to maximize the capacity of the repository, in the most cost-effective manner, consistent with the need for disposal capacity.

"(b) REPOSITORY LICENSING.—Upon the completion of any licensing proceeding for the first phase of the interim storage facility, the Commission shall amend its regulations governing the disposal of spent nuclear fuel and high-level radioactive waste in geologic repositories to the extent necessary to comply with this Act. Subject to subsection (c), such regulations shall provide for the licensing of the repository according to the following procedures:

"(1) CONSTRUCTION AUTHORIZATION.—The Commission shall grant the Secretary a construction authorization for the repository upon determining that there is reasonable assurance that spent nuclear fuel and high-level radioactive waste can be disposed of in the repository—

"(A) in conformity with the Secretary's application, the provisions of this Act, and the regulations of the Commission;

"(B) without unreasonable risk to the health and safety of the public; and

"(C) consistent with the common defense and security.

"(2) LICENSE.—Following substantial completion of construction and the filing of any additional information needed to complete the license application, the Commission shall issue a license to dispose of spent nuclear fuel and high-level radioactive waste in the repository if the Commission determines that the repository has been constructed and will operate—

"(A) in conformity with the Secretary's application, the provisions of this Act, and the regulations of the Commission;

"(B) without unreasonable risk to the health and safety of the public; and

"(C) consistent with the common defense and security.

"(3) CLOSURE.—After emplacing spent nuclear fuel and high-level radioactive waste in the repository and collecting sufficient confirmatory data on repository performance to reasonably confirm the basis for repository closure consistent with the Commission's regulations applicable to the licensing of a repository, as modified in accordance with this Act, the Secretary shall apply to the Commission to amend the license to permit permanent closure of the repository. The Commission shall grant such license amendment upon finding that there is reasonable assurance that the repository can be permanently closed—

"(A) in conformity with the Secretary's application to amend the license, the provisions of this Act, and the regulations of the Commission;

"(B) without unreasonable risk to the health and safety of the public; and

"(C) consistent with the common defense and security.

"(4) POST-CLOSURE.—The Secretary shall take those actions necessary and appropriate at the Yucca Mountain site to prevent any activity at the site subsequent to repository closure that poses an unreasonable risk of—

"(A) breaching the repository's engineered or geologic barriers; or

"(B) increasing the exposure of individual members of the public to radiation beyond the release standard established in subsection (d)(1).

"(c) MODIFICATION OF REPOSITORY LICENSING PROCEDURE.—The Commission's regulations shall provide for the modification of the repository licensing procedure, as appropriate, in the event that the Secretary seeks a license to permit the emplacement in the repository, on a retrievable basis, of spent nuclear fuel or high-level radioactive waste as is necessary to provide the Secretary with sufficient confirmatory data on repository performance to reasonably confirm the basis for repository closure consistent with applicable regulations.

"(d) REPOSITORY LICENSING STANDARDS.—The Administrator of the Environmental Protection Agency shall, pursuant to authority under others provisions of law, issue generally applicable standards for the protection of the public from releases of radioactive materials or radioactivity from the repository. Such standards shall be consistent with the overall system performance standard established by this subsection unless the Administrator determines by rule that the overall system performance standard would constitute an unreasonable risk to health and safety. The Commission's repository licensing determinations for the protection of the public shall be based solely on a finding whether the repository can be operated in conformance with the overall system performance standard established in paragraph (1), applied in accordance with the provisions of paragraph (2), and the Administrator's radiation protection standards. The Commission shall amend its regulations in accordance with subsection (b) to incorporate each of the following licensing standards:

"(1) ESTABLISHMENT OF OVERALL SYSTEM PERFORMANCE STANDARD.—The standard for protection of the public from release of radioactive material or radioactivity from the repository shall prohibit releases that would expose an average member of the general population in the vicinity of the Yucca Mountain site to an annual dose in excess of 100 millirems unless the Commission determines by rule that such standard would constitute an unreasonable risk to health and safety and establishes by rule another standard which will protect health and safety. Such standard shall constitute an overall system performance standard.

"(2) APPLICATION OF OVERALL SYSTEM PERFORMANCE STANDARD.—The Commission shall issue the license if it finds reasonable assurance that for the first 1,000 years following the commencement of repository operations, the overall system performance standard will be met based on a probabilistic evaluation, as appropriate, of compliance with the overall system performance standard in paragraph (1).

"(3) FACTORS.—For purposes of making the finding in paragraph (2)—

"(A) the Commission shall not consider catastrophic events where the health consequences of individual events themselves can be reasonably assumed to exceed the health consequences due to the impact of the events on repository performance;

"(B) for the purpose of this section, an average member of the general population in the vicinity of the Yucca Mountain site means a person whose physiology, age, general health, agricultural practices, eating habits, and social behavior represent the average for persons living in the vicinity of the site. Extremes in social behavior, eating habits, or other relevant practices or characteristics shall not be considered; and

"(C) the Commission shall assume that, following repository closure, the inclusion of engineered barriers and the Secretary's post-closure actions at the Yucca Mountain site, in accordance with subsection (b)(4), shall be sufficient to—

"(i) prevent any human activity at the site that poses an unreasonable risk of breaching the repository's engineered or geologic barriers; and

"(ii) prevent any increase in the exposure of individual members of the public to radiation beyond the allowable limits specified in paragraph (1).

"(4) ADDITIONAL ANALYSIS.—The Commission shall analyze the overall system performance through the use of probabilistic evaluations that use best estimate assumptions, data, and methods for the period commencing after the first 1,000 years of operation of the repository and terminating at 10,000 yeas after the commencement of operation of the repository.

"(e) NATIONAL ENVIRONMENTAL POLICY ACT.—

"(1) SUBMISSION OF STATEMENT.—Construction and operation of the repository shall be considered a major Federal action significantly affecting the quality of the human environment for purposes of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The Secretary shall submit an environmental impact statement on the construction and operation of the repository to the Commission with the license application and shall supplement such environmental impact statement as appropriate.

"(2) CONSIDERATIONS.—For purposes of complying with the requirements of the National Environmental Policy Act of 1969 and this section, the Secretary shall not consider in the environmental impact statement the need for the repository, or alternative sites or designs for the repository.

"(3) ADOPTION BY COMMISSION.—The Secretary's environmental impact statement and any supplements thereto shall, to the extent practicable, be adopted by the Commission in connection with the issuance by the Commission of a construction authorization under subsection (b)(1), a license under subsection (b)(2), or a license amendment under subsection (b)(3). To the extent such statement or supplement is adopted by the Commission, such adoption shall be deemed to also satisfy the responsibilities of the Commission under the National Environmental Policy Act of 1969, and no further consideration shall be required, except that nothing in this subsection shall affect any independent responsibilities of the Commission to protect the public health and safety under the Atomic Energy Act of 1954. In any such statement or supplement prepared with respect to the repository, the Commission shall not consider the need for a repository, or alternate sites or designs for the repository.

"(f) JUDICIAL REVIEW.—No court shall have jurisdiction to enjoin issuance of the Commission repository licensing regulations prior to its final decision on review of such regulations.

"SEC. 206. LAND WITHDRAWAL.

"(a) WITHDRAWAL AND RESERVATION.—

"(1) WITHDRAWAL.—Subject to valid existing rights, the interim storage facility site and the Yucca Mountain site, as described in subsection (b), are withdrawn from all forms of entry, appropriation, and disposal under the public land laws, including the mineral leasing laws, the geothermal leasing laws, the material sale laws, and the mining laws.

"(2) JURISDICTION.—Jurisdiction of any land within the interim storage facility site and the Yucca Mountain site managed by the Secretary of the Interior or any other Federal officer is transferred to the Secretary.

"(3) RESERVATION.—The interim storage facility site and the Yucca Mountain site are reserved for the use of the Secretary for the construction and operation, respectively, of the interim storage facility and the repository and activities associated with the purposes of this title.

"(b) LAND DESCRIPTION.—

"(1) BOUNDARIES.—The boundaries depicted on the map entitled "Interim Storage Facility Site Withdrawal Map," dated March 13, 1996, and on file with the Secretary, are established as the boundaries of the Interim Storage Facility site.

"(2) BOUNDARIES.—The boundaries depicted on the map entitled 'Yucca Mountain Site Withdrawal Map,' dated July 9, 1996, and on file with the Secretary, are established as the boundaries of the Yucca Mountain site.

"(3) NOTICE AND MAPS.—Within 6 months of the date of the enactment of the Nuclear Waste Policy Act of 1996, the Secretary shall—

"(A) publish in the Federal Register a notice containing a legal description of the interim storage facility site, and

"(B) file copies of the maps described in paragraph (1), and the legal description of the interim storage facility site with the Congress, the Secretary of the Interior, the Governor of Nevada, and the Archivist of the United States.

"(4) NOTICE AND MAPS.—Concurrent with the Secretary's application to the Commission for authority to construct the repository, the Secretary shall—

"(A) publish in the Federal Register a notice containing a legal description of the Yucca Mountain site; and

"(B) file copies of the maps described in paragraph (2), and the legal description of the Yucca Mountain site with the Congress, the Secretary of the Interior, the Governor of Nevada, and the Archivist of the United States.

"(5) CONSTRUCTION.—The maps and legal descriptions of the interim storage facility site and the Yucca Mountain site referred to in this subsection shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors in the maps and legal descriptions and make minor adjustments in the boundaries of the sites.

"TITLE III—LOCAL RELATIONS

"SEC. 301. FINANCIAL ASSISTANCE.

"(a) GRANTS.—The Secretary is authorized to make grants to any affected Indian tribe or affected unit of local government for purposes of enabling the affected Indian tribe or affected unit of local government—

"(1) to review activities taken with respect to the Yucca Mountain site for purposes of determining any potential economic, social, public health and safety, and environmental impacts of the integrated management system on the affected Indian tribe or the affected unit of local government and its residents;

"(2) to develop a request for impact assistance under subsection (c);

"(3) to engage in any monitoring, testing, or evaluation activities with regard to such site;

"(4) to provide information to residents regarding any activities of the Secretary, or the Commission with respect to such site; and

"(5) to request information from, and make comments and recommendations to, the Secretary regarding any activities taken with respect to such site.

"(b) SALARY AND TRAVEL EXPENSES.—Any salary or travel expense that would ordinarily be incurred by any affected Indian tribe or affected unit of local government may not be considered eligible for funding under this section.

"(c) FINANCIAL AND TECHNICAL ASSISTANCE.—

"(1) ASSISTANCE REQUESTS.—The Secretary is authorized to offer to provide financial and technical assistance to any affected Indian tribe or affected unit of local government requesting such assistance. Such assistance shall be designed to mitigate the impact on the affected Indian tribe or affected unit of local government of the development of the integrated management system.

"(2) REPORT.—Any affected Indian tribe or affected unit of local government may request assistance under this section by preparing and submitting to the Secretary a report on the economic, social, public health and safety, and environmental impacts that are likely to result from activities of the integrated management system.

"(d) OTHER ASSISTANCE.—

"(1) TAXABLE AMOUNTS.—In addition to financial assistance provided under this subsection, the Secretary is authorized to grant to any affected Indian tribe or affected unit of local government an amount each fiscal year equal to the amount such affected Indian tribe or affected unit of local government, respectively, would receive if authorized to tax integrated management system activities, as such affected Indian tribe or affected unit of local government taxes the non-Federal real property and industrial activities occurring within such affected unit of local government.

"(2) TERMINATION.—Such grants shall continue until such time as all such activities, development, and operations are terminated at such site.

"(3) ASSISTANCE TO INDIAN TRIBES AND UNITS OR LOCAL GOVERNMENT.—

"(A) PERIOD.—Any affected Indian tribe or affected unit of local government may not receive any grant under paragraph (1) after the expiration of the 1-year period following the date on which the Secretary notifies the affected Indian tribe or affected unit of local government of the termination of the integrated management system.

"(B) ACTIVITIES.—Any affected Indian tribe or affected unit of local government may not receive any further assistance under this section if the integrated management system activities at such site are terminated by the Secretary or if such activities are permanently enjoined by any court.

"SEC. 302. ON-SITE REPRESENTATIVE

"The Secretary shall offer to the unit of local government within whose jurisdiction a site for an interim storage facility or repository is located under this Act an opportunity to designate a representative to conduct onsite oversight activities at such site. The Secretary is authorized to pay the reasonable expenses of such representative.

"SEC. 303. ACCEPTANCE OF BENEFITS.

"(a) CONSENT.—The acceptance or use of any of the benefits provided under this title by any affected Indian tribe or affected unit of local government shall not be deemed to be an expression of consent, express, or implied, either under the Constitution of the State or any law thereof, to the siting of an interim storage facility or repository in the State of Nevada, any provision of such Constitution or laws to the contrary notwithstanding.

"(b) ARGUMENT.—Neither the United States nor any other entity may assert any argument based on legal or equitable estoppel, or acquiescence, or waiver, or consensual involvement, in response to any decision by the State to oppose the siting in Nevada of an interim storage facility or repository premised upon or related to the acceptance or use of benefits under this title.

"(c) LIABILITY.—No liability of any nature shall accrue to be asserted against any official of any governmental unit of Nevada premised solely upon the acceptance or use of benefits under this title.

"SEC. 304. RESTRICTIONS ON USE OF FUNDS.

"None of the funding provided under this title may be used—

"(1) directly or indirectly to influence legislative action on any matter pending before Congress or a State legislature or for any lobbying activity as provided in section 1913 of title 18, United States Code;

"(2) for litigation purposes; and

"(3) to support multistate efforts or other coalition-building activities inconsistent with the purposes of this Act.

"SEC. 305. LAND CONVEYANCES.

"(a) CONVEYANCES OF PUBLIC LANDS.—One hundred and twenty days after enactment of this Act, all right, title and interest of the United States in the property described in subsection (b), and improvements thereon, together with all necessary easements for utilities and ingress and egress to such property, including, but not limited to, the right to improve those easements, are conveyed by operation of law to the County of Nye, Nevada, unless the county notifies the Secretary of Interior or the head of such other appropriate agency in writing within 60 days of such date of enactment that it elects not to take title to all or any part of the property, except that any lands conveyed to the County of Nye under this subsection that are subject to a Federal grazing permit or lease or a similar federally granted permit or lease shall be conveyed between 60 and 120 days of the earliest time the Federal agency administering or granting the permit or lease would be able to legally terminate such right under the statutes and regulations existing at the date of enactment of this Act, unless Nye County and the affected holder of the permit or lease negotiate an agreement that allows for an earlier conveyance.

"(b) SPECIAL CONVEYANCES.—Notwithstanding any other law, the following public lands depicted on the maps and legal descriptions dated October 11, 1995, and on file with the Secretary shall be conveyed under subsection (a) to the County of Nye, Nevada:

Map 1: Proposed Pahrump Industrial Park Site

Map 2: Proposed Lathrop Wells (Gate 510) Industrial Park Site

Map 3: Pahrump Landfill Sites

Map 4: Amargosa Valley Regional Landfill Site

Map 5: Amargosa Valley Municipal Landfill Site

Map 6: Beatty Landfill/Transfer Station Site

Map 7: Round Mountain Landfill Site

Map 8: Tonopah Landfill Site

Map 9: Gabbs Landfill Site.

"(3) CONSTRUCTION.—The maps and legal descriptions of special conveyances referred to in subsection (b) shall have the same force and effect as if they were included in this Act. The Secretary may correct clerical and typographical errors in the maps and legal descriptions and make minor adjustments in the boundaries of the sites.

"(4) EVIDENCE OF TITLE TRANSFERS.—Upon the request of the County of Nye, Nevada, the Secretary of the Interior shall provide evidence of title transfer.

"TITLE IV—FUNDING AND ORGANIZATION

"SEC. 401. PROGRAM FUNDING.

"(a) CONTRACTS.—

"(1) AUTHORITY OF SECRETARY.—In the performance of the Secretary's functions under this Act, the Secretary is authorized to enter into contracts with any person who generates or holds title to spent nuclear fuel or high level radioactive waste of domestic origin for the acceptance of title and possession, transportation, interim storage, and disposal of such waste or spent fuel. Such contract shall provide for payment of annual fees to the Secretary in the amounts set by the Secretary pursuant to paragraphs (2) and (3). Except as provided in paragraph (3), fees assessed pursuant to this paragraph shall be paid to the Treasury of the United States and shall be available for use by the Secretary pursuant to this section until expended. Subsequent to the date of enactment of the Nuclear Waste Policy Act of 1996, the contracts executed under section 302(a) of the Nuclear Waste Policy Act of 1982 shall continue in effect under this Act, provided that the Secretary shall consent to an amendment to such contracts as necessary to implement the provisions of this Act.

"(2) ANNUAL FEES.—

"(A) For electricity generated by civilian nuclear power reactors and sold between January 7, 1983, and September 30, 2002, the fee under paragraph (1) shall be equal to 1.0 mill per kilowatt hour generated and sold. For electricity generated by civilian nuclear power reactors and sold on or after October 1, 2002, the aggregate amount of fees collected during each fiscal year shall be no greater than the annual level of appropriations for expenditures on those activities consistent with subsection (d) for that fiscal year, minus—

"(i) any unobligated balance collected pursuant to this section during the previous fiscal year; and

"(ii) the percentage of such appropriation required to be funded by the Federal Government pursuant to section 403.

The Secretary shall determine the level of the annual fee for each civilian nuclear power reactor based on the amount of electricity generated and sold, except that the annual fee collected under this subparagraph shall not exceed 1.0 mill per kilowatt-hour generated and sold.

"(B) EXPENDITURES IF SHORTFALL.—If, during any fiscal year on or after October 1, 2002, the aggregate amount of fees assessed pursuant to subparagraph (A) is less than the annual level of appropriations for expenditures on those activities specified in subsection (d) for that fiscal year, minus—

"(i) any unobligated balance collected pursuant to this section during the previous fiscal year; and

"(ii) the percentage of such appropriations required to be funded by the Federal Government pursuant to section 403,

the Secretary may make expenditures from the Nuclear Waste Fund up to the level of the fees assessed.

"(C) RULES.—The Secretary shall, by rule, establish procedures necessary to implement this paragraph.

"(3) ONE-TIME FEE.—For spent nuclear fuel or solidified high-level radioactive waste derived from spent nuclear fuel, which fuel was used to generate electricity in a civilian nuclear power reactor prior to January 7, 1983, the fee shall be in an amount equivalent to an average charge of 10 mill per kilowatt-hour for electricity generated by such spent nuclear fuel, or such solidified high-level waste derived therefrom. Payment of such one-time fee prior to the date of enactment of the Nuclear Waste Policy Act of 1996 shall satisfy the obligation imposed under this paragraph. Any one-time fee paid and collected subsequent to the date of enactment of the Nuclear Waste Policy Act of 1996 pursuant to the contracts, including any interest due pursuant to such contracts, shall be paid to the Nuclear Waste Fund no later than September 30, 2002. The Commission shall suspend the license of any licensee who fails or refuses to pay the full amount of the fee referred to in this paragraph on or before September 30, 2002, and the license shall remain suspended until the full amount of the fee referred to in this paragraph is paid. The person paying the fee under this paragraph to the Secretary shall have no further financial obligation to the Federal Government for the long-term storage and permanent disposal of spent fuel or high-level radioactive waste derived from spent nuclear fuel used to generate electricity in a civilian power reactor prior to January 7, 1983.

"(4) ADJUSTMENTS TO FEE.—The Secretary shall annually review the amount of the fees established by paragraphs (2) and (3), together with the existing balance of the Nuclear Waste Fund on the date of enactment of the Nuclear Waste Policy Act of 1996, to evaluate whether collection of the fee will provide sufficient revenues to offset the costs as defined in subsection (c)(2). In the event the Secretary determines that the revenues being collected are either insufficient or excessive to recover the costs incurred by the Federal Government that are specified in subsection (c)(2), the Secretary shall propose an adjustment to the fee in subsection (c)(2) to ensure full cost recovery. The Secretary shall immediately transmit the proposal for such an adjustment to both houses of Congress.

"(b) ADVANCE CONTRACTING REQUIREMENT.—

"(1) IN GENERAL.—

"(A) LICENSE ISSUANCE AND RENEWAL.—The Commission shall not issue or renew a license to any person to use a utilization or production facility under the authority of section 103 or 104 of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134) unless—

"(i) such person has entered into a contract under subsection (a) with the Secretary; or

"(ii) the Secretary affirms in writing that such person is actively and in good faith negotiating with the Secretary for a contract under this section.

"(B) PRECONDITION.—The Commission, as it deems necessary or appropriate, may require as a precondition to the issuance or renewal of a license under section 103 or 104 of the Atomic Energy Act of 1954 (42 U.S.C. 2133, 2134) that the applicant for such license shall have entered into an agreement with the Secretary for the disposal of spent nuclear fuel and high-level radioactive waste that may result from the use of such license.

"(2) DISPOSAL IN REPOSITORY.—Except as provided in paragraph (1), no spent nuclear fuel or high-level radioactive waste generated or owned by any person (other than a department of the United States referred to in section 101 or 102 of title 5, United States Code) may be disposed of by the Secretary in the repository unless the generator or owner of such spent fuel or waste has entered into a contract under subsection (a) with the Secretary by not later than the date on which such generator or owner commences generation of, or takes title to, such spent fuel or waste.

"(3) ASSIGNMENT.—The rights and duties of contract holders are assignable.

"(c) NUCLEAR WASTE FUND.—

"(1) IN GENERAL.—The Nuclear Waste Fund established in the Treasury of the United States under section 302(c) of the Nuclear Waste Policy Act of 1982 shall continue in effect under this Act and shall consist of—

"(A) the existing balance in the Nuclear Waste Fund on the date of enactment of the Nuclear Waste Policy Act of 1996; and

"(B) all receipts, proceeds, and recoveries realized under subsections (a), and (c)(3) subsequent to the date of enactment of the Nuclear Waste Policy Act of 1996, which shall be deposited to the Nuclear Waste Fund immediately upon their realization.

"(2) USE.—The Secretary may make expenditures from the Nuclear Waste Fund, subject to subsections (d) and (e), only for purposes of the integrated management system.

"(3) ADMINISTRATION OF NUCLEAR WASTE FUND.—

"(A) IN GENERAL.—The Secretary of the Treasury shall hold the Nuclear Waste Fund and, after consultation with the Secretary, annually report to the Congress on the financial condition and operations of the Nuclear Waste Fund during the preceding fiscal year.

"(B) AMOUNTS IN EXCESS OF CURRENT NEEDS.—If the Secretary determines that the Nuclear Waste Fund contains at any time amounts in excess of current needs, the Secretary may request the Secretary of the Treasury to invest such amounts, or any portion of such amounts as the Secretary determines to be appropriate, in obligations of the United States—

"(i) having maturities determined by the Secretary of the Treasury to be appropriate to the needs of the Nuclear Waste Fund; and

"(ii) bearing interest at rates determined to be appropriate by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the maturities of such investments, except that the interest rate on such investments shall not exceed the average interest rate applicable to existing borrowings.

"(C) EXEMPTION.—Receipts, proceeds, and recoveries realized by the Secretary under this section, and expenditures of amounts from the Nuclear Waste Fund, shall be exempt from annual apportionment under the provisions of subchapter II of chapter 15 of title 31, United States Code.

"(d) Budget.—The Secretary shall submit the budget for implementation of the Secretary's responsibilities under this Act to the Office of Management and Budget annually along with the budget of the Department of Energy submitted at such time in accordance with chapter 11 of title 31, United States Code. The budget shall consist of the estimates made by the Secretary of expenditures under this Act and other relevant financial matters for the succeeding 3 fiscal years, and shall be included in the budget of the United States Government.

"(e) Appropriations.—The Secretary may make expenditures from the Nuclear Waste Fund, subject to appropriations, which shall remain available until expended.

"SEC. 402. OFFICE OF CIVILIAN RADIOACTIVE WASTE MANAGEMENT.

"(a) Establishment.—There hereby is established within the Department of Energy an Office of Civilian Radioactive Waste Management. The Office shall be headed by a Director, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be compensated at the rate payable for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

"(b) Functions of Director.—The Director of the Office shall be responsible for carrying out the functions of the Secretary under this Act, subject to the general supervision of the Secretary. The Director of the Office shall be directly responsible to the Secretary.

"SEC. 403. FEDERAL CONTRIBUTION.

"(a) Allocation.—No later than one year from the date of enactment of the Nuclear Waste Policy Act of 1996, acting pursuant to section 553 of title 5, United States Code, the Secretary shall issue a final rule establishing the appropriate portion of the costs of managing spent nuclear fuel and high-level radioactive waste under this Act allocable to the interim storage or permanent disposal of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors. The share of costs allocable to the management of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors shall include,

"(1) an appropriate portion of the costs associated with research and development activities with respect to development of an interim storage facility and repository; and

"(2) as appropriate, interest on the principal amounts due calculated by reference to the appropriate Treasury bill rate as if the payments were made at a point in time consistent with the payment dates for spent nuclear fuel and high-level radioactive waste under the contracts.

"(b) Appropriation Request.—In addition to any request for an appropriation from the Nuclear Waste Fund, the Secretary shall request annual appropriations from general revenues in amounts sufficient to pay the costs of the management of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors, as established under subsection (a).

"(c) Report.—In conjunction with the annual report submitted to Congress under Section 702, the Secretary shall advise the Congress annually of the amount of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent fuel from foreign research reactors, requiring management in the integrated management system.

"(d) Authorization.—There is authorized to be appropriated to the Secretary, from general revenues, for carrying out the purposes of this Act, such sums as may be necessary to pay the costs of the management of spent nuclear fuel and high-level radioactive waste from atomic energy defense activities and spent nuclear fuel from foreign research reactors, as established under subsection (a).

"TITLE V—GENERAL AND MISCELLANEOUS PROVISIONS

"SEC. 501. COMPLIANCE WITH OTHER LAWS.

"If the requirements of any Federal, State, or local law (including a requirement imposed by regulation or by any other means under such a law) are inconsistent with or duplicative of the requirements of the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) or of this Act, the Secretary shall comply only with the requirements of the Atomic Energy Act of 1954 and of this Act in implementing the integrated management system.

"SEC. 502. JUDICIAL REVIEW OF AGENCY ACTIONS.

"(a) Jurisdiction of the United States Courts of Appeals.—

"(1) Original and exclusive jurisdiction.—Except for review in the Supreme Court of the United States, and except as otherwise provided in this Act, the United States courts of appeals shall have original and exclusive jurisdiction over any civil action—

"(A) for review of any final decision or action of the Secretary, the President, or the Commission under this Act;

"(B) alleging the failure of the Secretary, the President, or the Commission to make any decision, or take any action, required under this Act;

"(C) challenging the constitutionality of any decision made, or action taken, under any provision of this Act; or

"(D) for review of any environmental impact statement prepared or environmental assessment pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to any action under this Act or alleging a failure to prepare such statement with respect to any such action.

"(2) Venue.—The venue of any proceeding under this section shall be in the judicial circuit in which the petitioner involved resides or has its principal office, or in the United States Court of Appeals for the District of Columbia Circuit.

"(b) Deadline for Commencing Action.—A civil action for judicial review described under subsection (a)(1) may be brought no later than 180 days after the date of the decision or action or failure to act involved, as the case may be, except that if a party shows that he did not know of the decision or action complained of (or of the failure to act), and that a reasonable person acting under the circumstances would not have known, such party may bring a civil action no later than 180 days after the date such party acquired actual or constructive knowledge or such decision, action, or failure to act.

"(c) Application of Other Law.—The provisions of this section relating to any matter shall apply in lieu of the provisions of any other Act relating to the same matter.

"SEC. 503. LICENSING OF FACILITY EXPANSIONS AND TRANSSHIPMENTS.

"(a) Oral Argument.—In any Commission hearing under section 189 of the Atomic Energy Act of 1954 (42 U.S.C. 2239) on an application for a license, or for an amendment to an existing license, filed after January 7, 1983, to expand the spent nuclear fuel storage capacity at the site of a civilian nuclear power reactor, through the use of high-density fuel storage racks, fuel rod compaction, the transshipment of spent nuclear fuel to another civilian nuclear power reactor within the same utility system, the construction of additional spent nuclear fuel pool capacity or dry storage capacity, or by other means, the Commission shall, at the request of any party, provide an opportunity for oral argument with respect to any matter which the Commission determines to be in controversy among the parties. The oral argument shall be preceded by such discovery procedures as the rules of the Commission shall provide. The Commission shall require each party, including the Commission staff, to submit in written form, at the time of the oral argument, a summary of the facts, data, and arguments upon which such party proposes to rely that are known at such time to such party. Only facts and data in the form of sworn testimony or written submission may be relied upon by the parties during oral argument. Of the materials that may be submitted by the parties during oral argument, the Commission shall only consider those facts and data that are submitted in the form of sworn testimony or written submission.

"(b) Adjudicatory Hearing.—

"(1) Designation.—At the conclusion of any oral argument under subsection (a), the Commission shall designate any disputed question of fact, together with any remaining questions of law, for resolution in an adjudicatory hearing only if it determines that—

"(A) there is a genuine and substantial dispute of fact which can only be resolved with sufficient accuracy by the introduction of evidence in an adjudicatory Hearing, and

"(B) the decision of the Commission is likely to depend in whole or in part on the resolution of such dispute.

"(2) Determination.—In making a determination under this subsection, the Commission—

"(A) shall designate in writing the specific facts that are in genuine and substantial dispute, the reason why the decision of the agency is likely to depend on the resolution of such facts, and the reason why an adjudicatory hearing is likely to resolve the dispute; and

"(B) shall not consider—

"(i) any issue relating to the design, construction, or operation of any civilian nuclear power reactor already licensed to operate at such site, or any civilian nuclear power reactor to which a construction permit has been granted at such site, unless the Commission determines that any such issue substantially affects the design, construction, or operation of the facility or activity for which such license application, authorization, or amendment is being considered; or

"(ii) any siting or design issue fully considered and decided by the Commission in connection with the issuance of a construction permit or operating license for a civilian nuclear power reactor at such site, unless

"(I) such issue results from any revision of siting or design criteria by the Commission following such decision; and

"(II) the Commission determines that such issue substantially affects the design, construction, or operation of the facility or activity for which such license application, authorization, or amendment is being considered.

"(3) Application.—The provisions of paragraph (2)(B) shall apply only with respect to licenses, authorizations, or amendments to licenses or authorizations, applied for under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.) before December 31, 1005.

“(4) CONSTRUCTION.—The provisions of this section shall not apply to the first application for a license or license amendment received by the Commission to expand onsite spent fuel storage capacity by the use of a new technology not previously approved for use at any nuclear power plant by the Commission.

“(c) JUCIDICAL REVIEW.—No court shall hold unlawful or set aside a decision of the Commission in any proceeding described in subsection (a) because of a failure by the Commission to use a particular procedure pursuant to this section unless—

“(1) an objection to the procedure used was presented to the Commission in a timely fashion or there are extraordinary circumstances that excuse the failure to present a timely objection; and

“(2) the court finds that such failure has precluded a fair consideration and informed resolution of a significant issue of the proceeding taken as a whole.

“SEC. 504. SITING A SECOND REPOSITORY.

“(a) CONGRESSIONAL ACTION REQUIRED.—The Secretary may not conduct site-specific activities with respect to a second repository unless Congress has specifically authorized and appropriated funds for such activities.

“(b) REPORT.—The Secretary shall report to the President and to Congress on or after January 1, 2007, but not later than January 1, 2010, on the need for a second repository.

“SEC. 505. FINANCIAL ARRANGEMENTS FOR LOW-LEVEL RADIOACTIVE WASTE SITE CLOSURE.

“(a) FINANCIAL ARRANGEMENTS.—

“(1) STANDARDS AND INSTRUCTIONS.—The Commission shall establish by rule, regulation, or order, after public notice, and in accordance with section 181 of the Atomic Energy Act of 1954 (42 U.S.C. 2231), such standards and instructions as the Commission may deem necessary or desirable to ensure in the case of each license for the disposal of low-level radioactive waste that an adequate bond, surety, or other financial arrangement (as determined by the Commission) will be provided by a licensee to permit completion of all requirements established by the Commission for the decontamination, decommissioning, site closure, and reclamation of sites, structures, and equipment used in conjunction with such low-level radioactive waste. Such financial arrangements shall be provided and approved by the Commission, or, in the case of sites within the boundaries of any agreement State under section 274 of the Atomic Energy Act of 1954 (42 U.S.C. 2021), by the appropriate State or State entity, prior to issuance of licenses for low-level radioactive waste disposal or, in the case of licenses in effect on January 7, 1983, prior to termination of such licenses.

“(2) BONDING, SURETY, OR OTHER FINANCIAL ARRANGEMENTS.—If the Commission determines that any long-term maintenance or monitoring, or both, will be necessary at a site described in paragraph (1), the Commission shall ensure before termination of the license involved that the licensee has made available such bonding, surety, or other financial arrangements as may be necessary to ensure that any necessary long-term maintenance or monitoring needed for such site will be carried out by the person having title and custody for such site following license termination.

“(b) TITLE AND CUSTODY.—

“(1) AUTHORITY OF SECRETARY.—The Secretary shall have authority to assume title and custody of low-level radioactive waste and the land on which such waste is disposed of, upon request of the owner of such waste and land and following termination of the license issued by the Commission for such disposal, if the Commission determines that—

“(A) the requirements of the Commission for site closure, decommissioning, and decontamination have been met by the licensee involved and that such licensee is in compliance with the provisions of subsection (a);

“(B) such title and custody will be transferred to the Secretary without cost to the Federal Government; and

“(C) Federal ownership and management of such site is necessary or desirable in order to protect the public health and safety, and the environment.

“(2) PROTECTION.—If the Secretary assumes title and custody of any such waste and land under this subsection, the Secretary shall maintain such waste and land in a manner that will protect the public health and safety, and the environment.

“(c) SPECIAL SITES.—If the low-level radioactive waste involved is the result of a licensed activity to recover zirconium, hafnium, and rare earths from source material, the Secretary, upon request of the owner of the site involved, shall assume title and custody of such waste and the land on which it is disposed when such site has been decontaminated and stabilized in accordance with the requirements established by the Commission and when such owner has made adequate financial arrangements approved by the Commission for the long-term maintenance and monitoring of such site.

“SEC. 506. NUCLEAR REGULATORY COMMISSION TRAINING AUTHORIZATION.

“The Commission is authorized and directed to promulgate regulations, or other appropriate regulatory guidance, for the training and qualifications of civilian nuclear power plant operators, supervisors, technicians, and other appropriate operating personnel. Such regulations or guidance shall establish simulator training requirements for applicants for civilian nuclear power plant operator licenses and for operator requalification programs; requirements governing Commission administration of requalification examinations; requirements for operating tests at civilian nuclear power plant simulators, and instructional requirements for civilian nuclear power plant licensee personnel training programs.

“SEC. 507. EMPLACEMENT SCHEDULE.

“(a) The emplacement schedule shall be implemented in accordance with the following:

“(1) Emplacement priority ranking shall be determined by the Department's annual ‘Acceptance Priority Ranking’ report.

“(2) The Secretary's spent fuel emplacement rate shall be no less than the following: 1,200 MTU in fiscal year 2000 and 1,200 MTU in fiscal year 2001; 2,000 MTU in fiscal year 2002 and 2000 MTU in fiscal year 2003; 2,700 MTU in fiscal year 2004; and 3,000 MTU annually thereafter.

“(b) If the Secretary is unable to begin emplacement by January 31, 1999 at the rates specified in subsection (a), or if the cumulative amount emplaced in any year thereafter is less than that which would have been accepted under the emplacement rate specified in subsection (a), the Secretary shall, as a mitigation measure, adjust the emplacement schedule upward such that within 5 years of the start of emplacement by the Secretary,

“(1) the total quantity accepted by the Secretary is consistent with the total quantity that the Secretary would have accepted if the Secretary had began emplacement in fiscal year 2000, and

“(2) thereafter the emplacement rate is equivalent to the rate that would be in place pursuant to paragraph (a) above if the Secretary had commenced emplacement in fiscal year 2000.

“SEC. 508. TRANSFER OF TITLE.

“(a) Acceptance by the Secretary of any spent nuclear fuel or high-level radioactive waste shall constitute a transfer of title to the Secretary.

“(b) No later than 6 months following the date of enactment of the Nuclear Waste Policy Act of 1996, the Secretary is authorized to accept all spent nuclear fuel withdrawn from Dairyland Power Cooperative's La Crosse Reactor and, upon acceptance, shall provide Dairyland Power Cooperative with evidence of the title transfer. Immediately upon the Secretary's acceptance of such spent nuclear fuel, the Secretary shall assume all responsibility and liability for the interim storage and permanent disposal thereof and is authorized to compensate Dairyland Power Cooperative for any costs related to operating and maintaining facilities necessary for such storage from the date of acceptance until the Secretary removes the spent nuclear fuel from the La Crosse Reactor site.

“SEC. 509. DECOMMISSIONING PILOT PROGRAM.

“(a) AUTHORIZATION.—The Secretary is authorized to establish a Decommissioning Pilot Program to decommission and decontaminate the sodium-cooled fast breeder experimental test-site reactor located in northwest Arkansas.

“(b) FUNDING.—No funds from the Nuclear Waste Fund may be used for the Decommissioning Pilot Program.

“SEC. 510. WATER RIGHTS.

“(a) NO FEDERAL RESERVATION.—Nothing in this Act or any other Act of Congress shall constitute or be construed to constitute either an express or implied Federal reservation of water or water rights for any purpose arising under this Act.

“(b) ACQUISITION AND EXERCISE OF WATER RIGHTS UNDER NEVADA LAW.—The United States may acquire and exercise such water rights as it deems necessary to carry out its responsibilities under this Act pursuant to the substantive and procedural requirements of the State of Nevada. Nothing in this Act shall be construed to authorize the use of eminent domain by the United States to acquire water rights for such lands.

“(c) EXERCISE OF WATER RIGHTS GENERALLY UNDER NEVADA LAWS.—Nothing in this Act shall be construed to limit the exercise of water rights as provided under Nevada State laws

“TITLE VI—NUCLEAR WASTE TECHNICAL REVIEW BOARD

“SEC. 601. DEFINITIONS.

“For purposes of this title—

“(1) CHAIRMAN.—The term ‘Chairman’ means the Chairman of the Nuclear Waste Technical Review Board.

“(2) BOARD.—The term ‘Board’ means the Nuclear Waste Technical Review Board continued under section 602.

“SEC. 602. NULCEAR WASTE TECHNICAL REVIEW BOARD.

“(a) CONTINUATION OF THE NUCLEAR WASTE TECHNICAL REVIEW BOARD.—The Nuclear Waste Technical Review Board, established under section 502(a) of the Nuclear Waste Policy Act of 1982 as constituted prior to the date of enactment of the Nuclear Waste Policy Act of 1996, shall continue in effect subsequent to the date of enactment of the Nuclear Waste Policy Act of 1996.

"(b) MEMBERS.—

"(1) NUMBER.—The Board shall consist of 11 members who shall be appointed by the President not later than 90 days after December 22, 1987, from among persons nominated by the National Academy of Sciences in accordance with paragraph (3).

"(2) CHAIR.—The President shall designate a member of the Board to serve as Chairman.

"(3) NATIONAL ACADEMY OF SCIENCES.—

"(A) NOMINATIONS.—The National Academy of Sciences shall, not later than 90 days after December 22, 1987, nominate not less than 22 percent for appointment to the Board from among persons who meet the qualifications described in subpagaraph (C).

(B) VACANCIES.—The National Academy of Sciences shall nominate not less than 2 persons to fill any vacany on the Board from among persons who meet the qualifications described in subparagraph (C).

"(C) NOMINEES.—

"(i) Each person nominated for appointment for the Board shall be—

"(I) eminent in a field of science or engineering, including environmental sciences; and

"(II) selected swolely on the basis of established records of distinguished service.

"(ii) The membership of the Board shall be representatives of the broad range of scientific and engineering disciplines related to activities under this title.

"(iii) No person shall be nominated for appointment to the Board who is an employee of—

"(I) the Department of Energy;

"(II) a national laboratory under contract with the Department of Energy; or

"(III) an entity performing spent nuclear fuel or high-level radioactive waste activities under contract with the Department of Energy.

"(4) VACANCIES.—Any vacancy on the Board shall be filed by the nomination and appointment process described in paragraphs (1) and (3).

"(5) TERMS.—Members of the Board shall be appointed for terms of 4 years, each such term to commence 120 days after December 22, 1987, except that of the 11 members first appointed to the Board, 5 shall serve for 22 years and 6 shall serve for 4 years, to be designated by the President at the time of appointment, except that a member of the Board whose term has expired may continue to serve as a member of the Board until such member's successor has taken office.

"SEC. 603 FUNCTIONS.

"The Board shall limit its evaluations to the technical and scientific validity solely of the following activities undertaken directly by the Secretary after December 22, 1987—

"(1) site characterization activities; and

"(2) activities of the Secretary relating to the packaging or transportation of spent nuclear fuel or high-level radioactive waste.

"SEC. 604. INVESTIGATORY POWERS.

"(a) HEARINGS.—Upon request of the Chairman or a majority of the members of the Board, the Board may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Board considers appropriate. Any member of the Board may administer oaths or affirmations to witnesses appearing before the Board. The Secretary or the Secretary's designee or designees shall not be required to appear before the Board or any element of the Board for more than twelve working days per calendar year.

"(b) PRODUCTION OF DOCUMENTS.—

"(1) RESPONSE TO INQUIRIES.—Upon the request of the Chairman or a majority of the members of the Board, and subject to existing law, the Secretary (or any contractor of the Secretary) shall provide the Board with such records, files, papers, data, or information that is generally available to the public as may be necessary to respond to any inquiry of the Board under this title.

"(2) EXTENT.—Subject to existing law, information obtainable under paragraph (1) may include drafts of products and documentation of work in progress.

"SEC. 605. COMPENSATION OF MEMBERS.

"(a) IN GENERAL.—Each member of the Board shall be paid at the rate of pay available for level III of the Executive Schedule for each day (including travel time) such member is engaged in the work of the Board.

"(b) TRAVEL EXPENSES.—Each member of the Board may receive travel expenses, including per diem in lieu of subsistence, in the same manner as is permitted under sections 5702 and 5703 of title 5, United States Code.

"SEC. 606. STAFF.

"(a) CLERICAL STAFF.—

"(1) AUTHORITY OF CHAIRMAN.—Subject to paragraph (2), the Chairman may appoint and fix the compensation of such clerical staff as may be necessary to discharge the responsibilities of the Board.

"(2) PROVISIONS OF TITLE 5.—Clerical staff shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 3 of such title relating to classification and General Schedule pay rates.

"(b) PROFESSIONAL STAFF.—

"(1) AUTHORITY OF CHAIRMAN.—Subject to paragraphs (2) and (3), the Chairman may appoint and fix the compensation of such professional staff as may be necessary to discharge the responsibilities of the Board.

"(2) NUMBER.—Not more than 10 professional staff members may be appointed under this subsection.

"(3) TITLE 5.—Professional staff members may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for GS–18 of the General Schedule.

"SEC. 607. SUPPORT SERVICES.

"(a) GENERAL SERVICES.—To the extent permitted by law and requested by the Chairman the Administrator of General Services shall provide the Board with necessary administrative services, facilities, and support on a reimbursable basis.

"(b) ACCOUNTING, RESEARCH, AND TECHNOLOGY ASSESSMENT SERVICES.—The Comptroller General and the Librarian of Congress shall, to the extent permitted by law and subject to the availability of funds, provide the Board with such facilities, support, funds and services, including staff, as may be necessary for the effective performance of the functions of the Board.

"(c) ADDITIONAL SUPPORT.—Upon the request of the Chairman, the Board may secure directly from the head of any department or agency of the United States information necessary to enable it to carry out this title.

"(d) MAILS.—The Board may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

"(e) EXPERTS AND CONSULTANTS.—Subject to such rules as may be prescribed by the Board, the Chairman may procure temporary and intermittent services under section 3109(b) of title 5 of the United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for GS–18 of the General Schedule

"SEC. 608. REPORT.

"The Board shall report not less than 2 times per year to Congress and the Secretary its findings, conclusions, and recommendations.

"SEC. 609. AUTHORIZATION OF APPROPRIATIONS.

"There are authorized to be appropriated for expenditures such sums as may be necessary to carry out the provisions of this title.

"SEC. 610. TERMINATION OF THE BOARD.

"The Board shall cease to exist not later than one year after the date on which the Secretary begins disposal of spent nuclear fuel or high-level radioactive waste in the repository.

"TITLE VII—MANAGEMENT REFORM

"SEC. 701. MANAGEMENT REFORM INITIATIVES.

"(a) IN GENERAL.—The Secretary is directed to take actions as necessary to improve the management of the civilian radioactive waste management program to ensure that the program is operated, to the maximum extent practicable, in like manner as a private business.

"(b) AUDITS.—

"(1) STANDARD.—The Office of Civilian Radioactive Waste Management, its contractors, and subcontractors at all tiers, shall conduct, or have conducted, audits and examinations of their operations in accordance with the usual and customary practices of private corporations engaged in large nuclear construction projects consistent with its role in the program.

"(2) TIME.—The management practices and performances of the Office of Civilian Radioactive Waste Management shall be audited every 5 years by an independent management consulting firm with significant experience in similar audits of private corporations engaged in large nuclear construction projects. The first such audit shall be conducted 5 years after the enactment of the Nuclear Waste Policy Act of 1996.

"(3) COMPTROLLER GENERAL.—The Comptroller General of the United States shall annually make an audit of the Office, in accordance with such regulations as the Comptroller General may prescribe. The Comptroller General shall have access to such books, records, accounts, and other materials of the Office as the Comptroller General determines to be necessary for the preparation of such audit. The Comptroller General shall submit to the Congress a report on the results of each audit conducted under this section.

"(4) TIME.—No audit contemplated by this subsection shall take longer than 30 days to conduct. An audit report shall be issued in final form no longer than 60 days after the audit is commenced.

"(5) PUBLIC DOCUMENTS.—All audit reports shall be public documents and available to any individual upon request.

"(d) VALUE ENGINEERING.—The Secretary shall create a value engineering function within the Office of Civilian Radioactive Waste Management that reports directly to the Director, which shall carry out value engineering functions in accordance with the usual and customary practices of private corporations engaged in large nuclear construction projects.

"(e) Site Characterization.—The Secretary shall employ, on an on-going basis, integrated performance modeling to identify appropriate parameters for the remaining site characterization effort and to eliminate studies of parameters that are shown not to affect long-term repository performance.

"SEC. 702. REPORTING.

"(a) INITIAL REPORT.—Within 180 days of enactment of this section, the Secretary shall report to Congress on its planned actions for implementing the provisions of this Act, including the development of the Integrated Waste Management System. Such report shall include—

"(1) an analysis of the Secretary's progress in meeting its statutory and contractual obligation to accept title to, possession of, and delivery of spent nuclear fuel and high-level radioactive waste beginning no later than November 30, 1999, and in accordance with the acceptance schedule;

"(2) a detailed schedule and timeline showing each action that the Secretary intends to take to meet the Secretary's obligations under this Act and the contracts;

"(3) a detailed description of the Secretary's contingency pans in the event that the Secretary is unable to meet the planned schedule and timeline; and

"(4) an analysis by the Secretary of its funding needs for fiscal year 1997 through 2001.

"(b) ANNUAL REPORTS.—On each anniversary of the submittal of the report required by subsection (a), the Secretary shall make annual, reports to the Congress for the purpose of updating the information contained in such report. The annual reports shall be brief and shall notify the Congress of:

"(1) any modifications to the Secretary's schedule and timeline for meeting its obligations under this Act;

"(2) the reasons for such modifications, and the status of the implementation of any of the Secretary's contingency plan; and

"(3) Secretary's analysis of its funding needs for the ensuing 5 fiscal years.

"SEC. 703. EFFECTIVE DATE.

"This Act shall become effective one day after enactment.".

THE FOREIGN OPERATIONS, EXPORT FINANCING, AND RELATED PROGRAMS APPROPRIATIONS ACT, 1997

McCAIN (AND OTHERS) AMENDMENT NO. 5017

Mr. McCAIN (for himself, Mr. COATS, Mr. CRAIG, Mr. D'AMATO, Mr. FAIRCLOTH, Mrs. FEINSTEIN, Mr. FRIST, Mr. GRAMS, Mr. INHOFE, Mr. LEVIN, Mr. LOTT, and Ms. MOSELEY-BRAUN) proposed an amendment to the bill (H.R. 3540) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 1997, and for other purposes; as follows:

On page 198, between lines 17 and 18, insert the following:

INFORMATION ON COOPERATION WITH UNITED STATES ANTI-TERRORISM EFFORTS IN ANNUAL COUNTRY REPORTS ON TERRORISM

SEC. 580. Section 140 of the Foreign Relations Authorization Act, Fiscal Years 1988 and 1989 (22 U.S.C. 2656f) is amended—

(1) in subsection (a)—

(A) by striking "and" at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting a semicolon; and

(C) by adding at the end the following:

"(3) with respect to each foreign country from which the United States Government has sought cooperation during the previous five years in the investigation or prosecution of an act of international terrorism against United States citizens or interests, the certification of the Secretary—

"(A) whether or not the government of the foreign country is cooperating fully with the United States Government in apprehending, convicting, and punishing the individual or individuals responsible for the act; and

"(B) whether or not the government of the foreign country is cooperating fully with the United States Government in preventing further acts of terrorism against United States citizens in the foreign country; and

"(4) with respect to each foreign country from which the United States Government has sought cooperation during the previous five years in the prevention of an act of international terrorism against such citizens or interests, the certification of the Secretary described in paragraph (3)(B)."; and

(2) in subsection (c)—

(A) by striking "The report" and inserting "(1) Except as provided in paragraph (2), the report";

(B) by indenting the margin of paragraph (1), as so designated, 2 ems; and

(C) by adding at the end the following:

"(2) If the Secretary determines that the transmittal of a certification with respect to a foreign country under paragraph (3) or (4) of subsection (a) in classified form would make more likely the cooperation of the government of the foreign country as specified in such paragraph, the Secretary may transmit the certification under such paragraph in classified form.".

COVERDELL (AND OTHERS) AMENDMENT NO. 5018

Mr. COVERDELL (for himself, Mr. LOTT, Mr. HELMS, and Mr. GRASSLEY) proposed an amendment to the bill, H.R. 3540, supra; as follows:

On page 104, line 19, strike "$1,290,000,000" and insert "$1,262,000,000".

On page 124, line 20, strike "$160,000,000" and insert "$213,000,000".

On page 138, line 5, strike "$295,000,000" and insert "$270,000,000".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Wednesday, July 24, 1996, session of the Senate for the purpose of conducting an oversight hearing on NASA's Space Station and Space Shuttle Programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. COCHRAN. Mr. President. I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to meet Wednesday, July 24, at 9:30 a.m. to consider pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. COCHRAN. Mr. President. I ask unanimous consent that the full Committee on Environment and Public Works be granted permission to conduct a hearing Wednesday, July 24, immediately following the Committee's 9:30 Business Meeting, to receive testimony from Nils J. Diaz, nominated by the President to be a Member of the Nuclear Regulatory Commission, and Edward McGaffigan, Jr., nominated by the President to be a Member of the Nuclear Regulatory Commission.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. COCHRAN. Mr. President. I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, July 24, 1996, at 10:30 a.m. to conduct a Business Meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENT AFFAIRS

Mr. GREGG. Mr. President. I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Wednesday, July 24, at 4:00 p.m. for a hearing on the nomination of Franklin D. Raines, to be Director of the Office of Management and Budget.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. COCHRAN. Mr. President. I ask unanimous consent that the Committee on Indian Affairs be authorized to meet during the session of the Senate on Wednesday, July 24, 1996 at 9:30 a.m. in Room 485 of the Russell Senate Office Building to conduct a markup on the following: Committee markup of S. 199, the trading with Indian Act, Repeal; H.R. 3068, to revoke the Charter of the Prairie Island Indian Community; S. 1962, the Indian Child Welfare Act Amendments of 1996, H.R. 2464, Utah Schools and Land Improvement Act, Amendment, and S. 1893, the Torres-Martinez Desert Cahuilla Indians Claims Settlement Act; S. 1970, the National Museum of the American Indian Act Amendments of 1996; S. 1973, the Navajo/Hopi Land Dispute Settlement Act of 1996; and S. 1972 the Older American Indian Technical Amendments Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Wednesday, July 24, 1996, at 10:00 a.m. to hold an executive business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet in executive session during the session of the Senate on Wednesday, July 24, 1996, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Wednesday, July 24, 1996, beginning at 9:30 a.m. until business is completed, to hold a hearing on Public Access to Government Information in the 21st Century, Title 44/GPO—Government Input.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON SMALL BUSINESS

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Committee on Small Business be authorized to meet during the session of the Senate for an oversight hearing on Wednesday, July 24, 1996, which will begin at 3:00 p.m. in room 428A of the Russell Senate Office Building. The hearing is entitled "Implementation of the Small Business Regulatory Enforcement Fairness Act of 1996."

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON VETERANS' AFFAIRS

Mr. COCHRAN. The Committee on Veterans' Affairs would like to request unanimous consent to hold a markup on pending legislation at 10:00 a.m., on Wednesday, July 24, 1996. The markup will be held in room 418 of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Wednesday, July 24, 1996 at 9:30 a.m. to hold an open hearing on Intelligence Matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON THE CONSTITUTION, FEDERALISM, AND PROPERTY RIGHTS OF THE SENATE

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on the Constitution, Federalism, and Property Rights of the Senate Committee on the Judiciary, be authorized to meet during a session of the Senate on Wednesday, July 24, 1996, at 2:00 p.m., in Senate Dirksen room 226, to hold a hearing on, "Reauthorization of the U.S. Commission on Civil Rights."

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FINANCIAL INSTITUTIONS AND REGULATORY RELIEF

Mr. COCHRAN. Mr. President, I ask unanimous consent that the Subcommittee on Financial Institutions and Regulatory Relief of the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Wednesday, July 24, 1996, to conduct a hearing regarding the condition of consumer credit, the implications of consumer credit trends and the risks they impose on financial institutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON FINANCIAL MANAGEMENT AND ACCOUNTABILITY

Mr. COCHRAN. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Subcommittee on Financial Management and Accountability to meet on Wednesday, July 24, at 10:00 a.m. for a hearing on the S. 1434, Biennial Budgeting Act of 1995.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

ENDING WELFARE WITH COMPASSION

• Mrs. MURRAY. Mr. President, yesterday we debated a welfare bill that will have far-reaching impacts, and I'd like to draw your attention to the words used in the debate, and to a handful of them in particular. One word you heard is the word "children."

For quite a while now, I have been amazed at how many debates happen on the Senate floor in which we do not hear this word, and do not spend enough time considering the actual children the word represents. It's ironic to me that so much of our attention in the welfare debate has been focused on children. I know everyone here cares; I know we have all strived, and tried to protect children. I want to be able to say we've done everything we can—and we almost have gotten over that line, but it is with great personal regret that I say I think we could have done just a bit more.

The bill we sent out yesterday will change the lives of all children in this country, and could have dire implications for many of them. All of us were children, many of us have children, and some of us are currently raising children—I know this word is not exclusive or partisan.

I just hope after today each of us will continue to use this word in other debates, and always keep children in our thoughts.

Another word you've heard quite a bit is welfare. I think people in this country have varying levels of understanding about all the services we call welfare and what they do. But it's obvious from the bill we considered that many Americans these days share a wish to end welfare programs.

In my view, the welfare reform debate here in the Senate will officially end with the final passage of this bill. I hope that it will finally be a bill we can all support. However, a whole new discussion must now begin—a discussion about the needs of children in families from any income category, and about how we as adults will create new opportunities for them.

I think the welfare reform debate we've been having is really part of a larger discussion about something people often mention here—personal responsibility.

I am in favor—and I've said this many times before—of asking Americans to remember not only their rights, but also their responsibilities. What we are asking from people in this country who are on public assistance, is to do every thing they can to contribute to our society and economy, in exchange for the help all other taxpaying citizens are making possible. Whether it's work, or training for work, we need people to end their own dependency on outside assistance and contribute to the work of this great Nation.

But when we talk about personal responsibility, all Americans must recall those eloquent words from President John F. Kennedy on this topic. Each of us in this country must think about our own responsibility, whether we are on public assistance, or are calling for its reform.

Whether you ask the American public generally, or people on public assistance themselves, you will hear about the problems with welfare. Welfare has created a cycle of dependence. Welfare sets up perverse incentives, which actually discourage work. Welfare has been around long enough for everyone to see its effects, but though it has helped many people, it has not turned around the prospects of thousands of poor people living in a rich Nation.

As long as we all know what we mean by welfare, I agree with these statements, and I think we are obligated to change this system to address these problems.

When I say we need to agree about what welfare is, I'm thinking of the many stereotypes, attacks and characterizations we hear. I think welfare has become a negative word in this country people use to beat up on poor women and children. And, if this week we have stopped supporting programs that create that kind of thinking, and started to support individual people in ways that will make them more independent, then we've made a good first step.

I'm also thinking about the real picture—at least in my State—of who is on welfare. In my State, the most common profile is a single mother, age 29, with two children. Three-fourths of the time she is white, more than half of the time she became a mother as a teenager. Almost 60 percent of the time, her youngest child is more than 3 years old.

We know that getting a woman who fits this description into a job is a little easier in my State than many others, but we also know we need different strategies to get many different types of people back into work, or into work for the first time.

We know that each of these women has prior experiences that affect their reliance on public assistance. We know their experiences with work are important, as are their experiences with education and skill training, and other factors such as literacy, learning disability, and domestic violence. We need to remember this as localities design different strategies, or it just won't work.

Despite all we know about our welfare system and people who are on public assistance, I think most of us still agree that what we have now isn't doing the job.

So, the people of this country are demanding new tools that work better, and the demand has been heard here. The will of the Senate is to change, fundamentally, the way public assistance will work. I just worry that we have not adequately protected the ones who are not making the decisions—the kids.

The effect of last night's Senate action will be to put the brakes on our current system of public assistance, so we can embark in a new direction. This will be difficult. People will need all of our help making this transition.

This is not an ending; it is a beginning. We must remember that previous Senates designed our current system in response to problems of chronic poverty and joblessness in our past. Those problems have not gone away. But we need new solutions. We need to end welfare, or at least the negative welfare debate, as it stands. But the basic health and educational needs of children don't go away, just because of the votes we take here.

The Senate debated many amendments, some of which passed, and some of which did not. As we debated these, I was preparing to support the bill. I wanted to amend the bill to improve it the point I could lend my support. As it turned out, each time we were able to pass an amendment, we seemed to lose another that had far-reaching impacts.

I will highlight some of these amendments now because they are very important to whether we ultimately send a bill to the President he can sign. Some things that we fought for yesterday we should keep and improve as the bill moves forward:

First, I have fought very hard along with my Democratic colleagues to stave off repeal of American's guarantee of health services under Medicaid. In my State, over a third of the people who get medical assistance aren't on welfare—they're in low-income working families.

I want all people who are served by Medicaid to work, or be in training, or contribute what they can. We have many people in this country who are not on public assistance, who don't get health insurance where they work. I want to make that easier. All children, regardless of income, should be free from worry about health care coverage.

But, in this bill as it came to the floor, the Senate put at risk the health care of hundreds of Washington State citizens, just as they are trying to get into the work force—where they face the prospect of minimal or no health insurance coverage.

Fortunately, the Senate supported the Breaux-Chafee-Murray amendment continuing this health coverage. We need to support people, so they can make the transition, and can add to the economy instead of subtracting.

Second, when this bill came to the floor, it still had potential to seriously damage the nutrition of many children and families in my State. About 250,000 children in my State now receive some food stamp benefit—and today we passed the Conrad-Murray amendment so that we do not to jeopardize the nutrition of these families while they make the transition from welfare to work.

Third, when we think of child nutrition, we frequently think of our important program that helps provide school lunch and breakfast. A related program makes sure kids who need it also have access to meals in the summer—at their community center, at a school, or wherever children and adults gather for summer activities. This is the Summer Food Program. Under this bill, these children faced a 23-cent-per-meal cut to this service, which could have forced 60 percent of the programs in my State to close their doors.

We know that children's hunger doesn't stop just because it's summer and they can't get school lunch. Children who rely on school lunch get from one-third to one-half of their daily nutrition from that meal. So, I offered and passed an amendment to seek improvement for the Summer Food Program. My goal is to keep more of the 25,000 children in Washington State in line for a nutritious meal.

Fourth, we must provide educational opportunity to people if we are trying to get them off public assistance. To send people who cannot read out looking for jobs that are not there is just too much to expect. We must allow adults to complete their basic education or G.E.D. We must allow people to stay in training for 24 months—that's the length of most training programs. And we must let States have a larger percentage of people in training. The Simon-Murray literacy amendment does these things, and I'm happy the Senate chose to include it.

I was also glad we held off amendments and efforts to use lack of education as an excuse to penalize people on public assistance. We've got to get them educated. States know how to do this and will achieve great things.

Fifth, we must give parents the peace of mind that when they have taken their daughter or son to the child care center, that at least the minimum health and safety requirements are being followed. Also, parents want quality in child care, not just safety, so I'm glad the Senate bill's deficiencies on these two topics were remedied through amendments.

There are other improvements, made by the majority party, made in committee, and made yesterday on the floor. I hope the final bill retains them. I hope I get a chance to support them out of the Senate, so the President can sign a bill that is very close to wide bipartisan agreement. Such a bill won't be overly detrimental to children.

Unfortunately, there are other areas where this bill still just did not meet my internal test. With the kids in mind, I simply could not support the following:

Item A: We are trying to shift from reliance on cash assistance. In Washington State, 186,000 children receive basic assistance under AFDC. Under a 5-year time limit, 60,203 children would be eliminated from the program, and that number would increase to 118,915 under a 2-year limit.

What we do for these children instead of AFDC will make the difference in their well-being, because they are still going to need help after this welfare bill is signed. By rejecting attempts even to allow States to provide noncash assistance to kids, we made this bill impossible to support. I want the conference committee, when looking to create a bipartisan bill—at a minimum—to include provisions to allow States the flexibility denied them by one vote in the Senate yesterday.

Item B: Even with the Conrad-Murray amendment on food stamps, this bill cuts $4 billion deeper than the Senate-passed bill I supported. We've got to get people off public assistance, but the children must have food to eat, especially if the parents are in a struggle to change their entire way of life. The reality is, any deep cut to food stamps directly affects the children.

Item C: The bill's effects will fall on women 75 percent of the time.

Item D: Even legal immigrants face enormous challenges under this bill, and our communities will face similar challenges in assuring the public health because of it. These are people who are working toward citizenship, like all of our parents or ancestors. We should be firm about what we ask of people striving for American opportunity. But whatever we ask of these adults, we should have made allowances for their children, and so far, we have not.

Item E: As many as 300,000 American children with disabilities will lose social security income assistance under this bill.

Item F: The administration sent Chairman ROTH a letter predicting as many as 1.5 million children could be thrown into poverty under last year's bill. We don't know the exact number for this bill, but we can assume it would be a bit lower and in the same ballpark. I have asked the administration for updated figures. I just could not support doing this when we did not have very clear answers about what will happen for those children whose parents cannot find success under the new system. We need to provide a few more handles for the kids of those Americans struggling to end this dependence.

All of these facts are why this Senate must remain vigilant in talks with the House. I go on record saying that provisions in these essential areas—of noncash assistance, of child nutrition, of child health, of child care, of adult education and monitoring are make-or-break issues for ensuring a workable final product. I support welfare reform. I thought yesterday's bill was going to be it. But, I could not, and cannot vote for a bill that fails children in this way.

Many of you know that I supported the Senate welfare bill last year, and I wanted to do it yesterday. I am in favor of welfare reform, and I think we are very, very close. Let me emphasize this one more time. We have not debated the merits of limiting the time a person can be on welfare, because we agree there should be strict limits. What we have been debating is what we do while someone is on welfare to prepare that person to enter the work force. At the end of this debate, the answer is not clear one bit.

The Senate must remain vigilant about the effects of this bill in the real world outside these walls. The States, localities, and individual people in this country who have asked for this fundamental change must now take on the hard work and the responsibility they have demanded.

States and local governments and—best of all—community groups of regular American citizens, are showing that much of the best work of government is done locally, with direct input from the people served.

I have no doubt that States will work to get people on the path to success. Just to be sure, I am glad the Senate adopted the amendment Senator KERRY and I worked on, requiring States to take corrective action as soon as indicators show effects from this bill that increase child poverty.

I just want to make sure we all understand—inside and outside this building today—exactly what we are doing here as we move ahead with this bill, and what that will mean. This bill today only tells the people what the Federal Government is not going to do any more. In its wake, we will be left with a clear picture of how much work all of us have left to do.

Localities are clearly the best places to make many decisions in our Government. The Federal Government should be the place where national standards are set—so that a child in any State in this country gets what she or he needs to grow up healthy, educated, and able to contribute to society as an adult.

Every child needs these things, and our country's economy and heritage cannot afford not to make this so. As we sent this bill out of the Senate, we have tried to retain as many national standards as possible, and even though we have had some success, we have failed on others—and we are going to have to come back here in January and get to work on new ways to improve the standards we have.

If you ask any CEO of any company what this country needs to thrive, they will tell you we need more highly skilled, highly educated people making good decisions in the workplace, and we need less people out on the street doing crimes.

I met with a high school assistant principal last week who has spent years working with children and young people with behavior problems, who do not do what adults want them to do. He has found successful ways of helping these students to learn how to behave in accordance with our expectations of them.

But he said to me, and I think he is absolutely right: "You can pay me now, or you can pay them later." Because our young people would much rather be an asset to our country than a liability, and the vast majority of them are. But, they are bright young people, all of them. And if they do not find success in school and the economy, they will find it by getting really good at breaking into your house.

To avoid this, we must keep the Federal Government in the business of assuring standards, and must improve the ones we have today. On top of this, each and every American must invest the time and energy it takes to make sure every child is healthy enough to learn, and educated enough to contribute to her or his community.

So, since we have passed this welfare reform proposal, we must be aware that America had problems before we voted yesterday, and we will have problems afterward, and that this is only the first step. If we really want a country where every child's well-being is secure, where every person can be a contributing member of our society and economy, where the world around us is healthy and beautiful and a great place to live—then we must start a discussion in every community and around every dinner table—a discussion that just has not happened lately in this Nation.

What is important to us as Americans? What do we hold dear? What do our children mean to us, and what is each of us committed to do about it?

Every American must be part of the discussion to determine what we can each do, now, to make things better in this country. What can each person, in front of each television set, or in each car, or in the stands at each sporting event, do to get America on the right track? What can each person who gets any assistance from her or his Government—be it a welfare check or a paved road or a tax incentive or a safe hamburger or a bank that will not one day close its doors—what can each person do today to join us in making this country great?

People on this floor often talk about the old days, a simpler time, when things were better. Well, I am here to tell you that Americans today are just as capable of solving problems as any past generation—it is the American spirit that is going to make this happen.

People at home are now watching the Olympics, where the best athletes in our Nation will compete against athletes from the rest of the world. And they will win gold medals for their efforts, and for our Nation. These people are heroes, and we should all rally around them. But we can not forget the other heroism in this great country that we have seen in the old days and that we see today—the heroism of the American spirit.

Thousands of people in this country grew their own food during World War II, in victory gardens, to diminish the drain on our resources. They collected every piece of metal they could find, so our brave men and women could have the best tools with which to win the war. They went, especially the women, out of their homes and into the factories to work for this country.

Hundreds of thousands of Americans, like my parents and grandparents, gave of themselves, through the Great Depression, through war, through the war on poverty in the sixties, for our shared future.

Many of them have not stopped giving. There are senior citizens in my State who go to school every week to help children and to help each other to learn about and work with computers. There are hundreds of young people, sixth-graders and college students, going into the community with hard work and good ideas. There are also kids who are truly heroic for just making it to school each day, or for not letting a bad family situation crush their hopes for the future.

I want to caution you all that the American people have spoken and demanded change to public assistance, but they still want Government to play a role in helping people when they need help, and the American people are capable of speaking again, loudly and angrily, if we do not make this work.

We have sent a bill out of the Senate. We put the House on notice that this bill needs to be bipartisan, and needs to be the best bill possible under the circumstances, when it comes to children. I have made several attempts to improve this bill, and I will tell you, it can still use improvement.

I appreciate that the majority party has sought compromise in some areas, that they have made some improvements. But again, it is the nature of this debate that we are not foreseeing all the possible effects of this bill. We are entering uncharted territory. We must remain vigilant. And we here in this body must call upon every one of our constituents to join the fight to make this work for the people around them.

We are leaving the discussion about welfare reform. We are entering a discussion about different ways to make sure all children are healthy, despite the income of their family. Poor health, illiteracy, antisocial behavior—these are not the exclusive domain of the poor—all Americans are subject to the ravages of these problems, especially our children.

We are entering a time when we need to focus on creating opportunity for our children, and meeting their basic needs—health, nutrition, education, so as adults they will contribute positively to the economic and social structure of this country.

Our country, compared to other industrialized nations does a very shabby job of assuring the basics. If we are no longer going to do it through public assistance in the same way we have done—then we need to find new ways to do it.

I do not think this bill brings promise for the people it will affect. We have improved it for sure, but it could be better. But the fact is, the bill will soon be the law of the land. In the face of this, I challenge each American to help us put something in place to protect children, as we tear apart this system that has created such dependency.

Especially where children are concerned, this bill cannot be allowed to come back worse from the conference committee. It is our moral obligation to hold the children as harmless as we can, no matter what we are asking of their parents.

After yesterday, I expect that all Senators will join in this new discussion—of what we must do to assure basic standards of health, education for children and all Americans.•

MRS. GERTRUDE RAMSAY CRAIN

• Mr. ABRAHAM. Mr. President, I rise today to pay tribute to Gertrude Ramsay Crain. With her passing on July 20, America's publishing industry lost one of its most accomplished members. After 4 decades of dutifully covering the Detroit business community, Mrs. Crain's presence will certainly be missed.

In 1916, G.D. Crain, Jr., Mrs. Crain's late husband, founded Crain Communications. Eighty years later, this company employs 900 people worldwide. A leader in the area of business reporting, Crain Communications publishes 29 business newspapers and magazines. Among the most popular of these are Crain's Detroit Business, Automotive News, Auto Week, and Detroit Monthly.

This company is a testament to the American Dream. Crain Communications demonstrates that those who work hard and are passionate about their product can succeed. Prior to her retirement earlier this year, Mrs. Crain held a variety of positions within Crain Communications, from secretary to assistant treasurer to chairman.

During her tenure, Mrs. Crain's commitment to her craft did not go unnoticed. In addition to being the first woman inducted into the Junior Achievement of Chicago Business Hall of Fame, Mrs. Crain received an honorary doctor of humane letters degree from the University of Detroit, and was the 1993 recipient of the Magazine Publishers of America Henry Johnson Award, the highest honor given by the advertising and communications industry.

Although Mrs. Crain made Chicago her home, Detroit can consider itself a fortunate beneficiary of her life's work. An invaluable asset to both communities, the value of Mrs. Gertrude Crain's contributions will live on for quite some time. We in Michigan are fortunate, indeed, to have had this woman and her family's company in our midst.•

THE 75TH ANNIVERSARY OF THE REHOBOTH BEACH, DE, BEACH PATROL

• Mr. BIDEN. Mr. President, many Members of this House and thousands of residents of this city are familiar with Rehoboth Beach, DE, as the Summer Capital of the United States—and there's more to that expression than merely a nickname.

The Delaware seashore resort has for decades welcomed vacationing Presidents, Cabinet Secretaries, Members of Congress, representatives of the diplomatic community, and thousands of other Washingtonians of every description. Rehoboth Beach's attractions include its sparkling Atlantic surf; broad beaches; a lively, multi-lingual boardwalk echoing languages from all over the world; a faithfully family-oriented atmosphere; and safety in the water for younger and older visitors alike.

Next Saturday, in fact, the Rehoboth Beach Patrol—the courteous and skillful young women and men who protect the resort's ocean swimmers—will hold its first lifeguards' reunion, celebrating not only 75 years of service to the community and its visitors, but a remarkable three-quarter-century record of perfect safety of the swimmers under their protection. Since 1921, when the Rehoboth Beach Patrol was established with just two lifeguards, until today, when as many as 37 guards are on duty during peak periods along the mile and a half of protected beach, the Rehoboth Beach lifeguards have never lost a swimmer.

That is a record any beach patrol would be proud of, and it was not achieved by accident. Guarding a crowded ocean beach is a constant challenge—every summer the Rehoboth Beach lifeguards pull scores of troubled swimmers from the surf, treat hundreds of injuries, and reunite more than 400 lost children with their parents. It is a task that requires ceaseless alertness, well-conditioned bodies and highly trained skills, and unflinching personal courage when the ocean attempts to claim a victim.

It is more than just a job to those who undertake it. It is a valued tradition that has sustained Rehoboth Beach as a desirable ocean resort for 7 decades and has called to its service generations of families—fathers, brothers and, since the late seventies, sisters—from Delaware, from its neighboring States of Maryland and Pennsylvania, and from this very city.

These young men and women are athletes who thrive on competition, and their competitive instincts pit them every day against the sea, and often, to heighten their morale and sharpen their skills, against other beach patrols in national and international contests. They train constantly; they dedicate their days to the safety of others, often at the risk of their own; and their service is vital to the pleasure and the security of the hundreds of thousands of vacationers who visit Rehoboth Beach every summer.

Mr. President, we Delawareans are very proud of the Rehoboth Beach Patrol and its 75-year record of perfect safety. We believe these brave young women and men represent the best that Delaware and the Nation have to offer in the way of idealism, energy and a willingness to risk all in the service of others. And we invite our neighbors in the Middle Atlantic States to join us in congratulating the Rehoboth Beach Patrol and its Alumni Association for calling together for the first time lifeguards who have served the resort over the past 75 years, including a 91-year-old who last mounted a guard stand in 1926 as well as the 46 current members of the patrol.

They deserve our admiration and our thanks, and we all wish them a successful and rewarding reunion this week.•

TRIBUTE TO THE MEMORY OF CAPT. JOHN "JACK" KENNEDY UPON THE RETURN OF HIS REMAINS TO THE UNITED STATES ON AUGUST 1, 1996

• Mr. NUNN. Mr. President, many of my colleagues may remember an Air Force lieutenant colonel named Dan Kennedy who served in an outstanding fashion a number of years ago in the Senate Liaison Office. Some of us may also recall that Dan had a brother, Jack, who was an Air Force pilot who lost his life in the war in Southeast Asia.

Jack's remains returned to the United States in June of this year ending years of uncertainty and frustration for his family and loved ones. I think it is most appropriate that we pause for a moment to remember Capt. Jack Kennedy's sacrifice.

Some 25 years ago this August, Capt. Jack Kennedy was lost while flying a reconnaissance mission over South Vietnam. Jack was a forward air controller with the 20th Tactical Air Support Squadron based in Chu Lai in support of the 23d Infantry Division.

On August 16, 1971, he failed to check in during normal radio communications checks. Unfortunately, there were no radio calls from his aircraft and there were no eye witnesses.

There were, however, reports of a North Vietnamese regiment operating in the area over which Jack was flying that day. Although there was no crash site found, Jack was listed as missing in action, a status he carried until the Air Force moved to change it to presumed killed in action in July 1978.

In 1992, after several visits and discussions with Vietnamese villagers, a joint United States/Vietnamese team identified a possible crash site. At that time, no conclusive evidence was available to specifically identify the site as the one where Jack Kennedy's plane had crashed. In 1993, several bone fragments, reportedly from the pilot of that aircraft, were provided by villagers.

Recent advances in medical science fostered the development techniques that permit the comparison of DNA extracted from bone fragments with DNA from another family member for the purposes of identification.

In May of this year, the Air Force advised Jack's family that the bone fragments recovered at the crash site in 1992 had been positively identified as being Jack's.

Capt. Jack Kennedy's remains arrived at Travis Air Force Base in California in late June, and will be flown to Washington, DC, on August 1. A funeral is scheduled for August 2 at 11 a.m. in the Old Post Chapel on Fort Myers followed by an internment with full military honors and flyover at Arlington National Cemetery.

Throughout this long ordeal, Jack's family has persevered. Jack's father, Daniel Kennedy, Sr., died in 1986—10 years before his son's remains would be returned to the country he loved so much.

Jack's brother, Dan, whom I mentioned earlier, his wife Tamara, and their six children reside in Dumfries, VA. Jack's mother, Mrs. Sally Kennedy, lives in Lake Ridge, VA. Today, I would like to offer her our most sincere appreciation for the sacrifice her son Jack made in the service of his country, and for the steadfast faith with which she has endured the tremendous sense of loss, the unparalleled uncertainty and the incomprehensible frustration that, in some small measure, will be lessened in the very near future.•

LITERACY: ONE TOOL FOR ENDING WELFARE DEPENDENCE

• Mrs. MURRAY. Mr. President, the welfare bill recently passed by the Senate provides that families may be denied cash assistance after receiving benefits for a cumulative period of 5 years. States are also required to have 15 percent of welfare recipients involved in work participation. By 2002, this percentage must increase to 50 percent of the people on assistance. The bill as it entered the Senate, however, would clearly have failed to prepare these people for the jobs that they are required to obtain.

The facts are clear—you are highly unlikely to get off assistance and into work if you are unable to read.

Vocational education under the bill as it came to the floor was limited to no more than 12 months for any individual. Most education and training programs have a 2-year duration, and therefore, cannot be completed within the bill's time allowance.

In addition, States are unable to incorporate adult basic education activities into the training programs. This, at a time when we know more than ever about the link between adult education and literacy and dependence on the welfare system.

Analysis by the Urban Institute shows that of people who have been AFDC recipients of less than 25 months, 34.8 percent have not obtained a high school degree or a GED. But, among recipients who receive AFDC assistance for 60 months or more, this number jumps to 62.8 percent. The less educated a person is, the longer he or she is likely to remain reliant on the welfare system.

A 1995 report released by the Policy Information Center at the Education Testing Service also notes that welfare recipients with higher literacy levels worked more weeks and earned higher average weekly wages in comparison with other recipients during the previous year. All this simply reinforces the importance of education and literacy in helping people get off, and stay off, the welfare system.

This bill as it came to the Senate did not provide enough flexibility, and did not allow the necessary education and training required to produce successful employees. In order to correct the inflexibility of this welfare bill, Senators SIMON, JEFFORDS, KERRY, SPECTER, and I yesterday proposed and passed a literacy amendment that will let states do what is needed.

This amendment has three basic provisions. The length of allowable educational training will be extended from 12 to 24 months; extending training period to permit the completion of training programs. The amendment also expands the definition of vocational training to include adult basic education, such as a GED completion course.

Without basic educational and literacy levels, people cannot perform job duties nor can they expand their skills through more advanced education. The amendment also allows States to increase people in educational programs from 20 to 30 percent of their participation percentages. States with high unemployment rates might otherwise find it difficult to place workers who have virtually no skills.

This amendment provides solutions to get people learning, and building skills. I want to thank Senators SIMON and JEFFORDS for their leadership on these efforts. With the adoption of this amendment, people on public assistance will be able to gain the basic skills they need to become productive workers and remain off the welfare system.•

WELFARE REFORM

• Mr. PELL. Mr. President, like so many of my colleagues, I would like to reform the Nation's welfare system. I believe that able-bodied people should work and that our Nation's safety net should be just that: a safety net. But I cannot let my desire to vote for welfare reform cloud my judgment about the bill that the Senate passed yesterday. I have several major concerns about this bill:

First, this bill eliminates welfare as an entitlement and replaces it with a block grant. To some, the term entitlement has come to mean an expectation that some people have of support from the Government with no effort on their part to achieve self-sufficiency. Defined in those terms, I agree that any sense of entitlement must end. But what the word entitlement actually means here is that this Nation will respond to anyone in great need—that we will not cut off people in need simply because there are too many people in line before them. A block grant is almost guaranteed to cut off people in need, with children suffering the greatest harm. And while I reluctantly voted last year for the then pending welfare bill, which included a block grant, I did so primarily to strengthen the Senate's position in conference against a far more damaging House-passed bill.

Second, I believe that instead of giving people a hand up and out of the welfare system, we have limited their options and their opportunities further. For the most part, we have simply shifted this serious national problem to the States, and we have done so without providing them with adequate support to address the problem.

Third, I am concerned about the bill's harsh treatment of legal immigrants. More often than not, these individuals are hard working, taxpaying individuals who deeply appreciate and value the freedom and opportunity of the United States. I cannot agree to deny them so many of the benefits that they might legitimately need as they build a life here.

Finally, my deepest concern is for the children. No matter what the faults of the parent, we as a society must do all we can to protect and nurture the next generation. Otherwise, no matter how tough our welfare policy or how good our toughness makes us feel, we will raise a generation of children who are incapable of functioning in society, much less leading it. I simply cannot believe that eliminating an entitlement which ensures that all poor children get the food, clothing, and shelter that they need can move us individually or as a society down the path we all want to go.

Mr. President, it is with real regret, then, that I cast a "no" vote on this welfare reform legislation. I know that the will of the people demands action, and I very much want to be part of an effort to pass a quality welfare reform bill. And I have joined with many of my Senate colleagues in voting for amendments that, had they been approved, might have made the bill acceptable. But looking at the final product, I cannot say that what we have adopted is better than what we now have. The risk to our children's future is too great. I will not punish a child to teach its parent, and I believe that this is what this legislation, in the end, will do.

I regret that the Senate did not approve the work first proposal introduced by Senate DASCHLE. And I continue to support its emphasis on transitioning welfare recipients to work, its understanding that providing childcare is a linchpin of successful reform, and its premise that—despite very real abuses of the current system by some welfare recipients—most people want to get off welfare and work at a job that provides a living wage. In any effort to pass this kind of welfare reform legislation, I will cast a sure and solid "yea" vote.●

PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

The text of the bill (H.R. 3734) to provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997, as passed by the Senate on July 23, 1996, is as follows:

Resolved, That the bill from the House of Representatives (H.R. 3734) entitled "An Act to provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Personal Responsibility, Work Opportunity, and Medicaid Restructuring Act of 1996".

TITLE I—AGRICULTURE AND RELATED PROVISIONS

SEC. 1001. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Agricultural Reconciliation Act of 1996".

(b) TABLE OF CONTENTS.—The table of contents of this title is as follows:

TITLE I—AGRICULTURE AND RELATED PROVISIONS

Sec. 1001. Short title; table of contents.

Subtitle A—Food Stamps and Commodity Distribution

CHAPTER 1—FOOD STAMP PROGRAM

Sec. 1111. Definition of certification period.
Sec. 1112. Definition of coupon.
Sec. 1113. Treatment of children living at home.
Sec. 1114. Adjustment of thrifty food plan.
Sec. 1115. Definition of homeless individual.
Sec. 1116. State option for eligibility standards.
Sec. 1117. Earnings of students.
Sec. 1118. Energy assistance.
Sec. 1119. Deductions from income.
Sec. 1120. Vehicle allowance.
Sec. 1121. Vendor payments for transitional housing counted as income.
Sec. 1122. Simplified calculation of income for the self-employed.
Sec. 1123. Doubled penalties for violating food stamp program requirements.
Sec. 1124. Disqualification of convicted individuals.
Sec. 1125. Disqualification.
Sec. 1126. Employment and training.
Sec. 1127. Food stamp eligibility.
Sec. 1128. Comparable treatment for disqualification.
Sec. 1129. Disqualification for receipt of multiple food stamp benefits.
Sec. 1130. Disqualification of fleeing felons.
Sec. 1131. Cooperation with child support agencies.
Sec. 1132. Disqualification relating to child support arrears.
Sec. 1133. Work requirement.
Sec. 1134. Encouragement of electronic benefit transfer systems.
Sec. 1135. Value of minimum allotment.
Sec. 1136. Benefits on recertification.
Sec. 1137. Optional combined allotment for expedited households.
Sec. 1138. Failure to comply with other means-tested public assistance programs.
Sec. 1139. Allotments for households residing in centers.
Sec. 1140. Condition precedent for approval of retail food stores and wholesale food concerns.
Sec. 1141. Authority to establish authorization periods.
Sec. 1142. Information for verifying eligibility for authorization.
Sec. 1143. Waiting period for stores that fail to meet authorization criteria.
Sec. 1144. Operation of food stamp offices.
Sec. 1145. State employee and training standards.
Sec. 1146. Exchange of law enforcement information.
Sec. 1147. Withdrawing fair hearing requests.
Sec. 1148. Income, eligibility, and immigration status verification systems.
Sec. 1149. Disqualification of retailers who intentionally submit falsified applications.
Sec. 1150. Disqualification of retailers who are disqualified under the WIC program.
Sec. 1151. Collection of overissuances.
Sec. 1152. Authority to suspend stores violating program requirements pending administrative and judicial review.
Sec. 1153. Expanded criminal forfeiture for violations.
Sec. 1154. Limitation on Federal match.
Sec. 1155. Standards for administration.
Sec. 1156. Work supplementation or support program.
Sec. 1157. Response to waivers.
Sec. 1158. Employment initiatives program.
Sec. 1159. Reauthorization.
Sec. 1160. Simplified food stamp program.

CHAPTER 2—COMMODITY DISTRIBUTION PROGRAMS

Sec. 1171. Emergency food assistance program.
Sec. 1172. Food bank demonstration project.
Sec. 1173. Hunger prevention programs.
Sec. 1174. Report on entitlement commodity processing.

Subtitle B—Child Nutrition Programs

CHAPTER 1—AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT

Sec. 1201. State disbursement to schools.
Sec. 1202. Nutritional and other program requirements.
Sec. 1203. Free and reduced price policy statement.
Sec. 1204. Special assistance.
Sec. 1205. Miscellaneous provisions and definitions.
Sec. 1206. Commodity distribution.
Sec. 1207. Child and adult care food program.
Sec. 1208. Pilot projects.
Sec. 1209. Reduction of paperwork.
Sec. 1210. Information on income eligibility.
Sec. 1211. Nutrition guidance for child nutrition programs.

CHAPTER 2—AMENDMENTS TO THE CHILD NUTRITION ACT OF 1966

Sec. 1251. Special milk program.
Sec. 1252. Free and reduced price policy statement.
Sec. 1253. School breakfast program authorization.
Sec. 1254. State administrative expenses.
Sec. 1255. Regulations.
Sec. 1256. Prohibitions.
Sec. 1257. Miscellaneous provisions and definitions.
Sec. 1258. Accounts and records.
Sec. 1259. Special supplemental nutrition program for women, infants, and children.
Sec. 1260. Cash grants for nutrition education.
Sec. 1261. Nutrition education and training.
Sec. 1262. Rounding rules.

Subtitle A—Food Stamps and Commodity Distribution

CHAPTER 1—FOOD STAMP PROGRAM

SEC. 1111. DEFINITION OF CERTIFICATION PERIOD.

Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by striking "Except *as provided" and all that follows and inserting the following: "The certification period shall not exceed 12 months, except that the certification period may be up to 24 months if all adult household members are elderly or disabled. A State agency shall have at least 1 contact with each certified household every 12 months.".*

SEC. 1112. DEFINITION OF COUPON.

Section 3(d) of the Food Stamp Act of 1977 (7 U.S.C. 2012(d)) is amended by striking "or type of certificate" and inserting "type of certificate, authorization card, cash or check issued in lieu of a coupon, or access device, including an electronic benefit transfer card or personal identification number,".

SEC. 1113. TREATMENT OF CHILDREN LIVING AT HOME.

The second sentence of section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by striking "(who are not themselves parents living with their children or married and living with their spouses)".

SEC. 1114. ADJUSTMENT OF THRIFTY FOOD PLAN.

The second sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

(1) by striking "shall (1) make" and inserting the following: "shall—

"(1) make";

(2) by striking "scale, (2) make" and inserting the following: "scale;

"(2) make";

(3) by striking "Alaska, (3) make" and inserting the following: "Alaska;

"(3) make"; and

(4) by striking "Columbia, (4) through" and all that follows through the end of the subsection and inserting the following: "Columbia; and

"(4) on October 1, 1996, and each October 1 thereafter, adjust the cost of the diet to reflect the cost of the diet in the preceding June, and round the result to the nearest lower dollar increment for each household size, except that on October 1, 1996, the Secretary may not reduce the cost of the diet in effect on September 30, 1996.".

SEC. 1115. DEFINITION OF HOMELESS INDIVIDUAL.

Section 3(s)(2)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2012(s)(2)(C)) is amended by inserting "for not more than 90 days" after "temporary accommodation".

SEC. 1116. STATE OPTION FOR ELIGIBILITY STANDARDS.

Section 5(b) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended by striking "(b) The Secretary" and inserting the following:

"(b) ELIGIBILITY STANDARDS.—Except as otherwise provided in this Act, the Secretary".

SEC. 1117. EARNINGS OF STUDENTS.

Section 5(d)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(7)) is amended by striking "21 years of age or younger" and inserting "19 years of age or younger (17 years of age or younger in fiscal year 2002)".

SEC. 1118. ENERGY ASSISTANCE.

(a) IN GENERAL.—Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended by striking paragraph (11) and inserting the following: "(11)(A) any payments or allowances made for the purpose of providing energy assistance under any Federal law, or (B) a 1-time payment or allowance made under a Federal or State law for the costs of weatherization or emergency repair or replacement of an unsafe or inoperative furnace or other heating or cooling device,".

(b) CONFORMING AMENDMENTS.—Section 5(k) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking "plan for aid to families with dependent children approved" and inserting "program funded"; and

(B) in subparagraph (B), by striking ", not including energy or utility-cost assistance,";

(2) in paragraph (2), by striking subparagraph (C) and inserting the following:

"(C) a payment or allowance described in subsection (d)(11);"; and

(3) by adding at the end the following:

"(4) THIRD PARTY ENERGY ASSISTANCE PAYMENTS.—

"(A) ENERGY ASSISTANCE PAYMENTS.—For purposes of subsection (d)(1), a payment made under a State law to provide energy assistance to a household shall be considered money payable directly to the household.

"(B) ENERGY ASSISTANCE EXPENSES.—For purposes of subsection (e)(7), an expense paid on behalf of a household under a State law to provide energy assistance shall be considered an out-of-pocket expense incurred and paid by the household.".

SEC. 1119. DEDUCTIONS FROM INCOME.

(a) IN GENERAL.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by striking subsection (e) and inserting the following:

"(e) DEDUCTIONS FROM INCOME.—

"(1) STANDARD DEDUCTION.—

"(A) IN GENERAL.—The Secretary shall allow a standard deduction for each household in the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States of—

"(i) for the period beginning October 1, 1995, and ending November 30, 1996, $134, $229, $189, $269, and $118, respectively;

"(ii) for the period beginning December 1, 1996, and ending September 30, 2001, $120, $206, $170, $242, and $106, respectively;

"(iii) for the period beginning October 1, 2001, and ending August 31, 2002, $113, $193, $159, $227, and $100, respectively; and

"(iv) for the period beginning September 1, 2002, and ending September 30, 2002, $120, $206, $170, $242, and $106, respectively.

"(B) ADJUSTMENT FOR INFLATION.—On October 1, 2002, and each October 1 thereafter, the Secretary shall adjust the standard deduction to the nearest lower dollar increment to reflect changes in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics, for items other than food, for the 12-month period ending the preceding June 30.

"(2) EARNED INCOME DEDUCTION.—

"(A) DEFINITION OF EARNED INCOME.—In this paragraph, the term 'earned income' does not include—

"(i) income excluded by subsection (d); or

"(ii) any portion of income earned under a work supplementation or support program, as defined under section 16(b), that is attributable to public assistance.

"(B) DEDUCTION.—Except as provided in subparagraph (C), a household with earned income shall be allowed a deduction of 20 percent of all earned income to compensate for taxes, other mandatory deductions from salary, and work expenses.

"(C) EXCEPTION.—The deduction described in subparagraph (B) shall not be allowed with respect to determining an overissuance due to the failure of a household to report earned income in a timely manner.

"(3) DEPENDENT CARE DEDUCTION.—

"(A) IN GENERAL.—A household shall be entitled, with respect to expenses (other than excluded expenses described in subparagraph (B)) for dependent care, to a dependent care deduction, the maximum allowable level of which shall be $200 per month for each dependent child under 2 years of age and $175 per month for each other dependent, for the actual cost of payments necessary for the care of a dependent if the care enables a household member to accept or continue employment, or training or education that is preparatory for employment.

"(B) EXCLUDED EXPENSES.—The excluded expenses referred to in subparagraph (A) are—

"(i) expenses paid on behalf of the household by a third party;

"(ii) amounts made available and excluded, for the expenses referred to in subparagraph (A), under subsection (d)(3); and

"(iii) expenses that are paid under section 6(d)(4).

"(4) DEDUCTION FOR CHILD SUPPORT PAYMENTS.—

"(A) IN GENERAL.—A household shall be entitled to a deduction for child support payments made by a household member to or for an individual who is not a member of the household if the household member is legally obligated to make the payments.

"(B) METHODS FOR DETERMINING AMOUNT.—The Secretary may prescribe by regulation the methods, including calculation on a retrospective basis, that a State agency shall use to determine the amount of the deduction for child support payments.

"(5) HOMELESS SHELTER ALLOWANCE.—Under rules prescribed by the Secretary, a State agency may develop a standard homeless shelter allowance, which shall not exceed $143 per month, for such expenses as may reasonably be expected to be incurred by households in which all members are homeless individuals but are not receiving free shelter throughout the month. A State agency that develops the allowance may use the allowance in determining eligibility and allotments for the households. The State agency may make a household with extremely low shelter costs ineligible for the allowance.

"(6) EXCESS MEDICAL EXPENSE DEDUCTION.—

"(A) IN GENERAL.—A household containing an elderly or disabled member shall be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, to an excess medical expense deduction for the portion of the actual costs of allowable medical expenses, incurred by the elderly or disabled member, exclusive of special diets, that exceeds $35 per month.

"(B) METHOD OF CLAIMING DEDUCTION.—

"(i) IN GENERAL.—A State agency shall offer an eligible household under subparagraph (A) a method of claiming a deduction for recurring medical expenses that are initially verified under the excess medical expense deduction in lieu of submitting information on, or verification of, actual expenses on a monthly basis.

"(ii) METHOD.—The method described in clause (i) shall—

"(I) be designed to minimize the burden for the eligible elderly or disabled household member choosing to deduct the recurrent medical expenses of the member pursuant to the method;

"(II) rely on reasonable estimates of the expected medical expenses of the member for the certification period (including changes that can be reasonably anticipated based on available information about the medical condition of the member, public or private medical insurance coverage, and the current verified medical expenses incurred by the member); and

"(III) not require further reporting or verification of a change in medical expenses if such a change has been anticipated for the certification period.

"(7) EXCESS SHELTER EXPENSE DEDUCTION.—

"(A) IN GENERAL.—A household shall be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, to an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 percent of monthly household income after all other applicable deductions have been allowed.

"(B) MAXIMUM AMOUNT OF DEDUCTION.—

"(i) THROUGH DECEMBER 31, 1996.—In the case of a household that does not contain an elderly

or disabled individual, during the 15-month period ending December 31, 1996, the excess shelter expense deduction shall not exceed—

"(I) in the 48 contiguous States and the District of Columbia, $247 per month; and

"(II) in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $429, $353, $300, and $182 per month, respectively.

"(i) AFTER DECEMBER 31, 1996.—In the case of a household that does not contain an elderly or disabled individual, after December 31, 1996, the excess shelter expense deduction shall not exceed—

"(I) in the 48 contiguous States and the District of Columbia, $342 per month; and

"(II) in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $594, $489, $415, and $252 per month, respectively.

"(C) STANDARD UTILITY ALLOWANCE.—

"(i) IN GENERAL.—In computing the excess shelter expense deduction, a State agency may use a standard utility allowance in accordance with regulations promulgated by the Secretary, except that a State agency may use an allowance that does not fluctuate within a year to reflect seasonal variations.

"(ii) RESTRICTIONS ON HEATING AND COOLING EXPENSES.—An allowance for a heating or cooling expense may not be used in the case of a household that—

"(I) does not incur a heating or cooling expense, as the case may be;

"(II) does incur a heating or cooling expense but is located in a public housing unit that has central utility meters and charges households, with regard to the expense, only for excess utility costs; or

"(III) shares the expense with, and lives with, another individual not participating in the food stamp program, another household participating in the food stamp program, or both, unless the allowance is prorated between the household and the other individual, household, or both.

"(iii) MANDATORY ALLOWANCE.—

"(I) IN GENERAL.—A State agency may make the use of a standard utility allowance mandatory for all households with qualifying utility costs if—

"(aa) the State agency has developed 1 or more standards that include the cost of heating and cooling and 1 or more standards that do not include the cost of heating and cooling; and

"(bb) the Secretary finds that the standards will not result in an increased cost to the Secretary.

"(II) HOUSEHOLD ELECTION.—A State agency that has not made the use of a standard utility allowance mandatory under subclause (I) shall allow a household to switch, at the end of a certification period, between the standard utility allowance and a deduction based on the actual utility costs of the household.

"(iv) AVAILABILITY OF ALLOWANCE TO RECIPIENTS OF ENERGY ASSISTANCE.—

"(I) IN GENERAL.—Subject to subclause (II), if a State agency elects to use a standard utility allowance that reflects heating or cooling costs, the standard utility allowance shall be made available to households receiving a payment, or on behalf of which a payment is made, under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) or other similar energy assistance program, if the household still incurs out-of-pocket heating or cooling expenses in excess of any assistance paid on behalf of the household to an energy provider.

"(II) SEPARATE ALLOWANCE.—A State agency may use a separate standard utility allowance for households on behalf of which a payment described in subclause (I) is made, but may not be required to do so.

"(III) STATES NOT ELECTING TO USE SEPARATE ALLOWANCE.—A State agency that does not elect to use a separate allowance but makes a single standard utility allowance available to households incurring heating or cooling expenses (other than a household described in subclause (I) or (II) of clause (ii)) may not be required to reduce the allowance due to the provision (directly or indirectly) of assistance under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.).

"(IV) PRORATION OF ASSISTANCE.—For the purpose of the food stamp program, assistance provided under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) shall be considered to be prorated over the entire heating or cooling season for which the assistance was provided.".

(b) CONFORMING AMENDMENT.—Section 11(e)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(3)) is amended by striking ". Under rules prescribed" and all that follows through "verifies higher expenses".

SEC. 1120. VEHICLE ALLOWANCE.

Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by striking paragraph (2) and inserting the following:

"(2) INCLUDED ASSETS.—

"(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary shall, in prescribing inclusions in, and exclusions from, financial resources, follow the regulations in force as of June 1, 1982 (other than those relating to licensed vehicles and inaccessible resources).

"(B) ADDITIONAL INCLUDED ASSETS.—The Secretary shall include in financial resources—

"(i) any boat, snowmobile, or airplane used for recreational purposes;

"(ii) any vacation home;

"(iii) any mobile home used primarily for vacation purposes;

"(iv) subject to subparagraph (C), any licensed vehicle that is used for household transportation or to obtain or continue employment to the extent that the fair market value of the vehicle exceeds $4,600 through September 30, 1996, and $4,650 beginning October 1, 1996; and

"(v) any savings or retirement account (including an individual account), regardless of whether there is a penalty for early withdrawal.

"(C) EXCLUDED VEHICLES.—A vehicle (and any other property, real or personal, to the extent the property is directly related to the maintenance or use of the vehicle) shall not be included in financial resources under this paragraph if the vehicle is—

"(i) used to produce earned income;

"(ii) necessary for the transportation of a physically disabled household member; or

"(iii) depended on by a household to carry fuel for heating or water for home use and provides the primary source of fuel or water, respectively, for the household.".

SEC. 1121. VENDOR PAYMENTS FOR TRANSITIONAL HOUSING COUNTED AS INCOME.

Section 5(k)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)(2)) is amended—

(1) by striking subparagraph (F); and

(2) by redesignating subparagraphs (G) and (H) as subparagraphs (F) and (G), respectively.

SEC. 1122. SIMPLIFIED CALCULATION OF INCOME FOR THE SELF-EMPLOYED.

Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by adding at the end the following:

"(n) SIMPLIFIED CALCULATION OF INCOME FOR THE SELF-EMPLOYED.—

"(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, the Secretary shall establish a procedure, designed to not increase Federal costs, by which a State may use a reasonable estimate of income excluded under subsection (d)(9) in lieu of calculating the actual cost of producing self-employment income.

"(2) INCLUSIVE OF ALL TYPES OF INCOME.—The procedure established under paragraph (1) shall allow a State to estimate income for all types of self-employment income.

"(3) DIFFERENCES FOR DIFFERENT TYPES OF INCOME.—The procedure established under paragraph (1) may differ for different types of self-employment income.".

SEC. 1123. DOUBLED PENALTIES FOR VIOLATING FOOD STAMP PROGRAM REQUIREMENTS.

Section 6(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)) is amended—

(1) in clause (i), by striking "six months" and inserting "1 year"; and

(2) in clause (ii), by striking "1 year" and inserting "2 years".

SEC. 1124. DISQUALIFICATION OF CONVICTED INDIVIDUALS.

Section 6(b)(1)(iii) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)(iii)) is amended—

(1) in subclause (II), by striking "or" at the end;

(2) in subclause (III), by striking the period at the end and inserting "; or"; and

(3) by inserting after subclause (III) the following:

"(IV) a conviction of an offense under subsection (b) or (c) of section 15 involving an item covered by subsection (b) or (c) of section 15 having a value of $500 or more.".

SEC. 1125. DISQUALIFICATION.

(a) IN GENERAL.—Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended by striking "(d)(1) Unless otherwise exempted by the provisions" and all that follows through the end of paragraph (1) and inserting the following:

"(d) CONDITIONS OF PARTICIPATION.—

"(1) WORK REQUIREMENTS.—

"(A) IN GENERAL.—No physically and mentally fit individual over the age of 15 and under the age of 60 shall be eligible to participate in the food stamp program if the individual—

"(i) refuses, at the time of application and every 12 months thereafter, to register for employment in a manner prescribed by the Secretary;

"(ii) refuses without good cause to participate in an employment and training program established under paragraph (4), to the extent required by the State agency;

"(iii) refuses without good cause to accept an offer of employment, at a site or plant not subject to a strike or lockout at the time of the refusal, at a wage not less than the higher of—

"(I) the applicable Federal or State minimum wage; or

"(II) 80 percent of the wage that would have governed had the minimum hourly rate under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) been applicable to the offer of employment;

"(iv) refuses without good cause to provide a State agency with sufficient information to allow the State agency to determine the employment status or the job availability of the individual;

"(v) voluntarily and without good cause—

"(I) quits a job; or

"(II) reduces work effort and, after the reduction, the individual is working less than 30 hours per week; or

"(vi) fails to comply with section 20.

"(B) HOUSEHOLD INELIGIBILITY.—If an individual who is the head of a household becomes ineligible to participate in the food stamp program under subparagraph (A), the household shall, at the option of the State agency, become ineligible to participate in the food stamp program for a period, determined by the State agency, that does not exceed the lesser of—

"(i) the duration of the ineligibility of the individual determined under subparagraph (C); or

"(ii) 180 days.

"(C) DURATION OF INELIGIBILITY.—

"(i) FIRST VIOLATION.—The first time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 1 month after the date the individual became ineligible; or

"(III) a date determined by the State agency that is not later than 3 months after the date the individual became ineligible.

"(ii) SECOND VIOLATION.—The second time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 3 months after the date the individual became ineligible; or

"(III) a date determined by the State agency that is not later than 6 months after the date the individual became ineligible.

"(iii) THIRD OR SUBSEQUENT VIOLATION.—The third or subsequent time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

"(I) the date the individual becomes eligible under subparagraph (A);

"(II) the date that is 6 months after the date the individual became ineligible;

"(III) a date determined by the State agency; or

"(IV) at the option of the State agency, permanently.

"(D) ADMINISTRATION.—

"(i) GOOD CAUSE.—The Secretary shall determine the meaning of good cause for the purpose of this paragraph.

"(ii) VOLUNTARY QUIT.—The Secretary shall determine the meaning of voluntarily quitting and reducing work effort for the purpose of this paragraph.

"(iii) DETERMINATION BY STATE AGENCY.—

"(I) IN GENERAL.—Subject to subclause (II) and clauses (i) and (ii), a State agency shall determine—

"(aa) the meaning of any term used in subparagraph (A);

"(bb) the procedures for determining whether an individual is in compliance with a requirement under subparagraph (A); and

"(cc) whether an individual is in compliance with a requirement under subparagraph (A).

"(II) NOT LESS RESTRICTIVE.—A State agency may not use a meaning, procedure, or determination under subclause (I) that is less restrictive on individuals receiving benefits under this Act than a comparable meaning, procedure, or determination under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

"(iv) STRIKE AGAINST THE GOVERNMENT.—For the purpose of subparagraph (A)(v), an employee of the Federal Government, a State, or a political subdivision of a State, who is dismissed for participating in a strike against the Federal Government, the State, or the political subdivision of the State shall be considered to have voluntarily quit without good cause.

"(v) SELECTING A HEAD OF HOUSEHOLD.—

"(I) IN GENERAL.—For purposes of this paragraph, the State agency shall allow the household to select any adult parent of a child in the household as the head of the household if all adult household members making application under the food stamp program agree to the selection.

"(II) TIME FOR MAKING DESIGNATION.—A household may designate the head of the household under subclause (I) each time the household is certified for participation in the food stamp program, but may not change the designation during a certification period unless there is a change in the composition of the household.

"(vi) CHANGE IN HEAD OF HOUSEHOLD.—If the head of a household leaves the household during a period in which the household is ineligible to participate in the food stamp program under subparagraph (B)—

"(I) the household shall, if otherwise eligible, become eligible to participate in the food stamp program; and

"(II) if the head of the household becomes the head of another household, the household that becomes headed by the individual shall become ineligible to participate in the food stamp program for the remaining period of ineligibility.".

(b) CONFORMING AMENDMENT.—

(1) The second sentence of section 17(b)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(2)) is amended by striking "6(d)(1)(i)" and inserting "6(d)(1)(A)(i)".

(2) Section 20 of the Food Stamp Act of 1977 (7 U.S.C. 2029) is amended by striking subsection (f) and inserting the following:

"(f) DISQUALIFICATION.—An individual or a household may become ineligible under section 6(d)(1) to participate in the food stamp program for failing to comply with this section.".

SEC. 1126. EMPLOYMENT AND TRAINING.

(a) IN GENERAL.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended—

(1) by striking "(4)(A) Not later than April 1, 1987, each" and inserting the following:

"(4) EMPLOYMENT AND TRAINING.—

"(A) IN GENERAL.—

"(i) IMPLEMENTATION.—Each";

(2) in subparagraph (A)—

(A) by inserting "work," after "skills, training,"; and

(B) by adding at the end the following:

"(ii) STATEWIDE WORKFORCE DEVELOPMENT SYSTEM.—Each component of an employment and training program carried out under this paragraph shall be delivered through a statewide workforce development system, unless the component is not available locally through such a system.";

(3) in subparagraph (B)—

(A) in the matter preceding clause (i), by striking the colon at the end and inserting the following: ", except that the State agency shall retain the option to apply employment requirements prescribed under this subparagraph to a program applicant at the time of application:";

(B) in clause (i), by striking "with terms and conditions" and all that follows through "time of application"; and

(C) in clause (iv)—

(i) by striking subclauses (I) and (II); and

(ii) by redesignating subclauses (III) and (IV) as subclauses (I) and (II), respectively;

(4) in subparagraph (D)—

(A) in clause (i), by striking "to which the application" and all that follows through "30 days or less";

(B) in clause (ii), by striking "but with respect" and all that follows through "child care"; and

(C) in clause (iii), by striking ", on the basis of" and all that follows through "clause (ii)" and inserting "the exemption continues to be valid";

(5) in subparagraph (E), by striking the third sentence;

(6) in subparagraph (G)—

(A) by striking "(G)(i) The State" and inserting "(G) The State"; and

(B) by striking clause (ii);

(7) in subparagraph (H), by striking "(H)(i) The Secretary" and all that follows through "(ii) Federal funds" and inserting "(H) Federal funds";

(8) in subparagraph (I)(i)(II), by striking ", or was in operation," and all that follows through "Social Security Act" and inserting the following: "), except that no such payment or reimbursement shall exceed the applicable local market rate";

(9)(A) by striking subparagraphs (K) and (L) and inserting the following:

"(K) LIMITATION ON FUNDING.—Notwithstanding any other provision of this paragraph, the amount of funds a State agency uses to carry out this paragraph (including funds used to carry out subparagraph (I)) for participants who are receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall not exceed the amount of funds the State agency used in fiscal year 1995 to carry out this paragraph for participants who were receiving benefits in fiscal year 1995 under a State program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.)."; and

(B) by redesignating subparagraphs (M) and (N) as subparagraphs (L) and (M), respectively; and

(10) in subparagraph (L), as so redesignated—

(A) by striking "(L)(i) The Secretary" and inserting "(L) The Secretary"; and

(B) by striking clause (ii).

(b) FUNDING.—Section 16(h) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)) is amended by striking "(h)(1)(A) The Secretary" and all that follows through the end of paragraph (1) and inserting the following:

"(h) FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.—

"(1) IN GENERAL.—

"(A) AMOUNTS.—To carry out employment and training programs, the Secretary shall reserve for allocation to State agencies from funds made available for each fiscal year under section 18(a)(1) the amount of—

"(i) for fiscal year 1996, $75,000,000; and

"(ii) for each of fiscal years 1997 through 2002, $85,000,000.

"(B) ALLOCATION.—The Secretary shall allocate the amounts reserved under subparagraph (A) among the State agencies using a reasonable formula (as determined by the Secretary) that gives consideration to the population in each State affected by section 6(o).

"(C) REALLOCATION.—

"(i) NOTIFICATION.—A State agency shall promptly notify the Secretary if the State agency determines that the State agency will not expend all of the funds allocated to the State agency under subparagraph (B).

"(ii) REALLOCATION.—On notification under clause (i), the Secretary shall reallocate the funds that the State agency will not expend as the Secretary considers appropriate and equitable.

"(D) MINIMUM ALLOCATION.—Notwithstanding subparagraphs (A) through (C), the Secretary shall ensure that each State agency operating an employment and training program shall receive not less than $50,000 for each fiscal year.".

(c) ADDITIONAL MATCHING FUNDS.—Section 16(h)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(2)) is amended by inserting before the period at the end the following: ", including the costs for case management and casework to facilitate the transition from economic dependency to self-sufficiency through work".

(d) REPORTS.—Section 16(h) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)) is amended—

(1) in paragraph (5)—

(A) by striking "(5)(A) The Secretary" and inserting "(5) The Secretary"; and

(B) by striking subparagraph (B); and

(2) by striking paragraph (6).

SEC. 1127. FOOD STAMP ELIGIBILITY.

The third sentence of section 6(f) of the Food Stamp Act of 1977 (7 U.S.C. 2015(f)) is amended by inserting ", at State option," after "less".

SEC. 1128. COMPARABLE TREATMENT FOR DISQUALIFICATION.

(a) IN GENERAL.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following:

"(i) COMPARABLE TREATMENT FOR DISQUALIFICATION.—

"(1) IN GENERAL.—If a disqualification is imposed on a member of a household for a failure of the member to perform an action required under a Federal, State, or local law relating to a means-tested public assistance program, the State agency may impose the same disqualification on the member of the household under the food stamp program.

"(2) RULES AND PROCEDURES.—If a disqualification is imposed under paragraph (1) for a failure of an individual to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of the Act to impose the same disqualification under the food stamp program.

"(3) APPLICATION AFTER DISQUALIFICATION PERIOD.—A member of a household disqualified under paragraph (1) may, after the disqualification period has expired, apply for benefits under this Act and shall be treated as a new applicant, except that a prior disqualification under subsection (d) shall be considered in determining eligibility.".

(b) STATE PLAN PROVISIONS.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24), by striking "and" at the end;

(2) in paragraph (25), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

"(26) the guidelines the State agency uses in carrying out section 6(i); and".

(c) CONFORMING AMENDMENT.—Section 6(d)(2)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(2)(A)) is amended by striking "that is comparable to a requirement of paragraph (1)".

SEC. 1129. DISQUALIFICATION FOR RECEIPT OF MULTIPLE FOOD STAMP BENEFITS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1129, is amended by adding at the end the following:

"(j) DISQUALIFICATION FOR RECEIPT OF MULTIPLE FOOD STAMP BENEFITS.—An individual shall be ineligible to participate in the food stamp program as a member of any household for a 10-year period if the individual is found by a State agency to have made, or is convicted in a Federal or State court of having made, a fraudulent statement or representation with respect to the identity or place of residence of the individual in order to receive multiple benefits simultaneously under the food stamp program.".

SEC. 1130. DISQUALIFICATION OF FLEEING FELONS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1130, is amended by adding at the end the following:

"(k) DISQUALIFICATION OF FLEEING FELONS.—No member of a household who is otherwise eligible to participate in the food stamp program shall be eligible to participate in the program as a member of that or any other household during any period during which the individual is—

"(1) fleeing to avoid prosecution, or custody or confinement after conviction, under the law of the place from which the individual is fleeing, for a crime, or attempt to commit a crime, that is a felony under the law of the place from which the individual is fleeing or that, in the case of New Jersey, is a high misdemeanor under the law of New Jersey; or

"(2) violating a condition of probation or parole imposed under a Federal or State law.".

SEC. 1131. COOPERATION WITH CHILD SUPPORT AGENCIES.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1131, is amended by adding at the end the following:

"(l) CUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—

"(1) IN GENERAL.—At the option of a State agency, subject to paragraphs (2) and (3), no natural or adoptive parent or other individual (collectively referred to in this subsection as 'the individual') who is living with and exercising parental control over a child under the age of 18 who has an absent parent shall be eligible to participate in the food stamp program unless the individual cooperates with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

"(A) in establishing the paternity of the child (if the child is born out of wedlock); and

"(B) in obtaining support for—

"(i) the child; or

"(ii) the individual and the child.

"(2) GOOD CAUSE FOR NONCOOPERATION.—Paragraph (1) shall not apply to the individual if good cause is found for refusing to cooperate, as determined by the State agency in accordance with standards prescribed by the Secretary in consultation with the Secretary of Health and Human Services. The standards shall take into consideration circumstances under which cooperation may be against the best interests of the child.

"(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

"(m) NONCUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—

"(1) IN GENERAL.—At the option of a State agency, subject to paragraphs (2) and (3), a putative or identified noncustodial parent of a child under the age of 18 (referred to in this subsection as 'the individual') shall not be eligible to participate in the food stamp program if the individual refuses to cooperate with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

"(A) in establishing the paternity of the child (if the child is born out of wedlock); and

"(B) in providing support for the child.

"(2) REFUSAL TO COOPERATE.—

"(A) GUIDELINES.—The Secretary, in consultation with the Secretary of Health and Human Services, shall develop guidelines on what constitutes a refusal to cooperate under paragraph (1).

"(B) PROCEDURES.—The State agency shall develop procedures, using guidelines developed under subparagraph (A), for determining whether an individual is refusing to cooperate under paragraph (1).

"(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

"(4) PRIVACY.—The State agency shall provide safeguards to restrict the use of information collected by a State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to purposes for which the information is collected.".

SEC. 1132. DISQUALIFICATION RELATING TO CHILD SUPPORT ARREARS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1132, is amended by adding at the end the following:

"(n) DISQUALIFICATION FOR CHILD SUPPORT ARREARS.—

"(1) IN GENERAL.—At the option of a State agency, no individual shall be eligible to participate in the food stamp program as a member of any household during any month that the individual is delinquent in any payment due under a court order for the support of a child of the individual.

"(2) EXCEPTIONS.—Paragraph (1) shall not apply if—

"(A) a court is allowing the individual to delay payment; or

"(B) the individual is complying with a payment plan approved by a court or the State agency designated under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to provide support for the child of the individual.".

SEC. 1133. WORK REQUIREMENT.

(a) IN GENERAL.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1133, is amended by adding at the end the following:

"(o) WORK REQUIREMENT.—

"(1) DEFINITION OF WORK PROGRAM.—In this subsection, the term 'work program' means—

"(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

"(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

"(C) a program of employment or training operated or supervised by a State or political subdivision of a State that meets standards approved by the Governor of the State, including a program under subsection (d)(4), other than a job search program or a job search training program.

"(2) WORK REQUIREMENT.—Subject to the other provisions of this subsection, no individual shall be eligible to participate in the food stamp program as a member of any household if, during the preceding 12-month period, the individual received food stamp benefits for not less than 4 months during which the individual did not—

"(A) work 20 hours or more per week, averaged monthly;

"(B) participate in and comply with the requirements of a work program for 20 hours or more per week, as determined by the State agency;

"(C) participate in and comply with the requirements of a program under section 20 or a comparable program established by a State or political subdivision of a State; or

"(D) receive an exemption under paragraph (6).

"(3) EXCEPTION.—Paragraph (2) shall not apply to an individual if the individual is—

"(A) under 18 or over 50 years of age;

"(B) medically certified as physically or mentally unfit for employment;

"(C) a parent or other member of a household with responsibility for a dependent child;

"(D) otherwise exempt under subsection (d)(2); or

"(E) a pregnant woman.

"(4) WAIVER.—

"(A) IN GENERAL.—On the request of a State agency, the Secretary may waive the applicability of paragraph (2) to any group of individuals in the State if the Secretary makes a determination that the area in which the individuals reside—

"(i) has an unemployment rate of over 10 percent; or

"(ii) does not have a sufficient number of jobs to provide employment for the individuals.

"(B) RESPONSE.—The Secretary shall respond to a request made pursuant to subparagraph (A) not later than 15 days after the State agency makes the request.

"(C) REPORT.—The Secretary shall report the basis for a waiver under subparagraph (A) to

the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(5) SUBSEQUENT ELIGIBILITY.—

"(A) IN GENERAL.—An individual shall become eligible to participate in the food stamp program if, during a 30-day period, the individual—

"(i) works 80 or more hours;

"(ii) participates in and complies with the requirements of a work program for 80 or more hours, as determined by a State agency; or

"(iii) participates in and complies with the requirements of a program under section 20 or a comparable program established by a State or political subdivision of a State.

"(B) AFTER BECOMING ELIGIBLE.—An individual shall remain subject to paragraph (2) during any 12-month period subsequent to becoming eligible to participate in the food stamp program under subparagraph (A), except that the term 'preceding 12-month period' in paragraph (2) shall mean the preceding period beginning on the date the individual most recently satisfied the requirements of subparagraph (A).

"(6) STATE AGENCY EXEMPTIONS.—

"(A) IN GENERAL.—A State agency may exempt an individual for purposes of paragraph (2)(D)—

"(i) by reason of hardship; or

"(ii) if the individual participates in and complies with the requirements of a program of job search or job search training under clauses (i) or (ii) of subsection (d)(4)(B) that requires an average of not less than 20 hours per week of participation.

"(B) LIMITATION ON HARDSHIP EXEMPTION.—The average monthly number of individuals receiving benefits due to a hardship exemption granted by a State agency under subparagraph (A)(i) for a fiscal year may not exceed 20 percent of the average monthly number of individuals receiving allotments during the fiscal year in the State who are not exempt from the requirements of this subsection under paragraph (3) or (4).

"(C) LIMITATION ON JOB SEARCH EXEMPTION.—A State agency may not exempt an individual under subparagraph (A)(ii) for more than 2 months during any 12-month period.".

(b) TRANSITION PROVISION.—During the 1-year period beginning on the date of enactment of this Act, the term "preceding 12-month period" in section 6(o) of the Food Stamp Act of 1977, as added by subsection (a), means the preceding period that begins on the date of enactment of this Act.

SEC. 1134. ENCOURAGEMENT OF ELECTRONIC BENEFIT TRANSFER SYSTEMS.

(a) IN GENERAL.—Section 7(i) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)) is amended—

(1) by striking paragraph (1) and inserting the following:

"(1) ELECTRONIC BENEFIT TRANSFERS.—

"(A) IMPLEMENTATION.—Not later than October 1, 2002, each State agency shall implement an electronic benefit transfer system under which household benefits determined under section 8(a) or 26 are issued from and stored in a central databank, unless the Secretary provides a waiver for a State agency that faces unusual barriers to implementing an electronic benefit transfer system.

"(B) TIMELY IMPLEMENTATION.—Each State agency is encouraged to implement an electronic benefit transfer system under subparagraph (A) as soon as practicable.

"(C) STATE FLEXIBILITY.—Subject to paragraph (2), a State agency may procure and implement an electronic benefit transfer system under the terms, conditions, and design that the State agency considers appropriate.

"(D) OPERATION.—An electronic benefit transfer system should take into account generally accepted standard operating rules based on—

"(i) commercial electronic funds transfer technology;

"(ii) the need to permit interstate operation and law enforcement monitoring; and

"(iii) the need to permit monitoring and investigations by authorized law enforcement agencies.";

(2) in paragraph (2)—

(A) by striking "effective no later than April 1, 1992,";

(B) in subparagraph (A)—

(i) by striking ", in any 1 year,"; and

(ii) by striking "on-line";

(C) by striking subparagraph (D) and inserting the following:

"(D)(i) measures to maximize the security of a system using the most recent technology available that the State agency considers appropriate and cost effective and which may include personal identification numbers, photographic identification on electronic benefit transfer cards, and other measures to protect against fraud and abuse; and

"(ii) effective not later than 2 years after the date of enactment of this clause, to the extent practicable, measures that permit a system to differentiate items of food that may be acquired with an allotment from items of food that may not be acquired with an allotment;";

(D) in subparagraph (G), by striking "and" at the end;

(E) in subparagraph (H), by striking the period at the end and inserting "; and"; and

(F) by adding at the end the following:

"(I) procurement standards."; and

(3) by adding at the end the following:

"(7) REPLACEMENT OF BENEFITS.—Regulations issued by the Secretary regarding the replacement of benefits and liability for replacement of benefits under an electronic benefit transfer system shall be similar to the regulations in effect for a paper-based food stamp issuance system.

"(8) REPLACEMENT CARD FEE.—A State agency may collect a charge for replacement of an electronic benefit transfer card by reducing the monthly allotment of the household receiving the replacement card.

"(9) OPTIONAL PHOTOGRAPHIC IDENTIFICATION.—

"(A) IN GENERAL.—A State agency may require that an electronic benefit card contain a photograph of 1 or more members of a household.

"(B) OTHER AUTHORIZED USERS.—If a State agency requires a photograph on an electronic benefit card under subparagraph (A), the State agency shall establish procedures to ensure that any other appropriate member of the household or any authorized representative of the household may utilize the card.

"(10) APPLICABLE LAW.—Disclosures, protections, responsibilities, and remedies established by the Federal Reserve Board under section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1693b) shall not apply to benefits under this Act delivered through any electronic benefit transfer system.".

(b) SENSE OF CONGRESS.—It is the sense of Congress that a State that operates an electronic benefit transfer system under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) should operate the system in a manner that is compatible with electronic benefit transfer systems operated by other States.

SEC. 1135. VALUE OF MINIMUM ALLOTMENT.

The proviso in section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking ", and shall be adjusted" and all that follows through "$5".

SEC. 1136. BENEFITS ON RECERTIFICATION.

Section 8(c)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(2)(B)) is amended by striking "of more than one month".

SEC. 1137. OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.

Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended by striking paragraph (3) and inserting the following:

"(3) OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.—A State agency may provide to an eligible household applying after the 15th day of a month, in lieu of the initial allotment of the household and the regular allotment of the household for the following month, an allotment that is equal to the total amount of the initial allotment and the first regular allotment. The allotment shall be provided in accordance with section 11(e)(3) in the case of a household that is not entitled to expedited service and in accordance with paragraphs (3) and (9) of section 11(e) in the case of a household that is entitled to expedited service.".

SEC. 1138. FAILURE TO COMPLY WITH OTHER MEANS-TESTED PUBLIC ASSISTANCE PROGRAMS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by striking subsection (d) and inserting the following:

"(d) REDUCTION OF PUBLIC ASSISTANCE BENEFITS.—

"(1) IN GENERAL.—If the benefits of a household are reduced under a Federal, State, or local law relating to a means-tested public assistance program for the failure of a member of the household to perform an action required under the law or program, for the duration of the reduction—

"(A) the household may not receive an increased allotment as the result of a decrease in the income of the household to the extent that the decrease is the result of the reduction; and

"(B) the State agency may reduce the allotment of the household by not more than 25 percent.

"(2) RULES AND PROCEDURES.—If the allotment of a household is reduced under this subsection for a failure to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of the Act to reduce the allotment under the food stamp program.".

SEC. 1139. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

"(f) ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.—

"(1) IN GENERAL.—In the case of an individual who resides in a center for the purpose of a drug or alcoholic treatment program described in the last sentence of section 3(i), a State agency may provide an allotment for the individual to—

"(A) the center as an authorized representative of the individual for a period that is less than 1 month; and

"(B) the individual, if the individual leaves the center.

"(2) DIRECT PAYMENT.—A State agency may require an individual referred to in paragraph (1) to designate the center in which the individual resides as the authorized representative of the individual for the purpose of receiving an allotment.".

SEC. 1140. CONDITION PRECEDENT FOR APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

Section 9(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)(1)) is amended by adding at the end the following: "No retail food store or wholesale food concern of a type determined by the Secretary, based on factors that include size, location, and type of items sold, shall be approved to be authorized or reauthorized for participation in the food stamp program unless an *authorized employee of the Department of Agriculture, a designee of the Secretary, or, if practicable, an official of the State or local government designated by the Secretary has visited the store or concern for the purpose of determining whether the store or concern should be approved or reauthorized, as appropriate.".*

SEC. 1141. AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS.

Section 9(a) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)) is amended by adding at the end the following:

"(3) AUTHORIZATION PERIODS.—The Secretary shall establish specific time periods during which authorization to accept and redeem coupons, or to redeem benefits through an electronic benefit transfer system, shall be valid under the food stamp program.".

SEC. 1142. INFORMATION FOR VERIFYING ELIGIBILITY FOR AUTHORIZATION.

Section 9(c) of the Food Stamp Act of 1977 (7 U.S.C. 2018(c)) is amended—

(1) in the first sentence, by inserting ", which may include relevant income and sales tax filing documents," after "submit information"; and

(2) by inserting after the first sentence the following: "The regulations may require retail food stores and wholesale food concerns to provide written authorization for the Secretary to verify all relevant tax filings with appropriate agencies and to obtain corroborating documentation from other sources so that the accuracy of information provided by the stores and concerns may be verified.".

SEC. 1143. WAITING PERIOD FOR STORES THAT FAIL TO MEET AUTHORIZATION CRITERIA.

Section 9(d) of the Food Stamp Act of 1977 (7 U.S.C. 2018(d)) is amended by adding at the end the following: "A retail food store or wholesale food concern that is denied approval to accept and redeem coupons because the store or concern does not meet criteria for approval established by the Secretary may not, for at least 6 months, submit a new application to participate in the program. The Secretary may establish a longer time period under the preceding sentence, including permanent disqualification, that reflects the severity of the basis of the denial.".

SEC. 1144. OPERATION OF FOOD STAMP OFFICES.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020), as amended by sections 1119(b) and 1129(b), is amended—

(1) in subsection (e)—

(A) by striking paragraph (2) and inserting the following:

"(2)(A) that the State agency shall establish procedures governing the operation of food stamp offices that the State agency determines best serve households in the State, including households with special needs, such as households with elderly or disabled members, households in rural areas with low-income members, homeless individuals, households residing on reservations, and households in areas in which a substantial number of members of low-income households speak a language other than English.

"(B) In carrying out subparagraph (A), a State agency—

"(i) shall provide timely, accurate, and fair service to applicants for, and participants in, the food stamp program;

"(ii) shall develop an application containing the information necessary to comply with this Act;

"(iii) shall permit an applicant household to apply to participate in the program on the same day that the household first contacts a food stamp office in person during office hours;

"(iv) shall consider an application that contains the name, address, and signature of the applicant to be filed on the date the applicant submits the application;

"(v) shall require that an adult representative of each applicant household certify in writing, under penalty of perjury, that—

"(I) the information contained in the application is true; and

"(II) all members of the household are citizens or are aliens eligible to receive food stamps under section 6(f);

"(vi) shall provide a method of certifying and issuing coupons to eligible homeless individuals, to ensure that participation in the food stamp program is limited to eligible households; and

"(vii) may establish operating procedures that vary for local food stamp offices to reflect regional and local differences within the State.

"(C) Nothing in this Act shall prohibit the use of signatures provided and maintained electronically, storage of records using automated retrieval systems only, or any other feature of a State agency's application system that does not rely exclusively on the collection and retention of paper applications or other records.

"(D) The signature of any adult under this paragraph shall be considered sufficient to comply with any provision of Federal law requiring a household member to sign an application or statement.";

(B) in paragraph (3)—

(i) by striking "shall—" and all that follows through "provide each" and inserting "shall provide each"; and

(ii) by striking "(B) assist" and all that follows through "representative of the State agency;";

(C) by striking paragraphs (14) and (25);

(D)(i) by redesignating paragraphs (15) through (24) as paragraphs (14) through (23), respectively; and

(ii) by redesignating paragraph (26), as paragraph (24); and

(2) in subsection (i)—

(A) by striking "(i) Notwithstanding" and all that follows through "(2)" and inserting the following:

"(i) APPLICATION AND DENIAL PROCEDURES.—

"(1) APPLICATION PROCEDURES.—Notwithstanding any other provision of law,"; and

(B) by striking "; (3) households" and all that follows through "title IV of the Social Security Act. No" and inserting a period and the following:

"(2) DENIAL AND TERMINATION.—Except in a case of disqualification as a penalty for failure to comply with a public assistance program rule or regulation, no".

SEC. 1145. STATE EMPLOYEE AND TRAINING STANDARDS.

Section 11(e)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(6)) is amended—

(1) by striking "that (A) the" and inserting "that—

"(A) the";

(2) by striking "Act; (B) the" and inserting "Act; and

"(B) the";

(3) in subparagraph (B), by striking "United States Civil Service Commission" and inserting "Office of Personnel Management"; and

(4) by striking subparagraphs (C) through (E).

SEC. 1146. EXCHANGE OF LAW ENFORCEMENT INFORMATION.

Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended—

(1) by striking "that (A) such" and inserting the following: "that—

"(A) the";

(2) by striking "law, (B) notwithstanding" and inserting the following: "law;

"(B) notwithstanding";

(3) by striking "Act, and (C) such" and inserting the following: "Act;

"(C) the"; and

(4) by adding at the end the following:

"(D) notwithstanding any other provision of law, the address, social security number, and, if available, photograph of any member of a household shall be made available, on request, to any Federal, State, or local law enforcement officer if the officer furnishes the State agency with the name of the member and notifies the agency that—

"(i) the member—

"(I) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime (or attempt to commit a crime) that, under the law of the place the member is fleeing, is a felony (or, in the case of New Jersey, a high misdemeanor), or is violating a condition of probation or parole imposed under Federal or State law; or

"(II) has information that is necessary for the officer to conduct an official duty related to subclause (I);

"(ii) locating or apprehending the member is an official duty; and

"(iii) the request is being made in the proper exercise of an official duty; and

"(E) the safeguards shall not prevent compliance with paragraph (16);".

SEC. 1147. WITHDRAWING FAIR HEARING REQUESTS.

Section 11(e)(10) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(10)) is amended by inserting before the semicolon at the end a period and the following: "At the option of a State, at any time prior to a fair hearing determination under this paragraph, a household may withdraw, orally or in writing, a request by the household for the fair hearing. If the withdrawal request is an oral request, the State agency shall provide a written notice to the household confirming the withdrawal request and providing the household with an opportunity to request a hearing".

SEC. 1148. INCOME, ELIGIBILITY, AND IMMIGRATION STATUS VERIFICATION SYSTEMS.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended—

(1) in subsection (e)(18), as redesignated by section 1145(1)(D)—

(A) by striking "that information is" and inserting "at the option of the State agency, that information may be"; and

(B) by striking "shall be requested" and inserting "may be requested"; and

(2) by adding at the end the following:

"(p) STATE VERIFICATION OPTION.—Notwithstanding any other provision of law, in carrying out the food stamp program, a State agency shall not be required to use an income and eligibility or an immigration status verification system established under section 1137 of the Social Security Act (42 U.S.C. 1320b–7).".

SEC. 1149. DISQUALIFICATION OF RETAILERS WHO INTENTIONALLY SUBMIT FALSIFIED APPLICATIONS.

Section 12(b) of the Food Stamp Act of 1977 (7 U.S.C. 2021(b)) is amended—

(1) in paragraph (2), by striking "and" at the end;

(2) in paragraph (3), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(4) for a reasonable period of time to be determined by the Secretary, including permanent disqualification, on the knowing submission of an application for the approval or reauthorization to accept and redeem coupons that contains false information about a substantive matter that was a part of the application.".

SEC. 1150. DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended by adding at the end the following:

"(g) DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.—

"(1) IN GENERAL.—The Secretary shall issue regulations providing criteria for the disqualification under this Act of an approved retail

food store and a wholesale food concern that is disqualified from accepting benefits under the special supplemental nutrition program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (7 U.S.C. 1786).

"(2) TERMS.—A disqualification under paragraph (1)—

"(A) shall be for the same length of time as the disqualification from the program referred to in paragraph (1);

"(B) may begin at a later date than the disqualification from the program referred to in paragraph (1); and

"(C) notwithstanding section 14, shall not be subject to judicial or administrative review.".

SEC. 1151. COLLECTION OF OVERISSUANCES.

(a) COLLECTION OF OVERISSUANCES.—Section 13 of the Food Stamp Act of 1977 (7 U.S.C. 2022) is amended—

(1) by striking subsection (b) and inserting the following:

"(b) COLLECTION OF OVERISSUANCES.—

"(1) IN GENERAL.—Except as otherwise provided in this subsection, a State agency shall collect any overissuance of coupons issued to a household by—

"(A) reducing the allotment of the household;

"(B) withholding amounts from unemployment compensation from a member of the household under subsection (c);

"(C) recovering from Federal pay or a Federal income tax refund under subsection (d); or

"(D) any other means.

"(2) COST EFFECTIVENESS.—Paragraph (1) shall not apply if the State agency demonstrates to the satisfaction of the Secretary that all of the means referred to in paragraph (1) are not cost effective.

"(3) MAXIMUM REDUCTION ABSENT FRAUD.—If a household received an overissuance of coupons without any member of the household being found ineligible to participate in the program under section 6(b)(1) and a State agency elects to reduce the allotment of the household under paragraph (1)(A), the State agency shall not reduce the monthly allotment of the household under paragraph (1)(A) by an amount in excess of the greater of—

"(A) 10 percent of the monthly allotment of the household; or

"(B) $10.

"(4) PROCEDURES.—A State agency shall collect an overissuance of coupons issued to a household under paragraph (1) in accordance with the requirements established by the State agency for providing notice, electing a means of payment, and establishing a time schedule for payment."; and

(2) in subsection (d)—

(A) by striking "as determined under subsection (b) and except for claims arising from an error of the State agency," and inserting ", as determined under subsection (b)(1),"; and

(B) by inserting before the period at the end the following: "or a Federal income tax refund as authorized by section 3720A of title 31, United States Code".

(b) CONFORMING AMENDMENTS.—Section 11(e)(8)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)(C)) is amended—

(1) by striking "and excluding claims" and all that follows through "such section"; and

(2) by inserting before the semicolon at the end the following: "or a Federal income tax refund as authorized by section 3720A of title 31, United States Code".

(c) RETENTION RATE.—The proviso of the first sentence of section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended by striking "25 percent during the period beginning October 1, 1990" and all that follows through "section 13(b)(2) of this Act" and inserting "35 percent of the value of all funds or allotments recovered or collected pursuant to subsections (b)(1) and (c) of section 13 and 20 percent of the value of all funds or allotments recovered or collected pursuant to section 13(b)(2) of this Act".

SEC. 1152. AUTHORITY TO SUSPEND STORES VIOLATING PROGRAM REQUIREMENTS PENDING ADMINISTRATIVE AND JUDICIAL REVIEW.

Section 14(a) of the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amended—

(1) by redesignating the first through seventeenth sentences as paragraphs (1) through (17), respectively; and

(2) by adding at the end the following:

"(18) SUSPENSION OF STORES PENDING REVIEW.—Notwithstanding any other provision of this subsection, any permanent disqualification of a retail food store or wholesale food concern under paragraph (3) or (4) of section 12(b) shall be effective from the date of receipt of the notice of disqualification. If the disqualification is reversed through administrative or judicial review, the Secretary shall not be liable for the value of any sales lost during the disqualification period.".

SEC. 1153. EXPANDED CRIMINAL FORFEITURE FOR VIOLATIONS.

(a) FORFEITURE OF ITEMS EXCHANGED IN FOOD STAMP TRAFFICKING.—The first sentence of section 15(g) of the Food Stamp Act of 1977 (7 U.S.C. 2024(g)) is amended by striking "or intended to be furnished".

(b) CRIMINAL FORFEITURE.—Section 15 of the Food Stamp Act of 1977 (7 U.S.C. 2024) is amended by adding at the end the following:

"(h) CRIMINAL FORFEITURE.—

"(1) IN GENERAL.—In imposing a sentence on a person convicted of an offense in violation of subsection (b) or (c), a court shall order, in addition to any other sentence imposed under this section, that the person forfeit to the United States all property described in paragraph (2).

"(2) PROPERTY SUBJECT TO FORFEITURE.—All property, real and personal, used in a transaction or attempted transaction, to commit, or to facilitate the commission of, a violation (other than a misdemeanor) of subsection (b) or (c), or proceeds traceable to a violation of subsection (b) or (c), shall be subject to forfeiture to the United States under paragraph (1).

"(3) INTEREST OF OWNER.—No interest in property shall be forfeited under this subsection as the result of any act or omission established by the owner of the interest to have been committed or omitted without the knowledge or consent of the owner.

"(4) PROCEEDS.—The proceeds from any sale of forfeited property and any monies forfeited under this subsection shall be used—

"(A) first, to reimburse the Department of Justice for the costs incurred by the Department to initiate and complete the forfeiture proceeding;

"(B) second, to reimburse the Department of Agriculture Office of Inspector General for any costs the Office incurred in the law enforcement effort resulting in the forfeiture;

"(C) third, to reimburse any Federal or State law enforcement agency for any costs incurred in the law enforcement effort resulting in the forfeiture; and

"(D) fourth, by the Secretary to carry out the approval, reauthorization, and compliance investigations of retail stores and wholesale food concerns under section 9.".

SEC. 1154. LIMITATION ON FEDERAL MATCH.

Section 16(a)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)(4)) is amended by inserting after the comma at the end the following: "but not including recruitment activities,".

SEC. 1155. STANDARDS FOR ADMINISTRATION.

(a) IN GENERAL.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by striking subsection (b).

(b) CONFORMING AMENDMENTS.—

(1) The first sentence of section 11(g) of the Food Stamp Act of 1977 (7 U.S.C. 2020(g)) is amended by striking "the Secretary's standards for the efficient and effective administration of the program established under section 16(b)(1) or".

(2) Section 16(c)(1)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)(1)(B)) is amended by striking "pursuant to subsection (b)".

SEC. 1156. WORK SUPPLEMENTATION OR SUPPORT PROGRAM.

Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025), as amended by section 1157(a), is amended by inserting after subsection (a) the following:

"(b) WORK SUPPLEMENTATION OR SUPPORT PROGRAM.—

"(1) DEFINITION OF WORK SUPPLEMENTATION OR SUPPORT PROGRAM.—In this subsection, the term 'work supplementation or support program' means a program under which, as determined by the Secretary, public assistance (including any benefits provided under a program established by the State and the food stamp program) is provided to an employer to be used for hiring and employing a public assistance recipient who was not employed by the employer at the time the public assistance recipient entered the program.

"(2) PROGRAM.—A State agency may elect to use an amount equal to the allotment that would otherwise be issued to a household under the food stamp program, but for the operation of this subsection, for the purpose of subsidizing or supporting a job under a work supplementation or support program established by the State.

"(3) PROCEDURE.—If a State agency makes an election under paragraph (2) and identifies each household that participates in the food stamp program that contains an individual who is participating in the work supplementation or support program—

"(A) the Secretary shall pay to the State agency an amount equal to the value of the allotment that the household would be eligible to receive but for the operation of this subsection;

"(B) the State agency shall expend the amount received under subparagraph (A) in accordance with the work supplementation or support program in lieu of providing the allotment that the household would receive but for the operation of this subsection;

"(C) for purposes of—

"(i) sections 5 and 8(a), the amount received under this subsection shall be excluded from household income and resources; and

"(ii) section 8(b), the amount received under this subsection shall be considered to be the value of an allotment provided to the household; and

"(D) the household shall not receive an allotment from the State agency for the period during which the member continues to participate in the work supplementation or support program.

"(4) OTHER WORK REQUIREMENTS.—No individual shall be excused, by reason of the fact that a State has a work supplementation or support program, from any work requirement under section 6(d), except during the periods in which the individual is employed under the work supplementation or support program.

"(5) LENGTH OF PARTICIPATION.—A State agency shall provide a description of how the public assistance recipients in the program shall, within a specific period of time, be moved from supplemented or supported employment to employment that is not supplemented or supported.

"(6) DISPLACEMENT.—A work supplementation or support program shall not displace the employment of individuals who are not supplemented or supported.".

SEC. 1157. RESPONSE TO WAIVERS.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)), as amended by section

1159, is amended by adding at the end the following:

"(D) RESPONSE TO WAIVERS.—

"(i) RESPONSE.—Not later than 60 days after the date of receiving a request for a waiver under subparagraph (A), the Secretary shall provide a response that—

"(I) approves the waiver request;

"(II) denies the waiver request and describes any modification needed for approval of the waiver request;

"(III) denies the waiver request and describes the grounds for the denial; or

"(IV) requests clarification of the waiver request.

"(ii) FAILURE TO RESPOND.—If the Secretary does not provide a response in accordance with clause (i), the waiver shall be considered approved, unless the approval is specifically prohibited by this Act.

"(iii) NOTICE OF DENIAL.—On denial of a waiver request under clause (i)(III), the Secretary shall provide a copy of the waiver request and a description of the reasons for the denial to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.".

SEC. 1158. EMPLOYMENT INITIATIVES PROGRAM.

Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (d) and inserting the following:

"(d) EMPLOYMENT INITIATIVES PROGRAM.—

"(1) ELECTION TO PARTICIPATE.—

"(A) IN GENERAL.—Subject to the other provisions of this subsection, a State may elect to carry out an employment initiatives program under this subsection.

"(B) REQUIREMENT.—A State shall be eligible to carry out an employment initiatives program under this subsection only if not less than 50 percent of the households in the State that received food stamp benefits during the summer of 1993 also received benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) during the summer of 1993.

"(2) PROCEDURE.—

"(A) IN GENERAL.—A State that has elected to carry out an employment initiatives program under paragraph (1) may use amounts equal to the food stamp allotments that would otherwise be issued to a household under the food stamp program, but for the operation of this subsection, to provide cash benefits in lieu of the food stamp allotments to the household if the household is eligible under paragraph (3).

"(B) PAYMENT.—The Secretary shall pay to each State that has elected to carry out an employment initiatives program under paragraph (1) an amount equal to the value of the allotment that each household participating in the program in the State would be eligible to receive under this Act but for the operation of this subsection.

"(C) OTHER PROVISIONS.—For purposes of the food stamp program (other than this subsection)—

"(i) cash assistance under this subsection shall be considered to be an allotment; and

"(ii) each household receiving cash benefits under this subsection shall not receive any other food stamp benefit during the period for which the cash assistance is provided.

"(D) ADDITIONAL PAYMENTS.—Each State that has elected to carry out an employment initiatives program under paragraph (1) shall—

"(i) increase the cash benefits provided to each household participating in the program in the State under this subsection to compensate for any State or local sales tax that may be collected on purchases of food by the household, unless the Secretary determines on the basis of information provided by the State that the increase is unnecessary on the basis of the limited nature of the items subject to the State or local sales tax; and

"(ii) pay the cost of any increase in cash benefits required by clause (i).

"(3) ELIGIBILITY.—A household shall be eligible to receive cash benefits under paragraph (2) if an adult member of the household—

"(A) has worked in unsubsidized employment for not less than the preceding 90 days;

"(B) has earned not less than $350 per month from the employment referred to in subparagraph (A) for not less than the preceding 90 days;

"(C)(i) is receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

"(ii) was receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) at the time the member first received cash benefits under this subsection and is no longer eligible for the State program because of earned income;

"(D) is continuing to earn not less than $350 per month from the employment referred to in subparagraph (A); and

"(E) elects to receive cash benefits in lieu of food stamp benefits under this subsection.

"(4) EVALUATION.—A State that operates a program under this subsection for 2 years shall provide to the Secretary a written evaluation of the impact of cash assistance under this subsection. The State agency, with the concurrence of the Secretary, shall determine the content of the evaluation.".

SEC. 1159. REAUTHORIZATION.

The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking "1991 through 1997" and inserting "1996 through 2002".

SEC. 1160. SIMPLIFIED FOOD STAMP PROGRAM.

(a) IN GENERAL.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

"SEC. 26. SIMPLIFIED FOOD STAMP PROGRAM.

"(a) DEFINITION OF FEDERAL COSTS.—In this section, the term 'Federal costs' does not include any Federal costs incurred under section 17.

"(b) ELECTION.—Subject to subsection (d), a State may elect to carry out a Simplified Food Stamp Program (referred to in this section as a 'Program'), statewide or in a political subdivision of the State, in accordance with this section.

"(c) OPERATION OF PROGRAM.—If a State elects to carry out a Program, within the State or a political subdivision of the State—

"(1) only households in which all members receive assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall receive benefits under the Program;

"(2) a household in which all members receive assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall automatically be eligible to participate in the Program; and

"(3) subject to subsection (f), benefits under the Program shall be determined under rules and procedures established by the State under—

"(A) a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

"(B) the food stamp program (other than section 27); or

"(C) a combination of a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and the food stamp program (other than section 27).

"(d) APPROVAL OF PROGRAM.—

"(1) STATE PLAN.—A State agency may not operate a Program unless the Secretary approves a State plan for the operation of the Program under paragraph (2).

"(2) APPROVAL OF PLAN.—The Secretary shall approve any State plan to carry out a Program if the Secretary determines that the plan—

"(A) complies with this section; and

"(B) contains sufficient documentation that the plan will not increase Federal costs for any fiscal year.

"(e) INCREASED FEDERAL COSTS.—

"(1) DETERMINATION.—

"(A) IN GENERAL.—The Secretary shall determine whether a Program being carried out by a State agency is increasing Federal costs under this Act.

"(B) NO EXCLUDED HOUSEHOLDS.—In making a determination under subparagraph (A), the Secretary shall not require the State agency to collect or report any information on households not included in the Program.

"(C) ALTERNATIVE ACCOUNTING PERIODS.—The Secretary may approve the request of a State agency to apply alternative accounting periods to determine if Federal costs do not exceed the Federal costs had the State agency not elected to carry out the Program.

"(2) NOTIFICATION.—If the Secretary determines that the Program has increased Federal costs under this Act for any fiscal year or any portion of any fiscal year, the Secretary shall notify the State not later than 30 days after the Secretary makes the determination under paragraph (1).

"(3) ENFORCEMENT.—

"(A) CORRECTIVE ACTION.—Not later than 90 days after the date of a notification under paragraph (2), the State shall submit a plan for approval by the Secretary for prompt corrective action that is designed to prevent the Program from increasing Federal costs under this Act.

"(B) TERMINATION.—If the State does not submit a plan under subparagraph (A) or carry out a plan approved by the Secretary, the Secretary shall terminate the approval of the State agency operating the Program and the State agency shall be ineligible to operate a future Program.

"(f) RULES AND PROCEDURES.—

"(1) IN GENERAL.—In operating a Program, a State or political subdivision of a State may follow the rules and procedures established by the State or political subdivision under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under the food stamp program.

"(2) STANDARDIZED DEDUCTIONS.—In operating a Program, a State or political subdivision of a State may standardize the deductions provided under section 5(e). In developing the standardized deduction, the State shall consider the work expenses, dependent care costs, and shelter costs of participating households.

"(3) REQUIREMENTS.—In operating a Program, a State or political subdivision shall comply with the requirements of—

"(A) subsections (a) through (g) of section 7;

"(B) section 8(a) (except that the income of a household may be determined under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.));

"(C) subsection (b) and (d) of section 8;

"(D) subsections (a), (c), (d), and (n) of section 11;

"(E) paragraph (3) of section 11(e), to the extent that the paragraph requires that an eligible household be certified and receive an allotment for the period of application not later than 30 days after filing an application;

"(F) paragraphs (8), (12), (16), (18), (20), (24), and (25) of section 11(e);

"(G) section 11(e)(10) (or a comparable requirement established by the State under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)); and

"(H) section 16.

"(4) LIMITATION ON ELIGIBILITY.—Notwithstanding any other provision of this section, a household may not receive benefits under this section as a result of the eligibility of the household under a State program funded under part

A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), unless the Secretary determines that any household with income above 130 percent of the poverty guidelines is not eligible for the program.".

(b) STATE PLAN PROVISIONS.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)), as amended by sections 1129(b) and 1145, is amended by adding at the end the following:

"(25) if a State elects to carry out a Simplified Food Stamp Program under section 26, the plans of the State agency for operating the program, including—

"(A) the rules and procedures to be followed by the State agency to determine food stamp benefits;

"(B) how the State agency will address the needs of households that experience high shelter costs in relation to the incomes of the households; and

"(C) a description of the method by which the State agency will carry out a quality control system under section 16(c).".

(c) CONFORMING AMENDMENTS.—

(1) Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017), as amended by section 1140, is amended—

(A) by striking subsection (e); and

(B) by redesignating subsection (f) as subsection (e).

(2) Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended—

(A) by striking subsection (i); and

(B) by redesignating subsections (j) through (l) as subsections (i) through (k), respectively.

CHAPTER 2—COMMODITY DISTRIBUTION PROGRAMS

SEC. 1171. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) DEFINITIONS.—Section 201A of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended to read as follows:

"SEC. 201A. DEFINITIONS.

"In this Act:

"(1) ADDITIONAL COMMODITIES.—The term 'additional commodities' means commodities made available under section 214 in addition to the commodities made available under sections 202 and 203D.

"(2) AVERAGE MONTHLY NUMBER OF UNEMPLOYED PERSONS.—The term 'average monthly number of unemployed persons' means the average monthly number of unemployed persons in each State during the most recent fiscal year for which information concerning the number of unemployed persons is available, as determined by the Bureau of Labor Statistics of the Department of Labor.

"(3) ELIGIBLE RECIPIENT AGENCY.—The term 'eligible recipient agency' means a public or nonprofit organization that—

"(A) administers—

"(i) an emergency feeding organization;

"(ii) a charitable institution (including a hospital and a retirement home, but excluding a penal institution) to the extent that the institution serves needy persons;

"(iii) a summer camp for children, or a child nutrition program providing food service;

"(iv) a nutrition project operating under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.), including a project that operates a congregate nutrition site and a project that provides home-delivered meals; or

"(v) a disaster relief program;

"(B) has been designated by the appropriate State agency, or by the Secretary; and

"(C) has been approved by the Secretary for participation in the program established under this Act.

"(4) EMERGENCY FEEDING ORGANIZATION.—The term 'emergency feeding organization' means a public or nonprofit organization that administers activities and projects (including the activities and projects of a charitable institution, a food bank, a food pantry, a hunger relief center, a soup kitchen, or a similar public or private nonprofit eligible recipient agency) providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons.

"(5) FOOD BANK.—The term 'food bank' means a public or charitable institution that maintains an established operation involving the provision of food or edible commodities, or the products of food or edible commodities, to food pantries, soup kitchens, hunger relief centers, or other food or feeding centers that, as an integral part of their normal activities, provide meals or food to feed needy persons on a regular basis.

"(6) FOOD PANTRY.—The term 'food pantry' means a public or private nonprofit organization that distributes food to low-income and unemployed households, including food from sources other than the Department of Agriculture, to relieve situations of emergency and distress.

"(7) POVERTY LINE.—The term 'poverty line' has the meaning provided in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

"(8) SOUP KITCHEN.—The term 'soup kitchen' means a public or charitable institution that, as an integral part of the normal activities of the institution, maintains an established feeding operation to provide food to needy homeless persons on a regular basis.

"(9) TOTAL VALUE OF ADDITIONAL COMMODITIES.—The term 'total value of additional commodities' means the actual cost of all additional commodities that are paid by the Secretary (including the distribution and processing costs incurred by the Secretary).

"(10) VALUE OF ADDITIONAL COMMODITIES ALLOCATED TO EACH STATE.—The term 'value of additional commodities allocated to each State' means the actual cost of additional commodities allocated to each State that are paid by the Secretary (including the distribution and processing costs incurred by the Secretary).".

(b) STATE PLAN.—Section 202A of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended to read as follows:

"SEC. 202A. STATE PLAN.

"(a) IN GENERAL.—To receive commodities under this Act, a State shall submit a plan of operation and administration every 4 years to the Secretary for approval. The plan may be amended at any time, with the approval of the Secretary.

"(b) REQUIREMENTS.—Each plan shall—

"(1) designate the State agency responsible for distributing the commodities received under this Act;

"(2) set forth a plan of operation and administration to expeditiously distribute commodities under this Act;

"(3) set forth the standards of eligibility for recipient agencies; and

"(4) set forth the standards of eligibility for individual or household recipients of commodities, which shall require—

"(A) individuals or households to be comprised of needy persons; and

"(B) individual or household members to be residing in the geographic location served by the distributing agency at the time of applying for assistance.

"(c) STATE ADVISORY BOARD.—The Secretary shall encourage each State receiving commodities under this Act to establish a State advisory board consisting of representatives of all entities in the State, both public and private, interested in the distribution of commodities received under this Act.".

(c) AUTHORIZATION OF APPROPRIATIONS FOR ADMINISTRATIVE FUNDS.—Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended—

(1) in the first sentence, by striking "for State and local" and all that follows through "under this title" and inserting "to pay for the direct and indirect administrative costs of the States related to the processing, transporting, and distributing to eligible recipient agencies of commodities provided by the Secretary under this Act and commodities secured from other sources"; and

(2) by striking the fourth sentence.

(d) DELIVERY OF COMMODITIES.—Section 214 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended—

(1) by striking subsections (a) through (e) and (j);

(2) by redesignating subsections (f) through (i) as subsections (a) through (d), respectively;

(3) in subsection (b), as redesignated by paragraph (2)—

(A) in the first sentence, by striking "subsection (f) or subsection (j) if applicable," and inserting "subsection (a),"; and

(B) in the second sentence, by striking "subsection (f)" and inserting "subsection (a)";

(4) by striking subsection (c), as redesignated by paragraph (2), and inserting the following:

"(c) ADMINISTRATION.—

"(1) IN GENERAL.—Commodities made available for each fiscal year under this section shall be delivered at reasonable intervals to States based on the grants calculated under subsection (a), or reallocated under subsection (b), before December 31 of the following fiscal year.

"(2) ENTITLEMENT.—Each State shall be entitled to receive the value of additional commodities determined under subsection (a)."; and

(5) in subsection (d), as redesignated by paragraph (2), by striking "or reduce" and all that follows through "each fiscal year".

(e) TECHNICAL AMENDMENTS.—The Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended—

(1) in the first sentence of section 203B(a), by striking "203 and 203A of this Act" and inserting "203A";

(2) in section 204(a), by striking "title" each place it appears and inserting "Act";

(3) in the first sentence of section 210(e), by striking "(except as otherwise provided for in section 214(j))"; and

(4) by striking section 212.

(f) REPORT ON EFAP.—Section 1571 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 612c note) is repealed.

(g) AVAILABILITY OF COMMODITIES UNDER THE FOOD STAMP PROGRAM.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), as amended by section 1164(a), is amended by adding at the end the following:

"SEC. 28. AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.

"(a) PURCHASE OF COMMODITIES.—From amounts appropriated under this Act, for each of fiscal years 1997 through 2002, the Secretary shall purchase $100,000,000 of a variety of nutritious and useful commodities of the types that the Secretary has the authority to acquire through the Commodity Credit

Corporation or under section 32 of the Act entitled 'An Act to amend the Agricultural Adjustment Act, and for other purposes', approved August 24, 1935 (7 U.S.C. 612c), and distribute the commodities to States for distribution in accordance with section 214 of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note).

"(b) BASIS FOR COMMODITY PURCHASES.—In purchasing commodities under subsection (a), the Secretary shall, to the extent practicable and appropriate, make purchases based on—

"(1) agricultural market conditions;

"(2) preferences and needs of States and distributing agencies; and

"(3) preferences of recipients.".

(h) EFFECTIVE DATE.—The amendments made by subsection (d) shall become effective on October 1, 1996.

SEC. 1172. FOOD BANK DEMONSTRATION PROJECT.

Section 3 of the Charitable Assistance and Food Bank Act of 1987 (Public Law 100–232; 7 U.S.C. 612c note) is repealed.

SEC. 1173. HUNGER PREVENTION PROGRAMS.

The Hunger Prevention Act of 1988 (Public Law 100–435; 7 U.S.C. 612c note) is amended—

(1) by striking section 110;

(2) by striking subtitle C of title II; and

(3) by striking section 502.

SEC. 1174. REPORT ON ENTITLEMENT COMMODITY PROCESSING.

Section 1773 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 612c note) is amended by striking subsection (f).

Subtitle B—Child Nutrition Programs

CHAPTER 1—AMENDMENTS TO THE NATIONAL SCHOOL LUNCH ACT

SEC. 1201. STATE DISBURSEMENT TO SCHOOLS.

(a) IN GENERAL.—Section 8 of the National School Lunch Act (42 U.S.C. 1757) is amended—

(1) in the third sentence, by striking "Nothing" and all that follows through "educational agency to" and inserting "The State educational agency may";

(2) by striking the fourth and fifth sentences;

(3) by redesignating the first through seventh sentences, as amended by paragraph (2), as subsections (a) through (g), respectively;

(4) in subsection (b), as redesignated by paragraph (3), by striking "the preceding sentence" and inserting "subsection (a)"; and

(5) in subsection (d), as redesignated by paragraph (3), by striking "Such food costs" and inserting "Use of funds paid to States".

(b) DEFINITION OF CHILD.—Section 12(d) of the National School Lunch Act (42 U.S.C. 1760(d)) is amended by adding at the end the following:

"(9) CHILD.—

"(A) IN GENERAL.—The term 'child' includes an individual, regardless of age, who—

"(i) is determined by a State educational agency, in accordance with regulations prescribed by the Secretary, to have 1 or more mental or physical disabilities; and

"(ii) is attending any institution, as defined in section 17(a), or any nonresidential public or nonprofit private school of high school grade or under, for the purpose of participating in a school program established for individuals with mental or physical disabilities.

"(B) RELATIONSHIP TO CHILD AND ADULT CARE FOOD PROGRAM.—No institution that is not otherwise eligible to participate in the program under section 17 shall be considered eligible because of this paragraph.".

SEC. 1202. NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS.

(a) NUTRITIONAL STANDARDS.—Section 9(a) of the National School Lunch Act (42 U.S.C. 1758(a)) is amended—

(1) in paragraph (2)—

(A) by striking "(2)(A) Lunches" and inserting "(2) Lunches";

(B) by striking subparagraph (B); and

(C) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively;

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

(b) UTILIZATION OF AGRICULTURAL COMMODITIES.—Section 9(c) of the National School Lunch Act (42 U.S.C. 1758(c)) is amended—

(1) in the fifth sentence, by striking "of the provisions of law referred to in the preceding sentence" and inserting "provision of law"; and

(2) by striking the second, fourth, and sixth sentences.

(c) CONFORMING AMENDMENT.—The last sentence of section 9(d)(1) of the National School Lunch Act (42 U.S.C. 1758(d)(1)) is amended by striking "subsection (b)(2)(C)" and inserting "subsection (b)(2)(B)".

(d) NUTRITIONAL INFORMATION.—Section 9(f) of the National School Lunch Act (42 U.S.C. 1758(f)) is amended—

(1) by striking paragraph (1);

(2) by striking "(2)";

(3) by redesignating subparagraphs (A) through (D) as paragraphs (1) through (4), respectively;

(4) by striking paragraph (1), as redesignated by paragraph (3), and inserting the following:

"(1) NUTRITIONAL REQUIREMENTS.—Except as provided in paragraph (2), not later than the first day of the 1996–1997 school year, each school that is participating in the school lunch or school breakfast program shall serve lunches and breakfasts under the program that—

"(A) are consistent with the goals of the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341); and

"(B) provide, on the average over each week, at least—

"(i) with respect to school lunches, ⅓ of the daily recommended dietary allowance established by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences; and

"(ii) with respect to school breakfasts, ¼ of the daily recommended dietary allowance established by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences.";

(5) in paragraph (3), as redesignated by paragraph (3)—

(A) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively; and

(B) in subparagraph (A), as so redesignated, by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively; and

(6) in paragraph (4), as redesignated by paragraph (3)—

(A) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively; and

(B) in subparagraph (A), as so redesignated—

(i) by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively; and

(ii) in clause (ii), as so redesignated, by striking "subparagraph (C)" and inserting "paragraph (3)".

(e) USE OF RESOURCES.—Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended by striking subsection (h).

SEC. 1203. FREE AND REDUCED PRICE POLICY STATEMENT.

Section 9(b)(2) of the National School Lunch Act (42 U.S.C. 1758(b)(2)), as amended by section 1202(b)(1), is amended by adding at the end the following:

"(C) FREE AND REDUCED PRICE POLICY STATEMENT.—After the initial submission, a school food authority shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school food authority. A routine change in the policy of a school food authority, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the school food authority to submit a policy statement.".

SEC. 1204. SPECIAL ASSISTANCE.

(a) EXTENSION OF PAYMENT PERIOD.—Section 11(a)(1)(D)(i) of the National School Lunch Act (42 U.S.C. 1759a(a)(1)(D)(i)) is amended by striking ", on the date of enactment of this subparagraph,".

(b) APPLICABILITY OF OTHER PROVISIONS.—Section 11 of the National School Lunch Act (42 U.S.C. 1759a) is amended—

(1) by striking subsection (d);

(2) in subsection (e)(2)—

(A) by striking "The" and inserting "On request of the Secretary, the"; and

(B) by striking "each month"; and

(3) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

SEC. 1205. MISCELLANEOUS PROVISIONS AND DEFINITIONS.

(a) ACCOUNTS AND RECORDS.—The second sentence of section 12(a) of the National School Lunch Act (42 U.S.C. 1760(a)) is amended by striking "at all times be available" and inserting "be available at any reasonable time".

(b) RESTRICTION ON REQUIREMENTS.—Section 12(c) of the National School Lunch Act (42 U.S.C. 1760(c)) is amended by striking "neither the Secretary nor the State shall" and inserting "the Secretary shall not".

(c) DEFINITIONS.—Section 12(d) of the National School Lunch Act (42 U.S.C. 1760(d)), as amended by section 1201(b), is amended—

(1) in paragraph (1), by striking "the Trust Territory of the Pacific Islands" and inserting "the Commonwealth of the Northern Mariana Islands";

(2) by striking paragraphs (3) and (4); and

(3) by redesignating paragraphs (1), (2), and (5) through (9) as paragraphs (6), (7), (3), (4), (2), (5), and (1), respectively, and rearranging the paragraphs so as to appear in numerical order.

(d) ADJUSTMENTS TO NATIONAL AVERAGE PAYMENT RATES.—Section 12(f) of the National School Lunch Act (42 U.S.C. 1760(f)) is amended by striking "the Trust Territory of the Pacific Islands,".

(e) EXPEDITED RULEMAKING.—Section 12(k) of the National School Lunch Act (42 U.S.C. 1760(k)) is amended—

(1) by striking paragraphs (1), (2), and (5); and

(2) by redesignating paragraphs (3) and (4) as paragraphs (1) and (2), respectively.

(f) WAIVER.—Section 12(l) of the National School Lunch Act (42 U.S.C. 1760(l)) is amended—

(1) in paragraph (2)(A)—

(A) in clause (iii), by adding "and" at the end;

(B) in clause (iv), by striking the semicolon at the end and inserting a period; and

(C) by striking clauses (v) through (vii);

(2) in paragraph (3)—

(A) in subparagraph (A), by striking "(A)"; and

(B) by striking subparagraphs (B) through (D);

(3) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by striking "of any requirement relating" and inserting "that increases Federal costs or that relates";

(B) by striking subparagraph (D);

(C) by redesignating subparagraphs (E) through (N) as subparagraphs (D) through (M), respectively; and

(D) in subparagraph (L), as redesignated by subparagraph (C), by striking "and" at the end and inserting "or"; and

(4) in paragraph (6)—

(A) by striking "(A)(i)" and all that follows through "(B)"; and

(B) by redesignating clauses (i) through (iv) as subparagraphs (A) through (D), respectively.

(g) Simplified Administration of School Meal and Other Nutrition Programs.—Section 12 of the National School Lunch Act (42 U.S.C. 1760), as amended by subsection (g), is amended by adding at the end the following:

"(m) Simplified Administration of School Meal and Other Nutrition Programs.—Notwithstanding any other provision of law, no assistance or benefits provided under the programs established under the following provisions of law shall be contingent on the citizenship or immigration status of any applicant or recipient:

"(1) This Act.

"(2) The Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

"(3) Section 4 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note).

"(4) The Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note).

"(5) The food distribution program on Indian reservations established under section 4(b) of Public Law 88–525 (7 U.S.C. 2013(b)).".

SEC. 1206. COMMODITY DISTRIBUTION.

(a) Cereal and Shortening in Commodity Donations.—Section 14(b) of the National School Lunch Act (42 U.S.C. 1762a(b)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(b) Advisory Council.—Section 14(e) of the National School Lunch Act (42 U.S.C. 1762a(e)) is amended by striking "educational".

(c) Cash Compensation for Pilot Project Schools.—Section 14(g) of the National School Lunch Act (42 U.S.C. 1762a(g)) is amended by striking paragraph (3).

SEC. 1207. CHILD AND ADULT CARE FOOD PROGRAM.

(a) Establishment of Program.—Section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended in the first sentence of subsection (a), by striking "initiate, maintain, and expand" and inserting "initiate and maintain".

(b) Payments to Sponsor Employees.—Paragraph (2) of the last sentence of section 17(a) of the National School Lunch Act (42 U.S.C. 1766(a)) is amended—

(1) in subparagraph (B), by striking "and" at the end;

(2) in subparagraph (C), by striking the period at the end and inserting "; and"; and

(3) by adding at the end the following:

"(D) in the case of a family or group day care home sponsoring organization that employs more than 1 employee, the organization does not base payments to an employee of the organization on the number of family or group day care homes recruited.".

(c) Technical Assistance.—The last sentence of section 17(d)(1) of the National School Lunch Act (42 U.S.C. 1766(d)(1)) is amended by striking ", and shall provide technical assistance" and all that follows through "its application".

(d) Reimbursement of Child Care Institutions.—Section 17(f)(2)(B) of the National School Lunch Act (42 U.S.C. 1766(f)(2)(B)) is amended by striking "two meals and two supplements or three meals and one supplement" and inserting "2 meals and 1 supplement".

(e) Improved Targeting of Day Care Home Reimbursements.—

(1) Restructured day care home reimbursements.—Section 17(f)(3) of the National School Lunch Act (42 U.S.C. 1766(f)(3)) is amended by striking "(3)(A) Institutions" and all that follows through the end of subparagraph (A) and inserting the following:

"(3) Reimbursement of family or group day care home sponsoring organizations.—

"(A) Reimbursement factor.—

"(i) In general.—An institution that participates in the program under this section as a family or group day care home sponsoring organization shall be provided, for payment to a home sponsored by the organization, reimbursement factors in accordance with this subparagraph for the cost of obtaining and preparing food and prescribed labor costs involved in providing meals under this section.

"(ii) Tier I family or group day care homes.—

"(I) Definition of tier I family or group day care home.—In this paragraph, the term 'tier I family or group day care home' means—

"(aa) a family or group day care home that is located in a geographic area, as defined by the Secretary based on census data, in which at least 50 percent of the children residing in the area are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9;

"(bb) a family or group day care home that is located in an area served by a school enrolling elementary students in which at least 50 percent of the total number of children enrolled are certified eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); or

"(cc) a family or group day care home that is operated by a provider whose household meets the income eligibility guidelines for free or reduced price meals under section 9 and whose income is verified by the sponsoring or organization of the home under regulations established by the Secretary.

"(II) Reimbursement.—Except as provided in subclause (III), a tier I family or group day care home shall be provided reimbursement factors under this clause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the income eligibility guidelines for free or reduced price meals under section 9.

"(III) Factors.—Except as provided in subclause (IV), the reimbursement factors applied to a home referred to in subclause (II) shall be the factors in effect on July 1, 1996.

"(IV) Adjustments.—The reimbursement factors under this subparagraph shall be adjusted on July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this subparagraph shall be rounded to the nearest lower cent increment and based on the unrounded adjustment in effect on June 30 of the preceding school year.

"(iii) Tier II family or group day care homes.—

"(I) In general.—

"(aa) Factors.—Except as provided in subclause (II), with respect to meals or supplements served under this clause by a family or group day care home that does not meet the criteria set forth in clause (ii)(I), the reimbursement factors shall be $1 for lunches and suppers, 30 cents for breakfasts, and 15 cents for supplements.

"(bb) Adjustments.—The factors shall be adjusted on July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this item shall be rounded down to the nearest lower cent increment and based on the unrounded adjustment for the preceding 12-month period.

"(cc) Reimbursement.—A family or group day care home shall be provided reimbursement factors under this subclause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the income eligibility guidelines for free or reduced price meals under section 9.

"(II) Other factors.—A family or group day care home that does not meet the criteria set forth in clause (ii)(I) may elect to be provided reimbursement factors determined in accordance with the following requirements:

"(aa) Children eligible for free or reduced price meals.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9, the family or group day care home shall be provided reimbursement factors set by the Secretary in accordance with clause (ii)(III).

"(bb) Ineligible children.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes do not meet the income eligibility guidelines, the family or group day care home shall be provided reimbursement factors in accordance with subclause (I).

"(III) Information and determinations.—

"(aa) In general.—If a family or group day care home elects to claim the factors described in subclause (II), the family or group day care home sponsoring organization serving the home shall collect the necessary income information, as determined by the Secretary, from any parent or other caretaker to make the determinations specified in subclause (II) and shall make the determinations in accordance with rules prescribed by the Secretary.

"(bb) Categorical eligibility.—In making a determination under item (aa), a family or group day care home sponsoring organization may consider a child participating in or subsidized under, or a child with a parent participating in or subsidized under, a federally or State supported child care or other

benefit program with an income eligibility limit that does not exceed the eligibility standard for free or reduced price meals under section 9 to be a child who is a member of a household whose income meets the income eligibility guidelines under section 9.

"(cc) FACTORS FOR CHILDREN ONLY.—A family or group day care home may elect to receive the reimbursement factors prescribed under clause (ii)(III) solely for the children participating in a program referred to in item (bb) if the home elects not to have income statements collected from parents or other caretakers.

"(IV) SIMPLIFIED MEAL COUNTING AND REPORTING PROCEDURES.—The Secretary shall prescribe simplified meal counting and reporting procedures for use by a family or group day care home that elects to claim the factors under subclause (II) and by a family or group day care home sponsoring organization that sponsors the home. The procedures the Secretary prescribes may include 1 or more of the following:

"(aa) Setting an annual percentage for each home of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under clause (ii)(III) and an annual percentage of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under subclause (I), based on the family income of children enrolled in the home in a specified month or other period.

"(bb) Placing a home into 1 of 2 or more reimbursement categories annually based on the percentage of children in the home whose households have incomes that meet the income eligibility guidelines under section 9, with each such reimbursement category carrying a set of reimbursement factors such as the factors prescribed under clause (ii)(III) or subclause (I) or factors established within the range of factors prescribed under clause (ii)(III) and subclause (I).

"(cc) Such other simplified procedures as the Secretary may prescribe.

"(V) MINIMUM VERIFICATION REQUIREMENTS.—The Secretary may establish any minimum verification requirements that are necessary to carry out this clause.".

(2) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of the National School Lunch Act (42 U.S.C. 1766(f)(3)) is amended by adding at the end the following:

"(D) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—

"(i) IN GENERAL.—

"(I) RESERVATION.—From amounts made available to carry out this section, the Secretary shall reserve $5,000,000 of the amount made available for fiscal year 1997.

"(II) PURPOSE.—The Secretary shall use the funds made available under subclause (I) to provide grants to States for the purpose of providing—

"(aa) assistance, including grants, to family and day care home sponsoring organizations and other appropriate organizations, in securing and providing training, materials, automated data processing assistance, and other assistance for the staff of the sponsoring organizations; and

"(bb) training and other assistance to family and group day care homes in the implementation of the amendment to subparagraph (A) made by section 1208(e)(1) of the Agricultural Reconciliation Act of 1996.

"(ii) ALLOCATION.—The Secretary shall allocate from the funds reserved under clause (i)(I)—

"(I) $30,000 in base funding to each State; and

"(II) any remaining amount among the States, based on the number of family day care homes participating in the program in a State during fiscal year 1995 as a percentage of the number of all family day care homes participating in the program during fiscal year 1995.

"(iii) RETENTION OF FUNDS.—Of the amount of funds made available to a State for fiscal year 1997 under clause (i), the State may retain not to exceed 30 percent of the amount to carry out this subparagraph.

"(iv) ADDITIONAL PAYMENTS.—Any payments received under this subparagraph shall be in addition to payments that a State receives under subparagraph (A).".

(3) PROVISION OF DATA.—Section 17(f)(3) of the National School Lunch Act (42 U.S.C. 1766(f)(3)), as amended by paragraph (2), is amended by adding at the end the following:

"(E) PROVISION OF DATA TO FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(i) CENSUS DATA.—The Secretary shall provide to each State agency administering a child and adult care food program under this section data from the most recent decennial census survey or other appropriate census survey for which the data are available showing which areas in the State meet the requirements of subparagraph (A)(ii)(I)(aa). The State agency shall provide the data to family or group day care home sponsoring organizations located in the State.

"(ii) SCHOOL DATA.—

"(I) IN GENERAL.—A State agency administering the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall provide to approved family or group day care home sponsoring organizations a list of schools serving elementary school children in the State in which not less than ½ of the children enrolled are certified to receive free or reduced price meals. The State agency shall collect the data necessary to create the list annually and provide the list on a timely basis to any approved family or group day care home sponsoring organization that requests the list.

"(II) USE OF DATA FROM PRECEDING SCHOOL YEAR.—In determining for a fiscal year or other annual period whether a home qualifies as a tier I family or group day care home under subparagraph (A)(ii)(I), the State agency administering the program under this section, and a family or group day care home sponsoring organization, shall use the most current available data at the time of the determination.

"(iii) DURATION OF DETERMINATION.—For purposes of this section, a determination that a family or group day care home is located in an area that qualifies the home as a tier I family or group day care home (as the term is defined in subparagraph (A)(ii)(I)), shall be in effect for 3 years (unless the determination is made on the basis of census data, in which case the determination shall remain in effect until more recent census data are available) unless the State agency determines that the area in which the home is located no longer qualifies the home as a tier I family or group day care home.".

(4) CONFORMING AMENDMENTS.—Section 17(c) of the National School Lunch Act (42 U.S.C. 1766(c)) is amended by inserting "except as provided in subsection (f)(3)," after "For purposes of this section," each place it appears in paragraphs (1), (2), and (3).

(f) REIMBURSEMENT.—Section 17(f) of the National School Lunch Act (42 U.S.C. 1766(f)) is amended—

(1) in paragraph (3)—

(A) in subparagraph (B), by striking the third and fourth sentences; and

(B) in subparagraph (C)(ii), by striking "conduct outreach" and all that follows through "may become" and inserting "assist unlicensed family or group day care homes in becoming"; and

(2) in the first sentence of paragraph (4), by striking "shall" and inserting "may".

(g) NUTRITIONAL REQUIREMENTS.—Section 17(g)(1) of the National School Lunch Act (42 U.S.C. 1766(g)(1)) is amended—

(1) in subparagraph (A), by striking the second sentence; and

(2) in subparagraph (B), by striking the second sentence.

(h) ELIMINATION OF STATE PAPERWORK AND OUTREACH BURDEN.—Section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended by striking subsection (k) and inserting the following:

"(k) TRAINING AND TECHNICAL ASSISTANCE.—A State participating in the program established under this section shall provide sufficient training, technical assistance, and monitoring to facilitate effective operation of the program. The Secretary shall assist the State in developing plans to fulfill the requirements of this subsection.".

(i) RECORDS.—The second sentence of section 17(m) of the National School Lunch Act (42 U.S.C. 1766(m)) is amended by striking "at all times" and inserting "at any reasonable time".

(j) INFORMATION FOR PARENTS.—Section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended by striking subsection (q) and inserting the following:

"(q) INFORMATION FOR PARENTS.—The State agency shall ensure that, at least once a year, child care institutions provide written information to parents that includes—

"(1) basic information on the benefits of the special supplemental nutrition program for women, infants, and children authorized under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786);

"(2) information on the maximum income limits, according to family size, applicable to the program; and

"(3) information on where parents may apply to participate in the program.".

(k) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall become effective on the date of enactment of this Act.

(2) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—The amendments made by paragraphs (1) and (4) of subsection (e) shall become effective on July 1, 1997.

(3) REGULATIONS.—

(A) INTERIM REGULATIONS.—Not later than January 1, 1997, the Secretary of Agriculture shall issue interim regulations to implement—

(i) the amendments made by paragraphs (1), (3), and (4) of subsection (e); and

(ii) section 17(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766(f)(3)(C)).

(B) FINAL REGULATIONS.—Not later than July 1, 1997, the Secretary of Agriculture shall issue final regulations to implement the provisions of law referred to in subparagraph (A).

(l) STUDY OF IMPACT OF AMENDMENTS ON PROGRAM PARTICIPATION AND FAMILY DAY CARE LICENSING.—

(1) IN GENERAL.—The Secretary of Agriculture, in conjunction with the Secretary of Health and Human Services, shall study the impact of the amendments made by this section on—

(A) the number of family day care homes participating in the child and adult care food program established under section 17 of the National School Lunch Act (42 U.S.C. 1766);

(B) the number of day care home sponsoring organizations participating in the program;

(C) the number of day care homes that are licensed, certified, registered, or approved by each State in accordance with regulations issued by the Secretary;

(D) the rate of growth of the numbers referred to in subparagraphs (A) through (C);

(E) the nutritional adequacy and quality of meals served in family day care homes that—

(i) received reimbursement under the program prior to the amendments made by this section but do not receive reimbursement after the amendments made by this section; or

(ii) received full reimbursement under the program prior to the amendments made by this section but do not receive full reimbursement after the amendments made by this section; and

(F) the proportion of low-income children participating in the program prior to the amendments made by this section and the proportion of low-income children participating in the program after the amendments made by this section.

(2) REQUIRED DATA.—Each State agency participating in the child and adult care food program under section 17 of the National School Lunch Act (42 U.S.C. 1766) shall submit to the Secretary of Agriculture data on—

(A) the number of family day care homes participating in the program on June 30, 1997, and June 30, 1998;

(B) the number of family day care homes licensed, certified, registered, or approved for service on June 30, 1997, and June 30, 1998; and

(C) such other data as the Secretary may require to carry out this subsection.

(3) SUBMISSION OF REPORT.—Not later than 2 years after the date of enactment of this section, the Secretary of Agriculture shall submit the study required under this subsection to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

SEC. 1208. PILOT PROJECTS.

(a) UNIVERSAL FREE PILOT.—Section 18(d) of the National School Lunch Act (42 U.S.C. 1769(d)) is amended—

(1) by striking paragraph (3); and

(2) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(b) DEMONSTRATION PROJECT OUTSIDE SCHOOL HOURS.—Section 18(e) of the National School Lunch Act (42 U.S.C. 1769(e)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking "(A)"; and

(ii) by striking "shall" and inserting "may"; and

(B) by striking subparagraph (B); and

(2) by striking paragraph (5) and inserting the following:

"(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as are necessary for each of fiscal years 1997 and 1998.".

(c) CONFORMING AMENDMENT.—Section 17B(d)(1)(A) of the National School Lunch Act (42 U.S.C. 1766b(d)(1)(A)) is amended by striking "18(c)" and inserting "18(b)".

SEC. 1209. REDUCTION OF PAPERWORK.

Section 19 of the National School Lunch Act (42 U.S.C. 1769a) is repealed.

SEC. 1210. INFORMATION ON INCOME ELIGIBILITY.

Section 23 of the National School Lunch Act (42 U.S.C. 1769d) is repealed.

SEC. 1211. NUTRITION GUIDANCE FOR CHILD NUTRITION PROGRAMS.

Section 24 of the National School Lunch Act (42 U.S.C. 1769e) is repealed.

CHAPTER 2—AMENDMENTS TO THE CHILD NUTRITION ACT OF 1966

SEC. 1251. SPECIAL MILK PROGRAM.

Section 3(a)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1772(a)(3)) is amended by striking "the Trust Territory of the Pacific Islands" and inserting "the Commonwealth of the Northern Mariana Islands".

SEC. 1252. FREE AND REDUCED PRICE POLICY STATEMENT.

Section 4(b)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1)) is amended by adding at the end the following:

"(E) FREE AND REDUCED PRICE POLICY STATEMENT.—After the initial submission, a school food authority shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school food authority. A routine change in the policy of a school food authority, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the school food authority to submit a policy statement.".

SEC. 1253. SCHOOL BREAKFAST PROGRAM AUTHORIZATION.

(a) TRAINING AND TECHNICAL ASSISTANCE IN FOOD PREPARATION.—Section 4(e)(1)(B) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(e)(1)(B)) is amended by striking the second sentence.

(b) EXPANSION OF PROGRAM; STARTUP AND EXPANSION COSTS.—

(1) IN GENERAL.—Section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) is amended by striking subsections (f) and (g).

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall become effective on October 1, 1996.

SEC. 1254. STATE ADMINISTRATIVE EXPENSES.

(a) USE OF FUNDS FOR COMMODITY DISTRIBUTION ADMINISTRATION; STUDIES.—Section 7 of the Child Nutrition Act of 1966 (42 U.S.C. 1776) is amended—

(1) by striking subsections (e) and (h); and

(2) by redesignating subsections (f), (g), and (i) as subsections (e), (f), and (g), respectively.

(b) APPROVAL OF CHANGES.—Section 7(e) of the Child Nutrition Act of 1966 (42 U.S.C. 1776(e)), as so redesignated, is amended—

(1) by striking "each year an annual plan" and inserting "the initial fiscal year a plan"; and

(2) by adding at the end the following: "After submitting the initial plan, a State shall be required to submit to the Secretary for approval only a substantive change in the plan.".

SEC. 1255. REGULATIONS.

Section 10(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1779(b)) is amended—

(1) in paragraph (1), by striking "(1)"; and

(2) by striking paragraphs (2) through (4).

SEC. 1256. PROHIBITIONS.

Section 11(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1780(a)) is amended by striking "neither the Secretary nor the State shall" and inserting "the Secretary shall not".

SEC. 1257. MISCELLANEOUS PROVISIONS AND DEFINITIONS.

Section 15 of the Child Nutrition Act of 1966 (42 U.S.C. 1784) is amended—

(1) in paragraph (1), by striking "the Trust Territory of the Pacific Islands" and inserting "the Commonwealth of the Northern Mariana Islands"; and

(2) in the first sentence of paragraph (3)—

(A) in subparagraph (A), by inserting "and" at the end; and

(B) by striking ", and (C)" and all that follows through "Governor of Puerto Rico".

SEC. 1258. ACCOUNTS AND RECORDS.

The second sentence of section 16(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1785(a)) is amended by striking "at all times be available" and inserting "be available at any reasonable time".

SEC. 1259. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

(a) DEFINITIONS.—Section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) is amended—

(1) in paragraph (15)(B)(iii), by inserting "of not more than 365 days" after "accommodation"; and

(2) in paragraph (16)—

(A) in subparagraph (A), by adding "and" at the end; and

(B) in subparagraph (B), by striking "; and" and inserting a period; and

(C) by striking subparagraph (C).

(b) SECRETARY'S PROMOTION OF WIC.—Section 17(c) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(c)) is amended by striking paragraph (5).

(c) ELIGIBLE PARTICIPANTS.—Section 17(d) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)) is amended by striking paragraph (4).

(d) STATE PLAN.—Section 17(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(f)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking "annually to the Secretary, by a date specified by the Secretary, a" and inserting "to the Secretary, by a date specified by the Secretary, an initial"; and

(ii) by adding at the end the following: "After submitting the initial plan, a State shall be required to submit to the Secretary for approval only a substantive change in the plan.";

(B) in subparagraph (C)—

(i) by striking clause (iii) and inserting the following:

"(iii) a plan to coordinate operations under the program with other services or programs that may benefit participants in, and applicants for, the program;";

(ii) in clause (vi), by inserting after "in the State" the following: "(including a plan to improve access to the program for participants and prospective applicants who are employed, or who reside, in rural areas)";

(iii) in clause (vii), by striking "to provide program benefits" and all that follows through "emphasis on" and inserting "for";

(iv) by striking clauses (ix), (x), and (xii);

(v) in clause (xiii), by striking "may require" and inserting "may reasonably require";

(vi) by redesignating clauses (xi) and (xiii), as so amended, as clauses (ix) and (x), respectively; and

(vii) in clause (ix), as so redesignated, by adding "and" at the end;

(C) by striking subparagraph (D); and

(D) by redesignating subparagraph (E) as subparagraph (D);

(2) in the second sentence of paragraph (5), by striking "at all times be available" and

inserting "be available at any reasonable time";

(3) in paragraph (9)(B), by striking the second sentence;

(4) in the first sentence of paragraph (11), by striking ", including standar5s that will ensure sufficient State agency staff";

(5) in paragraph (12), by striking the third sentence;

(6) in paragraph (17), by striking "and to accommodate" and all that follows through "facilities";

(7) in paragraph (19), by striking "shall" and inserting "may"; and

(8) by redesignating paragraphs (3), (4), (5), (7), (9) through (21), (23), and (24) as paragraphs (2), (3), (4), (5), (6) through (18), (19), and (20), respectively.

(e) INFORMATION.—Section 17(g) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(g)) is amended—

(1) in paragraph (5), by striking "the report required under subsection (d)(4)" and inserting "reports on program participant characteristics"; and

(2) by striking paragraph (6).

(f) PROCUREMENT OF INFANT FORMULA.—

(1) IN GENERAL.—Section 17(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)) is amended—

(A) in paragraph (4)(E), by striking "and, on" and all that follows through "(d)(4)";

(B) in paragraph (8)—

(i) by striking subparagraphs (A), (C), and (M);

(ii) in subparagraph (G)—

(I) in clause (i), by striking "(i)"; and

(II) by striking clauses (ii) through (ix);

(iii) in subparagraph (I), by striking "Secretary—" and all that follows through "(v) may" and inserting "Secretary may";

(iv) by redesignating subparagraphs (B) and (D) through (L) as subparagraphs (A) and (B) through (J), respectively;

(v) in subparagraph (A)(i), as so redesignated, by striking "subparagraphs (C), (D), and (E)(iii), in carrying out subparagraph (A)," and inserting "subparagraphs (B) and (C)(iii),";

(vi) in subparagraph (B)(i), as so redesignated, by striking "subparagraph (B)" each place it appears and inserting "subparagraph (A)"; and

(vii) in subparagraph (C)(iii), as so redesignated, by striking "subparagraph (B)" and inserting "subparagraph (A)"; and

(2) APPLICATION.—The amendments made by paragraph (1) shall not apply to a contract for the procurement of infant formula under section 17(h)(8) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(h)(8)) that is in effect on the date of enactment of this subsection.

(g) NATIONAL ADVISORY COUNCIL ON MATERNAL, INFANT, AND FETAL NUTRITION.—Section 17(k)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(k)(3)) is amended by striking "Secretary shall designate" and inserting "Council shall elect".

(h) COMPLETED STUDY; COMMUNITY COLLEGE DEMONSTRATION; GRANTS FOR INFORMATION AND DATA SYSTEM.—Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786) is amended by striking subsections (n), (o), and (p).

(i) DISQUALIFICATION OF VENDORS WHO ARE DISQUALIFIED UNDER THE FOOD STAMP PROGRAM.—Section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), as amended by subsection (i), is amended by adding at the end the following:

"(n) DISQUALIFICATION OF VENDORS WHO ARE DISQUALIFIED UNDER THE FOOD STAMP PROGRAM.—

"(1) IN GENERAL.—The Secretary shall issue regulations providing criteria for the disqualification under this section of an approved vendor that is disqualified from accepting benefits under the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

"(2) TERMS.—A disqualification under paragraph (1)—

"(A) shall be for the same period as the disqualification from the program referred to in paragraph (1);

"(B) may begin at a later date than the disqualification from the program referred to in paragraph (1); and

"(C) shall not be subject to judicial or administrative review.".

SEC. 1260. CASH GRANTS FOR NUTRITION EDUCATION.

Section 18 of the Child Nutrition Act of 1966 (42 U.S.C. 1787) is repealed.

SEC. 1261. NUTRITION EDUCATION AND TRAINING.

(a) FINDINGS.—Section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1788) is amended—

(1) in subsection (a), by striking "that—" and all that follows through the period at the end and inserting "that effective dissemination of scientifically valid information to children participating or eligible to participate in the school lunch and related child nutrition programs should be encouraged."; and

(2) in the first sentence of subsection (b), by striking "encourage" and all that follows through "establishing" and inserting "establish".

(b) USE OF FUNDS.—Section 19(f) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(f)) is amended—

(1) in paragraph (1)—

(A) by striking subparagraph (B); and

(B) in subparagraph (A)—

(i) by striking "(A)";

(ii) by striking clauses (ix) through (xix);

(iii) by redesignating clauses (i) through (viii) and (xx) as subparagraphs (A) through (H) and (I), respectively;

(iv) in subparagraph (I), as so redesignated, by striking the period at the end and inserting "; and"; and

(v) by adding at the end the following:

"(J) other appropriate related activities, as determined by the State.";

(2) by striking paragraphs (2) and (4); and

(3) by redesignating paragraph (3) as paragraph (2).

(c) ACCOUNTS, RECORDS, AND REPORTS.—The second sentence of section 19(g)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(g)(1)) is amended by striking "at all times be available" and inserting "be available at any reasonable time".

(d) STATE COORDINATORS FOR NUTRITION; STATE PLAN.—Section 19(h) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(h)) is amended—

(1) in the second sentence of paragraph (1)—

(A) by striking "as provided in paragraph (2) of this subsection"; and

(B) by striking "as provided in paragraph (3) of this subsection";

(2) in paragraph (2), by striking the second and third sentences; and

(3) by striking paragraph (3).

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 19(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(i)) is amended—

(1) in the first sentence of paragraph (2)(A), by striking "and each succeeding fiscal year";

(2) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(3) by inserting after paragraph (2) the following:

"(3) FISCAL YEARS 1997 THROUGH 2002.—

"(A) IN GENERAL.—There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 1997 through 2002.

"(B) GRANTS.—

"(i) IN GENERAL.—Grants to each State from the amounts made available under subparagraph (A) shall be based on a rate of 50 cents for each child enrolled in schools or institutions within the State, except that no State shall receive an amount less than $75,000 per fiscal year.

"(ii) INSUFFICIENT FUNDS.—If the amount made available for any fiscal year is insufficient to pay the amount to which each State is entitled under clause (i), the amount of each grant shall be ratably reduced.".

(f) ASSESSMENT.—Section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1788) is amended by striking subsection (j).

(g) EFFECTIVE DATE.—The amendments made by subsection (e) shall become effective on October 1, 1996.

SEC. 1262. ROUNDING RULES.

(a) SPECIAL MILK PRICE PROGRAM RATES.—Section 3(a)(8) of the Child Nutrition Act of 1966 (42 U.S.C. 1772(a)(8)) is amended by striking "one-fourth cent" and inserting "lower cent increment".

(b) REDUCED PRICE BREAKFAST RATES.—Section 4(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)) is amended—

(1) in the second sentence of paragraph (1)(B), by striking "one-fourth cent" and inserting "lower cent increment"; and

(2) in paragraph (2)(B)(ii), by striking "one-fourth cent" and inserting "lower cent increment".

(c) COMMODITY RATE.—The second sentence of section 6(e)(1)(B) of the National School Lunch Act (42 U.S.C. 1755(e)(1)(B)) is amended by striking "¼ cent" and inserting "lower cent increment".

(d) LUNCH, BREAKFAST, AND SUPPLEMENT RATES.—The third sentence of section 11(a)(3)(B) of the National School Lunch Act (42 U.S.C. 1759a(a)(3)(B)) is amended by striking "one-fourth cent" and inserting "lower cent increment".

(e) EFFECTIVE DATE.—The amendments made by this section shall become effective on July 1, 1996.

TITLE II—COMMITTEE ON FINANCE

Subtitle A—Welfare Reform

SEC. 2001. SHORT TITLE OF SUBTITLE.

This subtitle may be cited as the "Personal Responsibility and Work Opportunity Act of 1996".

SEC. 2002. TABLE OF CONTENTS OF SUBTITLE.

The table of contents for this subtitle is as follows:

TITLE II—COMMITTEE ON FINANCE

Subtitle A—Welfare Reform

Sec. 2001. Short title.
Sec. 2002. Table of contents.

CHAPTER 1—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Sec. 2101. Findings.
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CHAPTER 1—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

SEC. 2101. FINDINGS.

The Congress makes the following findings:

(1) Marriage is the foundation of a successful society.

(2) Marriage is an essential institution of a successful society which promotes the interests of children.

(3) Promotion of responsible fatherhood and motherhood is integral to successful child rearing and the well-being of children.

(4) In 1992, only 54 percent of single-parent families with children had a child support order established and, of that 54 percent, only about one-half received the full amount due. Of the cases enforced through the public child support enforcement system, only 18 percent of the caseload has a collection.

(5) The number of individuals receiving aid to families with dependent children (in this section referred to as "AFDC") has more than tripled since 1965. More than two-thirds of these recipients are children. Eighty-nine percent of children receiving AFDC benefits now live in homes in which no father is present.

(A)(i) The average monthly number of children receiving AFDC benefits—

(I) was 3,300,000 in 1965;

(II) was 6,200,000 in 1970;

(III) was 7,400,000 in 1980; and

(IV) was 9,300,000 in 1992.

(ii) While the number of children receiving AFDC benefits increased nearly threefold between 1965 and 1992, the total number of children in the United States aged 0 to 18 has declined by 5.5 percent.

(B) The Department of Health and Human Services has estimated that 12,000,000 children will receive AFDC benefits within 10 years.

(C) The increase in the number of children receiving public assistance is closely related to the increase in births to unmarried women. Between 1970 and 1991, the percentage of live births to unmarried women increased nearly threefold, from 10.7 percent to 29.5 percent.

(6) The increase of out-of-wedlock pregnancies and births is well documented as follows:

(A) It is estimated that the rate of nonmarital teen pregnancy rose 23 percent from 54 pregnancies per 1,000 unmarried teenagers in 1976 to 66.7 pregnancies in 1991. The overall rate of nonmarital pregnancy rose 14 percent from 90.8 pregnancies per 1,000 unmarried women in 1980 to 103 in both 1991 and 1992. In contrast, the overall pregnancy rate for married couples decreased 7.3 percent between 1980 and 1991, from 126.9 pregnancies per 1,000 married women in 1980 to 117.6 pregnancies in 1991.

(B) The total of all out-of-wedlock births between 1970 and 1991 has risen from 10.7 percent to 29.5 percent and if the current trend continues, 50 percent of all births by the year 2015 will be out-of-wedlock.

(7) An effective strategy to combat teenage pregnancy must address the issue of male responsibility, including statutory rape culpability and prevention. The increase of teenage pregnancies among the youngest girls is particularly severe and is linked to predatory sexual practices by men who are significantly older.

(A) It is estimated that in the late 1980's, the rate for girls age 14 and under giving birth increased 26 percent.

(B) Data indicates that at least half of the children born to teenage mothers are fathered by adult men. Available data suggests that almost 70 percent of births to teenage girls are fathered by men over age 20.

(C) Surveys of teen mothers have revealed that a majority of such mothers have histories of sexual and physical abuse, primarily with older adult men.

(8) The negative consequences of an out-of-wedlock birth on the mother, the child, the family, and society are well documented as follows:

(A) Young women 17 and under who give birth outside of marriage are more likely to go on public assistance and to spend more years on welfare once enrolled. These combined effects of "younger and longer" increase total AFDC costs per household by 25 percent to 30 percent for 17-year-olds.

(B) Children born out-of-wedlock have a substantially higher risk of being born at a very low or moderately low birth weight.

(C) Children born out-of-wedlock are more likely to experience low verbal cognitive attainment, as well as more child abuse, and neglect.

(D) Children born out-of-wedlock were more likely to have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

(E) Being born out-of-wedlock significantly reduces the chances of the child growing up to have an intact marriage.

(F) Children born out-of-wedlock are 3 times more likely to be on welfare when they grow up.

(9) Currently 35 percent of children in single-parent homes were born out-of-wedlock, nearly the same percentage as that of children in single-parent homes whose parents are divorced (37 percent). While many parents find themselves, through divorce or tragic circumstances beyond their control, facing the difficult task of raising children alone, nevertheless, the negative consequences of raising children in single-parent homes are well documented as follows:

(A) Only 9 percent of married-couple families with children under 18 years of age have income below the national poverty level. In contrast, 46 percent of female-headed households with children under 18 years of age are below the national poverty level.

(B) Among single-parent families, nearly 1/2 of the mothers who never married received AFDC while only 1/5 of divorced mothers received AFDC.

(C) Children born into families receiving welfare assistance are 3 times more likely to be on welfare when they reach adulthood than children not born into families receiving welfare.

(D) Mothers under 20 years of age are at the greatest risk of bearing low-birth-weight babies.

(E) The younger the single parent mother, the less likely she is to finish high school.

(F) Young women who have children before finishing high school are more likely to receive welfare assistance for a longer period of time.

(G) Between 1985 and 1990, the public cost of births to teenage mothers under the aid to families with dependent children program, the food stamp program, and the medicaid program has been estimated at $120,000,000,000.

(H) The absence of a father in the life of a child has a negative effect on school performance and peer adjustment.

(I) Children of teenage single parents have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

(J) Children of single-parent homes are 3 times more likely to fail and repeat a year in grade school than are children from intact 2-parent families.

(K) Children from single-parent homes are almost 4 times more likely to be expelled or suspended from school.

(L) Neighborhoods with larger percentages of youth aged 12 through 20 and areas with higher percentages of single-parent households have higher rates of violent crime.

(M) Of those youth held for criminal offenses within the State juvenile justice system, only 29.8 percent lived primarily in a home with both parents. In contrast to these incarcerated youth, 73.9 percent of the 62,800,000 children in the Nation's resident population were living with both parents.

(10) Therefore, in light of this demonstration of the crisis in our Nation, it is the sense of the Congress that prevention of out-of-wedlock pregnancy and reduction in out-of-wedlock birth and protection of teenage girls from pregnancy as well as predatory sexual behavior are very important Government interests and the policy contained in part A of title IV of the Social Security Act (as amended by section 2103(a) of this Act) is intended to address the crisis.

SEC. 2102. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this chapter an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

SEC. 2103. BLOCK GRANTS TO STATES.

(a) IN GENERAL.—Part A of title IV (42 U.S.C. 601 et seq.) is amended—

(1) by striking all that precedes section 418 (as added by section 2803(b)(2) of this Act) and inserting the following:

"PART A—BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

"SEC. 401. PURPOSE.

"(a) IN GENERAL.—The purpose of this part is to increase the flexibility of States in operating a program designed to—

"(1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;

"(2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;

"(3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and

"(4) encourage the formation and maintenance of two-parent families.

"(b) NO INDIVIDUAL ENTITLEMENT.—This part shall not be interpreted to entitle any individual or family to assistance under any State program funded under this part.

"SEC. 402. *ELIGIBLE STATES; STATE PLAN.*

"(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that, during the 2-year period immediately preceding the fiscal year, has submitted to the Secretary a plan that the Secretary has found includes the following:

"(1) OUTLINE OF FAMILY ASSISTANCE PROGRAM.—

"(A) GENERAL PROVISIONS.—A written document that outlines how the State intends to do the following:

"(i) Conduct a program, designed to serve all political subdivisions in the State (not necessarily in a uniform manner), that provides assistance to needy families with (or expecting) children and provides parents with job preparation, work, and support services to enable them to leave the program and become self-sufficient.

"(ii) Require a parent or caretaker receiving assistance under the program to engage in work (as defined by the State) once the State determines the parent or caretaker is ready to engage in work, or once the parent or caretaker has received assistance under the program for 24 months (whether or not consecutive), whichever is earlier.

"(iii) Ensure that parents and caretakers receiving assistance under the program engage in work activities in accordance with section 407.

"(iv) Take such reasonable steps as the State deems necessary to restrict the use and disclosure of information about individuals and families receiving assistance under the program attributable to funds provided by the Federal Government.

"(v) Establish goals and take action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies, and establish numerical goals for reducing the illegitimacy ratio of the State (as defined in section 403(a)(2)(B)) for calendar years 1996 through 2005.

"(vi) Conduct a program, designed to reach State and local law enforcement officials, the education system, and relevant counseling services, that provides education and training on the problem of statutory rape so that teenage pregnancy prevention programs may be expanded in scope to include men.

"(vii) Determine, on an objective and equitable basis, the needs of and the amount of assistance to be provided to needy families, and, except as provided in subparagraph (B), treat families of similar needs and circumstances similarly.

"(viii) Grant an opportunity for a fair hearing before the appropriate State agency to any individual to whom assistance under the program has been denied, reduced, or terminated, or whose request for such assistance is not acted on with reasonable promptness.

"(B) SPECIAL PROVISIONS.—

"(i) The document shall indicate whether the State intends to treat families moving into the State from another State differently than other families under the program, and if so, how the State intends to treat such families under the program.

"(ii) The document shall indicate whether the State intends to provide assistance under the program to individuals who are not citizens of the United States, and if so, shall include an overview of such assistance.

"(iii) Not later than one year after the date of enactment of this Act, unless the State opts out of this provision by notifying the Secretary, a State shall, consistent with the exception provided in section 407(e)(2), require a parent or caretaker receiving assistance under the program who, after receiving such assistance for two months is not exempt from work requirements and is not engaged in work, as determined under section 407(c), to participate in community service employment, with minimum hours per week and tasks to be determined by the State.

"(2) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child support enforcement program under the State plan approved under part D.

"(3) CERTIFICATION THAT THE STATE WILL OPERATE A FOSTER CARE AND ADOPTION ASSISTANCE PROGRAM.—A certification by the chief executive officer of the State that, during the fiscal year, the State will operate a foster care and adoption assistance program under the State plan approved under part E, and that the State will take such actions as are necessary to ensure that children receiving assistance under such part are eligible for medical assistance under the State plan under title XIX (or XV, if applicable).

"(4) CERTIFICATION OF THE ADMINISTRATION OF THE PROGRAM.—A certification by the chief executive officer of the State specifying which State agency or agencies will administer and supervise the program referred to in paragraph (1) for the fiscal year, which shall include assurances that local governments and private sector organizations—

"(A) have been consulted regarding the plan and design of welfare services in the State so that services are provided in a manner appropriate to local populations; and

"(B) have had at least 45 days to submit comments on the plan and the design of such services.

"(5) CERTIFICATION THAT THE STATE WILL PROVIDE INDIANS WITH EQUITABLE ACCESS TO ASSISTANCE.—A certification by the chief executive officer of the State that, during the fiscal year, the State will provide each Indian who is a member of an Indian tribe in the State that does not have a tribal family assistance plan approved under section 412 with equitable access to assistance under the State program funded under this part attributable to funds provided by the Federal Government.

"(6) CERTIFICATION OF STANDARDS AND PROCEDURES TO ENSURE AGAINST PROGRAM FRAUD AND ABUSE.—A certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to ensure against program fraud and abuse, including standards and procedures concerning nepotism, conflicts of interest among individuals responsible for the administration and supervision of the State program, kickbacks, and the use of political patronage.

"(7) CERTIFICATION OF STANDARDS AND PROCEDURES TO ENSURE THAT THE STATE WILL SCREEN FOR AND IDENTIFY DOMESTIC VIOLENCE.—

"(A) IN GENERAL.—A certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to—

"(i) screen and identify individuals receiving assistance under this part with a history of domestic violence while maintaining the confidentiality of such individuals;

"(ii) refer such individuals to counseling and supportive services; and

"(iii) waive, pursuant to a determination of good cause, other program requirements such as time limits (for so long as necessary) for individuals receiving assistance, residency requirements, child support cooperation requirements, and family cap provisions, in cases where compliance with such requirements would make it more difficult for individuals receiving assistance under this part to escape domestic violence or unfairly penalize such individuals who are or have been victimized by such violence, or individuals who are at risk of further domestic violence.

"(B) DOMESTIC VIOLENCE DEFINED.—For purposes of this paragraph, the term 'domestic violence' has the same meaning as the term 'battered or subjected to extreme cruelty', as defined in section 408(a)(8)(C)(iii).

"(8) CERTIFICATION REGARDING ELIGIBILITY OF INDIVIDUAL WHO HAS BEEN BATTERED OR SUBJECTED TO EXTREME CRUELTY.—A certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to ensure that in the case of an individual who has been battered or subjected to extreme cruelty, as determined under section 408(a)(8)(C)(iii), the State will determine the eligibility of such individual for assistance under this part based solely on such individual's income.

"(b) PUBLIC AVAILABILITY OF STATE PLAN SUMMARY.—The State shall make available to the public a summary of any plan submitted by the State under this section.

"SEC. 403. GRANTS TO STATES.

"(a) GRANTS.—

"(1) FAMILY ASSISTANCE GRANT.—

"(A) IN GENERAL.—Each eligible State shall be entitled to receive from the Secretary, for each of fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 a grant in an amount equal to the State family assistance grant.

"(B) STATE FAMILY ASSISTANCE GRANT DEFINED.—As used in this part, the term 'State family assistance grant' means the greatest of—

"(i) ⅓ of the total amount required to be paid to the State under former section 403 (as in effect on September 30, 1995) for fiscal years 1992, 1993, and 1994 (other than with respect to amounts expended by the State for child care under subsection (g) or (i) of former section 402 (as so in effect));

"(ii)(I) the total amount required to be paid to the State under former section 403 for fiscal year 1994 (other than with respect to amounts expended by the State for child care under subsection (g) or (i) of former section 402 (as so in effect)); plus

"(II) an amount equal to 85 percent of the amount (if any) by which the total amount required to be paid to the State under former section 403(a)(5) for emergency assistance for fiscal year 1995 exceeds the total amount required to be paid to the State under former section 403(a)(5) for fiscal year 1994, if, during fiscal year 1994 or 1995, the Secretary approved under former section 402 an amendment to the former State plan to allow the provision of emergency assistance in the context of family preservation; or

"(iii) 4⁄3 of the total amount required to be paid to the State under former section 403 (as in effect on September 30, 1995) for the 1st 3 quarters of fiscal year 1995 (other than with respect to amounts expended by the State under the State plan approved under part F (as so in effect) or for child care under subsection (g) or (i) of former section 402 (as so in effect)), plus the total amount required to be paid to the State for fiscal year 1995 under former section 403(l) (as so in effect).

"(C) TOTAL AMOUNT REQUIRED TO BE PAID TO THE STATE UNDER FORMER SECTION 403 DEFINED.—As used in this part, the term 'total amount required to be paid to the State under former section 403' means, with respect to a fiscal year—

"(i) in the case of a State to which section 1108 does not apply, the sum of—

"(I) the Federal share of maintenance assistance expenditures for the fiscal year, before reduction pursuant to subparagraph (B) or (C) of section 403(b)(2) (as in effect on September 30, 1995), as reported by the State on ACF Form 231;

"(II) the Federal share of administrative expenditures (including administrative expenditures for the development of management information systems) for the fiscal year, as reported by the State on ACF Form 231;

"(III) the Federal share of emergency assistance expenditures for the fiscal year, as reported by the State on ACF Form 231;

"(IV) the Federal share of expenditures for the fiscal year with respect to child care pursuant to subsections (g) and (i) of former section 402 (as in effect on September 30, 1995), as reported by the State on ACF Form 231; and

"(V) the aggregate amount required to be paid to the State for the fiscal year with respect to the State program operated under part F (as in effect on September 30, 1995), as determined by the Secretary, including additional obligations or reductions in obligations made after the close of the fiscal year; and

"(ii) in the case of a State to which section 1108 applies, the lesser of—

"(I) the sum described in clause (i); or

"(II) the total amount certified by the Secretary under former section 403 (as in effect during the fiscal year) with respect to the territory.

"(D) INFORMATION TO BE USED IN DETERMINING AMOUNTS.—

"(i) FOR FISCAL YEARS 1992 AND 1993.—

"(I) In determining the amounts described in subclauses (I) through (IV) of subparagraph (C)(i) for any State for each of fiscal years 1992 and 1993, the Secretary shall use information available as of April 28, 1995.

"(II) In determining the amount described in subparagraph (C)(i)(V) for any State for each of fiscal years 1992 and 1993, the Secretary shall use information available as of January 6, 1995.

"(ii) FOR FISCAL YEAR 1994.—In determining the amounts described in subparagraph (C)(i) for any State for fiscal year 1994, the Secretary shall use information available as of April 28, 1995.

"(iii) FOR FISCAL YEAR 1995.—

"(I) In determining the amount described in subparagraph (B)(ii)(II) for any State for fiscal year 1995, the Secretary shall use the information which was reported by the States and estimates made by the States with respect to emergency assistance expenditures and was available as of August 11, 1995.

"(II) In determining the amounts described in subclauses (I) through (III) of subparagraph (C)(i) for any State for fiscal year 1995, the Secretary shall use information available as of October 2, 1995.

"(III) In determining the amount described in subparagraph (C)(i)(IV) for any State for fiscal year 1995, the Secretary shall use information available as of February 28, 1996.

"(IV) In determining the amount described in subparagraph (C)(i)(V) for any State for fiscal year 1995, the Secretary shall use information available as of October 5, 1995.

"(E) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 such sums as are necessary for grants under this paragraph.

"(2) GRANT TO REWARD STATES THAT REDUCE OUT-OF-WEDLOCK BIRTHS.—

"(A) IN GENERAL.—Each eligible State shall be entitled to receive from the Secretary for fiscal year 1998 or any succeeding fiscal year, an illegitimacy reduction bonus if—

"(i) the State demonstrates that the number of out-of-wedlock births that occurred in the State during the most recent 2-year period for which such information is available decreased as compared to the number of such births that occurred during the previous 2-year period; and

"(ii) the rate of induced pregnancy terminations in the State for the fiscal year is less than the rate of induced pregnancy terminations in the State for fiscal year 1995.

"(B) PARTICIPATION IN ILLEGITIMACY BONUS.—A State that demonstrates a decrease under subparagraph (A)(i) shall be eligible for a grant under paragraph (5).

"(II) the rate of induced pregnancy terminations in the State for the fiscal year is less than the rate of induced pregnancy terminations in the State for fiscal year 1995.

"(C) ILLEGITIMACY RATIO.—As used in this paragraph, the term 'illegitimacy ratio' means, with respect to a State and a fiscal year—

"(i) the number of out-of-wedlock births that occurred in the State during the most recent fiscal year for which such information is available; divided by

"(ii) the number of births that occurred in the State during the most recent fiscal year for which such information is available.

"(D) DISREGARD OF CHANGES IN DATA DUE TO CHANGED REPORTING METHODS.—For purposes of subparagraph (A), the Secretary shall disregard—

"(i) any difference between the illegitimacy ratio of a State for a fiscal year and the illegitimacy ratio of the State the preceding 2 fiscal years which is attributable to a change in State methods of reporting data used to calculate the illegitimacy ratio; and

"(ii) any difference between the rate of induced pregnancy terminations in a State for a fiscal year and such rate for fiscal year 1995 which is attributable to a change in State methods of reporting data used to calculate such rate.

"(E) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal year 1998 and for each succeeding fiscal year such sums as are necessary for grants under this paragraph.

"(3) SUPPLEMENTAL GRANT FOR POPULATION INCREASES IN CERTAIN STATES.—

"(A) IN GENERAL.—Each qualifying State shall, subject to subparagraph (F), be entitled to receive from the Secretary—

"(i) for fiscal year 1998 a grant in an amount equal to 2.5 percent of the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

"(ii) for each of fiscal years 1999, 2000, and 2001, a grant in an amount equal to the sum of—

"(I) the amount (if any) required to be paid to the State under this paragraph for the immediately preceding fiscal year; and

"(II) 2.5 percent of the sum of—

"(aa) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

"(bb) the amount (if any) required to be paid to the State under this paragraph for the fiscal year preceding the fiscal year for which the grant is to be made.

"(B) PRESERVATION OF GRANT WITHOUT INCREASES FOR STATES FAILING TO REMAIN QUALIFYING STATES.—Each State that is not a qualifying State for a fiscal year specified in subparagraph (A)(ii) but was a qualifying State for a prior fiscal year shall, subject to subparagraph (F), be entitled to receive from the Secretary for the specified fiscal year, a grant in an amount equal to the amount required to be paid to the State under this paragraph for the most recent fiscal year for which the State was a qualifying State.

"(C) QUALIFYING STATE.—

"(i) IN GENERAL.—For purposes of this paragraph, a State is a qualifying State for a fiscal year if—

"(I) the level of welfare spending per poor person by the State for the immediately preceding fiscal year is less than the national average level of State welfare spending per poor person for such preceding fiscal year; and

"(II) the population growth rate of the State (as determined by the Bureau of the Census) for the most recent fiscal year for which information is available exceeds the average population growth rate for all States (as so determined) for such most recent fiscal year.

"(ii) STATE MUST QUALIFY IN FISCAL YEAR 1998.—Notwithstanding clause (i), a State shall not be a qualifying State for any fiscal year after 1998 by reason of clause (i) if the State is not a qualifying State for fiscal year 1998 by reason of clause (i).

"(iii) CERTAIN STATES DEEMED QUALIFYING STATES.—For purposes of this paragraph, a State is deemed to be a qualifying State for fiscal years 1998, 1999, 2000, and 2001 if—

"(I) the level of welfare spending per poor person by the State for fiscal year 1997 is less than 35 percent of the national average level of State welfare spending per poor person for fiscal year 1996; or

"(II) the population of the State increased by more than 10 percent from April 1, 1990 to July 1, 1994, according to the population estimates in publication CB94-204 of the Bureau of the Census.

"(D) DEFINITIONS.—As used in this paragraph:

"(i) LEVEL OF WELFARE SPENDING PER POOR PERSON.—The term 'level of State welfare spending per poor person' means, with respect to a State and a fiscal year—

"(I) the sum of—

"(aa) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

"(bb) the amount (if any) paid to the State under this paragraph for the immediately preceding fiscal year; divided by

"(II) the number of individuals, according to the 1990 decennial census, who were residents of the State and whose income was below the poverty line.

"(ii) NATIONAL AVERAGE LEVEL OF STATE WELFARE SPENDING PER POOR PERSON.—The term 'national average level of State welfare spending per poor person' means, with respect to a fiscal year, an amount equal to—

"(I) the total amount required to be paid to the States under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; divided by

"(II) the number of individuals, according to the 1990 decennial census, who were residents of any State and whose income was below the poverty line.

"(iii) STATE.—The term 'State' means each of the 50 States of the United States and the District of Columbia.

"(E) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1998, 1999, 2000, and 2001 such sums as are necessary for grants under this paragraph, in a total amount not to exceed $800,000,000.

"(F) GRANTS REDUCED PRO RATA IF INSUFFICIENT APPROPRIATIONS.—If the amount appropriated pursuant to this paragraph for a fiscal year is less than the total amount of payments otherwise required to be made under this paragraph for the fiscal year, then the amount otherwise payable to any State for the fiscal year under this paragraph shall be reduced by a percentage equal to the amount so appropriated divided by such total amount.

"(G) BUDGET SCORING.—Notwithstanding section 257(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, the baseline shall assume that no grant shall be made under this paragraph after fiscal year 2000.

"(4) BONUS TO REWARD HIGH PERFORMANCE STATES.—

"(A) IN GENERAL.—The Secretary shall make a grant pursuant to this paragraph to each State for each bonus year for which the State is a high performing State.

"(B) AMOUNT OF GRANT.—

"(i) IN GENERAL.—Subject to clause (ii) of this subparagraph, the Secretary shall determine the amount of the grant payable under this paragraph to a high performing State for a bonus year, which shall be based on the score assigned to the State under subparagraph (D)(i) for the fiscal year that immediately precedes the bonus year.

"(ii) LIMITATION.—The amount payable to a State under this paragraph for a bonus year shall not exceed 5 percent of the State family assistance grant.

"(C) FORMULA FOR MEASURING STATE PERFORMANCE.—Not later than 1 year after the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996, the Secretary, in consultation with the National Governors' Association and the American Public Welfare Association, shall develop a formula for measuring State performance in operating the State program funded under this part so as to achieve the goals set forth in section 401(a). Such formula shall emphasize the extent to which the State increases the number of families that become ineligible for assistance under the State program funded under this part as a result of unsubsidized employment.

"(D) SCORING OF STATE PERFORMANCE; SETTING OF PERFORMANCE THRESHOLDS.—For each bonus year, the Secretary shall—

"(i) use the formula developed under subparagraph (C) to assign a score to each eligible State for the fiscal year that immediately precedes the bonus year; and

"(ii) prescribe a performance threshold in such a manner so as to ensure that—

"(I) the average annual total amount of grants to be made under this paragraph for each bonus year equals the amount specified for such bonus year in subparagraph (E)(ii); and

"(II) the total amount of grants to be made under this paragraph for all bonus years equals $1,000,000,000.

"(E) DEFINITIONS.—As used in this paragraph:

"(i) BONUS YEAR.—The term 'bonus year' means fiscal years 1999, 2000, 2001, 2002, and 2003.

"(ii) THE AMOUNT SPECIFIED FOR SUCH BONUS YEAR.—The term 'the amount specified for such bonus year' means the following:

"(I) For fiscal years 1999, 2000, 2001, and 2002, $175,000,000.

"(II) For fiscal year 2003, $300,000,000.

"(iii) HIGH PERFORMING STATE.—The term 'high performing State' means, with respect to a bonus year, an eligible State whose score assigned pursuant to subparagraph (D)(i) for the fiscal year immediately preceding the bonus year equals or exceeds the performance threshold prescribed under subparagraph (D)(ii) for such preceding fiscal year.

"(F) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1999 through 2003 $1,000,000,000 for grants under this paragraph.

"(5) BONUS TO REWARD DECREASE IN ILLEGITIMACY.—

"(A) IN GENERAL.—The Secretary shall make a grant pursuant to this paragraph to each State determined eligible under paragraph (2)(B) for each bonus year for which the State demonstrates a net decrease in out-of-wedlock births.

"(B) AMOUNT OF GRANT.—

"(i) IN GENERAL.—Subject to this subparagraph, the Secretary shall determine the amount of the grant payable under this paragraph to a low illegitimacy State for a bonus year.

"(ii) TOP FIVE STATES.—With respect to States determined eligible under paragraph (2)(B) for a fiscal year, the Secretary shall determine which five of such States demonstrated the greatest decrease in out-of-wedlock births under such paragraph for the period involved. Each of such five States shall receive a grant of equal amount under this paragraph for such fiscal year but such amount shall not exceed $20,000,000 for any single State.

"(iii) LESS THAN FIVE STATES.—With respect to a fiscal year, if the Secretary determines that there are less than five States eligible under paragraph (2)(B) for a fiscal year, the grants under this paragraph shall be awarded to each such State in an equal amount but such amount shall not exceed $25,000,000 for any single State.

"(C) BONUS YEAR.—The term 'bonus year' means fiscal years 1999, 2000, 2001, 2002, and 2003.

"(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1999 through 2003, such sums as are necessary for grants under this paragraph.

"(b) CONTINGENCY FUND.—

"(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a fund which shall be known as the 'Contingency Fund for State Welfare Programs' (in this section referred to as the 'Fund').

"(2) DEPOSITS INTO FUND.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1998, 1999, 2000, and 2001 such sums as are necessary for payment to the Fund in a total amount not to exceed $2,000,000,000.

"(3) GRANTS.—

"(A) PROVISIONAL PAYMENTS.—If an eligible State submits to the Secretary a request for funds under this paragraph during an eligible month, the Secretary shall, subject to this paragraph, pay to the State, from amounts appropriated pursuant to paragraph (2), an amount equal to the amount of funds so requested.

"(B) PAYMENT PRIORITY.—The Secretary shall make payments under subparagraph (A) in the order in which the Secretary receives requests for such payments.

"(C) LIMITATIONS.—

"(i) MONTHLY PAYMENT TO A STATE.—The total amount paid to a single State under subparagraph (A) during a month shall not exceed 1/12 of 20 percent of the State family assistance grant.

"(ii) PAYMENTS TO ALL STATES.—The total amount paid to all States under subparagraph (A) during fiscal years 1998 through 2001 shall not exceed the total amount appropriated pursuant to paragraph (2).

"(4) ANNUAL RECONCILIATION.—Notwithstanding paragraph (3), at the end of each fiscal year, each State shall remit to the Secretary an amount equal to the amount (if any) by which the total amount paid to the State under paragraph (3) during the fiscal year exceeds—

"(A) the Federal medical assistance percentage for the State for the fiscal year (as defined in section 1905(b), as in effect on September 30, 1995) of the amount (if any) by which the expenditures under the State program funded under this part for the fiscal year exceed historic State expenditures (as defined in section 409(a)(7)(B)(iii)); multiplied by

"(B) 1/12 times the number of months during the fiscal year for which the Secretary makes a payment to the State under this subsection.

"(5) ELIGIBLE MONTH.—As used in paragraph (3)(A), the term 'eligible month' means, with respect to a State, a month in the 2-month period that begins with any month for which the State is a needy State.

"(6) NEEDY STATE.—For purposes of paragraph (5), a State is a needy State for a month if—

"(A) the average rate of—

"(i) total unemployment in such State (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States are published equals or exceeds 6.5 percent; and

"(ii) total unemployment in such State (seasonally adjusted) for the 3-month period equals or exceeds 110 percent of such average rate for either (or both) of the corresponding 3-month periods ending in the 2 preceding calendar years; or

"(B) as determined by the Secretary of Agriculture (in the discretion of the Secretary of Agriculture), the monthly average number of individuals (as of the last day of each month) participating in the food stamp program in the State in the then most recently concluded 3-month period for which data are available exceeds by not less than 10 percent the lesser of—

"(i) the monthly average number of individuals (as of the last day of each month) in the State that would have participated in the food stamp program in the corresponding 3-month period in fiscal year 1994 if the amendments made by chapter 4 of the Personal Responsibility and Work Opportunity Act of 1996 and the amendments made by chapter 1 of subtitle A of title I of the Agricultural Reconciliation Act of 1996 had been in effect throughout fiscal year 1994; or

"(ii) the monthly average number of individuals (as of the last day of each month) in the State that would have participated in the food stamp program in the corresponding 3-month period in fiscal year 1995 if the amendments made by chapter 4 of the Personal Responsibility and Work Opportunity Act of 1996 and the amendments made by chapter 1 of subtitle A of title I of the Agricultural Reconciliation Act of 1996 had been in effect throughout fiscal year 1995.

"(7) OTHER TERMS DEFINED.—As used in this subsection:

"(A) STATE.—The term 'State' means each of the 50 States of the United States and the District of Columbia.

"(B) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

"(8) ANNUAL REPORTS.—The Secretary shall annually report to the Congress on the status of the Fund.

"SEC. 404. USE OF GRANTS.

"(a) GENERAL RULES.—Subject to this part, a State to which a grant is made under section 403 may use the grant—

"(1) in any manner that is reasonably calculated to accomplish the purpose of this part, including to provide low income households with assistance in meeting home heating and cooling costs; or

"(2) in any manner that the State was authorized to use amounts received under part A or F, as such parts were in effect on September 30, 1995.

"(b) LIMITATION ON USE OF GRANT FOR ADMINISTRATIVE PURPOSES.—

"(1) LIMITATION.—A State to which a grant is made under section 403 shall not expend more than 15 percent of the grant for administrative purposes.

"(2) EXCEPTION.—Paragraph (1) shall not apply to the use of a grant for information technology and computerization needed for tracking or monitoring required by or under this part.

"(c) AUTHORITY TO TREAT INTERSTATE IMMIGRANTS UNDER RULES OF FORMER STATE.—A State operating a program funded under this part may apply to a family the rules (including benefit amounts) of the program funded under this part of another State if the family has moved to the State from the other State and has resided in the State for less than 12 months.

"(d) AUTHORITY TO USE PORTION OF GRANT FOR OTHER PURPOSES.—

"(1) IN GENERAL.—A State may use not more than 30 percent of the amount of the grant made to the State under section 403 for a fiscal year to carry out a State program pursuant to the Child Care and Development Block Grant Act of 1990.

"(2) APPLICABLE RULES.—Any amount paid to the State under this part that is used to carry out a State program pursuant to a provision of law specified or described in paragraph (1) shall not be subject to the requirements of this part, but shall be subject to the requirements that apply to Federal funds provided directly under the provision of law to carry out the program.

"(e) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR ASSISTANCE.—A State may reserve amounts paid to the State under this part for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the State program funded under this part.

"(f) AUTHORITY TO OPERATE EMPLOYMENT PLACEMENT PROGRAM.—A State to which a grant is made under section 403 may use the grant to make payments (or provide job placement vouchers) to State-approved public and private job placement agencies that provide employment placement services to individuals who receive assistance under the State program funded under this part.

"(g) IMPLEMENTATION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—A State to which a grant is made under section 403 is encouraged to implement an electronic benefit transfer system for providing assistance under the State program funded under this part, and may use the grant for such purpose.

"(h) USE OF FUNDS FOR INDIVIDUAL DEVELOPMENT ACCOUNTS.—

"(1) IN GENERAL.—A State operating a program funded under this part may use amounts received under a grant under section 403 to carry out a program to fund individual development accounts (as defined in paragraph (2)) established by individuals eligible for assistance under the State program under this part.

"(2) INDIVIDUAL DEVELOPMENT ACCOUNTS.—

"(A) ESTABLISHMENT.—Under a State program carried out under paragraph (1), an individual development account may be established by or on behalf of an individual eligible for assistance under the State program operated under this part for the purpose of enabling the individual to accumulate funds to for a qualified purpose described in subparagraph (B).

"(B) QUALIFIED PURPOSE.—A qualified purpose described in this subparagraph is 1 or more of the following, as provided by the qualified entity providing assistance to the individual under this subsection:

"(i) POSTSECONDARY EDUCATIONAL EXPENSES.—Postsecondary educational expenses paid from an individual development account directly to an eligible educational institution.

"(ii) FIRST-HOME PURCHASE.—Qualified acquisition costs with respect to a qualified principal residence for a qualified first-time homebuyer, if paid from an individual development account directly to the persons to whom the amounts are due.

"(iii) BUSINESS CAPITALIZATION.—Amounts paid from an individual development account directly to a business capitalization account which is established in a federally insured financial institution and is restricted to use solely for qualified business capitalization expenses.

"(C) CONTRIBUTIONS TO BE FROM EARNED INCOME.—An individual may only contribute to an individual development account such amounts as are derived from earned income, as defined in section 911(d)(2) of the Internal Revenue Code of 1986.

"(D) WITHDRAWAL OF FUNDS.—The Secretary shall establish such regulations as may be necessary to ensure that funds held in an individual development account are not withdrawn except for 1 or more of the qualified purposes described in subparagraph (B).

"(3) REQUIREMENTS.—

"(A) IN GENERAL.—An individual development account established under this subsection shall be a trust created or organized in the United States and funded through periodic contributions by the establishing individual and matched by or through a qualified entity for a qualified purpose (as described in paragraph (2)(B).

"(B) QUALIFIED ENTITY.—For purposes of this subsection, the term 'qualified entity' means either—

"(i) a not-for-profit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; or

"(ii) a State or local government agency acting in cooperation with an organization described in clause (i).

"(4) NO REDUCTION IN BENEFITS.—Notwithstanding any other provision of Federal law (other than the Internal Revenue Code of 1986) that requires consideration of 1 or more financial circumstances of an individual, for the purpose of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such law to be provided to or for the benefit of such individual, funds (including interest accruing) in an individual development account under this subsection shall be disregarded for such purpose with respect to any period during which such individual maintains or makes contributions into such an account.

"(5) DEFINITIONS.—For purposes of this subsection—

"(A) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means the following:

"(i) An institution described in section 481(a)(1) or 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)(1) or 1141(a)), as such sections are in effect on the date of the enactment of this subsection.

"(ii) An area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this subsection.

"(B) POST-SECONDARY EDUCATIONAL EXPENSES.—The term 'post-secondary educational expenses' means—

"(i) tuition and fees required for the enrollment or attendance of a student at an eligible educational institution, and

"(ii) fees, books, supplies, and equipment required for courses of instruction at an eligible educational institution.

"(C) QUALIFIED ACQUISITION COSTS.—The term 'qualified acquisition costs' means the costs of acquiring, constructing, or reconstructing a residence. The term includes any usual or reasonable settlement, financing, or other closing costs.

"(D) QUALIFIED BUSINESS.—The term 'qualified business' means any business that does not contravene any law or public policy (as determined by the Secretary).

"(E) QUALIFIED BUSINESS CAPITALIZATION EXPENSES.—The term 'qualified business capitalization expenses' means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

"(F) QUALIFIED EXPENDITURES.—The term 'qualified expenditures' means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

"(G) QUALIFIED FIRST-TIME HOMEBUYER.—

"(i) IN GENERAL.—The term 'qualified first-time homebuyer' means a taxpayer (and, if married, the taxpayer's spouse) who has no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence to which this subsection applies.

"(ii) DATE OF ACQUISITION.—The term 'date of acquisition' means the date on which a binding contract to acquire, construct, or reconstruct the principal residence to which this subparagraph applies is entered into.

"(H) QUALIFIED PLAN.—The term 'qualified plan' means a business plan which—

"(i) is approved by a financial institution, or by a nonprofit loan fund having demonstrated fiduciary integrity,

"(ii) includes a description of services or goods to be sold, a marketing plan, and projected financial statements, and

"(iii) may require the eligible individual to obtain the assistance of an experienced entrepreneurial advisor.

"(I) QUALIFIED PRINCIPAL RESIDENCE.—The term 'qualified principal residence' means a principal residence (within the meaning of section 1034 of the Internal Revenue Code of 1986), the qualified acquisition costs of which do not exceed 100 percent of the average area purchase price applicable to such residence (determined in accordance with paragraphs (2) and (3) of section 143(e) of such Code).

"SEC. 405. ADMINISTRATIVE PROVISIONS.

"(a) QUARTERLY.—The Secretary shall pay each grant payable to a State under section 403 in quarterly installments.

"(b) NOTIFICATION.—Not later than 3 months before the payment of any such quarterly installment to a State, the Secretary shall notify the State of the amount of any reduction determined under section 412(a)(1)(B) with respect to the State.

"(c) COMPUTATION AND CERTIFICATION OF PAYMENTS TO STATES.—

"(1) COMPUTATION.—The Secretary shall estimate the amount to be paid to each eligible State for each quarter under this part, such estimate to be based on a report filed by the State containing an estimate by the State of the total sum to be expended by the State in the quarter under the State program funded under this part and such other information as the Secretary may find necessary.

"(2) CERTIFICATION.—The Secretary of Health and Human Services shall certify to the Secretary of the Treasury the amount estimated under paragraph (1) with respect to a State, reduced or increased to the extent of any overpayment or underpayment which the Secretary of Health and Human Services determines was made under this part to the State for any prior quarter and with respect to which adjustment has not been made under this paragraph.

"(d) PAYMENT METHOD.—Upon receipt of a certification under subsection (c)(2) with respect to a State, the Secretary of the Treasury shall, through the Fiscal Service of the Department of the Treasury and before audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

"SEC. 406. FEDERAL LOANS FOR STATE WELFARE PROGRAMS.

"(a) LOAN AUTHORITY.—

"(1) IN GENERAL.—The Secretary shall make loans to any loan-eligible State, for a period to maturity of not more than 3 years.

"(2) LOAN-ELIGIBLE STATE.—As used in paragraph (1), the term 'loan-eligible State' means a State against which a penalty has not been imposed under section 409(a)(1).

"(b) RATE OF INTEREST.—The Secretary shall charge and collect interest on any loan made under this section at a rate equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the period to maturity of the loan.

"(c) USE OF LOAN.—A State shall use a loan made to the State under this section only for any purpose for which grant amounts received by the State under section 403(a) may be used, including—

"(1) welfare anti-fraud activities; and

"(2) the provision of assistance under the State program to Indian families that have moved from the service area of an Indian tribe with a tribal family assistance plan approved under section 412.

"(d) LIMITATION ON TOTAL AMOUNT OF LOANS TO A STATE.—The cumulative dollar amount of all loans made to a State under this section during fiscal years 1997 through 2001 shall not exceed 10 percent of the State family assistance grant.

"(e) LIMITATION ON TOTAL AMOUNT OF OUTSTANDING LOANS.—The total dollar amount of loans outstanding under this section may not exceed $1,700,000,000.

"(f) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated such sums as may be necessary for the cost of loans under this section.

"SEC. 407. MANDATORY WORK REQUIREMENTS.

"(a) PARTICIPATION RATE REQUIREMENTS.—

"(1) ALL FAMILIES.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to all families receiving assistance under the State program funded under this part:

"If the fiscal year is:	*The minimum participation rate is:*
1996	*15*
1997	*25*
1998	*30*
1999	*35*
2000	*40*
2001	*45*
2002 and thereafter	*50.*

"(2) 2-PARENT FAMILIES.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to 2-parent families receiving assistance under the State program funded under this part:

"If the fiscal year is:	*The minimum participation rate is:*
1996	*50*
1997	*75*
1998	*75*
1999 and thereafter	*90.*

"(b) CALCULATION OF PARTICIPATION RATES.—

"(1) ALL FAMILIES.—

"(A) AVERAGE MONTHLY RATE.—For purposes of subsection (a)(1), the participation rate for all families of a State for a fiscal year is the average of the participation rates for all families of the State for each month in the fiscal year.

"(B) MONTHLY PARTICIPATION RATES.—The participation rate of a State for all families of the State for a month, expressed as a percentage, is—

"(i) the number of families receiving assistance under the State program funded under this part that include an adult who is engaged in work for the month; divided by

"(ii) the amount by which—

"(I) the number of families receiving such assistance during the month that include an adult receiving such assistance; exceeds

"(II) the number of families receiving such assistance that are subject in such month to a penalty described in subsection (e)(1) but have not been subject to such penalty for more than 3 months within the preceding 12-month period (whether or not consecutive).

"(2) 2-PARENT FAMILIES.—

"(A) AVERAGE MONTHLY RATE.—For purposes of subsection (a)(2), the participation rate for 2-parent families of a State for a fiscal year is the average of the participation rates for 2-parent families of the State for each month in the fiscal year.

"(B) MONTHLY PARTICIPATION RATES.—The participation rate of a State for 2-parent families of the State for a month shall be calculated by use of the formula set forth in paragraph (1)(B), except that in the formula the term 'number of 2-parent families' shall be substituted for the term 'number of families' each place such latter term appears.

"(3) PRO RATA REDUCTION OF PARTICIPATION RATE DUE TO CASELOAD REDUCTIONS NOT REQUIRED BY FEDERAL LAW.—

"(A) IN GENERAL.—The Secretary shall prescribe regulations for reducing the minimum participation rate otherwise required by this section for a fiscal year by the number of percentage points equal to the number of percentage points (if any) by which—

"(i) the average monthly number of families receiving assistance during the fiscal year under the State program funded under this part is less than

"(ii) the average monthly number of families that received aid under the State plan approved under part A (as in effect on September 30, 1995) during fiscal year 1995.

The minimum participation rate shall not be reduced to the extent that the Secretary determines that the reduction in the number of families receiving such assistance is required by Federal law.

"(B) ELIGIBILITY CHANGES NOT COUNTED.—The regulations described in subparagraph (A) shall not take into account families that are diverted from a State program funded under this part as a result of differences in eligibility criteria under a State program funded under this part and eligibility criteria under the State program operated under the State plan approved under part A (as such plan and such part were in effect on September 30, 1995). Such regulations shall place the burden on the Secretary to prove that such families were diverted as a direct result of differences in such eligibility criteria.

"(4) STATE OPTION TO INCLUDE INDIVIDUALS RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY ASSISTANCE PLAN.—For purposes of paragraphs (1)(B) and (2)(B), a State may, at its option, include families receiving assistance under a tribal family assistance plan approved under section 412.

"(5) STATE OPTION FOR PARTICIPATION REQUIREMENT EXEMPTIONS.—

"(A) IN GENERAL.—For any fiscal year, a State may, at its option, not require an individual who is a single custodial parent caring for a child who has not attained 12 months of age to engage in work and may disregard such an individual in determining the participation rates under subsection (a).

"(B) LIMITATION.—The exemption described in subparagraph (A) may only be applied to a single custodial parent for a total of 12 months (whether or not consecutive).

"(c) ENGAGED IN WORK.—

"(1) ALL FAMILIES.—For purposes of subsection (b)(1)(B)(i), a recipient is engaged in work for a month in a fiscal year if the recipient is participating in work activities for at least the minimum average number of hours per week specified in the following table during the month, not fewer than 20 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (6), (7), or (8) of subsection (d):

"If the month is in fiscal year:	*The minimum average number of hours per week is:*
1996	*20*
1997	*20*
1998	*20*
1999	*25*
2000	*30*
2001	*30*
2002 and thereafter	*35.*

"(2) 2-PARENT FAMILIES.—For purposes of subsection (b)(2)(B)(i)—

"(A) an adult is engaged in work for a month in a fiscal year if the adult is making progress in work activities for at least 35 hours per week during the month, not fewer than 30 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (6), (7), or (8) of subsection (d); and

"(B) if the family of such adult receives federally-funded child care assistance, if the adult's spouse is making progress in work activities for at least 20 hours per week during the month which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), or (7) of subsection (d).

"(3) LIMITATION ON NUMBER OF WEEKS FOR WHICH JOB SEARCH COUNTS AS WORK.—Notwithstanding paragraphs (1) and (2), an individual

shall not be considered to be engaged in work by virtue of participation in an activity described in subsection (d)(6), after the individual has participated in such an activity for 4 weeks (except if the unemployment rate in the State is above the national average, in which case, 12 weeks) in a fiscal year. An individual shall be considered to be participating in such an activity for a week if the individual participates in such an activity at any time during the week.

"(4) LIMITATION ON EDUCATION ACTIVITIES COUNTED AS WORK.—For purposes of determining monthly participation rates under paragraphs (1)(B)(i) and (2)(B)(i) of subsection (b), not more than 30 percent of adults in all families and in 2-parent families determined to be engaged in work in the State for a month may meet the work activity requirement through participation in vocational educational training.

"(5) SINGLE PARENT WITH CHILD UNDER AGE 6 DEEMED TO BE MEETING WORK PARTICIPATION REQUIREMENTS IF PARENT IS ENGAGED IN WORK FOR 20 HOURS PER WEEK.—For purposes of determining monthly participation rates under subsection (b)(1)(B)(i), a recipient in a 1-parent family who is the parent of a child who has not attained 6 years of age is deemed to be engaged in work for a month if the recipient is engaged in work for an average of at least 20 hours per week during the month.

"(6) TEEN HEAD OF HOUSEHOLD WHO MAINTAINS SATISFACTORY SCHOOL ATTENDANCE DEEMED TO BE MEETING WORK PARTICIPATION REQUIREMENTS.—For purposes of determining monthly participation rates under subsection (b)(1)(B)(i), a recipient who is a single head of household and has not attained 20 years of age is deemed to be engaged in work for a month in a fiscal year if the recipient—

"(A) maintains satisfactory attendance at secondary school or the equivalent during the month; or

"(B) participates in education directly related to employment for at least the minimum average number of hours per week specified in the table set forth in paragraph (1).

"(d) WORK ACTIVITIES DEFINED.—As used in this section, the term 'work activities' means—

"(1) unsubsidized employment;

"(2) subsidized private sector employment;

"(3) subsidized public sector employment;

"(4) work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available;

"(5) on-the-job training;

"(6) job search and job readiness assistance;

"(7) community service programs;

"(8) educational training (not to exceed 24 months with respect to any individual);

"(9) job skills training directly related to employment;

"(10) education directly related to employment, in the case of a recipient who has not attained 20 years of age, and has not received a high school diploma or a certificate of high school equivalency; and

"(11) satisfactory attendance at secondary school, in the case of a recipient who—

"(A) has not completed secondary school; and

"(B) is a dependent child, or a head of household who has not attained 20 years of age.

"(e) PENALTIES AGAINST INDIVIDUALS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), if an adult in a family receiving assistance under the State program funded under this part refuses to engage in work required in accordance with this section, the State shall—

"(A) reduce the amount of assistance otherwise payable to the family pro rata (or more, at the option of the State) with respect to any period during a month in which the adult so refuses; or

"(B) terminate such assistance, subject to such good cause and other exceptions as the State may establish.

"(2) EXCEPTION.—

"(A) IN GENERAL.—Notwithstanding paragraph (1), a State may not reduce or terminate assistance under the State program funded under this part based on a refusal of an adult to work if the adult is a single custodial parent caring for a child who has not attained 11 years of age, and the adult proves that the adult has a demonstrated inability (as determined by the State) to obtain needed child care, for 1 or more of the following reasons:

"(i) Unavailability of appropriate child care within a reasonable distance from the individual's home or work site.

"(ii) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

"(iii) Unavailability of appropriate and affordable formal child care arrangements.

"(B) INCLUDED IN DETERMINATION OF PARTICIPATION RATES.—A State may not disregard an adult for which the exception described in subparagraph (A) applies from determination of the participation rates under subsection (a).

"(f) NONDISPLACEMENT IN WORK ACTIVITIES.—

"(1) IN GENERAL.—Subject to paragraph (2), an adult in a family receiving assistance under a State program funded under this part attributable to funds provided by the Federal Government may fill a vacant employment position in order to engage in a work activity described in subsection (d).

"(2) NO FILLING OF CERTAIN VACANCIES.—No work assignment to an adult in a family receiving assistance under a State program funded under this part shall result in—

"(A) the displacement of any currently employed worker (including any temporary layoffs and any partial displacement of such worker through such matters as a reduction in the hours of nonovertime work, wages, or employment benefits; and

"(B) the termination of the employment of any regular employee or any other involuntary reduction of an employer's workforce in order to fill the vacancy so created with an adult described in paragraph (1).

"(3) GRIEVANCE PROCEDURE.—A State with a program funded under this part shall establish and maintain a grievance procedure for resolving complaints of alleged violations of the provisions of paragraph (2) and for providing adequate remedies for any such violations established. The grievance procedure established under this paragraph shall include an opportunity for a hearing.

"(4) NO PREEMPTION.—Nothing in this subsection shall preempt or supersede any provision of State or local law that provides greater protection for employees from displacement.

"(g) SENSE OF THE CONGRESS.—It is the sense of the Congress that in complying with this section, each State that operates a program funded under this part is encouraged to assign the highest priority to requiring adults in 2-parent families and adults in single-parent families that include older preschool or school-age children to be engaged in work activities.

"(h) SENSE OF THE CONGRESS THAT STATES SHOULD IMPOSE CERTAIN REQUIREMENTS ON NONCUSTODIAL, NONSUPPORTING MINOR PARENTS.—It is the sense of the Congress that the States should require noncustodial, nonsupporting parents who have not attained 18 years of age to fulfill community work obligations and attend appropriate parenting or money management classes after school.

"(i) ENCOURAGEMENT TO PROVIDE CHILD CARE SERVICES.—An individual participating in a State community service program may be treated as being engaged in work under subsection (c) if such individual provides child care services to other individuals participating in the community service program in the manner, and for the period of time each week, determined appropriate by the State.

"SEC. 408. PROHIBITIONS; REQUIREMENTS.

"(a) IN GENERAL.—

"(1) NO ASSISTANCE FOR FAMILIES WITHOUT A MINOR CHILD.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to a family—

"(A) unless the family includes—

"(i) a minor child who resides with a custodial parent or other adult caretaker relative of the child; or

"(ii) a pregnant individual; and

"(B) if such family includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government, for 60 months (whether or not consecutive) after the date the State program funded under this part commences (unless an exception described in subparagraph (B) or (C) of paragraph (8) applies).

"(2) REDUCTION OR ELIMINATION OF ASSISTANCE FOR NONCOOPERATION IN ESTABLISHING PATERNITY OR OBTAINING CHILD SUPPORT.—If the agency responsible for administering the State plan approved under part D determines that an individual is not cooperating with the State in establishing paternity or in establishing, modifying, or enforcing a support order with respect to a child of the individual, and the individual does not qualify for any good cause or other exception established by the State pursuant to section 454(29), then the State—

"(A) shall deduct not less than 25 percent of the assistance that would otherwise be provided to the family of the individual under the State program funded under this part; and

"(B) may deny the family any assistance under the State program.

"(3) NO ASSISTANCE FOR FAMILIES NOT ASSIGNING CERTAIN SUPPORT RIGHTS TO THE STATE.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 shall require, as a condition of providing assistance to a family under the State program funded under this part, that a member of the family assign to the State any rights the family member may have (on behalf of the family member or of any other person for whom the family member has applied for or is receiving such assistance) to support from any other person, not exceeding the total amount of assistance so provided to the family, which accrue (or have accrued) before the date the family leaves the program, which assignment, on and after the date the family leaves the program, shall not apply with respect to any support (other than support collected pursuant to section 464) which accrued before the family received such assistance and which the State has not collected by—

"(i) September 30, 2000, if the assignment is executed on or after October 1, 1997, and before October 1, 2000; or

"(ii) the date the family leaves the program, if the assignment is executed on or after October 1, 2000.

"(B) LIMITATION.—A State to which a grant is made under section 403 shall not require, as a condition of providing assistance to any family under the State program funded under this part, that a member of the family assign to the State any rights to support described in subparagraph (A) which accrue after the date the family leaves the program.

"(4) NO ASSISTANCE FOR TEENAGE PARENTS WHO DO NOT ATTEND HIGH SCHOOL OR OTHER EQUIVALENT TRAINING PROGRAM.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to an individual who has not attained 18 years of age, is not married, has a minor child

at least 12 weeks of age in his or her care, and has not successfully completed a high-school education (or its equivalent), if the individual does not participate in—

"(A) educational activities directed toward the attainment of a high school diploma or its equivalent; or

"(B) an alternative educational or training program that has been approved by the State.

"(5) NO ASSISTANCE FOR TEENAGE PARENTS NOT LIVING IN ADULT-SUPERVISED SETTINGS.—

"(A) IN GENERAL.—

"(i) REQUIREMENT.—Except as provided in subparagraph (B), a State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to an individual described in clause (ii) of this subparagraph if the individual and the minor child referred to in clause (ii)(II) do not reside in a place of residence maintained by a parent, legal guardian, or other adult relative of the individual as such parent's, guardian's, or adult relative's own home.

"(ii) INDIVIDUAL DESCRIBED.—For purposes of clause (i), an individual described in this clause is an individual who—

"(I) has not attained 18 years of age; and

"(II) is not married, and has a minor child in his or her care.

"(B) EXCEPTION.—

"(i) PROVISION OF, OR ASSISTANCE IN LOCATING, ADULT-SUPERVISED LIVING ARRANGEMENT.—In the case of an individual who is described in clause (ii), the State agency referred to in section 402(a)(4) shall provide, or assist the individual in locating, a second chance home, maternity home, or other appropriate adult-supervised supportive living arrangement, taking into consideration the needs and concerns of the individual, and thereafter shall require that the individual and the minor child referred to in subparagraph (A)(ii)(II) reside in such living arrangement as a condition of the continued receipt of assistance under the State program funded under this part attributable to funds provided by the Federal Government (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate).

"(ii) INDIVIDUAL DESCRIBED.—For purposes of clause (i), an individual is described in this clause if the individual is described in subparagraph (A)(ii), and—

"(I) the individual has no parent, legal guardian or other appropriate adult relative described in subclause (II) of his or her own who is living or whose whereabouts are known;

"(II) no living parent, legal guardian, or other appropriate adult relative, who would otherwise meet applicable State criteria to act as the individual's legal guardian, of such individual allows the individual to live in the home of such parent, guardian, or relative;

"(III) the State agency determines that—

"(aa) the individual or the minor child referred to in subparagraph (A)(ii)(II) is being or has been subjected to serious physical or emotional harm, sexual abuse, or exploitation in the residence of the individual's own parent or legal guardian; or

"(bb) substantial evidence exists of an act or failure to act that presents an imminent or serious harm if the individual and the minor child lived in the same residence with the individual's own parent or legal guardian; or

"(IV) the State agency otherwise determines that it is in the best interest of the minor child to waive the requirement of subparagraph (A) with respect to the individual or the minor child.

"(iii) SECOND-CHANCE HOME.—For purposes of this subparagraph, the term 'second-chance home' means an entity that provides individuals described in clause (ii) with a supportive and supervised living arrangement in which such individuals are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children.

"(6) NO MEDICAL SERVICES.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), a State to which a grant is made under section 403 shall not use any part of the grant to provide medical services.

"(B) EXCEPTION FOR FAMILY PLANNING SERVICES.—As used in subparagraph (A), the term 'medical services' does not include family planning services.

"(7) SANCTION WELFARE RECIPIENTS FOR FAILING TO ENSURE THAT MINOR DEPENDENT CHILDREN ATTEND SCHOOL.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 shall not be prohibited from sanctioning a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government or under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, if such adult fails to ensure that the minor dependent children of such adult attend school as required by the law of the State in which the minor children reside.

"(8) DENIAL OF ASSISTANCE FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN ASSISTANCE IN 2 OR MORE STATES.—A State to which a grant is made under section 403 shall not use any part of the grant to provide cash assistance to an individual during the 10-year period that begins on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under this title, title XV or XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI. The preceding sentence shall not apply with respect to a conviction of an individual, for any month beginning after the President of the United States grants a pardon with respect to the conduct which was the subject of the conviction.

"(9) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to any individual who is—

"(i) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(ii) violating a condition of probation or parole imposed under Federal or State law.

The preceding sentence shall not apply with respect to conduct of an individual, for any month beginning after the President of the United States grants a pardon with respect to the conduct.

"(B) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—If a State to which a grant is made under section 403 establishes safeguards against the use or disclosure of information about applicants or recipients of assistance under the State program funded under this part, the safeguards shall not prevent the State agency administering the program from furnishing a Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient if the officer furnishes the agency with the name of the recipient and notifies the agency that—

"(i) the recipient—

"(I) is described in subparagraph (A); or

"(II) has information that is necessary for the officer to conduct the official duties of the officer; and

"(ii) the location or apprehension of the recipient is within such official duties.

"(10) DENIAL OF ASSISTANCE FOR MINOR CHILDREN WHO ARE ABSENT FROM THE HOME FOR A SIGNIFICANT PERIOD.—

"(A) IN GENERAL.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance for a minor child who has been, or is expected by a parent (or other caretaker relative) of the child to be, absent from the home for a period of 45 consecutive days or, at the option of the State, such period of not less than 30 and not more than 180 consecutive days as the State may provide for in the State plan submitted pursuant to section 402.

"(B) STATE AUTHORITY TO ESTABLISH GOOD CAUSE EXCEPTIONS.—The State may establish such good cause exceptions to subparagraph (A) as the State considers appropriate if such exceptions are provided for in the State plan submitted pursuant to section 402.

"(C) DENIAL OF ASSISTANCE FOR RELATIVE WHO FAILS TO NOTIFY STATE AGENCY OF ABSENCE OF CHILD.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance for an individual who is a parent (or other caretaker relative) of a minor child and who fails to notify the agency administering the State program funded under this part of the absence of the minor child from the home for the period specified in or provided for pursuant to subparagraph (A), by the end of the 5-day period that begins with the date that it becomes clear to the parent (or relative) that the minor child will be absent for such period so specified or provided for.

"(11) ASSURING MEDICAID COVERAGE FOR LOW-INCOME FAMILIES.—

"(A) IN GENERAL.—Notwithstanding any other provision of this Act, subject to the succeeding provisions of this paragraph, with respect to a State any reference in title XIX (or other provision of law in relation to the operation of such title) to a provision of this part, or a State plan under this part (or a provision of such a plan), including standards and methodologies for determining income and resources under this part or such plan, shall be considered a reference to such a provision or plan as in effect as of July 1, 1996, with respect to the State.

"(B) CONSTRUCTIONS.—

"(i) In applying section 1925(a)(1), the reference to 'section 402(a)(8)(B)(ii)(II)' is deemed a reference to a corresponding earning disregard rule (if any) established under a State program funded under this part (as in effect on or after October 1, 1996).

"(ii) The provisions of former section 406(h) (as in effect on July 1, 1996) shall apply, in relation to title XIX, with respect to individuals who receive assistance under a State program funded under this part (as in effect on or after October 1, 1996) and are eligible for medical assistance under title XIX or who are described in subparagraph (C)(i) in the same manner as they apply as of July 1, 1996, with respect to individuals who become ineligible for aid to families with dependent children as a result (wholly or partly) of the collection or increased collection of child or spousal support under part D of this title.

"(iii) With respect to the reference in section 1902(a)(5) to a State plan approved under this part, a State may treat such reference as a reference either to a State program funded under this part (as in effect on or after October 1, 1996) or to the State plan under title XIX.

"(C) ELIGIBILITY CRITERIA.—

"(i) IN GENERAL.—For purposes of title XIX, subject to clause (ii), in determining eligibility for medical assistance under such title, an individual shall be treated as receiving aid or assistance under a State plan approved under this part (and shall be treated as meeting the income and resource standards under this part) only if the individual meets—

"(I) the income and resource standards for determining eligibility under such plan; and

"(II) the eligibility requirements of such plan under subsections (a) through (c) of former section 406 and former section 407(a),

as in effect as of July 1, 1996. Subject to clause (ii)(II), the income and resource methodologies under such plan as of such date shall be used in the determination of whether any individual meets income and resource standards under such plan.

"(ii) STATE OPTION.—For purposes of applying this paragraph, a State may—

"(I) lower its income standards applicable with respect to this part, but not below the income standards applicable under its State plan under this part on May 1, 1988; and

"(II) use income and resource standards or methodologies that are less restrictive than the standards or methodologies used under the State plan under this part as of July 1, 1996.

"(iii) TRANSITIONAL COVERAGE.—For purposes of section 1925, an individual who is receiving assistance under the State program funded under this part (as in effect on or after October 1, 1996) and is eligible for medical assistance under title XIX shall be treated as an individual receiving aid or assistance pursuant to a State plan approved under this part (as in effect as of July 1, 1996) (and thereby eligible for continuation of medical assistance under such section 1925).

"(D) WAIVERS.—In the case of a waiver of a provision of this part in effect with respect to a State as of July 1, 1996, if the waiver affects eligibility of individuals for medical assistance under title XIX, such waiver may (but need not) continue to be applied, at the option of the State, in relation to such title after the date the waiver would otherwise expire. If a State elects not to continue to apply such a waiver, then, after the date of the expiration of the waiver, subparagraphs (A), (B), and (C) shall be applied as if any provisions so waived had not been waived.

"(E) STATE OPTION TO USE 1 APPLICATION FORM.—Nothing in this paragraph, this part, or title XIX, shall be construed as preventing a State from providing for the same application form for assistance under a State program funded under this part (on or after October 1, 1996) and for medical assistance under title XIX.

"(F) REQUIREMENT FOR RECEIPT OF FUNDS.—A State to which a grant is made under section 403 shall take such action as may be necessary to ensure that the provisions of this paragraph are carried out: Provided, That the State is otherwise participating in title XIX of this Act.

"(b) ALIENS.—For special rules relating to the treatment of aliens, see section 2402 of the Personal Responsibility and Work Opportunity Act of 1996.

"(c) NONDISCRIMINATION PROVISIONS.—Any program or activity that receives funds under this part shall be subject to enforcement authorized under the following provisions of law:

"(1) The Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.).

"(2) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794).

"(3) The Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.).

"(4) Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.).

"(d) STATE REQUIRED TO ENTER INTO A PERSONAL RESPONSIBILITY AGREEMENT WITH EACH FAMILY RECEIVING ASSISTANCE.—

"(1) IN GENERAL.—Each State to which a grant is made under section 403 shall require each family receiving assistance under the State program funded under this part to enter into a personal responsibility agreement (as developed by the State) with the State.

"(2) PERSONAL RESPONSIBILITY AGREEMENT.—For purposes of this subsection, the term 'personal responsibility agreement' means a binding contract between the State and each family receiving assistance under the State program funded under this part that—

"(A) contains a statement that public assistance is not intended to be a way of life, but is intended as temporary assistance to help the family achieve self-sufficiency and personal independence;

"(B) outlines the steps each family and the State will take to get the family off of welfare and to become self-sufficient, including an employment goal for the individual and a plan for promptly moving the individual into paid employment;

"(C) specifies a negotiated time-limited period of eligibility for receipt of assistance that is consistent with unique family circumstances and is based on a reasonable plan to facilitate the transition of the family to self-sufficiency;

"(D) provides for the imposition of sanctions if the individual refuses to sign the agreement or does not comply with the terms of the agreement, which may include loss or reduction of cash benefits;

"(E) provides that the contract shall be invalid if the State agency fails to comply with the contract; and

"(F) provides that the individual agrees not to abuse illegal drugs or other substances that would interfere with the ability of the individual to become self-sufficient, or provide for a referral for substance abuse treatment if necessary to increase the employability of the individual.

"(3) ASSESSMENT.—The State agency shall provide, through a case manager, an initial and thorough assessment of the skills, prior work experience, and employability of each parent for use in developing and negotiating a personal responsibility contract.

"(4) DISPUTE RESOLUTION.—The State agency shall establish a dispute resolution procedure for disputes related to participation in the personal responsibility contract that provides the opportunity for a hearing.

"SEC. 409. PENALTIES.

"(a) IN GENERAL.—Subject to this section:

"(1) USE OF GRANT IN VIOLATION OF THIS PART.—

"(A) GENERAL PENALTY.—If an audit conducted under chapter 75 of title 31, United States Code, finds that an amount paid to a State under section 403 for a fiscal year has been used in violation of this part, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year quarter by the amount so used.

"(B) ENHANCED PENALTY FOR INTENTIONAL VIOLATIONS.—If the State does not prove to the satisfaction of the Secretary that the State did not intend to use the amount in violation of this part, the Secretary shall further reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year quarter by an amount equal to 5 percent of the State family assistance grant.

"(2) FAILURE TO SUBMIT REQUIRED REPORT.—

"(A) IN GENERAL.—If the Secretary determines that a State has not, within 1 month after the end of a fiscal quarter, submitted the report required by section 411(a) for the quarter, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 4 percent of the State family assistance grant.

"(B) RESCISSION OF PENALTY.—The Secretary shall rescind a penalty imposed on a State under subparagraph (A) with respect to a report if the State submits the report before the end of the fiscal quarter that immediately succeeds the fiscal quarter for which the report was required.

"(3) FAILURE TO SATISFY MINIMUM PARTICIPATION RATES.—

"(A) IN GENERAL.—If the Secretary determines that a State to which a grant is made under section 403 for a fiscal year has failed to comply with section 407(a) for the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to not more than 5 percent of the State family assistance grant.

"(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) based on the degree of noncompliance.

"(C) ADDITIONAL PENALTY FOR CONSECUTIVE NONCOMPLIANCE.—Notwithstanding the limitation described in subparagraph (A), the Secretary shall reduce the grant payable to the State under section 403(a)(1) for a fiscal year, in addition to the reduction imposed under subparagraph (A), by an amount equal to 5 percent of the State family assistance grant, if the Secretary determines that the State failed to comply with section 407(a) for 2 or more consecutive preceding fiscal years.

"(4) FAILURE TO PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—If the Secretary determines that a State program funded under this part is not participating during a fiscal year in the income and eligibility verification system required by section 1137, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to not more than 2 percent of the State family assistance grant.

"(5) FAILURE TO COMPLY WITH PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT REQUIREMENTS UNDER PART D.—Notwithstanding any other provision of this Act, if the Secretary determines that the State agency that administers a program funded under this part does not enforce the penalties requested by the agency administering part D against recipients of assistance under the State program who fail to cooperate in establishing paternity or in establishing, modifying, or enforcing a child support order in accordance with such part and who do not qualify for any good cause or other exception established by the State under section 454(29), the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year (without regard to this section) by not more than 5 percent.

"(6) FAILURE TO TIMELY REPAY A FEDERAL LOAN FUND FOR STATE WELFARE PROGRAMS.—If the Secretary determines that a State has failed to repay any amount borrowed from the Federal Loan Fund for State Welfare Programs established under section 406 within the period of maturity applicable to the loan, plus any interest owed on the loan, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year quarter (without regard to this section) by the outstanding loan amount, plus the interest owed on the outstanding amount. The Secretary shall not forgive any outstanding loan amount or interest owed on the outstanding amount.

"(7) FAILURE OF ANY STATE TO MAINTAIN CERTAIN LEVEL OF HISTORIC EFFORT.—

"(A) IN GENERAL.—The Secretary shall reduce the grant payable to the State under section 403(a)(1) for fiscal year 1998, 1999, 2000, 2001, or 2002 by the amount (if any) by which qualified State expenditures for the then immediately preceding fiscal year are less than the applicable

percentage of historic State expenditures with respect to such preceding fiscal year.

"(B) DEFINITIONS.—As used in this paragraph:

"(i) QUALIFIED STATE EXPENDITURES.—

"(I) IN GENERAL.—The term 'qualified State expenditures' means, with respect to a State and a fiscal year, the total expenditures by the State during the fiscal year, under all State programs, for any of the following with respect to eligible families:

"(aa) Cash assistance.

"(bb) Child care assistance.

"(cc) Educational activities designed to increase self-sufficiency, job training, and work, excluding any expenditure for public education in the State except expenditures which involve the provision of services or assistance to a member of an eligible family which is not generally available to persons who are not members of an eligible family.

"(dd) Administrative costs in connection with the matters described in items (aa), (bb), (cc), and (ee), but only to the extent that such costs do not exceed 15 percent of the total amount of qualified State expenditures for the fiscal year.

"(ee) Any other use of funds allowable under section 404(a)(1).

"(II) EXCLUSION OF TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—Such term does not include expenditures under any State or local program during a fiscal year, except to the extent that—

"(aa) such expenditures exceed the amount expended under the State or local program in the fiscal year most recently ending before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996; or

"(bb) the State is entitled to a payment under former section 403 (as in effect immediately before such date of enactment) with respect to such expenditures.

"(III) ELIGIBLE FAMILIES.—As used in subclause (I), the term 'eligible families' means families eligible for assistance under the State program funded under this part, and families that would be eligible for such assistance but for the application of section 408(a)(8) of this Act or section 2402 of the Personal Responsibility and Work Opportunity Act of 1996.

"(ii) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means for fiscal years 1997 through 2001, 80 percent reduced (if appropriate) in accordance with subparagraph (C)(ii).

"(iii) HISTORIC STATE EXPENDITURES.—The term 'historic State expenditures' means, with respect to a State, the lesser of—

"(I) the expenditures by the State under parts A and F (as in effect during fiscal year 1994) for fiscal year 1994; or

"(II) the amount which bears the same ratio to the amount described in subclause (I) as—

"(aa) the State family assistance grant, plus the total amount required to be paid to the State under former section 403 for fiscal year 1994 with respect to amounts expended by the State for child care under subsection (g) or (i) of section 402 (as in effect during fiscal year 1994); bears to

"(bb) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994.

Such term does not include any expenditures under the State plan approved under part A (as so in effect) on behalf of individuals covered by a tribal family assistance plan approved under section 412, as determined by the Secretary.

"(iv) EXPENDITURES BY THE STATE.—The term 'expenditures by the State' does not include—

"(I) any expenditures from amounts made available by the Federal Government;

"(II) State funds expended for the medicaid program under title XV or XIX; or

"(III) any State funds which are used to match Federal funds or are expended as a condition of receiving Federal funds under Federal programs other than under this part.

"(C) APPLICABLE PERCENTAGE REDUCED FOR HIGH PERFORMANCE STATES.—

"(i) DETERMINATION OF HIGH PERFORMANCE STATES.—The Secretary shall use the formula developed under section 403(a)(4)(C) to assign a score to each eligible State that represents the performance of the State program funded under this part for each fiscal year, and shall prescribe a performance threshold which the Secretary shall use to determine whether to reduce the applicable percentage with respect to any eligible State for a fiscal year.

"(ii) REDUCTION PROPORTIONAL TO PERFORMANCE.—The Secretary shall reduce the applicable percentage for a fiscal year with respect to each eligible State by an amount which is directly proportional to the amount (if any) by which the score assigned to the State under clause (i) for the immediately preceding fiscal year exceeds the performance threshold prescribed under clause (i) for such preceding fiscal year, subject to clause (iii).

"(iii) LIMITATION ON REDUCTION.—The applicable percentage for a fiscal year with respect to a State may not be reduced by more than 8 percentage points under this subparagraph.

"(8) SUBSTANTIAL NONCOMPLIANCE OF STATE CHILD SUPPORT ENFORCEMENT PROGRAM WITH REQUIREMENTS OF PART D.—

"(A) IN GENERAL.—If a State program operated under part D is found as a result of a review conducted under section 452(a)(4) not to have complied substantially with the requirements of such part for any quarter, and the Secretary determines that the program is not complying substantially with such requirements at the time the finding is made, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the quarter and each subsequent quarter that ends before the 1st quarter throughout which the program is found to be in substantial compliance with such requirements by—

"(i) not less than 1 nor more than 2 percent;

"(ii) not less than 2 nor more than 3 percent, if the finding is the 2nd consecutive such finding made as a result of such a review; or

"(iii) not less than 3 nor more than 5 percent, if the finding is the 3rd or a subsequent consecutive such finding made as a result of such a review.

"(B) DISREGARD OF NONCOMPLIANCE WHICH IS OF A TECHNICAL NATURE.—For purposes of subparagraph (A) and section 452(a)(4), a State which is not in full compliance with the requirements of this part shall be determined to be in substantial compliance with such requirements only if the Secretary determines that any noncompliance with such requirements is of a technical nature which does not adversely affect the performance of the State's program operated under part D.

"(9) FAILURE OF STATE RECEIVING AMOUNTS FROM CONTINGENCY FUND TO MAINTAIN 100 PERCENT OF HISTORIC EFFORT.—If, at the end of any fiscal year during which amounts from the Contingency Fund for State Welfare Programs have been paid to a State, the Secretary finds that the expenditures under the State program funded under this part for the fiscal year are less than 100 percent of historic State expenditures (as defined in paragraph (7)(B)(iii) of this subsection), the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by the total of the amounts so paid to the State.

"(10) FAILURE TO COMPLY WITH PROVISIONS OF THIS PART OR THE STATE PLAN.—If, after reasonable notice and opportunity for hearing, the Secretary determines that during a fiscal year a State has not substantially complied with any provision of this part or of the State plan, the Secretary shall, if a preceding paragraph of this subsection does not apply to such noncompliance, reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to not more than 5 percent of the State family assistance grant, and shall continue to impose such reduction during each succeeding fiscal year until the Secretary determines that the State no longer is in noncompliance with such provision.

"(11) FAILURE TO COMPLY WITH 5-YEAR LIMIT ON ASSISTANCE.—If the Secretary determines that during a fiscal year a State has not complied with the provisions of section 408(a)(1)(B), the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 5 percent of the State family assistance grant.

"(12) REQUIRED REPLACEMENT OF GRANT FUND REDUCTIONS CAUSED BY PENALTIES.—If the grant payable to a State under section 403(a)(1) for a fiscal year is reduced by reason of this subsection, the State shall, during the immediately succeeding fiscal year, expend under the State program funded under this part an amount equal to the total amount of such reductions.

"(b) REASONABLE CAUSE EXCEPTION.—

"(1) IN GENERAL.—The Secretary may not impose a penalty on a State under subsection (a) with respect to a requirement if the Secretary determines that the State has reasonable cause for failing to comply with the requirement.

"(2) EXCEPTION.—Paragraph (1) of this subsection shall not apply to any penalty under paragraph (6) or (7) of subsection (a).

"(c) CORRECTIVE COMPLIANCE PLAN.—

"(1) IN GENERAL.—

"(A) NOTIFICATION OF VIOLATION.—Before imposing a penalty against a State under subsection (a) with respect to a violation of this part, the Secretary shall notify the State of the violation and allow the State the opportunity to enter into a corrective compliance plan in accordance with this subsection which outlines how the State will correct the violation and how the State will insure continuing compliance with this part.

"(B) 60-DAY PERIOD TO PROPOSE A CORRECTIVE COMPLIANCE PLAN.—During the 60-day period that begins on the date the State receives a notice provided under subparagraph (A) with respect to a violation, the State may submit to the Federal Government a corrective compliance plan to correct the violation.

"(C) CONSULTATION ABOUT MODIFICATIONS.—During the 60-day period that begins with the date the Secretary receives a corrective compliance plan submitted by a State in accordance with subparagraph (B), the Secretary may consult with the State on modifications to the plan.

"(D) ACCEPTANCE OF PLAN.— A corrective compliance plan submitted by a State in accordance with subparagraph (B) is deemed to be accepted by the Secretary if the Secretary does not accept or reject the plan during 60-day period that begins on the date the plan is submitted.

"(2) EFFECT OF CORRECTING VIOLATION.—The Secretary may not impose any penalty under subsection (a) with respect to any violation covered by a State corrective compliance plan accepted by the Secretary if the State corrects the violation pursuant to the plan.

"(3) EFFECT OF FAILING TO CORRECT VIOLATION.—The Secretary shall assess some or all of a penalty imposed on a State under subsection (a) with respect to a violation if the State does not, in a timely manner, correct the violation pursuant to a State corrective compliance plan accepted by the Secretary.

"(4) INAPPLICABILITY TO FAILURE TO TIMELY REPAY A FEDERAL LOAN FUND FOR A STATE WELFARE PROGRAM.—This subsection shall not apply to the imposition of a penalty against a State under subsection (a)(6).

"(d) LIMITATION ON AMOUNT OF PENALTY.—

"(1) IN GENERAL.—In imposing the penalties described in subsection (a), the Secretary shall not reduce any quarterly payment to a State by more than 25 percent.

"(2) CARRYFORWARD OF UNRECOVERED PENALTIES.—To the extent that paragraph (1) of this subsection prevents the Secretary from recovering during a fiscal year the full amount of penalties imposed on a State under subsection (a) of this section for a prior fiscal year, the Secretary shall apply any remaining amount of such penalties to the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year.

"SEC. 410. APPEAL OF ADVERSE DECISION.

"(a) IN GENERAL.—Within 5 days after the date the Secretary takes any adverse action under this part with respect to a State, the Secretary shall notify the chief executive officer of the State of the adverse action, including any action with respect to the State plan submitted under section 402 or the imposition of a penalty under section 409.

"(b) ADMINISTRATIVE REVIEW.—

"(1) IN GENERAL.—Within 60 days after the date a State receives notice under subsection (a) of an adverse action, the State may appeal the action, in whole or in part, to the Departmental Appeals Board established in the Department of Health and Human Services (in this section referred to as the 'Board') by filing an appeal with the Board.

"(2) PROCEDURAL RULES.—The Board shall consider an appeal filed by a State under paragraph (1) on the basis of such documentation as the State may submit and as the Board may require to support the final decision of the Board. In deciding whether to uphold an adverse action or any portion of such an action, the Board shall conduct a thorough review of the issues and take into account all relevant evidence. The Board shall make a final determination with respect to an appeal filed under paragraph (1) not less than 60 days after the date the appeal is filed.

"(c) JUDICIAL REVIEW OF ADVERSE DECISION.—

"(1) IN GENERAL.—Within 90 days after the date of a final decision by the Board under this section with respect to an adverse action taken against a State, the State may obtain judicial review of the final decision (and the findings incorporated into the final decision) by filing an action in—

"(A) the district court of the United States for the judicial district in which the principal or headquarters office of the State agency is located; or

"(B) the United States District Court for the District of Columbia.

"(2) PROCEDURAL RULES.—The district court in which an action is filed under paragraph (1) shall review the final decision of the Board on the record established in the administrative proceeding, in accordance with the standards of review prescribed by subparagraphs (A) through (E) of section 706(2) of title 5, United States Code. The review shall be on the basis of the documents and supporting data submitted to the Board.

"SEC. 411. DATA COLLECTION AND REPORTING.

"(a) QUARTERLY REPORTS BY STATES.—

"(1) GENERAL REPORTING REQUIREMENT.—

"(A) CONTENTS OF REPORT.—Each eligible State shall collect on a monthly basis, and report to the Secretary on a quarterly basis, the following disaggregated case record information on the families receiving assistance under the State program funded under this part:

"(i) The county of residence of the family.

"(ii) Whether a child receiving such assistance or an adult in the family is disabled.

"(iii) The ages of the members of such families.

"(iv) The number of individuals in the family, and the relation of each family member to the youngest child in the family.

"(v) The employment status and earnings of the employed adult in the family.

"(vi) The marital status of the adults in the family, including whether such adults have never married, are widowed, or are divorced.

"(vii) The race and educational status of each adult in the family.

"(viii) The race and educational status of each child in the family.

"(ix) Whether the family received subsidized housing, medical assistance under the State plan under title XV or the State plan approved under title XIX, food stamps, or subsidized child care, and if the latter 2, the amount received.

"(x) The number of months that the family has received each type of assistance under the program.

"(xi) If the adults participated in, and the number of hours per week of participation in, the following activities:

"(I) Education.

"(II) Subsidized private sector employment.

"(III) Unsubsidized employment.

"(IV) Public sector employment, work experience, or community service.

"(V) Job search.

"(VI) Job skills training or on-the-job training.

"(VII) Vocational education.

"(xii) Information necessary to calculate participation rates under section 407.

"(xiii) The type and amount of assistance received under the program, including the amount of and reason for any reduction of assistance (including sanctions).

"(xiv) Any amount of unearned income received by any member of the family.

"(xv) The citizenship of the members of the family.

"(xvi) From a sample of closed cases, whether the family left the program, and if so, whether the family left due to—

"(I) employment;

"(II) marriage;

"(III) the prohibition set forth in section 408(a)(8);

"(IV) sanction; or

"(V) State policy.

"(B) USE OF ESTIMATES.—

"(i) AUTHORITY.—A State may comply with subparagraph (A) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods approved by the Secretary.

"(ii) SAMPLING AND OTHER METHODS.—The Secretary shall provide the States with such case sampling plans and data collection procedures as the Secretary deems necessary to produce statistically valid estimates of the performance of State programs funded under this part. The Secretary may develop and implement procedures for verifying the quality of data submitted by the States.

"(2) REPORT ON USE OF FEDERAL FUNDS TO COVER ADMINISTRATIVE COSTS AND OVERHEAD.—The report required by paragraph (1) for a fiscal quarter shall include a statement of the percentage of the funds paid to the State under this part for the quarter that are used to cover administrative costs or overhead.

"(3) REPORT ON STATE EXPENDITURES ON PROGRAMS FOR NEEDY FAMILIES.—The report required by paragraph (1) for a fiscal quarter shall include a statement of the total amount expended by the State during the quarter on programs for needy families.

"(4) REPORT ON NONCUSTODIAL PARENTS PARTICIPATING IN WORK ACTIVITIES.—The report required by paragraph (1) for a fiscal quarter shall include the number of noncustodial parents in the State who participated in work activities (as defined in section 407(d)) during the quarter.

"(5) REPORT ON TRANSITIONAL SERVICES.—The report required by paragraph (1) for a fiscal quarter shall include the total amount expended by the State during the quarter to provide transitional services to a family that has ceased to receive assistance under this part because of employment, along with a description of such services.

"(6) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to define the data elements with respect to which reports are required by this subsection.

"(b) ANNUAL REPORTS TO THE CONGRESS BY THE SECRETARY.—Not later than 6 months after the end of fiscal year 1997, and each fiscal year thereafter, the Secretary shall transmit to the Congress a report describing—

"(1) whether the States are meeting—

"(A) the participation rates described in section 407(a); and

"(B) the objectives of—

"(i) increasing employment and earnings of needy families, and child support collections; and

"(ii) decreasing out-of-wedlock pregnancies and child poverty;

"(2) the demographic and financial characteristics of families applying for assistance, families receiving assistance, and families that become ineligible to receive assistance;

"(3) the characteristics of each State program funded under this part; and

"(4) the trends in employment and earnings of needy families with minor children living at home.

"SEC. 412. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.

"(a) GRANTS FOR INDIAN TRIBES.—

"(1) TRIBAL FAMILY ASSISTANCE GRANT.—

"(A) IN GENERAL.—For each of fiscal years 1997, 1998, 1999, 2000, and 2001, the Secretary shall pay to each Indian tribe that has an approved tribal family assistance plan a tribal family assistance grant for the fiscal year in an amount equal to the amount determined under subparagraph (B), and shall reduce the grant payable under section 403(a)(1) to any State in which lies the service area or areas of the Indian tribe by that portion of the amount so determined that is attributable to expenditures by the State.

"(B) AMOUNT DETERMINED.—

"(i) IN GENERAL.—The amount determined under this subparagraph is an amount equal to the total amount of the Federal payments to a State or States under section 403 (as in effect during such fiscal year) for fiscal year 1994 attributable to expenditures (other than child care expenditures) by the State or States under parts A and F (as so in effect) for fiscal year 1994 for Indian families residing in the service area or areas identified by the Indian tribe pursuant to subsection (b)(1)(C) of this section.

"(ii) USE OF STATE SUBMITTED DATA.—

"(I) IN GENERAL.—The Secretary shall use State submitted data to make each determination under clause (i).

"(II) DISAGREEMENT WITH DETERMINATION.—If an Indian tribe or tribal organization disagrees with State submitted data described under subclause (I), the Indian tribe or tribal organization may submit to the Secretary such additional information as may be relevant to making the determination under clause (i) and the Secretary may consider such information before making such determination.

"(2) GRANTS FOR INDIAN TRIBES THAT RECEIVED JOBS FUNDS.—

"(A) IN GENERAL.—The Secretary shall pay to each eligible Indian tribe for each of fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 a grant in an amount equal to the amount received by the Indian tribe in fiscal year 1994 under section 482(i) (as in effect during fiscal year 1994).

"(B) ELIGIBLE INDIAN TRIBE.—For purposes of subparagraph (A), the term 'eligible Indian tribe' means an Indian tribe or Alaska Native organization that conducted a job opportunities and basic skills training program in fiscal year 1995 under section 482(i) (as in effect during fiscal year 1995).

"(C) USE OF GRANT.—Each Indian tribe to which a grant is made under this paragraph shall use the grant for the purpose of operating a program to make work activities available to members of the Indian tribe.

"(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $7,638,474 for each fiscal year specified in subparagraph (A) for grants under subparagraph (A).

"(b) 3-YEAR TRIBAL FAMILY ASSISTANCE PLAN.—

"(1) IN GENERAL.—Any Indian tribe that desires to receive a tribal family assistance grant shall submit to the Secretary a 3-year tribal family assistance plan that—

"(A) outlines the Indian tribe's approach to providing welfare-related services for the 3-year period, consistent with this section;

"(B) specifies whether the welfare-related services provided under the plan will be provided by the Indian tribe or through agreements, contracts, or compacts with intertribal consortia, States, or other entities;

"(C) identifies the population and service area or areas to be served by such plan;

"(D) provides that a family receiving assistance under the plan may not receive duplicative assistance from other State or tribal programs funded under this part;

"(E) identifies the employment opportunities in or near the service area or areas of the Indian tribe and the manner in which the Indian tribe will cooperate and participate in enhancing such opportunities for recipients of assistance under the plan consistent with any applicable State standards; and

"(F) applies the fiscal accountability provisions of section 5(f)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c(f)(1)), relating to the submission of a single-agency audit report required by chapter 75 of title 31, United States Code.

"(2) APPROVAL.—The Secretary shall approve each tribal family assistance plan submitted in accordance with paragraph (1).

"(3) CONSORTIUM OF TRIBES.—Nothing in this section shall preclude the development and submission of a single tribal family assistance plan by the participating Indian tribes of an intertribal consortium.

"(c) MINIMUM WORK PARTICIPATION REQUIREMENTS AND TIME LIMITS.—The Secretary, with the participation of Indian tribes, shall establish for each Indian tribe receiving a grant under this section minimum work participation requirements, appropriate time limits for receipt of welfare-related services under the grant, and penalties against individuals—

"(1) consistent with the purposes of this section;

"(2) consistent with the economic conditions and resources available to each tribe; and

"(3) similar to comparable provisions in section 407(d).

"(d) EMERGENCY ASSISTANCE.—Nothing in this section shall preclude an Indian tribe from seeking emergency assistance from any Federal loan program or emergency fund.

"(e) ACCOUNTABILITY.—Nothing in this section shall be construed to limit the ability of the Secretary to maintain program funding accountability consistent with—

"(1) generally accepted accounting principles; and

"(2) the requirements of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

"(f) PENALTIES.—

"(1) Subsections (a)(1), (a)(6), and (b) of section 409, shall apply to an Indian tribe with an approved tribal assistance plan in the same manner as such subsections apply to a State.

"(2) Section 409(a)(3) shall apply to an Indian tribe with an approved tribal assistance plan by substituting 'meet minimum work participation requirements established under section 412(c)' for 'comply with section 407(a)'.

"(g) DATA COLLECTION AND REPORTING.—Section 411 shall apply to an Indian tribe with an approved tribal family assistance plan.

"(h) SPECIAL RULE FOR INDIAN TRIBES IN ALASKA.—

"(1) IN GENERAL.—Notwithstanding any other provision of this section, and except as provided in paragraph (2), an Indian tribe in the State of Alaska that receives a tribal family assistance grant under this section shall use the grant to operate a program in accordance with requirements comparable to the requirements applicable to the program of the State of Alaska funded under this part. Comparability of programs shall be established on the basis of program criteria developed by the Secretary in consultation with the State of Alaska and such Indian tribes.

"(2) WAIVER.—An Indian tribe described in paragraph (1) may apply to the appropriate State authority to receive a waiver of the requirement of paragraph (1).

"SEC. 413. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

"(a) RESEARCH.—The Secretary shall conduct research on the benefits, effects, and costs of operating different State programs funded under this part, including time limits relating to eligibility for assistance. The research shall include studies on the effects of different programs and the operation of such programs on welfare dependency, illegitimacy, teen pregnancy, employment rates, child well-being, and any other area the Secretary deems appropriate. The Secretary shall also conduct research on the costs and benefits of State activities under section 409.

"(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO REDUCING WELFARE DEPENDENCY AND INCREASING CHILD WELL-BEING.—

"(1) IN GENERAL.—The Secretary may assist States in developing, and shall evaluate, innovative approaches for reducing welfare dependency and increasing the well-being of minor children living at home with respect to recipients of assistance under programs funded under this part. The Secretary may provide funds for training and technical assistance to carry out the approaches developed pursuant to this paragraph.

"(2) EVALUATIONS.—In performing the evaluations under paragraph (1), the Secretary shall, to the maximum extent feasible, use random assignment as an evaluation methodology.

"(c) DISSEMINATION OF INFORMATION.—The Secretary shall develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this section, including the facilitation of the sharing of information and best practices among States and localities through the use of computers and other technologies.

"(d) ANNUAL RANKING OF STATES AND REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—

"(1) ANNUAL RANKING OF STATES.—The Secretary shall rank annually the States to which grants are paid under section 403 in the order of their success in placing recipients of assistance under the State program funded under this part into long-term private sector jobs, reducing the overall welfare caseload, and, when a practicable method for calculating this information becomes available, diverting individuals from formally applying to the State program and receiving assistance. In ranking States under this subsection, the Secretary shall take into account the average number of minor children living at home in families in the State that have incomes below the poverty line and the amount of funding provided each State for such families.

"(2) ANNUAL REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—The Secretary shall review the programs of the 3 States most recently ranked highest under paragraph (1) and the 3 States most recently ranked lowest under paragraph (1) that provide parents with work experience, assistance in finding employment, and other work preparation activities and support services to enable the families of such parents to leave the program and become self-sufficient.

"(e) ANNUAL RANKING OF STATES AND REVIEW OF ISSUES RELATING TO OUT-OF-WEDLOCK BIRTHS.—

"(1) ANNUAL RANKING OF STATES.—

"(A) IN GENERAL.—The Secretary shall annually rank States to which grants are made under section 403 based on the following ranking factors:

"(i) ABSOLUTE OUT-OF-WEDLOCK RATIOS.—The ratio represented by—

"(I) the total number of out-of-wedlock births in families receiving assistance under the State program under this part in the State for the most recent fiscal year for which information is available; over

"(II) the total number of births in families receiving assistance under the State program under this part in the State for such year.

"(ii) NET CHANGES IN THE OUT-OF-WEDLOCK RATIO.—The difference between the ratio described in subparagraph (A)(i) with respect to a State for the most recent fiscal year for which such information is available and the ratio with respect to the State for the immediately preceding year.

"(2) ANNUAL REVIEW.—The Secretary shall review the programs of the 5 States most recently ranked highest under paragraph (1) and the 5 States most recently ranked the lowest under paragraph (1).

"(f) STATE-INITIATED EVALUATIONS.—A State shall be eligible to receive funding to evaluate the State program funded under this part if—

"(1) the State submits a proposal to the Secretary for the evaluation;

"(2) the Secretary determines that the design and approach of the evaluation is rigorous and is likely to yield information that is credible and will be useful to other States; and

"(3) unless otherwise waived by the Secretary, the State contributes to the cost of the evaluation, from non-Federal sources, an amount equal to at least 10 percent of the cost of the evaluation.

"(g) FUNDING OF STUDIES AND DEMONSTRATIONS.—

"(1) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $15,000,000 for each of fiscal years 1998 through 2001, for the purpose of paying—

"(A) the cost of conducting the research described in subsection (a);

"(B) the cost of developing and evaluating innovative approaches for reducing welfare dependency and increasing the well-being of minor children under subsection (b);

"(C) the Federal share of any State-initiated study approved under subsection (f); and

"(D) an amount determined by the Secretary to be necessary to operate and evaluate demonstration projects, relating to this part, that are in effect or approved under section 1115 as of September 30, 1995, and are continued after such date.

"(2) ALLOCATION.—Of the amount appropriated under paragraph (1) for a fiscal year—

"(A) 50 percent shall be allocated for the purposes described in subparagraphs (A) and (B) of paragraph (1), and

"(B) 50 percent shall be allocated for the purposes described in subparagraphs (C) and (D) of paragraph (1).

"(3) DEMONSTRATIONS OF INNOVATIVE STRATEGIES.—The Secretary may implement and evaluate demonstrations of innovative and promising strategies which—

"(A) provide one-time capital funds to establish, expand, or replicate programs;

"(B) test performance-based grant-to-loan financing in which programs meeting performance targets receive grants while programs not meeting such targets repay funding on a prorated basis; and

"(C) test strategies in multiple States and types of communities.

"(h) CHILD POVERTY RATES.—

"(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this part, and annually thereafter, the chief executive officer of a State shall submit to the Secretary a statement of the child poverty rate in the State as of such date of enactment or the date of such subsequent statements. Such subsequent statements shall include the change in such rate from the previous statement, if any.

"(2) INCREASE IN RATE.—With respect to a State that submits a statement under paragraph (1) that indicates an increase of 5 percent or more in the child poverty rate of the State from the previous statement as a result of the changes made by the Act, the State shall, not later than 90 days after the date of such statement, prepare and submit to the Secretary a corrective action plan in accordance with paragraph (3).

"(3) CORRECTIVE ACTION PLAN.—

"(A) IN GENERAL.—A corrective action plan submitted under paragraph (2) shall outline that manner in which the State will reduce the child poverty rate within the State. The plan shall include a description of the actions to be taken by the State under such plan.

"(B) CONSULTATION ABOUT MODIFICATIONS.—During the 60-day period that begins with the date the Secretary receives the corrective action plan of a State under subparagraph (A), the Secretary may consult with the State on modifications to the plan.

"(C) ACCEPTANCE OF PLAN.— A corrective action plan submitted by a State in accordance with subparagraph (A) is deemed to be accepted by the Secretary if the Secretary does not accept or reject the plan during 60-day period that begins on the date the plan is submitted.

"(4) COMPLIANCE WITH PLAN.—

"(A) IN GENERAL.—A State that submits a corrective action plan under this subsection shall continue to implement such plan until such time as the Secretary makes the determination described in subparagraph (B).

"(B) DETERMINATION.—A determination described in this subparagraph is a determination that the child poverty rate for the State involved has fallen to, and not exceeded for a period of 2-consecutive years, a rate that is not greater than the rate contained in the most recent statement submitted by the State under paragraph (1) which did not trigger the application of paragraph (2).

"(C) LABOR SURPLUS AREA.—With respect to a State that submits a corrective action plan under paragraph (2), such plan shall continue to be implemented until the area involved is no longer designated as a Labor Surplus Area.

"(5) METHODOLOGY.—The Secretary shall promulgate regulations establishing the methodology by which a States shall determine the child poverty rate within such State. Such methodology shall, with respect to a State, take into account factors including the number of children who receive free or reduced-price lunches, the number of food stamp households, and the county by county estimates of children in poverty as determined by the Census Bureau.

"SEC. 414. STUDY BY THE CENSUS BUREAU.

"(a) IN GENERAL.—The Bureau of the Census shall expand the Survey of Income and Program Participation as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by chapter 1 of the Personal Responsibility and Work Opportunity Act of 1996 on a random national sample of recipients of assistance under State programs funded under this part and (as appropriate) other low income families, and in doing so, shall pay particular attention to the issues of out-of-wedlock birth, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

"(b) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $10,000,000 for each of fiscal years 1998, 1999, 2000, 2001, and 2002 for payment to the Bureau of the Census to carry out subsection (a).

"SEC. 415. WAIVERS.

"(a) CONTINUATION OF WAIVERS.—

"(1) WAIVERS IN EFFECT ON DATE OF ENACTMENT OF WELFARE REFORM.—Except as provided in paragraph (3), if any waiver granted to a State under section 1115 or otherwise which relates to the provision of assistance under a State plan under this part (as in effect on September 30, 1996) is in effect as of the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996, the amendments made by such Act (other than by section 2103(d) of such Act) shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent such amendments are inconsistent with the waiver.

"(2) WAIVERS GRANTED SUBSEQUENTLY.—Except as provided in paragraph (3), if any waiver granted to a State under section 1115 or otherwise which relates to the provision of assistance under a State plan under this part (as in effect on September 30, 1996) is submitted to the Secretary before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996 and approved by the Secretary on or before July 1, 1997, and the State demonstrates to the satisfaction of the Secretary that the waiver will not result in Federal expenditures under title IV of this Act (as in effect without regard to the amendments made by the Personal Responsibility and Work Opportunity Act of 1996) that are greater than would occur in the absence of the waiver, the amendments made by the Personal Responsibility and Work Opportunity Act of 1996 (other than by section 2103(d) of such Act) shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent the amendments made by the Personal Responsibility and Work Opportunity Act of 1996 are inconsistent with the waiver.

"(3) FINANCING LIMITATION.—Notwithstanding any other provision of law, beginning with fiscal year 1996, a State operating under a waiver described in paragraph (1) shall be entitled to payment under section 403 for the fiscal year, in lieu of any other payment provided for in the waiver.

"(b) STATE OPTION TO TERMINATE WAIVER.—

"(1) IN GENERAL.—A State may terminate a waiver described in subsection (a) before the expiration of the waiver.

"(2) REPORT.—A State which terminates a waiver under paragraph (1) shall submit a report to the Secretary summarizing the waiver and any available information concerning the result or effect of the waiver.

"(3) HOLD HARMLESS PROVISION.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, a State that, not later than the date described in subparagraph (B), submits a written request to terminate a waiver described in subsection (a) shall be held harmless for accrued cost neutrality liabilities incurred under the waiver.

"(B) DATE DESCRIBED.—The date described in this subparagraph is 90 days following the adjournment of the first regular session of the State legislature that begins after the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996.

"(c) SECRETARIAL ENCOURAGEMENT OF CURRENT WAIVERS.—The Secretary shall encourage any State operating a waiver described in subsection (a) to continue the waiver and to evaluate, using random sampling and other characteristics of accepted scientific evaluations, the result or effect of the waiver.

"(d) CONTINUATION OF INDIVIDUAL WAIVERS.—A State may elect to continue 1 or more individual waivers described in subsection (a).

"SEC. 416. ADMINISTRATION.

"The programs under this part and part D shall be administered by an Assistant Secretary for Family Support within the Department of Health and Human Services, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be in addition to any other Assistant Secretary of Health and Human Services provided for by law, and the Secretary shall reduce the Federal workforce within the Department of Health and Human Services by an amount equal to the sum of 75 percent of the full-time equivalent positions at such Department that relate to any direct spending program, or any program funded through discretionary spending, that has been converted into a block grant program under the Personal Responsibility and Work Opportunity Act of 1996 and the amendments made by such Act, and by an amount equal to 75 percent of that portion of the total full-time equivalent departmental management positions at such Department that bears the same relationship to the amount appropriated for any direct spending program, or any program funded through discretionary spending, that has been converted into a block grant program under the Personal Responsibility and Work Opportunity Act of 1996 and the amendments made by such Act, as such amount relates to the total amount appropriated for use by such Department, and, notwithstanding any other provision of law, the Secretary shall take such actions as may be necessary, including reductions in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the full-time equivalent positions within the Department of Health and Human Services by 245 full-time equivalent positions related to the program converted into a block grant under the amendment made by section 2103 of the Personal Responsibility and Work Opportunity Act of 1996, and by 60 full-time equivalent managerial positions in the Department.

"SEC. 417. LIMITATION ON FEDERAL AUTHORITY.

"No officer or employee of the Federal Government may regulate the conduct of States under this part or enforce any provision of this part, except to the extent expressly provided in this part."; and

(2) by inserting after such section 418 the following:

"SEC. 419. DEFINITIONS.

"As used in this part:

"(1) ADULT.—The term 'adult' means an individual who is not a minor child.

"(2) MINOR CHILD.—The term 'minor child' means an individual who—

"(A) has not attained 18 years of age; or

"(B) has not attained 19 years of age and is a full-time student in a secondary school (or in the equivalent level of vocational or technical training).

"(3) FISCAL YEAR.—The term 'fiscal year' means any 12-month period ending on September 30 of a calendar year.

"(4) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the terms 'Indian', 'Indian tribe', and 'tribal organization' have the meaning given such terms by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

"(B) SPECIAL RULE FOR INDIAN TRIBES IN ALASKA.—The term 'Indian tribe' means, with respect to the State of Alaska, only the Metlakatla Indian Community of the Annette Islands Reserve and the following Alaska Native regional nonprofit corporations:

"(i) Arctic Slope Native Association.

"(ii) Kawerak, Inc.

"(iii) Maniilaq Association.

"(iv) Association of Village Council Presidents.

"(v) Tanana Chiefs Conference.

"(vi) Cook Inlet Tribal Council.

"(vii) Bristol Bay Native Association.

"(viii) Aleutian and Pribilof Island Association.

"(ix) Chugachmuit.

"(x) Tlingit Haida Central Council.

"(xi) Kodiak Area Native Association.

"(xii) Copper River Native Association.

"(5) STATE.—

"(A) IN GENERAL.—Except as otherwise specifically provided, the term 'State' means the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.

"(B) STATE OPTION TO CONTRACT TO PROVIDE SERVICES.—The term 'State' includes the—

"(i) administration and provision of services under the program funded under this part, or under the programs funded under parts B and E of this title, through contracts with charitable, religious, or private organizations; and

"(ii) provision to beneficiaries of assistance under such programs with certificates, vouchers, or other forms of disbursement which are redeemable with such organizations.".

(b) GRANTS TO OUTLYING AREAS.—Section 1108 (42 U.S.C. 1308) is amended—

(1) by redesignating subsection (c) as subsection (g);

(2) by striking all that precedes subsection (c) and inserting the following:

"SEC. 1108. ADDITIONAL GRANTS TO PUERTO RICO, THE VIRGIN ISLANDS, GUAM, AND AMERICAN SAMOA; LIMITATION ON TOTAL PAYMENTS.

"(a) LIMITATION ON TOTAL PAYMENTS TO EACH TERRITORY.—Notwithstanding any other provision of this Act, the total amount certified by the Secretary of Health and Human Services under titles I, X, XIV, and XVI, under parts A and E of title IV, and under subsection (b) of this section, for payment to any territory for a fiscal year shall not exceed the ceiling amount for the territory for the fiscal year.

"(b) ENTITLEMENT TO MATCHING GRANT.—

"(1) IN GENERAL.—Each territory shall be entitled to receive from the Secretary for each fiscal year a grant in an amount equal to 75 percent of the amount (if any) by which—

"(A) the total expenditures of the territory during the fiscal year under the territory programs funded under parts A and E of title IV; exceeds

"(B) the sum of—

"(i) the total amount required to be paid to the territory (other than with respect to child care) under former section 403 (as in effect on September 30, 1995) for fiscal year 1995, which shall be determined by applying subparagraphs (C) and (D) of section 403(a)(1) to the territory;

"(ii) the total amount required to be paid to the territory under former section 434 (as so in effect) for fiscal year 1995; and

"(iii) the total amount expended by the territory during fiscal year 1995 pursuant to parts A and F of title IV (as so in effect), other than for child care.

"(2) USE OF GRANT.—Any territory to which a grant is made under paragraph (1) may expend the amount under any program operated or funded under any provision of law specified in subsection (a).

"(c) DEFINITIONS.—As used in this section:

"(1) TERRITORY.—The term 'territory' means Puerto Rico, the Virgin Islands, Guam, and American Samoa.

"(2) CEILING AMOUNT.—The term 'ceiling amount' means, with respect to a territory and a fiscal year, the mandatory ceiling amount with respect to the territory, reduced for the fiscal year in accordance with subsection (e).

"(3) MANDATORY CEILING AMOUNT.—The term 'mandatory ceiling amount' means—

"(A) $102,040,000 with respect to for Puerto Rico;

"(B) $4,683,000 with respect to Guam;

"(C) $3,554,000 with respect to the Virgin Islands; and

"(D) $1,000,000 with respect to American Samoa.

"(4) TOTAL AMOUNT EXPENDED BY THE TERRITORY.—The term 'total amount expended by the territory'—

"(A) does not include expenditures during the fiscal year from amounts made available by the Federal Government; and

"(B) when used with respect to fiscal year 1995, also does not include—

"(i) expenditures during fiscal year 1995 under subsection (g) or (i) of section 402 (as in effect on September 30, 1995); or

"(ii) any expenditures during fiscal year 1995 for which the territory (but for section 1108, as in effect on September 30, 1995) would have received reimbursement from the Federal Government.

"(d) AUTHORITY TO TRANSFER FUNDS AMONG PROGRAMS.—Notwithstanding any other provision of this Act, any territory to which an amount is paid under any provision of law specified in subsection (a) may use part or all of the amount to carry out any program operated by the territory, or funded, under any other such provision of law.

"(e) MAINTENANCE OF EFFORT.—The ceiling amount with respect to a territory shall be reduced for a fiscal year by an amount equal to the amount (if any) by which—

"(1) the total amount expended by the territory under all programs of the territory operated pursuant to the provisions of law specified in subsection (a) (as such provisions were in effect for fiscal year 1995) for fiscal year 1995; exceeds

"(2) the total amount expended by the territory under all programs of the territory that are funded under the provisions of law specified in subsection (a) for the fiscal year that immediately precedes the fiscal year referred to in the matter preceding paragraph (1)."; and

(3) by striking subsections (d) and (e).

(c) REPEAL OF PROVISIONS REQUIRING REDUCTION OF MEDICAID PAYMENTS TO STATES THAT REDUCE WELFARE PAYMENT LEVELS.—

(1) Section 1903(i) (42 U.S.C. 1396b(i)) is amended by striking paragraph (9).

(2) Section 1902 (42 U.S.C. 1396a) is amended by striking subsection (c).

(d) ELIMINATION OF CHILD CARE PROGRAMS UNDER THE SOCIAL SECURITY ACT.—

(1) AFDC AND TRANSITIONAL CHILD CARE PROGRAMS.—Section 402 (42 U.S.C. 602) is amended by striking subsection (g).

(2) AT-RISK CHILD CARE PROGRAM.—

(A) AUTHORIZATION.—Section 402 (42 U.S.C. 602) is amended by striking subsection (i).

(B) FUNDING PROVISIONS.—Section 403 (42 U.S.C. 603) is amended by striking subsection (n).

SEC. 2104. SERVICES PROVIDED BY CHARITABLE, RELIGIOUS, OR PRIVATE ORGANIZATIONS.

(a) IN GENERAL.—

(1) STATE OPTIONS.—A State may—

(A) administer and provide services under the programs described in subparagraphs (A) and (B)(i) of paragraph (2) through contracts with charitable, religious, or private organizations; and

(B) provide beneficiaries of assistance under the programs described in subparagraphs (A) and (B)(ii) of paragraph (2) with certificates, vouchers, or other forms of disbursement which are redeemable with such organizations.

(2) Programs described.—The programs described in this paragraph are the following programs:

(A) A State program funded under part A of title IV of the Social Security Act (as amended by section 2103(a) of this Act).

(B) Any other program established or modified under chapter 1 or 2 of this subtitle, that—

(i) permits contracts with organizations; or

(ii) permits certificates, vouchers, or other forms of disbursement to be provided to beneficiaries, as a means of providing assistance.

(b) Religious Organizations.—The purpose of this section is to allow States to contract with religious organizations, or to allow religious organizations to accept certificates, vouchers, or other forms of disbursement under any program described in subsection (a)(2), on the same basis as any other nongovernmental provider without impairing the religious character of such organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under such program.

(c) Nondiscrimination Against Religious Organizations.—In the event a State exercises its authority under subsection (a), religious organizations are eligible, on the same basis as any other private organization, as contractors to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, under any program described in subsection (a)(2) so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution. Except as provided in subsection (k), neither the Federal Government nor a State receiving funds under such programs shall discriminate against an organization which is or applies to be a contractor to provide assistance, or which accepts certificates, vouchers, or other forms of disbursement, on the basis that the organization has a religious character.

(d) Religious Character and Freedom.—

(1) Religious organizations.—A religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), shall retain its independence from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

(2) Additional safeguards.—Neither the Federal Government nor a State shall require a religious organization to—

(A) alter its form of internal governance; or

(B) remove religious art, icons, scripture, or other symbols;

in order to be eligible to contract to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, funded under a program described in subsection (a)(2).

(e) Rights of Beneficiaries of Assistance.—

(1) In general.—If an individual described in paragraph (2) has an objection to the religious character of the organization or institution from which the individual receives, or would receive, assistance funded under any program described in subsection (a)(2), the State in which the individual resides shall provide such individual (if otherwise eligible for such assistance) within a reasonable period of time after the date of such objection with assistance from an alternative provider that is accessible to the individual and the value of which is not less than the value of the assistance which the individual would have received from such organization.

(2) Individual described.—An individual described in this paragraph is an individual who receives, applies for, or requests to apply for, assistance under a program described in subsection (a)(2).

(f) Employment Practices.—A religious organization's exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–1a) regarding employment practices shall not be affected by its participation in, or receipt of funds from, programs described in subsection (a)(2).

(g) Nondiscrimination Against Beneficiaries.—Except as otherwise provided in law, a religious organization shall not discriminate against an individual in regard to rendering assistance funded under any program described in subsection (a)(2) on the basis of religion, a religious belief, or refusal to actively participate in a religious practice.

(h) Fiscal Accountability.—

(1) In general.—Except as provided in paragraph (2), any religious organization contracting to provide assistance funded under any program described in subsection (a)(2) shall be subject to the same regulations as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under such programs.

(2) Limited audit.—If such organization segregates Federal funds provided under such programs into separate accounts, then only the financial assistance provided with such funds shall be subject to audit.

(i) Compliance.—Any party which seeks to enforce its rights under this section may assert a civil action for injunctive relief exclusively in an appropriate State court against the entity or agency that allegedly commits such violation.

(j) Limitations on Use of Funds for Certain Purposes.—No funds provided directly to institutions or organizations to provide services and administer programs under subsection (a)(1)(A) shall be expended for sectarian worship, instruction, or proselytization.

(k) Preemption.—Nothing in this section shall be construed to preempt any provision of a State constitution or State statute that prohibits or restricts the expenditure of State funds in or by religious organizations.

SEC. 2105. CENSUS DATA ON GRANDPARENTS AS PRIMARY CAREGIVERS FOR THEIR GRANDCHILDREN.

(a) In General.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Commerce, in carrying out section 141 of title 13, United States Code, shall expand the data collection efforts of the Bureau of the Census (in this section referred to as the "Bureau") to enable the Bureau to collect statistically significant data, in connection with its decennial census and its mid-decade census, concerning the growing trend of grandparents who are the primary caregivers for their grandchildren.

(b) Expanded Census Question.—In carrying out subsection (a), the Secretary of Commerce shall expand the Bureau's census question that details households which include both grandparents and their grandchildren. The expanded question shall be formulated to distinguish between the following households:

(1) A household in which a grandparent temporarily provides a home for a grandchild for a period of weeks or months during periods of parental distress.

(2) A household in which a grandparent provides a home for a grandchild and serves as the primary caregiver for the grandchild.

SEC. 2106. REPORT ON DATA PROCESSING.

(a) In General.—Within 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall prepare and submit to the Congress a report on—

(1) the status of the automated data processing systems operated by the States to assist management in the administration of State programs under part A of title IV of the Social Security Act (whether in effect before or after October 1, 1995); and

(2) what would be required to establish a system capable of—

(A) tracking participants in public programs over time; and

(B) checking case records of the States to determine whether individuals are participating in public programs of 2 or more States.

(b) Preferred Contents.—The report required by subsection (a) should include—

(1) a plan for building on the automated data processing systems of the States to establish a system with the capabilities described in subsection (a)(2); and

(2) an estimate of the amount of time required to establish such a system and of the cost of establishing such a system.

SEC. 2107. STUDY ON ALTERNATIVE OUTCOMES MEASURES.

(a) Study.—The Secretary shall, in cooperation with the States, study and analyze outcomes measures for evaluating the success of the States in moving individuals out of the welfare system through employment as an alternative to the minimum participation rates described in section 407 of the Social Security Act. The study shall include a determination as to whether such alternative outcomes measures should be applied on a national or a State-by-State basis and a preliminary assessment of the effects of section 409(a)(7)(C) of such Act.

(b) Report.—Not later than September 30, 1998, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report containing the findings of the study required by subsection (a).

SEC. 2108. WELFARE FORMULA FAIRNESS COMMISSION.

(a) Establishment.—There is established a commission to be known as the Welfare Formula Fairness Commission (in this section referred to as the "Commission").

(b) Membership.—

(1) Composition.—The Commission shall be composed of 13 members, of whom—

(A) 3 shall be appointed by the President, of whom not more than 2 shall be of the same political party;

(B) 3 shall be appointed by the Majority Leader of the Senate;

(C) 2 shall be appointed by the Minority Leader of the Senate;

(D) 3 shall be appointed by the Speaker of the House of Representatives; and

(E) 2 shall be appointed by the Minority Leader of the House of Representatives.

(2) Date.—The appointments of the members of the Commission shall be made not later than 30 days after the date of the enactment of this Act.

(c) Period of Appointment; Vacancies.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment.

(d) Initial Meeting.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

(e) Meetings.—The Commission shall meet at the call of the Chair.

(f) Quorum.—A majority of the members of the Commission shall constitute a quorum, but a lesser number of members may hold hearings.

(g) Chair and Vice Chair.—The Commission shall select a Chair and Vice Chair from among its members.

(h) Duties of the Commission.—

(1) Study.—The Commission shall study—

(A) the temporary assistance for needy families block grant program established under part A of title IV of the Social Security Act, as amended by section 2103 of this Act; and

(B) the funding formulas applied, the bonus payments provided, and the work requirements established under such program.

(2) Report.—Not later than September 1, 1998, the Commission shall submit a report to the Congress on the matters studied under paragraph (1).

(i) Powers of the Commission.—

(1) Hearings.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out the purposes of this section.

(2) Information from Federal Agencies.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out the provisions of this section. Upon request of the Chair of the Commission, the head of such department or agency shall furnish such information to the Commission.

(3) Postal Services.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

(4) Gifts.—The Commission may accept, use, and dispose of gifts or donations of services or property.

(j) Personnel Matters.—

(1) Compensation of Members.—Each member of the Commission who is not an officer or employee of the Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(2) Travel Expenses.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(3) Staff.—

(A) In general.—The Chair of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment of an executive director shall be subject to confirmation by the Commission.

(B) Compensation.—The Chair of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(4) Detail of Government Employees.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(5) Procurement of Temporary and Intermittent Services.—The Chair of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

(k) Termination of the Commission.—The Commission shall terminate not later than December 31, 1998.

(l) Authorization of Appropriations.—There is authorized to be appropriated to the Commission such sums as are necessary to carry out the purposes of this section.

SEC. 2109. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT.

(a) Amendments to Part D of Title IV.—

(1) Section 451 (42 U.S.C. 651) is amended by striking "aid" and inserting "assistance under a State program funded".

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A";

(B) by striking "such aid" and inserting "such assistance"; and

(C) by striking "under section 402(a)(26) or" and inserting "pursuant to section 408(a)(4) or under section".

(3) Section 452(a)(10)(F) (42 U.S.C. 652(a)(10)(F)) is amended—

(A) by striking "aid under a State plan approved" and inserting "assistance under a State program funded"; and

(B) by striking "in accordance with the standards referred to in section 402(a)(26)(B)(ii)" and inserting "by the State".

(4) Section 452(b) (42 U.S.C. 652(b)) is amended in the first sentence by striking "aid under the State plan approved under part A" and inserting "assistance under the State program funded under part A".

(5) Section 452(d)(3)(B)(i) (42 U.S.C. 652(d)(3)(B)(i)) is amended by striking "1115(c)" and inserting "1115(b)".

(6) Section 452(g)(2)(A)(ii)(I) (42 U.S.C. 652(g)(2)(A)(ii)(I)) is amended by striking "aid is being paid under the State's plan approved under part A or E" and inserting "assistance is being provided under the State program funded under part A".

(7) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter following clause (iii) by striking "aid was being paid under the State's plan approved under part A or E" and inserting "assistance was being provided under the State program funded under part A".

(8) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended in the matter following subparagraph (B)—

(A) by striking "who is a dependent child" and inserting "with respect to whom assistance is being provided under the State program funded under part A";

(B) by inserting "by the State" after "found"; and

(C) by striking "to have good cause for refusing to cooperate under section 402(a)(26)" and inserting "to qualify for a good cause or other exception to cooperation pursuant to section 454(29)".

(9) Section 452(h) (42 U.S.C. 652(h)) is amended by striking "under section 402(a)(26)" and inserting "pursuant to section 408(a)(4)".

(10) Section 453(c)(3) (42 U.S.C. 653(c)(3)) is amended by striking "aid under part A of this title" and inserting "assistance under a State program funded under part A".

(11) Section 454(5)(A) (42 U.S.C. 654(5)(A)) is amended—

(A) by striking "under section 402(a)(26)" and inserting "pursuant to section 408(a)(4)"; and

(B) by striking "; except that this paragraph shall not apply to such payments for any month following the first month in which the amount collected is sufficient to make such family ineligible for assistance under the State plan approved under part A;" and inserting a comma.

(12) Section 454(6)(D) (42 U.S.C. 654(6)(D)) is amended by striking "aid under a State plan approved" and inserting "assistance under a State program funded".

(13) Section 456(a)(1) (42 U.S.C. 656(a)(1)) is amended by striking "under section 402(a)(26)".

(14) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "402(a)(26)" and inserting "408(a)(3)".

(15) Section 466(b)(2) (42 U.S.C. 666(b)(2)) is amended by striking "aid" and inserting "assistance under a State program funded".

(16) Section 469(a) (42 U.S.C. 669(a)) is amended—

(A) by striking "aid under plans approved" and inserting "assistance under State programs funded"; and

(B) by striking "such aid" and inserting "such assistance".

(17) Section 472(c)(2) (42 U.S.C. 672(c)(2)) is amended by striking "nonprofit".

(b) Repeal of Part F of Title IV.—Part F of title IV (42 U.S.C. 681–687) is repealed.

(c) Amendment to Title X.—Section 1002(a)(7) (42 U.S.C. 1202(a)(7)) is amended by striking "aid to families with dependent children under the State plan approved under section 402 of this Act" and inserting "assistance under a State program funded under part A of title IV".

(d) Amendments to Title XI.—

(1) Section 1109 (42 U.S.C. 1309) is amended by striking "or part A of title IV,".

(2) Section 1115 (42 U.S.C. 1315) is amended—

(A) in subsection (a)(2)—

(i) by inserting "(A)" after "(2)";

(ii) by striking "403,";

(iii) by striking the period at the end and inserting ", and"; and

(iv) by adding at the end the following new subparagraph:

"(B) costs of such project which would not otherwise be a permissible use of funds under part A of title IV and which are not included as part of the costs of projects under section 1110, shall to the extent and for the period prescribed by the Secretary, be regarded as a permissible use of funds under such part.''; and

(B) in subsection (c)(3), by striking ''the program of aid to families with dependent children'' and inserting ''part A of such title''.

(3) Section 1116 (42 U.S.C. 1316) is amended—

(A) in each of subsections (a)(1), (b), and (d), by striking ''or part A of title IV,''; and

(B) in subsection (a)(3), by striking ''404,''.

(4) Section 1118 (42 U.S.C. 1318) is amended—

(A) by striking ''403(a),'';

(B) by striking ''and part A of title IV,''; and

(C) by striking '', and shall, in the case of American Samoa, mean 75 per centum with respect to part A of title IV''.

(5) Section 1119 (42 U.S.C. 1319) is amended—

(A) by striking ''or part A of title IV''; and

(B) by striking ''403(a),''.

(6) Section 1133(a) (42 U.S.C. 1320b–3(a)) is amended by striking ''or part A of title IV,''.

(7) Section 1136 (42 U.S.C. 1320b–6) is repealed.

(8) Section 1137 (42 U.S.C. 1320b–7) is amended—

(A) in subsection (b), by striking paragraph (1) and inserting the following:

''(1) any State program funded under part A of title IV of this Act;''; and

(B) in subsection (d)(1)(B)—

(i) by striking ''In this subsection—'' and all that follows through ''(ii) in'' and inserting ''In this subsection, in'';

(ii) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii); and

(iii) by moving such redesignated material 2 ems to the left.

(e) AMENDMENT TO TITLE XIV.—Section 1402(a)(7) (42 U.S.C. 1352(a)(7)) is amended by striking ''aid to families with dependent children under the State plan approved under section 402 of this Act'' and inserting ''assistance under a State program funded under part A of title IV''.

(f) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE TERRITORIES.—Section 1602(a)(11), as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972 (42 U.S.C. 1382 note), is amended by striking ''aid under the State plan approved'' and inserting ''assistance under a State program funded''.

(g) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE STATES.—Section 1611(c)(5)(A) (42 U.S.C. 1382(c)(5)(A)) is amended to read as follows: ''(A) a State program funded under part A of title IV,''.

(h) AMENDMENT TO TITLE XIX.—Section 1902(j) (42 U.S.C. 1396a(j)) is amended by striking ''1108(c)'' and inserting ''1108(g)''.

SEC. 2110. CONFORMING AMENDMENTS TO THE FOOD STAMP ACT OF 1977 AND RELATED PROVISIONS.

(a) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in the second sentence of subsection (a), by striking ''plan approved'' and all that follows through ''title IV of the Social Security Act'' and inserting ''program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)'';

(2) in subsection (d)—

(A) in paragraph (5), by striking ''assistance to families with dependent children'' and inserting ''assistance under a State program funded''; and

(B) by striking paragraph (13) and redesignating paragraphs (14), (15), and (16) as paragraphs (13), (14), and (15), respectively;

(3) in subsection (j), by striking ''plan approved under part A of title IV of such Act (42 U.S.C. 601 et seq.)'' and inserting ''program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.)''; and

(4) by striking subsection (m) and redesignating subsection (n), as added by section 1122, as subsection (m).

(b) Section 6 of such Act (7 U.S.C. 2015) is amended—

(1) in subsection (c)(5), by striking ''the State plan approved'' and inserting ''the State program funded''; and

(2) in subsection (e)(6), by striking ''aid to families with dependent children'' and inserting ''benefits under a State program funded''.

(c) Section 16(g)(4) of such Act (7 U.S.C. 2025(g)(4)) is amended by striking ''State plans under the Aid to Families with Dependent Children Program under'' and inserting ''State programs funded under part A of''.

(d) Section 17(b)(3) of such Act (7 U.S.C. 2026(b)(3)) is amended by adding at the end the following new subparagraph:

''(I) The Secretary may not grant a waiver under this paragraph on or after October 1, 1995. Any reference in this paragraph to a provision of title IV of the Social Security Act shall be deemed to be a reference to such provision as in effect on September 30, 1995.''.

(e) Section 20 of such Act (7 U.S.C. 2029) is amended—

(1) in subsection (a)(2)(B) by striking ''operating—'' and all that follows through ''(ii) any other'' and inserting ''operating any''; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking ''(b)(1) A household'' and inserting ''(b) A household''; and

(ii) in subparagraph (B), by striking ''training program'' and inserting ''activity'';

(B) by striking paragraph (2); and

(C) by redesignating subparagraphs (A) through (F) as paragraphs (1) through (6), respectively.

(f) Section 5(h)(1) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–186; 7 U.S.C. 612c note) is amended by striking ''the program for aid to families with dependent children'' and inserting ''the State program funded''.

(g) Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended—

(1) in subsection (b)—

(A) in paragraph (2)(B)(ii)(II), as amended by section 1202(b)—

(i) by striking ''program for aid to families with dependent children'' and inserting ''State program funded''; and

(ii) by inserting before the period at the end the following: ''(42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995''; and

(B) in paragraph (6)—

(i) in subparagraph (A)(ii)—

(I) by striking ''an AFDC assistance unit (under the aid to families with dependent children program authorized'' and inserting ''a family (under the State program funded''; and

(II) by striking '', in a State'' and all that follows through ''9902(2)))'' and inserting ''that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995''; and

(ii) in subparagraph (B), by striking ''aid to families with dependent children'' and inserting ''assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995''; and

(2) in subsection (d)(2)(C)—

(A) by striking ''program for aid to families with dependent children'' and inserting ''State program funded''; and

(B) by inserting before the period at the end the following: ''(42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995''.

(h) Section 17(d)(2)(A)(ii)(II) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(A)(ii)(II)) is amended—

(1) by striking ''program for aid to families with dependent children established'' and inserting ''State program funded''; and

(2) by inserting before the semicolon the following: ''(42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995''.

SEC. 2111. CONFORMING AMENDMENTS TO OTHER LAWS.

(a) Subsection (b) of section 508 of the Unemployment Compensation Amendments of 1976 (42 U.S.C. 603a; Public Law 94–566; 90 Stat. 2689) is amended to read as follows:

''(b) PROVISION FOR REIMBURSEMENT OF EXPENSES.—For purposes of section 455 of the Social Security Act, expenses incurred to reimburse State employment offices for furnishing information requested of such offices—

''(1) pursuant to the third sentence of section 3(a) of the Act entitled 'An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes', approved June 6, 1933 (29 U.S.C. 49b(a)), or

''(2) by a State or local agency charged with the duty of carrying a State plan for child support approved under part D of title IV of the Social Security Act,

shall be considered to constitute expenses incurred in the administration of such State plan.''.

(b) Section 9121 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(c) Section 9122 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(d) Section 221 of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 602 note), relating to treatment under AFDC of certain rental payments for federally assisted housing, is repealed.

(e) Section 159 of the Tax Equity and Fiscal Responsibility Act of 1982 (42 U.S.C. 602 note) is repealed.

(f) Section 202(d) of the Social Security Amendments of 1967 (81 Stat. 882; 42 U.S.C. 602 note) is repealed.

(g) Section 903 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 11381 note), relating to demonstration projects to reduce number of AFDC families in welfare hotels, is amended—

(1) in subsection (a), by striking ''aid to families with dependent children under a

State plan approved" and inserting "assistance under a State program funded"; and

(2) in subsection (c), by striking "aid to families with dependent children in the State under a State plan approved" and inserting "assistance in the State under a State program funded".

(h) The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

(1) in section 404C(c)(3) (20 U.S.C. 1070a–23(c)(3)), by striking "(Aid to Families with Dependent Children)"; and

(2) in section 480(b)(2) (20 U.S.C. 1087vv(b)(2)), by striking "aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded".

(i) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) is amended—

(1) in section 231(d)(3)(A)(ii) (20 U.S.C. 2341(d)(3)(A)(ii)), by striking "The program for aid to dependent children" and inserting "The State program funded";

(2) in section 232(b)(2)(B) (20 U.S.C. 2341a(b)(2)(B)), by striking "the program for aid to families with dependent children" and inserting "the State program funded"; and

(3) in section 521(14)(B)(iii) (20 U.S.C. 2471(14)(B)(iii)), by striking "the program for aid to families with dependent children" and inserting "the State program funded".

(j) The Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.) is amended—

(1) in section 1113(a)(5) (20 U.S.C. 6313(a)(5)), by striking "Aid to Families with Dependent Children program" and inserting "State program funded under part A of title IV of the Social Security Act";

(2) in section 1124(c)(5) (20 U.S.C. 6333(c)(5)), by striking "the program of aid to families with dependent children under a State plan approved under" and inserting "a State program funded under part A of"; and

(3) in section 5203(b)(2) (20 U.S.C. 7233(b)(2))—

(A) in subparagraph (A)(xi), by striking "Aid to Families with Dependent Children benefits" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act"; and

(B) in subparagraph (B)(viii), by striking "Aid to Families with Dependent Children" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act".

(k) The 4th proviso of chapter VII of title I of Public Law 99–88 (25 U.S.C. 13d–1) is amended to read as follows: "*Provided further*, That general assistance payments made by the Bureau of Indian Affairs shall be made—

"(1) after April 29, 1985, and before October 1, 1995, on the basis of Aid to Families with Dependent Children (AFDC) standards of need; and

"(2) on and after October 1, 1995, on the basis of standards of need established under the State program funded under part A of title IV of the Social Security Act,

except that where a State ratably reduces its AFDC or State program payments, the Bureau shall reduce general assistance payments in such State by the same percentage as the State has reduced the AFDC or State program payment.".

(l) The Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.) is amended—

(1) in section 51(d)(9) (26 U.S.C. 51(d)(9)), by striking all that follows "agency as" and inserting "being eligible for financial assistance under part A of title IV of the Social Security Act and as having continually received such financial assistance during the 90-day period which immediately precedes the date on which such individual is hired by the employer.";

(2) in section 3304(a)(16) (26 U.S.C. 3304(a)(16)), by striking "eligibility for aid or services," and all that follows through "children approved" and inserting "eligibility for assistance, or the amount of such assistance, under a State program funded";

(3) in section 6103(l)(7)(D)(i) (26 U.S.C. 6103(l)(7)(D)(i)), by striking "aid to families with dependent children provided under a State plan approved" and inserting "a State program funded";

(4) in section 6103(l)(10) (26 U.S.C. 6103(l)(10))—

(A) by striking "(c) or (d)" each place it appears and inserting "(c), (d), or (e)"; and

(B) by adding at the end of subparagraph (B) the following new sentence: "Any return information disclosed with respect to section 6402(e) shall only be disclosed to officers and employees of the State agency requesting such information.";

(5) in section 6103(p)(4) (26 U.S.C. 6103(p)(4)), in the matter preceding subparagraph (A)—

(A) by striking "(5), (10)" and inserting "(5)"; and

(B) by striking "(9), or (12)" and inserting "(9), (10), or (12)";

(6) in section 6334(a)(11)(A) (26 U.S.C. 6334(a)(11)(A)), by striking "(relating to aid to families with dependent children)";

(7) in section 6402 (26 U.S.C. 6402)—

(A) in subsection (a), by striking "(c) and (d)" and inserting "(c), (d), and (e)";

(B) by redesignating subsections (e) through (i) as subsections (f) through (j), respectively; and

(C) by inserting after subsection (d) the following:

"(e) COLLECTION OF OVERPAYMENTS UNDER TITLE IV–A OF THE SOCIAL SECURITY ACT.—The amount of any overpayment to be refunded to the person making the overpayment shall be reduced (after reductions pursuant to subsections (c) and (d), but before a credit against future liability for an internal revenue tax) in accordance with section 405(e) of the Social Security Act (concerning recovery of overpayments to individuals under State plans approved under part A of title IV of such Act)."; and

(8) in section 7523(b)(3)(C) (26 U.S.C. 7523(b)(3)(C)), by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act".

(m) Section 3(b) of the Wagner-Peyser Act (29 U.S.C. 49b(b)) is amended by striking "State plan approved under part A of title IV" and inserting "State program funded under part A of title IV".

(n) The Job Training Partnership Act (29 U.S.C. 1501 et seq.) is amended—

(1) in section 4(29)(A)(i) (29 U.S.C. 1503(29)(A)(i)), by striking "(42 U.S.C. 601 et seq.)";

(2) in section 106(b)(6)(C) (29 U.S.C. 1516(b)(6)(C)), by striking "State aid to families with dependent children records," and inserting "records collected under the State program funded under part A of title IV of the Social Security Act,";

(3) in section 121(b)(2) (29 U.S.C. 1531(b)(2))—

(A) by striking "the JOBS program" and inserting "the work activities required under title IV of the Social Security Act"; and

(B) by striking the second sentence;

(4) in section 123(c) (29 U.S.C. 1533(c))—

(A) in paragraph (1)(E), by repealing clause (vi); and

(B) in paragraph (2)(D), by repealing clause (v);

(5) in section 203(b)(3) (29 U.S.C. 1603(b)(3)), by striking ", including recipients under the JOBS program";

(6) in subparagraphs (A) and (B) of section 204(a)(1) (29 U.S.C. 1604(a)(1) (A) and (B)), by striking "(such as the JOBS program)" each place it appears;

(7) in section 205(a) (29 U.S.C. 1605(a)), by striking paragraph (4) and inserting the following:

"(4) the portions of title IV of the Social Security Act relating to work activities;";

(8) in section 253 (29 U.S.C. 1632)—

(A) in subsection (b)(2), by repealing subparagraph (C); and

(B) in paragraphs (1)(B) and (2)(B) of subsection (c), by striking "the JOBS program or" each place it appears;

(9) in section 264 (29 U.S.C. 1644)—

(A) in subparagraphs (A) and (B) of subsection (b)(1), by striking "(such as the JOBS program)" each place it appears; and

(B) in subparagraphs (A) and (B) of subsection (d)(3), by striking "and the JOBS program" each place it appears;

(10) in section 265(b) (29 U.S.C. 1645(b)), by striking paragraph (6) and inserting the following:

"(6) the portion of title IV of the Social Security Act relating to work activities;";

(11) in the second sentence of section 429(e) (29 U.S.C. 1699(e)), by striking "and shall be in an amount that does not exceed the maximum amount that may be provided by the State pursuant to section 402(g)(1)(C) of the Social Security Act (42 U.S.C. 602(g)(1)(C))";

(12) in section 454(c) (29 U.S.C. 1734(c)), by striking "JOBS and";

(13) in section 455(b) (29 U.S.C. 1735(b)), by striking "the JOBS program,";

(14) in section 501(1) (29 U.S.C. 1791(1)), by striking "aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)" and inserting "assistance under the State program funded under part A of title IV of the Social Security Act";

(15) in section 506(1)(A) (29 U.S.C. 1791e(1)(A)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded";

(16) in section 508(a)(2)(A) (29 U.S.C. 1791g(a)(2)(A)), by striking "aid to families with dependent children" and inserting "assistance under the State program funded"; and

(17) in section 701(b)(2)(A) (29 U.S.C. 1792(b)(2)(A))—

(A) in clause (v), by striking the semicolon and inserting "; and"; and

(B) by striking clause (vi).

(o) Section 3803(c)(2)(C)(iv) of title 31, United States Code, is amended to read as follows:

"(iv) assistance under a State program funded under part A of title IV of the Social Security Act;".

(p) Section 2605(b)(2)(A)(i) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(b)(2)(A)(i)) is amended to read as follows:

"(i) assistance under the State program funded under part A of title IV of the Social Security Act;".

(q) Section 303(f)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note) is amended—

(1) by striking "(A)"; and

(2) by striking subparagraphs (B) and (C).

(r) The Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.) is amended—

(1) in the first section 255(h) (2 U.S.C. 905(h)), by striking "Aid to families with dependent children (75–0412–0–1–609);" and inserting "Block grants to States for temporary assistance for needy families;"; and

(2) in section 256 (2 U.S.C. 906)—

(A) by striking subsection (k); and

(B) by redesignating subsection (l) as subsection (k).

(s) The Immigration and Nationality Act (8 U.S.C. 1101 et seq.) is amended—

(1) in section 210(f) (8 U.S.C. 1160(f)), by striking "aid under a State plan approved under" each place it appears and inserting "assistance under a State program funded under";

(2) in section 245A(h) (8 U.S.C. 1255a(h))—

(A) in paragraph (1)(A)(i), by striking "program of aid to families with dependent children" and inserting "State program of assistance"; and

(B) in paragraph (2)(B), by striking "aid to families with dependent children" and inserting "assistance under a State program funded under part A of title IV of the Social Security Act"; and

(3) in section 412(e)(4) (8 U.S.C. 1522(e)(4)), by striking "State plan approved" and inserting "State program funded".

(t) Section 640(a)(4)(B)(i) of the Head Start Act (42 U.S.C. 9835(a)(4)(B)(i)) is amended by striking "program of aid to families with dependent children under a State plan approved" and inserting "State program of assistance funded".

(u) Section 9 of the Act of April 19, 1950 (64 Stat. 47, chapter 92; 25 U.S.C. 639) is repealed.

(v) Subparagraph (E) of section 213(d)(6) of the School-To-Work Opportunities Act of 1994 (20 U.S.C. 6143(d)(6)) is amended to read as follows:

"(E) part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) relating to work activities;".

(w) Section 552a(a)(8)(B)(iv)(III) of title 5, United States Code, is amended by striking "section 464 or 1137 of the Social Security Act" and inserting "section 404(e), 464, or 1137 of the Social Security Act".

SEC. 2112. DEVELOPMENT OF PROTOTYPE OF COUNTERFEIT-RESISTANT SOCIAL SECURITY CARD REQUIRED.

(a) DEVELOPMENT.—

(1) IN GENERAL.—The Commissioner of Social Security (in this section referred to as the "Commissioner") shall, in accordance with this section, develop a prototype of a counterfeit-resistant social security card. Such prototype card shall—

(A) be made of a durable, tamper-resistant material such as plastic or polyester,

(B) employ technologies that provide security features, such as magnetic stripes, holograms, and integrated circuits, and

(C) be developed so as to provide individuals with reliable proof of citizenship or legal resident alien status.

(2) ASSISTANCE BY ATTORNEY GENERAL.—The Attorney General of the United States shall provide such information and assistance as the Commissioner deems necessary to enable the Commissioner to comply with this section.

(b) STUDY AND REPORT.—

(1) IN GENERAL.—The Commissioner shall conduct a study and issue a report to the Congress which examines different methods of improving the social security card application process.

(2) ELEMENTS OF STUDY.—The study shall include an evaluation of the cost and work load implications of issuing a counterfeit-resistant social security card for all individuals over a 3-, 5-, and 10-year period. The study shall also evaluate the feasibility and cost implications of imposing a user fee for replacement cards and cards issued to individuals who apply for such a card prior to the scheduled 3-, 5-, and 10-year phase-in options.

(3) DISTRIBUTION OF REPORT.—The Commissioner shall submit copies of the report described in this subsection along with a facsimile of the prototype card as described in subsection (a) to the Committees on Ways and Means and Judiciary of the House of Representatives and the Committees on Finance and Judiciary of the Senate within 1 year after the date of the enactment of this Act.

SEC. 2113. MODIFICATIONS TO THE JOB OPPORTUNITIES FOR CERTAIN LOW-INCOME INDIVIDUALS PROGRAM.

Section 505 of the Family Support Act of 1988 (42 U.S.C. 1315 note) is amended—

(1) in the heading, by striking "demonstration";

(2) by striking "demonstration" each place such term appears;

(3) in subsection (a), by striking "in each of fiscal years" and all that follows through "10" and inserting "shall enter into agreements with";

(4) in subsection (b)(3), by striking "aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "assistance under the program funded part A of title IV of the Social Security Act of the State in which the individual resides";

(5) in subsection (c)—

(A) in paragraph (1)(C), by striking "aid to families with dependent children under title IV of the Social Security Act" and inserting "assistance under a State program funded part A of title IV of the Social Security Act"; and

(B) in paragraph (2), by striking "aid to families with dependent children under title IV of such Act" and inserting "assistance under a State program funded part A of title IV of the Social Security Act";

(6) in subsection (d), by striking "job opportunities and basic skills training program (as provided for under title IV of the Social Security Act)" and inserting "the State program funded under part A of title IV of the Social Security Act"; and

(7) by striking subsections (e) through (g) and inserting the following:

"(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of conducting projects under this section, there is authorized to be appropriated an amount not to exceed $25,000,000 for any fiscal year.".

SEC. 2114. SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL FOR TECHNICAL AND CONFORMING AMENDMENTS.

Not later than 90 days after the date of the enactment of this Act, the Secretary of Health and Human Services and the Commissioner of Social Security, in consultation, as appropriate, with the heads of other Federal agencies, shall submit to the appropriate committees of the Congress a legislative proposal proposing such technical and conforming amendments as are necessary to bring the law into conformity with the policy embodied in this chapter.

SEC. 2115. EFFECTIVE DATE; TRANSITION RULE.

(a) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this chapter, this chapter and the amendments made by this chapter shall take effect on July 1, 1997.

(2) DELAYED EFFECTIVE DATE FOR CERTAIN PROVISIONS.—Notwithstanding any other provision of this section, paragraphs (2), (3), (4), (5), (8), and (10) of section 409(a) and section 411(a) of the Social Security Act (as added by the amendments made by section 2103(a) of this Act) shall not take effect with respect to a State until, and shall apply only with respect to conduct that occurs on or after, the later of—

(A) July 1, 1997; or

(B) the date that is 6 months after the date the Secretary of Health and Human Services receives from the State a plan described in section 402(a) of the Social Security Act (as added by such amendment).

(3) ELIMINATION OF CHILD CARE PROGRAMS.—The amendments made by section 2103(d) shall take effect on October 1, 1996.

(4) DEFINITIONS APPLICABLE TO NEW CHILD CARE ENTITLEMENT.—Sections 403(a)(1)(C), 403(a)(1)(D), and 419(4) of the Social Security Act, as added by the amendments made by section 2103(a) of this Act, shall take effect on October 1, 1996.

(b) TRANSITION RULES.—Effective on the date of the enactment of this Act:

(1) STATE OPTION TO ACCELERATE EFFECTIVE DATE.—

(A) IN GENERAL.—If the Secretary of Health and Human Services receives from a State a plan described in section 402(a) of the Social Security Act (as added by the amendment made by section 2103(a)(1) of this Act), then—

(i) on and after the date of such receipt—

(I) except as provided in clause (ii), this chapter and the amendments made by this chapter (other than by section 2103(d) of this Act) shall apply with respect to the State; and

(II) the State shall be considered an eligible State for purposes of part A of title IV of the Social Security Act (as in effect pursuant to the amendments made by such section 2103(a)); and

(ii) during the period that begins on the date of such receipt and ends on June 30, 1997, there shall remain in effect with respect to the State—

(I) section 403(h) of the Social Security Act (as in effect on September 30, 1995); and

(II) all State reporting requirements under parts A and F of title IV of the Social Security Act (as in effect on September 30, 1995), modified by the Secretary as appropriate, taking into account the State program under part A of title IV of the Social Security Act (as in effect pursuant to the amendments made by such section 2103(a)).

(B) LIMITATIONS ON FEDERAL OBLIGATIONS.—

(i) UNDER AFDC PROGRAM.—The total obligations of the Federal Government to a State under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to expenditures in fiscal year 1997 shall not exceed an amount equal to the State family assistance grant.

(ii) UNDER TEMPORARY FAMILY ASSISTANCE PROGRAM.—Notwithstanding section 403(a)(1) of the Social Security Act (as in effect pursuant to the amendments made by section 2103(a) of this Act), the total obligations of the Federal Government to a State under such section 403(a)(1)—

(I) for fiscal year 1996, shall be an amount equal to—

(aa) the State family assistance grant; multiplied by

(bb) $\frac{1}{366}$ of the number of days during the period that begins on the date the Secretary of Health and Human Services first receives from the State a plan described in section 402(a) of the Social Security Act (as added by the amendment made by section 2103(a)(1) of this Act) and ends on September 30, 1996; and

(II) for fiscal year 1997, shall be an amount equal to the lesser of—

(aa) the amount (if any) by which the State family assistance grant exceeds the total obligations of the Federal Government to the State under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to expenditures in fiscal year 1997; or

(bb) the State family assistance grant, multiplied by $\frac{1}{365}$ of the number of days during the period that begins on October 1, 1996, or the date the Secretary of Health and Human Services first receives from the State a plan described in section 402(a) of the Social Security Act (as added by the amendment made by section 2103(a)(1) of this Act), whichever is later, and ends on September 30, 1997.

(iii) CHILD CARE OBLIGATIONS EXCLUDED IN DETERMINING FEDERAL AFDC OBLIGATIONS.—As used in this subparagraph, the term "obligations of the Federal Government to the State under part A of title IV of the Social Security Act" does not include any obligation of the Federal Government with respect to child care expenditures by the State.

(C) SUBMISSION OF STATE PLAN FOR FISCAL YEAR 1996 OR 1997 DEEMED ACCEPTANCE OF GRANT LIMITATIONS AND FORMULA AND TERMINATION OF AFDC ENTITLEMENT.—The submission of a plan by a State pursuant to subparagraph (A) is deemed to constitute—

(i) the State's acceptance of the grant reductions under subparagraph (B) (including the formula for computing the amount of the reduction); and

(ii) the termination of any entitlement of any individual or family to benefits or services under the State AFDC program.

(D) DEFINITIONS.—As used in this paragraph:

(i) STATE AFDC PROGRAM.—The term "State AFDC program" means the State program under parts A and F of title IV of the Social Security Act (as in effect on September 30, 1995).

(ii) STATE.—The term "State" means the 50 States and the District of Columbia.

(iii) STATE FAMILY ASSISTANCE GRANT.—The term "State family assistance grant" means the State family assistance grant (as defined in section 403(a)(1)(B) of the Social Security Act, as added by the amendment made by section 2103(a)(1) of this Act).

(2) CLAIMS, ACTIONS, AND PROCEEDINGS.—The amendments made by this chapter shall not apply with respect to—

(A) powers, duties, functions, rights, claims, penalties, or obligations applicable to aid, assistance, or services provided before the effective date of this chapter under the provisions amended; and

(B) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

(3) CLOSING OUT ACCOUNT FOR THOSE PROGRAMS TERMINATED OR SUBSTANTIALLY MODIFIED BY THIS CHAPTER.—In closing out accounts, Federal and State officials may use scientifically acceptable statistical sampling techniques. Claims made with respect to State expenditures under a State plan approved under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to assistance or services provided on or before September 30, 1995, shall be treated as claims with respect to expenditures during fiscal year 1995 for purposes of reimbursement even if payment was made by a State on or after October 1, 1995. Each State shall complete the filing of all claims under the State plan (as so in effect) within 2 years after the date of the enactment of this Act. The head of each Federal department shall—

(A) use the single audit procedure to review and resolve any claims in connection with the close out of programs under such State plans; and

(B) reimburse States for any payments made for assistance or services provided during a prior fiscal year from funds for fiscal year 1995, rather than from funds authorized by this chapter.

(4) CONTINUANCE IN OFFICE OF ASSISTANT SECRETARY FOR FAMILY SUPPORT.—The individual who, on the day before the effective date of this chapter, is serving as Assistant Secretary for Family Support within the Department of Health and Human Services shall, until a successor is appointed to such position—

(A) continue to serve in such position; and

(B) except as otherwise provided by law—

(i) continue to perform the functions of the Assistant Secretary for Family Support under section 417 of the Social Security Act (as in effect before such effective date); and

(ii) have the powers and duties of the Assistant Secretary for Family Support under section 416 of the Social Security Act (as in effect pursuant to the amendment made by section 2103(a)(1) of this Act).

(c) TERMINATION OF ENTITLEMENT UNDER AFDC PROGRAM.—Effective October 1, 1996, no individual or family shall be entitled to any benefits or services under any State plan approved under part A or F of title IV of the Social Security Act (as in effect on September 30, 1995).

SEC. 2116. COMMUNITY STEERING COMMITTEES DEMONSTRATION PROJECTS.

(a) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the "Secretary") shall enter into agreements with not more than 5 States that submit an application under this section, in such form and such manner as the Secretary may specify, for the purpose of conducting a demonstration project described in subsection (b).

(b) DESCRIPTION OF PROJECT.—

(1) ESTABLISHMENT.—A demonstration project conducted under this section shall establish within a State in each participating county a Community Steering Committee that shall be designed to help recipients of temporary assistance to needy families under a State program under part A of title IV of the Social Security Act who are parents move into the non-subsidized workforce and to develop a holistic approach to the development needs of such recipient's family.

(2) MEMBERSHIP.—A Community Steering Committee shall consist of local educators, business representatives, and social service providers.

(3) GOALS AND DUTIES.—

(A) GOALS.—The goals of a Community Steering Committee are—

(i) to ensure that recipients of temporary assistance to needy families who are parents obtain and retain unsubsidized employment; and

(ii) to reduce the incidence of intergenerational receipt of welfare assistance by addressing the needs of children of recipients of temporary assistance to needy families.

(B) DUTIES.—A Community Steering Committee shall—

(i) identify and create unsubsidized employment positions for recipients of temporary assistance to needy families;

(ii) propose and implement solutions to barriers to unsubsidized employment of recipients of temporary assistance to needy families;

(iii) assess the needs of children of recipients of temporary assistance to needy families; and

(iv) provide services that are designed to ensure that children of recipients of temporary assistance to needy families enter school ready to learn and that, once enrolled, such children stay in school.

(C) PRIMARY RESPONSIBILITY.—A primary responsibility of a Community Steering Committee shall be to work on an ongoing basis with parents who are recipients of temporary assistance to needy families and who have obtained nonsubsidized employment in order to ensure that such recipients retain their employment. Activities to carry out this responsibility may include—

(i) counseling;

(ii) emergency day care;

(iii) sick day care;

(iv) transportation;

(v) provision of clothing;

(vi) housing assistance; or

(vii) any other assistance that may be necessary on an emergency and temporary basis to ensure that such parents can manage the responsibility of being employed and the demands of having a family.

(D) FOLLOW-UP SERVICES FOR CHILDREN.—A Community Steering Committee may provide special follow-up services for children of recipients of temporary assistance to needy families that are designed to ensure that the children reach their fullest potential and do not, as they mature, receive welfare assistance as the head of their own household.

(c) REPORT.—Not later than October 1, 2001, the Secretary shall submit a report to the Congress on the results of the demonstration projects conducted under this section.

SEC. 2117. DENIAL OF BENEFITS FOR CERTAIN DRUG RELATED CONVICTIONS.

(a) IN GENERAL.—An individual convicted (under Federal or State law) of any crime relating to the illegal possession, use, or distribution of a drug shall not be eligible for any Federal means-tested public benefit, as defined in section 2403(c)(1) of this Act.

(b) FAMILY MEMBERS EXEMPT.—The prohibition contained under subsection (a) shall not apply to the family members or dependents of the convicted individual in a manner that would make such family members or dependents ineligible for welfare benefits that they would otherwise be eligible for. Any benefits provided to family members or dependents of a person described in subsection (a) shall be reduced by the amount which would have otherwise been made available to the convicted individual.

(c) PERIOD OF PROHIBITION.—The prohibition under subsection (a) shall apply—

(1) with respect to an individual convicted of a misdemeanor, during the 5-year period beginning on the date of the conviction or the 5-year period beginning on January 1, 1997, whichever is later; and

(2) with respect to an individual convicted of a felony, for the duration of the life of that individual.

(d) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following Federal benefits:

(1) Emergency medical services under title XV or XIX of the Social Security Act.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of communicable diseases if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(e) EFFECTIVE DATE.—The denial of Federal benefits set forth in this section shall take effect for convictions occurring after the date of enactment.

(f) REGULATIONS.—Not later than December 31, 1996, the Attorney General shall promulgate regulations detailing the means by which Federal and State agencies, courts, and law enforcement agencies will exchange and share the data and information necessary to implement and enforce the withholding of Federal benefits.

CHAPTER 2—SUPPLEMENTAL SECURITY INCOME

SEC. 2200. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this chapter an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

Subchapter A—Eligibility Restrictions

SEC. 2201. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)), as amended by section 105(b)(4) of the Contract with America Advancement Act of 1996, is amended by redesignating paragraph (5) as paragraph (3) and by adding at the end the following new paragraph:

"(4)(A) No person shall be considered an eligible individual or eligible spouse for purposes of this title during the 10-year period that begins on the date the person is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the person in order to receive assistance simultaneously from 2 or more States under programs that are funded under title IV, title XV, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under this title.

"(B) As soon as practicable after the conviction of a person in a Federal or State court as described in subparagraph (A), an official of such court shall notify the Commissioner of such conviction.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 2202. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)), as amended by section 2201(a) of this Act, is amended by adding at the end the following new paragraph:

"(5) No person shall be considered an eligible individual or eligible spouse for purposes of this title with respect to any month if during such month the person is—

"(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(B) violating a condition of probation or parole imposed under Federal or State law.".

(b) EXCHANGE OF INFORMATION.—Section 1611(e) (42 U.S.C. 1382(e)), as amended by section 2201(a) of this Act and subsection (a) of this section, is amended by adding at the end the following new paragraph:

"(6) Notwithstanding any other provision of law (other than section 6103 of the Internal Revenue Code of 1986), the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the written request of the officer, with the current address, Social Security number, and photograph (if applicable) of any recipient of benefits under this title, if the officer furnishes the Commissioner with the name of the recipient, and other identifying information as reasonably required by the Commissioner to establish the unique identity of the recipient, and notifies the Commissioner that—

"(A) the recipient—

"(i) is described in subparagraph (A) or (B) of paragraph (5); or

"(ii) has information that is necessary for the officer to conduct the officer's official duties; and

"(B) the location or apprehension of the recipient is within the officer's official duties.".

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 2203. TREATMENT OF PRISONERS.

(a) IMPLEMENTATION OF PROHIBITION AGAINST PAYMENT OF BENEFITS TO PRISONERS.—Section 1611(e)(1) (42 U.S.C. 1382(e)(1)) is amended by adding at the end the following new subparagraph:

"(I)(i) The Commissioner shall enter into a contract, with any interested State or local institution referred to in subparagraph (A), under which—

"(I) the institution shall provide to the Commissioner, on a monthly basis, the names, social security account numbers, dates of birth, and such other identifying information concerning the inmates of the institution as the Commissioner may require for the purpose of carrying out paragraph (1); and

"(II) the Commissioner shall pay to any such institution, with respect to each inmate of the institution who is eligible for a benefit under this title for the month preceding the first month throughout which such inmate is in such institution and becomes ineligible for such benefit (or becomes eligible only for a benefit payable at a reduced rate) as a result of the application of this paragraph, an amount not to exceed $400 if the institution furnishes the information described in subclause (I) to the Commissioner within 30 days after such individual becomes an inmate of such institution, or an amount not to exceed $200 if the institution furnishes such information after 30 days after such date but within 90 days after such date.

"(ii) The provisions of section 552a of title 5, United States Code, shall not apply to any agreement entered into under clause (i) or to information exchanged pursuant to such agreement.

"(iii) Payments to institutions required by clause (i)(II) shall be made from funds otherwise available for the payment of benefits under this title and shall be treated as direct spending for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.".

(b) DENIAL OF SSI BENEFITS FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY OBTAINED SSI BENEFITS WHILE IN PRISON.—

(1) IN GENERAL.—Section 1611(e)(1) (42 U.S.C. 1382(e)(1)), as amended by subsection (a) of this section, is amended by adding at the end the following new subparagraph:

"(J) In any case in which the Commissioner of Social Security finds that a person has made a fraudulent statement or representation in order to obtain or to continue to receive benefits under this title while being an inmate in a penal institution, such person shall not be considered an eligible individual or eligible spouse for any month ending during the 10-year period beginning on the date on which such person ceases being such an inmate.".

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply with respect to statements or representations made on or after the date of the enactment of this Act.

(c) STUDY OF OTHER POTENTIAL IMPROVEMENTS IN THE COLLECTION OF INFORMATION RESPECTING PUBLIC INMATES.—

(1) STUDY.—The Commissioner of Social Security shall conduct a study of the desirability, feasibility, and cost of—

(A) establishing a system under which Federal, State, and local courts would furnish to the Commissioner such information respecting court orders by which individuals are confined in jails, prisons, or other public penal, correctional, or medical facilities as the Commissioner may require for the purpose of carrying out section 1611(e)(1) of the Social Security Act; and

(B) requiring that State and local jails, prisons, and other institutions that enter into contracts with the Commissioner under section 1611(e)(1)(I) of the Social Security Act furnish the information required by such contracts to the Commissioner by means of an electronic or other sophisticated data exchange system.

(2) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall submit a report on the results of the study conducted pursuant to this subsection to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

SEC. 2204. EFFECTIVE DATE OF APPLICATION FOR BENEFITS.

(a) IN GENERAL.—Subparagraphs (A) and (B) of section 1611(c)(7) (42 U.S.C. 1382(c)(7)) are amended to read as follows:

"(A) the first day of the month following the date such application is filed, or

"(B) the first day of the month following the date such individual becomes eligible for such benefits with respect to such application.".

(b) SPECIAL RULE RELATING TO EMERGENCY ADVANCE PAYMENTS.—Section 1631(a)(4)(A) (42 U.S.C. 1383(a)(4)(A)) is amended—

(1) by inserting "for the month following the date the application is filed" after "is presumptively eligible for such benefits"; and

(2) by inserting ", which shall be repaid through proportionate reductions in such benefits over a period of not more than 6 months" before the semicolon.

(c) CONFORMING AMENDMENTS.—

(1) Section 1614(b) (42 U.S.C. 1382c(b)) is amended by striking "at the time the application or request is filed" and inserting "on the first day of the month following the date the application or request is filed".

(2) Section 1631(g)(3) (42 U.S.C. 1382j(g)(3)) is amended by inserting "following the month" after "beginning with the month".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to applications for benefits under title XVI of the Social Security Act filed on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) BENEFITS UNDER TITLE XVI.—For purposes of this subsection, the term "benefits under title XVI of the Social Security Act"

includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93-66.

Subchapter B—Benefits for Disabled Children

SEC. 2211. DEFINITION AND ELIGIBILITY RULES.

(a) Definition of Childhood Disability.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)), as amended by section 105(b)(1) of the Contract with America Advancement Act of 1996, is amended—

(1) in subparagraph (A), by striking "An individual" and inserting "Except as provided in subparagraph (C), an individual";

(2) in subparagraph (A), by striking "(or, in the case of an individual under the age of 18, if he suffers from any medically determinable physical or mental impairment of comparable severity)";

(3) by redesignating subparagraphs (C) through (I) as subparagraphs (D) through (J), respectively;

(4) by inserting after subparagraph (B) the following new subparagraph:

"(C) An individual under the age of 18 shall be considered disabled for the purposes of this title if that individual has a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. Notwithstanding the preceding sentence, no individual under the age of 18 who engages in substantial gainful activity (determined in accordance with regulations prescribed pursuant to subparagraph (E)) may be considered to be disabled."; and

(5) in subparagraph (F), as redesignated by paragraph (3), by striking "(D)" and inserting "(E)".

(b) Request for Comments to Improve Disability Evaluation.—Not later than 60 days after the date of the enactment of this Act, and annually thereafter, the Commissioner of Social Security shall issue a request for comments in the Federal Register regarding improvements to the disability evaluation and determination procedures for individuals under age 18 to ensure the comprehensive assessment of such individuals, including—

(1) additions to conditions which should be presumptively disabling at birth or ages 0 through 3 years;

(2) specific changes in individual listings in the Listing of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations;

(3) improvements in regulations regarding determinations based on regulations providing for medical and functional equivalence to such Listing of Impairments, and consideration of multiple impairments; and

(4) any other changes to the disability determination procedures.

(c) Changes to Childhood SSI Regulations.—

(1) Modification to medical criteria for evaluation of mental and emotional disorders.—The Commissioner of Social Security shall modify sections 112.00C.2. and 112.02B.2.c.(2) of appendix 1 to subpart P of part 404 of title 20, Code of Federal Regulations, to eliminate references to maladaptive behavior in the domain of personal/behavorial function.

(2) Discontinuance of individualized functional assessment.—The Commissioner of Social Security shall discontinue the individualized functional assessment for children set forth in sections 416.924d and 416.924e of title 20, Code of Federal Regulations.

(d) Medical Improvement Review Standard as it Applies to Individuals Under the Age of 18.—Section 1614(a)(4) (42 U.S.C. 1382(a)(4)) is amended—

(1) by redesignating subclauses (I) and (II) of clauses (i) and (ii) of subparagraph (B) as items (aa) and (bb), respectively;

(2) by redesignating clauses (i) and (ii) of subparagraphs (A) and (B) as subclauses (I) and (II), respectively;

(3) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively;

(4) by inserting before clause (i) (as redesignated by paragraph (3)) the following new subparagraph:

"(A) in the case of an individual who is age 18 or older—";

(5) by inserting after and below subparagraph (A)(iii) (as so redesignated) the following new subparagraph:

"(B) in the case of an individual who is under the age of 18—

"(i) substantial evidence which demonstrates that there has been medical improvement in the individual's impairment or combination of impairments, and that such impairment or combination of impairments no longer results in marked and severe functional limitations; or

"(ii) substantial evidence which demonstrates that, as determined on the basis of new or improved diagnostic techniques or evaluations, the individual's impairment or combination of impairments, is not as disabling as it was considered to be at the time of the most recent prior decision that the individual was under a disability or continued to be under a disability, and such impairment or combination of impairments does not result in marked and severe functional limitations; or";

(6) by redesignating subparagraph (D) as subparagraph (C) and by inserting in such subparagraph "in the case of any individual," before "substantial evidence"; and

(7) in the first sentence following subparagraph (C) (as redesignated by paragraph (6)), by—

(A) inserting "(i)" before "to restore"; and

(B) inserting ", or (ii) in the case of an individual under the age of 18, to eliminate or improve the individual's impairment or combination of impairments so that it no longer results in marked and severe functional limitations" immediately before the period.

(e) Effective Dates, Etc.—

(1) Effective dates.—

(A) Subsections (a) and (c).—

(i) In general.—The provisions of, and amendments made by, subsections (a) and (c) shall apply to any individual who applies for, or whose claim is finally adjudicated with respect to, benefits under title XVI of the Social Security Act on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such provisions and amendments.

(ii) Determination of final adjudication.—For purposes of clause (i), no individual's claim with respect to such benefits may be considered to be finally adjudicated before such date of enactment if, on or after such date, there is pending a request for either administrative or judicial review with respect to such claim that has been denied in whole, or there is pending, with respect to such claim, readjudication by the Commissioner of Social Security pursuant to relief in a class action or implementation by the Commissioner of a court remand order.

(B) Subsection (d).—The amendments made by subsection (d) shall apply with respect to benefits under title XVI of the Social Security Act for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) Application to current recipients.—

(A) Eligibility redeterminations.—During the period beginning on the date of the enactment of this Act and ending on the date which is 1 year after such date of enactment, the Commissioner of Social Security shall redetermine the eligibility of any individual under age 18 who is receiving supplemental security income benefits by reason of disability under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of, or amendments made by, subsections (a) and (c) of this section. With respect to any redetermination under this subparagraph—

(i) section 1614(a)(4) of the Social Security Act (42 U.S.C. 1382c(a)(4)) shall not apply;

(ii) the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under title XVI of such Act;

(iii) the Commissioner shall give such redetermination priority over all continuing eligibility reviews and other reviews under such title; and

(iv) such redetermination shall be counted as a review or redetermination otherwise required to be made under section 208 of the Social Security Independence and Program Improvements Act of 1994 or any other provision of title XVI of the Social Security Act.

(B) Grandfather provision.—The provisions of, and amendments made by, subsections (a) and (c) of this section, and the redetermination under subparagraph (A), shall only apply with respect to the benefits of an individual described in subparagraph (A) for months beginning on or after the later of July 1, 1997, or the date of the redetermination with respect to such individual.

(C) Notice.—Not later than January 1, 1997, the Commissioner of Social Security shall notify an individual described in subparagraph (A) of the provisions of this paragraph.

(3) Report.—The Commissioner of Social Security shall report to the Congress regarding the progress made in implementing the provisions of, and amendments made by, this section on child disability evaluations not later than 180 days after the date of the enactment of this Act.

(4) Regulations.—Notwithstanding any other provision of law, the Commissioner of Social Security shall submit for review to the committees of jurisdiction in the Congress any final regulation pertaining to the eligibility of individuals under age 18 for benefits under title XVI of the Social Security Act at least 45 days before the effective date of such regulation. The submission under this paragraph shall include supporting documentation providing a cost analysis, workload impact, and projections as to how the regulation will effect the future number of recipients under such title.

(5) Appropriations.—

(A) In general.—Out of any money in the Treasury not otherwise appropriated, there are authorized to be appropriated and are hereby appropriated, to remain available without fiscal year limitation, $200,000,000 for fiscal year 1997, $75,000,000 for fiscal year 1998, and $25,000,000 for fiscal year 1999, for the Commissioner of Social Security to utilize only for continuing disability reviews and redeterminations under title XVI of the

Social Security Act, with reviews and redeterminations for individuals affected by the provisions of subsection (b) given highest priority.

(B) ADDITIONAL FUNDS.—Amounts appropriated under subparagraph (A) shall be in addition to any funds otherwise appropriated for continuing disability reviews and redeterminations under title XVI of the Social Security Act.

(6) BENEFITS UNDER TITLE XVI.—For purposes of this subsection, the term "benefits under title XVI of the Social Security Act" includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93-66.

SEC. 2212. ELIGIBILITY REDETERMINATIONS AND CONTINUING DISABILITY REVIEWS.

(a) CONTINUING DISABILITY REVIEWS RELATING TO CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as redesignated by section 2211(a)(3) of this Act, is amended—

(1) by inserting "(i)" after "(H)"; and

(2) by adding at the end the following new clause:

"(ii)(I) Not less frequently than once every 3 years, the Commissioner shall review in accordance with paragraph (4) the continued eligibility for benefits under this title of each individual who has not attained 18 years of age and is eligible for such benefits by reason of an impairment (or combination of impairments) which is likely to improve (or, at the option of the Commissioner, which is unlikely to improve).

"(II) A representative payee of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.

"(III) If the representative payee refuses to comply without good cause with the requirements of subclause (II), the Commissioner of Social Security shall, if the Commissioner determines it is in the best interest of the individual, promptly suspend payment of benefits to the representative payee, and provide for payment of benefits to an alternative representative payee of the individual or, if the interest of the individual under this title would be served thereby, to the individual.

"(IV) Subclause (II) shall not apply to the representative payee of any individual with respect to whom the Commissioner determines such application would be inappropriate or unnecessary. In making such determination, the Commissioner shall take into consideration the nature of the individual's impairment (or combination of impairments). Section 1631(c) shall not apply to a finding by the Commissioner that the requirements of subclause (II) should not apply to an individual's representative payee.".

(b) DISABILITY ELIGIBILITY REDETERMINATIONS REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS OF AGE.—

(1) IN GENERAL.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsection (a) of this section, is amended by adding at the end the following new clause:

"(iii) If an individual is eligible for benefits under this title by reason of disability for the month preceding the month in which the individual attains the age of 18 years, the Commissioner shall redetermine such eligibility—

"(I) during the 1-year period beginning on the individual's 18th birthday; and

"(II) by applying the criteria used in determining the initial eligibility for applicants who are age 18 or older.

With respect to a redetermination under this clause, paragraph (4) shall not apply and such redetermination shall be considered a substitute for a review or redetermination otherwise required under any other provision of this subparagraph during that 1-year period.".

(2) CONFORMING REPEAL.—Section 207 of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby repealed.

(c) CONTINUING DISABILITY REVIEW REQUIRED FOR LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsections (a) and (b) of this section, is amended by adding at the end the following new clause:

"(iv)(I) Not later than 12 months after the birth of an individual, the Commissioner shall review in accordance with paragraph (4) the continuing eligibility for benefits under this title by reason of disability of such individual whose low birth weight is a contributing factor material to the Commissioner's determination that the individual is disabled.

"(II) A review under subclause (I) shall be considered a substitute for a review otherwise required under any other provision of this subparagraph during that 12-month period.

"(III) A representative payee of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.

"(IV) If the representative payee refuses to comply without good cause with the requirements of subclause (III), the Commissioner of Social Security shall, if the Commissioner determines it is in the best interest of the individual, promptly suspend payment of benefits to the representative payee, and provide for payment of benefits to an alternative representative payee of the individual or, if the interest of the individual under this title would be served thereby, to the individual.

"(V) Subclause (III) shall not apply to the representative payee of any individual with respect to whom the Commissioner determines such application would be inappropriate or unnecessary. In making such determination, the Commissioner shall take into consideration the nature of the individual's impairment (or combination of impairments). Section 1631(c) shall not apply to a finding by the Commissioner that the requirements of subclause (III) should not apply to an individual's representative payee.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

SEC. 2213. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.

(a) REQUIREMENT TO ESTABLISH ACCOUNT.—Section 1631(a)(2) (42 U.S.C. 1383(a)(2)) is amended—

(1) by redesignating subparagraphs (F) and (G) as subparagraphs (G) and (H), respectively; and

(2) by inserting after subparagraph (E) the following new subparagraph:

"(F)(i)(I) Each representative payee of an eligible individual under the age of 18 who is eligible for the payment of benefits described in subclause (II) shall establish on behalf of such individual an account in a financial institution into which such benefits shall be paid, and shall thereafter maintain such account for use in accordance with clause (ii).

"(II) Benefits described in this subclause are past-due monthly benefits under this title (which, for purposes of this subclause, include State supplementary payments made by the Commissioner pursuant to an agreement under section 1616 or section 212(b) of Public Law 93-66) in an amount (after any withholding by the Commissioner for reimbursement to a State for interim assistance under subsection (g)) that exceeds the product of—

"(aa) 6, and

"(bb) the maximum monthly benefit payable under this title to an eligible individual.

"(ii)(I) A representative payee may use funds in the account established under clause (i) to pay for allowable expenses described in subclause (II).

"(II) An allowable expense described in this subclause is an expense for—

"(aa) education or job skills training;

"(bb) personal needs assistance;

"(cc) special equipment;

"(dd) housing modification;

"(ee) medical treatment;

"(ff) therapy or rehabilitation; or

"(gg) any other item or service that the Commissioner determines to be appropriate: *Provided*, That such expense benefits such individual and, in the case of an expense described in item (cc), (dd), (ff), or (gg), is related to the impairment (or combination of impairments) of such individual.

"(III) The use of funds from an account established under clause (i) in any manner not authorized by this clause—

"(aa) by a representative payee shall be considered a misapplication of benefits for all purposes of this paragraph, and any representative payee who knowingly misapplies benefits from such an account shall be liable to the Commissioner in an amount equal to the total amount of such benefits; and

"(bb) by an eligible individual who is his or her own payee shall be considered a misapplication of benefits for all purposes of this paragraph and the total amount of such benefits so used shall be considered to be the uncompensated value of a disposed resource and shall be subject to the provisions of section 1613(c).

"(IV) This clause shall continue to apply to funds in the account after the child has reached age 18, regardless of whether benefits are paid directly to the beneficiary or through a representative payee.

"(iii) The representative payee may deposit into the account established pursuant to clause (i)—

"(I) past-due benefits payable to the eligible individual in an amount less than that specified in clause (i)(II), and

"(II) any other funds representing an underpayment under this title to such individual, provided that the amount of such underpayment is equal to or exceeds the maximum monthly benefit payable under this title to an eligible individual.

"(iv) The Commissioner of Social Security shall establish a system for accountability monitoring whereby such representative payee shall report, at such time and in such manner as the Commissioner shall require, on activity respecting funds in the account established pursuant to clause (i).".

(b) CONFORMING AMENDMENTS.—

(1) EXCLUSION FROM RESOURCES.—Section 1613(a) (42 U.S.C. 1382b(a)) is amended—

(A) by striking "and" at the end of paragraph (10);

(B) by striking the period at the end of paragraph (11) and inserting "; and"; and

(C) by inserting after paragraph (11) the following new paragraph:

"(12) any account, including accrued interest or other earnings thereon, established and maintained in accordance with section 1631(a)(2)(F).".

(2) EXCLUSION FROM INCOME.—Section 1612(b) (42 U.S.C. 1382a(b)) is amended—

(A) by striking "and" at the end of paragraph (19);

(B) by striking the period at the end of paragraph (20) and inserting "; and"; and

(C) by adding at the end the following new paragraph:

"(21) the interest or other earnings on any account established and maintained in accordance with section 1631(a)(2)(F).".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to payments made after the date of the enactment of this Act.

SEC. 2214. REDUCTION IN CASH BENEFITS PAYABLE TO INSTITUTIONALIZED INDIVIDUALS WHOSE MEDICAL COSTS ARE COVERED BY PRIVATE INSURANCE.

(a) IN GENERAL.—Section 1611(e)(1)(B) (42 U.S.C. 1382(e)(1)(B)) is amended—

(1) by striking "title XIX, or" and inserting "title XV or XIX,"; and

(2) by inserting "or, in the case of an eligible individual under the age of 18, receiving payments (with respect to such individual) under any health insurance policy issued by a private provider of such insurance" after "section 1614(f)(2)(B),".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to benefits for months beginning 90 or more days after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

SEC. 2215. REGULATIONS.

Within 3 months after the date of the enactment of this Act, the Commissioner of Social Security shall prescribe such regulations as may be necessary to implement the amendments made by this subchapter.

Subchapter C—Additional Enforcement Provision

SEC. 2221. INSTALLMENT PAYMENT OF LARGE PAST-DUE SUPPLEMENTAL SECURITY INCOME BENEFITS.

(a) IN GENERAL.—Section 1631(a) (42 U.S.C. 1383) is amended by adding at the end the following new paragraph:

"(10)(A) If an individual is eligible for past-due monthly benefits under this title in an amount that (after any withholding for reimbursement to a State for interim assistance under subsection (g)) equals or exceeds the product of—

"(i) 12, and

"(ii) the maximum monthly benefit payable under this title to an eligible individual (or, if appropriate, to an eligible individual and eligible spouse),

then the payment of such past-due benefits (after any such reimbursement to a State) shall be made in installments as provided in subparagraph (B).

"(B)(i) The payment of past-due benefits subject to this subparagraph shall be made in not to exceed 3 installments that are made at 6-month intervals.

"(ii) Except as provided in clause (iii), the amount of each of the first and second installments may not exceed an amount equal to the product of clauses (i) and (ii) of subparagraph (A).

"(iii) In the case of an individual who has—

"(I) outstanding debt attributable to—

"(aa) food,

"(bb) clothing,

"(cc) shelter, or

"(dd) medically necessary services, supplies or equipment, or medicine; or

"(II) current expenses or expenses anticipated in the near term attributable to—

"(aa) medically necessary services, supplies or equipment, or medicine, or

"(bb) the purchase of a home, and

such debt or expenses are not subject to reimbursement by a public assistance program, the Secretary under title XVIII, a State plan approved under title XV or XIX, or any private entity legally liable to provide payment pursuant to an insurance policy, pre-paid plan, or other arrangement, the limitation specified in clause (ii) may be exceeded by an amount equal to the total of such debt and expenses.

"(C) This paragraph shall not apply to any individual who, at the time of the Commissioner's determination that such individual is eligible for the payment of past-due monthly benefits under this title—

"(i) is afflicted with a medically determinable impairment that is expected to result in death within 12 months; or

"(ii) is ineligible for benefits under this title and the Commissioner determines that such individual is likely to remain ineligible for the next 12 months.

"(D) For purposes of this paragraph, the term 'benefits under this title' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a), and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.".

(b) CONFORMING AMENDMENT.—Section 1631(a)(1) (42 U.S.C. 1383(a)(1)) is amended by inserting "(subject to paragraph (10))" immediately before "in such installments".

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section are effective with respect to past-due benefits payable under title XVI of the Social Security Act after the third month following the month in which this Act is enacted.

(2) BENEFITS PAYABLE UNDER TITLE XVI.—For purposes of this subsection, the term "benefits payable under title XVI of the Social Security Act" includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

SEC. 2222. REGULATIONS.

Within 3 months after the date of the enactment of this Act, the Commissioner of Social Security shall prescribe such regulations as may be necessary to implement the amendments made by this subchapter.

Subchapter D—Studies Regarding Supplemental Security Income Program

SEC. 2231. ANNUAL REPORT ON THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

Title XVI (42 U.S.C. 1381 et seq.), as amended by section 2201(c) of this Act, is amended by adding at the end the following new section:

"ANNUAL REPORT ON PROGRAM

"SEC. 1637. (a) Not later than May 30 of each year, the Commissioner of Social Security shall prepare and deliver a report annually to the President and the Congress regarding the program under this title, including—

"(1) a comprehensive description of the program;

"(2) historical and current data on allowances and denials, including number of applications and allowance rates for initial determinations, reconsideration determinations, administrative law judge hearings, appeals council reviews, and Federal court decisions;

"(3) historical and current data on characteristics of recipients and program costs, by recipient group (aged, blind, disabled adults, and disabled children);

"(4) historical and current data on prior enrollment by recipients in public benefit programs, including State programs funded under part A of title IV of the Social Security Act and State general assistance programs;

"(5) projections of future number of recipients and program costs, through at least 25 years;

"(6) number of redeterminations and continuing disability reviews, and the outcomes of such redeterminations and reviews;

"(7) data on the utilization of work incentives;

"(8) detailed information on administrative and other program operation costs;

"(9) summaries of relevant research undertaken by the Social Security Administration, or by other researchers;

"(10) State supplementation program operations;

"(11) a historical summary of statutory changes to this title; and

"(12) such other information as the Commissioner deems useful.

"(b) Each member of the Social Security Advisory Board shall be permitted to provide an individual report, or a joint report if agreed, of views of the program under this title, to be included in the annual report required under this section.".

SEC. 2232. STUDY BY GENERAL ACCOUNTING OFFICE.

Not later than January 1, 1999, the Comptroller General of the United States shall study and report on—

(1) the impact of the amendments made by, and the provisions of, this chapter on the supplemental security income program under title XVI of the Social Security Act; and

(2) extra expenses incurred by families of children receiving benefits under such title that are not covered by other Federal, State, or local programs.

CHAPTER 3—CHILD SUPPORT

SEC. 2300. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this chapter an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

Subchapter A—Eligibility for Services; Distribution of Payments

SEC. 2301. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES.

(a) STATE PLAN REQUIREMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking paragraph (4) and inserting the following new paragraph:

"(4) provide that the State will—

"(A) provide services relating to the establishment of paternity or the establishment, modification, or enforcement of child support obligations, as appropriate, under the plan with respect to—

"(i) each child for whom (I) assistance is provided under the State program funded under part A of this title, (II) benefits or services for foster care maintenance are provided under the State program funded under part E of this title, (III) medical assistance is provided under the State plan under title XV, or (IV) medical assistance is provided under the State plan approved under title XIX, unless, in accordance with paragraph (29), good cause or other exceptions exist;

"(ii) any other child, if an individual applies for such services with respect to the child; and

"(B) enforce any support obligation established with respect to—

"(i) a child with respect to whom the State provides services under the plan; or

"(ii) the custodial parent of such a child;"; and

(2) in paragraph (6)—

(A) by striking "provide that" and inserting "provide that—";

(B) by striking subparagraph (A) and inserting the following new subparagraph:

"(A) services under the plan shall be made available to residents of other States on the same terms as to residents of the State submitting the plan;";

(C) in subparagraph (B), by inserting "on individuals not receiving assistance under any State program funded under part A" after "such services shall be imposed";

(D) in each of subparagraphs (B), (C), (D), and (E)—

(i) by indenting the subparagraph in the same manner as, and aligning the left margin of the subparagraph with the left margin of, the matter inserted by subparagraph (B) of this paragraph; and

(ii) by striking the final comma and inserting a semicolon; and

(E) in subparagraph (E), by indenting each of clauses (i) and (ii) 2 additional ems.

(b) CONTINUATION OF SERVICES FOR FAMILIES CEASING TO RECEIVE ASSISTANCE UNDER THE STATE PROGRAM FUNDED UNDER PART A.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking "and" at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting "; and"; and

(3) by adding after paragraph (24) the following new paragraph:

"(25) provide that if a family with respect to which services are provided under the plan ceases to receive assistance under the State program funded under part A, the State shall provide appropriate notice to the family and continue to provide such services, subject to the same conditions and on the same basis as in the case of other individuals to whom services are furnished under the plan, except that an application or other request to continue services shall not be required of such a family and paragraph (6)(B) shall not apply to the family.".

(c) CONFORMING AMENDMENTS.—

(1) Section 452(b) (42 U.S.C. 652(b)) is amended by striking "454(6)" and inserting "454(4)".

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking "454(6)" each place it appears and inserting "454(4)(A)(ii)".

(3) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking "in the case of overdue support which a State has agreed to collect under section 454(6)" and inserting "in any other case".

(4) Section 466(e) (42 U.S.C. 666(e)) is amended by striking "paragraph (4) or (6) of section 454" and inserting "section 454(4)".

SEC. 2302. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.

(a) IN GENERAL.—Section 457 (42 U.S.C. 657) is amended to read as follows:

"SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.

"(a) IN GENERAL.—Subject to subsection (e), an amount collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

"(1) FAMILIES RECEIVING ASSISTANCE.—In the case of a family receiving assistance from the State, the State shall—

"(A) pay to the Federal Government the Federal share of the amount so collected; and

"(B) retain, or distribute to the family, the State share of the amount so collected.

"(2) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.—In the case of a family that formerly received assistance from the State:

"(A) CURRENT SUPPORT PAYMENTS.—To the extent that the amount so collected does not exceed the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected to the family.

"(B) PAYMENTS OF ARREARAGES.—To the extent that the amount so collected exceeds the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected as follows:

"(i) DISTRIBUTION OF ARREARAGES THAT ACCRUED AFTER THE FAMILY CEASED TO RECEIVE ASSISTANCE.—

"(I) PRE-OCTOBER 1997.—Except as provided in subclause (II), the provisions of this section (other than subsection (b)(1)) as in effect and applied on the day before the date of the enactment of section 2302 of the Personal Responsibility and Work Opportunity Act of 1996 shall apply with respect to the distribution of support arrearages that—

"(aa) accrued after the family ceased to receive assistance, and

"(bb) are collected before October 1, 1997.

"(II) POST-SEPTEMBER 1997.—With respect to the amount so collected on or after October 1, 1997 (or before such date, at the option of the State)—

"(aa) IN GENERAL.—The State shall first distribute the amount so collected (other than any amount described in clause (iv)) to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued after the family ceased to receive assistance from the State.

"(bb) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—After the application of division (aa) and clause (ii)(II)(aa) with respect to the amount so collected, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share (as defined in subsection (c)(2)) of the amount so collected, but only to the extent necessary to reimburse amounts paid to the family as assistance by the State.

"(cc) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither division (aa) nor division (bb) applies to the amount so collected, the State shall distribute the amount to the family.

"(ii) DISTRIBUTION OF ARREARAGES THAT ACCRUED BEFORE THE FAMILY RECEIVED ASSISTANCE.—

"(I) PRE-OCTOBER 2000.—Except as provided in subclause (II), the provisions of this section (other than subsection (b)(1)) as in effect and applied on the day before the date of the enactment of section 2302 of the Personal Responsibility and Work Opportunity Act of 1996 shall apply with respect to the distribution of support arrearages that—

"(aa) accrued before the family received assistance, and

"(bb) are collected before October 1, 2000.

"(II) POST-SEPTEMBER 2000.—Unless, based on the report required by paragraph (4), the Congress determines otherwise, with respect to the amount so collected on or after October 1, 2000 (or before such date, at the option of the State)—

"(aa) IN GENERAL.—The State shall first distribute the amount so collected (other than any amount described in clause (iv)) to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued before the family received assistance from the State.

"(bb) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—After the application of clause (i)(II)(aa) and division (aa) with respect to the amount so collected, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share (as defined in subsection (c)(2)) of the amount so collected, but only to the extent necessary to reimburse amounts paid to the family as assistance by the State.

"(cc) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither division (aa) nor division (bb) applies to the amount so collected, the State shall distribute the amount to the family.

"(iii) DISTRIBUTION OF ARREARAGES THAT ACCRUED WHILE THE FAMILY RECEIVED ASSISTANCE.—In the case of a family described in this subparagraph, the provisions of paragraph (1) shall apply with respect to the distribution of support arrearages that accrued while the family received assistance.

"(iv) AMOUNTS COLLECTED PURSUANT TO SECTION 464.—Notwithstanding any other provision of this section, any amount of support collected pursuant to section 464 shall be retained by the State to the extent past-due support has been assigned to the State as a condition of receiving assistance from the State, up to the amount necessary to reimburse the State for amounts paid to the family as assistance by the State. The State shall pay to the Federal Government the Federal share of the amounts so retained. To the extent the amount collected pursuant to section 464 exceeds the amount so retained, the State shall distribute the excess to the family.

"(v) ORDERING RULES FOR DISTRIBUTIONS.—For purposes of this subparagraph, unless an earlier effective date is required by this section, effective October 1, 2000, the State shall treat any support arrearages collected, except for amounts collected pursuant to section 464, as accruing in the following order:

"(I) To the period after the family ceased to receive assistance.

"(II) To the period before the family received assistance.

"(III) To the period while the family was receiving assistance.

"(3) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall distribute the amount so collected to the family.

"(4) FAMILIES UNDER CERTAIN AGREEMENTS.—In the case of a family receiving assistance from an Indian tribe, distribute the amount so collected pursuant to an agreement entered into pursuant to a State plan under section 454(33).

"(5) STUDY AND REPORT.—Not later than October 1, 1998, the Secretary shall report to the Congress the Secretary's findings with respect to—

"(A) whether the distribution of post-assistance arrearages to families has been effective in moving people off of welfare and keeping them off of welfare;

"(B) whether early implementation of a pre-assistance arrearage program by some

States has been effective in moving people off of welfare and keeping them off of welfare;

"(C) what the overall impact has been of the amendments made by the Personal Responsibility and Work Opportunity Act of 1996 with respect to child support enforcement in moving people off of welfare and keeping them off of welfare; and

"(D) based on the information and data the Secretary has obtained, what changes, if any, should be made in the policies related to the distribution of child support arrearages.

"(b) CONTINUATION OF ASSIGNMENTS.—Any rights to support obligations, which were assigned to a State as a condition of receiving assistance from the State under part A and which were in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996, shall remain assigned after such date.

"(c) DEFINITIONS.—As used in subsection (a):

"(1) ASSISTANCE.—The term 'assistance from the State' means—

"(A) assistance under the State program funded under part A or under the State plan approved under part A of this title (as in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996); and

"(B) foster care maintenance payments under the State plan approved under part E of this title.

"(2) FEDERAL SHARE.—The term 'Federal share' means that portion of the amount collected resulting from the application of the Federal medical assistance percentage in effect for the fiscal year in which the amount is collected.

"(3) FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—The term 'Federal medical assistance percentage' means—

"(A) the Federal medical assistance percentage (as defined in section 1118), in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa; or

"(B) the Federal medical assistance percentage (as defined in section 1905(b), as in effect on September 30, 1996) in the case of any other State.

"(4) STATE SHARE.—The term 'State share' means 100 percent minus the Federal share.

"(d) HOLD HARMLESS PROVISION.—If the amounts collected which could be retained by the State in the fiscal year (to the extent necessary to reimburse the State for amounts paid to families as assistance by the State) are less than the State share of the amounts collected in fiscal year 1995 (determined in accordance with section 457 as in effect on the day before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996), the State share for the fiscal year shall be an amount equal to the State share in fiscal year 1995.

"(e) GAP PAYMENTS NOT SUBJECT TO DISTRIBUTION UNDER THIS SECTION.—At State option, this section shall not apply to any amount collected on behalf of a family as support by the State (and paid to the family in addition to the amount of assistance otherwise payable to the family) pursuant to a plan approved under this part if such amount would have been paid to the family by the State under section 402(a)(28), as in effect and applied on the day before the date of the enactment of section 2302 of the Personal Responsibility and Work Opportunity Act of 1996. For purposes of subsection (d), the State share of such amount paid to the family shall be considered amounts which could be retained by the State if such payments were reported by the State as part of the State share of amounts collected in fiscal year 1995.".

(b) CONFORMING AMENDMENTS.—

(1) Section 464(a)(1) (42 U.S.C. 664(a)(1)) is amended by striking "section 457(b)(4) or (d)(3)" and inserting "section 457".

(2) Section 454 (42 U.S.C. 654) is amended—

(A) in paragraph (11)—

(i) by striking "(11)" and inserting "(11)(A)"; and

(ii) by inserting after the semicolon "and"; and

(B) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall be effective on October 1, 1996, or earlier at the State's option.

(2) CONFORMING AMENDMENTS.—The amendments made by subsection (b)(2) shall become effective on the date of the enactment of this Act.

SEC. 2303. PRIVACY SAFEGUARDS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by section 2301(b) of this Act, is amended—

(1) by striking "and" at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting "; and"; and

(3) by adding after paragraph (25) the following new paragraph:

"(26) will have in effect safeguards, applicable to all confidential information handled by the State agency, that are designed to protect the privacy rights of the parties, including—

"(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

"(B) prohibitions against the release of information on the whereabouts of 1 party to another party against whom a protective order with respect to the former party has been entered; and

"(C) prohibitions against the release of information on the whereabouts of 1 party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

SEC. 2304. RIGHTS TO NOTIFICATION OF HEARINGS.

(a) IN GENERAL.—Section 454 (42 U.S.C. 654), as amended by section 2302(b)(2) of this Act, is amended by inserting after paragraph (11) the following new paragraph:

"(12) provide for the establishment of procedures to require the State to provide individuals who are applying for or receiving services under the State plan, or who are parties to cases in which services are being provided under the State plan—

"(A) with notice of all proceedings in which support obligations might be established or modified; and

"(B) with a copy of any order establishing or modifying a child support obligation, or (in the case of a petition for modification) a notice of determination that there should be no change in the amount of the child support award, within 14 days after issuance of such order or determination;".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

Subchapter B—Locate and Case Tracking

SEC. 2311. STATE CASE REGISTRY.

Section 454A, as added by section 2344(a)(2) of this Act, is amended by adding at the end the following new subsections:

"(e) STATE CASE REGISTRY.—

"(1) CONTENTS.—The automated system required by this section shall include a registry (which shall be known as the 'State case registry') that contains records with respect to—

"(A) each case in which services are being provided by the State agency under the State plan approved under this part; and

"(B) each support order established or modified in the State on or after October 1, 1998.

"(2) LINKING OF LOCAL REGISTRIES.—The State case registry may be established by linking local case registries of support orders through an automated information network, subject to this section.

"(3) USE OF STANDARDIZED DATA ELEMENTS.—Such records shall use standardized data elements for both parents (such as names, social security numbers and other uniform identification numbers, dates of birth, and case identification numbers), and contain such other information (such as on case status) as the Secretary may require.

"(4) PAYMENT RECORDS.—Each case record in the State case registry with respect to which services are being provided under the State plan approved under this part and with respect to which a support order has been established shall include a record of—

"(A) the amount of monthly (or other periodic) support owed under the order, and other amounts (including arrearages, interest or late payment penalties, and fees) due or overdue under the order;

"(B) any amount described in subparagraph (A) that has been collected;

"(C) the distribution of such collected amounts;

"(D) the birth date of any child for whom the order requires the provision of support; and

"(E) the amount of any lien imposed with respect to the order pursuant to section 466(a)(4).

"(5) UPDATING AND MONITORING.—The State agency operating the automated system required by this section shall promptly establish and update, maintain, and regularly monitor, case records in the State case registry with respect to which services are being provided under the State plan approved under this part, on the basis of—

"(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

"(B) information obtained from comparison with Federal, State, or local sources of information;

"(C) information on support collections and distributions; and

"(D) any other relevant information.

"(f) INFORMATION COMPARISONS AND OTHER DISCLOSURES OF INFORMATION.—The State shall use the automated system required by this section to extract information from (at such times, and in such standardized format or formats, as may be required by the Secretary), to share and compare information with, and to receive information from, other data bases and information comparison services, in order to obtain (or provide) information necessary to enable the State agency (or the Secretary or other State or Federal agencies) to carry out this part, subject to section 6103 of the Internal Revenue Code of 1986. Such information comparison activities shall include the following:

"(1) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—Furnishing to the Federal Case Registry of Child Support Orders established under section 453(h) (and update as necessary, with information including notice of expiration of orders) the minimum amount of information on child support cases recorded in the State case registry that is necessary to operate the registry (as specified by the Secretary in regulations).

"(2) FEDERAL PARENT LOCATOR SERVICE.—Exchanging information with the Federal Parent Locator Service for the purposes specified in section 453.

"(3) TEMPORARY FAMILY ASSISTANCE AND MEDICAID AGENCIES.—Exchanging information with State agencies (of the State and of other States) administering programs funded under part A, programs operated under a State plan under title XV or a State plan approved under title XIX, and other programs designated by the Secretary, as necessary to perform State agency responsibilities under this part and under such programs.

"(4) INTRASTATE AND INTERSTATE INFORMATION COMPARISONS.—Exchanging information with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part.".

SEC. 2312. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 2301(b) and 2303(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting "; and"; and

(3) by adding after paragraph (26) the following new paragraph:

"(27) provide that, on and after October 1, 1998, the State agency will—

"(A) operate a State disbursement unit in accordance with section 454B; and

"(B) have sufficient State staff (consisting of State employees) and (at State option) contractors reporting directly to the State agency to—

"(i) monitor and enforce support collections through the unit in cases being enforced by the State pursuant to section 454(4) (including carrying out the automated data processing responsibilities described in section 454A(g)); and

"(ii) take the actions described in section 466(c)(1) in appropriate cases.".

(b) ESTABLISHMENT OF STATE DISBURSEMENT UNIT.—Part D of title IV (42 U.S.C. 651–669), as amended by section 2344(a)(2) of this Act, is amended by inserting after section 454A the following new section:

"SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

"(a) STATE DISBURSEMENT UNIT.—

"(1) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency must establish and operate a unit (which shall be known as the 'State disbursement unit') for the collection and disbursement of payments under support orders—

"(A) in all cases being enforced by the State pursuant to section 454(4); and

"(B) in all cases not being enforced by the State under this part in which the support order is initially issued in the State on or after January 1, 1994, and in which the wages of the noncustodial parent are subject to withholding pursuant to section 466(a)(8)(B).

"(2) OPERATION.—The State disbursement unit shall be operated—

"(A) directly by the State agency (or 2 or more State agencies under a regional cooperative agreement), or (to the extent appropriate) by a contractor responsible directly to the State agency; and

"(B) except in cases described in paragraph (1)(B), in coordination with the automated system established by the State pursuant to section 454A.

"(3) LINKING OF LOCAL DISBURSEMENT UNITS.—The State disbursement unit may be established by linking local disbursement units through an automated information network, subject to this section, if the Secretary agrees that the system will not cost more nor take more time to establish or operate than a centralized system. In addition, employers shall be given 1 location to which income withholding is sent.

"(b) REQUIRED PROCEDURES.—The State disbursement unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

"(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the agencies of other States;

"(2) for accurate identification of payments;

"(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

"(4) to furnish to any parent, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

"(c) TIMING OF DISBURSEMENTS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), the State disbursement unit shall distribute all amounts payable under section 457(a) within 2 business days after receipt from the employer or other source of periodic income, if sufficient information identifying the payee is provided.

"(2) PERMISSIVE RETENTION OF ARREARAGES.—The State disbursement unit may delay the distribution of collections toward arrearages until the resolution of any timely appeal with respect to such arrearages.

"(d) BUSINESS DAY DEFINED.—As used in this section, the term 'business day' means a day on which State offices are open for regular business.".

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 2344(a)(2) and as amended by section 2311 of this Act, is amended by adding at the end the following new subsection:

"(g) COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—

"(1) IN GENERAL.—The State shall use the automated system required by this section, to the maximum extent feasible, to assist and facilitate the collection and disbursement of support payments through the State disbursement unit operated under section 454B, through the performance of functions, including, at a minimum—

"(A) transmission of orders and notices to employers (and other debtors) for the withholding of wages and other income—

"(i) within 2 business days after receipt of notice of, and the income source subject to, such withholding from a court, another State, an employer, the Federal Parent Locator Service, or another source recognized by the State; and

"(ii) using uniform formats prescribed by the Secretary;

"(B) ongoing monitoring to promptly identify failures to make timely payment of support; and

"(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 466(c)) if payments are not timely made.

"(2) BUSINESS DAY DEFINED.—As used in paragraph (1), the term 'business day' means a day on which State offices are open for regular business.".

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall become effective on October 1, 1998.

(2) LIMITED EXCEPTION TO UNIT HANDLING PAYMENTS.—Notwithstanding section 454B(b)(1) of the Social Security Act, as added by this section, any State which, as of the date of the enactment of this Act, processes the receipt of child support payments through local courts may, at the option of the State, continue to process through September 30, 1999, such payments through such courts as processed such payments on or before such date of enactment.

SEC. 2313. STATE DIRECTORY OF NEW HIRES.

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 2301(b), 2303(a) and 2312(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting "; and"; and

(3) by adding after paragraph (27) the following new paragraph:

"(28) provide that, on and after October 1, 1997, the State will operate a State Directory of New Hires in accordance with section 453A.".

(b) STATE DIRECTORY OF NEW HIRES.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 453 the following new section:

"SEC. 453A. STATE DIRECTORY OF NEW HIRES.

"(a) ESTABLISHMENT.—

"(1) IN GENERAL.—

"(A) REQUIREMENT FOR STATES THAT HAVE NO DIRECTORY.—Except as provided in subparagraph (B), not later than October 1, 1997, each State shall establish an automated directory (to be known as the 'State Directory of New Hires') which shall contain information supplied in accordance with subsection (b) by employers on each newly hired employee.

"(B) STATES WITH NEW HIRE REPORTING IN EXISTENCE.—A State which has a new hire reporting law in existence on the date of the enactment of this section may continue to operate under the State law, but the State must meet the requirements of subsection (g)(2) not later than October 1, 1997, and the requirements of this section (other than subsection (g)(2)) not later than October 1, 1998.

"(2) DEFINITIONS.—As used in this section:

"(A) EMPLOYEE.—The term 'employee'—

"(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and

"(ii) does not include an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting pursuant to paragraph (1) with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

"(B) EMPLOYER.—

"(i) IN GENERAL.—The term 'employer' has the meaning given such term in section 3401(d) of the Internal Revenue Code of 1986 and includes any governmental entity and any labor organization.

"(ii) LABOR ORGANIZATION.—The term 'labor organization' shall have the meaning given such term in section 2(5) of the National Labor Relations Act, and includes any entity (also known as a 'hiring hall') which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.

"(b) Employer Information.—

"(1) Reporting requirement.—

"(A) In general.—Except as provided in subparagraphs (B) and (C), each employer shall furnish to the Directory of New Hires of the State in which a newly hired employee works, a report that contains the name, address, and social security number of the employee, and the name and address of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(B) Multistate employers.—An employer that has employees who are employed in 2 or more States and that transmits reports magnetically or electronically may comply with subparagraph (A) by designating 1 State in which such employer has employees to which the employer will transmit the report described in subparagraph (A), and transmitting such report to such State. Any employer that transmits reports pursuant to this subparagraph shall notify the Secretary in writing as to which State such employer designates for the purpose of sending reports.

"(C) Federal government employers.—Any department, agency, or instrumentality of the United States shall comply with subparagraph (A) by transmitting the report described in subparagraph (A) to the National Directory of New Hires established pursuant to section 453.

"(2) Timing of report.—Each State may provide the time within which the report required by paragraph (1) shall be made with respect to an employee, but such report shall be made—

"(A) not later than 20 days after the date the employer hires the employee; or

"(B) in the case of an employer transmitting reports magnetically or electronically, by 2 monthly transmissions (if necessary) not less than 12 days nor more than 16 days apart.

"(c) Reporting Format and Method.—Each report required by subsection (b) shall be made on a W-4 form or, at the option of the employer, an equivalent form, and may be transmitted by 1st class mail, magnetically, or electronically.

"(d) Civil Money Penalties on Noncomplying Employers.—The State shall have the option to set a State civil money penalty which shall be less than—

"(1) $25; or

"(2) $500 if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.

"(e) Entry of Employer Information.—Information shall be entered into the data base maintained by the State Directory of New Hires within 5 business days of receipt from an employer pursuant to subsection (b).

"(f) Information Comparisons.—

"(1) In general.—Not later than May 1, 1998, an agency designated by the State shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

"(2) Notice of match.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name and address of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

"(g) Transmission of Information.—

"(1) Transmission of wage withholding notices to employers.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the wages of the employee an amount equal to the monthly (or other periodic) child support obligation (including any past due support obligation) of the employee, unless the employee's wages are not subject to withholding pursuant to section 466(b)(3).

"(2) Transmissions to the national directory of new hires.—

"(A) New hire information.—Within 3 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

"(B) Wage and unemployment compensation information.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of Health and Human Services shall specify in regulations.

"(3) Business day defined.—As used in this subsection, the term 'business day' means a day on which State offices are open for regular business.

"(h) Other Uses of New Hire Information.—

"(1) Location of child support obligors.—The agency administering the State plan approved under this part shall use information received pursuant to subsection (f)(2) to locate individuals for purposes of establishing paternity and establishing, modifying, and enforcing child support obligations.

"(2) Verification of eligibility for certain programs.—A State agency responsible for administering a program specified in section 1137(b) shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for the program.

"(3) Administration of employment security and workers' compensation.—State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) for the purposes of administering such programs.".

(c) Quarterly Wage Reporting.—Section 1137(a)(3) (42 U.S.C. 1320b-7(a)(3)) is amended—

(1) by inserting "(including State and local governmental entities and labor organizations (as defined in section 453A(a)(2)(B)(iii))" after "employers"; and

(2) by inserting ", and except that no report shall be filed with respect to an employee of a State or local agency performing intelligence or counterintelligence functions, if the head of such agency has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission" after "paragraph (2)".

SEC. 2314. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) Mandatory Income Withholding.—

(1) In general.—Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

"(1)(A) Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

"(B) Procedures under which the wages of a person with a support obligation imposed by a support order issued (or modified) in the State before October 1, 1996, if not otherwise subject to withholding under subsection (b), shall become subject to withholding as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.".

(2) Conforming amendments.—

(A) Section 466(b) (42 U.S.C. 666(b)) is amended in the matter preceding paragraph (1), by striking "subsection (a)(1)" and inserting "subsection (a)(1)(A)".

(B) Section 466(b)(4) (42 U.S.C. 666(b)(4)) is amended to read as follows:

"(4)(A) Such withholding must be carried out in full compliance with all procedural due process requirements of the State, and the State must send notice to each noncustodial parent to whom paragraph (1) applies—

"(i) that the withholding has commenced; and

"(ii) of the procedures to follow if the noncustodial parent desires to contest such withholding on the grounds that the withholding or the amount withheld is improper due to a mistake of fact.

"(B) The notice under subparagraph (A) of this paragraph shall include the information provided to the employer under paragraph (6)(A).".

(C) Section 466(b)(5) (42 U.S.C. 666(b)(5)) is amended by striking all that follows "administered by" and inserting "the State through the State disbursement unit established pursuant to section 454B, in accordance with the requirements of section 454B.".

(D) Section 466(b)(6)(A) (42 U.S.C. 666(b)(6)(A)) is amended—

(i) in clause (i), by striking "to the appropriate agency" and all that follows and inserting "to the State disbursement unit within 7 business days after the date the amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part. The employer shall comply with the procedural rules relating to income withholding of the State in which the employee works, regardless of the State where the notice originates.";

(ii) in clause (ii), by inserting "be in a standard format prescribed by the Secretary, and" after "shall"; and

(iii) by adding at the end the following new clause:

"(iii) As used in this subparagraph, the term 'business day' means a day on which State offices are open for regular business.".

(E) Section 466(b)(6)(D) (42 U.S.C. 666(b)(6)(D)) is amended by striking "any employer" and all that follows and inserting "any employer who—

"(i) discharges from employment, refuses to employ, or takes disciplinary action against any noncustodial parent subject to wage withholding required by this subsection because of the existence of such withholding and the obligations or additional obligations which it imposes upon the employer; or

"(ii) fails to withhold support from wages or to pay such amounts to the State disbursement unit in accordance with this subsection.".

(F) Section 466(b) (42 U.S.C. 666(b)) is amended by adding at the end the following new paragraph:

"(11) Procedures under which the agency administering the State plan approved under this part may execute a withholding order without advance notice to the obligor, including issuing the withholding order through electronic means.".

(b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

SEC. 2315. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

Section 466(a) (42 U.S.C. 666(a)) is amended by inserting after paragraph (11) the following new paragraph:

"(12) LOCATOR INFORMATION FROM INTERSTATE NETWORKS.—Procedures to ensure that all Federal and State agencies conducting activities under this part have access to any system used by the State to locate an individual for purposes relating to motor vehicles or law enforcement.".

SEC. 2316. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows "subsection (c))" and inserting ", for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations, or enforcing child custody or visitation orders—

"(1) information on, or facilitating the discovery of, the location of any individual—

"(A) who is under an obligation to pay child support or provide child custody or visitation rights;

"(B) against whom such an obligation is sought;

"(C) to whom such an obligation is owed, including the individual's social security number (or numbers), most recent address, and the name, address, and employer identification number of the individual's employer;

"(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage); and

"(3) information on the type, status, location, and amount of any assets of, or debts owed by or to, any such individual."; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "social security" and all that follows through "absent parent" and inserting "information described in subsection (a)"; and

(B) in the flush paragraph at the end, by adding the following: "No information shall be disclosed to any person if the State has notified the Secretary that the State has reasonable evidence of domestic violence or child abuse and the disclosure of such information could be harmful to the custodial parent or the child of such parent. Information received or transmitted pursuant to this section shall be subject to the safeguard provisions contained in section 454(26).".

(b) AUTHORIZED PERSON FOR INFORMATION REGARDING VISITATION RIGHTS.—Section 453(c) (42 U.S.C. 653(c)) is amended—

(1) in paragraph (1), by striking "support" and inserting "support or to seek to enforce orders providing child custody or visitation rights"; and

(2) in paragraph (2), by striking ", or any agent of such court; and" and inserting "or to issue an order against a resident parent for child custody or visitation rights, or any agent of such court;".

(c) REIMBURSEMENT FOR INFORMATION FROM FEDERAL AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the 4th sentence by inserting "in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information)" before the period.

(d) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following new subsection:

"(g) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—The Secretary may reimburse Federal and State agencies for the costs incurred by such entities in furnishing information requested by the Secretary under this section in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information).".

(e) CONFORMING AMENDMENTS.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), 663(e), and 663(f)) are each amended by inserting "Federal" before "Parent" each place such term appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding "FEDERAL" before "PARENT".

(f) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as amended by subsection (d) of this section, is amended by adding at the end the following new subsections:

"(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—

"(1) IN GENERAL.—Not later than October 1, 1998, in order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry (which shall be known as the 'Federal Case Registry of Child Support Orders'), which shall contain abstracts of support orders and other information described in paragraph (2) with respect to each case in each State case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

"(2) CASE INFORMATION.—The information referred to in paragraph (1) with respect to a case shall be such information as the Secretary may specify in regulations (including the names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have the case.

"(i) NATIONAL DIRECTORY OF NEW HIRES.—

"(1) IN GENERAL.—In order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall, not later than October 1, 1997, establish and maintain in the Federal Parent Locator Service an automated directory to be known as the National Directory of New Hires, which shall contain the information supplied pursuant to section 453A(g)(2).

"(2) ENTRY OF DATA.—Information shall be entered into the data base maintained by the National Directory of New Hires within 2 business days of receipt pursuant to section 453A(g)(2).

"(3) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have access to the information in the National Directory of New Hires for purposes of administering section 32 of the Internal Revenue Code of 1986, or the advance payment of the earned income tax credit under section 3507 of such Code, and verifying a claim with respect to employment in a tax return.

"(4) LIST OF MULTISTATE EMPLOYERS.—The Secretary shall maintain within the National Directory of New Hires a list of multistate employers that report information regarding newly hired employees pursuant to section 453A(b)(1)(B), and the State which each such employer has designated to receive such information.

"(j) INFORMATION COMPARISONS AND OTHER DISCLOSURES.—

"(1) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION.—

"(A) IN GENERAL.—The Secretary shall transmit information on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

"(B) VERIFICATION BY SSA.—The Social Security Administration shall verify the accuracy of, correct, or supply to the extent possible, and report to the Secretary, the following information supplied by the Secretary pursuant to subparagraph (A):

"(i) The name, social security number, and birth date of each such individual.

"(ii) The employer identification number of each such employer.

"(2) INFORMATION COMPARISONS.—For the purpose of locating individuals in a paternity establishment case or a case involving the establishment, modification, or enforcement of a support order, the Secretary shall—

"(A) compare information in the National Directory of New Hires against information in the support case abstracts in the Federal Case Registry of Child Support Orders not less often than every 2 business days; and

"(B) within 2 business days after such a comparison reveals a match with respect to an individual, report the information to the State agency responsible for the case.

"(3) INFORMATION COMPARISONS AND DISCLOSURES OF INFORMATION IN ALL REGISTRIES FOR TITLE IV PROGRAM PURPOSES.—To the extent and with the frequency that the Secretary determines to be effective in assisting States to carry out their responsibilities under programs operated under this part and programs funded under part A, the Secretary shall—

"(A) compare the information in each component of the Federal Parent Locator Service maintained under this section against the information in each other such component (other than the comparison required by paragraph (2)), and report instances in which such a comparison reveals a match with respect to an individual to State agencies operating such programs; and

"(B) disclose information in such registries to such State agencies.

"(4) PROVISION OF NEW HIRE INFORMATION TO THE SOCIAL SECURITY ADMINISTRATION.—The National Directory of New Hires shall provide the Commissioner of Social Security with all information in the National Directory.

"(5) RESEARCH.—The Secretary may provide access to information reported by employers pursuant to section 453A(b) for research purposes found by the Secretary to be likely to contribute to achieving the purposes of part A or this part, but without personal identifiers.

"(k) FEES.—

"(1) FOR SSA VERIFICATION.—The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, for the costs incurred by the Commissioner in performing the verification services described in subsection (j).

"(2) FOR INFORMATION FROM STATE DIRECTORIES OF NEW HIRES.—The Secretary shall reimburse costs incurred by State directories of new hires in furnishing information as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such information).

"(3) FOR INFORMATION FURNISHED TO STATE AND FEDERAL AGENCIES.—A State or Federal agency that receives information from the Secretary pursuant to this section shall reimburse the Secretary for costs incurred by the Secretary in furnishing the information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and comparing the information).

"(l) RESTRICTION ON DISCLOSURE AND USE.—Information in the Federal Parent Locator Service, and information resulting from comparisons using such information, shall not be used or disclosed except as expressly provided in this section, subject to section 6103 of the Internal Revenue Code of 1986.

"(m) INFORMATION INTEGRITY AND SECURITY.—The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

"(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

"(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.

"(n) FEDERAL GOVERNMENT REPORTING.—Each department, agency, and instrumentality of the United States shall on a quarterly basis report to the Federal Parent Locator Service the name and social security number of each employee and the wages paid to the employee during the previous quarter, except that such a report shall not be filed with respect to an employee of a department, agency, or instrumentality performing intelligence or counterintelligence functions, if the head of such department, agency, or instrumentality has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.".

(g) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—

(A) Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

"(B) the Federal Parent Locator Service established under section 453;".

(B) Section 454(13) (42 U.S.C.654(13)) is amended by inserting "and provide that information requests by parents who are residents of other States be treated with the same priority as requests by parents who are residents of the State submitting the plan" before the semicolon.

(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(a)(16) of the Internal Revenue Code of 1986 is amended—

(A) by striking "Secretary of Health, Education, and Welfare" each place such term appears and inserting "Secretary of Health and Human Services";

(B) in subparagraph (B), by striking "such information" and all that follows and inserting "information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;";

(C) by striking "and" at the end of subparagraph (A);

(D) by redesignating subparagraph (B) as subparagraph (C); and

(E) by inserting after subparagraph (A) the following new subparagraph:

"(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453(i) of the Social Security Act, and".

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Subsection (h) of section 303 (42 U.S.C. 503) is amended to read as follows:

"(h)(1) The State agency charged with the administration of the State law shall, on a reimbursable basis—

"(A) disclose quarterly, to the Secretary of Health and Human Services, wage and claim information, as required pursuant to section 453(i)(1), contained in the records of such agency;

"(B) ensure that information provided pursuant to subparagraph (A) meets such standards relating to correctness and verification as the Secretary of Health and Human Services, with the concurrence of the Secretary of Labor, may find necessary; and

"(C) establish such safeguards as the Secretary of Labor determines are necessary to insure that information disclosed under subparagraph (A) is used only for purposes of section 453(i)(1) in carrying out the child support enforcement program under title IV.

"(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until the Secretary of Labor is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, the Secretary shall make no future certification to the Secretary of the Treasury with respect to the State.

"(3) For purposes of this subsection—

"(A) the term 'wage information' means information regarding wages paid to an individual, the social security account number of such individual, and the name, address, State, and the Federal employer identification number of the employer paying such wages to such individual; and

"(B) the term 'claim information' means information regarding whether an individual is receiving, has received, or has made application for, unemployment compensation, the amount of any such compensation being received (or to be received by such individual), and the individual's current (or most recent) home address.".

(4) DISCLOSURE OF CERTAIN INFORMATION TO AGENTS OF CHILD SUPPORT ENFORCEMENT AGENCIES.—

(A) IN GENERAL.—Paragraph (6) of section 6103(l) of the Internal Revenue Code of 1986 (relating to disclosure of return information to Federal, State, and local child support enforcement agencies) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

"(B) DISCLOSURE TO CERTAIN AGENTS.—The following information disclosed to any child support enforcement agency under subparagraph (A) with respect to any individual with respect to whom child support obligations are sought to be established or enforced may be disclosed by such agency to any agent of such agency which is under contract with such agency to carry out the purposes described in subparagraph (C):

"(i) The address and social security account number (or numbers) of such individual.

"(ii) The amount of any reduction under section 6402(c) (relating to offset of past-due support against overpayments) in any overpayment otherwise payable to such individual.".

(B) CONFORMING AMENDMENTS.—

(i) Paragraph (3) of section 6103(a) of such Code is amended by striking "(l)(12)" and inserting "paragraph (6) or (12) of subsection (l)".

(ii) Subparagraph (C) of section 6103(l)(6) of such Code, as redesignated by subsection (a), is amended to read as follows:

"(C) RESTRICTION ON DISCLOSURE.—Information may be disclosed under this paragraph only for purposes of, and to the extent necessary in, establishing and collecting child support obligations from, and locating, individuals owing such obligations.".

(iii) The material following subparagraph (F) of section 6103(p)(4) of such Code is amended by striking "subsection (l)(12)(B)" and inserting "paragraph (6)(A) or (12)(B) of subsection (l)".

(h) REQUIREMENT FOR COOPERATION.—The Secretary of Labor and the Secretary of Health and Human Services shall work jointly to develop cost-effective and efficient methods of accessing the information in the various State directories of new hires and the National Directory of New Hires as established pursuant to the amendments made by this subchapter. In developing these methods the Secretaries shall take into account the impact, including costs, on the States, and shall also consider the need to insure the proper and authorized use of wage record information.

SEC. 2317. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.

Section 466(a) (42 U.S.C. 666(a)), as amended by section 2315 of this Act, is amended by inserting after paragraph (12) the following new paragraph:

"(13) RECORDING OF SOCIAL SECURITY NUMBERS IN CERTAIN FAMILY MATTERS.—Procedures requiring that the social security number of—

"(A) any applicant for a professional license, commercial driver's license, occupational license, or marriage license be recorded on the application;

"(B) any individual who is subject to a divorce decree, support order, or paternity determination or acknowledgment be placed in the records relating to the matter; and

"(C) any individual who has died be placed in the records relating to the death and be recorded on the death certificate.

For purposes of subparagraph (A), if a State allows the use of a number other than the social security number, the State shall so advise any applicants.".

Subchapter C—Streamlining and Uniformity of Procedures

SEC. 2321. ADOPTION OF UNIFORM STATE LAWS.

Section 466 (42 U.S.C. 666) is amended by adding at the end the following new subsection:

"(f) UNIFORM INTERSTATE FAMILY SUPPORT ACT.—

"(1) ENACTMENT AND USE.—In order to satisfy section 454(20)(A), on and after January 1, 1998, each State must have in effect the Uniform Interstate Family Support Act, as approved by the American Bar Association on February 9, 1993, together with any amendments officially adopted before January 1, 1998 by the National Conference of Commissioners on Uniform State Laws.

"(2) EMPLOYERS TO FOLLOW PROCEDURAL RULES OF STATE WHERE EMPLOYEE WORKS.—The State law enacted pursuant to paragraph (1) shall provide that an employer that receives an income withholding order or notice pursuant to section 501 of the Uniform Interstate Family Support Act follow the procedural rules that apply with respect to such order or notice under the laws of the State in which the obligor works.".

SEC. 2322. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking "subsection (e)" and inserting "subsections (e), (f), and (i)";

(2) in subsection (b), by inserting after the 2nd undesignated paragraph the following:

"'child's home State' means the State in which a child lived with a parent or a person acting as parent for at least 6 consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than 6 months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the 6-month period.";

(3) in subsection (c), by inserting "by a court of a State" before "is made";

(4) in subsection (c)(1), by inserting "and subsections (e), (f), and (g)" after "located";

(5) in subsection (d)—

(A) by inserting "individual" before "contestant"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(6) in subsection (e), by striking "make a modification of a child support order with respect to a child that is made" and inserting "modify a child support order issued";

(7) in subsection (e)(1), by inserting "pursuant to subsection (i)" before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting "individual" before "contestant" each place such term appears; and

(B) by striking "to that court's making the modification and assuming" and inserting "with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume";

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following new subsection:

"(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If 1 or more child support orders have been issued with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

"(1) If only 1 court has issued a child support order, the order of that court must be recognized.

"(2) If 2 or more courts have issued child support orders for the same obligor and child, and only 1 of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

"(3) If 2 or more courts have issued child support orders for the same obligor and child, and more than 1 of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

"(4) If 2 or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

"(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.";

(11) in subsection (g) (as so redesignated)—

(A) by striking "PRIOR" and inserting "MODIFIED"; and

(B) by striking "subsection (e)" and inserting "subsections (e) and (f)";

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting "including the duration of current payments and other obligations of support" before the comma; and

(B) in paragraph (3), by inserting "arrears under" after "enforce"; and

(13) by adding at the end the following new subsection:

"(i) REGISTRATION FOR MODIFICATION.—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification.".

SEC. 2323. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 2315 and 2317(a) of this Act, is amended by inserting after paragraph (13) the following new paragraph:

"(14) ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.—Procedures under which—

"(A)(i) the State shall respond within 5 business days to a request made by another State to enforce a support order; and

"(ii) the term 'business day' means a day on which State offices are open for regular business;

"(B) the State may, by electronic or other means, transmit to another State a request for assistance in a case involving the enforcement of a support order, which request—

"(i) shall include such information as will enable the State to which the request is transmitted to compare the information about the case to the information in the data bases of the State; and

"(ii) shall constitute a certification by the requesting State—

"(I) of the amount of support under the order the payment of which is in arrears; and

"(II) that the requesting State has complied with all procedural due process requirements applicable to the case;

"(C) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the case to be transferred to the caseload of such other State; and

"(D) the State shall maintain records of—

"(i) the number of such requests for assistance received by the State;

"(ii) the number of cases for which the State collected support in response to such a request; and

"(iii) the amount of such collected support.".

SEC. 2324. USE OF FORMS IN INTERSTATE ENFORCEMENT.

(a) PROMULGATION.—Section 452(a) (42 U.S.C. 652(a)) is amended—

(1) by striking "and" at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(11) not later than October 1, 1996, after consulting with the State directors of programs under this part, promulgate forms to be used by States in interstate cases for—

"(A) collection of child support through income withholding;

"(B) imposition of liens; and

"(C) administrative subpoenas.".

(b) USE BY STATES.—Section 454(9) (42 U.S.C. 654(9)) is amended—

(1) by striking "and" at the end of subparagraph (C);

(2) by inserting "and" at the end of subparagraph (D); and

(3) by adding at the end the following new subparagraph:

"(E) not later than March 1, 1997, in using the forms promulgated pursuant to section 452(a)(11) for income withholding, imposition of liens, and issuance of administrative subpoenas in interstate child support cases;".

SEC. 2325. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as amended by section 2314 of this Act, is amended—

(1) in subsection (a)(2), by striking the first sentence and inserting the following: "Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations."; and

(2) by inserting after subsection (b) the following new subsection:

"(c) EXPEDITED PROCEDURES.—The procedures specified in this subsection are the following:

"(1) ADMINISTRATIVE ACTION BY STATE AGENCY.—Procedures which give the State agency the authority to take the following actions relating to establishment of paternity or to establishment, modification, or enforcement of support orders, without the necessity of obtaining an order from any other judicial or administrative tribunal, and to recognize and enforce the authority of State agencies of other States to take the following actions:

"(A) GENETIC TESTING.—To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

"(B) FINANCIAL OR OTHER INFORMATION.—To subpoena any financial or other information needed to establish, modify, or enforce a support order, and to impose penalties for failure to respond to such a subpoena.

"(C) RESPONSE TO STATE AGENCY REQUEST.—To require all entities in the State (including for-profit, nonprofit, and governmental employers) to provide promptly, in response to a request by the State agency of that or any other State administering a program under this part, information on the employment, compensation, and benefits of any individual employed by such entity as an employee or contractor, and to sanction failure to respond to any such request.

"(D) ACCESS TO INFORMATION CONTAINED IN CERTAIN RECORDS.—To obtain access, subject to safeguards on privacy and information security, and subject to the nonliability of entities that afford such access under this subparagraph, to information contained in the following records (including automated access, in the case of records maintained in automated data bases):

"(i) Records of other State and local government agencies, including—

"(I) vital statistics (including records of marriage, birth, and divorce);

"(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

"(III) records concerning real and titled personal property;

"(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

"(V) employment security records;

"(VI) records of agencies administering public assistance programs;

"(VII) records of the motor vehicle department; and

"(VIII) corrections records.

"(ii) Certain records held by private entities with respect to individuals who owe or are owed support (or against or with respect to whom a support obligation is sought), consisting of—

"(I) the names and addresses of such individuals and the names and addresses of the employers of such individuals, as appearing in customer records of public utilities and cable television companies, pursuant to an administrative subpoena authorized by subparagraph (B); and

"(II) information (including information on assets and liabilities) on such individuals held by financial institutions.

"(E) CHANGE IN PAYEE.—In cases in which support is subject to an assignment in order to comply with a requirement imposed pursuant to part A or section 1912, or to a requirement to pay through the State disbursement unit established pursuant to section 454B, upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

"(F) INCOME WITHHOLDING.—To order income withholding in accordance with subsections (a)(1)(A) and (b) of section 466.

"(G) SECURING ASSETS.—In cases in which there is a support arrearage, to secure assets to satisfy the arrearage by—

"(i) intercepting or seizing periodic or lump-sum payments from—

"(I) a State or local agency, including unemployment compensation, workers' compensation, and other benefits; and

"(II) judgments, settlements, and lotteries;

"(ii) attaching and seizing assets of the obligor held in financial institutions;

"(iii) attaching public and private retirement funds; and

"(iv) imposing liens in accordance with subsection (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

"(H) INCREASE MONTHLY PAYMENTS.—For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages, subject to such conditions or limitations as the State may provide.

Such procedures shall be subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal.

"(2) SUBSTANTIVE AND PROCEDURAL RULES.—The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

"(A) LOCATOR INFORMATION; PRESUMPTIONS CONCERNING NOTICE.—Procedures under which—

"(i) each party to any paternity or child support proceeding is required (subject to privacy safeguards) to file with the tribunal and the State case registry upon entry of an order, and to update as appropriate, information on location and identity of the party, including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and telephone number of employer; and

"(ii) in any subsequent child support enforcement action between the parties, upon sufficient showing that diligent effort has been made to ascertain the location of such a party, the tribunal may deem State due process requirements for notice and service of process to be met with respect to the party, upon delivery of written notice to the most recent residential or employer address filed with the tribunal pursuant to clause (i).

"(B) STATEWIDE JURISDICTION.—Procedures under which—

"(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties; and

"(ii) in a State in which orders are issued by courts or administrative tribunals, a case may be transferred between local jurisdictions in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.

"(3) COORDINATION WITH ERISA.—Notwithstanding subsection (d) of section 514 of the Employee Retirement Income Security Act of 1974 (relating to effect on other laws), nothing in this subsection shall be construed to alter, amend, modify, invalidate, impair, or supersede subsections (a), (b), and (c) of such section 514 as it applies with respect to any procedure referred to in paragraph (1) and any expedited procedure referred to in paragraph (2), except to the extent that such procedure would be consistent with the requirements of section 206(d)(3) of such Act (relating to qualified domestic relations orders) or the requirements of section 609(a) of such Act (relating to qualified medical child support orders) if the reference in such section 206(d)(3) to a domestic relations order and the reference in such section 609(a) to a medical child support order were a reference to a support order referred to in paragraphs (1) and (2) relating to the same matters, respectively.".

(b) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 2344(a)(2) and as amended by sections 2311 and 2312(c) of this Act, is amended by adding at the end the following new subsection:

"(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required by this section shall be used, to the maximum extent feasible, to implement the expedited administrative procedures required by section 466(c).".

Subchapter D—Paternity Establishment

SEC. 2331. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended to read as follows:

"(5) PROCEDURES CONCERNING PATERNITY ESTABLISHMENT.—

"(A) ESTABLISHMENT PROCESS AVAILABLE FROM BIRTH UNTIL AGE 18.—

"(i) Procedures which permit the establishment of the paternity of a child at any time before the child attains 18 years of age.

"(ii) As of August 16, 1984, clause (i) shall also apply to a child for whom paternity has not been established or for whom a paternity action was brought but dismissed because a statute of limitations of less than 18 years was then in effect in the State.

"(B) PROCEDURES CONCERNING GENETIC TESTING.—

"(i) GENETIC TESTING REQUIRED IN CERTAIN CONTESTED CASES.—Procedures under which the State is required, in a contested paternity case (unless otherwise barred by State law) to require the child and all other parties (other than individuals found under section 454(29) to have good cause and other exceptions for refusing to cooperate) to submit to genetic tests upon the request of any such party, if the request is supported by a sworn statement by the party—

"(I) alleging paternity, and setting forth facts establishing a reasonable possibility of the requisite sexual contact between the parties; or

"(II) denying paternity, and setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact between the parties.

"(ii) OTHER REQUIREMENTS.—Procedures which require the State agency, in any case in which the agency orders genetic testing—

"(I) to pay costs of such tests, subject to recoupment (if the State so elects) from the alleged father if paternity is established; and

"(II) to obtain additional testing in any case if an original test result is contested, upon request and advance payment by the contestant.

"(C) VOLUNTARY PATERNITY ACKNOWLEDGMENT.—

"(i) SIMPLE CIVIL PROCESS.—Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the mother and the putative father must be given notice, orally and in writing, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

"(ii) HOSPITAL-BASED PROGRAM.—Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child, unless good cause and other exceptions exist which—

"(I) shall be defined, taking into account the best interests of the child, and

"(II) shall be applied in each case,

by, at the option of the State, the State agency administering the State program under part A, this part, title XV, or title XIX.

"(iii) PATERNITY ESTABLISHMENT SERVICES.—

"(I) STATE-OFFERED SERVICES.—Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

"(II) REGULATIONS.—

"(aa) SERVICES OFFERED BY HOSPITALS AND BIRTH RECORD AGENCIES.—The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies.

"(bb) SERVICES OFFERED BY OTHER ENTITIES.—The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, use the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as the provision of such services is evaluated by, voluntary paternity establishment programs of hospitals and birth record agencies.

"(iv) USE OF PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such procedures must require the State to develop and use an affidavit for the voluntary acknowledgment of paternity which includes the minimum requirements of the affidavit specified by the Secretary under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State according to its procedures.

"(D) STATUS OF SIGNED PATERNITY ACKNOWLEDGMENT.—

"(i) INCLUSION IN BIRTH RECORDS.—Procedures under which the name of the father shall be included on the record of birth of the child of unmarried parents only if—

"(I) the father and mother have signed a voluntary acknowledgment of paternity; or

"(II) a court or an administrative agency of competent jurisdiction has issued an adjudication of paternity.

Nothing in this clause shall preclude a State agency from obtaining an admission of paternity from the father for submission in a judicial or administrative proceeding, or prohibit the issuance of an order in a judicial or administrative proceeding which bases a legal finding of paternity on an admission of paternity by the father and any other additional showing required by State law.

"(ii) LEGAL FINDING OF PATERNITY.—Procedures under which a signed voluntary acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within the earlier of—

"(I) 60 days; or

"(II) the date of an administrative or judicial proceeding relating to the child (including a proceeding to establish a support order) in which the signatory is a party.

"(iii) CONTEST.—Procedures under which, after the 60-day period referred to in clause (ii), a signed voluntary acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown.

"(E) BAR ON ACKNOWLEDGMENT RATIFICATION PROCEEDINGS.—Procedures under which judicial or administrative proceedings are not required or permitted to ratify an unchallenged acknowledgment of paternity.

"(F) ADMISSIBILITY OF GENETIC TESTING RESULTS.—Procedures—

"(i) requiring the admission into evidence, for purposes of establishing paternity, of the results of any genetic test that is—

"(I) of a type generally acknowledged as reliable by accreditation bodies designated by the Secretary; and

"(II) performed by a laboratory approved by such an accreditation body;

"(ii) requiring an objection to genetic testing results to be made in writing not later than a specified number of days before any hearing at which the results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of the results); and

"(iii) making the test results admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy, unless objection is made.

"(G) PRESUMPTION OF PATERNITY IN CERTAIN CASES.—Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability that the alleged father is the father of the child.

"(H) DEFAULT ORDERS.—Procedures requiring a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

"(I) NO RIGHT TO JURY TRIAL.—Procedures providing that the parties to an action to establish paternity are not entitled to a trial by jury.

"(J) TEMPORARY SUPPORT ORDER BASED ON PROBABLE PATERNITY IN CONTESTED CASES.—Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, if there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

"(K) PROOF OF CERTAIN SUPPORT AND PATERNITY ESTABLISHMENT COSTS.—Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services or for testing on behalf of the child.

"(L) STANDING OF PUTATIVE FATHERS.—Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.

"(M) FILING OF ACKNOWLEDGMENTS AND ADJUDICATIONS IN STATE REGISTRY OF BIRTH RECORDS.—Procedures under which voluntary acknowledgments and adjudications of paternity by judicial or administrative processes are filed with the State registry of birth records for comparison with information in the State case registry.".

(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting ", and specify the minimum requirements of an affidavit to be used for the voluntary acknowledgment of paternity which shall include the social security number of each parent and, after consultation with the States, other common elements as determined by such designee" before the semicolon.

(c) CONFORMING AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking "a simple civil process for voluntarily acknowledging paternity and".

SEC. 2332. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

Section 454(23) (42 U.S.C. 654(23)) is amended by inserting "and will publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support by means the State deems appropriate" before the semicolon.

SEC. 2333. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF PART A ASSISTANCE.

Section 454 (42 U.S.C. 654), as amended by sections 2301(b), 2303(a), 2312(a), and 2313(a) of this Act, is amended—

(1) by striking "and" at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting "; and"; and

(3) by inserting after paragraph (28) the following new paragraph:

"(29) provide that the State agency responsible for administering the State plan—

"(A) shall make the determination (and redetermination at appropriate intervals) as to whether an individual who has applied for or is receiving assistance under the State program funded under part A, the State program under title XV, or the State program under title XIX is cooperating in good faith with the State in establishing the paternity of, or in establishing, modifying, or enforcing a support order for, any child of the individual by providing the State agency with the name of, and such other information as the State agency may require with respect to, the noncustodial parent of the child, subject to good cause and other exceptions which—

"(i) shall be defined, taking into account the best interests of the child, and

"(ii) shall be applied in each case,

by, at the option of the State, the State agency administering the State program under part A, this part, title XV, or title XIX;

"(B) shall require the individual to supply additional necessary information and appear at interviews, hearings, and legal proceedings;

"(C) shall require the individual and the child to submit to genetic tests pursuant to judicial or administrative order;

"(D) may request that the individual sign a voluntary acknowledgment of paternity, after notice of the rights and consequences of such an acknowledgment, but may not require the individual to sign an acknowledgment or otherwise relinquish the right to genetic tests as a condition of cooperation and eligibility for assistance under the State program funded under part A, the State program under title XV, or the State program under title XIX; and

"(E) shall promptly notify the individual and the State agency administering the State program funded under part A, the State agency administering the State program under title XV, and the State agency administering the State program under title XIX, of each such determination, and if noncooperation is determined, the basis therefore.".

Subchapter E—Program Administration and Funding

SEC. 2341. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) DEVELOPMENT OF NEW SYSTEM.—The Secretary of Health and Human Services, in consultation with State directors of programs under part D of title IV of the Social Security Act, shall develop a new incentive system to replace, in a revenue neutral manner, the system under section 458 of such Act. The new system shall provide additional payments to any State based on such State's performance under such a program. Not later than November 1, 1996, the Secretary shall report on the new system to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(b) CONFORMING AMENDMENTS TO PRESENT SYSTEM.—Section 458 (42 U.S.C. 658) is amended—

(1) in subsection (a), by striking "aid to families with dependent children under a State plan approved under part A of this title" and inserting "assistance under a program funded under part A";

(2) in subsection (b)(1)(A), by striking "section 402(a)(26)" and inserting "section 408(a)(4)";

(3) in subsections (b) and (c)—

(A) by striking "AFDC collections" each place it appears and inserting "title IV–A collections", and

(B) by striking "non-AFDC collections" each place it appears and inserting "non-title IV–A collections"; and

(4) in subsection (c), by striking "combined AFDC/non-AFDC administrative costs" both places it appears and inserting "combined title IV–A/non-title IV–A administrative costs".

(c) CALCULATION OF PATERNITY ESTABLISHMENT PERCENTAGE.—

(1) Section 452(g)(1)(A) (42 U.S.C. 652(g)(1)(A)) is amended by striking "75" and inserting "90".

(2) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended—

(A) by redesignating subparagraphs (B) through (E) as subparagraphs (C) through (F), respectively, and by inserting after subparagraph (A) the following new subparagraph:

"(B) for a State with a paternity establishment percentage of not less than 75 percent but less than 90 percent for such fiscal year, the paternity establishment percentage of the State for the immediately preceding fiscal year plus 2 percentage points;"; and

(B) by adding at the end the following new flush sentence:

"In determining compliance under this section, a State may use as its paternity establishment percentage either the State's IV–D paternity establishment percentage (as defined in paragraph (2)(A)) or the State's statewide paternity establishment percentage (as defined in paragraph (2)(B)).".

(3) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i)—

(I) by striking "paternity establishment percentage" and inserting "IV–D paternity establishment percentage"; and

(II) by striking "(or all States, as the case may be)"; and

(ii) by striking "and" at the end thereof;

(B) by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

"(B) the term 'statewide paternity establishment percentage' means, with respect to a State for a fiscal year, the ratio (expressed as a percentage) that the total number of minor children—

"(i) who have been born out of wedlock, and

"(ii) the paternity of whom has been established or acknowledged during the fiscal year,

bears to the total number of children born out of wedlock during the preceding fiscal year; and".

(4) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively; and

(B) in subparagraph (A) (as so redesignated), by striking "the percentage of children born out-of-wedlock in a State" and inserting "the percentage of children in a State who are born out of wedlock or for whom support has not been established".

(d) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—

(A) IN GENERAL.—The system developed under subsection (a) and the amendments made by subsection (b) shall become effective on October 1, 1998, except to the extent provided in subparagraph (B).

(B) APPLICATION OF SECTION 458.—Section 458 of the Social Security Act, as in effect on the day before the date of the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years before fiscal year 1999.

(2) PENALTY REDUCTIONS.—The amendments made by subsection (c) shall become effective with respect to calendar quarters beginning on or after the date of the enactment of this Act.

SEC. 2342. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) STATE AGENCY ACTIVITIES.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (14), by striking "(14)" and inserting "(14)(A)";

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the following new paragraph:

"(15) provide for—

"(A) a process for annual reviews of and reports to the Secretary on the State program operated under the State plan approved under this part, including such information as may be necessary to measure State compliance with Federal requirements for expedited procedures, using such standards and procedures as are required by the Secretary, under which the State agency will determine the extent to which the program is operated in compliance with this part; and

"(B) a process of extracting from the automated data processing system required by paragraph (16) and transmitting to the Secretary data and calculations concerning the levels of accomplishment (and rates of improvement) with respect to applicable performance indicators (including paternity establishment percentages) to the extent necessary for purposes of sections 452(g) and 458;".

(b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended to read as follows:

"(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of subsection (g) of this section and section 458;

"(B) review annual reports submitted pursuant to section 454(15)(A) and, as appropriate, provide to the State comments, recommendations for additional or alternative corrective actions, and technical assistance; and

"(C) conduct audits, in accordance with the Government auditing standards of the Comptroller General of the United States—

"(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet the requirements of this part concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data and the accuracy of the reporting systems used in calculating performance indicators under subsection (g) of this section and section 458;

"(ii) of the adequacy of financial management of the State program operated under the State plan approved under this part, including assessments of—

"(I) whether Federal and other funds made available to carry out the State program are being appropriately expended, and are properly and fully accounted for; and

"(II) whether collections and disbursements of support payments are carried out correctly and are fully accounted for; and

"(iii) for such other purposes as the Secretary may find necessary;".

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning 12 months or more after the date of the enactment of this Act.

SEC. 2343. REQUIRED REPORTING PROCEDURES.

(a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting ", and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes) to be applied in following such procedures" before the semicolon.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 2301(b), 2303(a), 2312(a), 2313(a), and 2333 of this Act, is amended—

(1) by striking "and" at the end of paragraph (28);

(2) by striking the period at the end of paragraph (29) and inserting "; and"; and

(3) by adding after paragraph (29) the following new paragraph:

"(30) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.".

SEC. 2344. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

(1) IN GENERAL.—Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking ", at the option of the State,";

(B) by inserting "and operation by the State agency" after "for the establishment";

(C) by inserting "meeting the requirements of section 454A" after "information retrieval system";

(D) by striking "in the State and localities thereof, so as (A)" and inserting "so as";

(E) by striking "(i)"; and

(F) by striking "(including" and all that follows and inserting a semicolon.

(2) AUTOMATED DATA PROCESSING.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 454 the following new section:

"SEC. 454A. AUTOMATED DATA PROCESSING.

"(a) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency administering the State program under this part shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section with the frequency and in the manner required by or under this part.

"(b) PROGRAM MANAGEMENT.—The automated system required by this section shall perform such functions as the Secretary may specify relating to management of the State program under this part, including—

"(1) controlling and accounting for use of Federal, State, and local funds in carrying out the program; and

"(2) maintaining the data necessary to meet Federal reporting requirements under this part on a timely basis.

"(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive payments and penalty adjustments required by sections 452(g) and 458, the State agency shall—

“(1) use the automated system—

“(A) to maintain the requisite data on State performance with respect to paternity establishment and child support enforcement in the State; and

“(B) to calculate the paternity establishment percentage for the State for each fiscal year; and

“(2) have in place systems controls to ensure the completeness and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

“(d) INFORMATION INTEGRITY AND SECURITY.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required by this section, which shall include the following (in addition to such other safeguards as the Secretary may specify in regulations):

“(1) POLICIES RESTRICTING ACCESS.—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

“(A) permit access to and use of data only to the extent necessary to carry out the State program under this part; and

“(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data.

“(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies described in paragraph (1).

“(3) MONITORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

“(4) TRAINING AND INFORMATION.—Procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use confidential program data are informed of applicable requirements and penalties (including those in section 6103 of the Internal Revenue Code of 1986), and are adequately trained in security procedures.

“(5) PENALTIES.—Administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.”.

(3) REGULATIONS.—The Secretary of Health and Human Services shall prescribe final regulations for implementation of section 454A of the Social Security Act not later than 2 years after the date of the enactment of this Act.

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by section 2303(a)(1) of this Act, is amended to read as follows:

“(24) provide that the State will have in effect an automated data processing and information retrieval system—

“(A) by October 1, 1997, which meets all requirements of this part which were enacted on or before the date of enactment of the Family Support Act of 1988, and

“(B) by October 1, 2000, which meets all requirements of this part enacted on or before the date of the enactment of the Personal Responsibility and Work Opportunity Act of 1996, except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 2344(a)(3) of the Personal Responsibility and Work Opportunity Act of 1996;”.

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—

(1) IN GENERAL.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(A) in paragraph (1)(B)—

(i) by striking “90 percent” and inserting “the percent specified in paragraph (3)”;

(ii) by striking “so much of”; and

(iii) by striking “which the Secretary” and all that follows and inserting “, and”; and

(B) by adding at the end the following new paragraph:

“(3)(A) The Secretary shall pay to each State, for each quarter in fiscal years 1996 and 1997, 90 percent of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16) (as in effect on September 30, 1995) but limited to the amount approved for States in the advance planning documents of such States submitted on or before September 30, 1995. Notwithstanding the preceding sentence, any payment to a State with respect to fiscal year 1997 shall be made in one payment in fiscal year 1998.

“(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1996 through 2001, the percentage specified in clause (ii) of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements of sections 454(16) and 454A.

“(ii) The percentage specified in this clause is 80 percent.”.

(2) TEMPORARY LIMITATION ON PAYMENTS UNDER SPECIAL FEDERAL MATCHING RATE.—

(A) IN GENERAL.—The Secretary of Health and Human Services may not pay more than $400,000,000 in the aggregate under section 455(a)(3)(B) of the Social Security Act for fiscal years 1996 through 2001.

(B) ALLOCATION OF LIMITATION AMONG STATES.—The total amount payable to a State under section 455(a)(3)(B) of such Act for fiscal years 1996 through 2001 shall not exceed the limitation determined for the State by the Secretary of Health and Human Services in regulations.

(C) ALLOCATION FORMULA.—The regulations referred to in subparagraph (B) shall prescribe a formula for allocating the amount specified in subparagraph (A) among States with plans approved under part D of title IV of the Social Security Act, which shall take into account—

(i) the relative size of State caseloads under such part; and

(ii) the level of automation needed to meet the automated data processing requirements of such part.

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100-485) is repealed.

SEC. 2345. TECHNICAL ASSISTANCE.

(a) FOR TRAINING OF FEDERAL AND STATE STAFF, RESEARCH AND DEMONSTRATION PROGRAMS, AND SPECIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following new subsection:

“(j) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year (beginning with fiscal year 1998) an amount equal to 1 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for—

“(1) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs under this part (including technical assistance concerning State automated systems required by this part); and

“(2) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part.

The amount appropriated under this subsection shall remain available until expended.”.

(b) OPERATION OF FEDERAL PARENT LOCATOR SERVICE.—Section 453 (42 U.S.C. 653), as amended by section 2316 of this Act, is amended by adding at the end the following new subsection:

“(o) RECOVERY OF COSTS.—Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 2 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for operation of the Federal Parent Locator Service under this section, to the extent such costs are not recovered through user fees.”.

SEC. 2346. REPORTS AND DATA COLLECTION BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—

(1) Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking “this part;” and inserting “this part, including—”; and

(B) by adding at the end the following new clauses:

“(i) the total amount of child support payments collected as a result of services furnished during the fiscal year to individuals receiving services under this part;

“(ii) the cost to the States and to the Federal Government of so furnishing the services; and

“(iii) the number of cases involving families—

“(I) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year; and

“(II) with respect to whom a child support payment was received in the month;”.

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i)—

(i) by striking “with the data required under each clause being separately stated for cases” and inserting “separately stated for cases”;

(ii) by striking “cases where the child was formerly receiving” and inserting “or formerly received”;

(iii) by inserting “or 1912” after “471(a)(17)”; and

(iv) by inserting “for” before “all other”;

(B) in each of clauses (i) and (ii), by striking “, and the total amount of such obligations”;

(C) in clause (iii), by striking “described in” and all that follows and inserting “in which support was collected during the fiscal year;”;

(D) by striking clause (iv); and

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following new clauses:

"(iv) the total amount of support collected during such fiscal year and distributed as current support;

"(v) the total amount of support collected during such fiscal year and distributed as arrearages;

"(vi) the total amount of support due and unpaid for all fiscal years; and".

(3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking "on the use of Federal courts and".

(4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended—

(A) in subparagraph (H), by striking "and";

(B) in subparagraph (I), by striking the period and inserting "; and"; and

(C) by inserting after subparagraph (I) the following new subparagraph:

"(J) compliance, by State, with the standards established pursuant to subsections (h) and (i).".

(5) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (J), as added by paragraph (4).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to fiscal year 1997 and succeeding fiscal years.

Subchapter F—Establishment and Modification of Support Orders

SEC. 2351. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

"(10) REVIEW AND ADJUSTMENT OF SUPPORT ORDERS UPON REQUEST.—Procedures under which the State shall review and adjust each support order being enforced under this part if there is an assignment under part A or upon the request of either parent, and may review and adjust any other support order being enforced under this part. Such procedures shall provide the following:

"(A) IN GENERAL.—

"(i) 3-YEAR CYCLE.—Except as provided in subparagraphs (B) and (C), the State shall review and, as appropriate, adjust the support order every 3 years, taking into account the best interests of the child involved.

"(ii) METHODS OF ADJUSTMENT.—The State may elect to review and, if appropriate, adjust an order pursuant to clause (i) by—

"(I) reviewing and, if appropriate, adjusting the order in accordance with the guidelines established pursuant to section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with the guidelines; or

"(II) applying a cost-of-living adjustment to the order in accordance with a formula developed by the State and permit either party to contest the adjustment, within 30 days after the date of the notice of the adjustment, by making a request for review and, if appropriate, adjustment of the order in accordance with the child support guidelines established pursuant to section 467(a).

"(iii) NO PROOF OF CHANGE IN CIRCUMSTANCES NECESSARY.—Any adjustment under this subparagraph (A) shall be made without a requirement for proof or showing of a change in circumstances.

"(B) AUTOMATED METHOD.—The State may use automated methods (including automated comparisons with wage or State income tax data) to identify orders eligible for review, conduct the review, identify orders eligible for adjustment, and apply the appropriate adjustment to the orders eligible for adjustment under the threshold established by the State.

"(C) REQUEST UPON SUBSTANTIAL CHANGE IN CIRCUMSTANCES.—The State shall, at the request of either parent subject to such an order or of any State child support enforcement agency, review and, if appropriate, adjust the order in accordance with the guidelines established pursuant to section 467(a) based upon a substantial change in the circumstances of either parent.

"(D) NOTICE OF RIGHT TO REVIEW.—The State shall provide notice not less than once every 3 years to the parents subject to such an order informing them of their right to request the State to review and, if appropriate, adjust the order pursuant to this paragraph. The notice may be included in the order.".

SEC. 2352. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT.

Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended by adding at the end the following new paragraphs:

"(4) In response to a request by the head of a State or local child support enforcement agency (or a State or local government official authorized by the head of such an agency), if the person making the request certifies to the consumer reporting agency that—

"(A) the consumer report is needed for the purpose of establishing an individual's capacity to make child support payments or determining the appropriate level of such payments;

"(B) the paternity of the consumer for the child to which the obligation relates has been established or acknowledged by the consumer in accordance with State laws under which the obligation arises (if required by those laws);

"(C) the person has provided at least 10 days' prior notice to the consumer whose report is requested, by certified or registered mail to the last known address of the consumer, that the report will be requested; and

"(D) the consumer report will be kept confidential, will be used solely for a purpose described in subparagraph (A), and will not be used in connection with any other civil, administrative, or criminal proceeding, or for any other purpose.

"(5) To an agency administering a State plan under section 454 of the Social Security Act (42 U.S.C. 654) for use to set an initial or modified child support award.".

SEC. 2353. NONLIABILITY FOR FINANCIAL INSTITUTIONS PROVIDING FINANCIAL RECORDS TO STATE CHILD SUPPORT ENFORCEMENT AGENCIES IN CHILD SUPPORT CASES.

Part D of title IV (42 U.S.C. 651–669) is amended by adding at the end the following:

"SEC. 469A. NONLIABILITY FOR FINANCIAL INSTITUTIONS PROVIDING FINANCIAL RECORDS TO STATE CHILD SUPPORT ENFORCEMENT AGENCIES IN CHILD SUPPORT CASES.

"(a) IN GENERAL.—Notwithstanding any other provision of Federal or State law, a financial institution shall not be liable under any Federal or State law to any person for disclosing any financial record of an individual to a State child support enforcement agency attempting to establish, modify, or enforce a child support obligation of such individual.

"(b) PROHIBITION OF DISCLOSURE OF FINANCIAL RECORD OBTAINED BY STATE CHILD SUPPORT ENFORCEMENT AGENCY.—A State child support enforcement agency which obtains a financial record of an individual from a financial institution pursuant to subsection (a) may disclose such financial record only for the purpose of, and to the extent necessary in, establishing, modifying, or enforcing a child support obligation of such individual.

"(c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLOSURE.—

"(1) DISCLOSURE BY STATE OFFICER OR EMPLOYEE.—If any person knowingly, or by reason of negligence, discloses a financial record of an individual in violation of subsection (b), such individual may bring a civil action for damages against such person in a district court of the United States.

"(2) NO LIABILITY FOR GOOD FAITH BUT ERRONEOUS INTERPRETATION.—No liability shall arise under this subsection with respect to any disclosure which results from a good faith, but erroneous, interpretation of subsection (b).

"(3) DAMAGES.—In any action brought under paragraph (1), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the sum of—

"(A) the greater of—

"(i) $1,000 for each act of unauthorized disclosure of a financial record with respect to which such defendant is found liable; or

"(ii) the sum of—

"(I) the actual damages sustained by the plaintiff as a result of such unauthorized disclosure; plus

"(II) in the case of a willful disclosure or a disclosure which is the result of gross negligence, punitive damages; plus

"(B) the costs (including attorney's fees) of the action.

"(d) DEFINITIONS.—For purposes of this section—

"(1) FINANCIAL INSTITUTION.—The term 'financial institution' means—

"(A) a depository institution, as defined in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c));

"(B) an institution-affiliated party, as defined in section 3(u) of such Act (12 U.S.C. 1813(u));

"(C) any Federal credit union or State credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752), including an institution-affiliated party of such a credit union, as defined in section 206(r) of such Act (12 U.S.C. 1786(r)); and

"(D) any benefit association, insurance company, safe deposit company, money-market mutual fund, or similar entity authorized to do business in the State.

"(2) FINANCIAL RECORD.—The term 'financial record' has the meaning given such term in section 1101 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401).".

Subchapter G—Enforcement of Support Orders

SEC. 2361. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES.

(a) COLLECTION OF FEES.—Section 6305(a) of the Internal Revenue Code of 1986 (relating to collection of certain liability) is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting ", and";

(3) by adding at the end the following new paragraph:

"(5) no additional fee may be assessed for adjustments to an amount previously certified pursuant to such section 452(b) with respect to the same obligor."; and

(4) by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Secretary of Health and Human Services".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1997.

SEC. 2362. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—Section 459 (42 U.S.C. 659) is amended to read as follows:

"SEC. 459. CONSENT BY THE UNITED STATES TO INCOME WITHHOLDING, GARNISHMENT, AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS.

"(a) CONSENT TO SUPPORT ENFORCEMENT.—Notwithstanding any other provision of law (including section 207 of this Act and section 5301 of title 38, United States Code), effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States or the District of Columbia (including any agency, subdivision, or instrumentality thereof) to any individual, including members of the Armed Forces of the United States, shall be subject, in like manner and to the same extent as if the United States or the District of Columbia were a private person, to withholding in accordance with State law enacted pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary under such subsections, and to any other legal process brought, by a State agency administering a program under a State plan approved under this part or by an individual obligee, to enforce the legal obligation of the individual to provide child support or alimony.

"(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE PERSON.—With respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or any other order or process to enforce support obligations against an individual (if the order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), each governmental entity specified in subsection (a) shall be subject to the same requirements as would apply if the entity were a private person, except as otherwise provided in this section.

"(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS—

"(1) DESIGNATION OF AGENT.—The head of each agency subject to this section shall—

"(A) designate an agent or agents to receive orders and accept service of process in matters relating to child support or alimony; and

"(B) annually publish in the Federal Register the designation of the agent or agents, identified by title or position, mailing address, and telephone number.

"(2) RESPONSE TO NOTICE OR PROCESS.—If an agent designated pursuant to paragraph (1) of this subsection receives notice pursuant to State procedures in effect pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatory, with respect to an individual's child support or alimony payment obligations, the agent shall—

"(A) as soon as possible (but not later than 15 days) thereafter, send written notice of the notice or service (together with a copy of the notice or service) to the individual at the duty station or last-known home address of the individual;

"(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to such State procedures, comply with all applicable provisions of section 466; and

"(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatory, respond to the order, process, or interrogatory.

"(d) PRIORITY OF CLAIMS.—If a governmental entity specified in subsection (a) receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than 1 person—

"(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

"(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by section 466(b) and the regulations prescribed under such section; and

"(3) such moneys as remain after compliance with paragraphs (1) and (2) shall be available to satisfy any other such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.

"(e) NO REQUIREMENT TO VARY PAY CYCLES.—A governmental entity that is affected by legal process served for the enforcement of an individual's child support or alimony payment obligations shall not be required to vary its normal pay and disbursement cycle in order to comply with the legal process.

"(f) RELIEF FROM LIABILITY.—

"(1) Neither the United States, nor the government of the District of Columbia, nor any disbursing officer shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if the payment is made in accordance with this section and the regulations issued to carry out this section.

"(2) No Federal employee whose duties include taking actions necessary to comply with the requirements of subsection (a) with regard to any individual shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by the employee in connection with the carrying out of such actions.

"(g) REGULATIONS.—Authority to promulgate regulations for the implementation of this section shall, insofar as this section applies to moneys due from (or payable by)—

"(1) the United States (other than the legislative or judicial branches of the Federal Government) or the government of the District of Columbia, be vested in the President (or the designee of the President);

"(2) the legislative branch of the Federal Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

"(3) the judicial branch of the Federal Government, be vested in the Chief Justice of the United States (or the designee of the Chief Justice).

"(h) MONEYS SUBJECT TO PROCESS.—

"(1) IN GENERAL.—Subject to paragraph (2), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

"(A) consist of—

"(i) compensation paid or payable for personal services of the individual, whether the compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

"(ii) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

"(I) under the insurance system established by title II;

"(II) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

"(III) as compensation for death under any Federal program;

"(IV) under any Federal program established to provide 'black lung' benefits; or

"(V) by the Secretary of Veterans Affairs as compensation for a service-connected disability paid by the Secretary to a former member of the Armed Forces who is in receipt of retired or retainer pay if the former member has waived a portion of the retired or retainer pay in order to receive such compensation; and

"(iii) worker's compensation benefits paid under Federal or State law but

"(B) do not include any payment—

"(i) by way of reimbursement or otherwise, to defray expenses incurred by the individual in carrying out duties associated with the employment of the individual; or

"(ii) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.

"(2) CERTAIN AMOUNTS EXCLUDED.—In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

"(A) are owed by the individual to the United States;

"(B) are required by law to be, and are, deducted from the remuneration or other payment involved, including Federal employment taxes, and fines and forfeitures ordered by court-martial;

"(C) are properly withheld for Federal, State, or local income tax purposes, if the withholding of the amounts is authorized or required by law and if amounts withheld are not greater than would be the case if the individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1986 may be permitted only when the individual presents evidence of a tax obligation which supports the additional withholding);

"(D) are deducted as health insurance premiums;

"(E) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

"(F) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

"(i) DEFINITIONS.—For purposes of this section—

"(1) UNITED STATES.—The term 'United States' includes any department, agency, or instrumentality of the legislative, judicial, or executive branch of the Federal Government, the United States Postal Service, the Postal Rate Commission, any Federal corporation created by an Act of Congress that is wholly owned by the Federal Government, and the governments of the territories and possessions of the United States.

"(2) CHILD SUPPORT.—The term 'child support', when used in reference to the legal obligations of an individual to provide such support, means amounts required to be paid under a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages or reimbursement, and which may include other related costs and fees, interest and penalties, income withholding, attorney's fees, and other relief.

"(3) Alimony.—

"(A) In general.—The term 'alimony', when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of the individual, and (subject to and in accordance with State law) includes separate maintenance, alimony pendente lite, maintenance, and spousal support, and includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

"(B) Exceptions.—Such term does not include—

"(i) any child support; or

"(ii) any payment or transfer of property or its value by an individual to the spouse or a former spouse of the individual in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

"(4) Private person.—The term 'private person' means a person who does not have sovereign or other special immunity or privilege which causes the person not to be subject to legal process.

"(5) Legal process.—The term 'legal process' means any writ, order, summons, or other similar process in the nature of garnishment—

"(A) which is issued by—

"(i) a court or an administrative agency of competent jurisdiction in any State, territory, or possession of the United States;

"(ii) a court or an administrative agency of competent jurisdiction in any foreign country with which the United States has entered into an agreement which requires the United States to honor the process; or

"(iii) an authorized official pursuant to an order of such a court or an administrative agency of competent jurisdiction or pursuant to State or local law; and

"(B) which is directed to, and the purpose of which is to compel, a governmental entity which holds moneys which are otherwise payable to an individual to make a payment from the moneys to another party in order to satisfy a legal obligation of the individual to provide child support or make alimony payments.".

(b) Conforming Amendments.—

(1) To part D of title IV.—Sections 461 and 462 (42 U.S.C. 661 and 662) are repealed.

(2) To title 5, United States Code.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking "sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)" and inserting "section 459 of the Social Security Act (42 U.S.C. 659)".

(c) Military Retired and Retainer Pay.—

(1) Definition of court.—Section 1408(a)(1) of title 10, United States Code, is amended—

(A) by striking "and" at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting "; and"; and

(C) by adding after subparagraph (C) the following new subparagraph:

"(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a program under a State plan approved under part D of title IV of the Social Security Act), and, for purposes of this subparagraph, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.".

(2) Definition of court order.—Section 1408(a)(2) of such title is amended—

(A) by inserting "or a support order, as defined in section 453(p) of the Social Security Act (42 U.S.C. 653(p))," before "which—";

(B) in subparagraph (B)(i), by striking "(as defined in section 462(b) of the Social Security Act (42 U.S.C. 662(b)))" and inserting "(as defined in section 459(i)(2) of the Social Security Act (42 U.S.C. 659(i)(2)))"; and

(C) in subparagraph (B)(ii), by striking "(as defined in section 462(c) of the Social Security Act (42 U.S.C. 662(c)))" and inserting "(as defined in section 459(i)(3) of the Social Security Act (42 U.S.C. 659(i)(3)))".

(3) Public payee.—Section 1408(d) of such title is amended—

(A) in the heading, by inserting "(or for Benefit of)" before "Spouse or"; and

(B) in paragraph (1), in the 1st sentence, by inserting "(or for the benefit of such spouse or former spouse to a State disbursement unit established pursuant to section 454B of the Social Security Act or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)" before "in an amount sufficient".

(4) Relationship to part D of title IV.—Section 1408 of such title is amended by adding at the end the following new subsection:

"(j) Relationship to Other Laws.—In any case involving an order providing for payment of child support (as defined in section 459(i)(2) of the Social Security Act) by a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of such Act.".

(d) Effective Date.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 2363. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) Availability of Locator Information.—

(1) Maintenance of address information.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) Type of address.—

(A) Residential address.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) Duty address.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be disclosed due to national security or safety concerns.

(3) Updating of locator information.—Within 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) Availability of information.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service established under section 453 of the Social Security Act.

(b) Facilitating Granting of Leave for Attendance at Hearings.—

(1) Regulations.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted.

(2) Covered hearings.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

(3) Definitions.—For purposes of this subsection—

(A) The term "court" has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term "child support" has the meaning given such term in section 459(i) of the Social Security Act (42 U.S.C. 659(i)).

(c) Payment of Military Retired Pay in Compliance With Child Support Orders.—

(1) Date of certification of court order.—Section 1408 of title 10, United States Code, as amended by section 2362(c)(4) of this Act, is amended—

(A) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively; and

(B) by inserting after subsection (h) the following new subsection:

"(i) Certification Date.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary.".

(2) Payments consistent with assignments of rights to States.—Section 1408(d)(1) of such title is amended by inserting after the 1st sentence the following new sentence: "In the case of a spouse or former spouse who, pursuant to section 408(a)(4) of the Social Security Act (42 U.S.C. 608(a)(4)), assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding

sentence to that State in amounts consistent with that assignment of rights.".

(3) ARREARAGES OWED BY MEMBERS OF THE UNIFORMED SERVICES.—Section 1408(d) of such title is amended by adding at the end the following new paragraph:

"(6) In the case of a court order for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which provides for payments from the disposable retired pay of a member to satisfy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisfy the amount of child support set forth in a court order shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.".

(4) PAYROLL DEDUCTIONS.—The Secretary of Defense shall begin payroll deductions within 30 days after receiving notice of withholding, or for the 1st pay period that begins after such 30-day period.

SEC. 2364. VOIDING OF FRAUDULENT TRANSFERS.

Section 466 (42 U.S.C. 666), as amended by section 2321 of this Act, is amended by adding at the end the following new subsection:

"(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In order to satisfy section 454(20)(A), each State must have in effect—

"(1)(A) the Uniform Fraudulent Conveyance Act of 1981;

"(B) the Uniform Fraudulent Transfer Act of 1984; or

"(C) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

"(2) procedures under which, in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

"(A) seek to void such transfer; or

"(B) obtain a settlement in the best interests of the child support creditor.".

SEC. 2365. WORK REQUIREMENT FOR PERSONS OWING PAST-DUE CHILD SUPPORT.

(a) IN GENERAL.—Section 466(a) (42 U.S.C. 666(a)), as amended by sections 2315, 2317(a), and 2323 of this Act, is amended by inserting after paragraph (14) the following new paragraph:

"(15) PROCEDURES TO ENSURE THAT PERSONS OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN FOR PAYMENT OF SUCH SUPPORT.—

"(A) IN GENERAL.—Procedures under which the State has the authority, in any case in which an individual owes past-due support with respect to a child receiving assistance under a State program funded under part A, to issue an order or to request that a court or an administrative process established pursuant to State law issue an order that requires the individual to—

"(i) pay such support in accordance with a plan approved by the court, or, at the option of the State, a plan approved by the State agency administering the State program under this part; or

"(ii) if the individual is subject to such a plan and is not incapacitated, participate in such work activities (as defined in section 407(d)) as the court, or, at the option of the State, the State agency administering the State program under this part, deems appropriate.

"(B) PAST-DUE SUPPORT DEFINED.—For purposes of subparagraph (A), the term 'past-due support' means the amount of a delinquency, determined under a court order, or an order of an administrative process established under State law, for support and maintenance of a child, or of a child and the parent with whom the child is living.".

(b) CONFORMING AMENDMENT.—The flush paragraph at the end of section 466(a) (42 U.S.C. 666(a)) is amended by striking "and (7)" and inserting "(7), and (15)".

SEC. 2366. DEFINITION OF SUPPORT ORDER.

Section 453 (42 U.S.C. 653) as amended by sections 2316 and 2345(b) of this Act, is amended by adding at the end the following new subsection:

"(p) SUPPORT ORDER DEFINED.—As used in this part, the term 'support order' means a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages, or reimbursement, and which may include related costs and fees, interest and penalties, income withholding, attorneys' fees, and other relief.".

SEC. 2367. REPORTING ARREARAGES TO CREDIT BUREAUS.

Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read as follows:

"(7) REPORTING ARREARAGES TO CREDIT BUREAUS.—

"(A) IN GENERAL.—Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any noncustodial parent who is delinquent in the payment of support, and the amount of overdue support owed by such parent.

"(B) SAFEGUARDS.—Procedures ensuring that, in carrying out subparagraph (A), information with respect to a noncustodial parent is reported—

"(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

"(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency (as so defined).".

SEC. 2368. LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended to read as follows:

"(4) LIENS.—Procedures under which—

"(A) liens arise by operation of law against real and personal property for amounts of overdue support owed by a noncustodial parent who resides or owns property in the State; and

"(B) the State accords full faith and credit to liens described in subparagraph (A) arising in another State, when the State agency, party, or other entity seeking to enforce such a lien complies with the procedural rules relating to recording or serving liens that arise within the State, except that such rules may not require judicial notice or hearing prior to the enforcement of such a lien.".

SEC. 2369. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 2315, 2317(a), 2323, and 2365 of this Act, is amended by inserting after paragraph (15) the following:

"(16) AUTHORITY TO WITHHOLD OR SUSPEND LICENSES.—Procedures under which the State has (and uses in appropriate cases) authority to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.".

SEC. 2370. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.

(a) HHS CERTIFICATION PROCEDURE.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652), as amended by section 2345 of this Act, is amended by adding at the end the following new subsection:

"(k)(1) If the Secretary receives a certification by a State agency in accordance with the requirements of section 454(31) that an individual owes arrearages of child support in an amount exceeding $5,000, the Secretary shall transmit such certification to the Secretary of State for action (with respect to denial, revocation, or limitation of passports) pursuant to paragraph (2).

"(2) The Secretary of State shall, upon certification by the Secretary transmitted under paragraph (1), refuse to issue a passport to such individual, and may revoke, restrict, or limit a passport issued previously to such individual.

"(3) The Secretary and the Secretary of State shall not be liable to an individual for any action with respect to a certification by a State agency under this section.".

(2) STATE AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by sections 2301(b), 2303(a), 2312(b), 2313(a), 2333, and 2343(b) of this Act, is amended—

(A) by striking "and" at the end of paragraph (29);

(B) by striking the period at the end of paragraph (30) and inserting "; and"; and

(C) by adding after paragraph (30) the following new paragraph:

"(31) provide that the State agency will have in effect a procedure for certifying to the Secretary, for purposes of the procedure under section 452(k), determinations that individuals owe arrearages of child support in an amount exceeding $5,000, under which procedure—

"(A) each individual concerned is afforded notice of such determination and the consequences thereof, and an opportunity to contest the determination; and

"(B) the certification by the State agency is furnished to the Secretary in such format, and accompanied by such supporting documentation, as the Secretary may require.".

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective October 1, 1997.

SEC. 2371. INTERNATIONAL SUPPORT ENFORCEMENT.

(a) AUTHORITY FOR INTERNATIONAL AGREEMENTS.—Part D of title IV, as amended by section 2362(a) of this Act, is amended by adding after section 459 the following new section:

"SEC. 459A. INTERNATIONAL SUPPORT ENFORCEMENT.

"(a) AUTHORITY FOR DECLARATIONS.—

"(1) DECLARATION.—The Secretary of State, with the concurrence of the Secretary of Health and Human Services, is authorized to declare any foreign country (or a political subdivision thereof) to be a foreign reciprocating country if the foreign country has established, or undertakes to establish, procedures for the establishment and enforcement of duties of support owed to obligees who are residents of the United States, and such procedures are substantially in conformity with the standards prescribed under subsection (b).

"(2) REVOCATION.—A declaration with respect to a foreign country made pursuant to paragraph (1) may be revoked if the Secretaries of State and Health and Human Services determine that—

"(A) the procedures established by the foreign country regarding the establishment and enforcement of duties of support have been so changed, or the foreign country's implementation of such procedures is so unsatisfactory, that such procedures do not meet the criteria for such a declaration; or

"(B) continued operation of the declaration is not consistent with the purposes of this part.

"(3) FORM OF DECLARATION.—A declaration under paragraph (1) may be made in the form of an international agreement, in connection with an international agreement or corresponding foreign declaration, or on a unilateral basis.

"(b) STANDARDS FOR FOREIGN SUPPORT ENFORCEMENT PROCEDURES.—

"(1) MANDATORY ELEMENTS.—Support enforcement procedures of a foreign country which may be the subject of a declaration pursuant to subsection (a)(1) shall include the following elements:

"(A) The foreign country (or political subdivision thereof) has in effect procedures, available to residents of the United States—

"(i) for establishment of paternity, and for establishment of orders of support for children and custodial parents; and

"(ii) for enforcement of orders to provide support to children and custodial parents, including procedures for collection and appropriate distribution of support payments under such orders.

"(B) The procedures described in subparagraph (A), including legal and administrative assistance, are provided to residents of the United States at no cost.

"(C) An agency of the foreign country is designated as a Central Authority responsible for—

"(i) facilitating support enforcement in cases involving residents of the foreign country and residents of the United States; and

"(ii) ensuring compliance with the standards established pursuant to this subsection.

"(2) ADDITIONAL ELEMENTS.—The Secretary of Health and Human Services and the Secretary of State, in consultation with the States, may establish such additional standards as may be considered necessary to further the purposes of this section.

"(c) DESIGNATION OF UNITED STATES CENTRAL AUTHORITY.—It shall be the responsibility of the Secretary of Health and Human Services to facilitate support enforcement in cases involving residents of the United States and residents of foreign countries that are the subject of a declaration under this section, by activities including—

"(1) development of uniform forms and procedures for use in such cases;

"(2) notification of foreign reciprocating countries of the State of residence of individuals sought for support enforcement purposes, on the basis of information provided by the Federal Parent Locator Service; and

"(3) such other oversight, assistance, and coordination activities as the Secretary may find necessary and appropriate.

"(d) EFFECT ON OTHER LAWS.—States may enter into reciprocal arrangements for the establishment and enforcement of support obligations with foreign countries that are not the subject of a declaration pursuant to subsection (a), to the extent consistent with Federal law.".

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 2301(b), 2303(a), 2312(b), 2313(a), 2333, 2343(b), and 2370(a)(2) of this Act, is amended—

(1) by striking "and" at the end of paragraph (30);

(2) by striking the period at the end of paragraph (31) and inserting "; and"; and

(3) by adding after paragraph (31) the following new paragraph:

"(32)(A) provide that any request for services under this part by a foreign reciprocating country or a foreign country with which the State has an arrangement described in section 459A(d)(2) shall be treated as a request by a State;

"(B) provide, at State option, notwithstanding paragraph (4) or any other provision of this part, for services under the plan for enforcement of a spousal support order not described in paragraph (4)(B) entered by such a country (or subdivision); and

"(C) provide that no applications will be required from, and no costs will be assessed for such services against, the foreign reciprocating country or foreign obligee (but costs may at State option be assessed against the obligor).".

SEC. 2372. FINANCIAL INSTITUTION DATA MATCHES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 2315, 2317(a), 2323, 2365, and 2369 of this Act, is amended by inserting after paragraph (16) the following new paragraph:

"(17) FINANCIAL INSTITUTION DATA MATCHES.—

"(A) IN GENERAL.—Procedures under which the State agency shall enter into agreements with financial institutions doing business in the State—

"(i) to develop and operate, in coordination with such financial institutions, a data match system, using automated data exchanges to the maximum extent feasible, in which each such financial institution is required to provide for each calendar quarter the name, record address, social security number or other taxpayer identification number, and other identifying information for each noncustodial parent who maintains an account at such institution and who owes past-due support, as identified by the State by name and social security number or other taxpayer identification number; and

"(ii) in response to a notice of lien or levy, encumber or surrender, as the case may be, assets held by such institution on behalf of any noncustodial parent who is subject to a child support lien pursuant to paragraph (4).

"(B) REASONABLE FEES.—The State agency may pay a reasonable fee to a financial institution for conducting the data match provided for in subparagraph (A)(i), not to exceed the actual costs incurred by such financial institution.

"(C) LIABILITY.—A financial institution shall not be liable under any Federal or State law to any person—

"(i) for any disclosure of information to the State agency under subparagraph (A)(i);

"(ii) for encumbering or surrendering any assets held by such financial institution in response to a notice of lien or levy issued by the State agency as provided for in subparagraph (A)(ii); or

"(iii) for any other action taken in good faith to comply with the requirements of subparagraph (A).

"(D) DEFINITIONS.—For purposes of this paragraph—

"(i) FINANCIAL INSTITUTION.—The term 'financial institution' has the meaning given to such term by section 469A(d)(1).

"(ii) ACCOUNT.—The term 'account' means a demand deposit account, checking or negotiable withdrawal order account, savings account, time deposit account, or money-market mutual fund account.".

SEC. 2373. ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS IN CASES OF MINOR PARENTS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 2315, 2317(a), 2323, 2365, 2369, and 2372 of this Act, is amended by inserting after paragraph (17) the following new paragraph:

"(18) ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS.—Procedures under which, at the State's option, any child support order enforced under this part with respect to a child of minor parents, if the custodial parent of such child is receiving assistance under the State program under part A, shall be enforceable, jointly and severally, against the parents of the noncustodial parent of such child.".

SEC. 2374. NONDISCHARGEABILITY IN BANKRUPTCY OF CERTAIN DEBTS FOR THE SUPPORT OF A CHILD.

(a) AMENDMENT TO TITLE 11 OF THE UNITED STATES CODE.—Section 523(a) of title 11, United States Code, is amended—

(1) by striking "or" at the end of paragraph (16);

(2) by striking the period at the end of paragraph (17) and inserting "; or";

(3) by adding at the end the following:

"(18) owed under State law to a State or municipality that is—

"(A) in the nature of support, and

"(B) enforceable under part D of title IV of the Social Security Act (42 U.S.C. 601 et seq.).", and

(3) in paragraph (5), by striking "section 402(a)(26)" and inserting "section 408(a)(4)".

(b) AMENDMENT TO THE SOCIAL SECURITY ACT.—Section 456(b) (42 U.S.C. 656(b)) is amended to read as follows:

"(b) NONDISCHARGEABILITY.—A debt (as defined in section 101 of title 11 of the United States Code) owed under State law to a State (as defined in such section) or municipality (as defined in such section) that is in the nature of support and that is enforceable under this part is not released by a discharge in bankruptcy under title 11 of the United States Code.".

(c) APPLICATION OF AMENDMENTS.—The amendments made by this section shall apply only with respect to cases commenced under title 11 of the United States Code after the date of the enactment of this Act.

SEC. 2375. CHILD SUPPORT ENFORCEMENT FOR INDIAN TRIBES.

(a) CHILD SUPPORT ENFORCEMENT AGREEMENTS.—Section 454 (42 U.S.C. 654), as amended by sections 2301(b), 2303(a), 2312(b), 2313(a), 2333, 2343(b), 2370(a)(2), and 2371(b) of this Act is amended—

(1) by striking "and" at the end of paragraph (31);

(2) by striking the period at the end of paragraph (32) and inserting "; and";

(3) by adding after paragraph (32) the following new paragraph:

"(33) provide that a State that receives funding pursuant to section 428 and that has within its borders Indian country (as defined in section 1151 of title 18, United States Code) may enter into cooperative agreements with an Indian tribe or tribal organization (as defined in subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), if the Indian tribe or tribal organization demonstrates that such tribe or organization has an established tribal court system or a Court of Indian Offenses with the authority to establish paternity, establish, modify, and enforce support orders, and to enter support orders in accordance with child support guidelines established by such tribe or organization, under which the State and tribe or organization shall provide for the cooperative delivery of child support enforcement services in Indian country and for the forwarding of all funding collected pursuant to the functions performed by the tribe or organization to the State agency, or conversely, by the State agency to the tribe or organization, which shall distribute such funding in accordance with such agreement; and

(4) by adding at the end the following new sentence: "Nothing in paragraph (33) shall void any provision of any cooperative agreement entered into before the date of the enactment of such paragraph, nor shall such paragraph deprive any State of jurisdiction over Indian country (as so defined) that is lawfully exercised under section 402 of the Act entitled 'An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes', approved April 11, 1968 (25 U.S.C. 1322).".

(b) DIRECT FEDERAL FUNDING TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—Section 455 (42 U.S.C. 655) is amended by adding at the end the following new subsection:

"(b) The Secretary may, in appropriate cases, make direct payments under this part to an Indian tribe or tribal organization which has an approved child support enforcement plan under this title. In determining whether such payments are appropriate, the Secretary shall, at a minimum, consider whether services are being provided to eligible Indian recipients by the State agency through an agreement entered into pursuant to section 454(33).".

(c) COOPERATIVE ENFORCEMENT AGREEMENTS.—Paragraph (7) of section 454 (42 U.S.C. 654) is amended by inserting "and Indian tribes or tribal organizations (as defined in subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b))" after "law enforcement officials".

(d) CONFORMING AMENDMENT.—Subsection (c) of section 428 (42 U.S.C. 628) is amended to read as follows:

"(c) For purposes of this section, the terms 'Indian tribe' and 'tribal organization' shall have the meanings given such terms by subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), respectively.".

Subchapter H—Medical Support

SEC. 2376. CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking "issued by a court of competent jurisdiction";

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following:

"if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued through an administrative process established under State law and has the force and effect of law under applicable State law.".

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1997.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the 1st plan year beginning on or after January 1, 1997, if—

(A) during the period after the date before the date of the enactment of this Act and before such 1st plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(B) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such 1st plan year.

A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

SEC. 2377. ENFORCEMENT OF ORDERS FOR HEALTH CARE COVERAGE.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 2315, 2317(a), 2323, 2365, 2369, 2372, and 2373 of this Act, is amended by inserting after paragraph (18) the following new paragraph:

"(19) HEALTH CARE COVERAGE.—Procedures under which all child support orders enforced pursuant to this part shall include a provision for the health care coverage of the child, and in the case in which a noncustodial parent provides such coverage and changes employment, and the new employer provides health care coverage, the State agency shall transfer notice of the provision to the employer, which notice shall operate to enroll the child in the noncustodial parent's health plan, unless the noncustodial parent contests the notice.".

Subchapter I—Enhancing Responsibility and Opportunity for Non-Residential Parents

SEC. 2381. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

Part D of title IV (42 U.S.C. 651–669), as amended by section 2353 of this Act, is amended by adding at the end the following new section:

"SEC. 469B. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.

"(a) IN GENERAL.—The Administration for Children and Families shall make grants under this section to enable States to establish and administer programs to support and facilitate noncustodial parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pickup), and development of guidelines for visitation and alternative custody arrangements.

"(b) AMOUNT OF GRANT.—The amount of the grant to be made to a State under this section for a fiscal year (beginning with fiscal year 1998) shall be an amount equal to the lesser of—

"(1) 90 percent of State expenditures during the fiscal year for activities described in subsection (a); or

"(2) the allotment of the State under subsection (c) for the fiscal year.

"(c) ALLOTMENTS TO STATES.—

"(1) IN GENERAL.—The allotment of a State for a fiscal year is the amount that bears the same ratio to $10,000,000 for grants under this section for the fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

"(2) MINIMUM ALLOTMENT.—The Administration for Children and Families shall adjust allotments to States under paragraph (1) as necessary to ensure that no State is allotted less than—

"(A) $50,000 for fiscal year 1998 or 1999 or

"(B) $100,000 for any succeeding fiscal year.

"(d) NO SUPPLANTATION OF STATE EXPENDITURES FOR SIMILAR ACTIVITIES.—A State to which a grant is made under this section may not use the grant to supplant expenditures by the State for activities specified in subsection (a), but shall use the grant to supplement such expenditures at a level at least equal to the level of such expenditures for fiscal year 1995.

"(e) STATE ADMINISTRATION.—Each State to which a grant is made under this section—

"(1) may administer State programs funded with the grant, directly or through grants to or contracts with courts, local public agencies, or nonprofit private entities;

"(2) shall not be required to operate such programs on a statewide basis; and

"(3) shall monitor, evaluate, and report on such programs in accordance with regulations prescribed by the Secretary.".

Subchapter J—Effective Dates and Conforming Amendments

SEC. 2391. EFFECTIVE DATES AND CONFORMING AMENDMENTS.

(a) IN GENERAL.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) the provisions of this chapter requiring the enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this chapter shall become effective upon the date of the enactment of this Act.

(b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this chapter shall become effective with respect to a State on the later of—

(1) the date specified in this chapter, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions,

but in no event later than the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT.—A State shall not be found out of compliance with any requirement enacted by this chapter if the State is unable to so comply without amending the State constitution until the earlier of—

(1) 1 year after the effective date of the necessary State constitutional amendment; or

(2) 5 years after the date of the enactment of this Act.

(d) CONFORMING AMENDMENTS.—

(1) The following provisions are amended by striking "absent" each place it appears and inserting "noncustodial":

(A) Section 451 (42 U.S.C. 651).

(B) Subsections (a)(1), (a)(8), (a)(10)(E), (a)(10)(F), (f), and (h) of section 452 (42 U.S.C. 652).

(C) Section 453(f) (42 U.S.C. 653(f)).

(D) Paragraphs (8), (13), and (21)(A) of section 454 (42 U.S.C. 654).

(E) Section 455(e)(1) (42 U.S.C. 655(e)(1)).

(F) Section 458(a) (42 U.S.C. 658(a)).

(G) Subsections (a), (b), and (c) of section 463 (42 U.S.C. 663).

(H) Subsections (a)(3)(A), (a)(3)(C), (a)(6), and (a)(8)(B)(ii), the last sentence of subsection (a), and subsections (b)(1), (b)(3)(B), (b)(3)(B)(i), (b)(6)(A)(i), (b)(8), (b)(9), and (e) of section 466 (42 U.S.C. 666).

(2) The following provisions are amended by striking "an absent" each place it appears and inserting "a noncustodial":

(A) Paragraphs (2) and (3) of section 453(c) (42 U.S.C. 653(c)).

(B) Subparagraphs (B) and (C) of section 454(9) (42 U.S.C. 654(9)).

(C) Section 456(a)(3) (42 U.S.C. 656(a)(3)).

(D) Subsections (a)(3)(A), (a)(6), (a)(8)(B)(i), (b)(3)(A), and (b)(3)(B) of section 466 (42 U.S.C. 666).

(E) Paragraphs (2) and (4) of section 469(b) (42 U.S.C. 669(b)).

CHAPTER 4—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

SEC. 2400. STATEMENTS OF NATIONAL POLICY CONCERNING WELFARE AND IMMIGRATION.

The Congress makes the following statements concerning national policy with respect to welfare and immigration:

(1) Self-sufficiency has been a basic principle of United States immigration law since this country's earliest immigration statutes.

(2) It continues to be the immigration policy of the United States that—

(A) aliens within the Nation's borders not depend on public resources to meet their needs, but rather rely on their own capabilities and the resources of their families, their sponsors, and private organizations, and

(B) the availability of public benefits not constitute an incentive for immigration to the United States.

(3) Despite the principle of self-sufficiency, aliens have been applying for and receiving public benefits from Federal, State, and local governments at increasing rates.

(4) Current eligibility rules for public assistance and unenforceable financial support agreements have proved wholly incapable of assuring that individual aliens not burden the public benefits system.

(5) It is a compelling government interest to enact new rules for eligibility and sponsorship agreements in order to assure that aliens be self-reliant in accordance with national immigration policy.

(6) It is a compelling government interest to remove the incentive for illegal immigration provided by the availability of public benefits.

(7) With respect to the State authority to make determinations concerning the eligibility of qualified aliens for public benefits in this chapter, a State that chooses to follow the Federal classification in determining the eligibility of such aliens for public assistance shall be considered to have chosen the least restrictive means available for achieving the compelling governmental interest of assuring that aliens be self-reliant in accordance with national immigration policy.

Subchapter A—Eligibility for Federal Benefits

SEC. 2401. ALIENS WHO ARE NOT QUALIFIED ALIENS INELIGIBLE FOR FEDERAL PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is not a qualified alien (as defined in section 2431) is not eligible for any Federal public benefit (as defined in subsection (c)).

(b) EXCEPTIONS.—

(1) Subsection (a) shall not apply with respect to the following Federal public benefits:

(A) Emergency medical services under title XV or XIX of the Social Security Act.

(B) Short-term, non-cash, in-kind emergency disaster relief.

(C)(i) Public health assistance for immunizations.

(ii) Public health assistance for testing and treatment of a communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(D) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) deliver in-kind services at the community level, including through public or private nonprofit agencies; (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life or safety.

(E) Programs for housing or community development assistance or financial assistance administered by the Secretary of Housing and Urban Development, any program under title V of the Housing Act of 1949, or any assistance under section 306C of the Consolidated Farm and Rural Development Act, to the extent that the alien is receiving such a benefit on the date of the enactment of this Act.

(2) Subsection (a) shall not apply to any benefit payable under title II of the Social Security Act to an alien who is lawfully present in the United States as determined by the Attorney General, to any benefit if nonpayment of such benefit would contravene an international agreement described in section 233 of the Social Security Act, to any benefit if nonpayment would be contrary to section 202(t) of the Social Security Act, or to any benefit payable under title II of the Social Security Act to which entitlement is based on an application filed in or before the month in which this Act becomes law.

(c) FEDERAL PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this chapter the term "Federal public benefit" means—

(A) any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United States; and

(B) any retirement, welfare, health, disability, public or assisted housing, postsecondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of the United States or by appropriated funds of the United States.

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Attorney General, after consultation with the Secretary of State.

SEC. 2402. LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR CERTAIN FEDERAL PROGRAMS.

(a) LIMITED ELIGIBILITY FOR SPECIFIED FEDERAL PROGRAMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in paragraph (2), an alien who is a qualified alien (as defined in section 2431) is not eligible for any specified Federal program (as defined in paragraph (3)).

(2) EXCEPTIONS.—

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—Paragraph (1) shall not apply to an alien until 5 years after the date—

(i) an alien is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

(ii) an alien is granted asylum under section 208 of such Act; or

(iii) an alien's deportation is withheld under section 243(h) of such Act.

(B) CERTAIN PERMANENT RESIDENT ALIENS.—Paragraph (1) shall not apply to an alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii)(I) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 435, and (II) did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter.

(C) VETERAN AND ACTIVE DUTY EXCEPTION.—Paragraph (1) shall not apply to an alien who is lawfully residing in any State and is—

(i) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii).

(D) TRANSITION FOR ALIENS CURRENTLY RECEIVING BENEFITS.—

(i) SSI.—

(I) IN GENERAL.—With respect to the specified Federal program described in paragraph (3)(A), during the period beginning on the date of the enactment of this Act and ending on the date which is 1 year after such date of enactment, the Commissioner of Social Security shall redetermine the eligibility of any individual who is receiving benefits under such program as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of this subsection.

(II) REDETERMINATION CRITERIA.—With respect to any redetermination under subclause (I), the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under such program.

(III) GRANDFATHER PROVISION.—The provisions of this subsection and the redetermination under subclause (I), shall only apply with respect to the benefits of an individual described in subclause (I) for months beginning on or after the date of the redetermination with respect to such individual.

(IV) NOTICE.—Not later than January 1, 1997, the Commissioner of Social Security shall notify an individual described in subclause (I) of the provisions of this clause.

(ii) FOOD STAMPS.—

(I) IN GENERAL.—With respect to the specified Federal program described in paragraph (3)(B), during the period beginning on the date of enactment of this Act and ending on the date which is 1 year after the date of enactment, the State agency shall, at the time of the recertification, recertify the eligibility of any individual who is receiving benefits under such program as of the date of enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of this subsection.

(II) RECERTIFICATION CRITERIA.—With respect to any recertification under subclause (I), the State agency shall apply the eligibility criteria for applicants for benefits under such program.

(III) GRANDFATHER PROVISION.—The provisions of this subsection and the recertification under subclause (I) shall only apply with respect to the eligibility of an alien for a program for months beginning on or after the date of recertification, if on the date of enactment of this Act the alien is lawfully residing in any State and is receiving benefits under such program on such date of enactment.

(3) SPECIFIED FEDERAL PROGRAM DEFINED.—For purposes of this chapter, the term "specified Federal program" means any of the following:

(A) SSI.—The supplemental security income program under title XVI of the Social Security Act, including supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act and payments pursuant to an agreement entered into under section 212(b) of Public Law 93-66.

(B) FOOD STAMPS.—The food stamp program as defined in section 3(h) of the Food Stamp Act of 1977.

(b) LIMITED ELIGIBILITY FOR DESIGNATED FEDERAL PROGRAMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in section 2403 and paragraph (2), a State is authorized to determine the eligibility of an alien who is a qualified alien (as defined in section 2431) for any designated Federal program (as defined in paragraph (3)).

(2) EXCEPTIONS.—Qualified aliens under this paragraph shall be eligible for any designated Federal program.

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(i) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(ii) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.

(iii) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.

(B) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii)(I) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 2435, and (II) did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter.

(C) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(i) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii).

(D) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits under such program on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(3) DESIGNATED FEDERAL PROGRAM DEFINED.—For purposes of this chapter, the term "designated Federal program" means any of the following:

(A) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—The program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.

(B) SOCIAL SERVICES BLOCK GRANT.—The program of block grants to States for social services under title XX of the Social Security Act.

(C) MEDICAID.—The program of medical assistance under title XV and XIX of the Social Security Act.

SEC. 2403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is a qualified alien (as defined in section 2431) and who enters the United States on or after the date of the enactment of this Act is not eligible for any Federal means-tested public benefit (as defined in subsection (c)) for a period of five years beginning on the date of the alien's entry into the United States with a status within the meaning of the term "qualified alien".

(b) EXCEPTIONS.—The limitation under subsection (a) shall not apply to the following aliens:

(1) EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act.

(B) An alien who is granted asylum under section 208 of such Act.

(C) An alien whose deportation is being withheld under section 243(h) of such Act.

(2) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(c) FEDERAL MEANS-TESTED PUBLIC BENEFIT DEFINED.—Such term does not include the following:

(1) Emergency medical services under title XV or XIX of the Social Security Act.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3) Assistance or benefits under the National School Lunch Act.

(4) Assistance or benefits under the Child Nutrition Act of 1966.

(5)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(6) Payments for foster care and adoption assistance under part E of title IV of the Social Security Act for a child who would, in the absence of subsection (a), be eligible to have such payments made on the child's behalf under such part, but only if the foster or adoptive parent or parents of such child are not described under subsection (a).

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) deliver in-kind services at the community level, including through public or private nonprofit agencies; (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life or safety.

(8) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965, and titles III, VII, and VIII of the Public Health Service Act.

(9) Means-tested programs under the Elementary and Secondary Education Act of 1965.

SEC. 2404. NOTIFICATION AND INFORMATION REPORTING.

(a) NOTIFICATION.—Each Federal agency that administers a program to which section 2401, 2402, or 2403 applies shall, directly or through the States, post information and provide general notification to the public and to program recipients of the changes regarding eligibility for any such program pursuant to this subchapter.

(b) INFORMATION REPORTING UNDER TITLE IV OF THE SOCIAL SECURITY ACT.—Part A of title IV of the Social Security Act, as amended by section 2103(a) of this Act, is amended by inserting the following new section after section 411:

"SEC. 411A. STATE REQUIRED TO PROVIDE CERTAIN INFORMATION.

"Each State to which a grant is made under section 403 shall, at least 4 times annually and upon request of the Immigration and Naturalization Service, furnish the Immigration and Naturalization Service with the name and address of, and other identifying information on, any individual who the State knows is unlawfully in the United States.".

(c) SSI.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended—

(1) by redesignating the paragraphs (6) and (7) inserted by sections 206(d)(2) and 206(f)(1) of the Social Security Independence and Programs Improvement Act of 1994 (Public Law 103-296; 108 Stat. 1514, 1515) as paragraphs (7) and (8), respectively; and

(2) by adding at the end the following new paragraph:

"(9) Notwithstanding any other provision of law, the Commissioner shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this paragraph referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Commissioner knows is unlawfully in the United States, and shall ensure that each agreement entered into under section 1616(a) with a State provides that the State shall furnish such information at such times with respect to any individual who the State knows is unlawfully in the United States.".

(d) INFORMATION REPORTING FOR HOUSING PROGRAMS.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

"SEC. 27. PROVISION OF INFORMATION TO LAW ENFORCEMENT AND OTHER AGENCIES.

"Notwithstanding any other provision of law, the Secretary shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this section referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Secretary knows is unlawfully in the United States, and shall ensure that each contract for assistance entered into under section 6 or 8 of this Act with a public housing agency provides that the public housing agency shall furnish such information at such times with respect to any individual who the public housing agency knows is unlawfully in the United States.".

Subchapter B—Eligibility for State and Local Public Benefits Programs

SEC. 2411. ALIENS WHO ARE NOT QUALIFIED ALIENS OR NONIMMIGRANTS INELIGIBLE FOR STATE AND LOCAL PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsections (b) and (d), an alien who is not—

(1) a qualified alien (as defined in section 2431),

(2) a nonimmigrant under the Immigration and Nationality Act, or

(3) an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year,

is not eligible for any State or local public benefit (as defined in subsection (c)).

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following State or local public benefits:

(1) Emergency medical services under title XV or XIX of the Social Security Act.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(4) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(c) STATE OR LOCAL PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this subchapter the term "State or local public benefit" means—

(A) any grant, contract, loan, professional license, or commercial license provided by an agency of a State or local government or by appropriated funds of a State or local government; and

(B) any retirement, welfare, health, disability, public or assisted housing, postsecondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of a State or local government or by appropriated funds of a State or local government.

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Secretary of State, after consultation with the Attorney General.

(d) STATE AUTHORITY TO PROVIDE FOR ELIGIBILITY OF ILLEGAL ALIENS FOR STATE AND LOCAL PUBLIC BENEFITS.—A State may provide that an alien who is not lawfully present in the United States is eligible for any State or local public benefit for which such alien would otherwise be ineligible under subsection (a) only through the enactment of a State law after the date of the enactment of this Act which affirmatively provides for such eligibility.

SEC. 2412. STATE AUTHORITY TO LIMIT ELIGIBILITY OF QUALIFIED ALIENS FOR STATE PUBLIC BENEFITS.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), a State is authorized to determine the eligibility for any State public benefits (as defined in subsection (c) of an alien who is a qualified alien (as defined in section 2431), a nonimmigrant under the Immigration and Nationality Act, or an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(b) EXCEPTIONS.—Qualified aliens under this subsection shall be eligible for any State public benefits.

(1) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(B) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.

(C) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.

(2) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(A) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(B)(i) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 2435, and (ii) did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter.

(3) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(4) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

Subchapter C—Attribution of Income and Affidavits of Support

SEC. 2421. FEDERAL ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO ALIEN.

(a) IN GENERAL.—Notwithstanding any other provision of law, in determining the eligibility and the amount of benefits of an alien for any Federal means-tested public benefits program (as defined in section 2403(c)), the income and resources of the alien shall be deemed to include the following:

(1) The income and resources of any person who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 2423) on behalf of such alien.

(2) The income and resources of the spouse (if any) of the person.

(b) APPLICATION.—Subsection (a) shall apply with respect to an alien until such time as the alien—

(1) achieves United States citizenship through naturalization pursuant to chapter 2 of title III of the Immigration and Nationality Act; or

(2)(A) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 2435, and (B) did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter.

(c) REVIEW OF INCOME AND RESOURCES OF ALIEN UPON REAPPLICATION.—Whenever an alien is required to reapply for benefits under any Federal means-tested public benefits program, the applicable agency shall review the income and resources attributed to the alien under subsection (a).

(d) APPLICATION.—

(1) If on the date of the enactment of this Act, a Federal means-tested public benefits program attributes a sponsor's income and resources to an alien in determining the alien's eligibility and the amount of benefits for an alien, this section shall apply to any such determination beginning on the day after the date of the enactment of this Act.

(2) If on the date of the enactment of this Act, a Federal means-tested public benefits program does not attribute a sponsor's income and resources to an alien in determining the alien's eligibility and the amount of benefits for an alien, this section shall apply to any such determination beginning 180 days after the date of the enactment of this Act.

SEC. 2422. AUTHORITY FOR STATES TO PROVIDE FOR ATTRIBUTION OF SPONSORS INCOME AND RESOURCES TO THE ALIEN WITH RESPECT TO STATE PROGRAMS.

(a) OPTIONAL APPLICATION TO STATE PROGRAMS.—Except as provided in subsection (b), in determining the eligibility and the amount of benefits of an alien for any State public benefits (as defined in section 2412(c)), the State or political subdivision that offers the benefits is authorized to provide that the income and resources of the alien shall be deemed to include—

(1) the income and resources of any individual who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 2423) on behalf of such alien, and

(2) the income and resources of the spouse (if any) of the individual.

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following State public benefits:

(1) Emergency medical services.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3) Programs comparable to assistance or benefits under the National School Lunch Act.

(4) Programs comparable to assistance or benefits under the Child Nutrition Act of 1966.

(5)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a communicable disease if the appropriate chief State health official determines that it is necessary to prevent the spread of such disease.

(6) Payments for foster care and adoption assistance.

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General of a State, after consultation with appropriate agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

SEC. 2423. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.

(a) IN GENERAL.—Title II of the Immigration and Nationality Act is amended by inserting after section 213 the following new section:

"REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

"SEC. 213A. (a) ENFORCEABILITY.—(1) No affidavit of support may be accepted by the Attorney General or by any consular officer to establish that an alien is not excludable as a public charge under section 212(a)(4) unless such affidavit is executed as a contract—

"(A) which is legally enforceable against the sponsor by the sponsored alien, the Federal Government, and by any State (or any political subdivision of such State) which provides any means-tested public benefits program, but not later than 10 years after the alien last receives any such benefit;

"(B) in which the sponsor agrees to financially support the alien, so that the alien will not become a public charge; and

"(C) in which the sponsor agrees to submit to the jurisdiction of any Federal or State court for the purpose of actions brought under subsection (e)(2).

"(2) A contract under paragraph (1) shall be enforceable with respect to benefits provided to the alien until such time as the alien achieves United States citizenship through naturalization pursuant to chapter 2 of title III.

"(b) FORMS.—Not later than 90 days after the date of enactment of this section, the Attorney General, in consultation with the Secretary of State and the Secretary of Health and Human Services, shall formulate an affidavit of support consistent with the provisions of this section.

"(c) REMEDIES.—Remedies available to enforce an affidavit of support under this section include any or all of the remedies described in section 3201, 3203, 3204, or 3205 of title 28, United States Code, as well as an order for specific performance and payment of legal fees and other costs of collection, and include corresponding remedies available under State law. A Federal agency may seek to collect amounts owed under this section in accordance with the provisions of subchapter II of chapter 37 of title 31, United States Code.

"(d) NOTIFICATION OF CHANGE OF ADDRESS.—

"(1) IN GENERAL.—The sponsor shall notify the Attorney General and the State in which the sponsored alien is currently resident within 30 days of any change of address of the sponsor during the period specified in subsection (a)(2).

"(2) PENALTY.—Any person subject to the requirement of paragraph (1) who fails to satisfy such requirement shall be subject to a civil penalty of—

"(A) not less than $250 or more than $2,000, or

"(B) if such failure occurs with knowledge that the alien has received any means-tested public benefit, not less than $2,000 or more than $5,000.

"(e) REIMBURSEMENT OF GOVERNMENT EXPENSES.—(1)(A) Upon notification that a sponsored alien has received any benefit under any means-tested public benefits program, the appropriate Federal, State, or local official shall request reimbursement by the sponsor in the amount of such assistance.

"(B) The Attorney General, in consultation with the Secretary of Health and Human Services, shall prescribe such regulations as may be necessary to carry out subparagraph (A).

"(2) If within 45 days after requesting reimbursement, the appropriate Federal, State, or local agency has not received a response from the sponsor indicating a willingness to commence payments, an action may be brought against the sponsor pursuant to the affidavit of support.

"(3) If the sponsor fails to abide by the repayment terms established by such agency, the agency may, within 60 days of such failure, bring an action against the sponsor pursuant to the affidavit of support.

"(4) No cause of action may be brought under this subsection later than 10 years after the alien last received any benefit under any means-tested public benefits program.

"(5) If, pursuant to the terms of this subsection, a Federal, State, or local agency requests reimbursement from the sponsor in the amount of assistance provided, or brings an action against the sponsor pursuant to the affidavit of support, the appropriate agency may appoint or hire an individual or other person to act on behalf of such agency acting under the authority of law for purposes of collecting any moneys owed. Nothing in this subsection shall preclude any appropriate Federal, State, or local agency from directly requesting reimbursement from a sponsor for the amount of assistance provided, or from bringing an action against a sponsor pursuant to an affidavit of support.

"(f) DEFINITION.—For the purposes of this section the term 'sponsor' means an individual who—

"(1) is a citizen or national of the United States or an alien who is lawfully admitted to the United States for permanent residence;

"(2) is 18 years of age or over;

"(3) is domiciled in any of the 50 States or the District of Columbia; and

"(4) is the person petitioning for the admission of the alien under section 204.

(b) CLERICAL AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 213 the following:

"Sec. 213A. Requirements for sponsor's affidavit of support.".

(c) EFFECTIVE DATE.—Subsection (a) of section 213A of the Immigration and Nationality Act, as inserted by subsection (a) of this section, shall apply to affidavits of support executed on or after a date specified by the Attorney General, which date shall be not earlier than 60 days (and not later than 90 days) after the date the Attorney General formulates the form for such affidavits under subsection (b) of such section.

(d) BENEFITS NOT SUBJECT TO REIMBURSEMENT.—Requirements for reimbursement by a sponsor for benefits provided to a sponsored alien pursuant to an affidavit of support under section 213A of the Immigration and Nationality Act shall not apply with respect to the following:

(1) Emergency medical services under title XV or XIX of the Social Security Act.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3) Assistance or benefits under the National School Lunch Act.

(4) Assistance or benefits under the Child Nutrition Act of 1966.

(5)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(6) Payments for foster care and adoption assistance under part E of title IV of the Social Security Act for a child, but only if the foster or adoptive parent or parents of such child are not otherwise ineligible pursuant to section 2403 of this Act.

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(8) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965.

Subchapter D—General Provisions

SEC. 2431. DEFINITIONS.

(a) IN GENERAL.—Except as otherwise provided in this chapter, the terms used in this chapter have the same meaning given such terms in section 101(a) of the Immigration and Nationality Act.

(b) QUALIFIED ALIEN.—For purposes of this chapter, the term "qualified alien" means an alien who, at the time the alien applies for, receives, or attempts to receive a Federal public benefit, is—

(1) an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act,

(2) an alien who is granted asylum under section 208 of such Act,

(3) a refugee who is admitted to the United States under section 207 of such Act,

(4) an alien who is paroled into the United States under section 212(d)(5) of such Act for a period of at least 1 year,

(5) an alien whose deportation is being withheld under section 243(h) of such Act, or

(6) an alien who is granted conditional entry pursuant to section 203(a)(7) of such Act as in effect prior to April 1, 1980.

SEC. 2432. VERIFICATION OF ELIGIBILITY FOR FEDERAL PUBLIC BENEFITS.

(a) In General.—Not later than 18 months after the date of the enactment of this Act, the Attorney General of the United States, after consultation with the Secretary of Health and Human Services, shall promulgate regulations requiring verification that a person applying for a Federal public benefit (as defined in section 2401(c)), to which the limitation under section 2401 applies, is a qualified alien and is eligible to receive such benefit. Such regulations shall, to the extent feasible, require that information requested and exchanged be similar in form and manner to information requested and exchanged under section 1137 of the Social Security Act.

(b) State Compliance.—Not later than 24 months after the date the regulations described in subsection (a) are adopted, a State that administers a program that provides a Federal public benefit shall have in effect a verification system that complies with the regulations.

(c) Authorization of Appropriations.—There are authorized to be appropriated such sums as may be necessary to carry out the purpose of this section.

SEC. 2433. STATUTORY CONSTRUCTION.

(a) Limitation.—

(1) Nothing in this chapter may be construed as an entitlement or a determination of an individual's eligibility or fulfillment of the requisite requirements for any Federal, State, or local governmental program, assistance, or benefits. For purposes of this chapter, eligibility relates only to the general issue of eligibility or ineligibility on the basis of alienage.

(2) Nothing in this chapter may be construed as addressing alien eligibility for a basic public education as determined by the Supreme Court of the United States under Plyler v. Doe (457 U.S. 202)(1982).

(b) Not Applicable to Foreign Assistance.—This chapter does not apply to any Federal, State, or local governmental program, assistance, or benefits provided to an alien under any program of foreign assistance as determined by the Secretary of State in consultation with the Attorney General.

(c) Severability.—If any provision of this chapter or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this chapter and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 2434. COMMUNICATION BETWEEN STATE AND LOCAL GOVERNMENT AGENCIES AND THE IMMIGRATION AND NATURALIZATION SERVICE.

Notwithstanding any other provision of Federal, State, or local law, no State or local government entity may be prohibited, or in any way restricted, from sending to or receiving from the Immigration and Naturalization Service information regarding the immigration status, lawful or unlawful, of an alien in the United States.

SEC. 2435. QUALIFYING QUARTERS.

For purposes of this chapter, in determining the number of qualifying quarters of coverage under title II of the Social Security Act an alien shall be credited with—

(1) all of the qualifying quarters of coverage as defined under title II of the Social Security Act worked by a parent of such alien while the alien was under age 18 if the parent did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter, and

(2) all of the qualifying quarters worked by a spouse of such alien during their marriage if the spouse did not receive any Federal means-tested public benefit (as defined in section 2403(c)) during any such quarter and the alien remains married to such spouse or such spouse is deceased.

Subchapter E—Conforming Amendments Relating to Assisted Housing

SEC. 2441. CONFORMING AMENDMENTS RELATING TO ASSISTED HOUSING.

(a) Limitations on Assistance.—Section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) is amended—

(1) by striking "Secretary of Housing and Urban Development" each place it appears and inserting "applicable Secretary";

(2) in subsection (b), by inserting after "National Housing Act," the following: "the direct loan program under section 502 of the Housing Act of 1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or 542 of such Act, subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act,";

(3) in paragraphs (2) through (6) of subsection (d), by striking "Secretary" each place it appears and inserting "applicable Secretary";

(4) in subsection (d), in the matter following paragraph (6), by striking "the term 'Secretary'" and inserting "the term 'applicable Secretary'"; and

(5) by adding at the end the following new subsection:

"(h) For purposes of this section, the term 'applicable Secretary' means—

"(1) the Secretary of Housing and Urban Development, with respect to financial assistance administered by such Secretary and financial assistance under subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act; and

"(2) the Secretary of Agriculture, with respect to financial assistance administered by such Secretary.".

(b) Conforming Amendments.—Section 501(h) of the Housing Act of 1949 (42 U.S.C. 1471(h)) is amended—

(1) by striking "(1)";

(2) by striking "by the Secretary of Housing and Urban Development"; and

(3) by striking paragraph (2).

Subchapter F—Earned Income Credit Denied to Unauthorized Employees

SEC. 2451. EARNED INCOME CREDIT DENIED TO INDIVIDUALS NOT AUTHORIZED TO BE EMPLOYED IN THE UNITED STATES.

(a) In General.—Section 32(c)(1) of the Internal Revenue Code of 1986 (relating to individuals eligible to claim the earned income credit) is amended by adding at the end the following new subparagraph:

"(F) Identification Number Requirement.—The term 'eligible individual' does not include any individual who does not include on the return of tax for the taxable year—

"(i) such individual's taxpayer identification number, and

"(ii) if the individual is married (within the meaning of section 7703), the taxpayer identification number of such individual's spouse.".

(b) Special Identification Number.—Section 32 of such Code is amended by adding at the end the following new subsection:

"(l) Identification Numbers.—Solely for purposes of subsections (c)(1)(F) and (c)(3)(D), a taxpayer identification number means a social security number issued to an individual by the Social Security Administration (other than a social security number issued pursuant to clause (II) (or that portion of clause (III) that relates to clause (II)) of section 205(c)(2)(B)(i) of the Social Security Act).".

(c) Extension of Procedures Applicable to Mathematical or Clerical Errors.—Section 6213(g)(2) of such Code (relating to the definition of mathematical or clerical errors) is amended by striking "and' at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting a comma, and by inserting after subparagraph (E) the following new subparagraphs:

"(F) an omission of a correct taxpayer identification number required under section 32 (relating to the earned income tax credit) to be included on a return, and

"(G) an entry on a return claiming the credit under section 32 with respect to net earnings from self-employment described in section 32(c)(2)(A) to the extent the tax imposed by section 1401 (relating to self-employment tax) on such net earnings has not been paid.".

(d) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

CHAPTER 5—REFORM OF PUBLIC HOUSING

SEC. 2501. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by section 2404(d) of this Act, is amended by adding at the end the following new section:

"SEC. 28. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

"(a) In General.—If the benefits of a family are reduced under a Federal, State, or local law relating to welfare or a public assistance program for the failure of any member of the family to perform an action required under the law or program, the family may not, for the duration of the reduction, receive any increased assistance under this Act as the result of a decrease in the income of the family to the extent that the decrease in income is the result of the benefits reduction.

"(b) Exception.—Subsection (a) shall not apply in any case in which the benefits of a family are reduced because the welfare or public assistance program to which the Federal, State, or local law relates limits the period during which benefits may be provided under the program.".

SEC. 2502. FRAUD UNDER MEANS-TESTED WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

(a) In General.—If an individual's benefits under a Federal, State, or local law relating to a means-tested welfare or a public assistance program are reduced because of an act of fraud by the individual under the law or program, the individual may not, for the duration of the reduction, receive an increased benefit under any other means-tested welfare or public assistance program for which Federal funds are appropriated as a result of a decrease in the income of the individual (determined under the applicable program) attributable to such reduction.

(b) Welfare or Public Assistance Programs for Which Federal Funds Are Appropriated.—For purposes of subsection (a), the term "means-tested welfare or public assistance program for which Federal funds are appropriated" includes the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), any program of public or assisted housing under title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), and State programs funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

CHAPTER 6—TECHNICAL AMENDMENTS RELATING TO CHILD PROTECTION PROGRAMS

SEC. 2601. EXTENSION OF ENHANCED FUNDING FOR IMPLEMENTATION OF STATEWIDE AUTOMATED CHILD WELFARE INFORMATION SYSTEMS.

Section 474(a)(3)(B) of the Social Security Act (42 U.S.C. 674(a)(3)(B)) is amended by inserting "(of, if the quarter is in fiscal year 1997, 75 percent)" after "50 percent" each place it appears.

SEC. 2602. REDESIGNATION OF SECTION 1123.

The Social Security Act is amended by redesignating section 1123, the second place it appears (42 U.S.C. 1320a–1a), as section 1123A.

SEC. 2603. KINSHIP CARE.

Section 471(a) of the Social Security Act (42 U.S.C. 671(a)) is amended—

(1) by striking "and" at the end of paragraph (16);

(2) by striking the period at the end of paragraph (17) and inserting "; and"; and

(3) by adding at the end the following new paragraph:

"(18) provides that States shall give preference to an adult relative over a non-related caregiver when determining a placement for a child, provided that the relative caregiver meets all relevant State child protection standards.".

CHAPTER 7—CHILD CARE

SEC. 2701. SHORT TITLE AND REFERENCES.

(a) SHORT TITLE.—This chapter may be cited as the "Child Care and Development Block Grant Amendments of 1996".

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this chapter an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

SEC. 2802. GOALS.

(a) GOALS.—Section 658A (42 U.S.C. 9801 note) is amended—

(1) in the section heading by inserting "AND GOALS" after "TITLE";

(2) by inserting "(a) SHORT TITLE.—" before "This"; and

(3) by adding at the end the following:

"(b) GOALS.—The goals of this subchapter are—

"(1) to allow each State maximum flexibility in developing child care programs and policies that best suit the needs of children and parents within such State;

"(2) to promote parental choice to empower working parents to make their own decisions on the child care that best suits their family's needs;

"(3) to encourage States to provide consumer education information to help parents make informed choices about child care;

"(4) to assist States to provide child care to parents trying to achieve independence from public assistance; and

"(5) to assist States in implementing the health, safety, licensing, and registration standards established in State regulations.".

SEC. 2703. AUTHORIZATION OF APPROPRIATIONS AND ENTITLEMENT AUTHORITY.

(a) IN GENERAL.—Section 658B (42 U.S.C. 9858) is amended to read as follows:

"SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.

"There is authorized to be appropriated to carry out this subchapter $1,000,000,000 for each of the fiscal years 1996 through 2002.".

(b) SOCIAL SECURITY ACT.—Part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) is amended by adding at the end the following:

"SEC. 418. FUNDING FOR CHILD CARE.

"(a) GENERAL CHILD CARE ENTITLEMENT.—

"(1) GENERAL ENTITLEMENT.—Subject to the amount appropriated under paragraph (3), each State shall, for the purpose of providing child care assistance, be entitled to payments under a grant under this subsection for a fiscal year in an amount equal to—

"(A) the sum of the total amount required to be paid to the State under former section 403 for fiscal year 1994 or 1995 (whichever is greater) with respect to amounts expended for child care under section—

"(i) 402(g) of this Act (as such section was in effect before October 1, 1995); and

"(ii) 402(i) of this Act (as so in effect); or

"(B) the average of the total amounts required to be paid to the State for fiscal years 1992 through 1994 under the sections referred to in subparagraph (A);

whichever is greater.

"(2) REMAINDER.—

"(A) GRANTS.—The Secretary shall use any amounts appropriated for a fiscal year under paragraph (3), and remaining after the reservation described in paragraph (4) and after grants are awarded under paragraph (1), to make grants to States under this paragraph.

"(B) AMOUNT.—Subject to subparagraph (C), the amount of a grant awarded to a State for a fiscal year under this paragraph shall be based on the formula used for determining the amount of Federal payments to the State under section 403(n) (as such section was in effect before October 1, 1995).

"(C) MATCHING REQUIREMENT.—The Secretary shall pay to each eligible State in a fiscal year an amount, under a grant under subparagraph (A), equal to the Federal medical assistance percentage for such State for fiscal year 1995 (as defined in section 1905(b)) of so much of the expenditures by the State for child care in such year as exceed the State set-aside for such State under paragraph (1)(A) for such year and the amount of State expenditures in fiscal year 1994 (or fiscal year 1995, whichever is greater) that equal the non-Federal share for the programs described in subparagraph (A) of paragraph (1).

"(D) REDISTRIBUTION.—

"(i) IN GENERAL.—With respect to any fiscal year, if the Secretary determines (in accordance with clause (ii)) that amounts under any grant awarded to a State under this paragraph for such fiscal year will not be used by such State during such fiscal year for carrying out the purpose for which the grant is made, the Secretary shall make such amounts available in the subsequent fiscal year for carrying out such purpose to 1 or more States which apply for such funds to the extent the Secretary determines that such States will be able to use such additional amounts for carrying out such purpose. Such available amounts shall be redistributed to a State pursuant to section 402(i) (as such section was in effect before October 1, 1995) by substituting 'the number of children residing in all States applying for such funds' for 'the number of children residing in the United States in the second preceding fiscal year'.

"(ii) TIME OF DETERMINATION AND DISTRIBUTION.—The determination of the Secretary under clause (i) for a fiscal year shall be made not later than the end of the first quarter of the subsequent fiscal year. The redistribution of amounts under clause (i) shall be made as close as practicable to the date on which such determination is made. Any amount made available to a State from an appropriation for a fiscal year in accordance with this subparagraph shall, for purposes of this part, be regarded as part of such State's payment (as determined under this subsection) for the fiscal year in which the redistribution is made.

"(3) APPROPRIATION.—There are authorized to be appropriated, and there are appropriated, to carry out this section—

"(A) $1,967,000,000 for fiscal year 1997;

"(B) $2,067,000,000 for fiscal year 1998;

"(C) $2,167,000,000 for fiscal year 1999;

"(D) $2,367,000,000 for fiscal year 2000;

"(E) $2,567,000,000 for fiscal year 2001; and

"(F) $2,717,000,000 for fiscal year 2002.

"(4) INDIAN TRIBES.—The Secretary shall reserve not more than 1 percent of the aggregate amount appropriated to carry out this section in each fiscal year for payments to Indian tribes and tribal organizations.

"(b) USE OF FUNDS.—

"(1) IN GENERAL.—Amounts received by a State under this section shall only be used to provide child care assistance. Amounts received by a State under a grant under subsection (a)(1) shall be available for use by the State without fiscal year limitation.

"(2) USE FOR CERTAIN POPULATIONS.—A State shall ensure that not less than 70 percent of the total amount of funds received by the State in a fiscal year under this section are used to provide child care assistance to families who are receiving assistance under a State program under this part, families who are attempting through work activities to transition off of such assistance program, and families who are at risk of becoming dependent on such assistance program.

"(c) APPLICATION OF CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT of 1990.—Notwithstanding any other provision of law, amounts provided to a State under this section shall be transferred to the lead agency under the Child Care and Development Block Grant Act of 1990, integrated by the State into the programs established by the State under such Act, and be subject to requirements and limitations of such Act.

"(d) DEFINITION.—As used in this section, the term 'State' means each of the 50 States or the District of Columbia.".

SEC. 2704. LEAD AGENCY.

Section 658D(b) (42 U.S.C. 9858b(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking "State" the first place that such appears and inserting "governmental or nongovernmental"; and

(B) in subparagraph (C), by inserting "with sufficient time and Statewide distribution of the notice of such hearing," after "hearing in the State"; and

(2) in paragraph (2), by striking the second sentence.

SEC. 2705. APPLICATION AND PLAN.

Section 658E (42 U.S.C. 9858c) is amended—

(1) in subsection (b)—

(A) by striking "implemented—" and all that follows through "(2)" and inserting "implemented"; and

(B) by striking "for subsequent State plans";

(2) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (i) by striking ", other than through assistance provided under paragraph (3)(C),"; and

(II) by striking "except" and all that follows through "1992", and inserting "and provide a detailed description of the procedures the State will implement to carry out the requirements of this subparagraph";

(ii) in subparagraph (B)—

(I) by striking "Provide assurances" and inserting "Certify"; and

(II) by inserting before the period at the end "and provide a detailed description of such procedures";

(iii) in subparagraph (C)—

(I) by striking "Provide assurances" and inserting "Certify"; and

(II) by inserting before the period at the end "and provide a detailed description of how such record is maintained and is made available";

(iv) by amending subparagraph (D) to read as follows:

"(D) CONSUMER EDUCATION INFORMATION.—Certify that the State will collect and disseminate to parents of eligible children and the general public, consumer education information that will promote informed child care choices.";

(v) in subparagraph (E), to read as follows:

"(E) COMPLIANCE WITH STATE LICENSING REQUIREMENTS.—

"(i) IN GENERAL.—Certify that the State has in effect licensing requirements applicable to child care services provided within the State, and provide a detailed description of such requirements and of how such requirements are effectively enforced. Nothing in the preceding sentence shall be construed to require that licensing requirements be applied to specific types of providers of child care services.

"(ii) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—In lieu of any licensing and regulatory requirements applicable under State and local law, the Secretary, in consultation with Indian tribes and tribal organizations, shall develop minimum child care standards (that appropriately reflect tribal needs and available resources) that shall be applicable to Indian tribes and tribal organizations receiving assistance under this subchapter."; and

(vi) by striking subparagraphs (H), (I), and (J) and inserting the following:

"(G) MEETING THE NEEDS OF CERTAIN POPULATIONS.—Demonstrate the manner in which the State will meet the specific child care needs of families who are receiving assistance under a State program under part A of title IV of the Social Security Act, families who are attempting through work activities to transition off of such assistance program, and families that are at risk of becoming dependent on such assistance program.";

(B) in paragraph (3)—

(i) in subparagraph (A), by striking "(B) and (C)" and inserting "(B) through (D)";

(ii) in subparagraph (B)—

(I) by striking ".—Subject to the reservation contained in subparagraph (C), the" and inserting "AND RELATED ACTIVITIES.—The";

(II) in clause (i) by striking "; and" at the end and inserting a period;

(III) by striking "for—" and all that follows through "section 658E(c)(2)(A)" and inserting "for child care services on sliding fee scale basis, activities that improve the quality or availability of such services, and any other activity that the State deems appropriate to realize any of the goals specified in paragraphs (2) through (5) of section 658A(b)"; and

(IV) by striking clause (ii);

(iii) by amending subparagraph (C) to read as follows:

"(C) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 5 percent of the aggregate amount of funds available to the State to carry out this subchapter by a State in each fiscal year may be expended for administrative costs incurred by such State to carry out all of its functions and duties under this subchapter. As used in the preceding sentence, the term 'administrative costs' shall not include the costs of providing direct services."; and

(iv) by adding at the end thereof the following:

"(D) ASSISTANCE FOR CERTAIN FAMILIES.—A State shall ensure that a substantial portion of the amounts available (after the State has complied with the requirement of section 418(b)(2) of the Social Security Act with respect to each of the fiscal years 1997 through 2002) to the State to carry out activities under this subchapter in each fiscal year is used to provide assistance to low-income working families other than families described in paragraph (2)(F)."; and

(C) in paragraph (4)(A)—

(i) by striking "provide assurances" and inserting "certify";

(ii) in the first sentence by inserting "and shall provide a summary of the facts relied on by the State to determine that such rates are sufficient to ensure such access" before the period; and

(iii) by striking the last sentence.

SEC. 2706. LIMITATION ON STATE ALLOTMENTS.

Section 658F(b) (42 U.S.C. 9858d(b)) is amended—

(1) in paragraph (1), by striking "No" and inserting "Except as provided for in section 658O(c)(6), no"; and

(2) in paragraph (2), by striking "referred to in section 658E(c)(2)(F)".

SEC. 2707. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

Section 658G (42 U.S.C. 9858e) is amended to read as follows:

"SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

"A State that receives funds to carry out this subchapter for a fiscal year, shall use not less than 4 percent of the amount of such funds for activities that are designed to provide comprehensive consumer education to parents and the public, activities that increase parental choice, and activities designed to improve the quality and availability of child care (such as resource and referral services).".

SEC. 2708. REPEAL OF EARLY CHILDHOOD DEVELOPMENT AND BEFORE- AND AFTER-SCHOOL CARE REQUIREMENT.

Section 658H (42 U.S.C. 9858f) is repealed.

SEC. 2709. ADMINISTRATION AND ENFORCEMENT.

Section 658I(b) (42 U.S.C. 9858g(b)) is amended—

(1) in paragraph (1), by striking ", and shall have" and all that follows through "(2)"; and

(2) in the matter following clause (ii) of paragraph (2)(A), by striking "finding and that" and all that follows through the period and inserting "finding and shall require that the State reimburse the Secretary for any funds that were improperly expended for purposes prohibited or not authorized by this subchapter, that the Secretary deduct from the administrative portion of the State allotment for the following fiscal year an amount that is less than or equal to any improperly expended funds, or a combination of such options.".

SEC. 2710. PAYMENTS.

Section 658J(c) (42 U.S.C. 9858h(c)) is amended by striking "expended" and inserting "obligated".

SEC. 2711. ANNUAL REPORT AND AUDITS.

Section 658K (42 U.S.C. 9858i) is amended—

(1) in the section heading by striking "ANNUAL REPORT" and inserting "REPORTS";

(2) in subsection (a), to read as follows:

"(a) REPORTS.—

"(1) COLLECTION OF INFORMATION BY STATES.—

"(A) IN GENERAL.—A State that receives funds to carry out this subchapter shall collect the information described in subparagraph (B) on a monthly basis.

"(B) REQUIRED INFORMATION.—The information required under this subparagraph shall include, with respect to a family unit receiving assistance under this subchapter information concerning—

"(i) family income;

"(ii) county of residence;

"(iii) the gender, race, and age of children receiving such assistance;

"(iv) whether the family includes only 1 parent;

"(v) the sources of family income, including the amount obtained from (and separately identified)—

"(I) employment, including self-employment;

"(II) cash or other assistance under part A of title IV of the Social Security Act;

"(III) housing assistance;

"(IV) assistance under the Food Stamp Act of 1977; and

"(V) other assistance programs;

"(vi) the number of months the family has received benefits;

"(vii) the type of child care in which the child was enrolled (such as family child care, home care, or center-based child care);

"(viii) whether the child care provider involved was a relative;

"(ix) the cost of child care for such families; and

"(x) the average hours per week of such care;

during the period for which such information is required to be submitted.

"(C) SUBMISSION TO SECRETARY.—A State described in subparagraph (A) shall, on a quarterly basis, submit the information required to be collected under subparagraph (B) to the Secretary.

"(D) SAMPLING.—The Secretary may disapprove the information collected by a State under this paragraph if the State uses sampling methods to collect such information.

"(2) BIANNUAL REPORTS.—Not later than December 31, 1997, and every 6 months thereafter, a State described in paragraph (1)(A) shall prepare and submit to the Secretary a report that includes aggregate data concerning—

"(A) the number of child care providers that received funding under this subchapter as separately identified based on the types of providers listed in section 658P(5);

"(B) the monthly cost of child care services, and the portion of such cost that is paid for with assistance provided under this subchapter, listed by the type of child care services provided;

"(C) the number of payments made by the State through vouchers, contracts, cash, and disregards under public benefit programs, listed by the type of child care services provided;

"(D) the manner in which consumer education information was provided to parents and the number of parents to whom such information was provided; and

"(E) the total number (without duplication) of children and families served under this subchapter;

during the period for which such report is required to be submitted."; and

(2) in subsection (b)—

(A) in paragraph (1) by striking "a application" and inserting "an application";

(B) in paragraph (2) by striking "any agency administering activities that receive" and inserting "the State that receives"; and

(C) in paragraph (4) by striking "entitles" and inserting "entitled".

SEC. 2712. REPORT BY THE SECRETARY.

Section 658L (42 U.S.C. 9858j) is amended—

(1) by striking "1993" and inserting "1997";

(2) by striking "annually" and inserting "biennially"; and

(3) by striking "Education and Labor" and inserting "Economic and Educational Opportunities".

SEC. 2713. ALLOTMENTS.

Section 658O (42 U.S.C. 9858m) is amended—

(1) in subsection (a)(1)—

(A) by striking "POSSESSIONS" and inserting "POSSESSIONS";

(B) by inserting "and" after "States,"; and

(C) by striking ", and the Trust Territory of the Pacific Islands";

(2) in subsection (c)—

(A) in paragraph (5) by striking "our" and inserting "out"; and

(B) by adding at the end thereof the following new paragraph:

"(6) CONSTRUCTION OR RENOVATION OF FACILITIES.—

"(A) REQUEST FOR USE OF FUNDS.—An Indian tribe or tribal organization may submit to the Secretary a request to use amounts provided under this subsection for construction or renovation purposes.

"(B) DETERMINATION.—With respect to a request submitted under subparagraph (A), and except as provided in subparagraph (C), upon a determination by the Secretary that adequate facilities are not otherwise available to an Indian tribe or tribal organization to enable such tribe or organization to carry out child care programs in accordance with this subchapter, and that the lack of such facilities will inhibit the operation of such programs in the future, the Secretary may permit the tribe or organization to use assistance provided under this subsection to make payments for the construction or renovation of facilities that will be used to carry out such programs.

"(C) LIMITATION.—The Secretary may not permit an Indian tribe or tribal organization to use amounts provided under this subsection for construction or renovation if such use will result in a decrease in the level of child care services provided by the tribe or organization as compared to the level of such services provided by the tribe or organization in the fiscal year preceding the year for which the determination under subparagraph (A) is being made.

"(D) UNIFORM PROCEDURES.—The Secretary shall develop and implement uniform procedures for the solicitation and consideration of requests under this paragraph."; and

(3) in subsection (e), by adding at the end thereof the following new paragraph:

"(4) INDIAN TRIBES OR TRIBAL ORGANIZATIONS.—Any portion of a grant or contract made to an Indian tribe or tribal organization under subsection (c) that the Secretary determines is not being used in a manner consistent with the provision of this subchapter in the period for which the grant or contract is made available, shall be allotted by the Secretary to other tribes or organizations that have submitted applications under subsection (c) in accordance with their respective needs.".

SEC. 2714. DEFINITIONS.

Section 658P (42 U.S.C. 9858n) is amended—

(1) in paragraph (2), in the first sentence by inserting "or as a deposit for child care services if such a deposit is required of other children being cared for by the provider" after "child care services"; and

(2) by striking paragraph (3);

(3) in paragraph (4)(B), by striking "75 percent" and inserting "85 percent";

(4) in paragraph (5)(B)—

(A) by inserting "great grandchild, sibling (if such provider lives in a separate residence)," after "grandchild,";

(B) by striking "is registered and"; and

(C) by striking "State" and inserting "applicable".

(5) by striking paragraph (10);

(6) in paragraph (13)—

(A) by inserting "or" after "Samoa,"; and

(B) by striking ", and the Trust Territory of the Pacific Islands";

(7) in paragraph (14)—

(A) by striking "The term" and inserting the following:

"(A) IN GENERAL.—The term"; and

(B) by adding at the end thereof the following new subparagraph:

"(B) OTHER ORGANIZATIONS.—Such term includes a Native Hawaiian Organization, as defined in section 4009(4) of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (20 U.S.C. 4909(4)) and a private nonprofit organization established for the purpose of serving youth who are Indians or Native Hawaiians.".

SEC. 2715. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this chapter and the amendments made by this chapter shall take effect on October 1, 1996.

(b) EXCEPTION.—The amendment made by section 2803(a) shall take effect on the date of enactment of this Act.

CHAPTER 8—MISCELLANEOUS

SEC. 2801. APPROPRIATION BY STATE LEGISLATURES.

(a) IN GENERAL.—Any funds received by a State under the provisions of law specified in subsection (b) shall be subject to appropriation by the State legislature, consistent with the terms and conditions required under such provisions of law.

(b) PROVISIONS OF LAW.—The provisions of law specified in this subsection are the following:

(1) Part A of title IV of the Social Security Act (relating to block grants for temporary assistance for needy families).

(2) Section 27 of the Food Stamp Act of 1977 (relating to the optional State food assistance block grant).

(3) The Child Care and Development Block Grant Act of 1990 (relating to block grants for child care).

SEC. 2802. SANCTIONING FOR TESTING POSITIVE FOR CONTROLLED SUBSTANCES.

Notwithstanding any other provision of law, States shall not be prohibited by the Federal Government from testing welfare recipients for use of controlled substances nor from sanctioning welfare recipients who test positive for use of controlled substances.

SEC. 2803. REDUCTION IN BLOCK GRANTS TO STATES FOR SOCIAL SERVICES.

(a) IN GENERAL.—Section 2003(c) of the Social Security Act (42 U.S.C. 1397b(c)) is amended—

(1) by striking "and" at the end of paragraph (4); and

(2) by striking paragraph (5) and inserting the following:

"(5) $2,800,000,000 for each of the fiscal years 1990 through 1995;

"(6) $2,381,000,000 for the fiscal year 1996;

"(7) $2,240,000,000 for each of the fiscal years 1997 through 2002; and

"(8) $2,800,000,000 for the fiscal year 2003 and each succeeding fiscal year.".

(b) DEDICATION OF BLOCK GRANT SHARE.—Section 2001 of the Social Security Act (42 U.S.C. 1397) is amended—

(1) in the matter preceding paragraph (1), by inserting "(a)" before "For"; and

(2) by adding at the end the following:

"(b) For any fiscal year in which a State receives an allotment under section 2003, such State shall dedicate an amount equal to 1 percent of such allotment to fund programs and services that teach minors to avoid out-of-wedlock pregnancies.".

SEC. 2804. ELIMINATION OF HOUSING ASSISTANCE WITH RESPECT TO FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) ELIGIBILITY FOR ASSISTANCE.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) in section 6(l)—

(A) in paragraph (5), by striking "and" at the end;

(B) in paragraph (6), by striking the period at the end and inserting "; and"; and

(C) by inserting immediately after paragraph (6) the following new paragraph:

"(7) provide that it shall be cause for immediate termination of the tenancy of a public housing tenant if such tenant—

"(A) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(2) is violating a condition of probation or parole imposed under Federal or State law."; and

(2) in section 8(d)(1)(B)—

(A) in clause (iii), by striking "and" at the end;

(B) in clause (iv), by striking the period at the end and inserting "; and"; and

(C) by adding after clause (iv) the following new clause:

"(v) it shall be cause for termination of the tenancy of a tenant if such tenant—

"(I) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(II) is violating a condition of probation or parole imposed under Federal or State law;".

(b) PROVISION OF INFORMATION TO LAW ENFORCEMENT AGENCIES.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by sections 2404(d) and 2601 of this Act, is amended by adding at the end the following:

"SEC. 29. EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.

"Notwithstanding any other provision of law, each public housing agency that enters into a contract for assistance under section 6 or 8 of this Act with the Secretary shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address, Social Security number, and photograph (if applicable) of any recipient of assistance under this Act, if the officer—

"(1) furnishes the public housing agency with the name of the recipient; and

"(2) notifies the agency that—

"(A) such recipient—

"(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

"(ii) is violating a condition of probation or parole imposed under Federal or State law; or

"(iii) has information that is necessary for the officer to conduct the officer's official duties;

"(B) the location or apprehension of the recipient is within such officer's official duties; and

"(C) the request is made in the proper exercise of the officer's official duties.".

SEC. 2805. SENSE OF THE SENATE REGARDING ENTERPRISE ZONES.

(a) FINDINGS.—The Senate finds that:

(1) Many of the Nation's urban centers are places with high levels of poverty, high rates of welfare dependency, high crime rates, poor schools, and joblessness;

(2) Federal tax incentives and regulatory reforms can encourage economic growth, job creation and small business formation in many urban centers;

(3) Encouraging private sector investment in America's economically distressed urban and rural areas is essential to breaking the cycle of poverty and the related ills of crime, drug abuse, illiteracy, welfare dependency, and unemployment;

(4) The empowerment zones enacted in 1993 should be enhanced by providing incentives to increase entrepreneurial growth, capital formation, job creation, educational opportunities, and home ownership in the designated communities and zones.

(b) SENSE OF THE SENATE.—Therefore, it is the Sense of the Senate that the Congress should adopt enterprise zone legislation in the One Hundred Fourth Congress, and that such enterprise zone legislation provide the following incentives and provisions:

(1) Federal tax incentives that expand access to capital, increase the formation and expansion of small businesses, and promote commercial revitalization;

(2) Regulatory reforms that allow localities to petition Federal agencies, subject to the relevant agencies' approval, for waivers or modifications of regulations to improve job creation, small business formation and expansion, community development, or economic revitalization objectives of the enterprise zones;

(3) Home ownership incentives and grants to encourage resident management of public housing and home ownership of public housing;

(4) School reform pilot projects in certain designated enterprise zones to provide low-income parents with new and expanded educational options for their children's elementary and secondary schooling.

SEC. 2806. SENSE OF THE SENATE REGARDING THE INABILITY OF THE NON-CUSTODIAL PARENT TO PAY CHILD SUPPORT.

It is the sense of the Senate that—

(a) States should diligently continue their efforts to enforce child support payments by the non-custodial parent to the custodial parent, regardless of the employment status or location of the non-custodial parent; and

(b) States are encouraged to pursue pilot programs in which the parents of a non-adult, non-custodial parent who refuses to or is unable to pay child support must—

(1) pay or contribute to the child support owed by the non-custodial parent; or

(2) otherwise fulfill all financial obligations and meet all conditions imposed on the non-custodial parent, such as participation in a work program or other related activity.

SEC. 2807. ESTABLISHING NATIONAL GOALS TO PREVENT TEENAGE PREGNANCIES.

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) preventing out-of-wedlock teenage pregnancies, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

SEC. 2808. SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.

(a) SENSE OF THE SENATE.—It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

(b) JUSTICE DEPARTMENT PROGRAM ON STATUTORY RAPE.—Not later than January 1, 1997, the Attorney General shall establish and implement a program that—

(1) studies the linkage between statutory rape and teenage pregnancy, particularly by predatory older men committing repeat offensives; and

(2) educates State and local criminal law enforcement officials on the prevention and prosecution of statutory rape, focusing in particular on the commission of statutory rape by predatory older men committing repeat offensives, and any links to teenage pregnancy.

(c) VIOLENCE AGAINST WOMEN INITIATIVE.—The Attorney General shall ensure that the Department of Justice's Violence Against Women initiative addresses the issue of statutory rape, particularly the commission of statutory rape by predatory older men committing repeat offensives.

SEC. 2809. PROVISIONS TO ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1693b) is amended—

(1) by striking "(d) In the event" and inserting "(d) APPLICABILITY TO SERVICE PROVIDERS OTHER THAN CERTAIN FINANCIAL INSTITUTIONS.—

"(1) IN GENERAL.—In the event"; and

(2) by adding at the end the following new paragraph:

"(2) STATE AND LOCAL GOVERNMENT ELECTRONIC BENEFIT TRANSFER PROGRAMS.—

"(A) EXEMPTION GENERALLY.—The disclosures, protections, responsibilities, and remedies established under this title, and any regulation prescribed or order issued by the Board in accordance with this title, shall not apply to any electronic benefit transfer program established under State or local law or administered by a State or local government.

"(B) EXCEPTION FOR DIRECT DEPOSIT INTO RECIPIENT'S ACCOUNT.—Subparagraph (A) shall not apply with respect to any electronic funds transfer under an electronic benefit transfer program for deposits directly into a consumer account held by the recipient of the benefit.

"(C) RULE OF CONSTRUCTION.—No provision of this paragraph may be construed as—

"(i) affecting or altering the protections otherwise applicable with respect to benefits established by Federal, State, or local law; or

"(ii) otherwise superseding the application of any State or local law.

"(D) ELECTRONIC BENEFIT TRANSFER PROGRAM DEFINED.—For purposes of this paragraph, the term 'electronic benefit transfer program'—

"(i) means a program under which a government agency distributes needs-tested benefits by establishing accounts to be accessed by recipients electronically, such as through automated teller machines, or point-of-sale terminals; and

"(ii) does not include employment-related payments, including salaries and pension, retirement, or unemployment benefits established by Federal, State, or local governments.".

SEC. 2810. RULES RELATING TO DENIAL OF EARNED INCOME CREDIT ON BASIS OF DISQUALIFIED INCOME.

(a) REDUCTION IN DISQUALIFIED INCOME THRESHOLD.—

(1) IN GENERAL.—Paragraph (1) of section 32(i) of the Internal Revenue Code of 1986 (relating to denial of credit for individuals having excessive investment income) is amended by striking "$2,350" and inserting "$2,200".

(2) ADJUSTMENT FOR INFLATION.—Subsection (j) of section 32 of such Code is amended to read as follows:

"(j) INFLATION ADJUSTMENTS.—

"(1) IN GENERAL.—In the case of any taxable year beginning after 1996, each of the dollar amounts in subsections (b)(2)(A) and (i)(1) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, determined by substituting 'calendar year 1995' for 'calendar year 1992' in subparagraph (B) thereof.

"(2) ROUNDING.—

"(A) IN GENERAL.—If any dollar amount in subsection (b)(2), after being increased under paragraph (1), is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10.

"(B) DISQUALIFIED INCOME THRESHOLD AMOUNT.—If the dollar amount in subsection (i)(1), after being increased under paragraph (1), is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.".

(3) CONFORMING AMENDMENTS.—The table contained in section 32(b)(2)(A) of the Internal Revenue Code of 1986 is amended—

(1) by striking "$6,000" and inserting "$6,330",

(2) by striking "$11,000" both places it appears and inserting "$11,610",

(3) by striking "$8,425" and inserting "$8,890",

(4) by striking "$4,000" and inserting "$4,220", and

(5) by striking "$5,000" and inserting "$5,280".

(b) DEFINITION OF DISQUALIFIED INCOME.—Paragraph (2) of section 32(i) of such Code (defining disqualified income) is amended by striking "and" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting a comma, and by adding at the end the following new subparagraphs:

"(D) the capital gain net income (as defined in section 1222) of the taxpayer for such taxable year, and

"(E) the excess (if any) of—

"(i) the aggregate income from all passive activities for the taxable year (determined without regard to any amount included in earned income under subsection (c)(2) or described in a preceding subparagraph), over

"(ii) the aggregate losses from all passive activities for the taxable year (as so determined). For purposes of subparagraph (E), the term 'passive activity' has the meaning given such term by section 469.".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1995.

(2) ADVANCE PAYMENT INDIVIDUALS.—In the case of any individual who on or before June 26, 1996, has in effect an earned income eligibility certificate for the individual's taxable year beginning in 1996, the amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 2811. MODIFICATION OF ADJUSTED GROSS INCOME DEFINITION FOR EARNED INCOME CREDIT.

(a) IN GENERAL.—Subsections (a)(2)(B), (c)(1)(C), and (f)(2)(B) of section 32 of the Internal Revenue Code of 1986 are each amended by striking "adjusted gross income" each place it appears and inserting "modified adjusted gross income".

(b) MODIFIED ADJUSTED GROSS INCOME DEFINED.—Section 32(c) of such Code (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

"(5) MODIFIED ADJUSTED GROSS INCOME.—

"(A) IN GENERAL.—The term 'modified adjusted gross income' means adjusted gross income—

"(i) increased by the sum of the amounts described in subparagraph (B), and

"(ii) determined without regard to the amounts described in subparagraph (C).

"(B) NONTAXABLE INCOME TAKEN INTO ACCOUNT.—Amounts described in this subparagraph are—

"(i) interest received or accrued during the taxable year which is exempt from tax imposed by this chapter, and

"(ii) amounts received as a pension or annuity, and any distributions or payments received from an individual retirement plan, by the taxpayer during the taxable year to the extent not included in gross income.

Clause (ii) shall not include any amount which is not includible in gross income by reason of section 402(c), 403(a)(4), 403(b)(8), 408(d) (3), (4), or (5), or 457(e)(10).

"(C) CERTAIN AMOUNTS DISREGARDED.—An amount is described in this subparagraph if it is—

"(i) the amount of losses from sales or exchanges of capital assets in excess of gains from such sales or exchanges to the extent such amount does not exceed the amount under section 1211(b)(1),

"(ii) the net loss from estates and trusts,

"(iii) the excess (if any) of amounts described in subsection (i)(2)(C)(ii) over the amounts described in subsection (i)(2)(C)(i) (relating to nonbusiness rents and royalties), and

"(iv) the net loss from the carrying on of trades or businesses, computed separately with respect to—

"(I) trades or businesses (other than farming) conducted as sole proprietorships,

"(II) trades or businesses of farming conducted as sole proprietorships, and

"(III) other trades or businesses.

For purposes of clause (iv), there shall not be taken into account items which are attributable to a trade or business which consists of the performance of services by the taxpayer as an employee.".

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after December 31, 1995.

(2) ADVANCE PAYMENT INDIVIDUALS.—In the case of any individual who on or before June 26, 1996, has in effect an earned income eligibility certificate for the individual's taxable year beginning in 1996, the amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 2812. SUSPENSION OF INFLATION ADJUSTMENTS FOR INDIVIDUALS WITH NO QUALIFYING CHILDREN.

(a) IN GENERAL.—Subsection (j) of section 32 of the Internal Revenue Code of 1986, as amended by section 2911(a)(2) of this Act, is amended by adding at the end the following new paragraph:

"(3) NO ADJUSTMENT FOR INDIVIDUALS WITH NO QUALIFYING CHILDREN.—This subsection shall not apply to each dollar amount contained in subsection (b)(2)(A) with respect to individuals with no qualifying children.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 2813. REFUNDABLE CREDIT FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by redesignating section 35 as section 36 and by inserting after section 34 the following new section:

"SEC. 35. ADOPTION EXPENSES.

"(a) ALLOWANCE OF CREDIT.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year the amount of the qualified adoption expenses paid or incurred by the taxpayer during such taxable year.

"(b) LIMITATIONS.—

"(1) DOLLAR LIMITATION.—The aggregate amount of qualified adoption expenses which may be taken into account under subsection (a) with respect to the adoption of a child shall not exceed $5,000.

"(2) INCOME LIMITATION.—The amount allowable as a credit under subsection (a) for any taxable year shall be reduced (but not below zero) by an amount which bears the same ratio to the amount so allowable (determined without regard to this paragraph but with regard to paragraph (1)) as—

"(A) the amount (if any) by which the taxpayer's adjusted gross income exceeds $60,000, bears to

"(B) $40,000.

"(3) DENIAL OF DOUBLE BENEFIT.—

"(A) IN GENERAL.—No credit shall be allowed under subsection (a) for any expense for which a deduction or credit is allowable under any other provision of this chapter.

"(B) GRANTS.—No credit shall be allowed under subsection (a) for any expense to the extent that funds for such expense are received under any Federal, State, or local program.

"(c) QUALIFIED ADOPTION EXPENSES.—For purposes of this section, the term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal and finalized adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement. The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

"(d) MARRIED COUPLES MUST FILE JOINT RETURNS.—Rules similar to the rules of paragraphs (2), (3), and (4) of section 21(e) shall apply for purposes of this section.".

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting before the period ", or from section 35 of such Code".

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by striking the last item and inserting the following:

"Sec. 35. Adoption expenses.

"Sec. 36. Overpayments of tax.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 2814. EXCLUSION OF ADOPTION ASSISTANCE.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 (relating to items specifically excluded from gross income) is amended by redesignating section 137 as section 138 and by inserting after section 136 the following new section:

"SEC. 137. ADOPTION ASSISTANCE.

"(a) IN GENERAL.—Gross income of an employee does not include employee adoption assistance benefits, or military adoption assistance benefits, received by the employee with respect to the employee's adoption of a child.

"(b) DEFINITIONS.—For purposes of this section—

"(1) EMPLOYEE ADOPTION ASSISTANCE BENEFITS.—The term 'employee adoption assistance benefits' means payment by an employer of qualified adoption expenses with respect to an employee's adoption of a child, or reimbursement by the employer of such qualified adoption expenses paid or incurred by the employee in the taxable year.

"(2) EMPLOYER AND EMPLOYEE.—The terms 'employer' and 'employee' have the respective meanings given such terms by section 127(c).

"(3) MILITARY ADOPTION ASSISTANCE BENEFITS.—The term 'military adoption assistance benefits' means benefits provided under section 1052 of title 10, United States Code, or section 514 of title 14, United States Code.

"(4) QUALIFIED ADOPTION EXPENSES.—The term 'qualified adoption expenses' means reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal and finalized adoption of a child by the taxpayer and which are not incurred in violation of State or Federal law or in carrying out any surrogate parenting arrangement. The term 'qualified adoption expenses' shall not include any expenses in connection with the adoption by an individual of a child who is the child of such individual's spouse.

"(c) COORDINATION WITH OTHER PROVISIONS.—The Secretary shall issue regulations to coordinate the application of this section with the application of any other provision of this title which allows a credit or deduction with respect to qualified adoption expenses.".

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by striking the item relating to section 137 and inserting the following new items:

"Sec. 137. Adoption assistance.

"Sec. 138. Cross references to other Acts.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

SEC. 2815. WITHDRAWAL FROM IRA FOR ADOPTION EXPENSES.

(a) IN GENERAL.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 (relating to tax treatment of distributions) is amended by adding at the end the following new paragraph:

"(8) QUALIFIED ADOPTION EXPENSES.—

"(A) IN GENERAL.—Any amount which is paid or distributed out of an individual retirement plan of the taxpayer, and which would (but for this paragraph) be includible in gross income, shall be excluded from gross income to the extent that—

"(i) such amount exceeds the sum of—

"(I) the amount excludable under section 137, and

"(II) any amount allowable as a credit under this title with respect to qualified adoption expenses; and

"(ii) such amount does not exceed the qualified adoption expenses paid or incurred by the taxpayer during the taxable year.

"(B) QUALIFIED ADOPTION EXPENSES.—For purposes of this paragraph, the term 'qualified adoption expenses' has the meaning given such term by section 137.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 1996.

FOOD QUALITY PROTECTION ACT

Mr. MCCONNELL. I ask unanimous consent that the Senate proceed to the consideration of H.R. 1627 which was received from the House.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 1627) to amend the Federal Insecticide, Fungicide, and Rodenticide Act and the Federal Food, Drug, and Cosmetic Act, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. LUGAR. Today, the Senate takes final action on the Food Quality Protection Act. The legislation before us today passed the House on July 23 by a vote of 417 to 0.

I commend our colleagues in the House for this bipartisan compromise to reform the Delaney clause. Chairman BLILEY, Representative DINGELL, and Representative WAXMAN are to be commended for their efforts. I also want to thank my counterparts on the House Agriculture Committee, Chairman ROBERTS and Representative DE LA GARZA.

This bill represents a carefully crafted compromise. A large list of consumer groups, environmental organizations, food industry organizations, and farm groups support the bill. The administration has indicated the President will sign the bill.

The bill reforms the scientifically outdated Delaney clause enacted in 1958. The Delaney clause ignores the concept of risk. As science continues to develop new means of detecting even the smallest amount of substance in food, the Delaney clause would force more and more safe products off the market.

The compromise bill sets a "safe" standard for both raw and processed food. Safe is defined as "a reasonable certainty that no harm will result from aggregate exposure to pesticide chemical residue."

The bill also allows for the consideration of benefits when setting tolerances, but limits how much additional risk is acceptable as a tradeoff for benefits. As recommended by the National Academy of Sciences in 1993, EPA is required to give special consideration to infants and children when setting pesticide residue tolerances. For pesticides with threshold effects, an additional tenfold margin of safety shall be applied for infants and children, except EPA may use a different margin of safety on the basis of reliable data.

National uniformity of tolerances is maintained with some exceptions. Uniformity does not apply to warning labels like Prop 65.

The bill contains provisions to encourage development of new minor use pesticides without compromising food safety or adversely affecting the environment.

The bill also addresses antimicrobial registrations by expediting registration procedures for antimicrobial pesticides.

The bill extends EPA authorization to collect $14 million annually in reregistration fees—a provision strongly endorsed by the Environmental Protection Agency.

Finally, I want to commend Senator PRYOR for his efforts to reform the Delaney clause and his strong support for the legislation we introduced. Senator KASSEBAUM, chairman of the Labor and Human Resources Committee, has been a strong supporter of Delaney reform as an original cosponsor of S. 1166 and is supportive of our efforts to move forward. I also want to thank Senator LEAHY for his support of this compromise and his willingness to work to move this bill through the Senate.

I am pleased that we have a compromise bill before us that will reform the outdated Delaney clause and help ensure the continued availability of a safe, affordable and abundant food supply in our Nation. I urge my colleagues to support this important legislation.

I ask unanimous consent to have printed in the RECORD three letters from Dr. Lynn Goldman, Assistant Administrator, Environmental Protection Agency.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. ENVIRONMENTAL
PROTECTION AGENCY,
Washington, DC, July 23, 1996.

Hon. RICHARD LUGAR,
Chairman, Committee on Agriculture, Nutrition and Forestry, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to clarify some questions your staff has raised concerning certain provisions of H.R. 1627 as unanimously approved by the House of Representatives.

The first issue relates to the tenfold additional margin of safety when assessing risks to infants and children during tolerance evaluations. We have clarified this issue through a letter dated July 23, 1996 to Chairman Bliley (enclosed), and would like to clarify one more point:

Under this provision, as an uncertainty factor, we would require an additional tenfold margin of safety if the Agency does not have complete and reliable data to assess pre or postnatal toxicity relating to infants and children, or if the data indicate pre or postnatal effects of concern. When the data are incomplete, we use an additional uncertainty factor between three and ten based on how much information is incomplete. The data EPA would consider include data submitted in compliance with EPA testing requirements, available data published in the scientific literature, and any other data available to EPA and meeting general scientific standards. Where reproductive and developmental data have been found acceptable by EPA, and the data do not indicate potential pre or postnatal effects of concern, the additional tenfold margin of safety would not be applied.

The second issue regards administrative hearings. With respect to hearings under section 408 (g)(2)(B), EPA will determine whether there are issues of material fact on which a public hearing should be held. Issues of material fact may include, for example, issues as to the magnitude of risk or whether an effect is a threshold or non-threshold effect. Where issues of material fact are raised, and relevant factual information is at issue, the Administrator is required to grant a request for a public hearing.

The third issue regards the classification of certain chemicals as threshold or non-threshold effects. For purposes of the determination of safety under Section 408 (b)(2)(A)(ii), chemicals which currently are classified as Category C carcinogens with no quantification of risk would be treated under the standard applicable to threshold effects.

The Office of management and budget advises that there is no objection to the presentation of these views from the standpoint of the President's program.

Sincerely,
LYNN R. GOLDMAN, M.D.,
Assistant Administrator.

U.S. ENVIRONMENTAL
PROTECTION AGENCY,
Washington, DC, July 23, 1996.

Hon. RICHARD LUGAR,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing in response to your question concerning the Agency's Special Review of the pesticide atrazine. As you know, atrazine has been in Special Review since November 1994, and currently we are reviewing the additional information submitted by the registrant and the public comments.

Specifically, you have asked whether possible changes in the Federal Food, Drug, and Cosmetic Act (FFDCA) might obviate the need for completion of the atrazine Special Review under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA).

H.R. 1627 as enacted by the House of Representatives contains numerous provisions changing the way we assess tolerances for pesticide residues on food. However, should the bill become law, the Special Review of atrazine would continue as we assess the data submitted by the registrant and others. Our plans for completion of the next step in the Special Review process, the issuance of what we call "Position Document 2/3," remains unchanged. Completion of this document is now planned for late 1997.

We would not expect to examine the tolerances associated with the current uses of atrazine until the later stages of the Special Review process, that is at the "Position Document 4" stage.

Commonly, as part of our Special Review process, the Agency discusses risk reduction measures on a continuing basis with the registrant and affected grower community. These are often a valuable part of the pesticide regulatory decision process. Obviously, if the risk issues are resolved through this process, we would terminate the Special Review.

The Office of Management and Budget advises that there is no objection to the presentation of these views from the standpoint of the President's program.

Sincerely,
LYNN R. GOLDMAN, M.D.,
Assistant Administrator.

U.S. ENVIRONMENTAL
PROTECTION AGENCY,
Washington, DC, July 23, 1996.

Hon. THOMAS BLILEY,
Chairman, Committee on Commerce, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: We are writing to clarify questions regarding the provision in H.R. 1627 as passed by the Committee on Commerce concerning the ten-fold additional margin of safety when assessing risks to infants and children during tolerance evaluations. We believe that this language when applied with the general safety standard, would provide EPA with an important tool to implement the recommendations found in the National Academy of Sciences' report, Pesticides in the Diets of Infants and Children.

We believe that this provision is consistent with the recommendations found in that report (see attached), and would allow the Agency to ensure that pesticide tolerances are safe for children in those situations where an additional margin of safety is necessary to account for inadequate or otherwise incomplete data. This language provides the Agency with discretion, based on sound science, to set the margin of safety at an appropriate level to protect infants and children.

This provision is consistent with current Agency risk assessment practices. We have the been actively working to implement the NAS recommendations, and are using the best available science to assess risks to infants and children in a manner consistent with those recommendations. In doing so, EPA scientists exercise their best judgment, based on reliable data, to determine whether studies accurately reflect the risk to children or if an additional margin of safety of up to ten is required. When the data are incomplete, we use an additional uncertainty factor between three and ten based on how much information is incomplete.

We believe that the language passed by the Committee on Commerce strikes the proper balance in setting a strong standard to protect children while giving EPA the discretion to use the best available science. We are pleased that the children's standard will allow us to assure the public that all foods are safe for children.

The Office of Management and Budget advises that there is no objection to the presentation of these views from the standpoint of the President's program.

Sincerely,

LYNN R. GOLDMAN, M.D.,
Assistant Administrator.

PESTICIDES IN THE DIETS OF INFANTS AND CHILDREN

(National Academy of Sciences Recommendations, page 9)

Uncertainty factors.—For toxic effects other than cancer or heritable mutation, uncertainty factors are widely used to establish guidelines for human exposure on the basis of animal testing results. This is often done by dividing the no-observed-effect level (NOEL) found in animal tests by an uncertainty factor of 100-fold. This factor comprises two separate factors of 10-fold each; one allows for uncertainty in extrapolating data from animals to humans; the other accommodates variation within the human population. Although the committee believes that the latter uncertainty factor generally provides adequate protection for infants and children, this population subgroup may be uniquely susceptible to chemical exposures at particularly sensitive stages of development.

At the present, to provide added protection during early development, a third uncertainty factor of 10 is applied to the NOEL to develop the RfD. This third 10-fold factor has been applied by the EPA and FDA whenever toxicity studies and metabolic/disposition studies have shown fetal developmental effects.

Because there exist specific periods of vulnerability during postnatal development, the committee recommends that an uncertainty factor up to the 10-fold factor traditionally used by EPA and FDA for fetal developmental toxicity should also be considered when there is evidence of postnatal developmental toxicity and when data from toxicity testing relative to children are incomplete. The committee wishes to emphasize that this is not a new, additional uncertainty factor but, rather, an extended application of an uncertainty factor now routinely used by the agencies for a narrower purpose.

In the absence of data to the contrary, there should be a presumption of greater toxicity to infants and children. To validate this presumption, the sensitivity of mature and immature individuals should be studied systematically to expand the current limited data base on relative sensitivity.

Mr. PRYOR. Mr. President, today marks the conclusion of a monumental effort by numerous individuals and organizations to finally update food safety laws of this country. With the help of the Clinton administration, members of both the Agriculture and Labor Committees—particularly Senator LUGAR, the chief sponsor of the bill in the Senate—as well as our colleagues in the House, passage of the Food Quality Protection Act has finally become a reality.

This legislation at long last updates the famed Delaney Clause which was first enacted in the 1950's, but became obsolete with the advances in science and technology. Although the provision served a very useful purpose in its day, we have recently found ourselves in a situation where the outdated law was working against the ability of the crop protection industry to find safer alternatives for our farmers and ranchers to use in the production of food and fiber.

Again, Mr. President, I want to complement the Clinton administration for helping find a bipartisan solution to a problem that has plagued farmers and consumers for a number of years. The result is consumers continue to have a safe and abundant food supply and that farmers and agribusiness will be treated more fairly by government regulators. It is a clear victory for both farmers and consumers and proves once again that when we work in a bipartisan fashion we're all the better.

CONSUMER RIGHT TO KNOW SECTION

Mr. SANTORUM. As we prepare to vote on H.R. 1627, I wish to seek clarification on the consumer right to know section if Chairman LUGAR would be kind enough to respond.

Mr. LUGAR. What clarification is the Senator seeking?

Mr. SANTORUM. It is my understanding that under the consumer right to know section, the administrator of EPA in consultation with the Secretary of Agriculture and the Secretary of Health and Human Services will develop and distribute to large retail grocers information relating to the risks and benefits of pesticide residues in or on food items that are purchased by consumers.

Mr. LUGAR. That is correct.

Mr. SANTORUM. In turn, under this section, grocers are expected to display or make available this information in whatever manner best works for that retail store.

Mr. LUGAR. Yes, the legislation makes this type of information available for display.

Mr. SANTORUM. It is also my understanding under this section that a supermarket would not be held liable for any civil or criminal penalties in the event that the store were to be depleted of its supply of brochures or whatever information is provided by EPA, USDA, and FDA. Nor would a grocer be held liable or have products deemed misbranded if the information is not always available, or in the event the Government fails to provide the information to supermarkets.

Mr. LUGAR. It is clearly not the intent of Congress to penalize supermarkets for failure to display the information. It is our intent, however, for grocery stores to serve as a conduit for the display and dissemination of this information to the greatest extent practical in a manner that will be determined by each store. In other words, we do not intend to impose an unfair burden on grocery stores that would subject them to fines or seizure of products simply because the information is not always available.

Mr. SANTORUM. I appreciate this clarification on the consumer right to know section of the legislation.

Mr. HEFLIN. Mr. President, it would be my understanding that with regard to the authority given the administrator to require a period of not less than 60 days for public comment after issuing a regulation under section 408(e)(1) of the Act that this would apply only to those tolerance petitions submitted after the effective date of the Act.

Mr. LUGAR. The Senator from Alabama is correct.

Mr. McCONNELL. Mr. President, I ask unanimous consent the bill be deemed read a third time, passed, the motion to reconsider be laid upon the table, and that any statements relating to this measure appear at this point in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 1627) was deemed read a third time, and passed.

OFFICE OF GOVERNMENT ETHICS AUTHORIZATION ACT OF 1996

Mr. McCONNELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 429, H.R. 3235.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3235) to amend the Ethics in Government Act of 1978, to extend the authorization of appropriations for the Office of Government Ethics for three years, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. COHEN. Mr. President, today the Senate will pass H.R. 3235, the Office of Government Ethics [OGE] Authorization Act of 1996. OGE was created by the Ethics in Government Act of 1978 to provide overall direction to the executive branch in developing policies to prevent conflicts of interest and ensure ethical conduct by executive branch officers and employees.

Senator LEVIN and I have long been proponents of strong ethics laws. We serve as the chairman and the ranking minority member on the Subcommittee on Oversight of Government Management and the District of Columbia which has jurisdiction over ethics matters within the executive branch. Senator LEVIN and I have made many changes to strengthen the ethics laws since OGE was created. We authored the Independent Counsel provisions of the Ethics in Government Act which provides for the appointment of an independent counsel to investigate allegations of criminal wrongdoing by top level executive branch officials, and we worked together to strengthen the revolving door and lobbying disclosure laws.

Last year, I, along with Senator LEVIN, introduced S. 699, a bill to reauthorize OGE. The bill was reported out of the subcommittee with no amendments and approved by the full Committee on Governmental Affairs last August. It is nearly identical to legislation which passed the Senate last Congress.

The legislation makes a number of technical changes to the ethics laws and, for the first time, grants OGE gift acceptance authority to address the problem that arises when Federal Government facilities are not adequate either in terms of size or equipment resources to accommodate OGE's ethics education and training programs which are held around the country. This authority is intended to enable OGE to accept the use of certain non-Federal facilities, such as an auditorium that might be offered by a State or local government or a university, which may be better suited for OGE's needs.

Federal agencies are not permitted to accept gifts unless they have specific statutory authority to do so. While OGE has not had this authority in the past, 23 agencies and departments do have some type of gift acceptance authority. The bill requires the Director of OGE to establish written rules to govern the exercise of this authority to safeguard against conflicts of interest or the appearance of conflicts in the acceptance of gifts.

Currently, other agencies that have gift acceptance authority do not have to prescribe regulations governing its use. While other agencies would not be required to follow the example of OGE's regulations in making their own determinations about their gift authority, OGE's regulations would provide useful guidance to other agencies.

OGE has been without an authorization since September 30, 1994, when the previous authorization expired. In April, Congressman CANADY, Chairman of the Constitution Subcommittee, introduced a bill very similar to the legislation Senator LEVIN and I introduced. In an effort to complete action on this measure as quickly as possible, my staff has been working with Congressman CANADY's staff. I am pleased to say that Senator LEVIN and I support H.R. 3235, the reauthorization bill which has come over from the House.

There are a few differences between the bill that is before us today and the bill Senator LEVIN and I introduced last year. I would like to take a few minutes to outline these differences for my colleagues. First, the House bill reauthorizes OGE for 3 years opposed to the 7 years proposed in the Senate bill. While OGE has been reauthorized for 5 or 6 years in previous years, the House felt this was too long. The 3 year authorization continues to ensure that reauthorization does not occur during the first year of a Presidential term when a large portion of OGE's resources are devoted to the nominee clearance process. I continue to support a longer reauthorization than what has been proposed by the House, and while I will not be here when OGE needs to be reauthorized again, I hope that the Congress will once again move toward a long reauthorization.

Second, the House bill includes a provision to correct an unintended effect of the 1989 Ethics Reform Act with respect to the post employment or revolving door rules applicable to high level executive and legislative branch employees who leave Government to work on political campaigns. Under current law, senior executive and legislative branch employees are subject to a 1-year cooling-off period during which they cannot contact their former offices on behalf of another party. There are some exceptions to the current ban, for example, if a Federal employee leaves to work for a State or local government or for an international organization like the U.N. However, there is no exception for employees who leave to go work for a political campaign. So, if an administrative assistant or legislative director takes a leave of absence from a Senator's staff to work on the Senator's reelection campaign, the former staffer is prohibited from contacting the Senator or his or her staffers with the intent to influence official action.

There is a consensus that the current post-employment law doesn't make sense as it applies to campaign work. In drafting the post-employment rules, no one had the campaign example in mind. Moreover, leaving Government service to work on a campaign doesn't involve the kind of abuse the revolving door rules are intended to address, that is, individuals trading on Government information and access for private gain.

In 1991, there was an effort to fix this problem by adding a new exception to the post employment law for staff who leave Government to work on campaigns. The Bush administration supported this legislation, and it passed the House as part of the honoraria reform bill. A companion amendment was circulated in the Senate, but the provision never became law because honoraria reform stalled in the Senate.

The language contained in the House bill is identical to an amendment Senator LEVIN offered to the OGE bill last Congress which was passed by the Senate. It provides that executive and legislative branch employees who would otherwise be subject to the 1-year cooling-off period are not barred from communications with their former offices on behalf of a candidate, political committee, or political party. To guard against potential abuse of the exception or the appearance of impropriety when former employees represent multiple clients, such as when someone works for a consulting firm rather than directly for a campaign, the exception would apply only to individuals who work, No. 1, solely for candidates, campaigns, or political parties, or No. 2, for entities whose only clients are candidates, campaigns, or political parties. The exemption would not apply to FEC employees because of their duties in overseeing the campaign process and would go into effect when the bill becomes law. Therefore, an employee who left Government within the last year, and is still subject to the 1-year cooling off period, can take advantage of this exception.

Finally, the bill addresses another unintended problem with the post employment restrictions. The 1-year cooling-off provisions apply to senior employees of the executive branch. Senior officials are defined as those serving in positions listed on the executive schedule, positions in the uniformed services ranked 07 or above, particular positions within the White House Office, or a position which the pay is equal to or greater than executive level V. This has included SES employees at levels five and six.

Congress has frozen the executive level pay levels for a number of years. However, the pay levels for SES employees are set by the President through Executive order and have continued to increase. As a result, the pay level for SES level four employees has increased above the pay level of executive level V. What this means is that these SES level four employees will now be treated as senior executive branch employees and be subject to the 1-year cooling off restrictions even though they have not taken on any additional duties or responsibilities. It was not Congress' intent to have SES level four employees subject to these post employment restrictions. H.R. 3235 fixes this problem by amending the statute to read that these restrictions will apply to SES levels five and above not executive level V and above.

In closing, OGE is a small office with large responsibilities. Over the years, we have imposed more responsibilities on OGE and we have not always provided the necessary staff or resources to carry out those responsibilities. Specifically, I would note the additional functions OGE had to perform when it became an independent agency in 1989 and in complying with the Ethics Reform Act of 1989. Congress moved to make OGE a separate agency because it was believed that OGE was not independent enough. In addition, Congress wanted to enhance the agency's prestige and authority within the executive branch given its important and sensitive responsibilities.

While OGE's budget has increased rather significantly since we last reauthorized the agency in 1988, OGE still has a lean budget with which to operate when you consider the critically important responsibilities of the agency. That said, in light of looming budget deficits, OGE, like all agencies will be called upon to meet its responsibilities in the most cost-effective manner possible.

Mr. President, OGE's mission is critically important in ensuring strict ethical standards in Government. I hope my colleagues will move expeditiously to pass this important measure reauthorizing OGE. Finally, I want to take this opportunity to thank Senator LEVIN for his efforts on this legislation and his many years of service on Government ethics issues.

Mr. LEVIN. Mr. President, I am pleased we are considering today, H.R. 3235, the Office of Government Ethics Authorization Act of 1996. This is the same as S.699, the bill sponsored by Senator COHEN and myself and reported by the Governmental Affairs Committee. H.R. 3235 would authorize the appropriation of funds necessary for the Office of Government Ethics to carry out its mission from fiscal years 1997 through 1999.

The Office was first established under the Ethics in Government Act of 1978. Since then, it has been the centerpiece for implementing laws and policies governing the executive branch to ensure that Federal agency officers and employees operate free from conflicts of interest.

Unfortunately, this bill would reauthorize the office for only 3 years. I would have preferred 7 years, but we were told by the House that they wouldn't accept a longer reauthorization. Given the fact that the office has been without a reauthorization since September 30, 1994, and that its work is of fundamental importance to the operations of the executive branch, I think the position of the House is unfortunate. Such a short reauthorization will require more of the valuable time of the OGE staff directed to the legislative process and away from the important work of managing their ethics responsibilities. Because it is so short, it is also likely to result in an authorization gap similar to the one we are experiencing now.

The bill contains a provision which would solve an unintended problem with respect to congressional and Presidential staff leaving office to work on reelection campaigns. In 1989, when we strengthened the post employment restrictions, we prohibited all senior executive branch and congressional staff from contacting their former offices on behalf of someone else for 1 year from the time they left office. What we overlooked at the time was the situation where congressional staff and top executive department officials may leave their Government positions to work on the reelection campaigns of the persons for whom they worked while in the Government. For example, the administrative assistant of one of our colleagues may take a leave of absence and work on the reelection campaign for that same Member. If that happens, that administrative assistant should not be barred from contacting the Member or his staff on behalf of the campaign, since the interests of the campaign and the Member are really the same. Such a bar, which was never intended, would basically make such employment impossible.

The bill would correct this error and permit contacts by a former staff person working for a Member's campaign with the Member and the office of the Member if such contacts are on behalf of the campaign. Such contacts would not be permitted if they were made on behalf of someone or some entity other than the campaign. Should the former staff person work, for example, part time for the campaign and part time as a lobbyist, this bill would not permit that former staff person to contact his or her former office during the 1 year cooling off period on behalf of a client for whom he is serving as a lobbyist. The exception this bill makes is only for contacts by former staff on behalf of the campaign organizations of the Member or President-Vice President for whom the staff person previously worked. This limitation avoids giving an otherwise reasonable exception an unintended consequence.

Mr. President, I would like to thank Senator COHEN, Chairman of the Governmental Affairs Oversight Subcommittee, for his support on this issue; and my colleagues for their support in getting this bill to the floor.

Mr. MCCONNELL. I ask unanimous consent that bill be deemed read the third time, passed, the motion to reconsider be laid upon the table, and that any statements be placed in the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 3235) was deemed read the third time, and passed.

ORDERS FOR THURSDAY, JULY 25, 1996

Mr. MCCONNELL. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9:30 on Thursday, July 25; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date; the morning hour be deemed to have expired; the time for the two leaders be reserved for their use later in the day, and the Senate immediately resume the foreign operations appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. MCCONNELL. For the information of all Senators, tomorrow morning beginning at 9:30 the Senate will resume the foreign operations appropriations bill with a time agreement on the McCain amendment of no more than 30 minutes; therefore, a vote will occur on or in relation to the McCain amendment no later than 10 a.m. Several additional amendments are expected to be offered. Therefore, votes are expected to occur throughout the session of the Senate on Thursday.

Following the disposition of the foreign operations bill, the Senate is then expected to turn to the HUD/VA appropriations bill. Therefore, votes are expected during the session of the Senate on Friday of this week.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. MCCONNELL. Mr. President, if there is no further business to come before the Senate, I ask that the Senate now stand in adjournment under the previous order.

There being no objection, the Senate, at 7:47 p.m., adjourned until Thursday, July 25, 1996, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate July 24, 1996:

NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

SUSAN FORD WILTSHIRE, OF TENNESSEE, TO BE A MEMBER OF THE NATIONAL COUNCIL ON THE HUMANITIES FOR A TERM EXPIRING JANUARY 25, 2002, VICE HENRY H. HIGUERA, TERM EXPIRED.

NATIONAL INSTITUTE FOR LITERACY

JON DEVEAUX, OF NEW YORK, TO BE A MEMBER OF THE NATIONAL INSTITUTE FOR LITERACY ADVISORY BOARD FOR A TERM EXPIRING OCTOBER 12, 1998. (REAPPOINTMENT)

INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT

MICHAEL A. NARANJO, OF NEW MEXICO, TO BE A MEMBER OF THE BOARD OF TRUSTEES OF THE INSTITUTE OF AMERICAN INDIAN AND ALASKA NATIVE CULTURE AND ARTS DEVELOPMENT FOR A TERM EXPIRING MAY 19, 2002, VICE BEATRICE RIVAS SANCHEZ, TERM EXPIRED.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 24, 1996:

THE JUDICIARY

NANETTE K. LAUGHREY, OF MISSOURI, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN AND WESTERN DISTRICTS OF MISSOURI.

DEAN D. PREGERSON, OF CALIFORNIA, TO BE U.S. DISTRICT JUDGE FOR THE CENTRAL DISTRICT OF CALIFORNIA.

HOUSE OF REPRESENTATIVES—*Wednesday, July 24, 1996*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Mr. EVERETT].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
July 24, 1996.

I hereby designate the Honorable TERRY EVERETT to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Help us, O gracious God, to see more clearly a vision of life where good triumphs over evil, where health conquers sickness, where reconciliation prevails over intolerance, and where justice overcomes inequity. Too often we strain with our minds and struggle with ideas seeking that vision and we can be overwhelmed. So we pray, O God, that Your spirit will so abide with us and Your grace will forgive all that is past so that we cannot only see that vision where life is truly lived, but also walk in that good path prepared for us. Bless us this day and every day, we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from New Jersey [Mr. ANDREWS] come forward and lead the House in the Pledge of Allegiance.

Mr. ANDREWS led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will entertain ten 1-minutes on each side.

IN MEMORY OF KYLE AND AMY MILLER, PASSENGERS ON TWA FLIGHT 800

(Mr. HOLDEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOLDEN. Mr. Speaker, it is with great sadness that I rise today to ask my colleagues to join me for a moment in memory of Kyle and Amy Miller of Tamaqua, PA.

Kyle and Amy were among the passengers on the TWA Flight 800 which crashed on route from New York to Paris last Wednesday night. They were on their way to Paris to celebrate their fifth wedding anniversary. Their loss, and the loss of all of the passengers and crew on the plane, was a horrible tragedy.

Kyle and Amy symbolized the American spirit and were outstanding members of their community. Kyle was a small businessman and owned part of his family hardware and plumbing businesses. Amy worked at the hardware store and was a member of the Tamaqua Area School Board. Her work in local education programs was outstanding and she was the top vote-getter in both the primary and general election.

Both Amy and Kyle were well liked and well respected in the community. I would like to offer my condolences to their families. Amy and Kyle were very special young people and they will be missed greatly.

SHEDDING CROCODILE TEARS FOR AUSTRALIAN TAXPAYERS

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, I thought only American families spent an average of $6,000 a year on burdensome regulations, but I guess Australia has come forward spending millions of dollars on a study to determine the dangers of crocodiles. And after millions, here is what they have determined.

First, never put your hand in a crocodile's mouth.

Second, never ride a crocodile. They can really hurt you.

Third, never try to collect crocodile eggs or baby crocs. Mama crocodiles get real mad.

And, finally, never ever attempt to capture a crocodile, especially if it is bigger than your boat.

Beam me up, Mr. Speaker. This is a crock of what? One thing for sure, America is not the only government that wastes money. But evidently the bureaucrat training school for meaningless redtape and regulations in America is now open to all of the government workers of the world, especially Australia.

I yield back the balance of all those crocodile tears for those Australian taxpayers.

MEDICARE

(Ms. DELAURO asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. DELAURO. Mr. Speaker, the American people have a right to know where their elected officials stand on issues. And America's seniors have a right to know what their elected officials want to do to Medicare. House Speaker NEWT GINGRICH has been quoted as saying that he wants Medicare to "wither on the vine." Now the Republicans are saying he did not mean that. They are trying to get an ad that uses Speaker GINGRICH's quote off the air.

Well, Mr. Speaker, the Republicans are trying to rewrite history, claiming that Speaker GINGRICH meant that the Health Care Financing Administration would wither on the vine not Medicare. But as the New York Times pointed out on Saturday "Not only is it hard to imagine how individuals—except perhaps its employees—could leave the agency, this is only one of the explanations Mr. GINGRICH gave at the time."

The Republican budget proposes $168 billion in Medicare cuts over the next 6 years. All to pay for tax breaks for the wealthy. Truth in advertising—it is what the American people demand and what they need to hear.

MEDICARE

(Mr. KENNEDY of Rhode Island asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KENNEDY of Rhode Island. Mr. Speaker, it seems as though in the heat of the campaign season, some people just do not like to face the truth. The Republicans right now are running away from their record in the 104th Congress, a report where they are going after Medicare to fund tax breaks for the very rich.

☐This symbol represents the time of day during the House proceedings, e.g., ☐1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Just think about their budget. They ran on deficit reduction, but what did they do when they came here? They want to cut taxes $245 billion over 7 years. Better than half of that money goes to individuals and families earning over $100,000. What are they going to do to pay for this big tax cut? Well, they are going to cut $270 billion from the Medicare Program. What is that going to mean to senior citizens? It is going to mean out-of-pocket expenses that are going to grow for them.

Mr. Speaker, NEWT GINGRICH said we are not going to kill it right away because that would not be politically popular. We are going to let it die on the vine.

Now what do the Republicans want to do? They want to run away from their record of this statement. They want to say, cut off all advertising that tells the truth about what the Republicans intend to do with Medicare.

MEDICARE: SENIORS BEWARE

(Mr. PALLONE asked and was given permission to address the House for 1 minute.)

Mr. PALLONE. Mr. Speaker, NEWT GINGRICH is now running away from this quote and saying that he did not mean to say that Medicare would wither on the wine, but the bottom line is that the Republican leadership's actions and the legislation that they pass in this House would accomplish that goal.

By cutting Medicare by $270 billion in order to finance tax breaks for the wealthy, essentially what happens is that the Medicare Program will not have enough money to finance quality health care for seniors and the level of services for seniors. In addition, the Republican Medicare plan would have doubled premiums and forced seniors out of traditional Medicare because they would no longer have their choice of doctors. That is what the Republican Party is all about.

Lest anybody think that they were not going to continue this policy, they voted on another budget this year in this House of Representatives that again would slash Medicare in order to finance tax breaks to the wealthy. Today was the day when they were supposed to report back on how they were going to destroy and change Medicare structurally so that it would basically wither on the vine. Well, that deadline is passed. But I would still like to know what the Republican leadership has in mind for Medicare in this Congress. We still do not know, but one thing is for sure: The seniors should beware.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair appreciates the cooperation of Members in listening to the Chair when he advises the Members after they have spoken for 1 minute that their time is up.

ROADBLOCK CONGRESS

(Mr. DOGGETT asked and was given permission to address the House for 1 minute.)

Mr. DOGGETT. Mr. Speaker, we have a town down there in Texas called Wink and a number spread out across the State that are so small they could be called Blink because you would blink and miss them.

That is the way it is with Reform Week here in this Congress. You blink and you miss it because they just abandoned it. Instead of the reform Congress, this has become the roadblock Congress and so much of the roadblock that they would throw up is to our seniors on Medicare. Because if they are ultimately successful with their plan to erect roadblocks to access to care, as Speaker NEWT GINGRICH said with pride last year and with shame this year, "Medicare will wither on the vine."

You see, it was not just one comment. It was the similar comment of Majority Leader ARMEY that he views Medicare as an imposition on his freedom and more than the comments is the action. Instead of reforming this Congress and changing business as usual, they concentrate their efforts on weakening and dismantling the Medicare system that is serving so many of our Nation's seniors. Let us reject their Medicare approach and hold them accountable for their outrageous comments.

THE REAL GINGRICH AGENDA

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Mr. Speaker, Republicans are trying to tell us today that NEWT GINGRICH did not say he wants Medicare to wither on the vine. But the record suggests otherwise.

Thirteen separate times, this Gingrich Congress voted to cut Medicare to pay for tax breaks for the wealthy.

Bob Dole brags about his 1965 vote against Medicare. DICK ARMEY says Medicare is a program he would have no part of in a free world. BILL THOMAS calls Medicare "socialism." And last February, NEWT GINGRICH'S own think tank ran this editorial in their newsletter with this headline: "For Freedom's Sake, Eliminate Social Security."

Mr. Speaker, that is the direction the Republicans are heading. And now that the labor movement has had the courage to tell the truth about the Gingrich agenda, and stand up for working families, the Republicans are doing all they can to silence them.

Mr. Speaker, there's an old saying: Salt doesn't hurt unless it hits an open wound. First, it was Medicare. Next, it is Social Security. That is the real Gingrich agenda.

MEDICARE

(Mrs. KENNELLY asked and was given permission to address the House for 1 minute.)

Mrs. KENNELLY. Mr. Speaker, the Speaker has said he was misquoted on Medicare. Therefore, let us for a moment consider the majority's actions on Medicare, rather than their rhetoric.

The majority passed the largest reduction in Medicare's history—$270 billion. The majority also proposed allowing some doctors to bill beneficiaries extra charges. Furthermore, the majority's plan would have capped Medicare's expenditures below the level of expected medical inflation. And under their bill, the Medicare premium would have doubled over the next 7 years from its current level. These facts are not in dispute.

In the end, actions speak louder than words. And the majority's actions on Medicare, as much as their rhetoric, certainly give America's seniors reason for concern.

Mr. Speaker, we need reform that protects Medicare's solvency. But we cannot afford legislation that destroys Medicare in the name of saving it.

THE TRUTH HURTS

(Mr. ANDREWS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, the truth hurts and the truth is that what the Speaker asserted in 1995, that Medicare should wither on the vine is still true in his opinion in 1996.

The truth also is that this is a Congress that has reacted when people have opposed their positions in very negative and harmful ways to all of us. In 1995 they threw a national temper tantrum and shut the Government down because they could not get what they wanted. And now in 1996 when working men and women who are members of unions like the laborer's union exercise their constitutional right to protest statements like this, they try to intimidate, coerce, and shut them down with hearings like those that are happening today. Real crime is happening on the streets of America but the crime is not happening with statements like this. We ought to give people the right to say what they want. The truth, indeed, hurts.

☐ 1015

TRIBUTE TO MUHAMMAD ALI

(Mr. WARD asked amd was given permission to address the house for 1 minute and to revise and extend his remarks.)

Mr. WARD. Mr. Speaker, I rise today to commemorate a beautiful moment that will stay with me forever. Last Friday night, my family, and I watched the opening of the Olympic games. It was a wonderful spectacle of color, music, people, and culture.

The great surprise of the evening, however, was watching probably the world's most famous American, Muhammad Ali, mark the official beginning with the ceremonial lighting of the Olympic torch. We could not be prouder to have such a great sports figure calling Louisville home.

Muhammad Ali is a role model for us all. He used his talent along with fierce determination to become the best boxer in the world, proved in 1960 as he won an Olympic Gold Medal and proven in his professional career as he remains the only man to hold the boxing heavyweight crown on three separate occasions.

As he struggles under the grip of Parkinson's disease, he remains a role model. He stood tall and proud while lighting the flame, accepting this physical burden with the dignity and grace he has exhibited for his entire career.

He truly is the greatest.

UTAH IS THE RIGHT PLACE

(Ms. GREENE of Utah asked and was given permission to address the House for 1 minute.)

Ms. GREENE of Utah. Mr. Speaker, today marks the 149th anniversary of the day that Brigham Young and his advance party entered the Salt Lake valley in 1847 and declared: "This Is the Right Place." My great, great grandfather, William Clayton, was part of Young's group that made that epic journey which began in Illinois. And so it is with great appreciation and personal enthusiasm for my State, and its unique heritage, that I say: "Utah Is Still the Right Place."

Today, Utah is a place that has seen the desert blossom as a rose as its residents have come together to forge an existence out of a harsh, inhospitable environment. It is also a place of great cultural diversity, that will continue to require all to come together and meet their differences with mutual respect. It is a place that embraces a prosperous economy that continues to foster a warmhearted, hometown feeling, making it one of our most livable States. And now Utah will be the right place for the 2002 Winter Olympic Games.

For all Utahns, July 24 has come to be a day for reflection on what continues to make our State the right place. While our business requires me to be here today, my heart, and that of many across the country, is home in Utah today.

THE GOP IS CUTTING THE DEFICIT

(Mr. BARTLETT of Maryland asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTLETT of Maryland. Mr. Speaker, both the White House and my colleagues on the other side of the aisle have been patting themselves on the back so hard they've been wrenching their shoulders, all to claim credit for deficit reduction which wasn't their doing. The facts are these: The deficit would be at least $56 billion higher today if we had followed the President's budget, but instead, we Republicans did the hard work of finding the savings the Democrats didn't have the guts to make.

The rest of the deficit reduction came from three places: First, cuts in defense as a result of the peace dividend which occurred because Ronald Reagan killed communism; second, sales of assets from the S&L cleanup already in place before Clinton took office; and third, the one thing that was the Democrats' doing; namely, tax hikes on gasoline, social security recipients, and small businessmen.

Republicans want to cut those Democratic taxes and create jobs as a result. More jobs would mean a stronger economy, which would mean a smaller deficit—no thanks at all to the Democrats.

PESIDENT CLINTON FLIP-FLOPS ON WELFARE REFORM

(Mr. KNOLLENBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KNOLLENBERG. Mr. Speaker, what really is going on with the President. I know he likes to change his mind and switch his position, but this week, the President and his friends were in rare form.

We know the President has promised to reform welfare as we know it. Yet he has managed to veto reform twice behind thinly veiled excuses.

Then he supported Wisconsin's reform in a speech, but changed his mind.

Then he spoke to the Nation's Governors and said he supported welfare reform, but the next day, his handlers were changing his tune.

The very next day, Leon Panetta said the President would veto the House-passed welfare reform. And on Sunday, Vice President GORE said the very same thing.

The following day in Denver, the President changed his mind again saying he thinks he can support welfare reform.

I can not wait for tomorrow.

With the President flipping around more than a fish out of water, who knows where he will land. But remember, as my Democrat friends have said, if you do not like the President's position, just wait awhile.

With all the flips and flops, it may soon be called the Waffle House.

I yield back the balance of broken Clinton promises.

PERMISSION FOR SUNDRY COMMITTEES AND THEIR SUBCOMMITTEES TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that the following committees and their subcommittees be permitted to sit today while the House is meeting in the Committee of the Whole under the 5-minute rule:

Committee on Agriculture; Committee on Banking and Financial Services; Committee on Commerce; Committee on Economic and Educational Opportunities; Committee on Government Reform and Oversight; Committee on International Relations; Committee on the Judiciary; Committee on Resources; Committee on Science; and Committee on Small Business.

Mr. Speaker, it is my understanding that the minority has been consulted and that there is no objection to these requests.

The SPEAKER pro tempore (Mr. ROGERS). Is there objection to the request of the gentleman from Kentucky?

There was no objection.

MODIFICATION TO UNANIMOUS-CONSENT AGREEMENT PROVIDING FOR FURTHER CONSIDERATION OF H.R. 3814, DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

Mr. ROGERS. Mr. Speaker, last night I offered a unanimous-consent request that was agreed to for the further consideration of H.R. 3814. There was an inadvertent error in that request that I would now like to correct. I ask unanimous consent that the earlier agreement be modified so that the gentleman from Iowa [Mr. GANSKE] may offer an amendment regarding the patenting of medical procedures for 20 minutes instead of amendment No. 16 printed in the RECORD that is on the same subject.

Mr. Speaker, I understand this has been cleared with the minority.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

GENERAL LEAVE

Mr. ROGERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the further consideration of H.R. 3814, and that I may and include tabular and extraneous material.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore. Pursuant to House Resolution 479 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3814.

☐ 1023

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3814) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1997, and for other purposes, with Mr. GUNDERSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole House rose on Tuesday, July 23, 1996, the amendment offered by the gentleman from Florida [Mr. MILLER] had been disposed of and the bill was open for amendment from page 49, line 3, through page 116, line 5.

Are there further amendments made in order by the order of the House of Tuesday, July 23, 1996?

AMENDMENT OFFERED BY MR. ROGERS

Mr. ROGERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. ROGERS:

On page 55, line 22, strike “$66,000,000” and insert in lieu therof “$68,000,000”.

On page 56, line 4, strike “$1,837,176,000” and insert in lieu therof “$1,839,176,000”.

On page 56, line 6, strike “$71,276,000” and insert in lieu therof “$73,276,000”.

On page 56, line 10, strike “$292,907,000” and insert in lieu therof “$298,907,000”.

On page 56, line 13, strike “$429,897,000” and insert in lieu thereof “$425,897,000”.

The CHAIRMAN. Pursuant to the order of the House of Tuesday, July 23, 1996, the gentleman from Kentucky [Mr. ROGERS] and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a noncontroversial amendment. I am offering this amendment to address concerns raised by some coastal Members on both sides of the aisle. The amendment would make some minor internal shifts within NOAA in order to restore funding for endangered species recovery programs, primarily for salmon recovery in the Pacific Northwest.

Funding for these activities would be offset from within NOAA. It would cost no extra money. I know of no objections.

Mr. Chairman, I yield such time as she may consume to the gentlewoman from Oregon [Ms. FURSE].

Ms. FURSE. Mr. Chairman, I thank the chairman for yielding me the time, and I rise in strong support of this amendment. It will ensure adequate funding for two of NOAA's programs that are critical to our coastal ecosystems and to the fishing industry. It is an amendment which will help the endangered species and, indeed, endangered fishermen and endangered coastal communities.

It will restore to the fiscal year 1996 level the endangered species recovery programs. These are NOAA programs. When a species is listed, the recovery is in place.

As many as 16 million salmon once made it up the Columbia River, and they were just a basis of our economy. But as recently as 1988 those species began to diminish. The recovery plans will mean that our environmental protection will be in place for those species, and it will also help us recover nearly 50,000 jobs that have been lost.

Mr. Chairman, this amendment is supported by Oregon's Governor, by the commercial and sports fishing industry, and it is also supported by those who represent several billion dollars in annual economic activity and more than 100,000 family wage jobs.

This is a vote for the environment. It is a vote for America's fishing men and women. It is a vote in favor of recreational fishing and critical tourism dollars. It is a small investment, but it will have an enormous benefit for working Americans.

Mr. Chairman, I want very much to thank the gentleman from Kentucky, Chairman ROGERS, and the gentleman from West Virginia, Mr. MOLLOHAN, the ranking member for working on this amendment, for bringing it forward. I believe that it is a great amendment. I thank you for looking out for our fishing men and women and our coastal communities, and I really support this amendment. I thank the Members for all their fine work on it.

Mr. ROGERS. Reclaiming my time, congratulations to the gentlewoman. She has been a real stalwart supporter of this cause. We congratulate her on this effort.

Mr. Chairman, I know of no opposition, no other speakers. I urge adoption of the amendment.

Mrs. SMITH of Washington. Mr. Chairman, I would like to commend Chairman ROGERS for his very responsible amendment to increase funding for the NOAA Operations, Research and Facilities account.

I am hopeful that some of these funds will be used to augment one of most important programs in this appropriations bill, the Mitchell Act hatcheries. For decades the Federal Government has financed a hatchery program to compensate for the loss of salmon due to hydroelectric projects on the Columbia River. These facilities supported by the so-called Mitchell Act are critical to the maintenance of the region's multi-million dollar commercial and sports fishing industries.

The funding in this bill for Mitchell Act hatcheries was initially less than we need to maintain this vital program. However, I am pleased that Chairman ROGERS has agreed to increase the funds for NOAA activities so that the agency has more flexibility to fund the Mitchell Act hatcheries at a level that ensures a viable fishery in the Northwest.

While I am a strong proponent of balancing the budget, I believe that deep cuts in the Mitchell Act program will actually create more economic hardship for the already depressed fishing industry. I look forward to working with my colleagues in the Senate to ensure that we pass a bill that keeps our commitment to the people of the Northwest.

I urge my colleagues to adopt this amendment.

Mr. ROGERS. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky [Mr. ROGERS].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ALLARD

Mr. ALLARD. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. ALLARD:

Page 58, strike lines 18 through 23 (relating to the Under Secretary for Technology and the Office of Technology Policy).

The CHAIRMAN. Pursuant to the order of the House of Tuesday, July 23, 1996, the gentleman from Colorado [Mr. ALLARD] and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Colorado [Mr. ALLARD].

Mr. ALLARD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to commend my colleague from Kentucky and the Appropriations Committee for their diligence and commitment to reducing government spending. However, we must not pass up an opportunity to eliminate a needless layer of bureaucracy and an unauthorized appropriation of $5 million for the Commerce Department's Under Secretary for Technology.

Both the Authorization Committee and the Budget Committee have now recommended that the Under Secretary for Technology be terminated. The Budget Committee has accurately labeled this a redundant bureaucracy.

Mr. Chairman, we are never going to balance this budget unless we stop funding unauthorized and redundant programs.

This amendment is supported by the Citizens for a Sound Economy, the National Taxpayers Union, and the Citizens Against Government Waste. In fact, Citizens Against Government Waste will be including this vote in its deficit reduction vote rating.

Last year, this amendment nearly passed. This year there is no reason for it not to pass. When I offered the amendment in 1995, opponents argued that the appropriations bill was the wrong vehicle to make these changes and that the authorizing process would be the proper place to review this issue. Well, the authorization process has been completed, and this office was not reauthorized by the Science Committee in H.R. 3322, the Omnibus Civilian Science Authorization Act, approved by the House on May 30, 1996.

Not one Member voted for funding this office in the authorization legislation when it passed the House. If the Appropriations Committee is against this amendment, then I ask why you were not fighting for this office on the House floor on May 30.

By the Department of Commerce's own description, the Technology Administration leads the Department's advanced civilian technology strategy. We do not need a central command and control office to direct the private sector's commercialization of technology. This industrial policy office is especially no longer needed in light of Chairman ROGERS' amendment earlier to close out the Advanced Technology Program.

The Under Secretary for Technology is nothing more than another layer of bureaucracy. It is time to end this needless bureaucracy. The Federal Government should not be attempting to pick winners and losers in the area of technology, the marketplace can do this quite well. Let us follow through on our commitment to end corporate subsidies and excess government regulation. I do not believe Microsoft or Netscape or any other technology company needs another bureaucrat to keep them competitive.

If Congress is determined to spend this $5 million, or a portion thereof, it would certainly be preferable to spend it directly on research programs, rather than on a 47-person Federal bureaucracy.

Therefore, I urge my colleagues to support this amendment and end this unauthorized $5 million appropriation.

□ 1030

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member seek time in opposition to the amendment?

Mr. MOLLOHAN. Mr. Chairman, I seek time in opposition.

The CHAIRMAN. The gentleman from West Virginia [Mr. MOLLOHAN] is recognized for 5 minutes.

Mr. MOLLOHAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong opposition to the gentleman's amendment to eliminate funding for the Technology Administration.

The world is changing, Mr. Chairman, and technology is the driving force. Technology is changing the way we work, the way we live, and the way we compete in the world.

If the United States is to maintain world economic leadership into the 21st century, we must respond quickly and precisely to these economic changes. The Technology Administration is the engine behind this critical effort. I do not know of any public servant who is more capable, more dedicated, more effective in the performance of her responsibilities than Under Secretary for Technology, Dr. Mary Good.

The Technology Administration serves as an advocate for American industries, ensuring that government policies, government programs and regulations promote U.S. competitiveness. Additionally, the Technology Administration is the only Federal agency that analyzes the civilian technology activities of our foreign competitors, working to promote and protect the U.S. technology interests in global research and development efforts.

While eliminating the Technology Administration will only have a negligible impact on the budget deficit, it will deprive U.S. industry of an effective advocate for technology innovation at a time of intensifying global competition. In fact, eliminating the Technology Administration in the heat of today's battle for global markets is like eliminating the Department of Defense at the height of the cold war.

In an era where U.S. economic prosperity will largely be determined on our ability to develop and commercialize new technology, we cannot afford to eliminate this important advocate for American industry.

To this end, Mr. Chairman, I urge my colleagues to join me and many others in this body in protecting U.S. interests, U.S. jobs, and economic growth by voting against this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. ALLARD. Mr. Chairman, I yield myself the balance of my time.

Let me make a few comments in response to the gentleman's comments from West Virginia.

First of all, we are just eliminating an unnecessary bureaucracy. We have had an opportunity to reauthorize this Under Secretary position and the Congress refused to do that. So we are not talking about reducing the ability for us to compete on the international market. These functions are already performed and can easily be performed by the International Trade Administration. Under the ITA there is a Trade Advocacy, Trade Law Enforcement, Trade Development, an International Economic Policy, and U.S. and Foreign Commercial Service offices.

Wayne Berman, a former Assistant Secretary and Counselor to the Secretary of Commerce Department, asserted that the Technology Department should be terminated immediately. He assured the committee no harm would come to the core programs under the Commerce Department's jurisdiction, and in fact the agencies would probably perform its core functions better at less cost.

As I pointed out last year, the Department of Commerce seems particularly bureaucratic. Below the Secretary level there is a Deputy Secretary, an Under Secretary and Administrator, an Under Secretary for International Trade, an Under Secretary for Export Administration, an Under Secretary for Economic Affairs, an Assistant Secretary for Oceans and Atmosphere and Deputy Administrator, an Assistant Secretary for International Economic Policy, an Assistant Secretary for Export Administration, an Assistant Secretary for Export Enforcement, an Assistant Secretary and Director General for the U.S. and Foreign Commercial Service, and the bureaucracy goes on and on and on.

I just think that this should be an easy vote for Members of the House. This is an unauthorized program. We should not continue to fund programs that are redundant in nature, continue to fund programs that are unauthorized. If we want to balance the budget, this is one place that we ought to address that concern. It is something that needs to be done for the future of our children and grandchildren. It is one small step for their future.

Mr. MOLLOHAN. Mr. Chairman, I yield 1 minute and 40 seconds to the distinguished gentleman from Tennessee [Mr. TANNER].

Mr. TANNER. Mr. Chairman, I thank the gentleman from West Virginia [Mr. MOLLOHAN] for the excellent job that he has done in this regard.

Mr. Chairman, this may be one of the more shortsighted amendments that we address in the Congress this year, unfortunately. In fact, it may be the most shortsighted amendment.

As the gentleman from West Virginia [Mr. MOLLOHAN] said in his comments, in a time of global competition the Technology Administration is the one place in the Federal Government where the Government is an ally, not an enemy of business.

The Technology Administration acts as a focal point for all industry concerns, both foreign and domestic, such as monitoring the activities of foreign firms and their parent governments, the unintended consequences of legislation and regulations that emanate from here and, as I said, a rapidly changing global economy.

This place in our Government is the one place where industry and American business has an ally. It is an advocate for industry in our country at a time when businesses need help to meet this worldwide competition. A recent report by the Council on Competitiveness and a position statement by the Industrial Research Institute urge our Government to work more closely with industry and to strengthen existing ties. This amendment is a step backward from that, the very essence of what we are trying to do in terms of an ally of our American businesses.

It manages and oversees the very things that make our businesses competitive, or helps make them so, and in a time when the short-term marketplace, and the pressures there, is squeezing the ability of American firms to do necessary long-term high-risk research and development, this is the one thing we need to do as a nation.

Mr. MOLLOHAN. Mr. Chairman, I yield myself the balance of my time. I thought there was someone on the majority side that wanted to speak and I was going to yield them time, but they have not arrived.

I will close, Mr. Chairman, by saying I think this is a very ill-advised amendment. The Commerce Department generally, and Dr. Good's office specifically, is the headquarters for strategic thinking about how we deal with the new economic challenges facing this Nation.

The gentleman from Colorado talked a lot about trade, and that is certainly a dimension to the strategic effort; however, Dr. Good does not focus on trade advocacy. Dr. Good focuses on technology development advocacy, identifying core areas where the United States has to be particularly competent if we are going to be particularly competitive into the future.

Again, I urge opposition to this very unwise amendment, and hope that the body will defeat it.

Mr. BROWN of California. Mr. Chairman, this week is the first anniversary of the House of Representatives' last rejection of an amendment by Congressman ALLARD to strike all funding for the Technology Administration from a Commerce, Justice, State, and the judiciary appropriations bill. The reasons for rejecting this amendment are just as valid today as they were then. I urge my colleagues once again reject this short-sighted amendment.

The vote is a rather hollow, symbolic gesture to cut Government spending. The Technology Administration costs taxpayers 2 to 3 cents each per year. Any savings, by the time we finish the appropriations process, will be spent on something else. Alternatively, they will be lost in the rounding error when computing next year's deficit.

The program is hardly corporate welfare either. Most of the funds pay for the Office of Technology Policy of the Department of Commerce, which from the Reagan administration onward has been a tiny, but strong advocate for the private sector. Over the years this office has successfully advocated antitrust reform, a pro-industry Federal patent policy, a technology transfer policy that makes sure the results of Federal research are readily available to U.S. companies, and for making sure that the needs of U.S. manufacturers, especially small businessmen who manufacture goods, and a U.S. trade policy that is sensitive to the needs of U.S. manufacturers. I expect that the millions spent on this office over the years have brought returns in the hundreds of millions if not billions to private sector companies who have benefited from the policy changes the office has advocated.

Someone in the Government needs to be an advocate for American technology-based industry, and the Technology Administration has been unrelenting in its support of U.S. business in economic, trade, tax, and regulatory matters. In each successive administration, successful business men and women have joined the Technology Administration to spend a few years providing a fresh private sector perspective within the Government. They have kept an eye on foreign competitors to help ensure that U.S. firms are not handicapped in the global marketplace. They have done much of the interagency coordination related to technology. If the Technology Administration did not exist, and we wished to be effective and competitive in world commerce, we would have to create it.

Therefore, please join me in striking a blow for U.S. manufacturers and U.S. competitiveness and once again vote to defeat an Allard amendment to strike Technology Administration funding.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. ALLARD].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. MOLLOHAN. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 479, further proceedings on the amendment offered by the gentleman from Colorado [Mr. ALLARD] will be postponed.

Does any Member seek recognition?

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 479, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: The amendment offered by the gentleman from Florida [Mr. GOSS] and the amendment offered by the gentleman from Colorado [Mr. ALLARD].

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote.

AMENDMENT OFFERED BY MR. GOSS

The CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Florida [Mr. GOSS] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. GOSS:

Page 48, line 7, after the dollar amount, insert the following: "(reduced by $98,550,000)".

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 113, noes 301, not voting 19, as follows:

[Roll No. 346]

AYES—113

Allard
Archer
Armey
Bachus
Baker (CA)
Ballenger
Barr
Barrett (NE)
Barton
Bass
Bereuter
Bilirakis
Bliley
Boehner
Bono
Brownback
Bunning
Burton
Callahan
Chabot
Christensen
Chrysler
Coble
Combest
Cooley
Cox
Cremeans
Cubin
Cunningham
Doolittle
Dreier
Dunn
Ehlers
Ensign
Fawell
Fields (TX)
Foley
Fowler
Franks (NJ)
Frelinghuysen
Goss
Greene (UT)
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hayworth
Hefley
Hobson
Hoekstra
Hoke
Hostettler
Hyde
Inglis
Istook
Johnson, Sam
Kasich
Kim
Klug
Kolbe
Largent
Laughlin
Leach
Manzullo
McCollum
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Moorhead
Myrick
Nethercutt
Neumann
Paxon
Petri
Pombo
Porter
Pryce
Radanovich
Ramstad
Rohrabacher
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schumer
Seastrand
Sensenbrenner
Shadegg
Shaw
Smith (MI)
Solomon
Souder
Stearns
Stockman
Stump
Talent
Tate
Thomas
Thornberry
Tiahrt
Walker
Weller
White
Wolf
Zeliff
Zimmer

NOES—301

Abercrombie
Ackerman
Andrews
Baesler
Baker (LA)
Baldacci
Barcia
Barrett (WI)
Bartlett
Bateman
Becerra
Beilenson
Bentsen
Berman
Bevill
Bilbray
Bishop
Blumenauer
Blute
Boehlert
Bonilla
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TN)
Bryant (TX)
Bunn
Burr
Buyer
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chambliss
Chapman
Chenoweth
Clay
Clayton
Clement
Clinger
Clyburn
Coburn
Coleman
Collins (GA)
Condit
Conyers
Costello
Coyne
Cramer
Crapo
Cummings
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Dornan
Doyle
Duncan
Durbin
Edwards
Ehrlich
Engel
English
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fazio
Fields (LA)
Filner
Flanagan
Foglietta
Forbes
Ford
Fox
Frank (MA)
Franks (CT)
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren

Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Graham
Green (TX)
Greenwood
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hastings (WA)
Hayes
Hefner
Heineman
Herger
Hilleary
Hilliard
Holden
Houghton
Hoyer
Hunter
Hutchinson
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Jones
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
King
Kingston
Kleczka
Klink
Knollenberg
LaFalce
LaHood
Lantos
Latham
LaTourette
Lazio
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCrery
McDermott
McHale
McHugh
McKinney
McNulty
Meehan
Meek
Meyers
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Myers
Neal
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Pickett
Pomeroy
Portman
Poshard
Quillen
Quinn
Rahall
Rangel
Reed
Regula
Richardson
Rivers
Roberts
Roemer
Rogers
Ros-Lehtinen
Rose
Roth
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schiff
Schroeder
Scott
Serrano
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Spence
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Whitfield
Wicker
Williams
Wise
Woolsey
Wynn
Yates

NOT VOTING—19

Collins (IL)
Collins (MI)
Crane
Flake
Hinchey
Horn
Lincoln
McDade
Menendez
Molinari
Morella
Nadler
Peterson (FL)
Riggs
Vucanovich
Weldon (PA)
Wilson
Young (AK)
Young (FL)

□ 1100

Mr. ROTH changed his vote from "aye" to "no."

Mrs. FOWLER changed her vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. RIGGS. Mr. Chairman, on rollcall No. 346, I could not be present to vote due to an unavoidable conflict. Had I been present, I would have voted "no."

PERSONAL EXPLANATION

Mr. HORN. Mr. Speaker, on rollcall No. 346, the Goss amendment which sought to cut the Economic Development Administration by 30 percent, I was unavoidably detained on official business with staff members of the Subcommittee on Government Management, Information, and Technology, and could not come to the floor to support EDA based on the positive contribution which that agency has made to the redevelopment of Long Beach, CA.

Had I been present, I would have voted "nay."

AMENDMENT OFFERED BY MR. ALLARD

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Colorado [Mr. ALLARD] on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 183, noes 229, not voting 21, as follows:

[Roll No. 347]

AYES—183

Allard
Andrews
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barcia
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Coble
Coburn
Collins (GA)
Combest
Condit
Cooley
Costello
Cox
Crapo
Cremeans
Cubin
Cunningham
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehrlich
English
Ensign
Everett
Fawell
Fields (TX)
Foley
Fowler
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Goodlatte
Goodling
Goss
Graham
Greene (UT)
Gunderson
Gutknecht
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hilleary
Hobson
Hoekstra
Hoke
Hostettler
Hutchinson
Inglis
Istook
Jacobs
Johnson, Sam
Jones
Kasich
Kim
King
Kingston
Klug
Kolbe
Largent
Latham
Laughlin
Lazio
Lewis (KY)
Linder
LoBiondo
Longley
Luther
Manzullo
Martini
McCollum
McCrery
McHugh
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Minge
Moorhead
Myrick
Nethercutt
Neumann
Norwood
Nussle
Parker
Paxon
Peterson (MN)
Petri
Pombo
Porter
Portman
Poshard
Pryce
Radanovich
Ramstad
Roberts
Roemer
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Salmon
Sanford
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Smith (MI)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stump
Talent
Tate
Taylor (NC)
Thomas
Thornberry
Tiahrt
Upton
Visclosky
Walker
Wamp
Watts (OK)
Weller
White
Whitfield
Wicker
Zeliff
Zimmer

NOES—229

Abercrombie
Ackerman
Baesler
Baldacci
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Blumenauer
Blute
Boehlert
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Bunn
Campbell
Cardin
Castle
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Coleman
Collins (MI)
Conyers
Coyne
Cramer
Cummings
Danner
Davis
de la Garza
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Ehlers
Engel
Eshoo
Evans
Ewing
Farr
Fattah
Fazio
Fields (LA)
Filner
Flanagan
Foglietta
Forbes
Ford
Fox
Frank (MA)
Frost
Furse
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gillmor
Gilman
Gonzalez
Gordon
Green (TX)
Greenwood
Gutierrez
Hall (OH)
Hall (TX)
Harman
Hastings (FL)
Hefner
Heineman
Hilliard
Hinchey
Holden
Houghton
Hoyer
Hyde
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
Knollenberg
LaFalce
LaHood
Lantos
LaTourette
Leach
Levin
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lofgren
Lowey
Lucas
Maloney
Manton
Markey
Martinez
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Meyers
Millender-McDonald
Miller (CA)
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Myers
Neal
Ney
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Pickett
Pomeroy
Quillen
Quinn
Rahall
Rangel
Reed
Regula
Richardson
Rivers
Rogers
Rose
Roth
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Saxton
Schiff
Schroeder
Schumer
Scott
Serrano
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Spratt
Stark
Stenholm
Stockman
Stokes
Studds
Stupak
Tanner
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Volkmer
Walsh
Ward
Waters
Watt (NC)
Waxman
Weldon (FL)
Williams
Wise
Wolf
Woolsey
Wynn
Yates

NOT VOTING—21

Barr
Collins (IL)
Crane
Flake
Horn
Hunter
Lewis (CA)
Lincoln
McDade
McInnis
Menendez
Molinari
Morella
Nadler
Peterson (FL)

Riggs
Vucanovich
Weldon (PA)
Wilson
Young (AK)
Young (FL)

□ 1109

Messrs. CALVERT, DELAY, ROBERTS, HUTCHINSON, DICKEY, and BARRETT of Wisconsin changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. RIGGS. Mr. Chairman, on rollcall No. 347, I could not be present to vote due to other business. Had I been present, I would have voted "yes."

PERSONAL EXPLANATION

Mr. HORN. Mr. Speaker, on rollcall No. 347, the Allard amendment, which would eliminate $5 million in appropriations for the Technology Administration which develops and promotes politics and programs that facilitate private sector innovations, I was unavoidably detained on official business with staff members of the Subcommittee on Government Management, Information, and Technology.

Had I been present, I would have voted "nay."

AMENDMENT OFFERED BY MRS. FOWLER

Mrs. FOWLER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mrs. FOWLER: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds made available in this Act for Part Q of title I of the Omnibus Crime Control and Safe Streets Act of 1968 shall be made available to an entity that is eligible to receive funds under such part when it is made known to the Federal official having authority to obligate or expend such funds that the application for funds by such an entity proposes to expend funds for a purpose other than to prevent crimes against persons or private property.

The CHAIRMAN. Pursuant to the order of the House of Tuesday, July 23, 1996, the gentlewoman from Florida [Mrs. FOWLER] will be recognized for 5 minutes and a Member opposed will be recognized for 5 minutes.

The Chair recognizes the gentlewoman from Florida [Mrs. FOWLER].

Mrs. FOWLER. Mr. Chairman, I want to bring to my colleagues' attention some concerns I have about grants which have been offered under the COPS Program. Several grants recently awarded by the Department of Justice under the COPS Program have made me concerned that the Justice Department is more interested in the number of police they fund as opposed to where the police go and how they are used.

On July 2 the Department of Justice awarded the Florida Department of Environmental Protection a $3.5 million COPS grant. When I learned of the grant I was curious to know how the funds would be used so I wrote to the Justice Department seeking an explanation for the grant. I have not received a response from the Justice Department; however, in an article which recently appeared in Investors Business Daily, a representative of the Florida Department of Environmental Protection claimed that the $3.5 million grant would be used to protect the coral sanctuary. In fact he explained, and this is a quote, that instead of our program being in a city's neighborhood, our neighborhood is marine environment itself.

Now while I wholeheartedly support conservation efforts and protecting natural resources, I personally do not consider patrolling a coral sanctuary to be community-oriented policing.

□ 1115

Frankly, I do not believe that the Justice Department knows how this grant is being used. In view of both the fact that these grants are supposed to be using taxpayers' money to protect taxpayers in their communities and the fact that there is other funding available for law enforcement and enforcement of environmental rules in parks and sanctuaries, I am concerned about the criteria used in awarding these COPS grants.

My hope is that we can work together to insert language into the conference report on this legislation to make the Justice Department aware of these concerns and indicate that Congress is not only interested in how many police are hired but how and where they are being used.

Mr. ROGERS. Mr. Chairman, will the gentlewoman yield?

Mrs. FOWLER. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I thank the gentlewoman from Florida for raising this issue. Obviously, I agree that we need to make sure that the funds awarded under the COPS grant program by the administration are in fact being used for fighting crime in our communities. I do not know of any coral reefs that they are guarding. I do not know that we have a problem with crime in the coral reefs.

There are legitimate sources of Federal funds for protecting a coral sanctuary, but I do not believe that the Congress intended that the COPS Program be one of them.

Further, I would be happy to work with the gentlewoman to develop report language with would help to resolve these concerns, and I congratulate her for bringing this matter to our attention.

Mrs. FOWLER. I thank the gentleman. I know the chairman of the subcommittee has worked very hard to make sure we maintain our crime efforts, and I look forward to working with him to make sure that the Justice Department uses these funds properly.

Mr. Chairman, I include for the RECORD the following article from Investor's Business Daily.

The article referred to is as follows:

[From the Investor's Business Daily, Los Angeles, CA, July 16, 1996]

CLINTON'S COPS: A SHELL GAME?

(By Adrienne Fox)

In his 1994 State of the Union Address, President Clinton pledge to put 100,000 more police officers on America's streets. That speech spawned the Community Oriented Policing Services, and has become one of Clinton's pet anti-crime success stories.

But the number of new police on the street falls way short of that lofty goal, and a significant number are patrolling parks and marine sanctuaries, not tough inner city streets or even suburban enclaves.

Investor's Business Daily has obtained documents showing the Clinton Justice Department is awarding a portion of the COPS funding to state parks and EPA officers—not to prevent violent crime.

At least $7.2 million in COPS grants has been used to hire 86 officers for state parks, marinas and other areas seemingly far removed from violent crime. Moreover, though Justice, and later Clinton, claimed some 43,000 new cops had been put on the streets by the program, Attorney General Janet Reno has since publicly cut that number to 17,000.

This wasn't the way it was supposed to happen.

"During the presidential campaign," Clinton said in the '94 State of the Union message, "I promised the American people that I would cut 100,000 federal bureaucrats in Washington and use those savings to put 100,000 new police officers on America's streets."

Later in 1994, Congress approved $8.8 billion over the next six years for the COPS program.

And in '95, Clinton hailed the program in a radio address, "Police departments all around the country are putting this effort to work, hiring, training, and deploying officers as fast as we can give a go-ahead," he said.

Even though the number of officers hired for the questionable jobs is small, it raises questions about the program among elected officials who approved the funding. The list reads more like an Interior Department or Environmental Protection Agency budget than a Justice crime-fighting program.

In Florida, 30 "enviro-cops" were added to the state Department of Environmental Protection to keep watch over a coral sanctuary off the Florida Keys. The cost $3.5 million.

"(The cops) would be law enforcement officers to cover the new Florida Keys National Marine Sanctuary," said Maj. Kenneth Willoughby of the Florida DEP. "These officers would help patrol and protect these areas."

Florida also received a $1.8 million grant to hire 25 cops for its state parks.

Both grants were approved by and paid out of the COPS program, which covers 75% of the cost of each officer up to $75,000 annually for three years.

When Rep. Tillie Fowler, R–Fla., first learned of the Florida DEP award, she wrote to Reno asking her to explain the grant.

"The Florida EPA grant appears to be completely inconsistent with the intent of the program, which is to put more police on the streets to protect our communities," Fowler wrote.

Her colleague, Rep. Bill McCollum, R–Fla., agrees environmental police are not what Congress envisioned when it passed the program. He heads the Judiciary Subcommittee on Crime, which oversees the grants.

"Nobody debated that," McCollum said, "I can guarantee you there's not a single person in the U.S. House who would have thought that it was going toward the purpose of anything other than a street cop."

McCollum said that when Clinton gives stump speeches on how he's putting '"100,000 cops on the streets," most people picture a cop walking the beat in a crime-infested area.

"This is just one further sign of how much this administration wants to puff and exaggerate the success of this program," McCollum said.

At the same time the Florida DEP received its $3.5 million grant, Justice rejected a request from the St. Augustine Police Department in northern Florida to fund a one-year anti-domestic violence program.

The program would have cost $80,000 to hire one officer.

"It was to help build partnerships so that hopefully after the year, we could continue it," said St. Augustine Police Chief Bill Robinson. "I guess we were in competition with other departments out there wanting money for domestic violence. And we weren't selected."

His response to the $3.5 million DEP grant was one of disbelief. "Thirty people to go watch some coral? I'm not sure that's what people are afraid of in our communities."

Six months ago, Donald Coventry, chief of the park police in Decatur, Ill., won a $71,300 grant from the COPS program. He will use the money the way Congress intended—to teach youths about the dangers of drugs.

When told that some of the money is not being used to prevent violent crime, the 30-year police veteran said, "Cut them off, and send me my check. It amazes me how these people get their hands on this money."

The Murfreesboro. Tenn., Parks and Recreation Department got its hands on a $281,159 grant from Justice to hire five park rangers.

"They will not only be public information officers," explained Lanny Goodwin, deputy director of the park department. "But they will also have the policing powers to enforce the rules and regulations of the parks."

Those rules forbid drinking and overnight camping and make certain parking restrictions.

The Texas city of Shavano won a similar grant for $275,865 to add five park police.

And the Maryland Natural Resource Police received two grants totaling $1 million from the Justice Department's Web site as "a number of grant initiatives to put more officers on America's streets and promote community policing strategies."

Local agencies are supposed to be awarded grants if the money will be used for community policing. Other programs funded include problem-solving programs, anti-gang efforts, equipment and overtime budgets, combating youth violence and training retiring soldiers to become cops.

But, according to the data, that's not what happens, Charles Miller, spokesman for the COPS program, said as long as an agency hires law enforcement officers who have gone through a police academy and the budget meets COPS' guidelines the grant is approved.

He also said the guidelines don't include whether there has been a history of violent crime in an area to be covered or whether people even reside there.

There's no question that violent crimes are committed in state and national parks. But have they reached a crisis? In some cases yes, and in some cases no," Miller responded. "The mandate we have received is to fund additional officers. And those jurisdictions are qualified if they hire sworn officers."

But hasn't Clinton said repeatedly that the COPS program is to combat violent crime! "No. Well, there is violent crime in parks," Miller stressed. "But the whole point of this (program) was to add 100,000 police to the nation's streets and to have them involved in community policing."

The dictionary definition of community is being stretched beyond the standard "unified body of persons."

For instance, the COPS office believes the coral reef off the Florida Keys is a community—even though it's marine life. "But it's very unique." Florida DEP's Willoughby explained.

"Instead of our program being in a city's neighborhood, our neighborhood is the marine environment itself," he added.

The Justice Department points out that the bulk of the funding is going to cities and police departments.

Justice also said Congress is aware of all the grants approved and how the money is being awarded. The COPS application form, for instance, asks the local agency to check areas of priority. Two of the areas listed are agriculture crime and wildlife crime.

But Rep. McCollum and Coventry, Decatur's park police chief, agreed there are higher priorities.

"With the task we have before us, law enforcement should not be abusing one red cent of federal money to help fight crime," Conventry said.

McCollum said, "Unless there truly is a law enforcement nexus that is real, this is just a sham."

McCollum adds that while there may be a real need for more environmental policing, it should not come out of the COPS budget.

The House Subcommittee on Crime is starting an investigation into the COPS grants, McCollum suggested he might craft a bill setting limits on how the money can be spent.

Cops On the Beat—How Some U.S. Law Enforcement Grants Were Used

	Amount
Florida:	
National Marine Sanctuary	$3,500,000
Park patrol	2,800,000
Illinois: Water reclamation	150,000
Maryland: Natural resources	1,000,000
Tennessee: Murfreesboro parks and recreations	281,159
Texas: Shavano park police	275,865

Source: Justice Department.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Florida?

Ms. BROWN of Florida. Reserving the right to object, Mr. Chairman, I rise in support of the COPS Program.

I want to commend my colleague, the gentlewoman from Florida, who has brought this forward. Many times we get some erroneous information from the paper, and we want to clear this up. We want to be sure that everybody understands that Florida is not Baywatch.

Mr. DEUTSCH. Mr. Chairman, will the gentlewoman yield?

Ms. BROWN of Florida. Under my reservation, I yield to the gentleman from Florida.

Mr. DEUTSCH. Mr. Chairman, I thank the gentlewoman for yielding.

A question to the gentlewoman from Florida [Ms. BROWN], if we can enter into a little dialog, and even with the gentlewoman from Florida [Mrs. FOWLER] as well; that the article that she cites, after followup with the agencies involved in Florida, provides some factually inaccurate information. I would ask, would she believe, but I think it is pretty self-evident, some of the statements, they were talking about, that in fact the money they went to Florida under the COPS Program was not for coral reefs watching; but some of the marine patrol organizations were in fact marine patrols offshore, catching drug dealers offshore. Even though they might be in boats and it might seem like a little more fun than walking the beat of an inner city, it is as dangerous and as important for law enforcement as those innercity cops that are doing that.

Ms. BROWN of Florida. I want to submit my statement for the RECORD, Mr. Chairman. But I want to point out that the Florida department of environment protection officers seized more cocaine last year than the U.S. Customs. This year the Florida State law enforcement officer of the year was a marine patrol officer who was involved in a shooting outside of Miami.

The COPS Program is an excellent program for Florida. We received over 200 cops, and in fact a child was killed in a campsite in a Florida park in 1993 before the COPS Program. In light of some of the other incidents going on around the country, I would suggest that we do not cut this program and in any way prohibit the States from having park police or marine patrol participate in the program.

Mr. Chairman, I rise today in the strongest opposition to any attempt to cut COPS awards from park police or marine patrols. I am outraged that Members, some from my State of Florida, have erroneously criticized the award of COPS funds to park police in general and specifically to the Florida Marine Patrol. I am disappointed that a Member of this House would complain about a grant award that benefits their State and their constituents—that provides badly needed assistance that officials in that State have told the Federal Government they need.

Claims that grants to Park Police are not appropriate uses of Federal crime fighting funds are absurd. Park Police provide important protection and crime prevention in our Nation's parks and waterways. This is critical for my State of Florida.

Scores of Florida law enforcement agencies have already applied for, and been awarded, badly needed crime fighting resources through the COPS Program. Thus far, the Third Congressional District has received almost 200 additional cops in 23 different communities through the COPS Programs and crime has gone down as a result.

Park Police and Florida Marine Patrol officers have helped bust drug dealers in Florida parks. In fact, Florida Department of Environmental Protection officers seized more cocaine last year than U.S. Customs. This year's Florida State Law Enforcement Officer of the Year was a marine patrol officer who was involved in a shooting outside Miami.

These important officers are doing more than guarding a coral reef. They are on duty 24 hours a day. In fact a child was killed at a campsite in a Florida park in 1993 before the COPS Program was put in place. In light of the terrible murder earlier this year of two young women in the Shenandoah Park, it makes no sense to cut back on Park Police in areas that have acknowledged that they need extra help.

Mr. Chairman, this is a horrible amendment and I urge my colleagues to oppose it.

Mr. DEUTSCH. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Florida?

Mr. MOLLOHAN. Reserving the right to object, Mr. Chairman, I really appreciate the Members from Florida raising this issue. I think it gives us an opportunity to point out that one of the really strong aspects of the COPS Program is the wonderful way in which it has been administered, the expeditious way in which these grants have been let out across the Nation, getting these cops on the beat, getting policemen on the beat.

Also, I think the gentlewoman's interest raises a very real strength with regard to the COPS Program. That it has flexibility, and the ability to adapt to different environments and provide additional law enforcement resources to local communities.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Florida?

Mr. ROGERS. Reserving the right to object, Mr. Chairman, I do not know the facts of the newspaper account. All I know is I have seen the newspaper account. If in fact the administration is giving money that we intended in the Congress to go to fighting crime, COPS on the beat, as advertised, if they are in fact giving that money to people who are swimming and guarding the coral reef in Florida, I want to know whether or not they have a badge on if they swim down there, if they are fighting crime under the waters of Florida. I doubt that they are. I suspect that some of this money in the COPS Program is going for this type of activity, if not this particular one.

Mrs. FOWLER. If the gentleman will yield, Mr. Chairman, the reason I withdrew the amendment was to give the ranking member and the chairman the opportunity during the conference to make sure that the language in our guidelines is appropriate and strong enough to ensure that the funding for these cops, for these policemen, is going to make our streets and neighborhoods safer, which was the original intent. I am assured that he will be working on that in the conference report.

Mr. ROGERS. Mr. Chairman, I withdraw my reservation of objection.

Ms. BROWN of Florida. Mr. Chairman, I rise today in the strongest opposition to any attempt to cut COPS awards from park police or marine patrols. I am outraged that Members, some from my State of Florida, have erroneously criticized the award of COPS funds to park police, in general, and specifically to the Florida Marine Patrol. I am disappointed that a Member of this House would complain about a grant award that benefits their State and their constituents—that provides badly needed assistance that officials in that State have told the Federal Government they need.

Claims that grants to park police are not appropriate uses of Federal crime fighting funds are absurd. We are not talking about fictional "Baywatch lifeguards," as one of my colleagues misstated to the press. These are badge-carrying, sworn officers with full arrest authority. The officers are on duty 24 hours a day and put their lives on the line every time they go to work. The underlying fallacy of the criticism of COPS funds for park police or marine patrols is that there is no crime in parks. According to the Florida Department of Environmental Protection, the nature of criminal activity in these parks is no different than any other community. Unfortunately, murders, sexual batteries, arson, child abuses, assaults and other heinous crimes cannot be kept outside of park boundaries. Serial criminals, escaped convicts, and other dangerous felons often drop out of society and seek out parks and woodlands as temporary campsites.

Park police provide important protection and crime prevention in our Nation's parks and waterways. This is critical for my State of Florida where shore areas make up such a large part of our State and where over 2 million people visit Florida parks each year.

Park police and marine patrol officers are not guarding coral reefs, as some have erroneously claimed. They are patrolling on bike and on foot protecting campers, hikers, boaters, and families trying to enjoy our parks. Scores of Florida law enforcement agencies have already applied for, and been awarded, badly needed crime fighting resources through the COPS program. Thus far, the Third Congressional District has received almost 200 additional cops. State-wide, Florida has received 2,200 officers through the COPS programs and crime has gone down as a result.

Park police and Florida Marine Patrol officers have helped bust drug dealers in Florida parks. In fact, Florida Department of Environmental Protection Officers seized more cocaine in Florida last year than U.S. Customs. This year's Florida State Law Enforcement Officer of the Year was a marine patrol officer who was involved in a shooting outside Miami. Just 2 weeks ago, a park officer was hospitalized after apprehending a violent suspect of domestic violence. In fact, a child was brutally murdered at a campsite in a Florida park in 1993 before the COPS program was put in place. In light of the terrible murder earlier this year of two young women in the Shenandoah Park, it makes no sense to cut back on park police in areas that have acknowledged that they need extra help.

Mr. Chairman, this is a horrible amendment and I urge my colleagues to oppose it. I would also like to include in the RECORD a letter from the Florida Department of Environmental Protection and a news article from the Tampa Tribune.

DEPARTMENT OF
ENVIRONMENTAL PROTECTION,
Tallahassee, FL, July 24, 1996.

Hon. CORRINE BROWN,
Congressional Representative, District 3, U.S. House of Representatives, Jacksonville, FL.

DEAR CONGRESSWOMAN BROWN: Recently, the Florida Department of Environmental Protection (FDEP) has been criticized for receiving a grant award under the United States Department of Justice's Community Oriented Policing Services (COPS) program. Congresswomen Tillie Kidd Fowler, District 4, and Congressman Bill McCollum, District 8, were quoted in July 16, 1996 Investor's Business Daily article expressing their displeasure with COPS funding being provided to the FDEP's Division of Law Enforcement. Particularly disconcerting is the fact that neither of your Florida Congressional colleagues contacted our agency to determine the proposed usage of the funds before making the disparaging comments, which included comparing our Division of Law Enforcement's Marine Patrol officers to "Baywatch lifeguards." On the positive side, it was nice to receive support from your office and I will attempt to provide a brief explanation of the function of the FDEP's Division of Law Enforcement and our intended use of COPS grant dollars.

FDEP's Division of Law Enforcement is comprised of four bureaus, three of which are the Bureau of Florida Marine Patrol, the Bureau of Florida Park Patrol, and the Bureau of Emergency Response. The Bureaus of Marine Patrol and Park Patrol employ over 450 State of Florida certified sworn law enforcement officers. These officers are duly constituted police officers for the State of Florida, pursuant to Florida State Statutes, Chapter 943, and are authorized to make arrests for all misdemeanors and felonies occurring within the State of Florida. The officers of the Marine Patrol and Park Patrol are represented by the Police Benevolent Association, the same collective bargaining entity that represents the Florida Highway Patrol and other state law enforcement officers.

The Florida Marine Patrol (FMP) is Florida's oldest state law enforcement agency, dating back to 1913. Officers in the Florida Marine Patrol enforce boating laws, environmental laws, conservation statutes, and fisheries laws as a primary duty. Incidentally, these officers are required to enforce crimes against persons and property, and to provide frontline enforcement of laws prohibiting the importation of dangerous drugs into our nation. The Florida Marine Patrol was the first state law enforcement agency to be deployed to the Northwest Florida area impacted by Hurricane Opal last year. FMP officers were summoned due to their advanced training and specialized equipment available, allowing these officers to rapidly assist in aiding hurricane survivors, protecting the barrier island homes from waterborne looters, and providing general law enforcement for the citizens and visitors in the affected area. Similarly, in Congressman McCollum's district, FMP officers are currently augmenting federal law enforcement authorities in providing law enforcement for the Orlando soccer venue for the 1996 Olympic Games. Florida Marine Patrol officers, like landborne officers, are frequently placed in danger while making arrests. FMP officers have been confronted with gunfire, physical attacks, and even assaults by felons armed with spear guns. The State Law Enforcement Officer of the Year for 1996 was FMP Officer Kurt Kaloostian, who engaged in a battle with drug traffickers outside the waters of Miami, Florida, eventually arresting both after an extended chase into the Atlantic Ocean. FMP officers are often the first available search and rescue asset available to distressed boaters, waterborne immigrants, and other law enforcement agencies needing marine assistance.

The Florida Park Patrol is responsible for patrolling over 500,000 acres of State of Florida park properties, greenways, and trails. With over 145 parks and less than 80 officers to patrol these facilities, the task at hand is difficult. Over two million people visit Florida parks each year and the nature of criminal activity in these parks is no different than any other community. Unfortunately, murders, sexual batteries, arson, child abuses, assaults and other heinous crimes cannot be kept outside park boundaries. Serial criminals, escaped convicts, and other dangerous felons often "drop out" of society and seek out parks and woodlands as temporary campsites. Professionally trained, well equipped law enforcement officers are vital to ensure that park visitors are protected, thus the reason for our initial COPS grant application.

The COPS funding for the FMP officers assigned to the Florida Keys National Marine Sanctuary has received criticism from individuals who probably are unaware of the scope of the law enforcement needs for an area the size of the states of Delaware and Rhode Island combined. To assert that these officers will be "watching coral" is insulting, degrading, and shows a lack of understanding for the nature of police work in protected areas. I can assure you that the COPS funds we sought are destined for quality law enforcement service, to protect the people and resources of the State of Florida from further harm.

Again, thank you for the opportunity to explain our duties and purposes. Your assistance is greatly appreciated by the many officers who place their lives in harm's way daily to make the State of Florida a better place.

If we may be of further assistance, please do not hesitate to call me at (904) 488-5600, extension 76. The Florida Marine Patrol can be reached 24 hours a day at 1-800-DIAL FMP.

Sincerely,

ERIC W. MILLER,
Deputy Director/Field Operations,
Division of Law Enforcement.

[From the Tampa Tribune, June 24, 1996]

MARINE PATROL NOT LAUGHING AT 'BAYWATCH' JOKE

(By Gady A. Epstein)

TALLAHASSEE—The state Democratic and Republican party attack dogs relish in taking jabs at each other's candidates, but even the GOP chairman admits his operatives went too far last week.

The Republican Party of Florida's missive last week poked fun at the Florida Marine Patrol, which received a $3.5 million grant to help hire 30 officers to patrol the Florida Keys.

The fax criticized President Clinton for spending federal cash to put cops "on the beach" instead of on the street, and praised the Clinton administration for "making a dent in this state's coral reef crime." "We may need to fear a request for funding more lifeguards for 'Baywatch.'" the GOP wrote.

The Department of Environmental Protection, which oversees the marine patrol, was not amused.

"This agency is shocked and we're distressed that the Florida Republican Party would even suggest that Florida Marine Patrol officers, who risk their lives every single day, are even comparable to 'Baywatch' lifeguards," said Edie Ousley, DPE spokeswoman.

"Criminals don't discriminate about where they are going to commit a crime, whether it's in the streets of a downtown urban area or on the waterway."

State GOP Chairman Tom Slade acknowledged his party went too far this time. "Probably we got a bit carried away with the press release," Slade said Tuesday. "We certainly didn't mean to offend them. The target of that press release was the president, not the Florida Marine Patrol."

The author of the release was the party's communications director, Bob Sparks, who Slade said was unavailable Tuesday afternoon.

"Let me assume full responsibility," Slade said. "I scanned it before it went out. If I had really read it, I probably would have doctored it a little bit."

Ideally, Slade said, the parties should stick closely to the issues in its press releases, but then the media wouldn't pay attention. He said the point of the latest release was that if Clinton was going to hire officers to patrol the fishing reefs, then he should have said as much.

Ousley said the officers will be "cross-deputized" to enforce federal laws, including narcotics laws, as well as state laws.

"They're obviously not 'Baywatch' lifeguards," she said. "They're real-life cops."

The CHAIRMAN. Is there objection to the request of the gentlewoman from Florida?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

Mr. MORAN. Mr. Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. MORAN. Mr. Chairman, my fellow colleague, the gentleman from Virginia [Mr. DAVIS], and I would like to engage our colleague, the gentleman from Kentucky [Mr. ROGERS], in a brief colloquy on the status of the Office of Cuba Broadcasting, which is funded under this appropriation. In the 1996 appropriation, Congress directed that the headquarters of the Office of Cuba Broadcasting be moved from Washington, DC, to south Florida. That is all the legislation said.

Mr. DAVIS. Mr. Chairman, will the gentleman yield?

Mr. MORAN. I yield to the gentleman from Virginia.

Mr. DAVIS. Mr. Chairman, now the USIA and the International Broadcasting Bureau are in the process of determining exactly how to carry out that vague mandate. They have been directed by the White House to move not just the headquarters but the entire broadcasting operation, nearly 200 people, and to move them as soon as possible. I never, never heard of a situation where the law specifies headquarters but affects the entire organization. This concerns me, as someone whose constituents are being face with an unwanted move.

Mr. MORAN. Reclaiming my time, Mr. Chairman, I am concerned as well for any constituents, who do not want to move, and for the independent integrity of the program.

As a member of the Committee on International Relations, which has jurisdiction over Radio and TV Marti, I am also concerned that before this language was inserted we had not had any hearings on this subject. I know this concerns the gentleman from Kentucky, and I would like to explore the issue very briefly.

The report that accompanies this appropriation directs USIA and the Broadcasting Board of Governors to provide to the Committee on Appropriations a report on the employees that are expected to move, the cost of the move, and the source of funds for the move.

I applaud the committee for requiring this report. Obviously, this repot has not been completed as yet, and legislation has not been enacted, and yet people are being asked to pack their bags for Florida pronto.

My question for the gentleman is this: Does the committee intend for the Agency to wait until the Agency has completed this report and submitted it to the committee before it begins carrying out the move? I know that the chairman would agree that that makes the most sense, to complete the report before taking any action, both from a management and a cost point of view.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. MORAN. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I thank the gentleman for raising this point. It is a valid point, obviously. Certainly it is my intention that the agency have a very firm grasp of the costs and the numbers and the source of funds before beginning to put the move into effect.

It is also my intent that this information be submitted to the committee as soon as it becomes available to the agency's managers. I do not see how a plan can move forward until there is a plan. So we would expect to see a plan right away.

Mr. MORAN. Reclaiming my time, Mr. Chairman, that certainly makes a great deal of sense. I thank the gentleman. That is very helpful.

Mr. DAVIS. If the gentleman will continue to yield, that is most reassuring. I thank the chairman as well.

AMENDMENT OFFERED BY MR. ENSIGN

Mr. ENSIGN. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. ENSIGN:

At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . None of the funds made available in this Act to the Federal Bureau of Prisons may be used to distribute or make available any commercially published information or material to a prisoner when it is made known to the Federal official having authority to obligate or expend such funds that such information or material is sexually explicit or features nudity.

The CHAIRMAN. Pursuant to the order of the House of yesterday, the gentleman from Nevada [Mr. ENSIGN] will be recognized for 5 minutes, and a Member in opposition will be recognized for 5 minutes.

The Chair recognizes the gentleman from Nevada [Mr. ENSIGN].

Mr. ENSIGN. I yield myself such time as I may consume, Mr. Chairman.

Mr. Chairman, I am offering an amendment that will end Federal inmates' access to pornographic material. This commonsense proposal is long overdue.

My amendment, which is part of a larger crime package I introduced earlier this month, will prohibit the distribution of sexually explicit materials and other information to prisoners. Congress should not be fueling the sexual appetites of offenders, especially those who have been convicted of despicable sex offenses against women and children. Magazines that portray and exploit sex acts have no place in the rehabilitative environment of prison, nor should we pay Bureau of Prison staff to distribute them.

The infamous serial killer Ted Bundy, executed several years ago in Florida's electric chair, stated before his death his belief that pornographic materials directly contributed to his violent crimes. While a number of factors determine whether a prisoner will become a law abiding citizen upon release from prison, cutting prisoners off from their sexually explicit magazines will certainly do no harm.

Over 100,000 inmates are locked up in Federal prisons around the country. Each year it costs well over $21,000 to house, feed, clothe, and provide medical care to each prisoner. This cost will continue to rise. When taxpayers are footing the bill for their room and board, I think it is entirely reasonable to expect inmates to conform to acceptable levels of behavior and civility.

The bill we are considering today contains a $23 million increase in funding for the Violence Against Women Act. I support this increase and am glad we were able to dedicate resources to this important program. However, if we do not adopt my amendment, we are sending the message that it is OK to provide sexually explicit magazines and books to the very prisoners who have committed violent acts against women.

Ironically, the House-passed version of the Defense Authorization Act included a provision which prohibits commissaries on military installations from selling magazines such as Playboy and Penthouse. It is reprehensible that this Congress would contemplate denying these magazines to members of the armed services while distributing them to Federal prisoners in their daily mail.

I planned on offering a broader amendment which would have also banned materials which are vulgar, demeaning to women, disrespectful to law enforcement, and glamorize gang activity. Due to concerns of the authorizing committee and subcommittee, I narrowed my amendment to accommodate the Judiciary Committee's comments about the definition of some of these terms. It is not my intent to create confusing terminology that will create more demands on the Bureau of Prisons staff. Nevertheless, I do encourage the authorizing committee and subcommittee to take a close look at the types of materials prisoners have access to in the Federal prison system.

I hope all Members can join me in voting for this reasonable effort. It deserves our collective support.

Mr. Chairman, I yield such time as he may consume to the gentleman from Nebraska [Mr. CHRISTENSEN].

Mr. CHRISTENSEN. Mr. Chairman, I thank the gentleman for yielding time to me.

It is deplorable, Mr. Chairman, to think that America's Federal prisoners are granted access to vulgar, sexually explicit materials while serving time in our Federal prisons.

Those predators who prey upon our families deserve to be treated like they are behind bars, not like they are in an adult book store.

Far too often, those individuals convicted of crimes have the opportunity, while in prison, to use materials that glamorize the very acts for which they were convicted.

It's amazing to think that after this House passed the Defense authorization bill, which banned pornography from our Nation's military bases, that we would still allow Federal prisoners to use sexually explicit materials. If restrictions are placed on those men and women in our Armed Forces, then the same should apply to Federal prisoners.

The time to reform our Federal prisons has come. For too long liberal judges, slick criminal defense attorneys, and misguided policies have turned prisons into playhouses. It is time to fix these problems and I believe that this piece of legislation will help us reach this attainable goal.

It is time to stop this ridiculous cycle of hypocrisy and end prisoner's access to sexually explicit materials.

I believe this bill will make sure prisons are punishment, not playgrounds.

Vote "yes" on the Ensign amendment. It's the right thing to do.

Mr. ENSIGN. Mr. Chairman, I yield such time as he may consume to the gentleman from Kentucky [Mr. ROGERS], chairman of the subcommittee.

Mr. ROGERS. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I have no objection to this amendment offered by the gentleman from Nevada [Mr. ENSIGN]. I thank the gentleman for working with the authorizing committee to develop the language of the amendment, and I congratulate him and his other colleagues for recognizing this as a major accomplishment and achievement.

The CHAIRMAN. Does any Member seek time in opposition to the amendment?

The question is on the amendment offered by the gentleman from Nevada [Mr. ENSIGN].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BROWN OF CALIFORNIA

Mr. BROWN of California. Mr. Chairman, I offer amendment No. 20.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 20 offered by Mr. BROWN of California: Page 56, line 11, after the dollar amount insert "(reduced by $4,099,000)".

Page 56, line 12, after the dollar amount insert "(increased by $4,099,000)".

Page 56, beginning at line 12, after "National Weather Service," insert "including $429,715,000 for Operations and Research, Local Warnings and Forecasts".

Page 56, line 15, after the period add the following: "No funds made available under this heading may be used for the Great Lakes sea lampricide eradication program administered by the Department of State or the Regional Climate Centers of the National Weather Service.".

□ 1130

The CHAIRMAN. Pursuant to the order of the House of Tuesday, July 23, 1996, the gentleman from California [Mr. BROWN] will be recognized for 10 minutes and a Member in opposition will be recognized for 10 minutes.

Mr. ROGERS. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Kentucky reserves a point of order.

The Chair recognizes the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise to offer an amendment which I think would correct a major shortcoming in the bill related to the base operations for the National Weather Service.

The bill before us reduces the operations and research account of the National Weather Service by $18 million below current spending levels. Within this reduction, the bill eliminates all funding for the much-needed replacement of the radiosonde network and also reduces funding for the local warnings and forecast activities of the National Weather Service. These reductions will have very far-reaching negative consequences that Members should be aware of.

First, the reductions will virtually eliminate the National Weather Service forecast function in Silver Spring, MD. This vital office compiles weather data from satellite, radar, and ground observations and uses this data to run high resolution computer simulations of weather patterns on NOAA's supercomputers, the kind of weather patterns that we can see out in the Speaker's lobby broadcast over television. It is this central forecast model that is, in fact, the basis for the weather products that are then forwarded to the local offices. Without those, we are left with a "mom and pop" forecast system that we had decades ago.

It may be fashionable these days to cut personnel in Washington headquarters, as suggested by the bill's report language; but in this case it is in fact the Weather Service Headquarters that operates the forecast model that is essential to the rest of the system. It is the central office that does this. This is simply not something that can be done locally.

Another effect of the bill will be to eliminate the staffing needed for the three new weather offices that the Secretary of Commerce recently identified as being essential to regaining full coverage in critical areas such as northern Indiana and Alabama. We have worked long and hard to ensure that the new NEXRAD system will have the capability to provide adequate coverage. It is simply foolish to cut the very funding that will be needed to operate these new sites, and the Members from these areas have frequently indicated their strong support for the kind of coverage that this would provide.

Although the report language of the bill expresses an intent that only headquarters staffing should be impacted by the proposed reduction, the National Weather Service has determined that it will be impossible to meet the reduction with headquarters RIF's alone. Additional reductions in the field would need to be made. This, in all likelihood, would mean a reduction of one shift in each field office nationwide.

Finally, the bill would cancel the radiosonde replacement network program of the National Weather Service thus terminating the principal source of upper air data required for all weather forecasts and warnings. Specifically, this network is critical for up-to-date data for major events such as hurricanes, snow storms, and major flooding.

It is ironic that we are taking this action at the outset of the hurricane season when national attention will be focused on the ability of the Weather Service to give us accurate information on the path and potential hazards of such major tropical storms.

Mr. Chairman, unfortunately my amendment would not fully restore the funding that was eliminated in the bill. I have taken only a very modest first step by proposing the elimination of several unauthorized programs that were never requested by the administration.

These programs include the Great Lakes lamprey eradication program that is presently being administered by the Department of State and also the Regional Climate Centers that were part of NOAA's old weather forecast network. Together, these programs have received $6 million in the bill, and my amendment would direct the funding freed up to the Operations and Research account of the Weather Service.

Mr. Chairman, it was never my intent, and I want to make this very clear, to eliminate the Great Lakes lampricide program which I fully support. I firmly believe, however, that it should remain in the State Department and the intended effect of my amendment was to accomplish this. This is the same aim that I understand most, if not all, the Members from that region would also prefer to have. I am aware, however, that the supporters of this program are uncomfortable with my amendment; and for that reason, Mr. Chairman, I do plan to withdraw it after this brief discussion.

I am certainly willing to work with the supporters of this program to put it on a firmer footing in conference and to ensure that it ends up in an agency that can sustain it.

I hope by offering my amendment that we can fully focus on the real problems this bill creates for the National Weather Service. I would ask the distinguished chairman and my colleagues to help rectify this problem before the bill gets to the President.

Mr. Chairman; I reserve the balance of my time.

The CHAIRMAN. Does the gentleman from Kentucky continue his reservation?

Mr. ROGERS. I do, Mr. Chairman, but pending that, I seek time to oppose the amendment.

The CHAIRMAN. The gentleman from Kentucky [Mr. ROGERS] is recognized for 10 minutes.

Mr. ROGERS. Mr. Chairman, I yield such time as he may consume to the gentleman from Wisconsin [Mr. OBEY], the ranking member of the full committee.

Mr. OBEY. I thank the gentleman for yielding me this time.

Mr. Chairman, let me simply say that I think that those of us in the Great Lakes region who are concerned with the lamprey program agree with the intent of the gentleman in terms of who ought to be administering the program. We also agree with him in terms of the inadequacy of the funds provided for the Weather Service. But we do not like the third result of the gentleman's amendment, which would be to eliminate the program, because the lamprey eradication program is absolutely crucial to the retention of a healthy Great Lakes fisheries industry.

Mr. Chairman, I would simply say that I for one, and I know many others, would be very happy to work with the gentleman from California to work out the problems that he has indicated; but we appreciate the fact that he recognizes that it also has an additional result which would not be acceptable to us in the region, given our concern about the Great Lakes fisheries in general.

Mr. ROGERS. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. DINGELL]

Mr. DINGELL. Mr. Chairman, I want to express my thanks to the distinguished gentleman from Kentucky for yielding me this time. I want to begin by expressing great respect and affection for my dear friend from California, Mr. BROWN. I agree with him fully with regard to the impropriety of cutting the money to the Weather Service. I also agree with him with regard to the urgent need to see to it that that program is properly funded and that the conduct of the lamprey program should be within the State Department. However, I would like my colleagues to understand something about the importance of the lamprey control program in the Great Lakes. The cost of this program is miniscule. The value of the fishery in the Great Lakes alone is better than $4 billion. Each salmon and each lake trout which are a part of the prey of the lamprey is worth better than $70 each, to each of the States in which it is caught. So the value of this fishery is enormous. A great and prosperous fishery is threatened by an alien species which has come into the Great Lakes. A few years ago better than 1 in 3 fish caught in the Great Lakes had a lamprey attached to it. The destruction of the fishery was enormous and the cost to the people both in terms of aesthetics and in terms of fish and wildlife values and just plain cash money was enormous. It is my hope that this program can be continued unimpaired.

I recognize the value of the suggestions of the gentleman from California for whom I reiterate great respect, but I urge my colleagues to support this protection of one of the great treasures of the United States, the Great Lakes, and the precious fishery resources which are utilized for the benefit of all the people of this country.

Mr. ROGERS. Mr. Chairman, I yield such time as he may consume to the gentleman from Ohio [Mr. LATOURETTE].

Mr. LATOURETTE. Mr. Chairman, I was prepared to rise in opposition to the gentleman from California's amendment today; and I, like my colleagues from the Great Lakes, appreciate his offer to withdraw the amendment.

Mr. Chairman, I appreciate the support that Chairman ROGERS has shown in controlling the sea lamprey in the Great Lakes by providing level funding in this bill of over $8 million for the sea lamprey program.

The bill before us, however, already redirects over $4 million to the Department of Commerce for administration by NOAA. This in my opinion and the opinion of others from the Great Lakes region, jeopardizes a program that has been very successful, so successful in fact that we have seen an eradication to over 90 percent from record levels of the sea lamprey.

For those in the Chamber who are not familiar with the sea lamprey, let me assure you that it is not something you want in your backyard. In the Great Lakes we have seen an invasion of this eel-like nonindigenous species. In addition to being just a hideous-looking thing, it is parasitic and during its parasitic period can devour between 10 and 40 pounds of fish.

Before the creation of this commission, the sea lamprey virtually destroyed our entire region's prosperous recreational and commercial fisheries, practically wiped it out. We cannot backslide on these efforts.

I look forward to not only working with the chairman, but also the gentleman from California and Members on both sides of the aisle.

Mr. ROGERS. Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from California [Mr. BROWN].

While Representative BROWN may be correct that funding for the sea lamprey control program belongs in the State Department, the elimination of this funding would be devastating to the Great Lakes fishing industry.

It's estimated that the total economic value of the Great Lakes fisheries is nearly $4 billion per year.

Between Americans and Canadians combined, over 3.3 million people fish the Great Lakes recreationally, supporting about 54,000 full-time jobs.

Over the course of its 1-to-2-year adult life, a single sea lamprey can kill 40 or more pounds of fish.

In 1992, 71 percent of the lake trout in Northern Lake Huron were killed by the lamprey. In Lake Superior, about 40 percent of the annual mortality of lake trout is attributable to lamprey predation.

For over 40 years, the United States and Canada have abided by a binational treaty to fight the sea lamprey problem. The elimination of funding for the U.S. portion of this program would violate this longstanding international agreement.

The sea lamprey control program has been a huge success. The binational control program has reduced sea lamprey population by 90 percent from their record highs in the 1950's.

However, cutting funding for sea lamprey control now would be devastating, as complete eradication of the species is not possible.

In addition, the conventional form of fighting the sea lamprey, the chemical lampricide treatment, is rapidly increasing in cost, having tripled since 1986.

The Great Lakes Fishery Commission has been able to suppress lampreys by 90 percent. Any reduction in funding would undermine the Commission's efforts and once again jeopardize the Great Lakes fishing industry.

Even a short-term interruption in lamprey control could be devastating to the fishery. A disruption in funding could allow for a severe increase in sea lamprey population, causing greater lamprey predation and a critical loss of Great Lakes fish.

The sea lamprey problem is not limited to the Great Lakes region. The lamprey has been known to appear in Lake Champlain and the Finger Lakes in New York.

The last thing we want is for the sea lamprey to become like the zebra mussel—another nonindigenous aquatic nuisance species that causes millions of dollars in damages.

Originally discovered in the Great Lakes in the 1980's, the zebra mussel is spreading rapidly across the United States, having been found throughout the Mississippi Valley to the Gulf Coast, in Chesapeake Bay, and in isolated locations as far away as California.

Cutting funding for the sea lamprey program would erase the progress we have made in controlling the sea lamprey, and threaten the fishing industry with a population explosion of this deadly species.

Mr. ROGERS. Mr. Chairman, I yield such time as he may consume to the gentleman from West Virginia [Mr. MOLLOHAN].

Mr. MOLLOHAN. I thank the gentleman for yielding me this time.

Mr. Chairman, I regrettably rise in opposition to the gentleman's amendment. I do not dispute the critical mission of the National Weather Service. I too, would like to see it funded more robustly. However, I cannot support the amendment's offsets, and I rise in opposition.

Mr. BROWN of California. Mr. Chairman, I yield 3 minutes to the distinguished gentlewoman from Michigan [Ms. RIVERS].

Ms. RIVERS. Mr. Chairman, I rise in support of the goal of this particular amendment which is to increase funding to the National Weather Service but in strenuous opposition to the ultimate outcome which would cut funding from the Great Lakes Fisheries Commission and their strong record on lamprey eradication.

For those not familiar with this particular species, they are a primitive eel-like fish who in their lifetime can, by attaching to fish and feeding on their body fluids, kill 40 or more pounds of fish. By the 1950's lamprey predation in the Great Lakes greatly reduced the number of lake trout, whitefish and other desirable species in the Great Lakes and the once thriving fisheries were devastated. This is of tremendous economic impact to the Great Lakes. Generations of Americans and Canadians have grown up enjoying fishing in the Great Lakes and estimates place the total annual income value of the Great Lakes fisheries at up to $4 billion. Over 2.5 million Americans fish the Great Lakes, another 83,000 adult Canadians fish the Great Lakes and these sport fishermen stimulate over $3 billion in economic activity for the region and support roughly 54,000 jobs. By the same token a thriving commercial fishery is estimated to bring in an additional $300 million annually to both countries and employ thousands. So the continued work on keeping this predator at bay is tremendously important.

I want to make sure that we maintain the funding at levels that will maintain these programs, but more importantly that this program go back to the State Department and not remain in the NOAA system for several reasons: First is that the Great Lakes are under management jurisdiction of two Federal Governments, one Province, 8 States and several sovereign tribal authorities. We need to have the expertise of the State Department involved in the negotiations that regularly go on in this area.

The House subcommittee proposal is going to add another layer of bureaucracy to a system that works pretty well right now and there really is not an argument to rework it. Also the State Department has mechanisms in place to efficiently and effectively transfer funds to international organizations such as the Great Lakes Fisheries Commission. Plus the Great Lakes Fisheries Commission relies on the State Department to provide diplomatic guidance, to negotiate financial arrangements, bilateral coordination of fishery management programs, et cetera. It is important that funding remain at a constant level for this program and that the program be returned to States.

Mr. Chairman, I would urge Members to vote against this particular amendment and to send a message to the conference committee to go with the Senate in returning this program to the jurisdiction of the Department of State.

Mr. BROWN of California. Mr. Chairman, may I inquire of the Chair the time remaining on both sides?

The CHAIRMAN. The gentleman from California [Mr. BROWN] has 2½ minutes remaining, and the gentleman from Kentucky [Mr. ROGERS] has 5¾ minutes remaining.

The point of order still remains in front of the amendment.

Mr. BROWN of California. I think we can resolve that, Mr. Chairman.

Mr. Chairman, I yield myself the balance of my time. Let me just make one concluding statement.

Actually, the gentlewoman from Michigan [Ms. RIVERS] made a number of points that I had intended to make with regard to the existing management of the program which is conducted under a treaty agreement with Canada, with the State Department as the responsible party. One of the points that I intended to make and which she has already confirmed is that the committee's proposal could have serious negative impacts on the sea lamprey program.

If the committee is insistent on changing the funding mechanism for the Great Lakes Fisheries Commission, a successful arrangement that has worked very well, we propose, and NOAA recommends, that changes be postponed until an arrangement that does not contravene the convention can be developed.

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Mr. Chairman, I have taken this time, and I apologize because I know how precious the time is, because I think this is a matter of sufficient importance, both because of the impact on the weather service and of course the impact of the offset which dealt with the sea lamprey program. I had hoped that the members of the committee, for who I have high respect, could consider these points as they moved their bill forward into the conference proceedings.

With that, Mr. Chairman, I ask unanimous consent that I be permitted to withdraw my amendment at this time and save the gentleman the pain of his point of order.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENT OFFERED BY MR. DEUTSCH

Mr. DEUTSCH. Mr. Ohairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. DEUTSCH: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . Of the funds appropriated in this Act under the heading "OFFICE OF JUSTICE PROGRAMS—STATE AND LOCAL LAW ENFORCEMENT ASSISTANCE", not more than ninety percent of the amount to be awarded to an entity under part Q of title I of the Omnibus Crime Control and Safe Streets Act of 1968 shall be made available to such an entity when it is made known to the Federal official having authority to obligate or expend such funds that the entity that employs a public safety officer (as such term is defined in section 1204 of title I of the Omnibus Crime Control and Safe Streets Act of 1968) does not provide such a public safety officer who retires or is separated from service due to injury suffered as the direct and proximate result of a personal injury sustained in the line of duty while responding to an emergency situation or a hot pursuit (as such terms are defined by State law) with the same or better level of health insurance benefits that are paid by the entity at the time of retirement or separation.

The CHAIRMAN. Pursuant to the order of the House of Tuesday, July 23, 1996, the gentleman from Florida [Mr. DEUTSCH] will be recognized for 5 minutes, and a Member in opposition will be recognized for 5 minutes.

The Chair recognizes the gentleman from Florida [Mr. DEUTSCH].

Mr. DEUTSCH. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the impetus for this amendment came out of an incident in my district where two Plantation police officers, Officers Alu and O'Hara, responded to a hostage situation. In their response to the hostage situation where there were two young girls being held by someone, they went into a residential home.

The gentleman set fire to himself and the two girls as well as the two police officers. The gentleman and two girls were killed. The two police officers were in critical condition. One officer, burned over 80 percent of his body, ended up spending 6½ months in intensive care.

During the initial period when they entered the hospital, they found out unfortunately that if they remain permanently disabled they would in fact lose their health care coverage for themselves and their family. They would be able to purchase COBRA coverage for 18 months. COBRA coverage, as most people know, is very expensive. But after that 18-month period they would become essentially uninsurable.

What this amendment would do is, throughout the country—the city of Plantation retroactively changed its ordinance, the State of Florida in its last session has required every jurisdiction in the State of Florida to continue health care benefits in the case of a law enforcement officer actively pursuing a criminal investigation or incident like that—to continue benefits. It does not require additional benefits. It only requires benefits that that law enforcement officer would have had had he been able to remain in the job.

I know there are at least one or two gentlemen that would like to speak, as well.

Mr. Chairman, I yield such time as he may consume to the gentleman from Michigan [Mr. STUPAK].

Mr. STUPAK. Mr. Chairman, I am in strong support of the Deutsch amendment. As you know, I was a police officer and have been a strong advocate of the COPS Program. At the age of 32 I suffered a permanent injury. I am medically retired from the Michigan State Police. At the time I was 32 years old. I have two children and a wife. How do you provide, not just for the injuries that you have suffered, but how do you provide for your family, how do you provide for your children health coverage if the jurisdiction that hired you does not provide it?

The Deutsch amendment says those that are involved in emergency situations, firefighters and police officers, would be allowed to continue their insurance coverage for not only themselves but also their families. We ask much of police officers and firefighters. The least we can do, when they are injured performing their duties, is to provide at least some degree of respectability and financial stability by providing health insurance for them.

I was fortunate that the State of Michigan provided that for me when I received my injuries, but unfortunately, as the gentleman from Florida [Mr. DEUTSCH] has pointed out, that is not the case all around this country.

We ask many things of police officers. I would ask that we not leave them hanging, that we provide some degree of security for them and their families when they do meet these permanently disabling injuries.

Mr. DEUTSCH. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina [Mr. HEINEMAN], another former law enforcement officer who has been instrumental in this amendment and instrumental in its companion bill.

Mr. HEINEMAN. Mr. Chairman, I rise in strong support of the Deutsch amendment. It is an amendment based on the Alu-O'Hara Public Safety Benefits Act. As a 39-year law enforcement officer veteran, I know how difficult it is for public safety officers to put their lives on the line day after day protecting the public.

Last year two would-be rescuers, police officers Alu and O'Hara, were seriously burned when they entered an apartment where a deranged person was holding two hostages. Tragically, the two hostages and the officers were doused with gasoline by the hostage taker, who set fire to both the officers and the hostages. The hostages died.

After nearly losing their lives, the officers and their families who depended on them lost their health benefits. Unlike veterans who have risked their lives to protect our national security, those who protect our community can lose everything if they are injured in the line of duty. Public safety officers who suffer career-ending injuries often have their health insurance canceled by municipalities or States that they were fighting to protect.

This bipartisan legislation would create a safety net for injured officers. This amendment creates an incentive for communities that receive Federal crime dollars to extend health insurance to officers who are injured in the line of duty and would otherwise be left without health coverage. I urge my colleagues to support the Deutsch amendment.

Mr. DEUTSCH. Mr. Chairman, I yield such time as he may consume to the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Chairman, I have no objection to this amendment offered by Mr. DEUTSCH, and I thank the gentleman for working with the authorizing committee to develop the language of the amendment and thank him for his work. I urge adoption of the amendment.

Mr. DEUTSCH. Mr. Chairman, I yield such time as he may consume to the gentleman from West Virginia [Mr. MOLLOHAN].

Mr. MOLLOHAN. Mr. Chairman, I want to compliment the gentleman on his leadership in this area. The problem that he addresses is certainly one that needs to be addressed and that we need to be successful in working. He has provided considerable leadership in this area.

I personally am concerned that in its present form there might be a possibility that it would encumber the COPS Program, and we do not in any way want to do that. I hope that we can assess that possibility, that concern, as this process moves forward, and achieve the desired result in a way that accommodates certainly every goal of the COPS Program and also the very worthy underlying goal of the gentleman's amendment.

Mr. DEUTSCH. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me thank both the chairmen and ranking members and their staffs, as well as my staff, for their work to get to the point where hopefully this amendment is going to be adopted. As the ranking member pointed out, I have been a very strong supporter of the COPS Program. I do not think this penalizes it.

As this works through final passage, our hope is that our continued discussion might be able to resolve some of those issues.

Ms. ROS-LEHTINEN. Mr. Chairman, the Deutsch-Heineman amendment is to protect all of those who work to protect us.

Throughout this country thousands of men and women serve their communities as police officers, firefighters, and emergency medical technicians. They all perform the vital and dangerous work of keeping us and our families safe from crime, fire, and accident.

We all accept the contract between society and the members of the Armed Forces who are injured in our defense. It is simple fairness that we recognize that the same obligation exists between society and those who risk their lives defending us against domestic threats.

In a number of jurisdictions, an officer who can no longer work, due to job related injuries, can lose his health coverage. This nearly happened to two police officers, Officer Joseph Alu and Detective James O'Hara, who were severely wounded in responding to a hostage situation.

This amendment simply affirms the principle that those public safety officers who are injured in the line of duty will not have their heroism rewarded by being stripped of health coverage.

Mr. MANTON. Mr. Chairman, I rise today in strong support of the Deutsch amendment. There is nothing more tragic than the death or injury of an EMT, firefighter, or police officer incurred while performing their job. But what is equally tragic is that these courageous men and women, and their families, are often left with huge medical bills they are unable to pay.

Under current law, there is no assurance that public safety officers retain their health benefits after being injured in the line of duty. These injured public servants are left disabled and unable to pay those expenses resulting from simply doing their job.

Mr. Speaker, every American citizen benefits from the protection and security that our police and firefighters provide. It is only fair that these individuals be taken care of financially after serving their community at their own risk. In 1989, I introduced the Steven McDonald Public Safety Officers' Compensation Act that subsequently was passed into law. This bill provides for a one-time Federal disability payment to law enforcement and public safety officers permanently disabled while performing an official duty. The Deutsch amendment will further this most important goal of providing these officers with well-deserved financial security upon the unfortunate event they are injured on the job.

As a former New York City police officer, I am pleased that Mr. DEUTSCH has brought this important measure to the House floor. I urge my colleagues to support law enforcement and all public health officers by voting in favor of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. DEUTSCH].

The amendment was agreed to.

Mr. LONGLEY. Mr. Chairman, I ask unanimous consent to strike the last word.

Mr. CHAIRMAN. Without objection, the gentleman from Maine is recognized for 5 minutes.

There was no objection.

Mr. LONGLEY. Mr. Chairman, I want to compliment the gentleman from Kentucky, Chairman ROGERS, for his willingness to work with other Members, particularly on the most recent amendment dealing with enhanced protection for our public safety officers.

I want to seek the Chair's cooperation, and also the members of the committee. I am very concerned about the deep cuts sustained by the State maritime academies in the Maritime Administration Operations and Training account in this bill. These six schools, including the Maine Maritime Academy in my home State of Maine, as well as schools in Massachusetts, New York, Texas, California, and the Great Lakes region, provide this Nation with three quarters of its licensed merchant marine officers, officers of superb quality and dedication.

They do this largely as State-supported institutions whose students pay the majority of the schools' operating costs through tuition. The Nation receives a tremendous return on this nominal investment in these schools. The total cost has been less than $10 million spread amongst all six institutions.

This money provides the maintenance and repair funds for the training ships which are provided by the Government and provide the students with the sea time that is required for them to receive their mariner's license. It also provides modest incentive stipends to some of these students, and in exchange the United States can rely on a cadre of qualified maritime officers to man its ready reserve force ships in times of national emergency.

This program has been a model of State-Federal partnership as well as cost sharing in a vital program which the Congress has been advocating. Yesterday, unfortunately, the committee cut its funding to less than a quarter of what is needed to sustain the program at the six schools, and in my opinion has imposed these reductions without rationale or justification.

We are hopeful that the Senate will fully fund these important schools and ensure that the appropriation is sustained when that bill comes to conference. I would appreciate the Chair's willingness to work with us to see that the funding can be restored consistent with the objectives of the committee and this legislation.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. LONGLEY. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I assure the gentleman we will work with his concerns very deeply. I thank the gentleman very much for his help.

Mr. LONGLEY. Mr. Chairman, I thank the gentleman, and I yield back the balance of my time.

AMENDMENT OFFERED BY MR. FRANK OF MASSACHUSETTS

Mr. FRANK of Massachusetts. Mr. Chairman, I offer amendment No. 5.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. FRANK of Massachusetts: Before the short title at the end of the bill insert the following:

SEC. . None of the funds appropriated to the Federal Communications Commission by this Act shall be used to assign a license for advanced television services until the Commission has, by rule, specifically defined the obligations of holders of such licenses to operate in the public interest, convenience, and necessity, unless the assignment of such a license is by a system of competitive bidding (in the case of mutually exclusive applications for such a license).

The CHAIRMAN. Pursuant to the order of the House of Tuesday, July 23, 1996, the gentleman from Massachusetts [Mr. FRANK] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

Mr. BLILEY. Mr. Chairman, I reserve a point of order against the amendment on the ground that it would constitute legislation in an appropriations bill in violation of rule XXI, clause 2 of the Rules of the House.

The CHAIRMAN. The gentleman from Virginia reserves a point of order.

The Chair recognizes the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume. I will not take very much now because, the point of order having been reserved, I think we will probably be debating the second of the amendments.

Mr. Chairman, I am very frustrated that we are about to make, as a government, a decision involving the disposition of one of our most valuable national resources, the currently unused portion of the broadcast spectrum. We were about to see it given, if we do not do something different, to the broadcasters, very wealthy entities. The broadcasters have already made it clear that when they accept this gift from us, they believe it is subsequently their property essentially to do as they wish with.

What is interesting is, we are talking not simply about a loss of revenue to the Federal Government, estimated upwards of $11 billion, some estimates go as high as $70 billion, but what is particularly striking to me is the majority is apparently expressing its preference here for central planning over the free market. We are being told that a Federal agency, the Federal Communications Commission, should as a matter of fiat decide how to allocate this valuable resource, and that the free market will not work to do it.

We will, as I said, be able to debate this at greater length. There are two versions of this amendment.

Mr. Chairman, I reserve the balance of my time at this point so that the gentleman's point of order could be acted on; and depending on how it is disposed of, we can proceed from there.

The CHAIRMAN. Does any Member seek time in opposition?

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Virginia insist on his point of order?

Mr. BLILEY. Mr. Chairman, regretfully and respectfully, I must insist on my point of order against the amendment on the ground that it would constitute legislation in an appropriations bill in violation of rule XXI, clause 2 of the Rules of the House.

The CHAIRMAN. Does any Member want to be heard on the point of order?

Mr. FRANK of Massachusetts. Mr. Chairman, I will be heard to say that I would not have offered legislation under an appropriations bill if we were offered the chance to legislate on a legislation bill. In the absence of our being given a chance to legislate any other way, I offered this.

The CHAIRMAN. Does any other Member seek to be heard on the point of order by the gentleman from Virginia?

If not, the Chair is prepared to rule.

The gentleman from Virginia makes a point of order that the amendment violates clause 2 of rule XXI by legislating on a general appropriation bill.

As stated by the gentleman from Virginia in support of his point of order, an amendment forbidding expenditure of an appropriation unless or until action is taken that is not currently required by existing law is not in order as a limitation. this principle is recorded in Deschler's Precedents, volume 8, chapter 26, section 47.1.

Accordingly, the point of order is sustained.

AMENDMENT OFFERED BY MR. FRANK OF MASSACHUSETTS

Mr. FRANK of Massachusetts. Mr. Chairman, I offer amendment No. 6.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. FRANK of Massachusetts: Before the short title at the end of the bill insert the following:

SEC. . None of the funds appropriated to the Federal Communications Commission by this Act shall be used to assign a license for advanced television services.

The CHAIRMAN. Pursuant to the order of the House of Tuesday, July 23, 1996, the gentleman from Massachusetts [Mr. FRANK] will be recognized for 10 minutes in support of his amendment, and a Member opposed will be recognized for 10 minutes.

Does the gentleman from Virginia [Mr. BLILEY] seek to control the time in opposition?

Mr. BLILEY. Yes, Mr. Chairman, and I ask unanimous consent that half of my time be given to the gentleman from Michigan [Mr. DINGELL] and that he be permitted to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. FRANK].

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I had no objection to the gentleman from Virginia giving a significant chunk of time to the gentleman from Michigan. That is reasonable among colleagues. But giving a large part of the broadcast spectrum now owned by the public to some of the wealthiest entities in America for nothing seems to me to be in error.

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I would have preferred a legislative forum in which to discuss this because we have a fundamental decision here. We now have, through technology, available a significant part of the broadcast spectrum currently unallocated. No one has any legal right to it.

We have people who want simply to give that for nothing, this enormously valuable asset, the right to broadcast, to the TV networks, the TV license holders, entities wealthy in themselves, controlled by some of the wealthiest entities in America. The alternative, of course, would be to auction this off. The alternative would be to say, well, the public owns this important asset, it ought to be utilized. Let us let the free market decide.

Now, remember, there are two aspects to an auction. First, when you sell this to the highest bidder, and you could put conditions on it if you wanted to, but as you sell it you get two results: First, you get revenue for the public.

We are being told every day of the week that we cannot do things. The majority Member just complained that we are not doing enough for maritime, we are not doing enough for health care, we are not doing enough for the environment. Yet we will give $11 to $70 billion in assets away for free to some of the wealthiest people in the country. This retires the corporate welfare title for all time.

It would seem to me that those who advocate this, who then want to object to corporate welfare, would have a heavy burden of proof in differentiating this from that concept which they would then purport to lament. But there is another aspect to it which it seems to me the majority should like, the Republican majority. We have two ways to allocate this resource: One is by government fiat, by central planning. We can go to the Federal Communications Commission, that agency of public officials appointed by the President, and say, you decide. Forget all this market stuff. Market schmarket. Let us not get into this business. Let us make a nice central planning decision how to do this. Or we go the free-market route. We can say here is a valuable asset. The best way to decide how to use it is, in fact, to allocate it to the market and let the market decide.

We have had a series of auctions in other parts of the spectrum, and in every case they have produced even more money than we thought. My amendment simply says do not go forward. But as I made clear by offering the first amendment, to which people objected on procedural grounds, my preference is, in fact, to say either we have an auction or we say that this has public interest obligations, because I want to address now the approach of the broadcasters.

The broadcasters say, "Oh, don't auction this off; we are the trustees of the public interest. This is something which we want to deal with as a matter of the public interest. Give it to us, don't have something as crass as an auction. Don't talk about money. We, after all, are seeped in the obligations to advance public debate."

That is until they get it. Once they get it, as witness the debate over children's television or the fairness doctrine or anything else, once they get this asset for free, having justified the gift on the grounds they are the trustees of public opinion, it all of a sudden becomes private property. I have never seen such a transformation. When the broadcasters want to get it, the question is whether they should pay for it or get it for free. They are a charity. They are the United Way. They are the spokesperson for the public interest. Once they get it this becomes private property, and no one should tell them what to do with it.

My first version of the amendment, ruled out of order, would say it has to be one or the other. Either they pay for it in an auction and let the free market decide how to best use it or they get it under the guise of they are seeped in the public interest and we then make clear that their public interest obligations are.

Mr. Chairman, as I close off at this point, let me just quote from someone who says:

> * * * the broadcasters should be happy with the deal they already have. They have been getting free channels for years. In return, they fulfill public interest obligations, such as reporting news and information. Now they want more airwaves for free.
>
> Newspapers also report the news, but Congress has never had to buy them off. It seems to me, this man says, that giving broadcasters free spectrum is like giving newspapers free paper from our national forests.
>
> Congress has never challenged whether broadcasters should be allowed to keep a channel. Instead, we are simply stating that if broadcasters want more channels, then they are going to pay the taxpayers for them. That does not kill television.
>
> The broadcasters say they cannot afford to buy additional airways, which the Congressional Budget Office says is worth $12 billion.
>
> Broadcasters say that if they had to pay for the extra airwaves, it would be the end of so-called free, over-the-air television. The facts speak otherwise. According to the Washington Post, over the last 2 years broadcasts deals in the private sector amounted to $31.3 billion.
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> All TV broadcast licenses in America were originally given away for free, but only 6 percent are still in the hands of the original licensee. The other 94 percent have been bought and sold. My point is that broadcasters have a long history of paying top dollar for existing channels. Somehow they cannot afford any new ones unless the taxpayer picks up the tab.

That was not just me speaking, Mr. Chairman; that was a private citizen by the name of Bob Dole. I suppose if he was a Senator under the rules I could quote him. But I quoted what Bob Dole said in April.

I just think it is disrespectful to the memory of that great Senate career so blatantly to disregard what Senator Dole said within a few months. Sic transit gloriea Dole. Here we have Senator Dole making this very important statement against this giveaway and within months of his departure his colleagues have forgotten the principles he enunciated.

I think on this issue Senator Dole, when he was Senator Dole, was right. I think Mr. Dole is still right. I think Mr. Dole would undoubtedly say himself that Mr. Dole is still right in exactly those same words, and I hope we will not make a multibillion dollar giveaway and allow the free market to make this decision.

Mr. Chairman, I reserve the balance of my time.

Mr. Chairman, I reserve the balance of my time.

Mr. BLILEY. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, first, I want to correct a couple of statements of my good friend from Massachusetts, because I know he always wants to be accurate. He says that he would not be doing this here if there were hearings and it was done in the proper way in the authorizing committee.

I would remind the gentleman that we passed a telecommunications bill and this issue was in the bill. It was thoroughly debated in the committee. Since the time we passed the bill there has been a hearing in the other body and there has been a hearing over here by the very able chairman of the subcommittee, the gentleman from Texas [Mr. FIELDS]. It has not been done in the dark of the night.

The second thing I want to point out is it is not a gift, it is a loan. And why is it a loan? It is a loan because one has to have all new equipment to broadcast digital TV. It is estimated to cost $10 billion. While the broadcaster is purchasing his new equipment and broadcasting the signal under digital, he must continue to broadcast under analog, the existing technology, or he loses his audience.

We do not know when the American public will shift to advanced television. We do not even know if they will. We think they will, but we do not know when. And that is the reason for the loan.

Once the shift occurs, then the existing analog comes back, or if the station does not use the digital, that comes back. It is then packaged and auctioned off, and the taxpayers will get the highest dollar for it. The $12 billion CBO estimate is purely speculative.

Mr. Chairman, I reserve the balance of my time.

Mr. DINGELL. Mr. Chairman, I yield myself 3½ minutes.

Mr. Chairman, I begin by expressing great respect and affection for my good friend from Massachusetts, Mr. FRANK. I have the most enormous regard for him. I would observe, however, that on this matter both he and Mr. Dole are dead wrong, and I would like to explain why.

First of all, I would point out that we have had this matter before the body for consideration on a number of occasions. It was debated on the floor last August, when the telecommunications bill was considered by the House. It was debated again in January when the House considered the conference report. And language similar to that which is offered by my good friend from Massachusetts was overwhelmingly rejected by the Congress.

Now, why? The gentleman claims this is a giveaway. Nothing is further from the truth. The FCC and the broadcast industry are attempting to bring forward new technology of value to this country, high definition television, and to do so by lending to the broadcasters an additional channel. This will enable us to make the shift from current technology, using old-fashioned analog technology, to the new digital technologies which will afford this country the best and the highest quality television in the world.

At the conclusion of that, the loan of the additional spectrum will have to be returned. Either the licenses which are now used by the broadcasters or the new licenses will have to be returned. The law requires that this exchange be done in the public interest. It is in the Communications Act of 1934. It was passed as part of the Telecommunications Act which was enacted last year.

The specific controlling language says this, and I am referring to section 336(c) of the Communications Act:

> Recovery of License. If the Commission grants a license for advanced television services to a person that, as of the date of such issuance, is licensed to operate a television broadcast station or holds a permit to construct such station or both, the Commission shall, as a condition of such license, require that either the additional license or the original license held by the licensee be surrendered to the Commission for reallocation or reassignment (or both) pursuant to Commission regulation.

What we are going is we are enabling this country to move forward into the digital age by making available spectrum which can be loaned to the licensees of the Commission, at the conclusion of which that spectrum must be returned to the Commission for reallocation.

Remember that the licensees are going to have to make a huge investment in new broadcasting facilities. That is for the benefit of the public, which is going to be watching a new kind of technology coming over their television sets. And so we have to provide first the spectrum to the broadcasters, and then we have to give the viewers the time to decide whether, and when, they want to acquire a digital television set in the home.

Mr. Chairman, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself 2½ minutes.

First, I want to correct the correction of the gentleman from Virginia. He said we dealt with this in the telecommunications bill. No. What we did in the telecommunications bill was to say that we will deal with this later. Now that it is later, we are saying we dealt with it in the telecommunications bill.

I read from the letter of January 31, 1996 to Reed Hundt, signed by the gentleman from Virginia, chairman of the committee in the Senate, the Senate majority leader now, and the Speaker. "We share Senator Dole's determination to protect American taxpayers." They did in January. Kind of faded. "We wish to inform the Commission that it is our intention to conduct open hearings and move legislation to overhaul our Nation's policies governing the electromagnetic spectrum. We request the Commission not issue any initial licenses or construction permits until legislation is completed."

There is no legislation. So, in fact, what they said when this came up in the telecommunications bill is we will do it later and now they say we did it in telecommunications bill.

Second, I say to my friend from Michigan, and I was delighted when he said he had great respect and affection for me. One day I will be here when he has respect and affection for someone he agrees with. It has not reached that.

We are only lending it to them. I accept that. This is the world's most expensive lendaway. This says here, "You can have this extraordinarily valuable asset for a very long time, there is no end date, and you do not pay for the use of it." So it is now a giveaway; it is a new thing; it is a lendaway. But I have to say if the gentleman were going to lend me his house to rent out and not pay him anything, if he were going to lend me a couple billion dollars that I could lease out and get the interest on, I would be pretty happy. It is turning over to the private sector people an enormously important asset.

Finally, the gentleman from Michigan sketches out a thoughtful way that we should have this view, and I understand from his perspective why he does. It is particularly intriguing that Members on the majority side agree because this is central planning. This is a valuable asset. We have a question about how the economy will use it in the future.

□ 1215

I am proposing the free market. I guess this shows that the broadcasters follow the model that Senator Magnuson said: All any business in America wants from the government is a reasonable advantage over the competition. All they want is that we give them this. Then they will be great enterprises, once they have got a $15- or $20- or $30-billion head start.

In fact, Senator Dole, when he was still Senator Dole, was right then when he said that. The letter which said, we will not do this until we have passed legislation was right. We should not countenance a giveaway or a lendaway today.

Mr. BLILEY. Mr. Chairman, I yield 30 seconds to the gentleman from Florida [Mr. STEARNS].

Mr. BLILEY. Mr. Chairman, I yield the balance of my time to the gentleman from Texas [Mr. FIELDS] and I ask unanimous consent that he be permitted to control that time.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. DINGELL. Mr. Chairman, I yield 30 seconds to the gentleman from Florida [Mr. STEARNS].

The CHAIRMAN. The gentleman from Florida [Mr. STEARNS] is recognized for 1 minute.

Mr. STEARNS. Mr. Chairman, I think what we have here is we have the former chairman of the Energy and Commerce Committee and we have the present chairman of Committee on Commerce, under the Republicans, both agreeing that this is an issue where we should not charge the broadcasters to go into the higher spectrum.

The analogy I would like to bring you your attention is the Homestead Act. What happened was, we gave people land and we said, develop this land. Just like we gave the broadcasters the analog spectrum and we said, develop it. Now we are saying to the people on the homestead piece of land, we want you to go somewhere else. We are not going to go ahead and charge all these people to go somewhere else. We are asking them to go and try it out, and then we will auction off what they have. It is analogous to the Homestead Act.

I think if you think of it in those terms, you will realize we cannot charge the broadcasters for this. They already have huge mortgage payments, development of capital they have already invested. They cannot go ahead and reinvest on this new spectrum first without paying their old debt.

So what I am saying is, we need to allow them to go forward. Then we can auction off their old piece of property, their old analog. For that reason, I am against the Frank amendment.

Mr. Chairman, the telecommunications legislation we passed earlier this year calls for broadcasters to swap their current license to broadcast analog television for a new license to broadcast digital television. This approach allows for auctions to occur, which Mr. FRANK supports. However, it preserves the ability of American households' access to the best free television system in the world, something that does not seem to be of much interest of Mr. FRANK.

This approach, supported by many in Congress, follows the concepts agreed to about 8 years ago when the FCC directed broadcasters to develop advanced television. In an effort to develop and promote advanced television which uses the digital transmission of television signals as opposed to the analog transmission of signals, the FCC, with Congress' endorsement, agreed to provide broadcasters with an additional six megahertz of spectrum. Digital transmission is superior to analog transmission because it provides consumers with a clearer picture, higher-quality sound, greater interactivity, and improved data transmission.

Because broadcasters can't use existing spectrum to broadcast digital signals, it was agreed that a second channel would be provided to smooth the transition from the old analog format to the new digitized one. The purpose of having two channels was not to make the broadcasters happy, but to ensure that citizens yet to purchase new, and costly, digitally capable television sets would not lose their access to free, over-the-air services on their current television sets as the transition took place. This plan ensures that viewers will not lose access to current free over-the-air-television—which provides households with access to local news, weather, public service events, sports, not to mention entertainment.

The second channel is a straight swap of spectrum—not a giveaway. Once there are enough digital televisions in use throughout the country, the transition period would end. Then all broadcasts are to be digitally transmitted and the old analog spectrum currently in use would be returned to the Government which could auction it. If advanced television is a flop, broadcasters could return the digital spectrum and keep the old analog spectrum. Either way, the Government will have spectrum it can repackage into larger more valuable sections and then auction for other purposes such as cellular or PCS. In addition, the Government may charge broadcasters a fee if they provide ancillary or supplemental services such as faxing, paging or other subscription fee services on the spectrum. This straight swap preserves, protects, and improves television capability in our Nation.

Under the well-established 8-year-old plan which provides for the transition from an analog world to a digital world, each television station will already have to pay $8 to $10 million in moving, equipment, and upgrading costs. Obviously, this is a huge cost for many, but particularly for most broadcasters in small and medium-sized markets, like Ocala and Jacksonville, FL, in my district, with assets under $10 million. Heaping auction costs on top of this transition cost will make it virtually impossible for many local broadcasters to provide free, over-the-air programming in the digitized world. It does not take a genius to figure out that if enough broadcasters are forced out of the industry because of these costs, consumers will have less choice in their viewing options. This effect runs counter to the very purpose of the Telecommunications Act of 1996 which we envision to create more consumer choice. There is no reason the continuation of free television should be jeopardized needlessly in the information age.

Clearly, this rational approach is a win-win situation for all involved. Government wins because its coffers will be filled with auction proceeds and fees from ancillary or supplemental services. Those who care about the continued livelihood of free, over-the-air broadcasting win because television programming won't be interrupted in the transition from analog to digital. Broadcasters win because they will remain competitive in the new information age. But above all, consumers win because by following sensible public policy we will ensure their continued access to news and information and will keep their analog television sets from becoming obsolete overnight.

In passing the groundbreaking Telecommunications Act of 1996 we allowed every segment of the telecommunications industry to move forward and offer us new, innovative, and less expensive products. Lets not hold back the only segment of the telecommunications industry that provides us with a free service. Oppose the Frank amendment and support the preservation of free-over-the-air broadcasting.

The CHAIRMAN. Because no Member controlling time is a member of the committee; therefore, the gentleman from Massachusetts [Mr. FRANK], as the proponent, has the right to close the debate.

Mr. DINGELL. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Texas [Mr. HALL].

Mr. HALL of Texas. Mr. Chairman, I rise in objection to this amendment. To permit a digital spectrum auction, as this amendment does, would absolutely disrupt the economics of the broadcast industry and would make it, I think, impossible for broadcasters to continue to offer free television to American viewers.

The burden would fall heaviest on the middle- and lower- income classes. I think we have to allow broadcasters to make the transition to digital without any spectrum auction because the financial burden of an auction plus as much as $8 to $10 million of additional hardware cost to digital could kill a broadcast station.

Of course, we are talking about a compact between broadcasters and the public, as Mr. DINGELL said, dating back 60 years. Killing local television means destroying a major lifeline for many. It would mean the end to a part of the American culture. I oppose the amendment.

Mr. HALL of Texas. Mr. Chairman, I rise today in opposition to the amendment offered by my colleague, Mr. FRANK. This Congress has just succeeded in passing the landmark Telecommunications Act of 1996 following months of hearings and negotiations. This legislation represented a bipartisan effort that resulted in an agreement made by the House and the Senate to instruct the Federal Communications Commission to move forward to implement a digital broadcasting plan.

My colleague, Mr. FRANK, wants to pass an amendment that would destroy any plan for a successful transition to digital broadcast television. To permit digital spectrum auction, as is Mr. FRANK's intent, would disrupt the economics of the broadcast industry and would make it impossible for broadcasters to continue to offer free television to American viewers. The burden would fall heaviest on the middle and lower income classes.

We must allow broadcasters to make the transition to digital without any spectrum auctions. The financial burden of an auction plus as much as $8 to $10 million of additional hardware costs to digital could kill a broadcast station.

We are not talking about a free giveaway, as some people want to call it.

This agreement is the result of legislation that this House overwhelmingly passed and the President has signed it into law. I think it is a waste of time to come here today and readdress this issue.

I personally do not want to go back to my Fourth District of Texas and tell my constituents that they will have to start paying for their local broadcasting because someone turned public interest into a fiscal issue and is using this digital spectrum as a revenue potential instead of a communications issue that should be decided on its merits. I urge my colleagues to keep local television tax free and allow every American to reap the benefits of digital technology instead of being asked to reach into their pockets as they so often do.

Mr. FIELDS of Texas. Mr. Chairman, I yield 30 seconds to the distinguished gentleman from Louisiana [Mr. TAUZIN].

Mr. TAUZIN. Mr. Chairman, if you like everything on television to be pay per view, if you want to pay extra to see the Olympics every time you want to see any Olympic game, if you want to pay extra for baseball or for ER or for all the programs you enjoy on commercial broadcast television that is commonly called free television, vote with the gentleman from Massachusetts [Mr. FRANK]. That is the net result.

If you charge the broadcasters extra taxes to broadcast those programs, they will charge everything pay per view. That is the net result. If you agree with Chairman BLILEY and the former chairman, the gentleman from Michigan, Mr. DINGELL, then vote "no" on this amendment to protect free TV. That is what it is all about.

Mr. FIELDS of Texas. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, let me begin by saying that I respectfully disagree with my friend from Massachusetts on this particular amendment. However, there are some areas of agreement. An area of agreement is that the spectrum is a national resource. The taxpayer deserves its due from that national resource.

Second, I would agree with the gentleman that there should have been a decision this year on the transition from analog to digital. It is a very complex issue. But we went through the process. This should be an issue that comes up early next year through the process. This is not the time to do it.

I believe very strongly, Mr. Chairman, that there should be a transition as quickly as possible from the old technology of analog to digital. That is consumer beneficial. I believe that there should be an obligation for a period of time for a simulcast by the broadcaster, both in analog and digital. And I believe very strongly that as soon as there is adequate consumer penetration of the advanced television market, there should be a giveback of that analog and at that time there should be an auction.

It is my view that the consuming public, the taxpayer, gets more for an auction of that analog spectrum at that particular moment. It is important to recognize that we should not stifle or slow down in any way a transition that is going on, a very important part of this information age.

If you are for better television, if you are for television that remains free over the air to the consumer, at this particular moment, you must oppose the Frank amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I yield myself the balance of my time.

First the argument that this will be the end of free TV is, of course, nonsense, as Senator Dole pointed out. The broadcasters say, if you make us pay for this license, we will not be able to give you free TV. Ninety-four percent of the current broadcasters paid for that license. What they mean is, if we can pay each other billions of dollars, then we can do it for free. But if any of that leaks into the public, we will have to charge.

As Senator Dole pointed out in this speech, 94 percent of the current broadcasters paid for their license. What happens, of course, is they get the license for free. And that will happen with these licenses. We will give some digital, some licenses to the spectrum. People will get into the digital business. They will sell them back and forth to each other. Some of the wealthiest entities in this society are making money off of each other on this, which would be fine if it did not all begin with a free grant from the public. That is the second point.

My friend from Texas says, this is the way it ought to be, by Government fiat. Understand, and this, it seems to me, is the greatest inconsistency, I guess we once again understand, the free market is for minimum wage workers. The free market is for women on welfare. The free market is for little people. You reach a point where you are too big to be in the free market. Then you negotiate your deals with the Government, except it is not really a deal because you get this for nothing.

What we are being told is, given this new technology, given this great resource, the unused part of the spectrum, the central Government will decide how to do it. It will not be a free market decision. We will allocate by Government fiat these resources to the existing very wealthy entities, and they will decide how to do it. Should there be high definition television? Should it replace the other? Why is the free market not for that?

This reaffirms the majority's view here that they believe the free market is great for small people and working people, but when wealthy entities come, let us not disrupt them with the free market.

Mr. RICHARDSON. Mr. Chairman, I oppose the amendment offered by my friend from Massachusetts.

I'm concerned that this amendment, if enacted, would jeopardize Americans' access to free television, especially those who live in rural America. Rural stations simply cannot afford to spend $8–$10 million converting their stations to digital television technology. Jobs will be lost if we do not convert to digital soon.

Ironically, delaying the issuance of this spectrum, as this amendment would certainly do, will only push back the date when we can auction off the tremendous chunk of spectrum that will be opened up when stations return their analog spectrum.

The FCC, as well as the Commerce Committee, has studied this for many years. We had hearings on this issue earlier this year, and the committee benefited from Mr. FRANK's testimony at that time.

It's now time to put some closure on this issue, so in a way, I'm glad my colleague has offered his amendment. Let's send a message to the FCC that this body wants the transition to digital television to begin sooner rather than later. I urge my colleagues to vote "no" on the Frank amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I insert the following documents in the RECORD. First, a letter dated, July 22, 1996, from a broad coalition of liberal, moderate, and conservative organizations expressing their support for the amendment to prevent the Federal Communications Commission from giving away licenses for advanced television services; second, a statement by former Senator Bob Dole in support of auctioning the spectrum for advanced television services; and third, a letter dated January 31, 1996, from Republican leaders requesting that the FCC not issue any licenses or permits for the provision of advanced television services until they can "move legislation to overhaul our Nation's policies governing the electromagnetic spectrum" which the Republican leadership has not even tried to do.

JULY 22, 1996.

HON. BARNEY FRANK,
Rayburn House Office Building,
Washington, DC.

DEAR REPRESENTATIVE FRANK: We are writing to express support for your amendment to the Commerce, Justice, State and the Judiciary appropriations bill to prevent the Federal Communications Commission from assigning licenses for advanced television services in fiscal year 1997.

The issue of whether incumbent broadcast licensees should simply be given additional spectrum for digital operations free of charge is of great importance to the debate over fiscal policies for the next decade. The FCC estimates the value of the digital spectrum at $11 billion to $70 billion. In a time of budget cutting and fiscal belt-tightening, it would be irresponsible for Congress to permit the FCC to assign digital spectrum to existing broadcasters without a thorough examination of the costs of such action. While we believe broadcasters should have the opportunity to convert to digital broadcasting format, we do not believe that an open-ended giveaway of an extra 6 MHz of spectrum to all existing broadcasters is the best way to accomplish that end.

We applaud your bold move to ensure that Congress will have the opportunity to take a hard look at whether to auction or give away the spectrum, and whether to establish a specific time frame for completing the transition process. American taxpayers deserve no less.

Sincerely,

Media Access Project; Center for Media Education; Common Cause; Consumer Federation of America; Council for Citizens Against Government Waste; National School Boards Association; National Taxpayers Union; People for the American Way; Small Business Survival Committee.

REMARKS BY FORMER SENATOR BOB DOLE, CONGRESSIONAL RECORD, page 7769, APR. 17, 1996

Mr. DOLE. Mr. President, TV broadcasters have broken their trust with the American people. For more than 40 years, the American people have generously lent TV station owners our Nation's airwaves for free. Now some broadcasters want more and will stop at nothing to get it. They are bullying Congress and running a multimillion-dollar scare campaign to mislead the public.

The reason is simple: Why pay for something when you can get it for free? But there is one small problem. The airwaves are the nation's most valuable natural resource and are worth billions and billions of dollars. They do not belong to the broadcasters. They do not belong to the phone companies. They do not belong to the newspapers. Each and every wave belongs to the American people, the American taxpayers. Our airwaves are just as much a national resource as our national parks.

Enter the TV broadcasters. Earlier this year, I blocked their legislative efforts to get spectrum for free. At my request, Congress is now holding open hearings on reforming our spectrum policies.

Apparently, the democratic process is not good enough for most broadcasters. So TV broadcasters are now running ads and so-called public service announcements, claiming that TV will die without this huge corporate welfare program, this billions and billions of dollars they want to take away from the American taxpayers. Of course, they do not call this giveaway welfare; they call it a tax. Imagine calling a giveaway a tax.

Also, I am aware that some broadcasters have asked Members of Congress to drop by their stations. In the midst of these friendly discussions, the broadcasters say, 'I thought you might want to see the ad we are considering running in your district.'

So much for subtlety.

It seems to me the broadcasters should be happy with the deal they already have. They have been getting free channels for years. In return, they fulfill public interest obligations, such as reporting news and information. Now they want more airwaves for free.

Newspapers also report the news, but Congress has never had to buy them off. It seems to me that giving broadcasters free spectrum is like giving newspapers free paper from our national forests.

Congress has never challenged whether broadcasters should be allowed to keep a channel. Instead, we are simply stating that if broadcasters want more channels, then they are going to pay the taxpayers for them. That does not kill television.

The broadcasters say they cannot afford to buy additional airwaves, which the Congressional Budget Office estimates is worth at least $12 billion. Last time I checked, the American people

We are trying to balance a budget with tax cuts for families with children, reducing spending, and closing loopholes.

Broadcasters say that if they had to pay for the extra airwaves, it would be the end of so-called free, over-the-air television. The facts speak otherwise. According to the Washington Post, over the last 2 years broadcast deals in the private sector amounted to a whooping $31.3 billion. That is with a 'b'—billion dollars.

Here is another fact. All TV broadcast licenses in America were originally given away for free, but only 6 percent are still in the hands of the original licensee. the other 94 percent have been bought and sold. My point is that broadcasters have a long history of paying top dollar for existing channels. Somehow they cannot afford any new ones unless the taxpayer picks up the tab.

UNFUNDED MANDATE ON CONSUMERS

Before Congress lets huge moneyed interests get their fingers on this national resource, we must be certain that the American taxpayer is fully protected. The policy broadcasters want will not only force taxpayers to give away valuable airwaves, it will also force consumers to spend hundreds of billions of their own dollars on new equipment which is a point that I think has been overlooked. They have been trying to frighten everybody with television, and to get their way are going to have to have another television or some attachment.

The fact is that federally mandating a transition to digital broadcast will ultimately render all television sets in the country obsolete. You will not be able to use your television set.

Consumers will be forced to buy either new television sets or converter boxes to receive so-called free, over-the-air-broadcasts.

Last year we passed the unfunded mandates law. Perhaps some have forgotten, but that law applies to more than just State and local governments. It applies to the private sector and most importantly to individuals.

The impact of the broadcasters' plan would be dramatic. There are 222 million television sets in this country. At a Senate Budget Committee hearing last month, the broadcasters testified that the average digital television set's estimated cost is $1,500, while the less expensive converter box will cost approximately $500. Replacing every television set in America with a digital one would cost $333 billion. Using the less expensive converter box would cost $111 billion. No doubt about it, consumers will not be happy that Congress made this choice for them. That is precisely what we are going to do here unless we wake up and smell something.

The American people should have a say before Congress makes a decision on spectrum. After all, the airwaves are theirs and so are their TV sets. Neither belongs to the broadcasters.

NETWORK COVERAGE

Finally, TV broadcasters have rightly kept a watchful eye on a bloated Government. Whether it was $600 toilet seats or $7,000 coffee pots. they have always helped us quickly identify waste. But they have been strangely silent on this issue. In contrast, story after story, and editorial after editorial, protested this giveaway in the print media.

In fact, I have a whole bookful here. In fact, this is loaded with editorials and comments about this giveaway. You do not see it on television.

There have been a few exceptions. I want to be fair. CNN, which is a cable network, has reported on this issue, while CBS made an attempt a month ago. So-called public interest obligations seem to have gone out the window when it is not in the broadcasters' self-interest.

If five Senators took a legitimate trip somewhere overseas to investigate something that might be costing the American people money, that is reported on the evening news as a junket costing thousands and thousands of dollars to the American taxpayers because the Senators were over there trying to see if they were spending too much on foreign aid maybe in Bosnia or maybe somewhere else. That would be news. Maybe it is news. Maybe it should be reported. But when it comes to billion dollar giveaways, to them 'mum' is the word. You never hear about it on television. Dan Rather will not utter a word. Peter Jennings, Tom Brokow—maybe they do not know about it. But I would say to the American taxpayers and the people with TV sets that somebody had better protect the American public.

I have even had a threatening letter, which I will not put in the file, that if I do not shape up and stop talking about this, this broadcaster is going to get his 700 employees to vote for someone else in November. That is intimidation.

I have no quarrel with the broadcasters. I have always thought they were my friends. But it seems to me that when we are trying to balance the budget and when we are asking everybody to make a sacrifice, then we ought to make certain that we do not give something away worth billions and billions and billions of dollars.

Maybe the broadcasters felt this issue was not newsworthy. But if that is the case, why did the National Association of Broadcasters vote to go on the offensive and launch a multi-million-dollar ad campaign to preserve, as they spin it, free, over-the-air-broadcasting?

I have already indicated it is not going to be free. It is going to cost you $500 for a converter box or $1,500 for a new TV set. That is not free.

I did not realize that ad campaigns have replaced the evening news.

CONCLUSION

Mr. President, if the broadcasters have a case to make, Congress is prepared to hear them. We are having fair and open hearings, That is what democracy is all about. It is not about distorting the truth and making thinly veiled threats. The American people know this. And despite what some might think, we are not easily duped.

I hope that fairness will prevail. I do not know what the value should be. But we should find out. Maybe it is $1. Maybe it is $1 million. Maybe it is $50 billion. But I never found anything wrong with having a hearing and asking the people that might be impacted, including the American consumer, to come to testify. I believe many broadcasters understand their responsibility. Maybe there are only a few out there leading this effort to mislead the American public and to walk away with billions of dollars in welfare from the Congress of the United States.

I know this is not a very popular thing to do—to get up and take on TV broadcasters or radio broadcasters because they have a lot of free access to the airwaves. But I believe, if we are serious about the budget and serious about the future, serious about the taxpayers, that it at least ought to be raised.

So I think they are all legitimate. But I think those broadcasters who have not been blinded by greed—and there are a lot of them out there that have not—will help shape the future of television.

Again, I must say that I know it does not get a lot of attention. But there are all kinds of columns here by different people, William Safire and others, page after page, hundreds of pages of stories about this giveaway.

I know the broadcasters are meeting in Las Vegas, and I think it is time to throw the dice and have a hearing. Maybe they can make their case. That is what Congress is all about.

But it seems to me that the President, I think, should have an interest in this. It is not a partisan issue. It is an issue of how we are going to pay the bills, how we are going to balance the budget, and what amount will properly be received in charging for spectrum.

Mr. MOYNIHAN. Mr. President, will the majority leader yield for a question?

Mr. DOLE. I am happy to yield.

Mr. MOYNIHAN. Does the leader have in mind to schedule hearings and to ask the administration officials to testify?

Mr. DOLE. In fact, I think we have had one. Senator Pressler, chairman of the Commerce Committee, had 1 day of hearings. There will be another day of hearings, I think, next week to be followed by additional hearings. So there is an effort to have everybody come in and testify and then make a judgment.

I see the Senator from South Dakota is on the floor now. That was part of the agreement on the telecommunications bill—that the bill would go forward, there would be hearings, and Congress would make a judgment for the American people. We are going to have to cough up the money on what we should do.

Mr. MOYNIHAN. I thank the Senator. It is none too soon.

CONGRESS OF THE UNITED STATES
Washington, DC, January 31, 1996.

Hon. REED E. HUNDT,
Chairman, Federal Communications Commission, Washington, DC.

DEAR MR. CHAIRMAN: As you are aware, Senator Majority Leader Dole and others have raised legitimate concerns about giving additional spectrum to television broadcasters. As you are aware, these concerns raise serious policy questions which include providing taxpayers fair compensation for the use of a national resource to the policy implications of giving preference to the broadcasters over all other potential competitors.

We share Senator Dole's determination to protect America's taxpayers, and to satisfactorily resolve this issue. We wish to inform the Commission that it is our intention to conduct open hearings and move legislation to overhaul our nation's policies governing the electromagnetic spectrum. We request that the Commission not issue any initial licenses or construction permits for Advance Television Services until legislation is completed. Furthermore, your input would be greatly appreciated as we work to solve this complicated issue.

We appreciate your cooperation in advance on this issue of the utmost importance.

Sincerely,

TOM BLILEY.
NEWT GINGRICH.
LARRY PRESSLER.
TRENT LOTT.

Mr. MANTON. Mr. Chairman, I move to strike the last word and I rise in opposition to the Frank amendment.

Mr. Chairman, new and advanced technology has made it possible for broadcasters to offer consumers high quality digital television that will eventually replace the current analog mode of broadcasting. Digital or advanced television promises consumers sharper pictures, CD quality sound, and more programming choices. But this transition to digital television will take time. Broadcasters will have to invest in new equipment and consumers will need new digital television sets or converters that will allow their current sets to received digital signals.

Congress has directed the FCC to allocate to the broadcasters additional spectrum to begin broadcasting advanced television signals while simultaneously continuing to broadcast current analog signals. Once consumers are fully prepared to receive digital television, the broadcasters will be required to return the spectrum they use for analog television. This spectrum will be repackaged and auctioned by the Federal Government.

We should reject the Frank amendment and allow the FCC to complete this proceeding and finalize a plan for the transition to digital television that is based on sound public policy designed to maximize the benefits of technological progress for consumers and the Federal Government.

Mr. Chairman, some proponents of the Frank amendment have argued that an immediate auction of the spectrum that has been set aside for the transition to digital television would yield billions of dollars for deficit reduction. But what these proponents ignore is that such an option would destroy an orderly transition to digital broadcasting, deny millions of Americans the benefits of advanced television services, and raised less money for the Federal Treasury than an auction of repackaged analog spectrum.

Mr. Chairman, sound communications policy, not fiscal policy, should guide the FCC toward the completion of this proceeding. I urge my colleague to reject the Frank amendment. Let's allow the FCC to do its job and proceed with a plan to make certain that all Americans reap the benefits of digital television.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. FRANK].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. FIELDS of Texas. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 479, further proceedings on the amendment offered by the gentleman from Massachusetts [Mr. FRANK] will be postponed.

AMENDMENT OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Ms. JACKSON-LEE of Texas: Page 52, line 10, after the dollar amount, insert the following: "(increased by $10,000,000)".

Page 23, line 18, after the dollar amount, insert the following: "(reduced by $10,000,000)".

The CHAIRMAN. Pursuant to the order of the House of Tuesday, July 23, 1996, the gentlewoman from Texas [Ms. JACKSON-LEE] will be recognized for 7½ minutes, and the gentleman from Kentucky [Mr. ROGERS] will be recognized for 7½ minutes.

The Chair recognizes the gentlewoman from Texas [Ms. JACKSON-LEE].

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield myself such time as I may consume.

I am offering an amendment to H.R. 3814 to increase the funding to the National Telecommunications and Information Administration grants programs in the Commerce Department. I would like my fellow colleagues to travel with me on a very brief journey in any order that we might invest in America's future.

As a member of the Committee on Science, I have always said that science is the work of the 21st century. My amendment would increase NTIA by 10 million. These funds will go to NTIA's information infrastructure grants program.

In 1995, out of the 1,800 applications representing over 4,000 organizations, only 117 grants to 47 States and the District of Columbia totaling more than 30.7 million were awarded; 1,800 applications representing over 4,000 organizations, we only got 117 grants.

These grants were matched by more than 60 million in non-Federal funds showing that there is a great interest in the private sector to partnership with the Government.

These grants will allow kids in farming communities and inner cities to bridge the information gap; bring better health care to seniors in their own homes; provide valuable training and new job opportunities to workers in economically depressed areas; and improve public safety by helping to extend emergency telephone service nationwide and much more.

The need for this important program is tremendous. As many communities in the country remain unable to access advanced networks or information. According to a 1995 study, only 20 to 25 percent of the Nation's hospitals and public libraries and only 9 percent of our classrooms have access to the Internet or advanced information services.

As a member of the telecommunications conference committee, one of the important issues was the access of Internet and telecommunications to our urban centers and, yes, our rural communities. I would hope my colleagues would recognize that we do a great disservice to the work force of the 21st century in not educating our children now and providing the resources for it.

NTIA also brings computer literacy and skills to millions of Americans who would not otherwise have access. This has a direct tie-in to economic development that will pay off by the year 2000, when 60 percent of the new jobs will require skills currently held by only 20 percent of the population.

I have an interest in the dissemination of technology throughout our Nation's society. Toward that end I am always exploring avenues on how to best achieve that mission, and NTIA serves us as a very viable vehicle for training our population. Unfortunately the lack of funding has slowed that progress. With 2.5 million classrooms and 50 million grade school students lacking access to this important innovation, it is critical that all avenues be explored to make their technological needs.

Without any rival to its supreme information status today, there are many moves to create access to this new technology for all sectors of our Nation. We must be competitive with our western nations and this entire world.

I am sure Members are aware, just as I am, of the great benefits personal computer technology has afforded modern society. It is an artificial extension of human intellect which has advanced the effectiveness of communication and the quality of information gathering. This technology will be the economic backbone for many communities far into the next century.

Mr. Chairman, it is my belief that we can do no greater contribution or make no greater contribution than the recognition of the valuable importance of technology in the 21st century and that we not leave one soul on the sidelines looking on, not one child from our rural communities, not one child from urban America, not one library, not one school teacher, not one school, not one university.

I ask my colleagues to support this amendment.

Mr. Chairman, I am offering an amendment to H.R. 3814, the Commerce-Justice-State and the Judiciary Appropriations Act for fiscal year 1997, to increase the funding to the National Telecommunications and Information Administration [NTIA], grants programs in the Commerce Department. I would like to invite my fellow colleagues to invest in our Nation's future by supporting this amendment.

My amendment would increase funding to NTIA by $10 million. These funds will go to NTIA's information infrastructure grants program.

In 1995, out of the 1,800 applications, representing over 4,000 organizations, only 117 grants to 47 States and the District of Columbia totaling more than $35.7 million were awarded. These grants were matched by more than $60 million in non-Federal funds. These grants will allow kids in farming communities and inner cities to bridge the information gap; bring better health care to seniors in their own homes; provide valuable training and new job opportunities to workers in economically depressed areas; and improve public safety by helping to extend emergency telephone service nationwide; and much much more.

The need for this important program is tremendous, as many communities in the country remain unable to access advanced networks or information. According to a 1995 study, only 20 to 25 percent of the Nation's hospitals and public libraries, and only 9 percent of our classrooms have access to the Internet or advanced information services.

NTIA also brings computer literacy and skills to millions of Americans who would not otherwise have access. This has a direct tie-in to economic development that will pay off by the year 2000 when 60 percent of the new jobs will require skills currently held by only 20 percent of the population.

As a member of the House Committee on Science, I have an interest in the dissemination of technology throughout our Nation's society. Toward that end, I am always exploring avenues on how to best achieve that mission, and I believe that NTIA has proven itself to be up to the task of spreading the information age to many deserving communities across this country.

Unfortunately, the lack of funding has slowed the progression of computer technology into our Nation's schools. With 2.5 million classrooms and 50 million grade school students lacking access to this important innovation it is critical that all avenues be explored to meet their technological needs. Without any rival to its supreme information status to date, there are many moves to create access to this new technology for all sectors of our Nation.

I am sure you are aware, just as I am, of the great benefits personal computer technology has afforded modern society. It is an artificial extension of human intellect which has advanced the effectiveness of communication, and the quality of information gathering. This technology will be the economic backbone for many communities far into the next century.

Let us act today, so that tomorrow we will not have debates on the disparity in life, liberty, and property of the information haves versus the information have nots.

Mr. Chairman, I reserve the balance of my time.

Mr. ROGERS. Mr. Chairman, I rise in opposition to the gentlewoman's amendment and I yield myself such time as I may consume.

Let me say, I understand the gentlewoman's concerns about rural and underserved areas that they not be left off the information superhighway. I share that concern very deeply because my own district would qualify in that category.

Recognizing the importance of the information infrastructure grants program for rural and underserved areas, we inserted in the bill funding for the program at the 1996 level. We did not cut a penny off the program from its current levels. At a time when most other programs were being slashed in the bill, including most of the commerce programs. We maintained the funding level for this program. This amendment would seek a 47 percent increase for this program at the expense of the Federal prison system and specifically the building of new prisons.

Mr. Chairman, the need for new Federal prisons is clear. The Federal prison system is currently suffering from dangerous overcrowding: currently 23 percent overcrowded systemwide; 43 percent overcrowded at the high security facilities, obviously the most dangerous. By the year 2001, overcrowding at the high security facilities would exceed 50 percent as a result of the growing population of convicted criminals who are increasingly violent and subjected to longer sentences.

□ 1230

We continue on a path of building two new prisons this year at the higher security levels where we most desperately need relief from overcrowding. This amendment would jeopardize that program and seriously threaten the safety and security of the prison system and surrounding communities where people obviously are residing.

The accountability gap still exists at the Federal level. Repeat offenders continue to fill our prisons, and we want to ensure adequate space is available to ensure that these felons are off our streets.

There is no parole at the Federal level, and therefore the need for prison space is absolutely critical.

As much as I support the sentiments of the gentlewoman's amendment, I have to say to her that I am strongly opposed to it for the reasons I have said. One, we fully fund the information infrastructure grants program; two, the gentlewoman's amendment would jeopardized the Federal prison building program that we must continue. And so I urge a rejection of this amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I want to commend the gentlewoman from Texas for her concern about rural educational programs and for refocusing the direction of her amendment from reducing the funding for our international broadcasting system which is so sorely needed.

However, I am impressed by the gentleman's remarks with regard to the need for doing more in alleviating the overcrowding of our prison system, and I hope the gentlewoman might find a better way of funding the educational programs that she is so worthily advocating by her amendment.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield 2½ minutes to the gentleman from California [Mr. BROWN], the ranking member of the Committee on Science.

Mr. BROWN of California. Mr. Chairman, I rise in support of this amendment. It will increase the funding for valuable programs at the National Telecommunications and Information Administration that will help spur the development of an advanced information infrastructure for the Nation.

I particularly commend the gentlewoman for her effort to provide additional support for a proven NTIA program that is assisting communities throughout the Nation to obtain connections to information networks and to develop and enlarge the uses for public benefits of networks, such as the Internet.

I refer to the NTIA Telecommunications and Information Infrastructure Assistance Program. This is a highly-competitive, merit-based grant program that provides seed money for innovative, practical technology projects throughout the United States. Many projects now in place to connect rural and urban underserved Americans to information networks would never have occurred without the Federal assistance provided by this program.

The NTIA program provides matching grants to nonprofit organizations such as schools, libraries, hospitals, and local governments. The grants are used to fund projects that improve the quality of, and the public access to, education, health care, and government services. The grants are used for a variety of purposes. For example, connections to networks are made possible by assistance with the purchase of computers, video conferencing systems, and network routers.

But in addition to physical network connections, the grants program assists communities in developing effective uses of networks by supporting purchase of software for organizing and processing all kinds of information; training in the use of equipment and software; and purchase of communications services, such as Internet on-line services.

This NTIA grants program has generated enormous enthusiasm and has been a recognized success. Over the 3 years of its existence, it has generated more than 3,600 applications from across the Nation. And because it is a matching grant program, the applications have spawned hundreds of millions of dollars in commitments from local, State, and private sector sources.

The importance of this program is in its potential to bring new opportunities for learning and job creation to residents in isolated areas and in underserved areas of the Nation by unleashing the power of modern information technologies. Projects have been supported that will improve educational opportunities for children in farming communities and inner cities, will bring improved health care to elderly patients without requiring them to leave their homes, will provide worker training and new job opportunities in economically depressed areas, and will improve public safety by supporting the extension of emergency telephone service throughout the country.

Moreover, by serving as models that can be replicated in similar communities across the United States, projects supported by this program extend their effects far beyond the communities in which they take place, and provide economic and social benefits to the Nation as a whole.

Mr. Chairman, the amendment will strengthen a program that is helping to develop a nationwide, interactive, multimedia information infrastructure that is accessible to all citizens. The program has effectively leveraged Federal resources through partnerships with non-profit organizations in local communities.

The NTIA Telecommunications and Information Infrastructure Assistance Program has proven its value and deserves a higher priority in this appropriations bill. I urge my colleagues to vote yes on this amendment.

PARLIAMENTARY INQUIRY

Ms. JACKSON-LEE of Texas. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentlewoman will state her parliamentary inquiry.

Ms. JACKSON-LEE of Texas. Might I inquire of the proponent of the amendment if I have the right to close?

The CHAIRMAN. No. If a member of the committee is controlling time in opposition to the amendment, then he will have the right to close.

Ms. JACKSON-LEE of Texas. Then I will proceed at this time, Mr. Chairman.

Let me try to emphasize very quickly, first of all, we are talking about a $10 million increase out of a $395 million budgeting for prisons. I would say that the choices need to be made. We have empty beds available in various States who would welcome Federal prisoners. This does not mean colleagues are soft on crime, but it does mean that they can support the Texas A&M foundation grant that was to design a way of extending information infrastructure into underserved economically disadvantaged neighborhoods.

The grass-roots models will be locally driven and managed, or maybe they will be the Corpus Christi public library that will help them receive the library information network or the Texas children's hospital that helped to ensure medicine in the valley, a sophisticated medicine in the valley in Texas, to rural communities by telemedicine. This is a program that can effectively both save lives and create opportunity for young lives.

I would ask my colleagues to invest in the future and support the increase of $10 million for the National Telecommunications Information Administration making the right choice.

Mr. ROGERS. Mr. Chairman, I yield myself the balance of the time, and I shall not take the full time.

We have heard the arguments here. We have plenty of money in this bill for the information infrastructure grant programs for rural areas. I come from a rural area, and as chairman I saw to it there was sufficient funding in this bill for that purpose. We provide the same funding as last year, although we cut most of the other Commerce Department programs.

Second, the gentlewoman's amendment would take the money for the increase that she seeks from the Federal prison building program which we desperately need, and this will put in jeopardy the building of two new prisons in the next fiscal year.

So I urge a strong "no" vote to the gentlewoman's amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Texas [Ms. JACKSON-LEE].

The amendment was rejected.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

The CHAIRMAN. The gentlewoman from Texas is recognized for 5 minutes.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the House for allowing me to have what I think is a very important debate on this issue. We may never agree, but I do believe that we should certainly have a consensus around the valuable role that technology and the Internet will play in the lives of Americans.

I would offer to this committee and to authorizing committees that we provide a vehicle for the Department of the Census to do a survey that would inquire and determine who amongst us have been left out of access to the superhighway and Internet. I believe that, if we would allow additional funding for the Census Department to determine and survey, that we would have an opportunity to determine the reality of the need.

POINT OF ORDER

Mr. ROGERS. Point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state his point of order.

Mr. ROGERS. Mr. Chairman, I was under the understanding that we are under a set of amendment that are controlled by the rule of the House.

The CHAIRMAN. The gentleman is absolutely correct. The gentlewoman from Texas moved to strike the last word. The Chairman asked if there was objection. When there was no objection, the Chair recognized her for 5 minutes.

Mr. ROGERS. All right. I withdraw the point of order.

The CHAIRMAN. The gentlewoman from Texas will continue.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I will be concluding.

I had asked to enter into a colloquy with the gentleman from Kentucky [Mr. ROGERS], and I would be happy to do that with him regarding my concern about determining who has been left out of the net of the Internet. My suggestion is that the Department of Census would be an appropriate vehicle in order for us to insure, as I know that the gentleman from Kentucky [Mr. ROGERS] and certainly the gentleman from West Virginia [Mr. MOLLOHAN] would welcome that all of us are involved in the superhighway. This is a proposal that I hope that we will have an opportunity to engage in further discussions and to provide the Bureau of the Census with the resources to gather information on computer use in the United States.

Might I inquire of the time that I have, Mr. Chairman?

The CHAIRMAN. The gentlewoman from Texas has 3½ minutes remaining.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield 1½ minutes to the gentlewoman from California [Ms. MILLENDER-MCDONALD].

The CHAIRMAN. The gentlewoman cannot yield blocks of time when she moves to strike the last word. The gentlewoman from Texas can stand and yield to the gentlewoman, but she cannot allocate a set amount of time to her.

If the gentlewoman wishes to remain standing, she may then yield during her presentation to someone else for the opportunity to make a point.

Ms. JACKSON-LEE of Texas. Mr. Chairman, that is what I am seeking to do; is that appropriate?

The CHAIRMAN. If there is a Member on the floor seeking to have the gentlewoman from Texas yield, that may occur.

Ms. JACKSON-LEE of Texas. I will now, to the gentlewoman from California.

Mr. Chairman, might I provide her with a certain amount of time?

The CHAIRMAN. No, the gentlewoman may not allocate time and then sit down. She may simply yield to the gentlewoman from California on her own time.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I yield to the gentlewoman from California [Ms. MILLENDER-MCDONALD].

Ms. MILLENDER-McDONALD. Mr. Chairman, I really would like to thank the gentlewoman from Texas and to really applaud her on her leadership in this area.

It is very important that I stand before my colleagues to strongly support her amendment and the increased funding for the National Telecommunications and Infrastructure Administration. We know how important this is for our children, for the growth and the information highway that is much needed for the educational components of our schools. I am in strong support of this.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I am not sure whether or not the gentleman from Kentucky [Mr. ROGERS] is able to enter into a colloquy, and I will conclude by simply saying that it is important that the access to the superhighway be given to all of our constituents across the Nation.

I am gratified for the support of the gentleman from California [Mr. BROWN] on recognizing as a ranking member of the Committee on Science. I would only offer that we should work to have the right data. I think that, if we allow the Bureau of the Census to do its survey of who has access and who does not, this Congress would be moved to act to provide additional funding to ensure that we train people and as well provide the resources for this kind of technology to go into our rule and as well our urban centers.

AMENDMENT OFFERED BY MR. GEKAS

Mr. GEKAS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. GEKAS: Page 116, after line 2, add the following new section:

SEC. 615. (a) Chapter 13 of title 31, United States Code, is amended by inserting after section 1310 the following new section:

"§ 1311. Continuing appropriations

"(a)(1) If any regular appropriation bill for a fiscal year does not become law prior to the beginning of such fiscal year or a joint resolution making continuing appropriations is not in effect, there is appropriated, out of any moneys in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, such sums as may be necessary to continue any project or activity for which funds were provided in the preceding fiscal year—

"(A) in the corresponding regular appropriations Act for such preceding fiscal year; or

"(B) if the corresponding regular appropriation bill for such preceding fiscal year did not become law, then in a joint resolution making continuing appropriations for such preceding fiscal year—

"(2) Appropriations and funds made available, and authority granted, for a project or activity for any fiscal year pursuant to this section shall be at a rate of operations not in excess of the lower of—

"(A) the rate of operations provided for in the regular appropriation Act providing for such project or activity for the preceding fiscal year,

"(B) in the absence of such an Act, the rate of operations provided for such project or activity pursuant to a joint resolution making continuing appropriations for such preceding fiscal year,

"(C) the rate of operations provided for in the House or Senate passed appropriation bill for the fiscal year in question, except that the lower of these two versions shall be ignored for any project or activity for which there is a budget request if no funding is provided for that project or activity in either version,

"(D) the rate provided in the budget submission of the President under section 1105(a) of title 31, United States Code, for the fiscal year in question, or

"(E) the annualized rate of operations provided for in the most recently enacted joint resolution making continuing appropriations for part of that fiscal year.

"(3) Appropriations and funds made available, and authority granted, for any fiscal year pursuant to this section for a project or activity shall be available for the period beginning with the first day of a lapse in appropriations and ending with the earlier of—

"(A) the date on which the applicable regular appropriation bill for such fiscal year becomes law (whether or not such law provides for such project or activity) or a continuing resolution making appropriations becomes law, as the case may be, or

"(B) the last day of such fiscal year.

"(b) An appropriation or funds made available, or authority granted, for a project or activity for any fiscal year pursuant to this section shall be subject to the terms and conditions imposed with respect to the appropriation made or funds made available for the preceding fiscal year, or authority granted for such project or activity under current law.

"(c) Appropriations and funds made available, and authority granted, for any project or activity for any fiscal year pursuant to this section shall cover all obligations or expenditures incurred for such project or activity during the portion of such fiscal year for which this section applies to such project or activity.

"(d) Expenditures made for a project or activity for any fiscal year pursuant to this section shall be charged to the applicable appropriation, fund, or authorization whenever a regular appropriation bill or a joint resolution making continuing appropriations until the end of a fiscal year providing for such project or activity for such period becomes law.

"(e) No appropriation is made by this section for a fiscal year for any project or activity for which there is no authorization of appropriations for such fiscal year.

"(f) This section shall not apply to a project or activity during a fiscal year if any other provision of law (other than an authorization of appropriations)—

"(1) makes an appropriation, makes funds available, or grants authority for such project or activity to continue for such period, or

"(2) specifically provides that no appropriation shall be made, no funds shall be made available, or no authority shall be granted for such project or activity to continue for such period.

"(g) For purposes of this section, the term 'regular appropriation bill' means any annual appropriation bill making appropriations, otherwise making funds available, or granting authority, for any of the following categories of projects and activities:

"(1) Agriculture, rural development, and related agencies programs.

"(2) The Departments of Commerce, Justice, and State, the Judiciary, and related agencies.

"(3) The Department of Defense.

"(4) The government of the District of Columbia and other activities chargeable in whole or in part against revenues of the District.

"(5) The Department of Labor, Health and Human Services, and Education, and related agencies.

"(6) The Department of Housing and Urban Development, and sundry independent agencies, boards, commissions, corporations, and offices.

"(7) Energy and water development.

"(8) Foreign assistance and related programs.

"(9) The Department of the Interior and related agencies.

"(10) Military construction.

"(11) The Department of Transportation and related agencies.

"(12) The Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies.

Mr. KLECZKA. Mr. Chairman, I rise today in support of the Gekas amendment.

Mr. Chairman, only seven legislative work weeks are left until our October 4 target adjournment date. Significant appropriations work remains, and the specter of Government shutdown and rancorous, time-consuming debate over CR's has raised its head. The country cannot afford another drawn-out debate on funding levels while Government offices gather cobwebs.

During the two Federal Government shutdowns this past winter, constituents found out the hard way what Washington gridlock means. They couldn't get passports or some veterans benefits or even get questions answered about Social Security and many other services on which they depend. At the same time, the cost to the taxpayers of lost productivity was enormous.

In my State, the government does not shut down over budget wrangling. Instead, Wisconsin has in place a common-sense plan which maintains government operations while the budget goes through the legislative process. I have introduced legislation which would set this Wisconsin plan into Federal law.

This Gekas amendment is similar to my bill, H.R. 2965, the Keep Government Open Act, which would prevent a Federal shut down from occurring by establishing an automatic continuing resolution. Although my bill—like the Wisconsin plan—maintains current Government funding unchanged from last year's levels, while Mr. Gekas' plan is somewhat more complex, the essential concepts are the same.

With this proposal—like H.R. 2965—we can permanently avert Government shutdown crises and debilitative CR fights. Removing the pressure and rhetoric that build as part of the appropriations process would allow us to focus on substance and good public policy. I commend the gentleman from Pennsylvania and urge a "yea" vote on this amendment.

POINT OF ORDER

Mr. ROGERS. Mr. Chairman, I make a point of order against the amendment because it proposes to change existing law and constitutes legislation on an appropriations bill and therefore violates clause 2 of rule XXI. The rule states in pertinent part, "no amendment to a general appropriation bill shall be in order if changing existing law."

□ 1245

Mr. Chairman, on the face of it, the amendment proposes to make permanent changes to chapter 13 of title XXXI of the U.S. Code and therefore it is legislation on an appropriation bill.

The CHAIRMAN. The gentleman has raised a point of order. Does any Member wish to be heard on the point of order?

Mr. GEKAS. Mr. Chairman, I would like to be heard on the point of order.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. GEKAS] is recognized on the point of order.

Mr. GEKAS. Mr. Chairman, for a long while now, almost every term since 1988 or 1989, I have introduced a bill which would constitute instant replay of last year's budget if no budget has been enacted by September 30. This legislation, this main legislation about which we are talking, would cause no problem for appropriators because their figures, if lower than last year's budget, would go into effect both in the House or in the Senate version of those appropriations. Thus, we would have the best of all worlds.

On September 30 if no budget has been enacted, the next day there will be an instant replay of last year's numbers or the current House numbers or the current Senate numbers, whichever is lowest. Thus, the appropriators can go along their merry way in doing their job without being hampered by the fact that instant replay would occur.

Mr. Chairman, here is where the parliamentary battle ensues. This bill of mine, to which I refer, was referred to the Committee on Appropriations. That makes it part and parcel of what the gentleman from Kentucky [Mr. ROGERS] is attempting to do here with the appropriation bills under his control. It means that it does not vary from the concept of appropriations, nor from the duty and right of the appropriators to go about their business in the current legislation. It is an appropriation bill, properly referred to the Committee on Appropriations.

Further, Mr. Chairman, this legislation does not violate any of the appropriations or any of the legislative policy contained in the current legislation. It merely serves to continue existing appropriations at lower figures. Therefore, it does not in any way affect or appropriate monies. All it does is continue existing appropriations.

Mr. Chairman, it is a method which will serve to end Government shutdowns forever. We will never have another shutdown of Government if this legislation is adopted. If on September 30 we do not have a budget, the next day a new budget comes into play mirroring last year's budget, or the lowest figures that are extant to that day. At the end of a CR, a continuing resolution, the same thing would happen.

If the Congress enacts a CR and the President signs it for, say, 3 weeks, at the end of that 3-week period, again, instant replay would occur the following day after the expiration of that CR on the same basis, of the lowest figures.

This means that on the point of order, that an appropriation bill that does not change the policy of the appropriators and enhances their ability to be triumphant in their figures should be accorded the right of continuing as an amendment to this legislation.

The CHAIRMAN. Does any other Member wish to be heard on the point of order?

If not, the Chair is prepared to rule.

The gentleman from Kentucky [Mr. ROGERS] makes a point of order that the amendment offered by the gentleman from Pennsylvania violates clause 2 of rule 21 by legislating on a general appropriation bill.

The gentleman from Pennsylvania previously offered this amendment on July 17, 1996. The Chair sustained a point of order against the amendment at that time, as the Chair will again today. However, in so doing, the Chair would point out that the gentleman's invocation on that prior occasion of the "works in progress exception" as a defense to the point of order against his amendment was inapposite. That principle is a defense to a point of order against an unauthorized appropriation rather than to legislating on an appropriation bill.

For the reasons stated on July 17, 1996, the point of order is sustained and the amendment is not in order.

PARLIAMENTARY INQUIRY

Mr. GEKAS. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. GEKAS. Mr. Chairman, of what significance is it that the legislation was referred to the Committee on Appropriations, the original bill which now this amendment reflects?

The CHAIRMAN. The fact that legislation is separately within the jurisdiction of the Committee on Appropriations does not necessarily make it appropriate for this general appropriation bill at this time.

Mr. GEKAS. I thank the Chair.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. GANSKE

Mr. GANSKE. Mr. Chairman, pursuant to the unanimous-consent agreement this morning, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. GANSKE: Page 116, after line 2, insert the following new section:

SEC. 615. (a) LIMITATION ON USE OF FUNDS TO ISSUE CERTAIN PATENTS.—None of the funds made available in this Act may be used by the Patent and Trademark Office to issue a patent when it is made known to the Federal official having authority to obligate or expend such funds that the patent is for any invention or discovery of a technique, method, or process for performing a surgical procedure (defined as a treatment for curing or preventing disease, injury, illness, disorder, or deformity by operative methods, in which human tissue is cut, burned, or vaporized by the use of any mechanical means, laser, or ionizing radiation, or the penetration of the skin or body orifice by any means), performing a medical procedure (defined as a nonsurgical, nondiagnostic procedure for curing or preventing a disease, injury, illness, disorder, or deformity), or making a medical diagnosis (defined as the identification of a medical condition or a disease or disorder of a body).

(b) EXCEPTIONS.—The limitation established in subsection (a) shall not apply to the issuance of a patent when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the patent is for a machine, manufacture, or composition of matter, or improvement thereof, that is itself patentable subject matter, and the technique, method, or process referred to in subsection (a) is performed by or is a necessary component of the machine, manufacture, or composition of matter; or

(2) the patent is for a new use of a composition of matter or biotechnological process.

The CHAIRMAN. Pursuant to the agreement of Tuesday, July 23, 1996, the gentleman from Iowa [Mr. GANSKE] will be recognized for 10 minutes in support of his amendment, and a Member opposed will be recognized for 10 minutes.

The Chair recognizes the gentleman from Iowa [Mr. GANSKE].

Mr. GANSKE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, imagine if someone held a patent on taking a patient's temperature by placing a thermometer under the tongue, and charged a royalty of $1 each time this was done. Imagine somebody downstairs in the House dining room choking on a piece of steak and the person who uses the Heimlich maneuver on the victim receives a bill from Dr. Heimlich for using this procedure.

For more than a century the Patent Office refused to grant patents on methods of treating the sick but did start issuing these patents in the 1950's. In recent years patent holders have started enforcing these patents either by excluding others from using the procedure or charging a licensing fee. The Patent Office now estimates it issues more than 100 medical procedure patents per month.

My amendment borrows from and improves the Medical Procedure Innovation and Affordability Act, which has over 130 House cosponsors. This amendment would prohibit the Patent Office from using funds appropriated in this bill to issue these types of patents. These patents are causing real problems.

Dartmouth Medical School recently spent 3 years and nearly $500,000 in legal fees defending its right to perform cataract operations, because a surgeon patented cataract operations and was seeking up to $10,000 in royalties per clinic eye surgeon.

If these procedure patents and their attempted enforcement continue, health care costs are going to skyrocket. More importantly, owners of patented procedures with control can use them and potentially limit the widespread availability of critical medical advances.

I trained in surgery with Dr. Joseph Murray of Boston who did the world's first successful kidney transplant. Dr. Murray did not run out and get a patent on kidney transplants. He would have thought this was against a fundamental tenet of medical ethics that admonishes the physician to teach and share freely medical advances for the benefit of mankind.

I am offering this amendment to protect patients, not physicians. If anything, this bill is in direct conflict with physicians' financial interests. After all, it is doctors who are most likely to benefit financially from obtaining and enforcing medical procedure patents.

Further, it is not physicians who would ultimately bear the cost of patent royalties. It is patients and others, such as local and Federal governments and insurers, who pay for health care. Ultimately, it is the consumer who would pay in the form of higher taxes, more premiums, so a few physicians could enrich themselves.

Physicians do not need incentives provided by patent law as a stimulus to innovation. Just look at the medical journals and Members will note there is no shortage of innovation and research going on. Physicians should not get windfall profits at the expense of patients.

I would encourage possible opponents of this bill to carefully examine the language of this amendment. The amendment specifies: All presently patentable new drugs will remain patentable; all presently patentable machinery and devices for treating and diagnosing disease will remain patentable; all presently patentable biologic products will remain patentable; all presently patentable new uses for nonpatentable drugs and biological products will remain patentable. I even added an additional exception for biotechnological process to make absolutely clear that this amendment does not, let me repeat, does not prohibit patents on gene therapy or other similar procedures.

I urge Members' support for these five reasons:

No. 1, patient access to new surgical and medical procedures is being threatened by medical patents;

No. 2, medical patents permit patent owners to charge monopoly prices and contribute to our Nation's health care costs;

No. 3, physicians have an obligation to share their knowledge and skills for the benefit of humanity;

No. 4, medical patents are not necessary for the advancement of medicine. Did Oxner, the Mayo brothers, Lahey, or DeBakey need patents to advance medical knowledge?

And No. 5, 80 countries around the world, including most of Europe, expressly prohibit medical patents. The United States is virtually alone in the world in granting monopoly rights to these procedures.

Mr. Chairman, as a physician for 20 years, I can tell the Members first hand that the Patent Office is ill-equipped to evaluate the novelty of medical procedures. As long as patents on medical procedures continue, there will be a chilling effect on the free exchange of medical advances.

If these procedure patents proliferate and are enforced, the patent laws will have the opposite effect of what they were designed for. We will see fewer, not more, new medical advances for the benefit of citizens.

Please vote for this amendment. Where would surgery be today if Louis Pasteur had sought a patent on the 15-minute scrub?

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Does any Member seek recognition in opposition?

Mr. ROGERS. I do, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. ROGERS] for 10 minutes.

Mr. ROGERS. Mr. Chairman I yield myself such time as I may consume.

Mr. Chairman, I rise in reluctant opposition to the amendment, and I do so on a procedural basis. Mr. Chairman, there is a reason why there is a rule of this House that precludes an appropriating committee from authorizing during an appropriating bill. The reason for that is this type of an amendment. This is a very complicated issue that needs to have hearings and to work is way through the authorizing process of this body.

Here we are on an appropriations bill, almost out of the clear blue, having to decide or vote on an issue that is extremely complicated about which I am not aware of any hearings. I have no factual basis upon which to make my own judgment about whether or not this is a good idea. It very well may be. But it needs to go through the process.

Mr. Chairman, this is a policy issue, and should be decided through the authorization process, not this quick process, that is, the appropriations process. The Committee on the Judiciary of the House, the authorizing committee, is, I understand, studying the issue. It has already held hearings on the gentleman's legislation.

The gentleman is really attempting to bypass the authorization process by tacking this legislation onto this appropriations bill. The chairman of the authorization committee and the ranking member of the authorization subcommittee as well as the administration, all oppose the Ganske amendment on the appropriations bill.

I do not think it would be wise for the House to rush forward on such a very significant policy issue without proper study, discussion, and going through the regular channels. This is not the proper forum to address such a complicated and important policy issue. We need to let the authorizers do their job, and they have told me that.

As an appropriations subcommittee chairman, I know there is one rule, unspoken almost, around here. When an authorizing committee chairman tells you, do not authorize in your appropriations bill on my subject, you do not do it. So I am standing here as the subcommittee appropriation chairman, with the authorization chairman sitting beside me saying do not let this happen, and I am having to stand here and say no.

So I oppose the amendment for those reasons, although the gentleman from Iowa [Mr. GANSKE] has brought up a very important subject that needs to be addressed by the authorization committee, as is being done. I commend him for that.

Mr. Chairman, I am happy to yield such time as he may consume to the gentleman from California [Mr. MOORHEAD], chairman of the subcommittee on the Committee on the Judiciary with this subject matter in his jurisdiction.

Mr. MOORHEAD. Mr. Chairman, I rise in reluctant opposition to this amendment. The subject matter of this amendment is patent law and it is based on an earlier legislative proposal, H.R. 1127. Both the subject matter of patents and H.R. 1127 are within the jurisdiction of the Judiciary Committee. The effect of this amendment is to strip the Judiciary Committee of its jurisdiction over this issue by attempting to legislate on this appropriations bill. For this reason alone this amendment should be rejected.

In addition, the Judiciary Subcommittee on Courts and Intellectual Property, which I chair, held a hearing on H.R. 1127, the legislation on which this amendment is based. During that hearing, a representative of the Patent and Trademark Office suggested that the PTO may well be able to address the issues raised by the legislation by modifying their internal, administrative procedures. I subsequently wrote to the Commissioner of Patents and Trademarks and requested that the PTO hold hearings on this issue.

Pursuant to my request the PTO conducted a public hearing on issues related to patenting of medical procedures. Interested parties were given the opportunity to comment and offer suggestions for improvements. The PTO is now analyzing these comments and preparing to address the problems which are identified. There is a very good chance that this problem may be solved administratively for which the gentleman from Iowa should take full credit. I believe that this is the appropriate response and accordingly urge the rejection of this amendment.

I should state that this amendment is opposed by the U.S. Department of Commerce, the American Intellectual Property Law Association, the Intellectual Property Owners, the Biotechnology Industry Organization, the American Bar Association, and the Pharmaceutical Research and Manufacturers of America.

I believe that a reasonable problem has been pointed out by the gentleman from Iowa, and I believe that it is important to find out the best way that we can solve it, but I do not think it should be done on an appropriation bill with short notice.

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Mrs. SCHROEDER. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Mr. Chairman, I rise to agree with what the gentleman had to say.

Mr. Chairman, I tell this body that the gentleman from California is being very humble. He has worked very hard on this issue, and so has the Department of Commerce. We have a letter. Everything is moving. I hope we can move forward and put this to bed.

Mr. GANSKE. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. NORWOOD].

Mr. NORWOOD. Mr. Chairman, I thank the gentleman from Iowa [Mr. GANSKE] for yielding me this time.

Mr. Chairman, I suppose if I were an experienced legislator this would seem complex, but since I am just a dentist who has practiced for the last 30 years, it seems sort of simple. What we are basically asking this body to do, and I urge Members to do this with every bone in my body, is pass this amendment for the American people. What we have here is a simple problem that simply needs to be corrected. What is right is right and what is wrong is wrong. All of my adult life I have been taught that as a health care provider, I should be very willing to share any knowledge I have on behalf of the patient. I know not to do that is not just unethical but it is immoral. What we are trying to do is to correct a problem in this country before it gets out of proportion and harms the very people who are providing care because there will be so much confusion, but most importantly because it harms the patient.

Mr. ROGERS. Mr. Chairman, I yield 1 minute to the gentleman from West Virginia [Mr. MOLLOHAN].

Mr. MOLLOHAN. Mr. Chairman, I likewise rise in opposition to this amendment and echo the sentiments expressed by a number of speakers.

This simply is not the appropriate bill. This is not the appropriate forum to decide this issue. In response to the last speaker, whether it is a simple issue or a complex issue, I do not know whether that is really the point. The fact is, it is a very controversial issue and should best be decided by the authorizing committee. I am advised—and again because this is an appropriations committee, not an authorizing committee and we do not get into these things in substance like this—that there are very serious concerns raised by representatives of the biotech industry and other areas in industry about the effect that this amendment could have on the incentives which our system now has for innovative new research procedures.

In any event, all of those issues are for consideration by an authorizing committee, and because controversy does surround it, I think that is the better forum.

Mr. GANSKE. Mr. Chairman, I yield 1½ minutes to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Iowa [Mr. GANSKE].

Mr. Chairman, as I was watching the debate on TV and came over from my office, I know that we have heard from a number of different outside industry groups that in fact this amendment takes care of some of the concerns that they have. There is an exception here in this bill that is labeled as such, and there is an exception for the patient when there is a new use of a composition of matter or biotechnological process. It is unfortunate that the Committee on the Judiciary has not moved on this. This is an important issue.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. UPTON. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would just like to point out to my friend that while there is an exemption that has been created for the composition of matter, the truth of the matter is that that still does not, for instance, provide the necessary scientific protections for companies that do not fall under that specific exemption.

There are, for instance, new advancements in Hodgkin's disease using fetal matter from pigs that would fall outside of this language.

Mr. GANSKE. Mr. Chairman, will the gentleman yield?

Mr. UPTON. I yield to the gentleman from Iowa.

Mr. GANSKE. Mr. Chairman, the example that my colleague from Massachusetts is citing is exempted. It is the new use of a compositional material. It is specifically excluded in the amendment.

Mr. UPTON. Mr. Chairman, reclaiming my time, I would like my friend from Massachusetts to respond to the question that the gentleman from Iowa [Mr. GANSKE] raised in his opening statement about the Heimlich maneuver. Does the gentleman think that that should be patented and get a bill for that? That is one of the things that this goes against.

Mr. KENNEDY of Massachusetts. Mr. Chairman, if the gentleman will yield further, the gentleman from Iowa and I have had discussions about this. I am in favor of the general thrust of his legislation. I just think it is flawed in a manner that we ought to try to fix.

Mr. ROGERS. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. DOOLEY].

Mr. DOOLEY. Mr. Chairman, I rise in strong opposition to the Ganske amendment. Regardless of the merits of what he is trying to achieve, I feel very strongly that the language is far too broad. The broad implications of the language threaten to invalidate up to one-third of all the biotech patents in the United States. When we see some of the tremendous potential for research in the development of new gene therapies through biotechnology that hold the promise of finding cures to many of the diseases we face such as cystic fibrosis, AIDS as well as Alzheimer's, we cannot put in place an impediment that restricts the investment and research which can hold the promise to cures to these. Unfortunately I feel that the way that the Ganske amendment is drafted, it will provide that disincentive for investment in this emerging field which will not serve the interests of the people and the interests of the health of people of this country.

Mr. GANSKE. Mr. Chairman, I make an inquiry as to how much time remains in debate.

The CHAIRMAN pro tempore (Mr. SOLOMON). The gentleman from Iowa [Mr. GANSKE] has 2½ minutes remaining, and the gentleman from Kentucky [Mr. ROGERS] has 2 minutes remaining.

Mr. GANSKE. Mr. Chairman, I yield 1 minute to the gentleman from Oklahoma [Mr. COBURN].

Mr. COBURN. Mr. Chairman, I think this debate goes back down to one of the core issues in our country, whether a physician, no matter what particular oath they took, whether or not they are going to follow that oath, nowhere should a medical procedure get in the way of offering care to any other patient. I think most people will agree with that.

If this bill is flawed in any way, that can be corrected. But the intent of this bill and the necessity of this bill demand that we pass this today. There are people who are not receiving the benefit of the skills of providers and health providers who have dedicated their life because of patent infringement attempts. So I would beg my colleagues to look, to support the healing professionals by allowing them to do what they have committed their lives to do, which is to offer care, not limited by someone's greed or someone's selfishness.

Mr. ROGERS. Mr. Chairman, I yield 1 minute to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, first of all, I want to thank the chairman of the full committee for the excellent efforts that he is making thus far in this legislation. I also want to compliment Mr. GANSKE on the attempts that he is making to try to fix a problem. The trouble is that the solution that he has created is just far too broad.

I agree with the previous speaker that we ought not to be trying to deny anyone reasonable health care, we ought not to be allowing patents for certain medical procedures. But the truth is that the way this amendment is written, it would incorporate vast areas of the biotechnology field and companies that are coming up with innovative and creative solutions.

I think that if the gentleman were willing to work with us in a fashion that ended up providing protections against the procedures that he is concerned about without incorporating, at the same time, the gutting of the ability of these biotechnology companies to be able to move forward on their advancements, that we in fact could come together with a reasonable amendment that everybody in this Chamber would be happy to support, and I would look forward to working with the gentleman to accomplish such a task.

Mr. GANSKE. Mr. Chairman, I yield 30 seconds to the gentleman from Florida [Mr. WELDON].

Mr. WELDON of Florida. Mr. Chairman, I thank the gentleman for yielding me this time. I rise in strong support of the Ganske amendment. I commend the gentleman from Iowa for bringing this issue forward.

I know that many breakthroughs that have helped many of my patients in the past could possibly not have accrued to their benefit if doctors were out there patenting procedures. I think it is wrong for them to be doing that. I wholeheartedly commend the gentleman.

The CHAIRMAN pro tempore. The Chair would observe that there is 1 minute remaining on each side. The gentleman from Kentucky [Mr. ROGERS] has the right to close.

Mr. GANSKE. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I would point out that the list of cosponsors of the original bill that this is based on, that is, modified off the original medical patents bill, includes such colleagues as Chairman ARCHER, DEFAZIO, DELAY, FRANK, HYDE, KASICH, and WAXMAN.

Let me answer a few of the criticisms and go back over again. Let me repeat, the amendment is narrowly drawn. It prevents procedure patents, things like surgeons being able to do an appendectomy or surgeons being able to do a cataract operation. Can my colleagues just imagine looking in the Yellow Pages and having to look up which surgeon has the franchise to do an appendectomy?

This bill specifically says, all presently patentable new drugs will remain patentable, all presently patentable machinery and devices for treating and diagnosing disease will remain patentable, all presently patentable biologic products will remain patentable, all presently patentable new uses of nonpatentable drugs and biologic products will remain patentable.

This takes care of the criticism. We have moved this forward now because we have not had cooperation from the industry.

Mr. ROGERS. Mr. Chairman, I yield 30 seconds to the gentleman from Florida [Mr. DEUTSCH].

Mr. DEUTSCH. Mr. Chairman, many people, and there is no disagreement in this Chamber that the substance of what the gentleman from Iowa [Mr. GANSKE] is trying to do makes a lot of sense, but as has been pointed out by a number of colleagues, and I will reiterate and focus in on it, there are clearly cases where the language of this amendment is broader than the intent. It will absolutely include certain biotechnology therapies that were under development that already exist. Whether we like it or not, the companies that do this invest sometimes tens and even hundreds of millions of dollars. If they cannot be provided with a patent for that protection, they just will not develop those lifesaving drugs.

I urge the defeat of the Ganske amendment.

Mr. ROGERS. Mr. Chairman, I yield myself the balance of my time.

The CHAIRMAN pro tempore. The gentleman from Kentucky [Mr. ROGERS] is recognized for 30 seconds.

Mr. ROGERS. Mr. Chairman, the debate here has demonstrated what I just said. This is too complicated for us to deal with in an appropriations bill times 10. We have biotechnology involved, doctors' rights, medicine, and technical advice in every aspect.

The gentleman from Iowa [Mr. GANSKE] has succeeded, I think, in big measure here by bringing this matter to our attention. The chairman of the authorizing subcommittee says, "Don't pass this on an appropriations bill; give us a chance to have our hearings, which we are doing." I urge a "no" vote on this amendment.

Ms. ESHOO. Mr. Chairman, I rise in reluctant opposition to the amendment by Dr. GANSKE.

I believe he is raising an extremely important issue and I support the intent of his amendment to disallow the issuance of patents for medical procedures such as kidney transplants. However, this is a complicated issue that deserves greater consideration than 10 minutes of debate on an appropriations bill.

It is my understanding that the Judiciary Committee is currently reviewing the issue of patents for medical procedures. That is the correct forum for this debate.

Hearings should be held. Testimony should be taken and the subcommittee and full committee should have the opportunity to mark up legislation. A bill should be brought to the House for consideration only after these steps have been taken.

Lastly, greater care needs to be taken to ensure that medical advances in the field of biotechnology are not adversely affected by this legislation. The biotechnology industry is one of our country's greatest resources. We need to tread lightly in areas that could stifle the potential of this industry, because of the benefits it can bring to the health and welfare of the American people.

I commend Dr. GANSKE for bringing this issue forward and hope that we will have the opportunity to work together in the future to develop bipartisan legislation that addresses the need to prevent medical procedure patents.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would like to first of all thank Mr. GANSKE for his willingness to work with me and my staff in making some improvements to the text of this amendment. The gentleman from Iowa has been very responsive to the concerns I have raised regarding the unintended harmful consequences the amendment would have on the biotechnology industry. And although we have made significant progress in the past 2 days, I must still rise in opposition to this amendment.

I agree with the underlying fundamental goal of this amendment: to limit the liability of physicians who use patented medical procedures—in order to improve the lives and health of their patients—from being sued for royalty fees or, even worse, be threatened with an injunction against using the procedures. This goal could be achieved by placing a limitation on enforcement of these patents or by giving blanket immunity to physicians who may use these procedures. If this were done, I think we would all be on the same page.

However, the approach this amendment takes is to ban all medical procedure patents first, and then creates two somewhat vague exceptions. Only if a patent falls within these two exceptions can it be issued. This is a failed approach. It has been likened to cutting one's fingernails with a chainsaw.

I am troubled by this approach first of all because this would be establishing a dangerous precedent by making drastic changes in patent law, to be considered for the first time on the House floor during debate on an appropriations bill. But more importantly, I oppose this amendment because the two exceptions that would continue to allow the issuance of medical patent procedures would not cover all situations where innovative science and research in the biotechnology field creates new medical therapies that have the potential of curing costly, deadly diseases.

Securing a patent for the use of medical drugs, therapies, and diagnosis of disease is absolutely crucial for the biotechnology industry. Without patents, biotechnology companies cannot secure the capital investments needed to spawn the research to bring these uses to market. This amendment jeopardizes the innovation of the biotechnological industry and should therefore be soundly defeated.

I urge my colleagues to reject the Ganske amendment.

Mrs. SCHROEDER. Mr. Chairman, I rise in opposition to the Gankse amendment.

A very similar measure introduced by the gentleman from Iowa was the subject of a lengthy hearing before the Intellectual Property Subcommittee. It became very clear during that hearing that this measure does not, as the gentleman undoubtedly intends, create a narrow solution for a narrow problem. This amendment raises extremely complex issues relating to patent law. And in fact, this amendment unintentionally jeopardizes whole categories of biomedical research.

We have no business legislating radical changes in U.S. patent law on an appropriations bill. This amendment effectively strips the Judiciary Committee of its jurisdiction over this issue. But this is not just a jurisdictional quibble. This amendment represents very bad intellectual property law, and I urge my colleagues to reject it.

We are not only bypassing the Judiciary Committee with this amendment, but we are also engaging in a very hasty process that does not bode well for developing good policy. I want to point out that we just saw the most recent draft of this amendment late yesterday afternoon. This revision, I am sure, is intended to address the concerns raised about biomedical research, but the biotechnology research community continues to raise objections about the impact of this bill on medical devices or diagnostics and on patents for medical therapy or medical procedures. This amendment affects literally billions of dollars in research on deadly diseases, and it cannot be written hastily or without extremely careful consideration of its impact.

I also want to point out that our hearing on this issue established that the problems identified by the medical profession relating to patents on medical and surgical procedures can be solved by the U.S. Patent and Trademark Office through steps that are less drastic than excluding these inventions from patent protection and eliminating the incentives to invest in beneficial and cost-effective new medical and surgical procedures. In fact, the Patent Office has already conducted a public hearing in order to devise these steps.

Are you willing to tell the women of this country that you took away the financial incentive for promising research relating to metastatic breast cancer? The patent system has worked well to provide incentives for private investment in biotechnology research. Don't undermine those incentives with this hastily crafted amendment.

I urge a "no" vote on this amendment.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentleman from Iowa [Mr. GANSKE].

The question was taken; and the Chairman pro tempore announced that the noes appeared to have it.

Mr. GANSKE. Mr. Chairman, I demand a recorded vote, and pending that I make the point of order that a quorum is not present.

The CHAIRMAN pro tempore. Pursuant to House Resolution 479, further proceedings on the amendment offered by the gentleman from Iowa [Mr. GANSKE] will be postponed.

The point of no quorum is considered withdrawn.

Mrs. LOWEY. Mr. Chairman, I ask unanimous consent to strike the last word to enter into a colloquy with the chairman of the committee.

The CHAIRMAN pro tempore. Without objection, the gentlewoman from New York is recognized for 5 minutes.

There was no objection.

Mrs. LOWEY. Mr. Chairman, I along with many of my colleagues on both sides of the aisle are very troubled about the reductions in funding provided in this bill for the Maritime Administration which will adversely affect the six State maritime academies located in New York, California, Texas, Michigan, Massachusetts, and Maine. The administration requested $9.3 million for the academies which represents level funding since 1989. A Federal contribution of $9.3 million represents a small fraction of the academies' funding.

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In fact, even though 89 percent of their funding comes from student tuition and State support, the State maritime academies produce 75 percent of our Nation's licensed Merchant Marine officers, the young men and women who enter the maritime industry and who activate the ready reserve force in national emergencies requiring sealift.

Without a doubt, assisting the State schools to train Merchant Marines is a cost-efficient way to produce the U.S. crews we need for our national security. A portion of the funds derived from the sale or disposal of ships in the National Defense Reserve Fleet are intended to be used for training and other expenses at the State maritime academies.

However, the reality is that no ships have been scrapped from the NDRF for more than 2 years because of legal disputes relating to certain hazardous materials on some of these ships. Because this dispute has made it virtually impossible to sell NDRF vessels in foreign countries, an intended source of funding is unavailable to the States' academies.

I must also add, Mr. Chairman, even if two academy ships were to be funded under the Department of Defense's ready reserve force, it would in no way compensate for the budget cuts in this bill.

Can the gentleman from Kentucky [Mr. ROGERS], the chairman of the subcommittee provide us some assurance that if NDRF ships continue to be ineligible for scrapping, he will work with the Senate to ensure that the Maritime Administration has the flexibility it needs to provide adequate funding for the State academies?

Mr. ROGERS. Mr. Chairman, will the gentlewoman yield?

Mrs. LOWEY. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I have heard from several of our colleagues on both sides of the aisle who are concerned about funding for the State maritime academies. As the gentlewoman knows, there are 65 ships ready to scrap and if a way could be worked out to allow these ships to be scrapped, the State maritime academies would be the beneficiaries of 25 percent of the proceeds.

In addition, if the Maritime Administrator's request is agreed to, with respect to the ready reserve force, there would be just three ships to support under this account. But as we move into conference with the Senate on this bill and we receive additional clarification about the availability of these and other resources for the State academies, I will work with the gentlewoman and with the other Members concerned on this issue to try to address their concerns and to see what we can work out with the Senate on this important issue.

Mrs. LOWEY. Mr. Chairman, reclaiming my time, I thank the gentleman from Kentucky [Mr. ROGERS] very much. His assistance and leadership on these issues is greatly appreciated.

Mr. TORKILDSEN. Mr. Chairman, will the gentlewoman yield?

Mrs. LOWEY. I yield to the gentleman from Massachusetts.

Mr. TORKILDSEN. Mr. Chairman, I rise to express serious concern over the funding levels for maritime academies contained in this bill. It is essential that maritime academies are level-funded at $9.3 million in order to effectively carry out their mission.

This is a very modest investment by the Federal Government for schools that produce 75 percent of our Nation's merchant marine officers. Additionally, these academies are an essential component to preserving our Nation's national security by manning our Defense Sealift Contingency Force and maintaining vessels in our ready Reserve fleet.

One of these academies is the Massachusetts Maritime Academy. Serving the tristate area of Massachusetts, Connecticut, and Rhode Island, Massachusetts Maritime Academy produces more U.S. Navy admirals than any other college or university outside of Annapolis. Currently, the proud and honorable Commander in Chief of the U.S. Atlantic Fleet, Adm. William J. Flanagan, Jr., class of 1964, is a distinguished alumnus.

Additionally, the Massachusetts Maritime Academy is home port to the training vessel, *Patriot State*, a 20,000-horsepower, 547-foot steamship, which prepares our young men and women for a distinguished career in this Nation's merchant marine. The *Patriot State* is a ready Reserve vessel as designed by MARAD. The Federal Government contributes to the operation of the *Patriot State*. If this Nation's maritime academies are not level-funded, the *Patriot State* will not be fueled and ready for our Reserve fleet.

The CHAIRMAN. The time of the gentlewoman from New York [Mrs. LOWEY] has expired.

Mrs. LOWEY. Mr. Chairman, I continue to yield to the gentleman from Massachusetts [Mr. TORKILDSEN].

Mr. TORKILDSEN. Mr. Chairman, in both appreciation for the gentlewoman yielding and my colleague for California, I will be very brief.

State maritime academies like Massachusetts Maritime operate their ready Reserve ships at one-third of that expended by the Federal Government to maintain similar vessels in a like readiness status. These academies provide a high return on the small Federal investment. Graduates of the six State maritime academies all secure employment within 3 months of graduation. This is a record we should be proud of.

Mr. Chairman, I urge the Chair to work with the other body and the conference committee to level-fund this Nation's maritime academies. This is an investment in our future and our security.

Mr. CUNNINGHAM. Mr. Chairman, will the gentlewoman yield?

Mrs. LOWEY. I yield to the gentleman from California.

Mr. CUNNINGHAM. Mr. Chairman, I am not going to rehash all that. I am going to say, I rise in support of the gentlewoman from New York and the words of the gentleman from Massachusetts [Mr. TORKILDSEN]. It does not matter if the maritime academy is in California, Massachusetts, or where, they provide a valuable resource.

I would also ask the Chairman when they look at scrapping these U.S. ships that they give preference to U.S. shipyards. Quite often there is a problem with older ships having asbestos, and so on, and they decline to do that. I think that would be in our best interest.

Mr. SHAW. Mr. Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Without objection, the gentleman from Florida is recognized for 5 minutes.

There was no objection.

Mr. SHAW. Mr. Chairman, the colloquy that I wish to engage the chairman in involves the NOAA issue affecting Florida and the Nation.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I would be pleased to engage in a colloquy with the gentleman from Florida [Mr. SHAW].

Mr. SHAW. Reclaiming my time, I would like to commend the chairman for the work of his subcommittee to ensure that needed resources are being dedicated to understanding the El Nino phenomenon, how we can improve our predictive capabilities, and understanding the full implications of these near- and mid-term climactic events on precious agriculture and vulnerable areas. Your committee report includes language that provides that some of the funding increases provided in the Climate and Global Change Program is intended to expand the International Research Institute program to include regional application centers.

Mr. ROGERS. If the gentleman would continue to yield, the gentleman is correct. The bill includes an overall increase for the Climate and Global Change Program, which is intended to be used to expand both the El Nino research program and the Health of the Atmosphere Program.

Mr. SHAW. Mr. Chairman, it is my understanding that this language is intended to refer to the regional application centers being developed now as a statewide consortium among Florida's top four research universities, which have developed some unique technology for regional modeling and predictive work in this regard. Is my understanding correct?

Mr. ROGERS. The gentleman is correct. The committee intends that NOAA make El Nino research a priority and use some of the funds within this account to expand the program to include regional application centers, like the proposal that the gentleman has mentioned and has been endorsed by the Florida delegation.

Mr. SHAW. Mr. Chairman, the gentleman has been extremely thoughtful and very supportive. I thank the gentleman. The work on El Nino, like the proposal from the Florida consortium, is a high priority for NOAA, your committee, and the entire Florida congressional delegation. I am encouraged by your support of statements today and the intent of the committee.

AMENDMENT OFFERED BY MR. GUTKNECHT

Mr. GUTKNECHT. Mr. Chairman, I offer amendment No. 28.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. GUTKNECHT: Page 116, after line 2, insert the following new section:

SEC. 615. Each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 1.9 percent.

The CHAIRMAN. Pursuant to the order of the House of Tuesday, July 23, 1996, the gentleman from Minnesota [Mr. GUTKNECHT] will be recognized for 10 minutes in support of his amendment, and a Member opposed will be recognized for 10 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. GUTKNECHT].

Mr. GUTKNECHT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as one of my favorite presidents observed, well, here we go again. This is the 1.9 percent across-the-board reduction.

Just to set the stage again so Members understand how this amendment came about, we were rightly criticized by some of our friends on the other side of the aisle when we passed the joint budget resolution conference committee report, in which we increased discretionary spending by about $4.1 billion more than the House-passed version of this budget resolution.

Passing a balanced budget, ultimately balancing the people's books, is not some mean-spirited, green eyeshaded accounting exercise. It really is about preserving the American dream for our children. Balancing the budget is not something that we do next year or we do 2 years from now or we do 3 years from now or 6 years from now. It is what we do every day on every appropriation bill that makes the difference, and that is why in good faith I am offering this amendment.

This is not some slap at the Committee on Appropriations or our own leadership. I think the gentleman from Kentucky [Mr. ROGERS] has done an excellent job with his appropriations subcommittee. I think all the appropriations subcommittees have done an excellent job. But we are going to increase discretionary spending in this cycle by about $4.1 billion more than the House originally agreed to. And the way we can recover that $4.1 billion is by offering a 1.9 percent reduction across-the-board on all the remaining appropriation bills.

So to the gentleman from Kentucky [Mr. ROGERS] and others, I just want to say that I think you have done a good job, but I think this is a perfecting amendment to help the House recover its fumble. I would hope that Members would join me in support of this amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Who seeks time in opposition?

Mr. ROGERS. Mr. Chairman, I do.

The CHAIRMAN. The gentleman from Kentucky [Mr. ROGERS] is recognized for 10 minutes.

Mr. ROGERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment would reduce every discretionary appropriation in this bill by 1.9 percent. It has been offered on at least five prior appropriations bills and has been defeated on all of them. I would hope we would keep the string alive.

This amendment would undermine the very initiatives we are trying to achieve in the bill. In the Department of Justice, it would undo the very things we are trying to do. One, in the Drug Enforcement Administration, we have increased funding to $1.03 billion, $167 million above last year, $20 million over the President's request, including a $75 million source country interdiction initiative and a $56 million Southwest border initiative where 70 percent of our drugs come into the country and goes to our teenagers. This amendment would remove the increase over the President and hurt the efforts to rekindle the war on drugs which this administration, I think, has allowed to dwindle.

In the Immigration and Naturalization Service, the war on illegal aliens, the war to control the border, the bill provides $2.2 billion, $443 million over last year, $30 million over the President's request, and 1,100 new Border Patrol agents. Everyone says we desperately need them. This amendment would reduce the appropriation by $41 million, and take it below what the President requested of the Congress. The amendment would reduce the FBI by $52 million.

This bill, Mr. Chairman, the very thrust of this bill is to control the borders, control crime, control drugs, and control teenage violence. This amendment does damage to those four initiatives. That is the reason I oppose it. It would reduce State and local law enforcement by $71 million, including the Byrne grants, which goes to local communities, as we all know, to help them fight crime in their communities and the local law enforcement block grant, a new program that Congress initiated to help local communities fight crime as they see it. It would reduce COPS and the truth in sentencing State prison grants to help States build the prisons and keep their prisoners in jail 85 percent of their sentence.

In other areas of the bill where we have already taken reductions to make room for the increases in law enforcement, the additional percentage reductions would be very problematic. In the State Department, it would take an additional $84 million, which is double the reduction we have already taken in the bill for the State Department. Out of USIA, it would take an additional $20 million, with nowhere to take it except reductions in force and reductions in Voice of America, Radio Free Europe, Radio Marti, and Radio Free Asia.

In the Commerce Department, it would take an additional $68 million out of NOAA and the Census and the International Trade Administration, all of which we have tried to prioritize as important for the Nation. In the Small Business Administration, a $2.5

million reduction would be had by this amendment, which translates into $125 million less in small business loans.

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Overall, this amendment undermines the initiatives we have tried to undertake in law enforcement, in the war on crime and drugs, and gaining control of our borders.

In addition, it imposes much larger reductions in areas where we have already taken reductions, with serious impacts on our ability to carry on diplomacy and to carry out necessary functions like the census and our trade enforcement functions.

As a result, I would hope the body would reject this amendment, and I ask my colleagues to do just that.

Mr. Chairman, I reserve the balance of my time.

Mr. GUTKNECHT. Mr. Chairman, I yield 2 minutes to the gentleman from Oklahoma [Mr. COBURN].

Mr. COBURN. Mr. Chairman, we have just heard the gentleman from Kentucky speak of the reductions that would be brought forward. What I would ask those who are listening to this debate today is to consider the following: Wherever we work, whatever we do, could we not, through efficiency and better planning and good insight, reduce the costs of what we are doing or increase the efficiency with which we do it, or save 2 percent of the amount of time that it takes us to do it? Could we not do that?

The trouble is, inside Washington we do not believe that that is possible. The real fact is that we can save a whole lot more than 1.9 percent. Outside of Washington, DC, outside of the thought process that goes on here, in everyday America, people are doing that very thing.

This is not a cynical attempt to make a point. The fact is, the largess of our Federal bureaucracy is killing our future. The Republican Congress made a commitment to this country. They fumbled the ball. They have now decided to spend $4.1 billion more than what they promised just 9 months ago to spend. This is getting back part of it. It is two pennies. It is two pennies for the future of our children.

It is not to say that the appropriation committees do not do a good job, but the fact is, the very people that are going to receive this money can do a better job. They be more efficient. They can accomplish more with less if, in fact, we will just tell them to do it.

I would ask our Members to support this amendment, not for us but for the commitment that we have made to the future, for our children and for our grandchildren.

Mr. ROGERS. Mr. Chairman, I yield such time as he may consume to the gentleman from West Virginia [Mr. MOLLOHAN], the ranking member of the subcommittee.

Mr. MOLLOHAN. Mr. Chairman, I thank the gentleman for yielding me this time, and I rise in opposition to this amendment.

I want to begin by expressing appreciation to the gentleman from Minnesota, the author of the amendment, for his compliments to the chairman and to the committee in trying to go through this and be discerning about how we treat all of the respective accounts.

I want to assure the body that the chairman, the distinguished gentleman from Kentucky, has certainly provided leadership in doing that. As a matter of fact, he, myself, the staff, every member of the committee have spent hours going over this bill in a very discerning sort of way, choosing between accounts, making judgments, making value judgments about programs and trying to come up within our allocation with the very best funding scheme that we could. It has certainly been consciously done.

The problem I have with the gentleman's amendment is that it is not particularly careful. It is not discerning. In one sense only, it is not conscious; that is, we do not consider every account carefully. That is not the way to treat an appropriations bill, particularly at a time of shrinking resources when the pie is smaller. We need to approach these very carefully.

With regard to the distinguished gentleman from Oklahoma, who asked the question, can we not take a certain percentage out of any bill? Can we not take a certain percentage out of our own accounts or our business? I would say no to him, because I question the underlying premise. The underlying premise to that question is these accounts are adequately funded to begin with, and we can squeeze more out of them.

I want to assure him these accounts are not adequately funded. We could use more money for crime fighting in this Nation, and this committee has tried to give every penny to crime fighting we can at the expense of the other accounts in the bill. Consequently, the other accounts in the bill are all shortchanged. No, we do not have additional money in this bill, because the accounts are not now adequately funded.

So, for all those reasons, Mr. Chairman, I join my chairman in opposing the amendment and would ask that the body oppose this nondiscriminating amendment.

Mr. GUTKNECHT. Mr. Chairman, I yield 2 minutes to the gentleman from South Carolina [Mr. SANFORD].

Mr. SANFORD. Mr. Chairman, it strikes me that to properly control crime we first have to control spending. To properly control our borders, I think we first have to control spending. If we do not, a child born into America today will one day pay an 82 percent tax rate just to keep our government solvent.

What I want to focus on, instead of the facts and figures that I think we all know, though, is the human side of this cost. We are talking about $466 million. We are talking about a 1.9 percent cut that we argue we cannot make in Washington.

I would argue that we can and we must because, if we take for instance the small town that I grew up in, Dale, SC, that had just a few hundred folks living in it, it would take them working and then paying taxes for the next 800 years simply to make up this 1.9 percent. Or if we went back into my district near Charleston, it would take 155,000 people paying taxes for 1 year to equal the 1.9 percent for the $466 million that we are talking about.

Those may not be real numbers in Washington, but they are very real numbers over 1 year or 800 years of sweat and toil back home in South Carolina. For that reason I would urge adoption of this amendment.

Mr. ROGERS. Mr. Chairman, may I ask the times remaining and who has the right to close?

The CHAIRMAN. The gentleman from Kentucky [Mr. ROGERS] has 3½ minutes remaining, and the gentleman from Minnesota [Mr. GUTKNECHT] has 4½ minutes remaining.

The chairman of the committee has the right to close and protect the committee position.

Mr. ROGERS. Mr. Chairman, I reserve the balance of my time.

Mr. GUTKNECHT. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. HOSTETTLER].

Mr. HOSTETTLER. Mr. Chairman, once again I rise in support of an amendment to eliminate 1.9 percent of the spending in an appropriations bill; 1.9 percent.

Around here, that is decimal dust. But it is not back home.

It is not decimal dust to the taxpayers back in Indiana who are sick and tired of having their government in Washington, DC, spend more than it takes in revenue.

We can talk about reducing the deficit—and we have—we have even taken some good steps in that direction.

But guess what?

The people of southwest Indiana are tired of talk. They want more action.

They want more action for the sake of our children, who are the ones who are really stuck with paying off America's debt. 1.9 percent.

I would imagine that the Americans watching this debate in their homes wonder why we are speaking so passionately about this amendment.

I would imagine that Americans watching this debate are thinking, surely this will pass.

Many are probably thinking that instead of 1.9 percent it ought to be 19 percent.

I should say to those folks watching this debate that the sad reality is that we have offered this amendment to most of the appropriation bills and it has failed every time; 1.9 percent.

It is a sad day for our children when we cannot even support a simple 1.9 percent across-the-board reduction.

I urge a yes vote on this amendment for ourselves and for our children.

Mr. GUTKNECHT. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I think I cannot say anything that would add or detract from what the gentleman from Indiana [Mr. HOSTETTLER] just said.

This debate is simply about 1.9 percent of discretionary spending on this bill. This bill increases spending over last year over $1 billion. We are talking about reducing that increase by $466 million.

This debate again is not about 1.9 percent, it is about keeping the faith and keeping our word to our children. This is really about whether or not we have the courage to do the difficult things.

As my colleague said earlier, this is about whether different programs are adequately funded, and certainly that is true. But there is no limit to how much money we can spend on all of these very valuable programs. We can go through this debate on each and every bill, and we can make an argument for spending in every single category.

I am not saying the money is being wasted, but what I am saying is if we continue to pile debt upon debt on our children, sooner or later they are going to reach a point at which they cannot exist. They cannot make their house payments. We are denying them the quality of life, the standard of living that we have enjoyed.

If we forget everything I say, remember this: Every single dollar of personal income taxes collected west of the Mississippi River now goes to pay the interest on the national debt. And the tragedy is every year that line is moving further west.

When are we going to draw the line? When are we going to say enough is enough? Because realistically, ladies and gentleman, if we cannot cut $4.1 billion in extra spending this year, then how in the world can we face our children and say but we will cut $47 billion in just 3 years.

I admire what the appropriations committees have done. I admire what the chairman has done. I admire what this subcommittee has done. But the truth of the matter is we are not doing what we said we were going to do. We are allowing spending to go up. I am offering the body a chance to recover that fumble.

I would hope that we could finally, once said for all, get a majority vote on this important amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. ROGERS. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I want to commend the gentleman for his efforts at cutting spending and saving money, but on this particular bill we are talking about cutting, with his amendment, things like the fight on crime. We will be cutting the Drug Enforcement Administration. We will be cutting the FBI. We will be cutting the Marshals Service. We will be cutting courts. We will be cutting the fight against violence by children and violence against women. All of the things that I think in a bipartisan way in this body, we are united to try to fight, this amendment would cut.

It may be appropriate in other portions of the Government, it is not appropriate in cutting the crime-fighting agencies of the Government.

It would also cut the Border Patrol. It would do damage to the Nation's effort to control our borders, to fight crime by teenagers, to fight violence against women. It would cut the funding to each of our States for moneys to help them build prisons to house State prisoners.

I would urge the Members to reject the amendment on this bill. As the gentleman has said, this subcommittee has done a great job, in my opinion, on allocating scarce resources. We are not profligate spenders on this subcommittee. No one is going to say, I do not believe, that the law enforcement agencies of the Nation's Government are overfunded.

Certainly I hope the Members will reject this amendment and keep intact the Nation's fight against crime, against drugs, controlling our border and fighting violence against women and by children. Reject the amendment. Vote "no."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. GUTKNECHT].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. GUTKNECHT. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 479, further proceedings on the amendment offered by the gentleman from Minnesota [Mr. GUTKNECHT] will be postponed.

AMENDMENT OFFERED BY MR. HUTCHINSON

Mr. HUTCHINSON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. HUTCHINSON: Page 116, after line 2, insert the following:

SEC. . Of the funds in this Act appropriated for a municipal or county jail, State or Federal prison, or other similar facility for the confinement of individuals in connection with crime or criminal proceedings, not more than 90 percent of the funds otherwise authorized to be made available to any such municipal or county jail, State or Federal prison, or other similar facility, may be made available when it is made known to the Federal official having authority to obligate or expend such funds that the authorities of such jail, prison, or other facility have not reported to the Attorney General each death of any individual who dies in custody in that jail, prison, or facility, and the circumstances that surround that death.

The CHAIRMAN. Pursuant to the order of the House of Tuesday, July 23, 1996, the gentleman from Arkansas [Mr. HUTCHINSON] will be recognized for 5 minutes, and a Member in opposition will be recognized for 5 minutes.

The Chair recognizes the gentleman from Arkansas [Mr. HUTCHINSON].

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Mr. HUTCHINSON. Mr. Chairman, I yield myself such time as I may consume.

I want to commend and thank the gentleman from Virginia [Mr. SCOTT] for his leadership on this issue and his bipartisan efforts on this amendment.

This reporting of deaths in custody requirement passed the House last year during the Contract With America. It passed with bipartisan support by a voice vote. At that time both the chairman and the ranking member of the Subcommittee on Crime spoke in strong support of the reporting of deaths.

This amendment will ensure a measure of accountability on the part of law enforcement officials by requiring them to report deaths that occur while in custody. It requires municipal or county jails, State or Federal prisons who receive funds under this bill to report to the Attorney General the deaths of those who die in their facilities.

Today no one counts how many people die in jail cells and lockups across the country. This amendment will send a cautionary message about accountability and I believe it will save lives.

It is estimated that each year in this country over 1,000 men and women die while in prison, jail or police custody. An exhaustive investigative reporting piece in the Asbury Park Press in New Jersey revealed that while most of these deaths are listed as suicides, many are, quote, tainted with racial overtones, good-ole-boy conspiracies and coverups or investigative competence.

By requiring a report to a central source, the Attorney General, we will have an accurate account of how numerous these deaths are and what circumstances surround them. In supporting this amendment, we are supporting accountability of reporting of those 1,000 deaths which occur each year in jails and lockups across this country. I urge an "aye" vote on this amendment.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. HUTCHINSON. I yield to the gentleman from Kentucky.

Mr. ROGERS. Mr. Chairman, I have no objection to the amendment offered by the gentleman from Arkansas [Mr. HUTCHINSON], and commend him for it. I urge an "aye" vote.

The CHAIRMAN. Does any Member seek time in opposition to the amendment?

The gentleman from Arkansas, Mr. HUTCHINSON, has 3 minutes remaining.

Mr. HUTCHINSON. Mr. Chairman, I yield the balance of my time to the gentleman from Virginia [Mr. SCOTT].

Mr. SCOTT. Mr. Chairman, I am pleased to join my good friend from Arkansas in supporting this amendment.

This amendment simply requires that deaths which occur in State and local jails and prisons be reported to the U.S. Attorney General. A similar measure was adopted by the House on a voice vote without opposition during the consideration of the 1995 crime bill.

Dating back to my experience as a State legislator, Mr. Chairman, I have been concerned that there is no system of counting the deaths that occur in the custody of law enforcement officials. As detailed in the exhaustive year long investigative report last year by the Asbury Press in New Jersey, many of those deaths occur under suspicious circumstances. They estimated that about 1,000 of such deaths occur each year. These reports will allow us to get a handle on the nature and extent of how serious a problem it may be. We just do not know.

Some suggested this may be an unreasonable burden. But if any jurisdiction in America has so many deaths in custody that reporting all of them would be a burden, then this amendment is even more necessary.

I would hope that we would adopt the amendment, and I thank the gentleman from Arkansas for introducing it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. HUTCHINSON].

The amendment was agreed to.

AMENDMENT OFFERED BY MS. NORTON

Ms. NORTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Ms. NORTON: At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . The amount provided in this Act for "Equal Employment Opportunity Commission—Salaries and Expenses" is increased, and each other amount provided in this Act that is not required to be provided by a provision of law is reduced, by $13,000,000 and 0.06 percent, respectively.

The CHAIRMAN. Pursuant to the unanimous-consent agreement of Tuesday, July 23, 1996, the gentlewoman from the District of Columbia [Ms. NORTON] and a Member opposed will each control 10 minutes.

The Chair recognizes the gentlewoman from the District of Columbia [Ms. NORTON].

Ms. NORTON. Mr. Chairman, I yield myself such time as I may consume.

I am back again with an amendment that has a very different offset which I hope this body will now pass. I am back with a bipartisan amendment for a small increase in EEOC funding. My bipartisan sponsor is the gentleman from Oklahoma, Mr. J.C. WATTS. Mr. WATTS had intended to sponsor this bill with me but at the time the offset on the bill kept him from doing so.

I used that offset on the bill because it was my understanding that there was no way in which the prisons that are now under construction could be finished in time. The good chairman of the committee indicated that he had already taken that into account and that, therefore, somehow not even this very small amount of money, $13 million, could be extracted from the delay in prison construction.

I am back with another idea, a .06 reduction across the board in this appropriation. It is so small but that it is hard to envision what amount of money that would be, but what it would do would be very great and very large.

Mr. Chairman, we are divided in this House on what the remedy is for discrimination. We are not divided on the proposition that there must be remedy for discrimination.

This bill is not about whether there will be a remedy, for that is the one thing that I think we could get a 100-percent vote. This is not a vote about affirmative action. This is not a vote about set-asides. This is not a vote about goals and timetables. This is a vote about whether a person should be able to walk into an office, file a complaint, and get a timely remedy.

This is a civil rights vote that comes very cheap this year in a Congress that has paid almost no attention to civil rights. It comes cheaper than it should. The President wanted $35 million. The Watts-Norton amendment asks only for $13 million.

Why are we making such a large point about such a small increase? Because we hope to make a large difference in whether or not offices will be opened or closed. In the 100,000-case backlog, that is the backlog I found when I came to the EEOC. We got rid of it. Why is it there again? Because there has not been the money. Even the alternative dispute resolution system, which I think is the way to handle discrimination cases, individual cases should be settled and that should be the end of it, that is the system that allowed me to get rid of the backlog, even that system will be delayed for want of this small amount of money.

I ask my colleagues to understand where the pressures are coming from. The half of the population that is female has discovered the EEOC. It is the sex discrimination cases that are driving the agency. Yes, the agency has a black face, and we are proud of that because black people went into the streets to get an antidiscrimination agency. It has a black face but it has a female engine today. The cases are about sex discrimination. That is the fastest growing group of cases.

We looked into this matter when the Mitsubishi case hit the front pages, and we found that there were obscene photos in the plant and physical assaults in the plant, and that Mitsubishi had called meetings of its employees where they said when such complaints are filed, people might stop buying cars and, therefore, they could lose their jobs, retaliation under the law if ever I have heard of it.

Then we asked EEOC, are you prosecuting this case, are you trying to settle this case? Do you have the money to do so? And we got the astonishing answer that in real terms the budget of this agency has not been increased since, as Chairman Casellas says, since Delegate NORTON was chairman. My friends, that was more than 15 years ago.

Then there were 3,390 people at the EEOC. Now there are 2,813 people, and I did not have any Americans With Disabilities Act. I did not have a 1991 Civil Rights Act that now has been entirely rewritten and therefore has to be reworked at the administrative level. I, in fact, wrote the sexual harassment guidelines, but I did not have thousands of sexual harassment cases because the consciousness was not then what it is now.

The chairman deserves credit for not cutting the EEOC, and he is right that he has cut some other agencies. But by leaving EEOC at level funding for 1995, 1996, and 1997, a very large cut has in fact occurred because expenses have gone up at an extraordinary rate. The case level has gone up at an extraordinary rate and there is simply not the money to do it. They already have a furlough day. They will have much more.

They must take every case that comes before them under the law. But the law does not say that they must indeed provide a remedy or provide fair dealing for every case that comes before them, because they can only do what they have the capacity to do, and they do not have the capacity to do the work they are mandated to do under the law today.

These cases will bury the agency. We have done almost nothing about civil rights. This is the way to stand up in America and say, look, there is too much racial division, there is too much division of every kind in this country. But there is no division on the proposition that this is a country that stands for the right to file a complaint, leave it to the objective process and live with the resolution. We must make that objective process functional. I ask Members to support this amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Is there a Member who seeks to control time in opposition to the amendment?

Mr. ROGERS. Mr. Chairman, I do.

The CHAIRMAN. The gentleman from Kentucky [Mr. ROGERS] is recognized for 10 minutes.

Mr. ROGERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, as I said yesterday, the EEOC is handling the case load, the backlog, in a very efficient way. They are beginning to reduce that backlog, not as much as we would all like to see, but nevertheless the backlog is being reduced.

We kept the EEOC at level funding this year while we were cutting most of the other agencies over which we have jurisdiction except the law enforcement agencies. But we held them harmless from cuts so that they could continue to make progress in working off that backlog, and they have made progress this year. We commend them for that.

My problem with the gentlewoman's amendment is that it takes money from, as I have said before, the law enforcement functions that we are funding in this bill primarily. There would be moneys taken by this amendment from the war on drugs. We would see a reduction in the funding of the Drug Enforcement Administration.

We would see reductions in the funding for the Nation's attempts to control its border. We could see a cut in the Immigration and Naturalization Service and the numbers of Border Patrol agents that we can put on the border. We would see a reduction in the FBI funding which is waging the war on crime and of course terrorism.

We would see a reduction in the level of State and local law enforcement funding for those who are fighting crime, both drugs, youth and all other crime, in our communities and neighborhoods.

We would be cutting moneys from the Federal judiciary. We all know that they are swamped with cases and their funding levels are nowhere near where they need to be, even with the small increase in this bill.

So those are some of the places where the money for this amendment would have to come from. We are very reluctant to agree to that, even though I think most of us realize the need for more money in the EEOC whenever we can find it.

We did provide the level funding. We did not cut them from last year. So I would hope that the Members would stay with us on this and reject this amendment, even as they rejected the one yesterday.

Mr. Chairman, I reserve the balance of my time.

Ms. NORTON. Mr. Chairman, I yield the balance of my time to the gentleman from Oklahoma [Mr. WATTS].

□ 1400

Mr. WATTS of Oklahoma. Mr. Chairman, I appreciate the Delegate from the District of Columbia, her effort on this amendment, and I want to say to the gentleman from Kentucky [Mr. ROGERS], I feel like I owe him an apology because we tried to get an amendment yesterday to add more money to EEOC; however, we were not in agreement on how the additional funding or where the money should come from.

I was not in support of taking it out of the Federal prison system, but the Equal Employment Opportunity Commission was born out of the civil rights movement of 1964 and opened its doors in 1965. At that time, the caseload was sparse and attorneys would handle maybe 10, 15 cases each, and now the caseload has grown, and there is a need to assist this Commission even further.

But like I said, however, I thought that penalizing the Federal prison system, which is what the amendment that was proposed yesterday did, this amendment would take a small amount out of discretionary spending, and I believe that is a small price to pay for equal justice.

So, Mr. Chairman, I urge a "yes" vote on this amendment, and I do appreciate the Chairman allowing us at this late hour to bring forth this amendment.

Mr. ROGERS. Mr. Chairman, I have a substitute amendment being prepared. I ask unanimous consent that I be allowed to offer a substitute amendment.

The CHAIRMAN. Under the order of the House of yesterday, July 23, only the author of the amendment can ask unanimous consent to modify her own amendment. No other Member can offer an amendment; it would not be in order.

She would have to ask, in this case, unanimous consent to modify her amendment.

Ms. NORTON. I ask unanimous consent to offer a——

The CHAIRMAN. Actually, the Chair was incorrect. It is to modify the amendment, not to substitute.

Mr. ROGERS. The gentlewoman, I think under the rules of the House, would be allowed to modify the amendment that she has pending in the nature of a substitute; is that correct?

The CHAIRMAN. She cannot offer a separate substitute; she can modify her own amendment only by unanimous consent. In order for that to occur, the Clerk would need to read a copy of the amendment.

Mr. ROGERS. So is the gentlewoman seeking to modify her pending amendment with the language that she is sending to the desk?

Ms. NORTON. I am.

Would my colleagues like me to read this language, or shall I send it to the desk to be read?

The CHAIRMAN. A copy must be submitted to the Clerk so that the Clerk can report the modification.

Perhaps the gentleman from Kentucky [Mr. ROGERS] could yield some time while we get this all worked out.

The gentleman from Kentucky is recognized for the purpose of yielding time.

Mr. ROGERS. Mr. Chairman, I yield myself such time as I may consume.

What the gentlewoman and I have discussed, Mr. Chairman, along with the gentleman from Oklahoma [Mr. WATTS], is finding a place to find some more money for the EEOC, although not as much as the gentlewoman would originally seek in her amendment.

What the modified amendment will do would be to take $8 million from another account within the bill so as to increase the funding level for the EEOC by some $7 million.

I have discussed not only with the gentlewoman and with the gentleman, who is also very interested in this, but also the ranking member of the subcommittee, the gentleman from West Virginia [Mr. MOLLOHAN], and we are all in agreement.

So I would hope that we could support the gentlewoman's modified amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Would the gentlewoman from the District of Columbia renew her request for unanimous consent to modify her amendment?

MODIFICATION TO AMENDMENT OFFERED BY MS. NORTON

Ms. NORTON. Mr. Chairman, I ask unanimous consent to modify my amendment in the terms that we have just heard from the gentleman from Kentucky [Mr. ROGERS].

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification to amendment offered by Ms. NORTON. At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. . The amount provided in this Act for "Equal Employment Opportunity Commission—Salaries and Expenses" is increased by $1,000,000. The amount provided for Small Business Administration, Disaster Loan Program Account for administrative expenses is reduced by $8,000,000.

The CHAIRMAN. Is there objection to the modification offered by the gentlewoman from the District of Columbia?

There was no objection.

The CHAIRMAN. The amendment is now modified.

Does any Member seek to yield time?

Mr. ROGERS. Mr. Chairman, I yield myself such time as I may consume.

Mr. MOLLOHAN. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from West Virginia.

Mr. MOLLOHAN. Mr. Chairman, I just really want this time to express appreciation to the gentleman from Kentucky [Mr. ROGERS] for being responsive to this request. There have been a number of efforts on the floor to increase this account, and they have been really in good faith, they have worked extremely hard, and I think this is a fine result, and I know everybody is appreciative to the gentleman from Kentucky for his understanding with regard to this matter.

Mrs. SCHROEDER. Mr. Chairman, will the gentleman from Kentucky yield?

Mr. ROGERS. I yield to the gentlewoman from Colorado.

Mrs. SCHROEDER. Let me join in the chorus of thanking the gentleman. He was a gentleman last night, and he has been a wonderful gentleman today. I think this is a very, very essential add-on, and I thank the gentleman from Kentucky [Mr. ROGERS] for understanding the tremendous additional workload that these people have had.

So I thank the gentleman, and I thank the gentlewoman from the District of Columbia.

Ms. NORTON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentlewoman from the District of Columbia.

Ms. NORTON. Mr. Chairman, I am not only grateful but proud to stand with the gentleman and with the ranking member as well, and especially in this bipartisan exchange, to stand with my good friend from Oklahoma, Mr. WATTS, who sought me out and indicated that if indeed the offset had been different, he had very much wanted to support this matter with me.

I do believe that this is precisely the kind of bipartisanship on precisely the kind of issue we need more of in this country, and I am very proud and pleased to be associated with everybody in the Chamber.

Mr. WATTS of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Oklahoma.

Mr. WATTS of Oklahoma. Mr. Chairman, I too want to add my commendations. I appreciate, at this late hour the gentleman was not even aware of this amendment, and as Delegate NORTON mentioned, I asked her to offer this amendment, and we talked about it and brought it forth, and I appreciate the gentleman's assistance to us in this effort, especially at such a late hour.

Mr. ROGERS. Mr. Chairman, in concluding, let me thank the Members who have spoken for their nice compliments, but the gentleman from Oklahoma [Mr. WATTS] makes a very strong case. He puts a strong arm on a person, as well as the gentlewoman from the District of Columbia [Ms. NORTON], and of course our colleague on the subcommittee and ranking member, the gentleman from West Virginia [Mr. MOLLOHAN].

We are all of one mind on this, and we had of course the amendments yesterday which sought also to increase, but we were able to find a modest increase instead of the one sought, and we were able to find a place where I think we can take money from another account without harming that other account or, certainly, the war on crime, drugs, or control of our borders.

So I congratulate the parties for hard work and making a very strong case, and with that, I am prepared to yield back, hoping we can get to a final conclusion.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment, as modified, offered by the gentlewoman from the District of Columbia [Ms. NORTON].

The amendment, as modified, was agreed to.

Mr. KLUG. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The CHAIRMAN. The gentleman from Wisconsin is recognized for 5 minutes.

Mr. KLUG. I will not take that long, Mr. Chairman.

Speaking to the gentleman from Kentucky [Mr. ROGERS], chairman of the committee, last year I offered an amendment to the 1996 Commerce, Justice, State and Judiciary Appropriations Act, which prohibited NOAA from using funds provided to undertake a fleet modernization program. NOAA fleet modernization would cost more than $1 billion according to the General Accounting Office. Private firms are more than capable of supplying NOAA with the data they need for charting and mapping. The university national oceanographic laboratory system has a fleet that is currently capable of doing NOAA's research. Bearing this in mind, I would like to ask the gentleman if my language prohibiting NOAA from implementing a fleet modernization program is indeed included in H.R. 3814.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. KLUG. I yield to the gentleman from Kentucky.

Mr. ROGERS. The gentleman's language is, in fact, included in the bill under title VI.

AMENDMENT OFFERED BY MR. COLLINS OF GEORGIA

Mr. COLLINS of Georgia. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. COLLINS of Georgia: Page 116, after line 2, insert the following:

SEC. 615. None of the funds made available by this Act may be obligated or expended to administer Federal Prison Industries except when it is made known to the Federal official having authority to obligate or expend such funds that Federal Prison Industries—

(1) considers 20 percent of the Federal market for a new product produced by Federal Prison Industries after the date of the enactment of this Act as being a reasonable share of total purchases of such product by Federal departments and agencies; and

(2) uses, when describing in any report or study a specific product produced by Federal Prison Industries—

(A) the 7-digit classification for the product in the Standard Industrial Classification (SIC) Code published by the Office of Management and Budget (or if there is no 7-digit code classification for a product, the 5-digit code classification); and

(B) the 13-digit National Stock Number assigned to such product under the Federal Stock Classification System (including group, part number, and section), as determined by the General Services Administration.

The CHAIRMAN. Pursuant to the order of the House of Tuesday, July 23, 1996, the gentleman from Georgia [Mr. COLLINS] and a Member opposed will each control 7½ minutes.

The Chair recognizes the gentleman from Georgia [Mr. COLLINS].

Mr. COLLINS of Georgia. Mr. Chairman, I yield myself 3 of those 7½ minutes.

Mr. Chairman, this amendment deals with the Federal prison industries. What is the Federal prison industries? The FPI, also known as UNICOR, is a Government-owned corporation with a board of directors created to provide employment and rehabilitation for convicts. The program, which had over $450 million in sales in 1995, projected by GAO to have sales of $1.2 billion by the year 2000, provides manufacturing jobs for convicts who in return are paid a wage for their work.

In addition, the law guarantees this prison manufacturing corporation a captured consumer base because it requires all Government agencies to give first priority to FPI over all private sector manufacturers.

What does the Collins-Hoekstra amendment do? This amendment simply states that in order for the FPI to use the $3 million for administrative expenses authorized, and I repeat authorized, in this appropriations bill, not appropriated since the corporation is self-sustaining, the agency must comply with the original intent of Congress. The original statute clearly required assurance that FPI not dominate more than a reasonable share of the market for a specific product.

The FPI has failed to restrict a dominance to a reasonable share of markets. As a result the FPI is eliminating small business jobs all over the country for hard-working, law-abiding, taxpaying citizens.

Has there been a hearing on this problem? Yes. The Committee on Small Business recently held a hearing on this very issue. The chief operating officer of the FPI testified that the agency has indeed violated the reasonable share and specific product provisions of the current law. The FPI is dominating many markets for manufactured goods by lumping together product identification numbers and establishing a false impact study which underreports FIP's true share of market and fails to reflect the resulting damage inflicted upon small business.

This amendment will ensure that FPI does not dominate more than a reasonable share of the market for new products, new products. This amendment will clarify that the reasonable share is equal to 20 percent of the market share of a specific product as distinguished by an assigned identification number.

This amendment grandfathers current contracts held by FPI. Therefore, not one contract, not one Federal job, not one convict job will be lost due to this amendment. By requiring FPI to comply with the original intent of Congress, we will save small business jobs for law-abiding, hard-working family breadwinners, at least for the next year, covered by this appropriations bill.

In addition, we will continue to provide work and rehabilitation for convicts. This will provide the authorizing committee the opportunity to study the problem and will be a fair and generous solution for all.

Mr. ROGERS. Mr. Chairman, I yield myself such time as I may consume, and I reluctantly rise in opposition to the gentleman's amendment due primarily to the strong opposition of the chairman of the Subcommittee on Crime, the gentleman from Florida [Mr. McCOLLUM] whose authorization committee has oversight of the Federal prison industries program.

Here is another instance, Mr. Chairman, where I have a chairman of the appropriate authorizing subcommittee saying to me, "Do not put authorization language in your appropriations bill." I do not know the merits particularly of the gentleman's proposal, but I am objecting on procedural grounds, primarily because the authorization committee wants this considered in this subcommittee, not in an appropriations bill.

Mr. McCOLLUM has asked that I raise his concerns with regard to this amendment because he is detained at this moment in an important hearing in his subcommittee and simply cannot get away.

☐ 1415

I am speaker more or less in place of the gentleman from Florida [Mr. McCOLLUM].

Mr. Chairman, the gentleman's amendment, as I understand it, seeks to ensure that the Federal Prison Industries consider 20 percent of the Federal market for new products that they produce as the reasonable share and, thus, the limit of the market they shall obtain. As the gentleman knows, the Federal Government is the only consumer of products that the Federal Prison Industries produces.

According to the authorization committee, the amendment would have the following impact:

One, it would effectively prevent Federal Prison Industries from even bidding for a significant number of Government contracts by severely narrowing the definition of "new product";

Two, it would undermine the statutory process passed by Congress to decide what products the Federal Prison Industries sells to the Federal Government and in what amounts;

And three, it would drastically limit any growth of Federal Prison Industries. It would severely limit Federal Prison Industries from giving work skills and real job experience to the overwhelming majority of inmates incarcerated in the future.

In addition, the Bureau of Prisons is opposed to this legislation being added to the appropriations bill. They believe the changes to Federal Prison Industries requirements should be completely vented and hearings held and dealt with in the full authorization context.

I also understand the authorization committee plans to begin extensive hearings on the future of Federal Prison Industries after the August break. I am told that the chairman of that committee, the gentleman from Florida [Mr. McCOLLUM], has agreed to consider this proposal as part of a planned overhaul of the entire Federal prison industry system.

While I understand that the gentleman may not agree with the impact of his legislation that the authorization committee is asserting, I believe that this disagreement and lack of true understanding of the impact is cause to object to this language on an appropriations bill. This is another complicated issue, Mr. Chairman, that we could debate the impact of, but once again, this is not the process that we do that.

There is a reason why there is a rule of the House saying legislation shall not be placed on an appropriations bill, authorizing legislation, because we need to have hearings and study and think and have all input from all angles in a sustained period of time, not in a 10-minute burst of time on an appropriations bill where we do not simply understand the impact of what we may be doing. It deserves the attention of the authorization committee, and the chairman of that committee has asked that the process be respected, that we not legislate on this bill will a matter subject to his jurisdiction.

For that reason, Mr. Chairman, although I highly respect the gentleman and his amendment, I have to urge a "no" vote on his amendment.

Mr. Chairman, I reserve the balance of my time.

Mr. COLLINS of Georgia. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. HOEKSTRA].

Mr. HOEKSTRA. Mr. Chairman, I thank the gentleman for yielding time to me, and for working so hard at making this amendment possible.

Mr. Chairman, let us clarify again what we are doing here. We are talking about limiting Federal Prison Industries [FPI], and going after new products in new markets. This does not affect the markets or products they are currently producing. This amendment is very limited in its scope, and based on the performance of FPI it should be much broader. It is only a small step at reining in FPI's aggressive and arrogant zeal for new products and new business in new markets to employ increased levels of Federal inmates, and every time they do this they are doing it at the expense of small businesses and medium-size businesses and American workers around this country.

They have abused their privileges. They have abused their position in this marketplace where they have super preference. What super preference means is that the Federal Government can only buy from FPI. FPI has to provide a waiver to the Federal Government before they buy from the private sector or before the Federal Government decides to buy from a blind or handicapped rehabilitative agency. They have abused this privilege.

This is a shot across their bow that says no more, no more in new products. As the gentleman from Florida [Mr. McCOLLUM] goes through the process of having the extensive hearings, then we can go back and take a look at the abuses they put in place over the last number of years. Specifically, in my district, they have decided that a reasonable number is that they should grow office furniture sales by $60 million. That shows that they will unemploy about 350 workers, potentially, in my district.

Mr. Chairman, it is time to rein them in. This is a reasonable amendment until we can have more and complete hearings.

Mr. ROGERS. Mr. Chairman, I yield 2¼ minutes to the gentleman from Wisconsin [Mr. ROTH].

Mr. ROTH. Mr. Chairman, I thank the gentleman for yielding time to me, and I want to compliment him and the ranking member for the excellent job they are doing on this legislation.

Mr. Chairman, I am opposed to this amendment and I want to tell the Members why. This amendment would impose heavier restrictions on the Federal Prison Industries, it would eliminate up to 7,000 inmate jobs. I have looked at this program and I have looked at the implications of this amendment. It would actually threaten also thousands of private sector jobs.

There are basically three reasons, in analyzing this amendment, why I would be opposed to it. One, it allows the private sector suppliers who rely on its businesses to create thousands of jobs at the present time. The private sector jobs in this amendment would be destroyed. It is the only program that requires prisoners to give something back to society they have harmed. It is the only program that truly allows prisoners to develop the work ethic and skills necessary for them to become productive members.

We have done a lot here in this Congress to try to attack this issue of crime which is so prevalent in society today. What we have to do is when the prisoners come back, these inmates come back to society, they have to be able to do useful work. That is the purpose of this program. Prisoners who graduate from the program have a lower recidivism rate than those who do not. It only stands to reason.

Also, it allows prisoners to earn some income which can be used to pay court-ordered fines, victim restitution, and child support. All of this is accomplished without the use of a single taxpayer dollar.

Mr. Chairman, this Congress, more than any other recent Congress, has taken tough stands against criminals. Without FPI, all talk of putting criminals to work would become meaningless. There would be no outlet for the products of their labor. Words, I think, should be backed up by deeds. We have had a lot of words here in the Congress, that we are going to fight crime and pass various legislation.

That is why I am opposed to this bill, because I think it is going to harm not only society but it is going to impede the rehabilitation of our prisoners, which I think is so important, especially in today's society.

Mr. COLLINS of Georgia. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I believe the gentleman who just spoke to the original amendment that was offered, because this amendment does not affect any existing jobs that are now held or that are used to produce products by FPI, he was referring to the previous amendment, not this one. I know he misspoke only because of not having knowledge of the current amendment.

Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. HILLEARY].

Mr. HILLEARY. Mr. Chairman, I rise in strong support of this important amendment. The conduct of the Federal Prison Industries, or FPI, is of grave concern to many small apparel manufacturers in my district back in Tennessee.

FPI has continued to expand production with very little regard for small businesses and the people they employ. Because of its super preferences, FPI is able to take contracts away from private industry which otherwise would be able to bid on them. This obviously means a loss of jobs to law-abiding citizens and threatens the very existence of many small businesses.

Throughout history, contractors from the private sector have responded to the Government's need for apparel and other products. In times of war or other natural emergencies, these contractors have provided the military and other Federal agencies products they needed to protect our national interests. Moreover, FPI uses their Government preference to take work away from many industries which are besieged by low-cost industries, imports, and stiff competition, even in their own domestic market.

I fully understand and agree with the idea of work for prisoners, but Mr. Chairman, I respectfully submit this is not the way to do it. Mr. Chairman, I strongly support this amendment and urge my colleagues to do so also.

Mr. COLLINS of Georgia. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, let me just sum this up by saying that there is not a Member of this Congress that I know of who is not strongly in favor of working prisoners, inmates. We feel like they should work. I probably am one of the strongest that there was in the State legislature of Georgia supporting work on behalf of those who have committed wrong.

But also I am very interested and concerned about private sector small business jobs. The FPI has encroached considerably on a number of small businesses. They have violated what the intent of Congress was by lumping specific product numbers together so they could present a false impact statement as to how their new product or the product on the market they were entering was going to affect a particular small business. This is wrong.

We should not be doing anything in this Congress that would harm the job or harm the business of small business and the private sector who are hiring employees, law-abiding citizens, taxpayers, breadwinners, people who go to work every day to support their families, even though we all support strong and hard ethic and work rules for prisoners.

Mr. Chairman, I urge the amendment to support small business, support private sector jobs, and support this amendment.

Mr. ROGERS. Mr. Chairman, I yield such time as he may consume to my colleague, the gentleman from West Virginia [Mr. MOLLOHAN].

Mr. MOLLOHAN. Mr. Chairman, let me just quickly say I rise in opposition to the amendment, for a lot of the good reasons that the chairman of the subcommittee cited.

Mr. ROGERS. Mr. Chairman, I yield the balance of my time to the gentleman from Florida [Mr. MCCOLLUM], chairman of the Subcommittee on Crime of the Committee on the Judiciary.

The CHAIRMAN. The gentleman from Florida is recognized for 1 minute.

Mr. McCOLLUM. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I would like to emphasize my opposition to this amendment. The reason I am opposed to this is not because I want to negatively affect the business community of America or the jobs of anybody, but because prison industries are crucial for this Nation.

This amendment would limit any growth of Federal Prison Industries. In effect, it would be preventing the Federal Prison Industries, our Federal prison system, from giving work skills and real job experience to prisoners. It is as simple as that. The limits are too severe. It is not that we do not want to constrain to some degree, but this particular amendment unfortunately limits it far too severely.

If we are going to have the ability to find a way to get the proper restraints on this system I would be happy to support it, but today this one is far too restrictive, and I urge a "no" vote in unequivocal terms to this amendment. Otherwise, we simply will not be able to do the job, with the increasing growth of numbers of Federal prisoners, and we have huge numbers coming into our system. We will not be able to put them into work in meaningful jobs if this amendment is adopted.

Mr. PAYNE of Virginia. Mr. Chairman, I rise in strong support of the Collins amendment. While I have some concerns about the language of the amendment, I believe the FPI problem is one that must be addressed by Congress.

My congressional district contains private sector industries in all four of the product categories which form the bulk of FPI's production: furniture, apparel, textiles, and electronics. FPI's production in the first two of these categories has increased dramatically over the years, in many cases violating FPI's own guidelines in securing market share far above what Congress intended. Sales of dorm and quarters furniture, for example, increased by 138 percent between 1991 and 1993, without triggering Board review as mandated by law. This is accomplished, at least in part, by arbitrary changes in market share definitions by FPI.

I have tried for 5 years to work with FPI to come to some accommodation on these issues, and they have consistently delayed and evaded my efforts. I do not wish to cripple FPI, because I believe the task they face of training and employing prisoners is an important one. But I strongly believe this can and must be accomplished without taking thousands of jobs away from law-abiding, hardworking Americans.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. COLLINS].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. COLLINS of Georgia. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 479, further proceedings on the amendment offered by the gentleman from Georgia [Mr. COLLINS] will be postponed.

The CHAIRMAN. Are there other amendments?

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 479, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendment No. 6 offered by the gentleman from Massachusetts [Mr. FRANK]; an amendment offered by the gentleman from Iowa [Mr. GANSKE]; amendment No. 28 offered by the gentleman for Minnesota [Mr. GUTKNECHT]; and the amendment offered by the gentleman from Georgia [Mr. COLLINS].

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

□ 1430

AMENDMENT OFFERED BY MR. FRANK OF MASSACHUSETTS

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Massachusetts [Mr. FRANK] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 16, noes 408, not voting 9, as follows:

[Roll No. 348]

AYES—16

Beilenson
Blumenauer
Conyers
DeFazio
Dellums
Fawell
Filner
Foglietta
Frank (MA)
Hinchey
Royce
Sanford
Shays
Visclosky
Waters
Yates

NOES—408

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Collins (GA)
Collins (MI)
Combest
Condit
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
Davis
de la Garza
Deal
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fazio
Fields (LA)
Fields (TX)
Flake
Flanagan
Foley
Forbes
Ford
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Rose
Roth
Roukema
Roybal-Allard
Rush
Sabo
Salmon
Sanders
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Young (AK)
Zeliff
Zimmer

NOT VOTING—9

Coleman
Collins (IL)
Gibbons
Lincoln
McDade
Peterson (FL)
Stark
Weldon (PA)
Young (FL)

□ 1449

Ms. BROWN of Florida, and Messrs. GOSS, BONILLA, JEFFERSON, NEAL of Massachusetts, KENNEDY of Massachusetts, and OLVER changed their vote from "ayes" to "no."

Mr. FOGLIETTA and Mr. ROYCE changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. GANSKE

The CHAIRMAN. The pending business is the demand for a recorded vote of the amendment offered by the gentleman from Iowa [Mr. GANSKE] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 295, noes 128, not voting 10, as follows:

[Roll No. 349]

AYES—295

Abercrombie
Ackerman
Allard
Andrews
Armey
Bachus
Baesler
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Beilenson
Bentsen
Bereuter
Bilirakis
Bishop
Blumenauer
Boehlert
Bonilla
Borski
Boucher
Browder
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler

Clay
Clement
Coburn
Collins (GA)
Collins (MI)
Condit
Cooley
Costello
Cox
Cramer
Crapo
Cremeans
Cummings
Danner
Davis
de la Garza
Deal
DeFazio
DeLay
Diaz-Balart
Dickey
Dicks
Dingell
Doggett
Doolittle
Doyle
Duncan
Durbin
Edwards
Ehlers
Ehrlich
English
Ensign
Evans
Everett
Ewing
Fawell
Flake
Flanagan
Foley
Forbes
Ford
Fowler
Franks (CT)
Franks (NJ)
Frelinghuysen
Frost
Funderburk
Ganske
Gejdenson
Gekas
Geren
Gibbons
Gilchrest
Gillmor
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hinchey
Hobson
Hoekstra

Hoke
Holden
Horn
Hostettler
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Johnson (SD)
Johnson, Sam
Kanjorski
Kasich
Kelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Kolbe
LaFalce
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
LoBiondo
Luther
Manton
Manzullo
Martinez
Martini
Mascara
McCarthy
McCollum
McCrery
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
Menendez
Metcalf
Meyers
Mica
Miller (CA)
Minge
Mink
Molinari
Montgomery
Murtha
Myers
Myrick
Nadler
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Ortiz
Orton
Oxley
Packard
Parker
Paxon
Payne (NJ)
Peterson (MN)
Pickett
Pomeroy

Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Regula
Riggs
Rivers
Roberts
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Rush
Salmon
Sanders
Sanford
Saxton
Schaefer
Schiff
Scott
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Sisisky
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stearns
Stenholm
Stockman
Stokes
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thomas
Thornberry
Thurman
Tiahrt
Torkildsen
Towns
Traficant
Upton
Vento
Visclosky
Volkmer
Walsh
Wamp
Ward
Waters
Watts (OK)
Waxman
Weldon (FL)
Weller
Whitfield
Wicker
Wise
Wolf
Wynn
Yates
Young (AK)
Zeliff
Zimmer

NOES—128

Baker (CA)
Becerra
Berman
Bevill
Bilbray
Bliley
Blute
Boehner
Bonior
Bono

Brewster
Brown (CA)
Brown (FL)
Campbell
Cardin
Chapman
Clayton
Clinger
Clyburn
Coble

Combest
Conyers
Coyne
Crane
Cubin
Cunningham
DeLauro
Dellums
Deutsch
Dixon

Dooley
Dornan
Dreier
Dunn
Engel
Eshoo
Farr
Fattah
Fazio
Fields (LA)
Fields (TX)
Filner
Foglietta
Fox
Frank (MA)
Furse
Gallegly
Gephardt
Gilman
Gutierrez
Harman
Hefner
Hilliard
Houghton
Hoyer
Jacobs
Jefferson
Johnson (CT)
Johnson, E. B.
Johnston
Jones
Kaptur
Kennedy (MA)

Kennedy (RI)
Kennelly
Knollenberg
Lantos
Laughlin
Levin
Livingston
Lofgren
Longley
Lowey
Lucas
Maloney
Markey
Matsui
McDermott
McNulty
Meehan
Meek
Millender-McDonald
Miller (FL)
Moakley
Mollohan
Moorhead
Moran
Morella
Neal
Olver
Owens
Pallone
Pastor
Payne (VA)
Pelosi

Petri
Pombo
Porter
Portman
Ramstad
Rangel
Reed
Richardson
Roemer
Rogers
Rose
Roybal-Allard
Sabo
Sawyer
Scarborough
Schroeder
Schumer
Serrano
Skaggs
Stark
Studds
Thompson
Thornton
Torres
Torricelli
Velazquez
Vucanovich
Walker
Watt (NC)
White
Williams
Wilson
Woolsey

NOT VOTING—10

Archer
Coleman
Collins (IL)
Frisa

Lewis (CA)
Lincoln
McDade
Peterson (FL)

Weldon (PA)
Young (FL)

☐ 1458

Mr. PALLONE and Mr. FIELDS of Texas changed their vote from "aye" to "no."

Messrs. VOLKMER, FORBES, HASTINGS of Florida, WYNN, HEINEMAN, EWING, and Mrs. THURMAN changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. GUTKNECHT

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Minnesota [Mr. GUTKNECHT] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 125, noes 300, not voting 8, as follows:

[Roll No. 350]

AYES—125

Allard
Bachus
Baker (CA)
Baker (LA)
Barrett (WI)
Bartlett
Barton
Bilirakis
Brownback

Bunning
Burton
Callahan
Campbell
Chabot
Chenoweth
Christensen
Chrysler
Coble

Coburn
Collins (GA)
Combest
Condit
Cooley
Cox
Crane
Crapo
Cremeans

Cubin
Cunningham
Danner
Deal
Doolittle
Dornan
Dreier
Duncan
Edwards
Ewing
Fields (TX)
Foley
Fox
Franks (NJ)
Funderburk
Gillmor
Goodlatte
Goodling
Goss
Graham
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock
Hansen
Hayworth
Hefley
Herger
Hoekstra
Hoke
Holden
Hostettler

Inglis
Istook
Jacobs
Johnson, Sam
Jones
Kasich
Kelly
Kleczka
Klug
LaHood
Largent
Laughlin
Lucas
Luther
Manzullo
McHale
McInnis
McIntosh
Metcalf
Mica
Minge
Myrick
Neumann
Norwood
Nussle
Orton
Parker
Peterson (MN)
Petri
Pombo
Portman
Pryce
Radanovich

Ramstad
Roberts
Roemer
Rohrabacher
Roth
Roukema
Royce
Salmon
Sanford
Scarborough
Schaefer
Seastrand
Sensenbrenner
Shadegg
Shays
Smith (MI)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stenholm
Stockman
Stump
Talent
Taylor (MS)
Thornberry
Tiahrt
Torricelli
Walker
Weldon (FL)
Zimmer

NOES—300

Abercrombie
Ackerman
Andrews
Armey
Baesler
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bishop
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TN)
Bryant (TX)
Bunn
Burr
Buyer
Calvert
Camp
Canady
Cardin
Castle
Chambliss
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Collins (MI)
Conyers
Costello
Coyne
Cramer
Cummings
Davis
de la Garza

DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Dunn
Durbin
Ehlers
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Everett
Farr
Fattah
Fawell
Fazio
Fields (LA)
Filner
Flake
Flanagan
Foglietta
Forbes
Ford
Fowler
Frank (MA)
Franks (CT)
Frelinghuysen
Frisa
Frost
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gibbons
Gilchrest
Gilman
Gonzalez
Gordon
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Harman
Hastert
Hastings (FL)

Hastings (WA)
Hayes
Hefner
Heineman
Hilleary
Hilliard
Hinchey
Hobson
Horn
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Klink
Knollenberg
Kolbe
LaFalce
Lantos
Latham
LaTourette
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Maloney
Manton
Markey
Martinez
Martini
Mascara
Matsui
McCarthy

McCollum
McCrery
McDermott
McHugh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Meyers
Millender-McDonald
Miller (CA)
Miller (FL)
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Nadler
Neal
Nethercutt
Ney
Oberstar
Obey
Olver
Ortiz
Owens
Oxley
Packard
Pallone
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Pickett
Pomeroy
Porter
Poshard
Quillen
Quinn
Rahall
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Rogers
Ros-Lehtinen
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Saxton
Schiff
Schroeder
Schumer
Scott
Serrano
Shaw
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Spratt
Stark
Stokes
Studds
Stupak
Tanner
Tate
Tauzin
Taylor (NC)
Tejeda
Thomas
Thompson
Thornton
Thurman
Torkildsen
Torres
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Zeliff

NOT VOTING—8

Archer
Coleman
Collins (IL)
Lincoln
McDade
Peterson (FL)
Weldon (PA)
Young (FL)

☐ 1505

Mr. HASTERT changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. COLLINS OF GEORGIA

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Georgia [Mr. COLLINS] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This will be a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 182, noes 244, not voting 7, as follows:

[Roll No. 351]

AYES—182

Allard
Baesler
Baker (LA)
Ballenger
Barcia
Barr
Bartlett
Barton
Bateman
Bilbray
Blumenauer
Boehner
Brewster
Brownback
Bryant (TN)
Bryant (TX)
Bunning
Burr
Burton
Callahan
Camp
Castle
Chambliss
Chapman
Chenoweth
Chrysler
Clayton
Clement
Coble
Coburn
Collins (GA)
Combest
Condit
Conyers
Cooley
Cramer
Crane
Crapo
Cubin
Cummings
Cunningham
Danner
Deal
Diaz-Balart
Dickey
Doyle
Duncan
Dunn
Ehlers
Ehrlich
English
Everett
Fawell
Flanagan
Foley
Forbes
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frost
Funderburk
Geren
Gilchrest
Gilman
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Gunderson
Hall (OH)
Hamilton
Hancock
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Hilleary
Hinchey
Hobson
Hoekstra
Holden
Hostettler
Hunter
Istook
Jacobs
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kennedy (RI)
Kim
King
Kingston
Kleczka
Klug
Latham
LaTourette
Laughlin
Leach
Lewis (KY)
Linder
LoBiondo
Manzullo
Martinez
Martini
Mascara
McCarthy
McCrery
McHale
McHugh
McInnis
McIntosh
Metcalf
Meyers
Mica
Minge
Molinari
Montgomery
Myrick
Nethercutt
Neumann
Ney
Norwood
Oxley
Paxon
Payne (VA)
Porter
Pryce
Radanovich
Ramstad
Reed
Regula
Rivers
Roberts
Ros-Lehtinen
Roukema
Salmon
Saxton
Scarborough
Schaefer
Schiff
Seastrand
Sensenbrenner
Shays
Shuster
Smith (NJ)
Smith (TX)
Solomon
Souder
Spence
Stearns
Stenholm
Stump
Tanner
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Thornton
Tiahrt
Torkildsen
Torricelli
Traficant
Upton
Walker
Wamp
Watt (NC)
Weldon (FL)
Weller
Whitfield
Wicker
Wynn
Young (AK)
Zeliff
Zimmer

NOES—244

Abercrombie
Ackerman
Andrews
Archer
Armey
Bachus
Baker (CA)
Baldacci
Barrett (NE)
Barrett (WI)
Bass
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilirakis
Bishop
Bliley
Blute
Boehlert
Bonilla
Bonior
Bono
Borski
Boucher
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bunn
Buyer
Calvert
Campbell
Canady
Cardin
Chabot
Christensen
Clay
Clinger
Clyburn
Collins (MI)
Costello
Cox
Coyne
Cremeans
Davis
de la Garza
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Dreier
Durbin
Edwards
Engel
Ensign
Eshoo
Evans
Ewing
Farr
Fattah
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Foglietta
Ford
Fowler
Frank (MA)
Frisa
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Gibbons
Gillmor
Gonzalez
Goodlatte
Greenwood
Gutierrez
Gutknecht
Hall (TX)
Hansen
Harman
Hastings (FL)
Hefner
Herger
Hilliard
Hoke
Horn
Houghton
Hoyer
Hutchinson
Hyde
Inglis
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennelly
Kildee
Klink
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Largent
Lazio
Levin
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Markey
Matsui
McCollum
McDermott
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Miller (FL)
Mink
Moakley
Mollohan
Moorhead
Moran
Morella
Murtha
Myers
Nadler
Neal
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Packard
Pallone
Parker
Pastor
Payne (NJ)
Pelosi
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Portman
Poshard
Quillen
Quinn
Rahall
Rangel
Richardson
Riggs
Roemer
Rogers
Rohrabacher
Rose
Roth
Roybal-Allard
Royce
Rush
Sabo
Sanders
Sanford
Sawyer
Schroeder
Schumer
Scott
Serrano
Shadegg
Shaw
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (WA)
Spratt
Stark
Stockman
Stokes
Studds
Stupak
Talent
Taylor (MS)
Tejeda
Thompson
Thurman
Torres
Towns
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Ward
Waters
Watts (OK)
Waxman
White
Williams
Wilson
Wise
Wolf
Woolsey
Yates

NOT VOTING—7

Coleman
Collins (IL)
Lincoln
McDade
Peterson (FL)
Weldon (PA)
Young (FL)

☐ 1514

Mr. DAVIS changed his vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Ms. HARMAN. Mr. Chairman, I rise today in strong support of H.R. 3814, the Commerce/Justice/State appropriations bill for fiscal year 1997. The bill is tough on crime and the funding it provides will help us in the effort to gain control of our borders.

Since I first took office, my constituents have stressed to me time and again what a high priority they place on public safety and crime prevention. I am pleased to see that this bill provides $1.4 billion—equal to last year's spending—on the successful Community Policing block grants. This means that we will continue to put thousands of new local law enforcement officers on the beat in our cities.

I would also like to commend the chairman of the subcommittee for fully funding National Institute of Justice programs like the regional Law & Technology Centers. These centers, which identify defense technologies suitable for use by law enforcement, have already produced notable results. The Western Regional center, located in El Segundo, CA, is currently helping develop image enhancement technology which has already been used to solve the murder of a police officer in my district.

Additionally, I am pleased that the bill funds key technology programs at the Department of Commerce including the Manufacturing Extension Partnership (MEP) and the Advanced Technology Program. Both of these initiatives are examples of how government and industry can form partnerships to stimulate our Nation's research and development base. Nowhere is this partnership more evident than at the California Manufacturing and Technology Center in Southern California's South Bay—where last year, 51 small manufacturers hired 442 additional employees after implementing improvements recommended by the CMTC.

Furthermore, the bill provides an increase of $457 million for agencies enforcing our immigration laws, paying for 1,000 new border patrol agents and 2700 additional detention beds. It also provides $500 million in sorely needed reimbursement to the States for the cost of incarcerating criminal aliens.

As originally reported, the bill needed some changes; most notably, restoration of funding to the Legal Services Corporation. As a young lawyer in the late 1960's and early 1970's, I witnessed the birth of the Legal Services Corporation and participated in its struggle for adequate funding. The LSC has been a lifeline for the thousands over the years, helping poor Americans defend themselves against wrongful evictions, wrongful denial of Social Security benefits, and wrongful denial of parental rights. It has also helped victims of domestic violence—in fact, one out of every three cases handled by LSC concerns family law matters including abusive spouses, and neglected and abused juveniles. LSC has already been cut by over ⅓. The additional massive cuts in the bill as reported were unnecessary and hurtful. I am pleased to note that the Mollohan amendment that the House has just passed restored $109 million in funding to the LSC.

Mr. Chairman, on the whole this is a good bill. It is tough on crime and illegal immigration, and provides much needed resources to our law enforcement authorities. I urge my colleagues to support its passage.

Mr. PORTMAN. Mr. Chairman, I rise today to express my support for H.R. 3814. I believe this legislation represents a solid approach to our Nation's commitment in fighting drug abuse and protecting our borders.

The bill provides more than $7.1 billion in funding for the Drug Enforcement Administration in order to renew a counternarcotics attack, and an additional $75 million for the DEA to target source countries and restore the successful international drug efforts to 1992 levels.

H.R. 3814 also places a priority on protecting our borders. As you know, it adds 1,100 new border control agents and 2,700 more detention cells to ensure the deportation of illegal aliens residing in the United States.

I am concerned, however, about the significant increase in Federal money that goes toward fighting crime. I simply believe that it is bad policy in light of the Federal Government's limited role in fighting crime and our very serious debt crisis.

Congress plays an important and appropriate role in clarifying rights under the Constitution and protecting our borders. These issues were addressed in legislation passed in the Contract With America, for example: Victim Restitution, Effective Death Penalty Act, Criminal Alien Deportation Acts. Community policing on the other hand, has always been viewed as a local responsibility.

I cannot justify committing billions of dollars in Federal funds for a responsibility that is truly a responsibility of State and local governments. I fear that efforts by Congress to assert control in areas that, under the Constitution, are clearly left to State and local agencies, will result in politicizing the crime issue, too much Federal control, and an unjustified increase in our budget deficit.

It makes more sense to let localities raise money to meet local needs; sending taxpayer dollars to Washington results in less money coming back because of administration costs.

Because of the overall funding levels in the bill, I supported the Gutknecht amendment to reduce spending by 1.9 percent across-the-board, which would further help our deficit reduction efforts.

Mr. PAYNE of Virginia. Mr. Chairman, I rise to express my strong support for the Trade Adjustment Assistance Program for Firms. It is my understanding that the managers amendment would allow funding for the program, with an understanding that a specific source of funds would be identified during conference. The TAA for Firms Programs provides management assistance to manufacturers nationwide who have been severely impacted by foreign imports.

The TAA Program for Firms is extremely cost effective, as increased Federal and State taxes paid by manufacturers that have been through the program more than pay for the cost of the program. According to the most recent Trade Adjustment Assistance Report, every dollar invested into the TAA for Firms Program returns almost $7.50 to States and the Federal Government in tax revenue. This number does not include savings to the Government from unemployment and welfare benefits which we are not providing the employees of the companies that participate in the program because we keep these workers employed.

During the years TAA for Firms has been available, Federal appropriations have totaled $77.3 million. Almost 79,000 jobs have been impacted during this period, for a Federal investment of $980 per job—making this an extremely cost-effective expenditure of Federal dollars.

During the period 1989–95, 597 companies nationwide participated in the TAA Program. Two years before becoming eligible for the program, these companies employed almost 82,000 workers. By the time of their eligibility, employment levels in these companies had dropped by 14 percent. But within 2 years of entering the program, employment was up over 12 percent, restoring three-fourths of the employees lost through foreign competition prior to entering the program.

Nationally, sales levels for these companies dropped from $6.8 billion to $6.1 billion in the 2 years prior to their entering the program. Within 2 years, sales had increased to $8 billion, a 30 percent increase from their levels at certification.

Most importantly, productivity, as measured by sales per employee, has increased significantly. Two years prior to certification, sales per employee averaged less than $83,000. At certification, sales per employee were averaging slightly over $87,000. However, after completion of all or the bulk of the approved assistance, sales per employee have increased to over $101,000. This is an increase of almost 16 percent since certification.

TAA for Firms is the only Federal program that gives direct aid to companies for specific and individualized company needs. Many of these needs are not technology needs, but involve problems in marketing, financing, production, product development, distribution, and systems integration. No other Federal Government program provides assistance in these areas.

When NAFTA was approved, we made a commitment to the employees and companies that would be adversely impacted by the liberalization of trade with Canada and Mexico that we would provide transitional assistance to help them adjust to the increase in imports. TAA for Firms represents our part of the commitment we made to these companies, a commitment we must not now disavow. Small firms have sought TAA assistance in such volume that there is presently a backlog of $11.2 million in projects that cannot be completed due to lack of funds.

Clearly, the assistance provided by this program is still desperately needed by small companies trying to compete in a post-NAFTA world. I am pleased that an agreement has been reached to fund the TAA for Firms Program in this bill. I believe it is important to retain the only Federal program that gives these small companies a fighting chance at survival.

Mr. CUNNINGHAM. Mr. Chairman, I rise to thank the chairman of the subcommittee, Mr. ROGERS, for his outstanding work on the fiscal year 1997 Appropriations bill for the Departments of Commerce, Justice, State and the Judiciary. This bill places a priority on helping State and local governments address the most serious problems that affect my constituents each and every day: illegal immigration, drug trade, and drug abuse.

Every American should be disturbed by the fact that, after a decade of declining drug use rates among school children, the last 3 years have seen a sharp increase in drug abuse. What has caused this alarming increase? I say it's a lack of leadership. In the 1980's, under the leadership of President and Mrs. Reagan, our communities started an effort to Just Say No to drug and drug dealers. Every American youngster learned that it was cool to stay off drugs and away from drug dealers.

What do we hear from this White House? It sounds like Just Say I Don't Know. Days after taking office, President Clinton worked to slash the Office of National Drug Control Policy, essentially waiving the white flag in the war on drugs.

This bill, which I am proud to support, jump starts the stalled war on drugs. We are providing more than $7.1 billion for the War on Drugs, including an increase of more than $173 million for the Drug Enforcement Agency ($20 million more than the President's request) and a new $75 million initiative to restart our international drug interdiction efforts in Latin America and other overseas areas. This bill also includes critical funding for a $56 million initiative to stop drug trafficking along the Southwest border. Much of that will help restart efforts in San Diego to stop the drug smuggling that has escaped the administration's Operation Gatekeeper program.

In addition to working for real solutions to our Nation's drug problem, this bill puts real teeth in our effort to protect our borders and stop illegal immigration. All told, this bill provides more than $2.8 billion for enforcement of our immigration laws. We fund the Immigration and Nationalization Service (INS) at $2.2 billion, or $30 million more than the President's request. We put 1,100 new order patrol agents across our borders (400 more than the President's request) and pay for 2,700 more prison cells (2000 more than the President's request) to ensure that illegal aliens are deported from this country, rather than released onto our streets.

I would like to thank Chairman ROGERS again for his leadership in drafting an outstanding bill that lives up to federal responsibilities to enforce our borders and stop illegal immigration. I specifically appreciate his help in including $500 million to reimburse states like California for the costs of incarcerating illegal aliens.

While helping to address the alien detention problem in southern California, Mr. ROGERS has been a great help in my including a provision in the report accompanying this bill that would stop a misguided Justice Department effort to take over part of a military base in my district. This provision would direct the Attorney General to find alternatives to an arrangement that had allowed the Justice Department to detain illegal aliens in the military brig at NAS Miramar. This arrangement, for the two weeks that it was in effect last March, resulted in a riot and a fire that shut that vital national security base down and severely disrupted the Pentagon's ability to defend our country.

Mr. Chairman, this is a good bill that will help restart our effort to stop violent crime, stop illegal immigration, and stop the drug problems that plague our schools. I commend Chairman ROGERS for his effort and call on Members to support passage of the bill.

Mr. GUTKNECHT. Mr. Chairman, I rise today to offer my support for the amendment offered by the gentleman from Florida [Mr. DEUTSCH]. This national training initiative is a good next step in our continuing efforts to protect communities all across our Nation.

Dealing responsibly and effectively with cases of missing and exploited children is an immense undertaking, and we here in Congress should strive to assist our law enforcement officials to the best of our abilities. Whether we offer guidelines for community notification systems, Federal tracking plans, or now Federal training programs, our end goal is always public protection. But a coordinated and professional response by law enforcement officials from all over the country will help ensure quick and decisive action if such horrific cases occur.

I am proud to support the inception of the Jimmy Ryce Law Enforcement Training Act, along with the dedicated personnel of the National Center for Missing and Exploited Children [NCMEC]; Federal Bureau of Investigation, Criminal Justice Information Services Division, National Crime Information Center [NCIC]; Federal Bureau of Investigation, Child Abduction and Serial Killer Unit [CASKU]; Morgan P. Hardiman Task Force on Missing and Exploited Children; and the U.S. Department of Justice, Office of Juvenile Justice and Delinquency Prevention [OJJDP].

This is a good effort to wage a collective fight against some of the worst criminals in our country. I look forward to seeing this training program established.

Mr. NORWOOD. Mr. Chairman. I rise to express my support for the gentleman from Iowa's amendment. This amendment would prevent the U.S. Patent Office from issuing patents to health care providers for medical procedures they create.

The fact that I must speak on such an issue greatly disturbs me. As a health care provider, I have always understood that my job was to help patients. It is not to make myself rich. It is not to make myself famous. My job is to improve the health and well-being of those people who place their trust in my hands.

When I became a dentist, I vowed to act in my patients' best interest. It is the moral and ethical duty of every health care provider to be a patient advocate. Patenting medical procedures, which essentially forces other health providers to compensate the original provider for their procedure, is a twisted way to practice medicine. Congress has a moral duty to ensure that we do not allow the Federal Government to place its stamp of approval on this essentially selfish act.

In addition to the ethical implications of medical procedure patents, there is also the matter of increased costs. Unlike the Clinton administration, which took its one shot at improving the health care of Americans by nationalizing the health care system, this Congress has made significant and substantive efforts to make health care more accessible and more affordable. Allowing health providers to patent procedures they develop to help their patients will not only create perverse incentives in the health care market, it will also drive up the cost of health care. If we do not pass this amendment, we will be condemning patients and their employers to escalating health care costs. We may also be forcing providers into using less advanced procedures because they want to avoid the additional costs of using the patented procedure.

The health provider community must not allow itself to succumb to those corrupt forces that have overtaken the health payer industry. Once the provider turns his back on the patient, there will be no one to ensure that the patients interests are protected. The health provider community must never forget the great privilege it has to improve their patient's physical condition.

The United States cannot afford to be on the trailing edge of this issue. already, over 80 countries ban medical procedure patents. These countries include Britain, France, and Israel, as well as countries like South Africa, Colombia, and Saudi Arabia. For the sake of patients in this country, this Congress must take a stand and protect patients from opportunistic health providers and rising health care costs.

I urge my colleagues to support the Ganske amendment.

Mr. MARTINEZ. Mr. Chairman, I would like to begin by commending my colleague, Congressman DEUTSCH, on the exemplary work he has done on behalf of public safety officers nationwide.

I understand that the impetus for the gentleman's efforts came about when two police officers in his district were critically injured in an attempt to defuse a highly volatile hostage situation. After being severely burned and prevented from returning to duty as a result of their injuries, Officers Alu and O'Hara were threatened with the termination of their health care policies.

I find it unconscionable that we would reward public safety officers for making our lives safer and more secure by terminating their insurance policies and leaving their families vulnerable to financial destitution. Apparently the State of Florida agrees. In response to the situation in which Officers Alu and O'Hara found themselves, the Florida State Legislature promptly passed legislation guaranteeing health care coverage for public safety officers injured in the line of duty and unable to return to work.

However, while Florida responded swiftly and humanely to this egregious loophole in the law, public safety officers in many other States remain vulnerable to this blatantly unjust consequence of their jobs. For that reason, Congressman DEUTSCH introduced H.R. 2912, the Alu-O'Hara Public Safety Officers Health Benefits Act, of which I am proud to be a cosponsor. H.R. 2912, which is now being offered as an amendment to the Commerce-Justice-State Appropriations for fiscal year 1997, gives incentives to States to ensure that they provide security for their public safety officers. While this amendment would not require that public safety officers receive additional benefits, it would ensure that they, and their families, would continue to receive the benefits they would have received had they not been injured on the job.

Let Florida be an example to us all. Pass this amendment and provide protection for those who protect us.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. HUTCHINSON) having assumed the chair, Mr. GUNDERSON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3814) making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1997, and for other purposes, pursuant to House Resolution 479, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. OBEY. I certainly am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. OBEY moves to recommit the bill, H.R. 3814, to the Committee on Appropriations with instructions to report the bill back promptly with an amendment to increase funding for contributions to international peacekeeping activities with appropriate offsets.

Mr. OBEY. Mr. Speaker, I do not intend to push this to a rollcall vote. This motion to recommit simply increases funds for peacekeeping with appropriate offsets in the bill. I am offering the motion to indicate my concern about the level of funding for that program.

Mr. Speaker, I yield back the balance of my time.

Mr. ROGERS. Mr. Speaker, I rise in opposition, urge a "no" vote, and I yield back the balance of my time.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER pro tempore. The question is on the passage of the bill.

Pursuant to clause 7 of rule XV, the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 246, nays 179, not voting 8, as follows:

[Roll No. 352]

YEAS—246

Archer
Baesler
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bass
Bateman
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blute
Boehlert
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (FL)
Brownback
Bunn
Burr
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chambliss
Chapman
Christensen
Clinger
Coble
Combest
Costello
Cramer
Cunningham
Davis
Deal
DeFazio
DeLauro
DeLay
Deutsch
Diaz-Balart
Dickey
Dicks
Dixon
Doggett
Dooley
Dornan
Doyle
Dreier
Dunn
Ehlers
Engel
English
Ensign
Eshoo
Evans
Everett
Farr
Fawell
Fazio
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Furse
Gallegly
Ganske
Gejdenson
Gekas
Geren
Gilchrest
Gilman
Goodling
Gordon
Greene (UT)
Greenwood
Gunderson
Hall (OH)
Harman
Hastert
Hastings (WA)
Hefner
Heineman
Hilleary
Hobson
Holden
Horn
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Johnson (CT)
Kanjorski
Kasich
Kelly
Kennelly
Kim
King
Kingston
Kleczka
Klug
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Manzullo
Martini
Mascara
Matsui
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McKeon
McNulty
Meek
Meyers
Mica
Miller (CA)
Miller (FL)
Minge
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Nethercutt
Ney
Norwood
Nussle
Ortiz
Oxley
Packard
Pallone
Parker
Paxon
Payne (VA)
Pelosi
Peterson (MN)
Pickett
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Regula
Richardson
Riggs
Roberts
Rogers
Ros-Lehtinen
Roukema
Sawyer
Schiff
Schumer
Seastrand
Serrano
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stenholm
Talent
Tate
Tauzin
Taylor (NC)
Tejeda
Thomas
Thornton
Thurman
Torkildsen
Torricelli
Towns
Traficant
Upton
Visclosky
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weller
White
Whitfield
Wicker
Wilson
Wise
Wolf
Young (AK)
Zeliff
Zimmer

NAYS—179

Abercrombie
Ackerman
Allard
Andrews
Armey
Bachus
Baker (CA)
Baldacci
Barcia
Barrett (WI)
Bartlett
Barton
Becerra
Blumenauer
Boehner
Brown (CA)
Brown (OH)
Bryant (TN)
Bryant (TX)
Bunning
Burton
Chabot
Chenoweth
Chrysler
Clay
Clayton
Clement
Clyburn
Coburn
Collins (GA)
Collins (MI)
Condit
Conyers
Cooley
Cox
Coyne
Crane
Crapo
Cremeans
Cubin
Cummings
Danner
de la Garza
Dellums
Dingell
Doolittle
Duncan
Durbin
Edwards
Ehrlich
Ewing
Fattah
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Funderburk
Gephardt
Gibbons
Gillmor
Gonzalez
Goodlatte
Goss
Graham
Green (TX)
Gutierrez
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Hastings (FL)
Hayworth
Hefley
Herger
Hilliard
Hinchey
Hoekstra
Hoke
Hostettler
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kaptur
Kennedy (MA)
Kennedy (RI)
Kildee
Klink
LaFalce
Lantos
Largent
Levin
Lewis (GA)
Lewis (KY)
Maloney
Manton
Markey
Martinez
McCarthy
McIntosh
McKinney
Meehan
Menendez
Metcalf
Millender-McDonald
Mink
Moakley
Neal
Neumann
Oberstar
Obey
Olver
Orton
Owens
Pastor
Payne (NJ)
Petri
Pombo
Pomeroy
Ramstad
Rangel
Reed
Rivers
Roemer
Rohrabacher
Rose
Roth
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Saxton
Scarborough
Schaefer
Schroeder
Scott
Sensenbrenner
Shadegg
Slaughter
Smith (MI)
Stark
Stearns
Stockman
Stokes
Studds
Stump
Stupak
Tanner
Taylor (MS)
Thompson
Thornberry
Tiahrt
Torres
Velazquez
Vento
Volkmer
Ward
Waters
Watt (NC)
Waxman
Weldon (FL)
Williams
Woolsey
Wynn
Yates

NOT VOTING—8

Coleman
Collins (IL)
Hayes
Lincoln
McDade
Peterson (FL)
Weldon (PA)
Young (FL)

☐ 1534

Mr. MOAKLEY changed his vote from "yea" to "nay."

Mr. RIGGS, Ms. BROWN of Florida, and Mr. TOWNS changed their vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Ms. SLAUGHTER. Mr. Speaker, I was unable to be present for rollcall votes 317 through 326 earlier this week. Had I been present, I would have voted "yea" or "aye" on rollcall votes 317, 319, 320, 324, 325, and 326 and "nay" or "no" on rollcall votes 318, 321, 322, and 323.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. McCathran, one of his secretaries.

PROVIDING FOR CONSIDERATION OF H.R. 3816, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1997

Mr. QUILLEN. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 483 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 483

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 3816) making appropriations for energy and water development for the fiscal year ending September 30, 1997, and for other purposes. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations. After general debate the bill shall be considered for amendment under the five-minute rule. Points of order against provisions in the bill for failure to comply with clause 2 or 6 of rule XXI are waived. During consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment. The Chairman of the Committee of the Whole may reduce to not less than five minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall be not less than fifteen minutes. After the reading of the final lines of the bill, a motion that the Committee of the Whole rise and report the bill to the House with such amendments as may have been adopted shall, if offered by the majority leader or a designee, have precedence over a motion to amend. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore (Mr. HUTCHINSON). The gentleman from Tennessee [Mr. QUILLEN] is recognized for 1 hour.

Mr. QUILLEN. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentleman from California [Mr. BEILENSON], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purposes of debate only.

Mr. Speaker, House Resolution 483 is an open rule providing for the consideration of H.R. 3816, making appropriations for energy and water development for fiscal year 1997.

The rule waives clause 2 and clause 6 of rule XXI which prohibits unauthorized appropriations, legislation in general appropriations bills, and reappropriations against provisions in the bill. These waivers are necessary since many programs funded by this bill have not been reauthorized. The measure also includes some transfers of funds and minor legislative provisions, and the appropriations committee worked closely with the authorizing committees on these matters.

The rule also provides for priority in recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD, and it allows the Chair to postpone and cluster roll call votes, and to reduce voting time to 5 minutes on a postponed question if the vote follows a 15-minute vote.

This rule allows the majority leader or his designee to offer a motion to rise and report the bill after the final lines of the bill have been read. Finally, the rule allows one motion to recommit, with or without instructions.

Mr. Speaker, Chairman JOHN MYERS and Ranking Minority Member TOM BEVILL have done a remarkable job in putting together the energy and water development appropriations bill for fiscal year 1997. Together they fought to get sufficient funds allocated to protect investments in water and energy infrastructure and to maintain and operate facilities and programs within the subcommittee's jurisdiction while still contributing toward deficit reduction.

Combined they have contributed approximately 50 years to the Energy and Water Appropriations Subcommittee, always working in a bipartisan manner. Those who take their places on the subcommittee after their retirement will find that their's will be a tough act to follow.

They have repeatedly displayed what can be accomplished through bipartisan cooperation, friendship, and respect—an example we should all aspire to follow.

Mr. Speaker, H.R. 3816 provides funds for critical programs such as flood control, maintenance of over 25,000 miles of inland waterways, Bureau of Reclamation projects, Department of Energy functions and various independent agencies including the Appalachian Regional Commission [ARC] and the Tennessee Valley Authority [TVA]. Both of these agencies have made a tremendous impact on the regions they serve. The Tennessee Valley Authority is required by law to perform flood control and river navigation services for the entire Tennessee Valley area which would otherwise be provided by the Army Corps of Engineers.

TVA's economic development program has helped many communities in the region meet their infrastructure and development needs. These funds have been significantly reduced in recent years, and I oppose any attempts to further erode the funding base for this important program.

No funds appropriated for TVA are used for its power program, and I strongly urge the Members of the House to reject any amendment which may be offered to reduce or eliminate funds for these two agencies. They provide crucial services to the deserving communities in the Appalachian and Tennessee Valley regions. Funding for TVA and ARC has already been reduced, and any further reduction would seriously jeopardize the ability of these agencies to carry out their important functions.

Mr. Speaker, I urge my colleagues to support this open rule and this important appropriations bill.

Mr. Speaker, I ask unanimous consent to insert extraneous material into the RECORD following my statement.

The SPEAKER pro tempore. Is there objection to the request of the gentleman Tennessee?

There was no objection.

The materials referred to follow:

THE AMENDMENT PROCESS UNDER SPECIAL RULES REPORTED BY THE RULES COMMITTEE,[1] 103D CONGRESS V. 104TH CONGRESS

[As of July 23, 1996]

Rule type	103d Congress		104th Congress	
	Number of rules	Percent of total	Number of rules	Percent of total
Open/Modified-Open[2]	46	44	80	60
Structured/Modified Closed[3]	49	47	37	27
Closed[4]	9	9	17	13
Total	104	100	134	100

[1] This table applies only to rules which provide for the original consideration of bills, joint resolutions or budget resolutions and which provide for an amendment process. It does not apply to special rules which only waive points of order against appropriations bills which are already privileged and are considered under an open amendment process under House rules.

[2] An open rule is one under which any Member may offer a germane amendment under the five-minute rule. A modified open rule is one under which any Member may offer a germane amendment under the five-minute rule subject only to an overall time limit on the amendment process and/or a requirement that the amendment be preprinted in the Congressional Record.

[3] A structured or modified closed rule is one under which the Rules Committee limits the amendments that may be offered only to those amendments designated in the special rule or the Rules Committee report to accompany it, or which preclude amendments to a particular portion of a bill, even though the rest of the bill may be completely open to amendment.

[4] A closed rule is one under which no amendments may be offered (other than amendments recommended by the committee in reporting the bill).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS

[As of July 23, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 38 (1/18/95)	O	H.R. 5	Unfunded Mandate Reform	A: 350–71 (1/19/95).
H. Res. 44 (1/24/95)	MC	H. Con. Res. 17	Social Security	A: 255–172 (1/25/95).
		HJ. Res. 1	Balanced Budget Amdt	
H. Res. 51 (1/31/95)	O	H.R. 101	Land Transfer, Taos Pueblo Indians	A: voice vote (2/1/95).
H. Res. 52 (1/31/95)	O	H.R. 400	Land Exchange, Arctic Nat'l. Park and Preserve	A: voice vote (2/1/95).
H. Res. 53 (1/31/95)	O	H.R. 440	Land Conveyance, Butte County, Calif	A: voice vote (2/1/95).
H. Res. 55 (2/1/95)	O	H.R. 2	Line Item Veto	A: voice vote (2/2/95).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of July 23, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 60 (2/6/95)	O	H.R. 665	Victim Restitution	A: voice vote (2/7/95).
H. Res. 61 (2/6/95)	O	H.R. 666	Exclusionary Rule Reform	A: voice vote (2/7/95).
H. Res. 63 (2/8/95)	MO	H.R. 667	Violent Criminal Incarceration	A: voice vote (2/9/95).
H. Res. 69 (2/9/95)	O	H.R. 668	Criminal Alien Deportation	A: voice vote (2/10/95).
H. Res. 79 (2/10/95)	MO	H.R. 728	Law Enforcement Block Grants	A: voice vote (2/13/95).
H. Res. 83 (2/13/95)	MO	H.R. 7	National Security Revitalization	PQ: 229–199; A: 227–197 (2/15/95).
H. Res. 88 (2/16/95)	MC	H.R. 831	Health Insurance Deductibility	PQ: 230–191; A: 229–188 (2/21/95).
H. Res. 91 (2/21/95)	O	H.R. 830	Paperwork Reduction Act	A: voice vote (2/22/95).
H. Res. 92 (2/21/95)	MC	H.R. 889	Defense Supplemental	A: 282–144 (2/22/95).
H. Res. 93 (2/22/95)	MO	H.R. 450	Regulatory Transition Act	A: 252–175 (2/23/95).
H. Res. 96 (2/24/95)	MO	H.R. 1022	Risk Assessment	A: 253–165 (2/27/95).
H. Res. 100 (2/27/95)	O	H.R. 926	Regulatory Reform and Relief Act	A: voice vote (2/28/95).
H. Res. 101 (2/28/95)	MO	H.R. 925	Private Property Protection Act	A: 271–151 (3/2/95).
H. Res. 103 (3/3/95)	MO	H.R. 1058	Securities Litigation Reform	
H. Res. 104 (3/3/95)	MO	H.R. 988	Attorney Accountability Act	A: voice vote (3/6/95).
H. Res. 105 (3/6/95)	MO			A: 257–155 (3/7/95).
H. Res. 108 (3/7/95)	Debate	H.R. 956	Product Liability Reform	A: voice vote (3/8/95).
H. Res. 109 (3/8/95)	MC			PQ: 234–191 A: 247–181 (3/9/95).
H. Res. 115 (3/14/95)	MO	H.R. 1159	Making Emergency Supp. Approps	A: 242–190 (3/15/95).
H. Res. 116 (3/15/95)	MC	H.J. Res. 73	Term Limits Const. Amdt	A: voice vote (3/28/95).
H. Res. 117 (3/16/95)	Debate	H.R. 4	Personal Responsibility Act of 1995	A: voice vote (3/21/95).
H. Res. 119 (3/21/95)	MC			A: 217–211 (3/22/95).
H. Res. 125 (4/3/95)	O	H.R. 1271	Family Privacy Protection Act	A: 423–1 (4/4/95).
H. Res. 126 (4/3/95)	O	H.R. 660	Older Persons Housing Act	A: voice vote (4/6/95).
H. Res. 128 (4/4/95)	MC	H.R. 1215	Contract With America Tax Relief Act of 1995	A: 228–204 (4/5/95).
H. Res. 130 (4/5/95)	MC	H.R. 483	Medicare Select Expansion	A: 253–172 (4/6/95).
H. Res. 136 (5/1/95)	O	H.R. 655	Hydrogen Future Act of 1995	A: voice vote (5/2/95).
H. Res. 139 (5/3/95)	O	H.R. 1361	Coast Guard Auth. FY 1996	A: voice vote (5/9/95).
H. Res. 140 (5/9/95)	O	H.R. 961	Clean Water Amendments	A: 414–4 (5/10/95).
H. Res. 144 (5/11/95)	O	H.R. 535	Fish Hatchery—Arkansas	A: voice vote (5/15/95).
H. Res. 145 (5/11/95)	O	H.R. 584	Fish Hatchery—Iowa	A: voice vote (5/15/95).
H. Res. 146 (5/11/95)	O	H.R. 614	Fish Hatchery—Minnesota	A: voice vote (5/15/95).
H. Res. 149 (5/16/95)	MC	H. Con. Res. 67	Budget Resolution FY 1996	PQ: 252–170 A: 255–168 (5/17/95).
H. Res. 155 (5/22/95)	MO	H.R. 1561	American Overseas Interests Act	A: 233–176 (5/23/95).
H. Res. 164 (6/8/95)	MC	H.R. 1530	Nat. Defense Auth. FY 1996	PQ: 225–191 A: 233–183 (6/13/95).
H. Res. 167 (6/15/95)	O	H.R. 1817	MilCon Appropriations FY 1996	PQ: 223–180 A: 245–155 (6/16/95).
H. Res. 169 (6/19/95)	MC	H.R. 1854	Leg. Branch Approps. FY 1996	PQ: 232–196 A: 236–191 (6/20/95).
H. Res. 170 (6/20/95)	O	H.R. 1868	For. Ops. Approps. FY 1996	PQ: 221–178 A: 217–175 (6/22/95).
H. Res. 171 (6/22/95)	O	H.R. 1905	Energy & Water Approps. FY 1996	A: voice vote (7/12/95).
H. Res. 173 (6/27/95)	C	H.J. Res. 79	Flag Constitutional Amendment	PQ: 258–170 A: 271–152 (6/28/95).
H. Res. 176 (6/28/95)	MC	H.R. 1944	Emer. Supp. Approps	PQ: 236–194 A: 234–192 (6/29/95).
H. Res. 185 (7/11/95)	O	H.R. 1977	Interior Approps. FY 1996	PQ: 235–193 D: 192–238 (7/12/95).
H. Res. 187 (7/12/95)	O	H.R. 1977	Interior Approps. FY 1996 #2	PQ: 230–194 A: 229–195 (7/13/95).
H. Res. 188 (7/12/95)	O	H.R. 1976	Agriculture Approps. FY 1996	PQ: 242–185 A: voice vote (7/18/95).
H. Res. 190 (7/17/95)	O	H.R. 2020	Treasury/Postal Approps. FY 1996	PQ: 232–192 A: voice vote (7/18/95).
H. Res. 193 (7/19/95)	C	H.J. Res. 96	Disapproval of MFN to China	A: voice vote (7/20/95).
H. Res. 194 (7/19/95)	O	H.R. 2002	Transportation Approps. FY 1996	PQ: 217–202 (7/21/95).
H. Res. 197 (7/21/95)	O	H.R. 70	Exports of Alaskan Crude Oil	A: voice vote (7/24/95).
H. Res. 198 (7/21/95)	O	H.R. 2076	Commerce, State Approps. FY 1996	A: voice vote (7/25/95).
H. Res. 201 (7/25/95)	O	H.R. 2099	VA/HUD Approps. FY 1996	A: 230–189 (7/25/95).
H. Res. 204 (7/28/95)	MC	S. 21	Terminating U.S. Arms Embargo on Bosnia	A: voice vote (8/1/95).
H. Res. 205 (7/28/95)	O	H.R. 2126	Defense Approps. FY 1996	A: 409–1 (7/31/95).
H. Res. 207 (8/1/95)	MC	H.R. 1555	Communications Act of 1995	A: 255–156 (8/2/95).
H. Res. 208 (8/1/95)	O	H.R. 2127	Labor, HHS Approps. FY 1996	A: 323–104 (8/2/95).
H. Res. 215 (9/7/95)	O	H.R. 1594	Economically Targeted Investments	A: voice vote (9/12/95).
H. Res. 216 (9/7/95)	MO	H.R. 1655	Intelligence Authorization FY 1996	A: voice vote (9/12/95).
H. Res. 218 (9/12/95)	O	H.R. 1162	Deficit Reduction Lockbox	A: voice vote (9/13/95).
H. Res. 219 (9/12/95)	O	H.R. 1670	Federal Acquisition Reform Act	A: 414–0 (9/13/95).
H. Res. 222 (9/18/95)	O	H.R. 1617	CAREERS Act	A: 388–2 (9/19/95).
H. Res. 224 (9/19/95)	O	H.R. 2274	Natl. Highway System	PQ: 241–173 A: 375–39–1 (9/20/95).
H. Res. 225 (9/19/95)	MC	H.R. 927	Cuban Liberty & Dem. Solidarity	A: 304–118 (9/20/95).
H. Res. 226 (9/21/95)	O	H.R. 743	Team Act	A: 344–66–1 (9/27/95).
H. Res. 227 (9/21/95)	O	H.R. 1170	3-Judge Court	A: voice vote (9/28/95).
H. Res. 228 (9/21/95)	O	H.R. 1601	Internatl. Space Station	A: voice vote (9/27/95).
H. Res. 230 (9/27/95)	C	H.J. Res. 108	Continuing Resolution FY 1996	A: voice vote (9/28/95).
H. Res. 234 (9/29/95)	O	H.R. 2405	Omnibus Science Auth	A: voice vote (10/11/95).
H. Res. 237 (10/17/95)	MC	H.R. 2259	Disapprove Sentencing Guidelines	A: voice vote (10/18/95).
H. Res. 238 (10/18/95)	MC	H.R. 2425	Medicare Preservation Act	PQ: 231–194 A: 227–192 (10/19/95).
H. Res. 239 (10/19/95)	C	H.R. 2492	Leg. Branch Approps	PQ: 235–184 A: voice vote (10/31/95).
H. Res. 245 (10/25/95)	MC	H. Con. Res. 109	Social Security Earnings Reform	PQ: 228–191 A: 235–185 (10/26/95).
		H.R. 2491	Seven-Year Balanced Budget	
H. Res. 251 (10/31/95)	C	H.R. 1833	Partial Birth Abortion Ban	A: 237–190 (11/1/95).
H. Res. 252 (10/31/95)	MO	H.R. 2546	D.C. Approps.	A: 241–181 (11/1/95).
H. Res. 257 (11/7/95)	C	H.J. Res. 115	Cont. Res. FY 1996	A: 216–210 (11/8/95).
H. Res. 258 (11/8/95)	MC	H.R. 2586	Debt Limit	A: 220–200 (11/10/95).
H. Res. 259 (11/9/95)	O	H.R. 2539	ICC Termination Act	A: voice vote (11/14/95).
H. Res. 262 (11/9/95)	C	H.R. 2586	Increase Debt Limit	A: 220–185 (11/10/95).
H. Res. 269 (11/15/95)	O	H.R. 2564	Lobbying Reform	A: voice vote (11/16/95).
H. Res. 270 (11/15/95)	C	H.J. Res. 122	Further Cont. Resolution	A: 249–176 (11/15/95).
H. Res. 273 (11/16/95)	MC	H.R. 2606	Prohibition on Funds for Bosnia	A: 239–181 (11/17/95).
H. Res. 284 (11/29/95)	O	H.R. 1788	Amtrak Reform	A: voice vote (11/30/95).
H. Res. 287 (11/30/95)	O	H.R. 1350	Maritime Security Act	A: voice vote (12/6/95).
H. Res. 293 (12/7/95)	C	H.R. 2621	Protect Federal Trust Funds	PQ: 223–183 A: 228–184 (12/14/95).
H. Res. 303 (12/13/95)	O	H.R. 1745	Utah Public Lands	PQ: 221–197 A: voice vote (5/15/96).
H. Res. 309 (12/18/95)	C	H. Con. Res. 122	Budget Res. W/President	PQ: 230–188 A: 229–189 (12/19/95).
H. Res. 313 (12/19/95)	O	H.R. 558	Texas Low-Level Radioactive	A: voice vote (12/20/95).
H. Res. 323 (12/21/95)	C	H.R. 2677	Natl. Parks & Wildlife Refuge	Tabled (2/28/96).
H. Res. 366 (2/27/96)	MC	H.R. 2854	Farm Bill	PQ: 228–182 A: 244–168 (2/28/96).
H. Res. 368 (2/28/96)	O	H.R. 994	Small Business Growth	Tabled (4/17/96).
H. Res. 371 (3/6/96)	C	H.R. 3021	Debt Limit Increase	A: voice vote (3/7/96).
H. Res. 372 (3/6/96)	MC	H.R. 3019	Cont. Approps. FY 1996	PQ: voice vote A: 235–175 (3/7/96).
H. Res. 380 (3/12/96)	C	H.R. 2703	Effective Death Penalty	A: 251–157 (3/13/96).
H. Res. 384 (3/14/96)	MC	H.R. 2202	Immigration	PQ: 233–152 A: voice vote (3/19/96).
H. Res. 386 (3/20/96)	C	H.J. Res. 165	Further Cont. Approps	PQ: 234–187 A: 237–183 (3/21/96).
H. Res. 388 (3/21/96)	C	H.R. 125	Gun Crime Enforcement	A: 244–166 (3/22/96).
H. Res. 391 (3/27/96)	C	H.R. 3136	Contract w/America Advancement	PQ: 232–180 A: 232–177, (3/28/96).
H. Res. 392 (3/27/96)	MC	H.R. 3103	Health Coverage Affordability	PQ: 229–186 A: Voice Vote (3/29/96).
H. Res. 395 (3/29/96)	MC	H.J. Res. 159	Tax Limitation Const. Amdmt.	PQ: 232–168 A: 234–162 (4/15/96).
H. Res. 396 (3/29/96)	O	H.R. 842	Truth in Budgeting Act	A: voice vote (4/17/96).
H. Res. 409 (4/23/96)	O	H.R. 2715	Paperwork Elimination Act	A: voice vote (4/24/96).
H. Res. 410 (4/23/96)	O	H.R. 1675	Natl. Wildlife Refuge	A: voice vote (4/24/96).
H. Res. 411 (4/23/96)	C	H.J. Res. 175	Further Cont. Approps. FY 1996	A: voice vote (4/24/96).
H. Res. 418 (4/30/96)	O	H.R. 2641	U.S. Marshals Service	PQ: 219–203 A: voice vote (5/1/96).
H. Res. 419 (4/30/96)	O	H.R. 2149	Ocean Shipping Reform	A: 422–0 (5/1/96).
H. Res. 421 (5/2/96)	O	H.R. 2974	Crimes Against Children & Elderly	A: voice vote (5/7/96).
H. Res. 422 (5/2/96)	O	H.R. 3120	Witness & Jury Tampering	A: voice vote (5/7/96).

SPECIAL RULES REPORTED BY THE RULES COMMITTEE, 104TH CONGRESS—Continued

[As of July 23, 1996]

H. Res. No. (Date rept.)	Rule type	Bill No.	Subject	Disposition of rule
H. Res. 426 (5/7/96)	O	H.R. 2406	U.S. Housing Act of 1996	PQ: 218–208 A: voice vote (5/8/96).
H. Res. 427 (5/7/96)	O	H.R. 3322	Omnibus Civilian Science Auth	A: voice vote (5/9/96).
H. Res. 428 (5/7/96)	MC	H.R. 3286	Adoption Promotion & Stability	A: voice vote (5/9/96).
H. Res. 430 (5/9/96)	S	H.R. 3230	DoD Auth. FY 1997	A: 235–149 (5/10/96).
H. Res. 435 (5/15/96)	MC	H. Con. Res. 178	Con. Res. on the Budget, 1997	PQ: 227–196 A: voice vote (5/16/96).
H. Res. 436 (5/16/96)	C	H.R. 3415	Repeal 4.3 cent fuel tax	PQ: 221–181 A: voice vote (5/21/96).
H. Res. 437 (5/16/96)	MO	H.R. 3259	Intell. Auth. FY 1997	A: voice vote (5/21/96).
H. Res. 438 (5/16/96)	MC	H.R. 3144	Defend America Act	
H. Res. 440 (5/21/96)	MC	H.R. 3448	Small Bus. Job Protection	A: 219–211 (5/22/96).
	MC	H.R. 1227	Employee Commuting Flexibility	
H. Res. 442 (5/29/96)	O	H.R. 3517	Mil. Const. Approps. FY 1997	A: voice vote (5/30/96).
H. Res. 445 (5/30/96)	O	H.R. 3540	For. Ops. Approps. FY 1997	A: voice vote (6/5/96).
H. Res. 446 (6/5/96)	MC	H.R. 3562	WI Works Waiver Approval	A: 363–59 (6/6/96).
H. Res. 448 (6/6/96)	MC	H.R. 2754	Shipbuilding Trade Agreement	A: voice vote (6/12/96).
H. Res. 451 (6/10/96)	O	H.R. 3603	Agriculture Appropriations, FY 1997	A: voice vote (6/11/96).
H. Res. 453 (6/12/96)	O	H.R. 3610	Defense Appropriations, FY 1997	A: voice vote (6/13/96).
H. Res. 455 (6/18/96)	O	H.R. 3662	Interior Approps, FY 1997	A: voice vote (6/19/96).
H. Res. 456 (6/19/96)	O	H.R. 3666	VA/HUD Approps	A: 246–166 (6/25/96).
H. Res. 460 (6/25/96)	O	H.R. 3675	Transportation Approps	A: voice vote (6/26/96).
H. Res. 472 (7/9/96)	O	H.R. 3755	Labor/HHS Approps	PQ: 218–202 A: voice vote (7/10/96).
H. Res. 473 (7/9/96)	MC	H.R. 3754	Leg. Branch Approps	A: voice vote (7/10/96).
H. Res. 474 (7/10/96)	MC	H.R. 3396	Defense of Marriage Act	A: 290–133 (7/11/96).
H. Res. 475 (7/11/96)	O	H.R. 3756	Treasury/Postal Approps	A: voice vote (7/16/96).
H. Res. 479 (7/16/96)	O	H.R. 3814	Commerce, State Approps	A: voice vote (7/17/96).
H. Res. 481 (7/17/96)	MC	H.R. 3820	Campaign Finance Reform	
H. Res. 482 (7/17/96)	MC	H.R. 3734	Personal Responsibility Act	A: 358–54 (7/18/96).
H. Res. 483 (7/18/96)	O	H.R. 3816	Energy/Water Approps	

Codes: O-open rule; MO-modified open rule; MC-modified closed rule; S/C-structured/closed rule; A-adoption vote; D-defeated; PQ-previous question vote. Source: Notices of Action Taken, Committee on Rules, 104th Congress.

Mr. QUILLEN. Mr. Speaker, I reserve the balance of my time.

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Mr. BEILENSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we support this rule, which allows Members to offer any amendment that is otherwise in order under the standing rules of the House.

I do want to point out, however, that this rule, like other rules we have considered for appropriations bills this year, waives points of order against legislating on an appropriations bill. That is not a practice we want to encourage, but we accept it in this case because we recognize that there are times when waiving that rule is necessary and appropriate. I would note that the relevant authorizing committees do not have any objections to this waiver of this particular rule.

Mr. Speaker, the bill that this rule makes in order provides $19.4 billion for the U.S. Army Corps of Engineers, the Bureau of Reclamation, and the Department of Energy. This legislation has been developed in a strong spirit of bipartisanship, for which we commend and thank the chairman of the Subcommittee on Energy and Water Development, the gentleman from Indiana [Mr. MYERS], and the ranking member, the gentleman from Alabama [Mr. BEVILL]. Both gentlemen are not only excellent legislators but very fine gentlemen and human beings, both of whom will be greatly missed by Members of this institution in the years to come.

However, many of us do have serious concerns about some of the bill's provisions. We note that solar and renewable energy research would be cut by $44 million below this year's level and $142 million below the level requested by the President. A reduction of that size would severely threaten the development of these advanced technologies, and would thus be a setback to our efforts to reduce our dependence on imported oil, diversify our energy resources, reduce pollution, and generate jobs in this growing field.

We also object to the bill's drastic cut in the Department of Energy's administrative funding, which would reduce spending for that purpose by almost half the current amount. The deep spending cuts would severely impair the department's ability to carry out its basic management responsibilities.

Fortunately, amendments will be offered to at least partially reverse some of the more extreme spending cuts that the bill currently contains.

We also anticipate amendments on several highly controversial projects that are funded by this bill, including one that would eliminate the bill's $17 million for the Advanced Light Water Reactor Program, one eliminating the bill's $9.5 million for construction of the Animas-LaPlata water project, and one eliminating the bill's $45 million for the Nuclear Technology Research and Development Program.

Mr. Speaker, again, although we do, as I have suggested, have some concerns about this bill, we strongly support the rule. We urge its passage, so we can proceed to consideration of this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Indiana [Mr. MYERS], the chairman of the subcommittee.

Mr. MYERS of Indiana. Mr. Speaker, I thank the committee for the rule that the gentleman has given this subcommittee this year, once again. I particularly thank both the gentleman from Tennessee [Mr. QUILLEN] and the gentleman from California [Mr. BEILENSON] for the very nice words each have said about the gentleman from Alabama [Mr. BEVILL] and me.

I take these few moments here to explain what we expect to be able to accomplish this evening, the remainder of this evening. We hope and expect to finish this bill tonight. With the cooperation of the membership we will be able to do that. I do not like to see us have to control the time, to limit the time on debate on any amendment, but if it is necessary then we will not hesitate to do that. We must do that if it becomes necessary to accomplish the mission tonight.

I hope we will have the cooperation of those Members who will be offering amendments, that we limit the time on those amendments voluntarily; much better to do it voluntarily than do it where we have to compel the action by the House to limit the time, but if necessary, we will. I hope those who have very little to say, and each of us has a lot of things we could say, and right now I could be a little more brief, I expect, but if we can limit the time this evening and not speak unless we have absolutely something to say, it will help us accomplish our goals tonight.

I do not think anyone wants to stay until midnight, but apparently, because of the remaining schedule this week of floor activity, if it is necessary to stay that late or even later to finish the bill, we expect to finish the bill tonight. So please, I ask for Members' cooperation. Again, I thank Members for the time they have given us today.

Mr. BEILENSON. Mr. Speaker, I yield 3 minutes to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I take this time to make a few comments, recognizing that the time will be limited during consideration of the bill. May I assure the distinguished chairman that I will cooperate with him fully in getting us out of here by midnight by not offering any amendments of my own, although I will speak on some of the others.

Mr. Speaker, as my distinguished colleague, the gentleman from California, indicated, there are some situations in this bill which cause us a little heartburn, and I am sure the gentleman knows what they are. They are the same as were mentioned earlier. We believe that the cuts in the solar and renewable category are excessive, and we likewise have some problem with the management cuts, but we trust that these can be at least partially resolved during the further course of the bill.

Mr. Speaker, I also want to thank the committee for including a very small item there which is of personal concern to me, and which I will discuss later on in the bill. That is an item of $400,000 for continued research on the Salton Sea.

The Salton Sea is not in my district. It is in the district of my good friend and colleague, the gentleman from California, DUNCAN HUNTER. It is shared by the gentleman from California, SONNY BONO, but it happens to be the area in which I grew up. I used to swim in the Salton Sea when I was a kid, and it is no longer swimmable. It is on the path to complete collapse, with the death of the fish and the birds that use the fish, the destruction of the recreational industry, and various other things of that sort.

The Bureau of Reclamation, which I feel has the major responsibility here, has been researching this for some years, and has not even yet discovered what I could point out to them, that there is fish kill. There are acres of dead fish along the beach. There are, similarly, dead waterfowl, and this is on a major flyway, and it is going to be catastrophic.

The $400,000 was not requested by the Bureau, it was added by the committee, in their wisdom, and I commend them for that. The Bureau, for some reason or other, the Bureau of Reclamation, which has a $10 million authorization to do this work passed in the water bill of several years ago, of 1992, has asked for only $100,000 a year.

In my opinion it has been dilatory and delinquent in moving to the stage of offering recommendations to solve this problem. At the risk of belaboring a personal matter, I am going to take a few minutes during the course of the general debate on the bill to discuss this even further. We are talking about the destruction of a regional resource, which I hate to see happen. I do not want to amend the bill by adding $40 million to save it, but we will lay the groundwork for doing that later.

Mr. QUILLEN. Mr. Speaker, I yield 7 minutes to the gentleman from Michigan [Mr. KNOLLENBERG], a member of the committee.

Mr. KNOLLENBERG. Mr. Speaker, I appreciate the gentleman from Tennessee yielding time to me.

Mr. Speaker, I rise in support of this rule.

I support this rule. It is an open rule which will allow an open debate on the issues involved in the energy and water development appropriations bill for fiscal year 1997.

This is the 13th of 13 appropriations bills. And I salute Chairman SOLOMON and the Rules Committee for providing open rules.

This demonstrates the hard work and commitment by Chairman SOLOMON and the Rules Committee to an open and fair discussion of all Members' concerns throughout the appropriations process.

Being Members of Congress from 435 congressional districts, 50 States, and from diverse regions throughout America, we bring a different story, a different understanding, a different set of priorities to this floor of U.S. House of Representatives.

And with our diverse backgrounds we will not agree on everything. We enter this debate, sometimes a rigorous debate, on the what the spending priorities will be for the Federal Government for fiscal year 1997.

But under this open rule we can air our ideas, discuss our concerns, and persuade others through debate.

One of the issues that I am particularly concerned about within the Department of Energy is the issuance of buyouts for DOE and contractor employees.

As the cold war came to a close during the fall of 1991, we left behind a legacy of nuclear waste from the weapons manufacturing sites. As we made a transition from production to clean up the Department of Energy ramped up their employee numbers at the nuclear cleanup sites to, in many cases, twice their previous staffing levels.

Sites like Handford, WA, saw staffing increases from approximately 11,500 level in the late 1980's to almost 17,000 in 1994.

The Rocky Flats site in Colorado saw increases from about 5,000 employees in 1998 to numbers over 7,500 in 1991.

And at the Savannah River site in South Carolina, employee numbers were almost doubled from around 10,600 in 1988 up to almost 21,000 in 1992.

These increases occurred even though production of nuclear weapons at these sites ceased by September 1991.

Now I will be the first to point out that these employee numbers have since been brought down to full production levels in the past few years. But I am still concerned with the Department's staffing plans to facilitate further down sizing.

One of the mechanisms that the Department uses to minimize social and economic impacts caused by the layoffs of cold war warriors is section 3161 of the Defense Authorization Act of 1993.

Employee severances packages provided for under section 3161 include cash buyouts, job training, health care coverage, and relocation costs coverage.

I support these benefits for the cold war warriors who for decades were quintessential to maintaining our Nation's security through nuclear deterrence.

However, I am very concerned about how these benefits have been distributed freely to noncold war warriors.

I would like to relay to you an experience I had during my visit to Rocky Flats in early June. During a briefing on work force restructuring, I asked the contractor's vice president of human relations a hypothetical question.

I asked: "If I had worked at Rocky Flats for 5 years, what separation benefits would I receive if I voluntarily left today?"

I was told I would receive a benefits package that would include:

First, a cash buyout based on percentage of salary and years employed.

Second, 3 years of health benefits: year 1—full coverage; year 2—partial coverage; and year 3—eligible for COBRA.

Third, relocation expenses.

Fourth, training expenses.

The contractor vice president went on to say, that even if I had only been employed for 1 year, I would be entitled to this severance package.

The buyouts include severance packages totalling over $25,000 per separated employee.

Buyouts for those recently employed are not exclusive to Rocky Flats by any means. In fact, I have strong concerns that such buyouts are common at all sites EM wide. When placed under close scrutiny by the inspector general's office, buyouts at the Fernald Environmental Management project in Ohio were found to be handled with reckless disregard for the American taxpayer.

In 1994, the Fernald nuclear cleanup site was instructed to reduce the work force involved in doing remedial investigations and feasibility studies and instead to focus the work force on actual cleanup.

This shift in skills mix was to occur simultaneously with a work force reduction of 660 employees—a 36-percent reduction—over 3 years.

An April 1996 inspector general report on work force restructuring at the Fernald site, found that in many cases staffing buyouts were followed by the rehiring of employees with essentially the same skill mix. This resulted in no significant reductions in the bloated work force and it did not save any money.

One example of such careless management at the Fernald site is where 14 secretaries were voluntarily separated during the 1994 restructuring, all receiving lucrative severance packages. But then 19 new secretaries were hired back during the same fiscal year.

The IG report continues that "[i]n the [1995] restructuring, [Fernald] identified 47 secretaries for separation, 3 of whom were hired after the first restructuring." Since the announcement of the 1995 restructuring, Fernald has hired an additional 19 secretaries.

This ramping up, buying down, ramping up, buying down is absolutely ridiculous and can't be allowed to continue.

In the report that accompanies this bill, the committee has addressed these waste and inefficiencies that plague the worker transition program. This report notifies the Department of Energy of the committee's concerns about generous separation and severance benefits being offered to non-cold war warriors.

Mr. Speaker, everyone should know that while the subcommittee is not unilaterally opposed to buyouts, they should be used sparingly, judiciously, and as part of an overall work force restructuring plan.

I would say to my colleagues that the subcommittee is committed to getting to the bottom of this and this bill lays the ground work for some much-needed reforms in the years to come.

I support this open rule that will allow for further open debate on the important issues concerning energy and water appropriations.

□ 1600

Mr. QUILLEN. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. WELLER].

Mr. WELLER. Mr. Speaker, first, I want to thank my friend, the gentleman from Tennessee [Mr. QUILLEN], for yielding me this time. Of course, I stand in strong support of this open rule and also stand in strong support of this bill.

I particularly want to congratulate my friend, the gentleman from Indiana [Mr. MYERS], on his leadership on this bill in bringing it to the floor and also thank him, his subcommittee and the ranking member for their bipartisan efforts.

This week the Chicago region suffered a devastating flood throughout the entire Chicago metropolitan area, particularly in the south suburbs and the southwestern suburbs which I represent; in fact, affecting hundreds if not thousands of homes, millions if not multimillions of dollars' worth of damage affecting both homes and, of course, small businesses.

Governor Edgar moved very quickly to declare a state of emergency in a number of the counties and, of course, has since requested from the President a disaster declaration on a Federal scale. As I pointed out earlier, hundreds if not thousands of homes are damaged and hundreds if not thousands of small businesses are now being surveyed for damage as a result of this high water and floods that devastated the Chicago metropolitan area. Particularly in Will and Cook Counties which I represent, we saw excessive damage.

I do want to point out that in the south suburbs there is an effort that has been under way for the last generation which, had it been completed, it is estimated at least 90 percent of the damage that occurred would not have occurred, protecting hundreds if not thousands of homes from flood damage. That project is known as the tunnel and reservoir project, or the deep tunnel as it has been nicknamed for the last generation. It is not done yet and we are continuing to work in a bipartisan effort to complete this project.

The deep tunnel or the tunnel and reservoir project is a system of tunnels drop shafts, pumping stations and reservoirs. Unfortunately, one of the uncompleted reservoirs in this whole project, the Thornton Reservoir, actually is located in my district in the south suburbs. When completed, this reservoir will provide 5 billion gallons of floodwater storage and could have prevented the bulk of the floodwater damage that occurred to hundreds if not thousands of homes and small businesses in the south suburbs.

This reservoir, when completed, will have a service area of over 90 square miles and will provide relief to 131,000 dwellings in 18 communities. In fact when it is done, the real benefit to many homeowners will be lower flood insurance premiums as well as higher home values.

The taxpayers and constituents in the south suburbs of Chicago are deeply in support of the Thornton Reservoir and the deep tunnel project and greatly appreciated the fact that Chairman MYERS came to my district the week of the Fourth of July and personally surveyed and spoke with local officials. The timing could not have been better, considering the floodwaters came just 2 weeks later.

This is an investment in the future. I do want to thank my colleagues of both parties in the House for the bipartisan effort, our efforts to bring flood relief to the south suburbs as they progressed.

I want to point out that the House in the last few weeks has approved $101 million in the ag appropriations bill for the Little Calumet and Thornton Creek flood control project, $10 million in the VA–HUD appropriation to continue work on the tunnels involved, and this particular bill sets aside $6.65 million in construction funding for the Corps of Engineers to complete and continue work on the Thornton Reservoir.

I urge an "aye" vote, Mr. Speaker. This is a good bill. This is an effort that I appreciate very much in behalf of my constituents to protect the homes in the south suburbs of Chicago from flooding. We do need flood control.

Mr. Speaker, I include the following extraneous material for the RECORD:

[From the Star, July 21, 1996]

THE FLOOD DISASTER

Weather disasters are so commonplace in the news that we tend to discount their importance—until we are confronted, firsthand, with the human realities of such events. Almost all of us were forced to do that through the night Wednesday and into the weekend as we tried to cope with the worst flood emergency in this region in recent history.

Depending on where you live in the South or Southwest Suburbs, you now are faced with anything from a time-consuming backyard and basement clean-up project to a complete disaster it will take you weeks or even months to recover from.

No local area was spared the torrential downpour of Wednesday night and Thursday morning. But people in some communities—notably villages in Paloa, Orland, Bremen and Thornton townships—watched in awe and fear as anywhere from seven to 15 inches of rain pelted down, totally inundating their communities with flood water.

That's the most rain ever recorded in 24 hours in the history of those communities.

The impact was immense. Whole neighborhoods were flooded, some so much so that families had to be evacuated. Most, if not all, major viaducts were under water, forcing the rerouting of traffic and in some cases the total shutdown of travel. Thousands of people could not get out of their garages, much less to their jobs. Thousands more basements and downstairs living quarters were filled with water, ruining furniture, carpets, drapes and furnishings and seriously damaging or destroying utilities.

Electrical and telephone service was disrupted or totally knocked out in all areas. Sewers backed up, causing a potential health crisis; in unincorporated areas septic fields were swamped causing sewage to float into backyards, basements, garages and homes themselves.

Thousands of vehicles were disabled by floods and their owners faced the prospect of paying hundreds in repairs to get ruined motors running again. Insurance agencies reported more claims calls on Thursday than on any single day in memory.

Fortunately, as of Saturday, no flood-related deaths to persons in the area had been reported. But there was the compelling story of a family in Homewood that lost three show dogs who drowned in the lower level of their home when it flooded.

The total cost of this disaster is far into the millions of dollars, probably beyond accurate calculation.

On the positive side, there were hundreds of tales of people helping people and of governmental agencies—local and state—coming to the rescue of flood victims. We were able to observe what we have heard about in other places when earthquakes, hurricanes, tornadoes or other natural disasters strike—that most people are at their human best when their neighbors need them most.

Last week will be one to remember. Hopefully, there will not be one like it again in many years to come.

FLOOD POTENTIAL SPREADS WITH GROWTH

(By Kevin Carmody)

People asking why their normally high and dry homes flooded last week might find some clues in last July's deadly heat wave.

Chicagoans learned the hard way that no two strings of hot weather are ever identical in all the variables that can prove deadly. There are peak temperature, nighttime lows, humidity and wind speed, to name some of the factors. Last summer, slight variations in a few turned an early July hot spell into an unprecedented killer that claimed 733 lives.

Likewise, severe rainstorms vary as to whether the rain comes all at once, in several deluges or intermittently over several days. Then there's the matter of whether the ground is already saturated, or perhaps too dry to be absorbent. So total rainfall—like peak temperature—is only part of the puzzle of whether a storm will produce severe flooding.

But according to experts on flood prevention, man controls the rest of the puzzle—right down to the early settlers' decision to build a community called Chicago in what was a primordial swamp.

Because the soils of such swamps drain poorly, the area was destined to face severe flooding problems as communities spread outward from Lake Michigan.

"There have been floods here for thousands of years, but the area affected was probably smaller than it is today," said Dennis Dreher of the Northeastern Illinois Planning Commission. "More water used to soak into the ground, but then we drained wetlands and channelized streams," undermining the land's natural flood control mechanisms.

The construction of homes and streets and parking lots also exacerbate flooding by reducing the amount of soil surface available to absorb rainfall. One 400-foot stretch of street means nearly 20,000 gallons of water must find somewhere else to go.

And the rate at which people are paving over the area's remaining open land is unprecedented. From 1970 to 1990, the population of the six-county region grew by only 4 percent while the amount of developed land increased by nearly 50 percent.

In the never-ending search for pristine rural homesteads, urban refugees are fueling wasteful land-use patterns that may come back to haunt them. Eventually, dense subdivisions find their way into rural hideaways, whether the land is hydrologically suited to development or not, and that increases the flooding potential.

There is no end in sight for this outward expansion, given Americans' preference for open space and the open land outside Chicago, said Pierre DeVise, an urbanologist and professor emeritus at Roosevelt University.

"I would say there still is room to grow, unlike New York and Los Angeles," DeVise said, "But in areas such as DuPage, people now face considerable traffic congestion and some of the advantages of low density are already defeated. So people are going ever farther out."

Mention flooding in suburban and rural communities, and many people instinctively think of rivers or streams overrunning their banks. But an even more common occurrence is the subdivision that floods because it was built in a low-lying depression with inadequate stormwater drainage.

Even communities that effectively limit building in wetlands and floodplains can find themselves approving dubious development sites because of outdated or incomplete floodplain maps.

The maps typically would not show depressions unless they are periodically flooded by waterways. And many floodplain maps haven't been updated for 10 to 15 years.

"In that time the floodplains have gotten broader, so communities are allowing development in areas that don't show on the map to be in a floodplain, but in reality are," said Dreher, who as NIPC's director of natural resources helps advise local governments on stormwater and floodplain management.

Although rainfall records were set at Midway Airport and several southern and western suburbs—where 6 to 16 inches fell Wednesday and Thursday—some areas that previously flooded during major storms were spared this time.

"There were areas hit hard in 1987 in DuPage County that were not affected badly this time," Dreher said. "There are different types of flood events.

"The 100-year flood seems to occur every other year, but each time they tend to occur in a different area."

In some cases, that's because hard-hit communities have learned their lesson about allowing development with little regard for stormwater management.

DuPage County approved one of the nation's most progressive stormwater control ordinances in 1990, protecting the integrity of floodplains and requiring new developments to have ponds for storing stormwater, Dreher said.

In the South Suburbs, Richton Park, Homeword, Flossmoor, Olympia Fields and Matteson are among the communities that have adopted model rules for new developments.

"Part of the reason these communities now have progressive rules is that they've had their problems and learned from their mistakes," Dreher said. "It takes self-control for local officials to stand up to developers who will have to spend more money to comply."

Suburbs Slowly Drying Out—Weary Flood Victims Watch Weather

(By Molly Sullivan and Gene O'Shea)

Residents across the south suburbs hard hit by last week's flash floods continued cleaning their homes Saturday under sunny skies but with wary eyes toward the future.

In Homewood, police were searching for a 79-year-old white man possibly suffering from Alzheimer's disease, who walked away from the Heartland Health Care Center, 940 Maple Ave., at approximately 8 p.m. on Friday.

Meanwhile trash bins lined Windsor Drive in Orland Park for residents to discard their soiled belongings destroyed when two nearby detention ponds overflowed, flooding usually dry streets.

The stress of Mother Nature's wrath was evident on the faces of weary Orland Park residents not accustomed to flooding.

"It's just very frustrating. One day we're enjoying our beautiful (basement) rec room, and the next we're throwing everything out," Orland resident Kathy Calandriello said. "I guess we should be grateful for the memories."

Several miles to the east some South Holland residents took the flooding in stride, especially those who have been flooded in the past.

Sitting on his front porch just yards from the Little Calumet River, South Holland resident Steve Lund thumbed through a thick photo album he keeps that depicts his battles with Mother Nature over the years.

"This was just a couple of years ago," Lund said, pointing to a photo of several ducks and golden retrievers paddling around in his flooded backyard. "We had some pet ducks, and they loved it. So did the dogs."

Lund knows all about flooding. In the last 19 years he's been flooded four times and never once thought about moving. Dealing with Mother Nature he says, is a state of mind.

"Sure it's a pain to have to move everything in and out. If you're prepared for it, it's not so bad. If you're not ready—that's a different story," Lund said. "The way I look at it, I get to move everything around every 10 years and give it a good cleaning."

In most places, the streets were dry where, just the day before, water hit the doors of homes and covered cars.

Commonwealth Edison reported that only 20 customers remained without power throughout the south suburbs, down from 800 a day earlier and 18,000 at the height of the storm.

Ameritech, meanwhile, saw an increase in the number of lines out, from 7,400 on Friday to 8,200 on Saturday.

Spokesman Frank Mitchell said the company attributed the increase to customers' not being able to get to phones or not discovering they had lost service because they were busy bailing out flooded houses.

Crews continued to work around the clock, Mitchell said, but will have to wait in some areas where equipment remains submerged.

An emergency phone bank was set up Saturday in Plainfield at the intersection of River Court and River Road. Residents can make free local calls from Ameritech phones until service is restored to their area, Mitchell said.

Nursing home resident Charlie Pryzybyla was wearing a Heartland Health Care Center identification wrist band and an alarm wrist band with a device that alerts the center when a patient walks out the door, but he was able to get away anyway, according to the center's administrator, Janice Podwika.

"He's pretty fast at times, and was gone in an instant when the alarm went off," Podwika. "But we realized he was gone, we proceeded with our standard policy in cases like this, and then notified police." Podwika said Pryzybyla, who used to live in Harvey, has tried to leave the facility before. She said the facility is now working with police who have taken charge of the matter.

Police said they conducted a 2½-hour helicopter infrared search around the area Friday night and dispatched dogs to the scene with negative results.

Pryzybyla is described as fair complexioned with green eyes. He wears glasses and has a scar on his nose and one of his eyes. He is balding and is 5 feet, 5 inches tall and weighs 147 pounds. He had on a brown dress shirt, dark brown pants, brown belt, and white gym shoes. Anyone with any information concerning the disappearance of Pryzybyla should contact the police at 798–2131.

Meanwhile, in virtually every town across the south suburbs, officials were out in the neighborhoods assessing damage and trying to help those who needed it.

In all, some 11 teams of state and federal disaster relief agents were going to every affected area trying to assess damage in anticipation of a federal disaster declaration.

Most roads were reopened by Saturday, and the major job facing most people was how to dispose of their water-soaked belongings and clean up their houses and property.

Generally, the news was positive from the southeast suburbs where the Little Calumet River and Lemont where the Illinois & Michigan Canal washed into the streets.

"I think we're pretty good," Lockport Fire Lt. Bruce Hopkins said. "I think even our hardest-hit areas drained off pretty good."

Lockport city officials held a town meeting Saturday to inform residents about the latest on disaster relief and to give them an overview of the flooding problems.

Residents had a chance to air their concerns about the flooding and officials said they were working as quickly as possible to assess the damage and meet residents' needs.

The scene on the streets in Lockport was the same as the one in every other suburban and city neighborhood hit by floodwaters. "You drive anywhere, and there are (garbage) bags out in front and wet carpeting," Hopkins said.

As residents cleaned up, city officials were dealing with a lingering problem.

Hopkins said the police and fire emergency call dispatch system that serves the city was ruined when floodwaters damaged its equipment at the central dispatch center in Plainfield.

As of Saturday, the city and several other Will County communities were still without their main 911 systems. A backup system was in place and officials said they would have to rely on it for at least the next several days.

Elsewhere in Will County, Lynn Behringer of the Will County Office of Emergency Management said there were four teams of state and federal disaster relief officials touring the areas hit by flooding.

She said the tours would continue until every area was assessed, and it will probably run into the early part of this week. "It's going to go on for a while," she said of the Federal Emergency Management Agency and the Illinois Emergency Management Agency officials who are touring with local officials.

Behringer said most people are understanding about the flooding.

Tinley Park, the Palos area and Lemont all reported dry streets.

Palos Hills Chamber of Commerce board members unanimously-approved Friday night a grant program to assist residents whose homes were damaged. Residents needing financial assistance to cover repair and replacement costs not covered by insurance can call the city's community resource department at (708) 598-3400 on Monday to apply for funds.

[From the Daily Southtown, July 20, 1996]

VICTIMS CLEAN UP—WATER RECEDES; MEMORIES AWASH

The scene was the same Friday in many of the Southland's flood zones. Furniture was placed on lawns and clothes were hung from trees and swing sets as residents tried to take advantage of the sunshine that didn't come soon enough.

From Chicago's Southwest Side to Lockport, it was Day 2 of cleanup for residents of areas hardest hit by Wednesday's and Thursday's furious floods. And to many, it was clear that there would be many days to come.

The story was somewhat different in the southeast suburbs, where residents had spent a nervous Thursday nigh watching and sandbagging the banks of the flood-swollen Little Calumet River. To the relief of many, the river's water began to recede Friday morning, South Holland Mayor Donald DeGraff said.

But not before floodwaters washed out a park, a subdivision and the access road leading to another cluster of homes. And residents, like others in the region were left to the task of bailing and pumping.

In South Holland—the hardest hit of all southeast suburbs with 6.6 inches of rain recorded—residents used pumps and garden hoses to bail out flooded basements.

"We've had these two pumps going since 5 this morning," said Ann Kick, who along with husband, Bill, gazed out at the ducks swimming in their yard. "We have a 4-foot fence out there and it is under about 3 additional feet of water."

Ann Kick said she and her husband learned an important lesson a decade ago when they first moved into the village.

"We just sat there in disbelief as the water from the Little Calumet River flooded our yard and home," she said. "We had just purchased new carpeting, and it was ruined. This time, we moved all the furniture upstairs so all that was damaged this time were the carpeting and the paneling."

Kick's house was the first stop on a tour led by DeGraff of three local areas devastated by the flooding. The tour was largely for the benefit of John Mitchell, director of the Illinois Emergency Management Agency, the agency that will decide whether to recommend a request for federal disaster relief.

Gouwens Park, located at 16000 Seton Road, was the second stop on the hour-long tour. Flooding from the banks of the Little Calumet River turned the property into what resembled more of a boat launch than a popular park and baseball facility.

Homes in the adjacent Pacesetter subdivision along Riverview Drive were inundated with floodwater, although 200 volunteers spent hours late Thursday night filling thousands of sandbags.

The third and final stop was 170th Street near the Calumet Expressway where public works crews spent Thursday and Friday constructing a temporary road that allowed local access to landlocked residents near Everett Avenue.

The small road was among scores throughout the region still impassable Friday, the most significant of which was a 12-mile stretch of southbound Interstate 55 between Illinois 30 and Arsenal Road.

Some of the early statistics of impact of Wednesday's and Thursday's record-breaking storms were staggering. Officials in Cook and Will counties were still working to compile the numbers of homes damaged and dollars lost. But early numbers in Joliet—Will County's hardest hit town—put the number of flooded homes at 8,000.

In all, Gov. Jim Edgar declared 15 counties, including Cook and Will, state disaster areas and called out three units of the Illinois National Guard to help local authorities cope with the high water.

National Guard troops were dispatched to Naperville to help officials there deal with the 300 flooded homes and 200 submerged vehicles.

Guard troops were preparing to help with traffic control, cleanup and security in evacuated areas, authorities said.

In the south suburbs, 18,000 Commonwealth Edison customers lost power for at least a brief period.

By Friday afternoon, crews had restored power to all but 800 of those customers, ComEd spokeswoman Lucille Younger said. But work crews still were working during the day to restore power by Friday night to 22,000 Bartlett-area residents, Younger said.

Phones also were affected. Ameritech on Friday reported 7,400 customers were without phone service in Chicago, the south suburbs, Will County and the Naperville and Aurora areas.

On Thursday, Ameritech received a record number of calls, 56,000, from customers concerned about phone service.

And as for the rainfall numbers—17½ inches were measured by the National Weather Service in the Aurora area.

One forecaster at the weather service calculated an astonishing 91 billion gallons were dumped on the metropolitan area by the storm.

"I have no idea how they came up with that figure, but that's the number they're throwing around here," Scott Dickson said. "It sounds incredible, way too high. I'm not a mathematician."

In Lockport, another Will County community with severe damage, floodwaters on the city's west side had receded dramatically by Friday, but the cleanup had just begun for the more than 300 residents whose homes were damaged after the Illinois & Michigan Canal overflowed its banks on Thursday.

"We're draining the basement, but we still can't get in there yet," Gerry Rodeghero said of his 83-year-old mother's house on Ames Street.

Most residents in the low-lying neighborhood west of the I&M Canal and north of the Ninth Street bridge took the day off from work to clear out the flooded basements, garages and in some cases first floors of their homes.

Lockport city administrator Larry McCasland said nine city workers were helping residents move the debris out of their yards and into trash binds placed in several locations around the city.

The workers will be on hand all weekend to help with the cleanup and the bins will remain out in city neighborhoods for as long as they are needed, McCasland said.

The unincorporated streets of Worth Township between Illinois 83 and 127th Street were bustling with activity Friday as residents and emergency crews removed flood-damaged carpeting, paneling and furniture from homes.

Two trucks hauled out resident's cars caught in the flood. Gasoline-powered pumps continued to rid basements and crawlspaces of floodwater but were incapable of removing the lingering stench.

In Oak Forest it was the question of what to do about the former Fire Station No. 2. The building on Cicero Avenue just north of 167th Street was nearly submerged during the flooding. Late Friday, the water was still up to the windows about 2 feet deep.

The station, abandoned by the fire department in 1989 because of flooding problems, is at the center of a controversy with area residents and Mayor James Richmond over whether it should be torn down.

What will happen to it now remains to be seen and the matter could come up at Tuesday's city council meeting.

While South Holland took the brunt of the storm in the southeast suburban area, other communities received their share of damage.

In Burnham, residents in the 13900 block of Manistee Avenue were bailing out basements. One resident, who declined to be identified, said the storm was "the worst he's seen in the last 40 years."

In Dolton, village officials had to close 158th Street on Thursday but reopened it Friday when the Little Calumet River overflowed its banks. Edward Handzel, village administrator, said the river began to recede and added—he hoped the "worst was over."

The floods not only affected suburbia but also Chicago residents.

More than 5,000 homes, most of them in a belt from the Southeast Side to Midway Airport, suffered flooded basements after the heaviest one-day rainfall in Chicago history, Mayor Richard Daley said Friday.

City crews already had helped pump out basements at 4,600 homes, officials said, and fixed 414 downed light poles and malfunctioning traffic signals.

"This was the most severe rainfall to ever hit the region, 8.08 inches since Wednesday morning," Daley said.

Trucks were to make rare Sunday pickups in some areas, officials said, and special bulk runs would continue until Wednesday.

City forestry bureau crews answered 140 calls of downed trees or tree limbs, officials said.

The two hardest-hit areas were the 8th Ward, south of 79th Street from Cottage Grove to Yates avenues, which led the city with 469 flooded basements; and the 13th Ward, south and east of Midway Airport, where 463 homes were hit.

Also leading the city's flood call list were: The 6th Ward, from Lafayette to Cottage Grove avenues south of 67th Street, 368 calls; the 15th Ward, which includes Marquette Park, 325 calls; the 21st Ward, including the Washington Heights and Brainard areas, 300 calls; and the 18th Ward, including the Ashburn area, 232 calls.

Other ward totals included: 7th Ward 227 flooded basement calls; 10th Ward, 103 calls; 12th ward, 19 calls; 14th Ward, 193; 19th Ward, 224; and 23rd Ward, 85.

THE FIGHT TO HOLD THE RIVER BACK

(By Crystal Yednak)

The water on the Little Calumet River crested around 9 a.m. Friday, after residents and village workers spent the night trying to hold the flood back.

As the river rose in South Holland, residents banded together to sandbag along the river's edge and near homes.

The public works staff of 21 people had been filling and moving sandbags since early morning, so the village aired a request for volunteers on the local cable station.

South Holland Public Works Supt. Chris Niehof estimated that about 200 people responded to a request the village made for volunteers.

"I'm proud that we have the type of community where people still care," said Niehof.

Around 6 p.m. Thursday, village officials realized the river was not going down, he said.

"We couldn't keep up," Niehof said. "It was a losing battle."

Many people stayed until the early morning hours to fight the rising waters.

Some of the residents who came out to help didn't experience any flood damage to their homes, said Asst. Fire Chief Randy Stegenga. They came out to help other residents defend their homes from the flood, he said.

Stegenga had four typewritten pages listing the names of people who had helped out. The list also included names from other communities such as Crete, Lansing and Highland, Ind.

Together, the volunteers made about 5,000 sandbags, Stegenga said.

South Holland resident Virginia Knittle started filling sandbags at village hall around 5 p.m. At that time, the water was still a block away from her house.

"I figured I should go earn my sandbags in case the water comes over to my house," Knittle said.

By the time she returned at 9 p.m., the water had reached her house.

After a previous flood wreaked havoc on her home, Knittle and her husband raised the doorways and took other precautions against flooding.

Knittle did get to use some of the sandbags she had filled—she used them to protect her windows and doorways from the flooding.

On Friday morning, Knittle said she was trapped in her house by water that had crept up to her doorstep.

Throughout Friday, village officials monitored the level of the river, which was slowly declining.

To be safe, Niehof said the public works department would leave the sandbags in place in case more rain fell.

By Saturday, the river was on its way down toward more normal levels. And a community was breathing easier—but warily; weathermen were talking about a 50 percent chance of more rain on Sunday.

[From the Star, July 21, 1996]

DESPITE CRITICISM, IT APPEARS DEEP TUNNELS DID THEIR JOB

For the first time since 1990, storm water from a torrential rain overwhelmed the region's Deep Tunnel last week, forcing authorities to allow millions of gallons of untreated sewage to flow into Lake Michigan.

This release of sewage-tainted storm water may have helped avert additional flooding in the south and central parts of Chicago.

So some residents of inundated neighborhoods were phoning the Metropolitan Water Reclamation District—the agency that controls the system—to angrily ask why the floodgates weren't opened sooner.

In response, MWRD vice president Kathleen Therese Meany points out that the agency's goals in a situation such as Thursday's are different from those of residents with rising water in their basements.

"The agency's mission is to protect the waters of Lake Michigan," Meany said. "We don't like to do this because it dumps raw sewage into the lake.

"If we opened them (the floodgates) earlier, sewage may have gone way out to the intake cribs and could put the drinking supply in danger."

The sewage release forced closure of Chicago area beaches to swimmers until tests confirmed bacteria levels were in the safe zone.

But there are more fundamental reasons why water-soaked Cook County residents shouldn't be upset that the MWRD waited until Thursday morning to open the locks that control the flow of the Chicago and Calumet rivers. MWRD Supt. Hugh McMillan said.

First, tainted storm water must fill mainline sewers and the MWRD's Deep Tunnel system before it begins flowing into the rivers, McMillan said. Only after the river levels rise to a certain point, can the locks be opened to release the water into the lake.

"By that time, the event is ending and the damage has already been done," McMillan said.

Second, most neighborhood flooding is not caused by backups in the main sewer lines, but by the inability of the smaller lines to carry away water fast enough during a storm this severe, McMillan said.

At Midway Airport, a record 7.7 inches of rain fell between 7 a.m. Wednesday and 7 a.m. Thursday, officials said, with much of it coming Wednesday afternoon.

The heaviest downpours quickly exceeded sewer capacity, officials said.

"The sewer system is not designed to hold water: it's designed to transport water." Sagun said.

Chicago Mayor Richard Daley said city officials found the MWRD's response satisfactory.

"They handled it appropriately," Daley said. "You can't just open the locks any time."

Ald. John Buchanan [10th], who in the past has been critical of the MWRD for failing to extend its Deep Tunnel system into his Southeast Side ward, said he found no fault with the district's timing on opening the locks.

Built on a primordial swamp with soils that drain poorly, the Chicago area has had to rely on sewers and more elaborate projects, like the $2.4 billion Deep Tunnel, for flood relief.

The Deep Tunnel system is a network of giant tunnels that captures the overflow from sewers during heavy rains so that the tainted water normally doesn't flow into area waterways.

It usually works, but every few years too much rain falls too swiftly and the tainted water flows into waterways like the Chicago and Calumet rivers.

Early this century, the flows of both rivers were reversed so that raw-sewage would not enter Lake Michigan, where it could contaminate the city's drinking water supply. Before then, thousands died here in cholera and typhoid fever epidemics.

The flow reversal was accomplished with the locks that, on Thursday morning, were opened to allow the rivers to flow swiftly the opposite direction—into Lake Michigan, where the water level is several feet lower.

The MWRD opened the O'Brien locks at 133rd Street about 7:14 a.m., allowing the Calumet River to flow north into the lake. The decision was made when the river level reached 3.8 feet, although the MWRD policy is normally to wait until it reaches about 4 feet.

On the Chicago River, the locks near Randolph Street were opened at 9:40 a.m. when the river reached 3.27 feet, just short of the 3.3- to 3.5-foot level normally prescribed.

The MRWD also discharged storm water into the Des Plaines River through locks at Lockport.

The most concentrated sewage and most contaminated runoff, from the initial rainfall, already had been captured in the Deep Tunnels. So the raw sewage contained in the 750 million gallons of storm water that flowed into the lake by 1:30 p.m. was well-diluted, McMillan said. "It should not have an impact on drinking water," he said.

By 5 p.m. the MWRD was slowly closing the locks.

Although the Deep Tunnels' current capacity is about 1.2 billion gallons of storm water, their purpose is pollution control, not flood control. It is the second stage of the Deep Tunnel project that promises significant flood relief in the form of three huge reservoirs.

The O'Hare Reservoir is scheduled for completion in fall 1997. Reservoirs in McCook and Thornton were authorized by Congress in 1986 and are in the planning stages, but continued federal funding is not guaranteed.

The McCook reservoir, as now proposed, would hold 10.5 billion gallons of water, while the Thornton facility would hold 8 billion gallons.

"It's impossible to completely eliminate flooding, and the federal government would never go along with such a project," Meany said. "Some areas will still have sewers that can't handle a storm like this one.But when we have the reservoirs on line, it will make a big difference."

RECENT FLOODS PUT TUNNEL IN FOREFRONT

WELLER PROMISES FEDERAL FUNDS WILL FLOW TO QUARRY PROJECT

(By Laura Pavlenko)

SOUTH HOLLAND.—As elected officials toured flooded areas throughout the village late last week, they stressed the need for a permanent flooding solution. But even if federal funding continues to flow to the Thornton Quarry reservoir project, a solution still is years away.

For decades the Metropolitan Water Reclamation District has worked on a countywide Tunnel and Reservoir Plan, better known as the Deep Tunnel project, to solve persistent flooding and subsequent pollution problems. A spokesman for the MWRD said Friday that during last week's rains, the tunnels in the south suburbs were completely filled, holding the maximum 1.2 billion gallons of water.

Still, local sewers backed up into residents' basements and waterways rose high enough to cause devastating flooding to hundreds of homes.

South Holland Mayor Don DeGraff said had the tunnels been connected to the west lobe of the Thornton Quarry—the final phase of the Deep Tunnel project—flooding problems would have been nonexistent.

"We wouldn't have any of this flooding," he said as he toured the flood damaged areas with U.S. Rep. Jerry Weller, R-Morris, and other state officials. "There's no place for this water to go but into property owners' homes."

South Holland and other local communities' cries for a permanent solution to the flooding problem have not fallen on deaf ears.

MWRD officials say they are close to reaching an agreement with Material Services Corp., the company that owns and operates the Thornton Quarry, so the area may be used as a flood basin for an additional 3 billion gallons of water when needed.

Meanwhile, Weller has convinced the Washington leadership to add requests for funds to three separate bills being considered by Congress. The House Appropriations' Energy and Water Committee recently passed a bill that slates $6.7 million to be used to engineer the site. An additional $10 million would be used to complete the Deep Tunnel project, and $101 million for controlling the Little Calumet River and Thorn Creek flooding while the quarry reservoir project is under construction.

A spokeswoman for the MWRD said about 75 percent of the Deep Tunnel and Thornton Reservoir project's funding comes from federal sources.

The project, begun in the late 1970s, calls for 109 miles of tunnels, 12 feet or wider, carved out of limestone bedrock about 300 feet underground in three separate "systems." The O'Hare system is the smallest; all 6.6 miles of tunnels have been completed.

The mainstream system, the largest, stretches from Chicago's North Side to the South Branch of the Chicago River, and ends near the proposed McCook reservoir.

The Calumet system includes 36.3 miles of tunnels stretching along Torrence Avenue from the Southeast Side and branching into Dolton and South Holland and westward along the Cal-Sag Channel. Only about 21 miles of tunnels have been completed to date.

Weller said should Congress continue to approve funding for the project, area residents will begin to experience relief around the turn of the century. The entire project is scheduled to be completed in 14 to 15 years, provided federal funding is not interrupted.

On Friday, DeGraff said he's been pleased with the response from Weller and other officials.

"We're very appreciative of the attention from federal and state legislators," DeGraff said. "We haven't seen this kind of response from federal regulators in quite some time."

Mr. BEILENSON. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. QUILLEN. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MYERS of Indiana. Mr. Speaker, I ask unanimous consent that all members may have 5 legislative days within which to revise and extend their remarks on the bill (H.R. 3816) making appropriations for energy and water development for the fiscal year ending September 30, 1997, and for other purposes and that I be permitted to include tabular and extraneous material.

The SPEAKER pro tempore (Mr. HUTCHINSON). Is there objection to the request of the gentleman from Indiana?

There was no objection.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore. Pursuant to House Resolution 483 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3816.

□ 1605

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3816) making appropriations for energy and water development for the fiscal year ending September 30, 1997, and for other purposes, with Mr. OXLEY in the chair.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read for the first time.

Under the rule, the gentleman from Indiana [Mr. MYERS] and the gentleman from Alabama [Mr. BEVILL] each will control 30 minutes.

The Chair recognizes the gentleman from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, your Subcommittee on Energy and Water Development for the Committee on Appropriations brings this bill to the floor as the 13th appropriations bill this year.

Back when the gentleman from Alabama [Mr. BEVILL] and I went on the committee many, many years ago, back in the dark ages, this was known as the Public Works Committee. The bill was also affectionately remembered as the all-American bill because it touches every congressional district, every area of the continental United States and the territories. It was called the all-American bill for that reason back then, but it is even more encompassing today in the fact that now we have energy programs that certainly touch all of us, not only in this country but from all over the world.

Mr. Chairman, today we have a bill that is not the bill that many of us would like to see. We have had to work very hard this year on it as was mentioned previously by the Rules Committee. When we got to allocations this year, we were originally $1.3 billion below last year's 602(b) allocation. Last year the House bill cut almost a half a billion dollars from our 602(b) allocation voluntarily and we cut 120 programs out last year and finally the House in agreement with the Senate cut out about 50 new programs and reduced many more.

This year we were expected to do even more with a $1.3 billion cut below last year. All of us are interested in balancing the budget, in cutting spending, but because each of these that we appropriate in this bill touches so many areas of concern, whether it be in the Department of Energy, be it in national defense, be it in water resources and conservation, the proper use of our water resources, all of these touch every one of us every day. It was just something that we could not cut that much. We did not bring that bill to the floor. We are today, instead of being the first bill as we were a great many years under the able leadership of my predecessor and now ranking member TOM BEVILL, we were the first bill out and usually the first one signed by the President. I apologize to the House that we have taken so long, but there has been hard work and a great many people that we need to thank, including the members but particularly staff members who worked long hours here to bring this bill to the floor: Our chief of staff Jim Ogsbury who worked such very, very long hours and did a great job for us; Jeanne Wilson, Bob Schmidt, Don McKinnon, Roger Butler, Melanie Marshall, Don Medley, as well as Claudia Wear and Doug Wasitis of my personal staff. All of us put in a lot of long, hard hours of work to bring this bill to the floor.

Today we bring before the House a bill totaling $19.4 billion. It is $95 million more than the final bill last year. But that is misleading, because of where some of the dollars find themselves.

A lot of people do not realize and many Members do not realize that this bill contains a lot of money for national defense. We have $10.9 billion in national defense items here. More than 56 percent of our bill is for national defense, having to do with nuclear weapons, with the naval reactors, just to name a few; the surveillance and the maintenance of our nuclear weapons, since we are not building any, we have to maintain the inventory and make sure that they are properly cared for and properly monitored. This is a tremendous responsibility that the Defense Department has and the Department of Energy has to supervise the control and inventory of our national weapons.

Only $8.5 billion goes into domestic discretionary where we have actually any choice, $8.5 billion or slightly over 43 percent of our bill. So when we had the drastic cuts that were first imposed upon the committee, it just made it impossible for us to meet our responsibilities.

The bill consists of 5 titles. Title I is the civilian, Corps of Engineers, water projects. This year we have $3,449,192,000, which is $156 million more than was requested by the administration. It is $83 million more than last year.

Title II is the Department of the Interior, Bureau of Reclamation, $830 million, $5.5 million less than last year.

Title III is Department of Energy. This is where the big bucks are because this is where most of the defense dollars are—$15,279,926,000, which is $902 million less than last year. The biggest cut of our bill is in the Department of Energy.

Independent agencies is $281,531,000, which is $48 million less than last year and title V is general provisions of the bill.

Getting into what is in each of these titles, in title I, again the Corps of Engineers, their major responsibility is the more than 25,000 miles of inland waterways, the major deep seaports of our United States that make our American industry competitive and able to do business in the rest of the world; flood control which has been mentioned here today already. Major floods hopefully can be avoided but flood control, municipal, and industrial water for many people in the country provided in the provisions of title I. We provide $1.035 billion for construction. Construction is going on by the Corps of Engineers in 38 States and Puerto Rico.

For General Investigations, we have $1.7 billion. This is to examine projects that are being considered for cost effectiveness and environmental issues. These general investigations are very necessary in the process before they ever go to construction. We have general investigations now in 41 States and again Puerto Rico.

Title II of the bill again is the Bureau of Reclamation where we have in central Utah $43 million plus, Bureau of Reclamation General Investigation, we have $14,518,000. We have 345 reservoirs operated by the Bureau of Reclamation in the Midwestern States. We have 54 hydrogenating stations generating 60 billion kilowatt hours per year, providing water for more than 28 million people in the West in the Bureau of Reclamation, a very, very large responsibility that the Bureau of Reclamation has. We have some construction going on there amounting to $398 million.

Operation and maintenance of all of the water, all of the reservoirs on all the locks and dams that are operating in the West, providing the hydropower. We have $286 million for operation and maintenance.

The loan program has been reduced this year to $13 million because we do provide loans for water conservation districts in the Western States to provide for these necessities. For irrigation the Bureau of Reclamation provides irrigation water for more than 10 million acres of agricultural land.

Title III again going to the Department of Energy, $15.3 billion for the Department of Energy. Again $10.9 billion is for defense. The energy and supply research and development is $2.6 billion. This is $372 million less than was requested, a very large cut.

We have solar energy, which has already been mentioned. From 1991 to 1995, this committee increased the solar research by almost 100 percent. Since last year, we reduced it by 26 percent because we reached the point where solar was no longer cost effective. We just did not feel it was necessary to continue putting more research into solar energy.

□ 1615

We have photocoltaics now produced, and almost 100 industries are presently producing photovoltaics. We have more than 300 companies providing support for the solar industry, so it is a big, growing industry in this country. So we have cut back on solar, and we are going to hear about it in the amendment process later on.

In the administrative account is where we made the significant cuts, and probably we are going to hear about this. Last year this committee did reduce the number of dollars for the administrative accounts, because today we are not producing nuclear weapons, we are not doing any testing of nuclear weapons.

There are a lot of things that 10 years ago the Department of Energy was doing when it was first created in 1977 that they are not doing today. So we attempted last year, by cutting the funds in the administrative accounts for the Department of Energy, to help downsize DOE.

Now DOE has been threatened to be eliminated. Most of us on this committee realize the necessity of energy for our children and grandchildren, the research we are doing today for the future of our energy, that we need a strong department. But we felt after last year, when we tried to downsize and, at the end of the year, realized that that had not been done, that we had to tighten the grip just a little bit. So we made about a one-third reduction in the Washington headquarters personnel who are not needed any longer, had people holding each other's hands.

So we have cut and we have gone to micromanaging. We have told them specifically where they had to make the cuts, because after we made strong suggestions last year and cut the dollars, it was not accomplished by the Secretary or her staff, so this year we have gone much further and have directed where those cuts must be made.

We have in the environmental management and waste the largest item in our budget today, $5,400,000,000 in the Department of Energy for management of the waste and growing each year. Last year we did reduce this account. We found after we reduced the account we got more bang for the buck.

Most of this work is done by contract, not by Department of Energy personnel, but it is done by contracts. We have kept that to almost exactly what the President requested, $5,400,000,000.

We have also the civilian waste management where we take care of the civilian waste, the environmental management. Here, what we are talking about is defense waste. But in environmental waste for civilian, we did make some reduction.

In the 1982 Nuclear Waste Policy Act, we provided that the waste would be removed from the utilities around the country, the nuclear waste, and taken to a repository someplace. In 1987, we started the examination of the Yucca Mountain in Nevada, exploring the advisability, the suitability of Yucca Mountain.

That moved very slowly; in the last year, again they started moving more rapidly. But in the meantime the commitment in the 1982 act required that the U.S. Department of Energy would take the waste from the reactor sites, the nuclear reactors producing electricity, by 1998. That is fast coming upon us.

So last year we made a decision there had to be something done about interim storage. This year we provide for $382 million for this waste problem, $182 million of it coming from the waste fund, which is paid into by every utility consumer who uses nuclear energy. The other $200 million is to come out of general appropriated funds.

The fusion program has been around here as long as the gentleman from Alabama [Mr. BEVILL] and I have been here. Back 26 years ago when he and I first went on this committee, we were promised that we would have a fusion prototype reactor by now. We are not too much closer now than we were then. But, we are still strong supporters of fusion.

We have fission now in many reactors, but we have not finally produced a fission reactor that is producing power but we are still supporting it.

Last year we had $244 million for a fusion program; this year we have cut it back to $225 million. We still support fusion, but the Fusion Energy Advisory Committee has suggested a reorganization, realignment for the fusion program in the Department of Energy. We are not going quite as fast as they would like to see it, but we do provide for $225 million, including funds for the ITER Program, which is an international fusion program; $55 million goes for the ITER Program.

General science and research activities, that is all-encompassing. That is the advanced science, nuclear science, what makes up the matter of our Earth and our universe. It is rather vague. It is something that is not going to put bread on our tables, it is not going to introduce us tomorrow to something that is going to make the country a better place to live in, but over the long pull, these are scientific programs that will help make American industry more competitive. So we have put $996 million in this program because it is research and it is very vital.

It will help the general science, it will help us understand the nature of matter, what makes up these atomic nuclei that are around us. So we do support the general science, which is very expensive.

Title IV is independent agencies. We have reduced the Appalachian Regional Commission by $15 million this year from last, down to $155 million. Many of the Members live under the authority of the Tennessee Valley Authority which provides power, electric power, as well as some recreation and navigation on streams in Kentucky, Tennessee, and Alabama. For TVA, we provide $97 million, which is $12 million less than last year.

We are right at our 602(B) allocation right now. Anyone who offers an amendment for more dollars must have an offset. This committee feels, after months of hearings and examination, we have a bill that we hope every Member will support today, and hopefully Members will defeat any amendments that would weaken the bill.

We had, I believe, 394 Members request programs or some help in this bill, the most we have ever had in the 25 years, the 26 years I have been on the committee, the most requests from Members. A great many Governors testified. A great many Members sent letters to us requesting programs. We could not do all of them.

I realize there are going to be some people here today, some of our friends, who are going to ask for changes. I hope Members will understand it is just not possible. Using the best judgment we have been able to come up with, these are the highest priority items with the limited dollars that we had this year.

So we ask for your support and we ask that our colleagues reject any amendments. We will have to summarily reject any amendments that raise dollar programs without any offset.

Mr. Chairman, H.R. 3816, the Energy and Water Development Appropriations Act, 1997, is a fiscally austere and socially responsible bill. It makes significant contributions to deficit reduction while maintaining sufficient funding for programs and activities critical to the well-being of the Nation. It represents the best efforts of the committee to balance the multiple demands on the energy and water bill against a notably constrained allocation of budgetary resources.

The energy and water development appropriations bill funds most programs of the Department of Energy—including atomic energy defense activities—and the water resources activities of the U.S. Army Corps of Engineers and the Bureau of Reclamation. The bill also funds several independent agencies, including the Nuclear Regulatory Commission, the Tennessee Valley Authority, and the Appalachian Regional Commission.

The bill appropriates a total of $19.4 billion in new budget authority for fiscal year 1997. This amount, which is within the subcommittee's 602(b) allocation, is a modest increase of $94.68 million over the fiscal year 1996 level. Nevertheless, the bill is $800 million less than requested by the administration and $887 million less than the energy and water development appropriations bill recently reported by the Senate Committee on Appropriations.

The grand total of the bill masks the measure's substantial reductions in funding for domestic discretionary programs. The bill's reduction of $147.58 million below last year's level is more than offset by its increase of $242.26 million for atomic energy defense activities. Discounting for the defense increases, the bill is largely a deficit reduction measure, having reduced new domestic outlays for programs within its jurisdiction by 16 percent over the last 2 years.

In targeting these reductions, the bill terminates a number of programs and activities, including: the TVA Environmental Research Center, in-house energy management, and a number of low-priority research and development programs of the Department of Energy and water resource agencies. It also discontinues Federal appropriations for regional river basin commissions and effects significant reductions in programs throughout the bill. The committee has been especially conscientious in reducing administrative accounts and downsizing the bureaucracies of agencies within the jurisdiction of the Subcommittee on Energy and Water Development.

The demands on the fiscal year 1997 energy and water development appropriations bill have been unprecedented. Hundreds of Members, associations, public interest groups, companies, agencies, and individuals have contacted the committee to communicate their priorities and concerns in connection with the energy and water bill. The committee has received over 2,500 discrete requests from Members alone. Unable to provide funding for all such requests, the committee has attempted to accommodate the interests of Members and the public to the extent possible within an extremely constrained budget allocation.

Title I of the bill funds programs and projects of the U.S. Army Corps of Engineers. Total spending for the corps is $3.4 billion, $83 million above last year and $156 million above the budget request.

Last year, the administration proposed a new policy to severely limit the corps' role in local flood control, beach erosion, and small harbor maintenance. The committee and Congress soundly rejected that policy. This year, the administration has proposed a similar, albeit narrow, policy which would, among other things, essentially terminate corps assistance for beach erosion control activities. The committee has again rejected the administration's proposal and has funded a number of beach erosion control projects, notwithstanding the misguided policy.

Although appropriations for the corps have increased, the additional funds are intended to save money over time by accelerating corps construction works in progress and by committing adequate resources to the operation and maintenance of completed projects. Funding for corps construction is $1.035 billing, $121 million over the budget request. Operation and maintenance funding is $1.7 billion, $38 million over the budget request.

The administration's budget request demonstrably underfunds corps activities. Funding at the budget request would result in slipped construction schedules for works in progress and inadequate maintenance of completed projects.

Title II provides funding for programs under the jurisdiction of the Department of the Interior: the Bureau of Reclamation and the Central Utah Project Completion Account. Appropriations for title II total $838 million, $15 million less than fiscal year 1996 and $5.5 million less than the budget request. Funding for the Bureau of Reclamation is $794 million, $14.5 million less than fiscal year 1996 and $5.5 million less than the budget request. These reductions continue the downsizing of the Bureau in recognition that the agency's original mission has been largely accomplished and that the Bureau's role in Western life will be increasingly diminished as more communities take responsibility for the operation of water delivery systems.

Title III of the bill funds most programs and activities of the Department of Energy. Total funding for title III is $15.3 billion, including $10.9 billion for atomic energy defense activities.

It has been somewhat despairing to witness the continuing meltdown of managerial accountability and responsibility at the Department of Energy. Among other things, this managerial breakdown is manifested by: failures to follow explicit congressional direction; liberal execution of reprogrammings without notification; improper augmentations of appropriations; travel process irregularities; an apparent absence of any corporate view or vision; a failure to ameliorate impacts of inevitable budget reductions; irresponsible budgeting; wasteful expenditures of scarce resources; and undue investments in congressional lobbying efforts.

It is of especial concern that the Department's budget so closely conforms to the administration's model of unrealistic outyear projections. Pretending to support a balanced budget, the administration defers significant budget reductions to later years. If there were any intention whatsoever of actually effecting those reductions, then it would be unconscionable to request the substantial programmatic increases included in the fiscal year 1997 budget. Building programs up only to cut them down is shortsighted, unnecessarily disruptive, and fiscally irresponsible.

The committee has been compelled to impose efficiencies on the Department through significant budget reductions. The Department must reverse course and sharpen its focus on a limited number of core missions. The Department, seduced by new wave management theories and wholly lacking resistance to the kudzu-like nature of bureaucratic growth, seems to have lost its way in a murky morass of visionless activity.

It is in the domestic programs of the Department of Energy where the committee has made its most serious reductions. Energy supply, research and development, for example, is funded at $2.6 billion. This represents a reduction of $372 million below the budget request of $3 billion. Included in this amount is a reduction of $132 million, or 36 percent, from the request for solar and renewable energy programs. While this reduction may appear severe, it represents a correction of the dramatic, unjustified, and unsustainable increases that the programs have enjoyed in recent years. In fact, the recommendation of $231 million represents an 18-percent increase over the amount appropriated for these programs just 6 years ago.

The energy supply, research and development account also includes: $225 million for fusion energy sciences, $379 million for biological and environmental research, $643 million for basic energy sciences, and $183 million for nuclear energy programs. The committee's decision to fully fund the budget requests for most basic research programs has required reductions to other programs throughout the account.

The committee has done its best to preserve maximum funding for basic research and pure science activities of the Department. Operating in an environment of severe funding constraints, the committee has determined that these activities should receive higher priority than applied research and technology development, for which funding by private industry is more appropriate. The bill includes $996 million for general science and research activities of the Department of Energy. This is an increase of $15 million over the amount appropriated in fiscal year 1996.

Funding for activities of the Office of Civilian Radioactive Waste Management totals $382 million. Of this amount, $200 million is appropriated as the Federal share of repository development for the disposal of high level defense waste. The remaining $182 million, appropriated from the nuclear waste fund, is available subject to authorization. The committee, which required the Department last year to focus its efforts on characterization activities, is pleased with recent progress in the analysis of Yucca Mountain. Nevertheless, there is great frustration that the Nation's nuclear waste policy remains unresolved. Consequently, the bill requires and anticipates the enactment of reforms to the Nuclear Waste Policy Act by making the appropriation of funds from the nuclear waste fund subject to authorization.

Atomic energy defense activities of the Department are, for the most part, funded at or near the requested levels. Defense Environmental Management, the program responsible for cleaning up the contaminated sites of the nuclear weapons production complex, is funded at the budget request level of $5.4 billion. The bill also includes $3.7 billion for weapons activities and $1.4 billion for other defense activities. The bill fully funds the national ignition facility at $191 million. The committee will continue to scrutinize the facility, a centerpiece of the Department's stockpile stewardship program, to assure its cost-effectiveness and continued relevance to national defense needs.

Administrative accounts throughout the Department are substantially reduced. Headquarters employees funded from the departmental administration account, for example, are reduced by one-third. Moreover, the bill prescribes FTE ceilings for certain headquarters offices. The Office of Congressional, Intergovernmental and Public Affairs, for instance, is reduced from 94 FTE to 35. The policy office is reduced from 172 FTE to 20.

Title IV of the bill funds various independent agencies with energy and water resource responsibilities. Total funding for title IV is $281.5 million. This is a reduction of $30 million below fiscal year 1996 and $48 million below the budget request.

The Appalachian Regional Commission is funded at $155 million, a reduction of $15 million—or 8.6 percent—from the fiscal year 1996 and budget request level of $170 million. Appropriated programs of the Tennessee Valley Authority are funded at $97 million, a reduction of $12 million—or 11 percent—from fiscal year 1996 and $23 million—or 19 percent—from the budget request. The bill also includes: $12 million for the Defense Nuclear Facilities Safety Board; $472 million for the Nuclear Regulatory Commission; and $2.5 million for the Nuclear Waste Technical Review Board.

Mr. Chairman, although the energy and water bill will not please everyone, I am certainly proud of the bipartisan spirit in which the committee has worked to produce this legislation. It has been necessary to effect painful reductions, but the committee has exercised its best collective judgment to target these reductions to less essential activities of the Federal Government.

Mr. Chairman, I would be remiss if I failed to pay special tribute to the ranking minority member of the Subcommittee on Energy and Water Development, the Honorable TOM BEVILL. I don't know of anyone who would disagree with the observation that he is one of the finest and most honorable gentlemen ever to have served in this distinguished body. In his years of service as a Member of Congress and as chairman of the Subcommittee on Energy and Water Development, he has always been fair and honest—a man of virtue and impeccable integrity. it has been an honor to follow in his footsteps. In my 2 years as chairman, I have attempted to continue Mr. BEVILL's tradition of bipartisanship and fair treatment of all Members. I must say, though, that to match Mr. BEVILL's record of dedicated service is a daunting task, to say the least. I wish my good friend the very best in his upcoming retirement and look forward to continuing our friendship for years to come.

Mr. Chairman, I urge all Members to support H.R. 3816, the Energy and Water Development Appropriations Act, 1997.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS BILL, 1997 (H.R. 3816)

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
TITLE I - DEPARTMENT OF DEFENSE - CIVIL					
DEPARTMENT OF THE ARMY					
Corps of Engineers - Civil					
General investigations	121,767,000	142,500,000	153,628,000	+31,861,000	+11,128,000
Construction, general	804,573,000	914,000,000	1,035,394,000	+230,821,000	+121,394,000
Flood control, Mississippi River and tributaries, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee	307,885,000	292,500,000	302,990,000	-4,895,000	+10,490,000
Operation and maintenance, general	1,703,697,000	1,663,000,000	1,701,180,000	-2,517,000	+38,180,000
Emergency appropriations (P.L. 104-134)	30,000,000	....	....	-30,000,000	....
Regulatory program	101,000,000	112,000,000	101,000,000	....	-11,000,000
Flood control and coastal emergencies	10,000,000	15,000,000	10,000,000	....	-5,000,000
Emergency appropriations (P.L. 104-134)	135,000,000	....	....	-135,000,000	....
General expenses	151,500,000	153,000,000	145,000,000	-6,500,000	-8,000,000
Oil spill research	850,000	850,000	....	-850,000	-850,000
Total, title I, Department of Defense - Civil	3,366,272,000	3,292,850,000	3,449,192,000	+82,920,000	+156,342,000
TITLE II - DEPARTMENT OF THE INTERIOR					
Central Utah Project Completion Account					
Central Utah project construction	18,905,000	25,827,000	25,827,000	+6,922,000	....
Fish, wildlife, and recreation mitigation and conservation	18,503,000	11,700,000	11,700,000	-6,803,000	....
Utah reclamation mitigation and conservation account	5,485,000	5,000,000	5,000,000	-485,000	....
Program oversight and administration	1,246,000	1,100,000	1,100,000	-146,000	....
Total, Central Utah project completion account	44,139,000	43,627,000	43,627,000	-512,000	....
Bureau of Reclamation					
General investigations	12,684,000	15,095,000	14,548,000	+1,864,000	-547,000
Construction program	411,046,000	392,524,000	398,069,000	-12,977,000	+5,545,000
Emergency appropriations (P.L. 104-134)	9,000,000	....	....	-9,000,000	....
Operation and maintenance	273,076,000	292,876,000	286,232,000	+13,156,000	-6,644,000
Loan program	11,668,000	12,715,000	12,715,000	+1,047,000	....
(Limitation on direct loans)	(37,000,000)	(37,000,000)	(37,000,000)	....	....
General administrative expenses	48,150,000	48,971,000	45,150,000	-3,000,000	-3,821,000
Colorado River Dam fund (by transfer, permanent authority)	(-4,556,000)	(-3,774,000)	(-3,774,000)	(+782,000)	....
Central Valley project restoration fund	43,579,000	38,000,000	38,000,000	-5,579,000	....
Total, Bureau of Reclamation	809,203,000	800,181,000	794,714,000	-14,489,000	-5,467,000
Total, title II, Department of the Interior	853,342,000	843,808,000	838,341,000	-15,001,000	-5,467,000
(By transfer)	(-4,556,000)	(-3,774,000)	(-3,774,000)	(+782,000)	....
TITLE III - DEPARTMENT OF ENERGY					
Energy Supply, Research and Development Activities	2,727,407,000	3,020,497,000	2,648,000,000	-79,407,000	-372,497,000
Uranium Supply and Enrichment Activities	64,197,000	70,000,000	53,972,000	-10,225,000	-16,028,000
Gross revenues	-34,903,000	-42,200,000	-42,200,000	-7,297,000	....
Net appropriation	29,294,000	27,800,000	11,772,000	-17,522,000	-16,028,000
Uranium enrichment decontamination and decommissioning fund	278,807,000	240,200,000	200,200,000	-78,607,000	-40,000,000
General Science and Research Activities	981,000,000	1,009,150,000	996,000,000	+15,000,000	-13,150,000
Nuclear Waste Disposal Fund	151,600,000	200,028,000	182,000,000	+30,400,000	-18,028,000
Departmental Administration	366,697,000	244,863,000	195,000,000	-171,697,000	-49,863,000
Miscellaneous revenues	-122,306,000	-125,388,000	-125,388,000	-3,082,000	....
Net appropriation	244,391,000	119,475,000	69,612,000	-174,779,000	-49,863,000
Office of the Inspector General	25,000,000	29,605,000	24,000,000	-1,000,000	-5,605,000
Environmental Restoration and Waste Management:					
Defense function	(5,557,532,000)	(5,591,310,000)	(5,543,810,000)	(-13,722,000)	(-47,500,000)
Non-defense function	(900,348,000)	(891,614,000)	(822,346,000)	(-78,002,000)	(-69,268,000)
Total	(6,457,880,000)	(6,482,924,000)	(6,366,156,000)	(-91,724,000)	(-116,768,000)
Atomic Energy Defense Activities					
Weapons Activities	3,460,314,000	3,710,002,000	3,684,378,000	+224,064,000	-25,624,000
Defense Environmental Restoration and Waste Management	5,557,532,000	5,409,310,000	5,409,310,000	-148,222,000	....
Fixed asset acquisitions (sec. 621)	....	182,000,000	134,500,000	+134,500,000	-47,500,000
Other Defense Activities	1,388,212,000	1,547,700,000	1,459,533,000	+71,321,000	-88,167,000
Defense Nuclear Waste Disposal	248,400,000	200,000,000	200,000,000	-48,400,000	....
Total, Atomic Energy Defense Activities	10,654,458,000	11,049,012,000	10,887,721,000	+233,263,000	-161,291,000
Power Marketing Administrations					
Operation and maintenance, Alaska Power Administration	4,260,000	4,000,000	4,000,000	-260,000	....
(By transfer)	(5,500,000)	....	....	(-5,500,000)	....
Operation and maintenance, Southeastern Power Administration	19,843,000	20,900,000	18,859,000	-984,000	-2,041,000
Operation and maintenance, Southwestern Power Administration	29,778,000	26,900,000	25,210,000	-4,568,000	-1,690,000

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS BILL, 1997 (H.R. 3816)—Continued

	FY 1996 Enacted	FY 1997 Estimate	Bill	Bill compared with Enacted	Bill compared with Estimate
Construction, rehabilitation, operation and maintenance, Western Area Power Administration	257,652,000	217,891,000	211,582,000	-46,070,000	-6,309,000
(By transfer, permanent authority)	(4,556,000)	(3,774,000)	(3,774,000)	(-782,000)	
Falcon and Amistad operating and maintenance fund	1,000,000	970,000	970,000	-30,000	
Total, Power Marketing Administrations	312,533,000	270,661,000	260,621,000	-51,912,000	-10,040,000
Federal Energy Regulatory Commission					
Salaries and expenses	131,290,000	159,397,000	141,290,000	+10,000,000	-18,107,000
Revenues applied	-131,290,000	-159,397,000	-141,290,000	-10,000,000	+18,107,000
Fixed asset acquisitions (sec. 621)		216,066,000			-216,066,000
Total, title III, Department of Energy	15,404,490,000	16,182,494,000	15,279,926,000	-124,564,000	-902,568,000
(By transfer)	(10,056,000)	(3,774,000)	(3,774,000)	(-6,282,000)	
TITLE IV - INDEPENDENT AGENCIES					
Appalachian Regional Commission	170,000,000	170,000,000	155,331,000	-14,669,000	-14,669,000
Defense Nuclear Facilities Safety Board	17,000,000	17,000,000	12,000,000	-5,000,000	-5,000,000
Delaware River Basin Commission:					
Salaries and expenses	343,000	342,000		-343,000	-342,000
Contribution to Delaware River Basin Commission	428,000	534,000		-428,000	-534,000
Total	771,000	876,000		-771,000	-876,000
Interstate Commission on the Potomac River Basin:					
Contribution to Interstate Commission on the Potomac River Basin	511,000	508,000		-511,000	-508,000
Nuclear Regulatory Commission:					
Salaries and expenses	468,300,000	475,300,000	471,800,000	+3,500,000	-3,500,000
Revenues	-457,300,000	-457,800,000	-457,300,000		+500,000
Subtotal	11,000,000	17,500,000	14,500,000	+3,500,000	-3,000,000
Office of Inspector General	5,000,000	5,000,000	5,000,000		
Revenues	-5,000,000	-5,000,000	-5,000,000		
Subtotal					
Total	11,000,000	17,500,000	14,500,000	+3,500,000	-3,000,000
Nuclear Waste Technical Review Board	2,531,000	3,214,000	2,531,000		-683,000
Susquehanna River Basin Commission:					
Salaries and expenses	318,000	322,000		-318,000	-322,000
Contribution to Susquehanna River Basin Commission	250,000	380,000		-250,000	-380,000
Total	568,000	702,000		-568,000	-702,000
Tennessee Valley Authority: Tennessee Valley Authority Fund	109,169,000	120,000,000	97,169,000	-12,000,000	-22,831,000
Total, title IV, Independent agencies	311,550,000	329,800,000	281,531,000	-30,019,000	-48,269,000
Scorekeeping adjustments	-609,343,000	-428,000,000	-428,000,000	+181,343,000	
Grand total:					
New budget (obligational) authority	19,326,311,000	20,220,952,000	19,420,990,000	+94,679,000	-799,962,000
(By transfer)	(5,500,000)			(-5,500,000)	

Mr. MYERS of Indiana. Mr. Chairman, I reserve the balance of my time.

Mr. BEVILL. Mr. Chairman, I yield myself such time as I my consume.

Mr. Chairman, I want to congratulate the gentleman from Indiana, Chairman MYERS, for the tremendous job that he has done. Without any question, in my 30 years here, this has been the most difficult bill we have ever produced, of course, the reason being the shortage of funds. We were given a very low allocation, and this has caused many headaches and made it very difficult.

As a matter of fact, we have many good projects that we know should be funded that are not funded. Many of the Members are very unhappy about the lack of funding for their projects, very good, approved and authorized programs that have not been funded; and so we have just had to do the best we could under the circumstances.

But I do want to commend the gentleman from Indiana, Chairman MYERS, for his outstanding leadership in making this bill possible, as well as the subcommittee members. We have all worked together on both sides of the aisle; and certainly our fine staffs on both sides of the aisle, the committee staffs, have done their usual great job.

So we do have some good news, for example, in the operation and maintenance of the navigable waterways. As you know, we have the finest inland waterway system in the world, 25,000 miles of navigable waterways, and we are actually slipping on the operation and maintenance. This is, of course, false economics; it is like not putting oil in your automobile when it is needed. We know that that is not saving money.

So we have a good bit of that, and this concerns me a great deal, because as you know, these 25,000 miles of inland waterways that we have transport 80 percent of all of our exports to foreign countries, transferring them to the harbors so they can be exported; and that is where our jobs are created. That is very important to the Nation's economy. Our waterways play a very important role, and we cannot afford to continue neglecting our infrastructure, which is so important to the economy of this country.

In the Energy Department, of course, there is a lot of important research that this bill has protected. We have actually addressed the current needs fully, and our nuclear weapons program has been fully funded.

We have come to grips with the Department of Energy's headquarters staffing problems. There are some inefficiencies there that the committee is not happy about. Getting back to the specific cuts, we hope to be helpful, and in the appropriation process before this bill actually goes to the White House. The Nuclear Regulatory Commission was adequately funded.

On a more personal note, I just want to thank each of my colleagues on the occasion of this, my last Energy and Water Development Appropriations bill. I would like to thank each of the Members for your support and friendship through the years. I admire your dedication to our country and to our constituents, and I wish for Members individually and as a Congress much success. The Members of this great institution have enriched my life and made it better.

Mr. Chairman, once again, I would like to commend the fine job the gentleman from Indiana [Mr. MYERS] has done, and it has been my pleasure to work with him, side by side, to turn out a bill that is nonpartisan and worthy of support from each side of the aisle.

In closing, I simply ask that Members consider that this bill was not an easy bill put together, just a delicate balance. As the chairman has pointed out, we have reached the limit of the funding, and so any amendments that may be offered would have to have an offset.

All the compromises have been made, and we feel that we could not have a better bill under the circumstances.

Mr. Chairman, I reserve the balance of my time.

Mr. MYERS of Indiana. Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana [Mr. LIVINGSTON], chairman of the Committee on Appropriations, whom we thank for helping us get the increase in the 602(b). I know we caused him some heartache because we just could not go with a lesser figure.

Mr. LIVINGSTON. Mr. Chairman, I thank my friend from Indiana for yielding me the time. I want to take this opportunity to express my deep appreciation to the gentleman from Indiana [Mr. MYERS] and to the gentleman from Alabama [Mr. BEVILL] who just preceded me. They have done extraordinary work on behalf of the American taxpayers, on behalf of the American people, not only in this, the 13th bill of the fiscal year 1997 appropriations cycle, the last bill in the appropriations cycle for the 104th Congress, but also the last bill that both of them will be handling on behalf of the Committee on Appropriations and the American people throughout both their very significant and distinguished careers as Members of this great body.

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We appreciate their service and wish them both long and happy retirements in the years that follow their departure from this institution. I thank the gentlemen very much for their service.

Mr. Chairman, this is the last regular bill that the Committee on Appropriations will present from full committee in the 104th Congress. It is a pretty significant one.

This Congress has chosen to cut back on the role of Government and fulfill the pledge of the President of the United States when he stood before this body several months ago and said to the American people that the era of big Government is now over.

I have still not figured out whether he meant e-r-a or e-r-r-o-r, but the fact is he is right, and this Congress has borne his comments out.

We have scaled back, and only with the help, in bipartisan fashion, frankly, of the Republicans and Democrats on the committee and the Republican and Democrat Members on both sides of the aisle in this body and the other body.

I thank all of the Members for their forbearance, their corporation, their hard work and their performance to enable us to make what I believe to have been significant and historic changes. Government is being downsized significantly.

Through the Committee on Appropriations' efforts beginning in fiscal year 1995, we have cut non-defense spending roughly $53 billion. In that process we have terminated some 330 programs, give or take a program or two, but I think that is significant, and it is progress again towards taking the President at his word.

The era of big Government is now over. It is important, if we are to ever balance the budget and get the heavy of debt and escalating interest rates off the shoulders of our children and our grandchildren, that we take this first step, as we have in this Congress, to make sure that Government no longer runs us into the red and burdens the ability of our people to pay for mortgages, to educate its children, to buy cars and be productive in this country.

I am excited about the progress that we have made in this Congress, and I congratulate both the current chairman and the former chairman, who is now the ranking minority member, for their ability to work together in bipartisan fashion and hammer out what admittedly is a very, very difficult bill, but one which recognized the realities of the problems that face this country and has, in fact, helped us deescalate the cost of Government. I congratulate all Members.

Mr. BEVILL. Mr. Chairman, I yield 3 minutes to the gentleman from Tennessee [Mr. TANNER].

Mr. TANNER. Mr. Chairman, I want to engage the gentleman from Indiana [Mr. MYERS] in a colloquy at this time, if I might.

First, I would like to commend the chairman and the ranking member, the gentleman from Alabama [Mr. BEVILL], for their hard work in this matter. I know their job has not been easy; however, I am concerned about a recent GAO report that identifies more than $180 million in unused construction funds from prior year appropriations at the Department of Energy. Among the

GAO lists are 45 completed or terminated construction projects with carryover funds totaling around $46 million. It is my understanding that these funds can remain on the books for years and that DOE can reprogram those leftover funds as the need arises, sometimes on projects completely unrelated to the original intent of Congress.

In the current budget climate at present, it seems to me this accounting procedure may be flawed, and as we work toward balancing our books and exercise congressional prerogatives in terms of directing how these leftover funds are used, these unneeded carryover funds should be used for deficit reduction or at least to ease shortfalls that can occur in the otherwise austere budget climate.

I would ask the chairman if we could work together to resolve this matter. As a member of both the Committee on National Security and the Committee on Science, I would welcome the opportunity to work with my colleagues on the Committee on Appropriation on this issue.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. TANNER. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, I thank the gentleman for bringing this to our attention. The committee is quite concerned about this problem. We have been concerned for quite some time, have tried to identify just how much there are in some of these unobligated funds. Most appropriations are good for just 1 year. Sometimes in defense they go a little longer, but we are deeply concerned about the same problems and share your concern. We get a different figure from DOE when we ask for it, but we share your concern and would be pleased to work with you and the other authorizing committee members in making certain we try to tie up this loose end.

Mr. TANNER. Mr. Chairman, reclaiming my time, I appreciate that because I am concerned about the funding levels in the decontamination and decommissioning account, which funds environmental cleanup and decontamination and decommissioning activities at the Portsmouth, OH, Paducah, KY, and Oak Ridge, TN gaseous diffusion plants, plants, and the nondefense environmental restoration and waste management account.

GAO, I would note, identifies more than $40 million in leftover unneeded funds to cancel construction projects funded in the environmental and waste management account.

May I ask if the chairman believes that at least a portion of these carryover funds could be used to fund needed projects in the decontamination and decommissioning account and the nondefense energy restoration and waste management account?

Mr. MYERS of Indiana. Mr. Chairman, if the gentleman would continue to yield, again we share his concern about this and we are trying to monitor this as closely as we can because this is one of the most rapidly growing accounts that we have and it will continue to be a problem for us. So we have to make sure every dollar is used effectively. We share the gentleman's concern and will be glad to work with him.

Mr. TANNER. Mr. Chairman, I appreciate the service that both the gentlemen have rendered, and I thank the chairman.

The CHAIRMAN. The Committee will rise informally.

The SPEAKER pro tempore. (Mr. TORKILDSEN) assumed the chair.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Lundregan, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3734. An act to provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 3734) "An Act to provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints from the Committee on the Budget: Mr. DOMENICI, Mr. NICKLES, Mr. GRAMM, Mr. EXON, and Mr. HOLLINGS; from the Committee on Agriculture, Nutrition, and Forestry: Mr. LUGAR, Mr. HELMS, Mr. COCHRAN, Mr. SANTORUM, Mr. LEAHY, Mr. HEFLIN, and Mr. HARKIN; from the Committee on Finance: Mr. ROTH, Mr. CHAFEE, Mr. GRASSLEY, Mr. HATCH, Mr. SIMPSON, Mr. MOYNIHAN, Mr. BRADLEY, Mr. PRYOR, and Mr. ROCKEFELLER; and from the Committee on Labor and Human Resources: Mrs. KASSEBAUM and Mr. DODD, to be the conferees on the part of the Senate.

The SPEAKER pro tempore. The Committee will resume its sitting.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1997

The Committee resumed its sitting.

Mr. MYERS of Indiana. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. KNOLLENBERG].

Mr. KNOLLENBERG. Mr. Chairman, I thank the gentleman from Indiana for yielding me this time, and I appreciate all the work he has done, particularly on this bill, but also the staff, my staff and the committee's staff. They worked hard and have done an outstanding job.

There are several things I want to talk about, but to be very brief about this, I want to focus on the fact that in this appropriations bill, like any other appropriations bill, we did not simply spread the pain evenly among the programs in our jurisdiction. Instead, we prioritized spending program by program based on their efficiency and national importance.

I would just tell my colleagues that I am encouraged by the committee's foresight to fund the basic research and development programs at the budget request level. Furthermore, the committee has reduced funding for those programs that simply give subsidies to corporations for product development. We have all heard of corporate welfare, and it seems to be in defiance of a free and open market. The market is the best indicator, of course, of the value of a product.

Programs such as the international solar energy program and the renewable energy production incentive program are an example, I believe, of the Federal Government defying the market by holding otherwise noncompetitive corporations afloat with Federal subsidies.

I want to talk about important item which, frankly, is a concern I think of everybody. It is the environmental waste end of things where we spend something over $6 billion. If we look at the BEMR report, which was produced to give us an example of when this would come to an end, they are talking about the end of the next century. That is simply not acceptable.

I am glad to see we have report language now that will give us a program to get on track and it expresses the committee's strong views, and also, I believe, DOE's, in terms of bringing to closure these sites around the country.

In the report language for fiscal year 1998, the bill, and I certainly want to thank the gentleman from Indiana, Chairman MYERS, and the ranking member, the gentleman from Alabama, Mr. BEVILL, and all the committee for their work on this, we have in place a project closure fund.

It means simply this. The committee then directs the Department of Energy to include in its budget request to Congress an account designated as the project closure fund. As the report indicates, the purpose of a closure project is within a fixed period of time to clean up and decommission a former defense nuclear facility, or portion thereof, and to make the facility safe by stabilizing, consolidating, and removing special nuclear materials from the facility.

The site contractor must demonstrate and validate several criteria, including a project completion date, within 10 years of application. That is a lot shorter than the end of the next century. The amount of funding to be set aside for the project closure fund is

10 percent of the total defense EM Program. This funding would be available to site contractors who meet the criteria on a competitive basis.

The project closure fund is the type of program that can save the EM from becoming a century long spending fiasco. What we need and what the project closure fund provides is a responsible, manageable cleanup program to bring closure to the EM Program and free up the Department of Energy's largest fiscal expenditure for budget deficit reduction.

Closure of these former defense nuclear cleanup sites is mandatory if we are to achieve our highest goal, which is ensuring safety for the communities and the workers in close proximity to the sites.

It also sends a message, I believe, to the Department of Energy and the site contractors that the time is now to close down the EM Program. We owe it to our Nation to come up with a better plan.

Again, I sincerely want to thank Chairman MYERS, Ranking Member BEVILL, and all the crew, all the gang here that worked so hard to include the project closure fund in the report language. I am encouraged by this language, and I am glad to see we are turning the corner.

Mr. BEVILL. Mr. Chairman, I yield 3½ minutes to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Chairman, I thank the distinguished ranking member for yielding me this time, and I will make a rather short statement with regard to the bill.

Mr. Chairman, it should not take a hike in the price of gasoline, such as we have experienced over the last year, for the Congress to remember its responsibilities to the energy supply and security of this Nation. However, because the last few years of relative calm in the energy markets have lulled us into complacency, perhaps this sharp jab resulting from these gasoline price increases may have been just what we needed.

It is a fact that our only insurance policy against future energy security problems, against further pollution and degradation of the environment and jolts to the economy from gasoline price hikes is energy research and development, and yet the bill before us today cuts energy research and development rather drastically.

I think that there may be some in this body who believe that the American public somehow will not notice that the Congress is cutting energy and renewables R&D even at this time of increased gasoline prices. Perhaps they think it is just too technical for the American public to grasp. However, poll after poll shows that the American public not only knows about these energy R&D programs but overwhelmingly supports them.

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The American public expects the Federal Government to promote solar and renewable energy technologies and energy R&D, so that advances occur in the energy market sooner rather than later and so that current energy sources supply as much useful energy as they can. I am referring here, of course, to fossil.

The public understands that we have too much at stake in energy security, in curbing pollution, and in creating and capturing high technology markets for us to curtail Federal efforts in energy R&D now.

The bill before us risks just such a lack of attention to solar and renewables research, to nuclear energy strategy, to biological and environmental research and to fusion energy R&D.

I understand very clearly that this is because of the current budgetary crisis that faces us, but it is time for us to look to the long-term future of our country, and I think that we should begin with the kind of bills that we have before us. For a country as dependent on energy as the United States, investment in R&D is the only prudent course of action. A strong energy R&D program allows us and our children to develop cheap and pollution-free energy sources. More importantly, if we do not make this investment, our children will continue to be plagued by the geopolitical and economic problems that concern us today.

Mr. Chairman, I want to recognize the important contribution to the House and to this bill of the gentleman from Indiana, JOHN MYERS, and the gentleman from Alabama, TOM BEVILL, who will soon retire. They have been leaders. They have been gentlemen. They have treated me with courtesy even though I was a pain in the neck most of the time, and I am very grateful to them for this. I want to wish them the very best in terms of a happy, well-earned retirement. I hope that I will not see the last of them after they retire, and I look forward to continuing our good relationship.

Mr. MYERS of Indiana. Mr. Chairman, I thank the gentleman from California for his very kind and generous remarks.

Mr. Chairman, I yield 2½ minutes to the gentleman from New Jersey [Mr. FRELINGHUYSEN], a very hard working new member of this committee. He has made a great contribution in helping us ease the fusion problem.

Mr. FRELINGHUYSEN. Mr. Chairman, I rise today in support of H.R. 3816 making appropriations for energy and water development for fiscal year 1997. I would first like to thank Chairman JOHN MYERS and Ranking Member TOM BEVILL for their leadership and direction. Although I have not had the pleasure of working with them as long as some of my colleagues, I am grateful that I have had 2 years to learn from them. I will miss both of them in the next Congress as they are retiring.

I would also like to thank the dedicated staff of the subcommittee, without them our jobs would be tremendously more difficult. Their knowledge and professionalism is to be commended.

The bill before the House today stresses national priorities while keeping our commitment to downsize the Federal Government, maintain funding for critical flood safety projects, coastal protection, and dredging harbors and waterways throughout our Nation. We have made some tough choices about where to reduce spending but I believe the $19.8 billion that we have provided is targeted toward the areas that are the most important.

I am particularly pleased with the subcommittee decision to flatly reject the President's proposal to end coastal protection and smaller navigation projects. These projects are very important to local economies all over the United States and especially New Jersey. The President's policy was shortsighted and would have resulted in hurting many communities that rely on promises the Federal Government has made to provide flood protection. And more often than not, they are projects that have been undertaken in partnerships with local and State governments. I am hopeful that the administration will abandon future efforts such as these and concentrate on providing the protection that our citizens deserve.

In addition, this bill provides $225 million for magnetic fusion energy research. While this number is reduced from last year level, I am hopeful that as the bill moves through the legislative process the committee will be able to increase the number. I am also optimistic that the committee will be able to reach a compromise on language giving the Department the greatest flexibility in meeting the FEAC recommendations contained in this year's report. Scientists who work in this special area of fusion research tell me that the prospects for achieving practical fusion energy have never been greater. The progress over the past several years has been truly impressive. Fusion energy research needs to be continued if we have any hopes of finding future energy sources that do not harm our environment.

Mr. Chairman, this bill represents real progress toward setting national priorities. I urge my colleagues to support this bill.

Mr. BEVILL. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. OBEY], our ranking Democrat on the House Committee on Appropriations.

Mr. OBEY. Mr. Chairman, let me simply make a few brief observations. I have some concerns about a number of items in this bill, including the international nuclear issues, the squeeze which is created on fusion research by earmarking, which means that you have left only $16 million to fund $51 million worth of demand from research universities around the country. I am concerned about the reduction in solar and renewable energy and about a number of other items, one of which I will be dealing with in an amendment which I will be offering later in the game on the advanced light water reactor.

My purpose in rising at this point, however, is to simply note with considerable regret the decision to retire that has been reached by the gentleman from Indiana [Mr. MYERS] and the gentleman from Alabama [Mr. BEVILL]. We have seen a number of stories written lately about why this institution seems to be so much more partisan and why it has become a much less pleasant place to work. It certainly has.

I think if you want to know why that is happening, I think two reasons are simply that Members like Mr. MYERS and Mr. BEVILL are retiring. I think that will be a great loss to this institution because they both bring to this institution not only their considerable expertise in the programs with which they deal, but they also bring considerable grace to the way in which they perform their jobs.

I have admired JOHN MYERS' ability to get along with everybody for as long as I have known him in this body. I do not think there is a mean bone in his body and I do not think there is a partisan bone in his body. He has, I think, genuinely shown that good guys can finish first, despite the admonition to the contrary by Leo Durocher a good many years ago.

I think the same is true for TOM BEVILL. Every one who knows TOM BEVILL understands that he is a consummate gentleman. They understand that he is first and foremost interested in getting the job done and does not much cotton to partisan arguments one way or another. He has helped many a Member and many a community in this country to deal with problems that otherwise would have been beyond their reach.

I will very much regret next year seeing that neither of them will be here, but they have done honor to this House. They have done honor to this country and they have done honor to their respective parties by the manner in which they have served their constituents in this body. I think we all owe them a standing round of applause.

Mr. MYERS of Indiana. Mr. Chairman, I thank the gentleman from Wisconsin [Mr. OBEY] for those very kind remarks. I hope we deserve them.

Mr. Chairman, I reserve the balance of my time.

Mr. BEVILL. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. BENTSEN].

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Chairman, I rise today in support of H.R. 3816, the fiscal year 1997 energy and water appropriations bill.

First, I would like to thank Chairman MYERS and Ranking Member BEVILL for their hard work on this important legislation and the consideration that they have given to my region of the country. As a former staff member of this body, it is an honor to have had the opportunity to work with them for just the short time that I have been here. But I do appreciate it and we will miss their leadership.

Devastating damage from floods is a clear reminder that our lives and our infrastructure and our economy depend on proper watershed management. I am pleased that H.R. 3816 includes vital funding for several flood control and navigational projects in the Houston area. These projects include Brays, Sims, and Breens Bayous and will provide much-needed protection for communities that have been plagued by severe flooding for decades.

Funding is also included for the Port of Houston and Houston ship channel which are of great economic importance to our region and to the Nation.

I would remind my colleagues that in 1994, the Clinton administration proposed a phaseout of Federal funding for local flood control projects. I and other Members of the Texas delegation worked with the chairman and ranking member and members of the subcommittee to reject this proposal, and I am pleased that once again they have chosen to do so. However, as Congress seeks to balance the budget, the scarcity of Federal dollars for flood control could threaten hundreds of projects in southeast Texas and the entire country.

Although this committee has achieved what some would consider impossible in funding these projects, it is clear that Federal flood control policy must adapt to meet budgetary constraints without sacrificing public safety and environmental protection. That is why I have been working with the House Committee on Transportation and Infrastructure which overseas the authorization of water projects to restructure Federal watershed management and flood control policy and allow local entities to have more planning and construction involvement.

I believe local agencies, such as the Harris County Flood Control District in my district can construct these projects more quickly and more cost-effectively if they are free from Federal regulation and given more responsibility in return for less Federal dollars. This should benefit both the families who live in the flood-prone areas as well as taxpayers.

The Committee on Transportation and Infrastructure recently authorized the Water Resources Development Act reauthorization which includes language designating Harris County as a national test site for allowing local control over flood control. Under this plan, the Federal Government remains as partner in flood control but local governments will gain authority to respond more quickly and positively.

It is my hope that the Committee on Appropriations will look favorably on these flood control reforms. The time has come for Congress to give local governments more opportunity to plan and construct Federal flood control projects and to make safer communities and good for the American taxpayers.

I appreciate the work that the committee has done for the southeast Texas region. I ask my colleagues to support the bill.

Mr. BEVILL. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. HINCHEY].

Mr. HINCHEY. Mr. Chairman, I want to take this opportunity to raise a very serious consideration about one aspect of this particular bill; that is, the fact that this bill cuts 36 percent from fiscal year 1995 appropriations, the amount that it will spend in the next fiscal year on renewable energy research and development. This is a critical failure of the legislation. Keep in mind, a few years ago, we fought a war in the gulf. We fought that war for one purpose, because the gulf provides the world with the oil that it needs to run.

Just a few weeks ago, we lost 19 American servicemen in Saudi Arabia. The reason those servicemen were stationed in Saudi Arabia is only one, and that is because so much of our energy in this country is imported. We are now importing more than 50 percent of our annual energy needs, the annual oil needs, from outside of the country. We are becoming critically dependent upon foreign oil once again.

This is a very serious matter indeed. There is only one way for us to unhook ourselves from our dependence on gulf oil, one way to ensure that we do not fight more wars and lose more lives in Saudi Arabia and elsewhere in the gulf region. That is to remove ourselves from this dependence on gulf oil, Saudi Arabian oil particularly. We need to do that through research and development.

The research and development industry, the industry for research and development in solar is about to explode. It is expected that this industry will grow by 70 percent over the next 5 years. Let us look at where we stand with regard to other countries in this area of research and development.

Denmark spends more for wind research and development than does the United States. Japan spends twice as much on photovoltaic research and development than the United States, and Japan spends $150 million more on photovoltaic procurement.

We need to reinvest in alternative energy. If we fail to do that, we are going to lose more American lives in the future.

Mr. BEVILL. Mr. Chairman, I yield 3 minutes to the gentlewoman from Maryland [Mrs. MORELLA].

□ 1700

Mrs. MORELLA. Mr. Chairman, my congratulations to us and to the American people for having had the professional service of these two gentlemen who are leading this bill, the gentleman from Indiana [Mr. MYERS] and the gentleman from Alabama [Mr. BEVILL], who both have served 30 years each. Three decades they have given to our country in a very professional committed manner, demonstrating that civility is here and does have a place in the legislative process.

Now commenting on the bill, Mr. Chairman: Within the energy and water development appropriations bill, the Congress must ensure that we equip the Department of Energy to effectively meet our present and future energy needs. While the bill before us funds many critical programs, it would restrict the Department of Energy's ability to perform its mission by including a 30 percent reduction in the Department of Energy's departmental administration overall funding.

DOE's departmental administration salary and expenses budget is reduced by more than 20 percent, a reduction of over $50 million in fiscal year 1997, and instead of allowing DOE to reallocate their reduced resources as they deem appropriate, it reduces DOE's departmental administration staff of 1,500 FTE's as full-time equivalents by another 500 FTE's, a cut of over one-third of their staff, and sets specific FTE targets for each office. So there is no flexibility for the right decision-making.

Last year in the fiscal year 1996 appropriations bill, Congress asked DOE headquarters personnel in certain programs to make significant cuts and changes. The departmental administration budget was cut by 15 percent, which translates into a reduction of approximately 400 FTE's. Managers worked hard to administer this staff reduction without resorting to reductions in force. To save jobs, performance awards were eliminated, overtime was reduced by a half, furloughs were used to address further funding shortfalls. And despite substantial reductions in operating cost at headquarters, a two-thirds reduction since 1993, this legislation sets a general management and program support function at DOE at 47 percent less than last year and 20 percent less than the administration's request.

Mr. Chairman, it has been a difficult year for Federal employees. They have endured shutdowns, downsizing, RIF's, uncertainty and reduced benefits. They are among the most resilient people that we know. We really should not hit them any harder.

The negative ramifications of this unprecedented and punitive cut will affect the many important projects funded by this year's Energy and Water Development Appropriations bill. The bill targets cuts in the Environmental Management Program, Nonproliferation, and Energy Efficiency and Renewable Energy. In addition, the 90-percent cut imposed on DOE's Policy Office will leave only 20 employees to perform critical technical and economic analysis. This cut will jeopardize strategic planning and implementation of management reforms, economic policy development, gasoline market impact analyses.

Mr. Chairman, what I want to say is that I think we can ill-afford to have these cuts of the Federal employees, and I think it affects adversely the mission of the Department of Energy. I hope the conference committee will do something to ameliorate it. I feel that this important piece of legislation does have that damaging aspect of it.

Mr. BEVILL. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. VISCLOSKY].

Mr. VISCLOSKY. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, I regret that I was not present 19 years ago when the Tom Bevill-John Myers story began; the gentleman from Alabama [Mr. BEVILL] at that time being chairman of the subcommittee, the gentleman from Indiana [Mr. MYERS] being the ranking minority member. I am very pleased that I was present, however, as a member of the subcommittee on the very last markup held by the gentleman from Indiana [Mr. MYERS], and the ranking minority member, the gentleman from Alabama [Mr. BEVILL]. These two gentleman are gentleman in the truest sense of the word, and with the national public debate that has been overtaken by cynicism, they are the two who we can point to in the House of Representatives and hold out as examples of people who can hold strongly held views and yet work 24 hours a day to find that responsible bipartisan middle ground.

I say to the gentleman from Indiana and the gentleman from Alabama, I respect you, I have a deep affection for you. You have been friends of mine. You have been more than generous, much more generous than I deserved, with me, and you will be sorely missed. You have my every best wish for good health, joy, and happiness for every day of your life, and it was a tremendous privilege to be able to serve, however shortly, on the subcommittee with both of you in leadership positions.

Mr. BEVILL. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Chairman, I would like to begin my remarks where my distinguished friend from Indiana left off. That is, attempting to recognize and thank the gentleman from the great State of Indiana, a fellow Hoosier, and the gentleman from Alabama [Mr. BEVILL], a friend on the Democratic side, for all they have contributed to this institution over their long years and their valuable years of service.

Certainly we have many, many debates in this Chamber where oftentimes it is overtaken and overwhelmed by partisanship and by cynicism and by lack of respect for one another. These two gentlemen always would bring bills to this House floor where there was a comity, a respect and an institutional knowledge that lent credibility to this institution, and I thank them for that contribution in making this a better place to serve.

Along those lines, Mr. Chairman, I would like to encourage my colleagues to vote for an amendment that I will be offering later on in this debate on the energy and water bill where I will cut about $9.6 million from the field laboratories. Now, certainly the Senate has done this already. They have said, we do not just cut things from Washington, DC, and the bureaucracy here, we have to cut from our own backyards as well too, and that means going out into the field where we have some of the money going for congressional pork. Let us make sure that as we cut and balance the budget in outyears, that we cut not just Washington, DC, bureaucracy but we cut some of the field offices, and I will be offering a bipartisan amendment to cut to where the Senate has cut.

I would also encourage my colleagues to not overly micromanage in the area of fusion R&D, and there is report language in this bill that I think can be as harmful as some of the cuts that have taken place over the years in fusion. I would say let us not micromanage to our universities, big or small, exactly where each and every one of these dollars should go in fusion research.

Finally, Mr. Chairman, I would say let us continue to put many of our resources in solar and renewable research. I am somewhat concerned with some of the cuts in this bill on solar and renewable. I know an amendment is going to be offered, a bipartisan amendment that I will strongly support, that will include restoring some moneys back into that very, very valuable account.

With that, Mr. Chairman, I conclude my remarks, thank the gentleman from Indiana [Mr. MYERS] for his service to the great State of Indiana once again, and thank the gentleman from Alabama [Mr. BEVILL] for his bipartisanship.

Mr. Chairman, I rise today to comment on several provisions in the House version of the energy and water appropriations bill for fiscal year 1997 that I hope will be fixed by House floor action or in conference.

First, the energy and water bill continues the assault on civilian applied energy R&D initiated last year. From fiscal year 1995 levels, without factoring inflation, this bill cuts solar and renewables research by 44 percent, nuclear energy R&D by almost 60 percent, biological and environmental research by 6 percent, and fusion R&D by 37 percent. This is unacceptable.

These cuts devastate activities such as those that created solar cell modules that allow the United States to lead the world in sales of this technology with over one-third of the $300 million per year photovoltaics market; developed wind turbines that save the energy equivalent of 4.4 million barrels of oil each year in California alone; achieved a 50-percent increase in efficiency at nuclear powerplants, saving several million dollars per year per reactor; and made significant progress toward developing a fusion reactor that could help to create a worldwide supply of cheap energy for the 21st century.

In addition to reducing energy costs, these same technologies also reduce pollution and help to preserve the environment. If technology development can invent a way out of our pollution problems, it is surely a better approach than imposing Federal mandates and regulations.

Another bonus of such technology development may be that the United States can become more self-sufficient and cease to depend on foreign energy sources. I, for one, don't want to fight another Persian Gulf war if we can avoid it. And I think that spending a little on energy R&D to avoid such a war in the future—even in the distant future—is well worth the price.

Amendments will be offered later to add funds to the solar and renewables research efforts of the Department—I strongly support such amendments. In addition, I will be offering (an) amendment(s) to recoup savings from streamlining in the Department and its laboratories—and I strongly urge Members to listen closely to that debate and support returning those savings, not those from cuts to R&D, to the taxpayer.

At the same time, some Members will offer amendments to eliminate further research and development of Advanced Light Water Reactors. I strongly oppose such a move. We need to complete the final year of the ongoing innovative public-private partnership to develop the next-generation nuclear powerplants of the future. Otherwise we will concede the market to other countries with less stringent safeguards for environmental and health protection.

Each of these issues will be the subject of further floor action. However, there are two issues that I'd also like to discuss now that I respectfully ask the eventual conferees to this bill to consider in conference.

First, the report accompanying the Energy and Water appropriations bill details specific funding allocations within the fusion R&D account. These earmarks severely disadvantage the universities and small laboratories that participate in the program and threaten the balance between small and large experiments so important to its advancement. I appeal to the eventual conferees on this bill to negate this report language in conference. Such earmarking does not reflect well on the Congress and may do more harm to the Fusion R&D program than even the 40-percent cut it has received these past 2 years.

Also within the bill's report language are detailed FTE allocations for the Department's headquarters staff. Not only do these levels severely hamper the ability of the Department to carry out its mission, but such directive language intrudes on the prerogative of the executive branch to organize and staff its offices as circumstances require. This language also does not reflect well on the Congress and I encourage the conferees for this bill to strike it in its entirety.

Before I close, I would like to recognize the excellent work of Chairman MYERS and Ranking Member BEVILL. While there are several aspects of the bill with which I do not agree, I thank them heartily for their fine effort in the face of such a daunting task. Both JOHN MYERS and TOM BEVILL will be sorely missed in this Congress after they retire and their institutional knowledge will be impossible to recover. While this is not yet the time for goodbyes, I want to express my heartfelt appreciation for their important contributions to the Congress and to this bill, and not let my disagreement with certain actions taken in the bill reflect on the tremendous contribution that both Members bring to this House.

Finally, I would like to close with an appeal to Members of the House to consider the long-term implications of reductions to applied R&D contained in this bill. Such R&D has proven time and again its worth to American society through environmental protection and economic gains. Furthermore, energy and environmental technologies will only grow to a greater economic engine in the global economy, as environmental problems and oil import concerns increase. We must not hamper the ability of the United States to compete and benefit from these developments. Otherwise, when we have balanced the budget, we will find that we are left with a knowledge deficit that places the American economy behind its competitors.

I urge Members to vote on upcoming amendments to restore U.S. energy and environment R&D capabilities, while supporting bipartisan efforts to cut in the appropriate places—namely, administrative overhead at the Department and its laboratories.

Mr. MYERS of Indiana. Mr. Chairman, we thank everyone who said nice words about the gentleman from Alabama [Mr. BEVILL] and me, but this is about to conclude here.

So at this time I yield the remaining time that we have on our side to the very distinguished gentleman from California [Mr. RIGGS]. He is a very hard-working, valuable member of the subcommittee.

Mr. RIGGS. Mr. Chairman, I just want to join with all of our colleagues in the accolades that have preceded me in thanking the gentleman from Indiana [Mr. MYERS] and the distinguished former chairman and now ranking member, the gentleman from Alabama [Mr. BEVILL], not just for their tremendous work on this bill, but for their many years of extraordinary service to the House and to our country. I think I speak for all our colleagues in saying that their collective wisdom and experience will be sorely missed in this House and am wishing them well in all their future endeavors.

Later tonight during the appropriate titles of the bill, I want to talk on a couple of other subjects: Small harbor safety and fusion energy. But right now I want to focus on one action that I wish we had taken in committee but did not, and that is dealing with the growing problem of radioactive waste disposal. It is a problem that is not going to go away in this country. It is sort of like a ticking time bomb that gets more serious with every passing day. One in three diagnostic medical tests today uses radioactive materials. Eighty percent of all drugs are developed using some radioactive materials. Critical research on AIDS, cancer and multiple sclerosis could not take place without radioactive materials. These benefits to society, though, come at a cost. We need responsible disposal sites for the waste that is generated by these activities.

That is why I considered offering in committee, but was dissuaded by my good friend and distinguished chairman, considered offering the Ward Valley Land Transfer Act as an amendment to our bill. This would have affected the long-awaited transfer of land from the Department of Interior to the State of California to serve as a site for the storage of low-level radioactive waste.

I regret that the transfer has become embroiled in election year politics. The Interior Department is reluctant to allow our State of California to manage its own waste disposal.

Now, colleagues, we know the history of this particular issue. In 1993, after years of environmental study, California licensed Ward Valley in the remote Mohave Desert as a disposal site for low-level waste. Since that time the State's actions have successfully passed the review of the National Academy of Sciences and the California Supreme Court. All that remains is the actual transfer of the land from the Department of Interior to the State of California. State officials led by our Governor, Pete Wilson, have acted in good faith and they have taken many difficult steps to carry out their duty to provide for the disposal of low-level waste. However, after originally supporting the Ward Valley land transfer, the administration has now taken the position that more study is necessary.

Well, this is the good old bureaucratic paralysis by analysis, and it is blocking our enactment of a nuclear waste policy act, a policy in this country.

We also have the same problem with respect to storing spent nuclear fuel, another problem that is not going away. Since 1983 the Federal Government has collected $11 billion from electric ratepayers throughout the country. Now the Federal Government is seriously behind schedule in meeting its obligation to begin accepting spent nuclear fuel. If we do not enact legislation, legislation such as Yucca Mountain, 27 reactors will exhaust spent fuels storage capacity by 1998, just 2 years away. This will subject ratepayers to billions of dollars more in unnecessary costs for onsite storage of spent fuel.

So let me just tell my colleagues again that we need to be responsive in this body to the concerns of our fellow citizens. The Federal Government lacks a long-term policy for the disposal of nuclear waste. This is holding the benefits of nuclear medicine and nuclear energy hostage to politics.

So I urge my colleagues to rise above election year expediency and help to properly manage its radioactive nuclear materials.

Mr. BEVILL. Mr. Chairman, I yield 2 minutes to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Chairman, I also want to say that I regret the retirement of both the chairman and the ranking member of the subcommittee. The two of them always worked in a bipartisan manner. They are examples in this House of Representatives of what Members and chairman and ranking members truly should be, and I want to commend them for all their efforts.

Particularly this year once again, just as an example of their forward thinking in my opinion, is the report language in this bill that once again rejects the policy that was suggested by the administration that we not, that the Federal Government cut back or eliminate its role in shore protection, beach replenishment and small navigation projects. I looked at the report language today, and I am very pleased to see that it does commend the administration for dropping its opposition to support Federal support of flood control projects; but as we know, we continue to see this distinction in the administration's eyes between flood control and beach erosion protection, and the administration even goes further and suggests that they would fund structural improvements along the coastal areas, but not sand replenishment projects.

I just give you an example in my own district where the committee has once again funded a beach replenishment project that involves both a structural sea wall as well as sand replenishment. We cannot have one without the other. It makes no sense.

□ 1715

It makes no sense for the Federal Government to say they will pay for a seawall but not pay for the protective sand that is placed in front of the seawall. Once again, the subcommittee has rightly pointed out that it is essentially discriminatory to say that coastal areas cannot have that form of flood protection, whereas inland areas would, if the administration policy was to be continued and to be enacted.

I also wanted to say the same thing is true for small navigation projects. There is really no distinction from an economic point of view for a State or locality with a small navigation project, which tends to be recreational, versus a large commercial project.

In New Jersey, tourism is actually our No. 1 industry. More money is engendered in New Jersey through tourism than any other industry. To suggest that somehow small navigational programs are not important is not accurate.

Mr. BEVILL. Mr. Chairman, I yield back the balance of my time.

Mr. MYERS of Indiana. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am about to make a motion which I will explain. The Committee will rise at this time. The House will go back to a conference report on the welfare bill with instructions that will take a little over an hour, probably. So that the Members understand, we will come back about 6:30 or quarter to 7, and we will take this bill up again for amendments.

Mr. PORTER. Mr. Chairman, as we discuss the efficacy and safety of pyroprocessing, also known as electrometallurgical treatment, it is extremely important to remember that this technology is still in its development phase. I find many of the arguments against pyroprocessing premature because we do not yet know how this technology may assist in reducing our country's nuclear waste. However, since 35 States currently host nuclear waste, and 22 percent of our Nation's electricity is generated by nuclear power, I think that it is imperative that we research new ways to dispose of our spent nuclear fuel. As we consider funding for further research into this technology and examine our options for safe disposal of nuclear waste, keep in mind that the National Academy of Sciences, which has been monitoring the progress of the pyroprocessing facility, recently gave a strong endorsement for further research into this technology and stressed that DOE should keep this program as a high priority.

Before addressing the anticipated benefits of pyroprocessing, it is necessary to detail its origins. As many are aware, in 1994, the Appropriations Committee terminated the advanced liquid metal reactor or ALMR. This reactor would have manufactured, used, and recycled spent nuclear fuel. The concept of pyroprocessing was born out of the recycling phase of this project. It was almost discovered by accident. When the ALMR was shut down, pyroprocessing was used to safely prepare the spent fuel from the ALMR reactor. This process was then recognized as a potential technology that could be applied to safely dispose of all spent nuclear fuel. In addition, the budget numbers also show that pyroprocessing is not a reincarnation of the ALMR.

Proposed funding for the ALMR for fiscal year 1995 was $70.5 million. Total proposed funding for further pyroprocessing research is $20 million for fiscal year 1997—$15 million in defense funding for disposal of DOE spent fuel and $5 million in civilian funding for further research in this field. The additional $25 million that completes the $45 million mentioned in this amendment is to complete the termination of the EBR–II reactor that was part of the ALMR—it is not part of the funding for pyroprocessing research.

Pyroprocessing technology prepares spent fuel by the degrading uranium and harnessing plutonium with transuranic and other fissionable products to render it inaccessible for proliferation purposes. Pyroprocessing has often been confused with enrichment. However, to relate these two technologies is like comparing a water wheel to a house plant—both need water to function but are very different.

Enrichment and pyroprocessing both work with uranium. However, enrichment increases the radioactivity of the uranium while pyroprocessing decreases the radioactivity level. Pyroprocessing takes high-level uranium and converts it to low level, which makes it much easier and safer to dispose of. In addition, unlike enrichment, pyroprocessing produces minimal radioactive waste, so the whole process is relatively clean with results that are significantly safer and better for the environment than any other technology we have researched up to this point.

As we know from other discussions in both the House and Senate, the safe disposal of nuclear waste is of urgent concern to our Nation. We keep producing more waste and yet we still do not have a permanent disposal facility. While we continue to develop the technology for such a facility, we need to contain our existing waste. Pyroprocessing may offer the answer to this critical problem. It reduces the inventory of highly enriched uranium, stores plutonium in a way that is not a proliferation risk, and does not create any new waste streams. Considering our waste disposal needs at this time, it would be premature to stop research of pyroprocessing technology.

I encourage my colleagues to examine the true benefits of this technology as a solution to our nuclear waste disposal needs and vote against this amendment.

Mr. POMEROY. Mr. Chairman, I rise today to oppose the amendment offered by my friend Mr. BEREUTER of Nebraska. We share many similar concerns about the management of the Missouri River and the revision of the Army Corps Master Manual currently underway. While I do not have any specific objection to his intent to prevent the corps from instituting a "spring rise" a part of the management of the river, I do object to legislating changes in the Master Manual through an appropriations bill.

The Army Corps of Engineers currently is undertaking an exhaustive 6 year $23 million study to revise the Missouri River Master Manual. This tremendous undertaking seeks to resolve contentious issues between all interests on the river, those upstream, in North Dakota and likewise those downstream in Missouri. This is no small endeavor. The corps has received exhaustive testimony and input on this revision and although the recently announced delay in the release of the revisions was disappointing, I am confident the process is steadily moving forward.

This amendment is especially troubling given another attempt to circumvent the Master Manual process that will soon be before this body. The Water Resources Development Act of 1996 contains language, inserted in the full committee, without hearing or input, that will have a devastating impact throughout the Missouri River basin. This language proposes to extend the navigation season on the river by 1 month. While seemingly straightforward, the effect of this provision would be to lower upper basin water storage levels, threaten water supply and quality throughout the basin, increase flood risks from ice jams along the entire river, and wreak havoc with fisheries and endangered species populations.

As my colleagues can see, this type of amendment sets a dangerous precedent. Instead of leaving water management up to the professional engineers at the Army Corps, amendments of this type transfer control of water management to the whims of Congress, regardless of impact. For that reason, I urge my colleagues to oppose this amendment.

Mr. RIGGS. Mr. Chairman, I would like to thank Chairman JOHN MYERS and ranking minority member TOM BEVILL, not just for their work on this bill, but for their many years of service to the House and the country. I wish them well in their future endeavors.

The energy and water development bill provides funds for programs that are critically important to preserving the environment and maintaining our national security. California is particularly affected by the programs in this measure. I am pleased that we were able to maintain the balance that most Californians want between environmental protection and continued economic growth. In my remarks today, I wish to focus on a few issues of concern to me and my constituents.

SMALL HARBOR SAFETY

One of the highlights of our consideration of this bill was the total rejection of Clinton administration recommendations to terminate the Army Corps of Engineers' role in shore protection and small navigation projects. This would have hurt coastal States like California. Instead, we will continue studies and construction projects that save lives and property.

FUSION ENERGY

Within the Department of Energy, I do have some concerns about the Fusion Energy Sciences Program. Fusion is important to the Nation because it is one of our most promising future energy sources. I am pleased that there is a strong fusion presence in California, resulting in high technology jobs and spin-offs at universities, national laboratories, and industrial facilities.

Funding for the fusion program has decreased significantly over the past 2 years. Last year, in connection with a $130 million cut, conferees asked the Department of Energy and its Fusion Energy Advisory Committee to restructure the program.

This year, we adopted an amendment in subcommittee which gives guidance to the DOE on allocation of even more limited funds. While I supported the amendment, I am concerned that, in prescribing how 90 percent of the fusion funds are to be spent, we may be contradicting some of our prior direction to the Department.

It is entirely appropriate that the committee suggest to DOE how its fusion funds should be used. However, the restructuring that was put into place as a result of last year's budget, and the accompanying peer review process, have been widely praised.

As we proceed to conference with the Senate, we need to evaluate how we can achieve the appropriate balance between identifying funding priorities and giving program managers necessary flexibility.

RADIOACTIVE WASTE

I finally want to focus on action I wish we had taken in committee, but did not—that is, dealing with our radioactive waste disposal problem.

One in three diagnostic medical tests today uses radioactive materials. Eighty percent of all drugs are developed using some radioactive materials. Critical research on AIDS, cancer, and multiple sclerosis could not take place without radioactive materials.

These benefits to society come at a cost. We need responsible disposal sites for the waste that is generated by these activities. That is why I considered offering the Ward Valley Land Transfer Act as an amendment to the pending bill. This would have effected the transfer of land from the Department of the Interior to the State of California to serve as a site for storage of low-level radioactive waste.

I regret that the Ward Valley Transfer has become embroiled in election-year politics. The Interior Department is reluctant to allow the State to manage its own waste disposal.

We have given the States responsibilities under the Low-Level Radioactive Waste Policy Act, just as we have under the Nuclear Waste Policy Act. The State of California has acted responsibly to fulfill its obligations, but the Federal Government's reply has been irresponsible.

In 1993, after years of environmental study, California licensed Ward Valley in the remote Mojave Desert as a disposal site for low-level waste. Since that time, the State's actions have successfully passed the reviews of the National Academy of Sciences and the California Supreme Court. All that remains is the transfer of the land from the Department of the Interior.

State officials have acted in good faith and taken many difficult steps to carry out their duty to provide for disposal of low-level waste. However, after originally supporting the Ward Valley Transfer, the administration now has taken the bureaucratic low road, opting for "more study."

This failure of Federal leadership means that Californians—just as the citizens of other States—are faced with a growing accumulation of low-level waste at neighborhood hospitals, businesses and research facilities. Unless we respond, benefits from the use of radioactive materials will disappear.

Paralysis by analysis is the same problem we are facing as we seek to enact a Nuclear Waste Policy Act. We must end costly delays in achieving a national policy for safely storing spent nuclear fuel.

Since 1983, the Federal Government has collected $11 billion from electric ratepayers throughout the country. Now, the Government is seriously behind schedule in meeting its obligation to begin accepting spent nuclear fuel. If we do not enact legislation, 27 reactors will exhaust spent fuel storage capacity by 1998. This will subject ratepayers to billions of dollars more in unnecessary costs for on-site storage of spent fuel.

We must assure that the Federal bureaucracy responds to the needs of our citizens. The benefits of nuclear medicine and nuclear energy should not be held hostage to politics. I urge my colleagues to rise above election year expediency and help the country properly manage its radioactive materials.

Mr. HAYWORTH. Mr. Chairman, I rise in strong support of the fiscal year 1997 Energy and Water Appropriations Act. I know that Chairman MYERS and Representative BEVILL, the ranking minority member on the subcommittee, have had to work especially hard this year to report this legislation in light of their original allocation. Once again, they have done an incredible job of balancing the many requests they received with the available funding. As I noted earlier this year in hearings, I appreciate the outstanding leadership Chairman MYERS and Representative BEVILL have provided. They will be sorely missed.

Mr. Chairman, this legislation includes $500,000 to complete a reconnaissance study for the Rio de Flag floodplain in Flagstaff, AZ. The residents of Flagstaff, AZ are grateful for the $200,000 provided by the committee last year to initiate this study. The Corps of Engineers anticipates beginning this study this spring. As a result of the Federal Emergency Management Agency designating much of Flagstaff's downtown and southside areas as a special flood hazard area, Flagstaff is prevented from moving forward with new development or important redevelopment projects. The city of Flagstaff is aware of the cost-sharing requirements associated with planning and constructing this project and is a willing partner.

Finally, I want to note my strong support for an amendment offered by one of my colleagues from Arizona, JIM KOLBE. Representative KOLBE intends to offer an amendment which I believe is unprecedented. Instead of looking for ways to score easy political points by attempting to find spending cuts in someone else's backyard, he has looked to Arizona for ways to save money. Specifically, the amendment will cut over $20 million from water projects in Arizona. I am proud of my colleague's courage and vision to offer this amendment and happy that I can stand with a unified delegation from Arizona in supporting it. I hope that as the House continues its efforts to balance the budget, other State delegations in Congress will follow our example.

I urge a "yes" vote for the Kolbe amendment and for final passage of this important legislation.

Mr. BARTLETT. Mr. Chairman, I rise today to express my concern for the future of our Nation's fusion program. First of all, I am disappointed with the funding level for fusion research in H.R. 3816. This cut from last year's funding level is significantly below the recommendation of the Fusion Energy Advisory Committee's for a strong U.S. fusion program. The FEAC report warned that any sustained funding level below $250 million would adversely impact the productivity of the U.S. fusion facilities and severely strain our relationship with our international partners.

What concerns me most about the fusion funding level is the language in the committee's report to H.R. 3816. On pages 82 and 83 of the report, the committee recommends that 90 percent of the $225 million for fusion research be allocated for specific programs of the fusion research program. While each of these specific projects are important aspects to a comprehensive U.S. fusion program, this language does not include key elements of the program plan outlined by the FEAC report and is inconsistent with the guidelines Congress provided the fusion community when ordering a restructuring of the program.

The FEAC report's key component for the new domestic fusion program plan is the pursuit of new innovative approaches to fusion through small scale experiments at universities and laboratories throughout the country. This program element was explicitly mandated by Congress and was given top priority by FEAC even at budget levels below $250 million. The committee report cannot support this priority area because there is simply not enough unspecified funding remaining in the fusion budget. The unfortunate consequence is that university experimental fusion research would be virtually eliminated from the fusion program.

Mr. Chairman, it is my hope and expectation that members of the House-Senate conference for this appropriation bill will take another look at the congressional guidelines to the fusion community as well as the FEAC report. This earmarking language must be reconsidered to ensure that the fusion community continues its peer review process and that vital small-scale university programs are maintained.

Mr. JOHNSON of South Dakota. Mr. Chairman, I rise today to take this opportunity to thank Chairman MYERS of the Appropriations Subcommittee on Energy and Water Development, and Ranking Member BEVILL, for their long standing support of water development in South Dakota.

Mr. MYERS and Mr. BEVILL, the announcement of your retirements will be a great loss to water development efforts in South Dakota and across the Nation. The two of you have demonstrated leadership, bipartisanship and statesmanship as you have helped America develop critically important infrastructure. I am proud to have served with each of you. I look forward to having one more opportunity to work with both of you to move forward on important water development efforts in South Dakota.

Sound water development is crucial to our State, whether it is rural water delivery, wetland and wildlife enhancement, irrigation or flood control. These projects stabilize the rural economy and greatly contribute to rural economic development since water is a vital component to ensure future growth.

I appreciate the time and hard work the members of the subcommittee and subcommittee staff have devoted to developing water infrastructure, especially the efforts in meeting the needs of South Dakota and rural America. I look forward to continued close cooperation with the committee to meet the needs of our Nation.

Again, my heartfelt thanks to Chairman MYERS and Ranking member BEVILL for their distinguished service in the House of Representatives.

Mr. BEREUTER. Mr. Chairman, this Member would like to commend the distinguished gentleman from Indiana [Mr. MYERS], the Chairman of the Energy and Water Development Appropriations Subcommittee, and the distinguished gentleman from Alabama [Mr. BEVILL], the Ranking Member of the subcommittee for their exceptional work in bringing this bill to the floor.

Also, in light of the impending retirements of the distinguished Chairman and the distinguished Ranking Member, this Member would like to take this opportunity to express his sincere gratitude for the dedication, good judgment and wisdom they have consistently demonstrated. The entire country has benefited from their hard work and outstanding leadership on the Energy and Water Development Appropriations Subcommittee. This Member certainly appreciates the distinguished Chairman's and the distinguished Ranking Member's far-sighted actions and equitable treatment which will continue to have a positive impact on America for many years to come. They have left a very impressive legacy.

This Member recognizes that extremely tight budgetary constraints made the job of the subcommittee much more difficult this year. Therefore, the subcommittee is to be commended for its diligence in creating such a fiscally responsible bill. In light of these budgetary pressures, this Member would like to express his appreciation to the subcommittee and formally recognize that the Energy and Water Development Appropriations Bill for fiscal year 1997 includes funding for several water projects that are of great importance to Nebraska.

First, this Member is very pleased that the bill includes $400,000 to complete plans and specifications and initiate construction of the Pender, Nebraska Section 205 Logan Creek Project. There is an urgent need for this funding and this Member is particularly grateful to the Subcommittee for agreeing to this appropriations item during a time when the restrictions on available funding are exceedingly tight.

The amount of money presently spent on the planning process to date is in excess of $350,000. The Village of Pender, a small municipality, and the Lower Elkhorn Natural Resources District have expended approximately $160,000 of their own funds to date. The Village has expended an additional approximate amount of $25,000 on the costs of engineering, project coordination, and other related costs. Without the flood control project the community will remain at risk and will be stymied from undertaking future developments in their community due to FEMA flood plain development restrictions (60 percent of Pender is in the floodplain and 40 percent is in the floodway).

The plan calls for right bank levees and flood walls with a retention pond for internal storm water during flood periods. The project will remove the entire community from the FEMA 100-year flood plain. This project is needed to protect life and property, eliminate or greatly reduce flood insurance costs, and allow community and housing development.

Mr. Chairman, quite simply, at great expense the State and local entities involved in the project have held up their end of the agreement. If federal-local partnerships are to work, Federal commitments need to be met; therefore, this Member is pleased that this legislation will greatly facilitate the completion of this project.

In addition, this bill provides additional funding for other flood-related projects of tremendous importance to residents of Nebraska's 1st Congressional District. Mr. Chairman, flooding in 1993 temporarily closed Interstate 80 and seriously threatened the Lincoln municipal water system which is located along the Platte River near Ashland, Nebraska. Therefore, this Member is extremely pleased the Committee agreed to continue funding for the Lower Platte River and Tributaries Flood Control Study. This study should help to formulate and develop feasible solutions which will alleviate future flood problems along the Lower Platte River and tributaries.

Additionally, the bill provides $175,000 in continued funding for an ongoing floodplain study of the Antelope Creek which runs through the heart of Nebraska's capital city, Lincoln. The purpose of the study is to find a solution to multi-faceted problems involving the flood control and drainage problems in Antelope Creek as well as existing transportation and safety problems all within the context of broad land use issues. This Member continues to have a strong interest in this project since this Member was responsible for stimulating the City of Lincoln, the Lower Platte South Natural Resources District, and the University of Nebraska-Lincoln to work jointly and cooperatively with the Army Corps of Engineers to identify and effective flood control system for downtown Lincoln.

Antelope Creek, which was originally a small meandering stream, became a straightened urban drainage channel as Lincoln grew and urbanized. Resulting erosion has deepened and widened the channel and created an unstable situation. A ten-foot by twenty-foot (height and width) closed underground conduit that was constructed between 1911 and 1916 now requires significant maintenance and major rehabilitation. A dangerous flood threat to adjacent public and private facilities exists.

The goals of the study are to anticipate and provide for the control of flooding of Antelope Creek, map the floodway, evaluate the condition of the underground conduit, make recommendations for any necessary repair, suggest the appropriate limitations of neighborhood and UN-L city campus development within current defined boundaries, eliminate fragmentation of the city campus, minimize vehicle/pedestrian/bicycle conflicts while providing adequate capacity, and improve bikeway and pedestrian systems.

Unfortunately, this legislation includes a significant reduction in funding for the Missouri River Mitigation Project. Despite the importance and effectiveness of this project, the Administration's FY97 budget called for drastic reductions in its funding. The FY96 appropriations measure provided $5.7 million for this project, but the Administration's budget slashed funding in FY97 to $1.6 million with the Omaha Corps District receiving only $100,000. Last year the Omaha District received $3.7 million for mitigation activities.

This Member believes that funding at last year's level is fully justified.

This funding is needed to restore fish and wildlife habitat lost due to the federally sponsored channelization and stabilization projects of the Pick-Sloan era. The islands, wetlands, and flat floodplains needed to support the wildlife and waterfowl that once lived along the river are gone. An estimated 475,000 acres of habitat in Iowa, Nebraska, Missouri, and Kansas have been lost. Today's fishery resources are estimated to be only one-fifth of those which existed in pre-development days.

The Missouri River Mitigation Project addresses fish and wildlife habitat concerns much more effectively than the Corps' overwhelmingly unpopular and ill-conceived proposed changes to the Missouri River Master Manual. Although the Corps' proposed plan was designed to improve fish and wildlife habitat, these environmental issues are already being addressed by the Missouri River Mitigation Project. In 1986 the Congress authorized over $50 million to fund the Missouri River Mitigation Project to restore fish and wildlife habitat lost due to the construction of structures to implement the Pick-Sloan plan.

This Member is pleased, however, that the bill provides $200,000 for operation and maintenance and $100,000 for construction of the Missouri National Recreational River Project. This project addresses a serious problem in protecting the river banks from the extraordinary and excessive erosion rates caused by the sporadic and varying releases from the Gavins Point Dam. These erosion rates are a result of previous work on the river by the Federal Government.

Finally, Mr. Speaker, this Member recognizes that H.R. 3816 also provides funding for a Bureau of Reclamation assessment of Nebraska's water supply ($100,000) as well as funding for Army Corps projects in Nebraska at the following sites: Harlan County Lake; Papillion Creek and Tributaries; Gavins Point Dam, Lewis and Clark Lake; and Salt Creek and Tributaries.

Again, Mr. Chairman, this Member commends the distinguished gentleman from Indiana [Mr. MYERS], the chairman of the Energy and Water Development Appropriations Subcommittee, and the distinguished gentleman from Alabama [Mr. BEVILL], the ranking member of the subcommittee for their long-standing support of projects which are important to Nebraska and the 1st Congressional District, as well as to the people living in the Missouri River Basin.

Mr. PACKARD. Mr. Chairman, I want to commend Chairman MYERS for his hard work in crafting the Energy and Water Appropriations bill in light of our budget constraints. I also appreciate his support of fusion energy by providing $225 million for these programs.

Fusion research takes place at a number of universities and institutions around the country. San Diego is particularly blessed: we host major programs at the University of California at San Diego and at General Atomics. In addition, we serve as the host to the U.S. team for the International Thermonuclear Experimental Reactor—a major international science and engineering project.

Last year's Energy and Water conference report called for a restructuring of the fusion program and set into motion an extensive and effective peer review process carried out through the Fusion Energy Advisory Committee. The restructured program and this ongoing peer review process has been widely praised and I believe the fusion community should be congratulated for a job well done.

Because of the budget difficulties in achieving a higher level for fusion energy, the committee included prescriptive report language concerning fusion programs. This language is not consistent with the recommendations of the Fusion Energy Advisory Committee and the ongoing peer review process. I am also concerned about its impact on university and other aspects of the fusion programs. For these reasons, I urge my colleagues to support a higher funding level for fusion energy in conference. A higher level could enable the current fusion programs to continue their important work, thus making report language unnecessary to keep these programs intact.

I appreciate the opportunity to bring these important issues to the attention of my good friend from Indiana, the distinguished chairman of the Energy and Water Development Subcommittee, and to my other colleagues concerned about fusion programs. I hope my concerns will be kept in mind as the House works with the Senate in conference.

Mr. JOHNSON of South Dakota. Mr. Chairman, the management of the Missouri River has been an ongoing source of conflict between interest groups of States both upstream and downstream for many years. The current Master Manual for the Missouri River was written in 1970 with only minor revisions taking place in 1975 and 1979. While almost everyone agrees that the revision of the outdated Master Manual is long overdue, differences of opinion continue to exist about what changes to the operating plan should be included in the revised Master Manual. Downstream States contend that more water needs to be released from upstream reservoirs to ensure that navigation interests are served on a regular basis, while South Dakota and other upstream States press for dependable water levels to support fish and wildlife management and the recreation/tourism industry.

I rise today in opposition to Representative BEREUTER's amendment. The amendment essentially ensures that the so-called "spring rise" proposed by the Corps in the first revision of the Master Manual is never implemented. While I do not necessarily oppose the intent of the amendment because I am not a strong advocate of a so-called "spring rise," I strongly object to the amendment because it circumvents the Master Manual revision process that all interested parties have been actively engaged in for several years. Further, I do not believe it is appropriate nor good policy for the Congress to establish water management policy with little or no debate during consideration of an appropriations bill—especially when the Corps of Engineers is currently completing a 6-year, $23 million study to update the Manual. I have offered to work with Mr. BEREUTER to address his concerns regarding the spring rise by working with the Corps on this issue. Unfortunately, he prefers to offer this amendment and so I must oppose it and I urge my colleagues to do the same.

Mr. ACKERMAN. Mr. Chairman, I rise in support of the fiscal year 1997 energy and water appropriations bill and in particular the provision of $250,000 to begin the feasibility portion of the coastal erosion study on the North Shore of Long Island. I want to thank the distinguished chairman, the gentleman from Indiana [Mr. MYERS], as well as the distinguished gentleman from Alabama [Mr. BEVILL], for their assistance in providing this funding for the North Shore.

Mr. Chairman, the North Shore has a considerable history of tidal flooding, shore erosion, and damage to shorefront development. Hurricanes affecting the area occurred in 1938, 1944, 1954, and 1960. In addition, tropical storms occurred in the area in 1950, 1953, 1955, 1962, and in 1992. Recent coastal storms have caused shoreline erosion resulting in storm damage to several communities, including Bayville in Nassau County and the Village of Asharoken in Suffolk County. The December 1992 Nor'easter inundated hundreds of residential and business properties with damages estimated at $12 million. In addition, approximately 300 people were evacuated, and sections of Bayville, the village of Asharoken and Eatons Neck were impassable for days.

So far this year we have been lucky. There have been several severe storms in the northeast with some flooding but none has resulted in the extensive damage caused by the '92 Nor'easter. It is probably only a matter of time.

In September last year, the Army Corps of Engineers completed the reconnaissance study of the North Shore which found that, based on a general assessment of coastal flooding and beach erosion, the area is particularly susceptible to storm damage and that the villages of Bayville and Asharoken typify the flooding and erosion problems in the study area.

Finally, the study recommended that further feasibility studies for beach erosion control and storm damage reduction be conducted in order to formulate the most appropriate plan for any proposed storm damage protection project.

The Federal interest in the North Shore is well documented. The Army conducted a study of hurricane damage to coastal and tidal areas in response to series of hurricanes in 1954.

In 1963, the Army began a study of beach erosion and hurricane protection which was completed in 1969. Clearly the area has been much studied. It is time to move beyond identifying the problem to designing the solution.

Last year's report identified two plans for Bayville and two for Asharoken both of which have positive benefit to cost ratios. The plans for Bayville use a combination of features including a buried seawall, a composite bulkhead/revetment and floodwalls. The plans for Asharoken use a combination of buried seawall and beach nourishment to provide erosion control and flood protection. The report went on to note that "a feasibility study having a greater level of detail is required to formulate the most appropriate plan for any proposed storm damage protection project."

Mr. Chairman, I am pleased that the Subcommittee saw fit to include funding for the next phase of the North Shore feasibility study. Now we can identify the solution to the North Shore's longstanding erosion problem.

Mr. DICKS. Mr. Chairman, I rise to bring to my colleagues' attention an issue that is of great interest to the citizens of the State of Washington, that of the Hanford Thyroid Morbidity Study. The Hanford Thyroid Study is the first study of its kind and will determine the long-term thyroid disease effects, if any, of the releases of radioactivity from the Hanford nuclear site from 1949 to 1957.

Over the course of the past 7 years, this study has been jointly funded by the Center for Disease Control and the Department of Energy. Due to be completed in 1998, this study is an excellent example of two Federal agencies—the Department of Health and Human Services and the Department of Energy—working together in the interest of the American people.

By the end of fiscal year 1996, the Department of Health and Human Services will have spent a total of approximately $12 million and the Department of Energy will have spent $3.4 million since 1989. A combined $4,600,000 is necessary in fiscal year 1997 from HHS and DOE and a total of $2,700,000 would be necessary from these departments in 1998 to complete the project. I am sure that my colleagues will agree that completion of this project is of paramount importance and necessary to bring 7 years of research data already collected to its natural conclusion.

I was pleased to assist the Fred Hutchinson Cancer Research Center, the contractor on the study, in 1995 when administrative delays threatened the release of funds under the DOE–HHS Memorandum of Understanding. We were successful in obtaining the release of the funds from the DOE. I am confident that we can keep this project on track in 1997.

Mr. SKAGGS. Mr. Chairman, nobody can doubt that this is a major bill, one that includes many items of national importance and also a number of things of particular interest to specific States and cities.

I want to briefly discuss one part of the bill that's of great national significance, but that's also particularly important to Colorado—funding for the Energy Department's environmental restoration and waste management programs.

These are the programs that pay for cleaning up the sites where America developed, produced, and tested the atomic and nuclear weapons that brought us first national security, and then victory, in the cold war. That mission was accomplished—but the job isn't finished. We still have to clean up these sites. That is very much a part of the job, and paying for it is very much a part of the price, of our victory in the cold war.

One of these sites is in Colorado, at Rocky Flats. In fact, Rocky Flats, which houses tons of plutonium and other dangerous materials, sits only 15 miles from the center of the Denver metropolitan area, with a population of 2.3 million people. Obviously, it's of utmost importance to all Coloradans that the Congress give high priority to making sure Rocky Flats is safe and cleaned up.

This was made clear by the Colorado Senate, which has formally urged that the Federal Government "make a sustained commitment to completing environmental cleanup at Rocky Flats" and has asked for "full funding of all necessary cleanup activities at Rocky Flats." For the RECORD, I am including a copy of this document from our State's Senate at the end of my remarks.

That's why I'm glad this bill provides the full amount of cleanup funds requested by the administration—something that makes it much better than last year's bill, which provided far too little for these crucial tasks. I want the gentleman from Indiana [Mr. MEYERS] and the gentleman from Alabama [Mr. BEVILL] to know that all of us in the Colorado delegation very much appreciate the fact that this part of the bill fully reflects our joint request.

Chairman MEYERS, I know, well remembers that I was very unhappy about the cleanup funding in last year's bill. I was then prepared to offer an amendment to increase those funds. Rather than put the Chairman to making a point of order on the amendment, I withdrew it after a colloquy with the chairman made it clear that the cuts made last year were done without prejudice for future years, that he agreed with me about the necessity for providing the resources to meet our national responsibilities in this area, and that he would work with me on it in connection with the bill for this year, 1997. The Chairman has kept his commitment in that regard, as I knew he would, and I want him to know that I greatly appreciate his cooperation and assistance. He will not be returning to the House next year—and he will be missed very much.

Mr. Chairman, I'm also grateful that the Committee report appropriately points out that real progress is being made at Rocky Flats. Last week, for example, Federal and State officials came together in Colorado to sign a new cleanup agreement and a set of "vision" documents for Rocky Flats—documents that lay the foundation for cleaning up the site in ten years, so that it can be converted to other appropriate uses. Establishment of a "project closure fund", as called for by the Committee, holds real promise for further expediting completion of the job at Rocky Flats, because I believe that Rocky Flats can and will meet the criteria to qualify for receiving the benefits of this important initiative. In short, this part of the bill is an improvement over last year not only in terms of funding, but also because it includes important initiatives that should help speed up the vital job of cleaning up Rocky Flats and other such sites around the country.

Having said that, I have to say that I find other parts of the bill less satisfactory. In particular, I am concerned about the bill's failure to fund adequately very important solar and renewable energy programs. It's true that in Committee we restored some funds for wind energy and some other renewable-energy programs that would have been zeroed-out. But even so, the bill still calls for deep cuts in these programs—something that's very shortsighted. Investing in these programs pays big dividends, by reducing our dependence on imported fossil fuels, reducing federal spending on energy, and increasing opportunities for American business in the markets of the world.

We can and should do better than this, and I hope that this part of the bill will be improved through the process of amendment and in conference. If that is done, and some other improvements are made, this bill will be one that deserves broad support in the House.

SENATE MEMORIAL 96–1

By Senators Feeley, Norton, Hernandez, Linkhart, Matsunaka, Pascoe, Thiebaut, Casey, Perlmutter, Rupert, and Weissmann.

MEMORIALIZING CONGRESS REGARDING THE CLEANUP OF ROCKY FLATS AND OTHER NUCLEAR WEAPONS FACILITIES IN THE UNITED STATES

Whereas, for more than 40 years, the federal government developed, produced, and tested nuclear weapons in a number of government-owned facilities throughout the country, including Rocky Flats in Colorado; and

Whereas, contamination from these facilities has contributed to environmental damage at the sites, including radiological and hazardous surface and subsurface soil and groundwater contamination at Rocky Flats; and

Whereas, as a result of the end of the Cold War, the federal government has shifted its focus to environmental restoration and waste cleanup at the facilities; and

Whereas, the Department of Energy has committed to clean up the nuclear weapons complex; and

Whereas, if the nuclear weapons complex is not cleaned up in accordance with known health standards, citizens in Colorado and across America will be affected directly or indirectly by the dangers that will continue to exist; and

Whereas, the cost of cleaning up the Rocky Flats site is estimated to be $9 billion or more; and

Whereas, to reach total cleanup, an increase in funding over the next five years is needed but no commitment to this funding has yet been made by the federal government; and

Whereas, commitment by the federal government to the full funding of the necessary costs associated with these cleanup activities may be sacrificed as a result of current budget discussions by Congress; now, therefore,

Be It Resolved by the Senate of the Sixtieth General Assembly of the State of Colorado, the House of Representatives concurring herein:

That we, the members of the Colorado General Assembly, urge the federal government to recognize that cleanup of Rocky Flats and other weapons facilities is a related expenditure to the $4 trillion spent for the Cold war.

Be It Further Resolved, That we urge the federal government to:

(1) Make a sustained commitment to completing environmental cleanup at Rocky Flats and its other facilities at a reasonable and justifiable pace that protects human health and the environment;

(2) Strive not only to comply with environmental laws, but also to be a leader in the field of environmental cleanup, including addressing public health concerns, ecological restoration, and waste management; and

(3) Consult with officials in Jefferson county, Colorado, and other affected county governments regarding transportation of cleanup materials.

Be It Further Resolved, That we urge Congress and the President of the United States to approve full funding of all necessary cleanup activities at Rocky Flats and other nuclear weapons facilities.

TOM NORTON,
President of the Senate.
JOAN M. ALBI,
Secretary of the Senate.

Mr. FRANKS of New Jersey. Mr. Chairman, today I rise in strong support of H.R. 3816, the fiscal year 1997 Energy and Water Development Appropriations Act. The House Energy and Water Development Appropriations Subcommittee have drafted an excellent bill that meets our Nation's water resources and energy needs, and I urge its adoption by the House.

Although H.R. 3816 contains many worthy provisions, I would like to bring to my colleagues' attention a project contained in the bill of particular important to the people of central New Jersey. The project to which I refer is the Green Brook Flood Control project.

As my colleagues may recall, this project was authorized by Congress under the Water Resources Development Act of 1986 (P.L. 99–662, Sec. 401). During the past 10 fiscal years, Congress has appropriated over $23 million for this project. In fiscal year 1986, Congress appropriated $484,000; in fiscal year 1987, $1.37 million; fiscal year 1988, $1.4 million; fiscal year 1989, $1.5 million; fiscal year 1990, $1.2 million; fiscal year 1991, $2 million; fiscal year 1992, $3.169 million; fiscal year 1993, $3.5 million; fiscal year 1994, $2.8 million; fiscal year 1995, $2 million; and fiscal year 1996, $3.6 million. This bill appropriates $2.781 million for this project.

Mr. Chairman, as the preliminary work for this project draws to a close, I requested that the Green Brook Flood Control Commission obtain resolutions of support from the communities this project impacts within New Jersey's Seventh Congressional District. Considering a decade has elapsed since Federal funds were first appropriated for this project, I wanted to make sure this project still enjoyed local support before it entered the more expensive construction phase. Moreover, these resolutions service the dual purpose of reminding local officials of the fiscal and physical impact this project will have on their community.

To date, I have received resolutions of support from Bound Brook, Bridgewater, Warren, Watchung, Green Brook, North Plainfield, Plainfield, Scotch Plains, Middlesex, Union County, Middlesex County, and Somerset County. The only resolution I received in opposition to the project was from Berkeley Heights. I have asked the Commission and the Corps to work closely with the Berkeley Heights Township Committee to address and resolve, to the greatest extent possible, the concerns of the township.

Mr. Chairman, while the need for flood control in the Green Brook Drainage Sub-basin still exists, this project should only proceed in the most environmentally sensitive manner possible. I grew up along the "Ridge," which is the term used to describe the communities along the Watchung Mountains, and I am acutely aware of the innate value of the Watchung Reservation. As the reservation is one of the largest green spaces left in my congressional district, I intend to zealously protect it from any unnecessary environmental degradation.

Mr. Chairman, I commend Chairman MYERS and ranking minority member, Mr. BEVILL, for again producing an excellent bill. Although their roles have been reversed since the last Congress, the subcommittee's work product remains undiminished. I wish these two distinguished Members, both of whom are leaving Congress this year, the best of luck in their retirement.

I also commend my good friend and fellow New Jersey colleague, RODNEY FRELINGHUYSEN, with the able assistance of his legislative director, Ed Krenik, for the outstanding work on this bill. Representative FRELINGHUYSEN has done an excellent job in ensuring our State's needs were addressed in this bill, and I look forward to working with him on these issues in the years to come.

Mr. Chairman, I urge all of my colleagues to vote "aye" on H.R. 3861.

Mr. KLECZKA. Mr. Chairman, I rise today in support of H.R. 3814, the Commerce, Justice, State Appropriations for the upcoming year. This bill is particularly important among the measures we consider each year, because it funds what more and more Americans identify as their top priority: fighting time.

This bill increases funding for the Justice Department at a time when hard choices have been made across the board. Nevertheless, we've committed to funding Law Enforcement Block Grants, which will help local public safety officials develop the kinds of programs they most need to prevent crimes and to solve them when they do happen.

We've also fully funded the popular Community Oriented Policing Service [COPS] program. In my own community of Milwaukee and its metropolitan region, this program has had a significant impact, enabling us to hire 30 new police officers this year, and 500 statewide since the program began in 1994. This is something tangible that has a real impact on the cities and towns that we represent, and I am happy that the COPS program continues to receive congressional support.

I think the American people will also be happy that we've funded the Violent Crime Reduction Trust Fund that was included in last year's anti-crime bill. In addition, the Violence Against Women grants will receive a boost—helping stem domestic violence and strengthening police effectiveness in dealing with this national scourge.

I'm pleased that the Congress was able to restore some of the funding for the Legal Services Corporation, which provides our Nation's poor and badly needed legal service. While the funding level is lower than last year, it will allow the Legal Services Corporation to fulfill its important mission.

There is, however, much to support in this bill. I commend the committee for reporting strong legislation.

Mr. LAZIO of New York. Mr. Chairman, I rise today to support H.R. 3816, the fiscal year 1997 Energy and Water Appropriations bill.

As you may know, part of my district lies along New York's Atlantic Coast. Like coastal areas in many parts of the country, the barrier islands along the coast in my district have been hit extremely hard by the storms of the past few winters and remain in a delicate state, vulnerable to breaches and overwashes from future storms which could be devastating to the mainland of Long Island.

The barrier islands protect Long Island in the same manner that the levees on the Mississippi River protect the river towns. A vulnerable barrier island system cannot protect Long Island's south shore, which has a multibillion dollar economy and significant public infrastructure. The barriers afford protection to the freshwater wetlands and waters of the back bays, thus nurturing the clamming and fishing industries. Furthermore, Fire Island, Jones Island, Long Beach Island and the rest of Long Island's barrier system provide recreation for the citizens of Long Island and tourists from all over the world. As the tourism industry is the largest employer on Long Island, loss of this vital resource will mean loss of jobs. Long Island's rich commercial and recreational fishing heritage would also be affected if these barrier islands are threatened.

While the President's budget recommends that the Army Corps of Engineers get out of the business of local flood and shore protection, I believe the Army Corps has a cost-effective and justifiable role in these projects. Savings can surely be made in the way the Corps carries out its mission. But the mission itself is vital to the Nation's coastal communities, and it is not one that can be transferred to State or local governments. From the commercial fishermen to the seaside merchants, the engine that drives our economy, small business, relies on the protection afforded by these Army Corps projects. The shoreline protection projects in which the Corps are involved are vitally important to the livelihood of the communities they protect and will save taxpayers money in the long run.

The first project funded by this bill would provide New York with accurate, real-time information on its coastal processes. Many coastal States already have monitoring systems in place, and such a system is essential for New York. A federally funded monitoring system was authorized for New York in the 1992 Water Resources Development Act, and appropriations have been made over the past 2 years to initiate its implementation.

As the authorization states, successful implementation will take $1.4 million for up to 5 years, at which time the State of New York will take over funding and program implementation. The fiscal year 1997 Energy and Water Development Appropriations Bill also allocates this amount.

The second project in the bill, the reformulation study of the area from Montauk Point to the Fire Island Inlet, will provide valuable long-term information on the coastal processes of Long Island's south shore. It is expected to take approximately 10 years and $14 million to complete. Over the past 3 fiscal years, over $7 million has been appropriated by this committee for the reformulation study. This has provided important information and will lay the groundwork for possible interim projects needed to shore up Long Island's coastline. The fiscal year 1997 segment of the study will cost $2.5 million, and this amount was included in H.R. 3816.

The third project in the bill will assist with navigation as well as coastal protection. The area involved, Fire Island Inlet, is the channel between Robert Moses and Jones Beach State Parks. This biannual dredging project, last completed in 1995, is essential to not only allowing marine traffic to flow smoothly between these barrier islands, but will also help nourish Gilgo Beach by depositing the dredged sand on this beach which will help prevent further erosion to this area. These two beaches provide the only line of protection for the State's Ocean Parkway, which runs along the south shore of Long Island and is an alternative route to the heavily traveled roads of the mainland. The fiscal year 1997 Energy and Water Development Appropriations bill allocates $5.3 million for this project.

As a member of the Budget Committee, I understand the fiscal constraints we face. I agree that every expenditure must pass stringent economic tests, and I am confident that, upon examination, expenditures for these projects will pass such tests. The importance of the waterways and the barrier islands to homes and businesses on Long Island and New York cannot be overstated. As history has shown us, the establishment of protective measures now will save the Federal, State, and local government millions of dollars in the long term. I urge my colleagues to support this bill.

Mr. MARTINI. Mr. Chairman, I wish to thank all of the committee members who worked tirelessly to put together a fair and economically responsible energy and water development appropriations bill.

This bill has carefully balanced the interests of environmentalists with those in the business community. It provides the language that will enable our ports to once again flourish, our citizens to be protected from flooding, our environment to be preserved, and our taxpayers' dollars to be wisely and not frivolously spent.

I would like to specifically mention three provisions in the bill that are of great importance to the citizens in my district.

First, this bill includes funding for the cleanup of the thorium site in Wayne, NJ, which has been a concern to that community. The removal of the thorium-contaminated soil from the Wayne interim site is an issue of great concern to me. After the election in 1994, I traveled to Wayne to discuss the removal of the tainted soil with Mayor David Waks.

On July 20, 1995, the U.S. Department of Energy announced that Envirocare would be awarded a $16 million contract to remove, transport, and store the soil in their Utah facility. In October, Envirocare began the removal process of the contaminated soil. This process can continue thanks to the increased funding in today's measure.

Second, this bill provides funding for a buyout alternative to the Passaic River flood tunnel,which protects wetlands while providing critical flood protection to my constitutents. Back in 1994 when I was first running for Congress, I recognized the importance of flood protection to the citizens of the Eighth Congressional District in New Jersey. In addition, I recognized that there must be a more economically and environmentally sound flood control alternative to the proposed flood tunnel. That project had a price tag of $1.9 billion and would have had extensive negative affects on area wetlands and the existing ecosystems.

By providing for a buyout of certain wetlands, we are taking great strides toward both flood protection for our citizens and environmental protection for the Passaic River, while saving the taxpayer money.

Lastly, the bill provides funding for the continued construction of the Molly Ann's Brook flood control project, which affects residents from Paterson, Haledon, and North Haledon, NJ. I am pleased that the committee continued to treat this project with the urgency and priority that it deserves.

Once again, I extend my thanks to the committee. This bill is clear example of the 104th Congress making things happen and protecting the interests of not only the citizens of New Jersey, but the interests of all Americans.

Mr. PORTMAN. Mr. Chairman, I rise today in support of the Energy and Water appropriations bill. I applaud the Appropriations Committee for their thoughtful approach to the difficult task of balancing our Nation's energy and water priorities during this era of fiscal restraint. I commend Chairman MYERS and the other members of the committee for their efforts.

I am particularly interested in the provisions of this bill relating to the Department of Energy's Environmental Restoration and Waste Management budget. There are many contaminated sites around the country left over from nuclear energy and nuclear weapons research and production. Those of us who represent the areas affected by these sites know that people are concerned about the health effects of these sites to themselves and their children—and concerned that no one will fix the problem. I believe this bill sends a strong message that the Federal Government will continue to meet its cleanup obligations.

Within the context of our increasingly tight budget constraints, the Environmental Restoration and Waste Management Budget appropriation is a reasonable investment of public money. Administrative and support costs have been streamlined, while funding for cleanup activities—the true heart of this budget—has been protected.

In my district, the Fernald site—a former uranium processing center—has potentially caused thousands of people, through no fault of their own, to be exposed to hazardous contaminants in the air, in the soil, and in the water. Although problems at the site still persist, and I have requested a GAO investigation into certain serious allegations relating to the management of the site, considerable progress has been made in cleaning up Fernald.

The Fernald site is operating under an accelerated remediation schedule, so that the site will be clean in 9 years, and not the 25 years originally planned—creating a savings to the taxpayer of approximately $2 billion. This accelerated remediation program, if successful could serve as a model for other clean-up efforts around the country. In fact, the Appropriations Committee's report specifically commends the efforts underway at Fernald.

I urge my colleagues to support this legislation. It continues to provide reasonable funding to protect our natural resources. It still helps us to achieve our goal of balancing the budget by 2002—and it will help us to fix an environmental hazard that has placed thousands of people at risk.

Mr. RICHARDSON. Mr. Chairman, I rise in opposition to the DeFazio-Petri amendment.

Their amendment would seek to strike funds from the Animas-La Plata project. This project is especially important for New Mexico and Colorado.

As you know, water in my State and throughout the arid West, is like gold. Consequently, water needs to be conserved. Conservation includes storage for the inevitable dry years. This year has seen a major drought in the region.

Had construction of the Animas-La Plata project begun in 1990, as was originally scheduled, there would have been enough water stored for the citizens in northwestern New Mexico. Over the years, delay in the construction of this project have put over 100,000 people at risk.

Furthermore, in a land where Indians and non-Indians live together, it is important to share water. In 1985, the Colorado Ute tribes began to negotiate a sharing of their senior water rights on tributaries to the San Juan River—water which many of my constituents in northwestern New Mexico need to sustain their quality of life and secure their future. The Ute tribes should be complemented for these negotiations.

This amendment would render that agreement void. Let's not tell the Ute tribes and the people of New Mexico and Colorado, who strive to share a valuable resource, that their efforts have meant nothing.

I encourage a "no" vote on the DeFazio-Petri amendment.

Mr. LEVIN. Mr. Chairman, I rise in strong support of the Schaefer amendment.

Pulling the plug on our Nation's investment in solar and renewable technology is shortsighted. The funding reductions contained in the bill threaten to undermine any hope the United States has for energy security. Renewable energy programs offer enormous benefits for a very small investment.

I know something about this issue as a company in my district—United Solar Systems Corp. of Troy, MI—developed a solar cell that recently set a new world record for converting the Sun's energy into electricity. This efficiency record would not have been achieved without the assistance of the Federal Government.

Most of us are familiar with the solar cells that power calculators and other consumer products. The new solar products developed by United Solar are a full four to five times more efficient.

Not only are the new solar cells better at converting sunlight into usable electricity, they are also cheaper to make. Again, this is an example of progress that would not have been made without a public-private partnership.

The progress we've made is proof that private industry and government can work together to develop technology that creates new jobs in the United States, increases our Nation's energy security, and protects the environment.

At the same time, there is a large and growing world market for renewable energy and efficiency technologies. This market is worth hundreds of billions of dollars over the next decade.

If our Nation does not help American companies to develop the technologies to capture this market, we will abandon the field to our international competitors. Japan and Germany invest far more in their nation's photovoltaic programs than we do.

The bottom line is that new industries, jobs and wealth will go to the nations who succeed in developing and applying new technologies. If you want to let other countries win the technology race, then vote against the Schaefer amendment.

Once again, I urge support for solar and renewable energy. Vote for the amendment.

Mr. DAVIS. Mr. Chairman, I rise today to indicate my strong opposition to the severe cuts this legislation imposes on the Department of Energy and its employees. Congress must continue to ensure, within the Department of Energy appropriations bill for fiscal year 1997, that DOE has the ability to perform its important mission of meeting our present and future energy needs. The bill under consideration by the House today funds many critical programs, yet, I believe it greatly restricts the Department of Energy's ability to perform its mission by reducing departmental administration by approximately 30 percent.

DOE's departmental administration salary and expense budget is reduced under this bill by 20 percent—a reduction of more than $50 million in fiscal year 1997. Instead of allowing DOE to reallocate their reduced resources as they deem appropriate, it forces DOE to reduce positions by capping FTE totals at 1,029—a reduction of nearly 500 FTE's, or one-third of the departmental administration staff. Further the bill sets specific FTE targets for individual offices with this account.

Last Year, in the fiscal year 1996 appropriations bill, Congress asked DOE headquarters personnel and certain programs to make significant cuts. The departmental administration account was reduced by 15 percent, which translates to a reduction of nearly 400 FTE's. DOE managers worked hard to administer this staff reduction without resorting to a reduction-in-force. In order to save jobs, performance awards were eliminated, overtime was reduced by over half, and furloughs were used to address funding shortfalls. Despite these substantial reductions in operating costs at DOE headquarters, a ⅔ reduction since 1993, this bill sets the general management and program support function of DOE at 47 percent less than last year and 20 percent less than the administration's request. I believe these reductions are too severe and will not allow DOE to continue to perform its mission.

Mr. Speaker, as you are aware this has been a difficult year for Federal employees. They have endured downsizing, RIFs, shutdowns, general uncertainty, and reduced benefits. Federal employees are among the most resilient people I know, but if we as a Government hope to continue to attract the best and the brightest into Government service, we cannot continue the type of policy set by this legislation. This bill goes too far. I do not disagree that we all need to cutback as we work to balance the Federal budget. However, I am strongly opposed to imposing such severe cuts and limiting DOE's ability to manage these cuts by mandating FTE ceilings.

The negative ramifications of this unprecedented cut will severely affect the many important projects funded in this year's energy and water appropriations bill. The bill targets cuts to the environmental management program, nonproliferation and energy efficiency and renewable energy. In addition, the 90 percent cut in DOE's office of policy will leave only 20 employees to perform critical technical and economic analysis and hamper their ability to efficiently respond to Congress, State and local governments, and private citizens.

Mr. Speaker, I regret the inclusion of these deep and draconian cuts to the DOE budget, and the specific FTE targets mandated on the departmental headquarters. It has damaged this important legislation, and I cannot support its passage.

Ms. JACKSON-LEE of Texas. Mr. Chairman, the Energy and Water appropriations bill we are voting on today is a mixed bag of good and bad; where a good Peter is robbed to pay a worthy Paul.

On the good side, a reasonable amount has been appropriated for environmental restoration and waste management as well much needed water projects. In addition, a sufficient amount of money has been made available for stewardship and management activities of our nuclear stockpile. Finally, the National Ignition Facility [NIF], which will provide invaluable research in the areas of nuclear weapons testing and fusion research. I am glad that the committee saw the need to fund these activities at levels close to their requested amounts.

In fact, some of these dollars will be going to a flood control project in my district; Harris County is working with the Army Corps. of Engineers to deepen a channel in the city of Houston called Sims Bayou. This long-term project will renovate the bayou and help alleviate some of the flooding which occurs during heavy rains. This is an important project for the people in my district and they appreciate the Federal help they are receiving to correct this problem.

I have always been a supporter of science research and have stated often that it is the economic engine of the 21st century. And it is because of this belief that I am especially gratified to find that the Energy Department's general science and research programs have been spared the budget ax that some other deserving programs suffered.

However, beneath this good news lurks some very negative decisions made by Republicans. Let's start with the nearly 50 percent cut from last year to the Energy Department's administrative expenses. Now, I know the Department is in the process of restructuring itself and trying to become more efficient, however, I believe this to be a continuation of the Republican attack on Secretary Hazel O'Leary. Regardless of who you are, you cannot convince me that an immediate 50 percent reduction in an organization's administrative budget is not drastic and unreasonable. This is all the more obscene when you realize that because of the time it takes to RIF Government employees and the costs involved, no savings from such actions will be realized until fiscal year 1998—a year away. So, I ask the Republican appropriators—"what is the Department to do until then?"

In addition to this ill-conceived provision, this appropriations bill also decimates much of the funding for solar and renewable energy, fusion, nuclear energy, biological, environmental, safety, and health and basic energy sciences. In fact, the only activities that are adequately funded are those of the Defense Nuclear programs.

While I may indeed vote in favor of this bill, I strongly urge my House and Senate colleagues to restore funding to the activities and programs that have been funded well below the President's request. I believe that they are worthwhile, valuable and important to our Nation's future.

Mr. WAMP. Mr. Chairman, I rise in opposition to the amendment offered by the gentlemen from Wisconsin to eliminate funding for the Department of Energy's [DOE] Advanced Light Water Reactor [ALWR] program. The fiscal year 1997 House energy and water development appropriations bill provides $17 million for this program, which will conclude the Federal Government's participation in the development of the ALWR.

This program is a joint DOE-nuclear industry program with the industry contributing more than 50 percent in matching funds. Although I opposed funding for the ALWR last year, it has become apparent to me that this program represents our Nation's last hope of building the most technologically advanced nuclear reactors. More importantly, I have learned that termination costs built into the contract create a potential liability far exceeding the $17 million provided for in this appropriations bill. Therefore, it will be more expensive to terminate this project under the Obey amendment than to let the authorization expire. It should also be noted that the Federal Government will receive royalties from the sale of these newly designed reactors.

It is well known that our Nation's growing dependence on imported oil—particularly from the Middle East—poses a serious threat to our national security. I firmly believe we must maintain a strong Federal commitment to researching alternative fuel sources. As the world becomes more dangerous and less stable, it is all the more important that we reduce our dependence on foreign sources of fuel to meet our energy needs.

Mr. Chairman, for these reasons and others I have decided to cast my vote against the amendment offered by the gentleman from Wisconsin, and I urge my colleagues to defeat the Obey amendment.

Mr. MYERS of Indiana. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. KNOLLENBERG) having assumed the chair, Mr. OXLEY, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 38916) making appropriations for energy and water development for the fiscal year ending September 30, 1997, and for other purposes, had come to no resolution thereon.

APPOINTMENT OF CONFEREES ON H.R. 3734, WELFARE AND MEDICAID REFORM ACT OF 1996

Mr. KASICH. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3734), to provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MOTION TO INSTRUCT OFFERED BY MR. SABO

Mr. SABO. Mr. Speaker, I offer a motion to instruct.

The CHAIRMAN. The Clerk will report the motion.

The Clerk read as follows:

Mr. SABO moves that the managers on the part of the House at the conference on the disagreeing votes of the House of Representatives and the Senate on H.R. 3734 be instructed to do everything possible within the scope of the conference to—

(1) eliminate any provisions in the House and Senate bills which shift costs to states and local governments and result in an increase in the number of children in poverty;

(2) maximize the availability of Food Stamps and vouchers for goods and services for children to prevent any increase in the number of children thrown into poverty while their parents make the transition from welfare to work;

(3) ensure that the bill preserves Medicaid coverage so that the number of people without access to health care does not increase and more children and old people are not driven into poverty; and

(4) provide that any savings that redound to the Federal Government as a result of this legislation be used for deficit reduction.

The SPEAKER pro tempore. Under rule XXVIII, the gentleman from Minnesota [Mr. SABO] will control 30 minutes, and the gentleman from Ohio [Mr. KASICH] will control 30 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. SABO].

Mr. SABO. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, there is no denying that we must make needed changes to our welfare system to make it more efficient and fair for the American people. In doing so, we should emphasize personal responsibility, and we should honor work. But we should not shred the entire safety net in the process.

It would be unconscionable of this Congress to, in the name of reform, pass a welfare bill that drives millions of children into poverty. It would be equally irresponsible to simply push Federal welfare responsibilities off on State and local governments which may or may not have the resources to care for those truly in need. That is why I am offering this motion to instruct conferees today.

House conferees should use this opportunity to negotiate with the Senate and with the President to ensure that millions of children are not pushed into poverty because of the welfare changes enacted by this Congress. We should also ensure that we do not overwhelm the ability of States and localities to deliver needed welfare services. We must reform our welfare system, but we must not do it in a fashion that increases child poverty or increases the burden on State and local government.

Also, Mr. Speaker, it should be clear that any savings that result from this legislation should go for deficit reduction, not for other purposes.

Mr. KASICH. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. SHAW].

Mr. SHAW. Mr. Speaker, I have read with great interest the motions to instruct. I might say, as to each one of these items, in crafting the welfare bill, we had these objectives in mind. Therefore, I find it would be most difficult to oppose the motions to instruct because I think that is exactly what we intend to keep uppermost in our minds.

I think it is necessary to see this as to how we view welfare reform. We view this as giving a path and a way for people to get out of poverty. We know that the present system does not work. We know that people have been paid to stay in a way of life which is self-destructive and which has totally done away with a future for these people.

Unfortunately, the poor victims of this current system, which has been held in place for so many years, are the children. We know that the children of welfare parents are going to, in all probability, and statistics prove these to be correct, are more likely to be poor themselves. They are more likely to fail in school or drop out of school. They are more likely to have trouble and get in trouble with the law. It is a self-destructive behavior.

Mr. Speaker, I think the difference in defending the existing system, to defend the existing system is simply to make somebody comfortable while they are living in poverty. That is not the way. That is destructive of the human spirit. The new way, the way of welfare reform is going to go to the root of poverty. The root of poverty is joblessness.

We have now found that in the inner cities of this country we have piled generation upon generation of people who otherwise would, as their ancestors were, be productive. It is important to remember that these people who are the descendants, who are on welfare, many of them are descendants of people who struggled their whole lives, who went to the cities for a better way of life, and now find that when the jobs went away, they were paid to stay there and do absolutely nothing.

The answer to welfare reform very clearly is to get people out of poverty, to get them jobs, to give them incentives, to give them child care, which we do, to give the States greater flexibility in order to craft these programs, the welfare programs, in order to help the people. We are at last going to be measured by the number of people we get out of poverty, not the number of people that we pay while they are in poverty. We are going to give the bureaucrats a vested interest in the solution to poverty, not the question of just how many people they keep in welfare.

This is a new day. I think yesterday we saw the action that was taken by the other body as a quantum leap forward in bipartisan cooperation. I can say that I am looking forward to a bipartisan solution in this body also.

We had 30 Democrat Members who crossed over and voted with the Republicans just last week on welfare reform. I am looking forward to increasing that number, and I would like to almost rival the Senate in getting as many of the minority party as I possibly can to vote with us on the final passage of this bill.

Mr. Speaker, there is not one Member of this Congress that is willing to get up and defend the status quo. Why? Because we all want a better life for the people of this country. I can say, again, that the four objectives that are set forth in the motion to instruct, unless somebody jumps up and says that there is something in here that I do not see, that there are some fishhooks that I do not anticipate, I would suggest that perhaps the Members vote yes on the motion to instruct that sets forth a general path toward getting people out of poverty. I believe it is a constructive motion to the conferees at this point.

Mr. Speaker, I thank the gentleman from Ohio for yielding me the time.

Mr. SABO. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Mr. STENHOLM].

Mr. STENHOLM. Mr. Speaker, I rise in support of motion to instruct the conferees in exactly the same spirit the gentleman from Florida has just spoken with. I believe when we carefully analyze this amendment, in the spirit in which was indicated support for, we will find that this motion ensures that welfare reform will not shift costs to State and local governments, which I know the gentleman from Florida agrees to.

The National Governors Association, the National Council of State Legislatures, the National Association of Counties, the U.S. Conference of Mayors, and the National League of Cities all have said the bill passed by the House places unfunded mandates on State and local governments and restricts the flexibility to administer welfare programs in their communities.

I am submitting for the RECORD a letter from each of the latter three organizations. Members will find that the Senate has made marginal improvements. The conferees can, if allowed to do our work, make it much better in the spirit of this motion to instruct.

I was particularly concerned to learn that the bills passed by the House and Senate would conflict with the reform initiatives being implemented by Texas, my State, and others States across the country. State legislators and Governors developed proposals after consulting with welfare field offices studying local job markets, evaluating the cost of implementing reforms, and deciding how best to protect children and other vulnerable populations.

The bill as passed by the House does exactly what the majority party generally rails against: That is, having

Washington dictate to the States a one-size-fits-all solution. In the spirit of this instruction, we can work that out in conference and have a much better bill.

The bill would force many States either to apply for waivers from the mandates, make significant changes in the plans currently being implemented, or face penalties from the Federal Government.

The second key principle in this motion is protecting children. Again, I would encourage my colleagues to listen to what the States decided must be done to protect children. For example, the welfare reform proposal now being implemented in Texas continues benefits for children after their parents reach a time limit.

Several other States have followed Texas' lead in protecting children from the impact of time limits. Unfortunately, the bill passed by the House substitutes the views of Members of Congress in Washington for the judgments of State officials on how best to provide for children in their States by explicitly prohibiting States from using block grant funds to protect innocent children from being harmed because of the mistakes of their parents. If these provisions in the bill passed by the House become law, Texas and other States will be required to change their plan to apply time limits to children. If you believe that State and local officials know better than Washington how to provide for the needs of low-income children in their communities, you should support the motion to recommit.

Third, the motion to instruct provides that no one should lose health coverage as a result of welfare reform. I was pleased that both the House and Senate adopted amendments preserving current eligibility rules for Medicaid coverage. However, I am concerned about reports that this provision may be dropped in conference. I hope that Chairman SHAW can assure me and other members concerned about this issue that current Medicaid eligibility rules will be preserved by the conference committee.

I am also concerned about the impact that denying Medicaid to noncitizens will have on the health care system. The bill passed by the House will effectively deny Medicaid to thousands of individuals, removing $7 billion of Medicaid assistance from the health care system. However, health care providers will continue to be morally and legally obligated to provide care to these individuals, resulting in a cost shift to health care providers that will affect the cost, availability, and quality of care to everyone in Texas and other States with large immigrant populations.

In closing, I would say to my colleagues on both sides of the aisle that this motion reflects a continuation of the spirit of trying to break through partisanship to find a commonsense middle ground position on welfare reform. All members who voted for the Castle-Tanner substitute—and all Members who agreed with the principles of the Castle-Tanner substitute but who voted against it for whatever reason—should vote for the motion to instruct. I urge a "yea" vote on the motion to instruct conferees.

Mr. Speaker, I include for the RECORD the following letters:

NATIONAL ASSOCIATION OF COUNTIES,
Washington, DC, July 12, 1996.

DEAR MEMBER OF CONGRESS: You may be voting soon on the Welfare and Medicaid reform bill (H.R. 3507/S. 1795). The National Association of Counties (NACo) is encouraged that there were improvements to the welfare section of the bill, including: increased funds for child care; maintaining current law for foster care adoption assistance maintenance and administration payments; and no funding cap for food stamps nor a block grant for child nutrition. However, there are not enough improvements to warrant our support. In some respect, particularly the work requirements, the bill has become even more burdensome. NACo particularly opposes the following welfare provisions:

1. The bill ends the entitlement of Aid to Families with Dependent Children, thereby dismantling the safety net for children and their families.

2. The eligibility restriction for legal immigrants goes too far. The most objectionable provisions include denying Supplemental Security Income and Food Stamps, particularly to older immigrants. In fact, by changing the implementation date for these provisions, the bill has become more onerous. NACo is also very concerned about the effect of the deeming requirements particularly with regard to Medicaid and children in need of protective services.

3. The participation requirements have become even more unrealistic. NACo particularly opposes the increased work participation rates and increased penalties, the changes in the hours of work required, and the new restrictions on the activities that may count toward the participation rates.

As the level of government closest to the people, local elected officials understand the importance of reforming the welfare system. While NACo is glad that the bill does contain language that requires some consultation with local officials we prefer the stronger language that is contained in the bipartisan welfare reform bill (H.R. 3266).

NACo also continues to oppose the Medicaid provisions. By capping the fiscal responsibility of the federal government and reducing the state match for the majority of the states, the bill could potentially shift billions of dollars to counties with responsibility for the uninsured. Allowing the states to determine the amount, duration and scope of services even for the remaining populations which would still be guaranteed coverage, will mean that counties will be ultimately responsible for services not covered adequately by the states. While we support the increased use of managed care and additional state and local flexibility in operating the Medicaid program, we do not support the repeal of Medicaid as envisioned in the current legislation.

As it is currently written, the Medicaid and Welfare Reform bill could potentially shift costs and liabilities, create new unfunded mandates upon local governments, and penalize low income families. Such a bill, in combination with federal cuts and increased demands for services, will leave local governments with two options: cut other essential services, such as law enforcement, or raise revenues. NACo therefore urges you to vote against H.R. 3507/S. 1795.

Sincerely,
DOUGLAS R. BOVIN, *President.*

NATIONAL LEAGUE OF CITIES,
Washington, DC, July 18, 1996.

DEAR REPRESENTATIVE: On behalf of the over 135,000 local elected officials the National League of Cities represents, we are writing to urge you to oppose the Welfare and Budget Reconciliation legislation (H.R. 3734) being considered on the floor this week. As it is currently written, the Welfare and Budget Reconciliation bill would cut federal investments in families and children, shift costs and liabilities, create new unfunded mandates upon local governments, and penalize low-income families.

While we find it encouraging that this welfare bill has some improvements such as increased funds for child care, a larger contingency fund and smaller reductions in SSI benefits for low-income disabled children, is still does not merit our support. In some instances, particularly the stringent work requirements, the bill has become even more harsh. NLC is especially opposed to the following provisions:

1. The bill ends the entitlement of Aid to Families with Dependent Children, thereby dismantling the safety net for children and their families.

2. The eligibility restrictions for legal immigrants goes too far. The most objectionable provisions include denying SSI benefits and food stamps to immigrants, especially older immigrants. These provisions will shift substantial costs onto local governments. Local governments cannot and should not be the safety net for federal policy decisions regarding immigration.

3. The participation requirements have become even more unrealistic. NLC is particularly opposed to the increased work participation rates, the increased penalties, the changes in hours of work required, and the new restrictions on the activities that may count toward the participation rates. Instead of providing more local flexibility, the bill moves in the direction of ever greater unfunded federal mandates.

As the level of government closest to the people, local elected officials understand the importance of reforming the welfare system. While NLC is happy to see that the bill does contain language that requires some consultation with local officials, we prefer the stronger language that is contained in the bipartisan welfare reform bill (H.R. 3266).

We believe that this budget legislation will sharply reduce resources in cities for families and children. It proposes a whole new chapter of unfunded federal mandates. Finally, the shift of liabilities to local governments will leave local governments with two options: cut other essential services, such as law enforcement, or raise revenues. NLC, therefore, urges you to vote against this bill.

Sincerely,
GREGORY S. LASHUTKA,
President.

THE UNITED STATES
CONFERENCE OF MAYORS,
Washington, DC, July 17, 1996.

DEAR REPRESENTATIVE: The U.S. Conference of Mayors has long advocated reform of the current welfare system which would change it from a system of dependency to one of work and self-sufficiency. We would like to see welfare reform enacted this year—reform that would be good for our nation, good for our cities and, most important, good for recipients.

We have, however, serious concerns with the welfare reform legislation now moving through Congress. Our primary concern is that the legislation will harm children, increasing the poverty rate among children and making many children who are currently poor even poorer.

The Conference of Mayors has a substantial body of adopted policy on welfare reform. Our basic principles for welfare reform are: the availability of: jobs which pay an adequate wage, health care coverage and child care; provisions which encourage fathers to assume responsibility for providing both financial and emotional support to their children; welfare benefits sufficient to maintain a standard of living compatible with health and well-being, and which remain available for a period of time determined by the client's need rather than an arbitrary time limit; a system based on incentives rather than punitive measures.

While HR 3507 represents an improvement over HR 4, with increased funding for child care, maintenance of the entitlement nature of foster care and adoption assistance, and maintenance of the current mix of child nutrition programs, the bill does not meet the principles for welfare reform which we have set. Unless these concerns are addressed, The U.S. Conference of Mayors must urge you to vote against HR 3507.

Sincerely,

CARDELL COOPER,
Chair, Health and Human Services Committee.
RICHARD M. DALEY,
President.

H.R. 3734 RESTRICTS STATE FLEXIBILITY TO IMPLEMENT WELFARE REFORM INITIATIVES

While Congress has been debating welfare reform, states have begun to implement aggressive welfare reform initiatives through the waiver process. These innovative state plans requires greater personal responsibility, place work requirements on welfare recipients and set time limits on benefits. State legislatures and governors developed proposals after consulting with welfare field offices, studying local job markets, evaluating the costs of implementing reforms and deciding how to best protect children and other vulnerable populations. State officials were able to develop welfare reform initiatives that were tailored to the conditions in their states so that the programs would be practical and successful in moving welfare recipients in the state into work. These state plans reflected the views of citizens of their states.

The welfare reform bill passed by the House and Senate would conflict with many of the reform initiatives being implemented by states across the country. The bill overrules the judgement of state officials about what is practical and realistic in work programs by mandating work rules which are much more severe than most states have established. The work requirements mandated by the bill are more severe than most states believed they could afford or successfully implement. In addition, the bill would prohibit several states from continuing provisions protecting children from the impact of time limits on benefits. Although the bill is intended to give states flexibility to implement welfare reform plans without the need for federal waivers, the bill would force many states to either apply for waivers from the mandates in the bill, make significant changes in the plans currently being implemented (absorbing additional costs to meet federal mandates while federal funding is being frozen), or face penalties from the federal government.

Among the states that are implementing welfare reform initiatives that would not comply with the mandates in H.R. 3734 as passed by the House:

Connecticut: Welfare recipients would be required to work a minimum of 15 hours a week after two years of assistance, 25 hours after three years and 35 hours after four years. The Connecticut program would fail to meet the work requirements mandated in H.R. 3734 because most individuals working under the state plan would not be counted under the rules established in H.R. 3734. Connecticut imposes a time limit for a portion of the caseload that applies only to employable adults. Under H.R. 3734, Connecticut would be required to apply the time limit to children as well.

Delaware: Private contractors are paid for placing welfare recipients in private sector jobs of at least 20 hours a week, recognizing the nature of opportunities in the labor market for unskilled applicants. H.R. 3734 would not count individuals placed in private sector jobs of 20 hours a week as meeting work requirements.

Georgia: Georgia applies a work requirement in ten counties that require recipients to work up to 20 hours per month at an assigned in local, state or Federal government or at a non-profit agency. the Georgia plan does not meet the mandates regarding either the hours of work required or the percentage of the caseload that must be working. The Georgia plan provides that benefits to children are not affected by the plan. H.R. 3734 would require Georgia to amend its plan to eliminated benefits for children after the five year time limit.

Hawaii: The state plan places job-ready recipients in part-time private sector jobs of up to 18 hours a week. These jobs would not comply with the mandates in H.R. 3734.

Indiana: The Indiana plan applies the time limit on benefits to adult benefits only. H.R. 3734 would require Indiana to amend its plan to apply the time limit to children as well as adults.

Iowa: Under the state plan, caseworkers are given latitude to set forth a work plan for recipients based on individual circumstances, including the individual's work history, education level, etc. and environmental barriers such as transportation, child care and the local job market. The work requirements in the individual agreements range from 20 to 45 hours a week. The work requirements mandated in H.R. 3734 would severely restrict the ability of caseworkers in Iowa to set work requirements based on individual circumstances.

Missouri: The Missouri plan applies the time limit on benefits to adults only. H.R. 3734 would require Missouri to amend its plan to apply the time limit to children as well as adults.

Montana: The Montana plan requires recipients to perform 20 hours of community service per week after receiving two years of benefits. This work requirement would not meet the mandate in H.R. 3734. The Montana plan does not apply the time limit to children's benefits, as H.R. 3734 would require.

Oklahoma: Recipients in six counties who are not able to find a job after receiving benefits for three years are required to work at least 24 hours a week in a subsidized job. The Oklahoma plan does not meet the mandates regarding either the hours of work required or the percentage of the caseload that must be working.

Rhode Island: The bipartisan welfare reform proposal being considered in the Rhode Island General Assembly with the support of the Governor would exempt children's benefits from the time limit. H.R. 3734 would require Rhode Island to change its plan before it could be implemented.

Tennessee: The Tennessee welfare waiver request would require welfare recipients to work 25 hours a week, which would not meet the mandates in H.R. 3734.

Texas: The Texas plan requires individuals who are unable to obtain private sector employment of 30 hours week to participate in work activities under the JOBS program of 20 hours a week. The Texas plan is extremely unlikely to meet the mandates in H.R. 3734. The Texas plan continues benefits for children after the time limit, which H.R. 3734 would prohibit.

The list above is only a partial list of states that do not meet the mandates in H.R. 3734. Several states not listed above are in the process of developing programs that would not meet the mandates in the bill. Many other states have welfare reform initiatives that do not address the issues of work requirements and time limits mandated in the bill. Finally, virtually all states that are implementing work requirements have limited the work requirements to targeted segments of the caseload which fall far short of the participation rates mandated by the bill.

Mr. KASICH. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Michigan [Mr. CAMP].

Mr. CAMP. Mr. Speaker, I thank the gentleman for yielding time to me.

I also have looked at the motion to instruct and do not find anything too objectionable in it, as well. When we look at the costs, I know it mentions the costs that have been put on State and local governments, that they are concerned that costs will be shifted there. What our bill tries to do is give States more flexibility to design and implement a welfare program that will free up resources because, clearly, the kind of welfare system we have had for the last 30 years has been overly restrictive. Just look at the number of waivers States have applied for, which has been a long, difficult, bureaucratic process. Some I think have recently been granted for Tennessee, or that announcement will be made very soon.

Even the Federal Government recognizes, the administration recognizes that the current system has not done the job. The whole purpose of our bill is to try to ease that. The purpose of doing that, of course, is to help lift children from poverty. I think if we look at the last 30 years, the war on poverty has not been won, and it is very, very important that we do better at that.

I think the bipartisan nature of this bill that came out of the Senate, half the Democrat Senators supported the welfare bill. I think it is a very good, strong signal that the kind of bill we are going to design will be a very positive change, one that has been needed for a very, very long time.

□ 1730

Mr. SABO. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from Florida [Mrs. THURMAN].

Mrs. THURMAN. Mr. Speaker, I thank the gentleman from Minnesota for yielding me this time.

Mr. Speaker, as we head toward the third conference on welfare reform, I hope that this time everybody gets it right and focuses on the children who need to be protected, rather than the political gains to be made. We have actually come very far over the past year, and the bill making its way to the conference is a little bit fairer and more reasonable than the first one.

But there are still loopholes. In other bills, loopholes mean a loss of revenue or a tax shelter. In this bill, a loophole means thousands of starving children.

Here are the holes in the conference that must close. First, in the House bill, children are penalized for their parents' mistakes. If a parent is irresponsible and does not get a job within the time limit, kids get cut off, too. Nobody wants starving children in dirty diapers. That is not welfare reform, but it is what will happen unless the loopholes are closed, with vouchers for kids.

Second, the House bill contained underfunded optional block grants for food stamps. The Senate was wise to recognize that these block grants will be attractive to States, but dangerous for children. When the money runs out, and it will for many States, there will be no money for hungry families. For example, what happens when companies downsize or a recession hits? Families that worked hard, but struggled from paycheck to paycheck, will look to us to help feed their children, and we will have to turn them away. The Senate recognized this problem and we should support their amendment to eliminate the optional block grants.

Like everyone else in this body, I want to see welfare reform, not status quo, signed into law this year. But in doing so, let us be guided by the words of Hubert Humphrey, who considered the moral test of government to be how that government treats those who are in the dawn of life, the children. If we, the most plentiful Nation on Earth, bring harm to our children by passing the wrong welfare reform, we will have failed this test.

Mr. KASICH. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from the State of Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Speaker, I welcome the Sabo amendment, because it does clarify a number of issues that are important for the conference to focus on. I personally worked very, very hard on the Medicaid provisions, and we need to assure that they are strong and will provide the kind of health care that children need.

I personally feel that one of the important things for the conference, though, is not to be bound by the old thinking. When I hear the preceding speaker talk about children after the 5 years, I do not feel that she really sees what the impact of this plan is going to be. There are just so many opportunities from day 1 to provide day care, to get into job training, to use those day care dollars so effectively that women work in day care centers half the day and then they are in job training half the day, and from the very beginning, day 1, the whole family comes together to the family center and everybody begins growing, changing their future. So, I think there is enormous opportunity here.

Michigan has done a great job with kinship groups. If you see you are going to have trouble, you can bring kinship groups into it, and the whole family, the larger family, needs to have the role here, have a role in planning the solution for this family. So, we need to be sure to be creative and not to cut off the kinds of initiatives that are going to develop.

We do have that 20 percent protection. I agree, we do not want any children disadvantaged by this reform This should offer opportunity and hope to both women and children. But we do not want our thinking about the welfare of the next 20 years to be too narrowly fenced in by the experience of the last 10 years and 20 years when the States were very limited in what they could do.

In Connecticut, we have a 21-month limit, and one of the biggest newspaper critics of it wrote a column just the other day saying, you have to own up when you are wrong, and he was wrong. It is working great.

Mr. SABO. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Tennessee [Mr. TANNER].

Mr. TANNER. Mr. Speaker, I want to compliment the gentleman from Florida [Mr. SHAW] and the others who worked with us. I certainly want to thank the gentleman from Delaware [Mr. CASTLE] and the gentleman from Texas [Mr. STENHOLM] and the gentleman from Minnesota [Mr. SABO] and others who have worked on our side. I think we are very close.

This motion to instruct has really four general, but necessary, principles I think we all share in this body, Democrat or Republican, to make sure, as one of the previous speakers said, we get it right. It talks about the cost shifting to local governments, and we need to really take a look at that. As the gentleman from Texas [Mr. STENHOLM] said, there is no reason to again demand that States do it our way or face penalties, and then we all know what happens there.

There is still a part of the House bill that treats a 4-year-old child like a 34-year-old irresponsible adult. We really can fix that, and we need to.

We talk also about Medicaid coverage. The Senate took a great step yesterday in a vote of, I think it was, 95 to 2 to fix that portion of it, and surely the conference committee can take a look at that. Finally, we talk about the savings that are achieved here going to deficit reduction, which directly will affect these children that we are talking about in the previous parts of the bill.

So we are close. The Senate did some good work yesterday. If we can just in the conference utilize our imagination, as one of the previous speakers over there said, to try to get to some closure on these principles, not harming children, actually making sure that the funding is there to make the system work. I think we are very close to a breakthrough and a conference committee report that we can all support and the President can sign.

Mr. KASICH. Mr. Speaker, I yield 3 minutes to the distinguished gentlewoman from the State of Washington [Ms. DUNN], a member of the Committee on Ways and Means.

Ms. DUNN of Washington. Mr. Speaker, I thank the gentleman for yielding me this time.

I am very pleased today to see us moving toward bipartisanship on welfare. We are all very concerned about solving this major problem. Many of us here on the House floor who have worked on this issue month after month, and some people year after year, are worried about what the current system of welfare has done to children.

I do want to reassure the gentlewoman from Florida that we have indeed built flexibility into this system, this new bipartisan proposal that will take care of children, that they will not suffer at the end of 5 years, that there is a 25-percent exemption number there, that money can be shifted from child care from title XX to take care of those children, and they can be transferred within the block grants, and that there are other State sources that may be used to support the children after 5 years as well.

But I continue to be very pleased to see how much emphasis both sides of the aisle are putting on the issues that are most important to me in this bill, the issues of child care and child support. In the original welfare bill, we were very thoughtful in how we addressed child care. We took a great deal of time to work with the governors of the States, the Members on both sides of the aisle, the administration, to develop a plan that would fund child care at a level that would be far better than what exists in the current system today.

So at this point we are something around $4.5 billion more than the current welfare program provides to the States for child care, including their funding, and $2 billion more than the President originally asked for, and I think this is an appropriate level and shows the concern that we have for those mothers on AFDC who are wishing to get off welfare and into the work force. We have talked to these women and we have figured out that this is the most important piece of this whole legislation that allows them the peace of mind they need to make this transfer.

Child support is critically important. We spent a lot of time, there has been a lot of work that has gone into the child support issue, the issue of deadbeat parents, 30 percent of whom leave the States, Mr. Speaker, to avoid paying child support. We have provided a nationwide information service here that will allow States to find those deadbeat parents, and I must say that today in our Nation, $34 billion is owed in court-ordered child support to custodial parents. When it is not paid, those kids go on welfare and the taxpayers become the parent.

So I am here today to commend both sides of the aisle to support the Sabo motion to instruct and to urge my colleagues to continue the bipartisan approach to welfare that I hope will continue right through to the signing by the President in the White House.

Mr. SABO. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from California [Ms. WATERS].

Ms. WATERS. Mr. Speaker, I rise in support of this motion to instruct the conferees. First, let me make one attempt, one final attempt, to interject some sanity into this debate about the future of mothers and their children. We can accomplish welfare reform without abandoning poor children. If this government cannot agree to that, it will agree to nothing.

Both the House and Senate versions of this bill would decimate the food stamps program; both would unduly restrict benefits for legal immigrants. The proponents of this legislation are clearly driven by two impulses, neither of which is reforming welfare. First, they are eager to balance the budget on the backs of poor children rather than tackle corporate welfare. And second, they are attempting to create a wage issue, which they know divides Americans, and inject their divisive spirit into this political season.

This is not how we make sound public policy, Mr. Speaker. The last bill that was sent to the President's desk would have thrown at least 1.2 million children into poverty. While we do not have a comparable study on the impact of this bill, I would ask my colleagues, how many children will this Congress feel comfortable making poor? One million, 2 million, a half million? Where is the job creation? Where are the incentives to business to stop exporting our jobs to Third World countries for cheap labor so that we can provide jobs for jobless Americans here at home?

Mr. Speaker, many welfare recipients want desperately to change their lives. They want to correct the mistakes in their lives. They want help, not more pain. They want jobs. Let us train them, not starve them.

Mr. Speaker, we should support this motion to instruct the conferees to keep children out of poverty, preserve Medicaid, maximize food stamps, provide job training and work opportunities. This is not fun and games. This issue is about human lives.

Mr. KASICH. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I think it is pretty amazing for the American people to make note of the fact that in the other body, 74 Members of the other body voted for a significant, the most significant change in welfare that we have seen in this country since welfare was created, and that of course enjoins the action of this body to do a number of things.

First, to say that we will take care of people who cannot, simply cannot take care of themselves. But at the same time, it says for those people who are able-bodied and find themselves on this welfare system, that we will provide adequate day care so that the children of people on welfare will be protected.

Second, that the people who are on welfare are going to be asked to get trained. We are going to give them a skill. We are going to educate them. We are going to help them. And at the end of the day, it is also expected that those folks will be able to leave welfare and find employment to work.

I think that is what Americans have been calling for in this country my entire political career, and frankly all of my lifetime. Because in a Judeo-Christian society, it is wrong not to help people who need help; but in a Judeo-Christian society, it is also wrong to help people who need to learn how to help themselves. I do not think there is much disagreement with this.

Now, there are some starts and some stops in any legislation. There is always concerns about what happens. But it has been those concerns that have blocked this Congress, not this Congress, but previous Congresses from being able to deliver the kind of welfare reform that taxpayers want, and the kind of welfare reform that taxpayers will support.

□ 1745

I would say to the Members of the House today that the gentleman from Minnesota makes an amendment that I think has a lot of merit. It speaks to the fact that we do not want unfunded mandates. That is why, in fact, Governors sit in our deliberations and give us their opinions in terms of the impact of this legislation on their States. They basically have one plea, however: "Trust us, we can do the job. After all, it is our citizens' money, and we think we can design a program that fits local solutions to local problems at less cost and will be more productive and rescue people from poverty."

At the same time I think it is very important to realize that as we go through this, we are going to be in a position where taxpayers finally are going to be able to say, "I can support this program. It is fair to those who cannot help themselves, it is fair to those because we provide the adequate programs to protect their children as they get skills and get work, and it is fair to me as a taxpayer."

I am always proud of saying that I think the real American heroes in this country are not the Shaquille O'Neals who make $125 million or the Juwan Howards who make $100 million. God bless them for having the skills to drive the market to make that kind of money but they are not my heroes.

My hero is that lady who goes to the airport to pour the coffee, puts her children in day care, and works like the dickens with her husband to make ends meet, and they do not get anything from the government. They are not unwilling to help those that cannot help themselves, but at the end of the day they want to believe it is a system that encourages people to leave.

We cannot let the concerns that we have had over the years deny the kind of welfare reform we ought to have. I think the gentleman from Minnesota [Mr. SABO] speaks to the issue of the local mandates, the need to be concerned about children, which all of us are. We believe at the end of the day this is a compassionate bill that will help the folks that need the help and help the taxpayers who want to have a legitimate welfare system.

So we can support the Sabo amendment, move to conference, and, ladies and gentlemen, I think we are on the verge of truly historic reform of the system that has needed reform all of my lifetime and I think it is a day for us to be excited.

Mr. SABO. Mr. Speaker, I yield 2 minutes to the gentlewoman from California [Ms. WOOLSEY].

Ms. WOOLSEY. Mr. Speaker, we will agree that the welfare system does not work for taxpayers and it certainly does not work for families on welfare. That is the easy part.

The challenge and responsibility we face as legislators, however, is to fix the system so that it helps parents move from welfare to work while at the same time ensuring that children are safe, healthy and protected. We have to do that because parents cannot succeed in school, training or work if their children are not taken care of. They cannot do their best when their children are home alone or in a car or if they are sick or hungry.

Take it from me. I was on welfare. Even though I was working, I needed Aid For Dependent Children for one reason and one reason only, to give my children the food, the medical care, and the child care they needed. Without those crucial support services, Mr. Speaker, without that safety net, I do not know what would have happened to my family.

So, conferees, Members of this body, remember, the lives of millions of children are in your hands. Take this responsibility very seriously. If you err, err on the side of our children. Make sure that no child is left without proper health care, nutrition, or child care.

Make sure that no child is left behind. Remember how the safety net saved my family. Remember the children. I urge my colleagues, protect our children.

Mr. KASICH. Mr. Speaker, I yield 2 minutes to the very distinguished gentleman from Delaware [Mr. CASTLE], the former Governor.

Mr. CASTLE. I thank the gentleman for yielding me this time.

Mr. Speaker, I would just like to share some thoughts I have on welfare reform. I support all the concepts of the motion to instruct conferees. I think the gentleman from Minnesota [Mr. SABO] has done a good job here, but I would just like to point out where we have gone in the welfare reform package.

We had it coming out of committee, we took it to the floor of the House, we made some amendments to it which I think made it a better bill. It went over to the Senate, they acted on it. I think they have added some aspects to it or reaffirmed what we have done in the House, which makes it a better bill. Hopefully the conferees can sit down and meet and also make some of the improvements along some of the lines that have been discussed here to make it an even better bill.

I think we are going to have welfare reform in the United States. I think we need to be very serious about what is going to be in it. Quite frankly, I think we have worked hard to actually make this a very good piece of legislation.

I could not agree more, we should not have unfunded mandates. We have now preserved Medicaid coverage almost completely in this bill. We need to protect that. That is a very important point which is made here. I also believe we need to deal with the vouchers for goods and services, and I think maybe we are a little further long that line than even I thought after some further research. Hopefully we can develop that a little bit more too, as well, as we look at this.

Obviously I believe we should have whatever savings we can possibly have, but the bottom line is right. So many people have spoken here today and before on welfare reform. We need to put into place a system which will change it. There are job opportunities being created in America. The President of the United States says that constantly. Our economy shows that. We think these individuals ought to have the opportunity to go out and work where they can. We believe some should be protected, the 20 percent who cannot work.

I think this is all coming together. I congratulate all the Members of the House. Sometimes we do not listen to one another. I think in this instance we have been listening to one another. Hopefully we will listen to this motion to instruct conferees, go to conference and have a good welfare reform package.

Mr. SABO. Mr. Speaker, I yield 1 minute to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. I thank the gentleman for yielding me this time.

Mr. Speaker, I am pleased to follow the preceding speaker who has worked so hard to make certain that a bipartisan welfare reform package is possible. The issue before us is not whether we should reform welfare. It is how we reform welfare in the correct way. I think the Senate took a major step forward in showing that true bipartisan reform is possible. Sbustantial changes were made in the Medicaid and in the food stamp areas, resulting in a much more bipartisan vote than was achieved in the House.

What other changes can be made in conference to get a stronger bipartisan House vote? The motion before us lays them out. Do not shift costs to localities, do not harm children, particularly as parents make that critical transition into the work force, preserve Medicaid coverage so that people without health care access does not increase, and, finally, if there are savings, let us apply them on the deficit.

We can do better than the bill that came out of the House in reaching bipartisan agreement. If the conferees adhere to these points, we will have a bipartisan welfare reform proposal.

Mr. KASICH. Mr. Speaker, I reserve the balance of my time.

Mr. SABO. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. BECERRA], and I ask unanimous consent to yield the balance of my time to the distinguished gentleman from New York [Mr. RANGEL] and that he have authority to yield to others.

The SPEAKER pro tempore (Mr. KNOLLENBERG). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BECERRA. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, if there is one clarion call that we should hear in this Congress when it comes to reforming welfare, it should be: Hold our children harmless. We can disagree on a lot of things, but I think one thing is clear: None of us intends to put children in worse condition by reforming welfare. Yet we still have an issue. The Republican welfare bill that passed in this House would send 1.5 million children into poverty. It would increase the level of poverty for those children already existing without enough. Why would we want, as this bill does, to deny a child who lives in a home where there is domestic violence the opportunity to escape that home? Why would we want to deny more than 300,000 children who exist with a disability the opportunity to try to have the same opportunity as any other child? Why would we want to deny a child who is hungry the opportunity through food stamps to be nourished? I do not think we want to do that, and I believe on a bipartisan basis we can get there. We are getting closer. There are still some disagreements. But certainly we can get there. Let us not fool ourselves. If we do not give through the Federal Government some assistance through food stamps or other services to that child, no one in the community in Los Angeles where I live or any community where you live will say, "We're going to leave that child on the street." We are going to care for that child one way or the other because we are very humane in this country. But let us not shift costs to the local governments and claim that we have saved welfare. Let us do it the right way and let us remember, in the end, the clarion call should be: We will hold our children harmless.

Mr. RANGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, my dear friend CLAY SHAW who has worked so hard to protect the children of our great Republic and who made so many attempts to make this a bipartisan effort closed his remarks by saying, "And who would want to be in a position of defending the status quo?"

Mr. Speaker, the gentleman has no idea what a powerful political statement he made. Because the answer should be, "Nobody."

There is widespread feeling in this Congress and in the United States that anybody that can work should be working, and anybody who freeloads is inconsistent with the ideas and the ideals that made our country the great country it is. Nothing gets to a taxpayer more than seeing a freeloader living at their expense and not making any attempt to pay their own way with the dignity that a job brings to them.

Having said that, if I understand this bill, this is not just reform because you call it reform. President Clinton said you can put wings on a pig but it does not make it an eagle. Why should I accept the fact that just because it is different, it is reform?

"Trust the States." I trust the States. Give them the Federal money, they are closer to the problem. Put in a safety net. Make certain the children are protected. We are not talking about aid to dependent mothers. We are talking about children. Whether you are Democrat, conservative, liberal, or Republican, OMB says 1 million kids are going to be pushed into poverty. Why? Because people have arbitrarily said, "Trust the Governors." After 2 years they decide if the mother is not working, kick the kid off.

Well, I do not know what would have happened in the manger at Christmastime if that attitude had prevailed, but I think that Mary and Joseph would have had a harder time under today's bill than they had 2,000 years ago.

The fact remains is, if you say go to work, is there not a responsibility to have a job? If someone plays by the rules, makes a mistake, the boyfriend got killed, they were on their way to the church, they looked for the job, they took the training, but there were no jobs.

□ 1800

Oh, the Governors will work out something. If we are providing Federal funds and for the first time in 60 years are saying we wash our hands of this problem, it is now a State problem and you, RANGEL, trust the Governors, you have been there for 40 years, that is a heck of a thing to tell to a child that is being denied food stamps, that is being denied health care because we have a problem with the mother. But if you do not have a problem with the mother and she has worked hard and there is no job for her to find, you say if it is 2 years, 3 years, 4 years, 5 years, it is OK with you that she has not got a job.

I say if we want to turn it over to the States, I think it is wrong, but I would support it. But we have an obligation as a Congress, as a Nation to put a safety net there for those kids. They have not hurt anybody. But it is not there in any of these bills.

What has really happened is that the question before us as we adopt the resolution that the gentleman from Minnesota [Mr. SABO] has is not whether or not this is a good or bad bill. It is the question that the gentleman from Florida [Mr. SHAW], my friend, raised: Who is prepared before this election to protect the status quo? It is not me, but that does not mean that this flying pig is an eagle. It means that we have to do something before the election.

Democrats have to have a vote on something and so do the Republicans, unless, of course, which I know never entered the minds of my friends in the majority, unless we can make the President look worse by having to veto it. So now good-thinking people are wondering in the Congress do they really want a bill or do they really want to embarrass the President. And that is what we are talking about today. The urgency to get this bill out is based really to get it out before we go to the election.

All I am saying is, if the bill is so good, why does Catholic Charities say it is so bad? Are they dealing with such a higher authority that they cannot reach the Christians outside of the Christian Coalition? If the bill is so good, why is it my Jewish friends who take care of kids every day in the Jewish Council Against Poverty, which every year, the gentleman from New York [Mr. GILMAN], my good friend, and I are there saying that poverty is not black or white or Catholic or Protestant or Jew or gentile, hey, they are against the bill. And the Muslims are against the bill. The Protestant Council said it may be a good concept but it is bad for children.

I tell my colleagues one thing, this is the best medicine we can find to have food for an election. So I retain my time to yield to other Members, but I really wish that we could hurt the people that should be hurt and provide the jobs and the opportunity for those people who played by the rules; but there is no provision there to protect them.

One day when we are talking about welfare reform, we will concentrate on education and dreams and training and have people that have more time to be prepared to get married and to get the picket fence and to have the same dreams as other people. But I realize that that issue is a local issue. We will leave that to the local school boards, and we will tackle the big ones like welfare reform and let the Governors tell us how well they are doing.

Mr. KASICH. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Florida [Mr. SHAW].

Mr. SHAW. Mr. Speaker, I would like to respond very briefly to my good friend from New York. On this floor we often use the word good friend in referring to somebody right before we slap them upside the head, but CHARLIE and I are good friends; we really are, both on the floor and off of the floor. I would like to say to the gentleman from New York, next year I think we all anticipate he would be the ranking member on the Committee on Ways and Means.

My colleague may try to make the argument that he is going to be chairman, but it is not going to happen next year. But in any event he is going to be the top Democrat on the Committee on Ways and Means. In that position, as I have said to him in the past that I would hold out to him my hand to work in cooperation with him once welfare reform gets in place to be sure it is going to work, there are going to be problems with welfare reform.

Anyone in this body that feels that we have washed our hands of the problem is kidding themselves. The Federal Government, by defense of a welfare system that has not worked and has built up layer after layer of generations on poverty, we have a responsibility as a Federal Government to go in and clean up this mess and to get people where the jobs are or get the jobs where the people are. I know, I say to my friend and colleague, that this is something that he is interested in, and I will tell my colleague tonight that I would be happy to go to his district and to work with him because I know of his concern for the people he represents. I also have concern for them.

Now, one quick response to the question as to whether we are trying to rush something in before the election, we are trying to give this President the opportunity to deliver on a promise he made 4 years ago during the campaign on which he mentioned right below where the speaker is standing here tonight in telling us during the State of the Union Address that he wants a welfare bill that he can sign. We intend to deliver him a welfare bill that hopefully he will sign.

It got great support in the Senate. I hope we take the momentum that they came out of the Senate onto the House Floor and that we send him a bipartisan bill and he will sign it.

Mr. RANGEL. Mr. Speaker, I am certain that the President will make note of this contribution that we are making to his campaign and the great opportunity that we have given to him. I would like to yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Speaker, Democrats and Republicans have agreed from the very beginning of this session on welfare reform, the need for welfare reform. We agreed that one title of the welfare reform bill should be there, child support enforcement. It was placed in, we worked together and it stayed that way.

Other than that, there were many disagreements. There were many debates. There were many arguments. We come to this point where we have the motion before us that will put people to work and protect children.

We look at this motion. It says yes to welfare to work programs and no to unfunded mandates. We look at this motion that says yes to strict time limits on adults and no to driving additional children into poverty. The motion says yes to reforming welfare but no to increasing the number of people without health coverage.

So the motion is a good motion. This bill can become a better bill. I remember the other day last week when we were voting on final passage in the House, on the welfare bill. One of my colleagues on the other side of the aisle came down and said: BARBARA, I thought you said, if we made this bill better, you would vote for it. I said yes, I said that, but I think it can be better.

Yesterday it was made better. Yesterday Medicaid language was much better in the Senate. Yesterday no block grant for food stamps. Let us use the surplus agriculture supplies we have for nutrition for the children. Yet there were other ways that the Senate bill very definitely made this a better bill.

We have this motion, a commonsense blueprint for welfare reform that will work and that President Clinton can look at so he can decide if he is going to sign it.

I say to my colleagues on the other side of the aisle this is a much better bill that we continue to talk about. Tomorrow there will be a conference, where we will meet. The gentleman from Florida [Mr. SHAW] has been a leader on this and has been patient, unbelievably patient.

I say let us still consider that safety net for children. Let us still make it a better bill so that we can all vote for it and the President can sign it and we can all say we did welfare reform.

Mr. KASICH. Mr. Speaker, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON].

Mrs. JOHNSON of Connecticut. Mr. Speaker, certainly it is the tradition of the Congress that going to conference is a time when House Members and Members of the other body think together anew about legislation, and the best ideas from both sides are merged. So, there is no doubt in my mind that what comes out of conference will be a bill we will all be proud of.

I do want to go back to something that my friend from New York said, and that is jobs; what are we going to do if there are no jobs? And why do all these religious groups oppose the bill? Well, I would say to my colleagues that welfare reform is not just about welfare. Welfare reform is about system change in America. Those groups do not understand that. They do not see the possibilities.

I think we are missing the understanding of the new opportunities this bill creates. For example, it has always been unfair for local taxpayers, and we know how terribly, terribly stressed people are at the level of local property taxes. Those people are paying their local government people, and they are participating in paying welfare benefits.

Through attrition, without anybody who is employed losing their job, there is not any level of government that cannot open up entry-level jobs for welfare recipients so right off the bat they get real wages for real work. They make contacts and then the local governments can use that money to up the salaries of some of their people to do supervision and to do coordination.

So I believe in the long run we are going to use our public dollars better as a result of welfare reform because we are going to open up jobs. We are going to build job training into our Federal, State and local bureaucracy, and people will have opportunities right off the bat they never dreamed of. So I think using the resources of the employment base that government provides with taxpayer dollars, our community colleges and our adult education resources, we are going to create opportunity with this bill that we are going to be proud of.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Speaker, the basic foundations of welfare reform have been clear for some time: moving people on welfare into productive work with time limits and State flexibility, protecting the child who will be a main beneficiary of breaking the cycle of dependency.

While I have believed that there was a mainstream cutting across the parties to build a new structure on these foundations, and I have been actively engaged along these very lines, early Republican bills veered sharply in an opposite direction and as a result the President vetoed them.

In direct response, the majority moved and there have been some significant improvements in the proposed legislation, moving from no specific provision for health care and woefully inadequate day care to assurance of health and day care as parents move off of welfare to work, better ensuring that States who meet their responsibilities and maintain their effort, not simply substituting Federal dollars for their own, canceling the punitive program cuts for severely handicapped children, restoring the safety net for foster care and child nutrition and creating a structure, though still very inadequate, to protect people who want to work from the ravages of a major recession.

The bipartisan Tanner-Castle bill, which I actively supported, and several amendments in the Senate point to several key areas where there is a serious need for further change, especially those relating to the protection of health and welfare of children who are legally in this country, and to really achieving what is most needed for the parent on welfare, for their benefit, for the child and for the taxpayer; that is, work.

This motion instructs the conferees to do everything possible to achieve the stated objectives on a bipartisan basis. The conference can be an important step forward on a bipartisan basis toward welfare reform or a backward step on a partisan one leading to further gridlock. This Nation badly needs and wants the former. We must strive to achieve it.

Mr. KASICH. Mr. Speaker, I yield myself 2 minutes.

I want to say to my friend from New York I was amazed the other day in talking to some of my friends on the Democratic side of the aisle. They were wondering about our economic program. I think what my colleagues have to understand, they may not like our program, but our program balances the budget and lowers interest rates.

One of the major ways we do it is to shift power and money from this city back home so that people can solve local problems with local solutions, I would say to the gentleman. I want my local housing authority administrators to set the rules for the people that live in the housing in my community. I do not want to come to Washington for the rules. I want to do it in the neighborhood.

Our program is to provide tax incentives, we believe, and lower taxes on risk-taking. We think that will create jobs, and my good friend Bob Garcia joined with Jack Kemp to create enterprise zones to give tax relief so we can create jobs. The day is going to come, in my judgment, where the poorest Americans are going to support lowering capital gains taxes so that people will risk money to create jobs.

I would also say to the gentleman that our view of deregulation, of unshackling businesses that cannot get started in communities because they got to hire lawyers and accountants and Lord knows how much. Instead of treating those people with great respect, we make it difficult for them to create a job and hire people. That is why we support deregulation.

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That is why we support less Federal involvement, because we believe we need to reclaim our communities and our neighborhoods and our families.

So this plan cannot be divorced from our economic plan. The gentleman may not agree with our economic plan, but we are sincere in our efforts to try to bring greater prosperity to this country, and we think we are on the right track. The gentleman believes we are not. But we cannot divorce welfare from the need to provide economic growth. We believe we have the better way to do it, and I want the gentleman to understand that is our approach.

Mr. RANGEL. Mr. Speaker, I yield such time as she may consume to the gentlewoman from California [Ms. PELOSI].

Ms. PELOSI. Mr. Speaker, I rise in support of the motion to instruct and reject the idea of putting more children into poverty.

Mr. Speaker, we can all agree that the welfare status quo is unacceptable. But the Republican welfare reform proposal will make the problems of poverty and dependence much worse because it refuses to make work the cornerstone of welfare reform.

Real welfare reform is about work. Opportunities for work, jobs that pay a living wage, job training opportunities to provide skills necessary to earn a living wage are long term solutions for a permanent and productive reform in our welfare system.

Real welfare reform must emphasize the importance of work. Real welfare reform must also aid rather than punish children. In the United States, 14 million children live in poverty. Passage of this legislation would add millions more to that statistic. This welfare bill is punitive and unrealistic.

Abolishing the safety net for children, imposing family caps, denying legal immigrants benefits, imposing arbitrary time limits and failing to provide adequate child care, health care, education, job training, and work opportunities for people in need will thrust millions more into poverty.

This bill cuts almost $60 billion from the poor in this country. These cuts will affect children whose parents are on welfare. These cuts will trap countless women in abusive relationships, with nowhere to turn—without a realistic way to gain independence, gain work, and provide for their children.

Welfare reform must be about education, job training, and work. We must keep families together, rather than ripping them apart. We cannot simply reduce the deficit at the cost of our poorest Americans. This proposal has little wisdom, conscience, or heart.

Some of my colleagues will vote for this bill and then wash their hands of welfare reform, saying they have done their job. But the job of welfare reform is more complex and dire. People living in poverty are not cardboard cutouts: they do not have the same stories, they do not need the same services. This bill treats everyone alike, with unrealistic time limits and no real lasting and effective plan to move welfare recipients to work at a living wage.

The denial of benefits to legal immigrants in this legislation will do great harm to children and have a devastating impact on the health care system in our country. Only 3.9 percent of immigrants, who come to the United States to join their families or to work, rely on public assistance compared to 4.2 percent of native-born citizens. According to the Urban Institute, immigrants pay $25 billion more annually than they receive in benefits. Yet the myth persists that welfare benefits are the primary purpose for immigration to the United States. Instead of appreciating legal immigrants for their signficant contributions to this, their adopted country, this bill blatantly punishes them, especially young children and the elderly. It bans SSI and food stamps for virtually all legal immigrants. It tosses aside people who pay taxes, serve our country, and play by the rules. This lacks compassion and common sense.

If we want to achieve real welfare reform, we need to offer some long-term solutions to help people move up and out from the cycle of poverty. The current welfare system is not adequate, but this bill makes it far worse.

I urge my colleagues to oppose the Republican bill and work together for meaningful reform that puts people to work and pulls them out of poverty for good.

Mr. RANGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. NEAL].

(Mr. NEAL of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Speaker, I want to thank the gentleman from New York [Mr. RANGEL] for yielding me this time.

Let me offer a statistic this evening that I think is the most compelling number that has surrounded this debate for the better part of 18 months. There are 12.8 million people in America who receive AFDC. Of that number, between 8 and 9 million of those recipients are children.

That is the issue that we can never lose focus on. That is the issue that ought to motivate, and that is the issue that ought to drive these deliberations. And yet after 18 months there has only been one bipartisan initiative that deals with welfare. The authors having been the former Governor of Delaware, MIKE CASTLE, and the Congressman from Tennessee, JOHN TANNER. Only one bill had the support of Democrats and Republicans alike in this institution, and it was the piece of legislation that Bill Clinton said "I will sign if you put that on my desk."

But the posturing that has taken place over this issue has delayed getting to a bill that withstands the scrutiny that we all know welfare reform deserves. Let me just read one sentence from a letter that was sent by the Speaker of the House to the members of the Republican Conference. He said, in suggesting they oppose the bipartisan bill, the following: "It is critical that Republicans maintain the upper hand on this issue by rejecting the Gephardt substitute."

That they maintain the upper hand, because that is what this debate has been about. This debate has been about November. This debate has been about trying to get a bill down to the White House that they know the President of the United States cannot sign. That is how policy has been made, and that is how it has evolved in this institution. And remember those words, it is important that the Republicans maintain the upper hand on this issue.

Mr. KASICH. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana [Mr. MCCRERY].

Mr. MCCRERY. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, just a couple of points. My good friend on the Committee on Ways and Means, the gentleman from Massachusetts [Mr. NEAL], is a good member of that committee and certainly I listen when he speaks. He talks about a bipartisan bill that was offered here on this floor, and he said that was the only bipartisan bill offered. Well, maybe it was the only bill with a bipartisan list of authors, but the fact is that that bill only got 9 Republicans to vote for it on the floor. The Republican bill got 30 Democrats to vote for it on the floor. So the more bipartisan of those two bills, my colleagues, was not the so-called bipartisan bill, it was the Republican bill that in fact passed this House.

Another point. The gentleman from Massachusetts, [Mr. NEAL] and the gentleman from Michigan [Mr. LEVIN] talked about how far Republicans have come, and I appreciate their giving us that. We have come a long way from where we started. But so has the President. To give him some credit, he has come a long way.

The first bill the President sent to this House increased spending for welfare programs in this country. The bill that we hope he will sign now will save somewhere on the order of $60 billion. So that is coming a long way on the part of the President and the Democrats in this House. And I appreciate that, too.

Mr. Speaker, I think this is a classic example of negotiators starting at the far ends, coming to the middle, producing a product that is a compromise but that will move this country forward, that will bring families and children out of poverty finally in this country, give them some hope instead of lives of despair and hopelessness.

So I want to congratulate both sides of the aisle, the Republicans and the Democrats, for compromising, coming to the middle, producing a bill that I hope will become law.

Mr. KASICH. Mr. Speaker, I urge Members to support the Sabo amendment, and I yield back the balance of my time.

Mr. RANGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I rise in strong support of the motion to instruct. Welfare conferees should do all in their power to ensure that the welfare conference agreement reinforces our basic values of responsibility and work and protects our Nation's children.

The welfare bill that passed the House last week woefully fell short on these goals. Instead, the bill is tough on children and soft on requiring work.

The Republican bill fails to meet the goal of moving people from welfare to work by underfunding the work program by $10 billion. My Republican colleague from Connecticut talked about local government being the source of jobs. I quite frankly do not understand how New Haven and Hartford and Bridgeport and Stanford, how they provide jobs without raising the property tax in Connecticut. And those in Connecticut know that they are being choked by taxes.

Let me just say that I urge the conferees to protect our children. Without these protections attempts to reform welfare will increase the number of children living in poverty and fail to move people off the welfare rolls and into the work force. Protect innocent children, vote for the motion to instruct.

Mr. RANGEL. Mr. Speaker, I yield 30 seconds to the gentleman from California [Mr. WAXMAN].

Mr. WAXMAN. Mr. Speaker, I thank the gentleman from New York for yielding me this time.

I am astounded to hear the gentleman from Ohio [Mr. KASICH] talk about a bill that will cut out the safety net under the poor and then say in years to come the poor will ask us to cut capital gains and maybe something will trickle down.

We need this motion to instruct. Both the House and the Senate have protections for eligibility standards for Medicaid. Let us make sure they do not drop it. That is what they did in the last conference, and unless we get any assurances to the contrary, let us instruct our conferees to hold to the provisions that protect the rights of children at least to get health care, which is both in the House and the Senate bill.

Mr. RANGEL. Mr. Speaker, as we conclude the debate in support of the motion to instruct by the gentleman from Minnesota [Mr. SABO], I would like to say that I do not think that any Member in this House could challenge the fact that if we want true welfare reform we have to talk about education, training, access to jobs and people working with dignity and with pride so that they do not have time to do the things that require dependency on the Government.

Maybe one day we will get to those issues instead of talking about punishment, cutting grants, mandatory sentences, and make this country as great as she can be with education, jobs, and productivity. One day when we reach that, that truly will be welfare reform and an opportunity for this great republic to reach the heights that she can reach.

Mr. MANZULLO. Mr. Chairman, Paul Swanson from Lake in the Hills, IL, which I represent, knows what welfare reform means to him. Paul is a carpenter, a secretary for a union PAC committee and believes in welfare reform. Let me quote from Mr. Swanson's letter:

> More people going to work will reduce the welfare burden and thereby reduce taxes.

You see, Paul is one of those forgotten Americans, who get up at the break of day, pack their lunch, send their kids off to school, and are working harder than ever in their lives, but having less money to spend. The reason Paul has less to spend is that taxes are too high, and it takes high taxes to support the welfare state. Our goal is to help the Paul Swansons of this world by reforming welfare so that less money is spent on welfare, and Paul Swanson would have more money to spend on his family.

(Mr. MYERS of Indiana asked and was given permission to speak out of order.)

PROVIDING FOR FURTHER CONSIDERATION OF H.R. 3816, ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1997

Mr. MYERS of Indiana. Mr. Speaker, I ask unanimous consent that during the further consideration of H.R. 3816, in the Committee of the Whole, pursuant to House Resolution 483, the bill be considered as read, and no amendment shall be in order except for the following amendments, which shall be considered as read, shall not be subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole, and shall be debatable for the time specified, equally divided and controlled by the proponent and a Member opposed:

Amendment No. 1 by Mr. SOLOMON for 10 minutes; amendment No. 2 by Mr. FOGLIETTA for 10 minutes; amendment Nos. 3 or 4 by Mr. OBEY for 40 minutes; amendment No. 5 by Mr. GUTKNECHT for 20 minutes; amendment No. 6 by Mr. KLUG for 20 minutes; amendment No. 7 by Mr. KLUG for 20 minutes; amendment No. 8 by Mr. ROEMER for 10 minutes; amendment No. 9 by Mr. ROEMER for 10 minutes; amendment No. 10 by Mr. ROHRABACHER for 10 minutes; amendment No. 11 by Mr. TRAFICANT for 5 minutes; amendment No. 12 by Mr. BARTON of Texas for 10 minutes; amendment No. 13 by Mr. BEREUTER for 10 minutes; amendment No. 14 by Mr. HILLEARY for 10 minutes; amendment Nos. 15 & 16 en bloc by Mr. MARKEY for 20 minutes; amendment No. 17 by Mr. PETRI for 20 minutes; amendment No. 20 by Mr. ZIMMER for 10 minutes; an amendment by Mr. ROGERS—regarding the new Madrid floodway—for 5 minutes; an amendment by Mr. FILNER—regarding the Tijuana River Basin—for 10 minutes; an amendment by either Mr. KLUG or Mr. SCHAEFER or Mr. FAZIO—regarding solar energy—for 30 minutes; an amendment by Mr. KOLBE—regarding the central Arizona project—for 10 minutes; and an amendment by Mr. PICKETT—regarding the Sandbridge beach project—for 10 mintues.

The SPEAKER pro tempore (Mr. KNOLLENBERG). Is there objection to the request of the gentleman from Indiana?

Mr. BROWN of California. Mr. Speaker, reserving the right to object, may I inquire of the distinguished chairman if this would preclude me from making the pro forma amendment that I had discussed with him earlier?

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield?

Mr. BROWN of California. Further reserving the right to object, I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Speaker, by unanimous consent, the gentleman can address the Committee for 5 minutes during which we will have a colloquy for that period of time and we will not object.

Mr. SKAGGS. Mr. Speaker, if the gentleman will yield, I believe the colloquy that was just had answered my question as well, because I was anticipating a colloquy with the chairman.

Mr. MYERS of Indiana. Mr. Speaker, will the gentleman yield under this reservation?

Mr. BROWN of California. Further reserving the right to object, Mr. Speaker, I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Speaker, I would say to the gentleman that I think we have taken care of all those. We have an understanding that there are some of these in controversy or in misunderstanding which require further consideration and we will have a dialog and a colloquy and we will yield for that purpose and there will no objection.

We would like to hold that to a minimum, however, I must say to each of the gentlemen. I hope we hold it to just 5 minutes, because we want to expedite this and get finished tonight. Here in Washington it is 6:30 and we hope we can finish by no later than 11, give or take an hour.

Mr. BROWN of California. Mr. Speaker, I understand the problem and I will do my best to accede.

Mr. SKAGGS. Mr. Speaker, if the gentleman will yield further, I was expecting to be long-winded, but given what he has said, I will try to be succinct.

Mr. BROWN of California. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The SPEAKER pro tempore. The question is on the motion to instruct offered by the gentleman from Minnesota [Mr. SABO].

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. RANGEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 418, noes 0, not voting 15, as follows:

[Roll No. 353]

AYES—418

Abercrombie
Ackerman
Allard
Andrews
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bartlett
Barton
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bonior
Bono
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Burton
Callahan
Calvert
Camp
Campbell
Canady
Cardin
Castle
Chabot
Chambliss
Chapman
Chenoweth
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Coburn
Collins (GA)
Collins (MI)
Combest
Condit
Cooley
Costello
Cox
Coyne
Cramer
Crane
Crapo
Cremeans
Cubin
Cummings
Cunningham
Danner
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Durbin
Edwards
Ehlers
Ehrlich
Engel
English
Ensign
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Flanagan
Foglietta
Foley
Forbes
Fowler
Fox
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Funderburk
Furse
Gallegly
Ganske
Gejdenson
Gekas
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Gonzalez
Goodlatte
Goodling
Gordon
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hamilton
Hancock

Hansen
Harman
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Heineman
Herger
Hilleary
Hilliard
Hinchey
Hobson
Hoekstra
Hoke
Holden
Horn
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Jones
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kim
King
Kingston
Kleczka
Klink
Klug
Knollenberg
Kolbe
LaFalce
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCollum
McCrery
McDermott
McHale
McHugh
McInnis
McIntosh
McKeon
McKinney
McNulty
Meehan
Meek
Menendez
Metcalf
Meyers
Mica
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Myers
Myrick
Nadler
Neal
Nethercutt
Neumann
Ney
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Pryce
Quillen
Quinn
Radanovich
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Roybal-Allard
Royce
Rush
Sabo
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schaefer
Schiff
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Spratt
Stark
Stearns
Stenholm
Stockman
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Yates
Young (AK)
Zeliff
Zimmer

NOT VOTING—15

Buyer
Coleman
Collins (IL)
Conyers
Davis
Ford
Gibbons
Hayes
Lantos
Lincoln
McDade
Peterson (FL)
Rose
Taylor (NC)
Young (FL)

□ 1846

Messrs. SKEEN, FLAKE, and BLILEY changed their vote from "no" to "aye."

So the motion to instruct was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER pro tempore (Mr. KNOLLENBERG). Without objection, the Chair appoints the following conferees: Messrs. KASICH, ARCHER, GOODLING, ROBERTS, BLILEY, SHAW, TALENT, NUSSLE, HUTCHINSON, MCCRERY, BILIRAKIS, SMITH of Texas, Mrs. JOHNSON of Connecticut, Messrs. CAMP, FRANKS of Connecticut, CUNNINGHAM, CASTLE, GOODLATTE, SABO, GIBBONS, CONYERS, DE LA GARZA, CLAY, FORD, MILLER of California, WAXMAN, STENHOLM, Mrs. KENNELLY, Messrs. LEVIN, TANNER, BECERRA, Mrs. THURMAN, and Ms. WOOLSEY.

There was no objection.

GENERAL LEAVE

Mr. SABO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on the motion to instruct conferees on H.R. 3734.

The SPEAKER pro tempore (Mr. KNOLLENBERG). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 2391, WORKING FAMILIES FLEXIBILITY ACT OF 1996

Ms. GREENE of Utah, from the Committee on Rules, submitted a privileged report (Rept. No. 104–704) on the Resolution (H. Res. 488) providing for consideration of the bill (H.R. 2391) to amend the Fair Labor Standards Act of 1938 to provide compensatory time for all employees, which was referred to the House Calendar and ordered to be printed.

APPOINTMENT OF CONFEREES ON H.R. 3005, SECURITIES AMENDMENTS OF 1996

Mr. BLILEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3005) to amend the Federal securities laws in order to promote efficiency and capital formation in the financial markets, and to amend the Investment Company Act of 1940 to promote more efficient management of mutual funds, protect investors, and provide more effective and less burdensome regulation, with a Senate amendment thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

Mr. DINGELL. Mr. Speaker, reserving the right to object, I do so simply to have a very brief colloquy with my respected and dear friend, the gentleman from Virginia [Mr. BLILEY].

Mr. BLILEY. Mr. Speaker, will the gentleman yield?

Mr. DINGELL. I yield to the gentleman from Virginia, but I believe the request for the appointment of conferees represents the agreement that we have had earlier; is that correct?

Mr. BLILEY. Mr. Speaker, the gentleman is absolutely correct.

Mr. DINGELL. Then, Mr. Speaker, I do not object.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota? The Chair hears none and, without objection, appoints the following conferees: Messrs. BLILEY, FIELDS of Texas, OXLEY, TAUZIN, SCHAEFER, DEAL of Georgia, FRISA, WHITE, DINGELL, MARKEY, BOUCHER, GORDON, Ms. FURSE, and Mr. KLINK.

There was no objection.

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS ACT, 1997

The SPEAKER pro tempore. Pursuant to House Resolution 483 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3816.

□ 1854

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3816) making appropriations for energy and water development for the fiscal year ending September 30, 1997, and for other purposes, with Mr. OXLEY in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose earlier today, all time for general debate had expired.

Pursuant to the order of the House of earlier today, the bill is considered read.

The text of H.R. 3816 is as follows:

H.R. 3816

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 1997, for energy and water development, and for other purposes, namely:

TITLE I

DEPARTMENT OF DEFENSE—CIVIL
DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

The following appropriations shall be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for authorized civil functions of the Department of the Army pertaining to rivers and harbors, flood control, beach erosion, and related purposes.

GENERAL INVESTIGATIONS

For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood control, shore protection, and related projects, restudy of authorized projects, miscellaneous investigations, and, when authorized by laws, surveys and detailed studies and plans and specifications of projects prior to construction, $153,628,000, to remain available until expended, of which funds are provided for the following projects in the amounts specified:

Norco Bluffs, California, $180,000;

San Joaquin River Basin, Caliente Creek, California, $150,000;

Tampa Harbor, Alafia Channel, Florida, $200,000;

Lake George, Hobart, Indiana, $100,000;

Little Calumet River Basin, Cady Marsh Ditch, Indiana, $200,000;

Barnegat Inlet to Little Egg Harbor Inlet, New Jersey, $558,000;

Brigantine Inlet to Great Egg Harbor Inlet, New Jersey, $600,000;

Great Egg Harbor Inlet to Townsends Inlet, New Jersey, $400,000;

Manasquan Inlet to Barnegat Inlet, New Jersey, $400,000;

Townsends Inlet to Cape May Inlet, New Jersey, $375,000;

South Shore of Staten Island, New York, $300,000;

Mussers Dam, Middle Creek, Snyder County, Pennsylvania, $450,000;

Monongahela River, West Virginia, $500,000;

Monongahela River, Fairmont, West Virginia, $250,000; and

Tygart River Basin, Philippi, West Virginia, $250,000.

CONSTRUCTION, GENERAL

For the prosecution of river and harbor, flood control, shore protection, and related projects authorized by laws; and detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such studies shall not constitute a commitment of the Government to construction), $1,035,394,000, to remain available until expended, of which such sums as are necessary pursuant to Public Law 99–662 shall be derived from the Inland Waterways Trust Fund, for one-half of the costs of construction and rehabilitation of inland waterways projects, including rehabilitation costs for the Lock and Dam 25, Mississippi River, Illinois and Missouri, Lock and Dam 14, Mississippi River, Iowa, and Lock and Dam 24, Mississippi River, Illinois and Missouri, projects, and of which funds are provided for the following projects in the amounts specified:

San Timoteo Creek (Santa Ana River Mainstem), California, $7,000,000;

Ohio River Flood Protection, Indiana, $1,800,000;

Indianapolis Central Waterfront, Indiana, $8,000,000;

Indiana Shoreline Erosion, Indiana, $2,200,000;

Harlan (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $18,500,000;

Martin County (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $350,000;

Middlesboro (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $2,000,000;

Pike County (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $2,000,000;

Town of Martin (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $300,000;

Williamsburg (Levisa and Tug Forks of the Big Sandy River and Upper Cumberland River), Kentucky, $4,050,000;

Salyersville, Kentucky, $3,500,000;

Lake Pontchartrain and Vicinity, Louisiana, $18,525,000;

Red River below Denison Dam Levee and Bank Stabilization, Louisiana, Arkansas, and Texas, $100,000;

Glen Foerd, Pennsylvania, $800,000;

South Central Pennsylvania Environmental Restoration Infrastructure and Resource Protection Development Pilot Program, Pennsylvania, $10,000,000;

Wallisville Lake, Texas, $10,000,000;

Richmond Filtration Plant, Virginia, $3,500,000; and

Virginia Beach, Virginia, $8,000,000:

Provided, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use $1,000,000 of the funds appropriated in Public Law 104–46 for construction of the Ohio River Flood Protection, Indiana, project: *Provided further*, That the Secretary of the Army, acting through the Chief of Engineers, is directed, in cooperation with State, county, and city officials and in consultation with the Des Moines River Greenbelt Advisory Committee, to provide highway and other signs appropriate to direct the public to the bike trail which runs from downtown Des Moines, Iowa, to the Big Creek Recreation area at the Corps of Engineers Saylorville Lake project and the wildlife refuge in Jasper and Marion Counties in Iowa authorized in Public Law 101–302: *Provided further*, That using $500,000 of the funds appropriated for the Passaic River Mainstem, New Jersey, project under the heading "General Investigations" in Public Law 103–126, the Secretary of the Army, acting through the Chief of Engineers, is directed to begin implementation of the Passaic River Preservation of Natural Storage Areas separable element of the Passaic River Flood Reduction Project, New Jersey.

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES, ARKANSAS; ILLINOIS, KENTUCKY, LOUISIANA, MISSISSIPPI, MISSOURI, AND TENNESSEE

For expenses necessary for prosecuting work of flood control, and rescue work, repair, restoration, or maintenance of flood control projects threatened or destroyed by flood, as authorized by law (33 U.S.C. 702a, 702g–1), $302,990,000, to remain available until expended.

OPERATION AND MAINTENANCE, GENERAL

For expenses necessary for the preservation, operation, maintenance, and care of existing river and harbor, flood control, and related works, including such sums as may be necessary for the maintenance of harbor channels provided by a State, municipality or other public agency, outside of harbor lines, and serving essential needs of general commerce and navigation; surveys and charting of northern and northwestern lakes and connecting waters; clearing and straightening channels; and removal of obstructions to navigation, $1,701,180,000, to remain available until expended, of which such sums as become available in the Harbor Maintenance Trust Fund, pursuant to Public Law 99–662, may be derived from that fund, and of which such sums as become available from the special account established by the Land and Water Conservation Act of 1965, as amended (16 U.S.C. 4601), may be derived from that fund for construction, operation, and maintenance of outdoor recreation facilities, and of which funds are provided for the following projects in the amounts specified:

Raystown Lake, Pennsylvania, $4,190,000; and

Cooper Lake and Channels, Texas, $2,601,000:

Provided, That using $1,000,000 of the funds appropriated herein, the Secretary of the Army, acting through the Chief of Engineers, is directed to design and construct a landing at Guntersville, Alabama, as described in the Master Plan Report of the Nashville District titled "Guntersville Landing" dated June, 1996.

REGULATORY PROGRAM

For expenses necessary for administration of laws pertaining to regulation of navigable waters and wetlands, $101,000,000, to remain available until expended.

FLOOD CONTROL AND COASTAL EMERGENCIES

For expenses necessary for emergency flood control, hurricane, and shore protection activities, as authorized by section 5 of the Flood Control Act approved August 18, 1941, as amended, $10,000,000, to remain available until expended: *Provided*, That the Secretary of the Army, acting through the Chief of Engineers, is directed to use up to $8,000,000 of the funds appropriated herein and under this heading in Public Law 104–134 to rehabilitate non-Federal flood control levees along the Puyallup and Carbon Rivers in Pierce County, Washington.

GENERAL EXPENSES

For expenses necessary for general administration and related functions in the Office of the Chief of Engineers and offices of the Division Engineers; activities of the Coastal Engineering Research Board, the Humphreys Engineer Center Support Activity, the Engineering Strategic Studies Center, and the Water Resources Support Center, and for costs of implementing the Secretary of the Army's plan to reduce the number of division offices as directed in title I, Public Law 104–46, $145,000,000, to remain available until expended: *Provided*, That no part of any other appropriation provided in title I of this Act shall be available to fund the activities of the Office of the Chief of Engineers or the executive direction and management activities of the Division Offices.

ADMINISTRATIVE PROVISIONS

Appropriations in this title shall be available for official reception and representation expenses (not to exceed $5,000); and during the current fiscal year the revolving fund, Corps of Engineers, shall be available for purchase (not to exceed 100 for replacement only) and hire of passenger motor vehicles.

GENERAL PROVISIONS

CORPS OF ENGINEERS—CIVIL

SEC. 101. (a) In fiscal year 1997, the Secretary of the Army shall advertise for competitive bid at least 10,000,000 cubic yards of the hopper dredge volume accomplished with government owned dredges in fiscal year 1992.

(b) Notwithstanding the provisions of this section, the Secretary is authorized to use the dredge fleet of the Corps of Engineers to undertake projects when industry does not perform as required by the contract specifications or when the bids are more than 25 percent in excess of what the Secretary determines to be a fair and reasonable estimated cost of a well equipped contractor doing the work or to respond to emergency requirements.

SEC. 102. None of the funds appropriated in this Act may be used to study, design, or undertake improvements of the Federal vessel, McFARLAND.

TITLE II

DEPARTMENT OF THE INTERIOR

CENTRAL UTAH PROJECT

CENTRAL UTAH PROJECT COMPLETION ACCOUNT

For the purpose of carrying out provisions of the Central Utah Project Completion Act, Public Law 102–575 (106 Stat. 4605), and for feasibility studies of alternatives to the Uintah and Upalco Units, $42,527,000, to remain available until expended, of which $16,700,000 shall be deposited into the Utah Reclamation Mitigation and Conservation Account: *Provided*, That of the amounts deposited into the Account, $5,000,000 shall be considered the Federal contribution authorized by paragraph 402(b)(2) of the Act and $11,700,000 shall be available to the Utah Reclamation Mitigation and Conservation Commission to carry out activities authorized under the Act.

In addition, for necessary expenses incurred in carrying out responsibilities of the Secretary of the Interior under the Act, $1,100,000, to remain available until expended.

BUREAU OF RECLAMATION

For carrying out the functions of the Bureau of Reclamation as provided in the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) and other Acts applicable to that Bureau as follows:

GENERAL INVESTIGATIONS

For engineering and economic investigations of proposed Federal reclamation projects and studies of water conservation and development plans and activities preliminary to the reconstruction, rehabilitation and betterment, financial adjustment, or extension of existing projects, $14,548,000, to remain available until expended: *Provided*, That of the total appropriated, the amount for program activities which can be financed by the reclamation fund shall be derived from that fund: *Provided further*, That funds contributed by non-Federal entities for purposes similar to this appropriation shall be available for expenditure for the purposes for which contributed as though specifically appropriated for said purposes, and such amounts shall remain available until expended: *Provided further*, That of the total appropriated, $500,000 shall be available to complete the appraisal study and initiate preconstruction engineering and design for the Del Norte County and Crescent City, California, Wastewater Reclamation Project, and $500,000 shall be available to complete the appraisal study and initiate preconstruction engineering and design for the Fort Bragg, California, Water Supply Project.

CONSTRUCTION PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For construction and rehabilitation of projects and parts thereof (including power transmission facilities for Bureau of Reclamation use) and for other related activities as authorized by law, $398,069,000, to remain available until expended, of which $23,410,000 shall be available for transfer to the Upper Colorado River Basin Fund authorized by section 5 of the Act of April 11, 1956 (43 U.S.C. 620d), and $71,728,000 shall be available for transfer to the Lower Colorado River Basin Development Fund authorized by section 403 of the Act of September 30, 1968 (43 U.S.C. 1543), and such amounts as may be necessary shall be considered as though advanced to the Colorado River Dam Fund for the Boulder Canyon Project as authorized by the Act of December 21, 1928, as amended: *Provided*, That of the total appropriated, the amount for program activities which can be financed by the reclamation fund shall be derived from that fund: *Provided further*, That transfers to the Upper Colorado River Basin Fund and Lower Colorado River Basin Development Fund may be increased or decreased by transfers within the overall appropriation under this heading: *Provided further*, That funds contributed by non-Federal entities for purposes similar to this appropriation shall be available for expenditure for the purposes for which contributed as though specifically appropriated for said purposes, and such funds shall remain available until expended: *Provided further*, That all costs of the safety of dams modification work at Coolidge Dam, San Carlos Irrigation Project, Arizona, performed under the authority of the Reclamation Safety of Dams Act of 1978 (43 U.S.C. 506), as amended, are in addition to the amount authorized in section 5 of said Act: *Provided further*, That utilizing funds appropriated for the Tucson Aqueduct System Reliability Investigation, the Bureau of Reclamation is directed to complete, by the end of fiscal year 1997, the environmental impact statement being conducted on the proposed surface reservoir. The Bureau of Reclamation is further directed to work with the City of Tucson on any outstanding issues related to the preferred alternative.

OPERATION AND MAINTENANCE

For operation and maintenance of reclamation projects or parts thereof and other facilities, as authorized by law; and for a soil and moisture conservation program on lands under the jurisdiction of the Bureau of Reclamation, pursuant to law, $286,232,000, to remain available until expended: *Provided*, That of the total appropriated, the amount for program activities which can be financed by the reclamation fund shall be derived from that fund, and the amount for program activities which can be derived from the special fee account established pursuant to the Act of December 22, 1987 (16 U.S.C. 460l–6a, as amended), may be derived from that fund: *Provided further*, That funds advanced by water users for operation and maintenance of reclamation projects or parts thereof shall be deposited to the credit of this appropriation and may be expended for the same purpose and in the same manner as sums appropriated herein may be expended, and such advances shall remain available until expended: *Provided further*, That revenues in the Upper Colorado River Basin Fund shall be available for performing examination of existing structures on participating projects of the Colorado River Storage Project.

BUREAU OF RECLAMATION LOAN PROGRAM ACCOUNT

For the cost of direct loans and/or grants, $12,290,000, to remain available until expended, as authorized by the Small Reclamation Projects Act of August 6, 1956, as amended (43 U.S.C. 422a–422l): *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $37,000,000.

In addition, for administrative expenses necessary to carry out the program for direct loans and/or grants, $425,000: *Provided*, That of the total sums appropriated, the amount of program activities which can be financed by the reclamation fund shall be derived from the fund.

CENTRAL VALLEY PROJECT RESTORATION FUND

For carrying out the programs, projects, plans, and habitat restoration, improvement, and acquisition provisions of the Central Valley Project Improvement Act, such sums as may be collected in the Central Valley Project Restoration Fund pursuant to sections 3407(d), 3404(c)(3), 3405(f) and 3406(c)(1) of Public Law 102–575, to remain available until expended: *Provided*, That the Bureau of Reclamation is directed to levy additional mitigation and restoration payments totaling $30,000,000 (October 1992 price levels) on a three-year rolling average basis, as authorized by section 3407(d) of Public Law 102–575.

GENERAL ADMINISTRATIVE EXPENSES

For necessary expenses of general administration and related functions in the office of the Commissioner, the Denver office, and offices in the five regions of the Bureau of Reclamation, to remain available until expended, $45,150,000, to be derived from the reclamation fund and to be nonreimbursable pursuant to the Act of April 19, 1945 (43 U.S.C. 377): *Provided*, That no part of any other appropriation in this Act shall be available for activities or functions budgeted for the current fiscal year as general administrative expenses.

SPECIAL FUNDS

(TRANSFER OF FUNDS)

Sums herein referred to as being derived from the reclamation fund or special fee account are appropriated from the special funds in the Treasury created by the Act of June 17, 1902 (43 U.S.C. 391) or the Act of December 22, 1987 (16 U.S.C. 460l–6a, as amended), respectively. Such sums shall be transferred, upon request of the Secretary, to be merged with and expended under the heads herein specified.

ADMINISTRATIVE PROVISION

Appropriations for the Bureau of Reclamation shall be available for purchase of not to exceed 6 passenger motor vehicles for replacement only.

TITLE III

DEPARTMENT OF ENERGY

ENERGY PROGRAMS

ENERGY SUPPLY, RESEARCH AND DEVELOPMENT ACTIVITIES

For expenses of the Department of Energy activities including the purchase, construction and acquisition of plant and capital equipment and other expenses necessary for energy supply, research and development activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101, et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; purchase of passenger motor vehicles (not to exceed 24 for replacement only), $2,648,000,000, to remain available until expended: *Provided*, That of the $13,102,000 made available to the Office of Energy Efficiency and Renewable Energy for program direction, $1,440,000 is available only for termination expenses related to reducing FTEs of the headquarters staff of that Office.

URANIUM SUPPLY AND ENRICHMENT ACTIVITIES

For expenses of the Department of Energy in connection with operating expenses; the purchase, construction, and acquisition of plant and capital equipment and other expenses necessary for uranium supply and enrichment activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101, et seq.) and the Energy Policy Act (Public Law 102-486, section 901), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; purchase of electricity as necessary; and the purchase of passenger motor vehicles (not to exceed 3 for replacement only); $53,972,000, to remain available until expended: *Provided*, That revenues received by the Department for uranium programs and estimated to total $42,200,000 in fiscal year 1997 shall be retained and used for the specific purpose of offsetting costs incurred by the Department for such activities notwithstanding the provisions of 31 U.S.C. 3302(b) and 42 U.S.C. 2296(b)(2): *Provided further*, That the sum herein appropriated shall be reduced as revenues are received during fiscal year 1997 so as to result in a final fiscal year 1997 appropriation from the General Fund estimated at not more than $11,772,000.

URANIUM ENRICHMENT DECONTAMINATION AND DECOMMISSIONING FUND

For necessary expenses in carrying out uranium enrichment facility decontamination and decommissioning, remedial actions and other activities of title II of the Atomic Energy Act of 1954 and title X, subtitle A of the Energy Policy Act of 1992, $200,200,000, to be derived from the Fund, to remain available until expended: *Provided*, That $34,000,000 of amounts derived from the Fund for such expenses shall be available in accordance with title X, subtitle A, of the Energy Policy Act of 1992.

GENERAL SCIENCE AND RESEARCH ACTIVITIES

For expenses of the Department of Energy activities including the purchase, construction and acquisition of plant and capital equipment and other expenses necessary for general science and research activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101, et seq.), including the acquisition or condemnation of any real property or facility or for plant or facility acquisition, construction, or expansion, $996,000,000, to remain available until expended.

NUCLEAR WASTE DISPOSAL FUND

For nuclear waste disposal activities to carry out the purposes of Public Law 97-425, as amended, including the acquisition of real property or facility construction or expansion, $182,000,000, to remain available until expended, to be derived from the Nuclear Waste Fund, subject to authorization: *Provided*, That none of the funds provided herein shall be distributed to the State of Nevada or affected units of local government (as defined by Public Law 97-425) by direct payment, grant, or other means, for financial assistance under section 116 of the Nuclear Waste Policy Act of 1982, as amended: *Provided further*, That the foregoing proviso shall not apply to payments in lieu of taxes under section 116(c)(3)(A) of the Nuclear Waste Policy Act of 1982, as amended.

DEPARTMENTAL ADMINISTRATION

For salaries and expenses of the Department of Energy necessary for Departmental Administration in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101, et seq.), including the hire of passenger motor vehicles and official reception and representation expenses (not to exceed $35,000), $195,000,000, to remain available until expended, plus such additional amounts as necessary to cover increases in the estimated amount of cost of work for others notwithstanding the provisions of the Anti-Deficiency Act (31 U.S.C. 1511, et seq.): *Provided*, That such increases in cost of work are offset by revenue increases of the same or greater amount, to remain available until expended: *Provided further*, That moneys received by the Department for miscellaneous revenues estimated to total $125,388,000 in fiscal year 1997 may be retained and used for operating expenses within this account, and may remain available until expended, as authorized by section 201 of Public Law 95-238, notwithstanding the provisions of 31 U.S.C. 3302: *Provided further*, That the sum herein appropriated shall be reduced by the amount of miscellaneous revenues received during fiscal year 1997 so as to result in a final fiscal year 1997 appropriation from the General Fund estimated at not more than $69,612,000: *Provided further*, That end of year employee levels for fiscal year 1997 may not exceed the following by organization: Board of Contract Appeals, 6; Chief Financial Officer, 192; Congressional, Public, and Intergovernmental Affairs, 35; Economic Impact and Diversity, 30; Field Management, 20; General Counsel, 153; Human Resources and Administration, 550; Office of the Secretary, 23; and Policy, 20.

OFFICE OF THE INSPECTOR GENERAL

For necessary expenses of the Office of the Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $24,000,000, to remain available until expended.

ATOMIC ENERGY DEFENSE ACTIVITIES

WEAPONS ACTIVITIES

For Department of Energy expenses, including the purchase, construction and acquisition of plant and capital equipment and other expenses necessary for atomic energy defense weapons activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101, et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; and the purchase of passenger motor vehicles (not to exceed 94 for replacement only), $3,684,378,000, to remain available until expended.

DEFENSE ENVIRONMENTAL RESTORATION AND WASTE MANAGEMENT

For Department of Energy expenses, including the purchase, construction and acquisition of plant and capital equipment and other expenses necessary for atomic energy defense environmental restoration and waste management activities in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101, et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; and the purchase of passenger motor vehicles (not to exceed 20, of which 19 are for replacement only), $5,409,310,000, to remain available until expended: *Provided*, That an additional amount of $134,500,000 is available for privatization initiatives.

OTHER DEFENSE ACTIVITIES

For Department of Energy expenses, including the purchase, construction and acquisition of plant and capital equipment and other expenses necessary for atomic energy defense, other defense activities, in carrying out the purposes of the Department of Energy Organization Act (42 U.S.C. 7101, et seq.), including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion, and the purchase of passenger motor vehicles (not to exceed 2 for replacement only), $1,459,533,000, to remain available until expended.

DEFENSE NUCLEAR WASTE DISPOSAL

For nuclear waste disposal activities to carry out the purposes of Public Law 97-425, as amended, including the acquisition of real property or facility construction or expansion, $200,000,000, to remain available until expended.

POWER MARKETING ADMINISTRATIONS

OPERATION AND MAINTENANCE, ALASKA POWER ADMINISTRATION

For necessary expenses of operation and maintenance of projects in Alaska and of marketing electric power and energy, $4,000,000, to remain available until expended.

BONNEVILLE POWER ADMINISTRATION FUND

Expenditures from the Bonneville Power Administration Fund, established pursuant to Public Law 93-454, are approved for official reception and representation expenses in an amount not to exceed $3,000.

During fiscal year 1997, no new direct loan obligations may be made.

OPERATION AND MAINTENANCE, SOUTHEASTERN POWER ADMINISTRATION

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy pursuant to the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southeastern power area, $18,859,000, to remain available until expended.

OPERATION AND MAINTENANCE, SOUTHWESTERN POWER ADMINISTRATION

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy, and for construction and acquisition of transmission lines, substations and appurtenant facilities, and for administrative expenses, including official reception and representation expenses in an amount not to exceed $1,500 in carrying out the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southwestern power area, $25,210,000, to remain available until expended; in addition, notwithstanding the provisions of 31 U.S.C. 3302, not to exceed $3,787,000 in reimbursements, to remain available until expended.

CONSTRUCTION, REHABILITATION, OPERATION AND MAINTENANCE, WESTERN AREA POWER ADMINISTRATION

(INCLUDING TRANSFER OF FUNDS)

For carrying out the functions authorized by title III, section 302(a)(1)(E) of the Act of August 4, 1977 (42 U.S.C. 7101, et seq.), and other related activities including conservation and renewable resources programs as authorized, including official reception and representation expenses in an amount not to exceed $1,500, $211,582,000, to remain available until expended, of which $203,687,000 shall be derived from the Department of the Interior Reclamation Fund: *Provided*, That of the amount herein appropriated, $5,432,000 is for deposit into the Utah Reclamation Mitigation and Conservation Account pursuant to title IV of the Reclamation Projects Authorization and Adjustment Act of 1992: *Provided further*, That the Secretary of the Treasury is authorized to transfer from the Colorado River Dam Fund to the Western Area Power Administration $3,774,000 to carry out the power marketing and transmission activities of the Boulder Canyon project as provided in section 104(a)(4) of the Hoover Power Plant Act of 1984, to remain available until expended.

FALCON AND AMISTAD OPERATING AND MAINTENANCE FUND

For operation, maintenance, and emergency costs for the hydroelectric facilities at the Falcon and Amistad Dams, $970,000, to remain available until expended, and to be derived from the Falcon and Amistad Operating and Maintenance Fund of the Western Area Power Administration, as provided in section 423 of the Foreign Relations Authorization Act, fiscal years 1994 and 1995.

FEDERAL ENERGY REGULATORY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Energy Regulatory Commission to carry out the provisions of the Department of Energy Organization Act (42 U.S.C. 7101, et seq.), including services as authorized by 5 U.S.C. 3109, the hire of passenger motor vehicles, and official reception and representation expenses (not to exceed $3,000), $141,290,000, to remain available until expended: *Provided*, That notwithstanding any other provision of law, not to exceed $141,290,000 of revenues from fees and annual charges, and other services and collections in fiscal year 1997 shall be retained and used for necessary expenses in this account, and shall remain available until expended: *Provided further*, That the sum herein appropriated shall be reduced as revenues are received during fiscal year 1997 so as to result in a final fiscal year 1997 appropriation from the General Fund estimated at not more than $0.

GENERAL PROVISION

SEC. 301. PRIORITY PLACEMENT, JOB PLACEMENT, RETRAINING, AND COUNSELING PROGRAMS FOR UNITED STATES DEPARTMENT OF ENERGY EMPLOYEES AFFECTED BY A REDUCTION IN FORCE.

(a) DEFINITIONS.—

(1) for the purposes of this section, the term "agency" means the United States Department of Energy.

(2) For the purposes of this section, the term "eligible employee" means any employee of the agency who—

(A) is scheduled to be separated from service due to a reduction in force under—

(i) regulations prescribed under section 3502 of title 5, United States Code; or

(ii) procedures established under section 3595 of title 5, United States Code; or

(B) is separated from service due to such a reduction in force, but does not include—

(i) an employee separated from service for cause on charges of misconduct or delinquency; or

(ii) an employee who, at the time of separation, meets the age and service requirements for an immediate annuity under subchapter III of chapter 83 or chapter 84 of title 5, United States Code.

(b) PRIORITY PLACEMENT AND RETRAINING PROGRAM.—Not later than 30 days after the date of the enactment of this Act, the United States Department of Energy shall establish an agency-wide priority placement and retraining program for eligible employees.

(c) The priority placement program established under subsection (b) shall include provisions under which a vacant position shall not be filled by the appointment or transfer of any individual from outside of the agency if—

(1) there is then available any eligible employee who applies for the position within 30 days of the agency issuing a job announcement and is qualified (or can be trained or retrained to become qualified within 90 days of assuming the position) for the position; and

(2) the position is within the same commuting area as the eligible employee's last-held position or residence.

(d) JOB PLACEMENT AND COUNSELING SERVICES.—The head of the agency may establish a program to provide job placement and counseling services to eligible employees.

(1) TYPES OF SERVICES.—A program established under subsection (d) may include, but is not limited to, such services as—

(A) career and personal counseling;

(B) training and job search skills; and

(C) job placement assistance, including assistance provided through cooperative arrangements with State and local employment services offices.

TITLE IV

INDEPENDENT AGENCIES

APPALACHIAN REGIONAL COMMISSION

For expenses necessary to carry out the programs authorized by the Appalachian Regional Development Act of 1965, as amended, notwithstanding section 405 of said Act, and for necessary expenses for the Federal Co-Chairman and the alternate on the Appalachian Regional Commission and for payment of the Federal share of the administrative expenses of the Commission, including services as authorized by 5 U.S.C. 3109, and hire of passenger motor vehicles, $155,331,000, to remain available until expended.

DEFENSE NUCLEAR FACILITIES SAFETY BOARD

SALARIES AND EXPENSES

For necessary expenses of the Defense Nuclear Facilities Safety Board in carrying out activities authorized by the Atomic Energy Act of 1954, as amended by Public Law 100-456, section 1441, $12,000,000, to remain available until expended.

NUCLEAR REGULATORY COMMISSION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Commission in carrying out the purposes of the Energy Reorganization Act of 1974, as amended, and the Atomic Energy Act of 1954, as amended, including the employment of aliens; services authorized by 5 U.S.C. 3109; publication and dissemination of atomic information; purchase, repair, and cleaning of uniforms; official representation expenses (not to exceed $20,000); reimbursements to the General Services Administration for security guard services; hire of passenger motor vehicles and aircraft, $471,800,000, to remain available until expended: *Provided*, That of the amount appropriated herein, $11,000,000 shall be derived from the Nuclear Waste Fund, subject to the authorization required in this bill under the heading, "Nuclear Waste Disposal Fund": *Provided further*, That from this appropriation, transfer of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred: *Provided further*, That moneys received by the Commission for the cooperative nuclear safety research program, services rendered to foreign governments and international organizations, and the material and information access authorization programs, including criminal history checks under section 149 of the Atomic Energy Act may be retained and used for salaries and expenses associated with those activities, notwithstanding 31 U.S.C. 3302, and shall remain available until expended: *Provided further*, That revenues from licensing fees, inspection services, and other services and collections estimated at $457,300,000 in fiscal year 1997 shall be retained and used for necessary salaries and expenses in this account, notwithstanding 31 U.S.C. 3302, and shall remain available until expended: *Provided further*, That the funds herein appropriated for regulatory reviews and other activities pertaining to waste stored at the Hanford site, Washington, shall be excluded from license fee revenues, notwithstanding 42 U.S.C. 2214: *Provided further*, That the sum herein appropriated shall be reduced by the amount of revenues received during fiscal year 1997 from licensing fees, inspection services and other services and collections, excluding those moneys received for the cooperative nuclear safety research program, services rendered to foreign governments and international organizations, and the material and information access authorization programs, so as to result in a final fiscal year 1997 appropriation estimated at not more than $14,500,000.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, including services authorized by 5 U.S.C. 3109, $5,000,000, to remain available until expended; and in addition, an amount not to exceed 5 percent of this sum may be transferred from Salaries and Expenses, Nuclear Regulatory Commission: *Provided*, That notice of such transfers shall be given to the Committees on Appropriations of the House and Senate: *Provided further*, That from this appropriation, transfers of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred: *Provided further*, That revenues from licensing fees, inspection services, and other services and collections shall be retained and used for necessary salaries and expenses in this account, notwithstanding 31 U.S.C. 3302, and shall remain available until expended: *Provided further*, That the sum herein appropriated shall be reduced by the amount of revenues received during fiscal year 1997 from licensing fees, inspection services, and other services and collections, so as to result in a final fiscal year 1997 appropriation estimated at not more than $0.

NUCLEAR WASTE TECHNICAL REVIEW BOARD

SALARIES AND EXPENSES

For necessary expenses of the Nuclear Waste Technical Review Board, as authorized by Public Law 100-203, section 5051, $2,531,000, to be derived from the Nuclear Waste Fund, subject to the authorization required in this bill under the heading, "Nuclear Waste Disposal Fund", and to remain available until expended.

TENNESSEE VALLEY AUTHORITY

For the purpose of carrying out the provisions of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C. ch. 12A), including hire, maintenance, and operation of aircraft, and purchase and hire of passenger motor vehicles, $97,169,000, to remain available until expended: *Provided*, That none of the funds provided herein shall be available for activities of the Environmental Research Center in Muscle Shoals, Alabama, except for necessary termination expenses: *Provided further*, That of the funds provided herein, not more than $5,000,000 shall be made available for operation, maintenance, improvement, and surveillance of Land Between the Lakes: *Provided further*, That of the amount provided herein, not more than $16,000,000 shall be available for Economic Development activities.

TITLE V—GENERAL PROVISIONS

SEC. 501. (a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

SEC. 502. Section 508(f) of Public Law 104–46, the Energy and Water Development Appropriations Act, 1996, is repealed.

SEC. 503. 42 U.S.C. 7262 is repealed.

SEC. 504. Public Law 101–514, the Energy and Water Development Appropriations Act, 1991, is amended by striking ": *Provided*" and all that follows through "nonreimbursable" under the heading, "Construction, Rehabilitation, Operation and Maintenance, Western Area Power Administration".

SEC. 505. (a) None of the funds appropriated or otherwise made available by this Act may be used to determine the final point of discharge for the interceptor drain for the San Luis Unit until development by the Secretary of the Interior and the State of California of a plan, which shall conform to the water quality standards of the State of California as approved by the Administrator of the Environmental Protection Agency, to minimize any detrimental effect of the San Luis drainage waters.

(b) The costs of the Kesterson Reservoir Cleanup Program and the costs of the San Joaquin Valley Drainage Program shall be classified by the Secretary of the Interior as reimbursable or nonreimbursable and collected until fully repaid pursuant to the "Cleanup Program—Alternative Repayment plan" and the "SJVDP—Alternative Repayment Plan" described in the report entitled "Repayment Report, Kesterson Reservoir Cleanup Program and San Joaquin Valley Drainage Program, February 1995", prepared by the Department of the Interior, Bureau of Reclamation. Any future obligations of funds by the United States relating to, or providing for, drainage service or drainage studies for the San Luis Unit shall be fully reimbursable by San Luis Unit beneficiaries of such service or studies pursuant to Federal Reclamation law.

This Act may be cited as the "Energy and Water Development Appropriations Act, 1997".

The CHAIRMAN. Pursuant to that order, no amendment shall be in order except the following amendments, which shall be considered read, shall not be subject to amendment or to a demand for division of the question, and shall be debatable for the time specified, equally divided and controlled by the proponent and a Member opposed:

Amendment No. 1 by the gentleman from New York [Mr. SOLOMON] for 10 minutes;

Amendment No. 2 by the gentleman from Pennsylvania [Mr. FOGLIETTA] for 10 minutes;

Amendment No. 3 or 4 by the gentleman from Wisconsin [Mr. OBEY] for 40 minutes;

Amendment No. 5 by the gentleman from Minnesota [Mr. GUTKNECHT] for 20 minutes;

Amendment No. 6 by the gentleman from Wisconsin [Mr. KLUG] for 20 minutes;

Amendment No. 7 by the gentleman from Wisconsin [Mr. KLUG] for 20 minutes;

Amendment No. 8 by the gentleman from Indiana [Mr. ROEMER] for 10 minutes;

Amendment No. 9 by the gentleman from Indiana [Mr. ROEMER] for 10 minutes;

Amendment No. 10 by the gentleman from California [Mr. ROHRABACHER] for 10 minutes;

Amendment No. 11 by the gentleman from Ohio [Mr. TRAFICANT] for 5 minutes;

Amendment No. 12 by the gentleman from Texas [Mr. BARTON] for 10 minutes;

Amendment No. 13 by the gentleman from Nebraska [Mr. BEREUTER] for 10 minutes;

Amendment No. 14 by the gentleman from Tennessee [Mr. HILLEARY] for 10 minutes;

Amendments Nos. 15 and 16 en bloc by the gentleman from Massachusetts [Mr. MARKEY] for 20 minutes.

Amendment No. 17 by the gentleman from Wisconsin [Mr. PETRI] for 20 minutes;

Amendment No. 20 by the gentleman from New Jersey [Mr. ZIMMER] for 10 minutes;

An amendment by the gentleman from Kentucky, [Mr. ROGERS] regarding the New Madrid Floodway, for 5 minutes;

An amendment by the gentleman from California [Mr. FILNER] regarding the Tijuana River basin, for 10 minutes;

An amendment by either the gentleman from Wisconsin [Mr. KLUG], or the gentleman from Colorado [Mr. SCHAEFER], or the gentleman from California [Mr. FAZIO], regarding solar energy, for 30 minutes;

An amendment by the gentleman from Arizona [Mr. KOLBE] regarding the Central Arizona project for 10 minutes; and

An amendment by the gentleman from Virginia [Mr. PICKETT] regarding the Sandbridge Beach project, for 10 minutes.

Pursuant to House Resolution 483, the Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment and may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than 15 minutes.

The Chair recognizes the gentleman from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. Mr. Chairman, I ask unanimous consent to strike the last word to explain the procedure for the remainder of the evening.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MYERS of Indiana. Mr. Chairman, the committee hopes and expects to finish this bill tonight. That is our expectation, and the procedure we are going to use for the next hour and a half, until about 8:30 or quarter of 9, is that we are going to roll all ordered votes until that time.

At this time, down at the Ellipse, the Army has a tattoo to honor those Members of Congress who are retiring, Mr. BEVILL, Mr. CHAPMAN among them, two members of this subcommittee who are retiring; Mr. BEVILL, et al., retired Army types. We would love to have been down there, but work comes first, so there will be no votes ordered, no votes taken during the next hour and a half, no earlier than 8:30, and probably closer to 8:45 or 9 o'clock.

So we now understand what the procedure is, and hopefully, we will hold discussion to a minimum here. We have 20 amendments, some having as much as 40 minutes. To finish those by 11 o'clock is ambitious, but with the cooperation of everyone, we will get out early.

We do not want to cut anyone off. We will try to make sure that everyone that wishes to speak has that opportunity, but let us expedite it if we possibly can.

□ 1900

But let us expedite it as quickly as we can. Everyone knows the issues we are going to be discussing tonight. Let us stick with it, and we will try to expedite it as rapidly as possible.

Mr. PORTER. Mr. Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PORTER. Mr. Chairman, unfortunately, we will soon be bidding a fond farewell to our good and old friends, the gentleman from Indiana [Mr. MYERS] and the gentleman from Alabama [Mr. BEVILL]. Both will be very sorely missed in this Chamber. Both have brought professionalism, knowledge, and collegiality to this body, qualities that we need in order to make our system work, and do not always find in our Members.

Despite a great deal more partisanship and contention in this Chamber, those who understand our system realize that cooperation and comity are necessary to find the common ground we need to govern. TOM and JOHN represent to me the personal qualities envisioned in our constitutional system, and I commend them for their work, for their making a difference in their service in the Congress, and wish both of them all good things in their retirements and in the years ahead.

Mr. Chairman, I would ask the chairman of the subcommittee if I may engage him in a colloquy.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, I am happy to engage in a colloquy with the gentleman.

Mr. PORTER. Mr. Chairman, I am concerned with the funding level for the section 205 continuing authorities program. I want to be certain that projects under this section specifically mentioned in the report, including the North Libertyville Estates project, will receive priority funding by the Army Corps of Engineers for fiscal year 1997.

Mr. MYERS of Indiana. If the gentleman will continue to yield, it certainly is the intention of this committee that projects such as Libertyville Estates in Libertyville, IL, will receive the top priorities from the Corps of Engineers.

The gentleman has our support, yes.

Mr. PORTER. I would also like to clarify that when the Army Corps of Engineers commits the requested funding for the North Libertyville Estates project, the project cooperation agreement between the local sponsor and the Army Corps of Engineers Chicago District Office can be signed. This commitment indicates to the local sponsor the Federal Government's financial obligation to the project. When the PCA is signed, the local sponsor can begin working on the sewer system. Following the completion of that work, which may take up to 8 months, the Army Corps will begin construction on the levee. The Corps hopes to complete its work in less than 1 year.

It is also my understanding that when funding is committed by the Department of the Army Office of Civil Works, the PCA can be signed and the local sponsor can be assured that the funding for the Federal share is set aside for that project.

I would ask the chairman of the subcommittee, is that correct?

Mr. MYERS of Indiana. If the gentleman will continue to yield, that is correct. When the local sponsor is willing to put money up, it shows two things. First, the people of that area who are going to be affected are concerned and, second, are willing to put their money up; so, yes, that is the intention of the subcommittee.

Mr. PORTER. I very much thank the chairman of the subcommittee.

Mr. DICKEY. Mr. Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. DICKEY. Mr. Chairman, I would like to enter into a colloquy with the gentleman from Indiana [Mr. MYERS].

Mr. Chairman, H.R. 3816 includes $8 million for the Army Corps of Engineers to continue work on the Montgomery Point Lock and Dam, in Arkansas, on the White River, without cost sharing from the Inland Waterways Trust Fund.

I would ask the chairman of the subcommittee, is it his intent to direct the Corps to use these funds in fiscal year 1997 to continue construction on the Montgomery Point Lock and Dam?

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. DICKEY. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, the gentleman is correct. If he will read the report language, we very specifically said this is to be provided completely with Federal funds from the taxpayers.

Mr. DICKEY. Would that provision in this bill direct the Corps to use the funds provided in fiscal year 1997 to begin construction of a diversion channel, or at least to begin moving dirt?

Mr. MYERS of Indiana. The gentleman is correct.

Mr. DICKEY. Mr. Chairman, I would ask the chairman of the subcommittee, is it his intent that the Corps maintain its published schedule for the completion of the Montgomery Point Lock and Dam?

Mr. MYERS of Indiana. If the gentleman will continue to yield, Mr. Chairman, this is not a new project. It has been before us for a good long time. We understand the level of the two rivers is a problem, that something must be done, and we completely support it. The Corps should understand, and I think they do, they have told us they do, that they have to proceed.

Mr. DICKEY. I want to thank the gentleman. I know he is going to be glad after he retires that he will not hear any more about the Montgomery Point Lock and Dam.

Mr. MYERS of Indiana. Promise?

Mr. DICKEY. I cannot promise. Best wishes to you, Mr. Chairman.

Mr. SKAGGS. Mr. Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. SKAGGS. Mr. Chairman, I would like first of all to echo really the understated praise that has been offered by many Members for both the chairman and ranking member who are completing their service this year. I was privileged to serve with them on this subcommittee for a couple of years, and enjoyed that very much, and respect their good work for the country enormously.

Mr. Chairman, I would like to engage the chairman of the subcommittee in a brief colloquy, if I may, concerning one of the projects funded in this bill, namely, the Animas-La Plata project in New Mexico.

As the chairman knows, the bill includes money for this project. There is an extensive discussion of it in the committee report. As we discussed when the bill was before the committee for markup, I think it is important that there be no misunderstanding about this part of the report and the intent that it reflects.

Report language starts by saying, "In the event that the funding provided the Bureau of Reclamation is inadequate for the task to be accomplished this year, the committee expects the Bureau to reprogram available funds for construction of the project."

Mr. Chairman, am I correct in understanding that any such reprogramming would be subject to the normal procedures, including consultation with the committee?

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. SKAGGS. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, the gentleman is absolutely correct. This has been an ongoing program for the many years the gentleman from Alabama [Mr. BEVILL] and I have been on this subcommittee, and we have tried to make sure that all the concerns, be they environmental, State, whatever it might be, all these are met.

There is no intention here to short-circuit anything. All the normal requirements for reprogramming must be met.

Mr. SKAGGS. If I may follow on further, Mr. Chairman, the project as the gentleman knows has been the subject of some litigation concerning the applicability of various environmental laws, NEPA, endangered species, and so forth. The report also refers to the need for environmental compliance and the possibility that implementation of the Endangered Species Act could limit water development in the San Juan River Basin, which includes the Animas and La Plata Rivers.

Is it nonetheless correct that nothing in the report should be read as suggesting that there is any intent to waive NEPA or the Endangered Species Act or any other environmental law, or to limit the extent to which any such law applies to the Animas-La Plata project?

Mr. MYERS of Indiana. If the gentleman will continue to yield, there is absolutely no intent by this subcommittee to circumvent or to bypass any present environmental laws or rules. The language is written to make sure we do not apply some new rules someplace down the road 2 or 3 years from now.

Mr. SKAGGS. Finally, Mr. Chairman, the report further says that "Construction of the first stage of the project may proceed without adversely affecting any other water users on the San Juan system."

Again, I would ask if I am correct in understanding that this simply states an opinion based upon information available to the committee and is not intended to foreclose the ability of any holders of water rights on the San Juan River or its tributaries to raise any issues about the project's effects on their rights?

Mr. MYERS of Indiana. There is no intent by this subcommittee, Mr. Chairman, if the gentleman will continue to yield, to ever change riparian rights. They are as old and constitutional as our country. Downstream holders of rights must not be denied. We have no change in the riparian rights.

Mr. SKAGGS. I greatly appreciate the gentleman's clarification on these points, Mr. Chairman.

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. SOLOMON: Page 36, after line 10, insert the following new sections:

SEC. 506. (a) DENIAL OF FUNDS FOR PREVENTING ROTC ACCESS TO CAMPUS.—None of the funds made available in this Act may be provided by contract or by grant (including a grant of funds to be available for student aid) to an institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that the institution (or any subelement thereof) has a policy or practice (regardless of when implemented) that prohibits, or in effect prevents—

(1) the maintaining, establishing, or operation of a unit of the Senior Reserve Officer Training Corps (in accordance with section 654 of title 10, United States Code, and other applicable Federal laws) at the institution (or subelement); or

(2) a student at the institution (or subelement) from enrolling in a unit of the Senior Reserve Officer Training Corps at another institution of higher education.

(b) EXCEPTION.—The limitation established in subsection (a) shall not apply to an institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the institution (or subelement) has ceased the policy or practice described in such subsection; or

(2) the institution has a longstanding policy of pacifism based on historical religious affiliation.

SEC. 507. (a) DENIAL OF FUNDS FOR PREVENTING FEDERAL MILITARY RECRUITING ON CAMPUS.—None of the funds made available in this Act may be provided by contract or grant (including a grant of funds to be available for student aid) to any institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that the institution (or any subelement thereof) has a policy or practice (regardless of when implemented) that prohibits, or in effect prevents—

(1) entry to campuses, or access to students (who are 17 years of age or older) on campuses, for purposes of Federal military recruiting; or

(2) access to the following information pertaining to student (who are 17 years of age or older) for purposes of Federal military recruiting: student names, addresses, telephone listings, dates and places of birth, levels of education, degrees received, prior military experience, and the most recent previous educational institutions enrolled in by the students.

(b) EXCEPTIONS.—The limitation established in subsection (a) shall not apply to an institution of higher education when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) the institution (or subelement) has ceased the policy or practice described in such subsection; or

(2) the institution has a longstanding policy of pacifism based on historical religious affiliation.

SEC. 508. None of the funds made available in this Act may be obligated or expended to enter into or renew a contract with an entity when it is made known to the Federal official having authority to obligate or expend such funds that—

(1) such entity is otherwise a contractor with the United States and is subject to the requirement in section 4212(d) of title 38, United States Code, regarding submission of an annual report to the Secretary of Labor concerning employment of certain veterans; and

(2) such entity has not submitted a report as required by that section for the most recent year for which such requirement was applicable to such entity.

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from New York [Mr. SOLOMON] and a Member opposed will each control 5 minutes.

The Chair recognizes the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I do not believe there will be anyone rising in opposition to this very good amendment. It has been accepted by all of the chairmen of all of the preceding subcommittees of the Committee on Appropriations, as well as the ranking member.

Mr. Chairman, the amendment that I am offering with the gentleman from California [Mr. POMBO] and the gentleman from Indiana [Mr. BUYER] has passed this House a number of times, most recently on the VA-HUD and Labor-HHS appropriation bills, so I will be brief.

Mr. Chairman, as we know, in many places across the country military recruiters are being denied access to educational facilities, preventing recruiters from explaining the benefits of an honorable career in our Armed Forces of the United States of America, explaining it to our young people. Likewise ROTC units have been kicked off of several campuses around this country.

This amendment today would simply prevent any funds appropriated in this act from going to any institution of higher learning which prevents military recruiting on their campuses or has an anti-ROTC policy. Mr. Chairman, institutions that are receiving Federal taxpayer money just cannot be able to then turn their backs on young people who are defending their country.

Mr. Chairman, it is really a matter of simple fairness. That is why this amendment has always received such strong bipartisan support and become law for Defense Department funds.

A third part of the amendment would also deny contracts or grants to institutions that are not in compliance with the existing law that they submit an annual report on veterans' hiring practices to the Department of Labor. In the same vein, this is simple commonsense and fairness to the people who defend our country. Mr. Chairman, all we are doing here is asking for compliance with existing law. I would urge support of the Solomon-Pombo-Buyer amendment.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, the gentleman discussed this amendment with the committee. Coming from a congressional district that has six universities, and having gone through the Vietnam war and the Korean war and some of the problems we had, I completely agree with the gentleman. There is no reason whatsoever for that. These universities are here because some people have fought for the right for them to be there, so we completely agree with the gentleman. We accept the amendment.

Mr. SOLOMON. Mr. Chairman, I certainly thank the gentleman.

Mr. BEVILL. Mr. Chairman, I have no objection to the amendment.

The CHAIRMAN. Is there any Member who seeks time in opposition to the amendment?

If not, the question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. ROGERS

Mr. ROGERS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. ROGERS: On page 7, line 11, strike "$302,990,000" and insert in lieu thereof: "$303,240,000".

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from Kentucky [Mr. ROGERS] and a Member opposed each will control 2½ minutes.

The Chair recognizes the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Chairman, this amendment deals with a project in Missouri's Eighth Congressional District, which has been represented, as we all know, by the late and great Bill Emerson. The St. John's-New Madrid project was authorized in the Water Resources Development Act of 1986, but was delayed due to disagreements between the Corps and the local sponsor over cost-sharing issues. Those issues I am told have now been resolved.

This amendment would provide money for the project, allowing the Corps to complete its planning work and to sign formal agreements with the sponsor and begin construction. This project is a priority in this district because of the flooding that it would prevent. It provides levee protection for 400 acres of prime farmland in a three-county area and it will protect three townships, two of which have suffered flooding this year.

It will also prevent flooding on two major U.S. interstate highways.

This amendment provides a relatively small amount, $250,000 for the project, so that the Corps can move it along.

Mr. Chairman, I want to say as vice chairman of the subcommittee what a pleasure it has been working with the gentleman from Indiana, JOHN MYERS, and the gentleman from Alabama, Mr. BEVILL, two stalwart giants of this body whom we will all miss very much. It has been a great pleasure working with them, seeing them work from the inside. It is as pleasurable as seeing them work from the outside.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. ROGERS. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, I thank our colleague, first for his nice words, and his contribution to the subcommittee.

The committee is very much aware of the situation in the New Madrid area of Missouri. Our good friend, Bill Emerson, talked to the committee a number of times. I have been in his district twice on this particular issue. We discussed it with Bill before his passing, that it was a new start. The committee has tried to hold the line on new starts because of concern about future funds. We are completely understanding. We loved Bill. We want to honor his memory. But we did put the language in our report on page 37 that the Corps of Engineers is to complete its preconstruction engineering activities on the St. Johns-New Madrid floodway, and they are to report back to the committee within 6 months. So while I cannot obligate the next Congress or the conference committee, it is fully understood that this is a high priority. We respect that we want to remember Bill this way, and we hope that future Congresses will do this job.

The CHAIRMAN. Does any Member seek time in opposition to the amendment?

Does any Member seek unanimous consent to control the time in opposition?

Mr. MYERS of Indiana. Mr. Chairman, I ask unanimous consent to control the time in opposition, while I am not opposed to the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MYERS of Indiana. Mr. Chairman, I yield the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I would ask the gentleman, is this something the chairman and the Members could consider as we proceed along in the future?

Mr. MYERS of Indiana. Mr. Chairman, we are going to go to conference hopefully next week, even, with the other body. If the opportunity presents itself, and we do not know what funds they will have, it will be, I assure the gentleman, under consideration when we do go to conference. The gentleman will be a member of that conference, so I assure him we will give it every consideration. We loved Bill Emerson and we want to remember him properly.

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Mr. ROGERS. Mr. Chairman, I thank the gentleman for that willingness to consider the project in conference as we proceed.

Mr. Chairman, with that assurance, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. TRAFICANT:

(c) PROHIBITION OF CONTRACTS WITH PERSONS FALSELY LABELING PRODUCTS AS MADE IN AMERICA.—If its has been finally determined by a court or Federal agency that any person intentionally affixed a label bearing a "Made in America" inscription, or any inscription with the same meaning, to any product sold in or shipped to the United States that is not made in the United States, the person shall be ineligible to receive any contract or subcontract made with funds made available in this Act, pursuant to the debarment, suspension, and ineligibility procedures described in sections 9.400 through 9.409 of title 48, Code of Federal Regulations.

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from Ohio [Mr. TRAFICANT] and a Member opposed each will control 2½ minutes.

The Chair recognizes the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, I want to start out by associating myself with all of the remarks relative to the gentleman from Indiana [Mr. MYERS] and the gentleman from Alabama [Mr. BEVILL]. I want to thank both of the gentlemen, on behalf of all of the people in the 17th District of Ohio, for over the years having worked with us, being honest with us, and attempting to give us a hand, and certainly on behalf of all of the people in the country.

Let me also say that my amendment is straightforward. Any person who affixes a fraudulent Made-in-America label on an import shall be ineligible to receive any contract or subcontract under this bill. It is good, straightforward legislation.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. TRAFICANT. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. I thank the gentleman for yielding.

Mr. Chairman, the gentleman from Ohio [Mr. TRAFICANT], as always, has discussed his amendment with the committee. We have added the basic language to our bill for a number of years under the leadership of the gentleman from Alabama [Mr. BEVILL], and we are pleased to accept your new additional language which we understand and completely agree with.

Mr. TRAFICANT. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from California [Mr. MILLER].

Mr. MILLER of California. I thank the gentleman for yielding. I rise in support of his amendment and also in support of his legislation.

I rise in support of H.R. 3816, making appropriations for energy and water development for fiscal year 1997.

This bill provides funds for critical flood control and navigation projects in Contra Costa and Solano counties in the San Francisco Bay Area of California. I appreciate the committee's continued support for these projects.

I am particularly pleased that the committee's bill seeks to resolve two important matters affecting California's Central Valley Project and the protection of water quality in the Sacramento-San Joaquin Delta. Specifically, the committee has included language to compel San Joaquin Valley irrigators to repay over $30 million in costs related to cleaning up the contamination at Kesterson Reservoir and for studies on how to resolve the mounting drainage crisis in the Central Valley. Committee members also voted to reimpose a ban on selection of any terminus for the San Luis Drain. The drain was proposed years ago to benefit irrigators who want to convey their agricultural wastes from the Valley into the Delta and San Francisco Bay.

Agricultural wastewater in California's Central Valley poisoned Kesterson Reservoir in the 1980's and demonstrated the severe pollution generated by irrigated agriculture in the West. Years later, there is widespread opposition to any drain that would dump those wastes into the Delta and San Francisco Bay. For years, the farmers whose irrigation practices caused the severe pollution problems in the Valley have evaded paying for the cleanup costs. With the language included in H.R. 3816, the delays will end, and the payment will begin. The restriction on selection of any terminus re-emphasizes the Congress' often-stated concerns about the proposed drain to the Delta.

As a result of these provisions, taxpayers will finally receive long-overdue payment for the costs of cleaning up Kesterson Reservoir; the Delta and San Francisco bay will be protected from toxic discharges of agricultural wastes; and Central Valley irrigators can close the books on Kesterson and pursue innovative solutions to their drainage problems within their own area instead of seeking to export their pollution problems elsewhere.

My own opposition to such a drain is longstanding and reflected in years of testimony before the Appropriations Committee in support of the restrictive amendment that once again is included for fiscal year 1997. The Bay-Delta system is the ecological and economic core of northern California. We have spent years, and billions of tax dollars—and private dollars—cleaning it up and restoring its water quality, its fisheries, and its aesthetic appeal. Through a series of laws I have authored, including the Central Valley Project Improvement Act of 1992, we have rededicated our efforts toward those goals through major reforms in the management of our water resources. We are never going to go backward and again allow others to treat our Bay-Delta system as a cesspool for their own contamination.

As important as these provisions concerning repayment and the drain terminus are, they alone will not resolve the drainage problems in the San Joaquin Valley. The Bureau of Reclamation, acting pursuant to a court order, is now negotiating a memorandum of understanding with the California State Water Resources Control Board and the Westlands Water District regarding the terms and conditions under which an environmental impact statement addressing drainage issues will be prepared. I have had an opportunity to review a draft of this MOU, and I note that it quite properly assigns full responsibility for payment of all costs of preparing the EIS to the Westlands Water District. Any agreement that allows Westlands to evade paying 100 percent of the expenses of preparing this EIS will not be acceptable. In addition, the MOU must strictly limit Westlands' role in the actual preparation of the EIS and in approving all or portions of the EIS. Under no circumstances should Westlands or other Central Valley Project water users be in a position of authority with respect to NEPA compliance. I have alerted the Bureau of Reclamation of my concerns regarding the pending execution of this MOU, and I will continue to insist that the strictest standards of public involvement be followed as solutions to drainage issues in the San Joaquin Valley continue to be pursued.

H.R. 3816 and the accompanying committee report also raise an additional issue which I will address in my capacity as senior Democratic member of the Committee on Resources.

I wish to register at this time my strong objections to language contained in the committee report accompanying H.R. 3816 (House Report 104–679), which directs that no funds be made available for the San Joaquin River Basin Resource initiative in fiscal year 1997. As my colleague from California, Ms. PELOSI, noted in her additional views on this bill, the San Joaquin study is required by law; it is not optional. The study was authorized to determine how to restore fish to the San Joaquin River, where diversions of water for irrigation have wiped out several stocks of commercially valuable anadromous fish.

The Appropriations Committee is obviously determined to kill this study and prevent people from learning the truth about the destruction of fishery resources in the San Joaquin River. The effort to kill this study is important only to a small group of CVP beneficiaries who continue to profit from their subsidized water supplies at the expense of California's commercial and sport fish businesses. The San Joaquin study has been authorized by Congress and the Secretary is obligated to complete this study. The San Joaquin study should be fully funded and allowed to proceed without interference from special interests.

Mr. TRAFICANT. Mr. Chairman, before I close I want to thank the gentleman from Indiana [Mr. MYERS] for his position and leadership on the Committee on Commerce. I urge an "aye" vote.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. Does any Member seek the time in opposition?

The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The amendment was agreed to.

Mr. HASTINGS of Washington. Mr. Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Without objection, the gentleman from Washington is recognized for 5 minutes.

There was no objection.

Mr. HASTINGS of Washington. Mr. Chairman, I would like to engage in a colloquy with the gentleman from Indiana [Mr. MYERS] and also associate myself with the remarks that were made earlier in his behalf on his retirement. We have worked closely together over the last 2 years and I greatly appreciate his hard work on this legislation.

What I would like to do, however, Mr. Chairman, is inquire about report language that has been included in the Senate bill. This encourages the Bonneville Power Administration to enter into an energy exchange with non-Federal hydro projects on the Columbia River that are affected by Federal fish protection measures.

The Douglas County PUD district estimates that it loses almost one-fifth of its energy-carrying capability as a result of the Federal fish protection programs. The cost of these losses, which do not take into account the PUD's own fish protection costs, have nearly tripled in this past decade.

The Senate language is intended to urge BPA to provide winter energy to non-Federal projects in return for delivery of an equal amount of energy generated in those projects from the increased Federal fish flows in the spring and the summer. Such an exchange is similar to the kinds of federally authorized seasonal exchanges BPA already makes with utilities in California. This is also specifically provided under by the Northwest Power Planning Act.

I believe that this issue is best resolved between BPA and those interested non-Federal utilities. However, I am willing to explore a solution to this problem as a member of the House Committee on Resources, should I be convinced that BPA is not negotiating in good faith.

Will the chairman be willing to work with us to arrive at an acceptable resolution to this problem?

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS of Washington. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, of course, the committee will be very pleased to work with the gentleman, as we always have. The committee shares that concern about which we are all interested in saving the salmon and other fish, but at what cost? We have to offset that some way, so we are very much willing to work with the gentleman. I thank the gentleman for bringing this issue up.

Mr. HASTINGS of Washington. Mr. Chairman, I thank the gentleman for that. I would also like the chairman to know, because we have been discussing other issues mainly with the Department of Energy on environmental cleanup efforts, I want him to know, however, that the House and Senate have accepted legislation dealing with this from a structural standpoint. Those issues are in committee right now and should be resolved in the authorization bill. So I wanted to let the gentleman know that that is proceeding on even though it is out of his jurisdiction.

I also appreciate the chairman's willingness to work with us to ensure that the savings reached in the new Hanford contracts which are in my district can be used to compensate for the Department's plan to transfer $185 million in cleanup into an insurance fund. I appreciate his work on this because this is critical to my district, and, Mr. Chairman, I thank the gentleman for his consideration.

Mr. MYERS of Indiana. I thank the gentleman.

Mr. BROWN of California. Mr. Chairman, I ask unanimous consent to strike the last word in order to engage in a colloquy.

The CHAIRMAN. Without objection, the gentleman from California is recognized for 5 minutes.

There was no objection.

Mr. BROWN of California. Mr. Chairman, I would say to my colleague, the gentleman from Indiana [Mr. MYERS] that this is what I would like to do. I am going to give a brief description of the situation of the Salton Sea for which we have in this bill $400,000, and then I am going to conclude by asking the gentleman if he would be willing to consider adding report language directing the Bureau of Reclamation to develop a mitigation plan for the Salton Sea. The gentleman can think about that while I describe the situation.

Mr. Chairman, my colleagues, these two charts show the Salton Sea, in case you think it does not exist. The Salton Sea is this body of water right here in the southeast corner of California. It is about 500 square miles. It is probably one of the largest bodies of inland water outside of the Great Lakes in the United States. It is an artificial lake that was created 90 years ago by the flooding of the Colorado River, and a good lawyer would easily find that the Federal Government was responsible for that flood and for cleaning up the mess that now exists there, which I am going to describe very briefly.

The Salton Sea was created, as I said, by the overflow of the Colorado River 90 years ago. It was a fresh water lake to begin with and it had fresh water fish, trout and so on. Over the last 90 days it has become a salt water lake. It is now 50 percent saltier than the ocean.

The 1992 Water Act, which we passed in this House, authorized $10 million for the analysis of this situation, the problem of the Salton Sea. The Bureau of Reclamation in its wisdom has only requested $300,000 of that $10 million to engage in research, and they requested nothing for the next fiscal year.

I want to thank the gentleman from Indiana [Mr. MYERS] and his committee in their wisdom for adding $400,000, unrequested by the Bureau.

Now, the Bureau's description of the Salton Sea project, which I have here, and I would like to quote from it briefly. It says that "Over the last several decades there has been concern over the increasing salinity of the Salton Sea." It is, as I said, now 50 percent saltier than the ocean. It goes on to say that "There are indications that increasing salinity is adversely impacting biological values."

Would pictures of acres of dead fish constitute an indication that biological values were being impacted? Because that is what we have, acres of dead fish, and it is now clear that all fish in that lake will be dead within a very short time.

I quote further: "There are also adverse impacts on recreational uses." The actual value of those adverse impacts is $50 million a year today and going up.

Another concern is that the surface elevation of the sea has been on the rise. That elevation can fluctuate by a foot or more with a very small change in the amount of water coming in, and that inflow is not being controlled. The one lawsuit that I know of which was brought on that matter resulted in a liability judgement by the court of $10 million against the irrigation district for not controlling it.

Now, this situation will become drastically worse within 5 years because of the plans to conserve and sell water in the Imperial Valley. They are going to probably conserve 20 percent of the irrigation water coming from here into the Salton Sea and reduce the size of the Salton Sea by probably about 20 percent, leaving a huge vacant area around the edge of the Salton Sea, and those properties which are now lakeside properties will be a mile from the edge of the lake. Every one of those property owners is going to sue. The potential damages run into the hundreds of millions of dollars.

Now, why did the Bureau of Reclamation not ask for any money this year to continue research on solutions to this problem? I do not know. They are all nice people. I have talked to them. They say, "Well, it is pretty controversial. We are not sure that we ought to get into something at this time." Another year from now may be too late. We have to have an action plan.

I want to see the Bureau, which has the best qualified people in the world, begin to do something. Would the chairman, the gentleman from Indiana [Mr. MYERS] be willing to give them some modest direction in the language of committee report saying that we would like to see them use this $400,000, which must be matched by local sources, meaning $800,000, to prepare an action plan?

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. BROWN of California. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, the Salton Sea is, I guess, California's Dead Sea. We are very much aware of it. We have had it under consideration for quite some time.

The gentleman said it was not requested. The gentleman from California [Mr. BROWN] requested it from the committee, so it may not have been requested by the Bureau of Reclamation. We are very much aware of it.

Mr. Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Without objection, the gentleman from Indiana is recognized for 5 minutes.

There was no objection.

Mr. MYERS of Indiana. Mr. Chairman, I will yield to my colleague for a response here, but first, we are fully aware of this. The New River is becoming more and more polluted. We understand there is a threat from Mexico. I think it meets the requirements to clean it up. They are going to shut some of our water off, and that will present a worse problem.

We are very much aware of that. That is where the gentleman put $400,000. We are asking the Bureau of Reclamation to get its work done and do what the gentleman is speaking of here. We are very much aware of it, and we are going to be pushing and making sure that BOR does its job.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Chairman, I would like to express my profound thanks to the gentleman from Indiana [Mr. MYERS] for his knowledge about this situation. As he has already indicated, the Mexicans now have EPA money and United States-Mexico Border Commission cleanup money to build a sewage system. They are going to clean up that water and then they are going to keep it in Mexico. That reduces, again, the amount of flow coming from across the border here into the Salton Sea and it means the problem becomes worse.

Mr. MYERS of Indiana. Mr. Chairman, we have the Kesterson situation in California, similar to this because it was neglected in years past. Now, we are still living with that problem. We want to avoid this at this point. We have recurring responsibilities in this country. We think they should also adhere to the recurring responsibility and have an obligation downstream to help keep that lake alive.

Mr. BROWN of California. Mr. Chairman, if the gentleman will yield further, I am not going to take any more of his time, but he has been a true gentleman, and I appreciate it.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. Mr. Chairman, I yield to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Mr. Chairman, if the gentleman from California [Mr. BROWN] would remain, I just have a couple of questions for him.

Not being on the committee, I can tell you where Worchester is and Pintail Duck Club, and so can my father-in-law because we use it all the time, and I am aware of some of the pollution problems. I am not aware of some of the areas which the gentleman is trying to help.

I support what the gentleman is trying to do. If the gentleman could make me more knowledgeable on the issues as far as what those plans are, maybe I could even be more supportive for him.

Mr. BROWN of California. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Chairman, if I may respond briefly to the gentleman, the duck hunters from my district, which is one reason I have a concern, are very unhappy with the situation down there. This is a flyway, a migratory bird flyway where they come from the north down to the Gulf of California here. There are large nesting areas down here.

The duck hunters are now seeing examples of bird kill from eating the dead fish which may have selenium in them, and further increases in salinity will compound the problem. We will have environmentalists suing all over the place to force Salton Sea to be cleaned up, which can be done probably in the same way they did at Kesterson, which is to shut down part of the agriculture, and that is a $1 billion a year agriculture industry there. A 10 percent shutdown is $100 million a year.

Mr. MYERS of Indiana. Mr. Chairman, the committee understands the concern and shares that concern and we will do all we can.

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Mr. FOGLIETTA. Mr. Chairman, I ask unanimous consent to strike the last word in order to enter into a colloquy with the chairman of the subcommittee.

The CHAIRMAN. Without objection, the gentleman from Pennsylvania is recognized for 5 minutes.

There was no objection.

Mr. FOGLIETTA. Mr. Chairman, I am deeply concerned about the language in the bill which prohibits funding for the hopper dredge, the U.S.S. *McFarland*. The *McFarland* is a seagoing hopper dredge owned by the Philadelphia District Army Corps of Engineers. This vessel is vital to the commerce in the Delaware River as well as to the environment in the area. I understand that there are some ideas on dredging in the future, but I am concerned with a provision of this bill forbidding the expenditure of funds to maintain the capabilities of this vessel. It is my understanding that we have the gentleman's commitment, according to our prior conversation, to work together with myself and my colleague, the gentleman from Pennsylvania [Mr. BORSKI], to arrive at a result in conference that would enable the *McFarland* to be maintained and improved so that it can continue to do its job in the Delaware River.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. FOGLIETTA. I yield to the gentleman from Indiana.

Mr. MEYERS of Indiana. Mr. Chairman, the *McFarland*, as we all know, is an old, old hopper dredge. The necessity of keeping it in inventory to do the type of work the gentleman is referring to, local work there, the committee has recognized for several years. The concern was to spend good money after bad. It is an old, old hopper dredge. We have rejected major overhaul improvements and this is what the intent of this language was, to make sure that it is maintained so it can do the job when needed but not to be put back into inventory to do a job it was never intended to, and it has outlived its lifetime.

Mr. FOGLIETTA. But we certainly do not anticipate a complete overhaul of this ship or this vessel. All we want to do is maintain it in its full capability it now has to continue doing its work as it is now doing until the Army Corps of Engineers issues its report, which is due in the near future.

Mr. MEYERS of Indiana. The intent was to keep it like it is today, repairs when necessary but no major overhaul.

Mr. FOGLIETTA. We are not looking for a major overhaul.

Mr. MEYERS of Indiana. We are reading on the same page.

Mr. FOGLIETTA. I thank the chairman.

AMENDMENT OFFERED BY MR. BARTON OF TEXAS

Mr. BARTON of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 12 offered by Mr. BARTON of Texas: Page 20, line 18, insert "(reduced by $1,000,000)" after "$195,000,000".

Page 21, line 21, insert "(increased by $1,000,000)" after "$24,000,000".

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from Texas [Mr. BARTON] and a Member opposed will each control 5 minutes.

The Chair recognizes the gentleman from Texas [Mr. BARTON].

Mr. BARTON of Texas. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, before I talk abut my amendment, I want to compliment the gentleman from Indiana, Chairman MYERS, and the gentleman from Alabama, Ranking Member BEVILL, for their work, not just this year but in prior Congresses. They have always been a pleasure to work with and been very professional and have helped me not just on this amendment but many other issues in the past, including the late lamented superconducting super collider that they both worked very hard for.

Mr. Chairman, the amendment before the body is a straightforward amendment. It would reduce the general administration account in the departmental administration, Department of Energy, by $1 million, from $195 million to $194 million, and transfer that $1 million to the Inspector General account in that same department. The Inspector General office last year actually spent $28 million. The Senate mark this year was at $23 million. The current House mark is at $24 million. So this transfer of $1 million would increase the Inspector General account to $25 million. The Inspector General's office in the department has been very helpful to me in my duties as chairman of the Committee on Oversight and Investigations of the Committee on Commerce, especially with regard to the travel practices of the current Secretary, Mrs. O'Leary. They have uncovered numerous instances of waste of funds. In fact, the Secretary herself in her appearances before my subcommittee has admitted that mistakes have been made and is trying to work to rectify those mistakes.

So I would hope that we would accept this amendment, and it is my understanding that both the gentleman from Alabama [Mr. BEVILL] and the gentleman from Indiana [Mr. MYERS] are prepared to accept it.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. BARTON of Texas. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, let me explain how we got here. We put $25 million, as the gentleman has expressed, last year to the IG. The IG is a very important function of government, of every agency. We need inspections. I appreciate the fact that the gentleman has shared that they have helped him very much in his examination of the way the funds of the department have been spent. Last year the IG was appropriated $25 million but later, not too long ago we learned that not only did they spend the $25 million that we had appropriated, but they had also had some funds someplace of more than $3 million that they also spent. We were not aware of that at the time we marked the bill up. We have had to cut back, reduce the size of government, so we cut back $1 million here as badly as the IG is needed. So with the understanding now that they used these extra funds, where it came from I am not sure yet.

In any event, we accept the amendment because they do a very necessary and fine job. I thank the gentleman for offering the amendment.

Mr. BARTON of Texas. Mr. Chairman, it is my understanding that the minority also accepts the amendment.

With that, Mr. Chairman, I yield back the balance of my time, but I do have a query to the Chair: Is the bruise above the Chairman's left eye going to preclude him from participating in the sporting contest tomorrow evening that he has been preparing for for the last several months?

The CHAIRMAN. Nothing could keep me from that game.

Mr. BARTON of Texas. Mr. Chairman, I would hope for a unanimous vote in support of the amendment, and I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. BARTON].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ROEMER

Mr. ROEMER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 9 offered by Mr. ROEMER: Page 17, line 21, strike "$2,648,000,000" and insert in lieu thereof "$2,638,400,000".

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from Indiana [Mr. ROEMER] and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I offer this amendment in the spirit of bipartisanship with the gentleman from California [Mr. ROHRABACHER], my chairman who serves with me on the Subcommittee on Energy of the Committee on Science. We have offered this amendment for two reasons: Primarily for deficit reduction. If we are going to move toward a balanced budget by 2002, if we are going to achieve that in a fair manner, we need to come up with some spending reductions in a host of different accounts. When we looked very carefully at this budget, we found that the field offices under the Energy Department jurisdiction had actually said that they were going to decrease their staff by 6 percent. Instead they got a 7-percent increase. We offer this amendment to cut $9.6 million out of those field offices and take them down to the level that they said they would go down to.

The second reason is the U.S. Senate has agreed to this cut. They have already made the cut of $9.6 million in this account. So if this body agrees to this bipartisan amendment, this will bring it to the same level as the U.S. Senate.

Oftentimes around this body to spending reductions, we take the approach called NIMBY, not in my backyard, Mr. Chairman. Don't cut it if it affects us out in the field in our congressional offices.

We have cut the headquarters in Washington, DC, under this budget by about 25 percent. Yet, as I said previously, we have not cut the field offices. This would apply those same fair cuts to some of the field offices. Not devastating cuts, fair cuts to help us reach a balanced budget in the next few years.

The justification for this, and I do not think this is an onerous amendment at all, Mr. Chairman, reading through the budget request, here is something typical of one of the field offices:

The budget request of an Idaho field office states that it needs $893,000 to pay seven new employees but later on, Mr. Chairman, five pages later in the budget to be precise, the office says that it will cut its staff by 15 employees next year. So it needs money to add employees and then it is going to cut employees, anyway.

I think this is in line with some of the fair cuts that we are trying to work together on in a bipartisan spirit, Mr. Chairman, and I would encourage this body to vote in favor of this amendment.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. ROEMER. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, my good friend and colleague from Indiana has discussed this amendment, and we have agreed. We have cut headquarters; we have cut the administrative staff quite a little bit. We did not cut the field offices, but we agree with the gentleman. I think there can be a reduction there. I think everyone agrees. We accept the gentleman's amendment.

Mr. ROEMER. Mr. Chairman, I am not going to use any more of any time on this amendment. I know a good thing when I see it. This will save the taxpayers almost $10 million. I urge the body to agree with the chairman and the ranking member's recommendations and move my amendment.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. ROEMER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ROEMER

Mr. ROEMER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 8 offered by Mr. ROEMER: Page 17, line 21, strike "$2,648,000,000" and insert in lieu thereof "$2,638,000,000".

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from Indiana [Mr. ROEMER] and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am going to be very brief with this amendment. I am delighted to have passed the last amendment. This amendment would save the taxpayer approximately $10 million.

In testimony that I sat through based on the February 1995 Galvin report, Alternative Futures for the Department of Energy National Laboratories, Dr. Robert Galvin, the former CEO of Motorola, estimated that the labs could reduce their cost by 50 percent through streamlining and other efficiencies. Since the publication of this report, DOE has implemented some of its recommendations.

As a result, DOE claims to have saved $264 million in fiscal year 1996 and expects to save $366 million in fiscal year 1997. In total, DOE has promised to save over $1.7 billion in the next 5 years. Overall the DOE budget request remained level from fiscal year 1996 to fiscal year 1997. Thus, despite savings from the Galvin initiative, DOE has made up for the administrative cost reductions by advancing other new initiatives. These new initiatives included the National Ignition Facility and countless smaller activities.

Mr. Chairman, my amendment says if we are going to save the money through the Galvin report, it should not be respent, then, from administrative savings on other new initiatives. Let us say to the Department of Energy, if we are going to run it better, cheaper, more efficiently for the taxpayer, then the taxpayer needs to see some of the benefits from that.

My amendment would make sure that the taxpayer received some of those benefits by making sure that the $10 million in this amendment goes to deficit reduction.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. ROEMER. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. I thank my friend for yielding.

Mr. Chairman, we share the concern that the gentleman has, and he is right. We have many, many, too many national labs today. We have to do something about it. It is a concern of this committee. We have had concern for several years. We have to consolidate some of them. We just cannot continue to fund all of these. However, we have already reduced this account. We were aware of Mr. Galvin. In fact, we invited him last year to appear before our committee. While we have made significant reductions here, we feel that might be too much at this time. But in the future I think that we are going to have to do something along this line and reduce.

I urge the gentleman to withdraw at this time this amendment. I think the gentleman is on the right track, but maybe we have cut it enough already in the bill.

Mr. ROEMER. Reclaiming my time, Mr. Chairman, I would just say that for those kinds of comments and the kind of bipartisanship that the gentleman from Indiana [Mr. MYERS] has shown our side in the past, we will sincerely miss him next year when I will hopefully continue to work on this.

Mr. MYERS of Indiana. We wish the gentleman well.

Mr. ROEMER. It will be a fight, as the gentleman from Indiana knows. We will continue to try to restructure, not just cut the national laboratories. They are an invaluable resource for this country. We do need to restructure them, we do need to make sure they are not duplicating efforts from our colleges and universities in the private sector, and we do need to make sure when we cut costs that we actually save money for the taxpayer.

With that, Mr. Chairman, and with the kind words from the distinguished Member from my State of Indiana, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

AMENDMENT OFFERED BY MR. KOLBE

Mr. KOLBE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. KOLBE: On page 12, line 23 strike "$398,069,000" and insert "$377,496,000", and on page 13, line 1 strike "$71,728,000" and insert "$51,155,000".

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from Arizona [Mr. KOLBE] and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Arizona [Mr. KOLBE].

Mr. KOLBE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the amendment I am offering on behalf of the entire Arizona congressional delegation reduces the FY 1997 funding level of the Central Arizona Project [CAP] by $20,573,000. If adopted, my amendment would bring the FY97 appropriation for the CAP from the $76.6 million recommended in the bill to $56,073,000. That's about a 27% cut in this project alone, and a nearly 5% cut in the total Bureau of Reclamation construction budget.

Mr. Chairman, most members would agree this is a tad unusual: to cut your own construction project! So they may wonder why I'm proposing this reduction, particularly as Federal commitments to Energy and Water programs are dwindling and funding for worthwhile and important projects is difficult to obtain.

But the truth is simple—we don't need all of this money! Of course, I'm extremely grateful to Chairman JOHN MYERS and Ranking Minority Member TIM BEVILL for being such stalwart supporters of this project over the years. But, the fact is we are nearing the completion of this monumental project, and we just don't need the money that the Bureau is trying to spend on this project.

This amendment does not imply that the CAP has diminished in importance. This simply is not the case. Bringing a stable water supply from the mainstream of the Colorado River into central and southern Arizona is, very simply, the sustenance that has allowed Arizona to thrive. The Ancient Ones—the Hohokams—knew that the area could not survive without a dependable source of water. Their disappearance 800 years ago is associated with their inability to have an assured water supply during a long-term sustained drought. However, with the help of Congress and the vision of some great leaders from my own State of Arizona, we have accomplished what past civilizations could not. The Central Arizona Project provides the water that has become our lifeblood. Its value is being proved, even as I speak, as it delivers water to thirsty Arizona during the worst drought in 100 years.

That doesn't mean, however, that we have to gild the lily. We don't have to add things to the project that have nothing to do with delivering water to central Arizona. But that is exactly what the Bureau has proposed doing in their budget request this year. As I stated earlier, the CAP is nearing completion; in fact, it has been declared "complete" and operation turned over to its ongoing manager, the Central Arizona Water Conservation District [CAWCD]. It has thus become possible to scale back the Federal Government's financial commitment to minor parts of the CAP's budget without having any negative impact on the overall project. Working with the management and board of CAWCD, I have identified several programs within the CAP whose funding can be reduced for fiscal year 1997.

The following list identifies the specific projects/activities, provides a brief description of the work to be performed, lists the projects location in the Bureau of Reclamation's Budget Justifications for fiscal year 1997, and the total amount of the reduction that I'm proposing. Again, the total amount of the reductions that I am proposing to the CAP's fiscal year 1997 budget is $20,573,000.

(1) Hayden-Rhodes Aqueduct: Siphon Repairs, PF–2B, page 5, line 5, $1,616,000.

(2) Hayden-Rhodes Aqueduct: other repairs, PF–2B, page 5, line 12, $1,509,000.

(3) Modified Roosevelt Dam: noncontract costs, PF–2B, page 14, line 15, $4,465,000.

(4) Other project costs: Water allocations non-contract costs, PF–2B, page 33, line 9, $500,000.

OPC O&M during construction, PF–2B, page 33, line 15, $350,000.

Curation Facilities, PF–2B, page 34, line 3, $750,000.

Native Fish Protection, PF–2B, page 34, line 13, $2,775,000.

Native Fish—noncontract costs, PF–2B, page 34, line 14, $332,000.

(5) Environmental Enhancement: Major contracts, PF–2B, page 35, line 6, $2,200,000.

Noncontract costs, PF–2B, page 35, line 7, $801,000.

(6) New Waddell Dam: Roadrunner Campground, PF–2B, page 10, line 2, $1,470,000.

New Recreation Enhancement Contracts, PF–2B, page 10, lines 3, 4, 5, & 6, $1,550,000.

Non-contact costs, PF–2B, page 10, line 1, $2,255,000.

Total reduction in fiscal year 1997 cap budget—$20,573,000.

Mr. Chairman, in some cases these programs do not need to be funded at all, and others require no funding in fiscal year 1997. For instance, $1.6 million was requested for siphon work, but the Bureau of Reclamation (the Bureau) completed siphon work on September 30, 1993. Furthermore, the Bureau has declined to perform any siphon repairs that may be needed. If this issue is ever resolved and the Bureau agrees to initiate and do the work on the siphons in need of repair, then we can provide them with money in fiscal year 1998. But the Bureau has not made any indications that they are willing to undertake this work.

Another example of unneeded federal funding is the $1.5 million earmarked for Reach 11 dike repairs. The Bureau has already completed Reach 11 dike repairs and has no need of any more money for work related to those repairs. Staff costs earmarked for modified Roosevelt Dam are in a similar situation; $4.5 million was included for staff costs. Modified Roosevelt Dam, however, is now complete and a notice of "substantial completion" will be issued by the Bureau this fall. And that is an exorbitant cost to finish up this project.

The same can be said for over the $5 million recommended for recreational related activities at New Waddell Dam. Although recreational activities enhance one's overall outdoor experience, they aren't integral to the delivery of Colorado River water to central and southern Arizona, and they certainly shouldn't be paid by taxpayers elsewhere in our nation. If a case can be made that these appealing, yet ancillary activities, should be funded, then we can review this information and consider funding them in fiscal year 1998. The list I have prepared is replete with similar situations. That is why these programs have been targeted for funding reductions.

The Bureau in responding to my amendment allege that cuts of the order that I have proposed would jeopardize other CAP features and delay work on several projects. The Bureau also states that the proposed reductions would cause a delay in funding "* * * work on the Pascua Yaqui and San Carlos Indian Distribution Systems * * *" and delay the "Gila River Indian Community (GRIC) Self Governance contract". To further illustrate their concern the Bureau claims that they would have to "reassign" $5.3 million that has been earmarked for the GRIC contract to other activities. This not so veiled threat is gamesmanship, at best, and I categorically and completely refute the Bureau's contentions.

First of all, my amendment does not have any impact on work related to the Indian Distribution System account. Funding for work related to this vital project is contained in a separate line item within the CAP budget and one which my amendment leaves untouched. I firmly believe that Federal commitments made to tribal leaders should be fulfilled. Secondly, the Bureau's threat to reprogram monies set-aside for the GRIC contract are hollow. Final reprogramming authority is vested with Congress and more specifically the House and Senate Appropriations Subcommittees on Energy and Water Development. I don't think this Congress will be a willing partner in any effort to renege on a long-standing commitment to the Gila River Indian Community. Lastly, I am amazed that in an era of downsizing the Bureau of Reclamation is fighting tooth and nail to keep from trimming their bureaucracy.

I am convinced that my amendment will not negatively impact ongoing projects which are vital to the CAP. In fact, I have a letter from the general manager of the Central Arizona Water Conservation District, the governing body of the CAP, endorsing my amendment.

In the letter the general manager reiterates that the reduction proposed by my amendment will not impact CAWCD's ability to manage the Central Arizona Project, and that CAWCD agrees with the level of reductions that are being proposed.

Mr. Chairman, this is a win-win-win for all of us. American taxpayers don't have to put up the front money for unnecessary work on this project; CAP water users don't have to pay higher property taxes to repay parts of a project that are unneeded; and Bureau personnel and resources can be released for other important projects.

Mr. Chairman, this Nation is facing a $5.2 trillion debt, and this Congress is working diligently to reduce our annual deficit. The Central Arizona Water Conservation District and the residents of Arizona are prepared to do our part to assist in this endeavor. My amendment trims over $20 million from the Central Arizona Project's budget in fiscal year 1997. I ask that my colleagues support this cost saving amendment.

□ 1945

Mr. Chairman, I ask my colleagues to support this cost-saving amendment.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. KOLBE. I yield to the gentleman from Indiana.

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Does any Member seek time in opposition:

Mr. KOLBE. Mr. Chairman, in the absence of any Member in opposition, I ask unanimous consent that the gentleman from Indiana [Mr. MYERS] be allowed to take the 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arizona?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. MYERS] for 5 minutes.

Mr. MYERS of Indiana. Mr. Chairman, the gentleman, who is a member of the full committee and a very strong advocate of the CAP, has discussed this amendment with us. In examining his recommendations, on a number of these we completely agree. How we missed them, I do not know.

As an example, the siphons. The siphons are in litigation, have been for quite some time. And some of the repairs, I understand, have been made. But there are still some that have not been made subject to whatever the decision will be by the court. But a number of others are legitimate and ways to save money.

Anytime this committee can find a way to save money, and it is unanimous from the gentleman's delegation from Arizona, we have no objections. We welcome it, and I thank the gentleman.

Mr. KOLBE. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Arizona.

Mr. KOLBE. Mr. Chairman, I appreciate the gentleman's support. The Senators concur with that, and they will be offering the same reduction over on the Senate side.

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, I have no objections.

Mr. MYERS of Indiana. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arizona [Mr. KOLBE].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. PETRI

Mr. PETRI. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. PETRI: Page 12, line 23, after the dollar amount, insert "(reduced by $10,000,000)".

Page 12, line 24, after the dollar amount, insert "(reduced by $9,500,000)".

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from Wisconsin [Mr. PETRI] will be recognized for 10 minutes, and a Member in opposition will be recognized for 10 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. PETRI].

Mr. PETRI. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment cuts the $10 million in the bill that would be used to begin construction of the Animas-La Plata [A-LP] Bureau of Reclamation water project in southern Colorado and northern New Mexico.

Just on the face of it, pumping water over 1,000 feet uphill into another watershed, largely for irrigation, does not appear to be a sensible thing to do. I know of no other irrigation system with such an inherently uneconomic basic design.

Proponents attempt to justify A-LP by saying it is needed to satisfy Indian water rights claims, but this project can't possibly be built in time to avoid litigation.

The 1988 Settlement Agreement says that if the Indian water rights have not been fulfilled by the year 2000, the tribes may unilaterally abandon the A-LP project and seek an alternative settlement. It is physically impossible for the Bureau of Reclamation to meet this construction deadline.

Although the Indian water rights provide an excuse for this project, they are not its driving force. The driving force is huge Federal water subsidies for local, non-Indian water users.

Now, let me be clear: I don't have a problem with supplying water to non-Indian users—as long as they are willing to pay for it.

There is no national interest whatever in forcing my constitutents—and everyone else's too—to pay for the massive water subsidies in A-LP.

For example, let's look at irrigation, the use to which most of the project's water would be devoted.

The capital cost of irrigating each acre of land works out to $7,467.

The land that would be irrigated is currently worth about $300 to $500 per acre.

With irrigation, the value of these high elevation and rather marginal lands might double.

The farmers who own this land are supposed to pay about $300 per acre to build the A-LP project, but everybody else would pay the rest.

Does it make any sense at all to force nonirrigators to pay over $7,000 per acre to raise irrigators' land values by a few hundred dollars per acre?

For $7,000 per acre, maybe we could grow corn in Antarctica. But that wouldn't make sense, and neither does this.

Federal taxpayers would get almost as bad a deal on the project's municipal and industrial water. Under Federal law, municipal and industrial users are supposed to cover the entire cost of that water—signing a contract with the Federal Government before construction starts.

In the case of the A-LP project, some repayment contracts have been signed, but records show that those contracts wouldn't repay the full cost of the water to the Treasury.

Even worse, only a couple of the municipal and industrial users have signed such contracts, while other have not.

How can we possibly start building this project when we don't have the appropriate contracts in place?

At the very least, we shouldn't appropriate money to start construction on a boondoggle like this until applicable laws have been complied with.

Perhaps the best argument against Animas-La Plata is contained in this ad in favor of it, that appeared in the Durango Herald in 1987. It says: "Why we should support the Animas-La Plata project. Reason No. 7: Because someone else is paying most of the tab. We get the water. We get the reservoir. They pay the bill."

My friends, we should not pay this bill.

The days of massive Federal subsidies—subsidies from your constituents and mine—for mammoth water projects aimed at opening and developing the West should be over.

The West is open and developed. Any further development should be paid for by the people who benefit from it.

Therefore, I urge my colleagues to vote "yes" on our amendment to delete funding for this "Jurassic" porker.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Is there a Member seeking time in opposition?

Mr. MYERS of Indiana. Mr. Chairman, I rise in opposition.

The CHAIRMAN. The gentleman from Indiana [Mr. MYERS] is recognized for 10 minutes.

Mr. MYERS of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. BEVILL], my colleague of long standing, the ranking member.

Mr. BEVILL. Mr. Chairman, I rise in opposition to the amendment to kill the Animas-La Plata. I say that this is a project that actually had 100 years of negotiation between the two large Indian tribes in Colorado and the Indians. Those tribes gave up many of their very valuable water rights.

They have unemployment at the rate of 65 percent, and every phase of government entered into this agreement, the local government, the State, the Federal Government. We had a ground breaking there some 3 or 4 or 5 years ago and over 2,000 people turned out for that dedication because of the interest in this water project and because it means so much to these people who have been suffering as a result of not having a water supply.

With that agreement, the Federal Government as well as the others are obligated. Everybody has lived up to their part of the agreement, except the Federal Government, and is ready and willing to go ahead and proceed with it. All the court cases by everybody that has opposed it have been acted on unsuccessfully by those who opposed it. It seems we still have some who feel like they are in opposition to the program.

But I urge we go ahead in all fairness and in commitments by this Federal Government to those two Indian tribes and the people of southwest Colorado that the gentleman from Indiana, Chairman MYERS, and I have visited during a time when everybody was getting together on it and we participated in it. Many years of work have gone into it and the integrity of the U.S. Government is really at stake with these people. It would be very unfair and I just urge my colleagues to support the Animas-La Plata project. It is one of great need and one that they deserve and they are entitled to.

Mr. PETRI. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. DEFAZIO].

Mr. DEFAZIO. Mr. Chairman, I thank the gentleman for yielding me this time.

Let us try to explain the issue before us. Animas-La Plata. Sounds good. Satisfy Indian claims, Well, actually, it is a project that cannot be built without violating the environmental laws of our Nation, voiding the laws that require local cost for sharing for new Federal water projects.

It is a project that has been sold as an Indian water rights settlement, except that it will not deliver affordable or usable water to the Indian tribes in question. It is a project that will deliver a $5,000 an acre irrigation subsidy to non-Indian farmers in the high desert of southwestern Colorado so they can grow low-value crops. Two-thirds of the water will go to them if this project is ever completed, if we void the environmental laws, if we go ahead with a project that will produce 36 cents of benefits for every Federal dollar invested.

Thirty-six cents of benefits for every Federal dollar invested. How can that be in a time when we are striving to balance the Federal budget? We will hear a lot from the opposition. They think they have a strategy to get this through, 36 cents of benefits for every dollar that every American taxpayer will invest. And they are going to say that it is because it is satisfying Indian water claims. It is not.

What is before us today is called phase I stage A of the Animas-La Plata project. It barely passes muster under the Endangered Species Act. It fails the cost-benefit test. And it does not even come close to satisfying the Indian water rights.

□ 2000

That is phase one.

Now, if the proponents are successful in pushing through this nearly $500 million project, despite the environmental problems, despite the negative cost/benefit ratio, it still will not satisfy the Indian water claims because it does not deliver the water to those tribes.

There is some thought that maybe they can sell the water or they can do something else with it. Colorado law will not allow them to sell it out of State. The water is going to be extraordinarily expensive. It is not going to be delivered in time to satisfy the Indian water claims. In fact, they can back out. The Bureau of Reclamation says we can finish the project by 2003. The tribe has the right, after the year 2000, to back out of this agreement.

I believe when they see that they are going to be delivered water at an extraordinary price that they cannot sell to anybody, that they are going to opt out. They are going to pursue their claims in court and a future Congress is going to be where we are today, except they will have spent nearly $500 million, if they void the environmental laws of the land, if they waive all cost share and if they build a project that delivers 36 cents on the dollar, if we pony up all that money. And they will then have to come up with some other proposal to meet the Indian water claims.

There is a better way to do it. The Inspector General of the Interior Department says, cut $170 million out of this particular project and you can just direct it to the Indian claims and you could better meet their claims. Local citizens are looking at other non-dam alternatives.

The amendment before us would cut $10 million that is going to irrevocably commit us to this poorly thought out project. It is also about the ultimate $481 million to be spent by the taxpayers to bring a return of 36 cents on the dollar to Federal taxpayers. The proponents cannot say it is economically justified. It is not, by the numbers of the Bureau of Reclamation, who always try to cook the numbers in favor of these projects, they cannot say it is environmentally justified. We will have to waive a whole host of laws to complete the project. So they are staking their hopes on convincing us that this will satisfy the Indian water rights settlement. As I explained earlier, it will not.

It is quite simple, in my opinion, Mr. Chairman. This half a billion dollar boondoggle should be stopped now before we waste any more of Federal taxpayers' dollars on this project.

Mr. MEYERS of Indiana. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado [Mr. MCINNIS].

Mr. MCINNIS. Mr. Chairman, I would like to extend appreciation from the native American tribes and from the people of the State of Colorado to both the gentleman from Alabama [Mr. BEVILL] and the gentleman from Indiana [Mr. MYERS]. They realize the importance of this project. And what is beautiful about the work that they have given us, they understand the history. They know the history. They have seen the history. Year after year they have been with us on this project, because they understand the significance of what this government did in 1988 when we made an agreement with the native Americans.

Years ago, when I was a young man, I liked to trade baseball cards. I remember very distinctly one time when I made a trade on a baseball card. I did not give the card to the party with whom I traded. But I had this baseball card. After I made the agreement to trade the card, guess what? I found out that I could have got a lot more than I did. So I went to my father and my mother. They were both business people. I asked them, I said, I think I can get a lot better deal. I was kind of hoping they were going to reinforce my thought at the time and that was, go with the better deal. But my father and my mother said one thing to me. This is exactly what they had. Son, keep your word.

You can talk about all the statistics that you want and the preceding speakers have done that. The fact is, in 1988, the native Americans who had a lawsuit against us, the United States of America, were about to prevail on that lawsuit. I was in the State legislature. Our very best attorneys told us we were going to lose that lawsuit. You need to settle with the native Americans. You need to make an agreement with them.

On behalf of the United States of America, on behalf of the State of Colorado, President Reagan in this country, the U.S. Congress, the State legislature in Colorado, all of the elected officials dealing with this, we made an agreement with the native Americans. We said, drop your lawsuit, because we know you are going to win; drop your lawsuit and we will build this project.

Now look what happens. Is history coming back to haunt us again? Are we once again going to walk away from the native Americans from the promises we made? Do not let these statistics lead you astray. Those are opinions. This is fact. This is fact. We have an agreement. We made an agreement with the native Americans. We have every obligation to fulfill that agreement.

You are going to hear some statistics, you have heard some earlier that the costs were 36 times or the cost/benefit ratio. The study that the gentleman from California uses, in fact, has in very clear language that they do not consider the cost if we do not do what we said we were going to do. And what is going to happen if we do not do what we said we were going to do, for the gentleman from California, we are going to have to build the project. They are going to sue us in Federal court. We will lose. They will get specific performance. We will have to do what we said we said we were going to do. We cannot build it for several years because of the litigation. That will add hundreds of millions of dollars in costs.

Then the court is going to assess the cost of the water, the value of the water to storage between when we built the project and when we said we were going to build it and when we finally did build it. On top of that, they are going to assess attorney fees. If you worry about the taxpayers today, you are going to vote no on this amendment, because the taxpayers today are much further ahead by going ahead with this project and just doing it.

In conclusion, let me just remind all of us, we made an agreement. The gentleman from California had Congressmen out of California who are signatories to this agreement. The Congress, this Congress made it. Our President signed it. Our State legislature did it. I was in the room when we sat down with the Indian chiefs and the native Americans councils. One of their questions to us was, are you going to keep the agreement? Fortunately, they did not trust us. They said, you are good people and everything, but we want it in writing.

We put it in writing. We have a written contract. They call it a treaty; we call it a contract. We have a written contract and it is about time the people of this country and I think the people of this country want to stand up and honor the obligations that we made to the native Americans.

What more do you have if you do not have your word? We need to keep our word.

Mr. PETRI. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. BOEHLERT].

Mr. BOEHLERT. Mr. Chairman, I rise in strong support of the Petri amendment. This amendment is just common sense. It applies the principles of fiscal responsibility and cost-benefit analysis that the project's supporters always claim to support. And it protects an environmentally precious area from needless degradation—another goal to which we all claim allegiance.

Let's look at the economic issues first. The project would return only 36 cents for every dollar invested. Who reached that conclusion? Not an opponent of the project, but its sponsor—the Bureau of Reclamation.

And not only does the project have a laughable cost-benefit ratio, it has already exceeded its indexed cost ceiling—and that's without factoring in the usual cost overruns. How can we balance the budget if we fail to pull the plug on projects that cannot justify their costs or live within a budget?

But this project would not only provide inadequate benefits, it would cause actual and irreparable harm. It would divert almost half the flow in one of the last free-flowing rivers in the West. It would destroy numerous wetlands. It would jeopardize the existence of endangered species. It would cause water quality violations in New Mexico.

It is no wonder that a broad coalition of taxpayer and environmental groups are calling for passage of this amendment. The arguments are compelling. Vote for the Petri amendment and pull the plug on wasteful and environmentally damaging Federal spending.

Mr. MYERS of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. FAZIO] who has been on this project for a good many years like the rest of us here.

Mr. FAZIO of California. Mr. Chairman, I do rise in opposition to this amendment because I really think it kills the Animas-La Plata project. This project is a peacefully negotiated settlement between parties that are normally at odds. By this action tonight, if we were to concur in the amendment, I think we would strike a real death blow at something that admittedly has not been perfected, has not been worked out as much as we hope it can be, but prematurely put the Ute and Mountain Ute tribes in a position of having in effect entrusted themselves to a process that totally let them down. There is not any question that their leadership has made a judgment and for 8 years that judgment has been to work with the environmental community to find compliance in this project. In patient, good faith efforts they have extended this project and, therefore, it will cost more. But those 8 years of delay for the sake of the environment should not now be used as a means of destroying their agreement, an agreement that we all have made with the tribes that have, I think, cooperatively worked with their Government to bring about the real acquisition of their water rights.

We have heard a lot about the cost of this project. But Members do not tell us that the second phase of the project is a non-Federal commitment. They do not tell us that the agreement with the Fish and Wildlife Service is going to limit the project's size. They do not tell us that municipal and industrial users are fully reimbursable under this and that power revenues from the Colorado River will pay for a large segment of this project's cost. They do not talk about the fact that water users must sign contracts to repay the Government. In fact for 2 years now, sitting at the Department of Interior, are the repayment contracts that would make sure that the taxpayers are not taking a hit in this program. There is no way that we should turn our back on these tribes or on the people of this part of Colorado.

I urge Members to join together with this committee and let this project continue to be negotiated, with a supportive Secretary of Interior, following

Governor Romer and former Governor Lamm and Senator Hart and Congressman Wirth in supporting this proposal. We can remove many of the problems with further negotiation. Let us not once again renege on a deal we've made.

Mr. PETRI. Mr. Chairman, I yield myself the balance of my time.

I would conclude by saying that in fact very few municipal contracts have been entered into for only a fraction of that part of the cost. The cost of the project for the land involved will be $7,467 per acre, several hundred dollars paid for by the landowners, the rest paid for by the taxpayers. So that is the rest of the story. I urge adoption of the amendment.

Mr. MYERS of Indiana. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, the arguments used against this project have been used many times. They were used in litigation in at least two court cases that I am aware of. Mr. BEVILL and I and Mr. FAZIO have been on this committee for a good many years. The same arguments were used in court and it was settled several times, we thought, both legally and in litigation with the environmentalists, only to have the environmentalists find some new way to approach this.

Congress heard this same argument back in 1988, when Congress passed the Colorado Ute Indian Water Rights Settlement Act of 1988, agreeing that we would start on this phase. This is phase 1 that we are speaking about here.

It is absolutely true, the benefit-cost ratio only looked at one phase of it. The next phase the Indians will provide. The State of Colorado has already appropriated $42,600,000 to complete this, realizing their legal responsibility.

It is not a matter of fact tonight whether we should consider this again. We have a number of times met the legal responsibility through court action, litigation, as well as through congressional action, the action of 1988, and agreement with the two Indian tribes, the Ute Indian Tribes.

We have a legal responsibility. You might try to renegotiate and back out on it, but it will not hold in court because we have agreed, both through congressional action as well as through court action and through litigation with the environmentalists, that we make this agreement helping the Indian tribes and agreeing to the water rights that they have.

They have given up a lot. We have a legal obligation. If you want to address all these other things, OK. But legally, this Congress, even though you may not have been here in 1988, or even prior to that, we have a responsibility, you are part of us today who made that responsibility. You have to go along or you destroy the whole system of government.

Support the Indian tribes with whom we have a legal responsibility. Reject this amendment.

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The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. PETRI].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. PETRI. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 483, further proceeding on the amendment offered by the gentleman from Wisconsin [Mr. PETRI] will be postponed.

AMENDMENT OFFERED BY MR. PICKETT

Mr. PICKETT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. PICKETT: Page 6, line 5, strike "and".

Page 6, after line 5, insert the following: Sandbridge Beach, Virginia Beach, Virginia, Beach Erosion Control and Hurricane Protection, $283,000; and

Mr. PICKETT. Mr. Chairman, I yield myself such time as I may consume.

Before beginning my remarks on the amendment, I would like to join in with the others who made laudatory remarks about the gentleman from Indiana [Mr. MYERS] and the gentleman from Alabama [Mr. BEVILL] for the outstanding job that they have done here in their capacity on this committee. I think all Members recognize that stellar work they have accomplished.

The amendment that I have offered is one that would transfer funds in the bill for a project at Sandbridge Beach in the City of Virginia Beach, that I represent, from planning to construction. This is for an Erosion Control and Hurricane Protection act.

This project was authorized in the Water Resources Development Act of 1992, and pursuant to the authorization, the people in Virginia Beach in the area where the project is located entered upon a special tax district that they assessed themselves, the moneys required to meet the local match for this project.

In the justification for this project, the Army Corps of Engineers took into account only the property protection aspects of the project. Nothing else was considered. The project was fully justified based on the property that it would protect, and if this project is not built, there is going to be a substantial loss of property as a result of water action from the Atlantic Ocean.

I would like to tell the body that the U.S. Navy occupies the property immediately north of this project. The Navy has seen fit to commence and is now completing a $6 million project to protect Navy property in this area. If this project is not built, then the Navy project could very well be put at risk because of wave action that would take place in the project area.

The Army Corps of Engineers, in April 1996, completed its limited reevaluation report and reaffirmed the economic justification used in the project authorization.

The amount of money that is being set aside in the bill for planning is $283,000. This amendment would allocate those funds for construction purposes of the project. I am hopeful that by the time this bill is presented to the President for his signature that some additional moneys will be available for this project so that construction can go ahead.

If this project is not built, as I have said, there is going to be substantial property destruction. This property is largely insured under a flood control program, which means that, one way or the other, the company is going to end up paying the cost of this project.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. PICKETT. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, I share the gentleman's concern. He has touched on a point that this committee suffered this year, and I say "suffered," and I mean just exactly that.

There are a great many projects such as the gentleman's very meritorious. If we had all the money in the world, we would have a lot more in here. But we have to prioritize, limit to only so many, and we tried to go about what we thought was most important. Maybe we made some mistakes; we hope not.

The gentleman has a very worthy project, but there are a number of them.

The gentleman from Virginia [Mr. SISISKY], the gentleman's State, had a very important project that we just could not fund. The gentleman from New York [Mr. BOEHLERT] was speaking about some in this district, and he is a member of the authorizing committee. We spoke earlier about Mr. Emerson of Missouri. These are all very fine projects, but we told over a hundred in the same category as our colleague from Virginia that we just could not deal with everything in the world.

The gentleman from Virginia is a gentleman; he has been very kind to us. Very succinctly and very appropriately, he asked for those funds when he appeared before our committee. We did put one of the programs in for the gentleman's beach that we thought was maybe higher priority than this, in our judgment—not the gentleman's, but our judgment—but we felt that we just could not do everything that we would have liked to do.

So we fully understand. I do not know what will happen when we go to conference, whether there will be more money over there. We cannot promise anybody anything, but these are some of the projects we will have in mind as we go to conference.

So all we can tell the gentleman is, we hope he will withdraw it, because we would love to have done it, but we just do not have the money in the House.

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. PICKETT. I yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, I support the gentleman's position, and like our chairman, if the door is closed, there is not much we can do. But I just want to say it is a good project, and if during the appropriations process, there is an opportunity, I will be supporting the gentleman from Virginia.

Mr. PICKETT. Mr. Chairman, with those remarks, I ask unanimous consent to withdraw the amendment at this time.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

Mr. BOEHLERT. Mr. Chairman, I move to strike the last word for the purpose of engaging the chairman in a brief colloquy.

Mr. Chairman, I want to begin by recognizing the efforts to produce a water and energy appropriations bill that continues the Federal commitment to improving our Nation's water infrastructure. As the chairman of the House Water Resources and Environment Subcommittee, I share the gentleman's strong interest the quality of America's harbors, reservoirs, rivers, canals, locks, and dams. Water infrastructure, as we all know, is a critical component of this Nation's economic and environmental future and the bill before us today reflects this reality.

As my colleagues know, the House Transportation and Infrastructure Committee reported the 1996 Water Resources Development Act this week, and is likely to consider this legislation on the House floor next week. Included in WRDA 1996 is a measure that is critical to the public health of 9 million Americans. That is section 554, the New York City Watershed Program. WRDA 1996 authorizes $25 million for the Corps of Engineers to carry out critical water-related environmental infrastructure projects in the 2,000 square mile New York City Watershed. Through this and other targeted programs in the watershed we will be able to protect the drinking water supply for 9 million Americans while saving $8 billion in unnecessary filtration expenditures. This point bears repeating—we will be able to protect the drinking water supply for 9 million Americans and save taxpayers over $8 billion through the New York City Watershed Program.

It is my understanding that the chairman understands the critical nature of the New York City Watershed Program authorized in WRDA 1996 and that funding this program will be a priority in conference. Is my understanding correct?

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. BOEHLERT. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, the gentleman is correct. We have worked very closely with the gentleman who is chairman of the subcommittee. This is a high priority, but as I expressed earlier to our colleague from Virginia, it is one of those things that we just simply run out of money. But it is very high priority and would be a model for other programs.

So it is a very high priority. If money can be found someplace between now and conference, it will be a very high priority. We cannot do everything for everyone. The chairman and I have both visited the tunnels in New York City; we understand the tremendous problem New York City is going to have in the future that supply municipal and industrial water for the population of New York City. So we fully understand and we will do our best. I assure the gentleman from New York, we will work with him.

Mr. BOEHLERT. Mr. Chairman, I want to thank the gentleman from Indiana for his support, and I want to thank the ranking minority member for the interest he has evidenced in this. Before I sit down, I want to say on behalf of all of my colleagues how much we appreciate the work of the gentleman from Indiana [Mr. MYERS] and all the great work the gentleman from Alabama [Mr. BEVILL] did over the years. It has been a pleasure for all of us to work with them, and I say, both of these gentlemen are going to be deeply missed.

AMENDMENT OFFERED BY MR. KLUG

Mr. KLUG. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. KLUG: Page 34, line 2, after the dollar amount, insert the following: "(reduced by $16,000,000)".

Page 34, line 9, strike the colon and all that follows through "activities" on line 12.

The CHAIRMAN. Pursuant to the order of the House to today, the gentleman from Wisconsin [Mr. KLUG] and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. KLUG].

Mr. KLUG. Mr. Chairman, I yield myself such time as I might consume.

Mr. Chairman, as my colleagues know, much of the debate in this House and this Chamber over the last 2 years has really focused on what level of Government best organizes and administers program. In fact, we just had a vote in the Chamber last week on welfare reform, and we decided that States were capable of essentially running their own operations and administering their own programs.

Well, I think the second part of that dialogue that needs to go on and frankly needs to be amplified over the next several years is, are there programs involved that maybe we should not run or the States should not run, that we should just get out of, out of altogether. That is where we find ourselves, I think, today in this discussion about the Tennessee Valley Authority.

Now, my colleagues are going to hear in a couple of minutes about what an important economic tool the TVA has been for the southeastern region of the United States, and you get no arguments from me, but the TVA was first established in the 1930's, and here we are, 60 years later, making the same argument that the region served by the Tennessee Valley Authority needs additional help from the Federal Government to kind of kick-start its economy.

The money we have targeted in this amendment is merely $16 million in economic development money targeted to the TVA region.

Now, let me make it clear that the region served by the Tennessee Valley Authority already gets money under the Economic Development Administration, as does every other region of this country; and in addition, the TVA gets an additional pot of money because it is part of the region served by the Appalachian Regional Commission, which pours additional economic development money into the 13 States that stretch along the Appalachian River.

So the TVA gets money for 60 years, it gets additional money from the Appalachian Regional Commission, and it gets economic development money already poured into economic development projects across the rest of the country.

This is a very simple amendment. And let me make it clear that the TVA itself admits that economic development is not an essential part of its appropriated activity; it is not required in statute under Federal law, and in fact, the TVA itself proposes phasing out this function over the next 3 years. In this town, it is always the next 3 years; it is never today and it is never this year.

Let us make it very simple and begin to separate ourselves from the Tennessee Valley Authority and say, no more economic development money, strike this $16 million.

Mr. Chairman, I reserve the balance of my time.

Mr. MYERS of Indiana. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Indiana will control the 10 minutes in opposition.

Mr. MYERS of Indiana. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, I rise in opposition to this unnecessary agreement and want to say to my colleagues here that the economic development activities of the Tennessee Valley Authority were created so that this section of the country could have the opportunity to have the kind of economic development that other sections of the country would have.

TVA has in fact taken steps, I say to my colleague, to phase this out. This would not be the time to pull the rug out from under them. They have shifted from a grant activity program to business services and investments. They have in fact cut staff by 45 percent. They have terminated 25 programs. So they are on line to do what we want them to do. It is just that they cannot have this rug pulled out from under them.

Currently, there are over $40 million in existing programs being managed by TVA. TVA must phase out those programs, but they have got to do that in an orderly way. We are holding their feet to the fire, but we are doing it in a responsible way.

Let us oppose this irresponsible amendment.

Mr. KLUG. Mr. Chairman, I yield 2 minutes to the gentleman from Florida [Mr. FOLEY].

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Mr. FOLEY. Mr. Chairman, today I rise in strong support of the amendment to strike economic development funding from the Tennessee Valley Authority. I want to thank the gentleman from Wisconsin [Mr. KLUG], the chairman of the Privatization Task Force, for bringing this amendment to the attention of this body.

This taxpayer-friendly amendment would save $16 million in an unnecessary appropriation from this legislation. The gentleman from Wisconsin [Mr. KLUG] mentioned, and I read from page 130 of the bill, the economic development, "In testimony before the Subcommittee on Energy and Water Development this year, TVA conceded that economic development is not an essential appropriated activity of the Authority." They agree. They admit it. But they still want $16 million.

What my friend, the gentleman from Wisconsin, [Mr. KLUG], is getting at today is not merely the unnecessary $16 million appropriation for economic development, but the larger problem of the TVA, an authority that the former TVA Executive, Mr. William Malec, said should be sold, and called a "New Deal Dinosaur" in the Wall Street Journal this time last year.

I think the elimination of the economic development funding for the TVA is a prudent and fiscally responsible step, especially given the fact that the TVA itself admitted that the economic development is not an essential activity.

Let us look at a newspaper article. First of all, "Power Agency to Form Joint Venture in India. The Tennessee Valley Authority intends to lend its agency and expertise to a profit-producing joint venture in India."

OK, "Limo Expenses Among TVA Expenditures." Knoxville News Journal: "$86,000 spent on trips," $86,000 of ratepayers' money. Then, thousands on alcoholic beverages; nearly $40,000 for limousine services; and $48,000 for air travel to and from China. Mr. Chairman, when it is their own money, they go by cab or Metro. When it is the Government's money, let us call up a limousine, a Lincoln Town Car.

Now, they were asked: "Please tell us why you use expensive chauffeur-driven Lincoln Town Cars rather than using rental cars, taxis, or the Washington's electric air-conditioned subway system?"

"I am writing down your question and I will get back to you." Mr. Francis from the Authority says, "I am writing the question down, I will have to get back to you." He could not answer it. Now we are going to China, we are going to India. And this is supposed to be promoting economic development in the Southeast. Southeast Asia? I must have missed where we are doing business.

Mr. Chairman, this is taxpayers' dollars. Sixteen million dollars I know does not amount to a hill of beans around this place. Unless you talk billions and trillions, you do not get anybody's attention. Today Mr. KLUG's amendment will save $16 million. Mr. and Mrs. Average America could thank you for that kind of sacrifice.

Mr. MYERS of Indiana. Mr. Chairman, I yield 4 minutes to the gentleman from Alabama [Mr. BEVILL], the ranking member of the committee.

Mr. BEVILL. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I rise in opposition to this amendment. I do not know of any public works project in the history of this Congress that has been more successful than the Tennessee Valley Authority, which was created by the Roosevelt administration for the purpose of leading this Nation out of a Great Depression. It has been very successful. It is the only project that I know that sends the government a check every month, or every year, it is an annual payment, paying it back for all that the Federal Government deposited into it.

This particular part of the program, which has nothing to do with the power program, which is self-sustaining, is an economic development program. It has proven very successful, It has returned $16.00 for every federal dollar that has been invested. But the committee, the subcommittee, has approved and recommends to the Members that this program over the next 3 years, be phased out, so that there will be no rough edges. We cannot just use the chop block method that is being used now and just cut it all off. They have contracts. It will cost the government more money. As we say, it will be penny-wise and pound foolish just to try to cut the funds off of this project.

The subcommittee on the Committee on Appropriations has approved it, the full committee unanimously approved this plan, and for goodness sakes, do not take out after it with a hatchet here and try to pretend you are saving money, because you are not. You will be wasting money.

Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. CLEMENT].

Mr. CLEMENT. Mr. Chairman, I would say to the gentleman from Wisconsin, he would not get a Gold Medal in the South or the Tennessee Valley area for his misrepresentation of the facts, being a former member of the TVA and former chairman of the TVA Congressional Caucus.

We do have a lot to be proud of, just as the gentleman from Alabama [Mr. BEVILL] said.

Mr. Chairman, my colleague who is offering the amendment is not from the seven-State region which TVA services. Perhaps he does not realize the important role TVA plays as a regional development agency. TVA provides electricity to over 7 million citizens in seven States. This service is fully funded by TVA customers, charged by Congress to help develop the Tennessee Valley region, not by the taxpayers.

Let me repeat this, Mr. Chairman, because I think it goes to the heart of the debate today: TVA is a resource development agency, charged by Congress to help develop the Tennessee Valley region.

Wisconsin and other States do it in different ways. They receive Federal funds, but it goes through different departments and agencies. We decided in the South that we would designate TVA as that agency that appropriates those funds and provides those services.

Mr. Chairman, I would like to make a final point regarding some of the misconceptions and outright inaccuracies made by TVA's critics. They leave the impression that the Federal taxpayer is subsidizing TVA's power program. I repeat it again, nothing could be further from the truth. The truth is that TVA must charge sufficient electric rates to cover the cost of the power program. Not one single Federal cent goes into TVA's power programs, so when TVA critics state that TVA provides government-subsidized power, obviously they have been misinformed or ill-advised.

The Klug amendment is wrong in its assumptions and it is wrong for our people. I urge my colleagues to vote against the Klug amendment.

Mr. KLUG. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I just want to make one brief point, which is to say that my colleague, the gentleman from Alabama, points out that every year the TVA writes a check to Washington. Of course they do, because they borrowed money from us. In fact, the Tennessee Valley Authority is $28 billion in debt. That is why they sent us checks, not because they are making money. If they were making money on the operation they would not have to get $16 million in appropriated funds.

Mr. Chairman, I yield 1 minute to my colleague, the gentleman from New Jersey [Mr. FRANKS].

Mr. FRANKS of New Jersey. Mr. Chairman, the previous speaker on the other side indicated that the TVA is an enormously valuable program. It may well be. But the problem is that it promotes an egregious regional inequity. The program is great, but only for that handful of States that benefit from its activities. The fact of the matter is the taxpayers from all around the country are paying for this subsidy for only one region. That regional inequity should not longer be able to prevail in a climate where we are struggling to balance the Federal budget.

We have also noted that TVA derives significant economic development activity funds from a variety of agencies, including the Appalachian Regional Commission and the Economic Development Administration. When the very leadership of the TVA says in testimony before the subcommittee that this is not a core mission and it ought to be phased out, that should give us the open opportunity to exploit that opportunity by ridding ourselves of this unnecessary program. It will help to eliminate this regional inequity and help us balance the Federal budget.

Mr. MYERS of Indiana. Mr. Chairman, I yield 1 minute to the gentleman from Tennessee [Mr. WAMP].

Mr. WAMP. Mr. Chairman, I want to leave the time to close to the distinguished TVA Caucus chairman, the gentleman from Tennessee [Mr. QUILLEN].

Mr. Chairman, I just want to point out that the Academy Awards could be given out here tonight. TVA's budget is about $5.5 billion. One fifty-first of that budget comes from the Federal Government. The rest of it is ratepayer income. It is one of the biggest power companies in the country. We cannot take the budget from the power side and compare it to the nonpower side. They are phasing out the economic development budget; not phasing it out, they are moving it over 3 years from the nonpower program, which we subsidize, over to the power program.

If we add up the ARC money, the EDA money, and the TVA money our region gets, we are still way behind the rest of the country. That is what we have to point out. The entire Appalachian region, gentlemen, has been impoverished since the Great Depression, and we are still behind the rest of the country. There is a legitimate reason for some of this funding. You cannot just wipe it all out at one time. We are downsizing TVA efficiently, effectively. We took a cut last year. We are taking another cut this year. But you cannot just wipe it all out.

Mr. KLUG. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I simply want to make several key points to close. First of all, Mr. Chairman, my colleague, the gentleman from Florida, pointed out that if the TVA has the financial resources to do deals in India and China, and that is where their investments are, then what in God's name are we doing sending the taxpayers' money to Tennessee?

As the region already gets $170 million in economic development aid from the Economic Development Administration and from the Appalachian Regional Commission, so we are going to send them a third pot of money to go to the Tennessee Valley Authority region?

Finally, let me make the point from where we were last week in this Chamber. We have been talking about ending welfare as we know it in this country. We want to set time limits for individuals, to say no more aid for 2 years. We want to make welfare a ladder, not an escalator.

We are talking about 60 years of Federal aid. It did a valuable service back in the 1930s. I do not begrudge that. It has done a wonderful job servicing the Southeast corner of the United States, but the fundamental question is, when is enough enough? I know it is going to get done in 3 years. Everything around here always gets done in 3 years. My simple answer is, get it done this year: Sixteen million dollars zeroed out.

Mr. MYERS of Indiana. Mr. Chairman, with pleasure, I yield the balance of my time to the gentleman from Tennessee [Mr. QUILLEN], the Republican dean of the House of Representatives in the majority party, the chairman of the TVA Caucus, and a good friend for many years.

Mr. QUILLEN. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, here we go again: the gentleman from Wisconsin [Mr. KLUG], trying to destroy other parts of the country, when he does not try to destroy any part of his State. Mr. Chairman, when it comes to the Corps of Engineers, he supports it. He does everything except wanting to do violence to TVA and the ARC in other parts of the country.

TVA is a fine organization. It has tightened its belt and is doing a great job economically, in economic development, and has created over 300 new business, several hundred thousand jobs. It does a tremendously helping hand for all of the area.

Mr. Chairman, TVA covers seven States, 60 percent rural, when the dams were created to stop the flooding so farmers could exist. If all of the funds for TVA appropriated by the Government are cut out, then the Corps of Engineers would have to take over and do the things that TVA is doing now.

Mr. Chairman, I say to the gentleman from Wisconsin, he is off target, he is off base. Leave us alone. Sixteen million dollars for economic development brings up an area that is in poverty. We must not listen to the gentleman from Wisconsin. Vote to defeat his amendment, and let us look at something that he offers in the future for Wisconsin, and maybe we would give that more attention than he has given to the Tennessee Valley Authority.

Mr. Chairman, I urge the amendment be defeated. I urge that the people come to the cause of supporting TVA and the $16 million economic development funds. Over the 2-year period or longer, those funds have been reduced more than half, so let us do this tonight. Let us do it for the poor people of the Tennessee Valley area. Let us do it for America. I urge the defeat of the amendment.

Mr. CRAMER. Mr. Chairman, I rise in opposition to Representative KLUG's amendment which would eliminate funding for the Tennessee Valley Authority's [TVA] economic development activities.

The mission of TVA's Economic Development program is to increase the number of businesses and quality jobs in the Tennessee Valley with emphasis on rural communities. The Tennessee Valley is almost 60 percent rural. Rural per capita income in this area is 27 percent below the national average with over 18 percent living below the poverty level.

As part of its economic development program, TVA's business incubators are effective national models. Partnerships in nine Valley business incubators resulted in the creation of over 300 new businesses and over 2200 new jobs. In my own district, a TVA-Huntsville-Madison County alliance for Technology Transfer has proved invaluable. Local technical, academic, and business experts are aligned to help small and new high-tech firms solve problems in many areas including materials and manufacturing processes. A successful Shoals Entrepreneurial Center has required two expansions with over 150 jobs created—three businesses have graduated from incubators. A Managers Assistance and Training for Minority Business Entrepreneurs program aided five business startups and supported eight existing minority small business. TVA also manages an additional $12 million in projects for the Appalachian Regional Council [ARC] for a total of $52 million in existing programs.

Nevertheless, in order to be sensitive to Federal budget pressures and still allow for an orderly and business-like phaseout of existing programs and services, the TVA Board of Directors recommended the following fiscally responsible phaseout plan for economic development. In the past 3 years, TVA has shifted economic development programs from grants to business services and investments. In fiscal year 1995 and 1996, new investments returned $16 for each dollar TVA invested. Staff has been reduced by 45 percent in the past 3 years and 25 major programs have been terminated

Over 50 percent of economic development funds go direct into the communities for programs and services. There are currently over $40 million in existing programs being managed by TVA that must be phased out in a logical and orderly, business-like manner. Ignoring TVA's proposed phaseout plan would unnecessarily devastate these programs in hundreds of communities in 7 States. This action would be wrong and unjustified given the strength TVA has clearly demonstrated in economic development.

I urge my colleagues to vote against this mean-spirited, unnecessary amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Wisconsin [Mr. KLUG.].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. KLUG. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 483, further proceedings on the amendment offered by the gentleman from Wisconsin [Mr. KLUG] will be postponed.

AMENDMENT OFFERED BY MR. ROHRABACHER

Mr. ROHRABACHER. Mr. Chairman, I offer amendment No. 10.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 10 offered by Mr. ROHRABACHER: Page 17, line 21, after the dollar amount, insert the following. "(reduced by $1,000)".

Page 17, line 23, after the dollar amount, insert the following: "(reduced by $5,200,000)".

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from California [Mr. ROHRABACHER] and a Member opposed will each be recognized for 10 minutes.

The Chair recognizes the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment addresses the concerns of many Members, including some on my subcommittee, that we should continue to fund renewable energy research.

Unfortunately, the Department of Energy has confused the issue by constantly directing funds away from research and into the commercialization and marketing process.

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I believe the result has been harmful to the future success of the renewable energies technologies that our country will depend upon in the future

My amendment would move the program in the right direction by restoring the photovoltaic research program to fiscal year 1996 levels. It would do so without taking money from other science research programs. Instead, it would add $9.2 million to the photovoltaic program as follows: $5.2 million from program direction, $2 million from the renewable energy production incentive, $2 million from the solar appliance R&D account. In the budget this is still listed by its old name, solar building technology research.

So first let us talk about bureaucracy. The Department of Energy's Office of Energy Efficiency and Renewable Energy is funded for two appropriations bills, both energy and water and interior. All together, program direction has $48 million of the total appropriations to run a $700 million program. By comparison, energy research operates a $1.4 billion program with only $30 million in program direction. This amendment would still leave the office with $43 million for this purpose.

Why is this number inflated, one might ask? Well, one reason is that this office has become the repository for the Clinton reelection team. Since 1994, the political appointees have nearly doubled from 8 to 15. By comparison, energy research, fossil energy and nuclear energy have 4 apiece, 4 political appointees apiece. Let us put these people back on the campaign payroll and use taxpayer funds for solar energy research.

The renewable energy production incentive is nothing more than a handout to utilities and, basically, we are trying to basically convince them to use alternative energy sources. But when it comes right down to it, what we are talking about is a handout to utilities. The solar building technologies program includes many small programs, but its primary purpose is to promote the use of solar hot water heaters.

This is a pet project of the solar industry lobbying group, and no wonder it is. The Department of Energy basically extends $1.7 million this year. Basically of that, $265,000 of it goes to the Solar Energy Industries Association.

Well, Mr. Chairman, every dime that is not spent on these promotion programs goes to research programs, and every dime that goes to promotion programs comes out of the hide of research. So when we are talking about the photovoltaic program, it is a success story. Since 1976 the cost per kilowatt hour has dropped from $5 to 16 cents. If solar energy is to become a real alternative, the cost must continue to go down. Spending scarce funds which should be going to research on promotional programs may be great for the lobbyists, but it does nothing to help renewable energy.

It is also wrong to use other science programs as a cash cow for basically renewable energy, as the Schaefer amendment does. My amendment is the only one that would not cut one research program to fund another. If my colleagues want to support true solar energy research without cutting other science programs, one should vote yes on this amendment.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Is there a Member in opposition to the amendment?

Mr. FAZIO of California. I am, Mr. Chairman.

The CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mr. FAZIO of California. Mr. Chairman, I yield such time as he may consume to the gentleman from Alabama [Mr. BEVILL].

Mr. BEVILL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I just rise in opposition to the amendment and urge everyone to vote against it and support the subcommittee and the full Committee on Appropriations and support the House position.

Mr. FAZIO of California. Mr. Chairman, I yield myself such time as I may consume. I would be at this time inclined to use the remainder so that we can move on with this debate.

I rise in opposition to the Rohrabacher amendment and in support of the amendment adopted by the full Committee on Appropriations which was offered by myself and the gentleman from California [Mr. RIGGS], another member of the subcommittee.

I regret that I must say I begin by agreeing with the gentleman from California [Mr. ROHRABACHER]. There is a need for photovoltaic research, and the way to accomplish that is to support what may be the next amendment offered, an amendment offered by the gentleman from Colorado [Mr. SCHAEFER], that will add $7 million to the photovoltaic research program.

That is, I think, the best way to address the concern that Mr. ROHRABACHER indicated he hopes to relate to with his amendment. But I must oppose the source of the funds that he has outlined for that purpose.

First of all, the Subcommittee on Energy and Power and the full committee chose to add $10 million to three of the six programs that were zeroed out in the markup for fiscal year 1997. They are wind energy, solar buildings, and the renewable energy production incentive program. REPI, as it is called, is the equivalent for public utilities of a program that operates through the Tax Code for those in the stockholder-owned utility category.

There is no question that the program has worked. It permits the Department of Energy to pay consumer-owned utilities up to 1.5 cents per kilowatt for electricity generated by projects that use solar, winnd, geothermal or biomass technologies. These REPI funds have provided the margin of difference required to make a new project feasible. Across the country we have found that this is the key to bringing a number of renewal projects on line.

There are many, many, many kilowatt hours of fossil fuels saved as a result of this renewable investment. We ought not to eliminate, as the gentleman from California [Mr. ROHRABACHER] would, this very important program.

The solar buildings appliances R&D program is designed to conduct the research and development necessary to develop energy-producing technologies that are an integral part of advancing the science and technology base for solar renewable programs. This is not some sort of benefit to developers, as Mr. ROHRABACHER unfortunately indicates. It really has made a tremendous difference since the mid-1970's in bringing on many new solar technologies; yes, including solar water heating systems that have been installed nationwide generating some 25,000 job years of employment and creating tremendous savings to our utilities across the country.

So once again, this is not an appropriate place for the Congress or Mr. ROHRABACHER to zero out funding. These are modest sums. We are only asking for $2 million to be spent in this category. So I would hope that Members here on the floor will not only support the Schaefer amendment that is coming up soon that will address all of the needs in the renewable area that have been left, regrettably, in this very tight budget year, but certainly not undo any of the progress that we attempted to make in full committee. We understand that all of these programs need a modest amount of funding, and they cannot be traded off one for another.

That is why I hope that Mr. ROHRABACHER will not ask for a recorded vote and will allow the debate on the Schaefer amendment to really suffice as we deal with the need to move forward on our solar renewable account with very limited funds in this bill.

I am hopeful that all of us will appreciate the fact that we have made tremendous market penetration and that our collaborative approach here using some 100 utilities around the country will continue in a way that will allow us to have even further market penetration of up to perhaps 300 percent more during the next 3 to 5 years, both through the REPI Program and as a result of some of the research investments that we have made.

Mr. Chairman, I reserve the balance of my time.

Mr. ROHRABACHER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me just say I will be asking for a recorded vote on this. This goes right to the core of what we are spending our money on.

The fact is photovoltaic cells have shown a great deal of progress. We are taking money right out of research and development to put into promotional programs to get people to put hot water heaters on their roofs, things that are outdated, programs that are just heavy with bureaucracy.

Let us keep money in research and development; let us make sure that we develop solar energy and do what we are supposed to do with our money rather than feed the bureaucracy. That is what this choice is all about. I would ask my colleagues to back up what the real purpose of our spending is supposed to be for, science and development, and that is spending it to improve better technology.

Mr. FAZIO of California. Mr. Chairman, let me conclude simply by saying that I think we are talking about research and development.

Mr. Chairman, I yield such time as he may consume to the gentleman from Colorado [Mr. SCHAEFER] to make that point. This is not a bail-out for developers, it is research and development in other areas of solar energy.

Mr. SCHAEFER. Mr. Chairman, I thank the gentleman for yielding.

It has been mistaken many, many times that renewables are corporate welfare, and this is not the case. The Energy Policy Act that was passed in 1992 was with overwhelming support by 362 House Members, and signed by President Bush. I think this is an excellent piece of legislation as is. We should continue to support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. ROHRABACHER].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ROHRABACHER. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 483, further proceedings on the amendment offered by the gentleman from California [Mr. ROHRABACHER] will be postponed.

AMENDMENT OFFERED BY MR. BEREUTER

Mr. BEREUTER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. BEREUTER:

At the end of the bill, insert after the last section (preceding the short title) the following new section:

SEC. 506. None of the funds made available in this Act may be used to revise the Missouri River Master Water Control Manual when it is made known to the Federal entity or official to which the funds are made available that such revision provides for an increase in the springtime water release program during the spring heavy rainfall and snow melt period in States that have rivers draining into the Missouri River below the Gavins Point Dam.

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from Nebraska [Mr. BEREUTER] and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Nebraska [Mr. BEREUTER].

Mr. BEREUTER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this is a straightforward amendment which would simply prevent the Army Corps of Engineers from revising the Missouri River master water control manual in such a way that it would increase the likelihood of springtime flooding. This is the same amendment which was accepted on the House floor last year, exactly the same language, during consideration of the energy and water appropriation bill.

This common-sense amendment is needed to ensure that the Corps does not repeat its previous mistake, a proposal which would have devastated farms, businesses, landowners in countless communities along the Missouri River. In 1994 the Corps issued its proposed changes to the master manual and made a colossal blunder by proposing to drastically increase the flow and water level of the Missouri River during the months of April, May, and June. These obviously are the very months when States such as Nebraska, Iowa, Kansas, and Missouri are already most vulnerable to flooding due to snow melt and heavy rainfall. And again we saw that this year.

It is bad enough that farmers and other landowners along the river have to contend with natural disasters. They should not be forced to deal with the kind of manmade disasters which would have been caused by the Corps' proposal. The floods and heavy spring rains of recent years, again this year, offer clear and convincing proof that the proposal was seriously flawed.

Mr. Chairman, at a series of two dozen hearings throughout the Missouri River Basin region, hundreds and hundreds of citizens expressed their very strong, even vociferous and nearly unanimous opposition to a number of provisions in the Corps' preferred alternative. One of the most detested provisions was the increased spring rise. Following this massive opposition to the proposed changes, the Corps acknowledged the flaws in its original proposal and expressed a willingness to reevaluate the issue.

However, this Member believes this common-sense amendment is needed to make absolutely certain that the Corps does not move away from their commitment and repeat the mistake of the manual.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. The committee has examined the gentleman's amendment. It is, I think, exactly the same language that was offered last year?

Mr. BEREUTER. Mr. Chairman, it is.

Mr. MYERS of Indiana. There was some question last year about the concern of downstream or other Members, but I understand that has been resolved, at least. Contingent upon that, we accept the amendment.

Mr. BEREUTER. Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Is there a Member in opposition to the Bereuter amendment?

Mr. JOHNSON of South Dakota. Yes, Mr. Chairman, I am.

The CHAIRMAN. The gentleman from South Dakota [Mr. JOHNSON] is recognized for 5 minutes.

□ 2100

Mr. JOHNSON of South Dakota. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I will not take the 5 minutes, and I will not ask for a recorded vote. I simply want to, however, express concern about legislative changes to the master manual, a process which already has been delayed some time here. There is great concern among Northern States, upstream States of the Missouri River about a long overdue change in the master manual, a concern about changes of priorities which have occurred since the Pick-Sloan plan was first established decades ago. While the gentleman from Nebraska's amendment, I do not believe, is by itself something to cause great concern in the State of South Dakota—it may in fact be neutral in many ways—I do want to express some concern about legislative efforts other places and here to address the master manual to head off the deliberation that is going on in the course of making long overdue modifications of that manual. Again while I do not have great resistance and I understand where the gentleman from Nebraska is coming from, I do want to express concern about short-circuits of that manual deliberation.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of South Dakota. I yield to the gentleman from Nebraska.

Mr. BEREUTER. I thank my colleague, my neighbor, my friend for yielding.

Mr. Chairman, I would say to the gentleman quite candidly and with full commitment, I am not interested in delaying the revision of the master manual. All I want to assure is what the citizens downstream from the gentleman have said. That is, that the spring rise only accentuates the normal kind of flooding we too often have from snow melt and from excessively heavy rains during that period of time. I want to see the revision myself. I believe it is true that my amendment should not have any impact upon the upstate Missouri—Montana, North Dakota, and South Dakota—States. I am committed to seeing the manual revised and something hopefully that can please all the States.

Mr. JOHNSON of South Dakota. I thank the gentleman for his comments. He has long played a constructive role relative to the Missouri River and development of the northern plains in general. Again I have some concern about legislative strategy at this point, but I do recognize the concern that the gentleman from Nebraska has. We share a concern about downstream flooding, erosion on the river banks and so on. I certainly do recognize that as a legitimate concern that he has.

Mr. Chairman, I yield back the balance of my time.

Mr. BEREUTER. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I urge my colleagues to support this legislation. I think it does no damage to my upstream friends from the Dakotas. I urge the adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. BEREUTER].

The amendment was agreed to.

Mr. WELLER. Mr. Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Without objection, the gentleman from Illinois is recognized for 5 minutes.

There was no objection.

Mr. WELLER. Mr. Chairman, I rise to engage the gentleman from Indiana [Mr. MYERS], the chairman, in a colloquy.

Mr. Chairman, I appreciate this opportunity to discuss with the gentleman the importance of a provision in this particular bill.

First, I want to thank the chairman for his hard work in bringing this vital piece of legislation to the floor. This bill includes funding for many important energy and water initiatives throughout the country, and there is one particular project of particular concern to the people of the Chicago metropolitan area, particularly in the south suburbs which I represent. That is a project which I know the gentleman is personally familiar with because of his personal visit to the south suburbs earlier this June. That is particularly the tunnel and reservoir project, which many know as the deep tunnel, TARP, in the Chicago metropolitan area.

As you know, the Thornton Reservoir, in the south suburbs, is an important project which is designed to protect south suburban communities in the south suburbs and will provide about 5 billion gallons of floodwater storage when completed. The reservoir has a service area of 91 square miles and provides flood relief to 131,000 dwellings in 14 communities with a current population of over a half million.

Mr. Chairman, I flew back to Illinois just this past weekend, on Friday, because of excessive flooding that occurred in my district and throughout the Chicago area. Like my colleagues in the Chicago area, I saw firsthand the devastation to hundreds of homes and small businesses caused by these high waters. In fact, four counties in my district were declared a state of emergency by the Governor. The Governor has since requested Federal disaster relief. If the TARP were fully operational, most of this flooding would not have occurred.

It is my understanding, Mr. Chairman, and I would like to clarify this with the gentleman, that there is carryover construction funding for the Army Corps of Engineers which has been included in this particular bill. The energy and water report language directs the Corps of Engineers to use $6,650,000 of this funding to continue construction of the McCook and Thornton Reservoir projects.

Mr. Chairman, is that the intended use of this funding?

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WELLER. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, I thank my colleague for his question. I am quite familiar with the problems on the Sout' Side, my wife coming from the Sout' Side. I taught her to speak English. She says "South Side" now. But, yes, I am very familiar with the project. For years I have watched the Thornton quarry being dug out, another useful use for this quarry.

I am very familiar with the floods the gentleman is having on the West Side and the south side. In fact, for a number of years we have been providing for some type of water plan that you have now for restoring this surface water, and we now have the McCook and the Thornton program. Last year we put in $6,655,000 for the design, of which $604,000 is still available for the Thornton Reservoir.

Of course, there are some problems about real estate as we visited the gentleman's area. As soon as that real estate gets worked out, we are directing the Corps to continue the project, the design and engineering. There is no reason why that would not be on schedule. I think maybe as early as early fall, this year, is our understanding with the Corps. But the Corps is understanding, and they are ready to start moving as soon as they get that real estate problem worked out, a trading of land as we have discussed.

The gentleman is right, it is on schedule. It has to be done. It is tragic that they had to have this flood. I am glad they had it after I was there. I hope I did not cause it.

Mr. WELLER. Mr. Chairman, I of course want to thank the gentleman for the support he has given the people of the south suburbs and the fact that we have allocated $6,650,000 to help continue construction of the Thornton and McCook Reservoirs will be a big help for flood relief. Of course I want to thank the gentleman for his personal time and investment in this project and also for his support, the fact that it was included in this important piece of legislation.

Mr. MYERS of Indiana. We clearly recognize the need and will continue to support your wishes.

SEQUENTIAL VOTES POSTPONED IN COMMITTEE OF THE WHOLE

The CHAIRMAN. Pursuant to House Resolution 483, proceedings will now resume on those amendments on which further proceedings were postponed in the following order: Amendment No. 17 offered by the gentleman from Wisconsin [Mr. PETRI]; amendment No. 7 offered by the gentleman from Wisconsin [Mr. KLUG]; and amendment No. 10 offered by the gentleman from California [Mr. ROHRABACHER].

The Chair will reduce to 5 minutes the time for any electronic vote after the first vote in this series.

AMENDMENT OFFERED BY MR. PETRI

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Wisconsin [Mr. PETRI] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 221, noes 200, not voting 12, as follows:

[Roll No. 354]

AYES—221

Abercrombie
Ackerman
Andrews
Baldacci
Ballenger
Barcia
Barrett (WI)
Beilenson
Bentsen
Berman
Bilbray
Blumenauer
Blute
Boehlert
Bonior
Borski
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TX)
Bunning
Buyer
Camp
Campbell
Cardin
Castle
Chabot
Christensen
Chrysler
Clay
Clayton
Clement
Clinger
Clyburn
Coble
Condit
Cooley
Costello
Coyne
Cummings
Cunningham
Danner
Davis
Deal
DeFazio
DeLauro
Dellums
Deutsch
Doggett
Doyle
Duncan
Durbin
Edwards
Ehlers
Engel
English
Eshoo
Evans
Everett
Ewing
Farr
Fields (LA)
Flake
Foglietta
Foley
Forbes
Fox
Frank (MA)
Frisa
Furse
Ganske
Gejdenson
Gephardt
Geren
Gilchrest
Gillmor
Gilman
Goodlatte
Gordon
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hancock
Harman
Hastert
Hastings (FL)
Hefner
Heineman
Hinchey
Hobson
Holden
Horn
Houghton
Hyde
Inglis
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Johnson (CT)
Johnson (SD)
Johnson, E.B.
Johnston
Kanjorski
Kaptur
Kasich
Kelly
Kennedy (MA)
Kennelly
King
Kingston
Kleczka
Klug
LaFalce
LaHood
Lantos
LaTourette
Lazio
Leach
Levin
Lewis (GA)
Lipinski
LoBiondo
Lofgren
Longley
Lowey
Luther
Maloney
Manzullo
Markey
Martini
Matsui
McCarthy
McDermott
McHugh
McKinney
McNulty
Meehan
Menendez
Metcalf
Mica
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Moran
Morella
Nadler
Neal
Neumann
Ney
Obey
Olver
Ortiz
Owens
Payne (NJ)
Payne (VA)
Pelosi
Peterson (MN)
Petri
Porter
Poshard
Quinn
Rahall
Ramstad
Rangel
Reed
Rivers
Roemer
Rohrabacher
Roth
Roukema
Roybal-Allard
Royce
Rush
Salmon
Sanders
Sanford
Sawyer
Saxton
Scarborough
Schroeder
Schumer
Scott
Seastrand
Sensenbrenner
Serrano
Shaw
Shays
Shuster
Slaughter
Smith (MI)
Smith (NJ)
Souder
Spratt
Stark
Stokes
Studds
Stupak
Tanner
Taylor (NC)
Torkildsen
Torres
Torricelli
Towns
Upton
Velazquez
Vento
Waters
Watt (NC)
Waxman
Weldon (PA)
Weller
Whitfield
Wolf
Woolsey
Wynn
Zimmer

NOES—200

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Becerra
Bereuter
Bevill
Bilirakis
Bishop
Bliley
Boehner
Bonilla
Bono
Boucher
Brewster
Browder
Bryant (TN)
Bunn
Burr
Burton
Callahan
Calvert
Canady
Chambliss
Chapman
Chenoweth
Coburn
Collins (GA)
Collins (MI)
Combest
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
de la Garza
DeLay
Diaz-Balart
Dickey
Dicks
Dingell
Dixon
Dooley
Doolittle
Dornan
Dreier
Dunn
Ehrlich
Ensign
Fattah
Fawell
Fazio
Fields (TX)
Filner
Flanagan
Fowler
Franks (CT)
Franks (NJ)
Frelinghuysen
Frost
Funderburk
Gallegly
Gekas
Gonzalez
Goodling
Goss
Graham
Green (TX)
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hansen
Hastings (WA)
Hayworth
Hefley
Herger
Hilleary
Hilliard
Hoekstra
Hoke
Hostettler
Hoyer
Hunter
Hutchinson
Johnson, Sam
Jones
Kennedy (RI)
Kildee
Kim
Klink
Knollenberg
Kolbe
Largent
Latham
Laughlin
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
Lucas
Manton
Martinez
Mascara
McCollum
McCrery
McHale
McInnis
McIntosh
McKeon
Meek
Meyers
Millender-McDonald
Molinari
Mollohan
Montgomery
Moorhead
Murtha
Myers
Myrick
Nethercutt
Norwood
Nussle
Oberstar
Orton
Oxley
Packard
Pallone
Parker
Pastor
Paxon
Peterson (FL)
Pickett
Pombo
Pomeroy
Portman
Pryce
Quillen
Radanovich
Regula
Richardson
Riggs
Roberts
Rogers
Ros-Lehtinen
Sabo
Schaefer
Schiff
Shadegg
Sisisky
Skaggs
Skeen
Skelton
Smith (TX)
Smith (WA)
Solomon
Spence
Stearns
Stenholm
Stockman
Stump
Talent
Tate
Tauzin
Taylor (MS)
Tejeda
Thomas
Thompson
Thornberry
Thornton
Thurman
Tiahrt
Traficant
Visclosky
Volkmer
Vucanovich
Walker
Walsh
Wamp
Ward
Watts (OK)
Weldon (FL)
White
Wicker
Williams
Wilson
Wise
Young (AK)
Zeliff

NOT VOTING—12

Coleman
Collins (IL)
Conyers
Ford
Gibbons
Hayes
Jefferson
Lincoln
McDade
Rose
Yates
Young (FL)

□ 2132

Miss COLLINS of Michigan, Ms. MILLENDER-MCDONALD, Messrs. BURTON of Indiana, TIAHRT, LEWIS of Kentucky, MCCOLLUM, SOLOMON, FAWELL, MCKEON, MCCREARY, GREENWOOD, BACHUS, BROWDER, BECERRA, BONO, WARD, COX of California, and Mrs. CUBIN changed their vote from "aye" to "no."

Messrs. MATSUI, BLUMENAUER, COYNE, HASTERT, HALL of Texas, Mrs. ROUKEMA, Messrs. EWING, TANNER, EDWARDS, JOHNSON of South Dakota, MINGE, HEFNER, MCHUGH, TORKILDSEN, LAZIO of New York, and ORTIZ changed their vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. KLUG

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Wisconsin [Mr. KLUG] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 184, noes 236, answered "present" 1, not voting 12, as follows:

[Roll No. 355]

AYES—184

Allard
Andrews
Archer
Armey
Baker (CA)
Baker (LA)
Baldacci
Barcia
Barrett (WI)
Barton
Bass
Bereuter
Bilbray
Bilirakis
Blute
Boehner
Bono
Brown (OH)
Brownback
Burr
Burton
Camp
Campbell
Canady
Castle
Chabot
Chenoweth
Christensen
Chrysler
Coble
Coburn
Condit
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
DeLauro
DeLay
Deutsch
Doggett
Doolittle
Dornan
Dreier
Dunn
Ehlers
Ehrlich
Ensign
Ewing
Fields (TX)
Flanagan
Foglietta
Foley
Forbes
Fowler
Fox
Frank (MA)
Franks (NJ)
Frelinghuysen
Frisa

Funderburk
Ganske
Gejdenson
Gekas
Gillmor
Goodlatte
Goss
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hamilton
Hancock
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hinchey
Hobson
Hoekstra
Hoke
Holden
Hostettler
Hunter
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Johnston
Kasich
Kennedy (MA)
Kennedy (RI)
Kennelly
King
Kleczka
Klug
Kolbe
LaHood
Largent
LaTourette
Laughlin
Lazio
LoBiondo
Longley
Luther
Manzullo
Markey
Martini
McCarthy
McCollum
McHale
McInnis
McKeon
Meehan
Metcalf
Mica
Miller (FL)
Minge
Moorhead
Moran

Nethercutt
Neumann
Nussle
Orton
Oxley
Parker
Paxon
Peterson (MN)
Petri
Porter
Portman
Pryce
Ramstad
Reed
Regula
Riggs
Rivers
Roemer
Rohrabacher
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schumer
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Sisisky
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Stearns
Stenholm
Stockman
Stump
Stupak
Talent
Tate
Thomas
Thornberry
Tiahrt
Torkildsen
Torres
Upton
Walker
Weldon (FL)
Weldon (PA)
Weller
White
Wolf
Zeliff
Zimmer

NOES—236

Abercrombie
Ackerman
Bachus
Baesler
Ballenger
Barr
Barrett (NE)
Bartlett
Bateman
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Bliley
Blumenauer
Boehlert
Bonilla
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Bryant (TN)
Bryant (TX)

Bunn
Bunning
Buyer
Callahan
Calvert
Cardin
Chambliss
Chapman
Clay
Clayton
Clement
Clinger
Clyburn
Collins (GA)
Collins (MI)
Combest
Costello
Coyne
Cramer
Cummings
Danner
Davis
de la Garza
Deal
DeFazio
Dellums
Diaz-Balart
Dickey

Dicks
Dingell
Dixon
Dooley
Doyle
Duncan
Durbin
Edwards
Engel
English
Eshoo
Evans
Everett
Farr
Fattah
Fawell
Fazio
Fields (LA)
Filner
Flake
Franks (CT)
Frost
Furse
Gallegly
Gephardt
Geren
Gilchrest
Gilman

Gonzalez
Goodling
Gordon
Graham
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hansen
Harman
Hastings (FL)
Hefner
Heineman
Hilleary
Hilliard
Horn
Houghton
Hoyer
Hutchinson
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Johnson (SD)
Johnson, E. B.
Jones
Kanjorski
Kelly
Kildee
Kim
Kingston
Klink
Knollenberg
LaFalce
Lantos
Latham
Leach
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Linder
Lipinski
Livingston
Lofgren
Lowey
Lucas
Maloney
Manton
Martinez
Mascara

Matsui
McCrery
McDermott
McHugh
McIntosh
McKinney
McNulty
Meek
Menendez
Meyers
Millender-McDonald
Miller (CA)
Mink
Moakley
Molinari
Mollohan
Montgomery
Morella
Murtha
Myers
Myrick
Nadler
Neal
Ney
Norwood
Oberstar
Obey
Olver
Ortiz
Owens
Packard
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Pickett
Pombo
Pomeroy
Poshard
Quillen
Quinn
Radanovich
Rahall
Rangel
Richardson
Roberts
Rogers
Ros-Lehtinen
Roth

Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schiff
Schroeder
Scott
Serrano
Shuster
Skaggs
Skeen
Skelton
Slaughter
Spence
Spratt
Stark
Stokes
Studds
Tanner
Tauzin
Taylor (MS)
Taylor (NC)
Tejeda
Thompson
Thornton
Thurman
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Wamp
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Whitfield
Wicker
Williams
Wilson
Wise
Woolsey
Wynn
Young (AK)

ANSWERED "PRESENT"—1

Kaptur

NOT VOTING—12

Coleman
Collins (IL)
Conyers
Ford

Gibbons
Hayes
Jefferson
Lincoln

McDade
Rose
Yates
Young (FL)

□ 2140

Ms. SLAUGHTER, Ms. HARMAN, and Mr. FAWELL changed their vote from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. ROHRABACHER

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from California [Mr. ROHRABACHER] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The CHAIRMAN. This is a 5-minute vote.

The vote was taken by electronic device, and there were—ayes 90, noes 331, answered "present" 1, not voting 11, as follows:

[Roll No. 356]

AYES—90

Archer
Armey
Bartlett
Barton
Bilbray
Bono
Burton
Calvert
Campbell
Castle
Chabot
Chenoweth
Chrysler
Coble
Coburn
Cooley
Cox
Crane
Crapo
Cremeans
Diaz-Balart
Dornan
Dreier
Duncan
Ehlers
English
Ensign
Flanagan
Foley
Forbes

Fox
Funderburk
Ganske
Gekas
Gillmor
Goodling
Goss
Greene (UT)
Greenwood
Gutknecht
Hancock
Heineman
Herger
Hilleary
Hoke
Horn
Inglis
Jones
Kasich
Kelly
Kildee
Kim
Klug
Largent
Linder
McCollum
McIntosh
McKeon
Meehan
Metcalf

Mica
Myers
Myrick
Nadler
Neumann
Ney
Parker
Paxon
Petri
Pryce
Quillen
Radanovich
Rohrabacher
Royce
Sanford
Scarborough
Schiff
Seastrand
Sensenbrenner
Shadegg
Souder
Stearns
Stockman
Taylor (NC)
Thomas
Tiahrt
Walker
Wamp
Weldon (FL)
Weller

NOES—331

Abercrombie
Ackerman
Allard
Andrews
Bachus
Baesler
Baker (CA)
Baker (LA)
Baldacci
Ballenger
Barcia
Barr
Barrett (NE)
Barrett (WI)
Bass
Bateman
Becerra
Beilenson
Bentsen
Bereuter
Berman
Bevill
Bilirakis
Bishop
Bliley
Blumenauer
Blute
Boehlert
Boehner
Bonilla
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Brownback
Bryant (TN)
Bryant (TX)
Bunn
Bunning
Burr
Buyer
Callahan
Camp
Canady
Cardin
Chambliss
Chapman
Christensen
Clay
Clayton
Clement
Clinger
Clyburn
Collins (GA)

Collins (MI)
Combest
Condit
Costello
Coyne
Cramer
Cubin
Cummings
Cunningham
Danner
Davis
de la Garza
Deal
DeFazio
DeLauro
DeLay
Dellums
Deutsch
Dickey
Dicks
Dingell
Dixon
Doggett
Dooley
Doolittle
Doyle
Dunn
Durbin
Edwards
Ehrlich
Engel
Eshoo
Evans
Everett
Ewing
Farr
Fattah
Fawell
Fazio
Fields (LA)
Fields (TX)
Filner
Flake
Foglietta
Fowler
Frank (MA)
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Frost
Furse
Gallegly
Gejdenson
Gephardt
Geren
Gilchrest
Gilman

Gonzalez
Goodlatte
Gordon
Graham
Green (TX)
Gunderson
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Hansen
Hastert
Hastings (FL)
Hastings (WA)
Hayworth
Hefley
Hefner
Hilliard
Hinchey
Hobson
Hoekstra
Holden
Hostettler
Houghton
Hoyer
Hunter
Hutchinson
Hyde
Istook
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (CT)
Johnson (SD)
Johnson, E. B.
Johnson, Sam
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
King
Kingston
Kleczka
Klink
Knollenberg
Kolbe
LaFalce
LaHood
Lantos
Latham
LaTourette
Laughlin
Lazio
Leach

Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Lightfoot
Lipinski
Livingston
LoBiondo
Lofgren
Longley
Lowey
Lucas
Luther
Maloney
Manton
Manzullo
Markey
Martinez
Martini
Mascara
Matsui
McCarthy
McCrery
McDermott
McHale
McHugh
McInnis
McKinney
McNulty
Meek
Menendez
Meyers
Millender-McDonald
Miller (CA)
Miller (FL)
Minge
Mink
Moakley
Molinari
Mollohan
Montgomery
Moorhead
Moran
Morella
Murtha
Neal
Nethercutt
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Oxley
Packard
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pombo
Pomeroy
Porter
Portman
Poshard
Quinn
Rahall
Ramstad
Rangel
Reed
Regula
Richardson
Riggs
Rivers
Roberts
Roemer
Rogers
Ros-Lehtinen
Roth
Roukema
Roybal-Allard
Rush
Sabo
Salmon
Sanders
Sawyer
Saxton
Schaefer
Schroeder
Schumer
Scott
Serrano
Shaw
Shays
Shuster
Sisisky
Skaggs
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Spence
Spratt
Stark
Stenholm
Stokes
Studds
Stump
Stupak
Talent
Tanner
Tate
Tauzin
Taylor (MS)
Tejeda
Thompson
Thornberry
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Upton
Velazquez
Vento
Visclosky
Volkmer
Vucanovich
Walsh
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Weldon (PA)
White
Whitfield
Wicker
Williams
Wilson
Wise
Wolf
Woolsey
Wynn
Young (AK)
Zeliff
Zimmer

ANSWERED "PRESENT"—1

Harman

NOT VOTING—11

Coleman
Collins (IL)
Conyers
Ford
Gibbons
Hayes
Lincoln
McDade
Rose
Yates
Young (FL)

□ 2148

Mr. SHADEGG and Mr. CREMEANS changed their vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Ms. HARMAN. Mr. Speaker, during rollcall 356, I voted from the well instead of by electronic voting card. In doing so, I mistakenly picked up and signed an orange card, instead of a red card. As a result, I am recorded as having voted "present," although I intended to vote "no" on the Rohrabacher amendment.

Mr. MYERS of Indiana. Mr. Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MYERS of Indiana. Mr. Chairman, we have just had our last vote for the evening. What we plan to do at this point forward, after working with the leadership on the Democrat as well as on the Republican side, as well as the gentleman from Alabama [Mr. BEVILL], the gentleman from Wisconsin [Mr. OBEY], and the gentleman from Louisiana [Mr. LIVINGSTON], we have agreed that what we will do now, we will consider those amendments that were made in order under the unanimous consent agreement earlier, we will have no more recorded votes.

Any votes ordered will be put over until tomorrow morning sometime after 10 o'clock, so if my colleagues have an amendment that they are going to offer tonight under the rule, or if they have some comment they would like to make about the amendment, they had better stick around tonight because we will not honor any amendments tomorrow. We are going to finish all amendments tonight except the final passage on any amendments on any vote that is ordered.

If there is any question about that, my colleagues had better bring it up now, but that is the way it is going to be done.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I think the gentleman from Indiana needs to clarify that we are going to finish all debate on all amendments.

Mr. MYERS of Indiana. We will finish all debate. We will have a vote if any votes are ordered. We will roll those over until tomorrow. All debate will be finished tonight on the bill, except final passage and any votes on amendments ordered tonight. But there will be no debate or amendments tomorrow.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Texas?

There was no objection.

Ms. JACKSON-LEE of Texas. Mr. Chairman, let me acknowledge the kindness of the gentleman from Indiana [Mr. MYERS], and the ranking member, the gentleman from Alabama [Mr. BEVILL], and the gentleman from Wisconsin [Mr. OBEY] for allowing me this time.

Certainly I know a lot of work has gone into the energy and water development appropriations subcommittee work, and I would like to inquire of the gentleman from Indiana if he would be willing to enter into a colloquy on the Army Corps of Engineers oversight role of existing local flood control projects.

Mr. MYERS of Indiana. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Indiana [Mr. MYERS].

Mr. MYERS of Indiana. We would be pleased to enter into a colloquy with the gentlewoman, yes.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentleman for his leadership.

He might not be aware, but we in Houston have a particularly unique set of circumstances in that we are 50 feet below sea level and very often have a tendency to flood. Having gone home and spoken to my constituents, I have been concerned about the quality of the Army Corps of Engineers' oversight role of the Sims Bayou flood control project in my congressional district in Houston.

We have already suffered several flooding situations in that area, in particular in 1993. The Crestmont Park neighborhood surrounding the Sims Bayou flood control project and other neighborhoods experienced severe flooding, as I said, in 1993 and 1994, and the response of the Corps has not been as quick and responsive as I believe it should have been. As constituents have noted, since the Corps gives a significant amount of funds for these projects, should they not be the senior partner in the partnerships with the local and county governments and be closely worked with to monitor the progress of these projects?

Mr. MYERS of Indiana. Well, certainly this committee and the Corps of Engineers are concerned about the cooperation of local communities. Local communities have to pay part of the expense of these projects, cost sharing, but the important part is the work must be worked by the Corps, with local communities. We encourage that cooperation, and I am disappointed to hear tonight we are not getting that kind of support.

We will urge the Corps to work with the local community. While the Corps has the responsibility of doing the job, we all recognize that, they should be working with the cooperation of those who are paying part of the expenses locally and who are vitally concerned about the job that is being done.

Ms. JACKSON-LEE of Texas. I appreciate that. I wanted to go on record to express my support for a strong Corps role, because the Corps needs to show a greater commitment to many low-income and urban areas that sometimes seem unlikely sites for flooding and seem to be left behind, and work more closely with the local governments.

Mr. MYERS of Indiana. That is exactly right. That is the attempt, and that is what we have encouraged the Corps to do. In most cases, the Corps does this, so we will urge the Corps to continue their cooperation. Regardless of income bracket, everyone is entitled to the efforts that the Corps can make to help prevent flooding and help relieve the pressure.

Ms. JACKSON-LEE of Texas. I thank the gentleman from Indiana, and I want to acknowledge the ranking member, the gentleman from Alabama [Mr. BEVILL] who has been very helpful and very forceful, if my colleagues will, in ensuring that the Army Corps of Engineers works with communities around this country.

Mr. BEVILL. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, I am familiar with this project and support it completely.

Ms. JACKSON-LEE of Texas. Mr. Chairman, reclaiming my time, I thank the gentleman from Alabama [Mr. BEVILL] very much. I thank the gentleman from Indiana [Mr. MYERS], and I would say, with this, that I would expect that the Sims Bayou project would move along quickly with the involvement of Army Corps of Engineers.

Mrs. ROUKEMA. Mr. Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New Jersey?

There was no objection.

Mrs. ROUKEMA. Mr. Chairman, I rise to support H.R. 3816, the Energy and Water Development Appropriations Act for fiscal year 1997.

This bill includes an appropriation that is vitally important for several hundred members of my district. The bill provides $250,000 for the Ramapo River at Oakland flood control project. This is a down payment toward the $11.3 million that has been authorized for the project. It will allow the Army Corps of Engineers to coordinate with the State of New Jersey to prepare for the beginning of construction.

Flooding along the Ramapo River has occurred 15 times in the past 24 years. The people who live along its banks cannot continue to endure the repeated economic hardship and personal tragedy this flooding brings.

The 1984 flood alone caused more than $9 million in damage and the Army Corps of Engineers has estimated that another major flood could cause $11 million in damage. Clearly, the funds we are seeking to protect homes and businesses would be well spent.

This flood control project would protect residents and businesses along the Ramapo River from Pompton Lake Dam in Wayne, NJ, to Pompton Lakes upstream through Oakland, NJ. This is about a 3-mile stretch of river that is home to more than 300 families.

I have worked closely with the Energy and Water Subcommittee and the Appropriations Committee for funding for this project, along with many State and local officials. I want to thank Chairman MYERS and Chairman LIVINGSTON for their support.

Ms. LOFGREN. Mr. Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Is there objection to the request of the gentlewoman from California?

There was no objection.

Ms. LOFGREN. Mr. Chairman, I wanted first to thank the gentleman from Indiana [Mr. MYERS] and the gentleman from Alabama [Mr. BEVILL] for their extraordinary courtesy to me as a brand-new Member of the House and for helping to show me the way and being so courteous and helpful.

□ 2200

I know many of us have had the experience of advocating for flood control projects and other things that we know about. However, today I wanted to mention and engage the chairman in a brief colloquy about something that is not in my district, but it is something we all care about. That is the fusion research program in this country.

I know that the chairman, as well as the gentleman from Alabama [Mr. BEVILL], are supporters of fusion, that we have very tight fiscal constraints. However, last year we had a 33 percent reduction below the requested amount. This year, once again, funding is a little bit on the slim side for what will be needed for the restructured program envisioned last year.

Mr. Chairman, I know that every effort has been made to support the program. I guess my question to the chairman is not an amendment or a suggestion to change the language or anything of that nature, but to ask whether he would be willing, if additional funds should become available within this bill in the conference committee, to do his best to see that especially university-based fusion research and basic research might be the beneficiary of any good news in conference.

Mr. MYERS of Indiana. Mr. Chairman, will the gentlewoman yield?

Ms. LOFGREN. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Of course, the committee is always willing to look at additional funds if we can find them, Mr. Chairman. Unfortunately, we were not able to find them before we came to the floor today. But when we do go to conference with the other body we will have to wait and see what they may have. We appreciate the interest the gentlewoman has. This committee has always supported fusion.

Ms. LOFGREN. I know the gentleman has, Mr. Chairman, and I know he will do his very best in conference should something occur that is happier than we now know.

I would note also that the gentleman from California [Mr. FAZIO] joins in this good wish, and thanks the chairman of the subcommittee also for his efforts.

Mr. FAZIO of California. Mr. Chairman, the Fusion Energy Program is one of the most exciting and important programs at the Department of Energy. It is also very important to my State.

California is host to the U.S. home team of the International Thermonuclear Experimental Reactor [ITER].

Several campuses of the University of California have fusion research programs.

Lawrence Livermore and Lawrence Berkeley Labs have programs and several California companies are heavily involved in fusion research and development.

Unfortunately, for both the Nation and my State, at the same time the fusion program is making tremendous progress, it has suffered heavy cuts at the hands of this Congress. Last year, as many of my colleagues are aware, the fusion program was cut $130 million—33 percent—and the bill before us now cuts another $19 million from the program. Accompanying the cuts in last year's Energy and Water bill were instructions for the Department of Energy and the Fusion Energy Advisory Committee to restructure the fusion program.

This Congressional guidance set off an extensive, time consuming, and, frankly, a painful redesign of the fusion program. It also put into place a thorough peer review process. Both the redesigned program and the ongoing peer review process have been widely praised.

It is regrettable that the lack of adequate funding in this bill pits one aspect of the fusion program against another. I will work in conference to see that all of the needs of the fusion program are met. I think it is important.

However, if that does not happen, I am concerned that the language currently in the bill which tries to set priorities for the program within the limited funding constraints may conflict with the direction the program is intended to take. It could also result in substantial damage to a number of California programs, facilities and high tech jobs and divide the fusion community.

If funding constraints force us to make difficult choices in how to fund the fusion program, we should leave that decision up to the Department of Energy with the guidance of the fusion Energy Sciences Advisory Committee.

I look forward to working in conference to fully fund the fusion program and to work toward language that is less prescriptive and more consistent with the peer review process for this important program.

Mr. DUNCAN. Mr. Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. DUNCAN. Mr. Chairman, I would like to engage in a colloquy with the distinguished gentleman from Indiana [Mr. MYERS], chairman of the Subcommittee on Energy and Water Development. I have a brief colloquy that has already been approved by the chairman.

Earlier in this Congress, I introduced legislation, H.R. 28, the Freedom From Government Competition Act. It has been brought to my attention by some of my constituents that at least one

Federal agency under this bill is considering some competition with private industry. As the chairman knows, when the last White House conference on small business met here in Washington, the problem of unfair government competition and the failure of government to adequately utilize the private sector was ranked as one of the very top issues for small business.

Additionally, since the Eisenhower administration, it has been official U.S. government policy that "the Federal Government will not start or carry on any commercial activity to provide a service or a product for its own use if such product or service can be procured from private enterprise through ordinary business channels."

I would like to ask the chairman of the subcommittee if, as a general proposition, the subcommittee intended that money appropriated in this legislation be used by Federal agencies or quasi-governmental agencies for the purpose of competing with private business.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. DUNCAN. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, I would say to the gentleman, no, not at all. Small businesses have difficult time enough staying in business in competition with the rest of the world. Being in competition with their own government is just unreasonable.

Mr. DUNCAN. That was the very point of this colloquy. I thank the gentleman form Indiana. I believe he and his colleagues on the subcommittee have done an excellent job on this legislation.

AMENDMENT OFFERED BY MR. OBEY

Mr. OBEY. Mr. Chairman, I offer amendment No. 4.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. OBEY: On page 17, line 21, after the dollar amount insert the following: "(reduced by $17,000,000)".

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from Wisconsin [Mr. OBEY] and a Member opposed will each control 20 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this amendment is very simple. It eliminates the $17 million in this bill for the advanced light water reactor. The arguments against this funding are many. They have been articulated on this floor in the past. Many Members have voted against it in the past. Last year we voted on this amendment. If failed by a 191 to 227 vote. This year we have a number of additional cosponsors, including the gentleman from Florida [Mr. FOLEY], the gentleman from Minnesota [Mr. MINGE], the gentleman from California [Mr. ROYCE], the gentleman from Massachusetts [Mr. MARKEY], and the gentleman from California [Mr. ROHRABACHER]. Obviously, with a crowd like that, there ought to be some additional attention paid to the amendment above that which was paid to it last year.

In 1992, the Energy Policy Act authorized the funding of efforts to design, engineer, and obtain regulatory approval for new evolutionary nuclear reactors. Since then, through fiscal 1996, DOE has given away $295 million to companies such as General Electric, Westinghouse, and a number of others.

The 1992 act specifically states that "No entity shall receive assistance under this subsection for a period greater than 4 years." Mr. Chairman, both Westinghouse and General Electric will have already completed 4 years of funding in the fiscal 1996 budget. They should not get any further funding in this bill.

Let me make it clear, I have absolutely nothing against those companies. They are fine companies. That is the point. They are very healthy companies, with billions in annual revenues. They do not need the corporate welfare provided for them in this bill. They have already enjoyed 4 years of funding, as authorized. It is time to terminate the program. The authorization has expired. This is the 5 year of funding for what was supposed to be a 4-year program.

Mr. Chairman, we might wonder why there is no new authorization. I suspect it might be because no American utility has successfully ordered a nuclear power plant since 1973. Second, I suspect it might be because an overwhelming majority, 89 percent, in a recent poll of utility executives, said that their company would never consider ordering a nuclear power plant.

It also might be that the current reactors that are being funded through the program, the 600 megawatt size, are not commercially viable in this country. In fact, in February of this year GE, who received $50 million from DOE, announced they were abandoning further design work on the SBWR reactor because it was not commercially viable.

Why does DOE continue to fund the program? I suppose on reason is that the agency seems to be generically incapable of terminating any program. The official reason seems to be that the designs could provide the basis for future commercial orders. The official reason seems to be that the agency thinks that there might some day, in the far distant future, be somebody who would change their mind and order one of these turkeys. Frankly, the likelihood is quite dim. The Secretary of Energy, in recent testimony, has said, "For the foreseeable future, we do not expect new nuclear power plants to be ordered or built in the United States."

I would point out that the Energy Policy Act stipulates that the recipient of these funds must certify that the reactors are designed for sale in the United States. The fact is, the most likely markets for these reactors are abroad; most likely Indonesia or China. There is a ban on the export of nuclear technology to China at the moment, and I do not see any circumstances under which that is going to change in the foreseeable future.

So I would simply make the point, this program was authorized under the premise of licensing nuclear power plants in the United States. That is no longer happening. No serious person expects it to happen. I would simply say that a Congress that is big enough to get tough on kids is a Congress that ought to be tough enough to say no to more corporate welfare to the nuclear power industry.

Mr. Chairman, I reserve the balance of my time.

Mr. MYERS of Indiana. Mr. Chairman, I oppose the amendment.

The CHAIRMAN. The gentleman from Indiana [Mr. MYERS] is recognized for 20 minutes in opposition to the amendment.

Mr. MYERS. Mr. Chairman, I yield such time as he may consume to the gentleman from Louisiana [Mr. LIVINGSTON] the chairman of the Committee on Appropriations.

Mr. LIVINGSTON. Mr. Chairman, I thank my friend and the distinguished chairman of the subcommittee for yielding time to me.

Mr. Chairman, I rise in opposition to the Obey amendment to strike the remaining funding from the light water reactor program. The fact is that the budget request from the President was $40 million for this program. This committee has only provided about $17 million. So we are achieving cost savings right there.

The only way the industry is going to get back into the nuclear energy business in this country is, in fact, if the Government participates in some way. In the case of this particular program, this is the last year of funding. Any funding that we provide this year completes the program. But in the case of the advanced light water reactor, total industry cost-sharing in this program is over 60 percent, which comes from the industry itself.

The industry has contributed some $444 million of their own money to this program. The government expenditures to date total, the gentleman from Wisconsin [Mr. OBEY] has used the sum $295 million, my own figure is $269 million; obviously considerable sums. But what are we going to do? Just cut, run, and stop the program? Because industry itself has relied on the commitment of Government and spent, of its own money, $444 million. The industry is committed to pay back most or all of the Federal costs if future sales are made.

This program is important because it represents a joint commitment by Government and industry to develop a new generation of standardized, advanced reactors, coupled with a one-step Nuclear Regulatory Commission licensing process.

Whether we like it or not, new nuclear energy sources will one day be needed in the United States. Nuclear energy is still safe. It does not produce greenhouse gas emissions that we hear so much about with fossil fuel usage. Nuclear energy as generated represents 20 percent of the power generation in this country, and substantially more than that, anywhere up to 50 to 70 percent, in other industrialized countries like Japan or France. We must finalize the development of a standard turn key safe design for marketing to plants overseas and for this country, if we decide to build them here.

Again, Mr. Chairman, this is the last year of funding. This project is authorized under the general authorization of the Atomic Energy Act of 1954. No Federal funds have been or will be used to subsidize any construction. That is left up to the industry. So I urge my colleagues to vote against this ill-considered amendment.

Mr. OBEY. Mr. Chairman, I yield 30 seconds.

Mr. Chairman, the gentleman from Louisiana said they have already cut the program because they have only provided $17 million out of the $40 million. The fact is the Senate has already funded the other two portions of the program. The game plan in conference is to fund all three pieces, and, smackaroo, you have $40 million bucks right back in the bill again. Do not kid yourself, this program is not going to be cut one dime without this amendment.

Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Florida [Mr. FOLEY].

Mr. FOLEY. Mr. Chairman, I thank the gentleman for yielding time to me.

Mr. Chairman, I want to rise in strong support of this amendment to strike the $17 million. The supporters of corporate welfare for the advanced light water reactor program are playing fast and loose with the facts. We hope Members will take the opportunity to separate real fact from the fiction they have been spreading.

Our amendment to strike the advanced light water reactor funding is not part of some anti-nuclear agenda. Moving past its authorized limits, this program has become a subsidy to a wealthy industry capable of supporting its own projects. Congress should abandon wasteful funding for this giveaway. Again, clearly, first-of-a-kind engineering, the Energy Policy Act strictly states, item B, "No entity shall receive assistance under this subsection for a period greater than 4 years."

Mr. Chairman, we talk about this nuclear reactor and suggest that some day, somehow, somewhere, we will recapture some of the dollars our great taxpayers have invested in this project. Why has Westinghouse canceled construction of its own reactors? They are not using the technology. The only places we are able to find any utilization of this technology is in China, is in areas that we are critically concerned about nuclear proliferation, and these reactors could in some way benefit a program of expanding those nuclear reactors.

Mr. Chairman, sure, $17 million is small if you are a corporation in an industry with annual revenues in excess of $100 billion. However, the last time we checked, it was an enormous amount to American taxpayers. The nuclear industry has dominated energy research and development over the last 50 years, receiving more than $47 million.

☐ 2215

Now they are clamoring for another 17 million for this reactor without a future. Just how many taxpayers does the Department of Energy want to work their entire lives to pay for this corporate giveaway?

They will tell you the termination costs are going to cost the government millions of dollars. Folks, clearly in the contract: Item number C, reimbursement for costs specified in termination above shall be subject to the availability of appropriated funds.

Much like every government contract that is written, the government protects itself and has a hold-harmless clause that, if you do not appropriate the moneys, it in fact will not be tendered as cancellation fees. I have heard it before when we cancelled gas turbine last year, we would have to pay all of these millions of dollars in termination fees. Clearly not the case.

What are broad groups like Citizens Against Government Waste, CATO Institute, Competitive Enterprise Institute, Friends of the Earth, Heritage Foundation, Progressive Policy Institute, Public Citizen, Safe Energy Communication Council, Taxpayers for Common Sense and U.S. Public Interest Research Group in one group together advancing against this project. It does not make any sense to spend the hard-earned tax dollars of the American public to support projects that do not work.

Mr. Chairman, I would like to read some editorials from newspapers around the country later in the debate.

Mr. MYERS of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. DOYLE].

Mr. DOYLE. Mr. Chairman, I rise in opposition to the amendment offered by my colleagues from Wisconsin and Florida. In the Energy Policy Act of 1992, Congress reaffirmed its commitment to the nuclear option by authorizing a program for research and development of standardized inherently safe reactor designs.

At that time, Congress recognized the artificially high cost of developing and certifying new reactor designs to meet the government's extremely stringent requirements. EPACT proceeded with this program precisely to ensure that new passively safe reactor designs would be readily available when U.S. utilities were prepared to order new baseload generating plants.

The authors of this amendment would like to say that this is funding for the sixth year of a 5-year program. They know this is not true. EPACT was authorizing legislation and was passed in 1992, but this program did not have funds appropriated for it until fiscal year 1993, which means that this will be the fifth year of a 5-year program. Thus, DOE is fully authorized to fund the advanced light water reactor program in fiscal year 1997

No taxpayers' dollars have been used to pay NRC fees. NRC's increased review and testing requirements forced the program to perform additional technical work. While most of the extra work was funded by industry, part of the added cost was supported by the DOE advanced light water reactor program. The additional technical work expanded the work scope for the program but was clearly authorized by EPACT.

Mr. Chairman, this would be a very entertaining debate if it were not for the fact that we are talking about a major component of U.S. energy security, as well as the certification of a technology that holds the potential for the creation of thousands of high-paying jobs here in the United States. The construction of one AP-600 employs 5,000 people for 5 years. Now let us look at how much money we are going to save if we terminate this program.

I have a letter here from the Department of Energy which I will submit for the RECORD that shows that terminating this program would cost the taxpayer more than it would to complete this program.

Mr. Chairman, this is an ill-advised amendment, and I urge that we defeat it.

Mr. Chairman, I submit the letter referred to earlier for the RECORD:

DEPARTMENT OF ENERGY,
Washington, DC, July 24, 1996.

Hon. MICHAEL DOYLE,
House of Representatives,
Washington, DC.

DEAR CONGRESSMAN DOYLE: The Department of Energy opposes the amendment to eliminate funding for the Department's Advanced Light Water Reactor (ALWR) program from the FY 1997 Energy and Water Development Appropriations Bill. We strongly urge the House of Representatives to reject this amendment and support FY 1997 funding for the ALWR program.

This program is nearing a successful conclusion. The First-of-a-Kind Engineering program, for example, was authorized by

Congress in FY 1993 to be conducted for five years. FY 1997 is the last year that the Department plans to request funds for this effort, and one of the two plant designs in the program—the Advanced Boiling Water Reactor (ABWR)—is scheduled to be completed by the end of the year. In addition, we expect that Nuclear Regulatory Commission (NRC) design certification of the ABWR and the System 80+ will be granted in FY 1997. Design Certification for the AP600—an advanced, modular plant with passive safety features—is scheduled for completion in the following fiscal year.

Taxpayers have invested about $300 million in ALWR research and development since 1986 and U.S. industry, led by electric utilities from across the country, has contributed an additional $500 million. Much of this investment could be wasted if the goals of the program—Nuclear Regulatory Commission design certification and completion of First-of-a-Kind-Engineering were not met because of a decision to terminate funding in FY 1997 when the program is so close to conclusion.

LWR PROGRAM TERMINATION COSTS

The Department has requested $40 million to conduct its Advanced Light Water Reactor (ALWR) program in FY 1997. These funds would allow the Department to complete its First-of-a-Kind Engineering (FOAKE) program for the AP-600 and Advanced Boiling Water Reactor and accomplish Nuclear Regulatory Commission design certification of two of three ALWRs.

Since 1986, U.S. industry has contributed approximately $500 million to the federal ALWR program, with taxpayers contributing another $300 million. This program is nearly completed and must of the benefit of this $800 million public/private investment could be lost if it is terminated in its final stages. The Department believes that this effort should be allowed to conclude successfully, providing the United States with a viable, safe, and economic nuclear energy option that will be available before the end of the decade.

If these programs are terminated at the end of FY 1996, the federal government will have to plan for the following impacts:

Tens of millions of dollars in other termination costs would be sought from the Department by program contractors and other participants. Westinghouse, for example, estimates that the termination of their portion of the design certification program would cost about $28 million. Westinghouse also estimates that its FOAKE termination costs would be approximately $10 million. Other contractors would be expected to seek lesser amounts, as their participation in the program is nearly complete. The Advanced Reactor Corporation, which manages the FOAKE program, has indicated that its termination costs could be as much as $24 million if the program is terminated at this stage.

The Department would seek to negotiate these costs, but legal action on the part of program participants to recover termination costs can be expected.

A maximum of $125 million in lost potential cost-recovery from industry. Termination of the program at this late stage would mean that the federal government would lose the right to collect funds from industry based on future plant sales. Westinghouse, for example, has agreed to pay $25 million to the government with the sale of its first AP-600 to repay design certification funding and an additional $4 million for each reactor sold to repay federal FOAKE contributions. General Electric recently sold two reactors to Taiwan; the federal government expects to collect $3 million from this transaction. All of these cost recoupments would be forfeited if the ALWR program is terminated now.

Unless new work assignments are found for federal and national lab staffs working on the program, DOE will require about $1.5 million to terminate personnel at DOE headquarters in Germantown, MD; at the field offices in Oakland, CA and Chicago, IL; and at the Idaho National Engineering Laboratory and the Sandia National Laboratories.

The ALWR program is essential in order to maintain the nuclear energy option in the United States. Without FY 1997 funding, we will not achieve the design certifications that we have worked toward for years, and a huge public/private investment will have been largely wasted. We will also be forced to terminate our contracts with the program's industry participants, and risk a potentially expensive legal response.

Further, termination of the program at this late stage would mean that the federal government would lose the right to collect funds from industry based on future plant sales. Westinghouse, for example, has agreed to pay $25 million to the government with the sale of its first AP600 to repay design certification funding, and an additional $4 million for each reactor sold to repay the Department's contributions. Taiwan recently awarded General Electric a contract to build two new reactors, and the U.S. government expects to collect $3 million from this transaction. All of these cost recoupments would be forfeited if the ALWR program is terminated now.

For a modest sum in FY 1997, the program can be brought to a logical and successful conclusion, and the taxpayer and industry investments in these technologies will result in the form of detailed, certified designs of next-generation nuclear power plants.

Sincerely,

RAY A. HUNTER
(For Terry R. Lash,
Director, Office of
Nuclear Energy,
Science and Technology).

Mr. OBEY. Mr. Chairman, I yield myself 30 seconds.

The gentleman is leaving a wrong impression with the House. First of a kind funding is limited to 4 years. The gentleman is talking about other pieces of the Energy Act. The first of a kind funding, which is the subject of this amendment, is limited to 4 years. If we do not pass this amendment, we are providing it for a fifth year without authorization.

Mr. MYERS of Indiana. Mr. Speaker, I yield myself 1 minute.

Mr. Chairman, as to the statement just made, I have in my possession here a letter today from the Department of Energy saying the first of a kind engineering program, for example, is authorized by Congress in fiscal year 1993 to be conducted for 5 years. This 1997 fiscal year is the fifth year in 5 years, according to the Department of Energy.

Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. BROWN], a very distinguished member of the Committee on Science and the former Chairman who is now ranking member.

Mr. BROWN of California. I thank the gentleman very much for yielding me this time.

Mr. Chairman, I am not at all sure that I have anything new to contribute. I used to believe that I knew as much about the nuclear energy program as anyone in Congress, but I see from the remarks of the gentleman from Pennsylvania [Mr. DOYLE] and the gentleman from Louisiana [Mr. LIVINGSTON] that they have been doing a lot of boning up on the subject. I think probably they know more than I do at this particular time.

I do want to just recite for historical purposes the fact that I have lived through and been actively involved in the development of the civilian power reactor program ever since it began 20-odd years ago. I have seen it grow with unrealistic hopes that it represented the solution to all of the world's energy problems and seen those hopes dashed as we found that there were problems with nuclear industry and with the development of nuclear power plants.

As a result of our failures to anticipate these problems, we placed a very large burden on the U.S. nuclear industry, and no new plants have been built in recent years and no new plants are on order.

What was the reason for that? The reason basically was that we over-invested in plants that had the diverse designs that were subject to different and changing safety regulations, and many energy companies went broke as a result of this. It became clear that we needed to remedy that situation. This Advanced Light Water Program was an effort to remedy that situation. It was to focus on a single design that could be precertified as to safety, that you could build repetitively and cut the costs as a result of that, and then you could become competitive again in terms of world markets, if that is what you were interested in, or in terms of competing with other forms of energy here in the United States.

That was our goal. It was a very realistic goal. This program was aimed at achieving it. It is about to complete it; it is very near to completion. If it is successfully completed, it will again put us in a position, if we are forced to do so, and I think we will be, to build more nuclear plants as a way of avoiding some of the environmental problems of fossil, for example, or as merely a way of competing in the world market where other countries which do not have the energy resources that we do, have to rely upon nuclear energy. We should be competing for that market.

Mr. Chairman, if we refuse to do this, I think we are putting our heads in the sand. I think that this is a program which, as has been pointed out already, is heavily cost-shared by industry. I fully believe that we are authorized to continue it. As has been argued here, even if it is not authorized, we have a waiver of points of order against authorization, so it really does not make that much difference.

So I would urge that this amendment be defeated and we spend the $17 million which will once again make us competitive in world markets.

Mr. OBEY. Mr. Chairman, I yield myself 30 seconds to again correct a statement made by the gentleman from Indiana.

It is true that there is a $100 million cap on this program for a 5-year period, but under the authorization no corporation is supposed to receive funding for a period longer than 4 years and under this bill without this amendment would have a 5-year provision to Westinghouse, which is in opposition to the authorization statute.

Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I say to my colleagues, Adam Smith is spinning in his grave as he listens to this debate tonight. This is the wealthiest industry in the United States. How in the world can we subsidize General Electric and Westinghouse to develop an incremental advancement on a 50-year-old technology? Either it works in the marketplace or it does not work in the marketplace. If we cannot cut this subsidy out of the budget, we cannot cut any subsidy out of the budget.

This is like conducting a French revolution and not attacking the Bastille. If there is going to be a revolution out here, we got to cut out unneeded programs. And if we cannot cut out a subsidy to an industry which has received $50 billion worth of subsidies over the last 40 years in this country, we are not cutting out subsidies for anyone.

By the way, the technology is not being built commercially because it does not work in the marketplace. It is 6 cents a kilowatt hour. Coal is cheaper, natural gas is cheaper, wind is cheaper. It is losing in the marketplace.

I say to my colleagues, we cannot stand out here on the floor of Congress and interject Federal taxpayers' dollars into industries that they are already paying too high rates in their electricity bills already because the electric utility executives in the areas invested in the wrong technologies.

If they in fact want these next generation of technologies, and by the way, not one new nuclear power plant has been ordered in the United States since 1973, and I will predict right now and guarantee you that there will not be a new nuclear power plant ordered as long as any person in this room is alive, how in the world can we justify this kind of investment?

As we move to wholesale and retail wheeling of electricity, the marketplace is going to ruthlessly demand the lowest priced energy. Nuclear power is not that energy. We must demand the Obey amendment be adopted here this evening.

Mr. MYERS of Indiana. Mr. Chairman, I yield myself 1 minute.

I think the gentleman from Massachusetts is in good health, and I thought I would live a little while.

But I might add that it is true that the United States is not building. What other major developing country in the world is not moving fast toward more nuclear power? Japan had the worst experience with nuclear of any country in the world, yet they are buying boiling water reactors, looking at advanced light water reactors. This committee was over there last August. They are looking.

We wonder where the jobs went; we have run them out. Every other country in the world subsidizes and helps their industry to be competitive in the world. And we talk about corporate welfare? Wait until we hear tomorrow or later tonight about solar. How many people are buying solar reactors today? Would we want more money spent on solar?

Mr. MARKEY. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Massachusetts.

Mr. MARKEY. Mr. Chairman, if the gentleman is willing to cut this subsidy out, I will vote to cut out all subsidies for solar. It is everyone gets a subsidy or no one gets a subsidy. But let us give the same subsidies to both technologies, not 10 times more.

Mr. MYERS of Indiana. Mr. Chairman, percentage-wise it is a bigger cut than we have on solar.

Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALKER], chairman of the subcommittee.

Mr. WALKER. Mr. Chairman, shouting about this amendment does not make it any smarter. It is too dumb to start with.

Just as we are going to get the payoff from this program, some are prepared to kiss off the program. Now, that makes no sense whatsoever. First of all, it makes no sense because what we are going to actually do is end up increasing spending here. I realize people cavalierly toss off the idea that there might have to be termination costs in all of this. Sure, it takes appropriations, but if the court orders us to make the payments, we are going to have to make the payments. It is about $40 million compared to what would otherwise be a $17 million expenditure.

Mr. Chairman, this is not about corporate subsidy as much as it is about nuclear safety. This is an advanced light water reactor program that is a government-mandated program to design a new passively safe reactor to replace existing ones. It is a safety program. If we are going to abandon the government's involvement in safety, it seems to me that what we are pursuing is rather ludicrous.

Now, the fact also remains that we have a legal commitment in the authorization, in Public Law 102-486 to pursue this program. We ought to meet that commitment.

It also does not make any business sense. The gentleman stood up here and talked to us about Adam Smith. General Electric just sold two nuclear reactors to Taiwan. The Federal Government plans to get about $3 million from that transaction. One of the reasons why we are recovering money from these programs is because we have a provision of recoupment that is in the program.

If in fact tonight we decide to abandon this program, we do not get any recoupment. We lose the money. We lose the $3 million in the AP-600. We could lose $4 million for every reactor they sell. It makes no sense.

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This is empty symbolism. It is dumb to do. It would be an act of extreme stupidity for the House to do this amendment tonight for the sake of some empty symbolism.

Mr. OBEY. Mr. Chairman, I yield 2½ minutes to the gentleman from California [Mr. ROHRABACHER].

Mr. ROHRABACHER. Mr. Chairman, this is further proof of the existence of God. OBEY and ROHRABACHER on the same side talking in disagreement with the gentleman from Pennsylvania, Mr. WALKER. Let me say that I want to commend the gentleman from Wisconsin [Mr. OBEY] and the gentleman from Florida [Mr. FOLEY] for the great leadership they have taken on this issue.

They call this program the light water reactor, but it is mighty heavy on the taxpayers, basically to the tune so far of $200 million; $50 million of that went down the drain this year when General Electric decided to pull out of the program. Although this company makes $4 billion a year in after-tax profits, the Department of Energy could not tell us at our authorization hearing of how they expect to get back that $50 million that we gave to this giant company already.

Now Westinghouse, which makes $1 billion a year in after-tax profits, says this program will just disappear unless they get another $40 million. If Government subsidies serve any purpose, it should be to help small companies develop technology. It strains anyone's belief that Westinghouse, which has just purchased a TV network for $4 billion and makes millions of dollars off existing contracts with the Department of Energy, would not pay for its own certification if they believed that this was going to make them a profit, that this was a profitable operation and they could actually sell this product and make a profit from it.

Mr. Chairman, I believe that nuclear power is clean, safe, and is a positive alternative source of energy for the people of the United States of America. But supporting nuclear power does not mean that we should be supporting wasteful corporate welfare. If these products are as good as advertised, these big corporations will not need all of this money. They will not need a taxpayer subsidy to be successful.

Basically we are being told that we must give more money to a huge corporation that can afford to do it on their own or the project will disappear. That shows how much confidence this corporation has. We should not be putting more taxpayers' money down a rathole.

Again, Mr. Chairman, I would suggest to my colleagues to vote yes for fiscal responsibility, yes on the Obey-Foley amendment.

Mr. OBEY. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. MINGE].

Mr. MINGE. Mr. Chairman, I would first like to commend the distinguished chairman and ranking member of the subcommittee for their many years of dedicated work and bipartisan cooperation. I wish them both the very best in their future endeavors. They are a distinguished pair and a credit to this institution.

Mr. Chairman, I rise in strong support of the common sense amendment to terminate the funding of the advanced light water reactor. I join with my colleagues in cosponsoring this important effort to cut wasteful spending and to save the taxpayers $17 million.

There are many reasons why this egregious corporate handout should be stopped, but as co-chair of the Porkbusters Coalition, I am most interested in the fact that this $17 million appropriation for nuclear engineering is no longer authorized. As the Chair may know, there was funding authorized for the commercialization of advanced light water technology under the Energy Policy Act of 1992, but that authorization has expired and clearly does not apply to this appropriation.

To be sure, I brought with me the authorizing statute for the advanced light water reactor program so we can see why this appropriation is not authorized. First, note in the highlighted language here that it must be technology that would be used in the United States, commercialized and used in the United States. This is not the case with this particular program.

The intent of the advanced light water reactor program was to provide the taxpayers with new domestic sources of energy in return for their investment, not provide corporate giants with pork subsidies to finance profitable overseas business ventures.

Finally and most importantly, this statute established strict funding limitations for corporate participants. It clearly states that there is a life of 4 years, and here is the statutory language, a life of 4 years.

Mr. Chairman, in summary, this program ought to be stopped. This amendment ought to be adopted.

Mr. MYERS of Indiana. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. KLINK].

Mr. KLINK. I thank the gentleman for yielding this time to me.

Mr. Chairman, we have got a problem in this country with not making the kind of investment in industry that creates jobs. While Great Britain and France and Japan and Germany go with their industrial leaders around the world and see that they have an opportunity to create job markets, the United States just sits here, not doing anything.

Mr. Chairman, Energy Secretary Hazel O'Leary has made some mistakes. They have been well documented. But it was because she was trying to do something that was right. Industry has understood this. They have come before our Subcommittee on Oversight and Investigations and have said, "We are getting business because of this." The Advanced Light Water Reactor Program is indeed an example of something right that this country is doing.

In the Energy Policy Act of 1992, Congress determined that in order to ensure that nuclear power was maintained as a viable energy option for our Nation as we approached the 21st century that there needed to be a partnership between private industry and the Federal Government. Because we had uncertainties and complexities that dealt with the risks of nuclear licensing processes, the importance of the program's future demanded, in fact, that the Government would play a role.

Congress authorized a two-phase program: Design certification to cover the NRC regulatory process, and first-of-a kind engineering. The Advanced Light Water Reactor Program is an effective program. It is recognized as a world-class development. Both General Electric and ABB Combustion Engineering presented reactor designs in the program that are going to be completed by the end of fiscal year 1996. The AP 600 design is 88 percent complete and there is a payback to the Federal Government. Westinghouse is competing with France, by the way, for every unit they sell, for every AP 600 they sell. Over in the Far East these developing countries where there is $1 trillion worth of energy development, these developing countries are going to be building their energy production while we have about built our limit. For every AP 600 that is built, there will be 5 years worth of work for 5,000 people. If those jobs are not created here, they will be created in France or somewhere else. The very first unit that is sold, $25 million goes right back to the Federal Government. With each additional unit, there will be $4 million more, for each unit, going back to the Federal Government.

I believe if the Obey amendment passes that we give up all chance for recoupment. We have gone this far. There is going to be a payoff. Someone is going to manufacture this. I want it to be American workers. I want those jobs to be created in this country. I think the Obey amendment will see that that work goes overseas and not here in this country.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. ROYCE].

Mr. ROYCE. Mr. Chairman, I rise to express my strong support for this amendment. Authorization for Federal subsidies to develop the advanced light water reactor was established by the Energy Policy Act of 1992, which was enacted into law on October 24 of that year, and I am just going to quote from that law. It states that "The Secretary" of Energy "shall conduct a 5-year program of technical and financial assistance to encourage the development of advanced light water reactor designs which" shall be "no later than the end of fiscal year 1996." That is the law that was passed.

Last year we went through this. On July 12, the distinguished chairman of the House Appropriations Subcommittee on Energy and Water defended continued Federal funding of this program, and he said at that time, "* * * this is the fifth year of a 5-year program for the advanced light water reactor." That was a year ago. Now we have the Department of Energy concurring with the assessment in a March 28, 1996 memo.

Mr. Chairman, I urge my colleagues to support this amendment.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Arizona [Mr. SALMON].

Mr. SALMON. Mr. Chairman, last year during floor consideration of an amendment to eliminate the advanced light water reactor program, I supported continued funding for the program. I did it because I was assured that fiscal 1996 would be the final year of the program. To my surprise, tonight is deja vu all over again.

I thought it was important to support the program throughout its completion in order to recoup some of the $340 million of taxpayer money we have invested in the program to date. But it is becoming increasingly apparent that this technology, once certified, may not even have a market.

General Electric canceled development of a similar reactor because they believe that the market for smaller advanced light water reactors is nonexistent. If this reactor is really worth the investment, can a corporate giant like Westinghouse not come up with the $17 million to complete the program? We can save $17 million for the taxpayers tonight if we vote for discontinuing this program, or we can be back here next year, same program, same debate, deja vu again.

Mr. OBEY. Mr. Chairman, I yield 1 minute to the gentleman from Florida [Mr. FOLEY].

Mr. FOLEY. Mr. Chairman, let me sum it up.

We have got $378 million invested. I just heard a minute ago we are going to get $3 million back on the sale of a reactor somewhere. With that kind of math we have almost 120 or 140 reactors yet to sell to break even. What a great investment.

San Francisco Chronicle:

> If there's a lucrative export market, let them finance their own development programs.

The Oregonian:

> Let's face it, nuclear power in the United States, no matter how you feel about it, is a dead issue.

The Charleston Gazette:

> Why on earth is Congress giving taxpayers' money to billion-dollar companies?

The Courier-Journal of Kentucky:

> Given the new competitive pressures in the utility industry, no manager with any concern for his company's financial stability would even think of going nuclear.

Kennebec Journal in Maine:

> The project is a classic government boondoggle, all the more egregious since it squanders taxpayers' money.

The Morning Sentinel in Maine:

> Funding continues despite the fact that no utility has built a nuclear plant in 23 years and that 89 percent of utility executives claim they will never order another nuclear plant.

Mr. Chairman, clearly the editorial boards from around the Nation are against this. Clearly CATO and all the other groups that have weighed in are against this. The gentleman from Wisconsin [Mr. OBEY] has led the fight for years. I give him credit. This year we are going to win it and win it for the taxpayers.

□ 2245

Mr. OBEY. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, I have just one comment for my friends on the majority side of the aisle: Two years ago, when you took over this House, you indicated that you wanted to see an end to business as usual. You indicated that you wanted to eliminate the Department of Energy.

I would point out that if you cannot tonight or tomorrow, when this vote takes place, at least vote to eliminate this tiny program, then indeed your revolutionary trumpet has turned into a piccolo. I urge Members to vote for the amendment. This is one of the wealthiest industries in the country. It does not need this subsidy.

This program was supposed to be helping develop nuclear reactors in this country, not in Taiwan. I urge Members to vote for the amendment in the interest of saving the taxpayer a dime. This investment is something that has outlived its usefulness a long time ago.

Mr. MYERS of Indiana. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think all of us understand the issue here. The taxpayers of our country have invested about $300 million in the technology of the light water advanced reactor.

It is true that we are not building reactors for our own consumption in this country. I think that is a sad commentary on our industry. I do not think it is because our American industry would not like to, but we have built too many impediments, through the Nuclear Regulatory Commission and others, discouraging now a CEO from buying a nuclear reactor. But the rest of the world is willing to buy. They are buying and they are building.

They are advancing their light water reactors. They have a boiling water reactor in Japan. They are advancing. They are moving forward. We can be part of the sales or we can sit back and let everyone else in the world.

The gentleman from Pennsylvania, [Mr. KLINK] made a very, I think, compelling reason why if we have got $300 million already invested, the utilities and the heavy companies that are producing, like General Electric and Westinghouse, have more than $500 million invested, for another $17 million this year, to show not only that maybe the money is not near as significant but to indicate that America is standing behind its own industry.

We have a product that will do the job, that we are in the market to sell reactors to the rest of the world who are willing to buy and are expanding.

In closing, we do have a letter from the Department of Energy. All of us are not wanting to see the demise of the Department of Energy. Some of us would like to see it improved somewhat, be more realistic for today's needs, but some of us are not in favor of doing away with the Department of Energy.

I am quoting now. They say the program is nearing a successful conclusion; much of the investment could be wasted if the goals of the program, Nuclear Regulatory Commission design certification and completion of first-of-a-kind engineering, which is to complete the first-of-a-kind engineering, if that is not completed we will have lost the money we have invested.

I respect my colleagues from Wisconsin. He is very sincere and others, but it is the argument we have heard before. Stick with your committee. Vote to reject this amendment.

Mr. ROEMER. Mr. Chairman, the Advanced Light Water Reactor is the last nuclear option left in the federal budget. I rise today to give my support to this project and to oppose the Obey amendment to kill this project.

We must cut spending, but we must also invest. The ALWR program is an investment that will be repaid: it leverages public dollars to allow U.S. industry to move into a newer, more efficient and safer nuclear age. Pursuit of common interests is a valid use for federal investment in energy research and development. Eliminating the last commercial nuclear energy program is not in our best interest. Without this investment, we might well find ourselves again overly dependent on foreign energy sources and technology. We could lose, for many years, the ability to build affordable nuclear technology for our nation's energy needs.

This is the fifth year of a five-year program. It was born of competitive bidding, and is a partnership with our nation's utilities. We must not sit idly by, watching other nations develop advanced technologies which they will almost certainly use as an unfair competitive advantage against our nation in the world market.

Like fusion, this is a technology that most advanced nations are pursuing. And also like fusion, should our nation fail to invest in our own share of this important research, our ability to produce affordable energy and compete in an increasingly competitive global market could be seriously weakened.

I urge my colleagues to support the ALWR and oppose this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. OBEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. OBEY. Mr. Chairman, I demand a recorded vote and, pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 483, further proceedings on the amendment offered by gentleman from Wisconsin [Mr. OBEY] will be postponed.

The point of no quorum is considered withdrawn.

AMENDMENT OFFERED BY MR. SCHAEFER

Mr. SCHAEFER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

> Amendment offered by Mr. SCHAEFER: Page 17, line 21, strike ", to" and insert in lieu thereof "(reduced by $11,930,200) (increased by $42,103,200), to".

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from Colorado [Mr. SCHAEFER] and a Member opposed each will control 15 minutes.

The Chair recognizes the gentleman from Colorado [Mr. SCHAEFER].

Mr. SCHAEFER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am introducing an amendment which I feel is very, very important, not just for the current generations that we have in this country but for the future generations that we have in this country.

The aim of the amendment is really very simple: to ensure the future generations that they can enjoy energy security. This means that our children and our grandchildren and their children should be able to have stable, dependable and relatively inexpensive sources of power for their homes, cars, businesses and factories.

As chairman of the Committee on Commerce's Subcommittee on Energy and Power, I have seen first hand how vital it is to have a vibrant and diverse energy production base. Solar, wind, geothermal, biofuels, hydrogen, hydro power and other renewable sources are increasingly viable for energy production in this country. We must ensure continued research and development.

This is why I, along with Representatives KLUG and THURMAN and MINGE and SALMON and FAZIO would like to help keep funding at the renewable source and not reduce it. Over a period of time the funding has been cut in the last 3 years. Over a period of time, still renewables are getting cheaper, less expensive. And if we look to the future generations, we know darn well that this is going to happen and we are going to run out of fossil fuels one day. We are going to run out of coal one day, and it is very important to continue this funding for renewables.

What we have done is went across the board and now are cutting only 0.4 percent of the total budget of 26 billion, which is about $11 million out of that and taking money that now has been given back to us from the Central Arizona Project and the DOE field labs.

The SAFE [Securing America's Future Energy] amendment, which I am sponsoring together with my colleagues, Representatives KLUG, THURMAN, MINGE, SALMON, and FAZIO, would help keep funding for renewable energy research and development programs at viable levels. Without this funding, many important renewable energy programs would be forced to close down, leaving our country dangerously unprepared for future which could include steep energy price hikes or supply interruptions due to any number of reasons, ranging from instability abroad to trade boycotts.

Mr. Speaker, the programs in this bill are not "corporate welfare." Renewable energy programs have the highest cost-sharing of all the programs in the Department of Energy. If there appear to be unusually high unspent balances in this program area, it is because the Department is dealing with many small businesses from around the country.

Far from being "Corporate Welfare," in fact, these programs benefit the general welfare of the entire country, and especially of future generations of Americans. Specifically, my amendment would increase funding by the following levels for these programs which were cut in committee:

	Million
Solar building technology research	$1.0
Photovoltaic energy systems	7.0
Solar thermal energy systems	2.0
Biofuels energy systems	1.0
Wind energy systems	22.5
Solar international-correct	2.0
Resource assessment	2.1032
Hydropower	.5
Energy storage systems	2.0
In-house energy management	1.0
Renewable energy production incentive	.5
Utility climate challenge	.5

It is my intent that the reduction of $11.93 million, or approximately .4 percent, in the energy supply research and development account be spread evenly across all programs under this account with the exception of those programs funded under the solar and renewable energy account. This includes all mandatory and optional programs administered at all levels under this account.

It is not the intent of this amendment to eliminate any program or project that is currently funded in this account. It is my intent that the funding reductions from the Kolbe and Roemer amendments be combined with the $11.93 million general reduction in the energy supply research and development account to fund the renewable energy programs I have listed.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Is there a Member seeking time in opposition to the amendment?

Mr. MYERS of Indiana. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Indiana [Mr. MYERS] is recognized for 15 minutes.

Mr. MYERS of Indiana. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. KNOLLENBERG] a very valuable member of our committee.

Mr. KNOLLENBERG. Mr. Chairman, I thank the gentleman for yielding the time.

Mr. Chairman, I rise in opposition to this amendment. I recognize the time and the effort and extraordinary commitment that the gentleman from Colorado has, but I would just say to him that there is a lot of talk in this body about cuts for solar and renewable energy programs. I know that there are a lot of Members that are fascinated with the whole idea of renewables. I happen to be to some extent, too, in fact, to a great extent. But we also know during the next few years, next few decades that we expect the depletion of our supplies of fossil fuels. But that time has not come. And at some point we will have to be prepared for that, but it is not here yet.

I think it is critically important that my colleagues understand that all Federal programs designed to further the cause of solar and renewable energy are not created equal. We have basic research programs that are designed to remove the technological barriers to cheap plentiful sources of renewable energy.

It seems to me that the widespread use of solar and renewable technologies will not make economic sense, some say, for another 40 to 60 years. If that is the case, we should devote most of our research developing new technologies rather than pumping up current technologies that have not proven economically competitive.

This amendment moves in the opposite direction. In fact, I would say also that this amendment does nothing, absolutely nothing to change the law on its face. The amendment is dependent upon the legislative intent we expressed here in this debate.

I believe we should take the 9.6 million that was saved in the Roemer amendment to reduce the DOE's field management account and the 20.6 million that was saved with the Kolbe amendment to reduce the Central Arizona Project, I believe this money, both of these moneys should go to deficit reduction.

We can still do that. However, if we are so inclined to take this savings that the American taxpayers have enjoyed for less than an hour and a half, maybe, how long has it been, and just turn around, I think we ought to take the savings and put it somewhere into research and development and energy supply.

I will just tell Members that the solar and renewable accounts are already overflowing with cash. Listen to this, these are unspent balances and the proponents of the Schaefer amendment want to increase funding for programs that have huge unspent balances: solar building technology research, 3.3 million; that is 163 percent of last year's appropriation. Electric energy systems, 42.8 million; that is 141 percent of last year's appropriation. Here is one, wind energy systems, 55.6 million; that is 171 percent of last year's appropriation, and solar technology transfer, 24.3 million; that is 566 percent of last year's appropriation.

What does this all mean? It means that some of these accounts could go on for five years at the current level of funding and longer without needing another dime.

I think it is time that we look at precisely the situation that we are doing here. We are trying to subsidize a program that frankly has not reached viability commercially. It truly has not. I have got a project in my home state of Michigan where they have subsidized, the individual subsidies make it work, but that comes out of their pocket. It does not cost DOE a penny.

I am suggesting that in this time of limited fiscal resources, basic research, not corporate welfare, is what we need now. I urge Members to vote "no" on the Schaefer amendment.

Mr. SCHAEFER. I yield 2½ minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Mr. Chairman, I thank the gentleman for his leadership on this issue.

I rise in strong support of the gentleman's amendment to keep the solar renewable industry viable. We are talking about a renewable energy technology account which amounts to our only domestic contribution to an industry which is growing by leaps and bounds, projected to grow by 70 percent in 5 years. Renewable energy technologies, when you look back, have made up 10 percent of our domestic energy production, more than doubling their contribution since 1973.

Wind energy is now a $4 billion industry in the United States. Biomass has increased fivefold over the past two decades. The solar industry boasts over a half billion dollars in annual sales.

What has merely been a downpayment on what is needed has begun to be eroded in drastic terms. The renewable account took a 29-percent cut last year. Another 20 percent was going to be cut this year with a number of program terminations.

The enactment of this amendment, I think, will reverse what is an ominous trend. It is shortsighted to perpetuate our dependence on foreign oil, when we have the potential here at home to promote technologies we can depend on. Whether you cite the bombing in Saudi Arabia or simply the price at the pump that we experience early this year, Americans continue to understand just how vulnerable we are to the reality of an increasing amount of imported energy.

We need to acknowledge that this is not the time to be scaling back our commitment to renewable energy. We are moving beyond research to achieve numerous technological breakthroughs from which commercial applications are currently being realized.

What are we facing around the world as we look at our competition? Denmark is spending more for wind research and development than the United States. Japan is spending twice what the United States is on photovoltaic research and development and an additional 150 million on PV procurement. Germany is spending 50 percent more than the United States on photovoltaic R&D and a tremendous amount of money at the local level, $100 million, for their program through local governments. Spain is investing in an equal amount on solar thermal power as the United States of America.

They see this market growing. If we turn our back on it, we will regret it in the loss of jobs and a cleaner environment.

Mr. Chairman, I rise in support of this effort to keep the solar and renewable industry viable.

I have long been an advocate for this industry for many reasons. Renewable energy technologies account for about 10 percent of the Nation's domestic energy production and have more than doubled their contribution since 1973.

Combined, they now provide almost seven quadrillion BTU (quads) of energy annually. Biomass and hydropower account for over 45 percent each, with the balance of the mix of geothermal, wind and solar resources.

Wind energy is now a $4 billion industry in the United States. Geothermal is America's second largest renewable energy source creating energy through electric transmission.

Biomass has increased fivefold over the past two decades. An innovative example is a plant in my district which will turn rice straw into ethanol.

The solar industry boasts over a half billion dollars in annual sales.

The Renewable Energy Production Incentive Program, which I helped initiate under the Energy Policy Act, has helped public power agencies develop a wide array of renewable energy technology and move toward greater competition.

The validity of these programs is why I offered an amendment in committee to provide $10 million for 3 programs which were zeroed out—wind, solar buildings, and REPI.

That was merely a downpayment on what is needed. This account took a 29 percent cut last year. Another 20 percent was going to be cut this year with a number of program terminations.

It is shortsighted to perpetuate our dependence on foreign oil when we have the potential here at home to promote technologies that we can depend on.

This amendment increases the solar and renewable account close to 1996 levels.

It calls for offsets across-the-board in the Energy Supply, Research and Development account, including solar and renewables.

I regret that an offset is required at all because this increase should not take away from other programs within the Department of Energy of equal importance.

The difficulty stems from the insufficient amount allocated to energy and water in this appropriations cycle. I hope that the House will recede to the higher Senate numbers thereby giving us the needed flexibility to restore energy supply, R&D to their original levels. This should be a priority in conference.

For now, we need to acknowledge that this is not the time to be scaling back our commitment to renewable energy.

We are moving beyond research to achieve numerous technological breakthroughs from which commercial applications are currently being realized.

There is great industry interest and financial support for taking these applications into the marketplace.

Budget tightening forces us to make choices. Investing in solar and renewables is an investment in the future—this should be our priority if we intend to become less oil dependent and more self-reliant on our energy resources.

I urge my colleagues to support this amendment.

Mr. MYERS of Indiana. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Pennsylvania [Mr. WALKER], chairman of the Committee on Science.

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding me the time.

First of all, I would just like to figure out on the amendment, Mr. Chairman, as I understand it, this amendment which purports to be one that is for wind energy, photovoltaic energy, solar thermal energy, solar international, so on, he way the amendment is drafted, you could actually spend it on hydrogen, on light water reactors, on superconductivity, on basic energy sciences, and a number of those kinds of things; is that not true?

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, that is right. Biomass, which is probably a better way to spend it.

Mr. WALKER. In other words, the way in which the amendment is drafted, the other thing we ought to know about the amendment is that the way in which the amendment is drafted also increases spending now by $30 million. Because the House earlier this evening cut money back, and so now we are going to respend the money. This is actually, in the way in which this amendment is drafted at the present time, an amendment that can spend money in all kinds of areas other than what is being purported out here. But it also increases spending by about $30 million.

I think it is important to understand where this money has gone before, because you might say that, well, wind energy and all these things are good things to do.

We ought to examine where we have been spending this money. Has it really gone for solar energy and wind energy? Let me give Members a couple of examples of where this money goes.

Back in 1993, the money from these accounts went to pay the Solar Energy Industries Association of Washington, DC, for the Soltech Conference and Earth Day. Lobbyists loved it. The lobbyists got good money out of this and so on. That is what it went to pay for.

We have got a couple of dandies here. In fiscal 1995 just passed, in a noncompetitive award to the American Wind Energy Association of Washington, DC, what did we get out of this, we got a grant to study avian activities associated with wind power. In case my colleagues do not know, what that means is what they studied and found was that if birds fly into windmills, it kills them.

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Now, as my colleagues know, I am not so certain that we are getting a lot of wind energy out of that kind of thing. Then, in 1995, we also gave $864,000 in a noncompetitive award to Castles and Associates, Incorporated, noncompetitive, of Arlington, VA, for a communications plan for the Olympics. In addition, in fiscal year 1995, we awarded a $234,000 noncompetitive award to Wal-Mart. To do what? To implement PVs in environmental demo stores to power electric powered shopping carts.

Now, I am suggesting to my colleagues that this is not doing what the people here are telling us it is doing. This is not money being spent to get us the kind of basic research that this country needs in order to fund the future energy of this country. In fact what is happening in this amendment, whatever money is being taken out is being taken out of basic research in favor of giving money to people to study whether or not birds that fly into windmills get killed. They do, and we do not need to study it anymore.

Mr. SCHAEFER. Mr. Chairman, I yield 2 minutes and 40 seconds to the gentleman from Wisconsin [Mr. KLUG].

Mr. KLUG. Mr. Chairman, when I, years ago now unfortunately, it seems, went through my MBA program in school, one of the first principles I learned in investment is the idea of diversifying one's portfolio. If someone puts all their eggs in one basket, they have the high potential to lose them.

I suggest to my colleagues tonight that that is what this amendment in many ways is all about.

Today, several years after the end of the gulf war, we import more than 50 percent of our energy needs in the form of oil from the Middle East. In fact, crude oil and petroleum imports are responsible for $51 billion or nearly one-third of the Nation's trade deficit in 1994.

What this amendment really reflects is to look at this Nation's energy portfolio and to make an intelligent decision about where we think those scarce dollars should go.

Now, let us make it very clear that under the appropriations bill the last several years the renewable accounts have taken a hit. That is fine with me. I mean, I think every program that this Congress evaluates and spends money on should be capable of taking a hit. But we have got to be awfully careful in terms of limiting our ability to balance that energy portfolio if we do this much too aggressively and not particularly intelligently.

Under the amendment tonight sponsored by the gentleman from Colorado [Mr. SCHAEFER] on a bipartisan coalition, renewables will still sustain a 2-percent cut, and we are asking other energy programs to take a cut by only 1½ percent. So even under our plan to restore funding to renewables, to slow down this decline in the trend line we still take a 2-percent decrease. So let us make that very clear.

Now, the one major reason that I think we need to continue this funding is because it is just finally beginning to pay off. In the next several years, nations across this world will spend $1 trillion to meet their new energy needs. In fact, at this point, the global market for energy efficiency technologies and services, including renewables, is $84 billion a year. And look at what the investment by the Federal Government is beginning to do, which is to show the cost of solar, the cost of wind, the cost of biomass, and the cost of geothermal are beginning to decline precipitously, so we have a competitive advantage in this country to take advantage of a market that is approaching $100 billion a year.

And what is the bottom line that we get for all of this? Not only do we begin to decline, reduce America's dependence on foreign oil imports, we begin to keep many of those resources right here at home.

I urge my colleagues to support this amendment and to continue our investment in renewables to diversify this Nation's energy portfolio. That is what this amendment is all about.

Mr. SCHAEFER. Mr. Chairman, I yield 2½ minutes to the gentleman from Minnesota [Mr. MINGE].

Mr. MINGE. Mr. Chairman, I have a prepared statement, but I would like to depart from that prepared statement to join in the debate that we have had this evening here on the floor about this very important amendment, and there are three points that I would like to make.

First, it is interesting to note that this amendment is juxtaposed with an amendment that was previously considered regarding nuclear energy. Now, many of us are interested, if not fascinated, with nuclear energy. In fact we have invested hundreds of millions of dollars in this country in this technology. But it is also very clear to us that this country is no longer interested in developing nuclear plants. We cannot dispose of the fuel that has been generated, and as a consequence, we have an industry that is almost a white elephant domestically. Yet we continue to invest in this industry.

By comparison, we have tremendous interest in renewable energy, biomass production. It is an emerging industry, and we ought to invest in this new technology.

Second, there has been some discussion about unallocated balances and whether or not the Department of Energy is sitting on funds that it has not been able to use, and is it not foolhardy to allocate yet more money in an appropriations bill?

I think it is important to recognize, and the Members of this body ought to realize that the Department of Energy has, in fact, used and allocated over 90 percent of the balances. They have been obligated to multiyear contracts so that these funds indeed have been used; they are not languishing in the Department of Energy.

Third, there has been some reference to silly expenditures, and I will take at face value the comments by the distinguished gentleman from Pennsylvania that indeed the Department of Energy has made some foolish expenditures. But I would like to remind this body that we have an oversight obligation, and I trust that the Committee on Science will faithfully fulfill that obligation and that we will prevent this type of silly expenditure in the future.

We have an obligation not to let the anecdotal evidence of a handful of expenditures deter us from doing our job, forthrightly moving ahead and supporting this important emerging industry.

Mr. Chairman, I rise in strong support of the SAFE, or Securing America's Future Energy amendment that I have introduced with Representatives SCHAEFER, KLUG, THURMAN, SALMON, and FAZIO. Our amendment will increase Department of Energy renewable energy research and development funding by $42 million. This amount will partially restore funding for wind, biomass, solar, and geothermal to their fiscal year 1996 levels. The amendment is budget neutral and is paid for by a .47 percent across-the-board cut to all energy supply, research and development programs. Even with our amendment, renewables will still be cut by $6 million from fiscal year 1996. This represents a 20-percent cut for renewables, which is larger than the .47-percent we are asking the other programs to sustain. The purpose is to establish a viable funding level for renewables.

Unfortunately, renewable R&D funding in this bill sustained a $44 million cut from a fiscal year 1996, a 16-percent cut. This is a substantially larger cut than any other civilian DOE program. If we add this to last year's cut of 29 percent, we get a total of 40 percent reduction in renewables over the last 2 years.

We need only look to the Middle East to see how our energy security and national security are intimately related. We fought the Persian Gulf war, in large part, over the threat to our oil supply. I would remind the body that earlier this month 19 American soldiers tragically lost their lives in Saudi Arabia defending our access to Middle East oil. We simply cannot afford to rely on such an unstable supply. The Department of Energy is forecasting that we will become even more dependent on this volatile source of energy during the next 20 years.

Our best insurance policy against future energy security problems, more gas price hikes, further pollution and degradation in the environment is renewable energy research and development.

The majority must believe that the American public will not notice that Congress is cutting solar and renewable R&D. Perhaps they think that the American public will not care. However, poll after poll shows that the American people not only know about these programs but overwhelmingly support them. According to a recent poll done by Republican pollster Vincent Breglio, 59 percent of Americans said that a congressional candidate's support for energy funding will affect how they vote.

With each new breakthrough in renewable fuels, this country moves closer to the day when we can significantly reduce our dependence on imported oil and become more self-sufficient in all forms of energy. It will also ease our chronic trade deficit problem. Roughly 50 percent of our trade deficit is caused by imports of foreign oil. It also augers well for our national security, enabling us to become less vulnerable to interruptions in supply from foreign oil sources and less necessary to send our troops to defend these supplies.

Expanding the development of renewable energy is also beneficial to our national economy. Exports of these new energy technologies on the world market are a significant opportunity. American entrepreneurs and national labs in our country represent the cutting edge of this industry. We must not pull the plug on these small businesses and lose out on this untapped potential. Already, our European and Japanese competitors are capitalizing on these technologies and investing far more than we in this area. Do we really want another technology giveaway like we had with VCR's?

Renewable energy technologies provide a boost in economic benefits to our rural communities. Farmer-owned ethanol plants have already brought new jobs to many declining rural communities who depend on corn production, not to mention the benefit of displacing imported oil. Biomass R&D will further improve the efficiency of ethanol production from biomass sources. Biomass R&D will also develop electricity generation. Wind energy is another cutting edge energy technology that holds promise throughout the windy Plains States. Yet wind R&D takes the biggest hit in the committee's budget—a cut of 82 percent from last year. This does not make any sense when the industry is on the verge of production cost competitiveness.

We must not overlook the environmental benefits that renewable energy technologies provide. As clean technologies like wind, biomass, solar, geothermal, and hydro continue to displace coal and oil, and the air we breathe will improve.

The American public understands that we have too much at stake in energy security, in curbing pollution, and creating and capturing high-technology markets. Let's show the American people that Congress has gotten the message. I urge my colleagues to support the Schaefer-Klug-Thurman-Minge amendment to restore renewable energy R&D.

Mr. SCHAEFER. Mr. Chairman, I yield 2 minutes to the gentlewoman from Florida [Mrs. THURMAN].

Mrs. THURMAN. Mr. Chairman, the amendment we offer today is about what America wants. Americans want bipartisan answers to our Nation's problems, and I am pleased that I have had the opportunity to work with Members from both sides of the aisle to try to provide some of those solutions.

But, Mr. Chairman, our amendment is also about what Americans do not want. Americans do not want to continue to send their sons and daughters to war because of our addiction to foreign oil. The one sure way to reduce that possibility is to increase our commitment to alternative energy sources.

But this is not what the bill before us today does. The committee measure cuts renewable energy programs 16 percent below fiscal year 1996 funding.

I worked very closely with researchers at the University of Florida solar energy labs. While the U.S. commitment to renewables is eroding, the researchers at U.F. watch their colleagues around the world capitalizing on the growing market for renewable technologies.

Of course, people will argue that renewable funding is somehow corporate welfare, or pork. These folks think that we should only spend money on basic research and forget about applying this work to marketable technology. In fact there was a Dear Colleague that crossed my desk yesterday that said solar energy would not be economically competitive for 40 to 60 years.

The truth is that just last month the Financial Times reported that solar power is increasingly being seen as a viable energy option with vast commercial potential.

As we ignore the potential market for renewables, the British Department of Trade and Industry just helped finance the UK's first solar powered office building block. They know that photovoltaics allow for power generation at the point of use. When we add the savings to be gained by avoiding transition and distribution costs to the benefit of not being dependent on foreign oil, we can begin to see the many advantages solar development has in the United States.

Finally, there is a tremendous world market for these products. At any rate, American know-how should mean American jobs and American profits.

Mr. SCHAEFER. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Chairman, I thank the gentleman very much for yielding this time to me.

Mr. Chairman, I again have found it extremely interesting to listen to the debate on this subject because of my long involvement in the efforts to develop these alternative energy sources. We are on hard times today with regard to developing the promise of alternative energy, and in part it stems from opposition from a variety of sources. Of course, the opposition that stems from a desire to cut the budget the kind of opposition reflected by the gentleman from Pennsylvania [Mr. WALKER] in his remarks who feel that it is not appropriate and wise from a policy standpoint to fund what he would describe as applied research, which is what a great deal of his alternative energy is.

I do not happen to agree with this point of view. I have seen our investments in alternative energy over the last 20 years produce a continuing decline in the cost of the energy coming from these and a continuing increase in the market and particularly in the overseas market which is going to do so much for us in terms of creating jobs for American workers.

I would say that the indication of this last 20 years of history is that we have an extremely good thing which we developed in this country, alternative energy, and this is not the time to give it up by making these drastic cuts that we have in the program.

Now, I know the problems of the subcommittee in terms of finding money for all these programs. I respect those problems very much. I was worried about supporting this amendment initially because I feared that the offsets might require cuts in other programs of equally high priority.

I think the situation is somewhat better now, and I urge very strongly a "yes" vote on this amendment.

Mr. SCHAEFER. Mr. Chairman I yield 1 minute to the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, the reason that we should support the Schaefer amendment here this evening is that we will be helping to distort favorably the marketplace to compensate for the huge financial distortion which has been created by the Federal Government in giving huge subsidies to the nuclear industry over the last 40 and 50 years. Even since 1973, the last year nuclear power plant was in our country, $27 billion has been voted on this floor to subsidize nuclear energy. If we were going to list, as the gentleman from Pennsylvania did, all of the investments in nuclear energy that has been wasted in the last 20 years, it would be every single dollar. We have not seen a single benefit from it in new nuclear power generation in our country.

A solar energy investment is the investment in the technology of the 21st century. That is what a "yes" vote on Schaefer represents here this evening.

Mr. MYERS of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. KNOLLENBERG].

Mr. KNOLLENBERG. Mr. Chairman, I just happened to hear some things I thought I should respond to because some folks have the impression that nothing is really happening here; we just slide these numbers around, everything is cool, everything is kind of like nice.

Let me just tell my colleagues a little bit about what is happening here. Some think we are not taking away; we are just squeezing out of nowhere. We are not.

Let me tell my colleagues the Schaefer-Klug amendment adds wind energy, $22½ million; photovoltaic energy, $7 million; solar energy, $2 million; solar international, $2 million; resources assessment, $2 million; energy storage systems, $2 million; solar building technology, $1 million; the wrecking program which, by the way, was blown out by last year's committee entirely. And what does it take away? These are the things it takes away: nuclear safety, domestic environmental waste cleanup, the fusion program, environmental and biological research, including the human genome project, lab safety and improvement program, medical isotopes program which provide isotopes for hospitals, environment, safety, health and improvement activities which help ensure worker and public safety, environmental restoration, and it goes on.

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Those are the things that are being taken away. So do not think this is just something we are slipping out of the air.

I would also remind Members, maybe they did not know that this committee provided $10 million more than last year, this year. The President's request, by the way, was $64 million higher than DOE's own request to OMB. The committee provided 18 percent more than fiscal year 1991.

Mr. Chairman, this is the kicker. I think it is important. Mr. Chairman, this committee this year provided $231 million for solar and renewable technology R&D, plus out of the basic energy services, $18 million for solar and renewable related basic research, for a grand total of $419 million; not small potatoes.

Mr. SCHAEFER. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts [Mr. OLVER].

Mr. OLVER. Mr. Chairman, I rise in strong support of this S.A.F.E. amendment offered by the gentleman from Colorado [Mr. SCHAEFER].

Mr. SCHAEFER. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in closing my part of this, we are talking about a total budget here of $2.6 billion. We are talking about a .04 percent overall cut, $11 million out of $2.6 billion. I think for the future of our grandchildren, as has been stated, that sooner or later we are going to run out of fossils, we are going to run out of coal, we are going to run out of everything else, and this is good, clean energy that is being developed now at less and less a cost every year.

This is not corporate welfare. Private industry is not going to go out and develop this when there is not a profit to be made. That is why we have to put the dollars in to find these good, clean, renewable sources. I would urge Members to support the Schaefer-Klug-Minge-Fazio, et al. amendment.

Mr. MYERS of Indiana. Mr. Chairman, I yield myself such time as I may consume in opposition to the amendment.

Mr. Chairman, I think everyone understands the issue here. We are readjusting dollars away from other priority items that this committee in its judgment felt were a higher priority and better spending of the taxpayers' money than more money on solar.

The gentleman from Michigan [Mr. KNOLLENBERG] has identified some of the very high priorities, such as the isotopes used not only in diagnostic work but also in treatment that would be denied. This is restoring some programs that we eliminated last year, some eliminated by the President, and others that were not even in the President's budget this year. So these new adds are denying other funds for other programs.

It is a matter of judgment whether we want to go along with this. But let us take a look. We have not cut to the bare bone. We started in 1991, and from 1991 to 1995 we increased solar research by 98 percent, almost doubling funding. Last year, we realized that we were not getting a bang for the buck from our investment, so we started cutting back.

Photovoltaics was mentioned. There are 100 industries today producing photovoltaics; hardly a destitute industry needing help.

We talked about helping the utility industry a while ago. We have more than 300 companies now that are selling solar-related products. So, Mr. Chairman, the technology is here today. Does it need more funding?

Mr. Chairman, we have put money in this year and there is money from prior years. Last year, we asked the department for an analysis of remaining funds that are unspent. Solar building technology from last year, and this was taken as of May 31, two-thirds of the way through the year, they had an unspent balance of $3.3 million. They still had 163 percent of what we appropriated last year for solar building technology.

Wind energy systems. My gosh, what is new about that? I am 70 years old and as a kid we had a wind energy system. The wind program has $56.5 million unspent, 174 percent of the amount we appropriated last year for wind energy.

Solar technology transfer. Do we need that? We are selling solar. They always tell us how valuable it is; $23.3 million unspent—566 percent, 5 times more money than we appropriated last year was left unspent.

International solar energy systems, $7.8 million unspent, 194 percent still left on May 31. For all the solar renewable programs, including those, there was an unspent balance of $336 million. Do they need more money?

Mr. BEVILL. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Alabama.

Mr. BEVILL. Mr. Chairman, rise in opposition to the amendment, and in support of the committee and the chairman.

Mr. MYERS of Indiana. I thank the gentleman. I yield myself such time as I may consume, Mr. Chairman.

In closing, Mr. Chairman, we have a letter from SURA, the Southeastern University Research Association, from its president, Mr. Barnes. At the proper time I will ask that it be included in the RECORD. I urge us not to go along with this. We are denying some very important research programs. He represents 41 southeastern universities. He says, do not do this; you are hurting some valuable programs in research and you are putting money in some places, I am paraphrasing here, that will not get the bang from the buck.

So go along with your committee. They have not been able to spend the money we have put in for prior years. We just are not getting the benefit of the dollars for this investment. We are continuing to have research on other renewable, but wind and solar just have not produced for the dollars we have spent.

Mr. Chairman, I include for the RECORD the letter from Mr. Dennis Barnes.

The letter referred to is as follows:

SOUTHEASTERN UNIVERSITIES
RESEARCH ASSOCIATION, INC.,
Washington, DC, July 24, 1996.

Hon. JOHN T. MYERS,
Chairman, House Appropriations Subcommittee for Energy and Water, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN MYERS: The purpose of this letter is to express the opposition of the Southern Universities Research Association (SURA) to the amendment to be offered by Mr. Schaefer to the Energy and Water appropriations bill, H.R. 3816. It is my understanding that the amendment would add $42.1 million to renewable energy research—which the Committee has already increased by $10 million—while cutting an identical amount from energy supply, research and development programs.

SURA—which represents 41 universities in the Southeast—fully supports the Committee bill and is particularly pleased with the recognition the Committee gives to the importance of the General Science programs of the Department of Energy which funds nuclear and high energy physics. However, SURA strongly opposes the amendment's offset which would cut basic energy science research.

As you know, the basic science programs funded by the Office of Energy Research over the past several decades have led to a wealth of technological advances that have dramatically improved the energy security of our country and the welfare of its citizens. For more than a half century, every Congress and every President has recognized the unique role of basic science in sustaining the nation's world power status.

Sincerely,

DENNIS W. BARNES,
President.

I urge a no vote, and I yield back the balance of my time, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. SCHAEFER].

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. MYERS of Indiana. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to House Resolution 483, further proceedings on the amendment offered by the gentleman from Colorado [Mr. SCHAEFER] will be postponed.

AMENDMENTS EN BLOC OFFERED BY MR. MARKEY

Mr. MARKEY. Mr. Chairman, I offer amendments en bloc.

The CHAIRMAN. The Clerk will designate the amendments en bloc.

The text of the amendments en bloc is as follows:

Amendments en bloc offered by Mr. MARKEY: Page 17, line 21, insert "(reduced by $5,000,000)" after "$2,648,000,000".

Page 22, line 22, insert "(reduced by $15,000,000)" after "$5,409,310,000".

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from Massachusetts [Mr. MARKEY] will be recognized for 10 minutes, and a Member opposed will be recognized for 10 minutes.

The Chair recognizes the gentleman from Massachusetts [Mr. MARKEY].

Mr. MARKEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am pleased that the gentleman from Ohio [Mr. KASICH], the gentleman from Wisconsin [Mr. OBEY], and the gentleman from Massachusetts [Mr. TORKILDSEN] have joined me today in offering two bipartisan amendments, dealt with en bloc, dealing with pyroprocessing, a program that has important budget, nonproliferation, and environmental consequences for our country.

Friends, colleagues, countrymen, lend me your ears. We come to bury pyroprocessing, not to praise it. The evil that dead government programs do lives after them, while the good is oft interred with their bones.

So it is with pyroprocessing. Pyroprocessing is the last living remnant of one of the biggest budget-busting boondoggles in congressional history, the failed breeder reactor program. Pyroprocessing is not exactly a household name instantly recognized by citizens across the country. In fact, if you are not a nuclear physicist, like the gentleman from Michigan [Mr. EHLERS], then you probably never heard of pyroprocessing, which is a chemical procedure used to separate plutonium and uranium, the building blocks of a nuclear bomb from radioactive waste. Its secondary definition in the dictionary is, it is also a fancy name for burning money, taxpayers' money, at very rapid rates, getting almost nothing in return.

Mr. Chairman, nonetheless, you do not have to be a Ph.D. to understand that pyroprocessing is a budget-busting boondoggle that is bad for the environment and bad for American efforts to stop the spread of nuclear weapons.

Mr. Chairman, before any pyroprocessing pyrotechnics erupt on the floor over whether pyroprocessing at the Argonne National Lab is the same thing as a procedure called reprocessing, let me start by simply saying that a radioactive rose by any other name is a radioactive rose, nonetheless.

According to James Warf, a group leader for the Manhattan project and a holder of several patents on reprocessing, he says, "There is no question that the projects proposed to be conducted at the Argonne National Lab West is reprocessing."

Prof. Albert Wohlstetter, who over the last 45 years has served as a science and security adviser at the White House, National Security Council, and Departments of Defense, State, and Energy, for every Democrat and Republican President for the last 40 years, stated in a recent court case: "Whatever the name, what DOE proposes is clearly reprocessing."

The top three reasons why the Markey-Kasich-Obey-Torkildsen amendments should be adopted. First, our amendment is good budget policy. Pyroprocessing is a radioactive relic from a bygone era when specialized nuclear reactors called breeders were touted as the answer to our energy needs.

After pouring billions of dollars into the breeder program, Congress killed the breeders by terminating the infamous Clinch River reactor in 1983, and the advanced liquid metal reactor in 1994. Costs of a breeder program are astronomical. Former chairman of the Nuclear Regulatory Commission, Ivan Selin, estimated that it would cost $82 billion to build and operate a full-scale breeder program.

But like a vampire that just refuses to die, a money-sucking program, the pyroprocessing part of the breeder program continues to haunt us, sucking money from taxpayers by draining millions of dollars for a program that should have been buried along with the breeder program.

Taxpayers for Common Sense and Citizens for a Sound Economy support the Markey-Kasich amendment to cut funding for pyroprocessing as a way of putting an end to the wasteful breeder program once and for all.

Pyroprocessing also raises serious nuclear proliferation issues. According to national security experts like former assistant director of national security policy in the White House, Frank von Hippel, pyroprocessing could undermine the long-standing U.S. policy of discouraging reprocessing in other countries. This policy began in the Ford administration and has been in place ever since.

Changing course now would be a radical departure from our 20-year position and would send a contradictory and potentially dangerous message abroad. Pyroprocessing would make it easier for rogue states to use a civilian nuclear program as a cover for a nuclear weapons program, like India did and like North Korea did.

Peter Johnson, the project director of the 1994 Office of Technology Assessment study on the advanced liquid metal reactor, has stated that the pyroprocessing project should not be encouraged in other countries, and it should be protected from use by countries that may wish to protect weapons materials.

Our amendments are supported by major arms control groups, including Physicians for Social Responsibility, the Union of Concerned Scientists, the Nuclear Control Institute, and Greenpeace.

Finally, pyroprocessing is bad for the environment. Everyone agrees that we must find a way to handle our nuclear waste safely and efficiently. However, while the backers of pyroprocessing promote it as an environmentally friendly method of handling nuclear waste, the reality is quite different. Pyroprocessing actually creates a variety of new waste materials. This waste has not been evaluated to determine its stability over the long term.

As the National Academy of Sciences points out, rather than solving the waste problem, pyroprocessing only makes it worse by generating more waste, including wastes that have not been analyzed to ensure they are stable enough for long-term storage.

□ 2330

This amendment is endorsed by the Friends of the Earth and the League of Conservation Voters. I urge my colleagues to support the Markey-Kasich-Obey amendment. It cuts out $20 million not needed. The amendments are supported by budget watchdog groups, Citizens for a Sound Economy and Taxpayers for Common Sense. Our amendments are supported by arms control groups, Physicians for Social Responsibility, the Union of Concerned Scientists and Nuclear Control Institute. Our amendments are supported by environmental groups, the Friends of the Earth and the League of Conservation Voters. Bad budget policy. Bad energy policy, bad environmental policy, bad nonproliferation policy.

A "yes" vote tonight helps to preserve this Congress investing in each one of those dangerous avenues for the American people.

Mr. Chairman, I reserve the balance of my time.

Mr. MEYERS of Indiana. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Indiana [Mr. MYERS] is recognized for 10 minutes.

Mr. MYERS of Indiana. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. FAWELL].

Mr. FAWELL. Mr. Chairman, I have heard a lot of noise there and an awful lot of misinformation beginning with the fact that I do not think it is the Kasich amendment at all. He signed a "Dear Colleague," but I think he has some afterthoughts about having even done that.

Mr. Chairman, I certainly rise in opposition to this Markey amendment. The amendment would zero out an appropriation of $20 million for what I believe is an extremely important ongoing environmental nuclear waste reduction research program being conducted by the Department of Energy in Illinois and in Idaho.

The program is known as the electrometallurgic treatment program. It shows, I believe, promise as a method to greatly reduce, reduce, not increase, the volume and toxicity of over 2,700 metric tons or more than 150 different types of spent nuclear fuel which is supported at various DOE sites throughout this Nation.

It is a new and exciting treatment of spent fuel which also locks up and makes inaccessible plutonium that spent fuel contains. There is no proliferation here of plutonium. And that is what, when we talk about reprocessing, I think the gentleman must know; when we talk about reprocessing of nuclear waste, we are talking about the creation of pure plutonium. That alone is weapons grade plutonium. When we take that plutonium and we bind it with the actinides and the transuranic wastes, then you have no problem in that regard. And that is what this new process does. It is not reprocessing.

This technology can also potentially be applied to commercial spent fuel as well. This process also is not an enrichment technology, as has been erroneously contended, and it cannot become such. If, however, the fuel that is treated contains highly enriched uranium, it is blended down with a depleted uranium to make low enriched uranium. And it is not a breeder reactor, it is not the IFR, it is not the old breeder reactor. It is a research program designed to take spent nuclear fuel and make it less threatening to the environment.

It is obviously environmentally sound, and it is endorsed by the administration. It is endorsed by the Department of Energy. It is endorsed by the National Academy of Sciences, the National Academy of Engineering, the Institute of Medicine, who have looked into this and evaluated them very closely.

Mr. MYERS of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from California [Mr. BROWN].

Mr. BROWN of California. Mr. Chairman, I thank the chairman of the subcommittee for yielding me this 2 minutes. I am not an expert on this process, but I have been led to examine it at some length, and particularly to looking at the National Academy of Sciences review of the program. I have become convinced that the program is technically viable and desirable as giving us another option for the control of high-level nuclear waste.

I was vastly entertained by the description of the program by the gentleman from Massachusetts [Mr. MARKEY]. The gentleman could follow another career with great profit as an entertainer based upon his performance here. I am particularly interested in his trying to relate this to the breeder reactor program or the development of a plutonium society. I actually led the fight at the time that he mentioned to end the Ventura breeder reactor at the request of President Carter, and I am not a fan of breeders.

I do not want to see an economy based upon breeders, an energy economy or any other kind. From everything that I can see about this technology, it has no real relationship to the development of a breeder program. It is intended instead to be a safe way of disposing of the waste from what is known as the EBR–2, the experimental breeder reactor 2, which we are building at the present time, merely as a small experimental breeder.

It is intended to be a technology for disposing of a major part of the waste stream from that reactor. I therefore urge defeat of the Markey amendment.

Mr. MYERS of Indiana. Mr. Chairman, I yield 1 minute to the gentleman from Idaho [Mr. CRAPO] who has been a very valuable member of this committee.

Mr. CRAPO. Mr. Chairman, I too rise in opposition to the amendment. I think that several things need to be restated. First, this is not a debate over the breeder reactor. Those who oppose this technology have consistently tried to make that connection and falsely so.

The argument has been made that this is a budget issue. The fact is that the D.C. Superior Court recently ruled that by 1998 the Department of Energy must take possession of and manage the spent fuel in this country. This is a technology that will help us reduce the volume of the spent fuel and reduce the toxicity of the spent fuel and better manage it.

The argument has been made that it is a nonproliferation risk. I do not know whether we are talking about the same technology here, because this does not increase the plutonium, it binds the plutonium so that it cannot be used for weapons grade material, and it makes it ready for storage in safe manners.

In fact, as I listened to the debate of the gentleman from Massachusetts, I was convinced that we were literally talking about different technologies. As has been indicated, there are major different scientific groups that support this. I encourage my colleagues to look to those scientists and oppose this amendment.

Mr. MYERS of Indiana. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Chairman, I thank the gentleman for yielding me this time.

What we are talking about here is electrometallurgical treatment. It seems to me that maybe Shakespearean scholars do not want to listen to what scientists have to say about this, but it is, it seems to me, somewhat relevant that the National Academy of Sciences supports this kind of research. Shakespearean scholars may not care about what scientists think, but it does seem to me that the fact that the National Research Council supports this process makes some sense.

Shakespearean scholars may not care what scientists think, but it is true that the National Academy of Engineering supports this kind of process. It is also true that scientists at the Institute of Medicine in looking at this think that it is worthwhile to do.

Now, we can quote a whole bunch of people who have an agenda who are opposed to this kind of research, but let us understand what that agenda is. That agenda is to try to kill nuclear power. And so when they are given the kind of research that is critical to the solution of the Nation's spent nuclear fuel problem, obviously they are opposed to continuing that research. When they are given research that reduces the volume and the toxicity of the spent fuel and better prepares it for safe storage, they are opposed to that because their agenda is to kill nuclear energy. It is not to do good science.

Good science is supported by the National Academy of Science, by the National Research Council, by the National Academy of Engineering and by the Institute of Medicine. They all say we ought to go forward with this. I think we should too. Stop the Markey amendment. Defeat it tomorrow.

Mr. MARKEY. Mr. Chairman, I yield myself the balance of my time.

Let me say quite clearly that the gentleman who was just in the well unfortunately has such a commitment to these corporate welfare programs that is is impossible to break the addiction. This amendment is opposed by Citizens for a Sound Economy and Taxpayers for Common Sense. Those of us who are committed to balancing the Federal budget by the year 2002 have to be informed by these taxpayer groups that are looking, scouring the Federal budget, looking for the pork barrel projects that cannot be justified any longer. And under the guise of the red herrings, making this sound like some kind of antinuclear amendment, when the primary reason we should be opposing it is that the Citizens for a Sound Economy, Taxpayers for Common Sense, oppose it.

I am feeling right now that we should put an aquarium down in the well to contain all of the red herrings that the gentleman from Pennsylvania and others have injected into this debate. In fact, the reality here is that without question not only does this not solve the problems that have been pointed out by the opponents of this amendment, but it creates new ones.

The scientists, well, I have scientists. And my scientists, Albert Walstetler, perhaps the most respected, by the way, of any in the United States, he says quite clearly, whatever the name, what DOE proposes is clearly reprocessing. It is the separation of fissile, of fertile material from nuclear waste in the special case of EBR–2 spent fuel reprocessing may or may not make it easier to dispose of the waste, but it does not alter proliferation dangers. Vote "yes" on the Markey amendment.

Mr. MYERS of Indiana. Mr. Chairman, I will present a letter from the PIRG opposing this amendment. Mr. Chairman, I yield the remainder of my time to the gentleman from Michigan [Mr. EHLERS], the only scientist, I think, in Congress who knows what he is talking about.

Mr. EHLERS. Mr. Chairman, I thank the gentleman for yielding me this time. After that introduction, I am almost afraid to hear what I am going to say. It reminds me of a little medal which a friend presented to me a few days ago which I do not have the courage to wear on the floor. But it says, why, yes, I am a rocket scientist, which might be appropriate at this point.

I would note that the gentleman from Massachusetts referred to red herrings, which reminded me that you need boats in order to catch red herrings or other-colored herrings. And I come from Michigan where we have a great many boats, and we define a boat as a hole in the water into which you pour money. And that is unfortunately true.

But in our nuclear waste program in this Nation, nuclear waste repository is a hole in the ground into which you pour money. If we are serious about budget problems, we should worry about how we can reduce the costs of burying nuclear waste. We have spent billions and billions of dollars on the nuclear waste repository in Nevada. Frankly, anything we can do to reduce the volume of nuclear waste is going to be a moneysaver, not an expenditure out the Federal budget. I support anything that is likely to reduce the amount of waste.

It seems to me the supporter of the amendment makes a comment that it is reprocessing, and therefore it is bad. Of course it is reprocessing. That does not necessarily make it bad. If in fact it is able to reduce the problem, increase the safety of disposal of the waste, I think it is a good project.

The National Research Council has evaluated it and has come up with a statement that this is the methodology that should be pursued. Is it in fact going to be a positive response to our nuclear waste problems? We cannot guarantee that, but it certainly looks promising to the Research Council and National Academy of Sciences and others. Based on that, I think we should pursue the research further and determine whether or not it is going to be effective. Based on that, I urge the defeat of the Markey amendment.

□ 2345

Mr. TORKILDSEN. Mr. Chairman, I rise in strong opposition of this amendment to cut funding for pyroprocessing in the fiscal year 1997 energy and water appropriations bill.

Pyroprocessing is a chemical procedure used to separate plutonium and uranium from fuel that has been run through a nuclear reactor. The Department of Energy planned to use pyroprocessing as part of its program to develop the breeder reactor, similar, though not identical to the advanced liquid metal reactor which Congress killed in 1994.

This process is extremely hazardous to our environment because it creates additional radioactive wastes so toxic they may not be suitable for geologic storage. Pyroprocessing just doesn't make sense, especially when it is funded out of the DOE's waste management account which seeks to clean up hazardous material.

Furthermore, the funds this amendment seeks to eliminate were not authorized by the National Security Committee and will cut programs that will do more to clean up Department of Energy sites.

This amendment is endorsed by Citizens for a Sound Economy, the League of Conservation Voters, Taxpayers for Common Sense, and other environmental and public interest groups. It's not every day that the distinguished chairman of the Budget Committee, and the ranking minority member on Appropriations agree, but when they do we should listen.

Congress already had a similar debate when we voted to kill the advanced liquid metal reactor in 1994. Although the original program for which pyroprocessing was intended is long gone, the Department of Energy still receives funding for this program. Somehow this technology has taken on a life of its own and here we are again fighting for the environment and to eliminate this wasteful spending once and for all.

I urge my colleagues to protect the environment, balance the budget, and support the Markey-Kasich-Obey-Torkildsen amendment.

The CHAIRMAN. The question is on the amendments en bloc offered by the gentleman from Massachusetts [Mr. MARKEY].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. MARKEY. Mr. Chairman, I demand a recorded vote, and pending that I make the point of order that a quorum is not present.

The CHAIRMAN. Pursuant to House Resolution 483, further proceedings on the amendments en bloc offered by the gentleman from Massachusetts [Mr. MARKEY] will be postponed.

The point of no quorum is considered withdrawn.

AMENDMENT OFFERED BY MR. GUTKNECHT

Mr. GUTKNECHT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. GUTKNECHT: Page 36, after line 10, insert the following new section:

SEC. 506. Each amount appropriated or otherwise made available by this Act that is not required to be appropriated or otherwise made available by a provision of law is hereby reduced by 1.9 percent.

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from Minnesota [Mr. GUTKNECHT] and a Member opposed each will control 10 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. GUTKNECHT].

Mr. GUTKNECHT. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the hour is late and we have had plenty of debate. This is the ninth time that I have offered this same amendment. This is a 1.9 percent across-the-board reduction.

Again, just for the benefit of those who may be keeping score at home, what we are really trying to do is recover the $4.1 billion which we increased in spending above and beyond what this House said we were going to spend, causing a spike in the proposed deficit for next year.

Mr. Chairman, I am again offering this amendment in good faith. Even though I know that the chairman, the gentleman from Indiana [Mr. MYERS] and his subcommittee have done an excellent job in controlling spending, I really believe if we are serious about balancing the budget we have got to find a way to recover that $4.1 billion. Otherwise, I am afraid we cannot face our kids in good conscience and say that in 3 years we will be able to save $47 billion.

Mr. Chairman, I do not have that much to say about this amendment other than that it would ultimately reduce total expenditures in this bill by about $376 million. We would still be spending $19.4 billion.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. Is the gentleman from Indiana in opposition to the amendment?

Mr. MYERS of Indiana. Mr. Chairman, I do rise in opposition.

The CHAIRMAN. The gentleman from Indiana [Mr. MYERS] will be recognized for 10 minutes.

Mr. MYERS of Indiana. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I think everyone who has been here this evening has heard the desperation some Members have wanting more money added in the bill. We have cut this bill just about every category right down to the bare bone. I am in sympathy with what the gentleman from Minnesota [Mr. GUTKNECHT] is trying to do. Through the years I think I have certainly supported my share of across-the-board cuts. Back years ago, Frank Bow, former ranking member of this Committee on Appropriations, used to offer a 10-percent amendment. I often supported that. We used to have Clarence Miller of Ohio offer a 5-percent amendment. We have had various deviations from this. But this bill has already been cut right down to the bare bones. As an example, we now are just barely meeting the maintenance requirements for the Corps of Engineers to operate 50-year-old locks and dams. There is a safety factor. We have a danger. We had one dam in California collapse because we were not properly maintaining it. We can not just start cutting things that we just simply cannot afford to cut any further.

I am concerned about balancing the budget by 2002. In fact, I would like to make it by the year 2000. But these are all investments in our future. Much of the funding has already been cut. I ask a "no" vote on this amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. GUTKNECHT. Mr. Chairman, I yield myself the balance of my time.

Mr. Chairman, essentially we are talking about two pennies, two pennies out of every dollar allocated to Federal spending that can keep us from increasing this deficit. Is it too much to expect Washington to live within its means? Is it extreme to expect Washington to balance the people's budget?

Millions of hard-working American families are forced to balance their budgets every month. We are talking about balancing the budget in 7 years. We are talking about cutting domestic discretionary spending by 1.9 percent, simply 1.9 percent, so that we can get back on that path that we said we would stay on. We promised that we would go on a diet but now we are saying, well, we are going to have one more milkshake.

I do respect what the committees have done, as the chairman says, and I believe he is speaking in good faith that we have cut this budget down to the bone, but frankly, Mr. Chairman, we are going to have to cut even further as we go along toward that 2002 goal. So if we are down to the bone now, how will we ever possibly balance the people's books?

This is not about a mean-spirited accounting exercise. I am not trying to demagogue this issue. What I am really saying on behalf of the children of America is that we have got to make the tough choices, we have got to eliminate more of the waste in the Federal Government, we have got to cut Federal spending. Otherwise, we will ensure that our kids are going to enjoy a lower standard of living than we enjoyed.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. GUTKNECHT].

The amendment was rejected.

Mr. RIGGS. Mr. Chairman, I ask unanimous consent to strike the last word for the purposes of engaging in a colloquy with the subcommittee chairman.

The CHAIRMAN. Without objection, the gentleman from CA is recognized for 5 minutes.

There was no objection.

Mr. RIGGS. Mr. Chairman, as the subcommittee chairman well knows, vernal pools are seasonal wetlands which form in poorly drained swales or depressions in the earth. A number of plant species are indigenous to these pools and they sometimes serve as temporary waterfowl habitat. Because they are defined as jurisdictional wetlands of the United States, vernal pools are regulated by the Army Corps of Engineers under existing Federal law.

These vernal pools can be found in various parts of northern California, including my congressional district. In the 102d Congress, I convened a so-called vernal pools task force for the purpose of trying to streamline the regulatory process dealing with vernal pools.

As our committee's report points out, the goal of the vernal pools task force, which has been in existence and continued their work since the 102d Congress, is to develop a general permit application that will identify a finite area of high grade vernal pools suitable for protection.

Funding for the vernal pools task force has been provided through the annual energy and Water Development appropriations. As a member of this subcommittee and as a convenor and initiator of the task force, I am pleased to have a role in overseeing the task force funding.

However, as we proceed to consider funding for the vernal pools task force in the future, I am concerned that the task force is diverting from its original objectives. If this effort is to receive further support from the Congress, then the Santa Rosa plain vernal pool ecosystem plan and the general permit issued by the Corps of Engineers to implement this plan should be designed to further the following principles:

First, the regulatory burden on landowners should be reduced wherever and whenever feasible.

Second, the regulatory process should be streamlined by simplifying the rules, eliminating unnecessary or duplicative rules and processes and reducing the number of agencies reviewing and approving the activities of landowners.

Third, local control of land use should be promoted by confirming that the primary responsibility for such matters resides with local government.

Fourth, the plan and the implementing general permit from the Army Corps of Engineers should recognize the interest of landowners and society in the uses of land for a variety of purposes, such as housing, transportation, agriculture and business as well as conservation of natural resources.

Fifth, the plan and the implementing general permit should be based on accurate information and sound science.

Sixth, the plan and the implementing general permit should be developed in a manner that encourages public participation and affords an opportunity to achieve as much consensus as possible.

Seventh, individual landowners should be directly notified by the Corps of Engineers of actions that might impact on their properties.

In summary, Mr. Chairman, the vernal pools plan and the implementing permit should mirror nationwide permit 26. There should be sites where activities are authorized without an individualized review or approval by any Federal agency provided that such sites do not contain habitat for any threatened or endangered species. Such sites should include: any parcel of land less than 1 acre in size; any parcel of land where 90 percent or more of the land has been improved with structures, infrastructure, landscaping or related facilities; and any parcel of land containing less than 1 acre of these wetlands.

I ask the chairman to respond to my comments and acknowledge my concerns regarding the ongoing work of this vernal pools task force.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. RIGGS. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. I thank the gentleman for his observations here. This committee has heard about vernal pools and has been concerned, but no one knew what to do about them. We congratulate him for establishing this task force to conduct an investigation and hopefully come up with some good recommendations.

I am sure the committee will continue to be concerned about the issue that the gentleman has identified here. It is a real problem, I know, for the gentleman and for Californians. We will continue to support and watch the accomplishments the gentleman makes with his task force.

Mr. RIGGS. Mr. Chairman, I appreciate that very much. I know the gentleman is moving on and will not have to worry or concern himself with matters such as the vernal pools, but I do appreciate his support for the concerns that I have expressed in this colloquy and again wish him best wishes.

Mr. MYERS of Indiana. Maybe I will come out and fish in those pools sometime.

Mr. RIGGS. The gentleman would be most welcome.

AMENDMENT OFFERED BY MR. FILNER

Mr. FILNER. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. FILNER: Page 2, after line 23, insert the following: "Tijuana River Basin, California, $600,000;".

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from California [Mr. FILNER] and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from California [Mr. FILNER].

Mr. FILNER. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I rise to offer an amendment that would allow the Army Corps of Engineers to conduct critically needed studies to begin addressing and remedying serious flooding in the Tijuana River Valley in San Diego.

Back in 1979 the Army Corps built a flood control project in the river valley but conditions have changed and it no longer works. It needs to be reevaluated, and this study can be fit entirely within the General Investigations account of the Army Corps.

The International Boundary and Water Commission which has the responsibility to maintain this project recently informed me that the situation within the Tijuana River Valley requires an immediate reevaluation of the hydraulic conditions.

As they said, the area downstream of the project has changed considerably within the last 25 years and has changed the hydraulic characteristics. Because of this change the project can no longer function as originally designed.

In fact, serious flooding has occurred in the valley in 1983, 1985 and again in 1993. Furthermore, a couple of months ago there was a bomb scare at the Rodriguez Dam in Mexico. If this dam were to break, it would devastate the areas downstream of the reservoir, in this case the whole southern portion of San Diego County. It literally would imperil hundreds of thousands of American citizens. During this apparent terrorist episode the city of San Diego and the county water district discovered that there was no emergency response plan to deal with the failure of this dam.

My amendment would appropriate $600,000 and direct the Army Corps, in consultation with the International Boundary and Water Commission, to conduct a study to provide an update of the hydrology in the Tijuana River Valley and prepare an emergency dam break response plan.

Mr. Chairman, the Tijuana River Valley deserves protection from floods and from terrorists. I urge my colleagues to approve this request.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. FILNER. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, the gentleman has discussed this problem, which is an international problem now, with the committee and the committee is very much aware of the situation. But, unfortunately, as we have discussed, we do not have the funds to do everything. But we are very much aware of it and we have worked very closely with the gentleman from California.

Mr. FILNER. Mr. Chairman, I yield the balance of my time to the gentleman from California [Mr. BILBRAY]. I thank him profusely for staying with us late in the evening and for his support.

The CHAIRMAN. The gentleman from California is recognized for 3 minutes.

Mr. BILBRAY. Mr. Chairman, it has been an interesting evening.

Mr. Chairman, I stand in support of the amendment. It is actually not in my district but it is adjoining my district. To be really blunt about it, the people in my district along the coast are really kind of tired of seeing the damage and the carnage occurring in Mr. FILNER's district through floods caused by an international agreement and actually the damage flushing down into my district.

Frankly, I will say this, though it is not my district, I personally rescued drowning livestock and drowning illegal aliens who have been stranded in this situation that has been cruel and with a great loss of life because of this situation.

Mr. Chairman, this is not a local problem and it is not a natural problem that Mr. FILNER is speaking about here. This is a problem that has been created through the actions of the United States Government in conjunction with the Mexican Government. Both the treaty of Guadalupe Hidalgo which created the International Boundary and Water Commission and the cooperative efforts on projects that have related to that treaty are directly related to this flooding.

The flooding that has occurred has been a direct product of the channelization on the Mexican side with the support and the subsidy of the United States Government. The dam at Rodriguez is a dam that was built in the 1930's and the 1940's with the subsidies and the treaty of the U.S. Government.

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The problem that Mr. FILNER's district is incurring at this time is a direct responsibility of the U.S. Government. It is one that we can not walk away from. It is one that is not just a responsibility to Mr. FILNER's district but it is also a responsibility that we bear signing treaties with a foreign government, the Republic of Mexico, that we would address the flooding problems that occurred because of their channelization and the improvements on their side of the border.

I would just ask both sides of the aisle to recognize that this is not a situation of nature flooding Mr. FILNER's district. This is an issue of a breakdown along international boundaries, of Federal intervention without completing a project.

There has been problems that have occurred in this area, Mr. Chairman, that were unforeseen. We all accept that. But I just ask you that, because they were unforeseen, you do not treat them as if they are nonexistent.

I ask this body to address this problem. It does not relay only on Mr. FILNER's people to address this problem. They did not have the authority to make the decision for these treaties or to build these projects. That responsibility and that right rests with us in the Federal Government. Thus, the problems that have occurred because of those problems rest with us today. I ask for support of the amendment.

Mr. MYERS of Indiana. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Indiana [Mr. MYERS] is recognized for 5 minutes.

Mr. MYERS of Indiana. Mr. Chairman, I yield myself such time as I may consume.

As I previously stated, we just do not have the money to do this project. We understand the problem.

Mr. FILNER. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from California.

Mr. FILNER. Mr. Chairman, I appreciate the understanding of the chairman and the understanding of the ranking member. I understand that because of the international nature of this request and the urgency of it, that they will be working with us to try to deal with it in the future.

Mr. FILNER. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

AMENDMENT OFFERED BY MR. HILLEARY

Mr. HILLEARY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. HILLEARY: At the appropriate place in the bill, insert the following:

SEC. . None of the funds made available to the Tennessee Valley Authority by this Act may be appropriated when it is made known to the Federal official having authority to obligate or expend such funds that the Tennessee Valley Authority is imposing a performance deposit on persons constructing docks or making other residential shoreline alterations.

The CHAIRMAN. Pursuant to the order of the House of today, the gentleman from Tennessee [Mr. HILLEARY] and a Member opposed, each will control 5 minutes.

The Chair recognizes the gentleman from Tennessee [Mr. HILLEARY].

Mr. HILLEARY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I urge my colleagues to support this amendment to protect the private property rights of thousands of dock owners on lakes in the Tennessee Valley.

TVA is currently developing new regulations known as the Shoreline Management Initiative. The proposed regulations call for imposing a $1,000 deposit on all persons who own docks on TVA lakes. Under the proposal, the deposit would be returned to the owner, with interest, upon the sale of the property. Therefore, my amendment will have no impact on the budget.

My objection is that this new charge will have a significant impact on the property values of the lakeshore residents.

TVA has 11,000 miles of shoreline along its lakes. More than 47,000 permits have been issued for structures on the lakes. This new deposit will affect every one of those property owners when they attempt to sell their property. New owners will have to bring an additional $1,000 to the table at closing. That's an awful lot of extra money needed at closing.

This means that either the owner will have to reduce his selling price or agree to pay the deposit for the buyer. Either way, the homeowner has lost value in his property.

Mr. Chairman, there have been many problems in the development of these new regulations as well.

I, like my constituents, just learned of the impact of these new draft regulations about 2 weeks ago when TVA began holding public hearings to explain the new 300-page document which contains the draft regulations. Further, many of my constituents have been outraged that they only learned about the meetings after they occurred.

Many of my constituents have contacted me complaining that they were not informed of the development of the Shoreline Management Initiative or the public hearings in their area. Only 6,500 people received an invitation in the mail to these hearings out of millions who live in the Tennessee Valley.

Clearly, the citizens impacted by the Shoreline Management Initiative were not well informed of the process.

In a recent letter I sent to the Chairman of TVA, I encouraged TVA to schedule additional meetings and to extend the public comment period beyond August 31.

I am pleased to announce that late this afternoon TVA agreed to my request and extended the comment period through the end of September.

There is an urgent need for us to adopt this amendment because if we do nothing, TVA could implement these new regulations as soon as December of this year. My constituents need the opportunity to be clearly heard on the proposed regulations which will have such a major impact on the property rights and property values of lakeside residents.

Mr. Chairman. I urge my colleagues to support this amendment.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. HILLEARY. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. Mr. Chairman, the gentleman has discussed this amendment with the committee. We understand the problem, and we are willing to accept the amendment.

Mr. HILLEARY. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee [Mr. HILLEARY].

The amendment was agreed to.

Mr. MYERS of Indiana. Mr. Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. MYERS of Indiana. Mr. Chairman, the committee has completed its work this evening on the bill. All amendments have been taken care of. We will have three votes tomorrow ordered on amendments and the possibility of any votes on any amendments that might have been passed when they come back in the full House. Then we will have a vote on final passage.

Mr. Chairman, we thank everybody for their patience and understanding.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. RIGGS) having assumed the chair, Mr. OXLEY, chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3816) making appropriations for energy and water development of the fiscal year ending September 30, 1997, and for other purposes, had come to no resolution thereon.

REPORT OF ACTIVITIES OF UNITED STATES GOVERNMENT IN THE UNITED NATIONS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations:

To the Congress of the United States:

I am pleased to transmit herewith a report of the activities of the United States Government in the United Nations and its affiliated agencies during calendar year 1995. The report is required by the United Nations Participation Act (Public Law 264, 79th Congress; 22 U.S.C. 287b).

WILLIAM J. CLINTON.

THE WHITE HOUSE, *July 24, 1996.*

APPOINTMENT AS MEMBER OF BOARD OF VISITORS TO U.S. NAVAL ACADEMY

The SPEAKER pro tempore. Without objection, and pursuant to the provisions of section 6968(a) of title 10, United States Code, the Chair announces the Speaker's appointment of the following Member of the House as a member of the Board of Visitors to the U.S. Naval Academy to fill the existing vacancy thereon: Mr. MCHALE of Pennsylvania.

There was no objection.

SUPPORT H.R. 3849, LEGISLATION AMENDING THE CLEAN AIR ACT AMENDMENTS OF 1990

(Mr. BURR asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous material.)

Mr. BURR. Mr. Speaker, sometimes the Federal Government makes a mistake. The test of truly effective government is how quickly an institution can correct those errors. Today I stand here on the House floor to remedy such a mistake.

In 1990 the EPA listed a chemical called ethylene glycol monobutyl ether, or EGBE, on its hazardous air pollutants list under the Clean Air Act amendments. This chemical is considered not harmful to the stratosphere and according to scientific studies does not harm the environment. This is in fact a case of mistaken identity.

Although the listing of chemicals seems like an insignificant blunder, the incorrect listing of this material has far-reaching effects. The mislabeling of this chemical has the potential to cost the can manufacturing industry hundreds of millions of dollars and threatens jobs across the country. In my district alone over 450 citizens hold jobs in the can industry.

Last week I and 22 of my colleagues introduced a commonsense piece of legislation that will remedy this situation. I urge my colleagues to support H.R. 3849.

Mr. Speaker, I have introduced legislation, with 22 bipartisan colleagues, that would remedy a regulatory situation that I believe mistakenly identifies and regulates a chemical used in the can manufacturing process as hazardous. The mislabeling of this chemical seems technical on its face, but this technicality has the potential to cost the can manufacturing industry hundreds of millions of dollars and threatens the job of can workers. It is up to Congress to take corrective action.

The chemical (ethylene glycol monobutyl ether—EGBE) is listed on the EPA's list of Hazardous Air Pollutants[HAP's] as established under the Clean Air Act amendments of 1990. While most chemicals are listed separately, Congress created a situation in which whole families of some chemicals are listed as pollutants under a "unique chemical substances" category, even when certain members of the families are not hazardous when used in a specific manufacturing process. This is the case with EGBE when used as a can coating.

I am not arguing that we should back away from our regulation of known hazardous air pollutants. Those elements are, and should continue to be, regulated under HAP's. EGBE, however, is not a hazardous air pollutant. It was included on the HAP's list because it belongs to a large family of widely-varying "unique chemical substances" known as glycol ethers. This legislation simply stipulates that the glycol ether category does not include EGBE when used as part of the can manufacturing process.

As you are aware, Mr. Speaker, inclusion on the EPA's list of HAPs triggers a series of regulations often requiring the installation of expensive emissions control equipment. That is the case with the listing of EGBE as a hazardous air pollutant. Unless corrected, this listing will force the installation of emissions control equipment at each can manufacturing facility, at a cost of compliance estimated to be about $4 million per plant. Nationally, the cost may reach a quarter of billion dollars for all plants to comply. That financial burden will likely mean an increase in the cost of cans, lower productivity, an international trade disadvantage, and most importantly, potential job losses for the thousands of workers in these plants.

I am proud to represent the 467 employees at the American National Can Co. beverage can plant in Winston-Salem and the Reynolds Metals Co. beverage can plant in Reidsville. That may not sound like a large number of workers to many of you, but they are important to me and to the economic vitality of my district. And I am not alone in this body. There are can manufacturing facilities in 34 States and in more than 180 districts across the Nation. These are some 45,000 highly paid, skilled workers in these plants. They should not be placed at risk of job loss because of what I believe is a technical error Congress helped to create and Congress must correct.

We need to protect the environment. We will continue to do so. Substances that are legitimately classified as hazardous air pollutants will continue to be regulated by their listing as a Hazardous Air Pollutant under the Clean Air Act amendments of 1990. When we find, however, that broad policy decisions result in specific regulatory mistakes, then we should fix what we broke. That is precisely what this legislation does.

There is overwhelming scientific evidence that EGBE should not be considered a hazardous air pollutant when used in the can manufacturing process. The Evironmental Protection Agency itself has consistently told the industry that they believe the can industry's use of EGBE is not harmful to the stratosphere and does not harm the environment. The EPA, however, does not have a process for delisting a single circumstance like this under the Clean Air Act amendments. They have worked with the industry, but may not be able to remedy this situation administratively. Delisting must, therefore, be achieved through the legislative process.

By approving this legislation, we can help maintain the vitality of the industry and save jobs without jeopardizing the integrity of our environmental laws. I urge my colleagues to join me in making this correction to the clean air amendments of 1990.

TRIBUTE TO DAVID J. TOSCANO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia [Mr. PAYNE] is recognized for 5 minutes.

Mr. PAYNE of Virginia. Mr. Speaker, I rise today to recognize a citizen whose passion for public service has benefited his community for over a decade.

On July 1, 1996 David J. Toscano stepped down as mayor of Charlottesville, VA after presiding in that office for 2 years. During his tenure as mayor, as well as his previous political career, David has squarely focused his efforts on making sustainability a reality for the city of Charlottesville.

He has worked with developers and other community leaders to rebuild the city's tax base and placed new emphasis on creating and improving affordable housing and social programs in priority neighborhoods. He works tirelessly to raise education standards and has shown unfaltering commitment to improving race relations.

In 1984, after only 3 years in Charlottesville, David was appointed to the city's Social Development Commission. Four years later he became the Chair of that commission. Since being elected to city council in 1990 he has served as Chair of the Charlottesville Redevelopment and Housing Authority, co-chair of the West Main Street Task Force, and as a member of the Regional Housing Task Force. He has also chaired the Charlottesville Social Development Commission and the Charlottesville Committee on Race Relations and Public Sector.

As a member of the city council, David devotes himself to serving the best interest of the city and its residents. He has used everything from the Internet to open houses and has attended hundreds of public events to remain accessible and keep in touch with the wants and needs of his constituents.

A firm believer in empowering government at the local level, David confronts each issue with an enlightened blend of prudence and vigor. He delves to the heart of every matter, often taking the job home with him. And, he has never been afraid to weather controversy and opposition in doing what he felt was best for Charlottesville.

As Charlottesville enters the 21st century, its citizens are fortunate to have a public servant with such uncommon devotion to his calling. And, with David remaining on city council, they can rest assured that he will continue to work tirelessly with their general welfare and Charlottesville's future in mind.

Mr. Speaker, I consider myself privileged to have worked with David Toscano and I am proud to take this milestone in the man's career as an opportunity to honor his outstanding service and continued dedication.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. YATES (at the request of Mr. GEPHARDT) for today after 7 p.m., on account of personal business.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(Mr. FRANK of Massachusetts, and to include extraneous material on the Frank of Massachusetts amendment No. 6 on H.R. 3814 in the Committee of the Whole today.)

(The following Members (at the request of Mr. BEVILL) and to include extraneous matter:)

Mr. STOKES.
Mr. HINCHEY.
Mr. MANTON.
Mr. CARDIN.
Mr. DURBIN.
Mr. FAZIO.
Mr. MCNULTY.
Mr. ACKERMAN.
Mr. HAMILTON.
Mr. ENGEL.

(The following Members (at the request of Mr. HILLEARY) and to include extraneous matter:)

Mr. YOUNG of Alaska.
Mr. HOKE.
Mr. SOLOMON.
Mr. LATOURETTE.
Mr. GINGRICH, in three instances.
Mr. OXLEY.
Mr. FIELDS of Texas.
Mr. SCHIFF
Mr. FOX of Pennsylvania.
Mr. THOMAS.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BEVILL) to revise and extend their remarks and include extraneous material:)

Mr. PAYNE of Virginia, for 5 minutes, today.

Ms. NORTON, for 5 minutes, today.

(The following Members (at the request of Mr. HILLEARY) to revise and extend their remarks and include extraneous material:)

Mr. JONES, for 5 minutes, on July 25.

Mr. COBURN, for 5 minutes, on July 25.

Mr. STOCKMAN, for 5 minutes, on July 25.

BILLS PRESENTED TO THE PRESIDENT

Mr. THOMAS, from the Committee on House Oversight reported that that committee did on the following date present to the President, for his approval, bills of the House of the following titles:

On July 23, 1996:

H.R. 497. An act to create the National Gambling Impact and Policy Commission.

H.R. 3161. An act to authorize the extension of nondiscriminatory treatment (most-favored-nation treatment) to the products of Romania.

ADJOURNMENT

Mr. MYERS of Indiana. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly at 12 o'clock and 8 minutes 1 a.m.), the House adjourned until today, Thursday, July 25, 1996, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4293. A letter from the Administrator, Agricultural Marketing Service, transmitting the Service's final rule—Tobacco Inspection; Growers' Referendum Results [Docket No. TB-95-18] received July 23, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Agriculture.

4294. A letter from the Secretary of Transportation, transmitting a report of a violation of the Anti-Deficiency Act—Aviation Insurance Program, Federal Aviation Administration [FAA], appropriation symbol 69X4120, for fiscal year 1994, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

4295. A letter from the Assistant Chief Counsel, Office of Thrift Supervision, transmitting the Office's final rule—Management Official Interlocks [Docket No. 96-62] received July 24, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Banking and Financial Services.

4296. A letter from the Administrator, Energy Information Administration, transmitting the Administration's report entitled "Voluntary Reporting of Greenhouse Gases 1995," the first in a series of annual reports, pursuant to Public Law 102-486, section 1605(b) (106 Stat. 3002; to the Committee on Commerce.

4297. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Final Authorization of State Hazardous Waste Management Program: Kansas [FRL-5542-7] received July 23, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4298. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Approval and Promulgation to State Implementation Plan; Michigan [FRL-5541-1] received July 23, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4299. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—Clean Air Act Final Interim Approval of Operating Permits Program; State of Tennessee and Memphis-Shelby County, Tennessee [FRL-5542-4] received July 23, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4300. A letter from the Director, Office of Regulatory Management and Information, Environmental Protection Agency, transmitting the Agency's final rule—National Emission Standards for Hazardous Air Pollutant Emission: Group I Polymers and Resins [FRL-5543-1] received July 23, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4301. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Interconnection and Resale Obligations Pertaining to Commercial Mobile Radio Services, First Report and Order [FCC 96-263] received July 23, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4302. A letter from the Managing Director, Federal Communications Commission, transmitting the Commission's final rule—Amendment of Section 73.202(b) Table of Allotments, FM Broadcast Stations (Green River, Wyoming) [MM Docket No. 96-63] received July 23, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Commerce.

4303. A communication from the President of the United States, transmitting the bimonthly report on progress toward a negotiated settlement of the Cyprus question, including any relevant reports from the Secretary General of the United Nations, pursuant to 22 U.S.C. 2373(c); to the Committee on International Relations.

4304. A letter from the Deputy Associate Administrator for Acquisition Policy, General Services Administration, transmitting the Administration's final rule—Removal of Chapter 201, Federal Information Resources Management Regulation, from Title 41—Public Contracts and Property Management (RIN: 3090-AG04) received July 23, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Government Reform and Oversight.

4305. A letter from the Commissioner, Bureau of Reclamation, Department of the Interior, transmitting a report on the necessity to construct modifications to Bradbury Dam, Cachuma project, CA, in order to preserve its structural safety, pursuant to 43 U.S.C. 509; to the Committee on Resources.

4306. A letter from the Assistant Secretary for Policy, Management and Budget, Department of the Interior transmitting the Department's final rule—Administrative and Audit Requirements and Cost Principles for Assistance Programs (RIN: 1090-AA58) received July 23, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4307. A letter from the Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Atlantic Swordfish Fishery; Drift Gillnet Closure Postponement (50 CFR Part 630) received July 23, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4308. A letter from the Acting Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Groundfish of Alaska; Pacific Ocean Perch in the Central Gulf of Alaska [Docket No. 960129018-6018-01; I.D. 071596A] received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4309. A letter from the Acting Director, Office of Fisheries Conservation and Management, National Marine Fisheries Service, transmitting the Service's final rule—Groundfish of the Gulf of Alaska; Sablefish in the Central Regulatory Area [Docket No. 960129018-6018-01; I.D. 071596B] received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4310. A letter from the Director, Federal Bureau of Prisons, transmitting the Bureau's final rule—Release Preparation Program [BOP-1055-F] (RIN: 1120-AA51) received July 23, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

4311. A letter from the Director, Federal Bureau of Prisons, transmitting the Bureau's final rule—Hostage Situation Management [BOP-1061-F] (RIN: 1120-AA55) received July 23, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on the Judiciary.

4312. A letter from the Regulatory Policy Officer, Bureau of Alcohol, Tobacco and Firearms, transmitting the Bureau's final rule—Manufacturers Excise Taxes-Firearms and Ammunition (Notice No. 831) (RIN: 1512-AB42) received July 23, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

4313. A letter from the Chief of Staff, Social Security Administration, transmitting the Administration's final rule—Miscellaneous Coverage Provisions of the Social Security Independence and Program Improvements Act of 1994; Coverage Provisions of the Social Security Domestic Employment Reform Act of 1994 (RIN: 0960-AE00) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

4314. A letter from the Chief of Staff, Social Security Administration, transmitting the Administration's final rule—When You Are A Full-Time Elementary Or Secondary School Student (RIN: 0960-AE21) received July 22, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Ways and Means.

4315. A letter from the Administrator, Health Care Financing Administration, transmitting the Administration's final rule—Medicare Program; Reporting of Interest From Zero Coupon Bonds [BDP-647-F] (RIN: 0938-AH11) received July 23, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); jointly, to the Committees on Ways and Means and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SMITH of Texas: Committee on the Judiciary. H.R. 3680. A bill to amend title 18, United States Code, to carry out the international obligations of the United States under the Geneva Conventions to provide criminal penalties for certain war crimes (Rept. 104-698). Referred to the Committee of the Whole House on the State of the Union.

Mr. CANADY: Committee on the Judiciary. H.R. 3435. A bill to make technical amendments to the Lobbying Disclosure Act of 1995; with an amendment (Rept. 104-699). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 3287. A bill to direct the Secretary of the Interior to convey the Crawford National Fish Hatchery to the city of Crawford, NE; with an amendment (Rept. 104-700). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 3546. A bill to direct the Secretary of the Interior to convey the Walhalla National Fish Hatchery to the State of South Carolina; with an amendment (Rept. 104–701). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 3557. A bill to direct the Secretary of the Interior to convey the Marion National Fish Hatchery to the State of Alabama; with an amendment (Rept. 104–702). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNG of Alaska: Committee on Resources. H.R. 3660. A bill to make amendments to the Reclamation Wastewater and Groundwater Study and Facilities Act, and for other purposes; with amendments (Rept. 104–703). Referred to the Committee of the Whole House on the State of the Union.

Ms. GREENE of Utah: Committee on Rules. House Resolution 488. Resolution providing for consideration of the bill (H.R. 2391) to amend the Fair Labor Standards Act of 1938 to provide compensatory time for all employees (Rept. 104–704). Referred to the House Calendar.

Mr. GEKAS: Committee on the Judiciary. House Joint Resolution 166. Resolution granting the consent of Congress to the Mutual Aid Agreement between the city of Bristol, VA, and the city of Bristol, TN (Rept. 104–705). Referred to the Committee of the Whole House on the State of the Union.

Mr. GEKAS: Committee on the Judiciary. House Joint Resolution 113. Resolution granting the consent of Congress to the compact to provide for joint natural resource management and enforcement of laws and regulations pertaining to natural resources and boating at the Jennings Randolph Lake Project lying in Garrett County, MD, and Mineral County, WV, entered into between the States of West Virginia and Maryland (Rept. 104–706). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FOX (for himself, Mr. CLINGER, and Mr. MICA):

H.R. 3884. A bill to amend title 39, United States Code, to require that traditional equitable principles be applied by the U.S. Postal Service in determining whether or not to exercise its temporary detention authority with respect to mail alleged to be deceptive or misleading; to the Committee on Government Reform and Oversight.

By Mrs. MALONEY (for herself, Mr. HORN, and Mr. TATE):

H.R. 3885. A bill to amend section 552 of title 5, United States Code, commonly known as the Freedom of Information Act, to provide for greater efficiency in providing public access to information and to provide for public access to information in an electronic format; to the Committee on Government Reform and Oversight.

By Mr. DOOLITTLE:

H.R. 3886. A bill to clarify the intent of the Congress in Public Law 93–632 to require the Secretary of Agriculture to continue to provide for the maintenance of 18 concrete dams and weirs that were located in the Emigrant Wilderness at the time the wilderness area was designated as wilderness in that Public Law; to the Committee on Resources.

By Mr. GEJDENSON:

H.R. 3887. A bill to repeal the provision of chapter 83 of title 5, United States Code, under which certain Members of Congress are eligible for immediate retirement after serving in nine Congresses; to the Committee on House Oversight, and in addition to the Committee on Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.

By Mr. RICHARDSON:

H.R. 3888. A bill to amend the Housing and Community Development Act of 1974 to allow small communities to use limited space in public facilities acquired, constructed, or rehabilitated using community development block grant funds for local government offices; to the Committee on Banking and Financial Services.

By Mr. RIGGS:

H.R. 3889. A bill to amend the Internal Revenue Code of 1986 to reduce the taxes on wine to their pre-1991 rates; to the Committee on Ways and Means

By Mr. SCARBOROUGH (for himself, Mr. SOLOMON, Mr. PORTER, Ms PELOSI, Mr. CUNNINGHAM, and Mr. LIPINSKI:

H.R. 3890. A bill to provide for the withdrawal of most favored nation status from Iran, Iraq, Libya, and Syria, and to provide for the restoration of such status with respect to Syria if the President determines that Syria is participating in the Middle East peace process in good faith; to the Committee on Ways and Means.

By Mr. SCHUMER:

H.R. 3891. A bill to amend the Commodity Exchange Act to provide for the regulation of contracts for the purchase or sale of a commodity for future delivery, which are made on or subject to the rules of a board of trade, exchange, or market located outside the United States, when the commodity is deliverable in the United States; to the Committee on Agriculture.

By Mr. TORKILDSEN:

H.R. 3892. A bill to clarify treatment of certain claims and defenses against an insured depository institution under receivership by the Federal Deposit Insurance Corporation, and for other purposes; to the Committee on Banking and Financial Services.

By Mr. TOWNS:

H.R. 3893. A bill to amend the Solid Waste Disposal Act to prohibit the international export and import of certain solid waste; to the Committee on Commerce.

By Mr. SANDERS (for himself and Mrs. MORELLA)

H. Con. Res. 199. Concurrent resolution expressing the sense of the Congress that a national summit of sports, political, and community leaders should be promptly convened to develop a multifaceted action plan to promote citizenship through sports, emphasizing the aspects of sports culture that promote self-respect and respect for others, and that deter acts of violence, including domestic violence and sexual assault; to the Committee on Economic and Educational Opportunities.

By Mr. SCARBOROUGH:

H. Con. Res. 200. Concurrent resolution expressing the sense of the Congress regarding the bombing in Dhahran, Saudi Arabia; to the Committee on National Security.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. BILIRAKIS introduced a bill (H.R. 3894) for the relief of Margarito Domantay; which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 218: Mr. SPENCE.

H.R. 1462: Mr. CHAMBLISS, Mr. MCKEON, Mr. DE LA GARZA, Mr. GREEN of Texas, Mr. ROSE, Mr. SKAGGS, and Mr. JEFFERSON.

H.R. 1797: Mr. ACKERMAN and Mr. WATT of North Carolina.

H.R. 1846: Mr. HORN and Mr. SANDERS.

H.R. 2019: Mr. MONTGOMERY.

H.R. 2152: Mr. CHRYSLER.

H.R. 2320: Mr. BUYER.

H.R. 2416: Mr. JACKSON.

H.R. 2462: Mrs. KELLY.

H.R. 2470: Mr. BARTLETT of Maryland, Mr. HAYES, and Mr. WAMP.

H.R. 2625: Mr. PALLONE.

H.R. 2716: Mr. GUTIERREZ.

H.R. 2976: Mr. GEJDENSON, Mr. LANTOS, Mr. STOCKMAN, Mr. THORNBERRY, and Mr. VISCLOSKY.

H.R. 3006: Ms. ROYBAL-ALLARD.

H.R. 3102: Mr. LAFALCE.

H.R. 3142: Mr. COSTELLO, Ms. RIVERS, and Mr. COLEMAN.

H.R. 3192: Mr. SANDERS.

H.R. 3202: Mr. BLUMENAUER and Mr. WATT of North Carolina.

H.R. 3207: Mr. OLVER.

H.R. 3340: Mr. EVANS, Mrs. THURMAN, Mr. SKEEN, Mr. DOOLEY, and Mr. BAKER of Louisiana.

H.R. 3447: Mr. SANFORD.

H.R. 3514: Mr. PACKARD, Mr. CALVERT, Mr. STEARNS, Mr. HAYWORTH, Mr. BUNNING of Kentucky, and Mr. THORNBERRY.

H.R. 3621: Ms. SLAUGHTER, Mr. SCHUMER, and Mr. FATTAH.

H.R. 3647: Mr. DEUTSCH.

H.R. 3677: Mrs. KENNELLY.

H.R. 3700: Mr. ZIMMER and Ms. WOOLSEY.

H.R. 3710: Mr. BEVILL, Mr. ARCHER, Mr. PICKETT, Mr. WATT of North Carolina, and Mr. PASTOR.

H.R. 3729: Mr. BROWDER and Mr. TORRES.

H.R. 3733: Mr. BALDACCI.

H.R. 3735: Mr. EHLERS.

H.R. 3738: Mr. EHLERS.

H.R. 3745: Mr. HAYWORTH, Mr. HAMILTON, and Mr. CRANE.

H.R. 3748: Mr. EVANS.

H.R. 3779: Mr. GREEN of Texas.

H.R. 3783: Mr. EHLERS, Mr. BROWN of California, Mr. CRAPO, Mr. BURTON of Indiana, and Mr. METCALF.

H.R. 3797: Mr. BALLENGER.

H.R. 3807: Mr. FILNER, Mr. FRANK of Massachusetts, and Mr. EVANS.

H.R. 3831: Mr. BORSKI.

H.R. 3849: Mrs. KELLY.

H.R. 3862: Mr. LARGENT, Mr. KOLBE, Mr. BONILLA, Mr. HAYES, and Mr. BONO.

H.R. 3867: Mr. KLUG, Mr. MARKEY, Mr. GORDON, and Ms. FURSE.

H. Con. Res. 63: Mr. EHRLICH and Mr. HUTCHINSON.

H. Con. Res. 175: Mr. LATOURETTE.

H. Con. Res. 179: Mr. BROWN of California and Mr. ROHRABACHER.

H. Con. Res. 190: Ms. SLAUGHTER, Ms. DELAURO, Mr. GENE GREEN of Texas, and Mr. MENENDEZ.

H. Res. 452: Mr. HALL of Texas.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2823

OFFERED BY: MR. YOUNG OF ALASKA

(Amendment in the Nature of a Substitute)

AMENDMENT NO. 1: Strike all after the enacting clause and insert:

SECTION 1. SHORT TITLE; REFERENCES.

(a) SHORT TITLE.—This Act may be cited as the "International Dolphin Conservation Program Act".

(b) REFERENCES TO MARINE MAMMAL PROTECTION ACT.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Marine Mammal Protection Act of 1972 (16 U.S.C. 1361 et seq.).

SEC. 2. PURPOSE AND FINDINGS.

(a) PURPOSE.—The purposes of this Act are—

(1) to give effect to the Declaration of Panama, signed October 4, 1995, by the Governments of Belize, Colombia, Costa Rica, Ecuador, France, Honduras, Mexico, Panama, Spain, the United States of America, Vanuatu, and Venezuela, including the establishment of the International Dolphin Conservation Program, relating to the protection of dolphins and other species, and the conservation and management of tuna in the eastern tropical Pacific Ocean;

(2) to recognize that nations fishing for tuna in the eastern tropical Pacific Ocean have achieved significant reductions in dolphin mortality associated with that fishery; and

(3) to eliminate the ban on imports of tuna from those nations that are in compliance with the International Dolphin Conservation Program.

(b) FINDINGS.—The Congress finds the following:

(1) The nations that fish for tuna in the eastern tropical Pacific Ocean have achieved significant reductions in dolphin mortalities associated with the purse seine fishery from hundreds of thousands annually to fewer than 5,000 annually.

(2) The provisions of the Marine Mammal Protection Act of 1972 that impose a ban on imports from nations that fish for tuna in the eastern tropical Pacific Ocean have served as an incentive to reduce dolphin mortalities.

(3) Tuna canners and processors of the United States have led the canning and processing industry in promoting a dolphin-safe tuna market.

(4) 12 signatory nations to the Declaration of Panama, including the United States, agreed under that Declaration to require that the total annual dolphin mortality in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean not exceed 5,000, with a commitment and objective to progressively reduce dolphin mortality to a level approaching zero through the setting of annual limits.

SEC. 3. DEFINITIONS.

Section 3 (16 U.S.C. 1362) is amended by adding at the end the following new paragraphs:

"(28) The term 'International Dolphin Conservation Program' means the international program established by the agreement signed in La Jolla, California, in June 1992, as formalized, modified, and enhanced in accordance with the Declaration of Panama, that requires—

"(A) that the total annual dolphin mortality in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean not exceed 5,000, with the commitment and objective to progressively reduce dolphin mortality to levels approaching zero through the setting of annual limits;

"(B) the establishment of a per-stock per-year mortality limit for dolphins, for each year through the year 2000, of between 0.2 percent and 0.1 percent of the minimum population estimate;

"(C) beginning with the year 2001, that the per-stock per-year mortality of dolphin not exceed 0.1 percent of the minimum population estimate;

"(D) that if the mortality limit set forth in subparagraph (A) is exceeded, all sets on dolphins shall cease for the fishing year concerned;

"(E) that if the mortality limit set forth in subparagraph (B) or (C) is exceeded sets on such stock and any mixed schools containing members of such stock shall cease for that fishing year;

"(F) in the case of subparagraph (B), to conduct a scientific review and assessment in 1998 of progress toward the year 2000 objective and consider recommendations as appropriate; and

"(G) in the case of subparagraph (C), to conduct a scientific review and assessment regarding that stock or those stocks and consider further recommendations;

"(H) the establishment of a per-vessel maximum annual dolphin mortality limit consistent with the established per-year mortality caps; and

"(I) the provision of a system of incentives to vessel captains to continue to reduce dolphin mortality, with the goal of eliminating dolphin mortality.

"(29) The term 'Declaration of Panama' means the declaration signed in Panama City, Republic of Panama, on October 4, 1995.".

SEC. 4. AMENDMENTS TO TITLE I.

(a) AUTHORIZATION FOR INCIDENTAL TAKING.—Section 101(a)(2) (16 U.S.C. 1371(a)(2)) is amended as follows:

(1) By inserting after the first sentence "Such authorizations may also be granted under title III with respect to the yellowfin tuna fishery of the eastern tropical Pacific Ocean, subject to regulations prescribed under that title by the Secretary without regard to section 103.".

(2) By striking the semicolon in the second sentence and all that follows through "practicable".

(b) DOCUMENTARY EVIDENCE.—Section 101(a) (16 U.S.C. 1371(a)) is amended by striking so much of paragraph (2) as follows subparagraph (A) and as precedes subparagraph (C) and inserting:

"(B) in the case of yellowfin tuna harvested with purse seine nets in the eastern tropical Pacific Ocean, and products therefrom, to be exported to the United States, shall require that the government of the exporting nation provide documentary evidence that—

"(i) the tuna or products therefrom were not banned from importation under this paragraph before the effective date of the International Dolphin Conservation Program Act;

"(ii) the tuna or products therefrom were harvested after the effective date of the International Dolphin Conservation Program Act by vessels of a nation which participates in the International Dolphin Conservation Program, such harvesting nation is either a member of the Inter-American Tropical Tuna Commission or has initiated (and within 6 months thereafter completed) all steps (in accordance with article V, paragraph 3 of the Convention establishing the Inter-American Tropical Tuna Commission) necessary to become a member of that organization;

"(iii) such nation is meeting the obligations of the International Dolphin Conservation Program and the obligations of membership in the Inter-American Tropical Tuna Commission, including all financial obligations;

"(iv) the total dolphin mortality permitted under the International Dolphin Conservation Program will not exceed 5,000 in 1996, or in any year thereafter, consistent with the commitment and objective of progressively reducing dolphin mortality to levels approaching zero through the setting of annual limits and the goal of eliminating dolphin mortality; and

"(v) the tuna or products therefrom were harvested after the effective date of the International Dolphin Conservation Program Act by vessels of a nation which participates in the International Dolphin Conservation Program, and such harvesting nation has not vetoed the participation by any other nation in such Program.".

(c) ACCEPTANCE OF EVIDENCE COVERAGE.—Section 101 (16 U.S.C. 1371) is amended by adding at the end the following new subsections:

"(d) ACCEPTANCE OF DOCUMENTARY EVIDENCE.—The Secretary shall not accept documentary evidence referred to in section 101(a)(2)(B) as satisfactory proof for purposes of section 101(a)(2) if—

"(1) the government of the harvesting nation does not provide directly or authorize the Inter-American Tropical Tuna Commission to release complete and accurate information to the Secretary to allow a determination of compliance with the International Dolphin Conservation Program;

"(2) the government of the harvesting nation does not provide directly or authorize the Inter-American Tropical Tuna Commission to release complete and accurate information to the Secretary in a timely manner for the purposes of tracking and verifying compliance with the minimum requirements established by the Secretary in regulations promulgated under subsection (f) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)); or

"(3) after taking into consideration this information, findings of the Inter-American Tropical Tuna Commission, and any other relevant information, including information that a nation is consistently failing to take enforcement actions on violations which diminish the effectiveness of the International Dolphin Conservation Program, the Secretary, in consultation with the Secretary of State, finds that the harvesting nation is not in compliance with the International Dolphin Conservation Program.

"(e) EXEMPTION.—The provisions of this Act shall not apply to a citizen of the United States who incidentally takes any marine mammal during fishing operations outside the United States exclusive economic zone (as defined in section 3(6) of the Magnuson Fishery Conservation and Management Act (16 U.S.C. 1802(6))) when employed on a foreign fishing vessel of a harvesting nation which is in compliance with the International Dolphin Conservation Program.".

(d) ANNUAL PERMITS.—Section 104(h) is amended to read as follows:

"(h) ANNUAL PERMITS.—(1) Consistent with the regulations prescribed pursuant to section 103 and the requirements of section 101, the Secretary may issue an annual permit to a United States vessel for the taking of such marine mammals, and shall issue regulations to cover the use of any such annual permits.

“(2) Annual permits described in paragraph (1) for the incidental taking of marine mammals in the course of commercial purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean shall be governed by section 304, subject to the regulations issued pursuant to section 302.”.

(e) REVISIONS AND FUNDING SOURCES.—Section 108(a)(2) (16 U.S.C. 1378(a)(2)) is amended as follows:

(1) By striking “and” at the end of subparagraph (A).

(2) By adding at the end the following:

“(C) discussions to expeditiously negotiate revisions to the Convention for the Establishment of an Inter-American Tropical Tuna Commission (1 UST 230, TIAS 2044) which will incorporate conservation and management provisions agreed to by the nations which have signed the Declaration of Panama;

“(D) a revised schedule of annual contributions to the expenses of the Inter-American Tropical Tuna Commission that is equitable to participating nations; and

“(E) discussions with those countries participating or likely to participate in the International Dolphin Conservation Program, to identify alternative sources of funds to ensure that needed research and other measures benefiting effective protection of dolphins, other marine species, and the marine ecosystem;”.

(f) REPEAL OF NAS REVIEW.—Section 110 (16 U.S.C. 1380) is amended as follows:

(1) By redesignating subsection (a)(1) as subsection (a).

(2) By striking subsection (a)(2).

(g) LABELING OF TUNA PRODUCTS.—Paragraph (1) of section 901(d) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(d)(1)) is amended to read as follows:

“(1) It is a violation of section 5 of the Federal Trade Commission Act for any producer, importer, exporter, distributor, or seller of any tuna product that is exported from or offered for sale in the United States to include on the label of that product the term ‘Dolphin Safe’ or any other term or symbol that falsely claims or suggests that the tuna contained in the product was harvested using a method of fishing that is not harmful to dolphins if the product contains any of the following:

“(A) Tuna harvested on the high seas by a vessel engaged in driftnet fishing.

“(B) Tuna harvested in the eastern tropical Pacific Ocean by a vessel using purse seine nets unless the tuna is considered dolphin safe under paragraph (2).

“(C) Tuna harvested outside the eastern tropical Pacific Ocean by a vessel using purse seine nets unless the tuna is considered dolphin safe under paragraph (3).

“(D) Tuna harvested by a vessel engaged in any fishery identified by the Secretary pursuant to paragraph (4) as having a regular and significant incidental mortality of marine mammals.”.

(h) DOLPHIN SAFE TUNA.—(1) Paragraph (2) of section 901(d) of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(d)(2)) is amended to read as follows:

“(2)(A) For purposes of paragraph (1)(B), a tuna product that contains tuna harvested in the eastern tropical Pacific Ocean by a vessel using purse seine nets is dolphin safe if the vessel is of a type and size that the Secretary has determined, consistent with the International Dolphin Conservation Program, is not capable of deploying its purse seine nets on or to encircle dolphins, or if the product meets the requirements of subparagraph (B).

“(B) For purposes of paragraph (1)(B), a tuna product that contains tuna harvested in the eastern tropical Pacific Ocean by a vessel using purse seine nets is dolphin safe if the product is accompanied by a written statement executed by the captain of the vessel which harvested the tuna certifying that no dolphins were killed during the sets in which the tuna were caught and the product is accompanied by a written statement executed by—

“(i) the Secretary or the Secretary's designee;

“(ii) a representative of the Inter-American Tropical Tuna Commission; or

“(iii) an authorized representative of a participating nation whose national program meets the requirements of the International Dolphin Conservation Program,

which states that there was an observer approved by the International Dolphin Conservation Program on board the vessel during the entire trip and documents that no dolphins were killed during the sets in which the tuna concerned were caught.

“(C) The statements referred to in clauses (i), (ii), and (iii) of subparagraph (B) shall be valid only if they are endorsed in writing by each exporter, importer, and processor of the product, and if such statements and endorsements comply with regulations promulgated by the Secretary which would provide for the verification of tuna products as dolphin safe.”.

(2) Subsection (d) of section 901 of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(d)) is amended by adding the following new paragraphs at the end thereof:

“(3) For purposes of paragraph (1)(C), tuna or a tuna product that contains tuna harvested outside the eastern tropical Pacific Ocean by a vessel using purse seine nets is dolphin safe if—

“(A) it is accompanied by a written statement executed by the captain of the vessel certifying that no purse seine net was intentionally deployed on or to encircle dolphins during the particular voyage on which the tuna was harvested; or

“(B) in any fishery in which the Secretary has determined that a regular and significant association occurs between marine mammals and tuna, it is accompanied by a written statement executed by the captain of the vessel and an observer, certifying that no purse seine net was intentionally deployed on or to encircle marine mammals during the particular voyage on which the tuna was harvested.

“(4) For purposes of paragraph (1)(D), tuna or a tuna product that contains tuna harvested in a fishery identified by the Secretary as having a regular and significant incidental mortality or serious injury of marine mammals is dolphin safe if it is accompanied by a written statement executed by the captain of the vessel and, where determined to be practicable by the Secretary, an observer participating in a national or international program acceptable to the Secretary certifying that no marine mammals were killed in the course of the fishing operation or operations in which the tuna were caught.

“(5) No tuna product may be labeled with any reference to dolphins, porpoises, or marine mammals, unless such product is labeled as dolphin safe in accordance with this subsection.”.

(i) TRACKING AND VERIFICATION.—Subsection (f) of section 901 of the Dolphin Protection Consumer Information Act (16 U.S.C. 1385(f)) is amended to read as follows:

“(f) TRACKING AND VERIFICATION.—The Secretary, in consultation with the Secretary of the Treasury, shall issue regulations to implement subsection (d) not later than 3 months after the date of enactment of the International Dolphin Conservation Program Act. In the development of these regulations, the Secretary shall establish appropriate procedures for ensuring the confidentiality of proprietary information the submission of which is voluntary or mandatory. Such regulations shall, consistent with international efforts and in coordination with the Inter-American Tropical Tuna Commission, establish a domestic and international tracking and verification program that provides for the effective tracking of tuna labeled under subsection (d), including but not limited to each of the following:

“(1) Specific regulations and provisions addressing the use of weight calculation for purposes of tracking tuna caught, landed, processed, and exported.

“(2) Additional measures to enhance observer coverage if necessary.

“(3) Well location and procedures for monitoring, certifying, and sealing holds above and below deck or other equally effective methods of tracking and verifying tuna labeled under subsection (d).

“(4) Reporting receipt of and database storage of radio and facsimile transmittals from fishing vessels containing information related to the tracking and verification of tuna, and the definition of sets.

“(5) Shore-based verification and tracking throughout the transshipment and canning process by means of Inter-American Tropical Tuna Commission trip records or otherwise.

“(6) Provisions for annual audits and spot checks for caught, landed, and processed tuna products labeled in accordance with subsection (d).

“(7) The provision of timely access to data required under this subsection by the Secretary from harvesting nations to undertake the actions required in paragraph (6) of this subsection.”.

SEC. 5. AMENDMENTS TO TITLE III.

(a) HEADING.—The heading of title III is amended to read as follows:

“TITLE III—INTERNATIONAL DOLPHIN CONSERVATION PROGRAM”.

(b) FINDINGS.—Section 301 (16 U.S.C. 1411) is amended as follows:

(1) In subsection (a), by amending paragraph (4) to read as follows:

“(4) Nations harvesting yellowfin tuna in the eastern tropical Pacific Ocean have demonstrated their willingness to participate in appropriate multilateral agreements to reduce, with the goal of eliminating, dolphin mortality in that fishery. Recognition of the International Dolphin Conservation Program will assure that the existing trend of reduced dolphin mortality continues; that individual stocks of dolphins are adequately protected; and that the goal of eliminating all dolphin mortality continues to be a priority.”.

(2) In subsection (b), by amending paragraphs (2) and (3) to read as follows:

“(2) support the International Dolphin Conservation Program and efforts within the Program to reduce, with the goal of eliminating, the mortality referred to in paragraph (1);

“(3) ensure that the market of the United States does not act as an incentive to the harvest of tuna caught with driftnets or caught by purse seine vessels in the eastern tropical Pacific Ocean that are not operating in compliance with the International Dolphin Conservation Program;”.

(c) INTERNATIONAL DOLPHIN CONSERVATION PROGRAM.—Section 302 (16 U.S.C. 1412) is amended to read as follows:

"SEC. 302. AUTHORITY OF THE SECRETARY.

"(a) REGULATIONS TO IMPLEMENT PROGRAM REGULATIONS.—(1) The Secretary shall issue regulations to implement the International Dolphin Conservation Program.

"(2)(A) Not later than 3 months after the date of enactment of this section, the Secretary shall issue regulations to authorize and govern the incidental taking of marine mammals in the eastern tropical Pacific Ocean, including any species of marine mammal designated as depleted under this Act but not listed as endangered or threatened under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), by vessels of the United States participating in the International Dolphin Conservation Program.

"(B) Regulations issued under this section shall include provisions—

"(i) requiring observers on each vessel;

"(ii) requiring use of the backdown procedure or other procedures equally or more effective in avoiding mortality of marine mammals in fishing operations;

"(iii) prohibiting intentional deployment of nets on, or encirclement of, dolphins in violation of the International Dolphin Conservation Program;

"(iv) requiring the use of special equipment, including dolphin safety panels in nets, monitoring devices as identified by the International Dolphin Conservation Program, as practicable, to detect unsafe fishing conditions before nets are deployed by a tuna vessel, operable rafts, speedboats with towing bridles, floodlights in operable condition, and diving masks and snorkels;

"(v) ensuring that the backdown procedure during the deployment of nets on, or encirclement of, dolphins is completed and rolling of the net to sack up has begun no later than 30 minutes after sundown;

"(vi) banning the use of explosive devices in all purse seine operations;

"(vii) establishing per vessel maximum annual dolphin mortality limits, total dolphin mortality limits and per-stock per-year mortality limits, in accordance with the International Dolphin Conservation Program;

"(viii) preventing the intentional deployment of nets on, or encirclement of, dolphins after reaching either the vessel maximum annual dolphin mortality limits, total dolphin mortality limits, or per-stock per-year mortality limits;

"(ix) preventing the fishing on dolphins by a vessel without an assigned vessel dolphin mortality limit;

"(x) allowing for the authorization and conduct of experimental fishing operations, under such terms and conditions as the Secretary may prescribe, for the purpose of testing proposed improvements in fishing techniques and equipment (including new technology for detecting unsafe fishing conditions before nets are deployed by a tuna vessel) that may reduce or eliminate dolphin mortality or do not require the encirclement of dolphins in the course of commercial yellowfin tuna fishing;

"(xi) authorizing fishing within the area covered by the International Dolphin Conservation Program by vessels of the United States without the use of special equipment or nets if the vessel takes an observer and does not intentionally deploy nets on, or encircle, dolphins, under such terms and conditions as the Secretary may prescribe; and

"(xii) containing such other restrictions and requirements as the Secretary determines are necessary to implement the International Dolphin Conservation Program with respect to vessels of the United States.

"(C) The Secretary may make such adjustments as may be appropriate to the requirements of subparagraph (B) that pertain to fishing gear, vessel equipment, and fishing practices to the extent the adjustments are consistent with the International Dolphin Conservation Program.

"(b) CONSULTATION.—In developing regulations under this section, the Secretary shall consult with the Secretary of State, the Marine Mammal Commission and the United States Commissioners to the Inter-American Tropical Tuna Commission appointed under section 3 of the Tuna Conventions Act of 1950 (16 U.S.C. 952).

"(c) EMERGENCY REGULATIONS.—(1) If the Secretary determines, on the basis of the best scientific information available (including that obtained under the International Dolphin Conservation Program) that the incidental mortality and serious injury of marine mammals authorized under this title is having, or is likely to have, a significant adverse effect on a marine mammal stock or species, the Secretary shall take actions as follows—

"(A) notify the Inter-American Tropical Tuna Commission of the Secretary's findings, along with recommendations to the Commission as to actions necessary to reduce incidental mortality and serious injury and mitigate such adverse impact; and

"(B) prescribe emergency regulations to reduce incidental mortality and serious injury and mitigate such adverse impact.

"(2) Prior to taking action under paragraph (1) (A) or (B), the Secretary shall consult with the Secretary of State, the Marine Mammal Commission, and the United States Commissioners to the Inter-American Tropical Tuna Commission.

"(3) Emergency regulations prescribed under this subsection—

"(A) shall be published in the Federal Register, together with an explanation thereof; and

"(B) shall remain in effect for the duration of the applicable fishing year; and

The Secretary may terminate such emergency regulations at a date earlier than that required by subparagraph (B) by publication in the Federal Register of a notice of termination, if the Secretary determines that the reasons for the emergency action no longer exist.

"(4) If the Secretary finds that the incidental mortality and serious injury of marine mammals in the yellowfin tuna fishery in the eastern tropical Pacific Ocean is continuing to have a significant adverse impact on a stock or species, the Secretary may extend the emergency regulations for such additional periods as may be necessary.

"(d) RESEARCH.—The Secretary shall, in cooperation with the nations participating in the International Dolphin Conservation Program and with the Inter-American Tropical Tuna Commission, undertake or support appropriate scientific research to further the goals of the International Dolphin Conservation Program. Such research may include but shall not be limited to any of the following:

"(1) Devising cost-effective fishing methods and gear so as to reduce, with the goal of eliminating, the incidental mortality and serious injury of marine mammals in connection with commercial purse seine fishing in the eastern tropical Pacific Ocean.

"(2) Developing cost-effective methods of fishing for mature yellowfin tuna without deployment of nets on, or encirclement of, dolphins or other marine mammals.

"(3) Carrying out stock assessments for those marine mammal species and marine mammal stocks taken in the purse seine fishery for yellowfin tuna in the eastern tropical Pacific Ocean, including species or stocks not within waters under the jurisdiction of the United States.

"(4) Studying the effects of chase and encirclement on the health and biology of dolphin and individual dolphin populations incidentally taken in the course of purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean. There are authorized to be appropriated to the Department of Commerce $1,000,000 to be used by the Secretary, acting through the National Marine Fisheries Service, to carry out this paragraph. Upon completion of the study, the Secretary shall submit a report containing the results of the study, together with recommendations, to the Congress and to the Inter-American Tropical Tuna Commission.

"(5) Determining the extent to which the incidental take of nontarget species, including juvenile tuna, occurs in the course of purse seine fishing for yellowfin tuna in the eastern tropical Pacific Ocean, the geographic location of the incidental take, and the impact of that incidental take on tuna stocks, and nontarget species.

The Secretary shall include a description of the annual results of research carried out under this subsection in the report required under section 303.".

(d) REPORTS.—Section 303 (16 U.S.C. 1414) is amended to read as follows:

"SEC. 303. REPORTS BY THE SECRETARY.

"Notwithstanding section 103(f), the Secretary shall submit an annual report to the Congress which includes each of the following:

"(1) The results of research conducted pursuant to section 302.

"(2) A description of the status and trends of stocks of tuna.

"(3) A description of the efforts to assess, avoid, reduce, and minimize the bycatch of juvenile yellowfin tuna and other nontarget species.

"(4) A description of the activities of the International Dolphin Conservation Program and of the efforts of the United States in support of the Program's goals and objectives, including the protection of dolphin populations in the eastern tropical Pacific Ocean, and an assessment of the effectiveness of the Program.

"(5) Actions taken by the Secretary under subsections (a)(2)(B) and (d) of section 101.

"(6) Copies of any relevant resolutions and decisions of the Inter-American Tropical Tuna Commission, and any regulations promulgated by the Secretary under this title.

"(7) Any other information deemed relevant by the Secretary.".

(e) PERMITS.—Section 304 (16 U.S.C. 1416) is amended to read as follows:

"SEC. 304. PERMITS.

"(a) IN GENERAL.—(1) Consistent with section 302, the Secretary is authorized to issue a permit to a vessel of the United States authorizing participation in the International Dolphin Conservation Program and may require a permit for the person actually in charge of and controlling the fishing operation of the vessel. The Secretary shall prescribe such procedures as are necessary to carry out this subsection, including, but not limited to, requiring the submission of—

"(A) the name and official number or other identification of each fishing vessel for which a permit is sought, together with the name and address of the owner thereof; and

"(B) the tonnage, hold capacity, speed, processing equipment, and type and quantity of gear, including an inventory of special equipment required under section 302, with respect to each vessel.

"(2) The Secretary is authorized to charge a fee for issuing a permit under this section. The level of fees charged under this paragraph may not exceed the administrative cost incurred in granting an authorization and issuing a permit. Fees collected under this paragraph shall be available, subject to appropriations, to the Under Secretary of Commerce for Oceans and Atmosphere for expenses incurred in issuing permits under this section.

"(3) After the effective date of the International Dolphin Conservation Program Act, no vessel of the United States shall operate in the yellowfin tuna fishery in the eastern tropical Pacific Ocean without a valid permit issued under this section.

"(b) Permit Sanctions.—(1) In any case in which—

"(A) a vessel for which a permit has been issued under this section has been used in the commission of an act prohibited under section 305;

"(B) the owner or operator of any such vessel or any other person who has applied for or been issued a permit under this section has acted in violation of section 305; or

"(C) any civil penalty or criminal fine imposed on a vessel, owner or operator of a vessel, or other person who has applied for or been issued a permit under this section has not been paid or is overdue, the Secretary may—

"(i) revoke any permit with respect to such vessel, with or without prejudice to the issuance of subsequent permits;

"(ii) suspend such permit for a period of time considered by the Secretary to be appropriate;

"(iii) deny such permit; or

"(iv) impose additional conditions or restrictions on any permit issued to, or applied for by, any such vessel or person under this section.

"(2) In imposing a sanction under this subsection, the Secretary shall take into account—

"(A) the nature, circumstances, extent, and gravity of the prohibited acts for which the sanction is imposed; and

"(B) with respect to the violator, the degree of culpability, any history of prior offenses, and other such matters as justice requires.

"(3) Transfer of ownership of a vessel, by sale or otherwise, shall not extinguish any permit sanction that is in effect or is pending at the time of transfer of ownership. Before executing the transfer of ownership of a vessel, by sale or otherwise, the owner shall disclose in writing to the prospective transferee the existence of any permit sanction that will be in effect or pending with respect to the vessel at the time of transfer.

"(4) In the case of any permit that is suspended for the failure to pay a civil penalty or criminal fine, the Secretary shall reinstate the permit upon payment of the penalty or fine and interest thereon at the prevailing rate.

"(5) No sanctions shall be imposed under this section unless there has been a prior opportunity for a hearing on the facts underlying the violation for which the sanction is imposed, either in conjunction with a civil penalty proceeding under this title or otherwise.".

(f) Prohibitions.—Section 305 is repealed and section 307 (16 U.S.C. 1417) is redesignated as section 305, and amended as follows:

(1) In subsection (a):

(A) By amending paragraph (1) to read as follows:

"(1) for any person to sell, purchase, offer for sale, transport, or ship, in the United States, any tuna or tuna product unless the tuna or tuna product is either dolphin safe or has been harvested in compliance with the International Dolphin Conservation Program by a country that is a member of the Inter-American Tropical Tuna Commission or has initiated steps, in accordance with Article V, paragraph 3 of the Convention establishing the Inter-American Tropical Tuna Commission, to become a member of that organization;".

(B) By amending paragraph (2) to read as follows:

"(2) except in accordance with this title and regulations issued pursuant to this title as provided for in subsection 101(e), for any person or vessel subject to the jurisdiction of the United States intentionally to set a purse seine net on or to encircle any marine mammal in the course of tuna fishing operations in the eastern tropical Pacific Ocean; or".

(C) By amending paragraph (3) to read as follows:

"(3) for any person to import any yellowfin tuna or yellowfin tuna product or any other fish or fish product in violation of a ban on importation imposed under section 101(a)(2);".

(2) In subsection (b)(2), by inserting "(a)(5) and" before "(a)(6)".

(3) By striking subsection (d).

(g) Repeal.—Section 306 is repealed and section 308 (16 U.S.C. 1418) is redesignated as section 306, and amended by striking "303" and inserting in lieu thereof "302(d)".

(h) Clerical Amendments.—The table of contents in the first section of the Marine Mammal Protection Act of 1972 is amended by striking the items relating to title III and inserting in lieu thereof the following:

"TITLE III—INTERNATIONAL DOLPHIN CONSERVATION PROGRAM

"Sec. 301. Findings and policy.
"Sec. 302. Authority of the Secretary.
"Sec. 303. Reports by the Secretary.
"Sec. 304. Permits.
"Sec. 305. Prohibitions.
"Sec. 306. Authorization of appropriations.".

SEC. 6. AMENDMENTS TO THE TUNA CONVENTIONS ACT.

(a) Membership.—Section 3(c) of the Tuna Conventions Act of 1950 (16 U.S.C. 952(c)) is amended to read as follows:

"(c) at least one shall be either the Director, or an appropriate regional director, of the National Marine Fisheries Service; and".

(b) Advisory Committee and Scientific Advisory Subcommittee.—Section 4 of the Tuna Conventions Act of 1950 (16 U.S.C. 953) is amended to read as follows:

"SEC. 4. GENERAL ADVISORY COMMITTEE AND SCIENTIFIC ADVISORY SUBCOMMITTEE.

"The Secretary, in consultation with the United States Commissioners, shall:

"(1) Appoint a General Advisory Committee which shall be composed of not less than 5 nor more than 15 persons with balanced representation from the various groups participating in the fisheries included under the conventions, and from nongovernmental conservation organizations. The General Advisory Committee shall be invited to have representatives attend all nonexecutive meetings of the United States sections and shall be given full opportunity to examine and to be heard on all proposed programs of investigations, reports, recommendations, and regulations of the commission. The General Advisory Committee may attend all meetings of the international commissions to which they are invited by such commissions.

"(2) Appoint a Scientific Advisory Subcommittee which shall be composed of not less than 5 nor more than 15 qualified scientists with balanced representation from the public and private sectors, including nongovernmental conservation organizations. The Scientific Advisory Subcommittee shall advise the General Advisory Committee and the Commissioners on matters including the conservation of ecosystems; the sustainable uses of living marine resources related to the tuna fishery in the eastern Pacific Ocean; and the long-term conservation and management of stocks of living marine resources in the eastern tropical Pacific Ocean. In addition, the Scientific Advisory Subcommittee shall, as requested by the General Advisory Committee, the United States Commissioners or the Secretary, perform functions and provide assistance required by formal agreements entered into by the United States for this fishery, including the International Dolphin Conservation Program. These functions may include each of the following:

"(A) The review of data from the Program, including data received from the Inter-American Tropical Tuna Commission.

"(B) Recommendations on research needs, including ecosystems, fishing practices, and gear technology research, including the development and use of selective, environmentally safe and cost-effective fishing gear, and on the coordination and facilitation of such research.

"(C) Recommendations concerning scientific reviews and assessments required under the Program and engaging, as appropriate, in such reviews and assessments.

"(D) Consulting with other experts as needed.

"(E) Recommending measures to assure the regular and timely full exchange of data among the parties to the Program and each nation's National Scientific Advisory Committee (or equivalent).

"(3) Establish procedures to provide for appropriate public participation and public meetings and to provide for the confidentiality of confidential business data. The Scientific Advisory Subcommittee shall be invited to have representatives attend all nonexecutive meetings of the United States sections and the General Advisory Subcommittee and shall be given full opportunity to examine and to be heard on all proposed programs of scientific investigation, scientific reports, and scientific recommendations of the commission. Representatives of the Scientific Advisory Subcommittee may attend meetings of the Inter-American Tropical Tuna Commission in accordance with the rules of such Commission.

"(4) Fix the terms of office of the members of the General Advisory Committee and Scientific Advisory Subcommittee, who shall receive no compensation for their services as such members.".

SEC. 7. EQUITABLE FINANCIAL CONTRIBUTIONS.

It is the sense of the Congress that each nation participating in the International Dolphin Conservation Program should contribute an equitable amount to the expenses of the Inter-American Tropical Tuna Commission. Such contributions shall take into account the number of vessels from that nation fishing for tuna in the eastern tropical Pacific Ocean, the consumption of tuna and tuna products from the eastern tropical Pacific Ocean and other relevant factors as determined by the Secretary.

SEC. 8. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect upon certification by the Secretary of State to the Congress that a binding resolution of the Inter-American Tropical Tuna Commission, or another legally binding instrument, establishing the International Dolphin Conservation Program has been adopted and is in effect.

H.R. 3816

OFFERED BY: MR. PICKETT

AMENDMENT NO. 21: Page 6, line 5, strike "and".

Page 6, after line 5, insert the following:

Sandbridge Beach, Virginia Beach, Virginia, Beach Erosion Control and Hurricane Protection, $283,000; and

H.R. 3816

OFFERED BY: MR. SCHAEFER

AMENDMENT NO. 22: Page 17, line 21, strike ", to" and insert in lieu thereof "(reduced by $42,103,200) (increased by $42,103,200), to".

H.R. 3820

OFFERED BY: MR. THOMAS

(Page and Line Nos. Refer to H.R. 3820, as Introduced on July 16, 1996)

AMENDMENT NO. 1: Amend section 102 to read as follows (and conform the table of contents accordingly):

SEC. 102. REDUCTION IN ALLOWABLE CONTRIBUTION AMOUNTS FOR POLITICAL ACTION COMMITTEES; REVISION OF LIMITATIONS ON AMOUNTS OF OTHER CONTRIBUTIONS.

(a) REVISION OF CURRENT LIMITATIONS.—

(1) CONTRIBUTIONS BY MULTICANDIDATE POLITICAL COMMITTEES.—Section 315(a)(2) of such Act (2 U.S.C. 441a(a)(2)) is amended—

(A) in subparagraphs (A) and (C), by striking "$5,000" and inserting "$2,500"; and

(B) in subparagraph (B), by striking "$15,000" and inserting "$40,000".

(2) CONTRIBUTIONS BY INDIVIDUALS.—Section 315(a)(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(1)) is amended—

(A) in subparagraph (C), by striking "$5,000" and inserting "$2,500"; and

(B) in subparagraph (B), by striking "$20,000" and inserting "$40,000".

(3) AGGREGATE ANNUAL CONTRIBUTION BY INDIVIDUALS.—Section 315(a)(3) of such Act (2 U.S.C. 441a(a)(3)) is amended by striking "25,000" and inserting "$50,000".

(b) LIMITATIONS ON CONTRIBUTIONS BY POLITICAL PARTY COMMITTEES.—

(1) IN GENERAL.—Section 315(a) of such Act (2 U.S.C. 441a(a)) is amended—

(A) by redesignating paragraphs (3) through (8) as paragraphs (4) through (9); and

(B) by inserting after paragraph (2) the following new paragraph:

"(3) No political party committee may make contributions—

"(A) to any candidate or the candidate's authorized political committees with respect to any election for Federal office which, in the aggregate, exceed $10,000; or

"(B) to any other political committee other than a political party committee in any calendar year which, in the aggregate, exceed $10,000.".

(2) CONFORMING AMENDMENTS.—Section 315(a) of such Act (2 U.S.C. 441a(a)) is amended—

(A) in paragraph (5) (as redesignated by paragraph (1)(A)), by striking "paragraphs (1) and (2)" and inserting "paragraphs (1), (2), and (3)";

(B) in paragraph (6) (as redesignated by paragraph (1)(A)), by striking "paragraph (1) and paragraph (2)" each place it appears and inserting "paragraphs (1), (2), and (3)"; and

(C) in paragraph (7) (as redesignated by paragraph (1)(A)), by striking "paragraphs (1) and (2)" and inserting "paragraphs (1), (2), and (3)".

(c) POLITICAL PARTY COMMITTEE DEFINED.—Section 315(a)(5) of such Act (2 U.S.C. 441a(a)(4)) (as redesignated by subsection (b)(1)(A)) is amended by adding at the end the following sentence: "For purposes of this section, the term 'political party committee' means a political committee which is a national, State, district, or local political party committee (including any subordinate committee thereof).".

(d) OTHER CONFORMING AMENDMENTS.—Section 311(a)(6) of such Act (2 U.S.C. 438(a)(6)) is amended—

(1) in subparagraph (B), by inserting after "multi-candidate committees" the first place it appears the following: "and political committees which are not authorized committees of candidates or political party committees";

(2) in subparagraph (B), by striking "multicandidate committees" the second place it appears and inserting "such committees"; and

(3) in subparagraph (C), by striking "multicandidate committees" and inserting "committees described in subparagraph (B)".

Page 12, line 20, strike "subsections (a)(1) and (a)(2)" and insert "subsections (a)(1), (a)(2), and (a)(3)".

Page 12, line 22, insert after "individuals" the following: ", and to other political committees to the extent that the amount contributed does not exceed 10 times the amount of the limitation otherwise applicable under such subsection".

Page 13, line 10, strike "subsection (a)(1)" and insert "subsections (a)(1) and (a)(2)".

Page 13, line 10, insert after "individuals" the following: "and to political committees other than political party committees to the extent that the amount contributed does not exceed 10 times the amount of the limitation otherwise applicable under such subsection".

Page 16, line 1, strike "1997" and insert "1999".

Page 16, line 6, strike "each year after 1976 and before 1998" and insert "1997 and 1998".

Page 16, line 7, strike "1999" and insert "2001".

Page 16, line 16, strike "nearest lowest multiple" and insert "nearest highest multiple".

Amend section 201 to read as follows (and conform the table of contents accordingly):

SEC. 201. LIMITATION AMOUNT FOR CONTRIBUTIONS TO STATE POLITICAL PARTIES.

Paragraphs (1)(B) and (2)(B) of section 315(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)) are each amended by inserting after "national" the following: "or State".

Page 47, line 6, strike "Section 315(a)(3)" and all that follows through "is amended" and insert the following: "Section 315(a)(4) of the Federal Election Campaign Act of 1971 (2 U.S.C. 441a(a)(4)) (as redesignated by section 102(b)(1)(A)) is amended".

EXTENSIONS OF REMARKS

WHY CATHOLIC SCHOOL MODEL IS TABOO

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. GINGRICH. As we consider ways in which we might improve our Nation's inner city schools, I hope that my colleagues take a moment to read the following editorial by Sol Stern from the Wall Street Journal, Wednesday, July 17, 1996. Now is the time for us to ask some very hard questions about how we have been spending taxpayer funds on education. I believe there is a lesson to be learned by the parochial schools who provide an exceptional education at an affordable price.

WHY THE CATHOLIC SCHOOL MODEL IS TABOO

(By Sol Stern)

New York City's Cardinal John J. O'Connor has repeatedly made the city an extraordinary offer: Send me the lowest-performing 5% of children presently in the public schools, and I will put them in Catholic schools—where they will succeed. The city's response: silence.

In a more rational world, city officials would have jumped at the cardinal's invitation. It would have been a huge financial plus for the city. The annual per-pupil cost of Catholic elementary schools is $2,500 per year, about a third of what taxpayers now spend for the city's public schools.

NO IDLE BOAST

More important, thousands more disadvantaged children would finish school and become productive citizens. For Cardinal O'Connor's claim that Catholic schools would do a better job than public schools is no idle boast. In 1990 the RAND Corporation compared the performance of children from New York City's public and Catholic high schools. Only 25% of the public-school students graduated at all, and only 16% took the Scholastic Aptitude Test, vs. 95% and 75% of Catholic-school students, respectively. Catholic-school students scored an average of 815 on the SAT. By shameful contrast, the small "elite" of public-school students who graduated and took the SAT averaged only 642 for those in neighborhood schools and 715 for those in magnet schools.

In 1993 the New York State Department of Education compared city schools with the highest levels of minority enrollment. Conclusion: "Catholic schools with 81% to 100% minority composition outscored New York City public schools with the same percentage of minority enrollment in Grade 3 reading (+17%), Grade 3 mathematics (+10%), Grade 5 writing (+6%), Grade 6 reading (+10%) and Grade 6 mathematics (+11%)."

Yet most of the elite, in New York and elsewhere, is resolutely uninterested in the Catholic schools' success. In part this reflects the enormous power of teachers' unions, fierce opponents of anything that threatens their monopoly on education. In part it reflects a secular discomfort with religious institutions.

I myself have felt this discomfort over the years, walking past Catholic schools like St. Gregory the Great, near my Manhattan home. Every morning, as I took my sons to public school, I couldn't help noticing the well-behaved black and Hispanic children in their neat uniforms entering the drab parish building. But my curiosity never led me past the imposing crucifix looking down from the roof, which evoked childhood images of Catholic anti-Semitism and clerical obscurantism.

Finally, earlier this year, I ventured in, and I was impressed. I sat in, for example, as fourth-grade teacher Susan Viti conducted a review lesson on the geography of the Western United States. All the children were completely engaged and had obviously done their homework. They were able to answer each of her questions about the principal cities and capitals of the Western states—some of which I couldn't name—and the topography and natural resources of the region. "Which minerals would be found in the Rocky Mountains?" Miss Viti asked. Eager hands shot up. Miss Viti used the lesson to expand the students' vocabulary; when the children wrote things down, she insisted on proper grammar and spelling.

I found myself wishing that my own son's fourth-grade teachers at nearby Public School 87, reputedly one of the best public schools in the city, were anywhere near as productive and as focused on basic skills as Miss Viti. Both my boys' teachers have wasted an enormous amount of time with empty verbiage about the evils of racism and sexism. By contrast, in Miss Viti's class and in all the other Catholic-school classes I visited, it was taken for granted that a real education is the best antidote to prejudice.

Miss Viti earns $21,000 a year, $8,000 less than a first-year public-school teacher. "I've taught in an all-white, affluent suburban school, where I made over $40,000," she says. "This time I wanted to do something good for society, and I am lucky enough to be able to afford to do it. I am trying to instill in my students that whatever their life situation is now, they can succeed if they work hard and study."

You might expect liberals, self-styled champions of disadvantaged children, to applaud the commitment and sacrifice of educators like Susan Viti. You might even expect them to look for ways of getting government money to these underfunded schools. Instead, they've done their best to make sure the wall of separation between church and state remains impenetrable. Liberal child-advocacy groups tout an endless array of "prevention" programs that are supposed to stave off delinquency, dropping out of school and teen pregnancy—yet they consistently ignore Catholic schools, which nearly always succeed in preventing these pathologies.

Read the chapter on education in Hillary Clinton's "It Takes a Village." Mrs. Clinton advocates an alphabet soup of education programs for poor kids, but says not a word about Catholic schools. Similarly, in his books on education and inner-city ghettos, Jonathan Kozol offers vivid tours of decrepit public schools in places like the South Bronx, but he never stops at the many Catholic schools that are succeeding a few blocks away.

Why are Catholic schools taboo among those who talk loudest about compassion for the downtrodden? It's hard to escape the conclusion that one of the most powerful reasons is liberals' alliance with the teachers' unions, which have poured hundreds of millions of dollars into the campaign coffers of liberal candidates around the country. Two weeks ago I attended the National Education Association convention in Washington, a week-long pep rally for Bill Clinton punctuated by ritual denunciations of privatization.

Before the teachers' unions rise to political power, it was not unusual to see urban Democrats like former New York Gov. Mario Cuomo support government aid to Catholic schools. Mr. Cuomo's flip-flop on this issue is especially revealing. In 1974, when he first ran for public office, Mr. Cuomo wrote a letter to potential supporters: "I've spent more than 15 years . . . arguing for aid to private schools," he wrote. "If you believe aid is a good thing, then you are the good people. If you believe it, then it's your moral obligation, as it is my own, to do something about it. . . . Let's try tax-credit plans and anything else that offers any help."

Mr. Cuomo soon learned his lesson. In his published diaries he wrote: "Teachers are perhaps the most effective of all the state's unions. If they go all-out, it will mean telephones and vigorous statewide support. It will also mean some money." In his 1982 campaign for governor, Mr. Cuomo gave a speech trumpeting the primacy of public education and the rights of teachers. He won the union's enthusiastic endorsement against Ed Koch in the Democratic primary. Over the next 12 years, in private meetings with Catholic leaders, Gov. Cuomo would declare that he still supported tax relief for parochial school parents. Then he would take a completely different position in public. For example, in 1984 he acknowledged that giving tax credits for parochial-school tuition was "clearly constitutional" under a recent Supreme Court decision—but he refused to support such a plan.

Politically controlled schools are unlikely to improve much without strong pressure from outside. Thus, the case for government aid to Catholic schools is now more compelling than ever, if only to provide the competitive pressure to force state schools to change. And the conventional wisdom that government is constitutionally prohibited from aiding Catholic schools has been undermined by several recent U.S. Supreme Court decisions.

SUCKER'S TRAP

Since the powerful teachers' unions vehemently oppose any form of government aid to Catholic schools, reformers are often skittish about advocating vouchers or tuition tax credits, fearing that will end the public-school reform conversation before it begins. But to abandon aid to Catholic schools in the name of public-school reform is a sucker's trap. We have ended up with no aid to Catholic schools and no real public-school reform either.

Catholic schools are a valuable public resource not just because they profoundly benefit the children who enroll in them. They also challenge the public school monopoly, constantly reminding us that the neediest kids are educable and that spending extravagant sums of money isn't the answer. No one who cares about reviving our failing public schools can afford to ignore this inspiring laboratory of reform.

TRIBUTE TO BOB OLIVE

HON. MARTIN R. HOKE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. HOKE. Mr. Speaker, I rise today to congratulate and recognize America's most outstanding public television programmer, Mr. Bob Olive of WVIZ–TV in Cleveland. On June 21, Mr. Olive was named "1996 Programmer of the Year" by his peers in the Public Television Programmers Association for demonstrating excellence and expertise within public broadcasting.

This recent award brings much deserved recognition of Bob Olive's successful effort to attract record-breaking viewership to programming on WVIZ–TV. In the past 2 years, overall viewership of the station has risen more than 50 percent with certain time slots rising 200 percent, an absolutely remarkable increase in today's competitive television environment. In 13 of the past 15 months, the station has experienced a rise in the number of viewers.

Of special note is Mr Olive's ability to program effectively for different segments of the television viewing community. WVIZ–TV is the most watched private or public network in Cleveland among young children. Mr. Olive was instrumental in the development of "KidTV on VIZ", a daily 12-hour period of creative programming designed to provide the educational initiative for children to learn.

A Cleveland native, Bob Olive graduated from Parma's Valley Forge High School, earned a bachelor of science degree in education at Bowling Green State University, and did graduate work in speech and communication at Case Western Reserve University. An electronics technician for the Navy from 1968 through 1972, Mr. Olive was destined to involve himself in a long and distinguished career within the field of the electronic media.

In an 18-year career with WVIZ–TV, a public television station broadcasting across the Cleveland viewing area, Bob Olive has demonstrated an extraordinary commitment to quality programming. He served the station well, as the director of public affairs, community affairs, and also as an announcer.

He began his career in broadcast communication beginning in 1959 as a morning announces for WSJH, the radio station for Schaaf Junior High School. After 9 years of dedicated service with WVIZ–TV, he served as news manager at WEWS–TV, an ABC affiliate in Cleveland, where he created the long running and very popular news program, "Live on Five", which is still aired, before returning to WVIZ.

In addition to his service to the Cleveland area, he extends his talents throughout the country, serving on the National Program Policy Committee as an advisor to the Public Broadcasting System.

Dr. Judy LeRoy, co-director of Trac Media Services, in presenting this award praised Mr. Olive for his "achievements in creative scheduling, audience enhancement, local outreach and program acquisition." She also noted his ability to make "constant, substantial audience gains over the past several years."

Mr. Speaker, I could not allow Mr. Bob Olive's exceptional service and achievements to go without notice. His programming achievements, especially in the area of children's broadcasting, have provided the entire WVIZ broadcast audience with a first-rate television product. He has been instrumental in enriching the lives of the people of northeast Ohio and we are grateful for his outstanding contributions and service.

SMALL COMMUNITIES CDBG MULTIPURPOSE FACILITIES ACT

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. RICHARDSON. Mr. Speaker, today, I am pleased to introduce legislation that will enable small towns across our Nation to fully benefit from the Community Development Block Grant Program available through the Department of Housing and Urban Development.

My bill would amend the community development block grant regulations to allow municipal employees in towns of 5,000 or less population to use not more than 25 percent of the square footage in facilities purchased, constructed or renovated with CDBG funds.

I am introducing this legislation after learning of a problem in the village of Grady, a small community in eastern New Mexico. Strapped for adequate office space, municipal employees sought and received what they thought was appropriate Government approval to move into a small space in a facility built with CDBG funds. But lo and behold, once the move took place, a further examination of Government regulations revealed that the village is prohibited by law from occupying any space in a building built with CDBG funds. The financially strapped village is now stuck with a $13,500 expense to remain in the building.

A small town has a severely limited tax base. It cannot afford to construct separate buildings for every essential service offered its residents. It cannot afford to purchase duplicate office equipment and supplies nor to pay insurance, utilities and maintenance expenses on several buildings.

Citizens who are hired for municipal jobs in small communities, such as clerks, policemen, firemen, and emergency medical service employees, must often share job responsibilities. Not only is it not economically feasible, but it is very difficult for these employees to work from separate buildings in terms of job communication and coordination.

Small towns must provide vital services to their residents. To do so efficiently, municipal employees must be able to conduct business in decent, affordable, and convenient facilities. We must give our small communities special consideration and enable them to make the best use of limited funding resources. A multipurpose use of facilities purchased, built or renovated with community development block grants is the only answer.

TRIBUTE HONORING BETTCHER INDUSTRIES

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. GILLMOR. Mr. Speaker, I rise today to recognize the exciting news for a business in my district. Bettcher Industries of Vermilion. OH, is the proud recipient of the 1995 Industrial Engineers' Excellence in Productivity Improvement Award for the development and manufacturing of the Airshirz pneumatic scissors. Some past winners of this prestigious award have been: Boeing, Anheuser-Busch, Ford Motor Co. and Texas Instruments.

The award is given in recognition of "diligent and innovative achievements which increased productivity, eliminated human drudgery, and improved the quality of working life." Creation of the Airshirz pneumatic scissors dramatically increased worker productivity while reducing exposure to cumulative trauma disorders. After successfully introducing the Airshirz in the poultry processing industry in 1995, they have been installed in a range of industries where workers are involved in cutting light metals, fiberglass and flexible sheet, heavy fabrics, plastics, rubber, and other industrial materials.

Ohio continues to be a leader in developing new products. The ergonomically designed, hand-held Airshirz scissors fit comfortable into the palm of the hand and are fully controllable by a finger loop similar to that of regular scissors. Because cutting power is delivered by air pressure, not the worker's hand, the gripping force and muscle activity required to perform tasks are dramatically reduced.

Bettcher Industries is a company renowned for its civic pride and commitment to service. The company is not only a world-class performer, with offices in Switzerland, on the international stage, but a model citizen in its own community.

Mr. Speaker, it is obvious that Ohio has greatly benefited from the efforts of the employees of Bettcher Industries. I ask my colleagues to join me today in recognizing the achievements of these dedicated achievers and encourage them to continue to uphold what has become the standard for excellence in America.

STE. ANNE'S DE MICHILIMACKINAC TRICENTENNIAL CELEBRATION

HON. BART STUPAK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. STUPAK. Mr. Speaker, it is an honor for me to bring to the attention of the House and the entire Nation the tricentennial celebration of Ste. Anne's de Michilimackinac Church on July 26, 1996. Although the exact date of foundation is not known, the church has baptismal records dating back to 1695. The tricentennial celebration was delayed a year in order to wait for the completion of *Fishers of Men,* a book written by Jesuit Brother Jim Boynton of St. Ignace, MI, detailing the extraordinary history of Ste. Anne's de Michilimackinac.

In 1670 Jesuits landed on Mackinac Island, situated between the Michigan's Upper and Lower Peninsulas in the Straits of Mackinac. The missionaries, along with members of the Huron tribe, intended to teach the Chippewa and Ottawa Indians the way of the Lord. However, within a year the Jesuits left Mackinac Island and relocated at St. Ignace, named for St. Ignatius Loyola. The island had proved to be agriculturally weak and the land to the north in the Upper Peninsula was perfect for growing corn. From St. Ignace the missionaries traveled to surrounding areas in attempt to spread the Catholic faith.

The Jesuits became the peacekeepers of the region. In the late 1670's French fur traders entered the straits to buy furs from the American Indians. Unfortunately, the French used less than honorable tactics. It came to the attention of the church that the fur traders were selling brandy to the Indians with the intention of taking the furs, without paying, once the Indians got too drunk to understand what was happening. The Jesuits got involved and the injustices came to an end.

The Jesuits constructed the area's first Roman Catholic church in 1742, within the walls of Fort Michilimackinac located today in Mackinaw City, at the top of the Lower Peninsula. In 1761 tempers flared between the American Indians and the British occupying Fort Michilimackinac. This led to the massacre of many British fur traders and members of the British Army. The Jesuits were responsible for establishing a peaceful relationship between the Indians and surviving British just 1 year after the massacre occurred. This provided an opportunity for the British to occupy the fort once again.

The English colony moved from Fort Michilimackinac in 1781 to prepare for any retribution from the American Revolution. Fort Mackinac was built on Mackinac Island in the same location where it stands today. The civilians established a town just below the walls of the fort. The congregation did not want to leave their church behind on the mainland. That winter, when the straits froze, the church was disassembled, the pieces dragged across the ice, and then the church was rebuilt on the island.

The congregation moved their church again 1827 when Madame Magdelaine LaFromboise donated a large piece of land to the Church. Because of the many renovations which have occurred on the building over the years, none of the original structure remains standing. The new building has been renovated to look just like it did in the 1890's. Father Jim Williams, Ste. Anne's current pastor, made numerous beautiful renovations for this tricentennial celebration.

This has been a very exciting year for Ste. Anne. Brother Jim Boynton completed his thesis, through his extensive studies about the history of Ste. Anne's, to earn his master's degree in history. His research has taken him from Weston Jesuit School of Theology in Cambridge, MA, to Quebec City, Montreal, Paris, and Rome. His research resulted in "Fishers of Men." The book is a chronicle of Catholicism coming into the Straits of Mackinac and the history of Ste. Anne's. Brother Boynton, a native of St. Ignace, will be teaching at the University of Detroit Jesuit High School this fall. Fortunately, he will be able to attend the tricentennial celebration on July 26. Father Jim Williams will begin the celebration with a Thanksgiving mass in the morning. The afternoon will include an ice cream social, and a pageant will be held in the evening honoring the church's builders and rebuilders.

From primitive beginnings, like the tiny mustard seed in Mark's gospel (Mark 4:30–32), Ste. Anne's has grown great inviting all to find shelter in her branches and comfort in her shade. For over 300 years, Ste. Anne's has welcomed visitors and nurtured Mackinac Island, body and soul.

Mr. Speaker, Ste. Anne's de Michilimackinac has a long, rich, proud history. Brother Boynton has been able to capture the fabulous story of Catholicism in northern Michigan in his book "Fishers of Men." On behalf of northern Michigan, the Catholic Church, and the entire Nation, I would like to congratulate Brother Boynton, Father Jim Williams, and the congregation of Ste. Anne's de Michilimackinac on 301 years of prayer and dedication.

TRIBUTE TO MONSIGNOR ROBERT BLAIR

HON. STEVE C. LaTOURETTE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. LaTOURETTE. Mr. Speaker, Monsignor Robert Blair, who passed away last month, was a clergyman in the Cleveland diocese for more than half a century. While many were saddened by his death, so many more were enriched by his warm heart, his full life and his unparalleled devotion to the church.

At his funeral last month, Auxiliary Bishop A. James Quinn delivered a thoughtful, uplifting address that captures the spirit of Monsignor Robert Blair. I wanted to submit it to the CONGRESSIONAL RECORD as a lasting tribute to a remarkable man who, in the words of Auxiliary Bishop Quinn, "used well the time God gave him."

What follows are the June 11, 1996, remarks by Auxiliary Bishop A. James Quinn.

TRIBUTE TO MONSIGNOR ROBERT BLAIR

We are not here out of sympathy. Another mood prevails.

When someone like Monsignor Robert Blair leaves the rest of us behind to join the Lord in heaven, it leaves me with a sense that something must be said in terms of gratitude about graces that came to us through one of God's very best.

We give thanks to God, therefore, for the life and friendship of Monsignor Robert Blair, in our lives and in the lives of all touched by his priesthood.

The readings Bob chose for his funeral speak eloquently of the spirit of his life and the vision of his priesthood.

His readings reflect a priest who walked by faith, not sight. He faithfully served four bishops, but only one master. From simple things like birds and wildflowers, or coins and horses, he drew lessons of what to run after, with the wisdom of one who trusts in the Lord, knowing he has a dwelling place awaiting him in heaven.

When I was a kid hanging around an old fire house on West 112th Street in Cleveland, I came to understand how pairs of boots became sentimental to firemen. The boots of those lost in the line of duty or curbed by injuries were revered, not wasted or neglected. Firemen's boots, as hand-me-downs, met respect, like numbered jerseys in halls of fame.

They especially respected those who died with their boots on. To die in service, in the line of duty, being what they were trained to be, putting life on the line! Such values involve commitment, faithfulness, loyalty, dedication * * * and lots of love of who you are and what you do.

Let's "rap" a bit about Monsignor Blair who cherished his priesthood and couldn't quit, not even in retirement, because of who and what he was.

The story of his vocation.

I think of Frost's "The Road Not Taken."

"Two roads diverged in a yellow wood.

And sorry I could not travel both."

Bob, and his brother Ted before him, must have wondered what path in life to take, knowing "how way leads on to way" and there is "no coming back."

Two roads diverged in a wood, and Bob took the one less traveled. And that made all the difference! For him, and for us, it made a difference when young Bob Blair chose priesthood.

The Story of every man's vocation?

I venture Bob could have been anything he wanted. He had smarts, personality, wit, enthusiasm . . . even good connections. But Bob chose priesthood . . . more than once because he found himself in several classes due to tuberculosis.

Bob chose priesthood, and, hand to the plow, never looked back. Bob gushed the great grace of conviction that he had chosen well. Actually, it was God who chose Bob. But Bob accepted God's call, thank God.

We all have stories to tell.

Bob Blair added color and fun to life, but never at the cost of responsibility or pastoral care. He spent himself on people and on projects that prospered people. With all his wit Bob was serious minded and had volumes to preach about things of moment, things that make a difference.

In some ways Bob was a visionary, but a realist, too. He knew how not to let a vision sink over someone's "Why bother."

His blend of wit and wisdom kept his visions soluble in reality, so not to curdle into some forsaken sediment of impracticality.

Other higher up might get the credit, but we know Bob made things happen. He made a difference!

Like you, I'll miss Bob because he was a friend, not just one of those acquaintances we make in life, but a friend who understands what is literal in life. He good naturedly absorbed sharp edges and burrs that surface what is me and you.

For all his fun loving ways Bob was a gentleman. Not formal or fussy, not stiff or starched, but a fun-loving gentleman who saw the best in life before he let the worst get him down. A touch of class wrapped in laughter!

Like you, I account it a great grace we met. I thank God. I learned. I laughed. I struck it rich to be included among his friends. And so did you, I suspect.

These days since Wednesday past I skim a book of memories that run deep, and swell my estimation of the value that is friendship, a friendship that I pray is friendship ever more.

I treasure the measure of time we worked together, at the old Archbishop's house, in the Chancery and Cathedral.

I hope future years will not allow this brook of memory to trickle out of speed except to soak deeper into the recesses of gratitude. After all, old friendships are best because they withstand the tests of time and cross currents and counter-currents of life. As surely as the golden sun melts down to night, gold here can never last. But good friendships last forever in resurrection life.

Speaking of friends, by now Bob's paired off with Frank Carney. He liked Frank: the repartee was always suburb. While different lights led them, both were equipped for friendly mental combat.

As you know, Bob enjoyed placing an occasional wager on some nag a tout or two would recommend as fast of hoof. But down the home stretch of Bob's own distance, his pace was slowed by sickness. Bob was thoroughbred fast until the evening of life when strokes struck, sight flexed and diabetes reaped its toll.

It's painful to witness a worker bee in health's gloaming. Disability plays treason to future hopes and dreams. In sickness, life's space became so confined that Bob could scarcely enjoy a view except from a wheelchair.

Bob had to count on family and friends who love him so, good friends like Bob Cronenwett and Maggie Patton and his dear, fond Brigade of Captain's Men, so loyal and true. They'll miss him, sure.

Time takes its toll. Why, what is inland in nature becomes ocean isle, with eddies swirling around what once was mountain peak. Why not time's toll on man?

Time levels snowy peaks to running brooks. No wonder time took its toll on Bob. Ah, but Bob used well the time God gave him. He enjoyed the blessings of today, every day, not wasting the joy of a moment on what was past or could be future.

Perhaps most importantly, Bob didn't entrust to time anything he would need forever. That is to say, he was not only kind but generous. He once said to me when I spoke of his personal generosity that he sometimes thought it scary, how when he gave away, God returned him twice or more. Of course God said it would be so. Bob teaches me, and you, to trust and give more.

Even now Bob's priesthood is not silenced but speaks through the beauty of this Cathedral he loved and served. The Cathedral he embellished marks the site of his priestly ordination and final funeral rite. How very fitting!

His priesthood speaks, too, at the airport chapel, his beloved Regina Caeli.

Looking back, Bob dusted our days with the pollen of cheerful conviction that there is plenty of work to do. He needn't be told "what" because Bob was a self starter who foiled challenges with wit. Challenge was invitation. The impossible intrigued him. And success was his hallmark, be it a parish festival or a million and more in renovation.

Who else would tackle an airport chapel and the ACLU? Others would say: "Why bother?" I think heaven gives a glimpse of vision, don't you, to those who risk the strength of God to do what they can't do?

Labors of love? The cathedral renovation and the airport chapel, while not the most of what he did in ministry, should install him into the diocese's Hall of Fame.

Bob Blair was a modest coin collector who knew how to option short gains into capital investment. His racer's instinct at the mutuals gave him an edge at the bank. Really, God was his broker and the Church was his escrow.

Bob retired, but never retired. He worked on.

Then, like a farmer at planting time, working, came the call that dinner is on the table! A feast and he's expected.

How leave off work with so much to do and time's light dimming? It's not easy to yield to the drift of age or illness, nor to bow and accept the end of labors love.

Yet the planter reluctantly thrusts his hoe into the ground and heads for home, the home from whence he came. The Master calls.

We hate to die. Only in faith do we deny the lie that dead is dead. In faith, the grave that draws the living avows new life beyond.

Then, again, Bob always liked fresh starts. I wonder now what new projects will rise in heaven?

I pray Bob up there continues to remember us whom he served so well in ministry and friendship. We all have projects that could use his vision, wit and wisdom. I pray he will strengthen our resolve and even excite fresh ideas of what can be done with gifts God gives us.

Soon enough, when we break through the pane of time and wade ashore on heaven's side, Bob will meet and greet us. No doubt introduce us to his new visions, this time beatific in size.

Tomorrow has come forever to Bob who breezes with Ted and Frank and even Solomon in all his glory.

Folks, in retirement, and from a wheelchair, Monsignor Robert Blair died with his boots on. Big boots to fill. Empty boots now that challenge us to fill.

When two roads diverge Bob, with wisdom and wit, often took the one less traveled by. That made a difference. He made a difference.

Sympathy aside, today. Quite frankly, we gratefully thank God that Monsignor Robert Blair made a difference in our lives. And now we pray, God rest his soul until we friends come the path he traveled by."

BEETLE ACTIVITY SPREADS, 892,831 ACRES INFESTED IN ONE YEAR

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. YOUNG of Alaska. Mr. Speaker, I would like to call the attention of my colleagues to an eye-opening article that appeared in the July issue of Resource Review. It details the extent of the ongoing spruce beetle infestation in southcentral Alaska and reports that beetle activity increased 40 percent last year. Over 32,433 acres are infested in the Chugach National Forest alone, with mortality exceeding 60 percent in some stands. The current total for all of southcentral Alaska is a new record—892,831 acres of dead and dying trees. This is not a record we should be proud of.

The infested areas of southcentral Alaska are now far too large to permit wildfires to burn naturally. With so much dead wood lying on the forest floor a fire could burn hot enough to sterilize the soil and threaten the health of some of Alaska's priceless salmon stocks. Such a fire is a disaster waiting to happen. Unfortunately, waiting for disasters instead of preventing them seems to be the preferred policy of the current Secretary of Agriculture.

Every day the beetle infests more and more timber while those entrusted with our National Forests do less and less about it. Rather than taking necessary action under existing law, the Secretary of Agriculture has put up roadblocks every step of the way. He recently directed managers on the Chugach National Forest to cancel the few salvage operations they had planned. Some of these sales, it was reported to me, were in the planning process for years. Canceling them may be sound politics but it is irresponsible forestry. Playing politics with National Forests is playing with fire—I do not want to see Alaskans get burned.

Even without major fires Alaskans are suffering the effects of the beetle infestation: property values are declining as the insect spreads from Federal to private lands; the visitor industry is losing business as once beautiful viewsheds turn brown and decay; and local residents are forced to sit by and watch their favorite recreation and hunting areas become wastelands. All this as Washington bureaucrats bicker and pass the buck.

Through responsible application of salvage logging the spreading sickness in southcentral Alaska can be cured, averting the risk of fire and creating jobs and a healthy forest to pass on to our children. I encourage my colleagues to read the article, the text of which follows my remarks, and hope that it will inspire them to join me in supporting sound forest management under the emergency timber salvage law as well as other long-term initiatives promoting forest health.

BEETLE ACTIVITY SPREADS, 892,831 ACRES INFESTED IN ONE YEAR

While Alaskans continue to debate the merits of cutting dead, beetle-killed timber across private and public lands in Southcentral Alaska, spruce beetle activity increased 40 percent in 1995 over the devastating levels detected the previous year.

Approximately 892,831 acres of on-going and newly infested areas were detected last year, the highest level of activity on record. The most extensive areas of beetle infestations are in Southcentral Alaska (683,281) acres) and the Cooper River basin (170,767 acres). More than 25 million spruce trees have been infested.

The Forest Service's 1995 Forest Health Management Report revealed that beetle activity in the Chugach National Forest doubled in 1995 to more than 32,433 acres. It noted that beetle activity is increasing throughout the Turnagain Arm area, including Girdwood, Twenty Mile, Ingram Creek, Sixmile River drainage and Hope. The Forest Service also noted the beetle infestation is intense throughout many areas of the Kenai Peninsula, including Kachemak Bay. From Tustumena Lake to Homer, beetle activity is extreme. More than 400,000 acres of spruce are infested with many stands having more than 60% mortality.

A significant increase in beetle-killed timber was found on the west side of Cook Inlet and the infestation more than doubled in the Anchorage Bowl where more than 8,000 acres of spruce were hit. Areas in Anchorage with the heaviest activity are Hillside, Fire Island, Kincaid Park, and the Eagle River and Eklutna River drainages.

With a dry, warm summer at hand, foresters believe severe outbreaks of beetle activity will continue throughout the summer. While there is ongoing debate on the fire danger posed by standing, beetle-killed timber compared to green timber, foresters agree that fire danger over the long term is heightened considerably once the dead trees fall over on top of each other and fill the floor of the forest.

Three salvage logging proposals have been proposed for the Chugach National Forest to harvest beetle-killed timber, but the Forest Service—in the face of intense pressure from environmental groups—has scrapped one plan, severely reduced the scope of another and is considering new public comment on a third.

Under the salvage law passed by Congress last year, the Forest Service had initially identified about 1,300 acres of 12,000 heavily-infested forested acres in the Sixmile area for logging. That proposal has now been reduced to a mere 182 acres—2% of the infested trees in the Sixmile area. A logging plan for the heavily-infested Seattle Creek drainage has been discarded, but the Forest Service is reviewing public comments for a third proposal in the Resurrection and Palmer Creek valleys near Hope.

Environmentalists are not satisfied with the Forest Service decision to scale back logging plans and have admitted they won't be happy until ALL logging plans are dropped.

The Alaska Center for the Environment (ACE) has formed the Forest Defense Network to whip up public opposition against logging and influencing public policy. In a recent mass mailing, ACE noted the Forest Defense Network is kicking into high gear with a door-to-door campaign. Media campaigns are being developed and demonstrations are being planned among other events and programs. ACE is asking Alaskans to join its network, write letters, participate in direct actions and "help stop senseless logging."

The Campaign has generated scores of letters to the Anchorage Daily News and the Forest Service in opposition to logging. ACE has asked its members to host letter writing parties targeting not only the Anchorage Daily News, but newspapers outside Alaska, including the Los Angles Times.

The cover of the ACE mailer featured a picture of a clearcut with the superimposed headline, "It's Time To Clearcut Our Kenai Peninsula: Do You Agree or Disagree?" The mailer was filled with emotion and left readers with the impression that a healthy and green forest was being clearcut at alarming rates by the worst polluters in the entire Pacific Northwest.

Absent from the mailer was the fact that logging is occurring in areas heavily infested by the spruce bark beetle and that the infestation is transforming Kenai Peninsula viewsheds into grave-yards of brown dead or dying trees.

Forests concede logging cannot stop the infestation, but emphasize that a combined program of harvesting and reforestation can restore forest health much faster than if no action is taken.

Forest scientist explain that new harvesting programs utilizing modern forest management initiatives to protect wildlife and fisheries is a reforestation program that will lead to a young, healthy and vigorous-growing forest. Since most of Southcentral Alaska is now a fire suppression area, they say logging would take out the dead trees, as opposed to nature's way—fire. If no logging is allowed, many timber stands on the Kenai may revert to grasslands.

With its varied patterns of land ownership, the Kenia Peninsula is a great ecological, long-term experiment in forest management. While extensive logging is occurring near Homer on State and private land, very little cutting is taking place on the much larger expanses of the Peninsula. Only a fraction of the beetle infested spruce will be cut on the Chugach while no commercial logging will occur on the Kenia National Wildlife Refuge and Kenai Fjords National Park, Foresters will be watching the different rates of regrowth, company areas actively managed for logging and reforestation with those forests left to stand as gray ghosts.

RECOGNITION OF OHIO NORTHERN UNIVERSITY IN ADA, OH

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. OXLEY. Mr. Speaker, I would like to take this opportunity to recognize the significant contributions made by Ohio Northern University of Ada, OH. In commending Ohio Northern University for 125 years of prominent service to higher education, I know the rankings are well deserved. As a child I grew up near Ohio northern's campus. My father even graduated from ONU's College of Law. From personal experience, I know ONU is a great contributor to our community. I submit my appreciation and acknowledgment of the efforts taken by the staff, students, and administration. Their combined work has distinguished ONU as one of the best universities in the Midwest according to "US News and World Report." ONU can boast such excellence with a student-faculty ratio of 13:1 and an incoming class in which 1 in 11 is either a valedictorian or salutatorian. Other accolades include recognition in Peterson's "Competitive College Guide" and in Barron's "Profiles of American Colleges" as a very competitive university. Considering the caliber of schools this fine institution competes with, one easily sees that all of Ohio benefits from such a productive and rewarding partnership. I feel that the tradition of quality higher education is being upheld and improved upon by ONU and all the other fine institutions recently listed among this Nation's best. I sincerely wish them continued success.

WAGE WOES BENEATH THE ROSY NUMBERS

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. GINGRICH. This article by Bruce Bartlett clearly describes the true economic worries that American families are facing. Because of stagnant wages and a median family income that has remained flat under the Clinton administration's leadership, families are feeling the Clinton economic crunch. This country would benefit instead from lower taxes that raise family income.

[From the Washington Times, July 8, 1996]

WAGE WOES BENEATH THE ROSY NUMBERS

(By Bruce Bartlett)

For many years, economists and political scientists have studied the relationship between elections and the economy. Their unsurprising conclusion is that when the economy is good, voters tend to reward the incumbent president. On this basis, Bill Clinton would appear to be in good shape. The unemployment rate in May was 5.6 percent, down from 7.5 percent in 1992. At the same time, inflation has been stable at about 2.5 percent and real economic growth has been slow but steady at about 2.2 percent per year.

But beneath these adequate, if unspectacular, numbers lies a potentially serious danger for Mr. Clinton. That is the stagnation in wages and incomes. In short, while the macroeconomy has moved upward, workers and families have been left behind. Real median family income—the single best measure of economic well-being—has been flat during the Clinton years, and down considerably from the Reagan years. Real wages have been flat as well, with increasing numbers of workers forced to work two jobs to make ends meet. And the Clinton administration is not unaware of this problem. Indeed, Labor Secretary Robert Reich has been the most eloquent spokesman for the malaise of the working class. As he put it in a 1995 report:

"In the past year, the American economy has caught fire—but the gains to most American workers have gone up in smoke. Last year at this time, the median full-time worker in this country was earning $479 per week. This year, factoring in inflation, the median wage is $475 per week—$4 less in average weekly paycheck. Among working families, 11 percent do not earn enough to lift themselves above the poverty line. Compared with last year, this year some 636,000 more Americans are working two jobs."

In the year since, all of the concerns expressed by Mr. Reich have gotten worse. The only thing that has changed is the administration line. Recognizing that Mr. Clinton is vulnerable on the issue of wages and incomes, the Council of Economic Advisers issued a report in April totally contradicting Mr. Reich's position. According to the CEA, workers are actually doing great. Since then, Mr. Reich has been noticeably less vocal about the problem of stagnant wages, except for a strained effort to blame the whole thing on a decline in the real minimum wage.

The vast majority of workers make well above the minimum wage. Their problems are the result of slow growth and higher taxes that have reduced their disposable incomes. What they need is faster growth and lower taxes. If the Republicans can make this case, they will find a receptive audience among many Democratic workers and families.

TRIBUTE TO V.F.W. STATE COMMANDER CRAIG SWARTZ

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. GILLMOR. Mr. Speaker, I rise today to pay tribute to Craig Swartz, an outstanding individual and a fine soldier, who was recently installed as State commander of the Veterans of Foreign Wars Department of Ohio.

A resident of Fremont for 45 years, Craig is a U.S. Marine Corps veteran who was wounded three times in Vietnam. He has been active with the V.F.W. since 1983. Over the course of his service, he was elected commander of the Fremont Post 2947 in 1986 and served three terms in that capacity. In 1989, he was elected commander of Firelands County Council and was named all-State and all-American county council commander. He has now been honored six times as an all-American, an accomplishment that had never been achieved by an Ohio member.

I firmly believe that we can never thank our veterans enough for putting their lives on the line in defense of our Nation. As a veteran myself, I am aware of the tremendous service veterans organizations give to their communities and the country as a whole.

Mr. Speaker, Craig Swartz's distinguished military service is a model of patriotism and citizenship. His commitment to the V.F.W. continues this exemplary service. I ask my colleagues to join me in wishing Craig, his wife Cindy, and their children well as the Swartz family begins this new chapter in their lives.

May they fully enjoy the blessings of peace and freedom that Craig Swartz has so ably defended as a U.S. Marine.

ALEXANNA PADILLA HEINEMANN

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. RICHARDSON. Mr. Speaker, it is with great respect and admiration that I honor today a fellow New Mexican, good friend and great American, Alexanna Padilla Heinemann.

Alexanna Padilla Heinemann is a fifth-generation New Mexican. Her father, Alex Padilla, now deceased, was a respected and committed Santa Fe City councilman, who was a courageous advocate for the common citizen. Alexanna is continuing in the family tradition of responding to the needs of those whose circumstances have placed their lives in harm's way. She has been especially attentive to the troubled conditions of young children by serving as a founding member, committee chairman and board member of the acclaimed Buckaroo Ball, an annual event held in Santa Fe, NM, that aids children at risk.

In its 3-year existence, the Buckaroo Ball has donated a total of $1.3 million to charitable entities. Only the 11-year-old Santa Fe Opera annual fund-raiser in Santa Fe rivals the financial success of the Buckaroo Ball. Alexanna Padilla Heinemann recently served as cochairman of this June 22 event, and a lion's share of the credit can be given to her for its success. Her leadership, combined with tireless, dedicated and skillful efforts, resulted in a $500,000 net profit. The funds will be donated to painstakingly chosen programs and agencies that provide food, clothing, shelter, protection and love to children in jeopardy.

I am including an article which was published in the Santa Fe New Mexican on June 27, 1996, in order to provide my esteemed colleagues in the House of Representatives additional information about the Buckaroo Ball.

In addition, I am sharing a July 1, 1996 commentary by Alexanna Padilla Heinemann, which was also published in the Santa Fe New Mexican. I provide it to my colleagues because it demonstrates Alexanna's unselfish spirit and altruistic philosophy toward all those who are fortunate enough to be associated with her.

I am extremely proud and grateful to know Alexanna Padilla Heinemann. I respectfully invite all of my colleagues in the House of Representatives to join me in giving tribute to this esteemed New Mexican.

NEWCOMERS, NATIVES BOTH HAVE THE SOLUTIONS

(By Alexanna Padilla Heinemann)

Santa Fe. A place of astonishing beauty and startling anger, with plenty of printed space locally and nationally, devoted to both. Stories abound about the divisions between races and classes, between native and newcomer, with almost celebratory coverage given to this purported fissure. But there is a seed of change being planted in Santa Fe and I have seen it up close and personal.

On a clear, starry night, June 22, the citizens of Santa Fe had reason to cheer. The plight of children at risk mobilized this community and a committee of 80 women volunteers to produce the third annual Buckaroo Ball. The count came in a couple of days later: the Buckaroo Ball had netted $500,000, which it would hand over to meticulously researched children's programs and agencies.

As Buckaroo Ball co-chair this year along with Elizabeth Smith, I can be proud of a committee and grateful for a community that could make it possible to pour this unprecedented amount into a cause that desperately needs it. But there is a subtle dynamic at play here, no less profound than the splashy party or abundant funding the Buckaroo Ball affords.

As a fifth-generation New Mexican with a father who was a city councilman and an uncle who designed the state license plate, my regional roots are firm. I have had my turn at a lamenting, divisive frame of mind. But those years of criticizing and complaining were fed by an erroneous notion: that newcomers are coming here to leave their cash and build their flash without giving one crumb beyond self-serving consumption. The error and harm that lie in this notion hold the potential to undo this community.

What I have seen as a founding member, committee head, board member and, finally, co-chair of the Buckaroo Ball is a vision that totally disputes that erroneous notion; one that should command the attention and inspire the reflection of the community: there are newcomers with the means and energy who, not content with simply writing a check, want to use their resources to better the community. They are searching for ways to help.

In a perfect position to guide them are the native and longtime local Santa Feans who, keyed-in to their community, can shape the incoming resources in an informed and professional manner. One may have a bed the size of a ship; the other, a desk the size of a file folder, but each have talents essential to the process. It is a waste of time for the native or newcomer to show anything but appreciation for the other's assets.

Short-term, righteous anger may satisfy. But how far can that take us in getting the job done? The surge of adrenaline may serve as a motivating force but being either the victim or the blamed leaves neither in the position to help the community.

Conversely, an idea driven by a clear understanding, appreciation, and implementation of all the resources in the community has a life of its own.

The questions then become, "Who has a good idea?" and "Who has the ability to get it done?"

In one arena at least, the walls have come down and, three years later, the children of Santa Fe are over a million dollars richer for it. You don't have to have an agenda, you simply have to love children and feel that gnawing sickness in your gut when you encounter a little one who doesn't have enough: enough food, or safety or love.

You don't have to be either rich or have roots embedded in this dusty soil, to make a big difference in this town. You simply have to be a clever funnel of talent, energy, and resources. The more ideas brought to the pot, the better.

Think of the children who might have lost these benefits had we not chosen to keep our eyes open to possibilities.

BUCKAROO BALL NETS $500,000 FOR CHARITY

(By Hollis Walker)

For the third year in a row, the 80 women who put on the Buckaroo Ball proved they could do a better job than they predicted.

Preliminary accounting shows last Saturday's ball, a three-year old charity benefiting Santa Fe County children, netted about $500,000 — $200,000 more than the Buckaroo Ball Committee pledged to raise.

After this year's contributions are made, the ball will have donated nearly $1.3 million to charities.

Buckaroo Ball co-chair Alexanna Padilla Heinemann said she could not credit any single aspect of the multi-faceted fund-raising effort for the increased success this year.

"But this party had a particularly good feeling about it," she said. "Everybody's spirits were so high; Pam Tillis was an incredibly energetic performer; the tent decorations, which only cost $500, looked great.

"And it even rained for us, just before the party," she said. "It was perfectly cool and wonderful."

Regular sales of 1,000 tickets to the event (at $200 apiece and up for sponsors) raise only about $70,000, she said. Private and corporate donors contribute the rest.

This year's largest single donor was Ron and Susie Dubin, a Connecticut couple who have a home in Santa Fe. The Dubins contributed $25,000 toward the entertainers' fees, Heinemann said.

The only other fund-raiser in Santa Fe that rivals the financial success of the Buckaroo Ball is the 11-year-old Santa Fe Opera gala weekend, which begins tonight with its annual ball at Eldorado Hotel. The gala weekend raises at least $500,000 a year for the opera's apprentice program.

Heinemann said the Buckaroo Ball committee soon will begin conducting its usual research to develop its list of charities to which it will contribute next year. That research also will be used to determine to which charities the extra $200,000 raised at this year's ball will be donated, she said. Decisions will be made by late August.

Charity projects already slated to receive money from the proceeds of this year's ball are:

The renovation of the Teen Center at the Santa Fe Boys & Girls Club;

A salary for an adult leader for an afterschool program offered by Girls Inc.;

Children's educational opportunities and pediatric dental equipment for La Familia Medical/Dental Center, which serves primarily low-income families;

The expansion of grief support and counseling for youth in 10 Santa Fe County elementary schools offered by the Life Center for Youth and Adults;

And a program to identify and treat children and teen-agers with eating disorders coordinated by Women's Health Services.

COMMUNIST CHINA DOES NOT BELONG IN THE CIVILIZED CLUB OF NATIONS

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. SOLOMON. Mr. Speaker, I would like to insert in the RECORD an article by Jessica Mathews from the Washington Post of July 22 entitled "Beijing Pulls a Fast One." The article describes an act of duplicity that is remarkable even against the low standards of behavior for which the Communist dictatorship in Beijing is notorious.

According to the article, the Communist Chinese Government pressured the IMF to include a Chinese national working at the Fund, Hong Yang, on a delegation to Beijing. Just after arriving, Hong Yang was whisked off by Communist Chinese authorities and tried and convicted on possibly trumped up bribery charges.

Whether or not Hong Yang was guilty, Beijing, as Ms. Matthews puts it "abused the mutual trust among members and institution that an international organization needs in order to operate."

Which leads me to ask, Mr. Speaker, why is this totalitarian regime in the IMF at all? And why are we seriously considering letting them into the WTO and the G–7? And why is the rest of the world, led by the United States, loaning this tyrannical government over $4 billion a year? Are there any standards whatsoever for inclusion in these groups other than economic ones?

I say there must be. When considering Communist China's admission to the WTO and G–7, when considering the next Export-Import Bank guarantee, and when considering the next international loan to this regime, we must remember who we are really dealing with. We must remember the intimidation of Taiwan. We must remember the drive for regional military hegemony. We must remember the countless examples of irresponsible and dangerous weapons proliferation. We must remember the piracy of American intellectual property.

And we must remember, as this article displays yet again, the fundamentally duplicitous, dictatorial and abusive nature of this regime.

BEIJING PULLS A FAST ONE

(By Jessica Mathews)

The case of Hong Yang and the International Monetary Fund casts a harsh light on China's attitude toward the community of nations and the leading role therein that it believes it deserves. The incident should influence international strategy to engage the Asian giant.

Hong worked at China's central bank when he was recommended for a one-year training stint at the IMF. Late last year the Chinese government "pressured" (the IMF's word) the fund to include him on a delegation for an annual discussion of China's economic policies in Beijing.

Normally, the IMF does not include citizens of the country being visited on such a delegation. Moreover, Hong was far too junior for such a role. However, the fund acquiesced. Shortly after the group arrived in Beijing Hong disappeared, arrested on a charge of having taken a bribe while at the central bank. In March he was tried and after a highly unusual six-week delay, he was sentenced to 11 years in prison late last month.

The next day, several hundred staff members held a silent vigil at the IMF's Washington headquarters demanding a stiffer response from the fund. The staff association issued a press release decrying China for having "violated the standard of conduct" expected of IMF members and calling on it to "void the decision" against Hong.

The IMF had, in fact, been practicing active, though extremely quiet, diplomacy. It had retained a lawyer for Hong and had extended his contract so that he remained its employee. The long delay before sentencing and the prison term instead of execution—a frequent outcome in such cases—may have been the result of its protests.

Sources at the fund and its sister institution, the World Bank, and at the State Department now suggest—though not explicitly and never for attribution—that Hong was guilty. If so, it is hard to explain why he would have willingly returned to Beijing when he and his family were safely in Washington.

His guilt or innocence may never be known and are, in any case, beside the point. What is clear is that China framed the IMF. It is not merely individual nations—even the likes of the United States and Germany—that Beijing feels it can deal with on its own terms. China has shown itself ready to violate commitments under international agreements from the missile control regime and the nonproliferation treaty to promises to halt the piracy of intellectual property. At the World Bank China is borrowing so much that leverage has shifted from lender to borrower. Until now, though, no country—including the confirmed outlaws—had dared mess with the IMF.

Whether the fund should have smelled something fishy and refused to include Hong on the delegation, or whether it could have done more after the arrest, are matters for Monday morning quarterbacks. What nothing can disguise is the red mark on the institution's face from the stinging—and seemingly gratuitous—slap Beijing has dealt it. Why not, after all, wait until Hong returned from his IMF service to arrest him?

Beijing may have done nothing illegal in duping the fund, but it certainly abused the mutual trust among members and institution that an international organization needs in order to operate. Evidently, China believes that its size and economic clout entitle it to its own rules of behavior.

The next steps up the ladder of international status for China are membership in the World Trade Organization and initiation into the G-7, the club of world economic powers. China still has a long way to go to meet even the clearly defined economic criteria for WTO membership. The Hong case adds to already substantial doubts that China will abide by what it agrees to.

The episode also suggests that recent proposals to include Beijing in an expanded G–7 are premature. The G–7 concept linking economic power and democratic principles may be elastic enough to include uncertain and lightly imperfect democracies, but it cannot stretch far enough to encompass a country openly disdainful of international comity without breaking.

Businesses, too, have to consider the implications. If an international employee—carrying a United Nations laissez-passer, though not diplomatic immunity—can be snatched, the same could certainly happen to a foreign investor's employee.

One of the most curious aspects of the Hong story is the lack of attention it has received. China experts and human rights activists are puzzled by how little they have been able to discover. The IMF is known to be a tight-lipped institution, but in today's world few secrets can be kept this well. As the case unfolds, one of the questions to be explored is whether this one should have been kept under such close wraps.

Did the IMF ask national governments, which share an interest in the integrity of international institutions, to press Beijing? Did it ask other international organizations? Would the pressure of public opinion have helped or hurt Hong? How should a similar incident be handled in the future?

There is, finally, a message here for those who principally blame the United States for the many recent difficulties in the U.S.-Chinese relationship. There is a pattern of behavior emerging for which responsibility rests in Beijing. Demonizing China will gain the United States nothing. Neither will blinking at facts.

CABLE'S COMMITMENT TO EDUCATION

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. GINGRICH. I would like to applaud a recently announced initiative by the cable industry to bring Internet access to schools free of charge. When students can use state-of-the-art technology, they are equipped for bright futures:

CABLE'S ON-GOING COMMITMENT TO EDUCATION

The cable industry has a long-standing, ongoing commitment to use its state-of-the-art technology and quality programming to provide enhanced learning resources for America's students. Cable's High Speed Education Connection is the latest contribution. This initiative builds on the foundation established by the industry's education centerpiece, Cable in the Classroom, and continues to demonstrate how cable technology expands our children's educational opportunities with capabilities unmatched by any other telecommunications provider or technology. The industry's commitment manifests itself in a number of programs and initiatives, including:

CABLE IN THE CLASSROOM

Since 1989, Cable in the Classroom has been the foundation of the cable industry's educational commitment. Cable systems and program networks collectively have spent over $420 million on Cable in the Classroom, a program that benefits students by connecting schools to cable's network, free of charge, and donating other technology, commercial-free programming and curriculum materials. Involving 8,400 cable systems and 32 national cable networks, Cable in the Classroom currently reaches over 38 million students in more than 74,000 schools with over 6,000 hours of commercial-free, educational programming every year—at no cost to schools.

THE FAMILY & COMMUNITY CRITICAL VIEWING PROJECT

The Family & Community Critical Viewing Project is a partnership of the National PTA and the cable industry that provides parents, teachers and children with critical viewing skills to evaluate and analyze what they see on TV. The project is designed to help families make better, more informed choices of the TV shows they watch. Launched in 1994, Critical Viewing Workshops offer parents and teachers concrete steps to control the effects of TV violence and commercialism on young people. To date, more than 1,500 cable & PTA partners have been trained, over 1,000 workshops have been presented nationwide, and more than 75,000 copies of "How to Take Charge of Your TV," a critical viewing resource guide, have been distributed.

CABLE IN FOCUS

Cable in Focus teams cable operators with cable networks to conduct a series of educational screening events each year, promoting high-quality, original cable programming selected according to a theme (e.g. literacy, the environment, diversity). In the past year alone, more than 400 cable systems have hosted over 800 screenings, providing students with an opportunity to view the abundance of high-quality, educational programming exclusive to cable TV and to engage in interactive group discussions on the various issues addressed by the programming.

DISTANCE LEARNING

Cable's state-of-the-art technology has also provided additional learning opportunities for at-home students, with cable systems across the country delivering instruction and learning opportunities directly to the home from leading universities and other continuing education providers. Distance learning, too, has grown with cable's advanced technology, now featuring virtual "electronic field trips," with students interacting via satellite and over the Internet in real-time to visit and learn with experts in the field from the Berlin Wall, to the rain forests of Costa Rica, the plains of Kenya, and many more.

TRIBUTE TO OFFICER TODD SHELTON

HON. PAUL E. GILLMOR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. GILLMOR. Mr. Speaker, I rise today to pay tribute to the actions of a brave police Officer. Recently, Officer Todd Shelton's quick thinking and cool judgement are responsible for saving the life of a potential drowning victim.

On June 23, 1996 in the Village of Put-In-Bay, OH, Officer Shelton observed a man stumbling on a municipal dock off Lake Erie. The man fell in the water and became trapped beneath a boat. Quickly running to the scene, Officer Shelton located the victim and jumped in after him. By going beneath the water, the officer was able to grab the victim's shirt, free him, and bring him to the surface for air. After making sure he was breathing, Officer Shelton pulled him from the water and summoned medics to treat numerous cuts and abrasions on the victim. Had Officer Shelton not responded in the manner he did, the victim would have assuredly drowned.

Mr. Speaker, Officer Shelton's actions represent the courageous decisions made everyday by police officers all across Ohio and America. These dedicated personnel continue to exemplify the good characteristics in society and are tremendous role models for our children. By risking his own life, Officer Shelton was able to save another. Too often, we forget the awesome responsibilities we ask our safety personnel, whether it is firemen, police, or Coast Guard, to undertake. Safe and responsible behavior is not just important in protecting ourselves but also those whose profession is to serve and protect.

I ask my colleagues to join me in commending Officer Todd Shelton on his good work and encourage him to continue to serve his community with such dedication.

MURRAY AND BEATRICE SAFRAN HONORED

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. ENGEL. Mr. Speaker, Murray and Beatrice Safran are a living affirmation of the institution of marriage. It was 50 years ago, on February 17, 1946, that they were married. They had five children and have contributed to their community and their country with pride and distinction.

Murray served in the U.S. Army from 1942–46 after which he was a guidance counselor and social studies teacher and United Federation of Teachers chapter chairman. He was also active in the Jewish War Veterans. In 1994, he was named Man of the Year by the Association of Americans and Canadians in Israel. Beatrice served as cochairperson of the Association for Help of Retarded Children, as secretary to the president of Hebrew University and involved herself in politics as a member of the Reform Democratic Club.

I want to congratulate Murray and Beatrice on their 50 years of marriage and their children, Judith, Hal, Aron, Sari, and Debra.

CASEWORK

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, July 24, 1996, into the CONGRESSIONAL RECORD:

HELPING HOOSIERS WITH CASEWORK

A large part of my work involves helping Hoosiers who are caught up in federal red tape or who feel lost in trying to deal with the government bureaucracy. Although not the kind of thing that gets a lot of public attention, working daily to help individual Hoosiers is one of my most important roles as a Member of Congress.

BACKGROUND

Individuals contact my office looking for a wide range of assistance. Sometimes it is an older person whose Medicare claim was incorrectly denied, a farmer who needs help with a government loan, a family that has not received its tax refund, or someone travelling abroad who needs an emergency passport. Other times it could be someone with a specific question, but just doesn't know where to go or whom to contact.

The variety of individual casework can be enormous. In recent weeks I have worked on everything from getting stalled benefit checks started for recent retirees to helping needy people get into affordable housing to getting assistance for dislocated defense workers. My most frequent contacts are to Medicare, Social Security, Veterans Affairs, the military, and the IRS. Sometimes I contact state agencies, for example, when helping a local family receive child support from a father who has left the state.

Many of my efforts also involve helping local businesses. I recently assisted a local doctor who couldn't get payment from Medicare for services he provided in 1992, a medical center whose reimbursement for care was being held up because the federal agency was misreading the regulations, and businesses prevented by bureaucratic roadblocks from getting start-up funds and needed permits to be able to sell their products. At times I may even need to contact foreign governments, recently helping a local company receive payments for business it did with India.

My office also assist 9th District communities in a variety of ways—from getting assistance for communities damaged by natural disasters to cutting through red tape in redevelopment of closed military bases, such as Jefferson Proving Ground. Often communities have applied for federal grants, which my office can help move along. For example, I helped a local community get a small business revolving loan fund that a federal agency incorrectly thought should be taken away, and recently stepped in when a government agency simply lost a local application for community development assistance. Since the beginning of last year I have supported more than 100 projects bringing in over $62 million to the District. My office frequently checks with local government officials, asking if they are experiencing difficulties with Washington.

THE PROCESS

Requests for casework come by letter, phone, and personal contracts. After someone signs a consent form allowing me to review their file and contact a federal agency on their behalf, my office will then contact the relevant agency to ask that the constituent's problems be given full, prompt, and fair considerations. After the agency has acted on the request, the constituent is informed about the outcome. Most of the casework my office handles is resolved favorably, but if a particular case is not, the constituent is usually given information about appeal rights or any alternative opportunities for assistance.

Each week my office receives some 80 new requests for help. Some may be resolved quickly, while others involving benefit claims can take longer. At any one time my office may have up to 400 cases pending with federal agencies and departments.

LIMITATIONS

Various limitations are placed on what Members of Congress can do on behalf of constituents. Federal law prohibits Members from accepting compensation for government services, and there are restrictions on contacts in formal agency proceedings that resemble court proceedings. But Members can contact agencies and departments about normal regulatory proceedings, such as when a department issues regulations on a new law. On typical contacts by Members on behalf of their constituents, federal law and the courts have generally granted Members broad leeway, based in large part on the view that allowing Congress to communicate as freely as possible is essential to oversight of the unelected bureaucracy.

Congressional ethics guidelines recommend that Members not exert "undue influence" upon an agency through threats or promises of rewards. But arguing a matter on the merits, expressing an opinion on an agency matter, or asking for reconsideration of a past decision all have been considered permissible conduct by Members.

My view is that Members should not be trying to secure benefits for their constituents that they don't deserve. The main emphasis should be on providing information and facilitating communication between constituents and the bureaucracy. Constituents should receive exactly what they deserve under law—no more and no less.

IMPORTANCE

Casework is important, first, because people need help dealing with the large government bureaucracy. The ways the government affects citizens—both favorably and unfavorably—are numerous. Many of the cases brought to my attention are severe. Casework is crucial because it addresses the real needs of people.

Second, members of the bureaucracy can make mistakes. A few years ago, for example, I helped an older man who needed kidney dialysis, but whose Medicare coverage was being cut off because the Social Security Administration thought he was dead. Casework helps reduce the frustration people feel toward what appears to be a massive, impersonal government.

Third, constituent service often alerts Congress to limitations in a law. For instance, farmer contacts about crop insurance regulations led to my pushing a measure which changed the law to allow individual waivers. Many programs, ranging from veterans benefits to regulatory policy, have been amended by Congress because of problems first brought to our attention by constituents asking for help.

CONCLUSION

Constituent service can be tough work for Members of Congress, and an unrelenting demand on our time. But in many ways casework is one of the most rewarding parts of the job. Passing legislation often requires difficult compromise and can take years. With casework, Members can see the impact of their work on the daily lives of individual citizens. Nothing gives more satisfaction than to see that my efforts made a difference and improved the quality of life for a constituent.

TRIBUTE TO A LEGACY OF EXCELLENCE

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. DURBIN. Mr. Speaker, I rise today to recognize the Centralia High School Boys Basketball Program's legacy of excellence. For over 80 years, this program, from the 20th congressional district, has been a dominant force within the great tradition of Illinois high school basketball. The hard work, determination, and commitment to excellence of past and present players and coaches has led to the Centralia High School Boys Basketball Program being named the United States all-time winningest boys basketball program.

The National Federation of High School Associations recognized this national title in its National High School Sports Record Book. According to the 1996 edition, the Centralia Orphans amassed a record of 1,760 wins to 755 losses from 1908 to 1995. This athletic achievement is testament to the program's dedication to excellence that has made the Centralia High School Boys Basketball Program an outstanding success.

I ask my colleagues to join me in a salute to all of the Orphan players, coaches, supporters, and parents who worked to achieve this extraordinary accomplishment.

TRIBUTE TO SELMA JEAN COHEN

HON. BENJAMIN L. CARDIN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. CARDIN. Mr. Speaker, I rise today to pay tribute to the life of Selma Jean Cohen, a Baltimorean who recently died after dedicating much of her life to helping others.

Mrs. Cohen, who died July 2 at the age of 75, was born in an era that did not encourage women to develop all their talents. But that did not stop her from marching to her own drummer and taking on new challenges. As a mother, wife, volunteer and professional woman, she found innumerable ways throughout her life to make a difference in her community and in the lives of hundreds of families she befriended in times of need.

In her early years of raising her two sons, Ellis and Jerome, Mrs. Cohen was a PTA president, a Cub Scout den mother and the president of the sisterhood at her synagogue. After her sons were grown, Mrs. Cohen began a career at the State department of health and mental hygiene where she became the director of nursing home bed registry, a position she held for 25 of her 34 years with the department.

But her work with the State was just part of her dedication to helping others. Mrs. Cohen and her husband, Leonard, whom she met at a Benny Goodman dance in 1940, have been weekend volunteers at the Ronald McDonald House in Baltimore for the past 10 years. In their work at the Ronald McDonald House, they comforted out-of-town families with very sick children at Baltimore area hospitals and made these families feel at home. She and Leonard also found time to do hospice work at Levindale Hebrew Geriatric Center and Hospital and help sick children at the Mount Washington Pediatric Hospital.

I urge my colleagues to join me in extending our condolences to the family of Selma Jean Cohen. Her cheer and energy will be missed by all who knew her and by all of us who believe that one person can make a difference.

THANK YOU, RISDEN WALL, FOR YOUR LOYAL SERVICE

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. FIELDS of Texas. Mr. Speaker, it was with mixed emotions that I announced last December 11 my decision to retire from the House at the conclusion of my current term. As I explained at the time, the decision to retire was made more difficult because of the loyalty and dedication of my staff—and because of the genuine friendship I feel for each of them. They have served the men and women of Texas' 8th Congressional District in an extraordinary way.

Today, I want to thank one member of my staff—Risden Wall, a legislative assistant who is serving a congressional fellowship through the Brookings Institution. Risden is a senior special agent with the U.S. Customs Service who began his congressional fellowship in my office in January 1995.

Risden, a native of Ridgeland, SC, earned an associate degree from Brewton Parker Junior College in 1966, and received his bachelors degree from Florida State University in 1970. From 1967 to 1969, he served in the U.S. Army as an airborne combat infantryman with the 82nd Airborne Division at Fort Bragg, NC, and as a rifleman/radio transmitting operator with the 173rd Airborne Brigade in the Republic of Vietnam.

After leaving the Army and obtaining his college degree, Risden went to work for the U.S. Customs Service in Miami, where he served as a "sky marshall," charged with deterring possible skyjacketings of domestic and international commercial flights. Soon thereafter, Risden served as a special agent in the Customs Service's Miami office—working to prevent narcotics smuggling, money laundering, fraud and other criminal activities. He served in that position for 12 years before moving to Washington to become a senior special agent at Customs Service headquarters, where he worked on financial investigations and undercover operations.

In 1986, Risden was asked to represent the Customs Service on the National Drug Enforcement Policy Board. On the board, he helped establish strategic priorities for all federal anti-narcotics activities. From 1986 to 1991, he served as the Customs Service's representative to the U.S. National Central Bureau of INTERPOL, coordinating investigative activities between 160 member countries, 20,000 federal, state and local law enforcement agencies, the Justice Department and other authorities within the executive branch.

Prior to his fellowship, Risden served as the Customs Service's Northeast Area program manager. As such, he was responsible for overseeing all Customs Service investigations in the northeastern United States.

As a member of my staff, Risden has worked on banking, housing, veterans affairs, international relations, military affairs and judiciary issues—keeping me abreast of legislative developments in each of these areas and responding to constituent inquiries.

Risden is one of those hard-working men and women who make all of us in this institution look better than we deserve. I know he has done that for me, and I appreciate this opportunity to publicly thank him for the dedication, loyalty and professionalism he has exhibited throughout his tenure in my office.

Risden's future plans after I retire are as yet uncertain, but knowing him as well as I do, I am confident that the skills and professionalism he has demonstrated in my office will lead to continued success in the future.

Mr. Speaker, I know you join with me in saying "Thank you" to Risden Wall for his loyal service to me, to the men and women of Texas' 8th Congressional District, and to this great institution. And I know you join with me in wishing him and his lovely wife, Georgene, the very best in the future.

AWARDS PRESENTED TO OUTSTANDING HIGH SCHOOL SENIORS

HON. STEVEN SCHIFF

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. SCHIFF. Mr. Speaker, I rise today to honor the following graduating high school students from the First Congressional District of New Mexico who have been awarded the Congressional Certificate of Merit:

CERTIFICATE OF MERIT AWARD WINNERS 1996

Albuquerque Evening High School, Vera Lujan; Albuquerque High School, Monica Becerra; Bernalillo High School, Lance Darnell; Cibola High School, Jessica Shaw; Del Norte High School, Kathryn Gruchalla; Eldorado High School, Karli Massey, Matt Kaiser; Estancia High School, Wayne Davidson; Evangel Christian Academy, Jonathon E. Rael; Highland High School, Kelly Shannon McCormick; La Cueva High School, Tracy Carpenter; Los Lunas High School; Nicole J. Nagy; Menaul High School, Adam Cherry; Mountainair High School, Jessica Quintana; Rio Grande High School, Robert G. Coleman; Sandia High School; Krista Madril; Sandia Preparatory School, Anne Elizabeth Mannal; St. Pius X High School, Autumn Nicole Grady, Laura C. Miner; Valley High School, Matthew Tennison; West Mesa High School, Shane Gutierrez.

It is my pleasure to recognize these outstanding students for their academic and leadership accomplishments as well as for their participation in school, community service, and civic activities.

GOOD THINGS COME IN SMALL BUSINESS

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. THOMAS. Mr. Speaker, there is nothing small about small business. In my district alone, small businesses (under 500 employees) account for the vast majority of the total local business establishments. Nationwide, over 21 million small businesses employ more than half of the private work force. The irony is that while small business provides such major benefits to the community, it is the target of the Government's wrath in terms of taxation and regulation.

Time and time again, this vital part of our economy is forced to bear the brunt of higher and new taxes. Small businesses faced the highest tax increase in American history in 1993. Statistics show that 70 percent of those affected by the 1993 tax rate increase were small businesses. Under this type of capital constraint, small businesses can be forced to downsize. Self-employed small business owners have an additional burden as they have not been able to deduct more than 30 percent for health care costs. Small businesses can even be blocked from growing by their inability to get accurate information on ways to comply with laws and regulations.

This Congress is moving to encourage small business. With the passage of the Small Business Job Protection Act, H.R. 3448, in both the House and Senate and health insurance reform (conference pending), H.R. 3103, small businesses can look forward to benefitting from a reduction in taxes through an increase both in their expense limit and their allowable health insurance deduction. The bill also simplifies pension law, making it easier for small businesses to adopt retirement savings programs.

Regulations serve as another impasse for growth in small business. 94 percent of small businesses lack knowledge of current regulations. This apparent ignorance is not the result of stupidity, but rather a constantly changing set of standards expressed frequently in confusing, technical language. This creates involuntary noncompliance on the part of the employer. Now, if an employer is found in violation of this regulation, he or she faces the prospect of fines and ultimately corporate shutdown.

As a cosponsor of the Small Business Regulatory Relief Act, H.R. 3798, I recognize that my constituents cannot be in the dark about regulations that they are required to follow. Nor can they be expected to interpret the language of the mandate without any assistance from those who have direct knowledge of the intentions of the regulations. This act will reappropriate a negligible portion of the EPA, IRS, and OSHA budgets to Small Business Development Centers for purposes of offering counselling services to businesses regarding regulation compliance. In supporting this bill, I am optimistic that small business both in my district and elsewhere will be better equipped to comply in a cost-effective manner with the regulations of today and the future.

Promoting incentives in small business growth is not just a district or a State issue, it is a national issue that demands our attention in order to ensure the stability of our economy. Small business deserves big recognition. It is time that our small image of this industry changes so that it reflects the huge rewards it bestows on our communities. Only then can we truly reap the full benefits of what is contained in small business.

MEMORIALIZE THE DEATHS OF ISRAELI ATHLETES

HON. MICHAEL R. McNULTY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. McNULTY. Mr. Speaker, in 1972, 11 Israeli athletes, who came to Munich to participate in the Olympic games, were ruthlessly shot down by terrorists—as a stunned world looked on in horror.

This despicable act was perpetrated against athletes who had come to Munich in the spirit of peace and brotherhood. They were returned to Israel in coffins.

And yet, the International Olympic Committee refuses to officially recognize these 11 victims, claiming that this would be a political act—and that the Olympics are for the living, not for the dead. What on outrageous statement. It is so out of keeping with Olympic principles.

I call upon the International Olympic Committee to reconsider its position and devote at least 1 minute to memorialize the deaths of these 11 athletes.

PERSONAL EXPLANATION

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. FAZIO of California. Mr. Speaker, on July 22 and 23, I was in my congressional district working with President Clinton on issues related to local economic development at McClellan Air Force Base. As a result, I missed the following recorded votes. Had I been present, I would have voted accordingly.

Rollcall No.	*Vote*
345	no
344	yes
343	yes
342	no
341	yes
340	yes
339	yes
338	yes
337	yes
336	yes
335	yes
334	yes
333	no
332	yes

NATIONAL COUNCIL OF NEGRO WOMEN CO-OP CITY SECTION

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. ENGEL. Mr. Speaker, for 25 years the National Council of Negro Women, Co-op City section, has been serving the community in numerous ways, giving to the area programs which will make Co-op City better for generations to come. This marvelous group of people has established the Saturday tutorial to give individualized instruction in reading and math for grades 2–12. It also established a youth group for young ladies, teaching them pride, leadership, responsibility, and community participation; the Community Concerns Committee, in which members visit shut-ins or nursing homes in the community; and the annual brotherhood program to recognize an outstanding individual, family, and a youth in the community. This is a wonderful organization which continues to contribute so much to the community. I am proud to have them as neighbors.

CREATING JOBS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, July 17, 1996, into the CONGRESSIONAL RECORD.

CREATING JOB OPPORTUNITIES IN INDIANA

Hoosiers often ask about the availability of good-paying jobs in Indiana. They believe the economy in Indiana is performing better and more jobs are being created, but continue to worry about the long-term prospects for growth.

I share their concerns, and have given a high priority to supporting job creation efforts in southern Indiana. I have taken a leading role in support of several key highway and water projects in the 9th District which will encourage long-term growth, and have led efforts to find productive reuses of closed military bases in and around the District.

HIGHWAY AND WATER PROJECTS

Investment in our infrastructure is vital to maintaining the high quality of life Americans have come to expect. Since last year I have supported over 100 projects, including improving roads and sewer and water systems, in our 21 counties, bringing in over $62 million.

I–265 BRIDGE

I have taken the lead in seeking congressional funding for an I–265 bridge across the Ohio River. My preference is for an eastern bridge which completes the I–265 beltway. Such a route would promote job creation in southern Indiana and relieve highway congestion in the greater Louisville area. Congress, with my support, approved in 1994 $500,000 for the project, which is now funding a study, to be completed this November, on a possible bridge location. Also, Governor Bayh, at my urging, recently committed $1 million for an environmental impact statement (EIS). The EIS will follow the location study, and is a necessary step, under federal law, before construction can begin on the project. It will investigate the project's effect on the natural, economic and social environments of the area and provide a cost-benefit analysis of the project.

US 231 HIGHWAY

I have also led efforts to upgrade US 231 in Spencer County to a four-lane highway. Governor Bayh, at my request, recently committed $500,000 to conduct an EIS, starting this fall, on the highway project. A four-lane highway will greatly improve the current transportation network in this region, linking I–64 in Indiana to the Natcher Bridge, Owensboro and the Kentucky parkway system in the south. It will also encourage economic development in Spencer, Dubois and Perry Counties.

FLOOD PROTECTION

Heavy rains this year highlight the need for effective flood protection, particularly along the Ohio River, to secure homes, businesses, and public infrastructure in the region. A House committee, at my request, has provided $2.8 million to repair six Ohio River flood protection projects built by the Corps of Engineers from 1943 to 1954 and operated and maintained by the cities of Lawrenceburg, Jeffersonville-Clarksville, New Albany, Cannelton, Tell City, and Evansville. The full House will soon consider the measure.

OHIO RIVER GREENWAY

The greenway will connect the waterfronts in Jeffersonville, Clarksville, and New Albany, and provide residents and visitors with better access to this scenic riverfront corridor and its various attractions, including the Falls of the Ohio National Wildlife Conservation Area, the Louisville skyline, and the historic districts along the riverfront. Congress, at my request, has approved funding over the last few years for initial planning and design work on the project. A House committee is considering a bill to authorize construction of the greenway.

REDEVELOPMENT AT CLOSING BASES

Indiana has been hard hit by the four rounds of military base closings. Four major bases have been closed, including the Jefferson Proving Ground (JPG) in Madison; one, the Indiana Army Ammunition Plant (INAAP), has been inactivated; and another, the Naval Ordnance Station, Louisville (NOSL), which employs several hundred Indiana residents, is being privatized. These closures have had a significant impact on communities throughout the state. My efforts have focused on promoting commercial uses at these installations.

JEFFERSON PROVING GROUND

The Army formally closed JPG last year, and efforts are under way to find productive uses for the 55,000 acre property. A local businessman won an open competition to acquire the 3,400-acre cantonment area, the built-up area south of the firing line. He is now farming the open land and marketing the buildings. An additional 230 acres have been set aside for a county park. The acreage north of the firing line has significant contamination problems. The Army estimates that over 1 million rounds of unexploded ordnance litter the firing range, significantly limiting possible reuses of the property. It appears likely that most of the property will remain wilderness, with perhaps some limited access, in time, to the Old Timbers Lodge and other specific areas, and that the Indiana Air Guard will continue to run training flights into the range.

INDIANA ARMY AMMUNITION PLANT

The Army inactivated the ammo plant in Charlestown in October 1992, but chose not to sell the installation because it wants to be able to reactivate the black powder plant at the facility in the event of a national emergency. The key now is finding productive uses for other portions of the facility. ICI, the plant contractor, has contracted with the Army to use the resources at the installation for commercial development, and has succeeded in attracting 62 businesses, employing over 600 people, to the plant. ICI is now working to locate larger tenants to the property. I have taken the lead in establishing a 2000-acre state park at the far eastern end of the installation. The new Charlestown Park, to be opened later this year, will be an outstanding addition to the state park system, along a scenic stretch of the Ohio River.

NAVAL ORDNANCE STATION, LOUISVILLE

The Base Closure and Realignment Commission voted last year to close NOSL, but gave the Navy the option of privatizing the installation rather than relocating the activities to other facilities. I opposed the decision to close, but now that the decision has been made, have been working to keep good-paying jobs in the greater Louisville area. Under the current plan, two contractors will perform Navy work on site and hire most of the current workforce by mid-August.

CONCLUSION

We have had some setbacks with the recent base closings, but are making progress on redevelopment of these properties. We are also making headway on key infrastructure projects, such as the I–265 bridge. I am committed to working with local leaders on these and other job-creation efforts.

IN MEMORY OF MR. EDWARD PREE

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. DURBIN. Mr. Speaker, I rise today to salute the good works and mourn the passing of Mr. Edward Pree a life-long community activist in Springfield, IL. Mr. Pree shared his life of the arts, sports, and his nation with many in the Springfield community.

After completing his law school education and service in the Army during World War II, Mr. Pree returned to Springfield to practice law with his father. The demands of this successful law practice did not keep Edward from serving those who returned from their tour of duty disabled. Mr. Pree was honored for his distinguished service by the Disabled American Veterans in 1962. He continued his work with veterans as a life member of the Veterans of Foreign Wars.

Edward's life-long work with the American Legion led to his being honored with the American Legion's Americanism Award in 1991. Edward was an enthusiastic and devoted patriot. This was witnessed on many occasions when he would be called on to address a gathering at a Memorial Day, Veterans' Day, or July 4th event.

Mr. Pree's love of the arts will long be remembered because of the endowments and scholarships he established to advance

Springfield's artistic community. In 1978, Edward began an endowment to benefit the Springfield Art Association. He also set up the Georg Art Scholarship, the Edward Pree Speech award at Pawnee High School, and the Georg Endowment for the preservation of Edwards Place, a local historic site.

Mr. Pree's work with the Springfield sports community led to his being named one of the first inductees to the Springfield Sports Hall of Fame. Edward was inducted as a "Friend of Sports" because of his generosity in team sponsorships and his tenure as president of the American National Sports Corporation and as sports director at American Legion Post 32.

Mr. Speaker, I ask my colleagues to join me in extending their condolences to Mrs. Margaret Pree and the entire Pree Family.

THOMAS J. BALSHI, DDS, IS HONORED

HON. JON D. FOX

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. FOX of Pennsylvania. Mr. Speaker, for almost a quarter of a century, Thomas J. Balshi, a fellow of the American College of Prosthodontists, has impacted the health of thousands of individuals worldwide by contributions to research, education, and the clinical practice of prosthetic dentistry.

He trained others from Bosnia and Herzegovina to bring healing and restoration to that war-torn population. He has championed the benefits of prosthetic care throughout the country of India, in Uruguay and Colombia, and has spoken before the Royal Society of Medicine in London.

Dr. Balshi is a pioneer in the field of implant prosthetics. His work has renewed the health and self-confidence of his patients. Dr. Balshi commits himself clinically and personally to the careful renewal of every patient's smile, whether the patient be indigent or celebrity. Through his years of professional practice, he has earned the reputation of being a dental court of last resort. By engineering innovative solutions, he has specialized in saving diagnosed hopeless dental cases.

Dr. Balshi is a recent recipient of the prestigious George Washington Medal of Honor from the National Freedoms Foundation at Valley Forge, PA. He was honored for his contributions to dental science through education. The Freedoms Foundation honors Americans whose lives reinforce and exhibit the patriotic values of our country's Founding Fathers.

A former captain in the U.S. Army, 1972 to 1974, Dr. Balshi was chief, department of fixed prosthetics, Mills Army Dental Clinic, Fort Dix, NJ. He received the Army Commendation Medal for Extraordinary Service.

He became a fellow of the American College of Prosthodontists in 1976, following graduation from Temple University School of Dentistry in 1972. He is a 1968 graduate of Villanova University.

He served as editor of the International College of Prosthodontists Newsletter for its inaugural 10 years. In this role, he actively participated in establishing worldwide communication among practitioners of his specialty.

Dr. Thomas J. Balshi is commended for his masterful way of blending heart, art, and science to serve those in need.

REPUBLIC OF CHINA'S NEW FOREIGN MINISTER SPEAKS

HON. MAURICE D. HINCHEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. HINCHEY. Mr. Speaker, as White House National Security Adviser Anthony Lake recently met with the Chinese leaders in Beijing. I believe it is imporant for Members of Congress to know what the Republic of China's leaders have been thinking about the reunification and other foreign policy issues. The best answers were provided by Mr. John H. Chang, the newly appointed foreign minister of the Republic of China, in a news conference on June 25, 1996, in Taipei.

Minister Chang made essentially the following points: First, the Republic of China will not and should not engage in any reunification talks with Beijin unless the Republic of China and the People's Republic of China enjoy equal international status.

Second, Minister Chang asks the People's Republic of China not to sabotage the Republic of China's diplomatic efforts abroad, otherwise the People's Republic of China will simple hasten the appearance of the "Republic of Taiwan."

Third, Minister Chang hopes that the leaders in Beijing will keep their promise of "Chinese not fighting Chinese" by not derailing the Republic of China's efforts in joining international organizations.

Fourth, Minister Chang stresses that the Republic of China's foreign policy and its mainland policy are of equal importance and priority. Both policies are complementary to each other.

Fifth, the Republic of China, being a sovereign country, has no reason not to pursue its goal of rejoining the United Nations. The campaign to return to the United Nations is only one of the objectives of the Republic of China's government, not the top priority item. Returning to the United Nations is a long-term goal of the government, and at present the Republic of China only requests the United Nations to set up an ad hoc committee to study the representation case.

Sixth, the Republic of China's diplomatic initiatives are not intended to aggravate or challenge the People's Republic of China. They are intended to create a beneficial environment for the Republic of China to survive internationally, to allow its citizens to live peaceably and to prosper at home and to afford its citizens pride and confidence as they travel abroad.

Mr. Speaker, I believe Minister Chang's June 25 press interview is helpful to our understanding of the latest developments in the Taiwan Strait.

RECOGNIZING A CHALLENGE TO OUR YOUNG LEADERS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 24, 1996

Mr. STOKES. Mr. Speaker, I rise today to share with my colleagues a special message. Mr. Harold B. Williams, the former secretary of the Cleveland branch NAACP and a retired U.S. Department of Transportation official, recently addressed the Tabernacle A.M.E. Church in Idlewild, MI. This speech, which was delivered for the celebration of Black History Month, allowed him to send a message to our bright, young leaders of tomorrow. Mr. Williams reminded the audience that no one can reach the stars alone. He also challenged our youth to blaze their own trails and follow their own paths.

Mr. Williams also reminds us that we are here by the grace of our forefathers. He did a fine job of illuminating this point in his motivating address. Mr. Speaker, I particularly liked Harold Williams' speech because it reminds all young people that it will eventually be their responsibility to nurture, teach, and guide their successors, as well as their colleagues, toward goals which strengthen us as a Nation and a people. It is my hope that my colleagues will read this outstanding speech by Harold Williams and share its invaluable message. I ask that the following address be entered into the CONGRESSIONAL RECORD.

A LETTER TO YOUNG AFRICAN AMERICANS PRESENTED IN OBSERVANCE OF BLACK HISTORY MONTH, FEBRUARY 1996

(By Harold B. Williams)

Go! Go! Young Achievers—Excel to Olympian Heights. Bravo, African Americans of 1996. You are our pride. Come back and take someone with you!

Remember, no person makes it on their own! He or she walks in the footprints of the past. The antecedent of today's progress is found in the powerful energy unleashed generations ago to create today's chemistry for new opportunities.

Remember, young physicians and scientists, Daniel Hale Williams, pioneer in open heart surgery; Charles Drew, blood plasma research; Ben Carson, neurosurgeon, separator of Siamese twins; Louis Sullivan, Secretary of Health and Human Services, President of Morehouse College of Medicine; Jocelyn Elders, Surgeon General; Lonnie R. Bristow, President of American Medical Association, and others.

Go! Go! Young people of science. We are proud of you. Choose a cause for African Americans and humanity—health care for the poor, nutrition for children, hypertension, cancer or aids. You can do it. We are counting on you. Come back and take someone with you!

Young attorneys, at the bar of justice you jet from an orbit set by Charles Houston, NAACP counsel, Dean of Howard University Law School; Thurgood Marshall, NAACP counsel, U.S. Supreme Court Justice; William Coleman, U.S. Secretary of Transportation, corporate lawyer, Chairman of NAACP Legal Defense and Education Fund; Patricia R. Harris, U.S. Secretary of Housing and Urban Affairs, ambassador and corporate lawyer; Johnny Cochran, trial lawyer for defense, and many more.

Go! Go! Young barristers, you successful legal specialist. Welcome to the prestigious law firms of "Able, Best, Class, and Dollar," Reach for a new orbit, guardians of our civil rights. We are proud of you. Bravo! Come back and take someone with you.

Twentieth Century African Americans, captains of business—from door to door salesmen to auto dealerships to international food chains—how impressive! Remember Madam C.J. Walker, entrepreneur of hair products and hair care; John Johnson, publisher of Ebony and Jet Magazines; Robert Maynard, Editor/Publisher, Oakland Tribune, a major U.S. daily newspaper; Reginald Lewis of Beatrice Foods, first African American C.E.O. of a billion dollar corporation; Andrew Brimmer, economist and a former governor of the Federal Reserve Board; Jessie Hill, Chairman, Atlanta Life Insurance Company; and the new breed of diversified investors/proprietors: J. Bruce Llewellyn, Philadelphia Coca-Cola Bottling Company, chairman ABC T.V., Buffalo N.Y.; Percy Sutton, chairman, Inner City Broadcasting N.Y., past President, Borough of Manhattan; Bill Cosby, Oprah Winfrey, Michael Jordan, Magic Johnson, and others.

Go! Go! Young Tycoons! There is always room at the top for "BUPPIES," Wall Streeters and super achievers. Go alumni from the University of Entrepreneurial Self Help. We are very, very proud of you! Hats off to you alphabets—Ph.D's, CPA's, JD's, MBA's, etc. Bravo! You are proud of yourselves—You should be. Where would you be without your smarts? But what would you be without the past to use your smarts? Go! Create opportunity, goodwill and Come back and take someone with you!

African American artists—Our first frontier of interracial progress, we are proud and happy with your accomplishments. You are our hope for the future. Remember Marian Anderson, Metropolitan opera diva and concert artist; Scott Joplin, composer; Josephine Baker, international singer and entertainer; Paul Robeson, concert artist and actor; W.C. Handy, composer of "St. Louis Blues"; Lena Horne, actress and singer, Katherine Dunham, dance and choreographer; Sidney Poitier, actor; Spike Lee, producer; Quincy Jones, musician, composer, arranger; James Earl Jones, actor; Barry Gordy, founder and chairman of Motown Records; Whitney Houston, singer; Ossie Davis and Ruby Dee, husband and wife actor and actress and producers. Remember the Great Duke Ellington! And many, many others who left the stage door open and the lights on.

Go! Go! Young artists (no stereotypes!) Win your Pulitzers for writing and your Image, Emmy and Oscar awards for drama, comedy, classical music, Broadway song and dance. Bravo! Young electronic media performers, writers, sculptors, painters and poets. Leave the stage door open and the lights on—Come back and take someone with you!

African American statesmen and other persona are gifted and respected individuals upon our horizons—from Privates to Admirals and Generals—from Annapolis, West Point and Tuskegee—from the battlefield of Bunkerhill and ships at Pearl Harbor, African American patriotism and bravery is legendary.

Listen closely young African Americans to this roll call: Colonel Charles Young; Brigadier General B.O. Davis, Sr.; Lieutenant General B.O. Davis, Jr.; Four Star General Daniel "Chappie" James; Admiral Samuel Gravely, U.S. Navy; Colin Powell, Four Star General, Chairman of the U.S. Joint Chiefs of Staff and proposed President candidate.

Go!Go! Young soldiers and sailors. Earn your stripes, bars, eagles and stars. Reach for the top brass. You can do it!

African American statesmen and international achievers of rare distinction are our authentic heroes. Remember Ralph J. Bunch, Deputy Secretary General of the United Nations, Awardee of the Nobel Peace Prize; Donald McHenry, Ambassador to the United Nations; Andrew J. Young, Ambassador to the United Nations; Ruth Simmons, President of Smith College; Dorothy Height, President of the National Council of Negro Women; Ronald McNair, physicist, astronaut, perished in space exploration; Mae Jemison, M.D., first Afro-American in space exploration; Alex Haley, author of Roots; Ron Brown, Chairman, Democratic National Committee, Secretary, U.S. Department of Commerce; Marion Wright Edelman, President of the Children's Defense Fund; Joe Louis, Muhammed Ali, boxers; Benjamin Mays, theologian, President of Morehouse College; Samuel Proctor, President, Virginia Union University, theologian, Boston and Duke University Divinity Schools; Franklin Thomas, President, Ford Foundation; Toni Morrison, novelist and awardee of the Nobel Prize for Literature.

Go!Go! You super high chargers! There is no limit on what you can accomplish. There are new words to conquer. Always questions in search of answers. Give it your very best! Come back and take someone with you!

The African American political legacy, a chronicle of Elan Vital, fifty years of precedent setters, who have progressed from ward leaders to mayors, to State Houses, to the U.S. Congress. They are the unmatchables of their time. Remember Adam Clayton Powell, Congressman from Harlem; Eddie Brooke, U.S. Senator from Massachusetts; Shirley Chisolm, Congresswoman from Brooklyn; Carl B. Stokes, Mayor of Cleveland, Ambassador; Louis Stokes, Congressman from Cleveland and Chairman of U.S. House Assassination Committee; Barbara Jordan, attorney, Congresswoman from Houston, Texas and professor of government; Carol Mosely-Braun, U.S. Senator from Illinois; Tom Bradley, 20-year Mayor of Los Angeles; Willie Brown, Speaker, State Assembly of California and Mayor of San Francisco; William Gray, III, Congressman from Philadelphia and Chairman, U.S. House Budget Committee, President, United Negro College Fund; Douglas Wilder, Governor of the Commonwealth of Virginia, Kewesi Mfume, Congressman from Baltimore, Chairman of Congressional Black Caucus, President of the NAACP, and many illustrious others.

Young African American politicians, you have an amazing legacy. Big Boots? 'Yes, try them on—in success. One size fits all; no problem. You can do it! New political gerrymandered district lines, Plessy/Ferguson mentality, Christian "Wrong" Coalition and Affirmative Action reversals are mandates to go and scale the mountains of hypocrisy. Climb! Progress is like a pyramid—each block at the base makes possible many more on the way up. Hang in thre, intrepid ones! Climb down and take someone back with you!

African American Revolutionaries for cange are keepers of the Covenant of Freedom, torch lighters and standard bearers for the fearless marching feet of souls in the army of Justice. The rolls are too numerous to call, but their record is enshrined in memory—ink and blood. Forget them not!

Remember Richard Allen, founder of the AME Church; Nat Turner, insurrectionist; Harriet Tubman, Engineer underground Railroad; Frederick Douglas, abolitionist writer and orator, Daniel Payne, Founder of Wilberforce University, first African American institution of higher education, Bishop, AME Church W.E.B. Dubois, founder NAACP, expatriate; Reverdy C. Ranson, Niagara Movement, leader hiring of first Black policeman in New York City, Bishop AME Church; Mary M. Bethune, educator, founder, Bethune Cookman College; Marcus Garvey, self help and back to Africa movement; A. Phillip Randolph, founder of the Brotherhood of Sleeping Car Porters, father of Black protest marches on Washington and Chair of NAACP National Labor and Industry Committee; Roy Wilkins, Executive Secretary of NAACP; Joseph Gomez, pastor, lecturer, philosopher, bishop, AME Church; Jackie Robinson, barrier breaker, major league baseball, do-chairman, NAACP life membership committee; Rosa Parks, member, AME Church, NAACP youth council adviser and mother of the civil rights movement; Robert Williams, President, Union County, North Carolina NAACP, founder and president of People's Association for Human Rights; Jesse Jackson, founder of PUSH, Presidential candidate; Myrlie Evers-Williams, chairperson, NAACP; Harry Moore, slain NAACP official in Florida; Edgar Evers, slain NAACP Field Secretary in Mississippi; Malcolm X, slain Muslim leader; Martin Luther King, Jr., slain leader of the civil rights movement, Preident of SCLC, awardee of the Nobel Peace Prize and many, many more.

Go! Go! You, young African Americans—Excel! Lead on, you new keepers of the Covenant. Be fearless, honest to your African American heritage—speak up for justice, protect the weak, banish poverty of the spirit, pursue protest with diligence and strengthen your religious faith. You can do it! Go, super charger achievers! We are counting on you! Come back and take someone with you!

Young African Americans—The past is an encyclopedia of redeemable legacies, not just a record of subjugation, but a call to fulfill an ancient pledge given to each generation to make its payment to justice and destiny.

Keep the faith, young African Americans! Charge onward and upward and take someone with you.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Thursday, July 25, 1996, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

JULY 29

10:00 a.m.

Foreign Relations

To hold hearings to examine international drug trafficking and its local impact.

SD–419

2:00 p.m.

NATIONAL COMMISSION ON RESTRUCTURING THE INTERNAL REVENUE SERVICE

To hold a closed executive session.

SD–192

JULY 30

9:30 a.m.

Energy and Natural Resources

Forests and Public Land Management Subcommittee

To hold oversight hearings to examine the conditions that have made the national forests in Arizona susceptible to fires and disease.

SD–366

Labor and Human Resources

To hold hearings on S. 1035, to permit an individual to be treated by a health care practitioner with any method of medical treatment such individual requests.

SD–430

Special on Aging

To hold hearings to examine incidents of suicide among the elderly.

SD–628

10:00 a.m.

Foreign Relations

To hold hearings on the nominations of Pete Peterson, of Florida, to be Ambassador to the Socialist Republic of Vietnam, Genta Hawkins Holmes, of California, to be Ambassador to Australia, Arma Jane Karaer, of Virginia, to be Ambassador to Papua New Guinea, and to serve concurrently and without additional compensation as Ambassador to Solomon Islands, and as Ambassador to the Republic of Vanuatu, and John Stern Wolf, of Maryland, for the rank of Ambassador during his tenure of service as U.S. Coordinator for Asia Pacific Economic Cooperation.

SD–419

Judiciary

To hold hearings to examine the incidents of drug smuggling at U.S. borders.

SD–226

2:00 p.m.

Judiciary

Constitution, Federalism, and Property Rights Subcommittee

Business meeting, to mark up S.J.Res. 8, proposing an amendment to the Constitution of the United States to prohibit retroactive increases in taxes, and proposed legislation authorizing funds for the United States Commission on Civil Rights.

SD–226

3:00 p.m.

Foreign Relations

Western Hemisphere and Peace Corps Affairs Subcommittee

To hold hearings on the implementation of the Cuban Liberty and Democratic Solidarity Act (Libertad) (P.L. 104-114).

SD–419

JULY 31

9:30 a.m.

Environment and Public Works

Transportation and Infrastructure Subcommittee

To hold hearings on the Intermodal Surface Transportation Efficiency Act and the role of Federal, State, and local governments in surface transportation.

SD–406

Labor and Human Resources

Business meeting, to mark up S. 1490, to improve enforcement of Title I of the Employee Retirement Income Security Act of 1974 and benefit security for participants by adding certain provisions with respect to the auditing of employee benefit plans.

SD–430

10:00 a.m.

Judiciary

To hold hearings to examine competition in the telecommunications industry.

SD–226

AUGUST 1

10:00 a.m.

Foreign Relations

To hold hearings to review foreign policy issues.

SD–419

Judiciary

Business meeting, to consider pending calendar business.

SD–226

2:00 p.m.

Energy and Natural Resources

To hold oversight hearings on the implementation of Section 2001, Emergency Timber Salvage, of Public Law 104-19.

SD–366

SEPTEMBER 5

2:00 p.m.

Energy and Natural Resources

Forests and Public Land Management Subcommittee

To hold hearings on S. 931, to authorize the construction of the Lewis and Clark Rural Water System and to authorize assistance to the Lewis and Clark Rural Water System, Inc., a nonprofit corporation, for the planning and construction of the water supply system, S. 1564, to authorize the Secretary of the Interior to provide loan guarantees for water supply, conservation, quality and transmission projects, S. 1565, to supplement the Small Reclamation Projects Act of 1956 and to supplement the Federal Reclamation laws by providing for Federal cooperation in non-Federal projects and for participation by non-Federal agencies in Federal projects, S. 1649, to extend contracts between the Bureau of Reclamation and irrigation districts in Kansas and Nebraska, S. 1719, Texas Reclamation Projects Indebtedness Purchase Act, and S. 1921, to transfer certain facilities at the Minidoka project to Burley Irrigation District.

SD–366

SEPTEMBER 17

9:30 a.m.

Veterans' Affairs

To hold joint hearings with the House Committee on Veterans' Affairs to review the legislative recommendations of the American Legion.

334 Cannon Building

CANCELLATIONS

JULY 25

10:00 a.m.

Governmental Affairs

To hold hearings on S. 1794, to provide for the forfeiture of retirement benefits in the case of any Member of Congress, congressional employee, or Federal justice or judge who is convicted of an offense relating to official duties of that individual, and for the forfeiture of the retirement allowance of the President for such a conviction.

SD–342

POSTPONEMENTS

JULY 25

10:00 a.m.

Judiciary

To hold hearings on S. 1961, to establish the United States Intellectual Property Organization, and to amend the provisions of title 35, United States Code, relating to procedures for patent applications, commercial use of patents, reexamination reform.

SD–226